ansaldo energia

Fit for transition

CONSOLIDATED FINANCIAL STATEMENTS

2024

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PARENT COMPANY'S BOARDS AND COMMITTEES

Board of directors

Appointed by the Shareholders' Meeting of the 16th of May 2022, for the three-year period 2022-2024

Franzino Lorenza Franca	The Chairman
Zetti Giovanni	VIce Chairman
Fabbri Fabrizio	Chief Executive Officer (BoD 03/30/2023)
Bisagni Chiara	Director
Girdinio Paola	Director
Massara Gaetano	Director
Pellegrini Fabiola	Director
Barchiesi Fabio	Director
Dainelli Maurizio	Director

Board of statutory auditors

Appointed by the Shareholders' Meeting of the 16th of May 2022, for the three-year period 2022-2024

Corradini Carlo	The Chairman
Gazzola Elena	Acting Auditor
Del Fabbro Pietro	Acting Auditor
Russo Paolo	Alternate Auditor
Gardin Samantha	Alternate Auditor

Indipendent auditing firm

Appointed by the Shareholders' Meeting of the 27th of October 2020, for the auditing of the financial statements for the financial years 2021-2023

Deloitte & Touche SpA

Supervisory board

Appointed by the board of directors of the 23rd May of 2023, expires with the approval of the financial statements for the year ending 12/31/2025

Lecis Ugo	The Chairman
Maretti Paola	
MInutillo Flavia Daunia	

Nomination and compensation committee

Appointed by the board of directors of the 8th June of 2023, expires with the approval of the financial statements for the year ending 12/31/2024

Dainelli Maurizio	The Chairman
Bisagni Chiara	
Pellegrini Fabiola	

Risk and sustainability committee

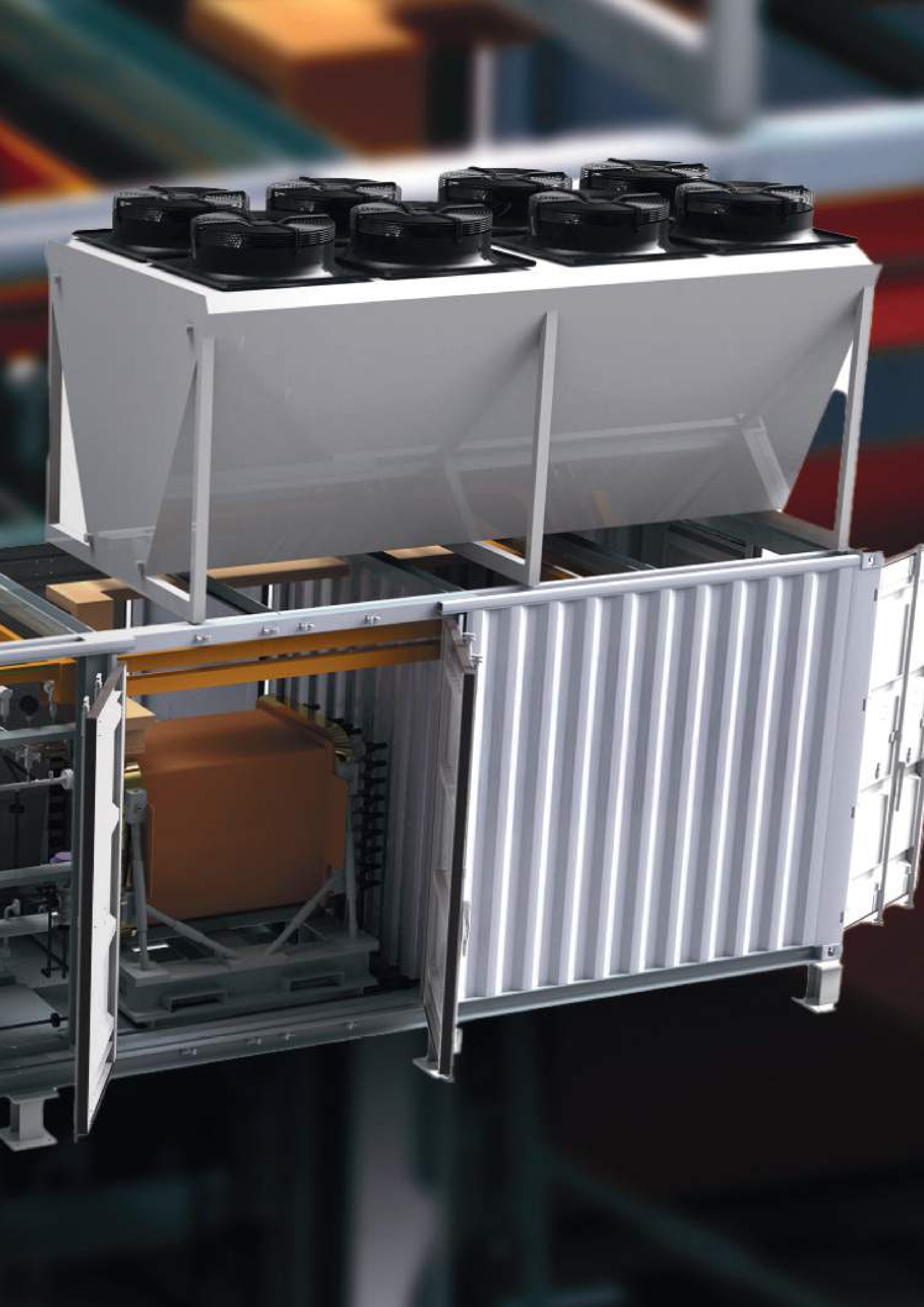
Appointed by the board of directors of 8th June of 2023, expires with the approval of the financial statements for the year ending 12/31/2024

Girdinio Paola	The Chairman
Zetti Giovanni	
Massara Gaetano	

SIGNIFICANT DATA

Orders	**2024: € 1,793** **2023:** € 1,016	**M** M
Revenues	**2024: € 1,116.33** **2023:** € 1,102.60	**M** M
Net result	**2024: € (21.5)** **2023:** € (228)	**M** M
Net financial debt	**2024: € (551)** **2023:** € (693)	**M** M
Order Blacklog	**2024: € 4,437** **2023:** € 3,839	**M** M
EBIT	**2024: € (19.97)** **2023:** € (196.80)	**M** M
Free Operating Cash Flow	**2024: € 44.50** **2023:** € (92.30)	**M** M
Headcount	**2024: 3,244** **2023:** 3,242	

REPORT ON OPERATIONS



Shareholders

The year 2024 closes with a negative result of Euro 21.5 million, showing a significant improvement compared to the previous year (negative of Euro 228 million).

As already indicated in the 2023 financial statements, the issues faced in the management of *New Units* projects, particularly of a turnkey EPC nature, have led, on the one hand, to the revision of the lifetime margins of projects and, on the other, to the commercial aspect, to the progressive replacement of the order portfolio with contractual types EQP/PI (Equipment/ Power Island) at lower risk levels, which are currently performing with the expected margins. The *Service* and Maintenance segment continues to register good *performances* both in economic and financial terms and in terms of taking orders, driving the holding of the group's Cash flow. Finally, good *performance* is also expected from the nuclear sector which is experiencing a market recovery and the acquisition of significant projects in Romania and the United Kingdom.

The most important events that characterized 2024 were the following.

In the *New Units* segment:

- with reference to the gas turbine technology AE94.3A, in 2024 there were: a) the start of the Commercial Date and at the same time the *Provisional Acceptance Certification* of the Marbach power plant, a simple cycle thermoelectric power plant of 300 MW, was obtained; b) regarding the Irsching project, the client Uniper System Stabilitaet (USS) obtained the *Provisional Acceptance Certification* of the backup power plant to stabilize the grid in case of insufficient energy generation from renewable sources. The guarantee period is in place which will end in September 2025; finally, c) The Turbigo plant has entered into commercial operation for the client IREN, and the final agreements necessary for the definitive acceptance of the plant have been reached.
- with reference to contracts that involve the supply of power plants equipped with the new GT36 H-Class turbine, in Italy in 2024 the transition to commercial operation of the machine at the Edison site in Presenzano was achieved. Additionally, the client Edison has obtained the Provisional Acceptance Certification for both the Marghera Levante and Presenzano plants. Regarding the Fusina project, the support activities for the assembly of the machines on site have been completed, and the cold start-up activities of the plant are currently underway.

Moreover, concerning the contract of Tavazzano, customer EP production, the commissioning activities and the reliability tests, successfully completed at the end of the year/ beginning of January 2025, were completed.

Finally, on the Minhang project the *Provisional Acceptance Certification* of the new GT36 H-Class turbine was obtained from the Shanghai Electric customer at the site. The sitehas been in commercial operation since September 2023.

In addition, from a commercial perspective, during 2024:

- in the CIS area (Kazakhstan), the order for Almaty has been formalized for the supply of two AE94.2 gas turbines with the client Samruk Energy;
- in July 2024 Ansaldo Energia signed a contract for a new 299 MW energy security project in Poolbeg, Dublin, Ireland. In partnership with Cobra, Ansaldo Energia will provide the final customer, the Electricity Supply Board (ESB), a modern gas turbine AE94.3A and the associated generator, which will contribute to the safety and energy transition in Ireland;
- in the Middle East some important achievements are reported on the order of Al Dhafra (United Arab Emirates) for the supply in "fast track" of four F-Class gas turbine;
- the works related to the contracts with Terna for the turnkey supply of synchronous compensators for the reactive power compensation and stabilisation of the national grid, to be installed at various sites across

Italy, continued. At the end of 2024 a new order was obtained covering 5 new plants to be built in Italy in the next few years.

With reference to *Service*, the active management of the various risk mitigation actions, the consolidated and proactive relationship with the customer, careful cash-in and margin monitoring and continued technological implementation on the AEN gas turbine fleet have led this Business Unit to exceed all the KPIs in the 2024 Budget.

Regarding the *Nuclear* sector:

- in 2024 Ansaldo Nucleare was awarded, in joint venture with Candu Energy Inc., Fluor Corporation and Sargent & Lundy, a construction engineering, procurement and management contract from EnergoNuclear S.A., a subsidiary of SN Nuclearelectrica S.A., for the construction of units 3 and 4 of the Cernavoda nuclear power plant in Romania;
- more importantly, at the end of 2024 Ansaldo Nucleare, together with Candu Energy, signed the agreement for the project to renew the Cernavoda nuclear power plant Unit 1, in Romania, developed by the Romanian state-owned nuclear energy company Societatea Nationala Nuclearelectrica S.A. Unit 1 has been in operation since 1996. To extend its useful life for a further 30 years, Nuclearelectrica has launched a complete restructuring plan for this unit;
- the UK subsidiary Ansaldo Nuclear Ltd, which affirms its role in the Defense sector, is also involved in important results; in particular, the "New Amentum Glovebox Manufacturing Facility" is mentioned for the construction of a new plant for the production of about 1200 gloveboxes in the next 10 years.

With reference again to the *Renewable Energy sector:*

- on 8th November 2024, Ansaldo Green Tech received from the Ministero delle Imprese e del Made in Italy (Minister of the Italian Government) theItalian legislative decree granting a concession in the form of an expense contribution from the IPCEI Fund pursuant to Article 5 of the Decree of 21st April 2021, for an amount of up to Euro 317.9 million, granted for the implementation of the activities of IPCEI Hydrogen 1.
The facility was obtained after the approval of the IPCEI project by the European Commission on 15th July 2022 (C (2022) 5158 final) no. SA. 64644.
The project of Ansaldo Green Tech, called IANUS, which will be developed over a period of 6 years, is aimed at the realization of the new production line of AEM (Anion Exchange Membrane) electrolyzers, the expansion of research laboratories in Genoa and the development and industrialization of modular electrolyzers;
- linked to the previous point, on 31st October 2024 Ansaldo Green Tech and CFFT, an Italian subsidiary of the Belgian logistics group Noord Natie, signed a contract for the sale and installation of the first electrolyzer produced by Ansaldo Green Tech. The agreement provides for the supply and commissioning of a 1 MW electrolyzer based on the innovative AEM technology designed and built within the European Union-funded IPCEI project – "NextGenerationEU". The electrolyzer will be installed at the CFFT interport in Civitavecchia and will generate green hydrogen that will feed a hydrogen vehicle filling station. The plant is expected to be delivered by 2025.

Finally, the following other relevant events are reported:

- in July 2024 Ansaldo Energia submitted, pursuant to Article 11, paragraph 1(a) and (b) Law no. 212 of 07/21/2000, an application to the Agenzia delle Entrate (or the Italian Revenue Agency), to obtain confirmation of the correct tax treatment of write-downs and losses related to a project in Turkey.
On 10th February 2025, the Italian Revenue Agency replied to the request proposed by the Company, clarifying the full deductibility of the requirements of the tax legislation. As a result of this approach, the company,

under the consolidated contract with Cassa Depositi e Prestiti, was able to enter a profit of Euro 46.7 million;

- on 24th July 2024, a trade-in operation (permuta) was completed, involving the transfer of AC Boilers shares from AEN to Sofinter (10% of the company's capital) against the transfer of CCA – Centro Combustione Ambiente shares from AC Boilers to AEN (60 % of the company's capital).
  Matching the acquisition value of CCA shares to the book value of the AC Boilers investment (Euro 6 million), this transaction did not result in the recognition of a capital gain (loss) in AEN's income statement. However, in the consolidated financial statements, the application of the purchase price allocation required by IFRS 3 resulted in the recognition of an increase in fixed assets of Euro 3.5 million, as well as goodwill of Euro 167 thousand;
- as indicated in the following paragraphs on 20th September 2024 Ansaldo Energia obtained two lines of financing totaling Euro 100 million; the first, equal to Euro 50 million subscribed by a pool of banks and guaranteed by SACE through "Archimede" guarantee; The second, amounting to 50 million, was signed by the partner CDP Equity;
- finally, it should be noted that, between March and April 2024, in the light of the last payments of a total of Euro 125 million, the capital increase by the shareholder CDP Equity was concluded, which was decided in 2023.

THE GROUP AND THE MARKET

Development of the global market for the construction of plants and components to produce electricity and related outlook

Ansaldo Energia is present in more than 35 countries worldwide.

Its business focuses on four main lines of business:

- *New Units,* which deals with the design and production of gas, steam and generator turbines, as well as all the engineering, procurement and construction activities of turnkey thermoelectric power plants;
- *Service*, which provides all maintenance, repair, spare parts and solutions of performance improvement of existing plants, own fleet or third-party fleets;
- *Nuclear*, with Ansaldo Nucleare operating in the construction and dismantling of nuclear installations, in projects and engineering studies relating to SMR (Small Modular Reactor) and nuclear fusion projects, in the treatment of radioactive waste from existing nuclear installations;
- *Ansaldo Green Tech*, wholly owned by Ansaldo Energia, aims to support the diversification of the portfolio with products and technologies for the energy transition with particular reference to electrolyzers.

These activities are carried out by the parent company, its subsidiaries and by more than thirty branches (between Ansaldo Energia and Ansaldo Nucleare) based in the countries where the customers' facilities are located.

In addition, Ansaldo Energia is working on Research and Development activities to enable the combustion process of ever-increasing percentages of hydrogen in gas turbines to increase the sustainability of its existing portfolio to guarantee the stability of the network, in the face of the growth of energy needs, in compliance with the objectives of reducing carbon dioxide emissions.

Macroeconomic fundamentals

The International Monetary Fund, in its half-yearly report (the World Economic Outlook of October 2024), describes a resilient but moderately growing global economy. Global growth is expected to reach 3.2% in 2024 and 2025, with medium-term prospects (+3.1% over the next 5 years) remaining modest compared to the pre-pandemic average, due to structural obstacles such as population aging and productivity weakness.

Developed economies show a growth in 2024 and 2025, estimated at 1.8%, but with significant differences between individual economies. The US, for example, has more robust growth than expected, with an estimate of 2.8% for 2024 driven by spending on consumer goods and investing in non-residential activities. The eurozone, by contrast, is struggling to reach pre-pandemic levels, with projected growth of 0.8% in 2024 characterized by persistent manufacturing weakness in some countries, Germany leading the way.

In emerging markets and developing economies, growth remains more sustained (+4.2% in 2024 and 2025) again with marked differences between areas: Asia benefits from significant investment in electronics and artificial intelligence, while Sub-Saharan Africa and the Middle East face pressures from conflict, geopolitical tensions, and raw materials price swings, with potential adverse effects on economic growth, inflation, and financial stability.

Overall inflation is expected to reach 3.5% at the end of 2025, below the 3.6% average recorded between 2000 and 2019, with the advanced economies achieving their targets faster than emerging markets, where pressure on food and service prices persists.

The war in Ukraine continues to have a significant impact, not only by disrupting supply chains and increasing energy and food prices, but also by contributing to global uncertainty. Although world trade has shown resilience, the emergence of geopolitical blocks is limiting the growth of inter-regional trade. Add to that the impact of new tensions in the Middle East, which could affect oil markets and intensify inflationary pressures.

Finally, as has already been said, monetary policies are beginning to show slowing down, with the Federal Reserve reducing interest rates by 25 basis points in December 2024, to 4.25%-4.50%, and the European Central Bank, which recently cut the interest rate on deposits at the central bank by 25 basis points, to 2.5%, offering potential support for global growth. But careful adjustment of fiscal policies remains essential to rebuild room for maneuvering and ensure long-term financial stability.

The World Energy Outlook 2024 (WEO) of the International Energy Agency (IEA) describes a global energy landscape that is undergoing significant changes, driven by factors such as the acceleration of the energy transition and the geopolitical landscape.

Electricity production continues to grow in all scenarios with an annual value of 3.3% (CAGR '23-'30) in the current policy scenario (SPS- *stated Policies Scenario*) and 3.6% in the scenario that foresees the implementation of the policies announced to date but not implemented (APS- *announced Policies Scenario*). This growth is mainly justified by the expansion of renewables, which will have a respective growth rate in the two reference scenarios of 10% (SPS) and 12% (APS) per year.

Installed power capacity is expected to reach 15,922 GW in the SPS scenario in 2030 (16,969 GW in the APS scenario), compared to 9,436 GW in 2023. Solar and wind power will account for most of the new installed capacity additions, with solar power seeing the greatest growth.

Despite the growing boost from renewables, gas is set to play a significant role in the global energy mix over the next few years, considering the need for a programmable and flexible energy source to stabilize the grid, supported by the continued expansion of natural gas infrastructure, particularly in emerging countries also with a view to replacing coal.

The installed capacity of gas electricity is expected to increase to 2,263 GW in 2030 in the SPS scenario (2,081 in the APS scenario), compared to 2,007 GW in 2023. This growth is mainly driven by the expansion of gas-fired power plants in China, Middle East and Southeast Asia.

Ansaldo Energia's reference market for 50 Hz gas turbines with a power exceeding 50 MW is 14 GW of power sold in the first 9 months of 2024. China weighs about 40% of the total market.

The outlook of the year 2024

Below is a detailed analysis of the main markets where Ansaldo operates.

Europe

Europe is suffering from a market slowdown (approx. 1GW) due also to an unclear regulatory frame on markets that are important for gas turbines such as Germany. Nevertheless, Ansaldo Energia sold a F-Class in Ireland.

Middle East

The Middle East saw a market explosion at 60 Hz (Saudi Arabia) and an equally important market for 50 Hz is expected from Q4 2024 and 2025. New energy needs in the area such as data centers, and the growing installed capacity of renewables are driving the demand for gas turbine plants. Geopolitical tensions in the area, however, could slow this push.

Africa

The African market stood at around 2 GW of new capacity sold in line with the previous year, which in turn was up from 2021-2022.

Asia

The Asian market records approximately 8GW of new capacity sold, more than half of the entire 50Hz gas turbine market, thanks to the contribution of China (6GW). H-Class and F-Class projects constitute almost all of the power plants sold in the Asian area.

CIS (Commonwealth of Independent States)

Despite geopolitical tensions in the area, the number of GW sold remains high (4 GW) in line with the previous year (5 GW). Ansaldo Energia has confirmed its presence in the area, which has sold about 2 F-Classes in Kazakhstan.

FINANCIAL RESULTS

The year 2024 reported a negative result of Euro 21.5 million, showing significant improvement compared to the previous fiscal year (negative result of Euro 228 million).

Financial charges (income) decreased from a negative Euro 73 million in 2023 to a negative Euro 62 million in 2024, mainly due to interest and bank charges and interest accrued on the financing of shareholders by CDP Equity.

Ebit recorded a negative result of Euro 20 million compared with the negative Euro 196.8 million in 2023.

ANALYSIS OF THE FINANCIAL POSITION

The financial statements of Ansaldo Energia S.p.A. as of December 31st, 2024 are prepared in accordance with the IAS/IFRS International Accountings standards approved by the European Commission, integrated by the corresponding interpretations (Standing Interpretations Committee – SIC and International Financial Reporting Interpretation Committee – IFRIC) issued by the International Accounting Standard Board (IASB).

To provide full information the consolidated statement of financial position, the consolidated statement of comprehensive income and consolidated statement of cash flows of the Group, the following reclassified statements have been prepared and commented.

The consolidated income statement reclassified below is as follows:

Euro/thousand	**2024**	**2023**
Revenue	1,116,339	1,102,565
	1,116,339	**1,102,565**
Purchases, services costs and Payroll	(1,014,751)	(1,154,166)
Write off (commercial)	(80)	-
Other operating net income (expenses)	(3,767)	(23,965)
Changing in work-in-progress, semi-finished and finished goods	2,148	(3,632)
Adjusted EBITDA	**99,889**	**(79,198)**
Amortization and depreciation	(54,495)	(56,940)
Adjusted EBITA	**45,394**	**(136,138)**
Non recurring (costs)/income	(15,089)	(6,431)
Restructuring costs	(2,123)	(3,099)
Amortization of intangible assets acquired with business combination	(25,002)	(28,904)
Other extraordinary (cost)/income	(23,166)	(20,783)
Impairment of other assets	-	(1,468)
EBIT	**(19,986)**	**(196,823)**
Net financial income (expenses)	(62,238)	(73,031)
Income taxes	(60,758)	(41,837)
NET RESULT	**(21,466)**	**(228,017)**
Attributable to non-controlling interests	(914)	(484)

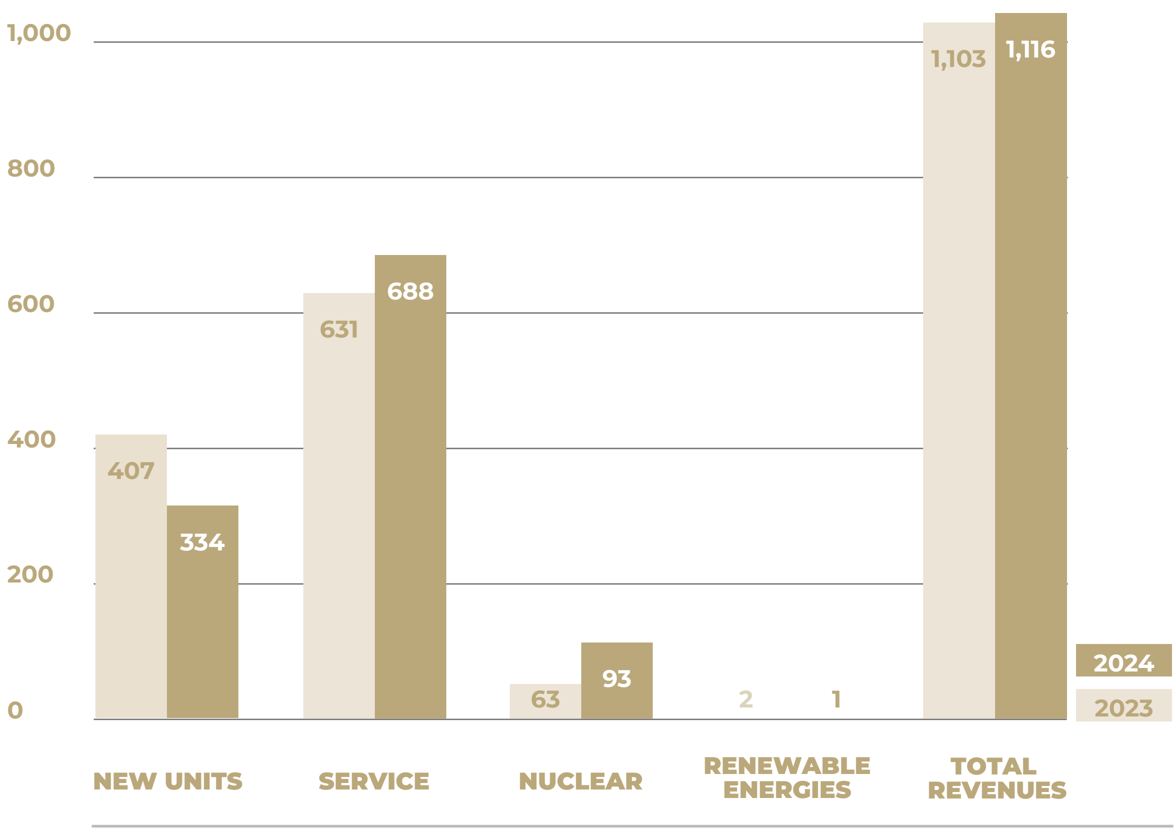
It should be noted that the Ebitda includes specific charges and provisions of an extraordinary nature (hereinafter commented) which, being able to qualify as characterized by elements of exceptionality or non-recurrence, have been reclassified within the framework of the adjusted Ebitda.

The following is the reconciliation between the accounting Ebitda and the adjusted Ebitda for the financial year 2024:

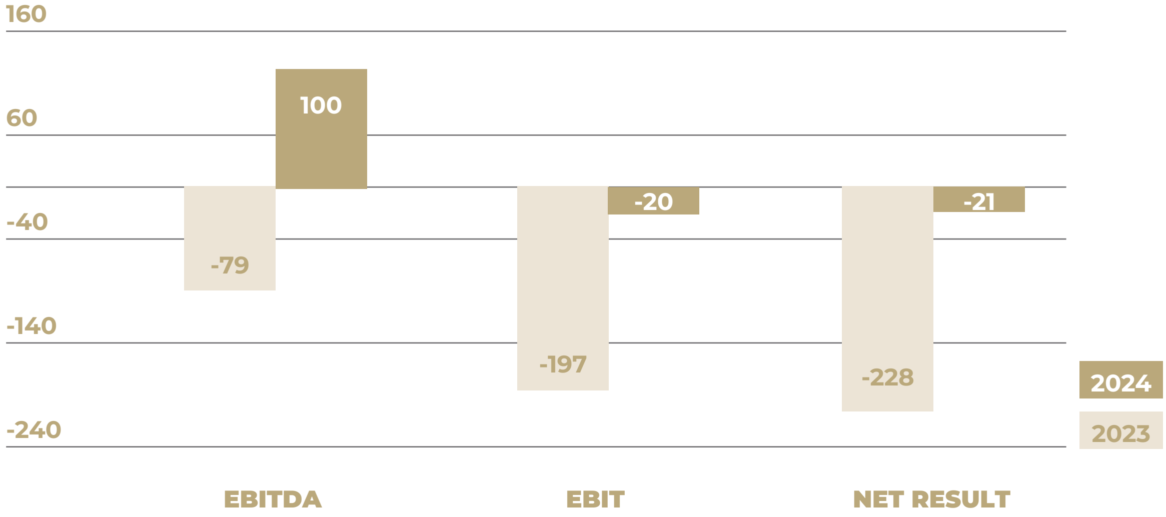
Euro/thousand	2024	2023
Revenue	1,116,339	1,102,565
	1,116,339	**1,102,565**
Purchases, service costs and payroll	(1,031,963)	(1,163,696)
Write off (commercial)	(80)	-
Other operating net income (expenses)	(26,933)	(44,748)
Change in work-in-progress, semi-finished products and finished goods	2,148	(3,632)
EBITDA	**59,511**	**(109,511)**
(Charges)/extraordinary income	(15,089)	(6,431)
Restructuring costs	(2,123)	(3,099)
Other extraordinary provisions	(23,166)	(20,783)
Adjusted EBITDA	**99,889**	**(79,198)**

The trend in operating revenues in the last two financial years and the division of operating revenues by *Business Line* are shown below (in millions of Euro):

REVENUE FOR BUSINESS LINE



The main indicators of the reclassified profit and loss are as follows (in millions of Euro):



The entries that have contributed to the Ebit are mainly the following:

- ordinary depreciation of Euro 54.5 million (including materials from PPA);
- intangible amortization resulting from PPA allocations of Euro 25 million;
- net non-recurring charges and restructuring charges of Euro 40.4 million:

Euro/thousand	2024	2023
Extraordinary (costs)/income	-15,089	-6,431
Restructuring costs	-2,123	-3,099
Other extraordinary (costs)/income	-23,166	-20,783
Impairment of other activities	-	-1,468
- Technology (R&D)		*-1,468*

Extraordinary charges and provisions refer to extraordinary consultancy costs and, for Euro 36.9 million, to costs related to the consolidation of new products, connected to extraordinary stops.

Regarding this last point, reference is made to the development of the gas turbine introduced to the market in 2019, where interventions considered entirely extraordinary were necessary, related to the completion of the development of a new product technology and attributable to direct costs connected to unplanned events for the maintenance of the plants. These interventions do not alter the planned maintenance schedule, as they are additional to the planned maintenance interventions and therefore should be considered extraordinary costs.

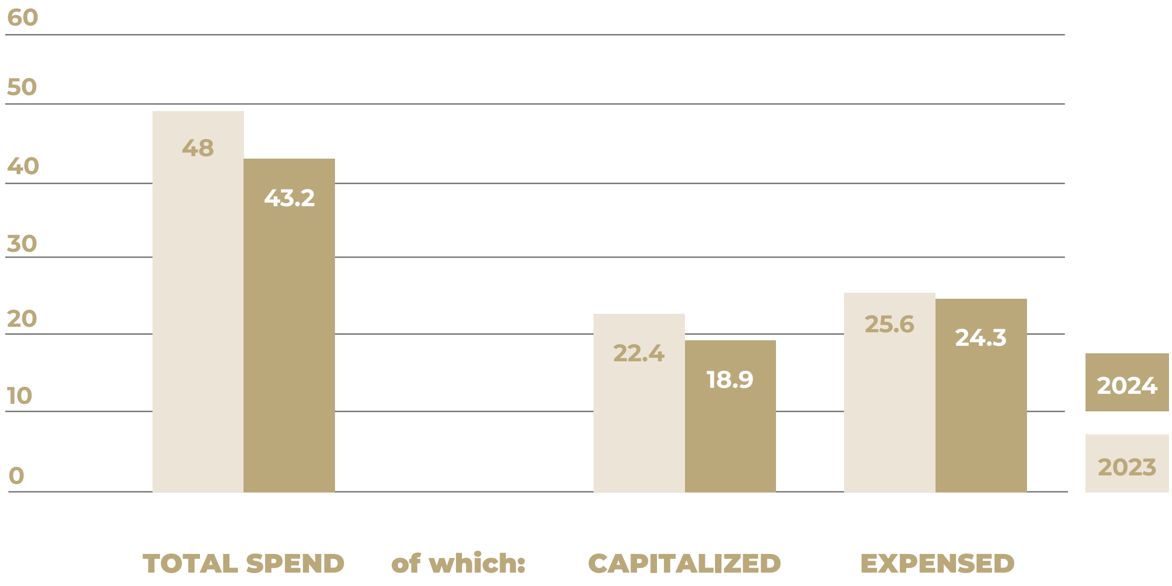
The improvements made and evaluated as necessary, were also implemented in 2024 on subsequent machines already in start-up. Some interventions were carried out with a value of approximately Euro 19.6 million Euro, of which Euro 1.3 million were covered by provisions made in 2023.

The completion of the fleet improvements with extraordinary interventions planned over the next few months for a total value of Euro 30 million involved the allocation of extraordinary provisions for a further Euro 18.7 million in addition to the fund already accounted in the 2023 financial statement (Euro 11.3 million).

Euro/thousand	
Costs of 2024 covered by the provision of financial statement as of 12.31.2023	1,383
Extraordinary costs 2024	***13,816***
Extraordinary provisions 2024	4,427
Total costs extraordinary stops 2024	**19,626**
Costs of 2024 covered by the provision of financial statement as of 12.31.2023	11,261
Extraordinary provisions 2024	18,739
Total costs extraordinary stop 2025/26	**30,000**
Summary extraordinary provisions	
Extraordinary provisions 2024 Stop 2024	4,427
Extraordinary provisions 2024 Stop 2025/26	18,739
Total extraordinary provisions 2024	***23,166***

The restructuring charges include replacement allowances and an exceptional exodus.

The development of total R&D expenditure can be summarized as follows:



Continued investments in Research and development are attributable to the continuation of the development of GT36 and GT26 products acquired in 2016 in Ansaldo's gas turbine portfolio and the associated *upgrades*, as well as to *upgrades* on Ansaldo AE94.3 turbines and improvements on Ansaldo AE94.2 turbines, AE64.3 for validation, with a view to increasing market coverage.

Financial charges and income, negative by Euro 62 million (Euro 73 million in 2023), include, among others, interest liabilities of the Parent Company on the Revolving financing of Euro 9.3 million, interest payable by the Parent Company on the term loan for Euro 10.5 million and interest accrued on the Shareholders' Loan for Euro 20.7 million.

Income taxes have a positive impact of Euro 60.7 million (a positive impact of Euro 41.8 million in 2023) mainly due to the benefit deriving from the participation in the Consolidated Tax Scheme of Cassa Depositi e Prestiti with the implications linked to the outcome of the tax ruling, as already discussed.

For the detailed analysis of these items, see the corresponding paragraphs of the Explanatory Notes.

The following table shows the reclassified balance sheet as of 31st December 2024 and 31st December 2023:

Euro/thousand	**12/31/24**	**12/31/23**
Non-current assets	**1,251,783**	**1,339,144**
Non-current liabilities	**128,469**	**144,244**
	1,123,314	**1,194,900**
Inventories	665,234	642,548
Contract work-in-progress	112,597	121,710
Trade receivables	346,930	365,306
Trade payables	391,361	498,013
Advances from customers	798,712	836,093
Working capital	**(65,312)**	**(204,542)**
Current Provisions	99,443	81,486
Other net current assets (liabilities)	(64,464)	29,811
Net working capital	**(229,219)**	**(256,217)**
Net invested capital	**894,095**	**938,683**
Equity	**342,886**	**245,688**
Attributable to non-controlling interests	2,621	(580)
Net financial debt (cash)	**551,209**	**692,995**

Non-current assets include mainly intangible assets of Euro 948.2 million, tangible assets of Euro 210.2 million, accounts receivable with payments over the year of Euro 24 million, investments of Euro 19 million and deferred taxes of Euro 49.3 million.

It is noted that tangible fixed assets are affected by an increase of Euro 3.5 million resulting from the application of the *purchase price allocation* process as required by IFRS 3 accounting standard in relation to the acquisition of CCA-Centro Combustione Ambiente.

Non-current liabilities include the TFR (Trattamento di Fine Rapporto, or Post-employment benefits) and other defined employee contribution plans of Euro 22 million, provision of Euro 70.2 million, the Deferred tax liability of Euro 32 million; for comments on these items please refer to the Explanatory Notes.

Net working capital decreased from a negative value of Euro 256.24 million in 2023 to a negative value of Euro 229.2 million in 2024.

The change in other current assets (liabilities) is mainly due to the recognition in other current liabilities of the advance on the IPCEI contribution received by Ansaldo Green Tech for Euro 95 million (of which Euro 30 million in direct form and Euro 65 million in pro-solute sale).

Shareholders' equity amounted to Euro 342.9 million and is represented by the share capital of Euro 407 million, the operating loss of Euro 21.5 million and the residual value from other reserves.

The change in capital compared to the previous year is affected by the payment by the Italian shareholder CDP Equity of the last installment of the increase decided in 2023, equal to Euro 125 million, which was made in implementation of the commitments entered into under the agreement signed on 30th May 2023 *(Equity commitment agreement).*

More precisely, on 28th March Euro 58.7 million were paid out, of which 20 million were allocated to additional paid in capital reserve and the remaining to share capital, on 23rd April 66.3 million were paid out, of which 22.9 million were allocated to the additional paid in capital reserve and the remainder to share capital.

FINANCIAL SITUATION

Net debt on 31st December 2024 compared with the corresponding figure on 31st December 2023 is shown below.

Euro/thousand	12/31/24	12/31/23
Cash and cash equivalents	310,311	232,691
Financial receivables from Related parties	468	931
Other financial receivables	3,493	74,154
CURRENT FINANCIAL RECEIVABLES	**314,272**	**307,776**
Current loans and borrowings	148,501	382,331
Related parties loans and borrowings	22	162
Other current loans and borrowings	1,927	1,902
Short-term finance lease payables	8,779	7,956
CURRENT LOANS AND BORROWINGS	**159,229**	**392,351**
NET CURRENT FINANCIAL PAYABLES	**(155,043)**	**84,575**
Non-current loans and borrowings	349,377	320,402
Other non-current loans and borrowings	330,525	259,818
Long-term finance lease payables	26,350	28,200
NON-CURRENT LOANS AND BORROWINGS	**706,252**	**608,420**
NET FINANCIAL DEBT (CASH)	**551,209**	**692,995**

Net financial debt amounted to Euro 551.2 million, while total liquidity amounted to Euro 310.3 million. They are affected, among others, by the combined effect of the payment by the Italian shareholder of the last installment of the capital increase decided in 2023 for an amount of 125 million, the repayment of the bond loan of Euro 192 million and the activation of the new financing of a total of Euro 100 million, of which Euro 50 million supplied by a pool of banks with a guarantee of SACE (guarantee "Archimede"), and 50 million paid by CDP Equity as a subordinated loan, as described in more detail below.

Furthermore, as anticipated, in December 2024, the subsidiary Ansaldo Green Tech received Euro 95 million in advance of the expenses contribution on the IPCEI fund under the decree of 21st April 2021.

Regarding the bond loan, it is noted that on 31st May 2024 Ansaldo Energia made the full repayment of the loan issued in 2017. The repayment was made on an equal basis against bondholders who did not participate in the public tender offer for the repurchase of notes launched by the company in July 2023. Along with the share capital, accrued interest was also paid, for a total disbursement of 192 million.

The financial debts to related parties refer to the total value of the shareholder financing provided by CDP Equity to the Parent Company and the related accrued interest.

Short-term financial debts include hot money of Euro 10 million, Revolving credit facility of Euro 110.3 million and guaranteed SACE IFIS financing of Euro 1.7 million.

Medium-long financial debts include guaranteed financing by SACE for Euro 204.3 million and Term Loan for Euro 132 million.

Among the financing guaranteed by SACE, as anticipated, is a new line of Euro 50 million signed on 20th September 2024 with a pool of banks consisting of ISP, Unicredit, MPS and BPER Banca, guaranteed to 70% by SACE through the "ARCHIMEDE" guarantee aimed at supporting the financing of specific Group investment plan (cd "CAPEX").

The pricing of this financing is based on a Margin rachet which provides for the application of a spread of 385 bps on Euribor 3 when the Leverage Ratio is above or equal to 3.5x or a spread of 335 bps in case the Leverage ratio is below the 3.5x. In the first case, the share for the benefit of SACE is 210 bps, while in the second case it falls to 183 bps.

The final deadline of the loan is 30th June 2027 and the reimbursement takes place according to a predetermined *amortizing* scheme.

On the same date, 20th September 2024, a shareholder financing of Euro 50 million was also signed with the aim of supporting the implementation of the new strategic plan of the group, granted during the same month of September. This financing guaranteed by CDPE, like the one already in place, has the characteristic of subordinating in the payment rights any amount due to the Senior Creditors under the Senior Facility Agreement (S.F.A.).

The deadline is 31st March 2029 with *a bullet* repayment of PIK's capital and interest calculated on a six-monthly basis.

For financing, apart from the bond, compliance with certain financial covenants is required, for which reference is made to the description given in the relevant section of the Explanatory Notes, which also includes all the detailed information relating to the financial reports mentioned above.

Below is the reclassified cash flow 2024 compared with the corresponding cash flow in 2023.

Euro/thousand	**2024**	**2023**
Cash and cash equivalents as of 1st January	**232,691**	**108,031**
Gross cash flow from operating activities	57,814	(45,956)
Net financial receipts (payments), income (charges), taxes and other operating assets (liabilities)	85,779	(30,066)
Funds from Operations (FFO)	**143,593**	**(76,022)**
Changes in working capital	(60,868)	22,428
Cash flow generated from (used in) operating activities	**82,725**	**(53,594)**
Cash flow in ordinary investing activities	(38,226)	(38,728)
Free operating cash-flow (FOCF)	**44,499**	**(92,322)**
Change in other investment activities	(8)	(219)
Dividends received	1,286	68
Cash flow from strategic investment activities and others	**1,278**	**(151)**
Capital increases	125,000	469,374
Net change in other financial receivables/payables	(89,878)	(247,186)
Cash flow generated from (absorbed) financing activities	**35,122**	**222,188**
Exchange rate differences	**(3,475)**	**(4,865)**
Changes in consolidation perimeter	**196**	**(190)**
Cash and cash equivalents as of 31st December	**310,311**	**232,691**

ALTERNATIVE "NON-GAAP" PERFORMANCE INDICATORS

Management assesses the Company's economic and financial performance on the basis of some indicators not provided for in the IFRS, as follows:

Indicator	Description	2024	2023
EBIT	Profit before taxes and financial income (expenses).	€ (20) million	€ (196.8) million
Adjusted EBITA	EBITDA net of: · Impairment on goodwill and technology; · Depreciation on allocations from PPA; · Restructuring charges; · Other non-recurring charges/income.	€ 45.4 million	€ (136.1) million
Adjusted EBITDA	EBITA Adjusted net of depreciation and amortization and depreciation	€ 99.9 million	€ (79.2) million
Free operating Cash Flow (FOCF)	Cash flow generated from strategic investing activities and other non-recurring items.	€ 44.5 million	€ (92.3) million
Funds from Operations (FFO)	Cash flow of operating operations net of changes in working capital.	€ 143.6 million	€ (76) million
Working capital	Trade receivables and payables, work-in-progress and advances.	€ (65.3) million	€ (204.5) million
Net working capital	Working capital net of risk funds and other current assets and liabilities.	€ (229.2) million	€ (256.2) million
Net invested capital	Net working capital and sum of non-current assets and liabilities.	€ 894.1 million	€ 938.7 million
Orders	The sum of contracts with the customers signed during the fiscal year.	€ 1,793 million	€ 1,016 million
Order Portfolio	Difference between orders acquired as of balance sheet date and cumulative revenue.	€4,437 million	€ 3,839 million
Return on Sales (ROS)	Ratio of EBITA Adj. and revenues.	8.95%	n.a.
Return on Investments (ROI)	Ratio of EBITA Adj. and average capital invested over the past two years.	10.90%	n.a.
Return on Equity (ROE)	Ratio of net result to average net worth over the two years	n.a.	n.a.
Headcount/Average headcount	Number of employees by balance sheet date Average number of employees in the year	3,244 3,204	3,242 3,289

GOING CONCERN

With the payment by the Italian shareholder CDP Equity of the last share of the capital increase of Euro 125 million, which was made in accordance with the commitments entered into under the agreement signed on 30th May 2023 *(Equity Commitment Agreement),* the financial maneuver that began in 2023 was completed.

In light of the negative results of previous periods mainly found in the EPC *(Engineering, Procurement and Construction)* projects for the "turnkey" supply of plants with Ansaldo technology, these have been affected by significant extra-costs linked to the delay in the execution of the activities of the site and to the resolution of some problems emerging on the new products launched on the market in the three years 2018-2020, already during the two years 2022/2023 the replacement of the order portfolio with contractual types EQP/PI has begun *(Equipment/Power Island)* at lower risk levels, which are currently performing according to the expected margins.

The Group's negative result for the financial year 2024 was also determined:

(i) the increased extraordinary costs incurred and estimated for additional interventions on new products which were necessary as a result of inspections carried out on certain plants (ii) the costs of extension of some construction sites and increases in suppliers which were necessary for the completion of projects for the construction of the new units, In particular EPC and (iii) and the definition of the agreements made during 2024/early 2025 for the Irshing and Turbigo projects.

The new Group's industrial business plan 2025-2029 approved on 25th February 2025 confirms this trend, providing for a different industrial mix with a much more selective approach to EPC projects.

The financing contracts signed by the Company on 23rd May 2023 provide that Ansaldo Energia S.p.A. is required to comply with specific financial conditions in terms of:

- *Leverage ratio*, i.e. the ratio between net financial debt and the adjusted EBITDA of the Group;
- *Interest cover ratio*, i.e. the ratio between adjusted EBITDA and the Group's net financial charges;
- *Minimum available liquidity* (also "MAL"), i.e. the sum of the Cash and cash equivalents and the unused portion of revolving financing lines at the level of Ansaldo Energia S.p.A.

Compliance with the first two conditions is tested at Group level on a six-monthly basis as from 30th June 2024, while the MAL is tested at Ansaldo S.p.A. level on a quarterly basis as from the signing of the Contract.

It should also be noted that the Ansaldo Energia Group has complied with the *contractually* expected *test* covenants as of 30th June 2024 and 31st December 2024.

With reference to the figures for the second half of 2024 and the forecast data provided for by the 2025 budget approved by the Board of Directors on 25th February 2025, it is noted that the above parameters would all be respected even at the verification dates foreseen for 2025. With reference to the ICR (Interest Coverage Ratio) parameter, the estimate at June 30th, 2025 shows compliance with the same, although with a margin relatively to the threshold value defined by the contract, also due to the high level of the basic interest rates.

Although the assumptions underlying the budget are considered to be entirely reasonable, such a technical and transitional possibility would require a consensus from the majority of landing banks (as determined in financing contracts), to confirm the current maturity dates for existing credit lines (December 2027 for Term Loan, RCF and RGFA, and December 2028 for SACE loan, respectively).

Moreover, given the improvement in the market environment and the good *performance* of the Service segment, together with the progressive completion of EPC projects in the New Units segment, the exposure for the group to liquidity risk is mitigated and the risk of financial covenants breaking down is significantly reduced.

Furthermore, from a strictly financial perspective, to further mitigate liquidity risk, as already reported in other paragraphs, in 2024 Ansaldo Energia obtained two new long-term financing lines totaling Euro 100 million and additionally, following the outcome of the tax ruling submitted in July 2024, discussed later in this document, by virtue of the existing consolidated contract with Cassa Depositi e Prestiti, it was able to record an income of Euro 46.7 million, which will be monetized by the end of 2025.

In consideration of all the above, although uncertainties remain arising from:

- risks related to the timely implementation of the industrial business plan 2025 – 2029 with restoration of profitability conditions;
- risks indirectly related to the macroeconomic scenario;
- risks related to the evolution of the current negotiations on new orders and the risks related to the quantification of the final costs and to the estimation of the timescale necessary to complete the backlog of the main "turnkey" projects;
- Risks related to compliance with the Covenants test, with particular reference to the Interest Coverage Ratio as of 30th June 2025 above;

The Directors believe that the planned initiatives, including those of a strategic and operational nature foreseen in the new Group's industrial business plan 2025-2029, constitute *"mitigation actions"* which appear to overcome the elements of uncertainty regarding the perspective of business continuity and which they can confirm, for the purposes of drawing up the 2024 financial statement, the assumption of the going concern.

BUSINESS PERFORMANCE

Productive activities

New Units

The year 2024 was characterized by the carrying out of activities of completion of the projects acquired during the pandemic crisis and the subsequent energy crisis, but also by the carrying out of the activities related to the new projects of recent acquisition.

In the year 2024, Ansaldo Energia continued the process of "derisking" its orders, significantly reducing negative impacts compared to previous years and improving delivery times.

The production activities concerned the manufacturing and supplies destined both to the domestic market for the orders acquired in Italy and in Europe, and to the markets outside Europe with an increasing share of export that is expected also for the year 2025.

The main achievements of the various projects in the different geographical areas are listed below.

Europe

Italy

With reference to the contracts providing for the supply of power plants equipped with the new GT36 H-Class turbine, during the year the transition to the commercial operation of the machine was reached at the Edison site of Presenzano in Italy on 16th January 2024 and, above all, the Edison customer obtained the Provisional Acceptance Certification of both the Marghera Levante and Presenzano plants.

Regarding the contract of Tavazzano, customer EP production, the start-up activities have been completed and the reliability tests concluded successfully at the end of the year/beginning of January 2025 have been completed, while the Fusina project has been completed to support the assembly of the machines on site and the cold start-up activities of the plant are underway.

With reference to the gas turbine technology AE94.3A, the transfer to the commercial operation of the Turbigo plant was made to the IREN customer and the final agreements were reached prior to the final acceptance of the plant.

During 2024, the Leinì project for the Engie Italia customer was successfully concluded, in advance of the planned time, which involved a plant outage with the replacement of the existing Ansaldo Energia supply machines with a new AE94.3A gas turbine and generator. The project required a complex and intense construction site activity to realize the assemblies and the start-up in the expected time, with satisfaction from the end customer.

Finally, work on contracts with Terna continued for the turnkey supply of synchronous compensators for the rephasing and stabilization of the national network to be installed in various sites located in Italy. At the end of 2024 a new order was obtained covering 5 new plants to be built in Italy in the next few years.

Germany

Irsching: customer Uniper System Stabilitaet (USS) has obtained the Provisional Acceptance Certification of the reserve plant in order to stabilize the grid in the event of a failure in the generation of energy from renewable sources. The warranty period is in place and will end in September 2025.

Marbach: the turnkey supply project for a plant for peak operation has been completed, equipped with an open-loop AE94.3A gas turbine, *outdoor* type, with *dual fuel*, relative alternator, auxiliaries and all the accessory systems (mechanical and electrical); in September 2024, both the transition to a commercial operation and the Provisional Acceptance Certification were obtained in line with the target agreed with the EnBW customer. The closing activities of the *punch lists* are being completed and the two-year guarantee period has started until September 2026.

RWE Contracts: preliminary engineering activities are under way to obtain the authorizations of two new power plants, in partnership with Tecnica Reunidas such as EPC contractor, for the supply of GT36 gas turbines, steam turbines and related electric generators.

Poland

Oswiecim: the start-up assistance activities have been completed and the Provisional Acceptance Certification of the AE 64.3A gas turbine and its generator has been obtained by the customer.

Ireland

Poolbeg: following the acquisition of the new contract for the supply of an AE94.3A gas turbine with its generator, the engineering and production activities of the machines that will be delivered on site during the summer of 2025 are in full swing.

Asia

China

Minhang: the Shanghai Electric customer has obtained the Provisional Acceptance Certification commercial of the new GT36 H-Class turbine which has been in commercial operation since September 2023.

The supply of parts and components of AE94.3A and AE64.3A gas turbines continued despite considerable delays in the *supply chain* of the noble parties due to the turbulence associated with the Covid pandemic and the energy crisis.

Bangladesh

Rupsha: technical assistance services related to the installation of the GT26 gas turbines and the related commissioning activities continued with a forecast of completion of the cold commissioning of the first unit at the beginning of 2025.

Azerbaijan

Mingachevir: the last two AE94.3A gas turbines with their generators were delivered in 2024 and the assembly assistance and start-up activities are in full swing. The first unit has reached its first synchronization with the mains.

Kazakhstan

Almaty: following the acquisition of the new contract for the supply of two AE 94.2 gas turbines and related generators for the Samruk Energy customer, the engineering and production activities of the machines that will be delivered to the site during 2025 are underway.

North Africa

Libya

The assembly assistance and start-up activities for the two gas turbines AE 94.2 and their generators at the Tobruk power plant in Libya have been completed to the satisfaction of the final customer.

Service

In 2024, the work carried out was influenced mainly by ongoing conflicts in Ukraine and the Middle East, which further reduced overall geopolitical stability. Compared to 2023, the consequences of the war in Ukraine have resulted in increasingly strict export regulations on the supply of services to Russian customers and in further bottlenecks in global supply chains for materials.

However, continued insecurity in the supply of energy and fuels and the phase out of thermal and nuclear plants in some European countries has led to a strong operational use of combined cycle plants in several countries, which has proved beneficial for Ansaldo business.

The dedicated Ansaldo Energia *team*, which is a cross-functional *task force*, was able to continue to provide the materials and services allowed to keep the gas turbines operating under long-term service contracts in Russia, always under strict control and in full alignment with european sanctions and with the export policy established by the italian government.

Nevertheless, the above effects, as well as the limited cash availability in the first part of the year, have slowed down the supply chain, causing in 2024 several delays in the delivery of turbine-critical materials. These delays have been mitigated, optimizing the use and sharing of materials across all business units, through periodic review of start dates of major inspections and optimization of work sequences on site. Consequently, it was necessary to reschedule only a few significant actions, thus maintaining a high level of customer satisfaction.

The active management of these mitigation actions, the consolidated and proactive relationship with the customer, the careful monitoring of *cash-in* and margins and the continuous technological implementation on the AEN gas turbine fleet have led the Service to exceed all 2024 KPIs.

In terms of workload, 2024 has shown a consistently high level of field service activity, approaching the million hours worked, with the contribution of all Group companies.

In 2024, more than 500 customer service inspections were completed.

The safety focus of AEN Service was further strengthened in 2024 and the annual goal of the OSHA minimum LTA was achieved with strict EHS attention through the control of the behavior and job skills of subcontractors and the ongoing training of internal resources.

In terms of cost reduction and business margin improvement, several service initiatives have been further developed within the AEN PMO program. These initiatives included, among other things, rigorous reviews of service offerings, negotiations to extend service contracts to improve margins, optimization of material use, remote commissioning activities, and the overall objective of optimizing and reducing the supply of AEN materials has been strengthened.

Finally, throughout the year 2024, the Service organization worked closely with the New Unit division to support it at the various project sites under construction and in commercial operation, mainly with H-Class gas turbines (GT36) and F-Class turbines (AE 94.3A). The Service has benefited from these GT36 project activities through active on-the-job training of its field service and commissioning *teams*, with a view to the future execution of long-term maintenance contracts.

Nuclear

In response to the global energy and climate crisis, the renewed interest at European and also Italian level for nuclear activities was strengthened in 2024. Ansaldo Nucleare has therefore concentrated its efforts in developing innovative nuclear technologies to integrate renewable energy, with the aim of achieving "Net Zero Emission" (NZE) by 2050, reducing greenhouse gas emissions from fossil fuels.

This vision includes the possibility to participate in the development of Modular Nuclear Reactors (SMR - *Small Modular Reactors* and AMR - *Advanced Modular Reactors*) which can offer, with shorter implementation times than fusion, alternative nuclear technologies, sustainable and competitive with respect to current technologies.

In this context, Ansaldo Nucleare has actively participated in the work of the National Platform for Sustainable Nuclear Energy (PNNS), offering its contribution both to the fission and fusion parts. It has also joined the European SMR Industrial Alliance, proposing, together with the research centers ENEA (Italy), RATEN (Romania) and SCKCEN (Belgium) for the realization of its own rapid lead reactor project (Lead Fast Reactor) based on the ALFRED prototype in Romania.

At the beginning of the year, a Letter of Intent was signed with Edf, Edison, Fedracciai and Ansaldo Energia for decarbonization of the Italian steel sector through the use of nuclear energy, a MoU with ENEL for analysis on the various technologies of SMR and a MoU with WeBuild for the innovative aspects connected to the Civil Works of the Small Modul Reactor.

At the beginning of 2024, the relationship between Romania and Italy was further strengthened as a result of the support of SACE, which signed a memorandum of understanding with SN Nucelelectrica S.A. and Ansaldo Nucleare S.p.A. to activate a financing line of up to Euro 2 billion, in support of the Romanian nuclear program.

In November 2024, Ansaldo Nucleare, as anticipated, was awarded, in joint venture with Candu Energy Inc., Fluor Corporation and Sargent & Lundy, a construction engineering, procurement and management contract from Energo-Nuclear S.A., a subsidiary of SN Nuclearelectrica S.A., For the construction of units 3 and 4 of the Cernavoda nuclear power plant in Romania.

Even more relevant in economic terms was the signing in December 2024 by Ansaldo Nucleare, together with Candu Energy Inc. (Candu Energy) of AtkinsRéalis, and Korea Hydro & Nuclear Power Co., Ltd. (KHNP), of the project for the renewal of Unit 1 of the Cernavoda nuclear power plant, on behalf of Nucelelectrica S.A. Unit 1, built by Consorzio AECL-Ansaldo and active since 1996, will undergo a complete renovation project to extend its life for another 30 years. The EPC contract includes the engineering, procurement of materials, construction and project management necessary for the renewal of the unit. Candu Energy and Ansaldo Nucleare will be responsible for the engineering, procurement and management of the nuclear island and balance of plant project, while KHNP will be responsible for the construction, including infrastructure such as the radioactive waste building.

Unit 1 downtime is planned for 2027 and will include the replacement of the reactor tubes and the renewal of the unit, including the *necessary tests*. This process will be finalized in 2030, allowing the unit to operate for a further 30 years, thus avoiding the emission of 5 million tons of CO_2 per year.

Commercial activity

Orders by geographical area and Business line

Below are the 2024 and 2023 order data by *Business Line* and by region.

In 2024 the Group acquired orders for Euro 1,793 million:

ORDERS 2023 *Euro/thousand*	**NEW UNITS**	**SERVICE**	**NUCLEAR**	**ENERGIES RENEW.**	**TOTAL**
TOTAL	**228**	**705**	**82**	**1**	**1,016**
ITALY	52	324	4	0	380
EUROPE AND CIS*	162	180	78	1	421
MIDDLE EAST	2	50	0	0	52
AFRICA	3	54	0	0	57
ASIA	9	83	0	0	92
AMERICA	0	12	0	0	12
OCEANIA	0	2	0	0	2

**Commonwealth of Independent States*

ORDERS 2024 *Euro/thousand*	**NEW UNITS**	**SERVICE**	**NUCLEAR**	**ENERGIES RENEW.**	**TOTAL**
TOTAL	**509**	**736**	**546**	**2**	**1,793**
ITALY	163	255	0	1	419
EUROPE AND CIS	74	253	546	1	874
MIDDLE EAST	209	77	0	0	286
AFRICA	1	41	0	0	42
ASIA	62	87	0	0	149
AMERICA	0	21	0	0	21
OCEANIA	0	2	0	0	2

New Units

Despite the strong geopolitical instability that distinguishes these years, the market for gas turbines has seen a strong growth in 2024, driven by the markets at 60 Hz that historically are precursors also for those at 50 Hz, where Ansaldo Energia actively operates. This dynamic opens up an interesting perspective for the years to come, the first effects of which were seen in 2024.

In particular, the traditional markets, Europe, Middle East, North Africa and, generally, the Mediterranean area has continued to generate new opportunities, strengthening the "pipeline" that now sees a pool of opportunities of around 20 GW over the next two years, which are basic to the implementation of the strategic plan.

Specifically, the Ansaldo business team has achieved significant successes in:

- Europe with the order of Poolbeg (Ireland) in partnership with Cobra, spanish EPC contractor, which represents yet another success for open-cycle F-Class technology. Still in Ireland, still with F-Class in open cycle configuration, Ansaldo Energia has been assigned the order of Tarbert, where the use of HVO as fuel makes the project highly sustainable.

- CIS area with the formalization of the order of Almaty (Kazakhstan) for the supply of two AE94.2 gas turbines with the customer Samruk Energy.
- Middle East and Asia area with the contract of Al Dhafra (United Arab Emirates) for the supply in "fast track" of four F-Class gas turbine, which represents a fundamental milestone to strengthen both the presence in the area and the collaboration with Taqa and Samsung.
- Italy with the award of Terna's very important contract for the supply of 8 synchronous compensators (3 of which are optional) able to ensure the stability of the national energy distribution network.

Collaboration with SEC (Shanghai Electric Corp.) continued both in the hot parts supply for the Chinese market and in the EPC in Asia area for the supply of entire gas turbine groups.

The total sales result was Euro 509 million.

Service

The energy transition to a zero-emission environment is constantly accelerating. This leads to an increase in electrification in many sectors, from the end user to the industrial consumer, resulting in a strong increase in electricity demand.

The fluctuation in gas prices, due not only to political instability but also to financial speculation, makes the market still unpredictable in the long term.

The policy drives decarbonization and independence from fuel imports, leading to different country-to-country approaches to renewable energy sources, but also to major investments in improving grids and measures to stabilize renewable production.

The increasing demand for energy and the general tendency to reduce emissions have further strengthened the demand for *gas* turbine *upgrades* (both in terms of power and efficiency) and they have opened up important new prospects for converting plants to use hydrogen in the future as alternative green fuel.

The flexibility and digitization of plants remains a key element of the services market, to which Ansaldo Energia responds with a robust portfolio of advanced solutions (for example: Extended Low Part Load, Increased Load ramp rates, Autotune, APEX Remote data monitoring, Fuel Flexibility).

In 2024 Ansaldo Energia confirmed its ability to be the main partner for the improvement of the existing fleet and for the development of future-oriented upgrades (e.g. hydrogen ready) able to support the increase in demand with increasingly stringent emission requirements.

In this scenario, 2024 defined positive *trends* for Ansaldo Energia, with a total collection of orders of around Euro 736 million, beyond budget targets.

In order to better understand the dynamics of the performance of the Service, the main considerations relating to the specific areas are given below.

Italy, Europe and CIS

In Europe, demand for advanced technology for the energy transition has remained high, leading to the sale of several F-Class *upgrades* and the extension of existing long-term service contracts.

The tightening of sanctions and strict European and global regulations on exports of materials to Russia prevented the collection of new volumes of service orders in 2024, mainly due to the limited capacity to fully execute the orders in progress. As a result, the acquisition of orders in the CIS region has been reduced.

The total result for the Europe area was therefore more than Euro 508 million (of which 255 Italy).

Asia

The contribution to the Service resulting from the partnership with Shanghai Electric Corporation was significant for 2024 and other potential markets such as Singapore and India were assessed.

Coal still dominates the region's energy consumption, but the implementation of strict emission standards and the significant increase in demand have led to the widespread adoption of cleaner energy technologies.

The results of the area continue to be significant, with a value of more than Euro 87 million.

Middle East

The decarbonization of the energy market and the acceleration of the growth of new solar plants increase the pressure on fossil-energy generation. Older, less efficient installations have been withdrawn or are only maintained as emergency power sources with minimal operating hours, with an increasing impact on the size of the potential services market. On the other hand, new IT data center projects in the region are increasing future demand for electricity, resulting in urgent and very strong demand for new gas turbines and upgrades to the existing fleet.

The increase in regional crisis and instability has led to high inflation and foreign currency liquidity problems in several countries, which have affected Ansaldo's business with government authorities. This was offset by a significant increase in sales of long-term contracts with IPP customers and by a strong entry of traditional thermal orders, which enabled the region to achieve a result of Euro 77 million.

Africa

Commercial activities have concentrated mainly in the north of the continent, with the strong commercial presence of the Ansaldo fleet.

In Sub-Saharan Africa, the main risks are the chronic financial difficulties and political instability of most governments and public services.

In countries like Nigeria, moreover, there is a strong exchange rate risk due to local currency fluctuations relative to the Euro and the US dollar. However, despite international conflicts and budget reductions in several countries, the volume of orders for the region exceeded Euro 40 million, about 7% more than the budget target.

South America

The presence of consolidated customers has ensured a volume of orders of more than Euro 20 million, approximately twice the budget target.

Organizational and process/ product development

Factory

In 2024, the factory continued to evolve to improve Business Unit Service support, optimize production processes, and maximize job site support.

Allocated hours to support Service resources and hours on factory Service orders accounted for 45% of the hours spent on factory projects (in 2023 this was 40%, 30% in 2022 and 21% in 2021).

The limited load coming from the construction of new machines and the slippage of some NU projects, led to the decision to contain the number of staff and to maximize the share of factory hours destined to the activities of yard (+ 30 kh compared to the 2024 budget) and warehouse (+7,000 h).

On the other hand, the instauration of departments and the management of internal resource flexibility led to a deterioration in average production efficiency (+1.9 p.p. compared to the bdg of training).

The NU activities were mainly focused on the following projects: Mingachevir 30%; Poolbeg 11%; Almaty 11%; Edison 8%; AlDhafra 7%; Leinì 6%; Spare China 3%.

There is also a constant commitment in the field of factory resources to complement the GT36 projects (Marghera, Presenzano, Fusina, Tavazzano for a total of 15 kh) and Mingachevir (7.3 kh).

The significant demand for APF components

(Anelli Pale Fisse for gas turbines) by the Service has led to specific actions with the aim of increasing the output of parts produced also working on internal capacity (mainly mechanical machining and welding and assembly activities). In 2024, APF +22 was produced compared to 2023, with a target of further growth in 2025.

Regarding investments in machines and plants, attention is paid to the production process of the rotors of the gas turbines, an important component for both the Service BU and New Units. In particular, investments were finalized which allowed in the second half of 2024 to carry out validation *tests* of an innovative method of measuring the geometries of the rotors during the assembly phases, significantly reducing the *tuning* activities with assembled rotor.

Investments aimed at increasing internal capacity are also worth mentioning. During 2024, the revamping of a reaming machine in the Large Mechanical area was ordered and will be used for the machining of fixed parts of a gas turbine, critical components for size, complexity of machining and for the required quality level.

Another important investment in order to increase production capacity was the purchase of a new grinding machine for processing hot pallets of the gas turbine.

The improvement campaign for machine tool safety systems continues. In the period June-December 2024, a dedicated team was also set up to process about 25% of the machines in the scope of interest.

The growing interest in the digitization of production processes has intensified, on the one hand, the development and extension of the MES (Manufacturing Execution System) tool in some factory areas (areas with mechanical machining activities), on the other, it led to a pilot project on 4 machines of the pallet line aimed at managing predictive maintenance and calculating energy consumption. The extension phase to other production-relevant machines is planned for 2025.

Service

By January 2024, the new organization of Ansaldo Energia Thermal Power Service became fully operational. Throughout the year the organization has stabilized and has been further strengthened by the creation of the *Service Project Controlling team* and the specific team for the assurance and quality of service control.

In 2024, various initiatives and improvements were implemented in the commercial, engineering and executive processes of the Service.

In line with the development of structured processes, the modernization of high-volume plants continued in 2024, requiring extensive feasibility studies.

In 2024, specific market areas and operators showed particular interest in upgrading their installations on the basis of technological developments, in particular in reducing carbon emissions and the future combustion capacities of H_2.

While the focus on power station efficiency improvements, which save on gas consumption and reduce emissions, has remained very strong. customers have also significantly increased their focus on the need for operational and fuel flexibility to ensure solid reliability and availability of their power plants in changing markets.

The focus on these issues has increased in particular by customers operating within the Capacity Market and in Countries where there is a strong divestiture of other thermal energy production units, with the increase in renewable energy sources.

Among the main successes of the Service is the execution of several gas turbine *upgrades*.

For the AE GT fleet, the service performed again three MXL2 AE94.2 upgrades and two MXL2 light upgrades on the AE94.2 fleet.

The GT26 fleet was upgraded to the second MXL3 *upgrade* on a plant in France. The MXL3 update confirmed the excellent performance achieved by the first unit upgraded in 2023. This confirmation of performance is the basis for an even more competitive upgrade in offerings for future opportunities.

Based on the business growth strategy defined in the previous year, the Service examined in detail the medium- and long-term strategic levers needed to achieve the increase in the service business margin.

The defined margin improvement initiatives were then integrated into the Corporate PMO Program AE, creating a solid foundation of PMO initiatives to be developed further in the coming years.

Engineering

Regarding **engineering activities in relation to *New Units* and *Service* projects**, the following are noted:

- continuous technical support in order to improve the reliability and availability of Marghera, Presenzano and Minhang plants, all equipped with GT36 and relative generators. In Marghera and Presenzano, the new steam turbines and their generators are also present for the closing of the combined cycle. The analysis of the commercial functioning of these groups and the returns of experience from the field have made it possible to define improvement solutions to be applied to the new units, to improve the competitiveness of the machines more and more;
- completion of the commissioning of the Tavazzano plant (customer EP production) which provides for the installation of a GT36 in combined cycle and relative generator, with steam turbine and its generator. Among the positive results obtained, also the achievement of the very low technical camouflage, which allows it to exploit fully the potential of the GT36 and the combined cycle, to the advantage of a high operating flexibility;
- start *of commissioning* activities on the Fusina plant (Enel customer), equipped with a GT36 in combined cycle and relative generator, with steam turbine and its generator. The first milestone related to the turning of the TG was reached in October 2024. The steam turbine and its generator are fully assembled and in the *commissioning* phase;
- completion of the commissioning activities of the Marbach plant (Germany), where the first open-cycle AE94.3A was installed running on liquid fuel (diesel fuel). The plant is part of a group of *"peaker"* plants to meet the country's energy requirements. Considerable effort was needed to optimize combustion in order to guarantee emissions and guaranteed start-up times. As anticipated, the PAC was obtained during 2024, which consolidates Ansaldo's presence on the German market;
- completion of the assembly activities and start *commissioning* on the Mingachevir plant (Azerbaijan) where 4 AE943A groups and related generators are installed. The first TG was put into service in December 2024 and *the* completion of *the commissioning* of the other groups is expected in the first half of 2025;
- start of commissioning activities of the latest generation GT26 gas turbines installed at the Rupsha plant (Bangladesh). The machines are expected to start up on the two sites in the first half of 2025. The activity of support to *commissioning* requires considerable technical and organizational effort, due to the geopolitical situation of the country;
- completion of the commissioning of the Leinì plant where Ansaldo Energia replaced the existing AE943A with an AE943A-MXL2 and supplied a new generator. The existing steam turbine has been adapted to operate under the new, more severe conditions of the combined cycle. The assembly and start-up phases were completed in advance of a very tight stop program. As already stated, the plant achieved the PAC in 2024;
- completion of commissioning at the Oswiecim plant (Poland) where a 78MW AE643A is installed with preheated gas and associated generator. As anticipated, the plant achieved the PAC in October 2024;
- completion of the commissioning on the *fast-track* installation in Tobruk (Libya) where Ansaldo Energia supplied the customer with two AE94.2 *dual fuel* and related

generators. The first TG reached the PAC in July 2024 and the second in October 2024;

- completion of pre-engineering activities for *the permitting* phase on the new GT36 projects of Weisweiler and Gersteinwerk (Germany) where a 100% hydrogen gas turbine operation is required. These gas units are flanked by a corresponding number of steam units, with a corresponding generator, and the detailed design has been carried out. The combined cycle will play an important role in stabilizing the electricity grid toward the transition to renewables. In this context, each machine (GT, steam turbine and generators) is called upon to contribute in terms of high flexibility;
- technical support on the path to the next achievement of the PAC of the Turbigo plant, with optimization of the operating procedures of the existing steam turbine (modified to operate in combined cycle) to favor the flexibility of the group;
- start of engineering and *procurement* activities for the Almaty contract, where two AE94.2 will be installed in natural gas-only operation. The plant establishes the presence of Ansaldo Energia in Kazakhstan, a market that is growing strongly from the energy point of view;
- start of the engineering and *procurement* activities for the Poolbeg order, where an AE943A with relative generator will be installed, in a *peaker* operation. The plant consolidates Ansaldo's presence on the Irish market, where energy demand is constantly growing;
- technical coordination of hot part supplies for AE943.A and AE643.A to the SGC partner and technical support on any operational problems that SGC may encounter on the chinese fleet;
- support activities for the implementation of the new vacuum flywheel solution for the fleet of synchronous compensators supplied to Terna. Support for *commissioning* of Suvereto, Garigliano and Villanova plants;
- continuous engineering support activities for *upgrades* of the Service fleet;
- support to the *business* Service for the supply of a new "upgraded" rotor for the steam turbine generator and the new Medium Pressure module installed at Millmerann Power plant (Australia);
- in the Nuclear sector, the changes in the structure for improving the performance of the steam turbine at the Embalse Nuclear Power plant (Argentina), the contribution to the Plex (Plant Life Extension) programs at the Cernavoda Nuclear Power plant (Romania), are worth mentioning. Participation in the EUROfusion research project for the definition of the steam turbine and generator to be included in the Demo plant and the development of specific solutions for steam turbine applications in the new generation Small Modular Reactor (SMR).

Investments

The investments for the financial year 2024 were directed, from a technological point of view to the implementation of machine tools and the acquisition of equipment suitable to meet the processing requirements of the gas turbine product line and, from a safety point of view to the renewal and efficiency of plants and workplaces.

Important new investments are related to the pale line and the turbine line with the acquisition of machinery and equipment capable of ensuring an ever-greater degree of precision so as to guarantee the constant improvement of the quality of the products and the processes. In addition, extraordinary maintenance has been carried out on machine tools.

A further *focus* was on the acquisition of equipment to be used on site, both suitable for carrying out specific tasks on gas machines, and for carrying out and perfecting the timely and necessary checks on the machines and to improve safety on the site.

Significant interventions have been carried out on the plant areas for the renovation of the workplaces and to improve the energy efficiency of the same.

Important investments have also been directed to the acquisition of specific equipment for the production of raw materials, mechanical processing and special processes to support the *supply chain*, both with regard to the GT technology and to the traditional Ansaldo technology.

Within the Green Tech sector, there is a significant investment in the development of AEM (low temperature electrolyzers) technology. In addition, investments were made for specific equipment to expand *the supply chain*'s production capacity for cast components of various materials related to medium-large gas turbines.

Finally, projects on gas turbines for the development of gas turbines, with particular attention to emissions and the use of hydrogen, are starting.

Within the Green Tech sector, there is a significant investment in the development of AEM (low temperature electrolyzers) technology within the IPCEI program.

RESEARCH & DEVELOPMENT ACTIVITIES

During 2024 Ansaldo Energia continued investing in the improvement of its products, always in compliance with the most stringent requirements from the point of view of emission reduction (with particular *focus* on climate-altering emissions), improved efficiency, operational flexibility and reliability of the machine.

Regarding the GT36 H-Class turbine, the main objective of the 2024 program has confirmed its commitment to the development of a wide range of optimizations and upgrade solutions; these solutions aim to further improve the efficiency and power of the gas turbine, the operational flexibility through the reduction of the minimum operating load, the combustion of hydrogen (H_2), as well as the minimization of capex and opex costs, while maintaining high levels of reliability and availability. The Marghera and Presenzano units reached the important milestone of the "Provisional Acceptance Certification" (PAC) while the Tavazzano unit entered *the* final *commissioning* phase and began the "Reliability Run", preliminary to the achievement of the PAC in 2025. Part of the GT36 development program consists in supporting the *operation* of the first units installed in collaboration with the New Units and Service *business units*. This activity includes inspections, surveys and improvement activities to mature the GT36 platform. The Tavazzano unit was also already equipped with additional instrumentation that allowed to obtain further validation feedback for the compressor, the combustor and the turbine. Another significant activity on GT36 in 2024 concerned the development of the GT36 EVO concept upgrade project to equip, as a first application, RWE plant units in Germany. Finally, *felt metal* was tested and validated at the Ansaldo Energia high-speed cellin Genoa, later installed in the car and validated at the Marghera unit.

During 2024, the first 4 TG AE94.3A was delivered in the latest 340 MW version at the Mingachevir site (Azerbaijan). The first unit was equipped with additional equipment for the collection of operational data, useful for the verification and support of new projects already acquired and New Unit offerings. To this end, the acquisition system was set up, shipped and put into operation, and the first unit began the start-up phase, reaching the first baseload on 28th December 2024. As for Service, P&T has released documentation for the AE94.3A upgrade package called Airflex, starting the qualifications of the new parts and giving SER the opportunity to offer the package to customers with AE94.3A(4) fleet. The new HW is expected to be implemented for the first time in Q4 2025.

The GT26 product activities focused on support for *cold commissioning* of the first executive project that takes advantage of the more advanced version of the GT26, called U5s, on the two units of Rupsha (Bangladesh). On the *support* side for the GT26 service fleet, the key points were the reduction of greenhouse gas emissions and the improvement of operational flexibility, which are fundamental requirements in the current electricity market. Feasibility studies on the conversion of combined cycle power plants for the co-combustion of hydrogen to the combustion of pure hydrogen have been conducted for several customers. In addition, a *black grid restoration* study was conducted for a customer in Europe using a GT26 turbine. In 2024, the second MXL3 upgrade package was also installed at Combigolfe plant, and this installation also confirmed that the MXL3 project achieved its performance goals. Finally, a great effort has been made to improve the reliability of the fleet, with particular target being the 2006 model compressors of the Ibri and Sohar machines and all the EGHs of the 2006 fleet.

The program for the development of new technologies during 2024 focused on the capacity to burn hydrogen on the AE94.3A turbines and their emissions, as well as on the stability of the flame, evaluated on different burner configurations. Regarding the combustion technologies for the AE94.3A, the *upgrade* package dedicated to the combustion of low impact NO_x diesel fuel was successfully validated at the Marbach plant in 2024. The development of hydrogen GT36 continued after the successful completion of the high-pressure combustion test campaign in October 2023, with emphasis on validating the operating window with hydrogen at maximum load and minimizing NO_x emissions at very high hydrogen content, up to 100%. The first stage burner was further developed (Gen2) to increase resistance to flame return and several variants of the burner were tested in November 2024 at the atmospheric test facility of the Laboratories of Sesta (IT). At the same time, further improvements have been pursued for the second stage burner with the same objective of increasing the burned H_2 content in the combustor, up to a maximum of 100%.

INTELLECTUAL PROPERTY RIGHTS 2024

Ansaldo Energia's IP assets for the year 2024 is composed of 1,968 patents (Ansaldo Energia Spa and its subsidiaries), 181 licensed patents and 314 trademarks.

More precisely, 9 new patent applications were stored during the year.

The continous review of the IP portfolio has led to left some securities expiring in the next three years and to focus the portfolio on strategic territories for the group's *business*.

29 specific IP analyzes have been activated to support *business* development strategies , for identifying opportunities for widening and diversifying the product offering, through application of proprietary *and* commercial *software* based on semantic analysis of patent texts and *data mining*.

In addition, 173 practices were managed in the field of "technology transfer", in particular: 45 NDA, 37 *Agreement*, 14 trasmittal, 70 IP *support activities* and 2 *Trade Secret activities.*

In 2024 Ansaldo Energia was awarded the Gold Award for the best IP DEPARTMENT ITALY, during the second edition of the "leaders League Alliance Summit: Law and Innovation" held in Miami.

HUMAN RESOURCES

The main objective of the activities developed during 2024 was to achieve what was foreseen under the previous industrial business plan, updated in 2023 by the new Top Management Summit. The guidelines for the main activities, confirmed also for 2024, were characterized by:

- increasing focus on the traditional *business* of the "Power Generation" (gas turbine), accompanied by interventions with the aim of increasing the internal production activity and its capacity;
- further development of *Service* activities, also favored by constant support from internal production activities;
- consolidation of the strategic nature of the "Nuclear" *business* with consequent plan for the development of Engineering and Yards activities;
- development and implementation of the technologies of the "electrolyzer" *business* by starting the activities for the preparation of a first pilot production line for the realization of multi-cell stacks (membrane "AEM" technology).

Although during 2024 the commercial activity was characterized by some important acquisitions, in order to counter the partial unloading of work and to pursue a better balance of the professional mix, the management of the redundancy plan, started in 2023 by means of a trade union agreement, continued balanced by a progressive insertion of new professional figures both through the stabilization of figures already present within the Company with administration contracts, and through the insertion from the market of specific skills in the Production area, in the Engineering and Yards areas.

In this context, two training courses aimed at the unemployed, aimed at employment and dedicated to increasing the technical/specialist skills of the Factory and the Service, have been activated. The first path has already been concluded with the introduction into administration of 25 resources in the Factory, the second, dedicated to the training of technicians for the Service, will end in the course of 2025.

Finally, it continued to give an increasing impulse to intra-group internal mobility, in order to favor a better balance of the skills present in the Company, strengthening the business areas considered more strategic, such as Nuclear, and contrasting the possible exit of critical resources during the year.

During 2024, complicating the progressive improvement of the company situation, there was also a reduction in the flow of voluntary staff outings, falling within the scope of ordinary turnover.

The Group's resources at the end of 2024 amounted to 3,244.

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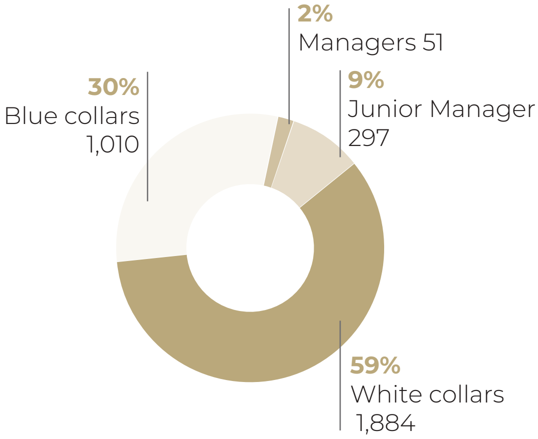
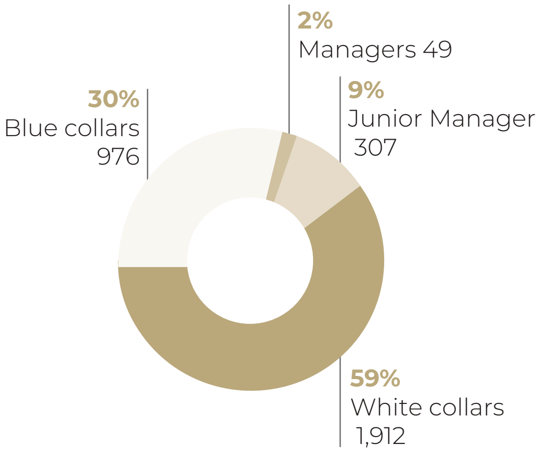
HEADCOUNTS AS OF 12/31/2023



HEADCOUNTS AS OF 12/31/2024



Customer staff training

In 2024, about 20,500 hours of training were reported in the headquarters, which were assigned to different macro areas of intervention, specifically in the technical/specialist area, in the managerial area and in the computer/digital area.

In continuity with the past years, the firm's constant commitment to the issues related to Health and Safety in the workplace is confirmed, as demonstrated by the hours of training delivered on these subjects, which represent 50% of the total.

With the aim of maintaining contact between the Company and the Community, the activation of traineeships, PhD and other forms of relations that allow young people to encounter a great industrial reality has continued.

In addition, the Company hosted the winners of the PhD calls co-financed by the PNRR and resumed the activities of the Percorsi di Competenze Trasversali e Orientamento (PCTO) for high school students.

As far as the Italian subsidiaries are concerned, in Ansaldo Nucleare 4,141 hours have been provided, in particular dedicated to technical/specialist and managerial issues, to which about 1,500 hours dedicated to safety training should be added; for Ansaldo Green Tech, 531 hours of training were provided, half of which were devoted to health and safety issues at work, confirming the *trend* of the Parent Company.

In 2024, the Ansaldo Energia School of Training carried out an intense *training* activity aimed at the customer's staff, with the primary objective of transferring the skills necessary for the optimal management of the new machines and systems supplied.

In addition to this overall goal, *training* focused on three other key aspects: ensure maximum safety of operators when using new technologies, maximize *performance* through the efficiency of machines and systems, minimize failures through proper maintenance.

The total training days delivered to the customer's staff were 132 divided into the following areas:

- 87 in Italian sites for Terna's staff at the ICS of Suvereto, for Iren's staff at the Turbigo power plant, for Enel's staff at the Fusina power plant, where there is a GT36, the 4th commissioning in Italy, and for Engie's staff at the Leinì power plant.
- 22 days were held in Germany for the EnBW staff of the Marbach Power plant.
- 23 days were delivered at the corporate training school where the Gecol staff training of the Libyan power station in Tobruk took place.

SUSTAINABILITY

Ansaldo Energia continues its activities in support of the energy transition and, in general, its growth path on the issues of sustainability and their promotion.

For the 2023 reporting data, in fact, after the previous expansion to the Italian subsidiaries, he published the first sustainability report with the perimeter of the consolidated; it is available, like the previous ones, on the WEB site.

At the end of 2024, moreover, the Company started its approach to *compliance* with the non-financial reporting obligations introduced by *the Corporate Sustainability Reporting Directive* (CSRD), in which it will fall under the FY in which it will be part as a large enterprise, following the conclusion of the procedure of the Omnibus Package.

This path, which will continue in 2025, aims to identify and understand any existing *gaps* in the new regulatory requirements, while also aligning the different business structures.

ENVIRONMENT

The Italian sites of Ansaldo Energia fall within the scope of D.P.R. 13th March 2013, n. 59 (AUA – unique environmental authorization) and in the scope of the *"Emission Trading"* directive for the presence of boilers for the heating of the district of via Lorenzi, however being in the category of "small emitters".

Significant environmental aspects

The environment office is engaged in the constant verification and maintenance of the correct operating conditions able to guarantee the respect of the authorization requirements issued for the production sites and in the management of the changes that arise from the production requirements and/or from the evolutions of the reference regulatory framework.

During 2024, no environmental aspects with an impact risk level were found, under "normal" operating conditions, exceeding the tolerance limits.

As the hydrogeological risk continues on the whole area where the plant of Via Lorenzi rises, which, as is well known, can be subject to flooding events, even though it was relevant during heavy rains, during 2024, there were no weather events such as to create major problems.

The organization is equipped with procedures of control, containment and intervention and restoration that to date have allowed to prevent phenomena with environmental impact and to limit the times of resumption of normal operations.

In relation to the management of waste produced in the production plants and warehouses, the aspect related to the management of bulky waste, such as used components or large equipment destined for disposal, is significant. To this end, an area to be equipped for the realization of a dedicated temporary deposit has been identified, which will allow to better reconcile the need to remove the valorizable assets quickly with the times necessary to guarantee the Company the maximum revenue through their alienation.

Company Certification, Legal Compliance and Environmental Management

In the year of reference, the Company has not received any environmental prescription or sanctions, nor any reports on environmental aspects from other third parties.

The internal audit plan, which involved production facilities and both *service* and new construction sites, has been successfully completed and has not highlighted any particular criticality other than room for improvement in certain aspects relating to the waste disposal by users.

In November, the audit of ISO 14001 Certification by Rina S.p.A. Certification Instiution was successfully passed without the acknowledgment of any non-conformity, however extended to a multi-site perimeter, being the management system centrally governed for the Thermal Power and Renewable Energy sectors.

The Ansaldo Energia environmental management system, as well as that relating to the health and safety of workers, was completely reformulated and reorganized in 2024 also from the documentary point of view according to a multi-site scheme. All environmental procedures have consequently been revised and reorganized according to a new Group document scheme.

Among the environmental regulatory updates that occurred in 2024, we mention the preparation of internal procedures for the document management of waste to the new computerized waste traceability system called R.E.N.T.R.I (Registro Elettronico Nazionale di Tracciabilità dei Rifiuti). The Environment Office has obtained authorization to use the electronic vidimation of the forms (Vi. vi.FIR) and has finalized the upgrade of the management in use in the Company (Prometeo Rifiuti). The management, already in use for the permanent offices, has been prepared for its extension to all the shipyards, both service and new construction.

The annual monitoring and control plan for atmospheric emissions and active discharges was carried out on schedule and compliance with the limits was confirmed.

All requests to update existing authorizations submitted to deal with changes to factory operating processes have been accepted and authorized by the competent authorities.

The large boilers controlled by the conditioning of the various environments within the company perimeter have been effectively adapted to the new more restrictive limits of emissions into the atmosphere in force since 2025.

In the first half of 2024, the annual certification processes for the previous year's CO_2 emissions data were also successfully completed.

In 2024, over 2,900,000 kilos of waste were produced at the three permanent sites in Genoa. The environment office is responsible for the management of the entire collection cycle within the three plants and for their correct transport and start-up to disposal/recovery through authorized entities.

At the headquarters there is also a waste platform duly authorized by the Metropolitan City of Genoa for the storage of the waste produced. In 2024, more than 2000 movements of loading and unloading of the waste generated were managed.

In 2024 too, more than 70% of the waste generated, started to recover.

Environmental initiatives

After the success of the environmental training called "Green Operations" delivered in 2023 to the personnel operating within the production departments of the Turbine Line and the Generator Line, in 2024 the design was extended to the Pallets Line that will be involved in the training course during the first quarter of 2025.

In the context of environmental protection activities, particular attention has been paid to the progressive reduction of waste produced and the consumption of natural resources through the study and design of circular economic initiatives.

In 2024 a project was drawn up concerning the introduction into the company of three small plants dedicated to the volumetric reduction of ferrous shavings produced on the farm and to the extraction of the oil emulsion present. The project was born with the aim of reducing the environmental impact of the process of starting to recover the metal chips produced in the company: through the phase of volumetric reduction of the shavings and simultaneous extraction of the oil emulsion present in them, it is possible to reduce by at least 50 % the journeys necessary for the start-up to recovery of this production waste (and consequently to reduce by at least 50 % the environmental impacts connected with transport). The material that has been recovered directly in the foundry will increase the effectiveness of the circular economic process. At present, the possible subjects involved in the recovery of the material are being defined.

During the first half of 2024 the study of the life cycle of the model GT36 gas turbine produced by Ansaldo Energia, the determination of the Carbon Footprint of its production process (from the extraction of the raw materials) was completed, and the preparation of the relevant environmental product declaration according to the EPD scheme.

In view of the extent and complexity of the environmental aspects connected with the activities carried out at the sites, as well as the introduction of new indicators for the assessment of the environmental, social and economic sustainability of the organization, the commitment to strengthening and increasing integration of existing data collection and management systems continues.

During 2024, the environment office was also committed to preparing and providing the necessary elements for the annual report of the Environmental Sustainability Report.

HEALTH AND SAFETY AT WORK

Ansaldo Energia in 2024 carried out a series of initiatives in order to raise the standards of safety at work that ended with the ISO 45001 certification that, for the first time, The Ansaldo Energia Group discussed the Power Generation and Renewable Energy sectors. The initial reorganization of the function has enabled a greater focus on the main objectives of the year, such as: Risk assessment and prevention measures, general and specific training and health surveillance. These priorities also included the revision of the H&S procedural body with a greater focus on the issue of Directives applicable at the level of the Ansaldo Energia Group.

Improvement actions

In 2024, the improvement actions of the previous year were carried out and consolidated, among which the following are outstanding:

- the establishment of a Task Force which involved both the EHS function and the Factory Maintenance Function with the aim of evaluating appropriate improvements aimed at reducing the residual risk level present at the individual workstations;
- the introduction of a different methodology of analysis of individual accidents based on the so-called "5why" aimed at understanding the cause of the single event, favoring the identification of the consequent corrective actions;
- the strengthening of instruments such as the "Safety Walk", both in the production areas and in the storage and warehouse areas, aimed at raising awareness of the importance of detecting potential risk situations and improvement actions for all personnel (persons and workers). This approach has helped to achieve the dual objective of improving the performance of accident rates and increasing the sharing with all workers of EHS issues;
- the review of the health surveillance process and the associated update of the risk profile associated with the individual tasks.

In addition to the above, the Company has deepened possible solutions present on the market, aimed at reducing the risks deriving from the manual handling of the loads and, more generally, from the main manual activities. Among these, the most significant were:

- active exoskeletons: some active Exoskeletons have been tested within the Generator Line to verify the effective benefit in the management of the lifting and manual handling of loads;
- manipulators: two manipulators have been tested inside the Pallet Warehouse and the Central Warehouse to verify their effectiveness in terms of reducing the risk of injury or consequences to the musculoskeletal system.

Another improvement action, based on the objective of raising awareness among the Companies of the induced sector, operating within the perimeter of Ansaldo Energia, on the issues of Health and Safety, was the introduction of the so-called “Points-Based Licence” which will involve a timely monitoring of all the activities carried out by the latter with the aim of developing a growing culture of safety and ensuring safe behavior.

In 2024, analyzes of the performance of DPI (Dispositivi di protezione individuale) and equipment were also carried out in order to find solutions that can guarantee increasing safety standards and positive impact on the production process. Among the various devices tested: New safety shoes and gloves with chemical and mechanical protection. Among the equipment: The adoption of an electric hammer introduced for the removal of the pallets operated in place of manual activity.

Workers and top management involvements: training and auditing

Based on the experience of the past years, Ansaldo Energia has intensified the involvement of workers and the Company Summit. In addition to the regular meetings, Art. 35 of D. Lgs.81 and Management Review, regular meetings were organized with the Representatives of the Safety Workers (Rappresentanti dei Lavoratori per la Sicurezza), together with the Facility contacts, on the issues related to new works and projects to be carried out at the factory.

The involvement, both of workers and of the company summit, has also been ensured through an internal Audit plan carried out throughout the year, both on site and on site, aimed at verifying the compliance of the company procedures, safety legislation and the effectiveness of corrective measures taken as a result of previous audits.

The involvement of workers was also ensured through the company Intranet and through the introduction of screens in common areas and refreshment areas through which information on EHS initiatives, emergency management and prevention and protection measures introduced during the year were disseminated.

A new way of sharing with workers, the so-called “Daily Management”, was introduced within the Palette Line with the aim of sharing a number of aspects among the employees, including EHS issues.

RISK ASSESSMENT AND EMERGENCY AND EVACUATION PLANS

From the point of view of the updating and verification of risk assessments, the working-related stress risk assessment document was updated during 2024. for which all workers were involved through an on-line questionnaire which saw the active participation of about 60% of all workers.

As far as Emergency Management is concerned, two important measures were implemented during 2024 to protect the safety of workers and all the staff at headquarters. The first is the revision of the health emergency procedure with the redefinition of roles and responsibilities and the introduction of a telephone number for signaling the health emergency. The second is the emergency related to the Hydrogeological alert of the Fegino area (Off-Nord) with the introduction of measures to limit the flood risk of the stream Fegino.

CERTIFICATION AND QUALITY

On the organizational front, 2024 saw the development and implementation of the organizational design launched at the end of the previous year. The new design has articulated the organizational structure for P&L, overcoming the previous functional form, with the revisiting of some structures: In particular, the functions of project control and quality have been reorganized and decentralized in the individual P&L, providing the latter with the necessary levers to manage more effectively the entire value chain and its economic results.

The new organizational set-up required a review of the organizational weights of the different structures: To this end a job evaluation activity was carried out and a consequent updating of the remuneration positioning of the individual functions in comparison with the market.

At the same time, the BPM Process project was started, with the aim of realigning the business processes in line with the reorganization. The project has defined a three-level structure through which to organize the information and elements of the organizational system: The first level represents the map of the processes, that is the high-level photograph of the company and of the businesses within which the company moves and recognizes itself; next levels (Process Overview and Process Detail) integrate maps with responsibilities and operational details.

In compliance with technical product legislative requirements, business functions have been supported by establishing or revising guidelines for the application of EU product Directives. In particular, a new standard has been developed for the application of the ATEX Directive.

Regarding the governance of the Group, 4 new directives have been issued (Travel Security Management, External and Internal Communication, Emergency Management and crisis Unit, Intercompany Transfer Pricing) and 7 have been revised. In addition, the management system manuals (ISO 9001, 14001 and 45001) have been revised, in line with organizational developments, and a new manual has been issued dedicated to the Functional Safety Management System (IEC 61511/61508) covering the Ansaldo Energia's New Units, Service and Product Development scope.

As in previous years, internal audit activities, measurement of parameters representing the functioning of the organization (Vendor Rating, Customer Satisfaction, Quality Economics) have been carried out, as well as lesson learned activities focusing in particular on issues of compliance/technical regulations of impact on realized projects.

At the end of the year, the Quality Management System (ISO 9001) was renewed for the three-year period 2025 – 2027. The certificate, issued by the Rina certification body, is a multi-site certificate valid for companies in the Thermal Power (AEN, AES, AEG) and Green Sectors (AGT). During the same period the Functional Safety Management System (IEC 61511/61508) for Ansaldo Energia was subjected to maintenance verification, obtaining confirmation of validity of the certificate.

INFORMATION REQUIREMENTS EX L. 124/2017

The reference legislation requires companies receiving financial contributions from Public Administrations and their subsidiaries to provide some details in the Explanatory Notes.

The rule in question has received many interpretations, which have not dispelled doubts as to its practical application. The Company took over the position assumed by Assonime with circular n. 5 of 22nd of February 2019, according to which the obligation to publish is only for those payments of a specific and individual nature.

Therefore:

- with regard to paid assignments falling within the typical activity and under market conditions, it is stated that the Company has received paid assignments from persons related to the Public Administration; in this regard, it should be noted that these tasks, as they are part of the typical business activity and carried out according to market conditions, are not reported in this section, since they are not subject to the information obligations provided for in art. 1, paragraph 25 of Law no. 124/2017;
- for all those contributions/grants which may be received, and which are the subject of publication requirements in the National Register of State Aid (Registro Nazionale degli Aiuti di Stato - transparency), reference is made to this document;
- about contributions from entities of a privatized nature (for example, Fondimpresa training grants), they are not subject to any information fulfilment, since they are outside the scope of this standard;
- it is considered, also in accordance with what has been done by Assonime with the aforementioned circular, that any tax advantages enjoyed by the Company are of a general nature and therefore should not be compulsorily disclosed for the purposes of the rule in question.

As already stated, in 2024, the subsidiary Ansaldo Green Tech obtained from the Ministry of Enterprise and Made in Italy the decree granting a concession in the form of a contribution to expenditure on the IPCEI Fund pursuant to article 5 of the decree of 21st April 2021, For an amount of up to Euro 317.9 million, granted for the implementation of the activities of IPCEI Hydrogen 1.

The facility was obtained after the approval of the IPCEI project by the European Commission by Decision of 15th July 2022 (C (2022) 5158 final) no. SA. 64644.

The project will be aimed at the construction of a factory for the construction of hydrogen electrolyzers with a capacity of 300 MW per year.

The eligible costs covered by the facility will be equal to Euro 377 million and will refer in most part to the project of first industrialization and in a residual way to the part of development.

The project will be extended for a period of six years, between 2nd January 2024 and 31st December 2029.

As provided for in the abovementioned concession decree, the company requested an advance of up to 30% of the contribution payable, which was received by 31st December 2024 in the amount of Euro 94 million, of which Euro 30 million in direct form and Euro 64 million through pro-solute sale.

The above contribution is detailed below:

Beneficiary institution	Regulator	Type of contribution	Resolution date	Delivery date	Amount in Euro
Ansaldo Green Tech	MIMIT	Facility in the form of a contribution to expenses under the IPCEI Fund	11/08/2024	12/27/2024	€30,030,690.60 (advance)

RISK MANAGEMENT

In relation to the international market, a careful and rigorous activity of identification and management of operational and financial risks is increasingly necessary.

To eliminate or minimize the credit risk and to optimize the cash flows of the orders, the Company adopts an accurate policy of analysis from the origin of the commercial transaction, carrying out a careful examination of the conditions and means of payment to be proposed in the offers and in the subsequent sales contracts.

Depending on the contractual amount, the type of customer and the importing country, the necessary precautions are adopted to limit the risk both in terms of payment and in financial means, resorting, in the most complex cases, to adequate insurance cover or supporting the customer in obtaining the financing of the supply.

For transactions in currencies other than the Euro at exchange risk, the procedures include specific futures contracts for the coverage of the most important transactions.

GUARANTEES GIVEN AS PART OF THE AGREEMENT FOR THE SALE OF THE PARENT COMPANY'S SHARES

The contract that regulates the sale of Ansaldo Energia S.p.A. shares to the Fondo Strategico Italiano (today CDP Equity S.p.A.) provides for various guarantees issued by Finmeccanica (now Leonardo S.p.A.) in respect of disputes or cases involving specific provisions to funds for risks in the financial statements.

The transfer contract provides that any disbursements in respect of the cases guaranteed will be compensated by Leonardo, with different mechanisms depending on the case. The compensation, at the discretion of CDP Equity, may go directly to Ansaldo Energia or CDP Equity.

It is noted that CDP Equity has made a formal commitment to the Company that all future compensation related to the case "asbestos" will be paid by Leonardo directly to Ansaldo Energia S.p.A.

However, with regard to all the other cases covered by Leonardo's guarantee, CDP Equity has not yet defined any choice as to the recipient of any compensation.

RELATED PARTY TRANSACTIONS

The relations of the Group companies with the Related parties, whether commercial or financial, are all maintained at market conditions and are detailed in the Explanatory Notes.

Reference is also made to specific paragraph on the CCA.

PERFORMANCE OUTLOOK

The Industrial Business Plan for 2025-2029, in continuity with the previous one, is based on a robust market scenario for gas and nuclear turbines.

Demand for electricity is set to double over the next 25 years, with gas maintaining its position as a transition fuel, nuclear gains quotas, and renewable energies growing rapidly.

The replacement of the order portfolio with contractual types with lower levels of risk in the *New Unit* segment started in the previous three years shows the group's ability to operate with the expected levels of margin and supports the continuous growth of the *Service* segment.

The 2024 Budget shows a growing trend in Group orders, an increase in revenues and a positive operating margin. The Industrial Business Plan 2025-2029 takes note of the Group's structural strength, characterized by strong skills and competitive products. The plan confirms a strong refocusing on the *core business* of rotating machines (gas turbine, steam turbines and generators) in a global growth landscape of electricity demand.

For Ansaldo Nucleare, the plan foresees a strong increase in activities, supported by the acquisitions of important contracts in the UK and Romania, with an estimated increase in *turnover* of twice the 2023 and 2024 results.

At the same time, Ansaldo Green Tech's activities will focus on the development of a new generation of electrolyzers supported by the program of European contributions of which the group's subsidiary is awarded.

The reorganization completed in the period 2023 with clear market responsibilities and a clear division for P&L in the 4 different Business units, showed positive results in 2024 and is the basis for the execution of the Industrial Business Plan.

ESMA INFORMATION REQUIREMENTS

Covenant, interest rates and liquidity risk

Recently, the European Central Bank (ECB) decided to reduce interest rates by 25 basis points. The deposit rate is now 2.50% and the main refinancing rate has dropped to 2.65%.

The positive impact of the recent fall in **interest rates** has been particularly significant for the parent company as a result of its financial indebtedness, resulting in a reduction in interest cost for the part of variable-rate debt. The variable-rate component mainly relates to the term loan, Revolving Credit facility and SACE Support Italy Loan subscribed in the last year in the context of the finalization of the financial maneuver, as well as the new "Archimede" line of bank financing already commented in the previous paragraphs.

This also has a positive impact on the discount rates used in ***impairment tests.***

The remainder of the negative financial position is not subject to risks arising from fluctuations in interest rates, against fixed rate hedging instruments (IRS-interest rate swaps).

It should be noted that the Group's operating **cash flow** returned to a positive level in the previous year, even with the decisive contribution of the item related to the collectionby Ansaldo Green Tech of the advance component of the contribution to expenditure on the IPCEI Fund pursuant to the Decree of 21st April 2021. Despite the continuing complex geopolitical situation, the improvement of the market environment, together with the good *performance* of the Service segment and the progressive completion of New Units projects, significantly reduced the group's exposure to **liquidity risk.**

In this context, closely linked to the above, it is also important to stress the positive impact on reducing the risk of financial **covenants** breaking up, which, according to the financial documentation *in place* with the main financial institutions, concern:

- *Leverage ratio* tested on a half-yearly basis on the group consolidated parameters;
- *Interest Coverage ratio* tested on a half-yearly basis on the group consolidated parameters;
- *Minimum available liquidity* tested quarterly on Ansaldo separate parameters.

Sustainability priorities and climate change issues

The *large public-interest entities* and, therefore also the Ansaldo Group, will publish their first sustainability statement in accordance with the ESRS, as foreseen by the Corporate Sustainability Reporting Directive (CSRD), at a time that will be confirmed or postponed by the European Commission.

More generally, the Group's sustainability objectives are indicated on time in the last published Sustainability Report.

Reference is also made to the Sustainability Report regarding emission reporting.

The transition to a zero-emission environment is constantly accelerating, which is why the analysis of the impacts of the *"climate change"* on the Group's reference market and of possible regulatory developments have been considered in industrial business plan.

Ansaldo Energia has a structure dedicated *to Enterprise Risk Management* (ERM) with the aim of identifying, evaluating and managing the main business risks, consistently with the objectives, strategies and risk appetite, in order to support management in sharing and *managing* risk, and also making aware decisions to optimize *performance*.

Regarding the *climate change*, the risk related to the contraction of *Core Business* and/or loss of competitive advantage for inadequate *business models* due to a change in the macroeconomic, regulatory or technological context must be highlighted.

Ansaldo has set, in mitigation of identified risk, specific actions of:

I. adapting the current portfolio to the use of hydrogen;
II. activities to rationalize the supply of products for *the New Units* world;
III. evaluation of the development of solutions to increase the efficiency of the machines covered *by Service* activities and their possible impact on *New Units* products.

The products of the Ansaldo Energia Group are today already a push toward decarbonization, guaranteeing a significant contribution to the stability of electricity grids in view of the unpredictability of energy generation from renewable sources.

In addition, the Group, in order to increase the sustainability of its existing portfolio, is dedicating itself to Research and development activities aimed at allowing the burning of steadily increasing percentage of hydrogen in gas turbines in order to guarantee the stability of the network, in the face of the growth of non-programmable energy sources, in compliance with the objectives of reducing carbon dioxide emissions.

Having invested since the end of the '80 in the search for innovative solutions, both for reactor design and for waste management and decommissioning, Ansaldo Nucleare is in a favorable position to contribute to the change.

Its strategic vision is based on three main pillars:

- the short-term objective of providing effective solutions for the dismantling of old plants and accelerating the return to *green-field* of sites;
- the medium-term objective of integrating new flexible and more sustainable nuclear reactors with renewable energy sources;
- the long-term objective of making the fusion a concrete response to the energy needs of the future, with the highest standards of sustainability.

Moreover, with a view to revival and diversification, the company Ansaldo Green Tech is carrying out the evaluation of opportunities in *counter-cyclical* business instead of the *power generation* from fossil sources, with the aim of developing, producing and marketing *green* products.

Ansaldo's TV (steam turbine) engineering has also been committed to supporting projects in the field of energy transition, especially in the development of an expander for an Energy Storage plant that uses CO_2 as a working fluid. In addition, new nuclear projects were addressed, particularly in the field of *Small Modular reactor* (SMR), aimed at guiding the transition to a new generation of nuclear energy.

It should also be noted that in 2023 the Board of Directors appointed the Internal Committee on Risks and Sustainability.

In the company's determination to create the greatest synergies between the *Enterprise Risk Management* system in support of the Group's decision-making processes through the monitoring of ESG issues and the Materiality analysis, the Committee has investigative, proactive and advisory functions, on assessments and decisions relating to risk and sustainability issues.

Finally, it is reported that, in 2024, an analysis and first evaluation of Taxonomy's applicability was launched through the identification of *eligible* activities.

It should be noted that the company has not currently signed *Emission trading schemes,* nor agreements setting out in advance the price for the supply of *green* energy (PPA *Power purchase agreements*), nor carbon allowance.

Reverse Factoring

Reverse factoring, also known as *supply chain finance*, is a financial solution that helps companies manage their relationships with their suppliers more efficiently.

Suppliers participating in the Ansaldo program may choose to be paid in advance by the selected financial institution together with Ansaldo, or at the due date of the invoice, allowing the supplier faster access to liquidity and granting Ansaldo an extension of payment terms.

These agreements are included in commercial debts.

By adhering to the agreements with the above-mentioned banking institutions, the supplier grants Ansaldo Energia the extension of the commercial payment terms provided for in the purchase orders up to 210 days from the invoice date, the supplier has the guarantee to cash on maturity and the possibility to request advances on recognized credits.

As of 12/31/2024, deferred payment was activated on a volume of approximately Euro 59 million, down from the year 2023 (Euro 74 million).

Accounting policies, judgements and significant estimates

Impairment test

In line with the requirements of the International Accounting Standards, *impairment* tests were carried out to determine the existence of any impairment losses of assets.

As indicated above, goodwill is subject to impairment tests annually or more frequently, in the presence of indicators which may have been considered to have suffered a decrease in value, as provided for in IAS 36 (Impairment of assets).

The result of the *impairment test* is derived from the estimates made by management on the basis of the information available to date and the assumptions set out in the following paragraphs. Assumptions characterized by the greatest uncertainty profile and for which a higher use of subjective assessments is required relate, in particular, to those relating to:

- to obtain the expected orders and the consequent estimate of the margin of the orders;
- the estimation of the financial parameters used for the determination of the discount rate;
- to the evolution of legislation in the field of energy.

The Group has taken into account the above uncertainties in the elaboration and definition of the basic assumptions used for the determination of the recoverable value of Goodwill and technologies by inserting *an execution risk* into the discount rate of flows and performing sensitivity scenarios on the industrial business plan data.

The analyzes listed above confirm the sensitivity of the recoverable assessments of the non-current assets to the variation of the above-mentioned exogenous and non-controllable variables; In this context, the Directors will systematically monitor their progress for any adjustments to the estimates of recoverability of the values of Goodwill and technology in the financial statements.

Revenue from contracts with customer

The preparation of the financial statements requires the application of principles and methodologies based on difficult and subjective assessments with estimates based on historical experience and assumptions considered reasonable and realistic.

The application of these estimates affects the amounts shown in the financial statement schemes.

The items of financial statements for which the estimates have been used may differ from those reported in the financial statements which reveal the occurrence of the event being estimated.

The Group operates with complex contractual schemes of multi-year duration. Where the contractual consideration, which is more relevant in *the business service* (Long term service agreement), is not clearly defined, *management* estimates the determination of revenue on the basis of the duration of the contract, the number of operations envisaged and the share of variable revenue (see inflation indices application).

Contracts are recognized in the balance sheet according to the percentage of completion, margins are recognized according to the progress of the contracts. Revenues for *performance obligations* met *over the time* are recognized on the basis of the progress method (or percentage of completion) according to which costs, revenues and margin are recognized on the basis of the progress of the productive activity, determined by reference to the ratio of costs incurred at the assessment date to total expected costs on the program or on the basis of the product units delivered.

Requests for additional fees arising from changes in the contract, including those resulting from higher charges, are incurred for reasons attributable to the customer, are included in the full-life revenue where they are likely to be recognized by the customer, with the support of external technical legal experts. Any economic effects shall be accounted for in the period in which the updates are made. In the event that the completion of a contract is expected to result in a loss at the level of industrial margin, it is recognized in its entirety in the period in which it becomes reasonably foreseeable within the Operating expenses.

The estimated total costs are subject to a high level of uncertainty, potentially influenced by many factors involving risks of extra oneness or penalties application.

The Group has been equipped with contract risk management and control schemes aimed at identifying, monitoring and quantifying these risks in the life of contracts.

Any economic effects resulting from the periodic review of estimates are accounted for in the period in which the updates are made. If the completion of a contract is expected to result in a loss at the level of industrial margin, it is recognized in its entirety in the period in which it becomes reasonably foreseeable within the operating expenses.

The values entered in the balance sheet represent the best estimate at the date using these procedural aids.

Expected credit loss

According to IFRS 9, Ansaldo carries out an analysis of trade receivables and estimates the probability of recoverability by using all available information from internal and external sources.

Ansaldo Energia operates in a *business* characterized by a limited number of large customers (typically state-owned companies) where trade receivables are normally settled within one year. *Management* considers any technical risk that could cause a delay in the collection of commercial credits already at project level.

Moreover, for certain specific trade receivables, a country-*default* risk is incorporated into the cost *budgets* of individual orders.

Considering the requirements of IFRS 9, the group leader also conducted a specific analysis of claims that have not expired or expired for less than a year, taking into the consideration the country *default* risk (where the customer's specific default risk is not available), applying it to 40% of the amount claimed *(loss given default)*. The analysis confirmed, also in the light of the contingencies already included in the full-life costs of the orders, the adequacy of the credit write-down fund to an amount of around Euro 4.5 million (with an increase of Euro 80 thousands with respect to the 2023).

For derivatives, the ECL analysis was included in the *fair value* valuations of instruments.

Management has done ECL analysis of Cash and cash equivalents by analyzing the default risk of banks, with no significant impact.

FINANCIAL STATEMENTS AS OF 31ST DECEMBER 2024

CONSOLIDATED INCOME STATEMENT

Euro/thousand	*Notes*	**2024**	**of which with Related parties**	**2023**	**of which with Related parties**
Revenues	*13*	1,116,339	42,279	1,102,565	40,875
Other operating income	*14*	29,762	5	49,455	-
Purchases costs	*15*	426,021	2,438	420,024	11,784
Services costs	*15*	373,739	913	518,268	1,248
Payroll	*16*	250,433		242,543	
Amortization, depreciation and impairment losses	*17*	79,578		87,312	
Other operating expenses	*14*	56,695	151	94,204	150
Change in finished goods, work-in progress and semi-finished goods	*18*	2,148		-3,632	
(-) Internal works capitalised	*19*	18,230		17,140	
EBIT		**(19,987)**		**(196,823)**	
Financial income	*20*	17,937	-	20,803	-
Financial expenses	*20*	86,324	21,156	96,201	12,130
Share of profits (losses) of associates and joint ventures accounted for using equity method	*24*	6,148		2,367	
Profit (loss) before taxes		**(82,226)**		**(269,854)**	
Income taxes	*21*	(60,758)		(41,837)	
Net result		**(21,468)**		**(228,017)**	
Net result attributable to non-controlling interests		*(914)*		*(484)*	
Net result attributable to the owner of the Parent		*(20,554)*		*(227,533)*	

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Euro/thousand	**2024**	**2023**
NET RESULT	**(21,468)**	**(228,017)**
Items that will not be reclassified to profit or loss		
- Actuarial gains (losses) or defined benefit plans measurement	(8,620)	(2,326)
Revaluation/(devaluation)	(8,620)	(2,326)
Exchange rate differences	-	-
Items that may be reclassified to profit or loss		
- Changes in cash flow hedges:	(3,760)	2,405
Changes generated in the period	(3,760)	2,405
Transfer to profit (loss) for the period	-	-
Exchange rate differences	-	-
- Exchange differences	(1,108)	(3,794)
Gains (losses)	(1,108)	(3,794)
- Tax effect	1,426	(334)
from cash flow hedge	194	(609)
from plans to defined benefits	1,232	275
Total other comprehensive income, net of tax effect	**(12,062)**	**(4,049)**
Total comprehensive income (loss)	**(33,530)**	**(232,066)**
of which attributable to non-controlling interests	*(914)*	*(484)*
of which attributable to non-controlling interests exchange rate differences	*227*	*383*
Total attributable to non-controlling interests	*(687)*	*(101)*

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Euro/thousand	*Notes*	**12/31/24**	**of which with Related parties**	**12/31/23**	**of which with Related parties**
Assets					
Non-current assets					
Intangible assets	*22*	948,194		969,752	
Property, plant and equipment	*23*	180,459		184,014	
Right of use assets	*23*	29,697		32,792	
Investments in subsidiaries and associates	*24*	1,056		7,055	
Equity investments	*24*	17,977		13,183	
Receivables	*25*	25,084	933	82,316	1,400
Deferred tax assets	*25*	49,315		50,033	
		1,251,782		**1,339,145**	
Current assets					
Inventories	*26*	665,234		642,548	
Contract work-in-progress	*27*	112,597		121,710	
Trade receivables	*28*	346,930	62,794	365,306	75,803
Tax assets	*29*	3,134		1,768	
Financial receivables	*28*	3,961	468	75,086	931
Derivatives	*38*	132		423	
Other current assets	*30*	125,468	74,618	102,932	55,253
Cash and cash equivalents	*31*	310,311		232,691	
		1,567,767		**1,542,464**	
Total assets		**2,819,549**		**2,881,609**	
Equity and liabilities					
Equity					
Share capital	*32*	407,291		325,394	
Other reserves	*32*	(67,026)		(79,126)	
Equity attributable to the owners of the parent		340,265		246,268	
Equity attributable to non-controlling interests		2,621		(580)	
Total Equity		**342,886**		**245,688**	
Non-current liabilities					
Loans and borrowings	*33*	679,902	330,525	580,220	259,818
Lease liabilities	*33*	26,350		28,200	
Employee benefits	*34*	22,026		14,178	
Provisions	*35*	70,202		81,075	
Deferred tax liabilities	*36*	32,012		34,637	
Other non-current liabilities	*36*	4,229	-	14,354	10,225
		834,721		**752,664**	
Current liabilities					
Advances from customers	*27*	798,712		836,093	
Trade payables	*37*	391,361	5,705	498,013	13,929
Loans and borrowings	*33*	150,450	22	384,395	162
Lease liabilities	*33*	8,779		7,956	
Tax liabilities	*29*	4,793		2,606	
Provisions	*35*	99,443		81,486	
Derivatives	*38*	3,808		931	
Other current liabilities	*36*	184,596	10,409	71,777	157
		1,641,942		**1,883,257**	
Total liabilities		**2,476,663**		**2,635,921**	
Total liabilities and Equity		**2,819,549**		**2,881,609**	

CONSOLIDATED STATEMENT OF CASH FLOWS

Euro/thousand	**2024**	**2023**
Cash flow from operating activities:		
Gross cash flow from operating activities	57,814	(45,956)
Changes in working capital and other operating assets (liabilities)	(60,868)	22,428
Cash receipts (payments), net financial incomes (expenses), taxes and other operational assets (liabilities), use of funds	85,779	(30,066)
Cash flow generated from (absorbed) operating activities	**82,725**	**(53,594)**
Cash flow from investment activities:		
Acquisition of companies, net of cash acquired	(10)	-
Sale of shareholdings	-	2
Investements in tangible and intangible assets	(38,740)	(38,819)
Sale of property, plant and equipment and intangible assets	513	89
Changes in non current financial activities	(11)	-
Other investment activities	14	(219)
Dividends received (paid)	1,286	68
Cash flow generated from (absorbed) investing activities and other	**(36,948)**	**(38,879)**
Cash flow from financing activities:		
Capital increases and payments from shareholders	125,000	469,374
Net change in financial receivables/payables and other financing activities	(89,878)	(247,186)
Cash flow generated from (absorbed) financing activities	**35,122**	**222,188**
Net increase (decrease) in cash and cash equivalents	80,703	129,715
Other changes	(3,279)	(4,865)
Cash and cash equivalents as of 1st January	232,691	108,031
Changes in the consolidation area	196	(190)
Cash and cash equivalents as of 31st December	**310,311**	**232,691**

CONSOLIDATED STATEMENT OF CHANGES IS EQUITY

Euro/thousand	Share capital	Hedging reserve	Actuarial reserve	Retained earnings and other reserves	Total Equity
1st January, 2023	**615,626**	**(1,503)**	**(8,523)**	**(589,243)**	**16,357**
Comprehensive income for the year:					
Net result	-	-	-	(227,533)	(227,533)
Other comprehensive income (expenses)	-	1,796	(2,051)	(4,177)	(4,432)
Total comprehensive income	**-**	**1,796**	**(2,051)**	**(231,710)**	**(231,965)**
Shareholders related transactions recorded directly in equity					
Capital increases	312,477	-	-	156,897	469,374
Total shareholders related transactions recorded directly in equity	**312,477**	**-**	**-**	**156,897**	**469,374**
Other changes	(602,709)	1,271	(1,271)	595,210	(7,499)
31st December, 2023	**325,394**	**1,564**	**(11,845)**	**(68,846)**	**246,267**
Comprehensive income for the year:					
Net result	-	-	-	(20,553)	(20,553)
Other comprehensive income for the year	-	(3,565)	(7,388)	(1,335)	(12,288)
Total comprehensive income	**-**	**(3,565)**	**(7,388)**	**(21,888)**	**(32,841)**
Shareholders related transactions recorded directly in equity:					
Capital increase	81,897	-	-	43,103	125,000
Total shareholders related transactions recorded directly in equity	**81,897**	**-**	**-**	**43,103**	**125,000**
Other changes	-	-	-	1,839	1,839
31st December, 2024	**407,291**	**(2,001)**	**(19,233)**	**(45,792)**	**340,265**

In 2023, the staff "other changes" mainly referred to the covering of previous losses by the reduction of the share capital, to which was added the creation of a capital reserve of Euro -2.3 million relating to the costs incurred for the finalization of the financial maneuver on equity, In 2024, it was mainly due to the hyperinflation effect (IAS 29) applied by the Turkish subsidiary Yeni AEN.

RECONCILIATION OF THE PARENT'S EQUITY AND NET RESULT WITH CONSOLIDATED FIGURES

Euro/thousand	Equity 2024	of which: Net result
Parent company equity and net result as of 31st December 2024	**352,449**	**(27,323)**
Equity surplus in annual financial statements compared to the carrying amounts of investments in consolidated companies	(63,832)	
Consolidation adjustments for:		
- PPA Nuclear Engineering Group	14,942	
- PPA Gastone	44,482	(7,656)
- PPA effect Centro Combustione Ambiente	1,582	(177)
- Intercompany profits		14,026
- Dividends /write-downs/revaluations of equity investments		(3,482)
- Other adjustments	(9,358)	4,058
Equity and net result attributable to the owners as of 31st December 2023	**340,265**	**(20,554)**
Non-controlling interests	2,621	(914)
Total equity and net result as of 31st December 2024	**342,886**	**(21,468)**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDEN ON THE 31ST DECEMBER 2024

1. GENERAL INFORMATION

Ansaldo Energia S.p.A. (hereinafter "Ansaldo Energia", the "Company" or the "Parent Company" and, together with its subsidiaries and affiliates, the "Group" or the "Ansaldo Energia Group") is a joint stock company domiciled in Italy, with its registered office in Via Nicola Lorenzi 8, Genoa is organized according to the legal order of the Italian Republic.

The Parent Company is owned by CDP Equity S.p.A. (the Italian investment holding company belonging Cassa Depositi e Prestiti Group, formerly known as Fondo Strategico Italiano) and by the Chinese company Shanghai Electric Hongkong Co. Limited.

The non-renewal of shareholders' agreements between shareholders, which expired on the 5th of December 2019, meant that the Parent Company, as from that date, was not only formally, but also de facto controlled directly by the shareholder CDP Equity S.p.A.

On the 20th of April 2020, the extraordinary Shareholders' Meeting was held, which approved the proposal to increase the share capital by a maximum amount of Euro 450 million, through the issue of shares with regular use, equal to be offered as an option to shareholders CDP Equity S.p.A. and Shanghai Electric Hongkong Co Limited, pursuant to art. 2441 of Italian Civil Code and of the company's statutes, proportionally to their respective shareholdings in the capital.

On the 27th of April 2020, the shareholder CDP Equity S.p.A. paid Euro 400 million.

On 30th June 2020, the increase in share capital from Euro 180 million to Euro 580 million decided by the extraordinary Shareholders' Meeting of Ansaldo Energia S.p.A. held on 20th April 2020, was completed. The above-mentioned increase in the share capital amounted to Euro 400 million through a payment from the shareholder CDP Equity S.p.A., which also exercised the right of pre-emption for the share not subscribed by the shareholder Shanghai Electric Hongkong Co Limited.

In October 2022, the shareholder CDP Equity paid an amount of Euro 35.6 million as a capital increase, as the first *tranche* of the total share, equal to Euro 50 million, earlier deliberated by the majority shareholder in the event of a break in *the Minimum Available Liquidity* (financial covenant), which occurred during the year.

In January and February 2023, CDP Equity paid an amount of Euro 14.3 million as a capital increase, as a residual *tranche* of the total amount of Euro 50 million mentioned above.

On 19th June 2023, the extraordinary shareholders' meeting approved approves an issue of shares for cash amounting to Euro 580 million.

On 1st June 2023, CDP Equity paid a share of Euro 230 million in accordance with the commitments entered into under the Agreement signed on 30th May 2023 (ECA *Equity commitment Agreement*), whereas on 28th June the commission paid a tranche of Euro 225 million.

Between March and April 2024, following the final payments totaling Euro 125 million, the capital increase operation by the shareholder CDP Equity, resolved in 2023, was concluded.

Currently, the shareholding of the shareholder CDP Equity is 99% and that of the shareholder Shanghai Electric Hongkong Co. Limited is approximately 0.40% of the capital. The Group's mission is to perform, in Italy and internationally, industrial, commercial, design, supply, technology assembly, start-up and service activities in the power generation Plants and Components service line, as well as in similar service lines, in addition to performing all works connected with the activities. Cutting-edge technology, high professional standards, extensive production capacity and competitive projects and products have been constant features of the Group from the outset and will drive it forward into the future.

The Group operates, through its subsidiaries Ansaldo Nucleare and Ansaldo Nuclear Ltd, in the nuclear sector, while through its subsidiary Ansaldo Green Tech, it operates in the renewable energy sector.

The Parent Company Ansaldo Energia is not subject to management and coordination.

2. FORM, CONTENT AND ACCOUNTING STANDARDS APPLIED

a) Basis for preparation

This consolidated financial statements for the year ended on the 31st of December 2024 (hereinafter also the "consolidated financial statements") have been prepared in accordance with *the International Financial Reporting Standards* issued by *the International Accounting Standards Board* and adopted by the European Union ("International Financial Reporting Standards"). IFRS means all *"International Financial Reporting Standards"*, all *"International Accounting Standards"* ("IAS"), all interpretations of the *International Financial Reporting Standards Interpretations Committee* ("IFRIC"), previously known as the *"Standards Interpretations Committee"* ("SIC") which, at the date of approval of the Consolidated Financial Statements, have been approved by the European Union in accordance with the procedure required by Regulation (CE) n. 1606/2002 by the European Parliament and the European Council of the 19th of July 2002. It should be noted that IFRS have been applied consistently throughout the periods presented in this document.

This Consolidated Financial Statements has been prepared:

- based on the best available knowledge of the IFRS, and taking into account the best interpretations in this field; any future interpretative guidance and updates will be reflected in subsequent fiscal years in accordance with the methods required by the financial reporting standards, on a case-by-case basis;
- in accordance with the going concern assumption, as indicated in the Report on Operations; the Directors, at the time of approval of the financial statements, have a reasonable expectation that the Group will have the necessary resources to operate in the next 12 months; regarding the process of highlighting uncertainties and determining the applicability of the assumption of going concern, refers in full to the paragraph "Going Concern" of the Report on Operations;
- based on the conventional cost criterion, except for the valuation of the financial assets and liabilities in cases where the application of the *fair value* criterion is required.

b) Form and content of the financial statements

The Consolidated Financial Statements have been prepared in Euro, which corresponds to the currency of the main economic environment in which the entities comprising the Group operate. All amounts included in this document are presented in thousands of Euro, unless otherwise specified.

The reporting formats and the relative classification criteria adopted by the Group, within the scope of the options provided by IAS 1 "Presentation of financial statements" ("IAS 1"), are indicated below:

- *The Consolidated Income Statement* – the scheme of which follows a classification of costs and revenues according to the nature of the same. The net result before taxes and the effects of the discontinued operations, as well as the net result attributable to third parties and the net result attributable to the Group, are shown;

- *The Consolidated Statement of Comprehensive Income* shows changes in equity resulting from transactions other than capital transactions with the shareholders of the company;
- *The Consolidated Statements of Financial Position* was prepared by classifying assets and liabilities according to the “current/non-current” criterion; as defined by the IFRS, current assets are those items that are intended to be realized in the normal operating cycle of the company and in any case in the 12 months following the end of the financial year. Current liabilities are those for which they are expected to be extinguished in the normal operating cycle of the company or in the 12 months following the end of the financial year;
- *The Consolidated Statement of Cash flows* was prepared by exposing the cash flows deriving from operating activities according to the “indirect method”;
- *The Consolidated Statement of Changes in Equity* shows the total income (charges) for the period, transactions with shareholders and other changes in equity;
- *Notes to the Consolidated Financial Statements.*

The *statement reconciling the profit and equity of the Parent Company and the Group* was also included, which explains, through the classification of the various consolidation adjustments, the reconciliation between the data of the Parent Company’s financial statements and those of the Consolidated Financial Statements.

The schemes used are those that best represent the Group’s economic, capital, and financial situation.

The preparation of the Consolidated Financial Statements required the use of estimates by *management* (see note “use of estimates” for more details).

The Board of Directors held on 18th March 2025 approved the Presentation to the shareholders of the draft financial statements ad of the 31st December 2024, on the same date, authorized its publication and convened the shareholders’ Meeting in ordinary session on April 28th, 2025 in first call and May 13th, 2025 in second call.

This Consolidated Financial Statement prepared in accordance with International Financial Reporting Standards principles has been audited by Deloitte & Touche S.p.A.

3. ACCOUNTING STANDARDS ADOPTED

a) Basis and scope of consolidation

The consolidated financial statements include the balance sheet, economic and financial statements of the companies/entities included in the scope of consolidation (hereinafter referred to as "consolidated entities") prepared in accordance with the International Financial Reporting Standards accounting principles. The financial information relating to the consolidated entities was prepared with reference to the financial year ended on the 31st of December 2024 and was specifically and appropriately adjusted, where necessary, to comply with the Group's accounting principles. The closing date of the consolidated entities is aligned with that of the Parent Company; if this does not happen, the consolidated entities prepare special Financial Statements for the parent company's use. Listed below are the entities included in the scope of consolidation and the relative percentages of direct and indirect ownership by the Group.

Companies consolidated with the integral method

Company name	Investment %		Change of the perimeter	Contribution to the Group %
	Direct	Indirect		
Aliveri Power Unit Maintenance SA		100%		100%
Ansaldo Energia Gulf	100%			100%
Ansaldo Energia IP UK Ltd	100%			100%
Ansaldo Energia Iranian LLC	70%	30%		100%
Ansaldo Energia Muscat LLC (in liquidazione)	50%	50%	x[1]	
Ansaldo Energia Netherland Bv		100%		100%
Ansaldo Energia Nigeria Limited	60%			60%
Ansaldo Energia Spain S.L.		100%		100%
Ansaldo Energia Switzerland AG	100%			100%
Ansaldo Green Tech S.p.A.	100%			
Ansaldo Nucleare S.p.A.	100%			100%
Ansaldo Russia LLC	100%			100%
Asia Power Project Private Ltd	100%			100%
CCA – Centro Combustione Ambiente	60%		x[2]	60%
Consorzio Stabile Ansaldo New Clear	20%	80%		100%
Ghannouch Maintenance Sarl		100%		100%
Niehlgas GmbH		100%		100%
Nuclear Engineering Group Ltd		100%		100%
Yeni Aen Insaat Anonim Sirketi	100%			100%

x[1] Company in liquidation that has lost consolidation requirements
x[2] Company entered the consolidation area as of July 24th, 2024.

The parent company participates in Ansaldo Energia Switzerland for a share of 89.50%. About the remaining share, currently in possession of Simest, Ansaldo Energia boasts an option to purchase it mandatory to be exercised by June 2025; in view of this situation, the share currently in possession of Simest S.p.A. has been considered to be a de facto holding of Ansaldo.

Companies measured using the equity method

Company name	Investment %		Change of the perimeter	Contri-bution to the Group %
	Direct	Indirect		
Ansaldo Algerie	49%			49%
Ansaldo Gas Turbine High Technology	60%			60%
A-U Finance Holdings BV	40%			40%
Dynamic	10%	15%		25%
Shanghai Electric Gas Turbine	40%			40%
MAEN-Energetika ZMR	40%			40%

Changes in the scope of consolidation

During the financial year 2024, CCA (Centro Combustione Ambiente) entered the consolidation area.

In fact, it is recalled that on 24th July 2024 the exchange of the shares of AC Boilers in favor of Sofinter (10% of the company's capital) was concluded against the transfer of the shares of CCA – Centro combustor Ambiente from AC Boilers to Ansaldo (60% of the company's capital).

In addition, a 40% stake in the new Hungarian JV MAEN-Energetika ZMR was acquired during 2024, which is currently not operational, to explore new markets.

The following are the criteria adopted by the Group for the definition of the consolidation area and the related principles of consolidation.

Subsidiaries

An investor controls an entity when: (I) it is exposed, or entitled to participate, to the variability of its economic returns and (ii) it can exercise its decision-making power over the entity's relevant activities in a way that affects such returns. The existence of the control shall be verified whenever facts and/or circumstances indicate a change in one of the abovementioned elements qualifying the control. The subsidiaries shall be consolidated in full of the date on which the control was acquired and shall cease to be consolidated from the date on which the control is transferred to third parties. The financial statements of the subsidiaries have closing dates coinciding with that of the Parent Company. Where the closing date of the consolidated entities is not aligned with that of the Parent Company, the consolidated entities shall prepare appropriate economic, capital, and financial situations for the purposes of drawing up the consolidated financial statements by the parent company.

The criteria adopted for full consolidation are as follows:

- the assets and liabilities, charges and income of the subsidiaries are assumed line by line, attributing to the minority shareholders, where applicable, the share of equity and net result for the period in which they are due; these shares are shown separately in the field of equity and income statement;
- profits and losses, including their tax effects, arising from transactions carried out between companies which have been fully consolidated and have not yet been realized against third parties, shall be eliminated, if significant, except for losses that are not eliminated if the transaction provides evidence of a reduction in the value of the transferred asset. In addition, reciprocal debt and credit relations, costs and revenues and financial charges and income are eliminated;
- in the presence of shares acquired after the acquisition of control (acquisition of third-party interests), the possible difference between the purchase cost and the corresponding portion of equity acquired is recognized in the Group's equity; similarly, the effects of the sale of minority shares without loss of control are recognized as equity. In contrast, the sale of shares resulting in the loss of control determines the recognition to the income statement:
    - **I.** any gain/loss calculated as the difference between the consideration received and the corresponding fraction of consolidated net worth transferred;
    - **II.** the effect of re-measuring any residual equity retained to align it with its *fair value*;
    - **III.** of any values recognized in the other components of the total result relating to the investee whose control has failed, for which the return to the income statement is envisaged, or if the return to the income statement is not foreseen, under the item "other reserves".

The value of any retained investement, aligned with its *fair value* at the loss of control, represents the new equity value of the stake, which is also the reference value for the subsequent valuation of the stake according to the applicable valuation criteria.

Joint arrangements

A joint controlled agreement is an agreement for which two or more parties have joint control. Joint control is the sharing, on a contractual basis, of control of an agreement, which exists only when the unanimous consent of all parties sharing control is required for decisions relating to the relevant activities.

Joint-control agreements can be of two types: joint operation and *joint ventures.*

A joint operation is an agreement in which the parties have rights to assets and obligations for liabilities under the agreement. These parties are referred to as joint managers. A joint operator must recognize its share of the assets, liabilities, costs, and revenues of the jointly controlled asset.

A *joint venture* is a jointly controlled agreement in which the parties have rights to the net assets of the agreement. These parts are called *joint venturers.* A *joint venturer* must recognize its interest in *the joint venture* as a holding and account for it under the Equity method.

Related companies

Related companies are those on which the Group has a significant influence, which is assumed to exist when the participation is between 20% and 50% of the voting rights. The related companies are valued with the Equity method and are initially entered at cost. The Equity method is described below:

- the book value of these investments is aligned with the equity of the related company adjusted, where necessary, to reflect the application of EU International Financial Reporting Standards and includes the recognition of the higher values allocated to assets and liabilities and the possible goodwill, identified at the time of acquisition, following a process like that subsequently described for business combinations;

- profit or loss attributable to the Group is accounted for from the date on which the significant influence began and until the date on which the significant influence ceases. In the event that, as a result of the losses, the company assessed by the method in question shows negative equity, the carrying amount of the investment is canceled and any excess attributable to the Group, where the latter has committed itself to fulfill the legal or implicit obligations of the related enterprise, or, in any case, to cover its losses, is recognized in a special fund; the capital changes of companies valued with the equity method, not represented by the income statement, are recorded directly in the income statement;
- unrealized profits and losses generated on transactions between a company, a company controlled by the latter and its subsidiaries valued with the Equity method are eliminated since the value of the Group's share in the company itself, apart from losses, where they are representative of the value reduction of the underlying asset, and dividends that are eliminated in full.

In the presence of objective evidence of loss of value, recoverability is verified by comparing the inscription value with the relative recoverable amount determined by following the criteria set out in the following Explanatory Note. When the reasons for the write-downs made are lost, the value of the investments is restored within the limits of the write-downs made with the effect charged to the income statement.

The sale of shares resulting in the loss of joint control or significant influence on the participant determines the recognition to the income statement:

- the possible gain/loss calculated as the difference between the consideration received and the corresponding fraction of the divested entry value;
- the effect of the remeasurement of any residual equity retained to align it with its *fair value*;
- of any values recognized in the other components of the total profit for the investee for which the reclassification to the profit and loss account is envisaged.

The value of any retained equity, aligned with its *fair value* at the date of loss of joint control or significant influence, represents the new equity value and therefore the reference value for subsequent valuation according to the applicable valuation criteria.

After an investment assessed with the Equity method, or a portion of that participation, is classified as intended for sale, as it meets the criteria for that classification, the participation, or participation fee, is no longer evaluated with the Equity method.

Business combinations

Business combination *(business combination)* transactions, under which control of a business is acquired, are recognized in accordance with IFRS 3, applying the so-called *acquisition method*. In particular, the identifiable assets acquired, liabilities and Contingent liabilities assumed are recorded at their current value at the date of acquisition, i.e., the date on which control is acquired (the "Acquisition Date"), except for deferred tax assets and liabilities, the assets and liabilities relating to employee benefits and sales assets that are entered in accordance with the relevant accounting principles. The difference between the cost of acquisition and the current value of assets and liabilities, if positive, is recorded in intangible assets as goodwill, or, if negative, after having re-checked the correct measurement of the current values of the assets and liabilities acquired and the cost of acquisition, it is accounted for directly in the overall income statement, as income. Where the determination of the values of the assets and liabilities of the acquired business is carried out provisionally, it must be concluded within a maximum period of twelve months from the date of acquisition, considering only information relating to the facts and circumstances existing at the date of acquisition. In the period in which the above determination is concluded, the values provisionally recognized are adjusted with retrospective effect. The ancillary charges to the transaction are recognized in the total income statement at the time they are incurred.

The acquisition cost is the *fair value* at the Acquisition Date of the assets transferred, liabilities assumed, and equity instruments issued for the acquisition, and includes the potential consideration, that is that part of the consideration whose amount and disbursement depend on future events. The potential consideration is recognized since its *fair value* at the Acquisition Date and subsequent changes in *fair value* are recognized in the income statement if the potential consideration is a financial asset or financial liability, while potential fees classified as equity are not restated and the subsequent settlement is accounted for directly in equity.

In the case of taking over control in successive stages, the purchase cost is determined by adding the *fair value* of the investment previously held in the acquiree and the amount paid for the additional share. Any difference between *the fair value* of the investment previously held and the related equity value is charged to the total profit and loss account. When taking control, any amounts previously recognized in the other components of the total profit are charged to the total profit or loss account, or to another item of net worth, if it is not expected to be reclassified to the profit or loss account.

IFRS 5 – Assets held for sale and Discontinued Operations

The Standard provides that disposal *groups and assets* are classified as held for sale if their book value is recoverable mainly through their disposal rather than through their continued use.

Specifically, an asset (or *Disposal groups*) is classified as held for sale if it meets the following requirements:

- the assets are available for sale under current conditions and the sale is highly likely or a binding sales program or activity has already been launched to find a buyer and
- the sale is expected to be completed within one year of the classification date.

In the balance sheet, assets held for sale and assets/liabilities belonging to the disposal group are presented as a separate item from other assets and liabilities and their total is reflected in current assets and liabilities respectively.

Discontinued operation is defined as a relevant business unit or geographical area of assets classified as held for sale and covered by a coordinated *Disposal program.*

In the consolidated income statement for the period, net profit/loss of discontinued operations, as well as profit or loss arising from the valuation at *the Fair value less costs to Sell* or the disposal of discontinued operations or groups *(Discontinued Operations)* they are combined into a single item in the final section of the income statement, separated from the result for *continuing operations.*

Cash flows for *discontinued operations* are indicated separately in the Statement of cash flows.

Translation of foreign currency accounts and balances

Translation of foreign currency entries

Items expressed in currency other than functional currency, both monetary (cash and cash equivalents, assets and liabilities that will be collected or paid with fixed or determinable amounts of money, etc.) and non-monetary (advances to suppliers of goods and/or services, etc.) they are initially recognized at the exchange rate in force on the date on which the transaction is carried out. Subsequently, the monetary items are converted into functional currency on the basis of the exchange of the reporting date and the differences resulting from the conversion are charged to the profit and loss account. The non-monetary elements are maintained at the conversion rate of the transaction, except in the case of persistent unfavorable trend of the reference exchange rate: in this case, the exchange differences are charged to the profit and loss account.

Translation of balances expressed in currency other than functional currency

The rules for the translation of financial statements expressed in foreign currency into functional currency (apart from situations where the currency is that of a hyper-inflationary economy), are as follows:

- the assets and liabilities included in the situations presented shall be translated at the exchange rate at the date of closure of the period;
- the costs and revenues, charges, and income, included in the situations presented, shall be translated at the average exchange rate for the period, or at the exchange rate at the date of the transaction if the transaction differs significantly from the average exchange rate;
- the "conversion reserve" accepts both the exchange differences generated by the conversion of economic quantities at a rate different from the closing rate and those generated by the translation of net opening equity at an exchange rate different from the closing rate of the reporting period. The translation reserve is poured to profit or loss when the investment is sold.
- *goodwill* and fair value adjustments relating to the acquisition of foreign operations are recognised as assets and liabilities of the foreign operation and translated at the closing rate.

The exchange rates adopted for the conversion of these financial statements are shown in the following table:

	Average exchange rate	Exchange rate as of 31st December 2024
AED	3.973800	3.815400
ARS	989.539200	1.070.806100
AUD	1.639900	1.677200
AZN	1.839500	1.766100
BRL	5.826800	6.425300
CDF	3.033.049700	2.958.228200
CLP	1.020.992500	1.033.760000
CNY	7.786300	7.583300
DZD	145.061100	140.892000
EGP	49.007000	52.820200
EUR	1.000000	1.000000
FSV	0.952600	0.941200
GBP	0.846600	0.829180
HUF	395.421500	411.350000
IDR	17.154.128300	16.820.880000
IRR	489.861.666700	670.436.000000
IRU	90.530700	88.933500
JOD	0.767200	0.736600
JPY	163.817400	163.060000
KRW	1.475.255800	1.532.150000
LBP	68.448.850000	92.981.550000
MAD	10.755100	10.514000
MXN	19.824900	21.550400
NGN	1.597.900400	1.598.233400
OMR	0.416100	0.399500
PKR	301.378500	289.270700
ROL	49.746.000000	49.743.000000
RSD	117.079500	116.802200
RUB	100.368800	116.561500
SAR	4.057700	3.895900
THB	38.178500	35.676000
TND	3.366000	3.308000
TYR	36.737200	36.737200
USD	1.082100	1.038900
ZAR	19.831700	19.618800

The average and final exchange rates of THE TYR currency were the same as they relate to hyperinflationary economies, as provided for in international accounting standards.

The exchange rates used coincide with the rates transmitted by the Bank of Italy except for the IRR and the RUB. For the first one was used the rate transmitted by the Iranian Central Bank, while the second was determined by Bloomberg.

For the Romanian currency, the old currency has been multiplied by 1,000 to adapt it to the new currency in use.

b) Accounting standards and evaluation criteria

Intangible assets

Intangible assets consist of elements that are unphysical, clearly identifiable, clearly identifiable, controlled by the Group and capable of generating future economic benefits for the enterprise, as well as goodwill recognized as a result of Business combinations.

These items are recognized at the cost of purchase and/or production, including the expenses directly attributable in the preparation of the activity to bring it into operation and the financial charges related to the acquisition, to construction or production that require a significant period to be ready for use and sale, net of cumulative depreciation (except for fixed assets for indefinite useful life) and of any losses of value.

Depreciation begins when the asset is available for use and is systematically allocated in relation to the remaining use of the asset, i.e., since its useful life. In the period in which the intangible asset is recognized for the first time, depreciation is determined considering the actual use of the asset.

The following main intangible assets can be identified in the Group's activities:

Development expenses

This item includes costs relating to the application of the results of research or other knowledge to a plan or project to produce new or substantially advanced materials, devices, processes, systems, or services prior to the start of commercial production or use, for which the future production of economic benefits is demonstrable.

Research costs are, on the other hand, charged to the income statement for the period in which they are incurred.

Patent and similar rights

Patent and similar rights are recorded at the acquisition cost net of depreciation and accumulated losses of value over time. Depreciation is made from the period in which the right, for which ownership has been acquired, is available for use and is determined by taking as reference the shortest period between the period of expected use and the period of ownership of the right.

Concessions, licenses, and trademarks

This category includes: concessions, that is to say the provisions of the Public Administration that give to private subjects the right to exploit exclusively public goods, or to manage in regulated conditions public services; licenses which grant the right to use patents or other intangibles for a specified or determinable period of time; trademarks consisting of signs certifying the origin of products or goods from a given company; licenses for know-how , application software, owned by other parties. The costs, including the direct and indirect expenses incurred in obtaining the rights, can be capitalized between the activities after the attainment of the ownership of the same and are systematically amortized taking as reference the shortest period between the expected use and the right ownership.

Goodwill

Goodwill entered in intangible assets is related to business aggregation operations and represents the difference between the cost of acquiring a business or a business branch and the algebraic sum of the fair values allocated at the date of acquisition, individual assets and liabilities that make up the capital of that company or branch of a company. Having an indefinite useful life, the start-ups are not subject to systematic amortization, but to impairment tests at least annually, except that the market and management indicators identified by the Group do not make it necessary to carry out the test also in the preparation of the infra-annual situations.

Property, plant, and equipment

Property, plant, and equipment are valued at the cost of purchase or production, net of accumulated depreciation and any loss of value. The cost includes any directly directly incurred charges to prepare the activities for their use, as well as any decommissioning and removal charges that will be incurred to return the site to its original condition and the financial charges related to the acquisition, to construction or production that require a significant period to be ready for use and for sale.

Material assets whose book value will be recovered mainly by a sale transaction (rather than by the continued use of the asset) are valued at the lowest of the book value and their *fair value* net of disposal charges. Assets classified as “held for sale” must be immediately available for sale, their disposal must be highly likely (i.e., undertakings already exist) and their value of sale must be reasonable in relation to their *fair value*.

Assets acquired as a result of business combinations shall be recognized at their fair value at the date of acquisition, if any, adjusted within the following 12 months. This value represents the acquisition cost.

The costs incurred for maintenance and repairs of an ordinary and/or cyclical nature are directly charged to the income statement in the period in which they are incurred. The capitalization of costs related to the expansion, modernization or improvement of structural elements owned or in use by third parties shall be carried out only to the extent that they meet the requirements to be classified separately as an activity or part of an activity.

The value of an asset is adjusted by systematic depreciation, calculated in relation to the residual possibility of using it since useful life.

In the period in which the asset is recognized for the first time, depreciation is determined considering the actual use of the asset. The Group’s estimated useful life for the various asset classes is as follows:

	Years
Land	Indefinite useful life
Industrial buildings	33
Plants and machinery	20 – 5
Equipment	8 – 2,5
Furniture and fittings	8 – 5
Vehicles	5 – 4

The estimate of useful life and residual value is periodically revised.

Depreciation ends on the date of sale of the asset or its reclassification to assets held for sale.

If the property which is the object of amortization is composed of clearly identifiable elements whose useful life differs significantly from that of the other parts which make up the immobilization, depreciation is calculated separately for each of the parts which make up the asset, in application of *the component approach* principle. This item also includes equipment for specific programs *(tooling)*, which is amortized according to the method of the units produced compared to the total expected.

Profits and losses from the sale of assets or groups of assets are determined by comparing the sale price with the net carrying amount.

Leased assets

As of 1st January 2019, Ansaldo Energia Group adopted IFRS 16 – Leasing (issued by Regulation (EU) No. 2017/1986).

Below is evidence of the general drafting criteria introduced.

Initial evaluation of the agreement

The Company evaluates whether a contract is a lease (or contains a component) when it enters the contract. During contract life, this initial assessment is reviewed only in the light of substantial changes in the contractual conditions (e.g. changes in the subject matter of the contract or in the requirements affecting the right of control of the underlying asset). If the lease agreement also contains a "non-lease" component, the Company shall separate and treat that component in accordance with the reference accounting policy, except where the separation cannot be achieved since objective criteria: in this case, the Company uses the practical expedient granted by the principle of treating the leasing component and the non-leasing component together in accordance with IFRS 16.

The Company recognizes an asset consisting of the right of use and a corresponding lease liability for all leasing contracts in which it is a lessee, except for short-term contracts (with a duration not exceeding twelve months), contracts in which the underlying single asset is of low value (up to Euro 5 thousand), and contracts in which the underlying asset is an intangible asset (e.g., software licenses). For such contracts, the Company has the right not to apply the provisions of IFRS 16, thus recognizing lease payments as Operating expenses in return for short-term commercial debts.

Right of use

At the start date of the contract, the Company signs the right of use equal to the initial value of the corresponding lease liability, plus payments due for the lease before the lease start date and for any initial direct costs.

Subsequently, these assets are valued net of accumulated depreciation and losses of value. The right to use is amortized over the shortest period between the contractual duration and the useful life of the underlying asset. If a lease transfers ownership of the underlying asset, or the cost of the asset consisting of the right to use reflects that the Company expects to exercise a purchase option, the related asset consisting of the right to use is amortized over the useful life of the underlying asset. Depreciation begins on the lease date. The Company applies IAS 36 - *impairment of assets* to determine whether an asset consisting of the right to use has been reduced in value.

Leasing liabilities

The lease liability is initially measured at the present value of the unpaid lease rents at the start date of the lease, discounted using the implicit lease rate. If this rate cannot be determined promptly, the Company shall use the marginal lending rate, defined, reviewed, and updated periodically (at least once during the period) throughout the period of financing.

Payments included in the initial valuation of the lease liability include:

- fixed payments (including fixed payments in substance), net of any lease incentives to be received;
- where applicable, the exercise price of the purchase option, if the lessee has reasonable assurance of exercising the option.

Subsequently, the lease liability is increased to reflect interest on the residual value (using the actual interest method) and reduced to reflect the lease payments.

The Company remeasures the lease liability(and make a corresponding adjustment to its right of use) in the event of modification:

- the duration of the lease (e.g., in the case of an early termination of the contract or an extension of the expiration date);
- the valuation of an option to purchase the underlying asset. In such cases, the lease payments will be reviewed on the basis of the new lease term and to take account of the change in the amounts to be paid under the purchase option.

Only in the event of a substantial and significant change in the duration of the lease or future lease payments, will the Company reduce the residual value of the lease liability by reference to the marginal lending rate in force at the date of the change (instead of the one applied *at inception* of the agreement). In all other cases, the lease liability is restated using the initial discount rate.

Leasing liabilities are presented under the heading “Financial payables” of the balance sheet and detailed in the notes to the financial statements.

Use of IFRS 16 estimates

The following is a description of the main estimates adopted by the Group in accordance with IFRS 16.

- *Incremental borrowing rate*
  Regarding the determination of the discount rate, the Group has chosen to refer to a marginal debt rate (*“Incremental Borrowing Rate”* or “IBR”) for each contract within the scope of IFRS 16, considering the following factors:
  - SWAP rates for individual currencies and individual maturities;
  - estimate of the representative spread of its credit merit on an unsecured 5-10-year debt made by the lessee on the basis of similar recent negotiations with bank counterparties;
  - adjustment of the previous component to consider the economic context and the country in which the contract resides.

Contracts with similar characteristics are evaluated using a single discount rate.

The IBR associated with the beginning of each contract will be reviewed at each *lease modification*, i.e., substantial, and significant changes to the contractual conditions as the agreement evolves (e.g., duration of the contract or amount of future lease payments).

- Contract duration
  Regarding the determination of the contractual term, both at the date of commencement of the contract and later (in the case of substantial and significant changes in the contractual

conditions), the Group uses an evaluation approach based on the duration foreseen by the obligation agreed between the parties, compatibly with future intentions in wanting/being able to target the end and the acquired experiences.

Impairment losses

(a) Goodwill

As indicated above, goodwill is subject to impairment tests annually or more frequently, in the presence of indicators which may have been considered to have suffered a reduction in value, as provided for in IAS 36 (reduction in the value of assets). The verification is normally carried out at the end of each financial year and, therefore, the reference date for the verification is the date of closure of the financial statements.

The impairment test, described in greater detail in the Addendum, is carried out with reference to each of the cash-generating units ("CGU") to which goodwill has been allocated, in the case of the Ansaldo Energia Group, to the only CGU identified. Any reduction in the value of goodwill is recognized if the recoverable amount of goodwill is lower than its value in the balance sheet. Recoverable amount is the higher between the CGU's and the *fair value* less costs of disposal, and its value in use, which is the present value of the estimated future cash flows for that asset. In determining the value of use, expected future cash flows are discounted using a discount rate after tax that reflects current market valuations of the cost of money, in relation to the investment period and the asset's specific risks. Where the impairment resulting from the *impairment test* exceeds the goodwill allocated to the CGU, the residual surplus is allocated to the assets included in the CGU in proportion to their carrying amount. This allocation has as a minimum the highest amount of:

- *The fair value* of the asset net of sales costs;
- The value in use, as defined above;
- Zero.

The original value of goodwill cannot be restored if the reasons for the loss of value are lost.

(b) Tangible and intangible assets with a defined useful life

A check shall be carried out at each balance sheet date to determine whether there are indicators that tangible and intangible assets may have been reduced in value. For this purpose, both internal and external sources of information are considered. About the first (internal sources) we consider: the obsolescence or the physical deterioration of the activity, any significant changes in the use of the activity and the economic evolution of the activity with respect to what foreseen. About external sources, the following shall be considered: the development of market prices of assets, any technological, market or regulatory discontinuity, the development of market interest rates or the cost of capital used to assess investments.

If the presence of these indicators is identified, the recoverable amount of the above assets is estimated, accounting for any depreciation with respect to the relative book value in the Statement of Comprehensive Income. The recoverable amount of an asset is the greater of *the fair value*, net of ancillary sales costs, and its value of use, determined by discounting the estimated future cash flows for that asset, including, if significant and reasonably determinable, those deriving from the sale at the end of its useful life, net of any disposal charges. In determining the value of use, expected future cash flows are discounted using a pre-tax discount rate that reflects current market valuations of the cost of money, in relation to the investment period and the specific risks of the asset.

For an asset that does not generate largely independent cash flows, the recoverable amount is determined in relation to the *cash generating unit* to which that asset belongs.

A loss of value shall be recognized in the total income statement if the value of the asset, or of the CGU to which it is allocated, is greater than the relative recoverable amount. The value reductions of a CGU are primarily attributable to a reduction in the carrying amount of any Goodwill allocated to the CGU and, therefore, to a reduction in the other assets, in proportion to their book value and within the limits of their recoverable amount. If the assumptions for a write-down previously made are not fulfilled, the book value of the asset is restored with a charge to the profit and loss account, within the limits of the net book value that the asset would have had it not been depreciated and depreciation had been made.

Investments in other companies

Equity investments in other companies (other than those in subsidiaries, associates, and joint ventures) are measured at fair value; the changes in the value of these investments are accounted in a reserve of equity through their allocation to the other comprehensive income which will be transferred to the consolidated/separate income statement at the time of the disposal or in the presence of a reduction in the value deemed definitive.

Other non-listed investments for which *fair value* cannot be reliably determined are measured at the adjusted cost for value reductions to be entered in the Consolidated profit and loss account, in accordance with International Financial Reporting Standards 9.

The value reductions of other holdings classified as “available-for-sale financial assets” may not be reversed thereafter.

Inventories

Inventory inventories are entered at the lower between the cost and the net realizable value. The method chosen for determining the cost is *the weighted average cost.* Net realizable value is the selling price during normal management, net of estimated completion costs and those necessary to realize the sale. Manufactured Raw materials are valued at the standard cost revised six-monthly.

The products in progress and semi-finished products are valued at the cost of production, apart from financial charges and structural overheads.

The warehouse inventories are exposed net of the obsolescence fund which is calculated according to the forecast (i) of unfavorable conjunctions that could be determined in the future or (ii) of risks of unsaleability of the products.

Construction work in progress

Work-in-progress are recognized based on the progress method (or percentage of completion) according to which costs, revenues and margin are recognized since the progress of the productive activity, determined by reference to the ratio of costs incurred at the assessment date to total expected costs on the program.

The evaluation reflects the best estimate of the programs made at the reporting date. Updates of the assumptions that are the basis of the assessments are periodically made.. Any economic effects shall be accounted for in the period in which the updates are made.

If the completion of a contract is expected to result in a loss at the level of industrial margin, it is recognized in its entirety in the period in which it becomes reasonably foreseeable within the operating expenses. On the other hand, the *reversal* of these provisions is recognized as part of the other operating income if it relates to internal costs. The external cost component represents a direct use of the provision for future losses.

The Work-in-progress on order are exposed net of any write-down funds, losses on orders, advances and payments relating to the contract in progress.

This analysis is carried out on a per-job basis: If the differential is positive (due to Work-in-progress greater than the amount of the advances), the balance sheet is classified among the assets in the item under consideration; if, on the other hand, this differential is negative, the balance sheet is classified as a liability under “advances by purchasers”. The amount shown in the advances, if not taken up at the date of preparation of the financial statement and/or the intermediate situation, is directly offset by trade credits.

Contracts with fees denominated in currency different from the functional currency (Euro for the Group) are valued by converting the accrued fee, determined on the basis of the percentage of completion method, at the change at the end of the period. However, the Group’s exchange risk policy requires that all contracts that present significant exposures of cash and payment flows to exchange rate changes be covered on time: in this case, the methods of collection referred to below are applied.

Financial assets

The classification of financial assets by category in line with the IFRS 9 principle is given below.

Financial assets valued at amortized cost

Financial assets for which the following requirements are verified shall be classified in this category:

A. the asset is held within a business model whose objective is the possession of the asset for the collection of contractual cash flows; and

B. the contractual terms of the asset provide for cash flows represented solely by payments of capital and interest on the amount of capital to be repaid.

These are mainly accounts receivable, financing, and other credits.

Trade receivables that do not contain a significant financial component are recognized at the price defined for the relevant transaction (determined in accordance with International Financial Reporting Standards 15 Revenue from contracts with customers).

The other credits and financing are initially recognized in the balance sheet at their *fair value* plus any ancillary costs directly attributable to the transactions that generated them. In the subsequent measurement, depreciated-cost financial assets, except for credits that do not contain a significant financial component, are measured using the actual interest rate. The effects of this measurement are recognized among the financial components of income.

Financial assets at fair value through profit or loss (“FVOCI”)

Financial assets for which the following requirements are verified shall be classified in this category:

A. the asset is held within the framework of a business model whose objective is achieved both through the collection of contractual cash flows and through the sale of the asset; and

B. the contractual terms of the asset provide for cash flows represented solely by payments of capital and interest on the amount of capital to be repaid.

These assets are initially recognized in the balance sheet at their fair value plus any ancillary costs directly attributable to the transactions that generated them. At the next measurement, the valuation made at the registration stage is updated and any changes in fair value are recognized in the overall income statement.

Financial assets at fair value with a balancing entry on the Consolidated income statement ("FVPL")

Financial assets which are not classified in any of the previous categories (i.e., residual category) are classified in this category. These are mainly derivative instruments.

Assets in this category are recognized at fair value at the time of their initial recognition. The ancillary costs incurred when the asset is registered shall be charged immediately to the profit and loss account. At the next measurement, the FVPL financial assets are measured at fair value. Gains and losses arising from changes in fair value are accounted for in the income statement during the period in which they are recognized under "gains (losses) from assets measured at *fair value*". Purchases and disposals of financial assets are accounted for at the date of settlement.

Financial assets are removed from the balance sheet when their contractual rights expire, or when the Company transfers all risks and benefits of ownership of the financial asset.

Derivatives

The Ansaldo Energia Group availed itself of the possibility foreseen in § 7.2.21 of IFRS 9 to postpone the adoption of the Hedge Accounting module of the same accounting standard and to continue applying the provisions of IAS 39 for accounting for derivatives as hedging instruments.

Derivative instruments are always regarded as assets held for trading purposes and valued at *fair value* in return for the profit and loss account, except where they are suitable for hedging and effective in sterilizing the risk of underlying assets or liabilities or commitments undertaken by the Company.

In particular, the Group uses derivative instruments as part of hedging strategies aimed at neutralizing the foreign exchange risk in the *fair value* of assets or liabilities recognized in financial statements or arising from contractually defined commitments *(fair value hedge)* or changes in expected cash flows in relation to contractually defined or highly probable transactions *(cash flow hedge).* For the procedures followed in the recognition of exchange-rate risk hedges on long-term contracts, see paragraph *"Estimate of costs at the end of long-term contracts"*.

The effectiveness of hedging transactions is documented at the beginning of the transaction and is periodically (at least at each date of publication of the financial statements or of the interim situations) measured by comparing the changes in the *fair value* of the hedging instrument with those of the hedged item or, in the case of more complex instruments, through statistical analyzes based on risk variation.

Hedging construction contracts against currency risk

In order not to be exposed to changes in cash and payment flows relating to long-term construction contracts denominated in currencies other than functional, the Group specifically covers the individual expected flows of the contract. The hedges are implemented at the time of the finalization of the commercial contracts except where the acquisition of the same is considered highly likely because of previous framework contracts. The exchange risk is generally neutralized using *plain vanilla (forward)* instruments; in all cases where coverage is not effective, changes in the *fair value* of such instruments are immediately recognized in the profit and loss account as financial accounts, while the underlying is assessed as if it were not covered, affected by changes in the exchange rate. The hedges belonging to the first instrument shown are recognized in the balance sheet on the basis of the *cash flow hedge* accounting model, considering as ineffective the part, relating to the premium or the *forward* discount or to the *time value* in the case of options, which is recognized between the financial lots.

Fair value Hedges

Changes in the value of derivatives designated as *fair value hedge* and qualifying as such are recognized in the profit and loss account, like changes in the *fair value* of the covered assets or liabilities attributable to the risk neutralized through the hedging transaction.

Cash Flow Hedges

Changes in the *fair value* of derivatives designated as *cash flow hedge* and qualifying as such are recognized, limited to the "effective" share only, in a specific equity reserve (*"cash flow hedge reserve"*), which is subsequently returned to the profit and loss account at the time of the economic manifestation of the underlying hedging object. The change in *fair value* related to the ineffective portion is immediately recognized in the income statement for the period. If the underlying transaction is no longer considered highly probable, the relevant "cash flow hedge reserve" is immediately returned to the income statement. If, on the other hand, the derivative instrument is sold or no longer qualifies as effective cover on the risk against which the transaction was ignited, the relevant *"cash flow hedge reserve"* shall be retained until the underlying contract is revealed.

Fair value measurement

The *fair value* valuations of financial instruments are carried out in accordance with IFRS 13 "*Fair Value* Measurement" ("International Financial Reporting Standards 13"). *Fair value* is the price that would be perceived for the sale of an asset or that would be paid for the transfer of a liability in the context of an ordinary transaction between market participants at the date of measurement.

The valuation at *fair value* assumes that the transaction of sale of the asset or transfer of the liability takes place in the main market, that is, in the market in which the highest volume and level of transactions occur for the asset or liability. In the absence of a main market, the transaction is assumed to take place in the most advantageous market to which the Group has access, i.e., the market which is likely to maximize the results of the sale transaction of the asset or to minimize the amount to be paid to transfer the liability.

The *fair value* of an asset or liability is determined by considering the assumptions that market participants would use to determine the price of the asset or liability, if they act according to their best economic interest. Market participants are independent, informed buyers and sellers who can enter a transaction for the asset or liability and who are motivated but not obliged or induced to make the transaction.

In *fair value* measurement, the Group considers the characteristics of specific assets or liabilities, for non-financial assets, the ability of a market operator to generate economic benefits by using the activity in its maximum and best use or by selling it to another market operator capable of using it in its maximum and best use. The *fair value* Measurement of assets and liabilities is carried out using techniques appropriate to the circumstances and for which sufficient data are available, maximizing the use of observable inputs.

IFRS 13 identifies the following hierarchy of *fair value* levels that reflects the significance of inputs used in determining them:

1. Level 1 - Quoted price (active market): the data used in the valuations are represented by quoted prices on markets in which the same assets and liabilities are exchanged as those being valued.
2. Level 2 - Use of market observable parameters (e.g., for derivatives, exchange rates recorded by the Bank of Italy, market rate curves, volatility provided by qualified providers, *credit spreads* calculated on the basis of CDS, etc.) other than the quoted prices of level 1.
3. Level 3 - Use of parameters that cannot be observed on the market (internal assumptions, e.g., cash flows, risk-adjusted spreads, etc.).

Derecognition of financial assets and liabilities

A financial asset (or, where applicable, part of a financial asset or part of a group of similar financial assets) is deleted from the balance sheet when:

- **A.** the rights to receive cash flows from the asset are extinguished;
- **B.** the Company retains the right to receive cash flows from the business, but has assumed the contractual obligation to pay them in full and without delay to a third party;
- **C.** the Company has transferred the right to receive cash flows from the asset and (a) has transferred substantially all risks and benefits of ownership of the asset, or (b) has not transferred or retained substantially all risks and benefits of the asset, but has transferred control of the asset.

A financial liability is canceled from the balance sheet when the underlying obligation of the liability is extinguished, canceled, or fulfilled.

Cash and cash equivalents

Includes money, bank deposits or other credit institutions available for current transactions, postal accounts and other equivalent values, and investments expiring within three months of the date of purchase. Availability is recorded at *fair value.*

Payables and other liabilities (excluding derivatives)

Debts and other liabilities include financial debts, lease debts, and trade debts.

Debts to banks and other lenders are initially entered at fair value net of directly attributable transaction costs and are then measured at amortized cost, using the effective interest rate criterion. If there is a change in expected cash flows, the value of the liabilities is recalculated to reflect this change based on the present value of the new expected cash flows and the internal rate of return initially determined.

Leasing debts are recognized as provided for in IFRS 16, previously commented.

Commercial debts are obligations to pay for goods or services acquired by suppliers in the ordinary course of business. Accounts payable are classified as current liabilities if payment is made within one year of the balance sheet date. Otherwise, these debts are classified as non-current liabilities.

Commercial debts and other debts are recognized initially at fair value and then measured according to the amortized cost method.

When a financial liability is covered by interest rate risk in a *fair value hedge*, changes in fair value due to the risk covered are not included in the calculation of amortized cost. These changes are amortized from the time the *fair value hedge accounting* is stopped.

Financial liabilities are deleted from the balance sheet when the underlying obligation of the liability is extinguished, canceled, or fulfilled.

With respect to the *derecognition* of a financial liability, the settlement of the financial liability and the recognition of a new liability must be accounted for when the contractual terms are substantially different. The terms shall be substantially different if the discounted value of cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, it differs at least 10% from the discounted value of the remaining cash flows of the original financial liability. If an exchange of debt instruments or a change in terms is accounted for as an extinction, any costs or fees incurred are recognized as part of the redemption-related profit or loss. If the exchange or change is not accounted for as an extinction, any costs or fees incurred will adjust the book value of the liability and be amortized over the remainder of the modified liability.

Equity

Share capital

The share capital shall be the capital subscribed and paid up of the Parent Company. The costs closely related to the issue of shares are classified as a reduction in the share capital, when the costs are directly attributable to the capital transaction, net of any deferred tax effect..

Treasury Stock

Treasury Stock are registered in a reduction of shareholders' equity. In the case of repurchase of shares recognized in equity, or the consideration paid, including the costs directly attributable to the transaction, is recognized as a reduction in equity. The shares thus repurchased are classified as Treasury Stock and recognized in the reserve for Treasury Stock. The consideration received from the subsequent sale or reissue of Treasury Stock is recognized as an increase in equity. Any positive or negative difference arising from the transaction is recognized in the reserve by Additional Paid in Capital. In accordance with IAS 32, Treasury Stock are recorded as a reduction in equity using the Share Price reserve. The original cost, impairment losses, income and losses resulting from any subsequent sales are recognized as movements of equity.

Employee benefits

Post-employment benefits

The Company uses several pension schemes (or supplementary schemes) which can be divided into:

- *Defined contribution plans* in which an enterprise pays fixed contributions to a separate entity (e.g., a fund) and will have no legal or implied obligation to pay additional contributions if the entity does not have sufficient assets to pay benefits in connection with the performance rendered during the business activity in the enterprise. The enterprise recognizes contributions to the plan only when employees have lent their business in exchange for those contributions;
- *Defined benefit plans* in which the enterprise undertakes to grant the agreed benefits for employees in service and for former employees by taking the actuarial and investment risks related to the plan. The cost of this plan is therefore not defined on the basis of the contributions due for the period, but is restated on the basis of demographic assumptions, statistics and wage dynamics. The methodology used is called the "unit credit projection method".

As a result of this option, the value of the liability entered in the balance sheet is aligned with that resulting from the actuarial valuation of the liability, with immediate and complete recognition of actuarial gains and losses, during the period in which they emerge in the total income statement, through a specific reserve of other comprehensive income ("reserve actuarial gains (losses) in equity").

Other long-term employee benefits and post-employment benefits

The Group recognizes employees with *certain benefits* (for example, on reaching a certain presence in the company, seniority premiums) which, in some cases, are recognized even after retirement (for example, medical care). The accounting treatment is the same as that indicated with reference to defined benefit plans, and the "method of unit credit projection" is also applied to these cases.

However, in the case of "other long-term benefits" any actuarial gains or losses are recognized immediately and in full in the period in which they emerge in the income statement.

Employee termination benefits and incentive plans

The benefits due to employees for termination of employment are recognized as liabilities and costs when the enterprise is engaged, in a manner that is reasonable. To terminate the employment of an employee or group of employees before normal retirement or to provide benefits for termination of employment following a proposal to encourage voluntary resignation for redundancies. The benefits due to employees for termination of employment do not provide the enterprise with future economic benefits and are therefore recognized immediately as cost.

Provisions for risks and charges

Provisions for risks and charges are recognized when, at the reference date, there is a legal or implicit obligation to third parties arising from a past event, it is likely that a disbursement of resources of a reliable amount will be required to meet the obligation. This amount represents the best discounted estimate of the expenditure required to settle the obligation. The rate used in determining the present value of the liability reflects current market values and includes the additional effects related to the specific risk associated with each liability.

Changes in estimates are reflected in the income statement for the period in which the change occurs.

Estimate of costs to complete long-term contracts

The Group operates in *business* sectors and with particularly complex contractual schemes, recognized in the financial statements through the percentage of completion method. The margins recognized in the profit and loss account are a function of both the progress of the contract and the margins which are deemed to be recognized for the entire work at its completion: therefore, the correct recognition of the Work-in-progress and the margins relating to works not yet completed presupposes the correct estimate by the management of the final costs, of the increases assumed, as well as of the delays, of the extra-costs and of the penalties that could compress the expected margin. To better support *management* estimates, management and contract risk analysis schemes have been adopted, aimed at identifying, monitoring and quantifying risks related to the performance of such contracts(for more details see note 7 “use of estimates”). The values entered in the financial statements represent the best estimate at the date made by *the management*, with the help of these procedural supports.

Moreover, the activity is aimed at sectors and markets where many problems, both assets and liabilities, are resolved only after a significant period, especially in cases where the counterparty is represented by public client, *the management needs to estimate* the results of these disputes. The main potential risk situations deemed “likely” or “possible” (the latter not set aside in the balance sheet) are commented on later.

Revenues

Revenues are recognized in accordance with IFRS 15. The latter provides for the recognition of revenues from contracts with customers for an amount that reflects the consideration to which the entity considers that it is entitled in exchange for the transfer of goods or services to the customer.

Revenue is recognized when the relevant *Performance Obligation* is satisfied, i.e., when the promised goods or services are transferred to the customer. The transfer is considered complete when the customer obtains control of the good or the service, which can take place in the continuous *(over time)* or in a specific time *(at a point in time).*

Revenues for *performance obligations* met over time are recognized on the basis of the progress method (or percentage of completion) according to which costs, revenues and margin are recognized on the basis of the progress of the productive activity, determined by reference to the ratio of costs incurred at the assessment date to total expected costs on the program or on the basis of the product units delivered.

The evaluation reflects the best estimate of the programs made at the financial statement date. Estimates are updated periodically. Any economic effects shall be accounted for in the period in which the updates are made. If the completion of a contract is expected to result in a loss at the level of industrial margin, it is recognized in its entirety in the period in which it becomes reasonably foreseeable within the Operating expenses. On the other hand, the reversal of these provisions is recognized as part of the other operating income if it relates to internal costs. The external cost component represents a direct use of the final loss fund.

The valuation of the lifetime revenues of multi-year projects considers as provided for in IFRS 15 the "variable consideration" in case of applicability of escalation indices as the best estimate at the date of preparation of the Financial Statements.

Contributions

The contributions, in the presence of a formal award decision, are recognized by competence in direct correlation with the costs incurred. Contributions in c/plants are credited to the profit and loss account directly in relation to the Amortization process to which the assets/projects relate and are brought to a direct reduction in the amortization itself and, patrimonial, in the value of the capitalized asset for the residual value not yet credited to the income statement.

Costs

Costs are recorded in accordance with the principles of relevance and economic competence.

Financial income and expenses

Interest is recognized in the profit and loss account for competence on the basis of the actual interest method, using – that is, the interest rate that makes all the incoming and outgoing flows (including any payments, discount, commissions, etc.) that make up a given transaction financially equivalent.

The financial charges related to the acquisition, construction or production of certain assets that require a significant period to be ready for use or for sale *"qualifying asset"* are capitalized together with the asset.

Dividends

They are recognized when the shareholders' right to receive the payment which normally corresponds to the shareholders' decision to distribute the dividends.

The distribution of dividends to shareholders is represented as a movement of equity and is recorded as a liability in the period in which the distribution of the same is approved by the shareholders' meeting.

Taxes

The Group's tax burden is current taxes and deferred taxes. Where they relate to components recognized in the income and charges recognized as equity, in the total income statement, these taxes shall be entered in return in the same item.

Current taxes are calculated on the basis of the tax law applicable in the countries in which the Group operates, in force at the date of the financial statements; any risk arising from different interpretations of positive or negative income components, as well as ongoing disputes with the tax authorities, shall be assessed at least quarterly intervals in order to adjust the appropriations entered in the financial statements.

Deferred taxes are calculated based on temporary differences between the book value of assets and liabilities and their tax value. The valuation of deferred tax assets and liabilities is made by applying the rate expected to be in force at the time the temporary differences are reverted, which is made on the basis of the tax legislation in force or substantially in force at the reference date of the period. Deferred tax assets are recognized to the extent that it is considered probable that, in periods in which the relative temporary differences are due, taxable income is at least equal to the amount of the differences that will be canceled.

Related party transactions

Related parties mean those companies that share the same parent with the Group, companies that directly or indirectly control it, or are jointly controlled by the Group, and those in which the Company holds such a holding that it can exercise significant influence. The definition of Related parties also includes members of the Group's Board of Directors and executives with strategic responsibilities. Managers with strategic responsibilities are those who have the power and responsibility, direct or indirect, for the planning, management, and control of the 's activities.

4. ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS IN FORCE SINCE 1ST JANUARY 2024

The following accounting standards, amendments and interpretations IFRS Accounting Standards were first applied by the Group as of January 1st, 2024:

- On 23rd January 2020, the IASB published an amendment called ***"Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current"*** and on 31st October 2022 published an amendment called ***"Amendments to IAS 1 Presentation of Financial Statements: Non-current Liabilities with Covenants"***. These changes are intended to clarify how to classify debts and other short- or long-term liabilities. In addition, the changes also improve the information that an entity must provide when its right to defer the termination of liability for at least 12 months is subject to compliance with certain parameters (i.e. covenants). The adoption of these amendments has not had any impact on the financial statements.
- On 22nd September 2022, the IASB published an amendment called ***"Amendments to IFRS 16 leases: Lease liability in a Sale and Leaseback."*** The document requires the seller-lessee to assess the liability for the lease arising from a *sale & leaseback* transaction so as not to recognize a gain or loss relating to the retained right of use. The adoption of this amendment has not had any impact on the financial statements.
- On 25th May 2023, the IASB published an amendment called ***"Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements"***. The document requires an entity to provide additional information on *reverse factoring* agreements that enable users of financial statements to assess how financial arrangements with suppliers can affect the entity's liabilities and cash flows and to understand the effect of such agreements on the entity's exposure to the liquidity risk. The adoption of this amendment has not had any impact on the financial statements.

5. INTERNATIONAL ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATION APPROVED BY THE EUROPEAN UNION, NOT YET MANDATORY AND NOT YET ADOPTED

At the date of reference to this document, the competent bodies of the European Union have concluded the approval process necessary for the adoption of the amendments and principles described below, but these principles are not necessarily applicable and have not been adopted in advance on 31st December 2024:

- On 15th August 2023, the IASB published an amendment called ***"Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability".*** The document requires a methodology to be applied consistently to an entity to verify whether one currency can be converted to another and, where this is not possible, how to determine the exchange rate to be used and the disclosure to be provided in the disclosure note. The change will apply from 1st January 2025, but it is allowed to be applied in advance. At present, the directors are considering the possible effects of the introduction of this amendment on the financial statement.

6. INTERNATIONAL ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS ISSUED BUT NOT YET APPROVED BY THE EUROPEAN UNION

At the reference date of this document, the competent bodies of the European Union have not yet completed the approval process necessary for the adoption of the amendments and principles described below.

- On 30sh May 2024, the IASB published the document ***"Amendments to the Classification and Measurement of Financial Instruments—Amendments to IFRS 9 and IFRS 7"***. The document clarifies some problematic aspects arising from the post-*implementation review* of IFRS 9, including the accounting treatment of financial assets whose returns vary when the attainment of ESG (i.e. *green bonds*) objectives. In particular, the purpose of the amendments is to:
  - clarify the classification of financial assets with variable returns linked to environmental, social and corporate governance (ESG) objectives and the criteria to be used for the assessment of the SPPI *test*;
  - determine that the date of settlement of liabilities through electronic payment systems is the date on which the liability is settled. However, an entity is allowed to adopt an accounting policy to enable it to dispose of financial liability in full before delivering liquidity at the settlement date under specific conditions.

  With these amendments, the IASB also introduced additional information requirements with regard to investments in capital instruments designated by FVOCI.
  The amendments will apply from the financial statements for the financial years beginning on 1st January 2026.

At present, the directors are considering the possible effects of the introduction of this amendment on the financial statement.

- On 18th July 2024, the IASB published a document called ***"Annual Improvements Volume 11".*** This document includes clarifications, simplifications, corrections, and changes to improve the consistency of different IFRS Accounting Standards. The revised principles are:
  - ***IFRS 1 First-time Adoption of International Financial Reporting Standards;***
  - ***IFRS 7 Financial Instruments: Disclosures*** and related guidelines on the implementation of IFRS 7;
  - ***IFRS 9 Financial Instruments;***
  - ***IFRS 10 Consolidated Financial statements;*** and
  - ***IAS 7 Statement of Cash flows.***

  The amendments will apply from 1st January 2026, but advance application is allowed. At the moment, the directors are considering the possible effects of the introduction of the amendments.

- On 18st December 2024, the IASB published an amendment called ***"Contracts Referencing Nature-dependent Electricity – Amendment to IFRS 9 and IFRS 7"***. The document aims to support entities in reporting the financial effects of contracts for the purchase of electricity from renewable sources (often structured as *Power Purchase Agreements*). Based on these contracts, the amount of electricity generated and purchased may vary depending on factors such as weather conditions that cannot be controlled. The IASB has made amendments aimed at the IFRS 9 and IFRS 7 principles. Amendments include:
  - clarification of the application of *"own use"* requirements to this type of contract;
  - the criteria for allowing such contracts to be entered into as hedging instruments; and,
  - new disclosure requirements to enable users of financial statements to understand the effect of these contracts on the financial performance and cash flows of an entity.

  The change will apply from 1st January 2026, but it is allowed to be applied in advance. Directors do not expect a significant effect on the balance sheet.

- On 9th April 2024, the IASB published a new ***IFRS 18 Presentation and Disclosure*** in ***Financial Statements*** which will replace IAS 1 *Presentation of Financial Statements.* The aim of the new standard is to improve the Presentation of budgetary schemes, with particular reference to the income statement scheme. In particular, the new standard requires:
  - classify revenues and costs into three new categories (operating section, investment section and financial section), in addition to the tax and discontinued categories already present in the income statement scheme;
  - submit two new sub-totals, the operating result and the result before interest and tax (i.e. EBIT).

  The new standard also:

- requests more information on *performance* indicators defined by *management*;
- introduces new criteria for aggregation and disaggregation of information and
- introduces some changes to the Statement of cash flows scheme, including the request to use the operating result as a starting point for the presentation of the statement of cash flows prepared by the indirect method and the elimination of some classification options for some currently existing items (such as interest paid, interest collected, dividends paid, and dividends received).

The new standard will come into force on 1st January 2027, but early application is allowed. This standard will have an impact on all financial statements.

- On 9th May 2024, the IASB published a new ***IFRS 19 Subsidiaries without Public Accountability: Disclosures*** standard. The new standard introduces some simplifications with reference to the information required by the IFRS Accounting Standards in the financial statements of a subsidiary company, which meets the following requirements:
- has not issued equity or debt instruments listed on a regulated market and is not in the process of issuing them;
- its parent company prepares consolidated financial statements in accordance with IFRS standard.

The new standard will come into force on 1st January 2027, but early application is allowed. Now, directors are considering the possible effects of the introduction of the new standard.

- On 30th January 2014, the IASB published the ***IFRS 14 – Regulatory Deferral Accounts***, which allows only those who adopt the International Financial Reporting Standards for the first time to continue to recognize amounts relating to activities subject to *"Rate Regulation activities"* in accordance with the previous accounting principles adopted. Since the Company is not a *first-time adopter*, this standard is not applicable.

7. USE OF ESTIMATES AND DISCRETIONARY ASSESSMENTS

The establishment of financial statements requires the application of accounting principles and methodologies which, in certain circumstances, are based on difficult and subjective estimates and estimates based on historical experience and assumptions which are considered reasonable and realistic in relation to the circumstances.

The application of these discretionary assessments and estimates and assumptions affect the amounts shown in the balance sheet, the balance sheet and financial statements, the income statement, the total income statement, the Statement of cash flows, and the information provided.

Whereas several items of accounting for the financial statements are estimated and although not all these are individually significant, they are as a whole, the following briefly describes the areas that require more than others a greater subjectivity on the part of the directors in the elaboration of estimates and for which a change in the conditions underlying the assumptions used could have a significant impact on the Group's financial results.

Deferred tax assets

Deferred tax assets are recognized against deductible temporary differences between the values of assets and liabilities expressed in the balance sheet and the corresponding tax value. A discretionary assessment is required of directors to determine the amount of deferred tax assets that can be accounted for; it depends on the estimate of the likely time and amount of future taxable profits.

Provision for doubtful receivables

The recoverability of the claims is assessed considering their insolvency risk, their seniority and the expected losses on claims recognized for similar types of claims.

Funds for risks and charges

In the face of legal and fiscal risks, provisions representing negative outcome phenomena are recognized. The value of the funds entered in the balance sheet relating to these risks is the best estimate made by the Directors at the time. This estimate involves the adoption of assumptions that depend on factors that may change over time and that could, therefore, have significant effects on the current estimates made by the Directors for the preparation of the Group's Consolidated Financial Statements.

Inventory depreciation fund

If the net realizable value is lower than the cost, the depreciation must be carried out and the loss of value recognized in the income statement.

Impairment of assets

Goodwill and other tangible and intangible assets for a defined useful life are subject to verification to determine whether a reduction in value has been achieved, which must be recognized by devaluation, when there are indicators that make it difficult to recover the net carrying amount by use. The verification of the existence of the above indicators requires, by the directors, the exercise of subjective assessments based on the information available within the Group and on the market, as well as on historical experience. In addition, if it is determined that a potential reduction in value may have been generated, the Group shall determine the reduction using valuation techniques deemed appropriate. The correct identification of the indicators of the existence of a potential reduction in the value of tangible and intangible assets, as well as the estimates for their determination, depend on factors that may vary over time, influencing the assessments and estimates made by the directors.

Useful life depreciation and amortization

The cost of tangible and intangible assets with a defined useful life is amortized straight – line over the estimated useful life of the related assets. The economic useful life of these assets is determined by the directors at the time they are purchased; it is based on historical experience for similar assets, market conditions and advances concerning future events that could impact the useful life of assets, including changes in technology. Thus, actual economic life may differ from estimated useful life.

As provided for in IAS 8 (Accounting Policies, changes in Accounting estimates and errors) paragraph 10, in the absence of a Standard or Interpretation that is specifically applicable to a particular transaction, management shall define, through weighted subjective assessments, the accounting methodologies to be adopted, With a view to providing a Consolidated Financial Statements that accurately represents the Group's balance sheet, economic performance and financial flows, that reflects the economic substance of the transactions, is neutral, drawn up on a prudential basis and complete in all relevant respects.

Recognition of revenues and costs relating to contract work in progress

The Group uses the percentage of Completion method to account for long-term contracts. The margins recognized in the profit and loss account are a function of both the progress of the contract and the margins which are deemed to be recognized for the entire work at its completion; therefore, the correct recognition of the work-in-progress and the margins relating to works not yet completed presupposes the correct estimation by the directors of the costs at the end, of the increases assumed, as well as of the delays, the extra costs and the penalties that could compress the expected margin. Using the percentage of Completion method requires the Group to estimate the cost of completion, which involves taking estimates that depend on factors that may change over time and that could therefore have significant effects on current values. If the actual cost is different from the estimated cost, this change will affect the results of future periods.

Going concern

The applicability of the assumption of going concern and the identification of any uncertainties that may raise doubts about the ability of the Company to continue operating under operating conditions is an assessment that is the responsibility of the directors based on future perspectives. This assessment requires both the use of projections of the economic and financial performance and an assessment by the directors based on the available information. The assessment made by the directors is part of the discretionary assessments.

8. RISK MANAGEMENT

The Group is exposed to financial risks related to its operations, related to the following cases:

- *Economic crisis:* the continuing economic crisis could reduce the Group's profitability and its ability to generate cash also in the relevant sectors. In the face of this risk, the Group aims to increase its industrial efficiency and improve its ability to execute contracts, while reducing its structure costs.
- *Long-term contracts at pre-determined price:* the Group's response to this risk is expressed in following the procedures in place in the process of preparing and authorizing the main commercial offers, from the first stage by checking the main economic and financial parameters, this includes the Economic value added (EVA), which is one of the reference aggregates for evaluation. In addition, it conducts a review of the estimated costs of contracts, on a regular basis, at least quarterly. Risks and uncertainties related to the execution of contracts are identified, monitored, and measured in order to reduce the probability of occurrence or the negative consequences of identified risks and to implement the identified mitigation actions in a timely manner.
- *These analyzes involve top management, program managers* and quality, production, and finance functions (so-called *"phase review"*).
- *Customer liability:* the Group is exposed to risks of liability toward customers, or third parties connected with the correct execution of the contracts, to which it is liable by the conclusion of insurance policies normally available on the market to cover any damage caused. However, damage that is not covered by insurance policies, exceeds the insured limits, or increases in insurance premiums cannot be excluded in the future, which *management* is constantly monitoring.
- *Country regulation compliance:* the Group monitors, through special structures, the constant updating with the reference regulations, making the start of commercial actions subject to the verification of compliance with the restrictions and to the obtaining of the necessary authorizations.

Financial risks can be described as follows:

- *Liquidity risks*, represented by the possibility that the available financial resources are not sufficient to meet the obligations on the agreed terms and deadlines;
- *Market risks,* relating to exposure to interest-generating positions (interest-rate risks) and to operations in currency areas other than denomination areas (exchange-rate risks);
- *Credit risks*, arising from normal commercial transactions or from financing activities.

The Group specifically monitors each of these financial risks, intervening with the objective of minimizing them in a timely manner, including using hedging derivatives.

The following paragraphs analyse the different types of risk.

Liquidity risk

Liquidity risk is the possibility that, due to the inability to raise new funds or to liquidate assets on the market, the Group will not be able to meet its payment commitments. This has a negative impact on the economic result if it is forced to incur additional costs to meet its commitments or insolvency.

The objective of the Group is to establish a financial structure which, in accordance with the business objectives and with the defined limits, i) ensures an adequate level of liquidity, minimizing the relative opportunity cost and ii) maintain a balance in terms of maturity and debt composition.

The table below shows an analysis of the maturities, based on contractual repayment obligations, relating to the capitalized values of the bond loan, trade debts and other liabilities outstanding as of 31st December 2024 and 2023.

The first column represents the balance of the financial statements at the end of the year, while the following columns represent *the cash-outs* expected at the indicated deadlines, including interest.

Euro/thousand	Amount as of December 31st, 2024	Within 1 year	Over 1 year and up to 5 years	Over 5 years	Total
Bond issue					
Other current and non-current financial liabilities	865,481	180,935	835,909	10,031	1,026,875
Trade payables	391,361	391,361			391,361
Other current and non-current liabilities	220,838	184,597	36,241		220,838

Euro/thousand	Amount as of December 31st, 2023	Within 1 year	Over 1 year and up to 5 years	Over 5 years	Total
Bond issue	189,689	191,952			191,952
Other current and non-current financial liabilities	811,082	213,209	374,910	379,633	967,752
Trade payables	498,013	498,013			498,013
Other current and non-current liabilities	120,768	71,777	48,991		120,768

Interest rate risk

The Group has a negative financial position.

Financial indebtedness is largely variable. The risks related to the fluctuation of rates are, however, resolved as a result of specific financial cover.

In particular, it should be noted that the variable-rate component mainly relates to the Term Loan and SACE Support Italy Loan lines signed last year in the context of the finalization of the financial maneuver. In 2023 Ansaldo Energia entered two hedging instruments for a notional amount of Euro 72.5 million and Euro 77.5 million respectively, which are part of the *"interest rate cap"*.

For the above reasons, under IFRS 7, no significant interest rate risks are identified in these positions.

Foreign exchange risks

The company's procedures provide for the conclusion of cover contracts (derivatives) when acquiring the most significant contracts denominated in currency other than the Euro, In the case where the cost structure is mainly maintained in Euro with the consequence that it is possible to determine an exchange *mismatching* of flows such as to put at risk the margin of the associated contract following market fluctuations of the exchange rate.

As of 31st December 2024, the total notional value in Euro of the matches covered by derivative instruments on sale amounted to Euro 30,150 thousand, while the purchase value amounted to Euro 11,286 thousand.

Given the above, the *sensitivity* analysis on exchange rate variations is not significant.

Credit risk

The Group is exposed to credit risk, both in relation to the counterparties of its business operations and for financing and investment activities, as well as for guarantees given on third-party debts or commitments.

To eliminate or minimize the credit risk arising from commercial transactions, with foreign countries, the Group adopts a careful risk coverage policy from the origin of the commercial transaction by carrying out a careful examination of the conditions and means of payment to be proposed in the commercial offers which can subsequently be transposed into the sales contracts.

In particular, depending on the contractual amount, the type of customer and the importing country, the necessary precautions are taken to limit the credit risk, both in terms of payment and in the financial means provided, such as *stand-by letter* or irrevocable and confirmed letter of credit, in cases where this is not possible and where the Country/customer is particularly at risk, the opportunity to request adequate insurance cover is assessed through the Export Credit Agencies dedicated as SACE or through the intervention of International Banks for contracts in which the financing of the supply is required.

The following table gives a breakdown of commercial credits, grouped by expired, before allowance for doubtful accounts, and by geographical area on December 31st, 2024:

Euro/thousand	Italy area	Europe, CIS, Africa, Middle East	America Region	Asia and Oceania area	Total
Not due yet	48,371	84,555	8,398	13,029	**154,353**
Overdue by less than six months	19,016	27,316	724	19,803	**66,859**
Overdue between six months and one year	551	15,860	-	7,449	**23,860**
Overdue between one and five years	2,202	48,435	106	19,452	**70,195**
Overdue by more than five years	1,503	31,543	2,883	219	**36,148**
	71,643	**207,709**	**12,111**	**59,952**	**351,415**

CIS Commonwealth of Independent States

Please refer to the paragraph relating to the Esma Information regarding the Expected credit loss (ECL) analysis.

9. CAPITAL MANAGEMENT

The management of the Group's capital is aimed at ensuring a solid credit standing and adequate levels of capital indicators to support investment plans, in compliance with contractual commitments made with donors.

The Group shall provide itself with the capital necessary to financing are divided into a balanced mix of risk capital and debt capital, to ensure a balanced financial structure and the minimization of the total costs of capital, with the consequent benefit of all "stakeholders".

The financial situation of previous years has made the risk indices in question worse; reference is made to the report on operations about the going concern analysis.

Part of debt capital derives from the shareholder financing.

The remuneration of risk capital is monitored on the basis of market performance and business performance, once all other obligations, including debt service, have been met; therefore, in order to ensure adequate remuneration for capital, the safeguarding of going concern and the development of business, the Group constantly monitors the evolution of the level of indebtedness in relation to equity, to the business performance and to the forecasts of expected cash flows, in the short and medium/long term.

10. FINANCIAL ASSETS AND LIABILITIES BY CATEGORY

In the following tables, the details of the Group's financial assets and liabilities required by IFRS 7, according to the categories identified by IFRS 9, as of 31st December 2023, and 2024 are given respectively

Euro/thousand	31-Dec-24		
	Financial assets/ liabilities at amortized cost	**Hedging derivatives**	**Total**
Other current financial assets	314,272		314,272
Other non-current financial assets			-
Other receivables and non-current assets	25,084		25,084
Receivables	346,930		346,930
Other receivables and other current assets	125,468	132	125,600
Total	**811,754**	**132**	**811,886**
Bank loans and other non-current borrowings	159,229		159,229
Other payables and other non-current liabilities	4,229		4,229
Trade payables	706,252		706,252
Bank loans and other current borrowings	391,361		391,361
Other payables and other current liabilities	184,596	3,808	188,404
Total	**1,445,667**	**3,808**	**1,449,475**

Euro/thousand	31-Dec-23		
	Financial assets/ liabilities at amortized cost	**Hedging derivatives**	**Total**
Other current financial assets	307,777		307,777
Other non-current financial assets			-
Other receivables and non-current assets	82,316		82,316
Receivables	365,306		365,306
Other receivables and other current assets	102,932	423	103,355
Total	**858,331**	**423**	**858,754**
Bank loans and other non-current borrowings	392,351		392,351
Other payables and other non-current liabilities	14,354		14,354
Trade payables	608,420		608,420
Bank loans and other current borrowings	498,013		498,013
Other payables and other current liabilities	71,777	931	72,708
Total	**1,584,915**	**931**	**1,585,846**

It should be noted that the Group, except for foreign exchange derivatives, does not have financial assets and liabilities valued at *fair value* with variation attributed to the Consolidated Income Statements or the Consolidated Statements of Comprehensive Income.

The following table shows the reconciliation of the net financial position from 1st of January 2024 to the 31st of December 2024, which shows the financial movements and changes which did not involve a financial flow *(non-cash changes)*:

Euro/migliaia	Cash and cash equivalents	Financial recei-vables	Short-term financing	Medium/long-term loans	Total
Net financial position as of 31st December 2023	**108,031**	**16,613**	**(881,855)**	**(290,928)**	**(1,048,139)**
Cash flow of the period	202,280	(12,652)	746,391	(439,089)	496,930
Other non-monetary movements			(23,765)	23,765	-
Net financial position as of 31st December 2024	**310,311**	**3,961**	**(159,229)**	**(706,252)**	**(551,209)**

The item “reclassifications” includes medium/long to short-term reclassifications of financial debts.

For a detailed analysis of outstanding funding, please refer to the relevant financial statement notes.

11. FAIR VALUE MEASUREMENT

The following table summarizes the assets and liabilities that are measured at *fair values* as of 31st December 2024 and 2023, based on the level that reflects the *inputs* used in the determination of *fair value:*

Euro/thousand	Fair Value 2024	Fair Value 2023
Activity		
Interest rate swaps	132	423
Liabilities		
Currency forward/swap/option	3,808	931

IThe Group uses internal evaluation models, generally used in financial practice. There were no transfers between the different levels of the *fair value* hierarchy during the periods considered.

12. REPORTING BY OPERATING SEGMENT

According to IFRS 8 – *operating sectors*, the Group's business is identifiable in a single operating segment (CGU), or that of energy.

Moreover, while noting an important cross-compliance of the activities carried out, the Group has further oriented its organization at the management level on a structure articulated, in turn, by *service line* and geographical area.

The Group has therefore identified the following *service lines:* Plants and components *(New Unit), Service,* Nuclear and Renewable Energy, while it has secondary assessed the scheme by geographical area where the risks and benefits of enterprise are significantly influenced by the fact that it operates in different countries or in different geographical areas.

For a more detailed analysis of each *service line*, see the progress report.

To complete the information, the details of the revenues by *service line* and *the details of the gross margin* (defined as the difference between revenue and cost of production) for each *service line are given below.*

Euro/migliaia	Renewable energies	New Unit	Nuclear	Service	Total
Revenue	843	334,470	93,443	687,583	1,116,339
Gross operating margin	(21)	(32,671)	10,147	195,342	172,797

13. REVENUES

Euro/thousand	2024	2023
Revenue from sales	255,576	360,868
Revenue from services	173,640	261,051
Penalties	(11,373)	(14,982)
	417,843	**606,936**
Change in work in progress	656,217	454,753
Revenue from related parties	42,279	40,875
Total revenues	**1,116,339**	**1,102,565**

Sales and performance revenues are detailed by *service line* in the prospectus contained in the "Segment Information" note.

The revenues include, in addition to the value of the production of the period, also the quotas acquired to obtain *the Provisional Acceptance Certification* (PAC) that determines the transfer of ownership to the customer of the completed plants.

Revenues were reduced by penalties from customers of Euro 11 million, mainly attributable to the parent company.

In addition, revenues by geographic area are as follows:

Euro/thousand	Revenue	
	2024	2023
Italy	339,211	520,412
Europe/CIS/Africa/Middle East	607,209	504,797
America	19,367	9,057
Asia/Australia	150,552	68,299
	1,116,339	**1,102,565**

CIS=Commonwealth of Independent States

14. OTHER OPERATING INCOME AND EXPENSES

Euro/thousand	2024		2023	
	Revenue	Costs	Revenue	Costs
Capital gains/losses on disposals of tangible and intangible assets	65	397	-	31
Accruals to/reversals of provisions	7,238	25,262	10,448	53,065
Exchange rate gains (losses) on operating activities	4,429	9,205	8,748	5,944
Unrealized exchange rate gains and losses	13,841	10,803	26,122	24,205
Financial income/expenses on trade receivables/payables	1	1,086	1	850
Insurance compensation	71		936	
Indirect taxes		1,332		1,933
Realized losses of thirt-party operating receivables		306		2,332
Membership fees and contributions		525		614
Other operating income/expense	4,112	7,628	3,200	5,080
Other related parties operating income/expense	5	151	-	150
	29,762	**56,695**	**49,455**	**94,204**

The exchange differences relate to the adjustment and realization of the end-of-period exchange rates for the commercial items of loans and debts originally expressed in currency other than the Euro.

The provisions include extraordinary provisions, which mainly refer to consultancy costs and exceptional charges for the improvement of new products, as already commented on in the Report on Operation.

Credit losses result from insolvency proceedings concerning some customers which have resulted in the impossibility of collecting the relevant credit.

15. PURCHASES AND SERVICES COSTS

Euro/thousand	2024	2023
Materials from third parties	446,925	449,656
Change in inventories	(23,342)	(41,416)
Purchases from related parties	2,438	11,784
Total purchases	**426,021**	**420,024**
Services from third parties	363,380	509,775
Services from related parties	913	1,248
Rentals and operating leases	9,446	7,245
Total Services	**373,739**	**518,269**

The costs for purchases of materials amounted to Euro 426,021 thousand, a slight increase compared to the previous year.

In general, costs for purchases and services show a decline compared to 2023.

The delta mainly results from a different composition of the order backlog, as reported in the balance sheet and in the business continuity paragraph: *"In the light of the negative results of previous periods mainly found in EPC projects (Engineering, Procurement and Construction) for the supply of "turnkey" plants with Ansaldo technology, which were affected by significant extra costs linked to the delay in the execution of the site activities and to the resolution of some problems that emerged on the new products launched on the market in the three years 2018-2020, Already during the two-year period 2022/2023 the replacement of the order portfolio with contractual types EQP/PI (Equipment/Power Island) started at lower risk levels, which are currently performing according to the expected margins".*

This resulted in a significant reduction in external costs in 2024.

Total service costs (to third parties and to related parties) refer mainly to the following items: industrial performance and technical assistance of the parent company (Euro 182,536 thousand), costs for services of the Swiss subsidiary (Euro 40,730 thousand), industrial services of Ansaldo Nucleare (Euro 11,761 thousand), software and other information services costs of the parent company (Euro 17,322 thousand), transport costs and customs charges of the parent company (Euro 15,268 thousand), maintenance costs of the parent company (Euro 27,590 thousand), travel and travel expenses of the parent company (Euro 15,438 thousand) and insurance premiums of the parent company (Euro 11,402 thousand).

Rental, rental and leasing costs include rentals for apartments for Italian and foreign shipbuilding, hire of photocopiers and computer equipment and other rentals. These costs relate to contracts that are not covered by IFRS 16 because of a duration of less than 12 months or an amount of less than Dollars 5,000 individually.

16. PERSONNEL EXPENSES

Euro/thousand	2024	2023
Wages and salaries	189,378	182,645
Social security and pension contributions	44,885	43,098
Costs related to other defined benefit plans	283	277
Costs related to defined contribution plans	7,416	7,812
Incentives	7,198	6,942
Other costs	1,273	1,769
	250,433	**242,543**

“Incentives” includes extraordinary exodus incentives of Euro 2,123 thousand and other incentives for difference.

The cost of Euro 250,433 thousand represents the burden for monthly and deferred competences, social security charges and end-of-relationship allowances on 31st December 2024 and includes the part relating to the stable foreign organizations of the Parent Company for Euro 12,370 thousand.

At the end of 2024, the resources entered were 3,244.

The following is evidence, by category, of the average headcount trend:

	2024	2023	Variations
Managers	51	51	-
Junior Managers	298	296	+2
White Collars	1,873	1,924	-51
Blue Collars	982	1,018	-36
	3,204	**3,289**	**-85**

17. AMORTIZATION, DEPRECIATION AND IMPAIRMENT LOSSES

Euro/thousand	2024	2023
Amortization and depreciation:		
- intangible assets	45,412	49,900
- property,plant and equipment	34,086	35,944
	79,498	**85,844**
Impairment:		
- intangible assets	-	1,468
- other activities	80	-
	80	**1,468**
Total depreciation and impairment	**79,578**	**87,312**

The depreciation of Euro 80 thousand refers to the claims of Ansaldo Nucleare following an *Expected credit loss* analysis.

The trend in depreciation reflects the amortization process of tangible and intangible assets on the basis of estimated useful life. For further details, please refer to the relevant balance sheets.

For intangible assets, the following average amortization classes are given:

	% of amortization
Development costs	5-10%
Concessions, Licenses and trademarks	1-2%
Others	20-10%

Amortization of tangible assets is representative of the residual useful life of the various assets.

As stated in the corresponding note on accounting policies, the estimated useful life for the various asset classes is as follows:

	% of amortization
Land	indefinite useful life
Industrial buildings	3%
Plants and machinery	5- 20%
Equipment	12,5-40%
Furniture and furnishings	12,5-20%
Vehicles	20-25%

The estimate of useful life and residual value is periodically revised.

18. CHANGE IN FINISHED GOODS INVENTORIES, WORK IN PROGRESS AND SEMI-FINISHED PRODUCTS

Euro/thousand	2024	2023
Changes in Finished goods inventories, in the process of working and semi-finished	2,148	(3,632)

19. INTERNAL WORK CAPITALIZED

Increases in fixed assets for internal work relate to labor costs and material costs and relate mainly to Development activities.

20. FINANCIAL INCOME AND EXPENSES

Euro/thousand	2024			2023		
	Income	Expenses	Net	Income	Expenses	Net
Dividends	68		**68**	68		**68**
Interest cost on defined benefit plans		184	**(184)**		222	**(222)**
Discount of financial assets	-	2,247	**(2,247)**	-	2,193	**(2,193)**
Charges (income) from hyperinflation	-	1,603	**(1,603)**	-	-	**-**
Bank and borrowers assets	4,021	40,382	**(36,361)**	3,414	53,260	**(49,846)**
Commissions		6,465	**(6,465)**		6,137	**(6,137)**
Premiums paid/collected on forward	29	177	**(148)**	599	841	**(242)**
Exchange rate gains and losses	13,764	13,878	**(114)**	14,176	18,375	**(4,199)**
Investments in subsidiaries value adjustment		(551)	**551**		410	**(410)**
Other financial income and expenses	55	492	**(437)**	2,546	1,451	**1,095**
Related parties financial income/ expenses	-	21,156	**(21,156)**	-	12,130	**(12,130)**
Losses on Interest rate cap		291	**(291)**		1,182	**(1,182)**
	17,937	**86,324**	**(68,387)**	**20,803**	**96,201**	**(75,398)**

Financial income mainly includes interest from deposits with ordinary banks and on foreign exchange accounts, as well as exchange differences in foreign exchange.

The financial income are adequately detailed in the table above and consist mainly of interest on the Revolving financing (Euro 9,327 thousand), interest on the Term Loan (Euro 10,552 thousand), interest on the SACE financing (Euro 10,589 thousand), interest on the bond repaid during the year (Euro 2,134 thousand), exchange rate differences on financial charges (Euro 13,878 thousand) and leasing debt discount charges arising from the application of IFRS 16 (Euro 2,247 thousand).

The financial charges to related parties refer mainly to the interest accrued on the Shareholders Loan (Euro 20,706 thousand).

The hyperinflation charges resulting from the application of IAS 29 concern the subsidiary Yeni Aen.

Please refer to the Financial risk Management section for the comment on *Interest rate cap* derivatives.

21. INCOME TAXES

The income tax item is composed as follows:

Euro/thousand	2024	2023
Benefit from Tax consolidation	64,209	43,265
IRAP	207	27
Other income taxes	5,369	1,245
Tax fund surplus	1,908	228
Prior year taxes	1,305	396
Provisions for tax risks	-	84
Net deferred taxes	(1,522)	(96)
	(60,758)	**(41,837)**

The company has joined, effective already for the financial year 2022, the fiscal consolidation of Cassa Depositi e Prestiti S.p.A. The mechanism of application of this regime has allowed, as foreseen by the D.P.R. 917/1986 (c.d. TUIR) in Articles 117 to 129, the remuneration of the tax loss made, in the amount of the current Ires rate (24%), as well as of the unpayable interest in the amount of half of the current Ires rate (12%) as provided for in the consolidated contract signed between Ansaldo Energia S.p.A. and Cassa Depositi e Prestiti S.p.A.

In 2024, the income entered on the balance sheet was Euro 64.2 million, as reported by the consolidating company and distributed among the parent company, Ansaldo Nucleare and Ansaldo Green Tech. The amount in question has been confirmed by the counterparty.

This amount includes the recognition of income equal to Euro 46.7 million resulting from the response provided by the Italian Revenue Agency on 10th February 2025 following the request for input submitted by the parent company in July 2024, confirming full deductibility, in accordance with the conditions laid down in the tax legislation, regarding the items related to a project in Turkey already discussed in the Report on Operations.

Finally, in accordance with the current *"global minimum tax"* legislation, Ansaldo Energia has communicated to Cassa Depositi e Prestiti S.p.A., as the parent company, the data necessary to ensure compliance with the minimum level of 15% in relation to the income generated in the jurisdiction of Italy, in which Ansaldo operates, for the purpose of calculating the top-up tax. The results of the so-called *full compliance* group calculation did not result in any charges.

22. INTANGIBLE ASSETS

The heading in question and its handling can be detailed as follows:

Euro/thousand	Goodwill	Development expenses	Patent and similar rights	Concessions, licenses and trademarks	Intangible assets acquired through business combination (PPA)	Other assets under construction	Total
31st December 2023							
Cost	806,145	681,733	921	108,544	628,797	59,601	**2,285,741**
Accumulated. amortization and impairement	179,432	539,013	723	29,192	528,310	39,319	**1,315,989**
Carrying amount	**626,713**	**142,720**	**198**	**79,352**	**100,487**	**20,282**	**969,752**
Cost							
Investments	-	9,535	-	-	-	11,772	**21,307**
Increases from business combinations	-	3,869	-	9	-	395	**4,273**
Other changes and reclassifications	167	10,126	100	(691)	-	(8,851)	**851**
Hyperinflation	-	-	-	-	-	58	**58**
	167	**23,530**	**100**	**(682)**	**-**	**3,374**	**26,489**
Accumulated depreciation							
Increases from business combinations	-	1,932	-	6	-	11	**1,949**
Other changes and reclassifications	-	(245)	100	(691)	-	1,473	**637**
Depreciation, write-downs and impairment	-	16,699	44	913	25,002	2,754	**45,412**
Hyperinflation	-	-	-	-	-	49	**49**
	-	**18,386**	**144**	**228**	**25,002**	**4,287**	**48,047**
31st December 2024							
Cost	806,312	705,263	1,021	107,862	628,797	62,975	**2,312,230**
Amortization and impairment	179,432	557,399	867	29,420	553,312	43,606	**1,364,036**
Carrying amount	**626,880**	**147,864**	**154**	**78,442**	**75,485**	**19,369**	**948,194**

The reclassification line includes current fixed assets accounts to specific categories of intangible assets.

The item "Goodwill" derives for Euro 26,226 thousand from the acquisition of the British Nuclear Engineering Group and for the remainder from the application of the *purchase price allocation* process as required by the accounting standard IFRS 3 in relation to the merger in 2012 with Ansaldo Energia Holding S.p.A.

The item *"Concessions, licenses and trademarks"* refers mainly to the Ansaldo brand registered in Ansaldo Energia (with a residual value of Euro 74,188 thousand) and Ansaldo Nucleare (with a residual value of Euro 3,302 thousand).

The item "Intangible assets acquired for Business Combination" includes intangible assets deriving from the PPA relating to the aforementioned merger of Ansaldo Energia Holding in 2012 (Euro 13,281 thousand), and, for the delta, the residual value of intangible assets deriving from the acquisition of part of Alstom's *gas* turbine *business* from General Electric Company (c.d. Gastone Project).

It should be noted that intangible assets, in the lines "increases in business combinations" include the activities of the CCA (Centro Combustione Ambiente) which entered the consolidation perimeter as from 24th July 2024, as already mentioned in the previous paragraphs.

Furthermore, again with regard to the acquisition of CCA, Goodwill is affected by an increase of Euro 167 thousand resulting from the application of *the purchase price allocation* process as required by the IFRS Accounting Standard.

Euro/thousand	Centro Combustione Ambiente		
	Carrying amount	**Adjustment**	**Fair value**
Asset			
Cash and cash equivalents	196		196
Tangible assets	3,129	3,490	6,619
Intangible assets	2,323		2,323
Tax assets	74		74
Other assets	5,375		5,375
Total assets	**11,097**	**3,490**	**14,587**
Liabilities			
Financial liabilities valued at amortized cost	240		240
Tax liabilities	17	838	855
Other liabilities	3,366		3,366
Defined benefit pension plans	267		267
Provision	137		137
Equity attributable to non-controlling interests	2,828	1,061	3,889
Total liabilities	**6,855**	**1,899**	**8,754**
Net acquired assets	**4,242**	**1,591**	**5,833**
Goodwill	**-**	**167**	**167**
Cost of business combination	**4,242**	**1,758**	**6,000**

Impairment

The result of *the impairment test* is derived from the estimates made by management on the basis of the information available to date and the assumptions set out in the following paragraphs. Assumptions characterized by the greatest uncertainty profile and for which a higher use of subjective assessments is required relate, in particular, to those relating to:

- to obtain the expected orders and the consequent estimate of the margin of the orders;
- the estimation of the financial parameters used for the determination of the discount rate;
- to the evolution of legislation in the field of energy.

The Company has taken into account the above uncertainties in the elaboration and definition of the basic assumptions used for the determination of the recoverable amount of goodwill and GT36 – GT26 technologies by inserting an *execution risk* of 1% in the discount rate of the cash flows. This evaluation resulted in a *Headroom* on Goodwill of Euro 241 million and on GT36 and 26 technologies of Euro 15 million and Euro 71 million respectively.

Further *sensitivity* was carried out on the plane EBITDA value in *a range* of +/- 1.5% and in both cases *no impairment* is shown; it is pointed out that the recoverable amount would be equal to the reference value, therefore *Headroom* equal to zero in the hypothesis of a -1.85% EBITDA reduction.

The analyzes listed above confirm the sensitivity of the recoverable assessments of the non-current assets to the variation of the above-mentioned exogenous and non-controllable variables; In this context, the directors will systematically monitor their progress for any adjustments to the estimates of recoverability of the values of goodwill and technology in the financial statements.

Goodwill

The item "Goodwill", equal to Euro 626,880 thousand as of 31st December 2024, is attributable as follows:

- Euro 600 million to the reverse merger between Ansaldo Energia S.p.A. and its parent company Ansaldo Energia Holding S.p.A. in 2012;
- Euro 26 million to the acquisition of Nuclear Engineering Services today Ansaldo Nuclear.

The cash-generating unit group ("CGU") to which goodwill is allocated coincides with the operating sector within which all services and products provided are consolidated i.e. the Energy sector.

In this respect, goodwill is found to be recoverable through the joint activity of a group of CGCs which, in particular, coincides with the Energy sector.

Within the guidelines of the Industrial Business Plan 2025-2029, the flows deriving from the new CGU Ansaldo GreenTech have been removed and excluded from the CGU Energia.

In line with the requirements of the International Accounting Standards, *the impairment* test was carried out at the date of this financial statement in order to ensure the existence of any impairment losses of goodwill. *The impairment* test was carried out by comparing the book value of goodwill with the CGU use value to which it refers.

The value of use was determined using *the Discounted Cash Flow ("DCF method")* methodology by discounting the operating cash flows generated by the asset (net of the fiscal effect) at a rate representative of the weighted average cost of capital.

The post-tax WACC used to discount future cash flows is 11.3%. This rate is an expression of a target financial structure of the sector, derived from the debt ratios, at market values, of *a basket* of comparable listed companies, including *execution risk* equal to 1% to cover the risks of execution of the industrial business plan underlying *the* exercise of *impairment*.

The growth rate in terminal value was estimated to be 1.9%, also taking into account the markets in which the Group operates mainly.

The value of use was obtained by discounting (i) the operating cash flows – net of tax – deriving from the asset in an explicit forecast period corresponding to the plan period 2025-2029, and (ii) the present value of the cash flows that can be generated beyond the explicit forecast period *(terminal value)*, obtained by projecting in *perpetuity* the (normalized) cash flow for the last year of explicit prediction. The industrial business plan on which the impairment test is based was approved by the Board of Directors on 25th February 2025. The value of use, as determined, was compared with adjusted net invested capital, including operating *assets* (after any loss of value) and goodwill.

The results on *the impairment test* showed that the estimated recoverable amount for the CGU was 241 million higher than its book value at the reference date; therefore, it was considered that it was not required adjustments at Goodwill level

Impairment intangible assets

An analysis of the recoverability of intangible assets has been carried out in order to analyze all those *assets* not yet available for use or those for which *impairment* assumptions (so-called *trigger events*) have emerged.

The R&D-related Intellectual Properties specifically related to the GT36 and GT26 project ("IPR&D GT36 and GT26"), pursuant to IAS 36 §10, were subjected to *impairment tests*. This *test* was based on the "DCF Method" using the use value as the recoverable value configuration. Regarding the determination of the recoverable amount of GT36 and GT26 IPR&D, the cash flow generated by the technology in question were estimated, discounted at an opportunity cost of capital reflecting the specific risk of *the asset.*

The cash flows considered include all the expected revenues and expenses in relation to the economic flows of the orders, the general and administrative structure costs of the completion of Research and development activities, the estimated costs for *learning curves*, investment in Plant and machinery and maintenance research and development.

The economic flows consider a residual useful life of the technology covering a time horizon of 18 years foreseen for the sale of new units and 25 years for the sale of the relevant *service* for the GT36 and 16 years for the sale of new units and the related *service* for GT26.

The opportunity cost of the capital used at the valuation reference date is in line with that used for *the impairment test* at the Goodwill level.

The *carrying amount* of the IPR&D GT36 and GT26 was determined by allocating, in addition to the intangible assets in question, specific operating net working capital and certain "service" assets immobilized based on appropriate allocation *drivers*.

The result of this calculation showed that the a-value of intangible assets relating to GT 36 is aligned with the present value of future flows showing *a headroom* of +15 million; however, in view of the activities planned for the consolidation of the technology, the valuation of the load values of the development costs, which was the subject of FPY 2022 impairment, has not been carried out. The GT26 technology *headroom* is Euro71 million.

Therefore, it was considered appropriate not to make any value adjustments.

Other intangibles

In respect of all other intangible assets subject to amortization, analyzes were carried out to identify any assumptions of loss of value from which no risk situations arose.

23. PROPERTY, PLANT AND EQUIPMENT

The heading in question and its handling can be detailed as follows::

Euro/thousand	Land and buildings	Plants and machinery	Equipment	Others	Fixed assets in progress and advances	Right of use assets	Total
31st December 2023							
Cost	205,345	358,681	162,540	33,654	5,512	70,080	835,812
Accumulated depreciation and impairement	105,813	295,714	149,588	30,603		37,288	619,006
Carrying amount	**99,532**	**62,967**	**12,952**	**3,051**	**5,512**	**32,792**	**216,806**
Cost							
Investments	3	345	296	288	16,501	3,382	20,815
Sales	(215)	(886)	(18)	(160)	(49)	(13)	(1,341)
Increases from business combinations	3	10,704	120	29	474	-	11,330
Other changes and reclassifications	583	7,415	3,297	1,408	(7,891)	321	5,133
Hyperinflation	-	-	-	10	-	-	10
	374	**17,578**	**3,695**	**1,575**	**9,035**	**3,690**	**35,947**
Amortization Fund							
Sales	(183)	(301)	-	(2)		(11)	(497)
Increases from business combinations	2	8,057	119	22		-	8,200
Other movements and reclassifications	227	272	69	303		(70)	801
Depreciation, impairment and impairment	5,051	14,513	6,763	893		6,866	34,086
Hyperinflation	-	-	-	7		-	7
	5,097	**22,541**	**6,951**	**1,223**	**-**	**6,785**	**42,597**
31st December 2024							
Cost	205,719	376,259	166,235	35,229	14,547	73,770	871,759
Depreciation and amortization	110,910	318,255	156,539	31,826	-	44,073	661,603
Carrying amount	**94,809**	**58,004**	**9,696**	**3,403**	**14,547**	**29,697**	**210,156**

Reclassifications include payments from current fixed assets to specific asset categories.

The leased assets also include costs of *dismantling* Birr's site with a residual value of Euro 1,369 thousand.

Capitalizations for plants that have entered production mainly concern the parent company:

- interventions for the improvement of safety standards on factory machinery for Euro 530 thousand;
- the acquisition of tools for Service interventions in the yard for Euro 947 thousand;
- the capitalization of tooling for the manufacture and processing of gas turbines for Euro 688 thousand;
- extraordinary maintenance work on buildings for Euro 1,670 thousand;
- the improvement of warehouses for Euro 730 thousand.

It should be recalled that tangible fixed assets are affected by an increase of 3.5 million deriving from the application of the *purchase price allocation* process as required by IFRS 3 accounting standard in relation to the acquisition of CCA - Centro Combustione Ambiente. For details, please refer to the previous paragraph.

24. EQUITY INVESTMENTS

The main movements that led to the change in "Equity investments" are as follows:

Euro/thousand	**12/31/24**	**12/31/23**
1st January	20,238	18,138
Valuation effects by using equity method	6,148	2,367
Dividends received	(1,218)	(1,325)
Change in the scope of consolidation	10	507
Disposals	(6,000)	-
Other changes and exchange differences	(146)	551
31st December	**19,032**	**20,238**

Dividends received refer to Dynamic subsidiaries.

The "Change in the scope of consolidation" line refers to the entry of the Hungarian JV MAEN Energetika ZMR, which was established with the aim of exploring new markets.

The item "Disposals" refers to the exchange of AC Boilers, which was followed by the acquisition of the stake in the company CCA Centro Combustione Ambiente, fully consolidated starting from 24th July 2024.

The effect of the Equity method evaluations includes the results of the two Chinese Joint ventures AGTT (Ansaldo Gas Turbine High Technology Co. Ltd.) and SEGT (Shanghai Electric Gas Turbine Co. Ltd) for Euro 626 thousand and Euro 1,778 thousand respectively; the first is held at 60%, the second is held at 40%; the two JV's, valued at Equity, were born in the cooperation project with Ansaldo Energia's partner, Shanghai Electric Hong Kong Co. Limited, with targets for penetration into the Chinese market and for the implementation of Research and Development projects related to energy; during the year the two JV companies accumulated a result of Euro 2,654 thousand and Euro 3,787 thousand Euro respectively, which consequently led to their revaluation.

The item "other changes" includes the reclassification of negative-value equity investments in the funds, in this case AU Finance Holding BV and Shanghai Electric Gas Turbine Co. Ltd.

List of investments as of 31st December 2024

Denomination *Euro/thousand*	**Investments %**	**Investment Amount**
Subsidiaries and associates		
Ansaldo Algeria	49%	4,029
Ansaldo Energia Muscat	70%	553
Dynamic	25%	2,196
Joint ventures		
Ansaldo Gas Turbine Technology (JVA)	60%	11,742
MAEN Energetika ZMR (JVU)	40%	10
Other equity investments and consortia		
Cogenerazione Rosignano	33.33%	333
Consorzio CISA in liquidazione	66%	68
Consorzio CORIBA in liquidazione	5%	3
Consorzio Create	20%	5
Consorzio QUINN	16.66%	-
Euroimpresa Legnano	9.92%	-
Icim Group	20.59%	58
Santa Radegonda	19%	6
SIET	2.16%	15
SIIT	2.30%	14
		19,032

As anticipated, the shareholdings in AU Finance Holding BV and Shanghai Electric Gas Turbine Co. Ltd are reported in the funds risks on equity investments:

Denomination *Euro/thousand*	**% of ownership**	**Participation value**
AU Finance Holdings	40%	(507)
Shanghai Electric Gas Turbine (JVS)	40%	(2,330)

The following are the provisional significant data of the two Chinese JV:

Euro/thousand	**Ansaldo Gas Turbine Technology Co.**	**Shanghai Electric Gas Turbine Co**
As of 31st December 2024		
Total asset	26,259	438,774
Total liabilities	6,688	444,599
Total equity	19,571	(5,825)
Operating result	626	1,778
Total revenues	12,271	151,776

The data were converted using exchange rates 2024 (end-of-period exchange rate for capital items and average exchange rate for the period for economic items).

The following table shows the effects of the valuations of investments consolidated with Equity method:

Euro/thousand	**2024**	**2023**
Ansaldo Algerie	1,521	1,000
Ansaldo Gas Turbine Technology	2,272	1,580
AU Finance Holdings	-	(10)
Dynamic	1,644	907
Shanghai Electric Gas Turbine	711	(1,110)
	6,148	**2,367**

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25. RECEIVABLES AND OTHER DEFERRED TAX ASSETS

The entry in question can be detailed as follows:

Euro/thousand	12/31/24	12/31/23
Guarantee deposits	633	413
Financial receivables	14	6
Others	23,504	80,497
Non-current receivables to related and other	933	1,400
Non-current receivables	**25,084**	**82,316**
Deferred tax assets	49,315	50,033
Other non-current assets	**49,315**	**50,033**

The item "other" refers mainly to Accounts receivable for invoicing in relation to contracts with payment terms beyond the period, mainly attributable to the parent company.

Non-current claims to related claims refer to Cogenerazione Rosignano.

The item "deferred tax asset" refers mainly to taxes on the parent's funds (final costs, stock and guarantees).

The following table shows the values of the theoretical deferred tax assets of the parent company and the relative depreciation:

Euro/thousand	Taxable amount	Tax
Other taxed Provision	194,172	53,271
Total	**194,172**	**53,271**
Assets whose recoverability is not probable	39,954	12,103
Accounted Tax asset	154,218	41,168

26. INVENTORIES

The entry in question can be detailed as follows:

Euro/thousand	12/31/24	12/31/23
Raw materials, consumables and supplies	412,276	388,727
Work-in-progress and semi-finished products	223,836	221,032
Finished products and goods	2,491	3,884
Advances to suppliers	26,631	28,906
	665,234	**642,549**

Raw materials, consumables and supplies

They are recorded net of the impairment provision of Euro 42,716 thousand (47,611 in 2023), allocated to meet the needs arising from *slow moving* and the abandonment of certain products.

Products in process and semi-finished products

The current and semi-finished products, increased by Euro 2,804,000, relate to parts with high standardization characteristics that will only be associated with sales orders at the time of customization.

Advances to suppliers

They decreased by Euro 2,275 thousand. The variation is mainly due to the normal life of orders linked to production.

27. CONTRACT WORK-IN-PROGRESS AND ADVANCES FROM CUSTOMERS

The entry in question can be detailed as follows:

Euro/thousand	12/31/24	12/31/23
Contract work-in-progress (gross)	1,847,480	1,595,553
Progress payments and advances from customers	1,734,883	1,473,843
Contract work-in-progress	**112,597**	**121,710**
Progress payments and advances from customers (gross)	5,549,217	5,199,576
Contract work-in-progress	4,750,505	4,363,483
Progress payments and advances from customers (net)	**798,712**	**836,093**

Net work-in-progress decreased by Euro 9,113.00 thousand.

Net advances from customers decreased by Euro 37,381 thousand and are generated by orders with a predominant plant nature at a high stage of progress, as well as by LTSA orders for which the invoicing conditions are not strictly related to the progress of the activities produced.

Work in progress/advances from net customers include a write-down fund of Euro 29,326 thousand, down on last year due to the different composition of the order backlog already commented.

In addition, for the orders considered to be completed, the costs still to be incurred after the closure of the works were assessed by allocating a special fund between the risks and the charges.

The multi-annual orders, as provided for in IFRS 15, are measured using the *cost-to-cost* method, which consists in determining the percentage of progress, as the ratio between the costs incurred and the total costs expected and apply it to contract revenue to obtain the value to be entered among the work-in-progress-to-order at the end of the period. The margin of competence for the period thus determined is equal to Euro 172,797 thousand.

28. TRADE AND FINANCIAL RECEIVABLES

The entry in question can be detailed as follows:

Euro/thousand	12/31/24		12/31/23	
	Commercial	**Financial**	**Commercial**	**Financial**
Receivables	288,623	3,494	293,868	74,155
(Credit write-down)	(4,487)	-	(4,366)	-
Receivables from related parties	62,794	468	75,803	931
	346,930	**3,961**	**365,306**	**75,086**

Commercial claims in litigation and in doubt, in relation to legal disputes, judicial proceedings or insolvency proceedings, are entered at the nominal value and depreciated in a special allowance for doubtful accounts.

Registered credits are not supported by bills of exchange or similar securities

The depreciation fund is in line with the previous year.

For the analysis of credit expiration and the considerations on how credit risk is managed through *"Expected credit loss"*, please refer to the relevant paragraphs.

Financial receivables refer to expired current accounts of the Parent Company and are mainly composed as follows:

- MPS: Euro 0.5 million, providing a partial guarantee for the exhibition of guarantees relating to the HERIS project (Iran);
- CACIB: Euro 1.5 million in favour of Cacib and Societé Generale, partly guaranteeing the exhibi-

tion of guarantees for the Labreg project (Algeria);
- BPM: Euro 1 million which guarantees 50% of a *Stand by letter of credit* for a *casting* supplier.

It should be noted that the financial receivables include approximately Euro 200 million claimed by the parent company to Turkish related companies, which have been fully depreciated.

It is recalled that, compared to the previous year, approximately Euro 194 million were written off, following the outcome of the intervention on some projects in Turkey as reported in the Report on Operations, and related to the tax income of Euro 46.7 million commented on Note 21.

29. TAX LIABILITES AND ASSET

The entry in question can be detailed as follows:

Euro/thousand	12/31/24		12/31/23	
	Receivables	**Payables**	**Receivables**	**Payables**
For direct taxes	3,134	4,793	1,768	2,606
	3,134	**4,793**	**1,768**	**2,606**

They relate mainly to advances and excess taxes on IRAP and to tax debts relating to branches and foreign subsidiaries.

30. OTHER CURRENT ASSETS

The entry is composed as follows:

Euro/thousand	12/31/24	12/31/23
Prepayments – current portion	12,067	5,860
Receivables from employee and pension institutions	1,025	1,198
Other tax assets	15,825	14,703
Other assets	18,979	23,131
Cautionary deposits	2,954	2,787
Other receivables from related parties	74,618	55,253
	125,468	**102,932**

Other current assets include:

- active repayments, mainly relating to the share of insurance costs for assembly in future financial years, allocated to orders on the basis of their progress;
- loans from the branches of the Parent Company for taxes on foreign payments of Euro 8,007 thousand;
- a credit of the Parent Company to the client NLC Neyveli for Euro 2,047 thousand for Witholding Tax improperly held, for which a formal dispute is under way in India;
- guarantee deposits of Euro 2,954 thousand;
- a credit of the Parent Company to Leonardo S.p.A. equal to Euro 8,544 thousand for the asbestos risk guaranteed to Ansaldo Energia following the sale of shares to FSI (now CDP Equity);
- a credit of the Parent Company to Leonardo S.p.A. of Euro 912 thousand as an application for reimbursement for deduction of Irap from Ires (Decreto Monti);
- a credit to Cassa Depositi e Prestiti deriving from benefit resulting from consolidated tax of Euro 64,828 thousand distributed between the Parent Company, Ansaldo Nucleare and Ansaldo Green Tech;
- domestic and international VAT and other credits of Ansaldo Energia Switzerland (Euro 6,574 thousand);
- CCA- Centro Combustione Ambiente herary credits for Euro 2,339 thousand.

31. CASH AND CASH EQUIVALENTS AND EQUIVALENT MEANS

The entry in question can be detailed as follows:

Euro/thousand	**12/31/24**	**12/31/23**
Cash and bank deposits	310,311	232,691
	310,311	**232,691**

32. EQUITY

Shareholders' equity on December 31st, 2024, amounted to Euro 342.886 thousand.

As reported in the Report on Operation, the movement of equity is affected by the payment of the last share of the capital increase (125 million) following the financial maneuver completed in 2023, amounting to 81.9 million allocated to share capital and for the remainder of the additional paid in capital reserve.

As a result of the above, the share capital of Ansaldo Energia is now equal to Euro 407,291,48.09 divided into 1,880,828,655 shares, of which 1,404,835,655 are in category Z and 475,993,492 common stock.

The capital is divided as follows:

- no. 1,404,835,163 shares in category Z and no. common stock 468,793,492 owned by CDP Equity Spa;
- no. 7,200,000 Common Stock owned by Shanghai electric Gas Turbine Hongkong Co. Limited.

Other reserves

The handling of the other reserves is shown below.

Euro/thousand	Hedging reserve	Actual reserve	Other reserves and retained earnings	Total
1st, January 2023	**(1,502)**	**(8,523)**	**(589,243)**	**(599,268)**
Net result	-	-	(227,533)	(227,533)
Other changes	1,271	(91)	747,930	749,110
Fair value adjustments	2,405	(3,506)	-	(1,101)
Deferred taxes from equity method	(609)	275	-	(334)
31st December 2023	**1,565**	**(11,845)**	**(68,846)**	**(79,126)**
Net result	-	-	(20,553)	(20,553)
Capital increases			43,103	43,103
Other changes	-	-	1,839	1,839
Fair value adjustments	(3,760)	(8,620)	-	(12,380)
Deferred taxes from equity method	194	1,232	-	1,426
Translation differences	-	-	(1,335)	(1,335)
31st December 2024	**(2,001)**	**(19,233)**	**(45,792)**	**(67,026)**

Other reserves

They include the additional paid in capital reserve following the increase in share capital approved in 2023 (Euro 200 million), a reserve for costs related to the financial maneuver on equity (Euro -2.3 million), exchange rate differences and the effects of the hyperinflation applied by the Turkish subsidiary.

Equity attributable to non-controlling interests

The shareholders' equity of third parties is representative of the interests of third parties in the companies controlled by the Group. The relative movement is shown in the diagrams of this balance sheet.

33. LOANS AND BORROWINGS AND LEASE LIABILITIES

The entry in question can be detailed as follows:

Euro/thousand	12/31/24			12/31/23		
	Current	Not current	Total	Current	Not current	Total
Bonds	-	-	-	189,689	-	189,689
Bank loans and borrowings	148,501	349,217	497,718	192,642	320,402	513,044
Lease liabilities	8,779	26,350	35,129	7,956	28,200	36,156
Other loans and borrowings	1,927	160	2,087	1,902	-	1,902
Related parties loans and borrowings	22	330,525	330,547	162	259,818	259,980
	159,229	**706,252**	**865,481**	**392,351**	**608,420**	**1,000,771**

The handling of financial debts is set out below.

Euro/thousand	12/31/2023	Switch on	Refunds	Other movements	12/31/2024
Bonds	189,689		(186,815)	(2,874)	-
Banks loans and borrowings	513,044	86,412	(96,691)	(5,047)	497,718
Lease liabilities	36,156			(1,027)	35,129
Other loans and borrowings	1,902	246	(68)	7	2,087
Related parties loans and borrowings	259,980	72,457	-	(1,890)	330,547
	1,000,771	**159,115**	**(283,374)**	**(10,831)**	**865,481**

The following are details of bank debts:

Subject	Delivery date	Type of financing	Delivery subject	Expira-tion	Rate	Deli-vered value	Carrying amount as of 12.31.2024	Nominal value as as of 12.31.2024
AEN	12/22/2021	Loan	INTESA	12/31/2028	0.1600	52	30	30
AEN	07/31/2018	Loan	CDP	06/30/2029	10.6420	200,000	279,204	200,000
AEN	09/20/2024	Loan	CDP	03/31/2029		50,000	51,321	50,000
AEN	06/20/2021	Loan	IFIS BANK	03/31/2025	6.7160	20,000	1,667	1,667
AEN	04/27/2020	Loan	SYNDICATED LOAN	12/31/2028	7.6850	20,000	146,434	145,000
AEN	06/06/2023	Loan	SYNDICATED LOAN	12/31/2028	5.9250	155,000	153,126	155,000
AEN	09/20/2024	Loan	SYNDICATED LOAN	06/30/2027		50,000	50,000	50,000
AEN	05/25/2020	Loan	INTESA MISE 3	06/30/2029	6.9500	1,604	1,604	1,604
AEN	05/25/2020	Loan	INTESA MISE 3	06/30/2029	0.8000	5,616	3,999	3,999
AEN	07/04/2019	Loan	INTESA MISE 1	06/30/2027	0.8000	12,429	6,424	6,424
AEN	12/16/2024	Revolving	SYNDICATED LOAN	01/16/2025	5.8520	55,000	55,134	55,000
AEN	12/12/2024	Revolving	SYNDICATED LOAN	01/13/2025	5.8370	35,000	35,108	35,000
AEN	12/11/2024	Revolving	SYNDICATED LOAN	01/13/2025	5.8940	20,000	20,065	20,000
AEN	11/28/2024	Hot Money	BSONDRIO	01/02/2025	6.5000	10,000	10,060	10,000
AEN	11/21/2018	INV. Advance	BPASSADORE		4.5000	10,000	9,490	9,490
AEN	12/15/2023	Loan	DELL BANK INT	12/15/2025	6.9600	1,850	619	618
CANCEL	12/10/2018	Loan	INTESA	12/31/2028	6.9500	1,054	1,008	1,008
CANCEL	12/10/2018	Loan	INTESA	12/31/2028	0.8000	3,596	2,466	2,466
GULF	06/14/2018	Loan	INTESA	06/07/2026	6.6750	3,500	1,468	1,468

It is recalled that the bond loan dated 2017 was fully repaid on 31st May 2024. The capital share also paid interest for a total disbursement of 192 million.

The characteristics of the other financing reports as of 31st December 2024 can be summarized as follows:

Line of debt	Description
Ansaldo Energia - Pool Term Loan	Line signed by Ansaldo Energia S.p.A. in April 2020 and restructured in May 2023 with a pool of 8 banks with a nominal value of Euro 145 million at the rate Euribor 6 months + spread. The determination of the spread is based on a Margin dependent on the performance of the Energy Group's Leverage ratio which, on the basis of the last survey since June 2024, has determined an applicable margin of 2.95% per year. Deadline 12/31/2028, the reimbursement takes place according to an annual amortizing scheme for consignments from December 2025.
Ansaldo Energia – Sace Support Italia - Term Loan	Financing signed by Ansaldo Energia S.p.A. following the restructuring of May 2023 with a pool of 8 banks with a nominal value of Euro 155 million. This financing is supported by a 90% SACE guarantee. The rate applied is Euribor 3 months + spread fixed and equal to 2%. The repayment of payments is straight line from June 2026. Deadline 12/31/2028.
Ansaldo Energia – Sace guarantee Archimede - Term Loan	Financing signed on 09/20/2024 by Ansaldo Energia S.p.A with a pool of 3 banks and guaranteed 70% by SACE and aimed at supporting the financing of specific "CAPEX" plan. Nominal value Euro 50 million. The deadline for the loan is 06/30/2027. Reimbursement is made according to an amortizing scheme of 6 installments, the first 4 of which is equal to 10% of the notional granted and the last 2 equal to 30%. The rate applied is Euribor 3 months + spread equal to 3.85% per year which can fall to 3.35%p.a. in case the Leverage ratio falls below 3.5x
Ansaldo Energia – Loan Dell Bank International	Financing signed by Ansaldo Energia S.p.A. for the purchase of computer equipment in October 2023. Nominal value Euro 1.9 million. Early repayment with 3 constant installments starting December 2023. Deadline December 2025. Fixed and nominal rate of 6.96% per year.
Ansaldo Energia – subsidized financing Mediocredito MISE 1	Financing provided by Mediocredito with a provision obtained following decree DM of 10/15/2014 (Sustainable Growth Fund). First disbursement in July 2019 amounting to Euro 5.9 million; second and final disbursement in May 2023 amounting to Euro 7.2 million. Half-yearly capital and interest repayment plan every 30th June and 31st December of each year. Deadline 06/30/2027. Fixed rate of 0.80% per year.
Ansaldo Energia – Intesa bank financing and facilitated financing (CDP) MISE 3	Financing agreed on 07/31/2018 and granted to Ansaldo Energia S.p.A. by Intesa San Paolo, the only entity that provides both the bank share and the quota financed by CDP. Financing obtained for instrumental development and industrial research activities. First disbursement of May 2020 for an amount equal to Euro 3.1 million divided as follows: Bank Financing equal to Euro 0.7 million and Soft Financing equal to Euro 2.4 million; second disbursement of December 2023 for an amount equal to Euro 4 million divided as follows: Bank Financing of Euro 0.9 million and soft financing of Euro 3.1 million. Reimbursement of payments and half-yearly interest. End Rate Euribor Bank 6 months + spread 3%. End Rate Fixed Interest Rate of 0.80% per year. Deadline 06/30/2029.
Ansaldo Energia – Subordinated Shareholder Loan CDP Equity	Financing signed on 05/15/2019 by Ansaldo Energia S.p.A., guaranteed by provision CDP Equity, presents the characteristic of the subordination in the payment rights of any amount due to the Senior creditors under the Senior Facility Agreement (S.F.A.). The nominal value is Euro 200 million and was restructured in May 2023 by maturity, with plan for repayment of capital and interest on 06/30/2029. Euribor rate 6 months + spread (equal to 6.75 %).

Ansaldo Energia – Subordinated shareholder loan CDP Equity	Financing signed on 09/20/2024 by Ansaldo Energia S.p.A., guaranteed by provision CDP Equity, presents the characteristic of the subordination in the payment rights of any amount due to the Senior creditors under the Senior Facility Agreement (S.F.A.). It was implemented with the aim of supporting the implementation of the Group's new strategic plan for the period 2024-2028. The nominal value is Euro 50 million with the repayment plan for capital and interest on 03/31/2029. Euribor rate 6 months + spread (equal to 6.75 %).
Ansaldo Energia – facilitated financing (CDP) MISE 2	Financing granted to Ansaldo Energia S.p.A. by Intesa San Paolo of the quota financed by CDP. Financing obtained following the Research and development project concerning advanced systems for the control of thermal acoustic phenomena in combustion processes for high efficiency and low environmental impact gas turbines. The amount of Euro 52 thousand was disbursed in December 2021. Deadline December 2028. Payment in installments and half-yearly interest. Fixed rate of 0.16% per year.
Ansaldo Energia – IFIS term loan Bank with SACE guarantee	Financing signed on 06/30/2021 by Ansaldo Energia with Banca IFIS amounting to Euro 20 million. This financing shall be assisted by an SACE guarantee for the full amount. The amount is intended to support investment and working capital costs employed in production plants and business activities in Italy. Rate applied Euribor 3 months + spread 2.75% per year. Pre-amortization 1 year; repayment of 12 constant capital installments. Deadline March 2025.
Ansaldo Nucleare Intesa Bank financing and facilitated financing (CDPs) MISE 3	Financing stipulated on 06/25/2018 by Ansaldo Nucleare S.p.A. with Intesa San Paolo, the only entity that provides both the bank share and the quota financed by CDP. Financing obtained for the development of an integrated technology for the disposal of radioactive waste from decommissioning of nuclear installations. Ansaldo Energia is Guarantee. First disbursement of December 2019 for an amount equal to Euro 2.2 million divided as follows: Bank financing equal to Euro 0.5 million and soft financing equal to Euro 2.2 million; second disbursement of December 2023 for an amount equal to Euro 2.5 million divided as follows: Bank financing equal to Euro 0.6 million and soft financing equal to Euro 1.9 million. Reimbursement of payments and half-yearly interest. End Rate Euribor Bank 6 months + spread 3%. End Rate Fixed Interest Rate of 0.80% per year. Deadline 12/31/2028.
Ansaldo Energy Gulf Intesa San Paolo Bank financing Abu Dhabi Branch	Financing signed on 06/07/2018 by Ansaldo Energia Gulf with Intesa San Paolo Abu Dhabu Branch for the construction of "Warehouse and Borrower's general Corporate purposes". Financing of AED 14 million with a six-month repayment plan for 5 years on a constant basis and equal to AED 1.4 million as from June 2021 (3 years of pre-amortization is expected). Deadline June 2026. Rate Eibor 6 months + spread. The spread is 3.05%.

For all Ansaldo Energia loans listed in the table, except for the shareholder loan, two indicators on consolidated balance sheet data are required: the *"Leverage Ratio"* (Net Borrowing /Adjusted EBITDA) and the *"Interest Cover Ratio"* (adjusted EBITDA/Net Interest payable).

Ansaldo is subject to the verification of a further financial parameter to be respected, *the Minimum Available Liquidity* (MAL), defined as the minimum available cash amount; this parameter, which also includes the unused portion of the Revolving Facility, should never fall below the value of Euro 50 million in addition to the available liquidity. The test is quarterly.

Net financial debt

The details of the financial debt as of 31st December 2024 and 2023 are as follows:

Euro/thousand	12/31/24	of which with Related parties	12/31/23	of which with Related parties
Bank deposits	310,311		232,691	
Securities held for trading				
CASH AND CASH EQUIVALENTS	**310,311**		**232,691**	
CURRENT FINANCIAL RECEIVABLES	**3,961**	**468**	**75,085**	**931**
Current bank loans and borrowings	148,501		192,642	
Bonds (current portion)	-		189,689	
Lease liabilities (current portion)	8,779		7,956	
Other current loans and borrowings	1,949	22	2,064	162
CURRENT FINANCIAL DEBT	**159,229**		**392,351**	
NET CURRENT FINANCIAL (POSITION) DEBT	**(155,043)**		**84,575**	
Non-current bank loans and borrowings	349,217		320,402	
Bonds (non-current portion)	-		-	
Lease liabilities (non-current portion)	26,350	-	28,200	-
Other non-current loans and borrowings	330,685	330,525	259,818	259,818
NON-CURRENT FINANCIAL (POSITION) DEBT	**706,252**		**608,420**	
NET FINANCIAL DEBT	**551,209**		**692,995**	

34. EMPLOYEE BENEFITS

The entry in question can be detailed as follows:

Euro/thousand	12/31/24	12/31/23
Post employement benefits debt	6,125	6,208
Defined benefit pension plans	1,580	1,451
Other staff funds	14,321	6,519
	22,026	**14,178**

This amount mainly includes the liability relating to the defined contribution plans of the Group's foreign companies (Ansaldo Energia Switzerland and Ansaldo Energia Gulf) amounting to Euro 12,240 thousand and the debt for end-of-relationship treatment equal to Euro 6,125 thousand.

The post employed benefit (so called "TFR"), for Italian companies, represents the residual amount of the debt at the date of entry into force of the reform net of the liquidations made up to the reference dates and, since it is comparable under IAS 19 to a liability arising from a defined benefit plan, it has been subject to actuarial valuation.

Euro/thousand	12/31/24	12/31/23
Opening balance	6,208	6,588
Interest costs	184	222
Actuarial losses (gains) on equity	8,620	2,326
Liquited shares	943	1,252
Other changes	(8,211)	(1,676)
Increases from business combinations	267	-
Closing balance	**6,125**	**6,209**

The following is a detail of the main economic and demographic assumptions used for the actuarial assessments of the TFR (Parent Company):

Euro/thousand	The post employed benefit debt	
	12/31/24	12/31/23
Inflation rate	2.00%	2.00%
Discount rate (average)	2.97%	3.09%

According to the new Social Security Reform, for companies with at least 50 employees, the future accrued shares of the TFR Fund will no longer be transferred to the company, but to the supplementary pension fund or the INPS Treasury fund. It is therefore no longer necessary to show wages according to certain growth rates and by professional qualification.

Euro/thousand	**Post employed benefit and defined benefit plans**	
	12/31/24	**12/31/23**
Death	R.G. 48	R.G. 48
Retirement	2.4	2.6
Annual turnover and advance frequency post employed benefit		
Average Advances Frequency	2.35%	2.35%
Average Turnover Frequency	2.93%	2.93%

Here is the movement of the *"Defined Benefits of Obligation"* entry:

Euro/thousand	**12/31//24**		
	Present value of the obligation	**Present value of the asset**	**Defined benefits of obligation**
Opening Balance	1,451		**1,451**
Costs for benefits provided	283		**283**
Benefits paid	(154)		**(154)**
Closing balance	**1,580**		**1,580**

35. CURRENT AND NON-CURRENT PROVISIONS

Euro/thousand	Provision for equity investments	Provision for product warranties	Pending disputes	Tax Provision	Others	Total
1st January 2023						
Current	2,481	-	2,330	68	44,881	49,760
Not current	-	38,141	-	13,625	32,094	83,860
	2,481	**38,141**	**2,330**	**13,693**	**76,975**	**133,620**
Accruals	-	5,000	500	84	48,065	53,649
Utilizations and absorptions	-	(31,880)	(448)	(739)	(4,225)	(37,292)
Other changes and reclassifications	951	-	(2)	(20)	11,655	12,584
31st December 2023	**3,432**	**11,261**	**2,380**	**13,018**	**132,470**	**162,561**
Broken down as follows:						
Current	3,432	-	2,380	79	75,595	81,486
Not current	-	11,261	-	12,939	56,875	81,075
	3,432	**11,261**	**2,380**	**13,018**	**132,470**	**162,561**
Accruals	-	-	-	-	30,324	30,324
Utilizations and absorptions	-	-	(147)	(2,153)	(20,883)	(23,183)
Other changes and reclassifications	(595)	(11,261)	(4)	(79)	11,882	(57)
31st December 2024	**2,837**	**-**	**2,229**	**10,786**	**153,793**	**169,645**
Broken down as follows:						
Current	2,837	-	2,229	-	94,377	99,443
Not current	-	-	-	10,785	59,417	70,202
	2,837	**-**	**2,229**	**10,785**	**153,794**	**169,645**

Equity risk funds

It refers to the negative shareholdings (AU Finance Holding BV and Shanghai Electric Gas Turbine) following an evaluation at Equity as described in the note on “Equity Investments”.

Product warranty

The fund faces the risks related to direct and indirect damages that originate from the services foreseen on the contract even beyond the contractually foreseen warranty period. Statistically, it is possible to note that indirect damage can occur on the total installed due to the *performance* of the Group’s products.

The period movement refers to a more appropriate classification of the fund in the “Other” category as explained below.

Litigation in progress

The fund represents the best estimate of arbitration and litigation with third parties and confronts disputes and arbitrators in Italy and abroad resulting from orders and disposals of activities carried out in previous years.

Tax Fund

The tax fund represents the most prudent estimate of the risks related to Italian and foreign taxes (mainly related to the activities of the branches) and amounts to Euro 10,785 thousand in total.

The tax fund mainly faces potential risks of tax disputes in addition to the obsolescence of claims deriving from indirect taxes paid; in particular the fund receives the proportional coverage for seniority of the following countries:

- Tunisia Euro 4,675 thousand;
- Congo Euro 799 thousand;
- Chile Euro 737 thousand;
- Egypt Euro 500 thousand;
- Algeria Euro 477 thousand;
- Argentina Euro 194 thousand.

In addition, the fund accepts Euro 2,000 thousand as a risk on Pakistan’s direct tax treatment as a result of a local legislative amendment.

Finally, the fund includes Euro/thousand 1,000 relating to other tax risks in Italy as well as risks for direct and indirect taxes of foreign companies in the area of consolidation.

Other provision

They consist mainly of:

- costs to be incurred after the closing of orders for guarantees or interventions foreseen by contractual commitments (Euro 10,766 thousand); the fund was used in the course of the year for Euro 4,240 thousand;
- costs for dealing with asbestos risk (Euro 7,319 thousand). The amount set aside is the best estimate based on historical data available and a well-established scientific doctrine indicating “latency times” of the onset of the disease even between 15 and 40 years. Events in the past concerned mainly the Legnano plant and the Genoa plants. This fund, and more precisely any disbursements linked to the so-called “asbestos” case - following the agreements between Finmeccanica (now Leonardo S.p.A) and the Italian Strategic Fund (now CDP Equity) In the context of the transaction that covered Ansaldo Energia’s share capital - they are the subject of a specific guarantee from Leonardo S.p.A. In addition, CDP Equity has already made a formal commitment to Ansaldo Energia to pay all future compensation related to this case by Leonardo S.p.A. directly to Ansaldo Energia; the fund was used in the course of the year for Euro 3,324 thousand;
- costs for dealing with risks related to Turkey (Euro 39,300 thousand);
- costs (Euro 23,000 thousand) already set aside in 2023 relating to interventions on new fleets of products;
- extraordinary provisions 2024 (Euro 23,166 thousand) to which the reclassification of the product guarantee fund is added for the description of which reference is made to the Report on Operations.

36. OTHER CURRENT AND NON-CURRENT LIABILITIES

The entry in question can be detailed as follows:

Euro/thousand	Not current		Current	
	12/31/24	**12/31/23**	**12/31/24**	**12/31/23**
Employees	4,223	4,122	31,976	26,577
Deferred income			4,504	2,638
Social security institutions			9,960	9,151
Other	6	7	121,669	29,380
Other payables to related parties	-	10,225	10,409	157
Total other liabilities	**4,229**	**14,354**	**178,518**	**67,903**
Other tax liabilities			6,078	3,874
Deferred tax liabilities	32,012	34,637		
Total other liabilities	**36,241**	**48,991**	**184,596**	**71,777**

Employee liabilities

"Employee liabilities" refer to additional monthly payments, holidays and permits accrued and not enjoyed, but cleared in the following year.

The non-current share refers to seniority premiums accrued and measured at *fair value*.

Payables to pension and welfare institutions

They relate to the amounts due to these institutions for the contributions to be paid by the Group and its employees in respect of December's salaries paid in January and to the remuneration for the financial year for which contributions are paid quarterly or yearly.

Other debts to related parties

For Euro 10,225 thousand, the debt refers to the share of the capital increase of Ansaldo Energia Switzerland subscribed by Simest S.p.A. (Cassa Depositi e Prestiti Group) in 2017. For this share, the Parent Company has an option that must be exercised by June 2025 (which is why the debt has been reclassified in the short term), This is why Simest S.p.A.'s current share was considered to be a de facto participation of the Group in return for a current debt to Simest S.p.A.

Deferred taxes liabilities

They refer mainly to the tax effect calculated by the parent company on the capital gains (relating to a building) which arose in 2012 at PPA (inverse merger Ansaldo Energia Holding S.p.A.) for about

Euro 12.8 million and, for the remainder, to the tax effect related to the assets raised in 2016 at PPA Gastone (Acquisition of part of Alstom's *gas* turbine *business*).

37. TRADE PAYABLES

The *"maturity factoring"* operations included in this item show at 31st December 2024 a debt of Euro 59,245 thousand (in 2023 Euro 73,604 thousand). With this instrument, the Parent Company allows its suppliers to carry out *factoring* relationships with the object of demobilization and the collection of claims from the same claimed toward the Group, for the supply of goods and/or services, with the possibility of obtaining a further delay of payment of commercial debt, with interest at your own expense.

It is noted that in 2024 the trade debts that expired and transferred to the *factor* amounted to Euro 267 million.

38. DERIVATIVES

The entry in question can be detailed as follows:

Euro/thousand	12/31/24		12/31/23	
	Asset	**Liabilities**	**Asset**	**Liabilities**
Currency forward/swap/option	-	3,808	-	931
Tools Interest rate cap	132		423	-
	132	**3,808**	**423**	**931**

As noted in the previous paragraphs, the *Interest rate cap* and *Interest rate swap* refer to the Term Loan and SACE financing lines concluded in 2023 as part of the Financial Maneuver.

39. TRANSACTIONS WITH RELATED PARTIES

39.1 Transactions with related parties – Consolidated Statements of Financial Position

The transactions carried out with Related parties are attributable to activities that concern ordinary management and are regulated under normal market conditions (where not regulated by specific contractual conditions), as are the debt and productive interest credits. They mainly concern the exchange of goods, the provision of services, the provision and use of financial resources to and from the parent company and its subsidiaries, associated companies, held jointly (*joint ventures* and consortia).

The amounts of credits with Related parties are shown below:

RECEIVABLES AS OF 12/31/24 *Euro/thousand*	**Non-current financial receivables**	**Current financial receivables**	**Trade receivables**	**Other current recivables**	**Total**
Participating companies					
Shanghai Electric Hong Kong			8,417		8,417
	-	**-**	**8,417**	**-**	**8,417**
Parent companies					
CDP Equity				64,828	64,828
	-	**-**	**-**	**64,828**	**64,828**
Subsidiaries					
Ansaldo Algeria			7,754	333	8,087
Ansaldo Energia Muscat		5			5
	-	**5**	**7,754**	**333**	**8,092**
Group companies and others					
Ansaldo Gas Turbine Technology			5		5
Cogenerazione Rosignano	933	463			1,396
Eni			230		230
Shanghai Electric Gas turbine			34,345		34,345
EniPower			2,284		2,284
Terna			1,228		1,228
	933	**463**	**38,092**	**-**	**39,488**
Entities under MEF control or significant influence					
Enel			5,113		5,113
Leonardo				9,457	9,457
Sogin			3,419		3,419
	-	**-**	**8,532**	**9,457**	**17,989**
Total	**933**	**468**	**62,795**	**74,618**	**138,814**

RECEIVABLES AS OF 12/31/23 *Euro/thousand*	**Non-current financial receivables**	**Current financial receivables**	**Trade receivables**	**Other current recivables**	**Total**
Participating companies					
Shanghai Electric Hong Kong			21,896		21,896
	-	**-**	**21,896**	**-**	**21,896**
Parent companies					
Cassa Depositi e Prestiti				43,265	43,265
	-	**-**	**-**	**43,265**	**43,265**
Subsidiaries					
Ansaldo Algeria			4,546	333	4,879
Dynamic			(619)		(619)
	-	**-**	**3,927**	**333**	**4,260**
Group companies and others					
AC Boilers			1		1
Ansaldo Gas turbine Technology			222		222
Cogenerazione Rosignano	1,400	931			2,331
Eni			39		39
Shanghai Electric Gas turbine			31,009		31,009
EniPower			4,776		4,776
Terna			1,804		1,804
	1,400	**931**	**37,851**	**-**	**40,182**
Entities under MEF control or significant influence					
Enel			10,792		10,792
Leonardo				11,655	11,655
Sogin			1,337		1,337
	-	**-**	**12,129**	**11,655**	**23,784**
Total	**1,400**	**931**	**75,803**	**55,253**	**133,387**

The amounts of the debts with Related parties are as follows:

PAYABLES AS OF 12/31/24 *Euro/thousand*	**Non-current financial debts**	**Current financial debts**	**Trade payables**	**Other current liabilities**	**Total**
Parent companies					
Cassa Depositi e Prestiti				166	166
CDP Equity	330,525	33		18	330,576
	330,525	**33**	**-**	**184**	**330,742**
Participating companies					
Shanghai Electric Group		310			310
	-	**310**	**-**	**-**	**310**
Subsidiaries					
Ansaldo Energia Muscat		773			773
Ansaldo Algeria		261			261
	-	**1,034**	**-**	**-**	**1,034**
Group companies and others					
Ansaldo Gas Turbine Technology		182			182
AU Finance Holding BV			22		22
Eni		27			27
Shanghai Electric Gas Turbine		2,174			2,174
Simest				10,225	10,225
Tamini Trasformatori		127			127
Valvitalia		91			91
	-	**2,601**	**22**	**10,225**	**12,848**
Entities under MEF control or significant influence					
Enel		385			385
Ferrovie dello Stato		24			24
Leonardo		104			104
Sogin		1,214			1,214
	-	**1,727**	**-**		**1,727**
Total	**330,525**	**5,705**	**22**	**10,409**	**346,661**

PAYABLES AS OFT 12/31/23 *Euro/thousand*	**Non-current financial debts**	**Current financial debts**	**Trade payables**	**Current Financial Liabilities**	**Other current liabilities**	**Total**
Parent companies						
Cassa Depositi e Prestiti	259,818		13		101	259,932
CDP Equity			395		56	451
	259,818	**-**	**408**	**-**	**157**	**260,383**
Participating companies						
Shanghai Electric Group			310			310
	-	**-**	**310**	**-**	**-**	**310**
Subsidiaries						
Ansaldo Energia Muscat			773	133		906
Ansaldo Algeria			111			111
	-	**-**	**884**	**133**	**-**	**1,017**
Group companies and others						
AC Boilers			8,729	29		8,758
Ansaldo Gas Turbine Technology			182			182
Eni			47			47
Shanghai Electric Gas Turbine			1,908			1,908
Simest		10,225				10,225
Tamini Trasformatori			165			165
Valvitalia			893			893
	-	**10,225**	**11,924**	**29**	**-**	**22,178**
Entities under MEF control or significant influence						
Enel			(570)			(570)
Ferrovie dello Stato			7			7
Leonardo			34			34
Sace			837			837
Sogin			95			95
	-	**-**	**403**	**-**		**403**
Totale	**259,818**	**10,225**	**13,929**	**162**	**157**	**284,291**

39.2 Transactions with related parties – Consolidated Income Statements

The following are all the economic relations with the Group's Related parties for the financial years 2024 and 2023:

2024 *Euro/thousand*	**Revenue**	**Costs**	**Other Operating income**	**Other Operating expenses**	**Financial expenses**
Parent companies					
Cassa Depositi e Prestiti		65			
CDP Equity		68			20,706
	-	**133**		**-**	**20,706**
Participating companies					
Shanghai Electric Group					
	-	**-**		**-**	**-**
Subsidiaries					
Ansaldo Algeria	1,897	370			
	1,897	**370**		**-**	**-**
Group companies and others					
Ansaldo Gas Turbine Technology					
Eni	106	(20)			
EniPower			5	145	
Shanghai Electric Gas Turbine Technology	23,554	264			
Simest					450
Snam	3,500				
Tamini		170			
Valvitalia		265			
	27,160	**679**		**145**	**450**
Entities under MEF control or significant influence					
Enel	8,752	2,075		6	
Ferrovie dello Stato		24			
Leonardo		70			
Sogin	4,470				
	13,222	**2,169**		**6**	**-**
Total	**42,279**	**3,351**		**151**	**21,156**

2023 *Euro/thousand*	**Revenue**	**Costs**	**Other Operating expenses**	**Financial expenses**
Parent companies				
Cassa Depositi e Prestiti		59		
CDP Equity		31		10,347
	-	**90**	**-**	**10,347**
Subsidiaries				
Ansaldo Algeria	5,837	660		
	5,837	**660**	**-**	**-**
Group companies and others				
Ansaldo Gas Turbine Technology		184		
Eni		48		
EniPower	(135)		150	
Simest				450
Tamini		4,818		
Terna	4			
Valvitalia		1,093		
	(131)	**6,143**	**150**	**450**
Entities under MEF control or significant influence				
Enel	32,334	5,914		
Ferrovie dello Stato		37		
Leonardo		93		
Sace				1,333
Sogin	2,835	95		
	35,169	**6,139**	**-**	**1,333**
Total	**40,875**	**13,032**	**150**	**12,130**

The financial income relates to the use of the availability made during the year, also through the use of temporary liquidity constraints, always respecting the best market conditions.

The economic ratios to the subsidiaries relate to costs for services received net of recoveries of expenses for those effected. Financial charges and income are related to financial relationships regulated at the market rates in force in the Group.

Economic relations with Related parties mainly concern supplies of materials and services for specific orders or for general services.

40. GUARANTEES AND OTHER COMMITMENTS

The Group as of 31st December 2024 has the following guarantees.

Personal guarantees provided

Euro/thousand	12/31/24	12/31/23
Third parties guarantees	845,139	888,293
Personal guarantees issued	**845,139**	**888,293**

These are mainly guarantees issued by credit Institutions and insurance Companies in favour of:

- Customers for participation in tenders (Euro 5,160 thousand);
- Customers for advances received and good execution of the works (Euro 813,424 thousand);
- Others: Financiers, customs offices and taxes, lessors, Inps (Euro 26,555 thousand).

41. AUDIT COMPANY FEES

Under contract, the annual fees for 2024 for certification services of the auditing company Deloitte & Touche S.p.A. and the other network associates amount to Euro 691 thousand, plus Italian consumer price index (ISTAT).

42. BUSINESS COMBINATIONS

According to IFRS 3, the contribution to the profit and loss account is reported below as a result of the recognition plain the consolidation scope of the company CCA – Centro Combustione Ambiente from the date of acquisition (already cleaned of the *intercompany* evidence).

Euro/thousand	**2024-from acquisition to 12/31/2024**
Revenue	1,809
Other operating income	32
Purchases Costs	322
Services Costs	588
Personnel expenses	515
Amortisation and Depreciation	552
Other Operating expenses	3
Change in Finished goods inventories, work in process and semi-finished products	-
(-) internal work capitalized	369
EBIT	**230**
Financial income	-
Financial expenses	-
Profit before tax	**230**
Income taxes	10
Net result	**220**

From the company's 2024 draft financial statement, a full year total result of approximately 90 Euro/thousand.

SIGNIFICANT EVENTS AFTER THE END OF THE FINANCIAL YEAR

It should be noted that in the first months of 2025:

- The new Group's industrial business plan 2025-2029 was approved (25th February 2025) confirming a different industrial mix with a much more selective approach to EPC projects, as described in the previous paragraphs;
- Ansaldo Energia has won an order for an innovative turbine to power the next generation SSE Thermal power plant in Tarbert, Ireland. The company will provide a state-of-the-art AE94.3A turbine based on field-proven experience and associated generator.

INDIPENDENT AUDITOR’S REPORT

Deloitte.

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INDEPENDENT AUDITOR'S REPORT
PURSUANT TO ARTICLE 14 OF LEGISLATIVE DECREE No. 39 OF JANUARY 27, 2010

To the Shareholders of
Ansaldo Energia S.p.A.

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the consolidated financial statements of Ansaldo Energia S.p.A. and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as of December 31, 2024, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as of December 31, 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and adopted by the European Union.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of Ansaldo Energia S.p.A. (the "Company") in accordance with the ethical requirements applicable under Italian law to the audit of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to the information included in the paragraph "Going concern" of the Report on Operations, also referred to in the paragraph "Form, content and accounting standards applied" of the notes to the financial statements, in which the Directors point out the existence of certain uncertainties relating to the going concern assumption and the reasons why they nevertheless decided to adopt this assumption in preparing the financial statements. Our opinion is not modified in respect of this matter.

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Responsibilities of the Directors and the Board of Statutory Auditors for the Consolidated Financial Statements

The Directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance the IFRS Accounting Standards as issued by the International Accounting Standards Board and adopted by the European Union and, within the terms established by law, for such internal control as the Directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they have identified the existence of the conditions for the liquidation of the Company or the termination of the business or have no realistic alternatives to such choices.

The Board of Statutory Auditors is responsible for overseeing, within the terms established by law, the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with International Standards on Auditing (ISA Italia), we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors;

Deloitte.

- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;

- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;

- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance, identified at an appropriate level as required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Opinions and statement pursuant to art. 14, paragraph 2, sub-paragraphs e), e-bis) and e-ter), of Legislative Decree 39/10

The Directors of Ansaldo Energia S.p.A. are responsible for the preparation of the report on operations of Ansaldo Energia Group as of December 31, 2024, including its consistency with the related consolidated financial statements and its compliance with the law.

We have carried out the procedures set forth in the Auditing Standard (SA Italia) n. 720B in order to:

- express an opinion on the consistency of the report on operations with the consolidated financial statements;

- express an opinion on compliance with the law of the report on operations;

- make a statement about any material misstatement in the report on operations.

In our opinion, the report on operations is consistent with the consolidated financial statements of Ansaldo Energia Group as of December 31, 2024.

In addition, in our opinion, the report on operations is prepared in accordance with the law.

With reference to the statement referred to in art. 14, paragraph 2, sub-paragraph e-ter), of Legislative Decree 39/10, made on the basis of the knowledge and understanding of the entity and of the related context acquired during the audit, we have nothing to report.

DELOITTE & TOUCHE S.p.A.

Signed by
Carlo Laganà
Partner

Genoa, Italy
April 11, 2025

This independent auditor's report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.

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