



Annual financial report at December 31, 2024

PLC S.p.A.

Registered office in Acerra - Via delle Industrie, 100

Fully paid-up Share Capital Euro 27,026,480.35

Tax Code and VAT no. 05346630964

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1 GENERAL INFORMATION

1.1 CORPORATE BODIES

BOARD OF DIRECTORS¹

Francesco Esposito	- Chairman
Andrea Orlando	- Chief Executive Officer (*)
Chiara Esposito	- Director with responsibility for human resources (*)
Sara Di Mario	- Independent, non-executive director
Andrea Sassi	- Independent, non-executive director
Francesco Dagnino	- Independent, non-executive director
Laura Scapin	- Independent, non-executive director

BOARD COMMITTEES (*)

Appointments, Remuneration and Stock Option Plans Committee

Andrea Sassi (Chairman); Laura Scapin and Sara Di Mario (members)

Control, Risks and Sustainability Committee

Laura Scapin (Chairwoman); Sara Di Mario and Francesco Dagnino (members)

BOARD OF STATUTORY AUDITORS²

Luca Sintoni	- Chairman
Anna Maria Bortolotti	- Standing Auditor
Marco Andrea Centore	- Standing Auditor
Lucia Tacchino	- Alternate Auditor
Paola Florita	- Alternate Auditor

INDEPENDENT AUDITORS³

PriceWaterhouseCoopers S.p.A.

Piazza Tre Torri, 2

20145 Milan

¹ appointed by the Shareholders' Meeting of April 29, 2024

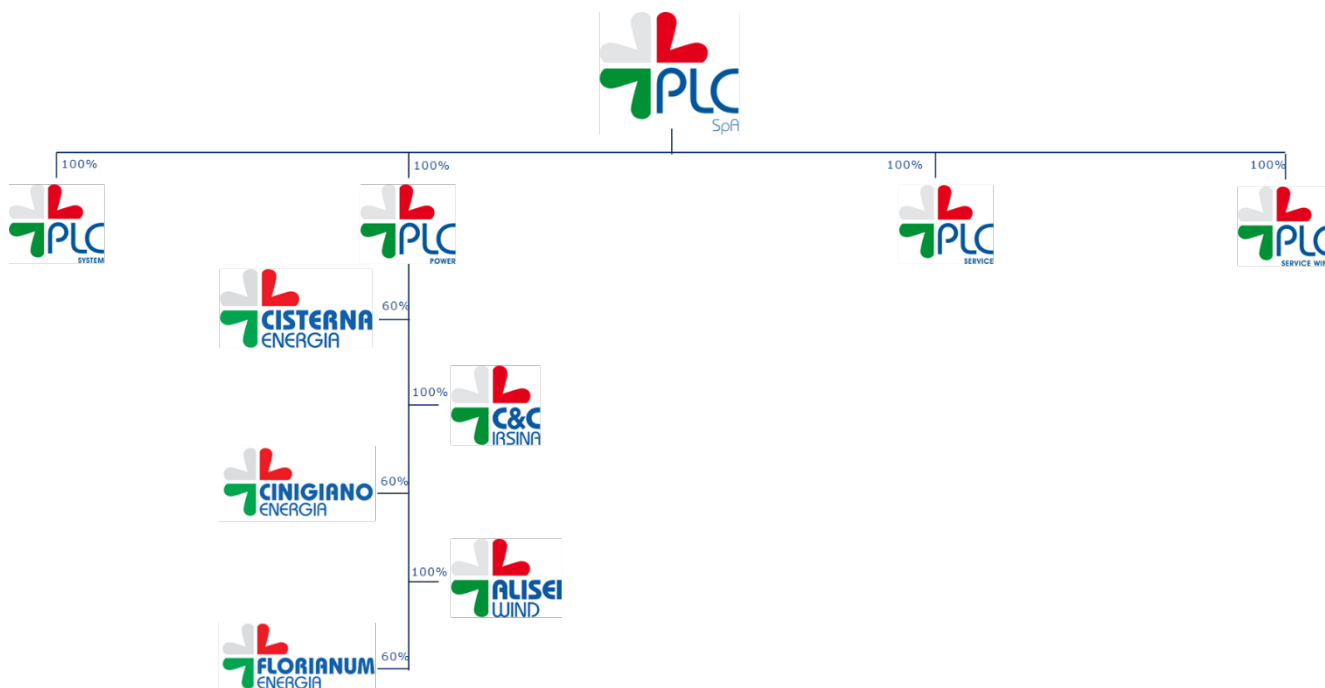
² appointed by the Shareholders' Meeting of April 29, 2024

³ appointed by the Shareholders' Meeting of April 29, 2024

(*) Board resolution of May 9, 2024



1.2 OWNERSHIP STRUCTURE OF THE PLC GROUP



The companies that are part of the so-called Schmack Perimeter (specifically, Schmack Biogas S.r.l. and the 3 "Special Purpose Vehicles" controlled/participated by it: BioForCH4 S.r.l., Sicily Biomethan S.r.l., and Biomethane Invest S.r.l.) were sold on March 7, 2024 and had already been excluded from the Group's shareholding structure at December 31, 2023.

The companies excluded from the Group's shareholding structure compared to the one presented at December 31, 2023 are (i) Tirreno S.r.l. as it was sold on July 26, 2024; (ii) MSD Service S.r.l., whose liquidation, initiated in 2024, was completed with the competent authorities (Chamber of Commerce, Revenue Agency, etc.) during January 2025; and (iii) Samnium Energia S.r.l., subject to a sales agreement (whose finalisation is estimated to take place during the first half of 2025) and consequently treated in accordance with the IFRS 5 accounting standard "Discontinued Operations" in this Financial Report.

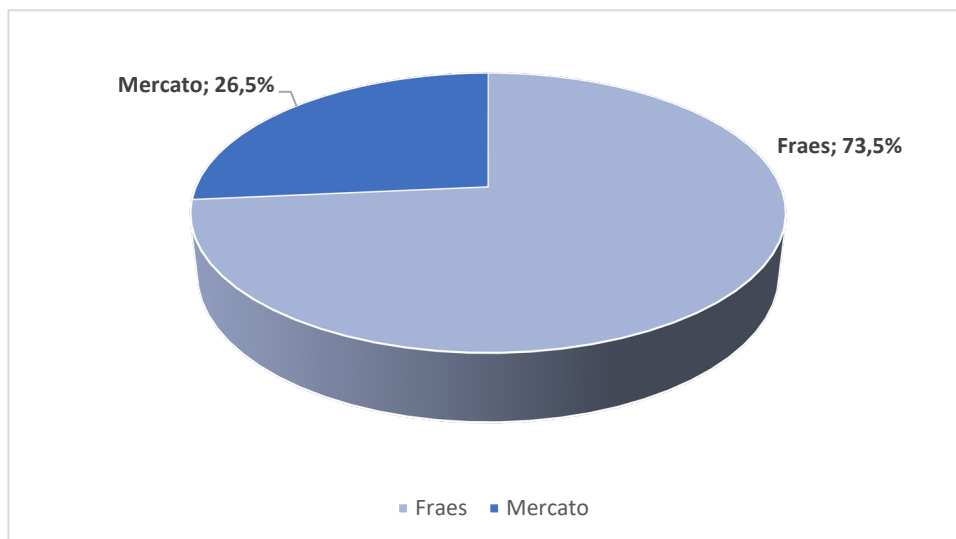
Florianum Energia S.r.l., which is included in the Group's shareholding structure as of the Financial Report publication date and subject of a sale agreement with suspensive conditions, is indeed included in the PLC Group's shareholding structure and accounted for in accordance with the IFRS 5 "Discontinued Operations" principle in this Financial Report.



1.3 SHAREHOLDERS

Below is the situation concerning the shareholding of PLC S.p.A. ("**Company**" or "**Parent Company**" or "**Issuer**") on the date of approval of the Annual Financial Report at December 31, 2024. 73.5% is held by FRAES S.r.l. and the remaining 26.5% is floating on the market.

Regarding the agreement between minority shareholders of the Company, relevant under Article 122 of the TUF - the essential elements of which were made available at the following link: [Shareholders' agreements – Plc \(plc-spa.it\)](#) – please note that the dissolution was announced on December 20, 2024 (please refer to the following link for more details: [1734677482_2024_12_20_CS_Scioglimento_patto_parasociale.pdf](#)), as of December 16, 2024.



⁴ Source: Corporate and Consob data



2 PLC GROUP MANAGEMENT REPORT



2.1 MAIN PLC GROUP OPERATIONS DURING THE YEAR 2024

Finalising corporate divestments

The activities performed in 2024 represent an advancement in executing the 2023-2027 business strategy, in which (i) the domestic market's strategic dominance was established, (ii) emphasis was placed on the Group's traditional core businesses in electrical infrastructure, solar, and wind technology, and (iii) enhancements to the operating model were outlined, including streamlining the corporate structure and divesting non-core businesses. The disposals finalised by the date of approval of this Report allow the Group to maintain momentum in focusing efforts and resources on the Italian market and on technologies identified as strategic for the Group. These technologies are showing strong growth trends in all market segments where the Group operates, as demonstrated by the development of both the backlog and the commercial pipeline over the last two years.

1) Sale of the Schmack perimeter

Following the start of the sale process, which took place during 2023, on March 7, 2024 PLC S.p.A. signed the agreement and finalised the deed aimed at transferring the Schmack perimeter to Hitachi Zosen Inova AG (now Kanadevia Inova AG), through the transfer of the shareholding held in Schmack Biogas S.r.l., which held, at the transfer date, share in 3 other SPVs (50% of Sicily Biomethan S.r.l., 60% of Biofor Ch4 S.r.l., and 25% of Biomethane Invest S.r.l.) constituting the so-called "Schmack perimeter".

Following the closing of the transaction, PLC has withdrawn from the biogas/biomethane sector, further simplifying its corporate structure and continuing the process of streamlining its operations to focus on its core business areas related to electrical infrastructure, photovoltaic, and wind power technology in Italy. This strategic shift is due to (i) the sector's outlook and (ii) the considerable backlog and pipeline figures reported in the medium term, which highlight the centrality and profitability of PLC's traditional business and the recognised leadership of the PLC Group in these markets.

The sale agreement provides for a total consideration in favour of PLC of approximately Euro 10.6 million, inclusive of (i) the value of the quotas; (ii) the repayment of the shareholder loans granted by PLC in favour of Schmack Biogas, both received at the date of sale, and (iii) two variable components, differentiated and contingent, linked to an earn-out mechanism based respectively (a) on the achievement of certain operational and commercial targets of Schmack Biogas and (b) on the successful completion of the authorisation procedures of the projects held by Schmack Biogas through its subsidiaries. The agreement stipulates that the variable component matures based on the extent to which Schmack Biogas achieves its results, even if only partially.



Regarding the variable component linked to the earn-out mechanism, as of the date this financial statements was published, it is estimated that the latter could accrue for approximately Euro 1,165 thousand before tax; of this, around Euro 720 thousand was received in December 2024.

2) Sale of Tirreno S.r.l.

On July 26, 2024, the sale of the shareholding held by PLC Power S.r.l. in Tirreno S.r.l. was finalised for a consideration of Euro 120,000 to the minority shareholder Idea S.r.l.

It should be noted that Tirreno S.r.l. is a special purpose company - whose share capital was held 66.6% by PLC Power S.r.l. and 33.4% by Idea S.r.l. - owner of an agricultural land located in Sicily and holder of a connection estimate (STMG), for a feed-in power of 15MW, for the development and construction of a ground-mounted photovoltaic plant. Lastly, it should be recalled that Tirreno S.r.l. was a defendant in a dispute over a fire that occurred on its own land and on a neighbour's land, because of which a provision for risks was allocated - initially for Euro 100 thousand and subsequently reduced to Euro 50 thousand.

The reasons for the divestiture are to be found in (i) the impossibility of pursuing the project as originally conceived, being potential ground-mounted photovoltaics on agricultural land, and (ii) the difficulty in finding alternative development solutions (such as, for example, innovative renewables or electrochemical storage) with sustainable economic-financial returns.

Considering the elements - in particular the value - of the transaction, it was qualified as a "Related Party Transaction of Limited Value" pursuant to the "Related Party Transactions" Procedure adopted by the PLC Group.

3) Liquidation of MSD Service S.r.l. and withdrawal from the dispatching services segment

Following the disclosures in the 2023 Financial Report and the 2024 Half-Yearly Report, evaluations were completed in the early months of 2024 regarding the continued operation of the "*dispatching services*" segment through the subsidiary MSD Service S.r.l., considering the end of the only previously active contract in this area.

These reflections led the Group to the decision to divest this business segment and to start the liquidation process of MSD Service S.r.l.

In line with this decision, the company's final liquidation financial statements and distribution plan were approved during the 2024 financial year, resulting in remaining liquidation assets of approximately Euro 59 thousand and a provision of around Euro 3.5 thousand for the payment of the final operating expenses needed to complete the company's deregistration from the Company Register.

By the end of January 2025, MSD Service S.r.l., in liquidation, was removed from the registers of the Chamber of Commerce and the Revenue Agency, marking the substantial completion of the liquidation process.



4) Signing of new contracts

During the 2024 financial year, new contracts were signed with major industry players for a total value of over Euro 40 million. These contracts will take effect largely during the 2025 financial year with a residual tail in the first half of 2026. In particular, it is appropriate to highlight those of greater importance, which, from time to time, are the subject of specific announcements by the Issuer:

- the signing of the contract, announced on February 1, 2024 between PLC System S.r.l. and wpd Construction Italia S.r.l., a company of the wpd group, relating to the supply and laying of the medium voltage cables for the wind farm located in Licata (AG) with a capacity of over 30 MWp, as well as the medium voltage cables for the connection of the wind farm itself to the substation under construction by PLC System S.r.l. The total contract price amounts to approximately Euro 3.9 million;
- the signing of the contract, communicated on March 26, 2024, between PLC System S.r.l. and Bester New Energy Italia S.r.l., relating to the construction of a utility substation attached to a Terna switching station by means of a high-voltage underground cable duct serving 2 photovoltaic plants with a total capacity exceeding 80 MWp located in the province of Reggio Calabria. The total contract price amounts to more than Euro 3 million;
- the signing of 2 contracts, communicated on July 11, 2024, between PLC System S.r.l. and a subsidiary of the BKW Group (Veneta Energie S.r.l.) relating to the construction of HV/MV infrastructures for the connection to the electricity grid of two wind farms with a capacity of 45 MWp and 80 MWp, respectively, located in the province of Foggia. The contract for executing civil works was awarded with a partner, for a total amount of over Euro 11.5 million, with more than Euro 9.5 million being the responsibility of PLC System S.r.l.;
- the signing of the contract, communicated on July 17, 2024, between PLC System S.r.l. and EG da Vinci S.r.l., a company of the Enfinity Global Group, relating to the construction of a utility substation serving 2 photovoltaic systems with a power of approx. 66 MWp and 38 MWp in the Lazio Region. The total contract price amounts to more than Euro 5 million;
- the awarding, communicated on December 23, 2024, by PLC System S.r.l., of the construction activities for two HV/MV transformation stations necessary for the connection to the grid of a photovoltaic system in favour of Acea Solar, a company 100% controlled by the Acea Group. The total contract price amounts to more than Euro 5.9 million.

To highlight for its strategic importance, the contract that PLC System S.r.l. secured, as the leading company of a temporary consortium of companies, involved the engineering, purchase, procurement, construction, testing, and commissioning of 4 primary substations for E-Distribuzione S.p.A., distributed nationwide (1 in northern Italy and 3 in central-southern Italy) for a total base amount exceeding Euro 13.5 million. This



awarding continues from an initial contract, granted to a temporary consortium of companies in 2023, in which PLC System S.r.l. played the role of a member. Both contracts are part of the broader development plan of E-Distribuzione and, specifically, the projects for technological innovation and grid resilience, with primary substations being an essential interface node between the national high-voltage transmission grid and the medium and low voltage grid. For further details, please refer to the press release available at the following link: [1731311602_2024.11.11_CS-Affidamento-E-Distribuzione.pdf](#).

Finally, it is important to highlight that during 2024, additional contracts were secured, amounting to approximately Euro 55 million, covering both the Engineering & Construction and Services segments; all contracts were established with leading players in their respective sectors.

Disclosure regarding the impacts of the Russian-Ukrainian and Israeli-Palestinian conflicts on the market context and on the economic, equity and financial results of the PLC Group

The continuation of the aforementioned conflicts, which began in February 2022 and October 2023 respectively, has led to serious economic consequences in all industrial sectors, with an impact on the global economy. The PLC Group has no direct exposure to the markets affected and - as in 2023 - 2024 was not significantly impacted by indirect effects on the procurement chain.

For the year 2025, no negative outcomes are expected from the development of these conflicts, except for unforeseen events that might impact the business, particularly the supply chain.

2.2 SIGNIFICANT EVENTS OCCURRING AFTER DECEMBER 31, 2024

Agreement for the sale of shares in Samnium Energia S.r.l. and Florianum Energia S.r.l.

On February 10, 2025, the binding offer for the sale of the shareholdings, each representing 60% of the share capital, held by the subsidiary PLC Power s.r.l. in the special purpose companies Samnium Energia S.r.l. and Florianum Energia S.r.l., was accepted. It is important to specify that the accepted offer concerns the entire share capital of the special purpose companies and was jointly signed by PLC Power S.r.l. and the minority shareholder of Samnium Energia S.r.l. and Florianum Energia S.r.l.

The sale of Samnium Energia S.r.l., which does not depend on any suspensive conditions, is projected to occur by the end of the due diligence process in the first half of 2025; conversely, the sale of the shares in Florianum Energia S.r.l. will be finalised upon the fulfilment of certain suspensive conditions, which are still under negotiation, likely in the second half of 2025.

It should be noted that the two companies being sold hold the authorisation rights to develop and construct ground-based photovoltaic systems in the municipality of Foiano di Val Fortore (in the province of Benevento), with a total input power exceeding 18 MW.



Once finalised, the agreement will enable the PLC Group to enhance the value of its first internally developed photovoltaic projects under the "PAS" authorisation model. Additionally, it should be noted that the PLC Group holds further share in projects at different development stages within PAS, amounting to approximately 19 MW.

Signing of new contracts in the Engineering and Construction segment and the Services segment

In the early months of the 2025 financial year, new contracts were awarded with significant industry players, totalling over Euro 23 million. The primary economic-financial impacts of these contracts will be felt partly in the 2025 financial year and partly in the 2026 financial year.

In particular, it is pertinent to highlight the award to PLC Service S.r.l. by a major investment fund, announced on March 12, 2025, of the revamping activities of 5 plants with a total power of about 16 MWp in Puglia, Sicily, and Lazio. The total contract price amounts to more than Euro 8 million.

Finally, it should be noted that during the first quarter of 2025, additional contracts were acquired, for a total of about Euro 15 million both for activities falling within the Engineering & Construction segment (including about Euro 7 million of optional activities related to the contract that PLC System S.r.l. was awarded, as the lead company in a temporary joint venture, regarding the engineering, procurement, construction, testing, and commissioning of 2 primary cabins for E-Distribuzione S.p.A.), as well as for activities falling within the Services segment; all contracts were signed with leading players in their respective segments.

2.3 ANALYSIS OF THE OPERATING PERFORMANCE AND OUTLOOK

The PLC Group operates in the renewable energies market, with particular reference to the photovoltaic and wind sectors, as well as in that of high and medium voltage electrical infrastructures serving power generation or industrial plants in which it carries out engineering, procurement, construction and testing activities ("**Engineering & Construction Segment**"), monitoring activities and ordinary and extraordinary maintenance and technological modernization of electrical infrastructures, wind turbines, wind and photovoltaic parks ("**Services Segment**"), as well as development activities of new plants to produce energy from renewable sources until the authorization process is completed and the "ready to build" stage is reached ("**Development Segment**").

The market context

Macroeconomic

The year 2024 was marked by a generally positive scenario, reflecting the consolidation of the economic recovery initiated in 2023. Nonetheless, risk factors remain concerning the future global macroeconomic

context, related both to the ongoing conflict between Russia and Ukraine and to the situation in the Middle East. It should be noted, however, that the PLC Group has no exposure to these areas.

Following the rise in interest rates in 2023, which coincided with a global economic slowdown due to reduced consumption by households and businesses, 2024, notably in its latter half, experienced a steady and substantial decline in these rates.

Specifically in Europe, the ECB, after 10 consecutive rate rises since July 2022, implemented 5 consecutive rate cuts starting from June 2024. The reference rate, after reaching a peak of 4.5% in September 2023, gradually decreased to 2.9% by the beginning of 2025. During the same period, the Federal Reserve intervened 3 times, reducing the benchmark interest rate from 5.5% (a rate maintained from July 2023 to September 2024) to 4.5% by December 2024.

In terms of inflation, the aforementioned restrictive policy implemented in 2023 and in the first part of 2024 helped bring inflation back towards the target level of 2%, with an estimate for 2024, at the European continental level, of 2.4%. The forecasts for 2025 are positive today, indicating a further progressive realignment towards the medium-term target, with expected inflation at 2.1%.

However, the prospects for the European economy remain weak and uncertain, mainly due to the contraction in Germany, which has been negatively impacted by the automotive sector crisis. Although there was a positive third quarter in 2024, industrial production is projected to grow by just 0.7% annually. Additionally, even with historically low unemployment, rising wages, and low inflation, growth is expected to be about 1% in 2025, with a modest increase in 2026 and 2027.

In addition, the risks associated with potential increased global trade frictions must be added, as they could weigh on the euro area growth estimates, dampen exports, weaken the global economy, and impact both the timing and costs of the entire supply chain. Specifically, the outlook for global trade is marked by significant uncertainty due to protectionist policies implemented between the United States and countries like China and Canada, which might also impact the old continent by potentially delaying and/or amplifying the risks associated with the transport of strategic materials.

In conclusion, the macroeconomic context still seems rather uncertain: what frightens economic and financial operators, after a two-year restrictive policy to calm the inflationary pressures created by the explosion of energy prices following the start of the conflict between Russia and Ukraine, are (i) the trade frictions created especially on the US-China axis, which could increase the fragmentation of the global economy and (ii) the geopolitical tensions, still unresolved, which could once again affect energy prices, with a potential impact on the real economy. This context could affect major supply chains in terms of timing, costs, and procurement risks.



Energy

The energy sector - collectively responsible, according to the International Energy Agency (IEA) report "*Net Zero by 2050*", for the largest share of man-made emissions - and its decarbonization represent one of the key factors in avoiding the possible effects of climate change. According to the path mapped out by IEA, energy efficiency and electrification of consumption (the electric carrier being inherently more efficient) will be key to achieving the targets set.

Consequently, the renewable energy sector confirms itself as a market of great interest, both nationally and globally. The set of policies and instruments made available to foster the development of innovative renewable technologies, both at European and national level, demonstrate the strategic nature of the sector. The latest developments in the legislation, in particular the "*Fer 2*" and "*Transitional Fer X*" Decrees, demonstrate the importance of renewables in Italy; at the same time, some critical issues and uncertainties remain, linked above all (i) to the outcome of the authorisation processes and the start dates of work on the projects, considering the degrees of freedom of the Regions with respect to the provisions of the central government (in particular with reference to the issue of "*suitable areas*") and (ii) to the timing of the implementation, by the TSO (Terna), of the necessary investments in the national electricity infrastructure for the transition to new connections.

The PLC Group

The PLC Group's 2024 performance, with operating revenues reaching Euro 86,464 thousand, an EBITDA of Euro 9,685 thousand, and a total net profit of Euro 11,416 thousand, indicates (i) a rise in volumes with robust operating margins that are higher than the previous year and consistent with those recorded in the first half of 2024, and (ii) the finalisation of PLC System S.r.l.'s projects related to the development of the balance of plant for two wind farms, which influenced the results in 2022. The execution of the activities related to the contracts signed between the end of 2022 and throughout 2023 allows the achievement of markedly positive economic operating results, both in the Engineering & Construction Segment and in the Services Segment. The backlog of the assets in the portfolio, despite the volumes carried out, is around Euro 120 million, higher than previous figures and able to cover the expected revenues for 2025 and part of those for 2026. Complementing the important backlog figure is a robust pipeline of business opportunities under negotiation, for a total amount of approximately Euro 95 million.

The figures for the Engineering & Construction Segment are positive and supported by (i) a growing volume of business and (ii) high margins for the specific type of activities performed, which have increased compared to historical figures.

The Services Segment confirms, also in 2024, its growth trend in both the recurring and non-recurring O&M components, capitalising on a market window for photovoltaic plant revamping activities that is estimated to last, albeit with less sustained volumes, for the coming years.

The economic result for the year is partly influenced by the accounting effects of extraordinary transactions, carried out both in the current year and in previous years; specifically, the following impacts are highlighted:

- around Euro 810 thousand negative, related to the partial waiver of receivables claimed in connection with the sale of 2 wind power projects in 2020 and related to some price adjustments valued, consistently with the sale contract, on the last payment tranche. This effect, accounted for within "Other operating expenses", negatively impacts the consolidated result for the year at the EBITDA level;
- about Euro 6,800 thousand positive related to the sale - finalised on March 7, 2024 - of the investment held by PLC S.p.A. in Schmack Biogas S.r.l., composed as follows: (i) gain from the sale of shares of about Euro 5,420 thousand, (ii) price adjustment (already finalised) of about Euro 197 thousand, (iii) costs for legal and financial advisory services to support the closing of the transaction, amounting to a negative Euro 260 thousand, (iv) accelerated depreciation of the "Customer List" of Schmack Biogas S.r.l. amounting to a negative Euro 182 thousand, (v) write-off of the debt item recorded during the acquisition of a 51% share in Schmack Biogas S.r.l. and related to the possible exercise by the minority shareholders of the put option to sell their shares of Schmack Biogas S.r.l. to PLC S.p.A., with a positive impact of about Euro 706 thousand, (vi) other effects related to the removal of Schmack Biogas S.r.l. from the scope of consolidation for about Euro 160 thousand negative; (vii) estimate, in accordance with the terms of the sale and based on the operating and commercial results achieved in the meantime by Schmack Biogas S.r.l., of potential earn-outs that could accrue to the benefit of PLC S.p.A. in both the short and medium-long term, amounting to about Euro 1,165 thousand; in relation to this point, it should be noted that, as of the date of publication of these financial statements, about Euro 720 thousand have already been received; (viii) taxes on the overall gain - including points (i), (ii) and (vii) listed above - for about Euro 78 thousand. The effects mentioned above in relation to the sale of Schmack Biogas S.r.l. have been presented in accordance with IFRS 5 under the heading "Profit/loss for the year from discontinued operations" and the comparative year has also been restated in accordance with the same accounting standard;
- approximately Euro 169 thousand negative relative to Tirreno S.r.l.'s period result of Euro 8 thousand and the deconsolidation of the company for Euro 161 thousand;



- approximately Euro 117 thousand negative related to MSD Service S.r.l., consisting of Euro 15 thousand from the period result and other charges amounting to Euro 102 thousand, including a Euro 39 thousand write-down in goodwill;
- approximately Euro 31 thousand negative related to PLC System Montenegro D.O.O.

The Group's net financial debt - despite the distribution of dividends for about Euro 1.8 million in May - showed a significant improvement from about Euro 1,271 thousand positive at December 31, 2023, to about Euro 12,915 thousand positive at December 31, 2024, thanks to the excellent economic performance of the main business segments and the contribution of the aforementioned sale of Schmack Biogas S.r.l.; to be noted the physiological realignment - compared to the figure at the end of 2023 - of net working capital due, in particular, to the progress of the orders of PLC Service S.r.l. relating to revamping/repowering activities of photovoltaic plants.

Business outlook

A relatively uncertain macroeconomic climate is expected in 2025, which might influence supply chains and possibly lead to delays in the provision of some critical equipment, such as transformers.

At a national level, however, the incentive regulatory framework is particularly beneficial for the renewable energy sector, with clients standing to gain from contributions (i) from the PNRR, for activities already contracted to be executed in 2025 and concluded in the first half of 2026, and (ii) from the FER 2 and "transitional" FER X decrees, which could drive the acquisition of new backlog in the short term (and the desirable FER X "definitive" concerning the acquisition of new backlog in the medium to long term).

Considering the strategic nature of the renewable energy sector, the evident market results for the PLC Group, as well as the prospects for 2025 as included in the approved Budget, the Board of Directors has revised upwards the objectives for the 2025 financial year, with an EBITDA expected in the range of Euro 9 - 11 million (an increase compared to the Business Plan guidance that reported an EBITDA in the range of Euro 7 - 9 million for the 2025 financial year), despite a reduced corporate perimeter (it should be recalled that the 2023 - 2027 Business Plan also provided for a positive contribution from the Schmack and Monsson perimeter medium-term discontinued perimeters for 2025).

Furthermore, considering the aforementioned backlog and commercial pipeline values, no critical issues are identified regarding the prospective trend, both in the short term and the medium to long term.

Finally, consider the current uncertainties related to: (i) the technological and market prospects in the medium term - with the implementation of new technologies (such as BESS) and the timing of the new connection standards (36 kV) - and (ii) the impact on the market scenario deriving from the implementation of the new incentive regulatory framework, it will be considered to start in the latter part of 2025 the activities related to



the preparation of the new Business Plan (or, at the latest, when these regulatory and technological issues, which will have an impact on the connections market, are at a stage of maturity such as to allow the Group an adequate assessment of the market potential and the consequent reflections on its activities, in a new medium-long term plan scenario).

Engineering and Construction Segment

The Engineering & Construction Segment figures are significantly positive, mainly due to the progress - and to a large extent the completion - of the orders acquired starting from the second half of 2022 and mainly related to the construction of substations, characterised by (i) a sustained and higher marginality compared to the past and (ii) limited operating risks, which reduce the possibility of adverse events during the execution phase of construction activities.

The PLC Group carries out the Engineering, Procurement and Construction (EPC) activity mainly through its subsidiary PLC System S.r.l., which acts as the general contractor in the construction of renewable energy power plants, as well as electrical infrastructures for connection to the high and medium voltage grid.

At December 31, 2024, the backlog of construction activities amounted to approximately Euro 85 million (+50% compared to the end of 2023; +30% compared to June 30, 2024), to be realised during 2025 and the first half of 2026.

Development Segment

The PLC Group, through its subsidiary PLC Power S.r.l. and the special-purpose companies controlled by the latter, carries out the development of new plants for the renewable energy production until authorisations are obtained, evaluating, once the special-purpose company is sold upon reaching the "*ready to build*" stage, whether to keep in house both the partial or full construction of the plants and their subsequent management through multi-year O&M contracts. In this way, the PLC Group integrates the EPC typical value chain upstream. In this regard, the data for the year show:

- the realization of investments - related to organic development phases - amounting to about Euro 440 thousand;
- a negative normalized operating margin of Euro 50 thousand, which is to be considered "ordinary" for activity such as Development, which implies the passage of an authorization process that can last several years, during which costs are incurred without revenues being generated. These will, however, be identified in a single resolution at the point of selling the special purpose companies. It is anticipated that certain activities undertaken during 2024 and in previous years may start producing the expected outcomes in the course of 2025 (for more details, see the section "Significant events that occurred after December 31, 2024");



- the aforementioned waiver of receivables claimed in connection with the sale, finalised in 2020, of 2 wind projects, with a negative impact, in the first half of 2024, of about Euro 810 thousand at EBITDA level; these receivables were related to some price adjustments valued, consistently with the sales contract, on the last payment tranche.

As of the publication date of the financial statements and excluding any transfer operations that have been defined but not yet completed, the total pipeline of projects under development amounts to approximately 65 MW, including around 16 MW of wind technology, which is under evaluation to maximise the value of the 30 MW of electrochemical storage (BESS) at an early stage, and approximately 19 MW of photovoltaic projects currently undergoing authorization procedures.

The decrease in MW under development, compared to earlier surveys, is partly due to the previously mentioned sale of shares in Samnium Energia S.r.l. and Florianum Energia S.r.l., and partly to the sale, which occurred in the initial months of 2025, of several nascent wind project connections, owned directly by PLC Power S.r.l.

Currently, the PLC Group is dedicated to maximising the value of its assets in development, while maintaining its commitment to market analysis and exploring new opportunities.

Services Segment

The PLC Group offers a wide range of services in the field of renewable energy sources in the wind, photovoltaic, as well as high and medium voltage electrical infrastructures serving RES and industrial plants, through PLC Service S.r.l. and PLC Service Wind S.r.l..

The segment's year figures were very positive, confirming the PLC Group's ability to respond promptly and effectively to the needs of a very competitive and rapidly changing market. At December 31, 2024, the backlog of service activities amounted to about Euro 36 million.

As an Operation & Maintenance (O&M) provider, the PLC Group provides periodic monitoring of the plants to ensure their maximum efficiency and oversees their "full service" or "partial service" (customised) maintenance, both ordinary and extraordinary as well as predictive. An extensive range of services is offered and differs according to the type of the end customer. To guarantee performance levels, the plants are monitored 24 hours a day by the Acerra (NA) control room and the end customer is periodically informed of the performance thereof through special reports. The main logistical centres through which the activities are provided are in Italy in Acerra (NA), San Pietro Vernotico (BR), Lentini (SR), Borgo Montello (LT), Casalbore (BN), Martina Franca (TA), Monreale (PA), Petralia Soprano (PA), Castel di Iudica (CT), Agrigento, and Raffadali (AG).



The PLC Group offers a comprehensive array of services such as *revamping* and *repowering*, focusing on the modernisation of photovoltaic systems and high and medium voltage substations. These services are tailored to meet the specific requirements of the plant or customer and, according to various full or partial EPC contracts, encompass activities such as engineering, procurement of materials, technical evaluation on technological selection, storage and logistics, dismantling and installation, as well as commissioning and operation.

The Services Segment contributed positively to the consolidated results, thus confirming the ability of its recurring component to generate results capable of stabilising overall profitability. Projections for 2025 remain highly optimistic, although a natural decrease in revamping and repowering activities can be anticipated, characterised by extraordinary volumes of activity in 2024.

Dispatching Services Segment

Following what was communicated in the 2023 Financial Report, in the first months of 2024, assessments were finalised regarding the continuation of operations in this segment, also after the natural conclusion - which occurred in December 2023 - of the only contract for dispatching services from renewable sources previously active in the subsidiary MSD Service S.r.l.

These reflections led the Group to the decision to divest this segment; in this regard, on May 15, 2024, the GME ("*Gestore dei Mercati Energetici*") granted the request to exclude MSD Service S.r.l from the Electricity Market and the Data Reporting Service.

At the end of January 2025, the company was removed from both the Chamber of Commerce and the Revenue Agency; for more details, see the section "*Main operations of the PLC Group during the 2024 financial year*".

2.4 ECONOMIC, EQUITY AND FINANCIAL RESULTS ANALYSIS OF THE GROUP AT DECEMBER 31, 2024

RECLASSIFIED CONSOLIDATED COMPREHENSIVE INCOME STATEMENT

RECLASSIFIED COMPREHENSIVE INCOME STATEMENT (figures in thousands of Euros)	01.01.2024 12.31.2024	01.01.2023 12.31.2023
Revenues from core business	85,228	65,319
Other operating revenues	1,236	1,331
Total revenues	86,464	66,650
Operating costs	(72,859)	(60,965)
Other operating costs	(3,920)	(2,115)
GROSS OPERATING MARGIN (EBITDA)	9,685	3,570
EBITDA %	11%	5%
Amortisation, depreciation and write-downs	(2,143)	(1,526)
OPERATING RESULT (EBIT)	7,542	2,044
Net financial income (charges)	(287)	(443)
Income from (Expenses on) equity investments	-	-
Income taxes	(2,460)	1,201
Profit (loss) for the period from continuing operations	4,795	2,802
Profit (loss) for the period from discontinued operations	6,533	(2,025)
PROFIT (LOSS) FOR THE PERIOD	11,328	777
Total other components of the comprehensive income statement	88	(176)
COMPREHENSIVE INCOME STATEMENT	11,416	601

In accordance with IFRS 5, the results for the period attributable to the companies of the Schmack perimeter, Tirreno S.r.l., Samnium Energia S.r.l., and Florianum Energia S.r.l. were reclassified under "*Profit (loss) for the period from discontinued operations*". The comparative period was also restated in coherence with what is stipulated by the same accounting standard.

The consolidated financial results at December 31, 2024, compared to the comparative period, show an overall improvement in business performance, in both the Engineering & Construction Segment and in the Services Segment.

Operating revenues at the end of 2024 amounted to a total of Euro 86,464 thousand, while EBITDA was positive for Euro 9,685 thousand.

The comprehensive income statement, positive for Euro 11,416 thousand, includes the effects of extraordinary transactions (the sale of Schmack Biogas S.r.l. and Tirreno S.r.l. and the liquidation of MSD Service S.r.l. and PLC System Montenegro D.O.O. impacting net profit; waiver of part of the receivables from the sale of 2 SPVs completed in 2020 negatively impacting EBITDA) as already described - regarding the extraordinary transactions completed during the year - in the previous paragraph 2.1; these effects weigh for about Euro 810 thousand negatively at EBITDA level and for a total of about Euro 6,500 positive at net profit level.

The breakdown of EBITDA by operating segment is shown below.

RECLASSIFIED COMPREHENSIVE INCOME STATEMENT (figures in thousands of Euros)	Construction	Services	Holding	Dispatching	01.01.2024 12.31.2024
Revenues from core business	42,186	42,999	43	-	85,228
Other operating revenues	192	984	60	-	1,236
Total revenues	42,378	43,983	103	-	86,464
Operating costs	(32,258)	(34,964)	(5,624)	(13)	(72,859)
Other operating costs	(1,932)	(1,745)	(241)	(2)	(3,920)
GROSS OPERATING MARGIN (EBITDA)	8,188	7,274	(5,762)	(15)	9,685

The data are presented excluding intra-group balances, Schmack Biogas S.r.l., Tirreno S.r.l., Samnium Energia S.r.l., and Florianum Energia S.r.l.

Engineering & Construction Segment

RECLASSIFIED COMPREHENSIVE INCOME STATEMENT (figures in thousands of Euros)	01.01.2024 12.31.2024	01.01.2023 12.31.2023
Revenues from core business	42,186	37,120
Other operating revenues	192	319
Total revenues	42,378	37,439
Operating costs	(32,258)	(33,264)
Other operating costs	(1,932)	(772)
GROSS OPERATING MARGIN (EBITDA)	8,188	3,403
EBITDA %	19%	9%

The data are presented excluding intra-group balances, Schmack Biogas S.r.l., Tirreno S.r.l., Samnium Energia S.r.l., and Florianum Energia S.r.l.

The Engineering & Construction Segment recorded revenues of Euro 42,378 thousand and EBITDA of Euro 8,188 thousand, showing an increase in margins that was higher than the increase in volumes, mainly due to the progress of the activities contracted since the end of 2022 - characterised by sustained and higher margins than the historical ones - and to the conclusion of the job orders, relative to the construction of the balance of plant of wind farms, which had caused the known critical issues in 2022.

RECLASSIFIED COMPREHENSIVE INCOME STATEMENT (figures in thousands of Euros)	PLC SYSTEM	PLC POWER	01.01.2024 12.31.2024
Revenues from core business	42,186	-	42,186
Other operating revenues	178	14	192
Total revenues	42,364	14	42,378
Operating costs	(32,209)	(49)	(32,258)
Other operating costs	(1,065)	(867)	(1,932)
GROSS OPERATING MARGIN (EBITDA)	9,090	(902)	8,188
EBITDA %	21%	n.a.	19%

RECLASSIFIED COMPREHENSIVE INCOME STATEMENT (figures in thousands of Euros)	PLC SYSTEM	PLC POWER	01.01.2023 12.31.2023
Revenues from core business	37,120	-	37,120
Other operating revenues	123	196	319
Total revenues	37,243	196	37,439
Operating costs	(33,069)	(195)	(33,264)
Other operating costs	(565)	(207)	(772)
GROSS OPERATING MARGIN (EBITDA)	3,609	(206)	3,403
EBITDA %	10%	n.a.	9%

Services Segment

RECLASSIFIED COMPREHENSIVE INCOME STATEMENT (figures in thousands of Euros)	01.01.2024 12.31.2024	01.01.2023 12.31.2023
Revenues from core business	42,999	23,412
Other operating revenues	984	696
Total revenues	43,983	24,108
Operating costs	(34,964)	(17,534)
Other operating costs	(1,745)	(1,150)
GROSS OPERATING MARGIN (EBITDA)	7,274	5,424
EBITDA %	17%	22%

The data are presented excluding intra-group balances, Schmack Biogas S.r.l., Tirreno S.r.l., Samnium Energia S.r.l., and Florianum Energia S.r.l.

The Services Segment generated revenues of Euro 43,983 thousand and an EBITDA of Euro 7,274 thousand, both higher than the comparable figure.

The overall growth trend in the Services segment was confirmed, particularly in the area of services in the electrical infrastructure and photovoltaic sectors, thanks to the increase in (i) high "lump sum" value-added activities and (ii) revamping/repowering of photovoltaic plants.

RECLASSIFIED COMPREHENSIVE INCOME STATEMENT (figures in thousands of Euros)	PLC SERVICE	PLC SERVICE WIND	01.01.2024 12.31.2024
Revenues from core business	37,892	5,107	42,999
Other operating revenues	984	-	984
Total revenues	38,876	5,107	43,983
Operating costs	(30,921)	(4,043)	(34,964)
Other operating costs	(1,333)	(412)	(1,745)
GROSS OPERATING MARGIN (EBITDA)	6,622	652	7,274
EBITDA %	17%	13%	17%

RECLASSIFIED COMPREHENSIVE INCOME STATEMENT (figures in thousands of Euros)	PLC SERVICE	PLC SERVICE WIND	01.01.2023 12.31.2023
Revenues from core business	19,492	3,920	23,412
Other operating revenues	696	-	696
Total revenues	20,188	3,920	24,108
Operating costs	(14,450)	(3,084)	(17,534)
Other operating costs	(772)	(378)	(1,150)
GROSS OPERATING MARGIN (EBITDA)	4,967	457	5,424
EBITDA %	25%	12%	22%

Dispatching Services Segment

RECLASSIFIED COMPREHENSIVE INCOME STATEMENT (figures in thousands of Euros)	01.01.2024 12.31.2024	01.01.2023 12.31.2023
Revenues from core business	-	4,599
Other operating revenues	-	24
Total revenues	-	4,623
Operating costs	(13)	(4,549)
Other operating costs	(2)	(4)
GROSS OPERATING MARGIN (EBITDA)	(15)	70
EBITDA %	n.a.	2%

The data are presented excluding intra-group balances, Schmack Biogas S.r.l., Tirreno S.r.l., Samnium Energia S.r.l., and Florianum Energia S.r.l.

The Dispatching Services Segment includes the dispatching operations performed by the subsidiary MSD Service S.r.l. In 2024, as previously mentioned, the company was inactive and was subsequently put into liquidation. Therefore, during this period, only costs associated with the liquidation process were incurred.

Holding Segment

RECLASSIFIED COMPREHENSIVE INCOME STATEMENT (figures in thousands of Euros)	01.01.2024 12.31.2024	01.01.2023 12.31.2023
Revenues from core business	43	188
Other operating revenues	60	292
Total revenues	103	480
Operating costs	(5,624)	(5,618)
Other operating costs	(241)	(189)
GROSS OPERATING MARGIN (EBITDA)	(5,762)	(5,327)

The data are presented excluding intra-group balances, Schmack Biogas S.r.l., Tirreno S.r.l., Samnium Energia S.r.l., and Florianum Energia S.r.l.

The Holding Segment includes the overhead costs of the Parent Company, which centrally carries out the activities of: Administration, Finance and Control (AFC); General Affairs (HR, Organisation and Secretariat); Information & Communication Technology (ICT); Health, Safety, Environment and Quality (HSEQ); Legal and Corporate Affairs; Strategy, External Relations and Business Development; Procurement; Innovation, Communication & Sustainability. The Segment recorded a cost level substantially aligned with the previous period compared to the comparative period.

RECLASSIFIED CONSOLIDATED FINANCIAL POSITION STATEMENT

RECLASSIFIED FINANCIAL POSITION STATEMENT (figures in thousands of Euros)	12.31.2024	12.31.2023
Net tangible assets	7,101	6,538
Net intangible assets	8,533	8,552
Equity investments	11	11
Other non-current assets	1,586	2,688
Fixed assets	17,231	17,789
Net working capital	(7,546)	(8,264)
Assets held for disposal	314	1,823
NET INVESTED CAPITAL	9,999	11,348
Net financial debt (net cash)	12,915	1,271
NET FINANCIAL DEBT	12,915	1,271
SHAREHOLDERS' EQUITY	22,914	12,619

The consolidated financial position statement at December 31, 2024 has been reclassified by aggregating assets and liabilities according to the criterion of functionality to the management of the company considered, conventionally broken down into the three basic functions: investment, operation and financing.

Net invested capital at December 31, 2024 amounted to Euro 9,999 thousand compared to Euro 11,348 thousand at December 31, 2023. The difference of Euro 1,349 thousand mainly results from the variation in net working capital, largely attributable to the variation in net working capital of the revamping activities within the Services Segment and the deconsolidation of Schmack Biogas S.r.l. and its subsidiaries.

CONSOLIDATED NET FINANCIAL DEBT

As requested by CONSOB Warning no. 5/21 dated April 29, 2021 and in accordance with the ESMA Recommendation on Disclosure Obligations under "*Prospectus Regulation*" no. 32-382-1138 of March 4, 2021, the Company's net financial debt is presented.

NET FINANCIAL DEBT (figures in thousands of Euros)	12.31.2024	12.31.2023
Liquidity	17,718	9,961
Current financial debt	(2,161)	(4,767)
Non-current financial debt	(1,307)	(3,045)
Net financial debt (net cash) before IFRS16	14,250	2,149
Financial liabilities IFRS 16	(1,335)	(878)
NET FINANCIAL DEBT (NET CASH)	12,915	1,271

The PLC Group's net financial debt at December 31, 2024 is positive for Euro 12,915 thousand (positive for Euro 14,250 thousand net of financial payables in application of IFRS 16) and recorded a positive variation of Euro 11,644 thousand compared to December 31, 2023. This change is attributable to both the positive

business performance and the effect of the sale of Schmack Biogas S.r.l. and its subsidiaries, net of distributed dividends and the partial realignment of working capital.

Financial debt - in the reporting period - decreased by Euro 4,344 thousand because of (i) repayments made in accordance with amortisation schedules, for bank loans only, for Euro 4,167 thousand and (ii) utilisation of working capital lines for Euro 177 thousand.

2.5 ECONOMIC, EQUITY AND FINANCIAL RESULTS ANALYSIS OF PLC S.P.A. AT DECEMBER 31, 2024 RECLASSIFIED COMPREHENSIVE INCOME STATEMENT

RECLASSIFIED COMPREHENSIVE INCOME STATEMENT (figures in thousands of Euros)	01.01.2024 12.31.2024	01.01.2023 12.31.2023
Revenues from core business	3,147	3,283
Other operating revenues	60	283
Operating costs	(5,626)	(5,622)
Other operating costs	(251)	(189)
GROSS OPERATING MARGIN (EBITDA)	(2,670)	(2,245)
Amortisation, depreciation and write-downs	(462)	(335)
OPERATING RESULT (EBIT)	(3,132)	(2,580)
Net financial income (charges)	(45)	(117)
Income from (Expenses on) equity investments	1,577	1,266
Income taxes	724	1,090
Profit (loss) for the period from continuing operations	(876)	(341)
Profit (loss) for the period from discontinued operations	6,444	(1,887)
PROFIT (LOSS) FOR THE PERIOD	5,568	(2,228)
Total other components of the comprehensive income statement	17	(55)
COMPREHENSIVE INCOME STATEMENT	5,585	(2,283)

The Holding Segment includes the overhead costs of the Parent Company, which centrally carries out the activities of: Administration, Finance and Control (AFC); General Affairs (HR, Organisation and Secretariat); Information & Communication Technology (ICT); Health, Safety, Environment and Quality (HSEQ); Legal and Corporate Affairs; Strategy, External Relations and Business Development; Procurement; Innovation, Communication & Sustainability, which are recharged to the other companies within the Group through suitable service contracts.

Among the positive income components, there is (i) a gain resulting from the sale of Schmack Biogas S.r.l. (including the earn-outs accrued so far) for Euro 6,444 thousand and (ii) dividends for Euro 1,577 thousand distributed by the subsidiary PLC Service S.r.l.

RECLASSIFIED FINANCIAL POSITION STATEMENT

RECLASSIFIED FINANCIAL POSITION STATEMENT (figures in thousands of Euros)	12.31.2024	12.31.2023
Net tangible assets	229	213
Net intangible assets	803	999
Equity investments	43,000	43,093
Other non-current assets	827	2,300
Fixed assets	44,859	46,605
Net working capital	2,179	(1,595)
Non-current assets/liabilities held for disposal	-	1,500
NET INVESTED CAPITAL	47,038	46,510
Net financial debt (net cash)	(4,432)	(7,672)
NET FINANCIAL DEBT	(4,432)	(7,672)
SHAREHOLDERS' EQUITY	42,605	38,838

The financial position statement of PLC S.p.A. at December 31, 2024 has been reclassified by aggregating assets and liabilities according to the criteria of functionality to the management of the company considered, conventionally broken down into the three basic functions: investment, operation and financing.

At December 31, 2024, the financial position statement reveals a small rise in total net invested capital, characterised by (i) a reduction in "Other non-current assets", mainly resulting from the utilisation of the provision for deferred tax assets valued at Euro 1,264 thousand, (ii) a rise in net working capital, chiefly owing to a rise in intercompany trade receivables and higher tax payables, and (iii) the disposal of Schmack Biogas S.r.l.'s equity investment, classified as "Non-current assets/liabilities held for sale" in the 2023 financial report.

NET FINANCIAL DEBT

As requested by CONSOB Warning no. 5/21 dated April 29, 2021 and in accordance with the ESMA Recommendation on Disclosure Obligations under "Prospectus Regulation" no. 32-382-1138 of March 4, 2021, the Company's net financial debt is presented.

NET FINANCIAL DEBT (figures in thousands of Euros)	12.31.2024	12.31.2023
Liquidity	405	436
Current financial debt	(4,703)	(7,704)
Non-current financial debt	-	(312)
Net financial debt (net cash) before IFRS16	(4,298)	(7,580)
Financial liabilities IFRS 16	(134)	(92)
NET FINANCIAL DEBT (NET CASH)	(4,432)	(7,672)

At December 31, 2024, the net financial debt of PLC S.p.A. was negative by Euro 4,432 thousand (or negative by Euro 4,298 thousand when excluding financial liabilities recognised under IFRS 16) and saw a positive shift

of Euro 3,240 thousand. This change was largely attributable to the repayment of bank loans amounting to Euro 1,180 thousand as scheduled in the repayment plan, and the reduction of financial debt to the subsidiary PLC System by Euro 1,500 thousand.

Concerning the current financial liability amounting to Euro 4,703 thousand, it should be noted that Euro 4,500 thousand of this is financial debt owed to the subsidiary PLC System S.r.l. While it is of a current nature in line with the intra-group loan agreement, it is to be considered due within 12 months, unless the Company has different liquidity needs.

2.6 RECONCILIATION BETWEEN THE RESULT AND THE SHAREHOLDERS' EQUITY OF THE PARENT COMPANY PLC S.P.A. AND THE CORRESPONDING GROUP VALUES

Figures in thousands of Euros	Shareholders' equity 31.12.2024	Result 31.12.2024
PLC S.p.A.	42,605	5,585
Difference between the carrying amounts of equity investments and the corresponding portions of shareholders' equity	(24,258)	5,829
Effects of the reverse merger transaction	4,711	0
Effects of the C&C transaction	344	0
Other	(488)	(86)
PLC group	22,914	11,328

The subsidiaries of the Parent Company PLC S.p.A. in the year covered by this financial report have reported results amounting to Euro 5,829 thousand.

2.7 RESEARCH AND DEVELOPMENT ACTIVITIES

The PLC Group has always been involved in research and development activities focused on improving the quality of the service offered to its customers and on optimising its organisation. In this context, the Innovation, Communication & Sustainability division (formerly "Special Projects") has the task of guiding the PLC Group through the technological and digital transformation process, which is already significantly modifying the way technical personnel work, projecting the structure towards optimised and more scalable management of specialised know-how, which can maximise the potential of experienced personnel and train new technicians.

The use of various enabling technologies - such as Augmented Reality (AR), Virtual Reality (VR), Artificial Intelligence (AI) and Machine Learning - will help the Group create an organic and integrated system of tools aimed at optimising the core business of the PLC Group; the launch of new areas - focused in particular on electrochemical storage - will support the Group in defining technical-commercial proposals, in terms of new



products and services, that can effectively respond to emerging market needs. In particular, other intangible assets are recognised as assets in accordance with IAS 38 (e.g. the costs are precisely determinable, as is the technical feasibility of the product, the asset is identifiable or separable, the Company has control over the asset, or has the power to obtain future economic benefits).

PLC Service S.r.l. - PON MISE M4.0 project - Augmented reality and artificial intelligence for advanced maintenance of renewable generation plants

During 2018, PLC Service S.r.l. launched - in cooperation with an external partner - a research and development program with the aim of implementing innovative technological solutions in its O&M services.

As already mentioned in previous financial reports, the project - against a total cost of about Euro 2 million - recognised (i) a subsidised loan of about Euro 404 thousand (of which the main portion - equal to about Euro 280 thousand - pertaining to the subsidiary PLC Service S.r.l.) and (ii) a non-repayable contribution of about Euro 790 thousand (of which the main portion - equal to about Euro 420 thousand - pertaining to the subsidiary PLC Service S.r.l.). The project ended in 2022, and at the beginning of 2023, the CNR verified the alignment between the set objectives and the results achieved. By the end of 2024, the Directorial Decree was issued for the final granting of the project, arranging for the definitive concession of the provided benefits and affirming the quality of the project and the credibility of the achieved results.

The ongoing industrialisation of this technology already involves a considerable number of technicians with commendable results, particularly in highly specialised activities, where remote support is essential for expediting the resolution of on-site anomalies. A shift towards predictive maintenance, at the expense of reactive maintenance, will enable customers to improve the availability of their plants, increasing energy production, and allowing the PLC Group to optimise the management of maintenance operations at the plants under management.

Project MAIA 4.0 - Maintenance with Artificial Intelligence Applications

In 2023, building on what had already been developed by the previous "PON MISE M4.0" project, the PLC Group won the MiMiT "Agreements for Innovation" call for tenders, submitting a new industrial project - worth about Euro 6 million and lasting 42 months, again with the support of external partners (universities, research centres and software houses) - with the aim of introducing further technological solutions to improve products and services offered to customers as well as the internal processes supporting them.

Within the new project - called "Platform 4.0 for the development and provision of advanced services in the RES area and for the support of the activities of the energy markets" (MAIA 4.0), which is currently being implemented - research and development activities will be carried out starting from (i) the results of PON M4.0



and (ii) the analysis of the products-services offered and of the business processes, with the ultimate goal of defining and implementing an advanced organic system of solutions concerning the following areas/products/services:

- *Operation & Maintenance Planning & Management (OMPM)* to integrate, in a single platform, all the technologies developed during the project, interfacing with other company management systems (e.g. ERP);
- implementation of a test system for the integration of *BESS (Battery Energy Storage System)* systems that could enable the development of further business lines;
- implementation of a predictive maintenance system, to identify standards, models, and technologies for the analysis and reprocessing of data aimed at anticipating repair interventions, reducing downtime and - ultimately - increasing the producibility of the managed plants;
- implementation of plans and training paths for technical personnel (Academy), to strengthen internal technical skills by training operators to operate on the machines in an optimal way; training of resources is fundamental to make activities efficient and safe, using immersive reality for simulations on critical activities.

At the end of 2024, PLC Service S.r.l. received the concession decree and, in January, successfully passed the intermediate technical verification by the ministry. As of today, the methodologies for the implementation of the final prototypes have been initiated, in compliance with the schedule and procedures outlined in the decree.

40.5 kV project - Realisation of the first prototype delivery station according to the new connection standards dictated by TERNA

The PLC Group, through its subsidiary PLC System S.r.l., created and presented - in May 2024 to an audience of stakeholders selected from partners, customers, suppliers and institutional bodies - a reliable and secure "turnkey" solution for future connections to the Terna 36 kV grid (operating voltage), in compliance with Resolution 439/2021/R/eel and the updated Annexes A.2, A.17 and A.68 of the Network Code. In a scenario of strong FER penetration, to achieve the next objectives of the EU Fit for 55 manoeuvre, a significant increase in connection requests with maximum power below 100 MW according to the new 40.5 kV standard (insulation voltage) is expected - for the near future.

Considering the new connection standard, the 40.5 kV solution presented to the market allows:

- to reduce the time and costs of implementation, and to make efficient use of spaces;
- to adapt the solution to the different characteristics of the plant;
- to reduce O&M costs once the plant is operational;



- to simplify the authorisation process.

Other ongoing innovation projects

In addition to the above, the following processes were continued in 2024:

- new remote-control centre: (i) completion of the centre's comprehensive operation, including first- and second-level remote control, advanced diagnostics, and Root Cause Analysis, achieved through the establishment of supporting IT infrastructure; (ii) widespread implementation on the new SCADA 4.0 digital platform for the plants managed under O&M; (iii) continuation of the engineering processes of PLC Service S.r.l. and PLC Service Wind S.r.l., based on historical data analysis and aimed at increasing predictive maintenance interventions;
- innovation projects under study: analysis of the technical requirements for the structured implementation of a Work Force Management (WFM) and a Digital Warehouse Solution (DWS).

2.8 BRANCH OFFICES

PLC S.p.A. has a local unit - located in Acerra (NA) ASI - area Località Pantano - in via delle Industrie 272/274.

2.9 CORPORATE GOVERNANCE

In 2022, the Company started the process of adhering to the Corporate Governance Code, effective from January 1, 2021, to align its corporate governance model with the principles and recommendations of the Corporate Governance Code.

For the description of the main characteristics of the corporate governance system adopted by PLC S.p.A. pursuant to art. 123-bis of the Consolidated Law on Finance, see Annex 2 "Report on corporate governance and ownership structure" of the Financial report at December 31, 2024.

2.10 TREASURY SHARES

At December 31, 2024, PLC S.p.A. did not hold any of its own shares or stakes in parent companies, nor did it buy or sell any during the year.

2.11 OPERATIONS WITH RELATED PARTIES AND INTRA-GROUP ONES

In compliance with the requirements of Consob communications, it should be noted that no transactions with related parties of an atypical and/or unusual nature were carried out, outside the normal management of the company, or as such to prejudice the economic, equity and financial situation of the Group. Here, it should be noted that - during the reporting period - the following transactions were carried out with related parties:



1. consensual termination of the employment relationship with the executive as well as Chief Executive Officer, Diego Percopo, on April 26, 2024 and effective as of April 30, 2024;
2. consensual termination of the employment relationship with the executive and Chief Financial Officer - as well as the Manager in charge of Financial Reporting pursuant to article 154-bis of the Legislative Decree no. 58/1998 and Investor Relator, Marco Aulisa, on April 26, 2024 and effective as of April 30, 2024;
3. sale - to the minority shareholder Idea S.r.l. - of the 66.6% shareholding previously held by the subsidiary PLC Power S.r.l. in Tirreno S.r.l.

The first two transactions were classified as "minor" transactions under the company's "Transactions with Related Parties" procedure. The third transaction was classified, according to the same procedure, as a "negligible" transaction, considering the Euro 120 thousand paid by the minority shareholder, as the purchaser.

For further details, please refer to the press releases available on the institutional website at the following link: [Investor Relations – Plc \(plc-spa.it\)](https://www.plc-spa.it/investor-relations).

In relation to the requirements of the Italian Civil Code and IAS 24 (revised) on "*Related party disclosures*" and the additional information required by Consob Communication no. 6064293 of July 28, 2006, reference should be made to paragraphs 3.4.3 and 4.6.

2.12 MAIN RISKS AND UNCERTAINTIES

In general terms, the equity and economic-financial situation of the PLC Group is influenced by a series of risk factors specific to the renewable energy production sector in which the PLC Group primarily operates. These are legislative/regulatory and market/price risks that impact only indirectly on the Construction and Services Segments and directly only on the Development Segment. The evolution of the normative/regulatory scenario and electricity prices is an important element in the evaluation of investments by customers who entrust the PLC Group with EPC and O&M assignments and can, therefore, influence the decision to start or delay the commencement of renewable energy plant construction activities, with the consequent effects on the PLC Group's core business: the current market context, however, is characterised by increasing execution demand according to a long-term trend driven by a structurally favourable political and economic scenario.

Possible changes in laws/regulations (with delays in authorisation processes) and/or electricity prices, moreover, do not directly impact either the backlog or the financial position of the PLC Group, except to the extent of its own self-consumption photovoltaic plants (of insignificant value compared to the Group's business) and authorisation projects carried out within the Development Segment.

The Group is also subject to financial risks.

It is also important to highlight, as per Consob's warning, that the Group is not exposed to risks associated with crypto-assets.

Regarding cyber-security risks, the Group manages cyber-security through dedicated safeguards, regularly conducts training activities for the entire workforce, and utilises processes, procedures, and specific technologies to predict, prevent, identify, and manage potential threats, as well as to respond to them.

Risks associated with the reference market and the reference regulatory framework

The sector relating to the production of electricity from renewable sources is linked to the applicable legal and regulatory provisions, which especially include the regulations relating to (i) the authorisation processes for the location and installation of RES plants and (ii) incentive systems. The PLC Group is therefore exposed to risks arising from changes in the relevant legal and regulatory context, which could have a potentially significant detrimental effect on - on the one hand - the Group's ability to acquire new commercial backlog and - on the other - the profitability of ongoing investments in the Development segment. In this scenario, management constantly monitors the evolution of the reference framework to identify and mitigate risks and opportunities.

In 1997, the European Union made its first binding commitments to cut greenhouse gases with the signing of the Kyoto Protocol, seeking to address global warming by bolstering national emission reduction policies and fostering the utilisation of renewable energy sources. Subsequent EU directives have set increasingly challenging targets to increase the share of energy from renewable sources, to increase energy efficiency, and to reduce net greenhouse gas emissions.

In 2018, EU Directive 2018/2001 (so-called *RED II*) set a binding target of 32% for the production of energy from renewable sources by 2030, and the *Regulation on the Governance of the Energy Union and Climate Action* (EU 2018/1999) mandated the adoption, at the national level, of specific *National Integrated Energy and Climate Plans* (PNIEC) indicating the policies to be implemented to achieve the EU targets by 2030.

In 2019, the EU adopted a new strategy for growth (so-called *Green Deal*) with the aim of achieving climate neutrality in 2050 through: (i) investments in environmentally friendly technologies, (ii) support for industrial innovation, (iii) decarbonisation of the energy sector, and (iv) mechanisms to support the improvement of energy efficiency in buildings.

In 2020, the European Commission initiated a process to revise the directives on Renewable Energy and Energy Efficiency to evaluate the introduction of more ambitious climate objectives for 2030. These updated targets have laid the foundation for the most recently introduced measures.

Significant regulatory and institutional updates during the year

▪ *European Union - REpowerEU Packages*

Following the outbreak of the war in Ukraine, in March 2022, the European Commission proposed the "REpowerEU" plan to make Europe independent from Russian fossil fuels. The main measures and actions proposed for renewable energy include raising European targets in 2030 from 40% to 45%, a photovoltaic installation target of 320 GW by 2025 and of almost 600 GW by 2030.

▪ *Directive (EU) 2022/2464 (so-called Corporate Sustainability Reporting Directive - CSRD) and Legislative Decree 125/2024 of transposition*

In 2022, the European Financial Reporting Advisory Group (EFRAG) released the first series of *European Sustainability Reporting Standards* (ESRS) so that businesses across the continent, with staggered adoption schedules based on specific size criteria and listing status on regulated markets, can conform to the *Corporate Sustainability Reporting Directive* (CSRD) disclosure requirements.

The CSRD aims to improve the quality of corporate processes and reporting to enable stakeholders to understand and compare an organisation's ESG impact, enabling more informed decisions based on sustainability KPIs and related business impacts and risks.

In December 2023, the ESRS were published in the EU Official Journal, becoming binding.

As far as national legislation is concerned, on August 30, 2024, the Council of Ministers approved the Decree-Law transposing Regulation 2022/2464, which was then published in the Official Journal on September 10, 2024, as Legislative Decree no. 125. Legislative Decree no. 125/2024 replaces the previous regulation on the Non-Financial Statement - the so-called "NFS" - by providing a new regime in the area of sustainability, centred on the obligation to provide, in the management report, a set of information with the ultimate goal of understanding the impact of the company on sustainability issues and how these issues affect the company's performance and results.

Finally, it should be noted that, on February 26, 2025, the European Commission presented the so-called "*Omnibus package*" - currently awaiting approval by the European Parliament - to simplify the management of sustainability by companies, with measures aimed at alleviating the areas of financial sustainability reporting (CSRD) and compliance with the EU taxonomy. This package proposes, among the principal measures, (i) a 2-year delay in the application of the CSRD (except for companies already "in scope" in 2024), (ii) the elevation of size criteria for which the application of legislation becomes mandatory, (iii) the revision of the "double materiality" concept, with a unified "materiality" between financial and sustainability reporting, and (iv) the simplification of "value chain" reporting requirements for companies "in scope".

- *Italy - D.L. implementing the PNRR (National Recovery and Resilience Plan) and conversion law no. 233/2021*

In December 2021, Law no. 233/2021 converting Decree-Law no. 152/2021 for the implementation of the PNRR was published. The main provision foresees the possibility of participation in GSE auctions for complete reconstruction (i.e. repowering) projects together with greenfield projects, within the same quota. The deadline for the use of PNRR funds is currently set for June 30, 2026.

- *Italy - M.D. June 21, 2024 (so-called "Suitable Areas") - Regulations for the identification of surfaces and areas suitable for the installation of renewable energy plants*

In force since July 3, 2024, the "Suitable Areas" Ministerial Decree has a twofold purpose: (i) to identify the distribution among the Regions and Autonomous Provinces in view of the national target of installing an additional 80 GW from renewable sources by 2030 compared to December 31, 2020, and (ii) to establish principles and criteria for identifying the areas suitable and unsuitable for the installation of RES plants.

The decree goes on to specify 4 different types of areas that the regions are called upon to identify - within 180 days of the ministerial decree coming into force - ensuring the appropriate involvement of local authorities. These are in particular the:

- a) suitable areas, for which an accelerated and facilitated procedure is provided for the construction and operation of RES plants and related infrastructure in accordance with the provisions in force;
- b) unsuitable areas, i.e. incompatible with the installation of specific types of plants;
- c) ordinary areas, are those areas other than those in (a) and (b) and in which ordinary authorisation regimes apply;
- d) areas where the installation of photovoltaic systems with ground-mounted modules in areas classified as agricultural by urban plans is prohibited.

The MASE, assisted by the GSE, should monitor and verify the fulfilment of the obligations of local authorities both in terms of enactment of legislation and achievement of the annual targets set.

The Conversion Law introduced a transitional regime by virtue of which the prohibition on the construction and installation of RES plants will not apply to projects for which, on the date of entry into force of the decree-law, at least one of the administrative procedures, including those of environmental assessment, necessary to obtain the permits for the construction and operation of the plants and related works has been initiated.

The Regions were supposed to issue regional measures to identify the Suitable Areas within 180 days following the enforcement of the Ministerial Decree. Nonetheless, this decree, which grants the Regions the power to deviate from the state regulatory framework, was suspended by the Council of State in November 2024, as it contravened Legislative Decree 199/2021, which already defines the suitable areas at a primary level. The goal of the suspension is to safeguard the effectiveness of national legislation, preventing any regional initiatives

from jeopardising the objectives of the PNRR and the European climate and energy goals. In addition, some operators within the sector have challenged the Ministerial Decree of June 21, 2024, and the Lazio Regional Administrative Court is called upon to pass judgement on this appeal by March 2025. Consequently, the process of enacting regional laws has experienced a slowdown, and the Government, via the *Milleproroghe* decree, has granted an additional 90 days to the regions to complete the regulatory adjustments.

▪ *Italy - RES 2 Decree*

The Ministry of the Environment and Energy Security (MASE) issued - on August 13, 2024 - the RES 2 Decree, which promotes the realisation of plants from innovative renewable sources or with high generation costs, with various incentive measures; plants from innovative renewable sources or with high generation costs are defined as:

- thermodynamic solar, with nominal storage capacity of not less than 1.5 thermal kWh and storage systems;
- zero-emission geothermal power;
- conventional geothermal power plants that reduce emissions of mercury, hydrogen sulphide and ammonia;
- biomass power plants producing thermal energy primarily for self-consumption on site, with nominal power of no more than 1,000 kW electricity;
- biogas obtained from the anaerobic digestion of biomass, with nominal power not exceeding 300 kW electricity;
- floating photovoltaics, both at sea and in inland waters;
- offshore floating wind turbines on fixed foundations with a minimum distance from the coast of 12 nautical miles;
- for the production of tidal, wave and other forms of marine energy.

The RES 2 Decree has the ambition to promote the production of an additional 4.59 GW of RES plants, of which 3.80 GW of offshore wind power, through competitive procedures to be announced by the GSE from 2024 to the end of 2028.

Plants eligible for incentives will have to comply with a number of requirements, such as possession of a permit, environmental requirements and certain dimensional and construction criteria laid down in the decree.

At the end of the verification and control procedure, the GSE will draw up a public ranking list, in accordance with the principle of transparency, of plants that meet all requirements.

Thereafter, the GSE will disburse the planned incentives for the period required for the life of the plants; in the event of failure to meet the deadline, there will be a 0.5% deduction from the tariff due for each month of delay, up to a maximum of nine months.

▪ *Italy - Consolidated Law on Renewable Energies*

Entered into force on December 30, 2024, the Legislative Decree no. 190/2024 (or *Consolidated Law on Renewable Energies*), simplifies existing legislation by ending the legislative fragmentation in this area, defining the administrative regimes for the construction and operation of RES-based energy production plants and related works. For the implementation of the interventions deemed "*of public utility, non-deferrable, and urgent*", three administrative regimes are outlined. These also encompass the related works and essential infrastructures for constructing and operating the plants, including the necessary connections to the distribution network and the national transmission network for the supply of energy produced by the plant:

1. free activity: it applies to minor interventions that do not interfere with protected assets or public works;
2. simplified enabling procedure (PAS): designed for interventions that do not require environmental assessments but still require specific monitoring;
3. single authorisation (AU): regional competence for plants up to 300 MW and national competence for those with higher power (Ministry of the Environment).

Regions and local authorities have 180 days (until June 28, 2025) to adapt to the new provisions, with the option to establish specific rules to further streamline administrative regimes and/or elevate the specified power thresholds.

One of the major innovations is the introduction of the "*acceleration zones*" chapter: the *Consolidated Law on Renewable Energies* stipulates that by May 2025, the GSE must publish a map of the national territory, identifying (i) the nation's potential and (ii) areas available for the installation of renewable plants.

▪ *Italy - Transitional RES X Decree*

Envisaged by the RED II Directive and by the Italian transposition law (Legislative Decree no. 199/2021), the transitional RES X Decree (of February 2025) envisages major simplifications in energy incentive mechanisms with a new facilitation scheme that will initially be in force until December 31, 2025 (so-called "*Transitional RES X*"), pending a second measure that should remain in force until December 31, 2028. In general, there are (i) new incentive tariffs for energy produced from renewable sources with a pre-set price, and (ii) tenders to allocate funds to create a competitive and transparent context for the allocation of incentives.

Incentives are offered for generating electricity from photovoltaic, wind, hydroelectric, and gas treatment plants using residues from purification processes.

For plants up to 1 MW, a quota of 3 GW is envisaged within the transitional RES X; for plants above 1 MW, quotas will be incentivised (through participation in competitive procedures) within the following limits: (i) 10 GW for photovoltaic technology and 4 GW for wind technology.

According to the transitional RES X provisions, the plants must be constructed within 36 months from the auction award date, with an additional 18 months of flexibility permitted. It is therefore reasonable to expect the continuation of the current favourable market conditions even in the medium term.

Risks related to electricity price trends

In the market context in which the PLC Group operates, the electricity price is one of the main variables considered by investors when evaluating the initiation of new ventures. The risk that the performance of this variable might impact the Group's current and prospective business in the short to medium term is substantially limited to a possible postponement in the initiation of certain activities. This is because the decision to proceed with an authorisation process aimed at constructing a renewable energy production plant follows a path characterised by (i) potentially lengthy timelines, (ii) an investment with a medium to long-term horizon (20–30 years), (iii) a particularly costly effort, and (iv) an uncertain outcome, making it difficult to abandon due to temporary shifts in electricity prices compared to the targets hypothesised during the investment evaluation phase. What matters most to an investor in relation to the electricity price is its predictability over the long term, i.e. over the time horizon of the investment. In this regard, it should be noted that there are ways in which the electricity price can be fixed over the long term, such as public auction mechanisms and PPA (power purchase agreements, multi-year contracts at predetermined prices).

The energy price is even less impactful on the PLC Group's O&M activities, given the importance of constant and timely maintenance activities to ensure the proper functioning and optimisation of existing plants and electrical infrastructure, including activities of revamping and repowering.

Risks from climate change

As anticipated by Consob warning 2/24, it should be emphasised that the operational risk from climate change is considered very limited due to the PLC Group's situation: (i) it owns no operating assets except for self-consumption photovoltaic systems, (ii) it is not liable for construction site penalties related to this risk since extreme or unusual weather events are regarded as "*force majeure*" in contracts, and (iii) the value of equipment owned and used on construction sites is very minimal. In general, however, the opportunity of

activating appropriate insurance hedging procedures against climatic events is being considered. Therefore, the risks, uncertainties and impacts on the financial statements items are not considered relevant.

Although the risk, as reported earlier, is limited, the Group could be exposed to risks such as: (i) the impact of more stringent energy efficiency and climate change legislation that may lead to an increase in operating costs; (ii) the impact of customer awareness regarding climate change and emissions reduction, resulting in a shift towards low-carbon products. These risks have been appropriately considered in the preparation of this Annual Financial Report, as well as in the drafting of impairment tests, as will be discussed later in this document.

See also what has already been reported in paragraph 2.13 below.

Financial Risks

The PLC Group is exposed to the following financial risks: (i) liquidity risk stemming from the possibility of not being able to source the necessary funds to meet its obligations, (ii) credit risk arising from the possibility of default by a counterparty and (iii) interest rate risk arising from financial exposure. The management of financial risks is an integral part of the Group activities and is carried out centrally by the Parent Company to ensure that activities involving financial risk are governed by the appropriate corporate policies and procedures, and that financial risks are identified, assessed and managed promptly in accordance with the Group's risk appetite.

Considering the war in Ukraine, which began in February 2022, and the Middle East crisis in October 2023, the management is monitoring any critical issues and impacts concerning financial risks. The Group does not have any direct exposure to the relevant markets, and as in 2023, 2024 has not experienced significant impacts from the indirect effects on the supply chain.

For the year 2025, no negative outcomes are expected from the development of these conflicts, except for unforeseen events that might impact the business, particularly the supply chain.

For additional information on financial risks required by IFRS 7, see paragraph 3.2.5. with reference to the consolidated financial statements and paragraph 4.2.4 with reference to the separate financial statements.

Risks arising from extra-EEC duties

The tariffs announced by the US administration, inaugurated in 2025, against the EU might have significant effects on our country. The global trade outlook remains bleak and is further exacerbated by the potential escalation of trade and geopolitical tensions due to US tariffs, risking substantial impacts on Italy. At this time, it should be noted that the Company, operating as the primary market in the national territory, is not expected



to encounter negative repercussions. However, management is in the process of evaluating any potential effects that may arise across its operations, including the supply chain.

Legal risks

Litigation in which the company is the plaintiff

Following a complication encountered in the construction phase of 2 of the wind farms completed in 2019, the subsidiary PLC System S.r.l. undertook a dispute as it had to intervene as the contractor to resolve the site issues that emerged, bearing the related costs to limit the damages to the clients. Following the occurrence of such problems, the respective client companies filed a separate claim with the insurance company, each on its own account, and the insurance company opened two independent files under the "erection all risk" policy; however, the insurance company denied coverage for the claims for both positions.

Disagreeing with the insurance company's position, PLC System S.r.l., as the insured party, resorted to arbitration, which was subsequently concluded with the rejection of all claims.

Subsequently, PLC System S.r.l. challenged the arbitral award, in court and in the "Corte di Appello" (second jurisdiction grade). However, the claim for reimbursement of the costs incurred by the company was always rejected. Following in-depth analysis and information on the likelihood of a successful appeal to the "Corte di Cassazione" (third and latest jurisdiction grade) rendered in a specific opinion by the appointed external lawyer, the Company decided to file an appeal to the "Corte di Cassazione", highlighting the censurable profiles that the second instance sentence presents in terms of the interpretation of the insurance contract. It should also be noted that, following the filing of the appeal with the "Corte di Cassazione", the lawyer in charge suggested initiating talks with the insurance company to assess the possibility of reaching an out-of-court settlement. The Company considered it reasonable to initiate talks.

Alongside this judgement, PLC System S.r.l. also acted against the works director, which during 2023, resulted in an amicable settlement of the pending dispute.

Litigation filed against the company

There are no disputes pending that are worthy of mention due to their subject matter or value.

Regarding the sale of the shareholding in Schmack Biogas S.r.l., it should be noted that the buyer has entered into a so-called policy "warranty & indemnity" aimed at limiting the liability of sellers with respect to representations and warranties made in connection with the transaction to contractually defined assumptions, in addition to cases of fraud. The contractually defined assumptions limit potential indemnities to specific cases and to amounts that are insignificant overall in relation to the transaction.



2.13 COMMITMENT TO SUSTAINABILITY

From the 2020 financial year, the PLC Group, even though it is not subject to the mandatory drafting of the Consolidated non-financial statement required by Articles 3 and 4 of Legislative Decree no. 254/2016, has opted to draft the Consolidated Sustainability Report, following the best international reporting standards defined by the Global Reporting Initiative (GRI).

In fact, the PLC Group, aware of the importance of the Sustainable Development Goals of the 2030 Agenda (SDGs), and considering the role it intends to play in the energy transition and its position in the renewable energy chain, has decided to share with its stakeholders its future economic, environmental and social objectives and how these will practically impact its business and governance model, with the aim of communicating the real value created by the entire organisation and the impact on all stakeholders.

The Group's commitment has been embodied in the 2024-2027 Strategic Sustainability Plan, approved in December 2023, containing a series of specific and concrete initiatives that highlight PLC's responsibility in the environmental and social context in which it operates and the continuous improvement in the Group's governance, with objectives set for both the medium and long term. The initiatives of the Strategic Sustainability Plan will lead to concrete and measurable improvements in the areas Environment (with projects on decarbonisation, circular economy, and biodiversity), Social (with projects on well-being, training, health and safety, and territorial impact), and Governance (with projects on integration and transparency and supply chain). In this regard, in the first months of 2025, the Group defined the sustainability objectives to be pursued for the 2025 financial year.

On March 27, 2025, PLC S.p.A. presented the Board of Directors with the Consolidated Sustainability Report for December 31, 2024, following the opinion of the Risks and Sustainability Control Committee, alongside this Financial Report. The report will be published on the website in the "Investor Relations / Sustainability" section.

2.14 DISCLOSURE PURSUANT TO LAW NO. 124/17

In accordance with the provisions of Law no. 124 of August 4, 2017, Article 1, paragraph 125, it is noted that in the year, the Group did not receive any grants from public administrations, except for as outlined in paragraph 2.7 "Research and development activities".

2.15 ANY FAILURE TO COMPLY WITH COVENANTS, NEGATIVE PLEDGES AND ANY OTHER CLAUSE OF THE GROUP'S INDEBTEDNESS THAT RESTRICTS THE USE OF FINANCIAL RESOURCES

As of today there are no cases of non-compliance with financial covenants or negative pledges.

The following are the loan agreements that provide for the observance of financial covenants.



PLC Service S.r.l. - BNL Loan Agreement

The loan signed on July 31, 2018 by the subsidiary PLC Service S.r.l. with BNL requires compliance with two financial covenants subject to verification annually starting from December 31, 2018 and for the entire duration of the loan (i.e. 10 years); failure to comply with both covenants may result in forfeiture. These covenants, to be recognised on the values resulting from the consolidated financial statements of the PLC Group, envisage (i) a ratio between financial debt and an EBITDA of less than 3 and (ii) a ratio between financial debt and a Shareholders' Equity of less than 3.5. At December 31, 2024, both covenants had been complied with.

PLC S.p.A. – BNL medium-long term Loan Agreement

The loan entered into on January 22, 2019 by the parent company PLC S.p.A. with BNL provides for compliance with two financial covenants subject to annual verification starting from December 31, 2018 and for the entire duration of the loan; the simultaneous failure to comply with the financial covenants constitutes a Significant Event under the loan contract. These covenants, to be recognised on the values resulting from the consolidated financial statements of the PLC Group, envisage (i) a ratio between financial debt and an EBITDA of less than 2 and (ii) a ratio between financial debt and a Shareholders' Equity of less than 1.5. At December 31, 2024, both covenants had been complied with. At the end of January 2025, the last instalment of the loan was repaid.

2.16 GLOSSARY

Financial Terms

Cash Generating Unit (CGU) corresponds, in the context of performing the impairment test, to the smallest identifiable group of assets that generates cash inflows and/or outflows, deriving from the continuous use of assets, largely independent of the cash inflows and/or outflows generated by other assets or groups of assets.

The Corporate Sustainability Reporting Directive (CSRD) refers to European Directive 2022/2464, with its primary aim being to make companies accountable for environmental and social sustainability. It broadens the scope of entities required not only to prepare sustainability reports, according to stricter regulations than the former Non-Financial Reporting Directive (NFRD) - Directive 2014/95/EU - but also to communicate to their stakeholders the impacts they have on the environment, people, and the sustainability risks they face.

The **Non-financial statement (NFS)** indicates reporting that goes beyond purely economic-financial data and reports actions, strategies, and results to demonstrate the organisation's commitment to improving environmental sustainability, inclusion, and social equity.

EBIT (Earnings Before Interest and Taxes) indicates the operating result.

EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortisation) means the gross operating margin.

ESG (Environmental, Social, and Governance) refers to the three essential dimensions that enable the assessment, measurement, and enhancement of the actual impact in terms of sustainability of a company or organisation.

Guidance indicates the forecast data, with particular reference to the indicators included in the 2023-2027 Business Plan approved by the Board of Directors on December 22, 2022 and disclosed to the market.

Headroom (Impairment Loss) means the positive (or negative) excess of the recoverable amount of a CGU over its carrying amount.

International Financial Reporting Standards (IFRS) means the international accounting standards issued by the International Accounting Standards Board (IASB) and adopted by the European Commission. They include International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), interpretations issued by the International Financial Reporting Interpretation Committee (IFRIC) and the Standing



Interpretations Committee (SIC) adopted by the IASB. The name International Financial Reporting Standards (IFRS) was adopted by the IASB for standards issued after May 2003. Previously issued standards have retained the name IAS.

Weighted Average Cost of Capital (WACC) is the interest rate at which - in performing the impairment test - the future incoming and/or outgoing cash flows of a CGU are discounted; this rate is calculated as the weighted average of the company's cost of debt capital and cost of risk capital, defined based on the Capital Asset Pricing Model (CAPM) methodology, consistent with the specific risk of the PLC Group's business.

Operating Activities

Balance of Plant (BOP) means the executive and construction design, supply of components and/or equipment and their accessories, constituting all elements necessary for the operation of the plant except for the generation component, and in general civil works, electromechanical works, supervision and control systems.

Battery Energy Storage Systems (BESS) are energy storage systems in which batteries are used to store electricity generated by power plants and make it available when needed.

Build-Operate-Transfer (BOT) means the contractual form whereby the owner (PLC Group) receives the assignment from a lender (utilities, IPPs and/or investment funds) of a contract to finance, design, construct, and operate a power generation plant that will be transferred to the lender.

Engineering, Procurement, Construction (EPC) refers to the typical contract in the Engineering & Construction Segment for the construction of plants in which the service provider performs the engineering, material procurement and construction activities. A "turnkey contract" is when the plant is delivered ready for start-up or already started up.

RES (Renewable Energy Sources) refers to non-fossil energy sources, i.e. wind, solar, aerothermal, geothermal, hydrothermal, oceanic, hydraulic, biomass, landfill gas, waste gases from purification processes, and biogas.

Energy Services Manager (GSE, *Gestore Servizi Energetici*) is a company whose sole shareholder is the Ministry of Economy and Finance and whose mission is to promote sustainable development and the rational use of energy.

European Green Deal means the set of legislative and non-legislative initiatives undertaken by the European Commission with the overall goal of achieving climate neutrality in Europe by 2050.



Operation and Maintenance (O&M) means the operation and maintenance activities during the life of an energy production plant to maintain its full functionality.

The **Simplified Authorisation Procedure (SAP)** is an authorisation process aimed at streamlining bureaucracy and speeding up the development of RES plants. It is applicable to electricity generation plants powered by RES that are below specified power thresholds, as well as for some types of RES heating and cooling systems.



3 CONSOLIDATED FINANCIAL STATEMENTS

3.1 CONSOLIDATED FINANCIAL STATEMENTS

3.1.1 FINANCIAL POSITION STATEMENT

FINANCIAL POSITION STATEMENT (figures in thousands of Euros)	Notes	12.31.2024	of which from related parties	12.31.2023	of which from related parties
Non-current assets					
Tangible assets	A	7,101	-	6,538	-
Goodwill	B	4,711	-	4,750	-
Intangible assets	C	3,822	-	3,802	-
Equity investments accounted for using the equity method		-	-	-	-
Equity investments in other companies	D	11	-	11	-
Deferred tax assets	E	426	-	1,402	-
Receivables and other non-current assets	F	1,148	-	1,233	-
Other non-current financial assets		-	-	-	-
Non-current derivative instruments	G	12	-	52	-
Total non-current assets		17,231		17,788	
Current assets					
Inventories	H	6,661	-	6,216	-
Contract assets	H	6,169	-	7,174	-
Trade receivables	I	13,342	-	19,219	-
Financial receivables	J	450	3	18	18
Other receivables	K	5,051	-	6,435	-
Cash and cash equivalents	M	17,718	-	9,961	-
Other current financial assets		-	-	-	-
Current derivative instruments		-	-	-	-
Total current assets		49,391		49,023	
Non-current assets held for sale / disposal	MM	323	-	14,343	-
TOTAL ASSETS		66,945		81,154	

FINANCIAL POSITION STATEMENT (figures in thousands of Euros)	Notes	12.31.2024	of which from related parties	12.31.2023	of which from related parties
Share capital and reserves		11,466	-	12,009	-
Profit (loss) for the period attributable to the Group		11,423	-	586	-
Group shareholders' equity		22,889		12,595	
Minority interests in shareholders' equity		25	-	24	-
TOTAL SHAREHOLDERS' EQUITY	L	22,914		12,619	
Non-current liabilities					
Non-current financial liabilities	M	2,110		3,545	-
Provisions for non-current risks and charges	N	625	-	675	-
Employee severance indemnity	O	2,645	-	2,412	-
Deferred tax liabilities and other non-current taxes	P	45	-	211	-
Payables and other non-current liabilities		-	-	-	-
Non-current derivative instruments		-	-	-	-
Total non-current liabilities		5,425		6,843	
Current liabilities					
Current financial liabilities	M	2,693	-	5,145	-
Provisions for current risks and charges	Q	-	-	45	-
Trade payables	R	18,411	-	22,854	19
Contract liabilities	S	11,604	-	17,094	-
Other payables	T	5,889	-	4,034	-
Current derivative instruments		-	-	-	-
Total current liabilities		38,597		49,172	-
Non-current liabilities held for sale / disposal	MM	9	-	12,520	-
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		66,945		81,154	

3.1.2 INCOME STATEMENT

INCOME STATEMENT (figures in thousands of Euros)	Notes	01.01.2024 12.31.2024	of which to related parties	01.01.2023 12.31.2023	of which to related parties
Revenues from core business	AA	85,228	-	65,319	-
Other operating revenues	BB	1,236	-	1,331	-
Costs for raw materials	CC	(26,044)	-	(23,232)	-
Service costs	DD	(29,900)	-	(23,953)	(19)
Personnel costs	EE	(16,915)	-	(13,780)	-
Other operating costs	FF	(3,920)	-	(2,115)	-
Amortisation and depreciation	GG	(2,104)	-	(1,526)	-
Reassessments (write-downs)	HH	(39)	-	-	-
OPERATING RESULT (EBIT)		7,542		2,044	
Financial income	II	127	-	96	-
Financial charges	JJ	(414)	-	(539)	-
Income from (Expenses on) equity investments		-	-	-	-
Income taxes	KK	(2,460)	-	1,201	-
Profit (loss) for the period from continuing operations		4,795		2,802	
Profit (loss) for the period from discontinued operations	LL	6,533	-	(2,025)	-
PROFIT (LOSS) FOR THE YEAR		11,328		777	
<i>pertaining to the Group</i>		11,335	-	762	-
<i>pertaining to minority interests</i>		(7)	-	14	-
Weighted average number of ordinary shares in the period		25,960,575	-	25,960,575	-
Earnings per share (in Euro)		0.44	-	0.03	-
Diluted earnings per share (in Euro)		0.44	-	0.03	-
Earnings per share of discontinued operations (in Euro)		-	-	-	-

3.1.3 COMPREHENSIVE INCOME STATEMENT

COMPREHENSIVE INCOME STATEMENT (figures in thousands of Euros)	Notes	01.01.2024 12.31.2024	01.01.2023 12.31.2023
PROFIT (LOSS) FOR THE YEAR		11,328	777
Other components of the comprehensive income statement			
Components that cannot be reclassified to the income statement		122	(244)
Tax effect of non-reclassifiable components		(34)	68
Total components that cannot be reclassified to the income statement		88	(176)
Components reclassifiable to the income statement		-	-
Tax effect on reclassifiable components		-	-
Total components reclassifiable to the income statement		-	-
Total other components of the comprehensive income statement	MM	88	(176)
COMPREHENSIVE INCOME STATEMENT		11,416	601
<i>pertaining to the Group</i>		11,423	587
<i>pertaining to minority interests</i>		(7)	14

3.1.4 CASH FLOW STATEMENT

CASH FLOW STATEMENT (figures in thousands of Euros)	01.01.2024 12.31.2024	of which from related parties	01.01.2023 12.31.2023
Comprehensive income/(loss) from continuing operations	4,882		2,626
Fair value adjustment	40		-
Amortisation, depreciation and impairment of fixed assets	2,143		1,526
Write-downs (Revaluations) of fixed assets	-		8
Charges (Net financial income)	287		(444)
Non-cash changes in provisions and taxes	994		-
Other non-monetary items	(96)		(1,522)
Net changes in working capital			
Contract assets	1,005		(2,119)
Inventories	(445)		(1,771)
Trade receivables and other receivables	6,538	13	(1,458)
Trade payables and other payables	(8,078)	(19)	12,226
Change in other provisions and deferred tax assets and liabilities	1,255		(946)
Gross Cash Flow	8,525		8,126
Interest paid	(348)		(564)
Interest received	87		92
Income taxes (paid) received	(470)		(117)
Income taxes	1,748		(1,096)
A - OPERATING CASH FLOW FROM CONTINUING OPERATIONS	9,542		6,441
Comprehensive income/(loss) from discontinued operations	6,533		(2,025)
(Capital Gain)/Loss from assets sold	(6,989)		-
Other items	(156)		-
B - OPERATING CASH FLOW FROM DISCONTINUED OPERATIONS	(612)		(2,025)
C - CASH FLOW FROM OPERATING ACTIVITIES [A+B]	8,930		4,416
(Investments) in tangible and intangible fixed assets	(2,090)		(3,554)
Divestment of tangible and intangible fixed assets	297		3,854
D - INVESTMENT CASH FLOW FROM CONTINUING OPERATIONS	(1,793)		300
E - INVESTMENT CASH FLOW FROM DISCONTINUED OPERATIONS	6,303		(258)
F - CASH FLOW FROM INVESTING ACTIVITIES [D+E]	4,510		42
Obtainment of loans, financing and other financial liabilities	527		2,550
(Repayments) of loans, financing and other financial liabilities	(4,413)		(4,699)
Dividends paid	(1,817)		-
G - FINANCING CASH FLOW FROM CONTINUING OPERATIONS	(5,703)		(2,149)
H - FINANCING CASH FLOW FROM DISCONTINUED OPERATIONS	-		90
I - FINANCING CASH FLOW [G+H]	(5,703)		(2,059)
J - NET CHANGE IN CASH AND CASH EQUIVALENTS FROM CONTINUING OPERATIONS [A+D+G]	2,046		4,591
H - NET CHANGE IN CASH AND CASH EQUIVALENTS FROM DISCONTINUED OPERATIONS [B+E+H]	5,691		(2,192)
NET CHANGE CASH AND CASH EQUIVALENTS [J+H]	7,737		2,399
Cash and cash equivalents at the beginning of the period	9,961		8,420
Cash and cash equivalents for discontinued operations	20		(858)
Cash and cash equivalents at the end of the period	17,718		9,961

For more details, see the note "OO. Cash flow statement".

3.1.5 STATEMENT ON CHANGES IN SHAREHOLDERS' EQUITY

STATEMENT ON CHANGES IN SHAREHOLDERS' EQUITY (figures in thousands of Euros)	Share capital	Statutory reserve	Share premium reserve	Other reserves	Translation reserve	Profit (loss) carried forward	OCI reserve	Profit (loss) for the year	Shareholders' equity (Group share)	Shareholders' equity (minority interests)	Total shareholders' equity
SHAREHOLDERS' EQUITY AT 12.31.2022	27,026	5,405	12,484	(21,434)	1,522	4,094	266	(15,836)	13,527	(8)	13,519
Allocation of 2022 net income/(loss)	-	-	-	-	-	(15,836)	-	15,836	-	-	-
Other changes in shareholders' equity	-	-	-	3	(1,522)	-	-	-	(1,519)	18	(1,501)
Profit (loss) at 12.31.2023	-	-	-	-	-	-	-	763	763	14	777
Other components of comprehensive income (loss)	-	-	-	-	-	-	(176)	-	(176)	-	(176)
<i>Profit (loss) for the period</i>	-	-	-	-	-	-	(176)	763	587	14	601
SHAREHOLDERS' EQUITY AT 12.31.2023	27,026	5,405	12,484	(21,432)	-	(11,742)	90	763	12,595	24	12,619
Allocation of 2023 net income/(loss)	-	-	-	-	-	763	-	(763)	-	-	-
Distribution of dividends	-	-	(1,817)	-	-	-	-	-	(1,817)	-	(1,817)
Other changes in shareholders' equity	-	-	-	688	-	-	-	-	688	8	696
Profit (loss) at 12.31.2024	-	-	-	-	-	-	-	11,335	11,335	(7)	11,328
Other components of comprehensive income (loss)	-	-	-	-	-	-	88	-	88	-	88
<i>Profit (loss) for the period</i>	-	-	-	-	-	-	88	11,335	11,423	(7)	11,416
SHAREHOLDERS' EQUITY AT 12.31.2024	27,026	5,405	10,667	(20,744)	-	(10,979)	178	11,335	22,889	25	22,914

For comments on the individual items, reference should be made to note M. "Shareholders' equity" in the Notes to the consolidated financial statements.

3.2 MAIN PLC GROUP OPERATIONS DURING THE YEAR 2024

Finalising corporate divestments

The activities performed in 2024 represent an advancement in executing the 2023-2027 business strategy, in which (i) the domestic market's strategic dominance was established, (ii) emphasis was placed on the Group's traditional core businesses in electrical infrastructure, solar and wind technology, and (iii) enhancements to the operating model were outlined, including streamlining the corporate structure and divesting non-core businesses. The disposals finalised by the date of approval of this Report allow the Group to maintain momentum in focusing efforts and resources on the Italian market and on technologies identified as strategic for the Group. These technologies are showing strong growth trends in all market segments where the Group operates, as demonstrated by the development of both the backlog and the commercial pipeline over the last two years.

It should be noted that, given the nature of the Parent Company as a holding company, the acquisition and sale of shareholdings fall within normal operational activities. Therefore, there are no atypical or unusual transactions as per Consob communication no. DEM/6064293 dated 28-7-06.

1) Sale of the Schmack perimeter

Following the initiation of the sale process, which took place during 2023, on March 7, 2024 PLC S.p.A. signed the agreement and finalised the deed aimed at transferring the Schmack perimeter to Hitachi Zosen Inova AG (now Kanadevia Inova AG), through the transfer of the share held in Schmack Biogas S.r.l., which held, at the date of the transfer, stakes in 3 other SPVs (50% of Sicily Biomethan S.r.l., 60% of Biofor Ch4 S.r.l., and 25% of Biomethane Invest S.r.l.) constituting the so-called "Schmack perimeter".

Following the closing of the transaction, PLC has withdrawn from the biogas/biomethane sector, further simplifying its corporate structure and continuing the process of streamlining its operations to focus on its core business areas related to electrical infrastructure, photovoltaic and wind power technology in Italy. This strategic shift is due to (i) the sector's outlook and (ii) the considerable backlog and pipeline figures reported in the medium term, which highlight the centrality and profitability of PLC's traditional business and the recognised leadership of the PLC Group in these markets.

The sale agreement provides for a total consideration in favour of PLC of approximately Euro 10.6 million, inclusive of (i) the value of the quotas; (ii) the repayment of the shareholder loans granted by PLC in favour of

Schmack Biogas S.r.l., both received at the date of sale, and (iii) two variable components, differentiated and contingent, linked to an earn-out mechanism based respectively (a) on the achievement of certain operational and commercial targets of Schmack Biogas S.r.l. and (b) on the successful completion of the authorisation procedures of the projects held by Schmack Biogas S.r.l. through its subsidiaries. The agreement stipulates that the variable component matures based on the extent to which Schmack Biogas S.r.l. achieves its results, even if only partially.

Regarding the variable component linked to the earn-out mechanism, as of the date this financial statements was published, it is estimated that the latter could accrue for approximately Euro 1,165 thousand before tax; of this, around Euro 720 thousand was received in December 2024.

2) Sale of Tirreno S.r.l.

On July 26, 2024, the sale of the shareholding held by PLC Power S.r.l. in Tirreno S.r.l. was finalised for a consideration of Euro 120 thousand to the minority shareholder Idea S.r.l.

It should be noted that Tirreno S.r.l. is a special purpose company whose share capital was held 66.6% by PLC Power S.r.l. and 33.4% by Idea S.r.l. - owner of an agricultural land located in Sicily and holder of a connection estimate (STMG), for a feed-in power of 15MW, for the development and construction of a ground-mounted photovoltaic plant. Lastly, it should be recalled that Tirreno S.r.l. was a defendant in a dispute over a fire that occurred on its own land and on a neighbour's land, because of which a provision for risks was allocated - initially for Euro 100 thousand and subsequently reduced to Euro 50 thousand.

The reasons for the divestiture are to be found in (i) the impossibility of pursuing the project as originally conceived, being potential ground-mounted photovoltaics on agricultural land, and (ii) the difficulty in finding alternative development solutions (such as, for example, innovative renewables or electrochemical storage) with sustainable economic-financial returns.

Considering the elements - in particular the value - of the transaction, it was qualified as a "Related Party Transaction of Limited Value" pursuant to the "Related Party Transactions" Procedure adopted by the PLC Group.

3) Liquidation of MSD Service S.r.l. and withdrawal from the dispatching services segment

Following the disclosures in the 2023 Financial Report and the 2024 Half-Yearly Report, evaluations were completed in the early months of 2024 regarding the continued operation of the "*dispatching services*" segment through the subsidiary MSD Service S.r.l., considering the end of the only previously active contract in this area.

These reflections led the Group to the decision to divest this business segment and to start the liquidation process of MSD Service S.r.l.

In line with this decision, the company's final liquidation financial statements and distribution plan were approved during the 2024 financial year, resulting in remaining liquidation assets of approximately Euro 59 thousand and a provision of around Euro 3.5 thousand for the payment of the final operating expenses needed to complete the company's deregistration from the Company Register.

By the end of January 2025, MSD Service S.r.l., in liquidation, was removed from the registers of the Chamber of Commerce and the Revenue Agency, marking the substantial completion of the liquidation process.

4) Signing of new contracts

During the 2024 financial year, new contracts were signed with major industry players for a total value of over Euro 40 million. These contracts will take effect largely during the 2025 financial year with a residual tail in the first half of 2026. In particular, it is appropriate to highlight those of greater importance, which, from time to time, are the subject of specific announcements by the Issuer:

- the signing of the contract, announced on February 1, 2024 between PLC System S.r.l. and wpd Construction Italia S.r.l., a company of the wpd group, relating to the supply and laying of the medium voltage cables for the wind farm located in Licata (AG) with a capacity of over 30 MWp, as well as the medium voltage cables for the connection of the wind farm itself to the substation under construction by PLC System S.r.l. The total contract price amounts to approximately Euro 3.9 million;
- the signing of the contract, communicated on March 26, 2024, between PLC System S.r.l. and Bester New Energy Italia S.r.l., relating to the construction of a utility substation attached to a Terna switching station by means of a high-voltage underground cable duct serving 2 photovoltaic plants with a total capacity exceeding 80 MWp located in the province of Reggio Calabria. The total contract price amounts to more than Euro 3 million;
- the signing of 2 contracts, communicated on July 11, 2024, between PLC System S.r.l. and a subsidiary of the BKW Group (Veneta Energie S.r.l.) relating to the construction of HV/MV infrastructures for the connection to the electricity grid of two wind farms with a capacity of 45 MWp and 80 MWp, respectively, located in the province of Foggia. The contract for executing civil works was awarded with a partner, for a total amount of over Euro 11.5 million, with more than Euro 9.5 million being the responsibility of PLC System S.r.l.;
- the signing of the contract, communicated on July 17, 2024, between PLC System S.r.l. and EG da Vinci S.r.l., a company of the Enfinity Global Group, relating to the construction of a utility substation serving

2 photovoltaic systems with a power of approx. 66 MWp and 38 MWp in the Lazio Region. The total contract price amounts to more than Euro 5 million;

- the awarding, communicated on December 23, 2024, by PLC System S.r.l., of the construction activities for two HV/MV transformation stations necessary for the connection to the grid of a photovoltaic system in favour of Acea Solar, a company 100% controlled by the Acea Group. The total contract price amounts to more than Euro 5.9 million.

To highlight its strategic importance, the contract that PLC System S.r.l. secured, as the leading company of a temporary consortium of companies, involved the engineering, purchase, procurement, construction, testing, and commissioning of 4 primary substations for E-Distribuzione S.p.A., distributed nationwide (1 in northern Italy and 3 in central-southern Italy) for a total base amount exceeding Euro 13.5 million. This awarding continues from an initial contract, granted to a temporary consortium of companies in 2023, in which PLC System S.r.l. played the role of a member. Both contracts are part of the broader development plan of E-Distribuzione and, specifically, the projects for technological innovation and grid resilience, with primary substations being an essential interface node between the national high-voltage transmission grid and the medium- and low-voltage grid. For further details, please refer to the press release available at the following link: [1731311602_2024.11.11_CS-Affidamento-E-Distribuzione.pdf](#).

Finally, it is important to highlight that during 2024, additional contracts were secured, amounting to approximately Euro 55 million, covering both the Engineering & Construction and Services segments; all contracts were established with leading players in their respective sectors.

Disclosure regarding the impacts of the Russian-Ukrainian and Israeli-Palestinian conflicts on the market context and on the economic, equity and financial results of the PLC Group

The continuation of the aforementioned conflicts, which began in February 2022 and October 2023 respectively, has led to serious economic consequences in all industrial sectors, with an impact on the global economy. The PLC Group has no direct exposure to the markets affected and - as in 2023 - 2024 was not significantly impacted by indirect effects on the procurement chain.

For the year 2025, no negative outcomes are expected from the development of these conflicts, except for unforeseen events that might impact the business, particularly the supply chain.

3.3 SIGNIFICANT EVENTS OCCURRING AFTER DECEMBER 31, 2024

Closing of the sale of the share in Samnium Energia S.r.l. and agreement for the sale of the investment in Florianum Energia S.r.l.

On February 10, 2025, the binding offer for the sale of the shareholdings, each representing 60% of the share capital, held by the subsidiary PLC Power s.r.l. in the special purpose companies Samnium Energia S.r.l. and Florianum Energia S.r.l., was accepted. It is important to specify that the accepted offer concerns the entire share capital of the special purpose companies and was jointly signed by PLC Power S.r.l. and the minority shareholder of Samnium Energia S.r.l. and Florianum Energia S.r.l..

The sale of Samnium Energia S.r.l., which does not depend on any suspensive conditions, is projected to occur by the end of the due diligence process in the first half of 2025; conversely, the sale of the shares in Florianum Energia S.r.l. will be finalised upon the fulfilment of certain suspensive conditions, which are still under negotiation, likely in the second half of 2025.

It should be noted that the two companies being sold hold the authorisation rights to develop and construct ground-based photovoltaic systems in the municipality of Foiano di Val Fortore (in the province of Benevento), with a total input power exceeding 18 MW.

Once finalised, the agreement will enable the PLC Group to enhance the value of its first internally developed photovoltaic projects under the "PAS" authorisation model. Additionally, it should be noted that the PLC Group holds further stakes in projects at different development stages within PAS, amounting to approximately 19 MW.

Signing of new contracts in the Engineering and Construction segment and the Services segment

In the early months of the 2025 financial year, new contracts were awarded with significant industry players, totalling over Euro 23 million. The primary economic-financial impacts of these contracts will be felt partly in the 2025 financial year and partly in the 2026 financial year.

In particular, it is pertinent to highlight the award to PLC Service S.r.l. by a major investment fund, announced on March 12, 2025, of the revamping activities of 5 plants with a total power of about 16 MWp in Puglia, Sicily, and Lazio. The total contract price amounts to more than Euro 8 million.

Finally, it should be noted that during the first quarter of 2025, additional contracts were acquired, for a total of about Euro 15 million both for activities falling within the Engineering & Construction segment (including about Euro 7 million of optional activities related to the contract that PLC System S.r.l. was awarded, as the lead company in a temporary joint venture, regarding the engineering, procurement, construction, testing,

and commissioning of 2 primary cabins for E-Distribuzione S.p.A.), as well as for activities falling within the Services segment; all contracts were signed with leading players in their respective segments.

3.4 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

This Financial Report, prepared on a consolidated basis, has been prepared in accordance with the international accounting standards effective at the date of the financial statements, approved by the International Accounting Standards Board (IASB) and adopted by the European Commission in accordance with the procedure set forth in article 6 of Regulation (EC) no. 1606/2002 of the European Parliament and Council of July 19, 2002 and pursuant to article 9 of Legislative Decree no. 38/2005 (*"IFRS accounting standards issued by the International Accounting Standard Board and adopted by the European Union"*). These standards are supplemented by the interpretative documents issued by the International Financial Reporting Interpretations Committee (*"IFRIC"*), which were also endorsed by the European Union at December 31, 2024. The consolidated financial statements at December 31, 2024 were authorised for publication by the Board of Directors on March 27, 2025.

Pursuant to Article 2427, paragraph 22-quinquies, of the Italian Civil Code, it should be noted that FRAES S.r.l., the direct parent company of PLC S.p.A., prepares the consolidated financial statements for the largest group of companies of which it is a subsidiary. Additionally, it is specified that, once the drafting and acknowledgement process has been completed, a copy of the consolidated financial statements will be available at the registered office of the Parent Company.

FINANCIAL STATEMENT FORMATS ADOPTED

The PLC Group presents the comprehensive income statement in two separate statements: (i) the statement of profit and loss for the period and (ii) the statement of other components of comprehensive income, classifying the individual components by nature.

With reference to the financial position statement, a presentation format was adopted distinguishing assets and liabilities between current and non-current, as permitted by IAS 1.

The statement of changes in shareholders' equity has been defined in accordance with IAS 1 by means of a statement that reconciles, for each item of shareholders' equity, the opening and closing balances.

The cash flow statement details the cash flows for the year, divided into (i) flows from "going concern" activities and (ii) flows from disposal activities, distinguishing them as operating activities, investment flows, and financial management cash flows. The cash flows from operating activities are shown using the indirect

method, as stipulated by IAS 7. It should be noted that in the financial position statement and in the comprehensive income statement, transactions with related parties have been shown under specific items. With reference to the positive and/or negative income components related to non-recurring transactions, the relevant information is provided separately. In preparing these financial statements, the Directors assumed that the going concern assumption was met and, therefore, prepared the financial statements using the standards and criteria applicable to operating companies. The financial statements and the notes to the financial statements are presented in Euro thousands, unless indicated otherwise; as a result, in some tables, the total amounts may differ slightly from the sum of the amounts composing them because of rounding.

Going concern assumption

The economic-financial and commercial results (in terms of backlog and pipeline values) for the period and the forecasts of the PLC Group, included in the 2023-2027 Business Plan approved on December 22, 2022, integrated with the 2025 Budget approved by the Board of Directors on March 12, 2025, do not show any criticality in relation to the adequacy of cash and credit lines to allow it to meet its financial commitments for a future period of at least 12 months from the date of approval of these financial statements. The Directors constantly monitor and will continue monitoring the development of the situation. However, based on the current forecasts and results achieved so far, it is believed that the Group has adequate financial and capital resources to continue operating as a going concern in the coming years.

From an equity perspective, moreover, it should be noted that the Parent Company and Group's equity balance is adequate for the performance of business activities.

Considering the above, the Directors assumed that the going concern assumption was met and, therefore, prepared this consolidated financial statements using the standards and criteria applicable to operating companies.

CONSOLIDATION PRINCIPLES

The consolidated financial statements include the financial statements of PLC S.p.A. and of the companies over which it has the right to exercise control. The definition of control is not based solely on the concept of legal ownership but exists when the Group simultaneously has (i) power over the entity in question, (ii) exposure or rights to variable returns deriving from the relationship with the entity in question, and (iii) the ability to exercise its power over the entity in question to affect the amount of its returns. Subsidiaries are consolidated on a line-by-line basis from the date on which control is acquired until the time as such control ceases to exist.

The financial statements of the subsidiaries have been suitably adjusted to make them consistent with the accounting standards and assessment criteria adopted by the parent company.

Investments in joint ventures and associates over which significant influence is exercised, but which cannot be qualified as joint operations, are valued using the equity method, whereby the carrying amount of the investments is adjusted to reflect the investor's share of the profit or loss and the dividends distributed by the investee company.

Following the application of the equity method, it is assessed whether it is necessary to recognise a further loss in value of the investment in the joint venture or associate, or whether there is objective evidence that the investment has suffered a permanent loss in value. If this is the case, the amount of the loss, calculated as the difference between the recoverable amount of the joint venture or associate and its carrying amount, is recognised in profit or loss.

When an investment ceases to be a joint venture or in the event of a loss of significant influence, the use of the equity method is suspended from that date; from that moment the investment is accounted for as an investment in other entities in accordance with IFRS 9.

The main consolidation criteria adopted are indicated below:

- subsidiaries are consolidated on a line-by-line basis, according to which:
 - i. the assets, liabilities, costs and revenues of the subsidiaries are assumed on a "line by line" attributing to minority shareholders, in specific items of the financial position statement and income statement, their share of shareholders' equity and of the result for the year;
 - ii. the carrying amount of the individual equity investments is eliminated against the corresponding portion of shareholders' equity including the fair value adjustments, at the date of acquisition, of the related assets and liabilities; any residual difference to emerge is allocated to goodwill, if positive, and is charged to the income statement if negative;
 - iii. the equity and economic relations between the fully consolidated companies, including dividends distributed within the Group, are cancelled. Unrealised intra-group losses are considered when the transaction provides evidence of impairment of the transferred asset.

If a sales programme is undertaken that involves the loss of control of a subsidiary, the assets and liabilities of that subsidiary are classified as held for sale.

Foreign currency transactions

All transactions are accounted for in the functional currency in which each Group company operates. Transactions carried out in different currencies than the functional currency of Group companies are

converted into that currency based on the exchange rate at the date of the transaction. Monetary assets and liabilities (defined as assets or liabilities held for collection or payment, the amount of which is fixed or determinable - IAS 21) are translated at the exchange rate of the reporting date; exchange differences are charged to the income statement. Non-monetary assets and liabilities, which are measured at historical cost in foreign currencies, are translated at the historical exchange rate at the date of the transaction. Non-monetary assets and liabilities, which are measured at fair value in a foreign currency, are translated at the exchange rate in force on the date the fair value was determined.

Translation of financial statements in foreign currencies

The financial statements of companies with a functional currency other than the presentation currency of the consolidated financial statements (Euro) are converted as follows:

- a) assets and liabilities, including goodwill and fair value adjustments arising from the consolidation process, are translated at the exchange rates at the reporting date;
- b) revenues and costs are translated at the average exchange rate for the period, which is considered the exchange rate that approximates that recorded on the dates of the individual transactions;
- c) monetary assets and liabilities are translated at the exchange rate at the reporting date;
- d) non-monetary assets and liabilities, which are measured at historical cost in foreign currencies, are translated at the historical exchange rate at the date of the transaction;
- e) exchange differences arising from the translation process shall be allocated to a specific equity reserve.

It should be noted that during the 2024 financial year, the Group did not consolidate companies with foreign currency.

BUSINESS COMBINATIONS AND GOODWILL

Business combinations are accounted for using the acquisition method.

The consideration transferred in a business combination is determined at the acquisition date of control and is equal to the fair value of the assets transferred, liabilities incurred or assumed, as well as any equity instruments issued by the purchaser. Costs directly attributable to the transaction are recognised in the income statement at the time they are incurred. At the date of acquisition of control, the shareholders' equity of investee companies is determined by attributing to the individual items of the financial position statement assets and liabilities their fair value, unless the IFRS provisions establish a different measurement method. Any residual difference with respect to the purchase cost, if positive, is recorded under the asset item "*Goodwill*"; if negative, it is recorded in the income statement.

If control is not acquired in full and where there are no agreed options for the purchase of minority interests, it is determined based on the portion assigned to the current values attributed to the assets and liabilities at the acquisition date of control, excluding any goodwill attributable to them (the partial goodwill method).

On the other hand, if the agreements signed provide for options relating to the purchase of minority interests (put and call agreements), a specific valuation is carried out of the instrument assigned to the respective parties, with the consequent adjustment of the value of the minority interests' share of the reserve and of goodwill.

If control is acquired in subsequent stages, the purchase cost is determined by adding the fair value of the equity investment previously held in the acquired company and the amount paid for the additional shareholding. The difference between the fair value of the investment previously held and its carrying amount is recognised in the income statement. In addition, when control is acquired, any items previously recorded in the other components of comprehensive income are charged to the income statement or to another item of shareholders' equity, if this is not provided for. Goodwill is initially recognised at cost, which is the difference between the consideration transferred by the purchaser and the identifiable net assets acquired and liabilities assumed by the Group. If the fair value of the net assets acquired exceeds the total consideration paid, the Group again checks whether it has correctly identified all the assets acquired and liabilities assumed, and reviews the procedures used to determine the amounts to be recorded at the date of acquisition. If the new valuation still reveals a fair value of the net assets acquired that is higher than the consideration, the difference (profit) is recognised in the income statement. After initial recognition, goodwill is subject to an impairment test with reference to the cash generating units ("CGUs") or groups of CGUs to which it is allocated and monitored by the directors.

Any impairment of goodwill must be recognised if the recoverable amount of all the operating assets and liabilities relating to the CGU or group of CGUs to which the goodwill has been allocated is lower than its carrying amount.

Recoverable amount is the higher of (1) the fair value of the CGU (i.e. market value), less costs to sell, and (2) its value in use, or the present value of expected cash flows that are presumed will arise from the continuing use of an asset and from its disposal at the end of its useful life.

The impairment test is carried out on a half-year basis or, if there are indications that the value of the asset may have been impaired, more frequently.

TANGIBLE ASSETS

Tangible assets are recorded at the historical cost of purchase, production or transfer, including the directly attributable accessory charges necessary to make the assets available for use, net of the related accumulated depreciation and any accumulated impairment losses.

Maintenance and repair costs are charged to the income statement of the financial year in which they are incurred if of an ordinary nature, or capitalised if they increase the value or the economic duration of the asset. Depreciation is calculated based on rates considered suitable for distributing the value of the assets over their respective useful lives, understood as an estimate of the period in which the asset will be used by the company; the recoverability of their carrying amount is verified by adopting the criteria indicated in the Section "*Impairment of tangible and intangible assets*". Land, whether free of construction or attached to buildings, is not depreciated.

Tangible assets are derecognised from the financial position statement at the time of disposal or when they are permanently withdrawn from use and, consequently, no future economic benefits are expected from their sale or use. Gains and losses arising on the disinvestment or disposal of tangible assets are determined as the difference between the net disposal fee and the carrying amount of the asset.

The depreciation rates applied are shown below:

Buildings	3%
Light constructions	10%
Plant and machinery	10%
Furniture and fittings	12%
Industrial and commercial equipment	15%
Vehicles	20%
Computers/Software and electronic machines	20%
Cars	25%

INTANGIBLE ASSETS

Intangible assets acquired or produced internally are recognised as assets, in accordance with the provisions of IAS 38 - Intangible Assets, when it is probable that the use of the asset will generate future economic benefits and when the cost of the asset can be determined reliably. These assets with a finite useful life are assessed at cost if acquired separately, while those acquired through business combinations are capitalised at fair value at the acquisition date. These assets are systematically amortised over their estimated useful life;

the recoverability of their carrying amount is verified by adopting the criteria indicated in the paragraph *"Impairment of tangible and intangible assets"*.

Other intangible assets include:

Research and development costs

Research costs are charged to the income statement at the time they are incurred.

Development costs incurred in relation to a given project are capitalised only when the Group can demonstrate (i) the technical feasibility of completing the intangible asset so as to make it available for use or sale, (ii) its intention to complete that asset for use or sale, (iii) the manner in which it will generate probable estimated future economic benefits, (iv) the availability of technical, financial or other resources to complete the development and (v) its ability to reliably measure the cost attributable to the asset during its development. After initial recognition, development costs are assessed at cost less any accumulated amortisation or loss. Capitalised development costs are amortised over the period in which the related project is expected to generate revenue for the Group. The carrying amount of development costs, when the asset is not yet in use, is reviewed annually for any impairment or, more frequently, when there is evidence of a possible impairment in value during the financial year.

Software

The software licenses purchased are recorded based on the costs incurred for the purchase and commissioning of the specific software, net of amortisation and accumulated impairments. These costs are amortised on a straight-line basis over their estimated useful life of five financial years.

Concessions

The costs associated with obtaining concession rights related to the Development segment business are recognised as intangible fixed assets, provided the capitalisation criteria are met, including the project's recoverability. The recorded value of this activity related to these rights is subsequently amortised systematically in line with the authorisation profile of the right itself.

IMPAIRMENT OF TANGIBLE AND INTANGIBLE ASSETS

In the presence of specific indicators of impairment, and at least annually with reference to intangible assets with an indefinite life, tangible and intangible assets are subject to an impairment test.

This impairment test consists in estimating the recoverable amount of the asset by comparing it with the related net carrying amount recorded in the financial statements. The recoverable amount of an asset is the higher of its fair value, less costs to sell, and its value in use. The value in use is determined by discounting the

expected cash flows deriving from the use of the asset and its sale at the end of its useful life net of taxes and, if necessary, assessing the other supporting elements with reference to the final data and the expected future profit margin. Discounting is carried out using a pre-tax discount rate that considers the implicit risk of the business sector and geographical area. If the recoverable amount is lower than the carrying amount, the latter is reduced to the recoverable amount. This reduction constitutes an impairment which is charged to the income statement. If the reasons for the write-downs effected previously no longer apply, except for goodwill, the assets are revalued, within the limits of the write-downs made, and the adjustment is charged to the income statement.

LEASES AND RIGHT OF USE

Lease, rental and hire contracts are recognised in accordance with the accounting standard IFRS 16, which defines the principles for the recognition, calculation, presentation and reporting of leases and requires the lessees to account for these contracts, whether operational and financial based on a model similar to the financial model previously provided for by IAS 17 for finance lease contracts. The standard provides for two exemptions for recognition by lessees: leases relating to low-value assets, which have a cumulative value of less than Euro 5 thousand, and short-term leases with terms of 12 months or less.

At the start date of the lease contract, a liability is recorded against the lease payments (lease liability) equal to the current value of the payments considering an average debt ratio and an asset of equal value, which represents the right to use the underlying asset for the duration of the contract (the right to use the asset). The interest on the lease liability and the amortisation of the right to use the asset over the contractual term are ascribed to the income statement.

If a remeasurement of the lease liability becomes necessary (e.g. changes in the terms of the contract, changes in future payments or of a rate used to determine payments), the amount of the remeasurement is recorded as an adjustment to the right of use of the asset.

With reference to the contracts for which the Group is the lessor (and not the lessee), the recording method remains substantially unchanged with respect to the previous accounting in accordance with IAS 17 and therefore distinguishing between operating and finance leases.

EQUITY INVESTMENTS IN OTHER COMPANIES

Equity investments in other companies are equity investments other than those in subsidiaries, joint ventures and associates and, following the introduction of IFRS 9, they fall within the category of "*financial assets assessed at fair value through profit or loss*". After initial recognition at cost, these financial assets are assessed

at fair value; assessment gains or losses are recognised in the income statement item. If the fair value cannot be reasonably determined, and therefore in the case of unlisted equity investments and equity investments for which the fair value is not reliable and cannot be determined, these financial assets are assessed at cost adjusted for impairments. Classification as a current or non-current asset depends on the strategic choices made regarding the duration of ownership of the asset and the actual marketability of the same; current assets include those expected to be realised within 12 months of the reporting date.

Impairments losses are assessed based on (i) the significance of the impairment in absolute terms (severity) calculated based on thresholds determined for the type of financial instrument and (ii) the length of the period of loss (durability) generally estimated at 24 months.

DERIVATIVE INSTRUMENTS

A derivative contract is a financial instrument: (i) whose value changes because of a variable such as, for example, interest rate, price of a security or asset, foreign currency exchange rate, index of prices or rates, credit rating, (ii) which requires a zero or limited initial net investment, (iii) which is settled at a future date. Derivative instruments are financial assets and liabilities recognised at fair value.

Derivatives qualifying as hedging instruments

The qualification of a derivative instrument as a hedging instrument requires:

- verification of the existence of an economic relationship between the hedged item and the hedging instrument;
- verification that the effect of credit risk does not prevail over the changes in value resulting from the above economic relationship;
- verification of the hedging relationship between the hedged item and the hedging instrument used by the Group.

When derivative instruments possess the characteristics to be accounted for as hedges, the following accounting treatments are applied:

- if the derivatives hedge the risk of changes in the fair value of the instruments being hedged (fair value hedge), the derivatives are recognised at fair value and the effects are charged to the income statement; consistently, the instruments being hedged are adjusted to reflect the changes in fair value associated with the risk being hedged;
- if the derivatives hedge the risk of changes in the cash flows of the instruments being hedged (cash flow hedge), the changes in the fair value of the derivatives are recorded in the shareholders' equity reserve

relating to "the other components of the comprehensive income statement" and subsequently charged to the income statement in line with the economic effects produced by the hedged operation.

Derivatives not qualifying as hedging instruments

Changes in the fair value of derivative instruments that do not qualify as hedges, including any ineffective components of hedging derivative instruments, are recognised in the income statement.

PUBLIC CONTRIBUTIONS

Public contributions are recognised only when there is a reasonable certainty that they will be disbursed and the Group is able to meet all the stipulated conditions for their disbursement. Contributions received for specific projects, whose value is recorded among fixed assets, are recognised for plants already in operation and credited to the Income Statement according to the specific amortisation plan.

FINANCIAL ASSETS

Depending on the characteristics of the instrument and on the business model adopted for their management, financial assets are classified in the following categories: (i) financial assets assessed at amortised cost, (ii) financial assets assessed at fair value through other comprehensive income and (iii) financial assets through profit and loss.

They are initially recognised at fair value. Trade receivables without a significant financial component are initially recognised at the operations price.

After initial recognition, financial assets that generate contractual cash flows representing exclusively principal and interest payments are assessed at amortised cost if held for the purpose of collecting contractual cash flows. The application of the amortised cost method involves the recognition in the income statement of interest income determined since the effective interest rate of the exchange differences and of any write-downs.

Differently, financial assets representing debt instruments whose business model provides for the possibility of both collecting contractual cash flows and realising capital gains on disposal are measured at fair value and the effects are recognised in the "*Other Comprehensive Income*" ("**OCI**") reserve. In this case: (i) interest income, calculated using the effective interest rate, exchange rate differences and write-downs are booked in the income statement; (ii) changes in the fair value of the instrument are booked to shareholders' equity, under OCI. The cumulative amount of changes in fair value, recognised in the shareholders' equity reserve

which includes the other components of comprehensive income, is reversed to the income statement upon derecognition of the instrument.

A financial asset representing a debt instrument that is not assessed at amortised cost or at fair value with the effects recognised in the OCI is assessed at fair value through profit or loss; this category includes financial assets held for trading. Interest income earned on financial assets held for trading is included in the overall fair value assessment of the instrument and is recognised as financial income or charges.

WRITE-DOWN OF FINANCIAL ASSETS

The assessment of financial assets representing debt instruments not assessed at fair value through profit or loss is measured based on the so-called "*expected credit loss model*". In particular, expected losses are generally determined based on the product of: (i) the exposure to the counterparty net of the relevant mitigating factors; (ii) the probability that the counterparty will not meet its payment obligation; (iii) the estimate, in percentage terms, of the amount of credit that will not be recovered in the event of default. The management model adopted by the Company provides for a simplified approach for trade receivables, as they do not contain a significant financial component. This approach requires the assessment of the provision to cover losses for an amount equal to the expected losses over the entire life of the receivable. The bad debt provision allocated after an analysis of individual past due receivables, which in fact already includes a prospective view of the project, is accompanied by an assessment of the customer creditworthiness. Trade receivables and other receivables are shown in the financial position statement net of the related bad debt provision. Write-downs of these receivables are recorded in the income statement net of any reversals of impairments.

INVENTORIES

Inventories are assessed at the lower of purchase or production cost and net realisable value; the latter value is represented by the amount that the company expects to obtain from their sale in the normal course of business. The cost configuration adopted is FIFO (first in first out), while the market value, considering the nature of inventories, represented mainly by materials to be used in construction or strategic spare parts, is the replacement cost, or if lower than the net realisable value.

CONTRACT ASSETS AND LIABILITIES

Contract assets and liabilities for contract work in progress relating to long-term contracts are assessed based on the contractual considerations, defined with reasonable certainty with the clients, in relation to the state

of progress of the work. Considering the nature of the contracts and the type of work, progress is determined by using an input-based method, based on the percentage that emerges from the ratio of costs incurred to total costs estimated by contract ("*cost to cost*" method). If it is not possible to determine progress in advance as a ratio of incurred costs to total estimated costs, the measurement of progress is equal to the costs incurred during the financial year. To consider the economic effects deriving from the application of this method, with respect to the considerations recognised as revenues from core business, positive differences between the considerations accrued in relation to the progress status of the work and the revenues accounted for are booked under contract assets for work in progress, while negative differences are recognised under contract liabilities. The assessment of contract assets and liabilities for work in progress considers all costs directly attributable to the job order, as well as contractual risks and revision clauses when objectively determinable. Requests for additional fees arising from changes to the contractually specified works - as well as any further requests due to, for instance, increased expenses attributable to the client - are included in the total fee amount when they receive substantial approval from the client regarding the subject matter and/or the price. The portions of work in foreign currency not yet accepted by the customer are entered at the exchange rate at the end of the financial year. Contractual advances received from customers, if in a currency other than the functional currency, are recorded at the exchange rate of the day on which they are paid.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash, demand deposits and financial assets originally due within 90 days, readily convertible into cash and subject to an insignificant risk of change in value and recognised at fair value, considered equal to the nominal value.

NON-CURRENT ASSETS AND LIABILITIES HELD FOR SALE OR DISPOSAL

Non-current assets and liabilities held for sale and disposal groups are classified as available for sale when their carrying amount will be recovered mainly through a sale transaction rather than through its continuous use; in particular, the non-current assets must be available for immediate sale in their current condition and the sale must be highly probable within 12 months of their classification, without prejudice to further considerations in the event of delayed execution of the sale or in the event of an extension of the time-frame associated with the disposal plan.

Non-current assets and liabilities held for sale are measured at the lower of carrying amount and fair value less costs to sell unless they are assets for which the valuation provisions of IFRS 5 are not applicable and are instead governed by other IFRS (deferred tax assets; assets deriving from employee benefits; financial assets

falling within the scope of IFRS 9; non-current assets measured at fair value in accordance with IAS 40; non-current assets assessed in accordance with IAS 41; contractual rights deriving from insurance contracts).

In the income statement, non-current assets and liabilities held for sale and disposal groups that meet the requirements for being classified as discontinued operations are presented under a single item that includes both gains and losses on disposal and the related tax effect. The comparative period is consequently re-stated as required by IFRS 5.

Regarding the equity and financial position, non-current assets and liabilities held for sale and disposal groups are shown separately from other assets and liabilities in the financial position statement. As required by the relevant accounting standard, the comparative year is not restated or reclassified.

EMPLOYEE SEVERANCE INDEMNITY

The Employee Severance Indemnity (TFR), which is mandatory for Italian companies pursuant to Article 2120 of the Italian Civil Code, has the nature of deferred remuneration and is related to the duration of the working life of employees and the remuneration received during the period of service provided. In application of IAS 19, the employee severance indemnity calculated in this way assumes the nature of a "*defined benefit plan*" and the related obligation to be recorded in the financial statements (employee severance indemnity provision) is determined by means of an actuarial calculation, using the Projected Unit Credit Method. The Group recognises actuarial gains and losses immediately in the Other Comprehensive Income Statement so that the entire net amount of defined benefit provisions (net of plan assets) is recognised in the Consolidated financial position statement. The amendment also provides that changes between one financial year and the next in the defined benefit plan and plan assets must be subdivided into three components: (i) the cost components linked to the service provided in the financial year must be recognised in the Income Statement as "*service costs*"; (ii) net financial charges calculated by applying the appropriate discount rate to the balance of the defined benefit plan net of assets at the beginning of the financial year must be recognised in the Income Statement as such; (iii) actuarial gains and losses arising from the recalculation of liabilities and assets must be recognised in the Other Comprehensive Income Statement.

As of January 1, 2007, the Finance Act and the related implementing decrees introduced significant changes to the rules governing employee severance indemnity, including the choice made by employees as to the allocation of their accrued employee severance indemnity (to supplementary pension funds or to the "*Treasury Fund*" managed by INPS - Italian National Social Security Institute). Consequently, the obligation to INPS, as well as the contributions to supplementary pension schemes, assume the nature of "*Defined*

contribution plans" according to IAS 19, while the quotas recorded in the Employee Severance Indemnity provision retain, according to IAS 19, the nature of "*Defined benefit plans*".

PROVISIONS FOR RISKS AND CHARGES

Provisions for risks and charges are allocated in the presence of a current obligation (legal or implicit), deriving from a past event, for which it is probable that the fulfilment of the obligation will be on a payment basis and its amount can be reliably estimated. Provisions are recorded at the value representing the best estimate of the amount that the Group would pay to extinguish the obligation or to transfer it to third parties at the end of the period. If the discounting effect is significant, provisions are determined by discounting expected future cash flows at a pre-tax discount rate that reflects, where appropriate, the specific risks of the liabilities. When discounting is carried out, the increase in the provision, due to the passage of time, is recognised as a financial charge.

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

FINANCIAL LIABILITIES

Financial liabilities other than derivative instruments are initially recognised at the fair value of the fee received, net of directly attributable operation costs, and are subsequently assessed using the amortised cost method.

REVENUES

Revenues are recognised to the extent that it is probable that the economic benefits will be realised and the amount can be reliably determined. Revenues from the sale of goods and services are measured at the fair value of the consideration received or due, considering any discounts and premiums. Regarding the sale of goods and services, the revenue is recognised when the company has transferred to the purchaser the significant risks and benefits associated with the ownership of the goods or with the performance of the service.

REVENUES FROM CONTRACTS WITH CUSTOMERS

Revenue from contracts with customers is recognised based on the following five steps: (i) identification of the contract with the customer; (ii) identification of the performance obligations, represented by the contractual commitments to transfer goods and/or services to a customer; (iii) determination of the transaction price; (iv) allocation of the transaction price to the identified performance obligations based on

the stand-alone selling price of each good or service; (v) recognition of revenue when the related performance obligation is satisfied, i.e., at the moment of transfer of the promised good or service to the customer. The transfer is considered complete once the customer gains control of the goods or service, which can occur over a gradual and extended period ("*over time*"), such as during contractual work in progress, or at a specific moment ("*at a point in time*").

The agreed considerations, if expressed in a foreign currency, are calculated by considering the exchange rate effect as previously reported; the same method is applied for costs expressed in a foreign currency.

Provisions for revenues relating to services partially rendered are recognised for the consideration accrued, provided that it is possible to reliably determine the stage of completion and there are no significant uncertainties as to the amount and existence of the revenue; otherwise, they are recognised within the limits of the recoverable costs incurred.

The Group concluded that it acts as a "principle" for most revenue-generating agreements as it usually controls goods and services before they are transferred to the customer.

The Group carried out an analysis of the requirements outlined by IFRS 15, following the 5 steps mentioned earlier. Based on the characteristics of its contracts, it concluded that, for the activities in the Construction segment and for those related to revamping and repowering within the Services segment, it meets the conditions for recognising revenues "*over time*". Moreover, the activity carried out by the Group is carried out according to specific regulatory requirements and based on specific authorisations obtained in advance that do not allow an alternative use of the asset. Lastly, it should be pointed out that, under the agreements signed, the Group is entitled to payment of the service rendered up to the date in question.

COSTS

Costs for the purchase of goods and services are recognised in the income statement on an accrual's basis. Operating lease instalments are charged to the income statement over the term of the contract. Personnel costs include the amount of wages and salaries paid, provisions for pension funds and holidays accrued but not taken, and social security and welfare charges in application of the contracts and current legislation. The costs of participation in tenders are fully recognised in the income statement for the financial year in which they are incurred.

INTEREST AND FINANCIAL CHARGES

For all financial instruments assessed at amortised cost and interest-bearing financial assets, interest income and expense are recognised on a time basis using the effective interest method.

Financial charges directly attributable to the acquisition, establishment or production of qualifying assets are capitalised, as required by IAS 23.

TAXES

Current income taxes are determined based on the estimated taxable income for the financial year. The related payable, net of the advances paid and of the withholdings, is recorded in the financial position statement under the item "Other payables". The tax rates and regulations used to calculate current taxes are those in force or issued at the reporting date.

Deferred taxes are calculated by applying the tax rates expected to be applied in the year in which the assets will be realised or the liabilities settled to the temporary differences existing between the carrying amount attributed to an asset or a liability and the corresponding values recognised for tax purposes (the so-called liability method), considering the rates in force or already issued at the date of the financial statements.

The item "Deferred taxes" includes any deferred tax liabilities on temporary differences, the taxation of which is deferred to future financial years in accordance with current tax laws.

The item "Prepaid taxes" includes any taxes which, although pertaining to future financial years, refer to the current financial year and are recognised when there is a likelihood that future taxable income will be sufficient to absorb their recovery.

The allocation of prepaid taxes on tax losses accrued is recorded if there is a probability of obtaining in the future taxable income of an amount as such to be able to absorb the tax losses that can be carried forward.

The economic contra-entry to the provision for deferred or prepaid taxes is included in the item "Taxes".

The parent company PLC S.p.A. together with its subsidiaries PLC System S.r.l., PLC Service S.r.l., PLC Service Wind S.r.l. and PLC Power S.r.l. has participated in the "*national tax consolidation*", pursuant to articles 117 et seq. of the consolidated tax act (TUIR), which allows transfer of the total net income or tax loss of the individual participating companies to the parent company which will establish a single taxable income of the PLC Group or a single tax loss that can be carried forward, as an algebraic sum of income and/or losses, and, therefore, will record a single tax debt or credit for the tax authorities.

Costs, revenues and assets are recognised net of value added tax (VAT) except where this tax, applied to the purchase of goods or services, is non-deductible in which case it is recognised as part of the purchase cost of the asset or part of the cost item recognised in the income statement. The net amount of indirect sales taxes that can be recovered or paid to the tax authorities is included in sundry receivables or payables whether the balance is positive or negative.

DETERMINATION OF THE FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair value of financial instruments listed on an active market is based on market prices at the reporting date. The fair value of financial instruments that are not listed on an active market is determined using assessment techniques, based on a series of methods and assumptions linked to market conditions at the reporting date.

EXCHANGE DIFFERENCES

Revenues and costs relating to operations in foreign currencies are recorded at the current exchange rate on the day on which the operation is completed. Monetary assets and liabilities denominated in foreign currency are translated into Euros using the exchange rate prevailing at the end of the period and the effect is recognised in the comprehensive income statement. Non-monetary assets and liabilities denominated in foreign currency are translated at the exchange rate at which they were initially recognised and assessed at cost.

EARNINGS PER SHARE

Basic earnings per share is determined as the ratio between the Group's share of net income for the period attributable to shares and the weighted average number of shares outstanding during the year. For the purposes of calculating diluted earnings per share, the weighted average number of shares outstanding is modified by assuming the conversion of all potential shares with a diluting effect.

USE OF ESTIMATES

The preparation of the financial statements and of the related notes, in accordance with the international accounting standards, requires the use of discretionary assessments and accounting estimates that influence the values of assets and liabilities in the financial statements and on the disclosure relating to contingent assets and liabilities at the date of the financial statements. The results may differ from the estimates made, which are based on data that reflect the current status of the information available. The estimates are used for the valuation of goodwill, the projection of any earn-outs following extraordinary operations, the recognition of revenue from work in progress on order, the establishment of provisions for credit risks, the determination of amortisation, the determination of write-downs of investments or assets, the calculation of taxes, the economic recognition of contributions through the accounting of deferred income, the provisions for employee benefits recognised based on actuarial assessments carried out and other provisions for risks and

charges. Estimates and assumptions are reviewed periodically and the effects of any changes to these assumptions are promptly reflected in the income statement.

In preparing financial statements, the use of estimates and assumptions carries an inherent, significant, and unavoidable risk of needing to adjust accounting values in the subsequent year, prompted by a thorough reassessment of these estimates and assumptions. The financial statements items that, in theory, could - more frequently than others - be impacted by this case are the following:

Impairments of non-current assets

An impairment occurs when the carrying amount of an asset or CGU exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. Fair value, net of costs to sell, is the amount obtainable from the sale of an asset or CGU in a free transaction between informed and willing parties. The calculation of value in use is based on a discounted cash flow model.

The cash flows used for this verification are determined from the information extracted from the prospective data included in the current business plan. The recoverable amount depends mainly on the following factors: (i) the discount rate used to discount future cash flows, (ii) the expected cash flows, (iii) the impact on flows of the "*Climate change*" effect and (iv) any perpetuity growth rate ("*g*") used in the model.

The Group adopts - and annually updates - a procedure that describes the activities and controls established to monitor activities undergoing impairment tests or for which "*triggering events*" indicate the necessity to proceed with an impairment assessment.

Assessment of financial instruments

Financial instruments are assessed in accordance with the reference standard at fair value, considering both the realisable value, where already available, and the value in use. The determination of fair value is a process that is heavily influenced both by estimates and assumptions, which for them include a component of randomness. The Group has implemented a review process for all items subject to randomness, with which it aims to reduce the degree of uncertainty about the results obtained.

Recognition of revenues from contract work in progress

Revenues relating to contract work in progress and the related margins, once the compliance with the requirements of IFRS 15 for "over time" accounting has been verified, are recognised based on the stage of completion of the job orders according to the percentage of completion method, based on the ratio between the costs incurred and the total costs expected to complete the job order.

The Group has implemented, largely owing to the technological advancements made possible by the deployment of an advanced ERP system, a structured cost control process performed on a continuous basis and aimed at detecting in real time any variations, positive or negative, in the estimated total costs expected to complete the contract.

In any case, given the nature and size of the contracts executed by the Group - objectively complex and characterised by an unavoidable risk component in relation, above all, to the activities of the Engineering & Construction segment - the recognition of revenues and the quantification of work in progress by their nature imply the use of evaluations, in particular with reference to the aforementioned estimation of the lifetime costs of projects (including any contractual penalties, even if potential, where applicable), the evaluation of any changes in the contractual value (certain or under negotiation), and the identification of performance obligations.

ADOPTION OF APPROVED ACCOUNTING STANDARDS AND INTERPRETATIONS, EFFECTIVE FROM JANUARY 1, 2024

The accounting standards adopted for the preparation of the consolidated financial statements are consistent with those used for the preparation of the consolidated financial statements at December 31, 2023, except for the adoption of new standards and amendments effective January 1, 2024. The Group has not arranged for the early adoption of any new standards, interpretations or amendments issued but not yet in force. Several changes apply for the first time in 2024, but did not have an impact on the Group's consolidated financial statements.

Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback

On September 22, 2022, the IASB issued Lease Liability in a Sale and Leaseback (Amendments to IFRS 16) with the purpose of clarifying the approach to evaluating and accounting for sale and leaseback transactions for the seller-lessee that meet the requirements of IFRS 15.

Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Noncurrent and Classification of Liabilities as Current or Non-Current

On January 23, 2020, the IASB published amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current with the aim of clarifying how to classify debts and other liabilities as either short-term or long-term. The changes were originally scheduled to take effect on January 1, 2022; however, the IASB, with a second document published on June 15, 2020, deferred their entry into

force to January 1, 2024. Subsequently, on October 31, 2022, the IASB published an additional amendment, Non-current Liabilities with Covenants (Amendments to IAS 1), to clarify how the conditions that an entity must meet within twelve months from the financial statements date affect the classification of a liability.

Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements

On May 25, 2023, the IASB published an amendment to IAS 7 aimed at enhancing disclosure requirements by providing guidance within existing obligations and requiring entities to disclose both qualitative and quantitative details about supplier finance arrangements.

ACCOUNTING STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET IN FORCE AND/OR ENDORSED

Standards and interpretations that had already been issued at the date of preparation of this financial report but that were not yet in force are illustrated below. The Group intends to adopt these standards and interpretations, if applicable, when they come into force. No material impact on the Group is expected from these standards and amendments:

Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability

On August 15, 2023, the IASB published an amendment to IAS 21 aimed at defining when a currency can be exchanged for another, how to determine the exchange rate when a currency cannot be exchanged, and the information to provide in this latter case. The changes will come into force on January 1, 2025, and the assessment of any impacts that their application could have on the financial statements is underway.

Amendments to the Classification and Measurement of Financial Instruments

In May 2024, the IASB published the "Amendments to the Classification and Measurement of Financial Instruments" which amended IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Supplementary Information. In detail, the IASB has amended the provisions related to: (i) the settlement of financial liabilities via an electronic payment system; (ii) the assessment of the contractual characteristics of financial asset cash flows, including those pertaining to environmental, social, and governance (ESG) factors; (iii) information regarding investments in equity instruments designated at fair value through other comprehensive income and (iv) additional information for financial instruments with contingent characteristics that are not directly related to the core risks and costs of the loan. The changes will come into force on January 1, 2026, and the assessment of any impacts that their application could have on the financial statements is underway.

IFRS 18 Presentation and Disclosure in Financial Statements

In April 2024, the IASB published a new accounting standard, which will replace IAS 1 "*Presentation of Financial Statements*", to improve the reporting of financial results. IFRS 18 "*Presentation and Disclosure in Financial Statements*" will improve the quality of financial reporting through requirements regarding: (i) subtotals defined in the income statement; (ii) information on performance measures defined by management; and (iii) addition of new principles for the aggregation and disaggregation of information. IFRS 18 will come into force on January 1, 2027, and the assessment of any impacts that their application could have on the financial statements is underway.

IFRS 19 Subsidiaries without Public Accountability: Disclosures

On May 9, 2024, the IASB issued a new accounting standard, IFRS 19 "*Subsidiaries without Public Accountability: Disclosures*", which allows for the simplification of reporting systems and processes for companies, reducing the costs of preparing the financial statements of eligible subsidiaries, while maintaining the usefulness of those statements for their users. IFRS 19 will come into force on January 1, 2027, and the assessment of any impacts that their application could have on the financial statements is underway.

3.4.1 CONSOLIDATION SCOPE

The consolidation scope includes the financial statements of the parent company and the financial statements of the subsidiaries. Subsidiaries are defined as those for which the voting rights, even potential ones, held by the Group allow it to exercise the majority of votes in the company's ordinary shareholders' meeting; control is achieved based on the content of any agreements between shareholders or the existence of particular clauses in the articles of association, which give the Group the power to govern the company; the Group controls a sufficient number of votes to exercise *de facto* control of the company's ordinary shareholders' meeting.

Subsidiaries are fully consolidated on a line-by-line basis in the consolidated accounts from the date on which control is realized until control is transferred outside the Group.

At the reporting date, the Group had no investments in associates to be valued using the equity method.

Name	Registered Office	Date of closure of the financial	Currency	Share capital	Result 12.31.2024	Shareholders' equity 12.31.2024	% held		Through
							Direct	Indirect	
PLC S.p.A.	Acerra - NA (IT)	12.31.2024	EUR	27,026,480	5,568,252	42,605,462			
Subsidiaries consolidated on a line-by-line basis									
PLC System S.r.l.	Acerra - NA (IT)	12.31.2024	EUR	10,000,000	5,552,960	15,218,118	100%		
PLC Service S.r.l.	Acerra - NA (IT)	12.31.2024	EUR	100,000	2,695,848	4,169,631	100%		
PLC Service Wind S.r.l.	Acerra - NA (IT)	12.31.2024	EUR	100,000	121,014	422,107	100%		
PLC Power S.r.l.	Acerra - NA (IT)	12.31.2024	EUR	100,000	(1,240,274)	80,195	100%		
C&C Irsina S.r.l.	Acerra - NA (IT)	12.31.2024	EUR	100,000	(6,457)	142,857		100%	PLC Power S.r.l.
Alisei Wind S.r.l.	Acerra - NA (IT)	12.31.2024	EUR	130,000	37,355	112,684		100%	PLC Power S.r.l.
Cisterna Energia S.r.l.	Acerra - NA (IT)	12.31.2024	EUR	10,000	6,946	16,357		60%	PLC Power S.r.l.
Cinigliano Energia S.r.l.	Acerra - NA (IT)	12.31.2024	EUR	10,000	1,050	11,050		60%	PLC Power S.r.l.
Consolidated subsidiaries reclassified as assets available for sale (IFRS 5)									
Samnium S.r.l.	Acerra - NA (IT)	12.31.2024	EUR	10,000	14,579	23,990		60%	PLC Power S.r.l.
Florianum Energia S.r.l.	Acerra - NA (IT)	12.31.2024	EUR	10,000	2,904	12,904		60%	PLC Power S.r.l.
Liquidated companies									
MSD Service S.r.l.	Acerra - NA (IT)	12.02.2024	EUR	10,000	(14,879)	62,557	92.5%		
PLC System Montenegro D.O.O.	Podgorica - Montenegro	02.06.2024	EUR	-	(125)	-		100%	PLC System S.r.l.

The consolidation scope at December 31, 2024 changed compared to December 31, 2023, following the sale of (i) Schmack Biogas S.r.l. and its subsidiaries, concluded on March 7, 2024, and (ii) Tirreno S.r.l., concluded on July 26, 2024; in particular, with reference to Schmack Biogas S.r.l. and its subsidiaries, the related income statements for the period from January 1, 2024 to March 7, 2024 were not consolidated due to (i) a deal structure based on a reference date of December 31, 2023 and (ii) the unavailability of economic-financial information at the closing date; however, it is noted that the lack of consolidation has not produced economic effects. It should also be noted that, at December 31, 2024, the companies PLC System Montenegro D.O.O. (liquidated on February 6, 2024 and previously controlled by PLC System S.r.l.) and MSD Service S.r.l. (characterised by a liquidation financial statements prepared on December 2, 2024, previously controlled by PLC S.p.A.) are classified as "liquidated companies".

3.4.2 NOTES ON THE CONSOLIDATED RESULTS AT DECEMBER 31, 2024

A. TANGIBLE ASSETS

The balance of tangible assets at December 31, 2024 was Euro 7,101 thousand (Euro 6,538 thousand at December 31, 2023).

TANGIBLE ASSETS (figures in thousands of Euros)	Land and buildings	General and Specific Plants	Equipment	Office machines and other assets	Fixed assets in progress	Rights to use tangible assets	Total
Net value at 31.12.2023	3,078	376	1,862	127	640	455	6,538
Increases	17	82	396	147	500	916	2,058
Decreases	(120)	-	(2)	(20)	(102)	(25)	(269)
Depreciation and write-downs	(110)	(52)	(303)	(114)	-	(443)	(1,022)
Reclassifications	-	-	(378)	(47)	(203)	424	(204)
Net value at 12.31.2024	2,865	406	1,575	93	835	1,327	7,101

The increases for the year, amounting to Euro 2,058 thousand, mainly refer: (i) the purchase of machinery and equipment - mainly in PLC Service S.r.l. and PLC Service Wind S.r.l. - due to the increase in turnover and consequently the internal personnel of the companies for Euro 478 thousand, along with vehicles for Euro 70 thousand; (ii) related to fixed assets in progress for Euro 500 thousand, mainly connected to the vehicle companies under the control of PLC Power S.r.l.; (iii) attributable to the acquisition of other equipment for

Euro 77 thousand; (iv) Euro 17 thousand related to the acquisition of buildings and light constructions, and (v) rights of use for Euro 916 thousand, which primarily include rental costs for warehouses and the vehicle fleet. Decreases for the year, amounting to Euro 269 thousand, mainly relate to fixed assets in progress and assets held by Tirreno S.r.l. for Euro 222 thousand following the sale of the company.

The IFRS 5 reclassification for Euro 204 thousand refers to the companies Florianum Energia S.r.l. and Samnium Energia S.r.l., both owned by PLC Power S.r.l..

B. GOODWILL

Goodwill at December 31, 2024 amounted to Euro 4,711 thousand (Euro 4,750 thousand at December 31, 2023).

GOODWILL (figures in thousands of Euros)	12.31.2023	Increases	Decreases	Reclassifications	12.31.2024
Reverse merger operation	4,711	-	-	-	4,711
MSD Service acquisition	39	-	(39)	-	-
Total	4,750	-	(39)	-	4,711

Impairment

At December 31, 2024, the directors performed the impairment tests on all the Group's CGUs, including the "Construction" CGU for PLC System S.r.l. and PLC Power S.r.l., and 2 "Services" CGUs for PLC Service S.r.l. and PLC Service Wind S.r.l. When monitoring impairment indicators, the PLC Group considers, among others, the ratio of its market capitalisation to its reported equity. At December 31, 2024, the market capitalisation of the Group, equal to Euro 41,940 thousand, is higher than the consolidated shareholders' equity at the same date, equal to Euro 22,914 thousand.

The recoverability of the carrying amounts of the other CGUs was verified by comparing the net carrying amount of each CGU with its relative recoverable amount, which is determined based on value in use, obtained by discounting the future cash flows generated by each CGU at the weighted average cost of capital (WACC) specific to each business segment in which the individual CGU operates. In fact, given the nature of the PLC Group's assets, the fair value of CGUs cannot be determined from information directly observable in the market, and its estimation based on alternative valuation techniques is limited and in some cases difficult to apply.

The cash flows used to estimate the recoverable amount of the individual CGUs were determined starting from the data of the 2023-2027 Business Plan approved by the Board of Directors, supplemented by the 2025 Budget approved by the Board of Directors on March 12, 2025, considering for impairment purposes an explicit time horizon of 3 years (2025-2027), considering, in line with the requirements of the ESMA Public

Statements of October 24, 2024. They were determined based on the best available information and expectations at the time of the estimate. These forecasts consider management's future expectations in relation to the respective business segments, as well as actual results.

Cash flows include a terminal value determined based on the perpetuity method by applying a long-term growth rate "g" of 1% to the terminal cash flow, consistent with the sustainable and predictable development of the macro-economic context in which the PLC Group operates; the cash flows also consider the impact of a potential climate change effect by reducing them by 0.5%.

A second-level test was also performed to consider the allocation of the *Holding* CGU (characterised by costs only, if intercompany revenues for service contracts are excluded) to the operating CGUs for net invested capital and prospective flows.

These estimates, consistent with IAS 36, do not consider any inflows or outflows arising from (i) a future restructuring that has not yet been approved or for which the entity has not yet committed or (ii) the improvement or optimisation of business performance based on initiatives that have not yet been started or approved for which there is still no commitment to third parties to increase production capacity with respect to the current capacity.

The value in use at December 31, 2024 was therefore determined by discounting the after-tax cash flows using a specific discount rate for each CGU. The discount rates used at December 31, 2024 have been updated with respect to those used at December 31, 2023.

Evolution of discount rates used for the impairment test	12.31.2024	12.31.2023
Construction Segment - Italy	8.92%	10.22%
Services Segment - Italy	8.23%	9.27%
Level 2 WACC	8.34%	9.31%

The results of the impairment tests were also subject to a sensitivity analysis by applying +/- 1% and 2% changes to both the discount rate (WACC) and the long-term growth rate "g".

The impairment tests and sensitivity analysis on the CGUs revealed a surplus of recoverable amount (headroom) over the carrying amount.

C. INTANGIBLE ASSETS

The balance of intangible assets at December 31, 2024 was Euro 3,822 thousand (Euro 3,802 thousand at December 31, 2023).

INTANGIBLE ASSETS (figures in thousands of Euros)	Development costs	Other Intangible Assets	Intangible assets in progress	Total
Net value at 31.12.2023	1,322	1,852	628	3,802
Increases	-	82	1,113	1,195
Decreases	-	-	(91)	(91)
Amortisation and write-downs	(347)	(735)	-	(1,082)
IFRS5 reclassifications	-	(2)	-	(2)
Net value at 12.31.2024	975	1,197	1,650	3,822

The increases for the year, amounting to Euro 1,195 thousand, mainly refer: (i) for Euro 1,113 thousand in development costs related to the MAIA project underway in PLC Service S.r.l. and (ii) for Euro 80 thousand in investments in software related to further customisations of the Group's management software.

Regarding "Development costs", as already described in the *"Research and development activities"* section of the Management Report, which is referenced, the primary projects currently underway are associated with the subsidiary PLC Service S.r.l.; specifically:

- *"PON MISE M4.0 - Augmented reality and artificial intelligence for the advanced maintenance of generation plants from renewable sources"*: it started in 2018 and concluded in 2022 and is subject to amortisation at December 31, 2024 based on an estimated useful life of 3 years;
- *"MAIA 4.0 - Maintenance with Artificial Intelligence Applications"*: started in 2023, at December 31, 2024 it is under development and for this reason not subject to amortisation; the end of the project is estimated for the next two years and its useful life is being defined.

At December 31, 2024, no impairment indicators are reported for the aforementioned projects.

D. EQUITY INVESTMENTS IN OTHER COMPANIES

EQUITY INVESTMENTS IN OTHER COMPANIES (figures in thousands of Euros)	12.31.2023	Increases	Decreases	12.31.2024
Equity investment in Banca del Sud	10	-	-	10
Other equity investments	1	-	-	1
Total	11	-	-	11

The item Equity investments in other companies amounted to Euro 11 thousand at December 31, 2024, unchanged compared to December 31, 2023.

E. DEFERRED TAX ASSETS

Deferred tax assets at December 31, 2024 are equal to Euro 426 thousand (Euro 1,402 thousand at December 31, 2023).

DEFERRED TAX ASSETS (figures in thousands of Euros)	12.31.2023	Increases	Decreases	12.31.2024
Deferred tax assets	1,402	312	(1,288)	426
Total	1,402	312	(1,288)	426

The increases and decreases relate to temporary differences between the carrying amounts and the fiscally recognised values of some financial statements items, mainly relating to the tax effect recognised on the losses of the previous year, the allocation to provisions for risks or bad debt provisions, the discounting of the employee severance indemnity pursuant to IAS 19.

At December 31, 2023, deferred tax assets amounted to Euro 1,402 thousand, including a provision for prior losses of Euro 1,259 thousand. This provision was completely utilised due to the positive outcome for the year ending December 31, 2024, which exceeded the previous losses for which the provision had been established.

F. RECEIVABLES AND OTHER NON-CURRENT ASSETS

NON-CURRENT RECEIVABLES (figures in thousands of Euros)	12.31.2024	12.31.2023
Non-current receivables from related parties	-	-
Non-current receivables from others	1,148	1,233
Total	1,148	1,233

The item "Receivables and other non-current assets", amounting to Euro 1,148 thousand at December 31, 2024 (Euro 1,233 thousand at December 31, 2023) mainly , includes the portion of trade receivables due after one year because of interest-bearing repayment plans signed with certain customers.

G. NON-CURRENT DERIVATIVE INSTRUMENTS

Non-current derivative instruments had a positive fair value of Euro 12 thousand at December 31, 2024 (Euro 52 thousand at December 31, 2023).

NON-CURRENT DERIVATIVE INSTRUMENTS (figures in thousands of Euros)	12.31.2024	12.31.2023
Interest Rate Contracts	12	52
Total	12	52

It should be noted that with regard to derivative contracts, the company PLC System S.r.l. had an active interest rate hedging contract at December 31, 2024. The Group has opted for fair value measurement with changes recognised in the income statement; the decrease recorded relates entirely to the negative change in fair value in the reporting period.

H. INVENTORIES AND CONTRACT ASSETS

INVENTORIES AND CONTRACT ASSETS (figures in thousands of Euros)	12.31.2024	12.31.2023
Inventories of raw materials	7,955	6,847
Raw material write-down provision	(1,294)	(631)
Inventories of raw materials	6,661	6,216
Contract assets	6,169	7,174
Total	12,830	13,390

Inventories

At December 31, 2024, inventories amounted to Euro 6,661 thousand (Euro 6,216 thousand at December 31, 2023). The increase compared to the previous year is mainly attributable to purchases made by the subsidiary PLC System S.r.l. for the ordinary management of construction sites.

Inventories, which include raw materials for the EPC business and spare parts mainly for the O&M business, are shown net of an inventory write-down provision of Euro 1,294 thousand.

The changes in the inventory write-down provision are shown below.

INVENTORY WRITE-DOWN PROVISION (figures in thousands of Euros)	12.31.2023	Increases	Decreases	12.31.2024
Inventory write-down provision	(631)	(663)	-	(1,294)

The increase for the year is due to the inventory write-down provisions made during the year. Additionally, it's important to note that the adjustment for the 2024 financial year also stems from revisiting the stratification of write-down rates because of the update to the specific company procedure.

Contract assets

Contract assets at December 31, 2024 amounted to Euro 6,169 thousand (Euro 7,174 thousand at December 31, 2023). The item Contract assets originates from the time difference between the operating progress of the projects and the achievement of the contractual progress statuses that allow invoicing.

I. TRADE RECEIVABLES

Trade receivables at December 31, 2024 amounted to Euro 13,342 thousand, compared to Euro 19,219 thousand at December 31, 2023. Trade receivables are shown net of the related bad debt provision, amounting to Euro 888 thousand and substantially in line with the previous year.

TRADE RECEIVABLES (figures in thousands of Euros)	12.31.2024	12.31.2023
Trade receivables from related parties	-	-
Trade receivables from others	14,230	20,135
Bad debt provision for receivables from others	(888)	(916)
Trade receivables from others	13,342	19,219
Total	13,342	19,219

The movements in the bad debt provision for trade receivables are shown below.

BAD DEBT PROVISION (figures in thousands of Euros)	12.31.2023	Increases	Decreases	12.31.2024
Bad debt provision	(916)	-	28	(888)

J. CURRENT FINANCIAL RECEIVABLES

Current financial receivables at December 31, 2024 amounted to Euro 450 thousand (Euro 18 thousand at December 31, 2023).

CURRENT FINANCIAL RECEIVABLES (figures in thousands of Euros)	12.31.2024	12.31.2023
Current financial receivables from related parties	3	18
Current financial receivables from others	447	-
Total	450	18

The increase compared to the previous financial year relates to the recognition, pursuant to IFRS 3 and IFRS 9, of Earn-Outs related to the sale of the Schmack perimeter for Euro 1,166 thousand, of which Euro 719 thousand was collected during the financial year.

Financial receivables from related parties are illustrated in paragraph 3.4.3.

K. OTHER RECEIVABLES

The total balance of other receivables at December 31, 2024 was Euro 5,051 thousand (Euro 6,435 thousand at December 31, 2023).

OTHER CURRENT RECEIVABLES (figures in thousands of Euros)	12.31.2024	12.31.2023
Other receivables from related parties	-	-
Receivables - Augmented Reality project	633	281
Tax receivables	757	1,143
Advances, deposits and security deposits	3,062	4,385
Accrued income and prepaid expenses	432	248
Other receivables	167	378
Other receivables from others	5,051	6,435
Total	5,051	6,435

Compared to the previous year, there was a decrease in the item "advances, deposits and security deposits", which mainly includes advances paid to suppliers of raw materials, sometimes already at the time the order is signed, to lock in purchase prices.

Tax receivables, which amounted to Euro 757 thousand at December 31, 2024 (Euro 1,143 thousand at December 31, 2023), are mainly related to VAT receivables for Euro 494 thousand and total tax credits amounting to Euro 252 thousand.

At December 31, 2024, other receivables totalling Euro 167 thousand include (i) amounts due from employees and social security institutions; (ii) amounts due from suppliers; and (iii) receivables arising from the liquidation of MSD Service S.r.l. as outlined in the distribution plan of the liquidation financial statements dated December 12, 2024.

L. SHAREHOLDERS' EQUITY

Consolidated shareholders' equity at December 31, 2024 amounted to Euro 22,914 thousand, of which Euro 25 thousand was attributable to minority interests. The changes in shareholders' equity relate to (i) the positive overall result for the period of Euro 11,416 thousand, (ii) the distribution of dividends, carried out in May 2024, for Euro 1,817 thousand (equal to Euro 0.07 per share), and (iii) other changes in shareholders' equity for Euro 688 thousand, mainly related to changes in the consolidation scope, primarily of Schmack Biogas S.r.l. and its subsidiaries, and of Tirreno S.r.l.

Finally, it should be noted that the stock market capitalisation of the PLC share at December 31, 2024, equal to Euro 41,940 thousand, is higher than its consolidated shareholders' equity at the reference date.

M. NET FINANCIAL DEBT

As requested by CONSOB Warning no. 5/21 dated April 29, 2021 and in accordance with the ESMA Recommendation on Disclosure Obligations under "Prospectus Regulation" no. 32-382-1138 of March 4, 2021, the Company's net financial debt is presented.

NET FINANCIAL DEBT (figures in thousands of Euros)	12.31.2024	12.31.2023
A. CASH AND CASH EQUIVALENTS	17,718	9,961
C. OTHER CURRENT FINANCIAL ASSETS	-	-
D. LIQUIDITY (A + B + C)	17,718	9,961
E. CURRENT FINANCIAL DEBT	(177)	-
Short-term financial liabilities	(1,984)	(4,767)
Financial liabilities IFRS 16	(532)	(378)
F. CURRENT PART OF NON-CURRENT FINANCIAL DEBT	(2,516)	(5,145)
G. CURRENT FINANCIAL DEBT (E + F)	(2,693)	(5,145)
H. NET CURRENT FINANCIAL DEBT (G - D)	15,025	4,816
Long-term financial liabilities	(1,307)	(3,045)
Financial liabilities IFRS 16	(803)	(500)
I. NON-CURRENT FINANCIAL DEBT	(2,110)	(3,545)
J. DEBT INSTRUMENTS	-	-
K. TRADE PAYABLES AND OTHER NON-CURRENT PAYABLES	-	-
L. NON-CURRENT FINANCIAL DEBT (I + J + K)	(2,110)	(3,545)
M. NET FINANCIAL DEBT (H + L)	12,915	1,271

The net financial debt of the PLC Group at December 31, 2024 was positive (net cash) for Euro 12,915 thousand, marking a positive change of Euro 11,644 thousand compared to December 31, 2023. This variation is primarily attributable to the increase in the Group turnover and the proceeds from the sale of Schmack Biogas S.r.l. and its subsidiaries.

The total amount of financial debt decreased by Euro 4,344 thousand due to repayments made in accordance with the amortisation schedules, net of new financing disbursed.

Loans outstanding at December 31, 2024

Shown below is a list of loans outstanding at December 31, 2024 for the capital share only.

Loans (figures in thousands of Euros)	Company	Last expiry date	Short-term portion	Long-term portion	Total remaining loan 12.31.2024
BNL loan	PLC S.p.A.	22/01/2025	203	-	203
BPM loan	PLC System S.r.l.	30/06/2026	545	264	809
BPER loan (MCC Guarantee 80%)	PLC System S.r.l.	09/02/2027	605	100	705
BNL loan	PLC Service S.r.l.	31/07/2029	146	580	726
BNL loan FV (MCC Guarantee 90%)	PLC Service S.r.l.	28/06/2027	58	87	145
BNL Casalbore Property loan (Sace Guarantee 80%)	PLC Service S.r.l.	31/03/2028	46	102	148
Soft loan PON project	PLC Service S.r.l.	30/06/2031	31	174	205
CREDEM loan	PLC Service S.r.l.	31/03/2025	350	-	350
Unicredit advance	PLC Service Wind S.r.l.	Subject to revocation	177	-	177
Total			2,161	1,307	3,468

With reference to the coverage of the risk deriving from the change of interest rates, it is recalled that the subsidiary PLC System S.r.l. has signed an Interest Rate Option Cap (IRO Cap) contract on the existing loan with BPER (for further details, see note H. "Non-current derivative instruments").

It should be noted that the existing loans between PLC S.p.A. and Banca Nazionale del Lavoro S.p.A. for a residual Euro 203 thousand and between PLC Service S.r.l. and Banca Nazionale del Lavoro S.p.A. for a residual Euro 726 thousand, require compliance with certain financial covenants (ratio of financial debt to EBITDA and ratio of financial debt to shareholders' equity), which are subject to annual verification.

Failure to comply with either covenants may result in forfeiture.

At December 31, 2024, both covenants had been complied with.

The guarantees given in favour of loans granted to the Group are illustrated in detail in the Notes relating to commitments and guarantees.

N. PROVISIONS FOR NON-CURRENT RISKS AND CHARGES

At December 31, 2024, provisions for risks and charges amounted to Euro 625 thousand (Euro 675 thousand at December 31, 2023) and include the best estimate, based on the information available at the date and considering the evaluation elements acquired by the external consultants, the possible obligations of the PLC Group, especially with reference to the estimate of expected losses on multi-year job orders. In particular, the item includes: (i) provisions for any contractual penalties of Euro 75 thousand, (ii) provisions for guarantee interventions on contracts of Euro 350 thousand, and (iii) other provisions related to potential liabilities of Euro 200 thousand.

PROVISIONS FOR NON-CURRENT RISKS AND CHARGES (figures in thousands of Euros)	12.31.2023	Increases	Decreases	Reclassifications	12.31.2024
Provision for contractual penalties	125	-	-	(50)	75
Provision for contract guarantees	-	-	-	350	350
Other risk provisions	550	-	(50)	(300)	200
Total	675	-	(50)	-	625

The decrease for the period, amounting to Euro 50 thousand, relates to the release of the provision set up against the dispute involving the company Tirreno S.r.l., which was sold on July 26, 2024.

O. EMPLOYEE SEVERANCE INDEMNITY

The provision for employee severance indemnity ("TFR") at December 31, 2024 is equal to Euro 2,645 thousand (Euro 2,412 thousand at December 31, 2023).

EMPLOYEE SEVERANCE INDEMNITY (figures in thousands of Euros)	12.31.2023	Provisions	Utilisations	Actuarial gains/losses	12.31.2024
Employee severance indemnity	2,412	796	(440)	(123)	2,645

Employee severance indemnity includes amounts due to employees that are not transferred to supplementary pension funds or to the treasury fund set up at INPS. Employee severance indemnity is identified as defined benefit plans under IAS 19, and is therefore subject to actuarial valuations, to express the current value of the benefit payable at the end of the employment relationship that employees have accrued at the date of the financial statements.

The following table summarises the main actuarial assessment assumptions:

EMPLOYEE SEVERANCE INDEMNITY Assumptions adopted	Discount rate	Generic nominal growth rate in wages	Annual turnover rate	Probability of requesting advances TFR (Employee severance indemnity)	Advance request measure	Survival table (Males)	Survival table (Females)	Probability of disability (Males)	Probability of disability (Females)
PLC SpA	3.38%	2.00%	4.00%	3.00%	70.00%	M2019	F2019	Null	Null
PLC System	3.38%	2.00%	4.00%	3.00%	70.00%	M2019	F2019	Null	Null
PLC Service	3.38%	2.00%	4.00%	3.00%	70.00%	M2019	F2019	Null	Null
PLC Service Wind	3.38%	2.00%	4.00%	3.00%	70.00%	M2019	F2019	Null	Null

For discounting purposes, rates of return referring to ten-year bonds of highly rated issuers (AA Corporate Bonds) were used.

At December 31, 2024, the Group had 276 employees, including 6 managers, 115 middle managers and clerical staff and 155 workers. The average number of employees by category and the comparison with the previous year are shown in the table below.

AVERAGE NUMBER OF EMPLOYEES (In units)	12.31.2024	12.31.2023
Managers	6	7
Middle managers and clerical staff	111	97
Blue-collar workers	138	106
Total	255	210

P. DEFERRED TAX LIABILITIES AND OTHER NON-CURRENT TAXES

DEFERRED TAX LIABILITIES AND OTHER NON-CURRENT TAXES (figures in thousands of Euros)	12.31.2023	Increases	Decreases	12.31.2024
Deferred tax liabilities and other non-current taxes	211	2	(168)	45
Total	211	2	(168)	45

At December 31, 2024, the balance of deferred tax liabilities and other non-current liabilities amounted to Euro 45 thousand (Euro 211 thousand at December 31, 2023) and consisted mainly of the residual amount of deferred tax liabilities calculated on the fair value of the authorisations related to the 2021 C&C Transaction.

Q. PROVISIONS FOR CURRENT RISKS AND CHARGES

At December 31, 2023, the provision for current risks and charges, amounting to Euro 45 thousand, was completely released during the 2024 financial year.

Provisions for current risks and charges (figures in thousands of Euros)	12.31.2023	Increases	Decreases	12.31.2024
Provisions for current risks and charges	45	-	(45)	-
Total	45	-	(45)	-

The provision refers entirely to the reserve in PLC Service Wind S.r.l., for a potential performance-related penalty concerning a plant under management.

R. TRADE PAYABLES

The balance of trade payables at December 31, 2024 was Euro 18,411 thousand (Euro 22,854 thousand at December 31, 2023). The reduction is almost entirely attributable to PLC System S.r.l. and is connected to the ordinary course of business.

TRADE PAYABLES (figures in thousands of Euros)	12.31.2024	12.31.2023
Trade payables to related parties	-	19
Trade payables to others	18,411	22,835
Total	18,411	22,854

S. CONTRACT LIABILITIES

Contract liabilities, amounting to Euro 11,604 thousand (Euro 17,094 thousand at December 31, 2023) mainly concern advances and invoiced advances on multi-year job orders and revenue adjusted items to comply with the accrual principle, in application of the valuation criterion based on the contractual amounts accrued. The decrease from December 31, 2023 is attributable mainly to the advancement of revamping/repowering orders contracted in 2023 by PLC Service S.r.l..

T. OTHER PAYABLES

Other payables at December 31, 2024 amounted to Euro 5,889 thousand (Euro 4,034 thousand at December 31, 2023).

OTHER PAYABLES (figures in thousands of Euros)	12.31.2024	12.31.2023
Other payables to related parties	-	-
Payables to tax authorities	2,133	985
Accrued expenses and deferred income	1,170	365
Payables to social security institutions	859	674
Payables to directors	65	93
Other items	1,662	1,917
Other payables to others	5,889	4,034
Total	5,889	4,034

The "Other items" amounting to Euro 1,662 thousand primarily relate to payables to employees for wages, holidays, unused ROL, and annual bonuses; payables to social security institutions refer to social charges and contributions to be paid; the payables to directors are related to residual emoluments accrued during the year. On the other hand, amounts due to tax authorities mainly include VAT payables and withholding tax payables.

AA. REVENUES FROM CORE BUSINESS

REVENUES FROM CORE BUSINESS (figures in thousands of Euros)	01.01.2024 12.31.2024	01.01.2023 12.31.2023
Revenues from related parties	-	-
Revenues - Construction Segment	42,186	37,120
Revenues - Services Segment	42,999	23,412
Revenues Dispatching Segment	-	4,599
Revenues - Holding Segment	43	188
Revenues from others	85,228	65,319
Total	85,228	65,319

Revenues at December 31, 2024 amounted to Euro 85,228 thousand (Euro 65,319 thousand at December 31, 2023).

Services Segment revenues show a significant increase compared to the previous year, mainly due to the revamping orders progress acquired in 2023; additionally, there is an increase in revenues of the Construction Segment, in line with business performance.

On the other hand, there are no revenues from dispatching activities previously carried out by the subsidiary MSD Service S.r.l., due to the company's liquidation.

Pursuant to IFRS 8, paragraph 33, the revenues for the financial year derive from activities carried out within the Italian national territory.

BB. OTHER OPERATING REVENUES

OTHER OPERATING REVENUES (figures in thousands of Euros)	01.01.2024 12.31.2024	01.01.2023 12.31.2023
Other operating revenues from related parties	-	-
Other revenues	1,236	1,331
Total	1,236	1,331

Other revenues amounted to Euro 1,236 thousand on December 31, 2024 (Euro 1,331 thousand on December 31, 2023) and mainly include (i) the capitalisation of development costs related to the MAIA 4.0 Project for Euro 894 thousand, (ii) the non-repayable contribution related to the PON MISE M4.0 Project equal to Euro 85 thousand, (iii) the provision to Schmack Biogas S.r.l. of temporary services pertaining to the HR and ICT functions, in continuity with what was previously provided, to allow a smoother post-closing transition for Euro 51 thousand; (iv) the transfer of excess liquidity of the liquidated company PLC System South Africa (PTY) LTD, previously controlled by the company PLC System S.r.l. for Euro 42 thousand, and (v) the capitalisation of the

costs of internal personnel employed in the revamping of the photovoltaic roof of the subsidiary PLC System S.r.l. for Euro 26 thousand.

CC. COSTS FOR RAW MATERIALS

COSTS FOR RAW MATERIALS (figures in thousands of Euros)	01.01.2024 12.31.2024	01.01.2023 12.31.2023
Raw material purchases from related parties	-	-
Purchase of raw materials from third parties	26,044	23,232
Total	26,044	23,232

Costs for raw materials at December 31, 2024 amounted to Euro 26,044 thousand (Euro 23,232 thousand at December 31, 2023). The increase reported is attributable to the increase in the volumes of the Services Segment.

DD. SERVICE COSTS

The breakdown of service costs totalling Euro 29,900 thousand (Euro 23,953 thousand at December 31, 2023) is shown below.

SERVICE COSTS (figures in thousands of Euros)	01.01.2024 12.31.2024	01.01.2023 12.31.2023
Service costs from related parties	-	19
Services and other goods	25,980	20,160
Administrative and tax consulting	57	88
Legal and notarial consulting	145	263
Technical and professional consulting	391	486
Compensation of control bodies	236	209
Independent Auditors fees	187	246
Maintenance and utilities	944	741
Insurance	626	489
Rentals and other costs on third-party assets	1,308	1,158
Lease liabilities and expenses	26	94
Service costs from others	29,900	23,934
Total	29,900	23,953

The item "Services and other goods" mainly includes (i) costs related to third-party services at construction sites of the plants, (ii) costs for third-party services related to ordinary and extraordinary maintenance services on plants under management, (iii) electricity costs incurred by MSD; its increase compared to the previous period is in line with business activities.

The item "Rentals and other costs of third-party assets" includes costs mainly related to the rental of equipment and machinery (e.g. cranes and platforms) for short periods and which do not fall within the scope of IFRS 16. The increase is due to heightened activity in the Services segment.

EE. PERSONNEL COSTS

Personnel costs at December 31, 2024 amounted to Euro 16,915 thousand (Euro 13,780 thousand at December 31, 2023). The increase of Euro 3,135 thousand is mainly due to (i) the increase in direct personnel consistent with the growth in turnover and (ii) the strengthening of some staff functions. These initiatives are part of the objective to strengthen the operating model defined in the 2023-2027 Business Plan. The item also includes fees to the directors of the Parent Company and the group companies amounting to Euro 636 thousand and related allocation to the provision for end-of-term indemnity for Euro 25 thousand.

Details regarding the fees for members of the administrative and control bodies, as well as general managers and managers with strategic responsibilities at the Parent Company PLC S.p.A., can be found in the Remuneration Report, in compliance with Article 123-ter of Legislative Decree no. 58/1998 (TUF). The Remuneration Report is available on the website (www.plc-spa.it), to which reference is made.

FF. OTHER OPERATING COSTS

OTHER OPERATING COSTS (figures in thousands of Euros)	01.01.2024 12.31.2024	01.01.2023 12.31.2023
Indirect taxes and fees	171	164
Write-down of receivables and inventory	663	14
Other provisions	-	245
Other expenses	3,086	1,692
Other operating costs from others	3,920	2,115
Total	3,920	2,115

Other operating costs at December 31, 2024 amounted to Euro 3,920 thousand (Euro 2,115 thousand at December 31, 2023).

The "Other expenses" primarily include: (i) the costs for the vehicle fleet, travel expenses, business trips, representation expenses, and (ii) the inventory write-down provisions made during the year. Additionally, it's important to note that the adjustment for the 2024 financial year also stems from revisiting the stratification of write-down rates because of the update to the specific company procedure.

GG. AMORTISATION AND DEPRECIATION

AMORTISATION AND DEPRECIATION (figures in thousands of Euros)	01.01.2024 12.31.2024	01.01.2023 12.31.2023
Depreciation of tangible assets	1,022	794
Amortisation of intangible assets	1,082	732
Total	2,104	1,526

Amortisation and depreciation for the period amounted to Euro 2,104 thousand (Euro 1,526 thousand at December 31, 2023).

Amortisation of intangible assets mainly includes the amortisation of the prototype related to the PON MISE 4.0 Project for Euro 347 thousand and the new ERP operating system for Euro 271 thousand. The increase compared to the comparative financial year is mainly due to the amortisation of intangible fixed assets that arose from the consolidation of the special purpose entity Alisei Wind S.r.l., controlled by PLC Power S.r.l., amounting to Euro 455 thousand.

HH. WRITE-DOWNS

The amount of write-downs, equal to Euro 39 thousand (at December 31, 2023, no write-downs had been made), relates to the write-down of the Goodwill, present in the consolidated financial statements of the company MSD Service S.r.l.; the directors, considering the company's liquidation, completed in the early days of 2025, deemed it appropriate to proceed with the write-down of the Goodwill in its entirety.

II. FINANCIAL INCOME

At December 31, 2024, financial income amounted to Euro 127 thousand, compared to Euro 96 thousand on December 31, 2023. These proceeds refer to (i) the mark-to-market valuation of hedging derivatives on loans obtained by PLC S.p.A. and PLC System S.r.l., amounting to Euro 44 thousand; (ii) interest income on current accounts of Euro 35 thousand; and (iii) transactions such as invoice discounts, binding deposits, and default interest totalling Euro 48 thousand.

JJ. FINANCIAL CHARGES

Financial charges at December 31, 2024 totalled Euro 414 thousand, down from Euro 539 thousand on December 31, 2023. These expenses are allocated as follows: (i) Euro 307 thousand for interest on outstanding loans, (ii) Euro 39 thousand related to derivative contract costs, (iii) Euro 43 thousand due to the impact of the IFRS 16 accounting standard, and (iv) Euro 25 thousand for other interest.

KK. INCOME TAXES

INCOME TAXES (figures in thousands of Euros)	01.01.2024 12.31.2024	01.01.2023 12.31.2023
Current income taxes	(2,956)	(335)
Deferred income taxes	181	35
Prepaid income taxes	315	1,291
Tax credits	-	210
Total	(2,460)	1,201

The balance of the tax item, negative for Euro 2,460 thousand at December 31, 2024 (positive for Euro 1,201 thousand at December 31, 2023), is mainly composed of: (i) for Euro 2,311 thousand from the current IRES tax charge; (ii) for Euro 691 thousand from the current IRAP tax charge; (iii) for Euro 310 thousand from deferred taxes relating to the inventory write-down provision; (iv) for Euro 192 thousand from deferred taxes on depreciation arising only in the consolidation relating to the special purpose vehicle Alisei Wind S.r.l., controlled by PLC Power S.r.l., (v) for Euro 5 thousand at the discounting of severance pay pursuant to IAS 19.

LL. RESULT FOR THE PERIOD OF DISCONTINUED OPERATIONS

This refers to (i) the result for the period and the deconsolidation of the Schmack Biogas S.r.l. and Tirreno S.r.l. entities, (ii) the annual result of Samnium Energia S.r.l. and Florianum Energia S.r.l., which are treated as discontinued operations under IFRS 5, and (iii) the effects of MSD Service S.r.l. and PLC System Montenegro D.O.O. following their liquidation.

Income statement "Discontinued Operations" (figures in thousands of Euros)	01.01.2024 31.12.2024	di cui Perimetro Schmack	di cui Tirreno S.r.l.	di cui Samnium Energia S.r.l.	di cui Florianum Energia S.r.l.	di cui MSD Service S.r.l.	di cui PLC System Montenegro D.O.O.
Total revenues	-	-	-	-	-	-	-
Operating costs	(272)	(261)	(8)	(2)	(1)	-	-
GROSS OPERATING MARGIN	(272)	(261)	(8)	(2)	(1)	-	-
Amortisation, depreciation and write-downs	(1)	-	-	(0)	(0)	-	-
EBIT	(273)	(261)	(8)	(2)	(2)	-	-
Net financial income (charges)	-	-	-	(0)	0	-	-
Income from (Charges on) equity investments	6,784	6,784	-	-	-	-	-
Income taxes	(84)	(78)	-	(4)	(1)	-	-
Profit (loss) from disposal	106	362	(163)	-	-	(63)	(31)
Profit (loss) for the period	6,533	6,806	(171)	(7)	(2)	(63)	(31)

Income statement "Discontinued Operations" (figures in thousands of Euros)	01.01.2023 31.12.2023	di cui Samnium Energia S.r.l.	di cui Tirreno S.r.l.	di cui Perimetro Schmack	di cui Perimetro Monsson	di cui Idroelettrica 2014 S.r.l. Unipersonale	di cui Pangreen Moncambique LTD
Total revenues	20,731	-	-	18,878	1,853	-	-
Operating costs	(21,366)	(0)	45	(19,195)	(2,174)	(21)	(21)
GROSS OPERATING MARGIN	(635)	(0)	45	(317)	(321)	(21)	(21)
Amortisation, depreciation and write-downs	(1,224)	(0)	-	(327)	(121)	(380)	(396)
EBIT	(1,859)	(1)	45	(644)	(442)	(401)	(417)
Net financial income (charges)	71	-	-	25	38	-	8
Income from (Charges on) equity investments	(79)	-	-	(28)	(51)	-	-
Income taxes	(169)	-	12	16	-	(197)	-
Profit (loss) from disposal	12	-	-	-	68	(115)	60
Profit (loss) for the period	(2,025)	(1)	57	(632)	(387)	(713)	(349)

Financial position statement "Discontinued Operations" (figures in thousands of Euros)	31.12.2024	Florianum Energia S.r.l.	Samnium Energia S.r.l.
Tangible assets	4	2	2
Intangible assets	231	28	203
Tax receivables	-	-	-
Inventories	-	-	-
Trade receivables and other receivables	74	28	46
Cash	14	14	-
Assets held for sale	323	72	251
Trade payables and other payables	9	4	5
Provisions for risks and charges	-	-	-
Deferred tax liabilities	-	-	-
Financial liabilities	-	-	-
Liabilities held for sale	9	4	5

Cash Flow "Discontinued Operation" Euro thousands	01.01.2024 31.12.2024	Florianum Energia S.r.l.	Samnium Energia S.r.l.
Cash flow from operating activities	209	44	165
Cash flow from investing activities	(197)	(30)	(167)
Cash flow from financing activities	-	-	-
Net change in cash and cash equivalents	12	14	(2)
Cash and cash equivalents at the beginning of the period	2	-	2
Cash and cash equivalents at the end of the period	14	14	-

MM. COMPONENTS OF COMPREHENSIVE INCOME STATEMENT

The components of the comprehensive income statement not classifiable to the income statement relate to the effect of the actuarial calculation on the Employee Severance Indemnity in accordance with IAS 19, amounting to a positive Euro 88 thousand, net of the related tax effect of Euro 34 thousand.

NN. EARNINGS PER SHARE

EPS, or earnings per share, is calculated by dividing the operating profit, which is Euro 11,327,753, by the number of shares in circulation in the market during the same timeframe, which totals 25,960,575.

OO. CASH FLOW STATEMENT

In the 2024 financial year, the Group generated over Euro 7.7 million in cash. The main underlying phenomena are as follows: (i) about Euro 5.7 million from discontinued operations (represented almost entirely by the sale of the shareholding held in Schmack Biogas S.r.l.); (ii) Euro 8.5 million of gross cash flow deriving from operating activities and already inclusive of the change in net working capital; (iii) over Euro 4.1 million negative deriving from financing and debt repayment activities (Euro 4.4 million negative from repayments of existing loans, Euro 0.3 million negative for interest on existing loans, and over Euro 0.5 million positive from raising new loans); (iv) over Euro 1.7 million (negative) for investments made during the year (already net of divestments); (v) over Euro 1.8 million (negative) for dividends paid to shareholders; (vi) about Euro 1.3 million positive from tax management, as the taxes for the year, recorded in the consolidated income statement, will be partially paid during the 2025 financial year.

PP. COMMITMENTS AND GUARANTEES

PLC S.p.A.

- surety issued by PLC System S.r.l. in the interest of PLC S.p.A. in favour of Banca Nazionale del Lavoro to guarantee the loan granted for Euro 5,000 thousand.

PLC SYSTEM S.r.l.

- surety issued by PLC System S.r.l. on behalf of PLC S.p.A. in favour of BNL to guarantee the loan granted of Euro 5,000 thousand;
- guarantee issued by Medio Credito Centrale in the interest of PLC System S.r.l. in favour of BPER Banca to secure the loan granted of Euro 565 thousand;
- sureties issued by Banco BPM in favour of domestic customers for Euro 3,463 thousand;

- sureties issued by Credito Emiliano in favour of domestic customers for Euro 446 thousand;
- surety issued by PLC S.p.A. in the interest of PLC System S.r.l. in favour of Banco BPM for Euro 4,481;
- bank sureties issued by BNL in favour of domestic customers for a total of Euro 1,535 thousand;
- insurance sureties issued by Sace BT, Generali, Coface, Reale Mutua, Italiana Assicurazioni and Axa in favour of domestic customers for a total of Euro 8,246 thousand;
- surety issued by PLC S.p.A. in the interest of PLC System S.r.l. in favour of Banca Nazionale del Lavoro to guarantee the bank credit granted for Euro 2,450 thousand;
- surety issued by PLC S.p.A. in the interest of PLC System S.r.l. in favour of Banca Unicredit for Euro 3,640 thousand;
- bank sureties issued by Unicredit in favour of domestic customers for a total of Euro 506 thousand;
- corporate guarantee issued by PLC S.p.A. in favour of Nidec ASI for Euro 267 thousand.

PLC SERVICE S.r.l.

- bank sureties issued by Banca Nazionale del Lavoro S.p.A. in favour of domestic customers for a total of Euro 40 thousand;
- insurance sureties issued by Allianz, Sace BT, Generali, Reale Mutua, Revo, and Axa in favour of domestic customers for Euro 2,769 thousand;
- first mortgage on the property located in Acerra - Pantano district, for Euro 2,886 thousand to guarantee the loan granted by Banca Nazionale del Lavoro S.p.A.;
- patronage letters issued by PLC S.p.A. in favour of Unicredit S.p.A. for a total of Euro 1,040 thousand;
- guarantee issued by Medio Credito Centrale in the interest of PLC Service S.r.l. in favour of Banca Nazionale del Lavoro to guarantee the loan granted for Euro 288 thousand;
- guarantee issued by SACE S.p.A. in the interest of PLC Service S.r.l. in favour of Banca Nazionale del Lavoro to guarantee the loan granted for Euro 200 thousand;
- bank sureties issued by Monte dei Paschi di Siena S.p.A. in favour of domestic customers for a total of Euro 112 thousand;
- surety issued by PLC S.p.A. in the interest of PLC Service S.r.l. in favour of Credito Emiliano for Euro 350 thousand.

PLC SERVICE WIND S.r.l.

- surety for Euro 325 thousand, issued by PLC Service S.r.l. on behalf of the company in favour of Unicredit to guarantee the credit line granted;

- patronage letters issued by PLC S.p.A. in favour of Unicredit S.p.A. for a total of Euro 260 thousand;
- surety issued by Unicredit in favour of Enpower 3 for Euro 200 thousand;
- corporate guarantee issued by PLC S.p.A. in the interest of PLC Service Wind S.r.l. in favour of Arval Service Lease Italia S.p.A. for a total of Euro 600 thousand.

QQ.SEGMENT REPORTING

An operating segment is a component of an entity that undertakes business activities that generate revenues and expenses (including revenues and expenses from transactions with other segments of the same entity), whose operating results are periodically reviewed at the Company's chief operating decision making level for the purpose of making decisions about resources to be allocated to the segment, assessing results and for which separate financial statements information is available.

The following operating segments have been identified in line with the activities carried out by the Group:

Engineering & Construction Segment: which includes PLC System S.r.l.;

Development Segment: which includes PLC Power S.r.l. and its subsidiaries/investees;

Services Segment: which includes PLC Service S.r.l. and PLC Service Wind S.r.l.;

Holding Segment: which incorporates the parent company PLC S.p.A.;

Dispatching Services Segment (decommissioned): which includes MSD Service S.r.l.

It should be noted that, although five operating segments have been identified, from an accounting point of view — according to IFRS 8 — the segments "Engineering & Construction" and "Development" are treated as a single segment, named "Construction", due to their strong correlation.

RECLASSIFIED COMPREHENSIVE INCOME STATEMENT (figures in thousands of Euros)	Construction	Services	Holding	Dispatching	01.01.2024 12.31.2024
Revenues from core business	42,186	42,999	43	-	85,228
Other operating revenues	192	984	60	-	1,236
Total revenues	42,378	43,983	103	-	86,464
Operating costs	(32,258)	(34,964)	(5,624)	(13)	(72,859)
Other operating costs	(1,932)	(1,745)	(241)	(2)	(3,920)
GROSS OPERATING MARGIN (EBITDA)	8,188	7,274	(5,762)	(15)	9,685
EBITDA %	19%	17%	n.a.	n.a.	11%
Amortisation, depreciation and write-downs	(597)	(1,123)	(384)	(39)	(2,143)
OPERATING RESULT (EBIT)	7,591	6,151	(6,146)	(54)	7,542
Net financial income (charges)	(121)	(95)	(71)	-	(287)
Income from (Expenses on) equity investments	-	-	-	-	-
Income taxes	(1,935)	(1,249)	724	-	(2,460)
Profit (loss) for the period from continuing operations	5,535	4,807	(5,493)	(54)	4,795
Profit (loss) for the period from discontinued operations (*)	(210)	-	6,806	(63)	6,533
PROFIT (LOSS) FOR THE PERIOD	5,325	4,807	1,313	(117)	11,328
Total other components of the comprehensive income statement	49	22	17	-	88
COMPREHENSIVE INCOME STATEMENT	5,374	4,829	1,330	(117)	11,416

RECLASSIFIED COMPREHENSIVE INCOME STATEMENT (figures in thousands of Euros)	Construction	Services	Holding	Dispatching	01.01.2023 12.31.2023
Revenues from core business	37,120	23,412	188	4,599	65,319
Other operating revenues	319	696	292	24	1,331
Total revenues	37,439	24,108	480	4,623	66,650
Operating costs	(33,264)	(17,534)	(5,618)	(4,549)	(60,965)
Other operating costs	(772)	(1,150)	(189)	(4)	(2,115)
GROSS OPERATING MARGIN (EBITDA)	3,403	5,424	(5,327)	70	3,570
EBITDA %	9%	22%	n.a.	2%	5%
Amortisation, depreciation and write-downs	(133)	(1,059)	(334)	-	(1,526)
OPERATING RESULT (EBIT)	3,270	4,365	(5,661)	70	2,044
Net financial income (charges)	(218)	(79)	(146)	-	(443)
Income from (Expenses on) equity investments	-	-	-	-	-
Income taxes	639	(527)	1,091	(2)	1,201
Profit (loss) for the period from continuing operations	3,691	3,760	(4,717)	68	2,802
Profit (loss) for the period from discontinued operations	56	(2,081)	-	-	(2,025)
PROFIT (LOSS) FOR THE PERIOD	3,747	1,679	(4,717)	68	777
Total other components of the comprehensive income statement	(43)	(78)	(55)	-	(176)
COMPREHENSIVE INCOME STATEMENT	3,704	1,601	(4,772)	68	601

FINANCIAL POSITION STATEMENT (figures in thousands of Euros)	Construction	Services	Holding	12.31.2024
Non-current assets				
Tangible assets	1,159	5,713	229	7,101
Goodwill	-	-	4,711	4,711
Other intangible assets	941	2,078	803	3,822
Equity investments accounted for using the equity method	-	-	-	-
Equity investments in other companies	11	-	-	11
Deferred tax assets	274	152	-	426
Receivables and other non-current assets	930	207	11	1,148
Other non-current financial assets	-	-	-	-
Non-current derivative instruments	12	-	-	12
Total non-current assets	3,327	8,150	5,754	17,231
Current assets				
Inventories	5,918	743	-	6,661
Contract assets	1,632	4,537	-	6,169
Trade receivables	4,400	8,936	6	13,342
Financial receivables	-	-	450	450
Other receivables	3,699	1,156	196	5,051
Cash and cash equivalents	13,718	3,595	405	17,718
Other current financial assets	-	-	-	-
Current derivative instruments	-	-	-	-
Total current assets	29,367	18,967	1,057	49,391
Assets held for sale / disposal	323	-	-	323
TOTAL ASSETS	33,017	27,117	6,811	66,945
FINANCIAL POSITION STATEMENT (figures in thousands of Euros)	Construction	Services	Holding	12.31.2024
TOTAL SHAREHOLDERS' EQUITY	7,838	11,542	3,534	22,914
Non-current liabilities				
Non-current financial liabilities	480	1,578	52	2,110
Provisions for non-current risks and charges	500	125	-	625
Employee severance indemnity	716	1,342	587	2,645
Deferred tax liabilities and other non-current taxes	42	1	2	45
Payables and other non-current liabilities	-	-	-	-
Non-current derivative instruments	-	-	-	-
Total non-current liabilities	1,738	3,046	641	5,425
Current liabilities				
Current financial liabilities	1,222	1,186	285	2,693
Provisions for current risks and charges	-	-	-	-
Trade payables	11,952	5,991	468	18,411
Contract liabilities	9,232	2,372	-	11,604
Other payables	1,026	2,980	1,883	5,889
Current derivative instruments	-	-	-	-
Total current liabilities	23,432	12,529	2,636	38,597
Liabilities held for sale / disposal	9	-	-	9
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	33,017	27,117	6,811	66,945

FINANCIAL POSITION STATEMENT (figures in thousands of Euros)	Construction	Services	Holding	Dispatching	12.31.2023
Non-current assets					
Tangible assets	980	5,345	213	-	6,538
Goodwill	-	-	4,711	39	4,750
Other intangible assets	1,479	1,577	746	-	3,802
Equity investments accounted for using the equity method	-	-	-	-	-
Equity investments in other companies	11	-	-	-	11
Deferred tax assets	131	7	1,264	-	1,402
Receivables and other non-current assets	978	205	50	-	1,233
Other non-current financial assets	-	-	-	-	-
Non-current derivative instruments	52	-	-	-	52
Total non-current assets	3,631	7,134	6,984	39	17,788
Current assets					
Inventories	851	5,365	-	-	6,216
Contract assets	7,174	-	-	-	7,174
Trade receivables	8,767	10,138	44	270	19,219
Financial receivables	5	-	13	-	18
Other receivables	3,985	2,173	217	60	6,435
Cash and cash equivalents	5,306	3,803	436	416	9,961
Other current financial assets	-	-	-	-	-
Current derivative instruments	-	-	-	-	-
Total current assets	26,088	21,479	710	746	49,023
Assets held for sale / disposal		14,061	282	-	14,343
TOTAL ASSETS	29,719	42,535	7,976	785	81,154
FINANCIAL POSITION STATEMENT (figures in thousands of Euros)	Construction	Services	Holding	Dispatching	12.31.2023
TOTAL SHAREHOLDERS' EQUITY	(1,108)	11,243	2,404	80	12,619
Non-current liabilities					
Non-current financial liabilities	1,554	1,628	363	-	3,545
Provisions for non-current risks and charges	550	125	-	-	675
Employee severance indemnity	644	1,274	494	-	2,412
Deferred tax liabilities and other non-current taxes	234	48	(71)	-	211
Payables and other non-current liabilities	-	-	-	-	-
Non-current derivative instruments	-	-	-	-	-
Total non-current liabilities	2,982	3,075	786	-	6,843
Current liabilities					
Current financial liabilities	2,156	1,256	1,733	-	5,145
Provisions for current risks and charges	-	45	-	-	45
Trade payables	15,862	5,826	462	704	22,854
Contract liabilities	9,189	7,905	-	-	17,094
Other payables	638	1,577	1,818	1	4,034
Current derivative instruments	-	-	-	-	-
Total current liabilities	27,845	16,609	4,013	705	49,172
Liabilities held for sale / disposal	-	11,747	773	-	12,520
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	29,719	42,535	7,976	785	81,154

3.4.3 TRANSACTIONS WITH RELATED PARTIES

Regarding the requirements of the international accounting standard IAS 24 (revised) on "Related party disclosures" and the additional information required by Consob communication no. 6064293 of July 28, 2006, the following tables summarise the Group's economic and financial transactions with related parties.

Revenues and costs from related parties

REVENUES AND COSTS - RELATED PARTIES (figures in thousands of Euros)	Revenues			Costs			
	Revenues	Research and development	Financial income	Raw materials	Services	Payroll and other costs	Financial charges
Antonio Carrano	-	-	-	-	-	-	-
Biomethane Invest S.r.l.	-	-	-	-	-	-	-
Idea S.r.l.	-	-	-	-	-	-	-
Massimo Rossetto	-	-	-	-	-	-	-
Nicolò Cariboni	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-
% impact on financial statements item	0%	0%	0%	0%	0%	0%	0%

Receivables from and payables to related parties

RELATED PARTIES RECEIVABLES AND PAYABLES (figures in thousands of Euros)	Receivables			Payables		
	Trade receivables	Financial receivables	Other receivables	Trade payables	Financial payables	Other payables
Antonio Carrano	-	3	-	-	-	-
Biomethane Invest S.r.l.	-	-	-	-	-	-
Idea S.r.l.	-	-	-	-	-	-
Massimo Rossetto	-	-	-	-	-	-
Nicolò Cariboni	-	-	-	-	-	-
Sicily Biomethan S.r.l.	-	-	-	-	-	-
Total	-	3	-	-	-	-
% impact on financial statements item	0%	1%	0%	0%	0%	0%

3.4.4 FINANCIAL RISK MANAGEMENT POLICY

The financial risks to which the PLC Group is exposed are as follows: (i) liquidity risk stemming from the possibility of not being able to source the necessary funds to meet its obligations, (ii) credit risk arising from the possibility of default by a counterparty and (iii) interest rate risk arising from financial exposure.

Financial risk management is an integral part of the management of the Group's activities and is carried out centrally by the Parent Company, which defines the risk categories and, for each type of transaction and/or instrument, indicates the methods and operating limits.

Types of financial instruments and fair value hierarchy

Below is a breakdown of financial assets and liabilities, as required by IFRS 7, as part of the categories envisaged by IFRS 9, with an indication of the assessment criteria adopted.

FINANCIAL ASSETS AND LIABILITIES - IFRS 9 (figures in thousands of Euros)	Measurement criteria adopted				12.31.2024	12.31.2023
	Fair value	Fair value hierarchy	Measurement at cost	Amortised cost	Carrying amount	Carrying amount
Loans and receivables	450	Level 3	-	-	450	18
Cash and cash equivalents	17,718	Level 1	-	-	17,718	9,961
Trade receivables	-	-	-	13,342	13,342	19,219
Other current receivables	-	-	-	5,051	5,051	6,435
Other non-current receivables	-	-	-	1,148	1,148	1,233
Investments in other companies measured at fair value	-	-	-	-	-	-
Investments in other companies measured at cost	-	-	11	-	11	11
Other financial assets	-	-	-	-	-	-
TOTAL FINANCIAL ASSETS	18,168	-	11	19,541	37,720	36,877
Trade payables and contract liabilities	-	-	-	30,015	30,015	39,948
Other current payables	-	-	-	5,889	5,889	4,034
Provisions for current risks and charges	-	-	-	-	-	45
Current financial payables	-	-	-	2,693	2,693	5,145
Non-current financial payables	-	-	-	2,110	2,110	3,545
TOTAL FINANCIAL LIABILITIES	-	-	-	40,707	40,707	52,717

Regarding cash and cash equivalents, trade receivables and payables, other current and non-current receivables and current payables, the amortised cost is a reasonable approximation of fair value.

Financial assets and liabilities due within one year have not been measured at fair value because their amortised cost approximates fair value.

Financial assets and liabilities due after one financial year are assessed using the amortised cost method.

Regarding financial instruments measured at fair value, the classification of the same is reported based on the hierarchy of levels that reflects the significance of the inputs used in determining fair value, as required by IFRS 13. The following levels can be distinguished:

- level 1 - listed (unadjusted) prices in active markets for identical assets or liabilities available to the entity at the measurement date;

- level 2 - inputs other than the listed prices referred to in the previous point, which are observable on the market directly (as in the case of prices) or indirectly (i.e. derived from prices);
- level 3 - inputs that are not based on observable market data.

Liquidity Risk

The evolution of the Group's net working capital and financial requirements is heavily influenced by the timing of invoicing of work in progress (with reference to the Construction Segment) and services (with reference to the Services Segment) and collection of the related receivables. Consequently, although the Group has put in place measures to ensure that adequate levels of working capital and liquidity are maintained, any delays in the progress of projects and/or in the definition of positions being finalised with clients could have an impact on the capacity and/or timing of cash flow generation.

Liquidity risk represents the risk that, due to the inability to raise new funds or liquidate assets on the market, the Group will not be able to meet its payment obligations, resulting in an impact on the economic result if the Group is forced to incur additional costs to meet its commitments or, as an extreme consequence, a situation of insolvency that puts the Group's business at risk. The Group's risk management objective is to put in place a financial structure that, in line with the business objectives and defined limits, guarantees an adequate level of liquidity of credit facilities and credit lines for the entire Group.

The policies applied were aimed at guaranteeing sufficient financial resources to cover short-term commitments and maturing bonds, as well as to ensure the availability of an adequate level of operational flexibility for the Group development programs, pursuing the maintenance of balance in terms of duration and composition of debt and an adequate structure of bank credit lines.

At December 31, 2024, the Group has a balanced short-term net financial debt, characterised by a positive net cash position, and has credit lines granted and unused amounting to just under Euro 2 million, which may be drawn down in the event of liquidity needs.

It is important to note that with the sale of Schmack Biogas S.r.l. and its subsidiaries, the Parent Company has secured sufficient funds to (i) ensure sufficient financial resources to cover short-term commitments and maturing obligations, (ii) ensure an appropriate level of operational flexibility for the Group, maintaining a balance in terms of the maturity and composition of debt and an adequate structure of bank credit facilities, and (iii) allow the early repayment of part of the previously existing bank loan.

At this stage, the PLC Group has not been exposed to an increase in liquidity risk due to the ongoing conflicts in Ukraine and Palestine, even though, given the long-term uncertainty, a potential worsening of financial

stress scenarios cannot be ruled out, resulting from a deterioration of liquidity in general, delays in payments from customers and the slowdown of operational activities on projects with delays in invoicing customers.

Credit Risk

Credit risk is the risk that a counterparty will fail to meet its obligations under a contract, thereby generating a financial loss.

Credit risk is, in general, mitigated by the fact that: (i) the Group conducts a preliminary evaluation regarding the counterparty's solvency risk; (ii) generally, the Group's primary customers are key players in the energy, infrastructure, or financial sectors, and as a result, are counterparts characterised by a low credit risk profile; (iii) the payment terms for the Construction orders of PLC System S.r.l. and the revamping of PLC Service S.r.l. (i.e. the largest activities) are such as to generally ensure positive cash flows during the realisation of the project. Despite the uncertain macroeconomic context, credit risk has currently remained contained; however, it cannot be ruled out that some Group customers may delay or fail to honour payments under the agreed terms and conditions, with a consequent increase in credit risk.

Where there are changes in the creditworthiness of a counterparty, the value of the credit is adjusted accordingly to bring it in line with the actual probability of recovery. At December 31, 2024, the maximum exposure to credit risk was equal to the carrying amount of the receivables in the financial statements.

Market risk

Market risk is the risk that the fair value of the future cash flows of a financial instrument will fluctuate because of changes in market prices, due to fluctuations in exchange rates, interest rates or the prices of equity instruments. The objective of market risk management is to manage and control the Group's exposure to such risk within acceptable levels, while optimizing the return on investments.

Exchange rate risk

Throughout 2024, the Group carried out 99% of its activities in the Italian market, with the remaining 1% occurring abroad. This limited exposure to foreign exchange risk means the Group does not currently maintain any hedging contracts for currency risk management.

Interest rate risk

The Group's exposure to risk deriving from changes in interest rates originates from floating rate financial payables that expose the Group to a cash flow risk linked to the volatility of the Euribor curve. Generally, the goal of management is to limit the fluctuation of the financial charges that have an impact on the economic

result, limiting the risk of a potential increase in interest rates, eventually using derivative contracts for hedging purposes.

At December 31, 2024, one Interest Rate Option Cap (IRO Cap) contract was outstanding on the loan with BPER Banca S.p.A.

Capital management

The objectives identified by the Group in the management of capital are the creation of value for all shareholders, the safeguarding of business continuity and support for the development of the Group, to which the new management is heavily committed.

Risks arising from extra-EEC duties

The tariffs announced by the US administration, inaugurated in 2025, against the EU might have significant effects on our country. The global trade outlook remains bleak and is further exacerbated by the potential escalation of trade and geopolitical tensions due to US tariffs, risking substantial impacts on Italy. At this time, it should be noted that the Company, operating as the primary market in the national territory, is not expected to encounter negative repercussions. However, management is evaluating any potential effects that may arise across its operations, including the supply chain.

3.5 DISCLOSURE ON FEES AND INFORMATION PURSUANT TO ART. 149-DUODECIES OF THE ISSUERS' REGULATIONS

Regarding the provisions of article 149-duodecies of the Issuers' Regulations, information is provided below on the fees payable during the year for auditing and non-auditing services provided by the independent auditors and by entities belonging to the network of the independent auditors to the parent company and other companies of the PLC Group, divided into auditing services for the purpose of issuing a certificate and other services, broken down by type.

Nature of the service	Company that provided the service	Recipient	Consideration for the 2024 financial year (figures in thousands of Euros)
Audit and accounting control	PricewaterhouseCoopers	PLC S.p.A.	71,190
Attestation services (*)	PricewaterhouseCoopers	PLC S.p.A.	41,000
Audit and accounting control	PricewaterhouseCoopers	Group companies	67,800
Total			179,990

(*) refer to (i) services for the certification of tax credits and (ii) services for the certification of the sustainability report

3.6 CERTIFICATION OF THE CONSOLIDATED FINANCIAL STATEMENTS IN ACCORDANCE WITH ART. 154-BIS OF LEGISLATIVE DECREE NO. 58/98

The undersigned Andrea Orlando and Simone Albertazzi, the Chief Executive Officer and the Manager in charge of Financial Reporting of PLC S.p.A. respectively, certify, considering the provisions of Article 154-bis, paragraphs 3 and 4, of Legislative Decree no. 58 of February 24, 1998:

- the adequacy in relation to the characteristics of the business and
- the effective application of the administrative and accounting procedures in preparing the consolidated financial statements at December 31, 2024.

There are no significant aspects to be mentioned in this regard.

It is also certified that:

the consolidated financial statements at December 31, 2024:

- have been prepared in accordance with the applicable international accounting standards recognised by the European Community pursuant to Regulation (EC) no. 1606/2002 of the European Parliament and of the Council of July 19, 2002;
- are consistent with the data in the accounting records and other corporate documents;
- provide a true and fair view of the financial position, results of operations and cash flows of the issuer and the group of consolidated companies.

The management report includes a reliable analysis of the management trend and result, as well as the situation of the issuer and the group of companies included in the consolidation, together with the description of the main risks and uncertainties to which they are exposed.

Acerra, March 27, 2025

The Chief Executive Officer

signed Andrea Orlando

The Manager in charge of
Financial Reporting

signed Simone Albertazzi



3.7 INDEPENDENT AUDITORS' REPORT



Independent auditor's report

in accordance with article 14 of Legislative Decree No. 39 of January 27, 2010 and article 10 of Regulation (EU) No. 537/2014

To the shareholders of PLC SpA

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of PLC Group (the Group), which comprise the consolidated financial position statement as of December 31, 2024, the consolidated income statement, comprehensive income statement, consolidated statement of changes in shareholders' equity, consolidated cash flow statement for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as of December 31, 2024, and of the result of its operations and 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, as well as with the regulations issued to implement article 9 of Legislative Decree No. 38/05.

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 this report. We are independent of PLC SpA pursuant to the regulations and standards on ethics and independence applicable to audits of financial statements under Italian law. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

PricewaterhouseCoopers SpA

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Key Audit Matters

Auditing procedures performed in response to key audit matters

Evaluation of revenues from core business and contract assets and liabilities

Note 3.4 to the consolidated financial statements “Notes to the consolidated financial statements” (paragraphs “Contract assets and liabilities”, “Revenues from contracts with customers” and “Use of estimates”), note 3.4.2 to the consolidated financial statements “Notes on the consolidated results at December 31, 2024” (paragraphs “H. Inventories and contract assets”, “S. Contract liabilities” and “AA. Revenues from core business”) and note 2.3 to the management report “Analysis of the operating performance and outlook”.

The PLC Group operates in the renewable energies market, with particular reference to the photovoltaic and wind sectors, as well as in that of high and medium voltage electrical infrastructures serving power generation or industrial plants in which it carries out engineering, procurement, construction and testing activities (“Engineering & Construction Segment”), monitoring activities and ordinary and extraordinary maintenance and technological modernization of electrical infrastructures, wind turbines, wind and photovoltaic parks (“Services Segment”), as well as development activities of new plants to produce energy from renewable sources until the authorization process is completed (“Development Segment”).

Revenues realized during 2024 amount to about Euro 85.2 million and are mainly related to contract work in progress. The line-items “Contract assets” and “Contract liabilities” are equal to about Euro 6.2 million and about Euro 11.6 million respectively. Revenues from contract work in progress and related margins are mainly recognised based on the stage of completion of the job orders according to the percentage of completion

We obtained an understanding of the internal control system over the areas at issue paying special attention to the identification process of contract work in progress (or job orders).

We selected a sample of job orders on the basis of quantitative and qualitative elements. The main audit procedures that we performed on the sample of the selected job orders were as follows:

- Reconciliation of contract revenues with the agreements signed with the counterparties;
- Reconciliation of the costs incurred as resulting from the management accounts and those resulting from the general accounts;
- Verification on a sample basis of the actual costs for the period related to the relevant job order by obtaining documentation from third-party sources (invoices, contracts, transport documents);
- Re-computation of the stage of progress of the job order;
- Analysis of the main assumptions used in estimating the costs to

method, based on the ratio between the costs incurred and the total costs expected to complete the job order.

The processes and methods of recognition of revenues and the quantification of contract work in progress are based on sometimes complex assumptions which by their very nature imply management's judgement, with particular reference to the estimation of the lifetime costs of projects (including any contractual penalties, even if potential, where applicable) and the evaluation of any changes in the contractual value (certain or under negotiation).

We considered this aspect to be a key audit matter considering the economic and financial relevance of contract work in progress and given the existence of elements that can make the evaluation process difficult.

complete the job order and to determine total revenues, by examining the job order reports and the contractual documentation, and by interviews of the project managers;

- Comparative analysis of the main changes in the results of the job order compared with the original estimate or with the previous year.

We verified the completeness and accuracy of the disclosures provided in the notes to the financial statements.

Evaluation of the recoverability of the carrying amount of goodwill

Note 3.4 to the consolidated financial statements "Notes to the consolidated financial statements" (paragraphs "Business combinations and Goodwill", "Use of estimates" and "Impairment of tangible and intangible assets") and note 3.4.2 to the consolidated financial statements "Notes on the consolidated results at December 31, 2024" (paragraph "B. Goodwill").

The consolidated financial statements of the PLC Group at December 31, 2024 include goodwill of about Euro 4.7 million which arose from the acquisition of the subsidiaries PLC System Srl and PLC Service Srl.

Goodwill is initially recognised at cost, which is the difference between the consideration transferred by the purchaser and the identifiable net assets acquired and liabilities assumed by the Group. After initial recognition, goodwill is subject to an impairment test with reference to the cash generating units ("CGUs") to which it is allocated and monitored by the directors.

We performed an understanding of the method adopted by management in preparing the impairment tests and approved by the Board of Directors of the Company on February 19, 2025.

We carried out the audit procedures on a sample basis with regard to the main assumptions underlying the expected cash flows, in order to verify the reasonableness of and consistency with the obtained contracts of the data used for the impairment tests. In particular, our activities consisted in obtaining supporting evidence for the

In accordance with the company policy, the impairment test is carried out on a half-year basis or, if there are indications that the value of the asset may have been impaired, more frequently. This impairment test consists in verifying that the recoverable amount of the asset is equal to at least its book value. The recoverable amount of the asset is the higher between the fair value, net of costs to sell, and the asset's value in use.

The value in use is calculated based on the discounted cash flow method. The cash flows used for this test are determined starting with the information inferred from the forward-looking data included in the applicable business plan. The recoverable amount chiefly depends on the following factors: (i) expected cash flows, (ii) impact on the cash flows from the "Climate change", (iii) the perpetuity growth rate ("g"), if any, used in the model and (iv) the discount rate used to discount back the future cash flows.

The Group adopts – and updates every year – a procedure which describes the activities and safeguards put in place in order to monitor the assets subject to the impairment test or for which triggering events are identified that signal the need to perform an impairment valuation.

As at December 31, 2024 the Group used the cash flows defined in the Business Plan 2023-2027, approved by the Board of Directors, supplemented by the 2025 Budget approved by the directors on March 12, 2025, considering in particular an explicit time-horizon of 3 years for the years 2025 – 2027 and calculating the terminal value determined on the basis on the perpetuity method by applying a long-term growth rate "g", consistent with the abiding and foreseeable macroeconomic context applicable to each individual CGU.

The Group also performed a sensitivity analysis on the basis of the changes in the discount rate and in the growth rate.

estimates of the revenue flows used in the impairment test and in verifying the discount and growth rates beyond the time-horizon used in the calculation model.

We verified the criteria for the identification of the CGUs in line with the Group structure, verifying the allocation of the book values of assets and liabilities to each individual CGU.

We tested the mathematical correctness of the model used for the impairment test.

Finally, we verified the sensitivity analysis carried out by the Company.

These activities were performed also with the support of PwC network experts in valuation models.

We verified the completeness and accuracy of the disclosures provided in the notes to the financial statements.

From the impairment tests and the sensitivity analysis on the CGUs, it merged a recoverable amount in excess of the carrying amount.

We considered this aspect to be a key audit matter because of the materiality of the amount as well as for the complexity of the process of estimation of the recoverable amount of goodwill, since it is based on valuation assumptions and hypotheses affected by economic and market conditions subject to uncertainties especially relating to the determination of the forward-looking cash flows and of the discount rate.

Discontinued operations or assets held for disposal

Note 3.2 to the consolidated financial statements “Main PLC Group operations during the year 2024”, note 3.4 to the consolidated financial statements “Notes to the consolidated financial statements” (paragraph “Non-current assets and liabilities held for sale or disposal”), note 3.4.2 to the consolidated financial statements “Notes on the consolidated results at December 31, 2024” (paragraph “LL. Result for the period of discontinued operations”).

As at December 31, 2024 the profit from assets (liabilities) discontinued and /or held for disposal, equal to about Euro 6.5 million, included about Euro 6.8 million of the profit generated by the disposal of the subsidiary Schmack Biogas Srl, occurred in the first quarter of 2024. The difference, equal to approx. Euro 0.3 million, relates to the overall losses realized by the following investee companies, being disposed of and/or wound up: Tirreno Srl, Samnium Energia Srl, Florianum Energia Srl, MSD Service Srl and PLC System Montenegro DOO.

The evaluation of the profit linked to the assets and liabilities of the Group required directors to make judgments and estimates, especially with regard to the valuation of the variable consideration for the sale of the subsidiary

We held interviews of management in order to understand the elements considered to evaluate compliance with the requirements of IFRS 5.

With reference to the sale of the subsidiary Schmack Biogas Srl, occurred with deed of sale of March 7, 2024, we carried out the following audit procedures:

- Obtained and analysed the deed of sale;
 - Read the Company’s corporate books;
 - Verified the correct determination of the P&L effect of the transaction. This activity was done with particular reference to the verification of the reasonableness and accuracy of the directors’ estimate of the variable component of the consideration
-

Schmack Biogas Srl. In relation to the variable component linked to the earn-out mechanism, as of today the directors have estimated that the amount accruing to December 31, 2024 can be equal, on the whole, to about Euro 1.2 million, gross of taxes.

under the deed of sale, based on the evidence obtained to date from the Company.

We verified the completeness and accuracy of the disclosures provided in the notes to the financial statements.

Because of the relevance of the transaction and the complexity of the estimation process, we considered this topic to be a key audit matter.

Other Matters

The consolidated financial statements of the PLC Group for the year ended December 31, 2023 were audited by another auditor who expressed an unmodified opinion on those statements on April 8, 2024.

Responsibilities of the Directors and the Board of Statutory Auditors for the Consolidated Financial Statements

The directors are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and adopted by the European Union, as well as with the regulations issued to implement article 9 of Legislative Decree No. 38/05 and, in the terms prescribed by law, for such internal control as they determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

The directors are responsible for assessing the Group's ability to continue as a going concern and, in preparing the consolidated financial statements, for the appropriate application of the going concern basis of accounting, and for disclosing matters related to going concern. In preparing the consolidated financial statements, the directors use the going concern basis of accounting unless they either intend to liquidate PLC SpA or to cease operations, or have no realistic alternative but to do so.

The board of statutory auditors is responsible for overseeing, in the terms prescribed 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 the consolidated financial statements.



As part of our audit conducted in accordance with International Standards on Auditing (ISA Italia), we exercised professional judgement and maintained professional scepticism throughout the audit. Furthermore:

- We identified and assessed the risks of material misstatement of the consolidated financial statements, whether due to fraud or error; we designed and performed audit procedures responsive to those risks; we obtained 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;
- We obtained 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;
- We evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;
- We concluded on the appropriateness of the directors' 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;
- We evaluated 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;
- We obtained 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 on the consolidated financial statements.

We communicated 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 identified during our audit.

We also provided those charged with governance with a statement that we complied with the regulations and standards on ethics and independence applicable under Italian law and communicated with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate the related risks, or safeguards applied.

From the matters communicated with those charged with governance, we determined those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We described these matters in our auditor's report.

Additional Disclosures required by Article 10 of Regulation (EU) No. 537/2014

On April 29, 2024, the shareholders of PLC SpA in general meeting engaged us to perform the statutory audit of the Company's and the consolidated financial statements for the years ending December 31, 2024 to December 31, 2032.

We declare that we did not provide any prohibited non-audit services referred to in article 5, paragraph 1, of Regulation (EU) No. 537/2014 and that we remained independent of the Company in conducting the statutory audit.

We confirm that the opinion on the consolidated financial statements expressed in this report is consistent with the additional report to the board of statutory auditors, in its capacity as audit committee, prepared pursuant to article 11 of the aforementioned Regulation.

Report on Compliance with other Laws and Regulations

Opinion on compliance with the provisions of Commission Delegated Regulation (EU) 2019/815

The directors of PLC SpA are responsible for the application of the provisions of Commission Delegated Regulation (EU) 2019/815 concerning regulatory technical standards on the specification of a single electronic reporting format (ESEF - European Single Electronic Format) (hereinafter, the "Commission Delegated Regulation") to the consolidated financial statements as of December 31, 2024, to be included in the annual report.

We have performed the procedures specified in auditing standard (SA Italia) No. 700B in order to express an opinion on the compliance of the consolidated financial statements with the provisions of the Commission Delegated Regulation.

In our opinion, the consolidated financial statements as of December 31, 2024 have been prepared in XHTML format and have been marked up, in all significant respects, in compliance with the provisions of the Commission Delegated Regulation.

Due to certain technical limitations, some information included in the notes to the consolidated financial statements when extracted from the XHTML format to an XBRL instance may not be reproduced in an identical manner with respect to the corresponding information presented in the consolidated financial statements in XHTML format.

Opinions and statement in accordance with article 14, paragraph 2, letters e), e-bis) and e-ter) of Legislative Decree No. 39/10 and with article 123-bis, paragraph 4, of Legislative Decree No. 58/98

The directors of PLC SpA are responsible for preparing a management report and a report on the corporate governance and ownership structure of the PLC Group as of December 31, 2024, including their consistency with the relevant consolidated financial statements and their compliance with the law.



We have performed the procedures required under auditing standard (SA Italia) No. 720B in order to:

- express an opinion on the consistency of the management report and of the specific information included in the report on corporate governance and ownership structure referred to in article 123-bis, paragraph 4, of Legislative Decree No. 58/98, with the consolidated financial statements;
- express an opinion on the compliance with the law of the management report and of the specific information included in the report on corporate governance and ownership structure referred to in article 123-bis, paragraph 4, of Legislative Decree No. 58/98;
- issue a statement on material misstatements, if any, in the management report and in the specific information included in the report on corporate governance and ownership structure referred to in article 123-bis, paragraph 4, of Legislative Decree No. 58/98.

In our opinion, the management report and the specific information included in the report on corporate governance and ownership structure referred to in article 123-bis, paragraph 4, of Legislative Decree No. 58/98 are consistent with the consolidated financial statements of the PLC Group as of December 31, 2024.

Moreover, in our opinion, the management report and the specific information included in the report on corporate governance and ownership structure referred to in article 123-bis, paragraph 4, of Legislative Decree No. 58/98 are prepared in compliance with the law.

With reference to the statement referred to in article 14, paragraph 2, letter e-ter), of Legislative Decree No. 39/10, issued on the basis of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have nothing to report.

Naples, April 7, 2025

PricewaterhouseCoopers SpA

Signed by

Carmine Elio Casalini
(Partner)

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.



4 FINANCIAL STATEMENTS

4.1 ACCOUNTS STATEMENTS

4.1.1 FINANCIAL POSITION STATEMENT

Financial position statement (figures in Euros)	Notes	12.31.2024	of which from related parties	12.31.2023	of which from related parties
Non-current assets					
Tangible assets	A	228,614		213,251	
Goodwill		-		-	
Intangible assets	B	803,017		998,702	
Equity investments in subsidiaries	C	43,000,000		43,093,320	
Equity investments in associates		-		-	
Equity investments in other companies		-		-	
Deferred tax assets	D	-		1,264,051	
Receivables and other non-current assets	E	826,838	815,829	1,033,916	970,831
Other non-current financial assets		-		-	
Non-current derivative instruments	F	-		2,365	
Total non-current assets		44,858,469		46,605,605	
Current assets					
Inventories		-		-	
Contract assets		-		-	
Trade receivables	G	1,715,045	1,708,795	790,636	784,645
Financial receivables	H	449,982	3,188	19,388	19,388
Other receivables	I	3,274,010	3,077,742	1,212,301	994,944
Cash and cash equivalents	K	404,592		435,680	
Other current financial assets		-		-	
Current derivative instruments		-		-	
Total current assets		5,843,629		2,458,005	
Non-current assets held for sale / disposal	LL	-		1,500,000	
TOTAL ASSETS		50,702,098		50,563,610	

Financial position statement (figures in Euros)	Notes	12.31.2024	of which from related parties	12.31.2023	of which from related parties
Share capital and reserves		37,020,454		41,120,959	
Profit (loss) for the period		5,585,008		(2,283,265)	
TOTAL SHAREHOLDERS' EQUITY	J	42,605,462		38,837,694	
Non-current liabilities					
Non-current financial liabilities	K	51,968		363,190	
Provisions for non-current risks and charges		-		-	
Employee severance indemnity	L	587,153		493,820	
Deferred tax liabilities and other non-current taxes	M	2,012		-	
Payables and other non-current liabilities		-		-	
Non-current derivative instruments		-		-	
Total non-current liabilities		641,133		857,010	
Current liabilities					
Current financial liabilities	K	4,784,708	4,500,000	7,744,969	6,012,199
Provisions for current risks and charges		-		-	-
Trade payables	N	467,662		461,581	
Contract liabilities		-		-	-
Other payables	O	2,203,133	145,598	2,662,356	1,372,000
Current derivative instruments		-		-	
Total current liabilities		7,455,503		10,868,906	
Non-current liabilities held for sale / disposal	LL	-		-	-
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		50,702,098		50,563,610	

4.1.2 INCOME STATEMENT

INCOME STATEMENT (Figures in Euros)	Notes	01.01.2024 12.31.2024	of which from related parties	01.01.2023 12.31.2023	of which from related parties
Revenues from core business	AA	3,146,545	3,146,545	3,282,617	3,094,490
Other operating revenues	BB	59,967	-	283,417	-
Costs for raw materials	CC	(1,892)	(109)	(2,304)	-
Service costs	CC	(1,482,262)	(2,000)	(1,486,183)	(4,233)
Personnel costs	DD	(4,142,087)	-	(4,134,046)	-
Other operating costs	EE	(250,486)	(9,103)	(188,815)	-
Amortisation	FF	(384,235)	-	(334,890)	-
Reassessments (write-downs)	GG	(78,006)	-	-	-
OPERATING RESULT (EBIT)		(3,132,456)		(2,580,204)	
Financial income	HH	137,782	126,932	160,254	140,900
Financial charges	HH	(182,564)	(100,975)	(277,522)	(112,383)
Income from (Expenses on) equity investments					
Dividends	II	1,577,397	-	1,266,000	-
Share of the result of equity investments in shareholders' equity		-	-	-	-
Gains (losses) on equity investments		-	-	-	-
Income taxes	JJ	724,154	-	1,090,447	-
Profit (loss) from continuing operations		(875,687)		(341,025)	
Profit (loss) for the period from discontinued operations	LL	6,443,939	-	(1,887,173)	-
PROFIT (LOSS) FOR THE YEAR		5,568,252		(2,228,198)	

4.1.3 COMPREHENSIVE INCOME STATEMENT

COMPREHENSIVE INCOME STATEMENT (figures in Euros)	Notes	01.01.2024 12.31.2024	01.01.2023 12.31.2023
PROFIT (LOSS) FOR THE YEAR		5,568,252	(2,228,198)
Other components of the comprehensive income statement			
Components that cannot be reclassified to the income statement		23,590	(76,376)
Tax effect of non-reclassifiable components		(6,834)	21,309
Total components that cannot be reclassified to the income statement		16,756	(55,067)
Components reclassifiable to the income statement		-	-
Tax effect on reclassifiable components		-	-
Total components that can be reclassified to the income statement		-	-
Total other components of the comprehensive income statement	KK	16,756	(55,067)
COMPREHENSIVE INCOME STATEMENT		5,585,008	(2,283,265)

4.1.4 CASH FLOW STATEMENT

CASH FLOW STATEMENT (figures in thousands of Euros)	01.01.2024 31.12.2024	di cui verso parti correlate	01.01.2023 31.12.2023	di cui verso parti correlate
Comprehensive income/(loss) from continuing operations	(858,931)		(396,092)	
Fair value adjustment	(2,365)		(19,085)	
Amortisation, depreciation and impairment of fixed assets	477,555		334,890	
Write-downs (Reassessments) of fixed assets				
Charges (Net financial income)	44,782		117,268	
Dividends	(1,577,397)		(1,266,000)	
Other non-monetary items	695,394			
Net changes in working capital				
Contract assets				
Inventories				
Trade receivables and other receivables	(1,854,849)	(3,006,948)	(460,217)	(397,647)
Trade payables and other payables	(453,142)	(1,226,402)	786,376	1,355,000
Change in other provisions and deferred tax assets and liabilities	1,463,693		(891,244)	
Gross Cash Flow	(2,065,260)		(1,794,104)	
Interest paid	(121,052)		(197,486)	
Interest received	11,747		19,354	
Income taxes (paid) received	-			
Income taxes	(645,888)			
A - OPERATING CASH FLOW FROM CONTINUING OPERATIONS	(2,820,453)		(1,972,236)	
Comprehensive income/(loss) from discontinued operations	6,443,939		(1,887,173)	
(Capital Gain)/Loss from assets sold	(6,443,939)		1,887,173	
Other items	(446,794)	-		
B - OPERATING CASH FLOW FROM DISCONTINUED OPERATIONS	(446,794)		-	
C - CASH FLOW FROM OPERATING ACTIVITIES [A+B]	(3,267,247)		(1,972,236)	
(Investments) in tangible and intangible fixed assets	(247,248)		(324,062)	
Divestment of tangible and intangible fixed assets				
D - INVESTMENT CASH FLOW FROM CONTINUING OPERATIONS	(247,248)		(324,062)	
E - INVESTMENT CASH FLOW FROM DISCONTINUED OPERATIONS	7,943,939		(1,887,173)	
F - CASH FLOW FROM INVESTING ACTIVITIES [D+E]	7,696,691		(2,211,235)	
Obtainment of loans, financing and other financial liabilities	(430,593)		5,600,000	
(Repayments) of loans, financing and other financial liabilities	(3,312,698)	(1,321,609)	(2,604,914)	4,584,653
Dividends received	1,100,000		1,203,637	
Dividends paid	(1,817,240)			
G - FINANCING CASH FLOW FROM CONTINUING OPERATIONS	(4,460,532)		4,198,723	
H - FINANCING CASH FLOW FROM DISCONTINUED OPERATIONS	-		-	
I - FINANCING CASH FLOW [G+H]	(4,460,532)		4,198,723	
J - NET CHANGE IN CASH AND CASH EQUIVALENTS FROM CONTINUING OPERATIONS [A+D+G]	(7,528,233)		1,902,425	
H - NET CHANGE IN CASH AND CASH EQUIVALENTS FROM DISCONTINUED OPERATIONS [B+E+H]	7,497,145		(1,887,173)	
NET CHANGE CASH AND CASH EQUIVALENTS [J+H]	(31,088)		15,252	
Cash and cash equivalents at the beginning of the period	435,680		420,428	
Cash and cash equivalents at the end of the period	404,592		435,680	

(*) The values at December 31, 2023 have been restated for comparability effects, in accordance with the newly adopted format of the cash flow statement.

For more details, see the note "MM. Cash flow statement".

4.1.5 STATEMENT ON CHANGES IN SHAREHOLDERS' EQUITY

STATEMENT ON CHANGES IN SHAREHOLDERS' EQUITY (figures in thousands of Euros)	Share capital	Statutory reserve	Other Comprehensive Income	Other reserves	Profit (loss) carried forward	Profit (loss) for the year	Total Shareholders' Equity
SHAREHOLDERS' EQUITY AT 12.31.2021	27,026	5,405	(63)	12,998	2,073	737	48,176
Allocation of 2021 net income/(loss)					737	(737)	-
Distribution of dividends	-	-	-	-	-	-	-
Profit (loss) at 12.31.2022	-	-	-	-	-	(7,119)	(7,119)
Other components of comprehensive income (loss)	-	-	64	-	-	-	64
<i>Profit (loss) for the period</i>	-	-	64	-	-	(7,119)	(7,055)
SHAREHOLDERS' EQUITY AT 12.31.2022	27,026	5,405	1	12,998	2,810	(7,119)	41,121
Allocation of 2022 net income/(loss)					(7,119)	7,119	-
Distribution of dividends	-	-	-	-	-	-	-
Profit (loss) at 12.31.2023	-	-	-	-	-	(2,228)	(2,228)
Other components of comprehensive income (loss)	-	-	(55)	-	-	-	(55)
<i>Profit (loss) for the period</i>	-	-	(55)	-	-	(2,228)	(2,283)
SHAREHOLDERS' EQUITY AT 12.31.2023	27,026	5,405	(54)	12,998	(4,309)	(2,228)	38,838
Allocation of 2023 net income/(loss)					(2,228)	2,228	-
Distribution of dividends				(1,817)			(1,817)
Profit (loss) at 12.31.2024				(1)		5,568	5,567
Other components of comprehensive income (loss)			17				17
<i>Profit (loss) for the period</i>	-	-	17	(1)	-	5,568	5,584
SHAREHOLDERS' EQUITY AT 12.31.2024	27,026	5,405	(37)	11,180	(6,537)	5,568	42,605



4.2 MAIN PLC GROUP OPERATIONS DURING THE YEAR 2024

Finalisation of corporate transactions (sale of Schmack perimeter and liquidation of MSD Service S.r.l.)

The activities performed in 2024 represent an advancement in executing the 2023-2027 business strategy, in which (i) the domestic market's strategic dominance was established, (ii) emphasis was placed on the Group's traditional core businesses in electrical infrastructure, solar and wind technology, and (iii) enhancements to the operating model were outlined, including streamlining the corporate structure and divesting non-core businesses. The disposals finalised by the date of approval of this Report allow the Group to maintain momentum in focusing efforts and resources on the Italian market and on technologies identified as strategic for the Group.

It should be noted that, given the nature of PLC S.p.A. as a holding company, the acquisition and sale of shareholdings fall within normal operational activities. Therefore, there are no atypical or unusual transactions as per Consob communication no. DEM/6064293 dated 28-7-06.

Sale of the Schmack perimeter

Following the initiation of the sale process, which took place during 2023, on March 7, 2024 PLC S.p.A. signed the agreement and finalised the deed aimed at transferring the Schmack perimeter to Hitachi Zosen Inova AG (now Kanadevia Inova AG), through the transfer of the share held in Schmack Biogas S.r.l., which held, at the date of the transfer, stakes in 3 other SPVs (50% of Sicily Biomethan S.r.l., 60% of Biofor Ch4 S.r.l., and 25% of Biomethane Invest S.r.l.) constituting the so-called "Schmack perimeter".

Following the closing of the transaction, PLC has withdrawn from the biogas/biomethane sector, further simplifying its corporate structure and continuing the process of streamlining its operations to focus on its core business areas related to electrical infrastructure, photovoltaic and wind power technology in Italy. This strategic shift is due to (i) the sector's outlook and (ii) the considerable backlog and pipeline figures reported in the medium term, which highlight the centrality and profitability of PLC's traditional business and the recognised leadership of the PLC Group in these markets.

The sale agreement provides for a total consideration in favour of PLC S.p.A. of approximately Euro 10.6 million, inclusive of (i) the value of the quotas; (ii) the repayment of the shareholder loans granted by PLC S.p.A. in favour of Schmack Biogas S.r.l., both received at the date of sale, and (iii) two variable components, differentiated and contingent, linked to an earn-out mechanism based respectively (a) on the achievement of certain operational and commercial targets of Schmack Biogas S.r.l. and (b) on the successful completion of the authorisation procedures of the projects held by Schmack Biogas S.r.l. through its subsidiaries. The agreement stipulates that the variable component matures based on the extent to which Schmack Biogas S.r.l. achieves its results, even if only partially.

Regarding the variable component linked to the earn-out mechanism, as of the date this financial statements was published, it is estimated that the latter could accrue for approximately Euro 1,165 thousand before tax; of this, around Euro 720 thousand was received in December 2024.

Liquidation of MSD Service S.r.l. and withdrawal from the dispatching services segment

Following the disclosures in the 2023 Financial Report and the 2024 Half-Yearly Financial Report, evaluations were completed in the early months of 2024 regarding the continued operation of the "dispatching services" segment through the subsidiary MSD Service S.r.l., considering the end of the only previously active contract in this area.

These reflections led the Group to the decision to divest this business segment and to start the liquidation process of MSD Service S.r.l.

In line with this decision, the company's final liquidation financial statements and distribution plan were approved during the 2024 financial year, resulting in remaining liquidation assets of approximately Euro 59 thousand and a provision of around Euro 3.5 thousand for the payment of the final operating expenses needed to complete the company's deregistration from the Company Register.

By the end of January 2025, MSD Service S.r.l., in liquidation, was removed from the registers of the Chamber of Commerce and the Revenue Agency, marking the substantial completion of the liquidation process.

Disclosure regarding the impacts of the Russian-Ukrainian and Israeli-Palestinian conflicts on the market context and on the economic, equity and financial results of the PLC Group

The continuation of the aforementioned conflicts, which began in February 2022 and October 2023 respectively, has led to serious economic consequences in all industrial sectors, with an impact on the global economy. The Company has no direct exposure to the markets affected and - as in 2023 - 2024 was not significantly impacted by indirect effects on the procurement chain. For the year 2025, no negative outcomes are expected from the development of these conflicts, except for unforeseen events that might impact the business, particularly the supply chain.

Risks arising from extra-EEC duties

The tariffs announced by the US administration, inaugurated in 2025, against the EU might have significant effects on our country. The global trade outlook remains bleak and is further exacerbated by the potential escalation of trade and geopolitical tensions due to US tariffs, risking substantial impacts on Italy. At this time, it should be noted that the Company, operating as the primary market in the national territory, is not expected

to encounter negative repercussions. However, management is in the process of evaluating any potential effects that may arise across its operations, including the supply chain.

4.3 SIGNIFICANT EVENTS OCCURRING AFTER DECEMBER 31, 2024

No significant events concerning PLC S.p.A. occurred after December 31, 2024.

As reported in the management report, it should be noted that, on February 26, 2025, the European Commission presented the so-called "*Omnibus package*" - currently awaiting approval by the European Parliament - to simplify the management of sustainability by companies, with measures aimed at alleviating the areas of financial sustainability reporting (CSRD) and compliance with the EU taxonomy. This package proposes, among the principal measures, (i) a 2-year delay in the application of the CSRD (except for companies already "in scope" in 2024), (ii) the elevation of size criteria for which the application of legislation becomes mandatory, (iii) the revision of the "*double materiality*" concept, with a unified "*materiality*" between financial and sustainability reporting, and (iv) the simplification of "*value chain*" reporting requirements for companies "in scope".

4.4 NOTES TO THE FINANCIAL STATEMENTS

ACCOUNTING STANDARDS AND ASSESSMENT CRITERIA

This Financial Report has been prepared in accordance with the international accounting standards effective at the date of the financial statements, approved by the International Accounting Standards Board (IASB) and adopted by the European Commission in accordance with the procedure set forth in article 6 of Regulation (EC) no. 1606/2002 of the European Parliament and Council of July 19, 2002 and pursuant to article 9 of Legislative Decree no. 38/2005 ("*IFRS accounting standards issued by the International Accounting Standard Board and adopted by the European Union*"). These standards are supplemented by the interpretative documents issued by the International Financial Reporting Interpretations Committee ("*IFRIC*"), which were also endorsed by the European Union at December 31, 2024.

The financial statements at December 31, 2024 were authorised for publication by the Board of Directors on March 27, 2025.

PLC S.p.A. as parent company, also prepared the consolidated financial statements of the PLC Group.

Pursuant to Article 2427, paragraph 22-quinquies, of the Italian Civil Code, it should be noted that FRAES S.r.l., the direct parent company of PLC S.p.A., prepares the consolidated financial statements for the largest group of companies of which it is a subsidiary. Additionally, it is specified that, once the drafting and acknowledgement process has been completed, a copy of the consolidated financial statements will be available at the registered office of the Parent Company.

FINANCIAL STATEMENT FORMATS ADOPTED

The company PLC S.p.A. presents the comprehensive income statement in two separate statements: (i) the statement of profit and loss for the year and (ii) the statement of other components of comprehensive income, classifying the individual components by nature.

With reference to the financial position statement, a presentation format was adopted distinguishing assets and liabilities between current and non-current, as permitted by IAS 1.

The statement of changes in shareholders' equity has been defined in accordance with IAS 1 by means of a statement that reconciles, for each item of shareholders' equity, the opening and closing balances.

The cash flow statement details the cash flows for the year, divided into (i) flows from "going concern" activities and (ii) flows from disposal activities, distinguishing them as operating activities, investment flows, and financial management cash flows. The cash flows from operating activities are shown using the indirect method, as stipulated by IAS 7. It should be noted that operations with related parties have been shown under specific items in the financial position statement, the comprehensive income statement, and the cash flow statement. With reference to the positive and/or negative income components related to non-recurring transactions, the relevant information is provided separately. In preparing these financial statements, the Directors assumed that the going concern assumption was met and, therefore, prepared the financial statements using the standards and criteria applicable to operating companies. The financial statements are presented in Euro and the notes to the financial statements are presented in Euro/thousand, unless indicated otherwise; as a result, in some tables, the total amounts may differ slightly from the sum of the amounts composing them because of rounding.

Going concern assumption

The economic-financial and commercial results (in terms of backlog and pipeline values) for the year and the forecasts of the PLC Group, included in the 2023-2027 Business Plan approved on December 22, 2022, integrated with the 2025 Budget approved by the Board of Directors on March 12, 2025, do not show any criticality in relation to the adequacy of cash and credit lines to allow it to meet its financial commitments for a future period of at least 12 months from the date of approval of these financial statements. The Directors constantly monitor and will continue monitoring the development of the situation. However, based on the current forecasts and results achieved so far, it is believed that the Company has adequate financial and capital resources to continue operating as a going concern in the coming years.

From an equity perspective, moreover, it should be noted that the Parent Company and Group's equity balance is adequate for the performance of business activities.

Considering the above, the Directors assumed that the going concern assumption was met and, therefore, prepared this separate financial statements using the standards and criteria applicable to operating companies.

TANGIBLE ASSETS

Tangible assets are recorded at the historical cost of purchase, production or transfer, including the directly attributable accessory charges necessary to make the assets available for use, net of the related accumulated depreciation and any accumulated impairment losses.

Maintenance and repair costs are charged to the income statement of the financial year in which they are incurred if of an ordinary nature, or capitalised if they increase the value or the economic duration of the asset. Depreciation is calculated based on rates considered suitable for distributing the value of the assets over their respective useful lives, understood as an estimate of the period in which the asset will be used by the company; the recoverability of their carrying amount is verified by adopting the criteria indicated in the Section *"Impairment of tangible and intangible assets"*. Land, whether free of construction or attached to buildings, is not depreciated.

Tangible assets are derecognised from the financial position statement at the time of disposal or when they are permanently withdrawn from use and, consequently, no future economic benefits are expected from their sale or use. Gains and losses arising on the disinvestment or disposal of tangible assets are determined as the difference between the net disposal fee and the carrying amount of the asset.

The depreciation rates applied are shown below:

Buildings	3%
Light constructions	10%
Plant and machinery	10%
Furniture and fittings	12%
Industrial and commercial equipment	15%
Vehicles	20%
Computers/Software and electronic machines	20%
Cars	25%

INTANGIBLE ASSETS

Intangible assets acquired or produced internally are recognised as assets, in accordance with the provisions of IAS 38 - Intangible Assets, when it is probable that the use of the asset will generate future economic benefits and when the cost of the asset can be determined reliably. These assets with a finite useful life are

assessed at cost if acquired separately, while those acquired through business combinations are capitalised at fair value at the acquisition date. These assets are systematically amortised over their estimated useful life; the recoverability of their carrying amount is verified by adopting the criteria indicated in the Paragraph *"Impairment of tangible and intangible assets"*.

Other intangible assets include:

Software

The software licenses purchased are recorded based on the costs incurred for the purchase and commissioning of the specific software, net of amortisation and accumulated impairments. These costs are amortised on a straight-line basis over their estimated useful life of five financial years.

IMPAIRMENT OF TANGIBLE, INTANGIBLE AND FINANCIAL ASSETS

In the presence of specific indicators of impairment, and at least annually with reference to intangible assets with an indefinite life, tangible and intangible assets are subject to an impairment test.

This impairment test consists in estimating the recoverable amount of the asset by comparing it with the related net carrying amount recorded in the financial statements. The recoverable amount of an asset is the higher of its fair value, less costs to sell, and its value in use. The value in use is determined by discounting the expected cash flows deriving from the use of the asset and its sale at the end of its useful life net of taxes and, if necessary, assessing the other supporting elements with reference to the final data and the expected future profit margin. Discounting is carried out using a pre-tax discount rate that considers the implicit risk of the business sector and geographical area. If the recoverable amount is lower than the carrying amount, the latter is reduced to the recoverable amount. This reduction constitutes an impairment which is charged to the income statement. If the reasons for the write-downs effected previously no longer apply, except for goodwill, the assets are revalued, within the limits of the write-downs made, and the adjustment is charged to the income statement.

LEASES AND RIGHT OF USE

Lease, rental and hire contracts are recognised in accordance with the accounting standard IFRS 16, which defines the principles for the recognition, calculation, presentation and reporting of leases and requires the lessees to account for these contracts, whether operational and financial based on a model similar to the financial model previously provided for by IAS 17 for finance lease contracts. The standard provides for two exemptions for recognition by lessees: leases relating to low-value assets, which have a cumulative value of less than Euro 5 thousand, and short-term leases with terms of 12 months or less.

At the start date of the lease contract, a liability is recorded against the lease payments (lease liability) equal to the current value of the payments considering an average debt ratio and an asset of equal value, which represents the right to use the underlying asset for the duration of the contract (the right to use the asset). The interest on the lease liability and the amortisation of the right to use the asset over the contractual term are ascribed to the income statement.

If a remeasurement of the lease liability becomes necessary (e.g. changes in the terms of the contract, changes in future payments or of a rate used to determine payments), the amount of the remeasurement is recorded as an adjustment to the right of use of the asset.

With reference to the contracts for which the Group is the lessor (and not the lessee), the recording method remains substantially unchanged with respect to the previous accounting in accordance with IAS 17 and therefore distinguishing between operating and finance leases.

EQUITY INVESTMENTS IN SUBSIDIARIES

Equity investments in subsidiaries are assessed at cost. Dividends, whether deriving from the distribution of profits accumulated after the acquisition date or if they concern profits prior to the acquisition, are recorded in the income statement once the right to receive the dividend has been ascertained. If the dividends relate to profits prior to the date of acquisition, the equity investment must be written down if it is confirmed as an indicator of impairment. Where there are specific indicators of impairment, and at least annually, equity investments in subsidiaries are subject to impairment testing. Impairments must be immediately recognised as a reduction in the cost of the equity investment and charged to the income statement without the possibility of deferring the cost. When the write-down no longer exists, the value of the equity investment is restored within the limit of the carrying amount that would have been determined had the write-down not been recognised. Equity investments in subsidiaries held for disposal are valued at the lower of their carrying amount and fair value less the foreseeable costs of disposal. If the reasons for the write-downs are no longer present, the investments are revalued up to the limit of the write-down itself.

DERIVATIVE INSTRUMENTS

A derivative contract is a financial instrument: (i) whose value changes because of a variable such as, for example, interest rate, price of a security or asset, foreign currency exchange rate, index of prices or rates, credit rating, (ii) which requires a zero or limited initial net investment, (iii) which is settled at a future date. Derivative instruments are financial assets and liabilities recognised at fair value.

Derivatives qualifying as hedging instruments

The qualification of a derivative instrument as a hedging instrument requires:

- verification of the existence of an economic relationship between the hedged item and the hedging instrument;
- verification that the effect of credit risk does not prevail over the changes in value resulting from the above economic relationship;
- verification of the hedging relationship between the hedged item and the hedging instrument used by the Group.

When derivative instruments possess the characteristics to be accounted for as hedges, the following accounting treatments are applied:

- if the derivatives hedge the risk of changes in the fair value of the instruments being hedged (fair value hedge), the derivatives are recognised at fair value and the effects are charged to the income statement; consistently, the instruments being hedged are adjusted to reflect the changes in fair value associated with the risk being hedged;
- if the derivatives hedge the risk of changes in the cash flows of the instruments being hedged (cash flow hedge), the changes in the fair value of the derivatives are recorded in the shareholders' equity reserve relating to "the other components of the comprehensive income statement" and subsequently charged to the income statement in line with the economic effects produced by the hedged operation.

Derivatives not qualifying as hedging instruments

Changes in the fair value of derivative instruments that do not qualify as hedges, including any ineffective components of hedging derivative instruments, are recognised in the income statement.

PUBLIC CONTRIBUTIONS

Public contributions are recognised only when there is a reasonable certainty that they will be disbursed and the Group is able to meet all the stipulated conditions for their disbursement. Contributions received for specific projects, whose value is recorded among fixed assets, are recognised for plants already in operation and credited to the Income Statement according to the specific amortisation plan.

FINANCIAL ASSETS

Depending on the characteristics of the instrument and on the business model adopted for their management, financial assets are classified in the following categories: (i) financial assets assessed at amortised cost, (ii) financial assets assessed at fair value through other comprehensive income and (iii) financial assets through profit and loss.

They are initially recognised at fair value. Trade receivables without a significant financial component are initially recognised at the operations price.

After initial recognition, financial assets that generate contractual cash flows representing exclusively principal and interest payments are assessed at amortised cost if held for the purpose of collecting contractual cash flows. The application of the amortised cost method involves the recognition in the income statement of interest income determined since the effective interest rate of the exchange differences and of any write-downs.

Differently, financial assets representing debt instruments whose business model provides for the possibility of both collecting contractual cash flows and realising capital gains on disposal are measured at fair value and the effects are recognised in the "*Other Comprehensive Income*" ("**OCI**") reserve. In this case: (i) interest income, calculated using the effective interest rate, exchange rate differences and write-downs are booked in the income statement; (ii) changes in the fair value of the instrument are booked to shareholders' equity, under OCI. The cumulative amount of changes in fair value, recognised in the shareholders' equity reserve which includes the other components of comprehensive income, is reversed to the income statement upon derecognition of the instrument.

A financial asset representing a debt instrument that is not assessed at amortised cost or at fair value with the effects recognised in the OCI is assessed at fair value through profit or loss; this category includes financial assets held for trading. Interest income earned on financial assets held for trading is included in the overall fair value assessment of the instrument and is recognised as financial income or charges.

WRITE-DOWN OF FINANCIAL ASSETS

The assessment of financial assets representing debt instruments not assessed at fair value through profit or loss is measured based on the so-called "*expected credit loss model*". In particular, expected losses are generally determined based on the product of: (i) the exposure to the counterparty net of the relevant mitigating factors; (ii) the probability that the counterparty will not meet its payment obligation; (iii) the estimate, in percentage terms, of the amount of credit that will not be recovered in the event of default. The management model adopted by the Company provides for a simplified approach for trade receivables, as they do not contain a significant financial component. This approach requires the assessment of the provision to cover losses for an amount equal to the expected losses over the entire life of the receivable. The bad debt provision allocated after an analysis of individual past due receivables, which in fact already includes a prospective view of the project, is accompanied by an assessment of the customer creditworthiness. Trade receivables and other receivables are shown in the financial position statement net of the related bad debt provision. Write-downs of these receivables are recorded in the income statement net of any reversals of impairments.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash, demand deposits and financial assets originally due within 90 days, readily convertible into cash and subject to an insignificant risk of change in value and recognised at fair value, considered equal to the nominal value.

NON-CURRENT ASSETS AND LIABILITIES HELD FOR SALE OR DISPOSAL

Non-current assets and liabilities held for sale and disposal groups are classified as available for sale when their carrying amount will be recovered mainly through a sale transaction rather than through its continuous use; in particular, the non-current assets must be available for immediate sale in their current condition and the sale must be highly probable within 12 months of their classification, without prejudice to further considerations in the event of delayed execution of the sale or in the event of an extension of the time-frame associated with the disposal plan.

Non-current assets and liabilities held for sale are measured at the lower of carrying amount and fair value less costs to sell unless they are assets for which the valuation provisions of IFRS 5 are not applicable and are instead governed by other IFRS (deferred tax assets; assets deriving from employee benefits; financial assets falling within the scope of IFRS 9; non-current assets measured at fair value in accordance with IAS 40; non-current assets assessed in accordance with IAS 41; contractual rights deriving from insurance contracts).

In the income statement, non-current assets and liabilities held for sale and disposal groups that meet the requirements for being classified as discontinued operations are presented under a single item that includes both gains and losses on disposal and the related tax effect. The comparative period is consequently re-stated as required by IFRS 5.

Regarding the equity and financial position, non-current assets and liabilities held for sale and disposal groups are shown separately from other assets and liabilities in the financial position statement. As required by the relevant accounting standard, the comparative year is not restated or reclassified.

EMPLOYEE SEVERANCE INDEMNITY

The Employee Severance Indemnity (TFR), which is mandatory for Italian companies pursuant to Article 2120 of the Italian Civil Code, has the nature of deferred remuneration and is related to the duration of the working life of employees and the remuneration received during the period of service provided. In application of IAS 19, the employee severance indemnity calculated in this way assumes the nature of a "*defined benefit plan*" and the related obligation to be recorded in the financial statements (employee severance indemnity provision) is determined by means of an actuarial calculation, using the Projected Unit Credit Method. The Group recognises actuarial gains and losses immediately in the Other Comprehensive Income Statement so

that the entire net amount of defined benefit provisions (net of plan assets) is recognised in the Consolidated financial position statement. The amendment also provides that changes between one financial year and the next in the defined benefit plan and plan assets must be subdivided into three components: (i) the cost components linked to the service provided in the financial year must be recognised in the Income Statement as "*service costs*"; (ii) net financial charges calculated by applying the appropriate discount rate to the balance of the defined benefit plan net of assets at the beginning of the financial year must be recognised in the Income Statement as such; (iii) actuarial gains and losses arising from the recalculation of liabilities and assets must be recognised in the Other Comprehensive Income Statement.

As of January 1, 2007, the Finance Act and the related implementing decrees introduced significant changes to the rules governing employee severance indemnity, including the choice made by employees as to the allocation of their accrued employee severance indemnity (to supplementary pension funds or to the "*Treasury Fund*" managed by INPS - Italian National Social Security Institute). Consequently, the obligation to INPS, as well as the contributions to supplementary pension schemes, assume the nature of "*Defined contribution plans*" according to IAS 19, while the quotas recorded in the Employee Severance Indemnity provision retain, according to IAS 19, the nature of "*Defined benefit plans*".

PROVISIONS FOR RISKS AND CHARGES

Provisions for risks and charges are allocated in the presence of a current obligation (legal or implicit), deriving from a past event, for which it is probable that the fulfilment of the obligation will be on a payment basis and its amount can be reliably estimated. Provisions are recorded at the value representing the best estimate of the amount that the Group would pay to extinguish the obligation or to transfer it to third parties at the end of the period. If the discounting effect is significant, provisions are determined by discounting expected future cash flows at a pre-tax discount rate that reflects, where appropriate, the specific risks of the liabilities. When discounting is carried out, the increase in the provision, due to the passage of time, is recognised as a financial charge.

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

FINANCIAL LIABILITIES

Financial liabilities other than derivative instruments are initially recognised at the fair value of the fee received, net of directly attributable operation costs, and are subsequently assessed using the amortised cost method.

REVENUES

Revenues are recognised to the extent that it is probable that the economic benefits will be realised and the amount can be reliably determined. Revenues from the sale of goods and services are measured at the fair value of the consideration received or due, considering any discounts and premiums. Regarding the sale of goods and services, the revenue is recognised when the company has transferred to the purchaser the significant risks and benefits associated with the ownership of the goods or with the performance of the service.

COSTS

Costs for the purchase of goods and services are recognised in the income statement on an accrual's basis. Operating lease instalments are charged to the income statement over the term of the contract. Personnel costs include the amount of wages and salaries paid, provisions for pension funds and holidays accrued but not taken, and social security and welfare charges in application of the contracts and current legislation. The costs of participation in tenders are fully recognised in the income statement for the financial year in which they are incurred.

INTEREST AND FINANCIAL CHARGES

For all financial instruments assessed at amortised cost and interest-bearing financial assets, interest income and expense are recognised on a time basis using the effective interest method.

Financial charges directly attributable to the acquisition, establishment or production of qualifying assets are capitalised, as required by IAS 23.

TAXES

Current income taxes are determined based on the estimated taxable income for the financial year. The related payable, net of the advances paid and of the withholdings, is recorded in the financial position statement under the item "Other payables". The tax rates and regulations used to calculate current taxes are those in force or issued at the reporting date.

Deferred taxes are calculated by applying the tax rates expected to be applied in the year in which the assets will be realised or the liabilities settled to the temporary differences existing between the carrying amount attributed to an asset or a liability and the corresponding values recognised for tax purposes (the so-called liability method), considering the rates in force or already issued at the date of the financial statements.

The item "Deferred taxes" includes any deferred tax liabilities on temporary differences, the taxation of which is deferred to future financial years in accordance with current tax laws.

The item "Prepaid taxes" includes any taxes which, although pertaining to future financial years, refer to the current financial year and are recognised when there is a likelihood that future taxable income will be sufficient to absorb their recovery.

The allocation of prepaid taxes on tax losses accrued is recorded if there is a probability of obtaining in the future taxable income of an amount as such to be able to absorb the tax losses that can be carried forward.

The economic contra-entry to the provision for deferred or prepaid taxes is included in the item "Taxes".

The parent company PLC S.p.A. together with its subsidiaries PLC System S.r.l., PLC Service S.r.l., PLC Service Wind S.r.l. and PLC Power S.r.l. has participated in the "*national tax consolidation*", pursuant to articles 117 et seq. of the consolidated tax act (TUIR), which allows transfer of the total net income or tax loss of the individual participating companies to the parent company which will establish a single taxable income of the PLC Group or a single tax loss that can be carried forward, as an algebraic sum of income and/or losses, and, therefore, will record a single tax debt or credit for the tax authorities.

Costs, revenues and assets are recognised net of value added tax (VAT) except where this tax, applied to the purchase of goods or services, is non-deductible in which case it is recognised as part of the purchase cost of the asset or part of the cost item recognised in the income statement. The net amount of indirect sales taxes that can be recovered or paid to the tax authorities is included in sundry receivables or payables whether the balance is positive or negative.

DETERMINATION OF THE FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair value of financial instruments listed on an active market is based on market prices at the reporting date. The fair value of financial instruments that are not listed on an active market is determined using assessment techniques, based on a series of methods and assumptions linked to market conditions at the reporting date.

EXCHANGE DIFFERENCES

Revenues and costs relating to operations in foreign currencies are recorded at the current exchange rate on the day on which the operation is completed. Monetary assets and liabilities denominated in foreign currency are translated into Euros using the exchange rate prevailing at the end of the period and the effect is recognised in the comprehensive income statement. Non-monetary assets and liabilities denominated in foreign currency are translated at the exchange rate at which they were initially recognised and assessed at cost.

USE OF ESTIMATES

The preparation of the financial statements and of the related notes, in accordance with the international accounting standards, requires the use of discretionary assessments and accounting estimates that influence the values of assets and liabilities in the financial statements and on the disclosure relating to contingent assets and liabilities at the date of the financial statements. The results may differ from the estimates made, which are based on data that reflect the current status of the information available. The estimates are used for the valuation, the recognition of provisions for credit risks, the projection of any earn-outs following extraordinary operations, the determination of amortisation, the determination of write-downs of investments or assets, the calculation of taxes, the economic recognition of contributions through the accounting of deferred income, are recognised at fair value, considered equal to the nominal value, and other provisions for risks and charges. Estimates and assumptions are reviewed periodically and the effects of any changes to these assumptions are promptly reflected in the income statement.

In preparing financial statements, the use of estimates and assumptions carries an inherent, significant, and unavoidable risk of needing to adjust accounting values in the subsequent year, prompted by a thorough reassessment of these estimates and assumptions. The financial statements items that, in theory, could - more frequently than others - be impacted by this case are the following.

Impairments of non-current assets

An impairment occurs when the carrying amount of an asset exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. Fair value, net of costs to sell, is the amount obtainable from the sale of an asset in a free transaction between informed and willing parties. The calculation of value in use is based on a discounted cash flow model.

The cash flows used for this verification are determined from the information extracted from the prospective data included in the current business plan. The recoverable amount depends mainly on the following factors: (i) the discount rate used to discount future cash flows, (ii) the expected cash flows, (iii) the impact on flows of the "*Climate change*" effect and (iv) any perpetuity growth rate ("g") used in the model.

The Company adopts - and annually updates - a procedure that describes the activities and controls established to monitor activities undergoing impairment tests or for which "*triggering events*" indicate the necessity to proceed with an impairment assessment.

Assessment of financial instruments

Financial instruments are assessed in accordance with the reference standard at fair value, considering both the realisable value, where already available, and the value in use. The determination of fair value is a process that is heavily influenced both by estimates and assumptions, which for them include a component of

randomness. The Group has implemented a review process for all items subject to randomness, with which it aims to reduce the degree of uncertainty about the results obtained.

ADOPTION OF APPROVED ACCOUNTING STANDARDS AND INTERPRETATIONS, EFFECTIVE FROM JANUARY 1, 2024

The accounting standards adopted for the preparation of the financial statements are consistent with those used for the preparation of the consolidated financial statements at December 31, 2023, except for the adoption of new standards and amendments effective January 1, 2024. The Group has not arranged for the early adoption of any new standards, interpretations or amendments issued but not yet in force.

Several amendments apply for the first time in 2024, but did not have an impact on the separate financial statements.

Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback

On September 22, 2022, the IASB issued Lease Liability in a Sale and Leaseback (Amendments to IFRS 16) with the purpose of clarifying the approach to evaluating and accounting for sale and leaseback transactions for the seller-lessee that meet the requirements of IFRS 15.

Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Noncurrent and Classification of Liabilities as Current or Non-Current

On January 23, 2020, the IASB published amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current with the aim of clarifying how to classify debts and other liabilities as either short-term or long-term. The changes were originally scheduled to take effect on January 1, 2022; however, the IASB, with a second document published on June 15, 2020, deferred their entry into force to January 1, 2024. Subsequently, on October 31, 2022, the IASB published an additional amendment, Non-current Liabilities with Covenants (Amendments to IAS 1), to clarify how the conditions that an entity must meet within twelve months from the financial statements date affect the classification of a liability.

Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements

On May 25, 2023, the IASB published an amendment to IAS 7 aimed at enhancing disclosure requirements by providing guidance within existing obligations and requiring entities to disclose both qualitative and quantitative details about supplier finance arrangements.

ACCOUNTING STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET IN FORCE AND/OR ENDORSED

Standards and interpretations that had already been issued at the date of preparation of this financial report but that were not yet in force are illustrated below. The Group intends to adopt these standards and interpretations, if applicable, when they come into force. No material impact on the Group is expected from these standards and amendments:

Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability

On August 15, 2023, the IASB published an amendment to IAS 21 aimed at defining when a currency can be exchanged for another, how to determine the exchange rate when a currency cannot be exchanged, and the information to provide in this latter case. The changes will come into force on January 1, 2025, and the assessment of any impacts that their application could have on the financial statements is underway.

Amendments to the Classification and Measurement of Financial Instruments

In May 2024, the IASB published the "Amendments to the Classification and Measurement of Financial Instruments" which amended IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Supplementary Information. In detail, the IASB has amended the provisions related to: (i) the settlement of financial liabilities via an electronic payment system; (ii) the assessment of the contractual characteristics of financial asset cash flows, including those pertaining to environmental, social, and governance (ESG) factors; (iii) information regarding investments in equity instruments designated at fair value through other comprehensive income and (iv) additional information for financial instruments with contingent characteristics that are not directly related to the core risks and costs of the loan. The changes will come into force on January 1, 2026, and the assessment of any impacts that their application could have on the financial statements is underway.

IFRS 18 Presentation and Disclosure in Financial Statements

In April 2024, the IASB published a new accounting standard, which will replace IAS 1 "Presentation of Financial Statements", to improve the reporting of financial results. IFRS 18 "Presentation and Disclosure in Financial Statements" will improve the quality of financial reporting through requirements regarding: (i) subtotals defined in the income statement; (ii) information on performance measures defined by management; and (iii) addition of new principles for the aggregation and disaggregation of information. IFRS 18 will come into force on January 1, 2027, and the assessment of any impacts that their application could have on the financial statements is underway.

IFRS 19 Subsidiaries without Public Accountability: Disclosures

On May 9, 2024, the IASB issued a new accounting standard, IFRS 19 "Subsidiaries without Public Accountability: Disclosures", which allows for the simplification of reporting systems and processes for companies, reducing the costs of preparing the financial statements of eligible subsidiaries, while maintaining the usefulness of those statements for their users. IFRS 19 will come into force on January 1, 2027, and the assessment of any impacts that their application could have on the financial statements is underway.

4.5 NOTES ON THE RESULTS FOR THE YEAR ENDED DECEMBER 31, 2024

A. TANGIBLE ASSETS

TANGIBLE ASSETS			
TANGIBLE ASSETS (figures in thousands of Euros)	Office machines and other assets	Rights to use tangible assets	Total
Net value at 12.31.2023	121	92	213
Increases	44	124	168
Decreases net of utilisation of accumulated depreciation	(18)	(25)	(43)
Depreciation	(51)	(58)	(109)
Net value at 12.31.2024	96	133	229

"Tangible assets" at December 31, 2024 amounted to Euro 229 thousand (Euro 213 thousand at December 31, 2023). The increases for the year, amounting to Euro 168 thousand, relate for Euro 124 thousand to rights of use linked to the company car fleet and for Euro 44 thousand to the purchase of hardware devices.

B. INTANGIBLE ASSETS

INTANGIBLE ASSETS			
INTANGIBLE ASSETS (figures in thousands of Euros)	New management software development	Other intangible assets	Total
Net value at 12.31.2023	961	38	999
Increases	80	-	80
Decreases	-	-	-
Amortisation	(271)	(5)	(276)
Use of accumulated amortisation	-	-	-
Net value at 12.31.2024	770	33	803

"Intangible assets" at December 31, 2024 amounted to Euro 803 thousand (Euro 999 thousand at December 31, 2023). Investments for the year, equal to Euro 80 thousand, relate entirely to customisations of the ERP management software.

C. EQUITY INVESTMENTS IN SUBSIDIARIES

The balance of equity investments in subsidiaries at December 31, 2024 was Euro 43,000 (Euro 43,093 thousand at December 31, 2023). The only change during the year is linked to the subsidiary MSD Service S.r.l., following its liquidation.

The value of equity investments in subsidiaries at the end of the financial year 2024 is summarised as follows:

EQUITY INVESTMENTS IN SUBSIDIARIES (figures in thousands of Euros)	% held	12.31.2023	Increases	Decreases	Reclassifications	12.31.2024
PLC System S.r.l.	100%	31,643			-	31,643
PLC Service S.r.l.	100%	10,425			-	10,425
PLC Power S.r.l.	100%	584			-	584
PLC Service Wind S.r.l.	100%	348			-	348
MSD Service S.r.l.	92.5%	93		(93)	-	-
Total		43,093	-	(93)	-	43,000

The following table summarises the data required by Article 2426 of the Italian Civil Code, concerning the carrying amount of equity investments in subsidiaries, the result for the year, and the portion of shareholders' equity pertaining to equity investments in subsidiaries:

EQUITY INVESTMENTS IN SUBSIDIARIES (figures in thousands of Euros)	REG. OFFICE	Share capital	Shareholders' equity 12.31.2024	Result 12.31.2024	% held	Group Share of shareholders' equity	Carrying amount
PLC System S.r.l.	Acerra (IT)	10,000	15,218	5,553	100%	15,218	31,643
PLC Service S.r.l.	Acerra (IT)	100	4,170	2,696	100%	4,170	10,425
PLC Power S.r.l.	Acerra (IT)	100	80	(1,240)	100%	80	584
PLC Service Wind S.r.l.	Acerra (IT)	100	422	121	100%	422	348
MSD Service S.r.l.	Acerra (IT)	10	63	(15)	92.5%	58	-
Total		10,310	19,953	7,115		19,948	43,000

Impairment test

All equity investments in subsidiaries have been subjected to the impairment test, regardless of the presence or absence of indicators of potential impairment. Consistent with previous years, checking recoverability of the carrying values of equity investments was carried out by comparing the net carrying amount with the recoverable amount determined based on the value in use, obtained by discounting the expected future cash flows generated at the weighted average cost of capital (WACC) specifically by business segment in which the subsidiary operates.

The prospective cash flows for estimating the recoverable amount of the individual investments were determined based on the data in the 2023-2027 Business Plan, supplemented by the 2025 Budget approved by the Board of Directors on March 12, 2025, considering for impairment purposes an explicit time horizon of 3 years; they were determined based on the best available information and expectations at the time of the estimate.

These forecasts consider management's future expectations in relation to the respective business segments, as well as actual results.

Cash flows downstream of the explicit 3-year period are estimated through a terminal value determined based on the perpetuity method by applying a long-term growth rate "g" of 1% to the terminal cash flow, consistent with the sustainable and predictable development of the macro-economic context in which the PLC Group operates; the cash flows also consider the impact of a potential climate change effect by reducing them by 0.5%.

These estimates, in accordance with the provisions of IAS 36, do not consider any inflows or outflows deriving from (i) a future restructuring not yet approved or for which the entity has not yet committed or (ii) from the improvement or optimisation of business performance based on initiatives not yet started or approved. The value in use at December 31, 2024 was therefore determined by discounting the after-tax cash flows using a specific discount rate for each business segment. The discount rates used at December 31, 2024 have been updated with respect to those used at December 31, 2023.

Evolution of discount rates used for the impairment test	01.01.2024 12.31.2024	01.01.2023 12.31.2023
PLC System S.r.l. - Construction Segment - Italy	8.92%	10.22%
PLC Power S.r.l. - Construction Segment - Italy	8.92%	10.22%
PLC Service S.r.l. - Services Segment - Italy	8.23%	9.27%
PLC Service Wind S.r.l. - Services Segment - Italy	8.23%	9.27%

The results of the impairment tests were also subject to a sensitivity analysis by applying +/- 1% and 2% changes to both the discount rate (WACC) and the long-term growth rate "g".

The impairment tests did not reveal the need to carry out any write-downs.

D. DEFERRED TAX ASSETS

At December 31, 2023, the deferred tax assets amounting to Euro 1,264 thousand were fully utilised due to the results of 2024, which exceed the previous losses against which these assets were measured and allocated.

DEFERRED TAX ASSETS (figures in thousands of Euros)	12.31.2023	Increases	Decreases	12.31.2024
Deferred tax assets	1,264	-	(1,264)	-
Total	1,264	-	(1,264)	-

E. NON-CURRENT RECEIVABLES

NON-CURRENT RECEIVABLES (figures in thousands of Euros)	12.31.2024	12.31.2023
Schmack Biogas S.r.l. loan	-	685
PLC Power S.r.l. loan	816	298
Tax credit	11	50
Total	827	1,034

At December 31, 2024, non-current receivables amounted to Euro 827 thousand (Euro 1,034 thousand at December 31, 2023). These receivables primarily pertain to shareholder loans extended to the subsidiary PLC Power S.r.l. to continue its business activities, with a smaller portion related to tax credits available for use in 2026. Compared to the comparative period, there is a significant reduction as - a result of the sale of Schmack Biogas S.r.l. - the shareholder loan has been fully reimbursed.

Tax credits, amounting to Euro 11 thousand, refer to tax benefits from investments made for Technological Innovation 4.0.

F. NON-CURRENT DERIVATIVE INSTRUMENTS

Non-current derivative instruments, equal to Euro 0 thousand at December 31, 2024 (Euro 2 thousand at December 31, 2023), represent the *mark-to-market value*, at the financial statements date, of the *cap strike contract* concluded in 2024, signed in relation to the BNL loan, to hedge the interest rate risk. It should be remembered that with reference to this contract, PLC S.p.A. opted for fair value measurement with recognition of changes in the income statement.

G. TRADE RECEIVABLES

Trade receivables at December 31, 2024 amounted to Euro 1,715 thousand (Euro 791 thousand at December 31, 2023) and almost entirely refer to invoices issued and to be issued to subsidiaries for services performed by the parent company PLC S.p.A.. Consistent with the previous year, the bad debt provision is non-existent due to the absence of issues concerning the recoverability of these receivables.

Trade receivables from related parties are illustrated in paragraph 4.6.

TRADE RECEIVABLES (figures in thousands of Euros)	12.31.2024	12.31.2023
Trade receivables from related parties	1,709	785
Trade receivables from others	6	6
Bad debt provision for receivables from others	-	-
Trade receivables from others	6	6
Total	1,715	791

H. FINANCIAL RECEIVABLES

Financial receivables at December 31, 2024 amounted to Euro 450 thousand (Euro 19 thousand at December 31, 2023).

The increase compared to the previous financial year relates to the recognition, pursuant to IFRS 3 and IFRS 9, of Earn-Outs related to the sale of the Schmack perimeter for Euro 1,166 thousand, of which Euro 719 thousand was collected during the financial year.

Financial receivables from related parties are illustrated in paragraph 4.6.

CURRENT FINANCIAL RECEIVABLES (figures in thousands of Euros)	12.31.2024	12.31.2023
Current financial receivables from related parties	3	19
Current financial receivables from others	447	-
Bad debt provision - current financial receivables from others	-	-
Total	450	19

I. OTHER RECEIVABLES

Other receivables at December 31, 2024 amounted to Euro 3,274 thousand (Euro 1,212 thousand at December 31, 2023).

OTHER CURRENT RECEIVABLES (figures in thousands of Euros)	12.31.2024	12.31.2023
Other receivables from related parties	3,078	995
Tax receivables	94	128
Prepaid expenses	39	39
Other receivables	63	50
Other receivables from others	196	217
Total	3,274	1,212

Other receivables from others amounting to Euro 196 thousand relate to tax credits for Technological Innovation 4.0 and Software Licences for Euro 72 thousand, receivables arising because of the liquidation of the company MSD Service S.r.l. and the related distribution plan for Euro 55 thousand, VAT receivables for Euro 21 thousand, and other receivables from social security institutions, employees, and for advances to suppliers for a total of Euro 8 thousand.

Prepaid expenses, amounting to Euro 39 thousand at December 31, 2024, in line with the previous year, include prepayments for insurance, software licences and consulting services.

The increase in Other receivables from related parties is the consequence of the calculation of Tax Consolidation ("CNM"), following the operating results of the subsidiaries.

Other current receivables from related parties are illustrated in paragraph 4.6.

J. SHAREHOLDERS' EQUITY

At December 31, 2024, the shareholders' equity of PLC S.p.A. amounted to Euro 42,605 thousand. The changes in shareholders' equity relate to (i) the recognition of the positive overall result for the period of Euro 5,585 thousand and (ii) the distribution of dividends, made in May 2024, for Euro 1,817 thousand (equal to Euro 0.07 per share).

At December 31, 2024, the share capital amounted to Euro 27,026 thousand and consisted of 25,960,575 listed ordinary shares with no nominal value.

The table below shows the individual items of shareholders' equity broken down according to their availability, origin and use, as required by Article 2427, paragraph 1) of the Italian Civil Code.

DISTRIBUTABILITY OF SHAREHOLDERS' EQUITY (figures in thousands of Euros)				Uses in the last 3 years	
	Amount	Possibility of use	Available share	Coverage of losses	Other reasons
Share capital	27,026	B		-	-
Capital reserves					
Share premium reserve	11,180	A/B/C	11,180	-	1,817
Profit reserves					
Statutory reserve	5,405	B	5,405	-	-
Other Comprehensive Income Reserve	(37)	B	(37)	-	-
Retained earnings (losses)	(6,537)	A/B/C	(6,537)	-	-
Profit (loss) for the year	5,568	A/B/C	5,568	-	-
Total	42,605		15,579	-	1,817

K. NET FINANCIAL DEBT

The net financial debt of PLC S.p.A. at December 31, 2024 was negative for Euro 4,432 thousand (negative for Euro 7,672 thousand at December 31, 2023). As requested by CONSOB Warning no. 5/21 dated April 29, 2021 and in accordance with the ESMA Recommendation on Disclosure Obligations under "Prospectus Regulation" no. 32-382-1138 of March 4, 2021, the Company's net financial debt is presented.

NET FINANCIAL DEBT (figures in thousands of Euros)	12.31.2024	12.31.2023
A. CASH AND CASH EQUIVALENTS	405	436
B. CASH AND CASH EQUIVALENTS	-	-
C. OTHER CURRENT FINANCIAL ASSETS	-	-
D. LIQUIDITY (A + B + C)	405	436
E. CURRENT FINANCIAL DEBT	-	-
Short-term financial liabilities	(4,703)	(7,704)
Financial liabilities IFRS 16	(82)	(41)
F. CURRENT PART OF NON-CURRENT FINANCIAL DEBT	(4,785)	(7,745)
G. CURRENT FINANCIAL DEBT (E + F)	(4,785)	(7,745)
H. NET CURRENT FINANCIAL DEBT (G - D)	(4,380)	(7,309)
Long-term financial liabilities	-	(312)
Financial liabilities IFRS 16	(52)	(51)
I. NON-CURRENT FINANCIAL DEBT	(52)	(363)
J. DEBT INSTRUMENTS	-	-
K. TRADE PAYABLES AND OTHER NON-CURRENT PAYABLES	-	-
L. NON-CURRENT FINANCIAL DEBT (I + J + K)	(52)	(363)
M. NET FINANCIAL DEBT (H + L)	(4,432)	(7,672)

Total financial debt amounted to Euro 4,837 thousand (of which Euro 4,785 thousand was short-term) and was composed:

- (i) for Euro 4,500 thousand of a short-term loan granted by the subsidiary PLC System S.r.l. This loan accrues interest at a fixed annual rate of 1%;
- (ii) for Euro 203 thousand from the short-term loan signed with BNL (paid off on January 22, 2025), with a nominal value of Euro 5,000 thousand and measured at amortised cost;
- (iii) for Euro 134 thousand from financial liabilities related to the impact of the accounting standard IFRS 16.

The table below provides a breakdown of bank loans.

Loans (figures in thousands of Euros)	Amount of loan/advance	Last expiry date	Short-term portion	Long-term portion	Total residual loan
BNL loan	5,000	22/01/2025	203	-	203
PLC System loan	6,000	31/12/2026	4,500	-	4,500
Total	7,800		4,703	-	4,703

With reference to hedging, the risk deriving from the change in interest rates, the cap strike contract on the existing loan with BNL was concluded in 2024 (for further details, see note F. "Non-current derivative instruments").

As of today there are no cases of non-compliance with financial covenants.

Follows the loan agreement that provides for the observance of financial covenants.

BNL medium-long term Loan Agreement

The loan entered into on January 22, 2019 by the parent company PLC S.p.A. with BNL provides for compliance with two financial covenants subject to annual verification starting from December 31, 2018 and for the entire duration of the loan; the simultaneous failure to comply with the financial covenants constitutes a Significant Event under the loan contract. These covenants, to be recognised on the values resulting from the consolidated financial statements of the PLC Group, envisage (i) a ratio between financial debt and an EBITDA of less than 2 and (ii) a ratio between financial debt and a Shareholders' Equity of less than 1.5.

At December 31, 2024, both covenants had been complied with.

At the end of January 2025, the last instalment of the loan was repaid.

L. EMPLOYEE SEVERANCE INDEMNITY

The Employee severance indemnity ("TFR") provision at December 31, 2024 amounted to Euro 587 thousand (Euro 494 thousand at December 31, 2023); the change compared to the previous year is due to the provisions for the year net of the amounts paid, as well as to the effects of the actuarial calculation in accordance with IAS 19.

EMPLOYEE SEVERANCE INDEMNITY (figures in thousands of Euros)	12.31.2023	Increases	Provisions	Utilisations	Actuarial gains/losses	12.31.2024
Employee severance indemnity	494	87	157	(128)	(23)	587

The employee severance indemnity includes what is due to employees and not transferred to complementary pension schemes or to the treasury fund set up at INPS and the severance pay of the directors. Employee severance indemnity is identified as a defined benefit plan under IAS 19 and is therefore subject to actuarial valuations by a third party expert in the field, to express the current value of the benefit payable at the end of the employment relationship that employees have accrued at the date of the financial statements.

The following table summarises the main actuarial assessment assumptions:

EMPLOYEE SEVERANCE INDEMNITY Assumptions adopted	Discount rate	Generic nominal growth rate in wages	Annual turnover rate	Probability of requesting advances TFR (Employee severance indemnity)	Advance request measure	Survival table (Males)	Survival table (Females)	Probability of disability (Males)	Probability of disability (Females)
PLC SpA	3.38%	2.00%	4.00%	3.00%	70.00%	M2019	F2019	Null	Null

For discounting purposes, rates of return referring to ten-year bonds of highly rated issuers (AA Corporate Bonds) were used.

At December 31, 2024, the Company had 37 employees, including 4 managers, 8 middle managers, and 25 clerks. The average number of employees in 2024 by category and the comparison with the previous financial year are shown in the table below.

AVERAGE NUMBER OF EMPLOYEES (in units)	12.31.2024	12.31.2023
Managers	4	5
Middle managers and clerical staff	34	36
Blue-collar workers	-	0
Total	38	42

M. DEFERRED TAX LIABILITIES

At December 31, 2024, deferred taxes amounting to Euro 2 thousand pertain to the tax implications resulting from the discounting of the severance indemnity, in compliance with IAS 19.

DEFERRED TAXES (figures in thousands of Euros)	12.31.2023	Increases	Decreases	12.31.2024
Deferred Taxes	-	2	-	2
Total	-	2	-	2

N. TRADE PAYABLES

Trade payables at December 31, 2024 amounted to Euro 468 thousand (Euro 462 thousand at December 31, 2023) and consist of payables to suppliers.

TRADE PAYABLES (figures in thousands of Euros)	12.31.2024	12.31.2023
Trade payables to related parties	-	-
Trade payables to others	468	462
Total	468	462

O. OTHER PAYABLES

Other payables at December 31, 2024 amounted to a total of Euro 2,203 thousand (Euro 2,662 thousand at December 31, 2023) and are detailed as follows:

OTHER PAYABLES (figures in thousands of Euros)	12.31.2024	12.31.2023
Other payables to related parties	146	1,372
Other payables to related parties	146	1,372
Payables to employees	548	477
Payables to directors	49	68
Payables to tax authorities	1,175	511
Payables to social security institutions	183	198
Other payables	1	9
Accrued expenses and deferred income	101	27
Other payables to others	2,057	1,290
Total	2,203	2,662



Payables to tax authorities, amounting to Euro 1,175 thousand, relate to (i) Euro 971 thousand for direct taxes and (ii) Euro 203 thousand for withholdings for employees and professionals.

Payables to employees, and the related liabilities to social security institutions, refer to wages, holidays and *ROL* (reduced working hours) not taken, as well as annual bonuses.

Other payables to related parties are illustrated in paragraph 4.6.

AA. REVENUES FROM CORE BUSINESS

Revenues from core business at December 31, 2024 amounted to Euro 3,147 thousand (Euro 3,283 thousand at December 31, 2023) and are mainly related to services performed centrally by PLC S.p.A. and rendered to Group companies.

REVENUES FROM CORE BUSINESS (figures in thousands of Euros)	01.01.2024 12.31.2024	01.01.2023 12.31.2023
Revenues for intragroup services	3,147	3,283
Total	3,147	3,283

BB. OTHER OPERATING REVENUES

Other operating revenues, totalling Euro 60 thousand (Euro 283 thousand at December 31, 2023), are mainly related to the service agreement with Hitachi Zosen Inova AG, now known as Kanadevia Inova AG. This agreement pertains to the temporary provision of HR and ICT services to Schmack Biogas S.r.l., maintaining continuity with previous services to ensure an easier transition post closing.

The decrease in other revenues compared to the previous period is related to the 2023 capitalisation of costs for personnel employed in implementing the new Group management software (ERP).

CC. COSTS FOR RAW MATERIALS AND SERVICE COSTS

At December 31, 2024, the costs for raw materials are approximately Euro 2 thousand, consistent with the value on December 31, 2023, and they predominantly pertain to consumer goods.

Service costs at December 31, 2024 amounted to Euro 1,482 thousand (Euro 1,486 thousand at December 31, 2023).

SERVICE COSTS (figures in thousands of Euros)	01.01.2024 12.31.2024	01.01.2023 12.31.2023
Service costs from related parties	2	4
Administrative and tax consulting	34	49
Legal and notarial consulting	70	197
Compensation of control bodies	178	149
Independent Auditors fees	116	133
Technical and professional consulting	304	328
Maintenance and utilities	449	312
Insurance	114	105
Rentals and other costs on third-party assets	57	59
Services and other goods	158	150
Service costs from others	1,480	1,482
Total	1,482	1,486

The main variation compared to the comparative period, relating to the item "Legal and notary consulting" is chiefly connected to "*one-off*" costs incurred in 2023 concerning the sale of the Monsson perimeter. The other cost items are essentially consistent with 2023, except for normal fluctuations and the reallocation of ERP software licence fees (included in the "Maintenance and utilities" item, referred to below for details).

The "Technical and professional consulting" item primarily relates to financial consulting services (stock reporting), assistance in the research, selection, and management of human resources, improving aspects related to the cybersecurity by aligning the Group's IT systems with the European Directive 2022/2555, so-called "NIS 2", as well as covering communication and marketing, and providing technical assistance for the new ERP system.

The item "Maintenance and utilities", up compared to the comparative period, mainly refers to software licence fees, largely charged back to the subsidiaries and previously "directed" to the latter, for Euro 360 thousand, for Euro 53 thousand to telephony, and other ICT costs for Euro 36 thousand.

The service costs to related parties are illustrated in paragraph 4.6.

DD. PERSONNEL COSTS

Personnel costs at December 31, 2024 amounted to Euro 4,142 thousand (Euro 4,134 thousand at December 31, 2023) and included directors' fees of Euro 561 thousand and relative allocation to the provision for severance pay for Euro 25 thousand. Details regarding the fees for members of the administrative and control bodies, as well as general managers and managers with strategic responsibilities, are provided in the *Remuneration Report*, prepared in accordance with Article 123-ter of Legislative Decree no. 58/1998 (TUF). The Remuneration Report is available on the website (www.plc-spa.it), to which reference is made.

EE. OTHER OPERATING COSTS

Other operating costs at December 31, 2024 amounted to Euro 250 thousand (Euro 189 thousand at December 31, 2023).

OTHER OPERATING COSTS (figures in thousands of Euros)	01.01.2024 12.31.2024	01.01.2023 12.31.2023
Other service costs from related parties	9	-
Indirect taxes and fees	16	27
Other operating costs	225	162
Total	250	189

The item "Other operating costs", amounting to Euro 225 thousand at December 31, 2024, includes costs for travel and expense reimbursements in the amount of Euro 44 thousand, costs for company cars in the amount of Euro 63 thousand, entertainment expenses in the amount of Euro 51 thousand, and membership fees and administrative expenses of various natures.

Other operating costs to related parties are illustrated in paragraph 4.6.

FF. AMORTISATION AND DEPRECIATION

Amortisation and depreciation for the period amounted to Euro 384 thousand (Euro 335 thousand at December 31, 2023). The increase compared to the previous year is connected to the start of the amortisation of customisations of the management software and to the recognition of the amortisation of the rights of use deriving from long-term car rental contracts, in application of the provisions of IFRS 16.

GG. WRITE-DOWNS

In 2024, the subsidiary MSD Service s.r.l. was written-down by Euro 78 thousand following the liquidation previously mentioned, for the non-recoverable portion recorded among receivables.

HH. FINANCIAL INCOME AND CHARGES

Financial income amounted to Euro 138 thousand at December 31, 2024 (Euro 160 thousand at December 31, 2023) and mainly related to: (i) Euro 130 thousand for interest income accrued on guarantees provided to subsidiaries and (ii) Euro 8 thousand for interest income accrued on the BNL account and the mark-to-market of the derivative on the BNL loan.

Financial charges amounted to Euro 183 thousand at December 31, 2024 (Euro 278 thousand at December 31, 2023) and relate to (i) Euro 72 thousand for bank interest expenses, (ii) Euro 101 thousand for interest and amortised cost on intercompany loans, and (iii) the impact due to the application of IFRS 16.

II. GAINS (LOSSES) ON EQUITY INVESTMENTS

This item, equal to a gain of Euro 1,577 thousand, includes the dividends distributed in the 2024 financial year by the subsidiary PLC Service S.r.l.

JJ. INCOME TAXES

INCOME TAXES (figures in thousands of Euros)	01.01.2024 12.31.2024	01.01.2023 12.31.2023
Income from tax consolidation	724	803
Prepaid income taxes	-	287
Total	724	1,090

The balance of the tax item at December 31, 2024 is positive for Euro 724 thousand (positive for Euro 1,090 thousand at December 31, 2023) and includes the recognition of income from the tax consolidation, in which the Company participates as the consolidating entity.

The following table shows the reconciliation between the tax charge in the financial statements and the theoretical IRES tax charge.

Theoretical tax charge (figures in thousands of Euros)	Taxable income	12.31.2024
Pre-tax losses	4,922	
Theoretical tax charge		(1,181)
Temporary differences	(1,511)	
Temporary differences from previous years		
Permanent differences	(6,011)	
Actual taxable profit	(2,600)	
Actual tax charge		624

KK. COMPONENTS OF COMPREHENSIVE INCOME STATEMENT

The components of the comprehensive income statement that cannot be reclassified to the income statement relate to the effect of the actuarial calculation on the Employee Severance Indemnity under IAS 19 and are positive for Euro 24 thousand net of the related tax effect of Euro 7 thousand.

LL. PROFIT (LOSS) FROM DISCONTINUED OPERATIONS

The 2024 financial year recorded a capital gain of Euro 6,444 thousand from the sale of Schmack Biogas S.r.l. and its subsidiaries, inclusive of the earn-out detailed below and net of the expenses incurred for the sale and taxes.

Regarding the variable component linked to the earn-out mechanism, in the financial year 2024, it is estimated that it could accrue in total to approximately Euro 1,165 thousand before tax; of this, around Euro 720 thousand was received in December 2024.

Income statement "Discontinued Operations" (euro)	01.01.2024 12.31.2024	01.01.2023 12.31.2023
Total revenues	-	-
Operating costs	(261,439)	-
GROSS OPERATING MARGIN	(261,439)	-
Amortisation, depreciation and write-downs	-	(1,887,173)
EBIT	(261,439)	(1,887,173)
Net financial income (charges)	-	-
Income from (Expenses on) equity investments	6,783,645	-
Income taxes	(78,266)	-
Profit (loss) from disposal	-	-
Profit (loss) for the period	6,443,939	(1,887,173)

Financial position statement Discontinued Operations" Euro	12.31.2024	12.31.2023
Intangible assets	-	-
Equity investments in subsidiaries	-	1,500,000
Tangible assets	-	-
Tax receivables	-	-
Inventories	-	-
Trade receivables and other receivables	-	-
Cash	-	-
Assets held for sale	-	1,500,000
Trade payables and other payables	-	-
Provisions for risks and charges	-	-
Deferred tax liabilities	-	-
Financial liabilities	-	-
Liabilities held for sale	-	-

MM. CASH FLOW STATEMENT

The change in cash over the period in question is limited (approximately Euro 31 thousand). The main movements for the period in question refer to (i) the capital gain realised in relation to the sale of Schmack Biogas S.r.l. - and its subsidiaries - for over Euro 6.4 million; (ii) the dividends received from the subsidiary PLC Service S.r.l., for Euro 1.1 million; (iii) the dividends disbursed, for over Euro 1.8 million; (iv) the repaid bank loans, including the related interest, for over Euro 1.9 million; (v) the loans repaid to the subsidiary PLC System S.r.l., for Euro 1.5 million; (vi) the operating result for the period - net of the realised capital gain - for over Euro 0.85 million; and (vii) the change in operating net working capital, mainly influenced by uncollected intercompany receivables (partly financial and partly commercial), for about Euro 1.3 million.

NN.COMMITMENTS AND GUARANTEES

At December 31, 2024, the only surety in place was issued by PLC System S.r.l. in the interest of PLC S.p.A. in favour of Banca Nazionale del Lavoro S.p.A. to guarantee the loan granted for Euro 5,000 thousand.

OO.SEGMENT REPORTING

With reference to the parent company PLC S.p.A., the segment reporting at December 31, 2024 does not appear to be significant since the Company operates exclusively as the Group's operating holding company and therefore in a single "holding" segment.

4.6 OPERATIONS WITH RELATED PARTIES AND INTRA-GROUP ONES

Regarding the requirements of the international accounting standard IAS 24 (revised) on "Related party disclosures" and the additional information required by Consob communication no. 6064293 of July 28, 2006, the following tables summarise the Company's economic and financial transactions with related parties.

Revenues and costs from related parties

REVENUES AND COSTS - RELATED PARTIES (figures in thousands of Euros)	Revenues			Costs			
	Revenues	Research and development	Financial income	Raw materials	Services	Payroll and other costs	Financial charges
PLC Service S.r.l.	1,447,391	-	3,943	109	-	-	-
PLC Service Wind S.r.l.	220,684	-	6,417	-	-	-	-
PLC System S.r.l.	1,288,870	-	116,572	-	2,000	-	48,562
PLC Power S.r.l.	179,100	-	-	-	-	-	52,413
C&C Irsina S.r.l.	4,200	-	-	-	-	-	-
Alisei Wind S.r.l.	4,200	-	-	-	-	-	-
Tirreno S.r.l.	2,100	-	-	-	-	9,103	-
Total	3,146,545	-	126,932	109	2,000	9,103	100,975
% impact on financial statements item	100.0%	0.0%	92.1%	0.0%	0.1%	0.0%	55.3%

Receivables from and payables to related parties

RECEIVABLES FROM AND PAYABLES TO RELATED PARTIES (in thousands of Euros)	Receivables			Payables		
	Trade	Financial	Other	Trade	Financial	Other
PLC Service S.r.l.	962,283	-	1,986,117	-	-	37
PLC Service Wind S.r.l.	289,156	-	36,020	-	-	-
PLC System S.r.l.	-	-	1,041,689	-	4,500,000	-
PLC Power S.r.l.	436,860	815,829	10,083	-	-	145,561
C&C Irsina S.r.l.	10,248	-	958	-	-	-
Alisei Wind S.r.l.	10,248	-	2,875	-	-	-
Total subsidiaries	1,708,795	815,829	3,077,742	-	4,500,000	145,598
Antonio Carrano	-	3,188	-	-	-	-
Total other related parties	-	3,188	-	-	-	-
Total	1,708,795	819,017	3,077,742	-	4,500,000	145,598
% impact on financial statements item	99.6%	64.1%	94.0%	0.0%	93.0%	6.6%

4.7 FINANCIAL RISK MANAGEMENT POLICY

PLC S.p.A. operates as an operating holding company and therefore its economic results and profitability depend (i) on the dividends distributed by subsidiaries and (ii) on the fees paid by subsidiaries for the structures centralised in the parent company and inherent in the status of holding company. This entails a significant dependence on the results of the subsidiaries.

In this context, the Company is exposed to liquidity risk, credit risk, and interest rate risk deriving from financial exposure (the latter is currently only a theoretical risk).

Financial risk management is an integral part of the management of the Group's activities and is carried out centrally by the Parent Company, which defines the risk categories and, for each type of transaction and/or instrument, indicates the methods and operating limits.

Types of financial instruments and fair value hierarchy

Below is a breakdown of financial assets and liabilities, as required by IFRS 7, as part of the categories envisaged by IFRS 9, with an indication of the assessment criteria adopted.

FINANCIAL ASSETS AND LIABILITIES - IFRS 9 (figures in thousands of Euros)	Measurement criteria adopted				12.31.2024	12.31.2023
	Fair value	Fair value hierarchy	Measurement at cost	Amortised cost	Carrying amount	Carrying amount
Financial assets at fair value through profit or loss						
Loans and receivables	447	Level 3	-	830	1,277	1,053
Cash and cash equivalents	405	Level 1	-	-	405	436
Trade receivables	-	-	-	1,715	1,715	791
Other current receivables	-	-	-	3,273	3,273	1,212
Other non-current receivables	-	-	-	-	-	1,267
Financial assets available for sale					-	-
Investments in other companies measured at fair value	-	-	-	-	-	-
Investments in other companies measured at cost	-	-	-	-	-	-
Other financial assets	-	-	-	-	-	-
Financial assets held for sale	-	-	-	-	-	1,500
TOTAL FINANCIAL ASSETS	852	-	-	5,818	6,670	6,259
Financial liabilities at amortised cost						
Trade payables	-	-	-	468	468	462
Other current payables	-	-	-	2,203	2,203	2,662
Other non-current payables	-	-	-	2	2	-
Current financial payables	-	-	-	4,785	4,785	7,745
Non-current financial payables	-	-	-	52	52	363
Financial liabilities held for sale	-	-	-	-	-	-
TOTAL FINANCIAL LIABILITIES	-	-	-	7,510	7,510	11,232

Regarding cash and cash equivalents, trade receivables and payables, other current and non-current receivables and current payables, the amortised cost is a reasonable approximation of fair value.

Financial assets and liabilities due within one year have not been measured at fair value because their amortised cost approximates fair value.

Financial assets and liabilities due after one financial year are instead assessed using the amortised cost method.

Regarding financial instruments measured at fair value, the classification of the same is reported based on the hierarchy of levels that reflects the significance of the inputs used in determining fair value, as required by IFRS 13. The following levels can be distinguished:

- level 1 - listed (unadjusted) prices in active markets for identical assets or liabilities available to the entity at the measurement date;

- level 2 - inputs other than the listed prices referred to in the previous point, which are observable on the market directly (as in the case of prices) or indirectly (i.e. derived from prices);
- level 3 - inputs that are not based on observable market data.

Liquidity Risk

The evolution of the net working capital and the financial requirements of the Company is dependent on the results and profitability of the subsidiaries.

The liquidity risk represents the risk that, due to the inability to raise new funds or liquidate assets on the market, the Company will not be able to meet its payment obligations, resulting in an impact on the economic result if the Company is forced to incur additional costs to meet its commitments or, as an extreme consequence, a situation of insolvency that puts the corporate activities at risk. Considering the nature of the Company as a holding company, the objective is to establish a financial structure that, in line with business objectives and defined limits, guarantees an adequate level of liquidity, credit facilities, and credit lines for the Group.

It is important to note that with the sale of Schmack Biogas S.r.l. and its subsidiaries, the company has secured sufficient funds to (i) ensure sufficient financial resources to cover short-term commitments and maturing obligations, (ii) ensure an appropriate level of operational flexibility for the Group, maintaining a balance in terms of the maturity and composition of debt and an adequate structure of bank credit facilities, (iii) allow the early repayment of part of the previously existing bank financing, and (iv) allow the partial repayment of the loan provided by the subsidiary PLC System S.r.l.

Credit Risk

Credit risk is the risk that a counterparty will fail to meet its obligations under a contract, thereby generating a financial loss. Considering its nature as a holding company, the Company is directly exposed to other Group companies and indirectly to third-party customers of subsidiaries, since its economic results and profitability depend on the results and profitability of other Group companies that are, in turn, directly exposed to this risk. The credit risk is generally mitigated by the fact that the Group conducts a preliminary evaluation regarding the counterparty's solvency risk and that, typically, the Group's primary customers are key players in the energy, infrastructure, or financial sectors and, consequently, are counterparts characterised by a low credit risk profile.

Despite the uncertain macroeconomic context, credit risk has currently remained contained; however, it cannot be ruled out that some Group customers may delay or fail to honour payments under the agreed terms and conditions, with a consequent increase in credit risk.

Where there are changes in the creditworthiness of a counterparty, the value of the credit is adjusted accordingly to bring it in line with the actual probability of recovery. At December 31, 2024, the maximum exposure to credit risk was equal to the carrying amount of the receivables in the financial statements.

Market risk

Market risk is the risk that the fair value of the future cash flows of a financial instrument will fluctuate because of changes in market prices, due to fluctuations in exchange rates, interest rates or the prices of equity instruments. The goal of market risk management is to manage and control the Company exposure to such risk within acceptable levels, while optimising the return on investments.

Interest rate risk

The Company is exposed to the risk deriving from changes in interest rates in consideration of the existing loan with BNL. This risk originates from the fact that the loan, being at a variable rate, exposes the Company to the volatility of the Euribor curve. The goal of management is to limit the fluctuation of the financial charges that have an impact on the economic result, limiting the risk of a potential increase in interest rates, eventually using derivative contracts for hedging purposes.

Capital management

The objectives identified by the Company in managing capital are the creation of value for all shareholders, the safeguarding of business continuity and support for the development of the Company and the Group to which the management is heavily committed.



4. 8 CERTIFICATION OF THE FINANCIAL STATEMENTS PURSUANT TO ART. 154-BIS OF LEGISLATIVE DECREE NO. 58/98

The undersigned Andrea Orlando and Simone Albertazzi, the Chief Executive Officer and the Manager in charge of Financial Reporting of PLC S.p.A. respectively, certify, considering the provisions of Article 154-bis, paragraphs 3 and 4, of Legislative Decree no. 58 of February 24, 1998:

- the adequacy in relation to the characteristics of the business and
- the effective application,

of the administrative and accounting procedures for the preparation of the financial statements at December 31, 2024.

There are no significant aspects to be mentioned in this regard.

It is also certified that:

the financial statements at December 31, 2024:

- have been prepared in accordance with the applicable international accounting standards recognised by the European Community pursuant to Regulation (EC) no. 1606/2002 of the European Parliament and of the Council of July 19, 2002;
- are consistent with the data in the accounting records and other corporate documents;
- provide a true and fair view of the issuer's financial position, results of operations and cash flows.

The management report includes a reliable analysis of the trend and result of operations, as well as the situation of the issuer, together with a description of the main risks and uncertainties to which it is exposed.

Acerra, March 27, 2025

The Chief Executive Officer

signed Andrea Orlando

The Manager in charge of
Financial Reporting

signed Simone Albertazzi

4.9 BOARD OF DIRECTORS' PROPOSALS TO THE SHAREHOLDERS' MEETING

Dear Shareholders,

- having taken note of the financial statement documents and, in particular, the report of the Board of Directors on the Group's situation and performance;
- having examined the draft financial statements at December 31, 2024 which highlight an operating profit of Euro 5,568,252.41;
- having examined the consolidated financial statements at December 31, 2024.

The Board of Directors proposes to you:

- to distribute a unitary dividend, gross of any legal withholdings, equal to Euro 0.085 for each of the 25,960,575 ordinary shares, for a total amount of Euro 2,206,648.88, through the distribution of part of the year's profit;
- to carry forward the remaining part of the profit for the 2024 financial year equal to approx. Euro 3,361,603.53;
- to pay the dividend on May 7, 2025, setting May 5, 2025 as the ex-dividend date (so-called "*ex date*") and May 6, 2025 as record date.



4.10 REPORT OF THE BOARD OF STATUTORY AUDITORS



REPORT OF THE BOARD OF STATUTORY AUDITORS TO THE SHAREHOLDERS' MEETING CALLED TO APPROVE THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2024, PURSUANT TO ARTICLE 153 OF LEGISLATIVE DECREE NO. 58/98 (TUF)

To the Shareholders' Meeting of PLC S.p.A. Dear Shareholders,

The upcoming Shareholders' Meeting scheduled for 28 April 2025 will be called, among other things, to resolve on the draft financial statements as at 31 December 2024, which was approved by the Board of Directors at its meeting on 27 March 2025.

This report has been prepared by the Board of Statutory Auditors appointed for the 2024–2026 three- year term by the Shareholders' Meeting of 29 April 2024, composed of Chairman Luca Sintoni and Standing Auditors Anna Maria Bortolotti and Marco Centore.

The financial statements for the year ended 31 December 2024 show shareholders' equity of €42,605,462, which already includes the profit for the year of €5,585,008.

Supervisory activities on compliance with laws, regulations and the Articles of Association

In the course of the financial year ended 31 December 2024, the Board of Statutory Auditors carried out its supervisory activity in accordance with the duties assigned to it by Legislative Decree 24 February 1998 No. 58 and by current regulations, also taking into account the guidance recommended by the "Rules of Conduct for the Board of Statutory Auditors of listed companies" issued by the National Council of Chartered Accountants and Accounting Experts, by the provisions of Consob on corporate controls, and by the guidelines contained in the Corporate Governance Code for listed companies promoted by Borsa Italiana, which PLC S.p.A. (hereinafter also "PLC" or the "Company") has declared to adhere to, albeit making use of certain simplifications by virtue of PLC's classification as a "company with concentrated ownership" pursuant to the Corporate Governance Code, as further detailed in the Report on Corporate Governance and Ownership Structures prepared pursuant to Article 123-bis of the TUF, to which reference is made.

Moreover, since PLC has adopted the "traditional" governance model, the Board of Statutory Auditors coincides with the "Internal Control and Audit Committee," which is assigned further specific control and monitoring functions regarding financial reporting and statutory audit, as provided by Article 19 of Legislative Decree 27 January 2010, No. 39, as subsequently amended by Legislative Decree 17 July 2016, No. 135 (implementing Directive 2014/56/EU, which amends Directive 2006/43/EC on the statutory audit of annual and consolidated accounts) and by European Regulation 537/2014. The statutory audit tasks, pursuant to Legislative Decree 39/2010 (as subsequently amended by Legislative Decree 135/2016), have been entrusted to the audit firm PriceWaterhouseCoopers S.p.A. (hereinafter the "Independent Auditors" or "PwC"), which was also appointed by the Shareholders' Meeting of 29 April 2024 for the nine-year period 2024–2032.

With regard to the supervisory activities carried out during the year, and taking into account the guidance provided by Consob in its communication dated 6 April 2001, as amended and supplemented by communication DEM/3021582 of 4 April 2003 and subsequently by communication DEM/6031329 of 7 April 2006, the Board reports the following.

The Board of Statutory Auditors has supervised compliance with the law and the Articles of Association, obtaining the information necessary for the performance of its duties by attending the meetings of the Board of Directors and Board Committees, by conducting hearings with management, by holding meetings with the Company's and the Group's corporate departments, and by analyzing the information flows received from the relevant corporate functions.

The Board has also met with the Supervisory Body established by the Company pursuant to Article 6 of Legislative Decree No. 231/2001 and, as part of the exchange of information between the control body and the auditor provided by law, held numerous meetings with the Independent Auditors and with the corresponding control bodies of the Group companies.

During the 2024 financial year, the Board of Statutory Auditors met 19 times, in addition to attending 11 meetings of the Board of Directors. After the close of the 2024 financial year and up to the date of preparation of this Report, the Board met 7 times and attended 3 meetings of the Board of Directors.

Supervisory activities on compliance with the principles of correct administration

The Board attended all meetings of the Board of Directors, thereby gaining knowledge of the activities carried out and the most significant transactions performed by the Company or its subsidiaries, in accordance with legal and statutory provisions; the Board acknowledges that it held numerous joint meetings with the Control, Risks and Sustainability Committee and that, in any case, one or more of its members attended the meetings of the board committees established and operating within the Board of Directors.

The Directors provided the Board with extensive information on the activities carried out and the most significant economic, financial and equity transactions undertaken by the Company and its subsidiaries, as well as in general on the performance of operations and on the events that had the greatest impact on determining the result for the year.

The Board verified that the actions resolved and implemented were compliant with the law and the Articles of Association and that they were not manifestly imprudent, reckless, in conflict of interest, or in contrast with the resolutions of the Shareholders' Meeting, or such as to compromise the integrity of the share capital.

With regard to the decision-making processes of the Board of Directors, the Board of Statutory Auditors verified, also by attending board meetings, compliance with the law and the Articles of Association in the management decisions made by the Directors, and verified that the related resolutions were supported by analyses and evaluations regarding, in particular, the appropriateness of the transactions and their consequent consistency with the Company's interest.

In the meetings of the Board of Directors, the periodic operating results were carefully analyzed and thoroughly discussed, as were all aspects relating to the most significant transactions carried out.

The Board of Statutory Auditors also found that adequate documentation supporting the items discussed in the Board of Directors' meetings was made available to directors and auditors with sufficient advance notice.

Supervisory activities on the adequacy of the organizational structure and on the adequacy of instructions given to subsidiaries

The Board of Statutory Auditors monitored the adequacy of the Company's organizational structure and the adequacy of the instructions given to the subsidiaries pursuant to Article 114, paragraph 2, of Legislative Decree No. 58/1998, through

obtaining information from the heads of the relevant corporate functions and through meetings and exchange of documents with the Independent Auditors and with the control bodies of the subsidiaries, also for the purpose of mutual sharing of relevant data and information. In this regard, the Board has no particular observations to report, considering the Company's organizational structure to be essentially adequate for its needs and suitable to ensure compliance with the principles of proper management.

With particular reference to the subsidiaries, the Board of Statutory Auditors found that the Company is able to fulfill in a timely and regular manner the disclosure obligations set out by law; this also through the collection of information from the managers of the organizational functions, for the purpose of mutual exchange of relevant data and information: in this respect, there are no specific observations to report.

The Board monitored the evolution of the organizational structure, the necessary personnel changes, and the strengthening of safeguards at the parent company.

Supervisory activities on the adequacy of the internal control and risk management system and on the adequacy of the administrative-accounting system

The Board monitored the adequacy of the internal control and risk management system and the adequacy of the administrative-accounting system, as well as the reliability of the latter in correctly representing management events, by means of:

- obtaining information from the heads of the respective corporate functions;
- examining the positive assessment expressed by the Board of Directors on the adequacy of the Company's organizational, administrative and accounting structure, with specific reference to the internal control and risk management system, pursuant to Article 2381, paragraph 3, of the Civil Code and Recommendation 1.d) of Article 1 of the Corporate Governance Code of January 2020;
- examining the reports of the Financial Reporting Officer on the administrative and accounting structure, on the internal control system, and on corporate reporting, as well as holding meetings with the same, who, together with the Chief Executive Officer, issued on 27 March 2025 the declaration required by Article 154-bis of Legislative Decree No. 58/1998 with reference to PLC's 2024 separate financial statements and 2024 consolidated financial statements;
- examining the report of the Control, Risks and Sustainability Committee, as well as participating in its meetings and, in most cases, jointly addressing the topics covered;
- examining the annual report of the head of the Internal Audit function and the Internal Audit reports;
- examining the half-yearly reports of PLC's Supervisory Body, established by the Company in accordance with the provisions of Legislative Decree No. 231/2001, from which it emerges that no elements have been found indicating any inadequacy of the Model 231 adopted by the Company;
- examining the additional report of the Independent Auditors, issued pursuant to Article 11 of European Regulation No. 537 of 16 April 2014;
- exchanging information with the control bodies of the subsidiaries, pursuant to Article 151, paragraphs 1 and 2, of Legislative Decree No. 58/1998.

All things considered, the Board of Statutory Auditors expresses an assessment that the overall internal control system is substantially effective.

The Board of Statutory Auditors also oversaw:

- the analysis process carried out by the Company's Board of Directors as part of the preparation of the 2025 Budget;

- the preparatory analysis performed by the Control, Risks and Sustainability Committee, aimed at providing its opinion to the Board of Directors on the methodology to be used for conducting the impairment test as at 31 December 2024, performed with the support of an independent consultant;
- the performance of the obligations related to the “Market Abuse” and “Investor Protection” regulations in terms of corporate disclosure and to “Internal Dealing.”

Going concern

The Directors prepared the financial statements as at 31 December 2024 on the going concern assumption, therefore using the principles and criteria applicable to companies as a going concern.

In assessing the existence of the going concern assumption, the Directors took into account all the events well described in the Management Report.

The Directors also state that “the economic-financial and commercial results (in terms of backlog and pipeline values) for the period and the PLC Group’s forecasts, included in the 2023–2027 Business Plan approved on 22 December 2022, do not indicate critical issues regarding the adequacy of cash and credit lines to allow the financial commitments to be met for a future period of at least 12 months from the date of approval of these financial statements” and that “the capital structure of the Parent Company and the Group is adequate for the conduct of the business activity.”

Internal Control and Audit Committee pursuant to Art. 19 of Legislative Decree No. 39/2010 and Legislative Decree No.135/2016 (implementing Directive 2014/56/EU amending Directive 2006/43/EC) and to European Regulation 537/2014

In its capacity as the Internal Control and Audit Committee pursuant to Art. 19 of Legislative Decree No. 39/2010, the Board monitored the financial reporting process.

The Board of Statutory Auditors examined, with the assistance of the Financial Reporting Officer, the procedures relating to the preparation of the Company’s financial statements and consolidated financial statements, as well as any other financial communication.

The Board of Statutory Auditors was informed that these procedures are prepared under the responsibility of the Financial Reporting Officer, who, jointly with the Chief Executive Officer and the Chairman of the Board of Directors, certifies their adequacy and effective application on the occasion of the annual and consolidated financial statements and the half-year financial report.

The checks carried out made it possible to ascertain the overall adequacy of the internal control and risk management system in order to ensure the reliability of the financial reporting for the 2024 financial year.

As provided by Art. 16 of Legislative Decree 39/2010, the Independent Auditors exclusively carried out the control:

- over the proper keeping of the company’s accounts and the correct recording of management events in the accounting records;
- over the correspondence of the financial statements to the results of the accounting records and their compliance with the laws governing their preparation.

In the context of oversight of the statutory audit of the annual and consolidated accounts, the Board (i) examined the Group audit plan as at 31 December 2024 prepared by the Independent Auditors – in which the significant risks identified in relation to the main areas of the financial statements are highlighted – finding it adequate to the Group’s characteristics

and size, and (ii) monitored the effectiveness of the statutory audit process, noting that it was carried out in compliance with the audit plan and in accordance with the International Standards on Auditing (ISAs). In this regard, the Board has no particular observations to report.

PwC has issued on today's date the reports pursuant to Art. 14 of Legislative Decree No. 39/2010 and Art. 10 of European Regulation 537/2014, for the separate financial statements and for the consolidated financial statements of the Group as at 31 December 2024, prepared in accordance with the International Financial Reporting Standards (IFRS) adopted by the European Union, as well as with the measures issued in implementation of Art. 9 of Legislative Decree No. 38/2005. The Independent Auditors sent to the Board of Statutory Auditors, in its capacity as Internal Control and Audit Committee, the "Additional Report for the Internal Control and Audit Committee" illustrating the results of the statutory audit and including the independence declaration pursuant to Art. 6, paragraph 2(a) of Regulation (EU) No. 537/2014, as well as the information required by Art. 11 of that Regulation. The Independent Auditors confirmed that during the audit of the Company's separate financial statements and the Group's consolidated financial statements for the year ended 31 December 2024, no significant deficiencies were identified in the internal control system for financial reporting and/or in the accounting system.

The Board received from the Independent Auditors the Key Audit Matters highlighted by PwC in the Additional Report, relating to the valuation of investments in subsidiaries and Discontinued Operations for the financial statements of PLC S.p.A., and to the recognition of revenues from core operations and contract assets and liabilities, the assessment of the recoverability of goodwill, and Discontinued Operations or assets held for sale for the Consolidated Financial Statements. The Board of Statutory Auditors will inform the Company's administrative body about the outcomes of the statutory audit, by transmitting for this purpose the additional report pursuant to Art. 11 of European Regulation No. 537/2014, accompanied by any observations, in accordance with Art. 19 of Legislative Decree No. 39/2010.

During the year, the Board held meetings with the representatives of the Independent Auditors, pursuant to Art. 150, paragraph 3, of Legislative Decree No. 58/1998, during which appropriate information exchanges took place and no facts or situations emerged that should be highlighted.

The Board of Statutory Auditors (i) analyzed the work performed by the Independent Auditors, in particular the methodological framework, the audit approach used for the various significant areas of the financial statements and the audit work plan, and (ii) shared with the Independent Auditors the issues related to business risks, thus being able to appreciate the adequacy of the auditor's planned response in relation to the structural and risk profiles of the Company and the Group.

It should be noted that the Company's Board of Directors, in line with the indications of the joint Bank of Italy/Consob/ISVAP document of 3 March 2010, examined the compliance of the impairment test procedure with the requirements of international accounting standard IAS 36, also benefiting from the comfort provided on the matter by specialist consultants. This was followed by the approval of the procedure on 19 February 2025 and the approval of the impairment test results on 12 March 2025.

As reported in the information provided pursuant to Art. 149-duodecies of the Consob Issuers' Regulation included in the Financial Report, during 2024 the Company and its subsidiaries, in addition to the statutory audit engagement on the annual separate and consolidated financial statements, the half-year report, and the verification of the regular keeping

of corporate accounts, also engaged PwC for non-audit services related to a limited assurance engagement on the consolidated sustainability report and for services to certify tax credits.

The total fees due to the Independent Auditors for the above additional attestation services amount to €41,000.

These engagements were preliminarily examined by the Board of Statutory Auditors and, based on the checks carried out, the Board did not find any issues regarding the independence of the audit firm.

As required by Art. 19 of Legislative Decree No. 39/2010, the Board of Statutory Auditors verified and monitored the independence of the statutory audit firm in accordance with Articles 10, 10-bis, 10-ter, 10- quater and 17 of the aforementioned decree and Article 6 of the European Regulation, in particular with regard to the adequacy of the provision of non-audit services, in compliance with Article 5 of that Regulation.

The Board received from the Independent Auditors, pursuant to Art. 17, paragraph 9(a) of Legislative Decree No. 39/2010, confirmation that in the period from 29 April 2024 until the date of the communication, 7 April 2025, it did not find any situations that could compromise its independence nor any causes of incompatibility as indicated by Articles 10 and 17 of Legislative Decree No. 39/2010 and the related implementing provisions.

Therefore, also taking into account the statement issued by PwC and the engagements assigned to it by the Company and the Group companies, based on the supervisory activity carried out pursuant to Art. 19 of Legislative Decree No. 39/2010, no critical aspects have emerged regarding the independence of the audit firm PwC.

Other activities

Significant transactions

In order to oversee compliance with the principles of proper management, in addition to having attended, as explained above, all the meetings of the Board of Directors and of the Board Committees, the Board of Statutory Auditors, pursuant to Article 2381, paragraph 5 of the Civil Code and Article 150 of Legislative Decree No. 58/98, obtained from the directors information on the activities carried out and on the most significant economic, financial and equity transactions resolved and implemented during the year by PLC and its subsidiaries; this information is presented in the Report on Operations, to which reference is made.

Transactions involving interests of directors and auditors, and related party transactions

The Board of Statutory Auditors considers adequate the information provided by the Board of Directors in the Report on Operations regarding intra-group transactions and related party transactions.

The Board did not detect the existence of atypical and/or unusual transactions with Group companies, third parties or related parties, and this is confirmed by the indications of the Board of Directors, the Independent Auditors (PwC), the Related Parties Committee, and the officer in charge of internal control.

During the 2024 financial year, based on the information received, certain transactions with related parties were carried out, both intra-group and with third parties; these transactions, as far as we know:

- were carried out in compliance with the Procedure for Related Party Transactions, as most recently updated on 28 June 2021, drawn up in accordance with Consob Resolution No. 17221 of 12 March 2010, and subsequent amendments, containing the Related Party Transactions Regulation;

- were carried out in the interest of the Company, of an ordinary nature and concluded at conditions equivalent to market or standard terms;
- do not include atypical or unusual transactions.

The related party transactions are adequately described in the financial statements, where the main economic and financial balances arising from related party relationships are also reported.

Complaints pursuant to Art. 2408 of the Civil Code

During the year, the Board of Statutory Auditors did not receive any complaints pursuant to Article 2408 of the Civil Code.

Corporate Governance Code

Pursuant to Art. 149, paragraph 1(c-bis) of Legislative Decree No. 58/1998, the Board of Statutory Auditors monitored the concrete implementation of the corporate governance system provided by the Corporate Governance Code for listed companies, promoted by Borsa Italiana S.p.A., whose recommendations and principles the Company has adhered to, albeit making use of certain simplifications by virtue of PLC's classification as a "company with concentrated ownership" as mentioned above, adopting over time the related updates. From adherence to the Self-Regulatory Code up to the latest January 2020 version as the Corporate Governance Code, the Board of Directors passed specific resolutions to implement and specify the provisions of the Code itself.

In particular, taking note of the assessments expressed by the Board of Directors and the Control, Risks and Sustainability Committee, the Board of Statutory Auditors verified (i) that the criteria and procedures of verification adopted by the Board to evaluate the independence of its members were correctly applied, (ii) the adequacy, in relation to the needs and operations of the Company, of the size, composition and functioning of the Board and its Committees, as well as (iii) compliance with the independence criteria by the individual members of the Board of Statutory Auditors.

In this regard, the Board acknowledged that the Annual Report on Corporate Governance and Ownership Structures, prepared pursuant to Art. 123-bis of Legislative Decree 58/98 and Art. 89-bis of the Issuers' Regulation, contains information on the ownership structures, on adherence to codes of conduct and on compliance with the consequent commitments, highlighting the choices that the Company has made in applying the principles of governance.

With regard to the content thereof, there are no particular observations to report.

Self-assessment of the Board of Statutory Auditors

The Board of Statutory Auditors carried out the periodic verification of compliance with the independence criteria as well as the professional and integrity requirements of its members, as provided by law and by the principles set out in the Rules of Conduct for the Board of Statutory Auditors of listed companies recommended by the National Council of Chartered Accountants and Accounting Experts, as well as by the Corporate Governance Code, noting that its members:

- do not fall under any situation of ineligibility, incompatibility or forfeiture provided by law, regulations or the Articles of Association in relation to the office of Statutory Auditor;
- meet the integrity requirements prescribed by the applicable regulations and, specifically, the requirements established for members of control bodies by the regulation issued pursuant to Art. 148, paragraph 4 of Legislative Decree No. 58/1998; and

- comply with the provisions regarding limits on the accumulation of offices as provided by current regulations.

In the composition of the Board of Statutory Auditors, gender balance is ensured in the governing bodies of companies with listed shares, according to the provisions of the Articles of Association and Law No. 160 of 27 December 2019 (“2020 Budget Law”), Article 1, paragraphs 302, 303 and 304, which amended Art. 147-ter, paragraph 1-ter, and Art. 148, paragraph 1-bis, of Legislative Decree No. 58/1998, and by Consob Communication No. 1 of 30 January 2020.

As for its own functioning, the Board:

- (i) verified the participation of its members (as quantitatively indicated above) both in the joint meetings with the Company’s Control, Risks and Sustainability Committee and in all the meetings of the administrative body and, in general, of the board committees; and
- (ii) assessed the relevance of the topics discussed on the basis of a plan oriented to identifying the main risk profiles (risk-based approach), as well as on the basis of an appropriate scheduling of periodic information flows with the Company’s management, with the internal control functions and with the Supervisory Body. The specific control and monitoring functions regarding financial reporting and statutory audit, provided by Art. 19 of Legislative Decree 27 January 2010, No. 39, included, inter alia, a constant and mutual exchange of information periodically carried out with the Independent Auditors and with the Financial Reporting Officer, ensuring a proper and effective functioning of the Board of Statutory Auditors also in its role as Internal Control and Audit Committee.

Opinions expressed by the Board of Statutory Auditors

During the year, on 20 May 2024, the Board of Statutory Auditors issued its favorable opinion regarding the appointment of the Financial Reporting Officer pursuant to Article 13 of the Articles of Association and Article 154-bis of Legislative Decree No. 58/1998.

Consolidated Sustainability Report

The company has voluntarily prepared the Consolidated Sustainability Report for the 2024 financial year.

Separate financial statements as at 31 December 2024

First of all, we note that the draft separate financial statements and the draft consolidated financial statements as at 31 December 2024 were made available to the Board of Statutory Auditors following their approval by the administrative body on 27 March 2025. The Board verified compliance with the legal provisions concerning the preparation of the separate financial statements as at 31 December 2024 – drawn up in accordance with the international accounting standards (IFRS) issued by the IASB – and of the Directors’ Report, through direct checks and information obtained from the Independent Auditors.

In their report and in the explanatory notes to the financial statements, the Directors provided extensive information on the performance of operations, the main transactions that occurred during the 2024 financial year, and the events that took place after the end of the year.

On 7 April 2025, the Independent Auditors issued their reports pursuant to Art. 14 of Legislative Decree 27 January 2010, No. 39, on the Company’s separate financial statements and on the consolidated financial statements as at 31 December 2024, which present an unmodified opinion without any emphasis-of-matter paragraphs.



The Independent Auditors expressed their opinion noting that “the separate financial statements give a true and fair view of the financial position of the Company as at 31 December 2024, of its financial performance and its cash flows for the year then ended in accordance with the IFRS accounting standards issued by the International Accounting Standards Board and adopted by the European Union, as well as with the measures issued in implementation of Article 9 of Legislative Decree No. 38/05.”

Proposals regarding the financial statements as at 31 December 2024

The Board of Statutory Auditors, as a result of the supervisory activity carried out on the subject in question and limited to matters within its purview, taking into account the information flows received and the checks performed, does not identify any elements of unlawfulness that would prevent the approval of the draft financial statements for the year ended 31 December 2024 as prepared by the Board of Directors.

With regard to the proposal for the allocation of the profit for the year put forward by the Board of Directors under item 4.9 of the Financial Report on PLC’s separate financial statements, the Board of Statutory Auditors has no remarks, since the proposed dividend (€0.085 for each of the 25,960,575 ordinary shares, for a total of €2,206,648.88) is, as of today, sustainable for the Company and does not create treasury issues or strains.

Milan, 7 April 2025

THE BOARD OF STATUTORY AUDITORS

Luca Sintoni (Chairman)

Anna Maria Bortolotti

Marco Centore



4.11 INDEPENDENT AUDITORS' REPORT



Independent auditor's report

in accordance with article 14 of Legislative Decree No. 39 of January 27, 2010 and article 10 of Regulation (EU) No. 537/2014

To the shareholders of PLC SpA

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of PLC SpA (the Company), which comprise the financial position statement as of December 31, 2024, income statement, comprehensive income statement, statement on changes in shareholders' equity, cash flow statement for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as of December 31, 2024, and of the result of its operations and 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, as well as with the regulations issued to implement article 9 of Legislative Decree No. 38/05.

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 Financial Statements* section of this report. We are independent of the Company pursuant to the regulations and standards on ethics and independence applicable to audits of financial statements under Italian law. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

PricewaterhouseCoopers SpA

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Key Audit Matters

Auditing procedures performed in response to key audit matters

Evaluation of the recoverability of the carrying amount of equity investments

Note 4.4 to the financial statements “Notes to the financial statements” (paragraphs “Equity investments in subsidiaries”, “Use of estimates” and “Impairment of tangible, intangible and financial assets”), note 4.5 to the financial statements “Notes on the results for the year ended December, 31 2024” (paragraph “C. Equity investments in subsidiaries”).

The financial statements of the Company at December 31, 2024 include five equity investments in subsidiaries for a total of Euro 43.0 million (PLC System Srl, PLC Service Srl, PLC Service Wind Srl, PLC Power Srl and MSD Service Srl in liquidation).

Equity investments in subsidiaries are measured at cost, reduced, where applicable, for permanent impairment losses.

As per the company policy, where there are indicators of impairment, and at least annually, equity investments in subsidiaries are subject to impairment testing.

This impairment test consists in verifying that the recoverable amount of the asset is equal to at least its book value. The recoverable amount of the asset is the higher between the fair value, net of costs to sell, and the asset’s value in use.

The value in use is calculated based on the discounted cash flow method. The cash flows used for this test are determined starting with the information inferred from the forward-looking data included in the applicable business plan. The recoverable amount chiefly depends on the following factors: (i) expected cash flows, (ii) impact on the cash flows from the “Climate change”, (iii) the perpetuity growth rate (“g”), if

We performed an understanding of the method adopted by management in preparing the impairment tests and approved by the Board of Directors of the Company on February 19, 2025.

We carried out the audit procedures on a sample basis with regard to the main assumptions underlying the expected cash flows, in order to verify the reasonableness of and consistency with the obtained contracts of the data used for the impairment tests. In particular, our activities consisted in obtaining adequate information to understand the composition of the expected revenues used in the impairment tests, also evaluating the quality of expectations compared to the accuracy of the prior forecast and verifying the discount and growth rates beyond the time-horizon used in the calculation model.

We tested the mathematical correctness of the model used for the impairment test.

Finally, we verified the sensitivity analysis carried out by the Company.

These activities were performed also with the support of PwC network experts in valuation models.

any, used in the model and (iv) the discount rate used to discount back the future cash flows.

We verified the completeness and accuracy of the disclosures provided in the notes to the financial statements.

The Company adopts – and updates every year – a procedure which describes the activities and safeguards put in place in order to monitor the assets subject to the impairment test or for which triggering events are identified that signal the need to perform an impairment valuation.

As at December 31, 2024 the Company used the cash flows defined in the Business Plan 2023-2027, approved by the Board of Directors, supplemented by the 2025 Budget approved by the directors on March 12, 2025, considering in particular an explicit time-horizon of 3 years for the years 2025 – 2027 and calculating the terminal value determined on the basis on the perpetuity method by applying a long-term growth rate “g”, consistent with the abiding and foreseeable macroeconomic context where the PLC Group operates.

The Company also performed a sensitivity analysis on the basis of the changes in the discount rate and in the growth rate.

From the impairment tests and the sensitivity analysis no need to perform any writedown emerged.

We considered this aspect to be a key audit matter because of the materiality of the amount as well as for the complexity of the process of estimation of the recoverable amount of the equity investments, since it is based on valuation assumptions and hypotheses affected by economic and market conditions subject to uncertainties especially relating to the determination of the forward-looking cash flows and of the discount rate.

Discontinued operations

Note 4.2 to the financial statements “Main PLC Group operations during the year 2024”, note 4.4 to the financial statements “Notes to the financial statements” (paragraph “Non-current assets and liabilities held for sale or disposal”) and note 4.5 to the financial statements “Notes on the results for the year ended December, 31 2024” (paragraph “LL. Profit (loss) from discontinued operations”).

As at December 31, 2024 the profit from discontinued assets (liabilities), equal to about Euro 6.4 million, referred to the profit generated by the disposal of the subsidiary Schmack Biogas Srl, occurred in the first quarter of 2024.

The evaluation of the profit linked to the subsidiary Schmack Biogas Srl required directors to make judgments and estimates, especially with regard to the valuation of the variable consideration for the related sale. In relation to the variable component linked to the earn-out mechanism, as of today the directors have estimated that the amount accruing to December 31, 2024 can be equal, on the whole, to about Euro 1.2 million, gross of taxes.

Because of the relevance of the transaction and the complexity of the estimation process, we considered this topic to be a key audit matter.

With reference to the sale of the subsidiary Schmack Biogas Srl, occurred with deed of sale of March 7, 2024, we carried out the following audit procedures:

- Obtained and analysed the deed of sale;
- Read the Company’s corporate books;
- Verified the correct determination of the P&L effect of the transaction. This activity was done with particular reference to the verification of the reasonableness and accuracy of the directors’ estimate of the variable component of the consideration under the deed of sale, based on the evidence obtained to date from the Company.

We verified the completeness and accuracy of the disclosures provided in the notes to the financial statements.

Other Matters

The financial statements of PLC SpA for the year ended December 31, 2023 were audited by another auditor who expressed an unmodified opinion on those statements on April 8, 2024.

Responsibilities of the Directors and the Board of Statutory Auditors for the Financial Statements

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and adopted by the European Union, as well as with the regulations issued to implement article 9 of Legislative Decree No. 38/05 and, in the terms prescribed by law, for such internal control



as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The directors are responsible for assessing the Company's ability to continue as a going concern and, in preparing the financial statements, for the appropriate application of the going concern basis of accounting, and for disclosing matters related to going concern. In preparing the financial statements, the directors use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The board of statutory auditors is responsible for overseeing, in the terms prescribed by law, the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 the financial statements.

As part of our audit conducted in accordance with International Standards on Auditing (ISA Italia), we exercised our professional judgement and maintained professional scepticism throughout the audit. Furthermore:

- We identified and assessed the risks of material misstatement of the financial statements, whether due to fraud or error; we designed and performed audit procedures responsive to those risks; we obtained 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;
- We obtained 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 Company's internal control;
- We evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;
- We concluded on the appropriateness of the directors' 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 Company'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 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 Company to cease to continue as a going concern;
- We evaluated the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



We communicated 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 identified during our audit.

We also provided those charged with governance with a statement that we complied with the regulations and standards on ethics and independence applicable under Italian law and communicated with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate the related risks, or safeguards applied.

From the matters communicated with those charged with governance, we determined those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We described these matters in our auditor's report.

Additional Disclosures required by Article 10 of Regulation (EU) No 537/2014

On April 29, 2024, the shareholders of PLC SpA in general meeting engaged us to perform the statutory audit of the Company's and consolidated financial statements for the years ending December 31, 2024 to December 31, 2032.

We declare that we did not provide any prohibited non-audit services referred to in article 5, paragraph 1, of Regulation (EU) No. 537/2014 and that we remained independent of the Company in conducting the statutory audit.

We confirm that the opinion on the financial statements expressed in this report is consistent with the additional report to the board of statutory auditors, in its capacity as audit committee, prepared pursuant to article 11 of the aforementioned Regulation.

Report on Compliance with other Laws and Regulations

Opinion on compliance with the provisions of Commission Delegated Regulation (EU) 2019/815

The directors of PLC SpA are responsible for the application of the provisions of Commission Delegated Regulation (EU) 2019/815 concerning regulatory technical standards on the specification of a single electronic reporting format (ESEF - European Single Electronic Format) (hereinafter, the "Commission Delegated Regulation") to the financial statements as of December 31, 2024, to be included in the annual report.

We have performed the procedures specified in auditing standard (SA Italia) No. 700B in order to express an opinion on the compliance of the financial statements with the provisions of the Commission Delegated Regulation.

In our opinion, the financial statements as of December 31, 2024 have been prepared in XHTML format in compliance with the provisions of the Commission Delegated Regulation.



Opinions and statement in accordance with article 14, paragraph 2, letters e), e-bis) and e-ter) of Legislative Decree No. 39/10 and with article 123-bis, paragraph 4, of Legislative Decree No. 58/98

The directors of PLC SpA are responsible for preparing a management report and a report on the corporate governance and ownership structure of PLC SpA as of December 31, 2024, including their consistency with the relevant financial statements and their compliance with the law.

We have performed the procedures required under auditing standard (SA Italia) No. 720B in order to:

- express an opinion on the consistency of the management report and of the specific information included in the report on corporate governance and ownership structure referred to in article 123-bis, paragraph 4, of Legislative Decree No. 58/98, with the financial statements;
- express an opinion on the compliance with the law of the management report and of the specific information included in the report on corporate governance and ownership structure referred to in article 123-bis, paragraph 4, of Legislative Decree No. 58/98;
- issue a statement on material misstatements, if any, in the management report and in the specific information included in the report on corporate governance and ownership structure referred to in article 123-bis, paragraph 4, of Legislative Decree No. 58/98.

In our opinion, the management report and the specific information included in the report on corporate governance and ownership structure referred to in article 123-bis, paragraph 4, of Legislative Decree No. 58/98 are consistent with the financial statements of PLC SpA as of December 31, 2024.

Moreover, in our opinion, the management report and the specific information included in the report on corporate governance and ownership structure referred to in article 123-bis, paragraph 4, of Legislative Decree No. 58/98 are prepared in compliance with the law.

With reference to the statement referred to in article 14, paragraph 2, letter e-ter), of Legislative Decree No. 39/10, issued on the basis of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have nothing to report.

Naples, April 7, 2025

PricewaterhouseCoopers SpA

Signed by

Carmine Elio Casalini
(Partner)

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.



ANNEX 1 - SUMMARY OF THE ESSENTIAL DATA OF THE COMPANIES INCLUDED IN THE CONSOLIDATION SCOPE

Pursuant to art. 2429, paragraphs 3 and 4 of the Italian Civil Code, the following table summarises the essential data of the companies included in the consolidation scope.

Alisei Wind S.r.l.	Cinigiano Energia S.r.l.	C&C Irsina S.r.l.	Cisterna Energia s.r.l.	Florianum Energia s.r.l.	PLC System Montenegro	MSD Service S.r.l.	PLC Service S.r.l.	PLC System S.r.l.	PLC Power S.r.l.	Samnium Energia s.r.l.	Tirreno S.r.l.	PLC Service Wind S.r.l.
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Financial position statement (figures in thousands of Euros)

FIXED ASSETS	260	27	231	226	29	-	-	7,516	3,533	2,819	205	234	273
CURRENT ASSETS	29	14	11	69	43	31	63	18,189	37,983	1,061	46	10	2,634
TOTAL ASSETS	289	41	242	295	72	31	63	25,705	41,516	3,880	251	244	2,907
SHAREHOLDERS' EQUITY	113	11	143	16	13	31	63	4,170	15,218	80	24	163	422
NON-CURRENT LIABILITIES	160	27	85	110	55	-	-	3,914	1,546	966	222	50	292
CURRENT LIABILITIES	16	3	14	169	4	-	-	17,621	24,752	2,834	5	31	2,193
TOTAL LIABILITIES	289	41	242	295	72	31	63	25,705	41,516	3,880	251	244	2,907

Income statement (figures in thousands of Euros)

REVENUES	47	-	-	-	-	-	-	39,101	42,791	8	-	10	5,129
PRODUCTION COSTS	9	1	8	2	1	-	15	35,108	34,897	1,337	2	10	4,922
EBIT	38	(1)	(8)	(2)	(1)	-	(15)	3,993	7,894	(1,329)	(2)	-	207
FINANCIAL INCOME (CHARGES)	1	2	2	11	5	-	-	(116)	(161)	33	21	(6)	(19)
INCOME FROM EQUITY INVESTMENTS	-	-	-	-	-	-	-	-	-	-	-	-	-
PRE-TAX RESULT	39	1	(6)	9	4	-	(15)	3,877	7,733	(1,296)	19	(6)	188
TAXES	2	-	-	2	1	-	-	1,181	2,180	(56)	4	-	67
PROFIT (LOSS) FOR THE YEAR	37	1	(6)	7	3	-	(15)	2,696	5,553	(1,240)	15	(6)	121



ANNEX 2 - REPORT ON CORPORATE GOVERNANCE AND OWNERSHIP STRUCTURE



REPORT ON CORPORATE GOVERNANCE AND OWNERSHIP STRUCTURE

Pursuant to art. 123-*bis* of the Consolidated Law on Finance

(traditional administration and control model)

Issuer: PLC S.p.A.

Website: www.plc-spa.it

The financial year to which the Report refers: 2024

Date of approval of the Report: March 27, 2025

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GLOSSARY

Below is a list of the main terms and their definitions used in the Report. These terms and definitions, unless otherwise specified, have the meaning shown below. The additional terms used in the Report have the meaning attributed to them and shown in the text. The definitions of directors, executive directors, chief executive officer (CEO), administrative body, control body, company with concentrated ownership, large company, sustainable success, top management referred to in the Code are referred to in full.

Shareholders' Meeting/Meeting: the Issuer's Shareholders' Meeting.

Code / CG Code: the Corporate Governance Code of listed companies approved in January 2020 by the Corporate Governance Committee.

Civil Code / CC: / c.c: Royal Decree no. 262 of March 16, 1942, Civil Code, as subsequently amended and/or integrated.

Committee / CG Committee / Corporate Governance Committee: the Italian Corporate Governance Committee of listed companies, promoted not only by Borsa Italiana S.p.A., but also by ABI, Ania, Assogestioni, Assonime and Confindustria.

Board / Board of Directors: the Issuer's Board of Directors.

Issuer / PLC / Company: the issuer of securities to which this Report refers.

Financial Year: the financial year ended on December 31, 2024, to which this Report refers.

Group: the Issuer together with the companies directly or indirectly controlled by it.

Consob Issuers' Regulations: the Regulations issued by Consob with resolution no. 11971 of 1999 regarding issuers, as subsequently amended and supplemented.

Consob Market Regulations: the Regulations issued by Consob with resolution no. 20249 of 2017 regarding markets, as subsequently amended and supplemented.

Consob Related Party Regulations: the Regulations issued by Consob with resolution no. 17221 of March 12, 2010 regarding transactions with related parties, as subsequently amended and supplemented.



Report: this report on corporate governance and ownership structure that the Company is required to draw up and publish pursuant to art. 123-*bis* of the Consolidated Law on Finance.

Remuneration Report: the report on the remuneration policy and fees paid that the Company is required to draw up and publish pursuant to Articles 123-*ter* of the Consolidated Law on Finance and 84-*quater* of the Consob Issuers' Regulations.

Articles of Association: the Issuer's Articles of Association in force at the date of this Report.

Consolidated Law on Finance/TUF: Legislative Decree no. 58 of February 24, 1998 (Consolidated Law on Finance), as subsequently amended and supplemented.

FOREWORD

This Report describes, in accordance with the provisions of art. 123-*bis* of the Consolidated Law on Finance, the Corporate Governance model adopted by PLC, illustrating the level of compliance with the recommendations of the Code, as well as the ownership structure of the Company.

This document has been approved by the Board of PLC on March 27, 2025 and conforms, in its structure, to the "Format for the report on corporate governance and ownership structure" prepared by Borsa Italiana S.p.A., X edition (December 2024).

Making this Report available at the registered office, sending it to Borsa Italiana S.p.A. and its publication on the website www.plc-spa.it will take place within the terms and in accordance with the provisions of the legislation, including regulations, in force on the matter.

1. PROFILE OF THE ISSUER AND CORPORATE GOVERNANCE SYSTEM

1.1. Profile of the Issuer

It should be noted that the Issuer falls within the definition of S.M.E. pursuant to art. 1, paragraph 1, letter w-quater 1), of the Consolidated Law on Finance and art. 2-ter of the Consob Issuers' Regulations. In this regard, it is noted that the value of the average market capitalisation for the Financial Year is equal to Euro 41,940 thousand. In addition, the Issuer falls within the definition of "*concentrated ownership company*" pursuant to the CG Code, due to the fact that the Shareholder Fraes S.r.l. holds a stake in the Issuer's share capital equal to 73.53%. Given the above, it should be noted that the Board has made use of some flexibility options with respect to the provisions of the Corporate Governance Code relating to concentrated ownership companies: in this regard, reference is made to paragraphs 4.2 (with reference to the definition and adoption of the succession plan for executive directors) and 4.7 (with reference to meetings of independent directors only) of this Report.

To date, the Company has not issued a sustainability report pursuant to Legislative Decree no. 125 of September 6, 2024, as it is not currently governed by the relevant regulations.

Nonetheless, with reference to non-financial data, the Issuer - in continuity with previous years - prepared and will make available a Group Sustainability Report on the institutional website at the following link: [Sustainability - Plc \(plc-spa.it\)](http://Sustainability-Plc.plc-spa.it).

The Issuer has initiated several activities as part of a broader communication plan, which include updating the corporate website and the publication, by the first half of 2025, of a section of the same site dedicated to the organisational structure and indication of top management.

1.2. Corporate mission and sustainability

The Issuer's corporate mission is focused on establishing itself as a reference operator in the Italian market for renewable energy and network connections, offering a complete range of services, from development, design, and construction to operation, monitoring, and both ordinary and extraordinary maintenance, as well as upgrading, of electricity connection infrastructures and renewable energy power plants, with a special focus on photovoltaic and wind technologies.

As envisaged in its business plan (the "**2023-2027 Business Plan**"), the Group aims to achieve organic growth in its target market segments, adopting a development by adjacencies strategy that can enhance its in-house technical expertise. The pursuit of the growth strategy is also achieved through strengthening the operating model (by simplifying the corporate structure, optimising the organisation and strengthening and rationalising processes), the growth and enhancement of human resources, IT technology development and the implementation of projects - partly supported by public funding - for product and process innovation.

Therefore, the Group confirms its role as an enabler of the energy transition in Italy, investing in the growth of renewable energy sources and new technologies, as well as promoting ESG initiatives that can have a concrete impact on its business.

1.3. Corporate governance system

Regarding the corporate governance model, the Issuer, pursuant to articles 2380 et seq. c.c., has adopted the traditional administration and control system, which provides for the following corporate bodies: the Shareholders' Meeting, the Board of Directors, the Board of Statutory Auditors, and the independent auditors, to whom accounting control is entrusted (currently, PricewaterhouseCoopers S.p.A., whose mandate was conferred during the Financial Year due to the natural expiry of the previous mandate conferred to EY S.p.A., with the approval of the financial results for the year ended December 31, 2023). The following functions and powers are attributed to the aforementioned bodies, in accordance with the Articles of Association and the relevant laws and regulations.

Shareholders' Meeting

This body is responsible for resolving, in ordinary and extraordinary meetings, the matters reserved to it by law and/or by the Company's Articles of Association.

Board of Directors

This body is vested with the broadest powers for the ordinary and extraordinary administration of the Company, with the right to perform all the appropriate and necessary acts to achieve the corporate purposes, except for those acts reserved - by law and/or by the Articles of Association - to the Shareholders' Meeting. It may therefore carry out all the acts, including acts of disposal, it deems appropriate and necessary for the achievement of the corporate purpose.

At the date of this Report, the following Committees have been established within the Board, which are assigned the specific duties provided for by the Code:

- Control, Risks and Sustainability Committee;
- Appointments, Remuneration and Stock Option Plans Committee.

Regarding the Board Committee for transactions with related parties, it is specified that, based on the "Procedure for Related Party Transactions" approved by the Board, most recently, on June 28, 2021 (hereinafter also the "**RPT Procedure**"), said Committee, depending on the matter being examined, refers to the Control, Risks and Sustainability Committee or the Appointments, Remuneration and Stock Option Plans Committee and is made up, in any case, of non-executive and unrelated directors, each in possession of the independence requisites envisaged by art. 147-ter of the Consolidated Law on Finance and the CG Code, as will be explained further below.

Board of Statutory Auditors

The aforementioned body has the task of supervising:

- compliance with the law and the Articles of Association, as well as with the principles of correct administration;
- the adequacy of the Company's organisational structure, internal control system and administrative and accounting system, also with reference to the latter's reliability in correctly representing operating events;
- the procedures for the concrete implementation of the rules of corporate governance provided for by codes of conduct drawn up by companies managing regulated markets or by trade associations, which the Company, through public disclosure, declares that it complies with;
- the adequacy of the instructions given to subsidiaries in relation to the information to be provided to comply with reporting obligations.

In addition, the Board of Statutory Auditors, following the entry into force of Italian Legislative Decree no. 39 of January 27, 2010, is responsible for:

- examining the work plan prepared by the Head of the Internal Audit Function as well as the periodic reports prepared by him;
- evaluating the proposals made by the independent auditors to obtain the assignment of the relevant engagement, as well as the work plan prepared for the audit and the results set out in the report and in any letter of suggestions;
- assessing the proposals made by the independent auditors to obtain the award of any further assignments;
- monitoring the effectiveness of the audit process.

Independent Auditors

Auditing is done by a specialised company registered in the Special Register of statutory auditors held by Consob, specifically appointed by the Shareholders' Meeting after obtaining the opinion of the Board of Statutory Auditors.

The company tasked with auditing the accounts is PricewaterhouseCoopers S.p.A., appointed by the Shareholders' Meeting of April 29, 2024, whose mandate will end with the approval of the Financial Statements at December 31, 2032.

Lastly and for the sake of completeness, it should be noted that - at the date of this Report - the Company has the following codes, regulations and procedures in place:

- Regulations of the Board of Directors;
- Regulations of the Control, Risks, and Sustainability Committee;
- Regulations of the Related Parties Committee;
- Procedure for handling inside information;
- Internal Dealing procedure;
- Procedure for the fulfilment of the disclosure obligations set forth in art. 150, par. 1 of the Consolidated Law on Finance;
- RPT Procedure;
- Code of Ethics of the PLC Group;
- Organisational and management model pursuant to Italian Legislative Decree no. 231/01 (the "**231 Model**");
- "The Internal Regulatory System" Manual;
- Policy for managing dialogue with the entirety of Shareholders;
- Group Global Quality Policy;
- Group Policy on Health, Safety and the Environment;
- Anti-corruption Group Policy;
- Water Policy;
- Social Media Policy;
- Procedure for the preparation of the Consolidated Financial Statements and management of Intercompany relationships;
- Procedure for the preparation of the Separate Financial Statements and Reporting;
- Financial Reporting Procedure;
- Legal and Corporate Affairs Management Procedure;
- Access and use of information systems procedure;
- New Business Development Management Procedure;

- Procedure for managing events, sponsorships, public initiatives and contributions;
- HQSE Resource Management Procedure;
- Procedure for the Management of relations with the Public Administration and the Supervisory Authorities;
- Gifts, gratuities and entertainment expenses management procedure;
- Procedure for the management of purchases of goods, services, advisory and professional services;
- Active Invoicing Procedure;
- Procedure for the selection, hiring and onboarding of personnel;
- Personnel Administration and Payroll Procedure;
- Whistleblowing procedure;
- Procedure on evaluation and approval of investments in information systems;
- Procedure on assignment of engagements to the company in charge of the Statutory Audit and to its Network;
- Facility Management Procedure;
- Taxation management Procedure;
- Procedure for Public Funding Management and R&D activities;
- Procedure "Planning & Control Activities".

2. INFORMATION ON OWNERSHIP STRUCTURE (PURSUANT TO ART. 123-BIS, PARAGRAPH 1, TUF) AT THE DATE OF THIS REPORT

a) *Share capital structure (pursuant to art. 123-bis, paragraph 1, letter a), TUF)*

At the date of this report, the subscribed and paid-up share capital of PLC amounts to Euro 27,026,480.35, divided into 25,960,575 shares with no nominal value. The shares are all ordinary and registered. There are no other classes of shares. See, in particular, the contents of the following table:

SHARE CAPITAL STRUCTURE				
	no. shares	% with respect to s.c.	Listed on Euronext Milan – Standard Segment	Rights and obligations
Ordinary shares	25,960,575	100%	100%	Ordinary
Preferred shares	N/A	N/A	N/A	N/A
Multiple voting shares	N/A	N/A	N/A	N/A
Other categories of shares with voting rights	N/A	N/A	N/A	N/A
Savings shares	N/A	N/A	N/A	N/A

Convertible savings shares	N/A	N/A	N/A	N/A
Other categories of shares without voting rights	N/A	N/A	N/A	N/A
Other	N/A	N/A	N/A	N/A

OTHER FINANCIAL INSTRUMENTS (attributing the right to subscribe newly issued shares)				
	Listed on Euronext Milan – Standard Segment	no. of instruments outstanding	Category of shares serving the conversion / exercise	number of shares serving the conversion / exercise
Convertible bonds	N/A	N/A	N/A	N/A
<i>Warrants</i>	N/A	N/A	N/A	N/A

At the date of this Report, the Company has not adopted share-based incentive plans that entail increases, even free of charge, in the share capital.

b) Securities transfer restrictions (pursuant to art. 123-bis, paragraph 1, letter b), TUF)

There is no limitation to the free transferability of the shares issued by the Company, nor limits to their possession, pursuant to the law or the Articles of Association.

c) Significant shareholdings in the share capital (pursuant to art. 123-bis, paragraph 1, letter c), TUF)

Considering the communications received pursuant to art. 120 of the Consolidated Law on Finance, at the date of this Report, the individuals holding a significant shareholding of more than 5% in the Company's share capital (given that it is classified as an SME) are indicated in the following table:

SIGNIFICANT SHAREHOLDINGS IN THE SHARE CAPITAL			
Declarant or person at the top of the shareholding chain	Direct shareholder	Percentage of share capital Ordinary	Percentage of share capital Voter
Annamaria Scognamiglio	FRAES S.r.l.	73.53%	73.53%

d) Securities conferring special rights (pursuant to art. 123-bis, paragraph 1, letter d), TUF)

The Company has not issued securities conferring special rights of control or shares with multiple or increased voting rights.

There are no subjects with special powers (such as, for example, the powers referred to in Law 474/94 or the special powers of the Italian State in strategic sectors, referred to in Decree Law no. 21 of March 15, 2021, converted into Law no. 56 of May 11, 2012) capable of affecting the Issuer's economic, commercial and/or financial policy.

The Articles of Association do not provide for multiple or increased voting shares.

e) Employee shareholding: mechanism for exercising voting rights (pursuant to art. 123-bis, paragraph 1, letter e), TUF)

There are no shareholding systems in place for the Issuer's employees.

f) Restrictions on voting rights (pursuant to art. 123-bis, paragraph 1, letter f), TUF)

There are no restrictions on the right to vote on the Company's shares issued.

g) Shareholder agreements (pursuant to art. 123-bis, paragraph 1, letter g), TUF)

On December 19, 2024, the Company was informed of the termination, effective from December 16, 2024, due to the conclusion of the term, of the shareholders' agreement signed on June 16, 2023 among several Company shareholders.

It is recalled that 2,857,756 ordinary shares of PLC S.p.A. were part of the shareholders' agreement. (amounting to approximately 11.1% of the share capital and the associated voting rights) and that the same shareholders' agreement covered certain rights and obligations concerning the ownership structure and corporate governance of PLC S.p.A..

Please refer to the following link for further details regarding the content of the shareholders' agreement:

[Microsoft Word - Informazioni essenziali patto PLC - 130 RE.DOCX](#)

A copy of the extract relating to the termination of the shareholders' agreement, published in the newspaper "Libero" on December 19, 2024, is available on the authorised storage mechanism eMarket STORAGE (accessible at www.emarketstorage.com), as well as on the Company's website (www.plc-spa.com) in the Investor Relations section.

For more information, please refer to the report on corporate governance and ownership structure published for the last financial year, along with the press releases issued from time to time.

At the date of this Report, the Company is not aware of the existence of any shareholders' agreements pursuant to Article 122 of the Consolidated Law on Finance.

h) Change of control clauses (pursuant to art. 123-bis, paragraph 1, letter h), TUF) and statutory provisions on take-over bids (pursuant to art. 104, paragraph 1-ter, and art. 104-bis, paragraph 1)

Change of control clauses

At the date of preparation of this Report, the Issuer has not entered into any significant contracts with change of control clauses.

With reference to the other companies in the Group, it is noted that, as part of the agreement entered into between PLC System S.r.l. and Lampino Wind S.r.l., a subsidiary controlled by GR Value S.p.A. and FOR.TE., concerning the construction of a utility substation serving a wind farm with a capacity of about 75.6 MW, located in the province of Foggia, Article 17.1 of the contract provides that if the contractor, during the performance of the contract, fails to notify the customer in advance of any change of control and the same change of control is assessed by the customer as prejudicial to the performance of the contract, the customer shall have the right to terminate the contract pursuant to Article 1456 of the Italian Civil Code, with effect from the date of receipt of the communication by PLC System S.r.l.

Furthermore, it has also been reported that PLC System S.r.l., once again serving as the lead agent for two temporary *consortia* of companies formed with another partner for the execution of civil works (one consortium per contract), entered into two contracts during the Financial Year. These contracts relate to the construction of HV/MV infrastructures required to connect two wind farms, with capacities of 45 MWp and 80 MWp respectively, to the electricity grid in the province of Foggia. The wind farms are owned by the company Veneta Energie S.r.l., a special-purpose entity within the BKW Group. It is stipulated in the respective contracts that the client can terminate the agreements if there is a change in control without the contractor agreeing with the client on the replacement of the "key persons", explicitly identified in these contracts. It is clarified, however, that the replacement of "key persons" will only be relevant in this context if it pertains to at least 50% of the same "key persons" from the companies constituting the mentioned groupings.

Statutory provisions on take-over bids

Notwithstanding the provisions of art. 104 paragraph 1 of the Consolidated Law on Finance, art. 8 of the Articles of Association provides that "[...] *if the Company's securities are the subject of a take-over and/or exchange offer, the authorisation of the shareholders' meeting is not required for the performance of acts or transactions that may counteract the achievement of the objectives of the offer, during the period between the communication referred to in art. 102, paragraph 1, of the same Decree and the closure of the offer*".

Notwithstanding the provisions of art. 104, paragraph 1-bis, of the Consolidated Law on Finance, art. 8 of the Articles of Association provides that "[...] the authorisation of the shareholders' meeting is not necessary even for the implementation of any decision taken before the beginning of the period indicated in the previous paragraph which has not yet been implemented in whole or in part, which does not fall

within the normal course of the Company's activities and whose implementation may counteract the achievement of the objectives of the offer [...]".

i) Powers to increase share capital and authorisations to purchase treasury shares (pursuant to art. 123-bis, paragraph 1, letter m), TUF)

At the date of this Report, there are no resolutions by the Assembly delegating the Board to increase the share capital pursuant to art. 2443 of the Italian Civil Code, or authorise it to purchase treasury shares, pursuant to Articles 2357 et seq. of the Italian Civil Code. CC:

l) Management and coordination activity (pursuant to art. 2497 et seq. of the Italian Civil Code)

The Issuer is not subject to management and coordination activity pursuant to art. 2497 et seq. of the Italian Civil Code and is also equipped with organisational controls and governance rules that guarantee the compliance of corporate decisions with the principles of correct management and the company interest.

With specific reference to the assessments made regarding the absence of the parent company Fraes S.r.l. exercising management and coordination, it must be noted that the latter communicated to the Issuer not to exercise management and coordination for the reasons summarised below:

- a) the Issuer operates in full autonomy with respect to the management of relations with its subsidiaries, without there being any management interference by Fraes S.r.l.;
- b) The Issuer independently prepares the medium-term strategic, financial, and industrial plans and independently conducts the short-term economic and financial planning (budget) of the Company and the Group;
- c) the Issuer is not subject to group regulations;
- d) there is no organisational-functional link between Fraes S.r.l. and the Issuer;
- e) Fraes S.r.l. does not issue directives or instructions concerning the financial and/or credit decisions of the Issuer;
- f) Fraes S.r.l. limits the relationship with the Issuer to the simple exercise of administrative and financial rights deriving from the status of Shareholder, such as, for example, the exercise of the vote in the shareholders' meeting and the collection of dividends;
- g) Fraes S.r.l. does not issue directives for the Issuer concerning the performance of extraordinary transactions, such as, *inter alia*, capital increases, listing of financial instruments, acquisitions, disposals, concentrations, contributions, mergers and demergers.

It should be noted that:

- the information required by art. 123-bis, first paragraph, letter i) of the Consolidated Law on Finance (*"the agreements between the company and the directors ... providing for indemnities in the event of resignation or dismissal without just cause or if their employment relationship ceases following a take-over bid"*) is contained in the Remuneration Report to be published pursuant to art. 123-ter of the Consolidated Law on Finance. In this regard, reference should also be made to Section 8.1 of this Report;

- the information required by article 123-bis, paragraph 1, letter l) of the Consolidated Law on Finance (*"the rules applicable to the appointment and replacement of directors ... and to the amendment of the articles of association, if different from those applicable by way of supplementary legislation and regulations"*) are illustrated in the section of this Report dedicated to the Board of Directors (Section 4, paragraph 2);
- the information required by art. 123-bis, first paragraph, letter l), second part of the Consolidated Law on Finance (*"the rules applicable ... to the amendment of the articles of association, if different from those applicable by way of supplementary legislation and regulations"*) are illustrated in the section of this Report dedicated to the Board (Section 13).

3. COMPLIANCE (pursuant to art. 123-bis, paragraph 2, letter a), first part, TUF)

The Company complies with the Code (available to the public on the Corporate Governance Committee's website at <http://www.borsaitaliana.it/comitato-corporate-governance/codice/codice.htm>).

The primary objective of the corporate governance system adopted is to create value for Shareholders. The Issuer - aware of the need to set up an effective internal control system - is constantly committed to identifying, implementing and pursuing initiatives and actions aimed at improving the overall company governance system, also with the support of technological tools with an impact on the processes and/or conduct implemented by its employees in the performance of their duties.

In compliance with the applicable regulations, this Report illustrates PLC's "Corporate Governance" system describing the actual methods of the Company's implementation of the provisions of the Code.

The Issuer's compliance to the Code is complete, except for limited deviations which are the subject of appropriate information as required by the Code.

To the best of the Issuer's knowledge, there are no non-Italian legal provisions applicable to the Issuer or its strategically important subsidiaries that affect its Corporate Governance structure.

4. BOARD OF DIRECTORS

4.1 THE ROLE OF THE BOARD OF DIRECTORS (pursuant to art. 123-bis, paragraph 2, letter d), TUF)

The Board of Directors is the collective body entrusted with the management of the Company and is committed to pursuing the sustainable success of the Issuer and the Group, with a view to generating value for Shareholders, in the medium to long term. In this regard, in the 2023-2027 Business Plan approved on December 22, 2022, the Board of Directors decided to pay maximum attention to the pursuit of sustainable success, also with a view to preserving the ability of future generations to meet their own needs. Based on these principles, the Issuer approved a strategic sustainability plan for the years 2024-2027 in the course of the Financial Year. During the Financial Year, all actions deemed to be in line with the Group's business were implemented. For further details, please refer, among other things, to the previous Section 1.2 and to the sustainability reports published from time to time on the Company's institutional website in the dedicated section.

The Board of Directors plays a central role in the PLC's Corporate Governance system and, pursuant to art. 15 of the Articles of Association, is invested with the widest powers for the ordinary and extraordinary administration of the Company.

The management of the Company therefore rests exclusively with the Board of Directors, which carries out the operations necessary for the implementation of the corporate purpose with the sole exclusion of those that the law or the Articles of Association expressly reserve for the Shareholders' Meeting.

Additionally, on May 9, 2024, following the appointment of its members at the shareholders' meeting on April 29, 2024, the Board decided to adopt, in accordance with Article 3, Recommendation 11, of the Code, the *"Regulations of the Board of Directors: Role, Organisation and Operating Procedures"* (the **"Regulations of the Board"**).

The Company's Board of Directors, based on the regulatory and statutory provisions applicable from time to time and pursuant to the aforementioned Regulations of the Board, has the power to pass resolutions, without prejudice to the provisions of Articles 2420-ter and 2443 of the Italian Civil Code and in compliance with art. 2436 of the Italian Civil Code, where required, about:

- a) mergers by incorporation or demergers, pursuant to Articles 2505, 2505-*bis* and 2506-*ter*, of the Italian Civil Code;
- b) the establishment or closure of branch offices;
- c) the transfer of the registered office within the national territory;
- d) an indication of which Directors represent the Company;
- e) the reduction of share capital in the event of shareholder withdrawal;
- f) the adaptation of the Articles of Association to regulatory provisions;
- g) the replacement, pursuant to art. 2386 of the Italian Civil Code, within the members of the same list to which the outgoing directors belonged, of any directors who died during the year, provided that the majority is always made up of directors appointed by the Shareholders' Meeting, in compliance with the statutory provisions.

Furthermore, the Board of Directors, as expressly referred to in the adopted Regulations of the Board:

- a) on the proposal of the Chairman, formulated in agreement with the Chief Executive Officer, adopts and describes in the report on corporate governance the policy for managing dialogue with the Shareholders, also considering the engagement policies adopted by institutional investors and asset managers;
- b) ensures - through the Chairman and with the help of the Secretary - that all the members of the Board of Directors and the Board of Statutory Auditors can participate, after their appointment and during their mandate, in initiatives, including through the periodic presentation of the information on the general management trend and its foreseeable evolution, aimed at providing them with adequate knowledge of the business sectors in which the Company operates, the business dynamics and their evolution, also with a view to the sustainable success of the Company, as well as the principles of correct risk management and the reference regulatory and self-regulatory framework;

- c) resolves, on the proposal of the Chairman, the appointment and dismissal of the Secretary of the Board of Directors;
- d) examines and approves the business plans and any strategic, financial and sustainability plans of the Company and of the Group at its head, also based on the analysis of the relevant issues for the generation of long-term value carried out with the possible support of an internal committee (Board committee), of which the Board of Directors determines the composition and functions, periodically monitoring their implementation;
- e) evaluates the general management performance, taking into consideration, in particular, the information received from the delegated bodies, as well as periodically comparing the results achieved with those planned;
- f) defines the corporate governance system of the Company and the structure of the Group at its head and assesses the adequacy of the organisational, administrative and accounting structure of the Company and of the subsidiaries of strategic importance, with particular reference to the internal control and risk management system, also defining the principles concerning the coordination and information flows between the various parties involved in the aforementioned system, to maximise the efficiency of this system, reduce duplication of activities and ensure effective performance of the duties of the Board of Statutory Auditors;
- g) defines the nature and level of risk compatible with the strategic objectives of the Company, including in its assessments all the elements that may be relevant considering the Company's sustainable success;
- h) resolves on the operations of the Company and its subsidiaries that have a significant strategic, economic, equity or financial importance for the Company; to this end, it establishes the general criteria for identifying transactions of significant importance;
- i) to ensure the proper management of corporate information, it adopts, on the proposal of the Chairman and in agreement with the Chief Executive Officer, a procedure for handling inside information and a memorandum on the disclosure obligations of the Group companies with regard to the Company;
- j) assigns and revokes proxies to one or more Directors and/or General Managers, without prejudice to matters reserved to the exclusive competence of the Board of Directors pursuant to art. 2381 of the Italian Civil Code, as well as in relation to the provisions of art. 13 of the Articles of Association, defining the limits and manner of exercise;
- k) defines, on the proposal of the Appointments, Remuneration and Stock Option Plans Committee, a policy for the remuneration of Directors, Statutory Auditors and executives with strategic responsibilities functional to the pursuit of the Company's sustainable success;
- l) determines, having examined the proposals of the Appointments, Remuneration and Stock Option Plans Committee and having consulted the Board of Statutory Auditors pursuant to art. 2389, paragraph 3, of the Italian Civil Code, the economic and regulatory treatment of the Chief Executive Officers and of the other Directors who hold particular offices, also considering the relative participation in the Committees established within the Board of Directors. It also provides,

where necessary, for the distribution of the overall emolument approved by the Shareholders' Meeting among the individual members of the Board of Directors;

- m) carries out, assisted by the Appointments, Remuneration and Stock Option Plans Committee, at least every three years, in view of the renewal of the Board of Directors, an assessment of the size, composition and operation of the Board of Directors and of the Committees established within it (self-assessment);
- n) assesses the advisability of adopting - and possibly prepares, updates and implements, with the assistance of the Appointments, Remuneration and Stock Option Plans Committee - a plan for the succession of executive Directors;
- o) provides information, in the corporate governance report:
 - on its composition, indicating for each member the qualification, the role covered within the Board of Directors, the main professional characteristics as well as the length of office since the first appointment;
 - on the performance of the tasks listed above and, in particular, on the number and average duration of the meetings of the Board of Directors held during the year and on the relative attendance percentage of each Director;
 - on the main characteristics of the internal control and risk management system, expressing its assessment on its adequacy and effectiveness, with respect to the characteristics of the PLC Group and the risk profile assumed;
- p) assesses on the merits, if the Shareholders' Meeting, to meet organisational needs, authorises, in a general and preventive manner, exceptions to the prohibition of competition provided for by art. 2390 of the Italian Civil Code, each problematic case in point and reports any critical issues to the next Shareholders' Meeting. To this end, each Director, upon accepting the appointment, promptly informs the Board of Directors of any activities exercised in competition with the Company and, subsequently, of any relevant changes.

To better and more efficiently manage the Company, the Board of Directors appoints one or more Chief Executive Officers from among its members, to whom it delegates the responsibility of directing and managing the Company, its offices and representatives, deliberating and fulfilling all the acts that fall within the ordinary administration of the Company, without prejudice to the matters reserved to the exclusive competence of the Board of Directors pursuant to art. 2381 of the Italian Civil Code. On the occasion of the meetings of the Board of Directors, at least on a quarterly basis, the Chief Executive Officer provides the Board with information on the general management trend and its foreseeable evolution, on the most significant economic, financial and equity transactions carried out by the Company and/or by subsidiaries; the Chief Executive Officer also reports on transactions in potential conflict of interest, atypical or unusual, and on transactions with related parties.

The Chairman, with the support of the competent corporate functions, provides information on any legislative and regulatory changes regarding the Company and the corporate bodies, subsidiaries and investee companies, and supports each Director in studying particular issues that are of interest to them in carrying out their mandate. Furthermore, the Chairman of the Board of Directors can take the initiatives deemed useful so

that the Directors can increase their knowledge of the Company's situation and dynamics for the purpose of more effective performance of their role.

The Board, generally on an annual basis, assesses the adequacy of the organisational, administrative and accounting structure of the Issuer and its subsidiaries of strategic importance, with particular reference to the internal control and risk management system. The evaluation process involves the Control, Risks and Sustainability Committee carrying out a preliminary check which, for this purpose, can avail itself of the support of the Head of the Internal Audit Function and of the Manager in charge of Financial Reporting of the Company. The results of this verification are presented at the first useful meeting of the Board, which takes them into account for its evaluation.

The remuneration of the Company's chief executive officers and of the other directors holding particular offices is determined by the Board, with the opinion of the Board of Statutory Auditors and subject to the proposal of the Appointments, Remuneration and Stock Option Plans Committee.

With reference to the Financial Year, the Board - in the board meetings of February 16, 2024, June 11, 2024, September 30, 2024 and December 11, 2024, as well as at the same time as the session to approve the draft financial statements for the Financial Year, carried out the assessment on general operating performance taking into consideration, in particular, the information received from the delegated bodies.

As previously highlighted, the Board is the competent body for examining and approving the transactions of the Issuer and its subsidiaries that have a significant strategic, economic, equity or financial importance, as identified based on general criteria established by Board.

In particular, the Board, in its meeting of May 9, 2024, identified the following operations of significant strategic importance to be submitted to the prior opinion of the Board pursuant to art. 1, Recommendation 1, letter e) of the Code:

- extraordinary transactions executed by the Company and/or its Italian and overseas subsidiaries, where each individual transaction exceeds a value of Euro 5 million; and
- ordinary operations pertaining to the normal conduct of business (such as, by way of example and not limited to, procurement contracts relating to the construction of plants, the management, and maintenance of plants, etc.) always carried out by the Company and/or its Italian and overseas subsidiaries, for an individual operation value exceeding the greater of: (i) Euro 5 million and (ii) 7.5% of total consolidated revenues (based on the latest approved consolidated financial statements at December 31).

It is also specified that, with reference to contracts lasting more than one year, the calculation of the value is carried out for the entire duration of the contract in the case of fixed-term contracts or, in the case of permanent contracts, in relation to the presumed payments for the duration of the single Financial Year (or, if the notice period for withdrawal is greater than one year, for the entire longer duration of this period).

The Board also has the right to examine and approve in advance Company transactions in which one or more directors have an interest on their own behalf or on behalf of third parties.

In the meeting of June 28, 2021, the Board updated the "*Procedure for Related Party Transactions*", which entered into force on July 1, which governs the approval and execution of transactions with related parties

carried out by Issuer, directly or through subsidiaries, to ensure the transparency and substantial and procedural correctness of the transactions. For more information, please refer to section 10 of this Report.

With reference to the authorisations for the performance, by the directors, of relevant activities pursuant to art. 2390 of the Italian Civil Code, it is recalled that, in the meeting of April 29, 2024, the ordinary Shareholders' Meeting resolved to authorise the members of the Board of Directors to take on other offices pursuant to art. 2390, first paragraph, of the Italian Civil Code, without prejudice to compliance with the additional legal obligations imposed on them. In this regard, the Board will assess any problematic cases and report any critical issues where necessary to the Shareholders' Meeting.

It should also be noted that in the meeting of March 20, 2024, the outgoing Board of Directors formulated, considering the results of its self-assessment, a *"Guideline of PLC S.p.A.'s Board of Directors to the Shareholders for the renewal of the Board of Directors for the 2024-2026 three-year period"*, deeming it appropriate to keep the number of the Company's directors unchanged, also due to its structure and operational needs.

On this point, it should be noted that the Shareholders' Meeting agreed with and acknowledged the guideline of the Board by proceeding to appoint 7 directors in the Shareholders' Meeting of April 29, 2024.

On the proposal of the Chairman, in agreement with the Chief Executive Officer, on January 26, 2022 the Board of Directors adopted a policy for managing dialogue with the entirety of the Shareholders (the **"Dialogue Policy"**), which specifies the ways of managing dialogue between the Company and current and potential Shareholders. The Dialogue Policy was not changed during the Financial Year. For more information, please refer to section 12 of this Report.

Below are the descriptions relating to the further prerogatives attributed to the Board of Directors regarding: composition (Paragraph 4.3), operation (Paragraph 4.4), appointment and self-assessment (Paragraphs 4.1 and 7.1), remuneration policy (Paragraph 8); internal control and risk management system (Paragraph 9).

4.2 APPOINTMENT AND REPLACEMENT (pursuant to art. 123-bis, paragraph 1, letter l), first part, TUF)

Regarding the appointment and replacement of directors, art. 12 of the Articles of Association provides that:

"The Company is managed by a Board of Directors made up of 5 to 19 members, who remain in office for the period established upon being appointed, in any case not exceeding three years.

Their office expires on the date of the Shareholders' Meeting called to approve the financial statements for the last year of their term of office and may be re-elected. Their office will cease and will be re-elected or replaced in accordance with the law and the articles of association.

Directors must meet the requirements of the law and the relevant regulatory provisions; of these, a minimum number corresponding to the minimum required by the law must meet the independence requirements set out in art. 148, paragraph 3, of Italian Legislative Decree no. 58/1998.

If the requirements are not met, the director is removed. If a director ceases to meet the independence requirement defined above, he/she shall not be disqualified if the requirements continue to be met by the minimum number of directors who, according to current legislation, must meet that requirement. Before

appointing them, the Shareholders' Meeting shall determine the duration and number of members of the Board. If the number of Directors has been determined to be less than the maximum number provided for, the Shareholders' Meeting, during the period of the Board's term of office, may increase this number by voting with the majorities required by law, without complying with the procedure provided for in this article, provided that the Board of Directors is always made up of a number of members who meet the requirements of art. 148, paragraph 3, of Italian Legislative Decree no. 58/1998 at least equal to the minimum required by law. The office of the new directors appointed in this way will expire together with those in office at the time of their appointment.

The appointment of the Board of Directors shall be made, in compliance with the currently applicable regulations concerning the gender balance, based on lists presented by the shareholders in the manner specified below, in which the candidates shall be listed by means of a progressive number.

The lists presented by the shareholders, signed by those who present them, must be deposited at the registered office of the Company, available to anyone who so requests, at least twenty-five days before the date set for the Shareholders' Meeting on first call and shall be subject to the other forms of publicity provided for by the legislation in force at the time.

Each member, the shareholders subscribing to a relevant shareholders' agreement pursuant to art. 122 of Legislative Decree no. 58/1998, the parent company, the subsidiaries and those subject to common control pursuant to art. 93 of Legislative Decree no. 58/1998, may not present or participate in the presentation, not even through a third party or trust company, of more than one list, nor may they vote for different lists, and each candidate may appear on only one list under penalty of ineligibility. Subscriptions and votes expressed in violation of this prohibition shall not be assigned to any list.

Only shareholders who, alone or together with other shareholders submitting lists, treasury shares representing at least 2.5% of the share capital with voting rights in the ordinary Shareholders' Meeting or, if different, the maximum percentage allowed by law or regulations, shall have the right to submit lists.

Together with each list, within the respective terms indicated above, they must deposit: (i) an indication of the identity of the shareholders who submitted the lists, the percentage shareholding held by them as a whole; (ii) declarations in which the individual candidates accept their candidacy and certify, under their own responsibility, that there are no reasons for ineligibility or incompatibility, as well as the existence of the requirements prescribed for the respective offices; (iii) exhaustive information on the personal and professional characteristics of each candidate with an indication, if any, of his or her suitability to qualify as independent pursuant to art. 148, paragraph 3, of Legislative Decree no. 58/1998.

Lists with a number of candidates equal to or greater than three must consist of candidates belonging to both genders, so that at least two fifths of the candidates belong to the least represented gender (this number is rounded up to the next higher unit, except for lists consisting of three candidates), or the different percentage required by current legislation.

Furthermore, within the deadline set by the regulations applicable to the publication of the lists by the Company, the appropriate certification issued by an authorised intermediary pursuant to law must be filed, proving the ownership, at the time the list is filed with the Company, of the number of shares necessary for its presentation.

The lists must indicate which directors meet the independence requirements.

Lists submitted without complying with the above provisions shall be deemed not to have been submitted.

The election of the Board of Directors will be carried out as follows:

- a) the Directors to be elected, except for one (1), are drawn from the list that obtained the highest number of votes, in the progressive order in which they appear in the list itself;*
- b) the remaining Director is taken from the minority list that is not connected in any way, even indirectly or with the list referred to in letter a) above, or with those who presented or voted for the list referred to in letter a) above, and that has obtained the second highest number of votes. For this purpose, no account shall be taken, however, of lists that have not obtained a percentage of votes equal to at least half of that required for the presentation of lists, as referred to in the eighth paragraph of this article.*

If the candidates elected in the manner indicated above do not ensure the appointment of a number of Directors meeting the independence requirements established for statutory auditors by art. 148, paragraph 3, of Italian Legislative Decree no. 58/1998 equal to the minimum number established by law in relation to the total number of Directors, the non-independent candidate last elected in numerical order from the list that received the highest number of votes, as per letter a) of the preceding paragraph, shall be replaced by the first independent candidate not elected from the same list in numerical order or, failing that, by the first independent candidate in numerical order not elected from the other lists, according to the number of votes obtained by each list. This replacement procedure will take place until the Board of Directors is composed of a number of members who meet the requirements of art. 148, paragraph 3, of Italian Legislative Decree no. 58/1998 at least equal to the minimum required by law. If, finally, this procedure does not ensure the result indicated above, the replacement will take place by resolution passed by the Shareholders' Meeting by a relative majority, subject to the presentation of candidates who meet the above requirements.

If, moreover, the composition of the Board of Directors is not ensured with the candidates elected in the manner indicated above, in compliance with the currently applicable regulations in force concerning the gender balance, the candidate of the most represented gender last elected in progressive order from the list that received the highest number of votes shall be replaced by the first candidate of the least represented gender not elected from the same list in progressive order. This replacement procedure will take place until the composition of the Board of Directors is ensured in compliance with the currently applicable regulations in force regarding the gender balance. If, finally, this procedure does not ensure the result indicated above, the replacement shall take place by resolution passed by the Shareholders' Meeting by a relative majority, following the presentation of candidates belonging to the least represented gender.

If only one list is submitted, if no list is submitted, or if only lists are submitted by persons who hold, even jointly, a controlling interest of a relative majority and/or persons associated with the latter pursuant to the provisions of art. 144-quinquies of Consob Regulation 11971/99, the Shareholders' Meeting shall pass resolutions with the majorities required by law, without complying with the above procedure, without prejudice to compliance with the currently applicable regulations in force concerning the gender balance. However, they are subject to different and additional provisions provided by mandatory rules of law or regulations.

If one or more directors should leave office during the year, provided that the majority of them are still made up of directors appointed by the Shareholders' Meeting, the procedure provided for in art. 2386 of the Italian Civil Code will be carried out, as indicated below:

- a) the Board of Directors shall proceed with the replacement of the members of the same list to which the outgoing directors belonged and the Shareholders' Meeting shall resolve, with the majorities required by law, in accordance with the same criterion;*
- b) if there are no previously unelected candidates or candidates with the necessary requisites remaining on the aforesaid list, or in any case if for any reason it is not possible to comply with the provisions of letter a), the Board of Directors shall replace them, just as the Shareholders' Meeting shall subsequently replace them with the majorities required by law without voting from a list.*

In any case, the Board and the Shareholders' Meeting will proceed with the appointment to ensure (i) the presence of independent directors in the minimum overall number required by the current pro tempore regulations, and (ii) compliance with the pro tempore regulations in force regarding gender balance.

The Shareholders' Meeting may, however, resolve to reduce the number of members of the Board to that of the Directors in office for the remainder of their term of office. If, for any reason, at least half of the directors appointed by the Shareholders' Meeting cease to hold office, the office of the entire Board shall be deemed to have ceased; in this case, the remaining directors must urgently call a Shareholders' Meeting to appoint a new Board.

The Board will also remain in office until the Shareholders' Meeting has resolved to renew it; until that time, the Board of Directors may only carry out acts of ordinary administration.

The members of the Board of Directors are entitled to a fee, to be included in the Company's costs; this fee is established by the Shareholders' Meeting and will remain unchanged until further notice.

The members of the Board of Directors are also entitled to the reimbursement of expenses incurred in connection with their duties".

The Board of Directors' members are elected from lists of candidates put forward by shareholders or shareholder groups that hold at least 2.5% of the share capital (a percentage determined annually by the executive decision of the Head of the Corporate Governance Division of Consob).

It is recalled here that the Code provides for the definition and adoption of a succession plan for executive directors by large companies. In this regard, also considering the qualification of the Company as a company with concentrated ownership, the nature of the shareholding structure of the Company, the individual relationship between the Company and the directors, as well as the peculiarities, in this case, of each of these relationships and subjects, and the statutory and regulatory rules envisaged for the appointment and renewal of the Board of Directors, the Company has not adopted a succession plan for executive directors. If one or more executive directors resign, they will be replaced according to the provisions of the Articles of Association. At the date of this Report, there are no provisions in the Articles of Association allowing for the submission of a list by the outgoing Board for the renewal of the administrative body.

As regards further information on the role of the Board of Directors and the internal Board Committees in the functional processes of self-assessment, appointment and succession with reference to the members of the administrative body and/or top management, please refer to Sections 1 and 7 of this Report.

4.3 COMPOSITION (pursuant to art. 123-bis, paragraph 2, letter d) and d-bis, TUF)

Pursuant to art. 12 of the Articles of Association, the Company is managed by a Board of Directors composed of a number of members not less than 5 and not more than 19, with adequate competence and professionalism. The directors remain in office for the period set by the shareholders' meeting resolution for appointment, up to a maximum of 3 financial years and can be re-elected. Their office will cease and they will be re-elected or replaced in accordance with the law and the Articles of Association.

On April 29, 2024, the Company's Ordinary Shareholders' Meeting unanimously appointed, for three financial years and, therefore, until the date of approval of the financial statements ending on December 31, 2026, a Board consisting of 7 Directors.

The members of the Board were identified from among the candidates proposed in the only list filed at the registered office by the majority Shareholder Fraes S.r.l., (six Directors), owner, on the date of filing the list, a total of 19,087,545 ordinary shares of the Company, equal to 73.53% of the share capital with voting rights at the Shareholders' Meeting, and by the Shareholder Gardil S.r.l. (one Director), also on behalf of the other shareholders participating in the shareholders' agreement referred to in section 2 g). The quorum required for the submission of lists on the occasion of the last appointment was 2.5%, as established by Consob resolution no. 92 of January 31, 2024.

The current Board is therefore composed as follows:

Board of Directors												
Post held	Member	Year of birth	Date of first appointment	In office From	In office until	List	Exec.	Non exec	Indep. - Code	Indep. - TUF (Consolidated Law on Finance)	Attendance	Number of other positions held during 2024
Chairman	Francesco Esposito	1953	March 26, 2018	April 29, 2024	Approval of the 2026 Financial Statements	M	X				11/11	0
CEO	Andrea Orlando	1966	April 29, 2024	April 29, 2024	Approval of the 2026 Financial Statements	M	X				6/6	2
Director	Chiara Esposito	1978	March 26, 2018	April 29, 2024	Approval of the 2026 Financial Statements	M	X				11/11	0
Director	Francesco Dagnino	1980	April 29, 2024	April 29, 2024	Approval of the 2026 Financial Statements	m		X	X	X	5/6	0
Director	Sara Di Mario	1979	April 29, 2024	April 29, 2024	Approval of the 2026 Financial Statements	M		X	X	X	6/6	0
Director	Laura Scapin	1984	April 29, 2024	April 29, 2024	Approval of the 2026 Financial Statements	M		X	X	X	6/6	0
Director	Andrea Sassi	1973	June 23, 2022	April 29, 2024	Approval of the 2026 Financial Statements	M		X	X	X	11/11	0

The number of meetings held by the Board and the internal board committees during the Financial Year are shown below⁵:

⁵ The meetings conducted in 2024 by the outgoing Board of Directors following the approval of the financial statements for the year ending December 31, 2023, along with the meetings held in 2024 by the Board of Directors elected at the shareholders' meeting on April 29, 2024, are considered.

Board of Directors	Control, Risks and Sustainability Committee	Appointments, Remuneration and Stock Option Plans Committee	Board Committee for Transactions with Related Parties
11	7	5	2

Information is provided below on the personal and professional characteristics of each director (art. 144-*octies* and 144-*decies* of the Consob Issuers' Regulations) in office at the date of this Report.

Francesco Esposito

Born in Naples in 1953, he graduated as an electrical engineering technician from State industrial and technical institute A. Volta in Naples.

After obtaining his diploma, he immediately began his professional career, at a high level, with the major energy sector operators on the Italian market, holding various positions, from Project Management to Technical Management.

Andrea Orlando

Manager with over 30 years of experience in multinational companies, investment funds, and start-ups in the energy sector, specialising in renewable energy (photovoltaic, wind, hydroelectric, and geothermal).

Transversal skills in corporate development, strategic planning and management control, commercial management, and structured and corporate finance with an extensive track record in M&A in Italy and internationally.

During his long professional career, he served as a Councillor, General Manager, Sole Director, and Chief Executive Officer.

From May 9, 2024, he hold the position of Chief Executive Officer of PLC S.p.A.

Chiara Esposito

Born in Naples in 1978, she obtained her scientific diploma in 1996. Two years later in 1998 she began her professional career at PLC System S.r.l. dealing with relations and contracts with customers, becoming coordinator of trade fairs and company technical events and company contact person for training courses and school internships; over time she acquired mastery of the tasks assigned to her and became Head of the Technical Service of that company.

This position was held until 2005, before being transferred in 2006 to PLC Service S.r.l., also part of the Group, holding the position of Marketing Manager and Human Resources Manager, always taking care of customer management and relations, also covering other roles up until today, such as:

- manager of internal and external personnel management;
- Chief operating officer.



At present, she is manager of PLC S.p.A. and head of the General Affairs Department.

Francesco Dagnino

Francesco Dagnino is a lawyer specialising in corporate law, corporate governance, and financial market law, with a particular focus on the regulation of publicly listed issuers and supervised intermediaries. He is the founder and managing partner at the law firm LEXIA, where he specialises in M&A transactions, financial markets regulation, and capital markets.

He earned a PhD in Corporate and Financial Market Law from the Faculty of Law at the University of Bologna, concentrating on corporate governance and the regulation of financial instruments. Subsequently, he earned a Master of Laws (LL.M.) in Corporation Law from the New York University School of Law, attending this prestigious institution as a Fulbright Scholar and an Arthur T. Vanderbilt Scholar. In addition, he undertook a period of research as a Visiting Scholar at Columbia University in New York. He graduated cum laude in Law from the University of Palermo.

During his career, he has gained significant experience in extraordinary transactions, including mergers and acquisitions (M&A), IPOs, takeover and exchange offers (OPA/OPS), and capital increases, as well as the management of relations with supervisory authorities and advising on corporate governance and financial market regulation. He has supported numerous companies through the listing process on both regulated and unregulated markets, handling the legal and regulatory aspects connected, among other things, to corporate governance.

Renowned for his profound knowledge of financial market law, he has contributed with numerous scientific publications and articles in the field of corporate and financial law. He regularly participates as a speaker at conferences and seminars on corporate governance, capital markets, and financial regulation, consolidating his role as a reference in the field.

Sara Di Mario

Entrepreneur and former executive, with almost 20 years of experience in the renewable energy sector. She previously held Chief Operating Officer positions in two leading European investment companies, where she had direct responsibility for Euro 5.6 billion of assets with a Euro 500 million turnover and Euro 90 million in costs.

She subsequently embarked on an entrepreneurial career and is currently a partner in two companies: Hazel New Energy S.r.l., involved in engineering for the energy transition through consultancy and design of projects utilising renewable resources and the circular economy, which she manages, and Pika Energy S.r.l., a company dedicated to the development of industrial biomethane production plants.

She served as the Chief Operating Officer at EF Solare Italia S.p.A., Italy's largest photovoltaic operator, which is 70% owned by the F2i fund. In this role, she guided the company from its establishment to its consolidation, overseeing nearly 1,000 MW across 300 plants throughout Italy, with assets valued at 4 billion. She was actively involved in the establishment and subsequent dissolution of F2i's joint venture with ENEL in the solar sector and played a vital role in the acquisition of Terra Firma's assets worth about Euro 600 million in equity.

value. Additionally, she managed crisis situations like what was at the time Italy's largest fire on industrial roofs equipped with photovoltaics, which incurred costs of approximately Euro 10 million.

Later, she assumed the identical role at the investment fund Green Arrow Capital Sgr S.p.A., where she led the operational transition of managing 400MW and Euro 1.6 billion worth of renewable assets. She has directed operations at plants in Italy, Spain, the UK, Romania, and Bulgaria utilising wind, solar, hydro and mini-hydro, biogas, and biomethane technologies.

Previously, she worked at Engie Italia, Kearney, and a start-up in the solar industry.

Following her degree in Aerospace Engineering from La Sapienza University of Rome, she pursued studies in sustainability at the Cambridge Institute of Sustainability Leadership (University of Cambridge) and enhanced her expertise in Board and Governance matters by successfully completing the Luiss and Assogestioni Board Academy 2023-2024 as well as the InTheBoardroom course offered by Valore D from 2020 to 2021.

Laura Scapin

Chartered Accountant and Auditor, enrolled since 2014 in the Register of Chartered Accountants and Accounting Experts of Milan. Her main focus is providing tax, accounting, and corporate guidance to multinational companies and domestic corporate groups.

She graduated with full marks *cum laude* in Economics and Law at the University of Padua. She holds a master's degree in IAS/IFRS Financial Statements and Taxation of IAS/IFRS Adopters from the Business School of Il Sole 24 ORE in Rome.

Throughout her career, she has acquired substantial experience in extraordinary operations, with a special focus on mergers and acquisitions (M&A), as well as tax advice connected to corporate reorganisation transactions. Furthermore, she compiles valuation reports concerning businesses and intangible assets.

She holds several positions as both Statutory Auditor and Auditor in industrial, commercial, and financial firms.

She is also a member of the Board of Directors and governance committees of a listed company.

Andrea Sassi

Member of the Milan Bar Association.

Born in Milan on June 17, 1973, he graduated in law with top marks from the University of Milan and from Seton Hall University in Newark (NJ - USA); he obtained a Master's degree in Economics and Business Law from the Cattaneo University of Castellanza (VA). From 1999 to 2003, he worked with Studio Chiomenti and from 2003 to 2011, with the law firm Norton Rose Fulbright. Since 2011, he has been a partner in the law firm 4Legal. He deals with corporate and commercial law, as well as secondary (regulatory) legislation applicable to banks, insurance companies, pension funds, and mutual funds. He is an expert in real estate and energy law and was a lecturer in corporate law at the Sole24Ore Business School for several years.

Following the usual annual audit, the following is a list of the positions of Director or Statutory Auditor held by the current Directors in other companies listed on regulated markets (including foreign markets), in financial, banking, insurance or large companies:

Member	List of additional offices
Andrea Orlando	<p>1 Member of the Board of Directors of Schmack Biogas S.r.l.⁶</p> <p>2 Member of the Board of Directors of MSD Service S.r.l.⁷</p>

Diversity criteria and policies in the composition of the Board and in the company organisation

In accordance with art. 2, Recommendation 8 of the Code, over one third of the Board is made up of directors of the least represented gender. The Issuer and its subsidiaries are aware of the importance of human capital; the sustainable approach is therefore also expressed through the adoption of policies aimed at its protection and evolution. The Issuer and its subsidiaries adopt principles of equality and equal opportunities in the management of human resources and firmly reject any type of discrimination against their employees and collaborators. In addition, all employees of the Issuer and its subsidiaries adhere to the Code of Ethics of the PLC Group, available at the following link: [Code of Ethics](#), and promote compliance with the principles of equality and equal opportunities in the personnel selection and recruitment activities. In fact, in internal and external relations behaviour that is discriminatory based on political and trade union opinions, religious orientation, racial or ethnic origins, nationality, age, sex, sexual orientation and personal and social conditions are not allowed. For details of the data on monitoring equal treatment and opportunities between genders within the entire company organisation, please refer to the sustainability reports prepared from time to time and made available on the Company's institutional website in the dedicated section. In this regard, it is recalled that article 12 of the Articles of Association provides, *inter alia*, that "*Lists with a number of candidates equal to or greater than three must consist of candidates belonging to both genders, so that at least two fifths of the candidates belong to the least represented gender (this number is rounded up to the next higher unit, except for lists consisting of three candidates), or the different percentage required by current legislation*".

Additionally, the Company plans to initiate efforts in 2025 to create and enforce a distinct policy on diversity and inclusion, so as to formalise its commitments in these areas in a dedicated document, which are already somewhat mirrored in the various documents constituting the internal control system.

Maximum number of offices held in other companies

As the Company does not qualify as a large company pursuant to the Code, the Board did not deem it appropriate to define general criteria regarding the maximum number of administration and control positions that can be taken on in other companies - listed or unlisted - by its members. In fact, without prejudice to the duty of each Director to personally assess the compatibility of the administration and control positions held with the diligent performance of the tasks taken on as director of the Issuer, it was considered possible to leave the shareholders presenting the lists for the appointment of the directors wide discretion in the choice of candidates, possibly also considering, if need be, the criteria proposed by the Code. The Board also believes, due to the professional profiles and the contribution provided during the Financial Year, that the current

⁶ Resignation from office following the sale of the entire shareholding held by the Company in Schmack Biogas S.r.l. completed on March 7, 2024.

⁷ The office was held until July 24, 2024, the date on which the Shareholders' Meeting of MSD Service S.r.l. appointed a liquidator, to initiate and complete the voluntary liquidation procedure, which concluded in the Financial Year, and therefore the entire board of directors ceased to hold office.

members do not hold a number of positions as such not to allow the proper performance of their duties in the Company.

4.4 OPERATION OF THE BOARD OF DIRECTORS (pursuant to art. 123-bis, paragraph 2, letter d), TUF)

In accordance with the provisions of the Recommendations of the Code, as well as with the Regulations of the Board, the Chairman of the Board of Directors - also with the help of the Secretary – endeavours to ensure that the members of the Board are provided, with the appropriate methods and timing, the documentation and information necessary to act in an informed manner in performing their duties. To ensure that the directors act in an informed manner and to ensure a correct and complete evaluation of the facts brought to the attention of the Board, the documentation and information is sent to the Directors on the same date the meeting is called, where possible, and in any case, as a rule, by the third day prior to the day fixed for the meeting, except in cases of urgency in which the documentation is made available as soon as possible, duly considering the possibility where any confidentiality and price sensitivity requirements linked to certain topics (in compliance with the applicable laws and regulations), as well as any urgency related to certain topics (on which the Board is called to rule upon) may make those practices not recommended or not allowed. In 2024, no urgency-related deviations were made from the standard timeline for submitting pre-board documents as set out in the Regulations of the Board.

The rules governing the call and conduct of board meetings are contained in the Regulations of the Board and in art. 14 of the current Articles of Association, both already recalled. In particular, the aforementioned Regulations of the Board provides that the Board of Directors be convened by the Chairman or by the Chief Executive Officer or, on behalf of the latter, also by another Director or by the Secretary or other person in charge, through a notice containing an indication of the day, time and place of the meeting, as well as the items on the agenda on which to discuss and approve, in compliance with the provisions of art. 14 of the Articles of Association and individual directors may request the Chairman to include items on the agenda.

It is possible that the meetings of the Board of Directors may be held by video-conference or audio-conference, or that only some Directors participate through one of these methods, provided that all the participants can be identified, that it is ascertained (unless otherwise specified in legal and regulatory provisions in force at the time) that the Chairman and Secretary are in the same place and that the participants are allowed to follow the discussion and to intervene in the discussion of the topics and to express their vote, as well as to view any documentation distributed during the meeting in real time. The Chairman or the Chief Executive Officer may invite employees of the Company or subsidiaries or other persons or external consultants, whose presence is deemed useful in relation to the matters to be discussed, to participate in the Board of Directors' meeting.

These persons will in any case be required to comply with the confidentiality obligations envisaged for Board meetings.

The meeting of the Board of Directors is conducted by the Chairman or by the Chief Executive Officer in the manner deemed most appropriate by them to allow the Board's work to be performed in the best possible manner. The related resolutions are adopted in accordance with the law and the Articles of Association.

Furthermore, pursuant to art. 14 of the Articles of Association, the Board meets whenever the Chairman, or whoever takes his place, deems it appropriate, or if a written request is made to the Chairman by at least two Directors or at least one Auditor.

The meetings of the Board are called by the Chairman, or on his behalf also by another Director or by the Secretary, by registered letter, telegram, fax or e-mail, to be sent at least three days before the date set for the meeting and, in urgent cases, also by telegram, fax or e-mail, to be sent at least one day before the date set for the meeting. In the absence of such formalities, the meeting is deemed to be validly constituted with the presence of all the Directors in office and all the standing members in office of the Board of Statutory Auditors.

Board meetings are held at the company's registered office or at another place indicated in the notice of call.

It should be noted that during the Financial Year, some Board meetings were held by means of telecommunications in accordance with the provisions of the Articles of Association.

The Board resolves on matters that concern it, with the presence of the majority of the directors in office and by a majority of the votes of those present and, in the event of a tie, the Chairman's vote prevails.

The Chairman shall ensure that adequate information is provided on the matters to be dealt with, also availing himself of the help of presentations and slides prepared for the purpose and of the possible participation of the managers of the Issuer and/or Group companies in charge of the competent company functions, depending on the matter to be discussed on the agenda; for example, during the Financial Year, the Manager in Charge and the Head of the Legal and Corporate Affairs Function participated in all the meetings of the Board of Directors, and in some meetings, the Administrative Manager of the Company, the Chief Executive Officers of the subsidiaries, and external consultants and/or experts, involved from time to time, were present.

As of the date of this Report, the provisions of the Regulations of the Board appear to have been duly observed.

Article 13 of the Regulations of the Board provides that *"Following the meeting or, as a rule, by the day of the following meeting, a draft of the minutes prepared by the Secretary of the Board of Directors and shared with the Chairman or the CEO shall be sent to all Directors and Statutory Auditors for comments."*

The final text of the minutes is then submitted to the Chairman or the CEO for approval and transcribed in the appropriate company book.

The part of the minutes relating to resolutions adopted that require immediate execution may be certified and extracted by the Chairman or the Chief Executive Officer and the Secretary, even prior to the completion of the verification process of the entire minutes, which will also record any interventions.

The supporting documentation distributed to the Directors and Statutory Auditors is kept on file in the Company's records.

When envisaged by current and applicable regulations or by the procedures adopted by the Company, the Secretary or the Legal and Corporate Affairs Function shall ensure that the resolutions of the Board of Directors are forwarded to the competent corporate control bodies and functions.

11 meetings were held by the Board during the Financial Year. The participation percentages of each director in the Board meetings held during the Financial Year are shown below.

In office until April 29, 2024	Member	% Board of Directors
Chairman	Francesco Esposito	100
CEO	Diego Percopo	100
Director	Chiara Esposito	100
Director	Graziano Gianmichele Visentin	100
Director	Marina D'Artibale	80
Director	Claudia Crivelli	100
Director	Andrea Sassi	100

In office since April 29, 2024	Member	% Board of Directors
Chairman	Francesco Esposito	100
CEO	Andrea Orlando	100
Director	Chiara Esposito	100
Director	Francesco Dagnino	83.3
Director	Sara Di Mario	100
Director	Laura Scapin	100
Director	Andrea Sassi	100

The average duration of Board meetings for the Financial Year is around 70 minutes.

Only one meeting is scheduled for the current financial year, as shown in the calendar of corporate events for the 2025 financial year sent to Borsa Italiana S.p.A. and published on the Company's website. To date, the Board of Directors has already met 3 times (including the meeting of March 27, at which it approved this Report).

4.5 ROLE OF THE CHAIRMAN OF THE BOARD OF DIRECTORS

During its meeting on May 9, 2024, the Board resolved to grant the Chairman, Mr. Francesco Esposito, in continuity with previous mandates, all the powers and responsibilities associated with the position, as per the law and the Articles of Association. This decision recognises the strategic role he plays in the Group's core business and the market-recognised knowledge and technical skills (know-how) he possesses. In particular, the Chairman of the Board of Directors is entitled to represent the Company before third parties and in court as well as using the corporate signature, all the powers for the ordinary management of the Company, to be exercised with single signature and for amounts not exceeding individually Euro 500,000.00 and with joint signature with the Chief Executive Officer for individual amounts not exceeding Euro 5 million, it being understood that for making money transfers in favour of subsidiaries and associates, a joint signature with the Chief Executive Officer is always required.

The Chairman of the Board of Directors is also attributed, by way of example and not limited to, the following powers:

- proposing to the collective bodies the guidelines of the company's policy and the planning of the company's activities;
- supervising the progress of corporate affairs, verifying the correct implementation of the guidelines and resolutions of the collective bodies;
- ensuring that the Board of Directors is provided with sufficient information to enable it to pass formal resolutions and, in general, to exercise its powers of management, direction and control of the activities of the Company and the Group;
- representing the Company at shareholders' meetings of companies and entities in which the Company participates, exercising the right to vote;
- coordinating the commercial, technical and financial activities of the Company and of the companies in which it has majority or minority interests, with the right to grant and take out loans with said entities to optimise the Group's financial resources;
- entering into, signing, accepting, modifying and terminating contracts with third parties relating to the corporate purpose;
- acquiring and disposing of shareholdings in companies and entities, whether incorporated or to be incorporated;
- entering into, modifying and terminating agreements for the opening of credit, loan and financing agreements in general, assets and liabilities, and agreeing credit facilities and other banking facilities;
- requesting, negotiating and stipulating with banks, financial and insurance institutions, the issue, by them, of guarantee deposits and/or sureties connected with the exercise of the company's activities;
- issuing sureties in favour of third parties in the interest also of the investee companies;
- entering into, amending and terminating current account and deposit agreements, and carrying out credit and debit operations within the limits of the credit lines granted;
- making deposits and withdrawals both on available funds and overdrafts within the limits of the credit facilities granted, by cash or by letter or by the issue of cheques and money orders issued or transferred to the Company's order;
- collecting the sums due to the Company from both private individuals and any Public Administration, or from other public or private Entities, issuing the relative receipts;
- entering into, modifying and terminating purchase contracts, contracts for the supply of goods and services, tenders, leases, including financial leases, even of multi-year duration, with the warning that the contractual relationships relating to or in any case connected to the same transaction, even if to be completed by means of several acts, contribute to forming the maximum amount;
- concluding and signing transactions, reaching arbitration compromises;
- actively and passively representing the Company before any administrative, fiscal and judicial authority, ordinary and special, in any procedure, at any level and place, and therefore with the power to sign any procedural act, with the power to deliberate, propose and sign any request or defence,

appeals for any purpose, any procedural act, including in executive, bankruptcy, composition and moratorium procedures.

Mr. Esposito, in his role as Chairman of the Board of Directors, also has the mandate as employer with an unlimited amount of expenditure in accordance with Legislative Decree no. 81/08, as well as the power to hire and/or dismiss and/or transfer employees, including executives (in the latter case, with a joint signature with the Chief Executive Officer or another Executive Director and subject to the opinion of the Remuneration Committee limited to executives with strategic responsibilities), deciding and changing their qualifications, functions, salaries (including benefits and ancillary remuneration), and severance packages, categories and duties, applying disciplinary measures against employees within the terms, limits, and with the formalities provided by law, collective agreements, labour contracts, and internal staff regulations. He can represent the Company in trade union negotiations, enter into trade union agreements with trade union representatives and with worker and category associations and negotiate trade union disputes and/or employment relationships with the right to settle and reconcile with trade unions or the Local Directorate of Labour. He will also be able to maintain relations with Welfare institutions with reference to all the staff employed, ensuring compliance with the relative legal obligations.

In addition, the Chairman of the Board of Directors, with the help of the Secretary, oversaw:

- the pre-meeting information and the complementary information provided during the meetings so that they were suitable to allow the directors to act in an informed manner in performing their role, allowing all the directors to speak, when requested, and to formulate all questions deemed necessary and/or appropriate, always receiving the necessary and timely clarifications;
- coordination between the activities of the internal Board Committees and the Board of Directors, ensuring that the statements of the competent Committees were represented during the Board meetings;
- in agreement with the Chief Executive Officer, that the executives of the Issuer and those of the subsidiaries attend the board meetings to provide appropriate information on the items on the agenda, inviting them to participate in the board meetings and asking them to prepare presentations and documentation in support of the discussion to be left on the records of the Issuer;
- the communication to all the members of the administration and control bodies, after the appointment and during the mandate, of all the initiatives, also through the periodic presentation of the information on the general management trend and its foreseeable evolution, which could provide them with adequate knowledge of the business of the Issuer and its subsidiaries, also with a view to the sustainable success of the Issuer, also providing information regarding risk management and the reference regulatory and self-regulatory framework;
- the self-assessment process of the management body, with the support of the Appointments, Remuneration and Stock Option Plans Committee, so that it is adequate and transparent, allowing the self-assessment process, as structured by the Committee and the related results, to be an issue subject to discussion by the entire Board of Directors and the Board of Statutory Auditors.

Furthermore, the Chairman, with the support of the competent corporate functions, provides information on any legislative and regulatory changes regarding the Company and the corporate bodies, subsidiaries and investee companies, and supports each Director in studying particular issues that are of interest to them in carrying out their mandate. The Chairman of the Board of Directors can also take the initiatives deemed useful so that the Directors can increase their knowledge of the Company's situation and dynamics for the purpose of more effective performance of their role. In this regard, it should be noted that all the members of the Board and of the Board of Statutory Auditors were also invited - during 2025 - to the training session relating to the updating of the Company's 231 Model held on March 13, 2025, by the Law Firm which supported the Issuer in the preparatory activities for the update.

In addition, the Chairman of the Board, despite being the holder of management powers, is not deemed to be the main person responsible for the management of the Issuer, since a CEO is also present on the Board, substantially holding the same powers, which can be exercised separately.

Board Secretary

Pursuant to art. 13 of the Articles of Association - and in accordance with art. 3 of Recommendation 18 of the Code - the Board of Directors appoints and dismisses, on the proposal of the Chairman, a Secretary, who can also be chosen from among people outside the Company and the Board of Directors, and establishes the duration of his assignment. The current Secretary is Mr. Fausto Tramontin, head of the Issuer's Legal and Corporate Affairs Function, appointed by the Board of Directors in the meeting on May 9, 2024.

The Secretary has a solid background in the legal and economic field, as well as a consolidated experience in the management of corporate activities and compliance.

The Secretary supports the activities of the Chairman and provides, with impartial judgement, assistance and advice to the Board of Directors on every aspect relevant to the proper functioning of the corporate governance system. The Secretary has the following powers, already carried out during the Financial Year:

- drawing up the minutes of each meeting of the Board of Directors and signing them together with the Chairman;
- overseeing the conservation of the minutes and of the company books;
- supporting the activity of the Chairman.

In case of absence of the Secretary, the Board of Directors, on the occasion of the individual Board meeting and on the proposal of the Chairman, designates an interim replacement.

4.6 EXECUTIVE DIRECTORS

Chief Executive Officer

Pursuant to art. 13 of the Articles of Association, the Board of Directors can delegate its powers to one or more Chief Executive Officers and/or General Managers, determining the limits of the delegation and the signature and representation powers.

On May 9, 2024, the Board of Directors appointed Mr. Andrea Orlando as Chief Executive Officer and granted him the powers necessary to administer the Company, which are detailed below.

In addition to all the powers and attributions deriving from the office pursuant to the law and the Articles of Association, the Chief Executive Officer has the powers of representing the Company before third parties and in court, as well as using the corporate signature and for the ordinary management of the Company, to be exercised (i) with a single signature for amounts not exceeding individually Euro 500,000.00 and (ii) with a joint signature with the Chairman of the Board, for individual amounts not exceeding Euro 5 million, it being understood that, for making money transfers in favour of subsidiaries and associates, a joint signature with the Chairman of the Board of Directors is always required.

The powers of the Chief Executive Officer also include, by way of example and not limited to, the following:

- proposing to the collective bodies the guidelines of the company's policy and the planning of the company's activities;
- supervising the progress of corporate affairs, verifying the correct implementation of the guidelines and resolutions of the collective bodies;
- ensuring that the Board of Directors is provided with sufficient information to enable it to pass formal resolutions and, in general, to exercise its powers of management, direction and control of the activities of the Company and the Group;
- representing the Company at shareholders' meetings of companies and entities in which the Company participates, exercising the right to vote;
- coordinating the commercial, technical and financial activities of the Company and of the companies in which it has majority or minority interests, with the right to grant and take out loans with said entities to optimise the Group's financial resources;
- entering into, signing, accepting, modifying and terminating contracts with third parties relating to the corporate purpose;
- acquiring and disposing of shareholdings in companies and entities, whether incorporated or to be incorporated;
- entering into, modifying and terminating agreements for the opening of credit, loan and financing agreements in general, assets and liabilities, and agreeing credit facilities and other banking facilities;
- requesting, negotiating and stipulating with banks, financial and insurance institutions, the issue, by them, of guarantee deposits and/or sureties connected with the exercise of the company's activities;
- issuing sureties in favour of third parties in the interest also of the investee companies;
- entering into, amending and terminating current account and deposit agreements, and carrying out credit and debit operations within the limits of the credit lines granted;
- making deposits and withdrawals both on available funds and overdrafts within the limits of the credit facilities granted, by cash or by letter or by the issue of cheques and money orders issued or transferred to the Company's order;

- collecting the sums due to the Company from both private individuals and any Public Administration, or from other public or private Entities, issuing the relative receipts;
- entering into, modifying and terminating purchase contracts, contracts for the supply of goods and services, tenders, leases, including financial leases, even of multi-year duration, with the warning that the contractual relationships relating to or in any case connected to the same transaction, even if to be completed by means of several acts, contribute to forming the maximum amount;
- concluding and signing transactions, reaching arbitration compromises;
- actively and passively representing the Company before any administrative, fiscal, and judicial authority, ordinary and special, in any procedure, at any level and place, and therefore with the power to sign any procedural act, with the power to deliberate, propose, and sign any application or defence, appeals for any purpose, any procedural act, including in execution, bankruptcy, composition, and moratorium proceedings;
- hiring and/or dismissing and/or transferring employees, including executives (in the latter case, with a joint signature with the Chairman of the Board of Directors or another Executive Director and subject to the opinion of the Remuneration Committee limited to executives with strategic responsibilities), deciding and changing their qualifications, functions, salaries (including benefits and ancillary remuneration), and severance packages, categories and duties, applying disciplinary measures against employees within the terms, limits, and with the formalities provided by law, collective agreements, labour contracts, and internal staff regulations. He can represent the Company in trade union negotiations, enter into trade union agreements with trade union representatives and with worker and category associations and negotiate trade union disputes and/or employment relationships with the right to settle and reconcile with trade unions or the Local Directorate of Labour. He will also be able to maintain relations with Welfare institutions with reference to all the staff employed, ensuring compliance with the relative legal obligations.

Andrea Orlando serves as the Chief Executive Officer of the Issuer as well as the director responsible for establishing and maintaining the internal control and risk management system. He does not hold any positions in other listed issuers, ensuring that no interlocking directorate situation exists.

Executive Committee

The Board did not set up an Executive Committee.

Reporting to the Board

In accordance with the provisions of art. 17 of the Articles of Association which, in turn, incorporates the provisions referred to in paragraph 1 of art. 150 of the Consolidated Law on Finance, the Chief Executive Officer has reported (and reports), at least on a quarterly basis, on the activities and on the operations of greatest economic, financial and equity significance carried out by the Company and its subsidiaries, declaring, if applicable, the existence of a conflict of interest with itself or third parties and the existence of atypical or unusual transactions.

Other executive directors

As of the date of this Report, in addition to the CEO and the Chairman of the Board, there is another executive director:

- (i) Chiara Esposito, with human resource management duties - without prejudice to the competences and powers envisaged for the Appointments, Remuneration and Stock Option Plans Committee - is granted the following powers: hiring and/or dismissing and/or transferring employees, including executives (for the latter, with the joint signature of the Chairman of the Board or the CEO, subject to the Remuneration Committee's opinion) limited to executives with strategic responsibilities, deciding and changing their qualifications, functions, salaries (including benefits and ancillary remuneration), and liquidations, categories and duties, apply disciplinary measures against employees within the terms, limits, and with the formalities provided for by law, collective and labour contracts, and internal staff regulations. She can represent the Company in trade union negotiations, enter into trade union agreements with trade union representatives and with worker and category associations and negotiate trade union disputes and/or employment relationships with the right to settle and reconcile with trade unions or the Local Directorate of Labour. She will also be able to maintain relations with Welfare institutions with reference to all the staff employed, ensuring compliance with the relative legal obligations.

4.7 INDEPENDENT DIRECTORS AND LEAD INDEPENDENT DIRECTOR

At the date of this Report, 4 (four) members of the Issuer's Board of Directors are in possession of the independence requirements provided for by art. 147-*ter* of the Consolidated Law on Finance and the CG Code.

The Board assesses the existence of the independence and non-executive requirements of the directors pursuant to the TUF, the Code and the qualitative and quantitative criteria defined by the Board itself (see below), on the occasion of the first useful meeting following their appointment and, however, at least once a year.

Regarding the directors appointed by the Shareholders' Meeting of April 29, 2024, the Board originally met, on May 9, 2024, to assess the existence of the independence requirements of Directors Francesco Dagnino, Laura Scapin, Sara Di Mario and Andrea Sassi. This assessment was successful and, in this regard, a specific press release was also issued on May 9, 2024.

The most recent assessment on the existence of the independence requirements for all the above-mentioned Directors was most recently carried out, concluding again with a positive outcome, during the Board meeting of March 27, 2025 (the same meeting at which, *inter alia*, this Report was approved).

Each non-executive director provided all the elements necessary or useful for the Board's evaluations.

Lastly, it should be noted that, in the meeting of May 20, 2024, the Board approved, on the proposal formulated by the Appointments, Remuneration and Stock Option Plans Committee, the following qualitative and quantitative criteria for assessing the significance of the additional relationships and remuneration envisaged by Recommendation no. 7, letter c) and d) of the Code, to be considered alternatively applicable:

- a) performing additional professional services for the Company with respect to the services due by the director for the Company, by reason of his/her office, where the relative annual amount exceeds the sum of Euro 90,000.00;
- b) performing additional professional services for the Company with respect to the services due by the director for the Company, by reason of his/her office, where they represent more than 7.5% of the director's annual turnover or more than 7.5% of the annual turnover of the company or body of which the director has control or is an executive director or of the professional firm, or of the consultancy company, of which he/she is a partner or shareholder;
- c) personal and financial situations that may lead to conflicts of interest and even only potentially hinder the independence of judgement of the director, leaving the assessment case by case to the Board of Statutory Auditors.

The Board of Statutory Auditors normally verifies the correct application of the assessment criteria and procedures adopted by the Board to assess the independence of its members.

With reference to the supervisory activities carried out during the Financial Year, please refer entirely to the Report by the Board of Statutory Auditors on the PLC Financial Statements for the year, as published in accordance with the relevant laws and regulations.

Considering the provisions of art. 2, Recommendation 5 of the Code and due to the Company's qualification as a company with concentrated ownership, no special and additional meeting of the independent directors was held, in the absence of the other directors, with respect to the meetings of the Control, Risks and Sustainability Committee, the Related Parties Committee and the Appointments, Remuneration and Stock Option Plans Committee (which are, moreover, composed only of independent directors).

Lead Independent Director

At the date of this Report, the Board has not designated an independent director as Lead Independent Director. With reference to art. 3, Recommendation 14 of the Code, the Company considered that it was not necessary to appoint such a figure, since a complete and timely flow of information between the directors is in fact guaranteed by company practice and procedures. In addition, regardless of this appointment, during the Financial Year, the independent directors of the Company were able to coordinate their activities and discuss any requests through participation in the Board's internal committees, the latter made up solely of independent and non-executive directors.

5. MANAGING CORPORATE INFORMATION

Procedure for handling Inside Information

The Company has adopted a procedure for internal management and external communication of confidential and/or inside information, which governs the management and handling of this information, as well as the procedures to be observed for communication, both internally and outside the Company, of documents and information regarding the Issuer and its subsidiaries, with particular reference to inside information.

This procedure effective from April 24, 2018 and last updated on December 1, 2020, defines, among others, the concept of "Inside Information" and identifies the general behaviour the recipients must have with regard to processing these types of information as well as the roles and responsibilities of the various heads of function. The same procedure also contains a descriptive part of the internal management procedures for confidential and inside information, an indicative part of the external communication procedures for confidential and inside information and a section dedicated to the sanctions to be imposed on the recipients in the event of abuse or violation of the law and the procedure. In compliance with the provisions of the aforesaid procedure, the directors, statutory auditors, managers and all employees of Group companies shall keep confidential any inside information relating to the Issuer and its subsidiaries of which they have become aware in the performance of their functions and shall comply with the procedures described in the document for the identification, internal management and communication to the market of such information.

The person in charge of fulfilling the disclosure obligations provided for by the procedure is the Head of Legal and Corporate Affairs Function.

The procedure is published on the website www.plc-spa.it in the Internal risk management system / PLC section.

6. INTERNAL BOARD COMMITTEES (pursuant to art. 123-bis, paragraph 2, letter d), TUF)

At the date of this Report, the Company has established the following internal Board Committees:

- Appointments, Remuneration and Stock Option Plans Committee, for the details of which see Section 7.2 below;
- Control, Risks and Sustainability Committee, for the details of which see Section 9.2.

This Report, referring to the Financial Year, will show the structure of the internal committees during this period.

The Board has allocated the functions of the Committee for Transactions with Related Parties, for details of which see Section 10 below, as provided for in the "*Procedure for Related Party Transactions*" currently in force, to the Control, Risks and Sustainability Committee and the Appointments, Remuneration and Stock Option Plans Committee, depending on whichever is competent in the subject matter of the transaction to be resolved.

The Company has not deemed it necessary to entrust the functions of one or more of the committees recommended by the Code to the entire Board.

Minutes are prepared for each meeting of the Committee by the Chairman of the Committee and a Secretary, who is appointed from among the members of the same Committee each time.

All the Committees have investigative, proposal-making and advisory functions and assist the Board in matters falling within their respective competence.

The Chairman organises the work plan of each Committee and reports (or in the absence thereof, another member of the same Committee) to the entire Board, regarding the activities of the Committee itself, at the first possible meeting. The Control, Risks and Sustainability Committee and the Related Parties Committee follow their own procedural regulations, whilst the Appointments, Remuneration and Stock Option Plans Committee has commenced the process of establishing theirs, which is anticipated to be completed in the course of the 2025 financial year.

The duties and composition of each Committee are established by resolution of the Board of Directors when they are established.

The Board determined the composition of the Committees by favouring the skills, experience and professionalism of the relative members, also avoiding an excessive concentration of offices with each member. For more specific information on the composition and professionalism of the Committee members, please refer to the Sections below.

For the sake of completeness, it should be noted that the functions attributed by the Code to the Committees have not been reserved for the entire Board of Directors.

Additional committees (other than those required by regulation or recommended by the Code)

The Board did not deem it necessary to set up additional committees to those mentioned in the previous paragraph.

7. SELF-ASSESSMENT AND SUCCESSION OF DIRECTORS – APPOINTMENTS, REMUNERATION AND STOCK OPTION PLANS COMMITTEE

7.1 Self-assessment and succession of Directors – Appointments, Remuneration and Stock Option Plans Committee

In accordance with Article 4, Recommendations 21 and 22 of the Code, the Board periodically assesses its size, composition, and the actual functioning of its internal board committees at least every three years, with a view to the renewal of the administrative body, also considering the role played by the Board in defining strategies and monitoring management performance and the adequacy of the internal control and risk management system.

This self-assessment was most recently carried out by the Board in the meeting of March 20, 2024, with reference to the 2021/2023 three-year period. The self-assessment process was structured, with the support of the Appointments, Remuneration and Stock Option Plans Committee, but without resorting to external consultants, by submitting self-assessment questionnaires to all Board members and, subsequently, by

examining the results that emerged. The questionnaire concerned the size, composition and tangible functioning of the management body and its committees, also considering the role it played in defining strategies and monitoring management performance and the adequacy of the internal control and risk management system. From the analysis of the results, no significant critical issues emerged, without prejudice to the existence of margins for improvement with a view to continuous improvement, to refine the good functioning of the PLC administrative body and its Committees.

With reference to the position expressed in view of the renewal of the Board of Directors, please refer to what has already been highlighted in the previous Section 4.1.

In compliance with Article 4, Recommendation 23, in view of the renewal of the Board of Directors, during the Financial Year the directors, also considering the results of the self-assessment, have expressed for the benefit of the Shareholders their orientation on the size and composition, quantitative and qualitative, of the Board of Directors, also in consideration of the diversity criteria established by the applicable legislative, regulatory and Code provisions. On the other hand, the Board did not deem it necessary to require Shareholders who submit a list containing a number of candidates exceeding half of the members to be elected to provide adequate information as to whether the list itself corresponds to the orientation expressed by the Board. The guideline was published at the same time as the notice of the Shareholders' Meeting, to ensure an adequate publication time for all Shareholders wishing to submit a list to be adequately considered.

The guideline was released within the legally required timeframe, also considering the organisational and managerial changes that were in progress, and is accessible on the company's official website: [Investor Relations/CorporateGovernance/Meeting/2024](#).

Regarding the possible succession plan for the chief executive officer and the executive directors, please refer to Section 4.2 above.

7.2 Appointments, Remuneration and Stock Option Plans Committee

On April 30, 2021, the Board established a single Appointments, Remuneration and Stock Option Plans Committee, composed of the following non-executive directors who meet the independence requirements pursuant to the Code and the Consolidated Law on Finance: Ms. Marina D'Artibale (Chairwoman), Ms. Claudia Crivelli and Prof. Graziano Gianmichele Visentin, who remained in office until April 29, 2024, the date of approval of the financial report at December 31, 2023. Following the appointment of the new administrative body at the Shareholders' Meeting on April 29, 2024, the Board on May 9, 2024 appointed the following non-executive directors as new members of the Appointments, Remuneration and Stock Option Plans Committee, who meet the independence requirements as specified by the Code and the Consolidated Law on Finance: Mr. Andrea Sassi (Chairman); Sara Di Mario and Laura Scapin. All the aforementioned members of the Appointments, Remuneration and Stock Option Plans Committee are in possession of detailed knowledge and experience in accounting and financial matters, and/or in remuneration policies, deemed acceptable by the Board at the time of appointment.

Composition and operation

The composition of the aforementioned Committee (in both of its aforementioned compositions) complies with the criteria set out in the Code with reference to both the Appointments Committee and the Remuneration Committee. In accordance with art. 4, Recommendations 19 and 20 of the Code, in fact, the Appointments, Remuneration and Stock Option Plans Committee is made up of three independent Directors.

At the date of this Report, the Committee has not been assigned any functions and duties other than those envisaged by the Code.

The meetings of the Appointments, Remuneration and Stock Option Plans Committee are coordinated by the Chairman, are regularly minuted and the Chairman gives a statement at the next meeting of the Board of Directors.

During the Financial Year, the Appointments, Remuneration and Stock Option Plans Committee (as composed from time to time) met 5 times, amongst other things, to resolve on: (i) the self-assessment process of the members of the Board of Directors; (ii) the appointment of the Manager in charge of Financial Reporting; (iii) the appointment of the Investor Relator; (iv) the proposal of fees for directors holding special offices; (v) the review of activities to define the criteria for assessing the significance of reports and additional remuneration provided for by Recommendation no. 7, letters c) and d) of the Corporate Governance Code; (vi) proposals to the Board for setting performance objectives for the Financial Year, to which the recognition of variable remuneration is linked, and the identification of criteria for the precise determination of said variable remuneration; (vii) approval of the Report on the Remuneration Policy, pursuant to Article 123-*ter* of Legislative Decree no. 58/1998, as amended by Legislative Decree no. 49/2019 and Article 84-*quater* of the Consob Issuers' Regulation and (viii) the proposals for the definition of the parameters relating to the variable component of remuneration applicable to the position of the Manager in Charge.

The average duration of the Appointments, Remuneration and Stock Option Plans Committee meetings for the Financial Year was 28 minutes.

The number of meetings for the current year is 2, held on March, 20 and 26, 2025. At these meetings, the Committee, amongst other things, resolved on: (i) the achievement of the performance objectives set for the Financial Year, to which the recognition of variable remuneration is linked; (ii) the approval of the Report on the Remuneration Policy, pursuant to art. 123-*ter* of the Legislative Decree no. 58/1998, as amended by Legislative Decree no. 49/2019 and Article 84-*quater* of the Consob Issuers' Regulation and (iii) the proposals for the definition of the parameters relating to the variable component of remuneration for the financial year 2025.

The Company's Directors shall abstain from attending Committee meetings at which proposals are made to the Board regarding their remuneration; if necessary, the Chairman and/or the Chief Executive Officers shall attend only as speakers, leaving at the time of voting.

Participation in Committee meetings by third parties is normally at the invitation of the Committee itself with reference to individual items on the agenda.

At least one representative of the Board of Statutory Auditors attended the Committee meetings, held during the Financial Year, at the invitation of the Committee.

The representatives of the Board of Statutory Auditors participated in the meetings with a proactive and advisory role, contributing their knowledge and experience to the Committee and enabling it to stay informed on new regulatory changes.

Structure of the Appointments, Remuneration and Stock Option Plans Committee until April 29, 2024					
Post held	Member	Non-executive	Independence as per Code	Independence as per TUF	% attendance
P	Marina D'Artibale	X	X	X	100
M	Graziano Gianmichele Visentin	X	X	X	100
M	Claudia Crivelli	X	X	X	100

Structure of the Appointments, Remuneration and Stock Option Plans Committee as of May 9, 2024					
Post held	Member	Non-executive	Independence as per Code	Independence as per TUF	% attendance
P	Andrea Sassi	X	X	X	100
M	Laura Scapin	X	X	X	100
M	Sara Di Mario	X	X	X	100

Functions of the Appointments, Remuneration and Stock Option Plans Committee.

The Committee presents proposals for the remuneration of chief executive officers and directors holding particular offices, monitoring the application of the decisions adopted.

At the date of this Report, the Committee performs functions and tasks in line with those provided for by the Code, in fact, the Committee has assisted the Board in the activities of (i) preparing and structuring the assessment process on the size, composition and actual functioning and defining the guidelines of the Board itself, defining the methods, content and timing of the aforementioned process, to which, in this regard, reference should be made.

The activities carried out by the Committee regarding remuneration are described in detail in the Remuneration Report prepared pursuant to art. 123-ter of the Consolidated Law on Finance, to which reference is made.

In performing its functions, the Committee was able to access the information of the corporate functions necessary for the performance of its duties, as well as to avail itself of external consultants (a right which, however, was never exercised during the Financial Year).

During the Financial Year, the Committee did not incur any expenses of any kind for the performance of its duties (e.g. consultancy, opinions, etc.).

8. REMUNERATION OF DIRECTORS

8.1 Remuneration of Directors

For the information of this section, for the relevant parts, please refer to the Remuneration Report published pursuant to art. 123-*ter* of the Consolidated Law on Finance.

In particular, for more information on:

- the remuneration of executive directors and top management, please refer to Section I para. 6.2 and 8 of the Remuneration Report;
- the remuneration of non-executive directors please refer to Section I para. 6.1 of the Remuneration Report;
- the accrual and disbursement of the remuneration, please refer to Section II, first part letter A of the Remuneration Report; and
- to the compensation of the directors in the event of resignation, dismissal or termination of the relationship following a take-over bid, please refer to Section I, para. 4 of the Remuneration Report.

8.2 Remuneration Committee

For the information of this section, please refer to Section 7.2 above and for the remaining relevant parts in Section I of the Remuneration Report published pursuant to art. 123-*ter* of the Consolidated Law on Finance.

9. INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM – CONTROL AND RISKS COMMITTEE

The internal control and risk management system in place with the Issuer is divided into a set of rules, procedures and organisational structures aimed at ensuring, with reasonable certainty, through an adequate process of identification, measurement, management and monitoring of the main risks, the management of healthy and correct business consistent with the objectives set, also aimed at pursuing the Issuer's sustainable success.

The overall adequacy of the system contributes to ensuring the achievement of objectives such as the efficiency of corporate and business management, the completeness, reliability and timeliness of accounting and management information, compliance with the laws and regulations in force, as well as the protection of corporate assets and corporate integrity, also to prevent fraud to the detriment of the Company and the financial markets.

As part of its specific duties and responsibilities regarding the operation of the internal control system, the Board of Directors:

- has set up the Control, Risks and Sustainability Committee;
- has set up a Supervisory Body for monitoring the operation of the 231 Model;

- established a committee dedicated to handling whistleblowing reports, composed of: (i) Head of Internal Audit, (ii) Chairman of the Control, Risks and Sustainability Committee and (iii) Head of the Legal and Corporate Affairs department;
- has appointed a Chief Executive Officer, who is responsible for supervising the operation of the internal control and risk management system;
- has appointed a Head of the Internal Audit Function;
- in accordance with the recommendations of the Code and the principles of governance of international best practice for listed companies, has approved, among others, the following documents:
 - o the Procedure for Related Party Transactions;
 - o the Procedure for handling Inside Information;
 - o the Procedure for the fulfilment of the disclosure obligations set forth in art. 150, paragraph 1 of the Consolidated Law on Finance;
 - o the Internal Dealing procedure;
 - o the Code of Ethics of the PLC Group;
 - o the Group Anti-corruption Policy;
 - o the 231 Model consisting of: (i) General Part and (ii) Special Part.

In this regard, it should be noted that, pursuant to art. 114, paragraph 2, of the Consolidated Law on Finance, the Issuer notifies its subsidiaries of: (i) the Procedure for handling Inside Information; and (ii) the Procedure for the fulfilment of the disclosure obligations set forth in art. 150, paragraph 1 of the Consolidated Law on Finance.

To identify and monitor the main risks relating to the Issuer and its subsidiaries, in line with the strategies and objectives of sound and correct management set, the Issuer has adopted an approach to the management of corporate risks based on reducing the possibility of negative events occurring.

In particular, the objectives attributed to the Group's internal control system can be summarised as follows:

- ensuring the effective and efficient performance of company activities;
- guaranteeing the reliability, adequacy and correctness of the accounting records, as well as the safeguarding of the company's assets;
- ensuring compliance with current legislation and with the Group's internal regulations and procedures.

The elements that form the basis of the internal control system adopted by the Company, which is subject to continuous monitoring and updating, are as follows:

- separation of roles and functions in carrying out the operations considered more delicate in terms of the interests involved (segregation of functions);
- traceability of operations;
- control documentation (through the drafting of minutes/reports/mail/subscription etc.);
- management of decision-making processes based on criteria that are as objective as possible.

This system is implemented through policies, procedures, organisational structures and controls implemented by the Group companies on the most significant business processes in terms of risk.

The types of control implemented are divided into:

- automatic or manual line controls, both preventive with respect to the single transaction, and of the subsequent type;
- management controls carried out on the performance of companies and individual processes with respect to forecasts.

It should be noted that the Issuer and the entire Group, during the financial year 2022, have adopted a new management system (so-called "ERP") which, as refined in subsequent exercises, has contributed to strengthening, standardising minimum levels of control and making the Group's internal control and risk management system even more effective and efficient, with a view to continuous improvement.

In general, the Board is responsible for the management of the Issuer's internal control and risk management system, defines its guidelines, periodically assesses, at least annually, its adequacy, efficacy and effective functioning, making use, in exercising these functions, of the support of the Control, Risks and Sustainability Committee, of the Director in charge of supervising the operation of the internal control and risk management system, of the Head of the Internal Audit Function and the Head of the Organisation Function.

The assessment process starts from the results of the control activities entrusted to the Head of the Internal Audit Function, who reports regularly to the Control, Risks and Sustainability Committee which, in turn, also based on the elements observed directly, informs the Board every six months with a specific report on the adequacy and effectiveness of the internal control system, formulating, where deemed appropriate, its previously shared recommendations also with the Director in charge of supervising the operation of the internal control and risk management system, also considering what may be highlighted by the Supervisory Body, Internal Audit, the independent auditors and the Board of Statutory Auditors in their respective periodic reports and/or in any joint meetings, periodically convened.

During the Financial Year, the Board of Directors issued a positive assessment of the adequacy, effectiveness and effective functioning of the internal control system. During the Financial Year and also after December 31, 2024, the control bodies, such as the Control, Risks and Sustainability Committee, the Board of Statutory Auditors, the Internal Audit, the Supervisory Body, the independent auditors (EY S.p.A. until the approval of the financial report at December 31, 2023 and subsequently PricewaterhouseCoopers S.p.A.), the Director in charge of the internal control system, and the Manager in charge of Financial Reporting, met several times to exchange information relating to the internal control system for which they are responsible. In this regard, the Internal Audit and the Supervisory Body prepared their own periodic reports and, after their examination, also with the direct participation of those directly involved, the Control, Risks and Sustainability Committee prepared and brought to the attention of the entire Board of Directors its own periodic report.

It is specified that the management and control system inherent to the risks relating to the financial reporting process, last updated on January 26, 2022, is an integral part, and is part of the broader internal control system of the Company and of the Group.

The internal control system for financial reporting is a set of activities designed to identify and evaluate actions and/or events that could compromise the soundness, accuracy, reliability and timeliness of financial information in the event of an occurrence.

The internal control system relating to the process of preparing financial information adopted by the Company is designed to ensure that the administrative and accounting procedures prepared guarantee, with "reasonable certainty", the effectiveness and efficiency of operating activities, the reliability of financial statements information, compliance with the laws and regulations in force and with the accounting standards of reference.

For the analysis of controls on financial reporting, reference was made to the model provided for by the CoSo Report Framework, which allows synergies to be exploited with the activities carried out as part of the analysis of the control system for the purposes of Italian Legislative Decree no. 231/2001 and the activities carried out by the Internal Audit Function.

A brief description of the main features of said risk management and internal control system in relation to the financial reporting process is provided below.

Operational phases

The financial reporting control system is divided into the following operational phases:

- analysis of the control environment;
- risk assessment activity aimed at identifying and assessing the areas of risk in which events could occur that could compromise the achievement of the reliability of financial reporting. This activity - which considers both quantitative/dimensional aspects and qualitative aspects (specific, potential or past risk, linked to the activities carried out) - identifies the "relevant" Group companies and company processes;
- analysis of the control system, both at company and process level, both in terms of design and operation;
- the assessment of deficiencies in the control system for financial reporting and corrective actions. If the verification of the operation of the controls reveals deficiencies / anomalies in the financial reporting control system, the Manager in charge (i) identifies and assesses the deficiencies and (ii) coordinates the corrective actions to be taken to resolve them.

Role and functions involved

The financial reporting control system is managed by the Manager in charge of Financial Reporting and involves, in various guises, the following corporate functions and roles:

- the heads of the various functions, who, in relation to their area of competence, ensure the completeness and reliability of the information flows to the Manager in charge of Financial Reporting for the purposes of preparing the financial and accounting information;
- the administrative bodies of the subsidiaries.

The Manager in charge of Financial Reporting also interacts with the corporate bodies and precisely with the Board, the Control, Risks and Sustainability Committee, the Board of Statutory Auditors, the Supervisory Body and the Head of the Internal Audit Function, as well as with the independent auditors.

The Manager in charge of Financial Reporting reports to the Control and Risks Committee, the Board and the Board of Statutory Auditors at least every six months regarding the adequacy and operation of the administrative and accounting system.

Based on the checks mentioned, no risks or situations emerged that were not already subject to monitoring by the Company.

The Manager in charge of Financial Reporting, together with the Chief Executive Officer, provides the certification required by art. 154-bis, paragraph 5, of the Consolidated Law on Finance.

Having said that, the control system is - in principle - made up of 5 fundamental, interconnected components that are closely integrated with management processes. All five components, listed below, must coexist for the control system to be effective:

monitoring: all activities necessary to periodically evaluate and check the adequacy, operation and effectiveness of internal controls; the monitoring activity is done, among other things, through (i) the process owners in the certification phase, (ii) the Internal Audit Function as part of its activities to verify the adequacy and effectiveness of administrative procedures and accounting and (iii) the statutory auditor;

information & communication: the process is set up to ensure the accurate and timely collection and communication of information; this process provides, among other things: (i) the dissemination of the administrative and accounting procedures and the related training activities by the Company's internal functions, (ii) the sharing of the results of the internal audit activities both with the corporate functions audited and with the Manager in charge of Financial Reporting, the Control, Risks and Sustainability Committee and the Board of Directors, (iii) sharing the results of the activities of the company in charge of the statutory audit regarding the internal control system for financial reporting and the accounting system;

control activities: all practices and control procedures established to define the reduction of risks to a sustainable level, ensuring the achievement of company objectives;

risk assessment: the process aimed at ensuring the identification, analysis and management of business risks;

control environment: the environment in which individuals operate according to the culture of control dominant in the company organisation.

The objectives of these control activities must clearly be developed, implemented and effectively applied to the entire company organisation, in its various processes.

The Company has prepared a whistleblowing procedure for its employees and third parties. Whistleblowing is the reporting system with which anyone who wishes can contribute to the reporting of risks and/or situations potentially harmful to the Company such as fraud, generic risk or a potentially hazardous situation, by sending a specific report to the body responsible for management.

The ultimate goal of whistleblowing is to manage any reports to identify any problems that could arise from the commission (even attempted) of a significant corporate offence pursuant to the Legislative Decree no. 231/2001.

The Group has set up an IT portal for its employees and third parties to report, in written and verbal form, critical situations for Group companies in compliance with Legislative Decree no. 24/2023 that updated the whistleblowing regulation applicable in Italy.

The corporate body responsible for handling whistleblowing reports is the committee set up ad hoc and dedicated to handling whistleblowing reports, composed of: (i) Head of Internal Audit, (ii) Chairman of the Control, Risks and Sustainability Committee and (iii) Head of the Legal and Corporate Affairs department.

The members of the aforementioned committee, appointed by the Board, after consulting the Control, Risks and Sustainability Committee, are chosen based on competence and hierarchical level, with the aim of ensuring the most appropriate follow-up to the report made.

Reports are handled by the committee in a transparent manner, through a pre-defined process.

The management of reports for Group companies includes methods to ensure the involvement of subsidiaries and their respective Supervisory Bodies in the event of relevant reports under the Legislative Decree no. 231/2001.

If the report concerns a subsidiary, the Committee also involves a contact person of the company concerned in the investigation phase, to ensure the proximity of the handling of the report.

Any relevant reports pursuant to Legislative Decree 231/2001 entail the involvement of the Supervisory Body of the company concerned by the report.

The Whistleblowing Procedure falls within the scope of the internal control and risk management system tools adopted by the Company to combat corruption, ensure fairness and transparency in the conduct of business and the activities carried out and protect its position and reputation.

Whistleblowing therefore is an additional and important part of the internal control and risk management system.

On March 27, 2024, the Board, after consulting the Risks and Control Committee, the Board of Statutory Auditors, and the Director responsible for overseeing the operation of the internal control and risk management system, approved a three-year Internal Audit plan (2024-2026) and, on March 12, 2025, approved the annual plan for the 2025 financial year, in accordance with the three-year plan.

The Board met with the Head of the Internal Audit Function during the course of the Financial Year (and also thereafter) to be updated on the activities carried out in 2024 and early 2025.

9.1 CHIEF EXECUTIVE OFFICER

In accordance with Recommendation 32 of the Code, the Chief Executive Officer is in charge of supervising the operation of the internal control and risk management system, participates in the meetings and activities of the Control, Risks and Sustainability Committee and also constantly reports to the Head of the Internal Audit Function. In this role and context, pursuant to Article 6, Recommendation 34 of the Code, the Chief Executive Officer:

- a. takes care in identifying the main business risks, considering the characteristics of the activities carried out by the Company and its subsidiaries, and periodically submits them to the management body for examination;
- b. implements the guidelines defined by the Board, taking care of the planning, implementation and management of the internal control and risk management system, as well as taking care of its adaptation to the dynamics of operating conditions and the legislative and regulatory landscape;
- c. may entrust the Internal Audit Function with carrying out checks on specific operating areas and compliance with internal rules and procedures in the execution of company operations, simultaneously

informing the Chairman of the Board, the Chairman of the Control, Risks and Sustainability Committee and the Chairman of the Board of Statutory Auditors;

- d. promptly reports to the Control, Risks and Sustainability Committee regarding problems and critical issues that emerged in the performance of its business or of which it has in any case been informed so that the Committee can take the appropriate initiatives.

The Director in charge of the internal control and risk management system also participated, as a guest, in the meetings of the Control, Risks and Sustainability Committee, also taking part in discussions between the various control bodies such as: the Committee itself, the Internal Audit Function, the Board of Statutory Auditors, the Supervisory Body, the independent auditors, EY S.p.A. until April 29, 2024 and thereafter PricewaterhouseCoopers S.p.A.

9.2 CONTROL AND RISKS COMMITTEE

On April 30, 2021, the Board also attributed sustainability functions to the Control and Risks Committee, establishing the Control, Risks and Sustainability Committee, composed of the following non-executive directors and in possession of the independence requirements established pursuant to the TUF and of the Code: Mr. Graziano Gianmichele Visentin (Chairman), Ms. Claudia Crivelli and Ms. Marina D'Artibale, who remained in office until April 29, 2024, the date of approval of the financial report at December 31, 2023 by the Assembly. It should be noted that on May 9, 2024, following the renewal by the Shareholders' Meeting, the Board of Directors appointed the following non-executive directors, who meet the independence criteria as set out in the TUF and the Code, as new members of the Control, Risks and Sustainability Committee: Laura Scapin (Chairwoman), Sara Di Mario and Francesco Dagnino.

Composition and operation of the Control, Risks and Sustainability Committee (pursuant to art. 123-bis, paragraph 2, letter d), TUF)

During the Financial Year, the Committee met 7 times to carry out evaluations and proposals, among other things, with regard to: (i) to the accounting standards used to prepare the Company's financial statements; (ii) to the meeting with the independent auditors; (iii) to the opinion related to the updating of the Organisation, Management and Control Model pursuant to Legislative Decree no. 231/2001 (general part and special part); (iv) to the examination of the Internal Audit report for the 2023 financial year and for the first half of 2024, as well as the 2024-2026 Internal Audit plan; (v) to the examination of the Supervisory Body's report relating to the second half of 2023 and the first half of 2024; (vi) to the meeting with Internal Audit and the Supervisory Body; (vii) to the examination of the additional report of the independent auditors and the observations of the board of statutory auditors; (viii) to the Annual Report of the Control and Risks Committee relating to 2023; (ix) to updates regarding the Half-Year Financial Report at June 30, 2024 and the statutory audit activity; (x) to the Report of the Control, Risks and Sustainability Committee relating to the first half of 2024; (xi) to the opinion regarding the adoption and/or updating of certain company procedures; (xii) to the sustainability report relating to the 2023 financial year.

The meetings of the Control, Risks and Sustainability Committee; are coordinated by the Chairman, are regularly minuted and the Chairman gives a statement at the next meeting of the Board of Directors.

The average duration of the Control, Risks and Sustainability Committee meetings for the Financial Year was 67 minutes.

The number of meetings for the current year is 3, held on February, 19, March 11 and 25, 2025. Participation in Committee meetings by third parties is normally at the invitation of the Committee itself with reference to individual items on the agenda, also informing the Director in charge of the internal control system.

At least one representative of the Board of Statutory Auditors attended the Committee meetings, held during the Financial Year, at the invitation of the Committee.

The Board of Statutory Auditors participated in the aforementioned Committee meetings with a proposal-making and advisory function, ensuring a constant flow between the two control bodies and, in particular, making its knowledge and experience available to the Committee, thus enabling the same to be always and promptly updated (also with regard to regulatory changes).

All members of the Committee have adequate accounting and financial expertise.

Structure of the Control, Risks and Sustainability Committee until April 29, 2024					
Post held	Name	Non-executive	Independence as per Code	Independence as per TUF	% attendance
P	Graziano Gianmichele Visentin	X	X	X	100
M	Marina D'Artibale	X	X	X	100
M	Claudia Crivelli	X	X	X	100

Structure of the Control, Risks and Sustainability Committee as of May 9, 2024					
Post held	Name	Non-executive	Independence as per Code	Independence as per TUF	% attendance
P	Laura Scapin	X	X	X	100
M	Sara Di Mario	X	X	X	100
M	Francesco Dagnino	X	X	X	66.6

Functions attributed to the Control, Risks and Sustainability Committee

At the date of this Report, the Committee performs functions and tasks in line with those envisaged by the Code, to which reference is made in this regard, i.e.:

- a. it supports the Board in carrying out the tasks entrusted to the latter by the Code regarding internal control and risk management;
- b. after consulting the Manager in charge of Financial Reporting, the statutory auditor and the control body, it assesses the correct use of the accounting standards and, in case of groups, their uniformity for the purpose of drawing up the consolidated financial statements;
- c. it evaluates the suitability of periodic, financial and non-financial information, to correctly represent the business model, the strategies of the Company, the impact of its activities and the performances achieved, coordinating with any committee envisaged by Recommendation 1, letter a) of the Code;
- d. it examines the content of periodic non-financial information relevant to the internal control and risk management system;
- e. it expresses opinions on specific aspects relating to the identification of the main business risks and supports the assessments and decisions of the management body relating to the management of risks deriving from prejudicial facts of which the latter has become aware;
- f. it examines the periodic reports and those of particular importance prepared by the Internal Audit Function;
- g. it monitors the autonomy, adequacy, effectiveness and efficiency of the Internal Audit Function;
- h. it may request that the Internal Audit Function carry out checks on specific operating areas, giving simultaneous communication to the Chairman of the Board of Statutory Auditors;
- i. it reports to the management body at least on the occasion of the approval of the yearly and half-yearly financial report, on the activities carried out as well as on the adequacy of the internal control and risk management system.

During the Financial Year, the Committee dealt with the above activities with particular reference to the tasks of internal control, informing the Board of the activities carried out during the period, assessing the adequacy of the Issuer's internal control system, verifying the correct use of accounting standards and their uniformity for the purposes of preparing the consolidated financial statements. During the Financial Year, the Committee also dealt with and was involved in the activities aimed at the preparation and subsequent publication of the Sustainability Report relating to the 2023 financial year and the reporting of non-financial data for the Financial Year, as well as for monitoring the implementation of certain activities in the Group's 2024-2027 Strategic Sustainability Plan.

The meetings of the Control, Risks and Sustainability Committee, held during the Financial Year, were also attended, at the invitation of the Chairman of the Committee, the Chief Executive Officer, the Head of the Internal Audit Function, the independent auditors, the Supervisory Body, the Manager in Charge and the Director in charge of the internal control system, the Organisation Manager.

In carrying out its functions, the Control, Risks and Sustainability Committee has the right to access the corporate information and functions necessary for the performance of its duties and to make use of external consultants.

The Control, Risks and Sustainability Committee does not have specific financial resources available to carry out its duties.

9.3 HEAD OF THE INTERNAL AUDIT FUNCTION

In the meeting of December 18, 2023, – in compliance with Article 6, Recommendation 33 letter. b) of the Code, pursuant to which the Internal Audit Function can be entrusted to a person external to the Issuer, provided that they have adequate professionalism, independence and organisation requirements - the Board of Directors has renewed the role of Head of the Internal Audit Function previously conferred on Renato Marro, partner of the Risk Advisory Services of the consultancy firm BDO Advisory Services Srl, with the new mandate expiring on December 31, 2026.

The appointment was made on the proposal of the Director in charge of supervising the operation of the internal control and risk management system, subject to the favourable opinion of the Control and Risks Committee and after consulting the Board of Statutory Auditors.

The Board determined the remuneration of the Head of the Internal Audit Function in a manner consistent with company policies, making sure that the resources available to the Internal Audit Function are adequate for the performance of its duties.

The Head of the Company's Internal Audit Function at the date of this Report is not responsible for any operating area and does not hierarchically depend on any area manager.

The Head of the Company's Internal Audit Function has direct access to all information useful for the performance of his assignment, reports on his work to the Control, Risks and Sustainability Committee, to the Board of Statutory Auditors and to the Director in charge of supervising the operation of the internal control and risk management system.

The internal control activity implemented by the Head of the Internal Audit Function from the date of conferment of the assignment was carried out in accordance with the mandate received from the Board and following the Board's approval of the activity plan, on which the Control, Risks and Sustainability Committee, having consulted the CEO and the Board of Statutory Auditors, previously issued a positive opinion.

In particular, as part of his activity, the Head of the Internal Audit Function:

- a) verified, both on an ongoing basis and in relation to specific needs and in compliance with international standards, the operation and suitability of the internal control and risk management system, through an audit plan approved by the Board of Directors, based on a structured process of analysis and order of priority of the main risks;
- b) prepared periodic reports containing adequate information on his activities, on the ways in which risk management is conducted as well as on compliance with the plans defined for their containment. The periodic reports contain an assessment of the suitability of the internal control and risk management system;
- c) also at the request of the supervisory body, promptly prepares reports on events of particular significance, cases that did not occur up to the date of this Report;

- d) sent the reports referred to in letter b) to the chairmen of the Board of Statutory Auditors, the Control, Risks and Sustainability Committee and the Board of Directors, as well as to the Chief Executive Officer, except in cases in which the subject of these reports specifically concerned the activities of such persons;
- e) verified, as part of the audit plan, the reliability of information systems including accounting.

At the start of the 2025 financial year, the Head of the Internal Audit Function:

- prepared the annual audit plan for the year 2025, consistent with the Internal Audit Function's three-year plan (2024-2026);
- reported on related work and the results of the activities carried out during the Financial Year to the Control, Risks and Sustainability Committee, to the Company's Board of Statutory Auditors, to the Director in charge of supervising the operation of the internal control and risk management system in a joint meeting between the control bodies which was also attended by the Supervisory Body and the independent auditors PricewaterhouseCoopers S.p.A.

9.4 ORGANISATIONAL MODEL PURSUANT TO ITALIAN LEGISLATIVE DECREE NO. 231/2001

The Issuer has adopted its own 231 Model and, during the Financial Year, approved the last updating of corporate documents on the administrative liability of entities pursuant to Legislative Decree no. 231/2001.

This update was necessary, on the one hand, considering the organisational changes that affected the Company after the approval of the last update and, on the other hand, following the introduction of further types of crime within the catalogue of predicate offences referred to in Legislative Decree no. 231/2001, so as to ensure its effectiveness in the face of changes in the company's activities and the risks associated with the offences monitored. The latest update of the 231 Model was approved on December 11, 2024.

The procedures and operating instructions for the control of the offence areas have also been revised.

The 231 Model is made up of the following documents:

- (i) Code of Ethics of the PLC Group;
- (ii) 231 Model - General Section;
- (iii) 231 Model - Special Section.

Within the scope of the current 231 Model, all the categories of offences that are relevant pursuant to Legislative Decree no. 231/2001 on the date of delivery of the relevant risk assessment report.

Upon the outcome of this analysis, the following categories of offence deemed relevant for the Company were identified:

- Offences against the Public Administration (articles 24 and 25 of the Decree);
- Computer crimes and unlawful data processing (art. 24-bis of the Decree);
- Organised crime offences (art. 24-ter of the Decree);
- Counterfeiting coins, public credit cards, stamps, and instruments or signs of recognition (art. 25-bis of the Decree);
- Crimes against industry and commerce (art. 25-bis.1 of the Decree);

- Corporate crimes (art. 25-ter of the Decree);
- Offences against individual personality (art. 25-quinquies of the Decree);
- Offences of market abuse (art. 25-sexies of the Decree and, within the TUF, Article 187-quinquies "Liability of the entity");
- Manslaughter or serious or very serious injuries committed in violation of the rules on the protection of health and safety at work (art. 25-septies of the Decree);
- Receiving, laundering and using money, goods or benefits of illegal origin, as well as self-laundering (art. 25-octies of the Decree);
- Crimes relating to non-cash payment instruments (art. 25-octies 1 of the Decree);
- Crimes relating to violation of copyright (art. 25-novies of the Decree);
- Inducement not to make statements or to make false statements to the judicial authority (art. 25-decies of the Decree);
- Environmental crimes (art. 25-undecies of the Decree);
- Employment of illegally staying third-country nationals (art. 25-duodecies of the Decree);
- Tax offences (art. 25-quinquiesdecies of the Decree);
- Transnational offences, introduced by Law 146 of March 16, 2006, "Law ratifying and implementing the United Nations Convention and Protocols against transnational organised crime".

On June 11, 2024, the Board appointed the Supervisory Body, in the persons of Mr. Alfonso Dell'Isola (Chairman), Ms. Silvana Del Monaco and Mr. Fausto Tramontin, who will hold office for three financial years from appointment.

The updating of the 231 Model also involved the subsidiaries PLC System S.r.l., PLC Service S.r.l., and PLC Service Wind S.r.l., each of which has adopted its own organisation and management model pursuant to Legislative Decree no. 231/01.

The documentation relating to the current 231 Model - General Section - of the Issuer and of the companies as identified above is available on the Company's institutional website, Internal risk management system section.

9.5 AUDITOR

The independent auditors of the Company at the date of this Report is PricewaterhouseCoopers S.p.A., appointed by the Shareholders' Meeting on April 29, 2024 for a term of 9 years and, therefore, until the date of the Meeting convened to approve the financial statements at December 31, 2032.

In the meeting of April 22, 2024, the Board of Directors, among other things, acknowledged and examined the additional report of the independent auditors and the related observations made by the Board of Statutory Auditors in reference to the annual financial report at December 31, 2023.

9.6 MANAGER IN CHARGE AND OTHER COMPANY ROLES AND FUNCTIONS

Given that the Issuer's Articles of Association provide that the Manager in charge of Financial Reporting is appointed by the Board of Directors, subject to the mandatory opinion of the Board of Statutory Auditors, it is noted that following the consensual termination of the employment contract with the previous Manager in charge of Financial Reporting and company officer, Marco Aulisa, on May 20, 2024, the Board has appointed Simone Albertazzi as the new Manager in charge of Financial Reporting until the approval of the financial statements at December 31, 2026, unless revoked earlier, granting him - in line with what was previously determined - all the necessary powers and related organisational, directive, operative, supervisory, and control responsibilities, including the responsibility to maintain, through constant updates, adequate administrative and accounting procedures for the preparation of the separate and consolidated financial statements, which are inherent to said Function.

In accordance with the provisions of the Articles of Association, the Manager in charge of Financial Reporting meets the requisites of integrity required by current legislation for those who carry out administrative and management functions, as well as the requisites of professionalism characterised by specific competence in administrative, accounting and financial matters. The Manager in charge of Financial Reporting has the powers and means necessary to carry out his duties and an annual budget of Euro 15,000.

9.7 COORDINATION BETWEEN THE PARTIES INVOLVED IN THE INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

During the Financial Year, coordination between the parties involved in the internal control and risk management system was ensured by the meetings, including informal ones, held between the members of these bodies, as well as by the periodic meetings in which all control bodies took part. Furthermore, after these the Chairman of the Control, Risks and Sustainability Committee and the Chairman of the Board of Statutory Auditors reported to the Board about the results of these meetings and any aspects for improvement that emerged from the discussions held.

The Company provides methods of coordination between the various parties involved in the internal control and risk management system (Board, Director in charge of supervising the operation of the internal control and risk management system, Control, Risks and Sustainability Committee, Board of Statutory Auditors, Supervisory Body, the Head of the Internal Audit Function, the Manager in charge of Financial Reporting, independent auditors and other corporate roles and functions with specific tasks regarding internal control and risk management), to maximise the efficiency of the internal control and risk management system and to reduce duplication of activities, as required by the Code.

As PLC Directors are members of the Control, Risks and Sustainability Committee, and by participating in the Board meetings, they always have constant knowledge of the performance of the corporate activity on the one hand, while, on the other, they constantly inform the Board, during its meetings, of the activities carried out by the Committee.

Moreover:

- (a) the Head of the Internal Audit Function periodically participates in meetings of the Control, Risks and Sustainability Committee and sends the Audit Reports relating to the audits directly to the interested parties within the Company. They report on the outcome of the audits and the follow-ups carried out to the relevant control bodies, including the Control, Risks and Sustainability Committee;
- (b) the Board of Statutory Auditors routinely participates in the Control, Risks and Sustainability Committee meetings.

The coordination between the subjects listed above is carried out through continuous discussion also in specific, periodic meetings, in which the individuals report on the activity carried out in the single reference period.

10. DIRECTORS' INTERESTS AND TRANSACTIONS WITH RELATED PARTIES

On June 28, 2021, the Board updated the "*Procedure for Related Party Transactions*", which entered into force on July 1, 2021, in compliance with the requirements laid down by the applicable laws and regulations.

The RPT Procedure - also considering the current composition of the internal board committees - provides that the RPT Committee (as defined in the aforementioned RPT Procedure) shall be composed, regardless of the value of the transaction with related parties, of three unrelated independent directors who are identified, depending on the subject matter under examination, with the members of the Control, Risks and Sustainability Committee or the Appointments, Remuneration and Stock Option Plans Committee.

The RPT Procedure, which implements the definitions, principles and guidelines contained in the Consob Regulations on Related Party Transactions is available on the institutional website and includes, among other things:

- i. the establishment of a register by the Company, in which the related parties of the Group are included;
- ii. the distinction between:
 - a) transactions of greater relevance, or those in which at least one of the "relevance indices" envisaged (value relevance index, asset relevance index and liability relevance index), is greater than the 5% threshold;
 - b) transactions of small amounts, or those in which the relevance indices referred to in the previous letter a), applicable according to the specific transaction, are below the threshold: (i) equal to Euro 80,000.00 in the case of contracts concluded with Related Parties who are physical persons; (ii) equal to Euro 160,000.00 in the case of contracts concluded with Related Parties who are legal entities;
 - c) transactions of lesser relevance, or by exclusion those other than the previous ones;
 - d) transactions of greater relevance following the accumulation of transactions;
- iii. the regulation, both of the composition and of the operation of the Related Parties Committee, whose functions were assigned by the Board most recently on May 9, 2024, to the Control, Risks and Sustainability Committee and/or to the Appointments, Remuneration and Stock Option Plans Committee depending on the competence for the subject of the approved transaction and as better illustrated above;

- iv. the provision, due to its qualification as a smaller company pursuant to the Consob Related Party Regulation, that the procedure for approving transactions with related parties (which are not the responsibility of the Shareholders' Meeting, for which there are ad hoc provisions, and must not be authorised by it) is the same for both the transactions of greater relevance and for transactions of lesser relevance.

The procedure distinguishes, *inter alia*:

- a) specific procedures for transactions with related parties put in place by the Issuer's subsidiaries;
- b) the possibility of adopting framework resolutions relating to a series of homogeneous transactions with certain categories of related parties;
- c) exclusion from the application of the procedure in question:
 - (i) to Shareholders' Meeting resolutions:
 - referred to in art. 2389, first paragraph, of the Italian Civil Code, relating to the remuneration due to the members of the Board of Directors and the executive committee if appointed;
 - regarding the remuneration of directors vested with particular offices falling within the total amount previously determined by the Shareholders' Meeting pursuant to art. 2389, third paragraph, of the Italian Civil Code;
 - concerning the remuneration of the members of the Board of Statutory Auditors pursuant to art. 2402 of the Italian Civil Code;
 - (ii) to transactions involving a small amount, as defined therein.
 - (iii) to transactions approved by the Company and addressed to all Shareholders on equal terms, including:
 - capital increases with option rights, also in the service of convertible bond loans, and free share capital increases provided for in art. 2442 of the Italian Civil Code;
 - full or partial demergers strictly speaking, with proportional share allocation criteria; and
 - the reduction of the share capital by reimbursement to shareholders provided for in art. 2445 of the Italian Civil Code and purchases of treasury shares pursuant to art. 132 of the Consolidated Law on Finance;
 - (iv) the share-based compensation plans approved by the shareholders' meeting pursuant to art. 114-*bis* of the Consolidated Law on Finance and the related executive transactions;
 - (v) to resolutions, other than those indicated above, regarding the remuneration of directors vested with particular offices, as well as other executives with strategic responsibilities, provided that
 - (i) the Company has adopted a remuneration policy, with the involvement of the Company's Appointments, Remuneration and Stock Option Plans Committee, consisting exclusively of non-executive directors, the majority of whom are independent, approved by the Shareholders' Meeting;
 - (ii) the remuneration awarded is identified in accordance with this policy and quantified based on criteria that do not involve discretionary assessments;
 - (vi) to ordinary transactions concluded at conditions equivalent to those of the market;
 - (vii) to transactions carried out with or between subsidiaries, including jointly, as well as transactions with associates, if there are no significant interests of other related parties of the Company in

the subsidiaries or associated counterparties to the transaction. The assessment of the significance of the interests will be carried out by the Company from time to time, based on any equity and/or shareholding relations between the subsidiaries or associates and the other related parties of the Company.

The RPT Committee carries out the tasks assigned to it by the RPT Procedure and, in particular, holds an advisory and proposal-making role for the Board of Directors on RPT matters, also being able to make proposals to the Board of Directors regarding the amendment and/or revision of the RPT Procedure. Furthermore, the RPT Committee is called upon to verify - based on the information received from the Company - the correct application of the RPT Procedure and, in particular, the correct application of the conditions of exemption for transactions of greater relevance, as required by art. 10 of the RPT Procedure.

For the purpose of carrying out its duties, the RPT Committee may request the assistance of the Company's internal functions relevant for this purpose, or request and obtain the information deemed necessary.

The RPT Committee may be assisted, at the Company's expense, by one or more independent experts of its choice, as identified in the RPT Procedure.

To perform its activities, the RPT Committee may be recognised by the Board of Directors an annual budget to be included in the Company's budget, the use of which the RPT Committee will subsequently provide appropriate reporting during the next Board of Directors' meeting after its use. In this case, the expenses for independent expert opinions exceeding the amount established by the Board of Directors must be communicated in advance to the Chief Executive Officer or the Chairman of the Board of Directors.

For further details, please refer to the aforementioned RPT Procedure, available at the following link: procedura-operazioni-con-parti-correlate.pdf (plc-spa.it).

In accordance with the provisions of Article 2391 of the Civil Code, the directors who have an interest (on their own behalf or on behalf of third parties, even potential or indirect) in the Company's operations, promptly and fully inform the Board about the existence and nature of this interest; communication can be made in any way, even orally, during board meetings, or by sending a written memorandum to the Chairman of the Board of Statutory Auditors.

If the Chief Executive Officers have an interest, they shall refrain from carrying out the transaction in question and refer the matter to the Board.

There were two meetings of the RPT Committee during the Financial Year.

11. BOARD OF STATUTORY AUDITORS

11.1 Appointment and replacement

With reference to the appointment and replacement of the members of the Board of Statutory Auditors, art. 18 of the Articles of Association provides as follows:

"The Shareholders' Meeting shall appoint the Board of Statutory Auditors, composed of three standing members and two alternate members, who may be re-elected, and shall determine their remuneration. The powers, duties and duration shall be those laid down by law.

The Statutory Auditors must meet the requirements of current legislative and regulatory provisions.

The appointment of Statutory Auditors is carried out based on lists submitted by the Shareholders in accordance with the procedures set out in the following paragraphs, to ensure that the minority can appoint one standing Statutory Auditor and one alternate Statutory Auditor, and in compliance with the currently applicable regulations governing gender balance.

The lists, which contain the names, marked with a progressive number, of one or more candidates, indicate whether each candidate is nominated for the office of Standing Auditor or for the office of Alternate Auditor.

The lists shall contain a number of candidates not exceeding the number of members to be elected. Each candidate may appear on only one list under penalty of ineligibility.

Lists with a total number of candidates equal to or greater than three must consist of candidates belonging to both genders so that at least two fifths belong to the less represented gender in the same list, (this number is rounded up to the next higher unit, except for lists consisting of three candidates), or the different percentage required by the current pro tempore legislation, for candidates for the office of standing Auditor as well as the candidates for the office of alternate Auditor.

Lists may be presented by Shareholders who, alone or together with others, own a total number of shares with voting rights representing at least 2.5% (two point five per cent) of the share capital with voting rights in the Ordinary Shareholders' Meeting or, if different, the maximum percentage that may be permitted or referred to by law or regulations.

Each member, the shareholders subscribing to a relevant shareholders' agreement pursuant to art. 122 of Legislative Decree no. 58/1998, the parent company, subsidiaries and companies subject to joint control may not present or contribute to the presentation, even though a third party or trust company, of more than one list, nor may they vote for different lists, and each candidate may appear on one list only, on pain of ineligibility. Subscriptions and votes expressed in violation of this prohibition shall not be assigned to any list.

The lists, signed by those who present them, must be deposited at the registered office of the Company at least twenty-five days before the date set for the Shareholders' Meeting on first call, and this will be mentioned in the notice of call, without prejudice to any further forms of publicity and without prejudice to further and different terms prescribed by the rules and regulations in force at the time.

Without prejudice to compliance with any further procedural responsibility prescribed by the laws and regulations in force, together with each list, the shareholders must at the same time submit to the company's registered office:

- (i) information on the identity of the shareholders who submitted the lists, indicating the total percentage of shareholding held;*
- (ii) exhaustive information on the professional and personal characteristics of each candidate, the declarations in which the individual candidates accept their nominations and certify, under their own responsibility, that there are no reasons for ineligibility or incompatibility, as well as the existence of the requirements prescribed by current legislation for holding the office of auditor and the list of any administration and control positions held in other companies;*

- (iii) a declaration by the shareholders other than those who hold, even jointly, a controlling interest or a relative majority, certifying the absence of any relationship as provided for in art. 144-quinquies of Consob Regulation 11971/99 with the latter.

The first two candidates on the list that obtains the highest number of votes and the first candidate on the list that will be second in number of votes and that is not connected, even indirectly, with those who presented or voted for the list that obtained the highest number of votes will be elected as standing auditors.

The first alternate candidate on the list obtaining the highest number of votes and the first alternate candidate on the list obtaining the second highest number of votes pursuant to the preceding paragraph shall be elected as Alternate Auditors.

In the event of a tie between two or more lists, the eldest candidates shall be elected as Statutory Auditors until the number of posts to be filled is reached.

If the composition of the Board of Statutory Auditors is not ensured by the methods indicated above, in its standing members, in compliance with the currently applicable regulations concerning gender balance, the necessary replacements will be made, within the candidates for the office of standing auditor on the list that obtained the highest number of votes, according to the progressive order in which the candidates are listed.

The Chairman of the Board of Statutory Auditors shall be the candidate on the list that received the second highest number of votes, in accordance with the provisions of the preceding paragraphs.

If only one list is proposed or no list is proposed or if only lists are presented by persons who hold, even jointly, a controlling interest or relative majority and/or persons associated with the latter pursuant to the provisions of art. 144-quinquies of Consob Regulation 11971/99, the candidates on the list itself or those voted by the Shareholders' Meeting shall be elected Standing and Alternate Auditors, provided that they obtain a relative majority of the votes cast at the Shareholders' Meeting, without prejudice to compliance with the currently applicable regulations regarding gender balance.

In the event of termination of the office of an Auditor, the alternate auditor belonging to the same list as the auditor to be replaced shall take over.

If the regulatory and/or statutory requirements are no longer met, the Auditor shall cease to hold office.

In the event of the replacement of an Auditor, the alternate auditor belonging to the same list as the outgoing auditor shall take over, or, failing that, in the event of the cessation of the minority auditor, the candidate subsequently placed on the same list to which the outgoing auditor belonged or, alternatively, the first candidate on the minority list that obtained the second highest number of votes.

It is understood that the chairmanship of the Board of Statutory Auditors will remain in the hands of the minority auditor and that the composition of the Board of Statutory Auditors must comply with the currently applicable rules regarding gender balance.

When the Shareholders' Meeting is required to appoint standing and/or alternate auditors to complete the Board of Statutory Auditors, the following procedure shall be followed: if it is necessary to replace auditors elected from the majority list, the appointment shall be made by a relative majority vote without list constraints; if, on the other hand, it is necessary to replace auditors elected from the minority list, the Shareholders' Meeting shall replace them by a relative majority vote, choosing them from among the candidates indicated on the list

of which the auditor to be replaced was a member, or on the list of minority shareholders that received the second highest number of votes.

If the application of these procedures does not allow, for any reason, the replacement of the auditors appointed by the minority, the Shareholders' Meeting shall proceed with a relative majority vote; however, in ascertaining the results of the latter vote, the votes of the shareholders who, according to the communications made pursuant to current regulations, hold, even indirectly or jointly with other shareholders who are parties to a relevant shareholders' agreement pursuant to art. 122 of Legislative Decree no. 58/1998, the relative majority of the votes that can be exercised at the Shareholders' Meeting, as well as of the shareholders who control, are controlled or are subject to joint control by the same or by the shareholders in a relationship whereby there is a significant influence with the shareholders who hold, even jointly, a controlling or relative majority shareholding pursuant to art. 144-quinquies of Consob Regulation 11971/99, shall not be included.

The replacement procedures referred to in the preceding paragraphs must in any case ensure compliance with the current rules on gender balance.

The members of the Board of Statutory Auditors attend the Shareholders' Meetings and the meetings of the Board of Directors and the Executive Committee, where established.

The Board of Statutory Auditors must meet at least every ninety days.

Meetings of the Board of Statutory Auditors may also be held by audio or video conference, provided that all participants can be identified and are allowed to follow the discussion and take part in real time in the discussion of the issues addressed. If these requirements are met, the Board of Statutory Auditors is considered to be held at the registered office, where at least one auditor must be present. The subjects strictly related to the activity of the company are: financial market law, commercial law, architecture, engineering."

The members of the Board of Statutory Auditors are elected from lists of candidates put forward by shareholders or shareholder groups that hold at least 2.5% of the share capital (a percentage determined annually by the executive decision of the Head of the Corporate Governance Division of Consob).

In addition to the provisions of the Consolidated Law on Finance applicable from time to time, the Issuer is not subject to the application of further rules.

11.2 Composition and operation of the Board of Statutory Auditors (pursuant to art. 123-bis, paragraph 2, letter d) and d-bis), TUF)

The Ordinary Shareholders' Meeting of the Company, on April 29, 2024, appointed, as members of the Board of Statutory Auditors of the Company, who remain in office for three financial years and, therefore, until the date of approval of the financial statements at December 31, 2026, two candidates proposed from the list filed by the Shareholder Fraes S.r.l., holder of 73.53% of the share capital of the Company, as well as the Chairman of the Board of Statutory Auditors, the first candidate from the list presented by the Shareholder Gardil S.r.l., also on behalf of the other Shareholders adhering to the shareholders' agreement referred to in paragraph 2 g) above.

The *quorum* required for the submission of lists on the occasion of the last appointment was 2.5%, as established by Consob resolution no. 92 of January 31, 2024.

The Board of Statutory Auditors met 19 times during the Financial Year.

The average duration of the Board of Statutory Auditors' meetings for the Financial Year was 93 minutes.

At the time of their appointment, the Shareholders' Meeting verified that the Statutory Auditors met all the requirements laid down by current legislation for taking office and the Board of Statutory Auditors in office at the date of this Report annually assessed the continued independence of its members, also in the light of all the criteria set out in the Code for Directors.

During its meeting on May 20, 2024, the Board of Directors approved the quantitative and qualitative criteria for assessing the significance of relevant circumstances according to the Code for the purpose of evaluating independence. These criteria will also apply in relation to the Board of Statutory Auditors, except for any future modifications to them.

The assessment of the continuity of the independence requirements was lastly carried out by the Board of Statutory Auditors, again with positive outcome, at the meeting of March 17, 2025, and this was duly highlighted in the meeting of the Board of Directors on March 27, 2025.

While conducting the assessments, the Board of Statutory Auditors considered the information provided by each member of the Board, evaluating all the circumstances that might have compromised independence as identified by the TUF and the Code, and applying all the criteria set by the latter for the independence of directors.

Considering the size of the Company and the activities it carries out, the composition of the Board is adequate to ensure the independence and professionalism of its function, due to the high standing of its members in terms of previous action, professional experience and appropriate knowledge of the Issuer's sector of operations.

It should be noted that, because of the entry into force of Legislative Decree no. 39 of January 27, 2010, the Board of Statutory Auditors is vested with the following functions:

- examines the work plan prepared by the Head of the Internal Audit Function as well as the periodic reports prepared by him;
- evaluates the proposals made by the independent auditors to obtain assignment of the relevant engagement, as well as the work plan prepared for the audit and the results set out in the report and in any letter of suggestions;
- supervises the effectiveness of the audit process.

The Issuer believes that the current remuneration of the Statutory Auditors is commensurate with the commitment required as well as with the sector and size characteristics of the company.

The Issuer's Board of Statutory Auditors adheres to art. 6, Recommendation 37 of the Code so the Auditor who, on his/her own behalf or on behalf of third parties, has an interest in a specific transaction by the Issuer must promptly and comprehensively inform the other Auditors and the Chairman of the Board about the nature, terms, origin and extent of his interest.

During the Financial Year, the Board of Statutory Auditors monitored the independence of the independent auditors, verifying both compliance with the relevant legal provisions and the nature and extent of non-auditing

services provided to the Issuer and its subsidiaries by the independent auditors themselves and by entities belonging to their network.

During the Financial Year, the Board of Statutory Auditors coordinated with the Company's Control, Risks and Sustainability Committee, planning in most cases joint meetings through the participation of the Chairman and/or at least one of its members in the meetings of the Control, Risks and Sustainability Committee.

The Board of Statutory Auditors has regularly coordinated both with the Internal Audit Function and with the Company's Supervisory Body.

At the date of this Report, the composition of the Company's Board of Statutory Auditors is as follows:

Post held	Member	Year of birth	Date of first appointment	In office from	In office until	List	Independence as per Code	Participation to meetings of the Board	Number of other positions
Chairman	Luca Sintoni	1985	April 29, 2024	April 29, 2024	Approval of the 2026 Financial Statements	m	X	11/11	31
Standing Auditor	Marco Andrea Centore	1982	April 29, 2024	April 29, 2024	Approval of the 2026 Financial Statements	M	X	11/11	19
Standing Auditor	Anna Maria Bortolotti	1958	April 29, 2024	April 29, 2024	Approval of the 2026 Financial Statements	M	X	11/11	23
Alternate Auditor	Paola Florita	1966	April 29, 2024	April 29, 2024	Approval of the 2026 Financial Statements	m	X	0	11
Alternate Auditor	Lucia Tacchino	1979	April 29, 2024	April 29, 2024	Approval of the 2026 Financial Statements	M	X	0	19

In accordance with art. 2, Recommendation 8 of the Code, one third of the control body, where autonomous, is made up of members of the least represented gender. The Company has not applied other diversity criteria or adopted specific policies on diversity in relation to the composition of the administration and control bodies. Additionally, the Company plans to initiate efforts in 2025 to create and enforce a distinct policy on diversity and inclusion, so as to formalise its commitments in these areas in a dedicated document, which are already somewhat mirrored in the various documents constituting the internal control system.

Regarding the induction programmes dedicated to the Board of Statutory Auditors, it is reiterated that the training session already indicated in Section 4.5 of this Report was also attended by the Board of Statutory Auditors.

Information is provided below on the personal and professional characteristics of each member of the Board of Statutory Auditors at the closing date of the 2024 Financial Year.

Luca Sintoni

Born in Ferrara on July 15, 1985, Luca Sintoni graduated in Economics and Business Law from L. Bocconi University in Milan in 2009. He joined the Order of Chartered Accountants and Accounting Experts of Milan in 2014 and is registered in the Register of Statutory Auditors by Ministerial Decree June 23, 2014.

He is a professional with robust academic credentials and extensive experience in corporate law, taxation, and accounting.

Since 2010, he has served as an adjunct professor for the Budget and Budget Analysis courses at the Università Commerciale L. Bocconi in Milan. He is a Chartered Accountant and Statutory Auditor with a practice in Milan, specialising in both regular and exceptional tax, accounting, and corporate consulting.

Marco Andrea Centore

Born on June 28, 1982, graduated in Economics - Finance and Control; registered with the Order of Chartered Accountants and Accounting Experts.

He is a professional with experience in business consulting, tax, and legal auditing. He is a partner of the Firm Centore Accountants & Lawyers. He has held numerous institutional positions, including being a member of the Council of the Order of Chartered Accountants of Genoa and a member of committees of the National Council. Currently, he is a statutory auditor, independent director and auditor in several companies, including listed companies.

Anna Maria Bortolotti

Born in Bologna on October 2, 1958; graduated in Economics and Commerce from the University of Bologna (1982, 110/110 *cum laude*); enrolled in the Order of Chartered Accountants and Accounting Experts of Bologna since 1983; registered in the Register of Statutory Auditors with Ministerial Decree April 12, 1995.

She is a seasoned professional with extensive experience in corporate and tax consultancy, statutory audit, and extraordinary transactions. She is a founder of Studio Professionale Associato Bortolotti, Bolognese, Zambon, Maestri. She has held numerous institutional positions, including being a member of the Council of the Order of Chartered Accountants of Bologna and a member of committees of the National Council. Currently, she is statutory auditor, independent director and auditor in several companies, including listed and infrastructure companies.



Paola Florita

Born in Busto Arsizio on July 1, 1966; graduated in Economics and Commerce from the Catholic University of Milan (1990); enrolled in the Order of Chartered Accountants and Accounting Experts of Milan since 1993; registered in the Register of Statutory Auditors with Ministerial Decree April 12, 1995.

She is a professional with extensive experience in the tax, corporate, and auditing sectors. Since 2002, she has been a founding member of the Studio Associato Tributario e Societario Capellini Secchi Saviotti Florita. She holds positions of statutory auditor, sole statutory auditor, and chairwoman of boards of statutory auditors in numerous companies, both Italian and belonging to international groups. She specialises in tax consultancy, extraordinary transactions, tax planning, and tax litigation.

Lucia Tacchino

Born in Genoa on April 18, 1979; graduated *cum laude* in Economics and Commerce - specialising in business - at the Faculty of Economics and Commerce of the University of Genoa in May 2003.

Since 2009, she has been enrolled in the Register of Chartered Accountants of Genoa. Enrolled in the Register of Statutory Auditors with effect from 2009.

PhD in Economics from the University of Genoa - XXIX Cycle - School of Social Sciences - Faculty of Economics from 04.21.2017.

She is a seasoned professional with extensive experience in corporate and tax consultancy, statutory audit, and extraordinary transactions. Currently, she is a statutory auditor, independent director and auditor in several companies, including a listed company.

Below is also a list of other director and auditor positions held by Statutory Auditors in other companies:

Member	List of offices
Luca Sintoni	<ol style="list-style-type: none"> 1. Margherita Distribuzione S.p.A. - Statutory Auditor 2. Bending Spoons S.p.A. - Chairman of the Board of Statutory Auditors 3. Bending Spoons Operations S.p.A. - Chairman of the Board of Statutory Auditors 4. Bending Spoons Holdings S.p.A. - Chairman of the Board of Statutory Auditors 5. Oak Tree S.r.l. - Chairman of the Board of Directors 6. White Oak S.r.l. - Sole Director 7. Roomstreams S.r.l. - Sole Director 8. Bdc Italia S.p.A. - Statutory Auditor 9. Felis S.r.l. - Sole Director 10. Cortilia S.p.A. benefit company - Statutory Auditor 11. Flash S.p.A. - Member of the Management Control Committee 12. 1000Farmacie S.p.A. - Chairman of the Board of Statutory Auditors 13. TopLife S.r.l. - Statutory Auditor 14. Queen's S.p.A. - Chairman of the Board of Statutory Auditors 15. Seventeen S.r.l. - Sole Director 16. Rise S.r.l. - Sole Director 17. GC Advisory S.r.l. - Sole Director 18. Innoventitre S.r.l. - Sole Director 19. GB5 S.r.l. - Sole Director 20. Naco S.r.l. - Sole Statutory Auditor 21. M Holdings S.r.l. - Sole Statutory Auditor 22. Società Agricola Sensano S.r.l. - Sole Statutory Auditor 23. Asset Luce S.r.l. - Liquidator 24. Mcf88 S.r.l. - Auditor 25. Enginko S.r.l. - Auditor 26. Blastness S.p.A. - Statutory Auditor 27. Blastness Group S.p.A. - Statutory Auditor 28. G.I.FI.ZE. Gruppo Industriale Filicori Zecchini S.p.A. - Statutory Auditor 29. Appia Joint Venture S.p.A. - Chairman of the Board of Statutory Auditors 30. 777 S.r.l. - Chairman of the Board of Directors 31. 29 Holding S.r.l. - Sole Director
Marco Andrea Centore	<ol style="list-style-type: none"> 1. Cameltech S.p.A. Chairman of the Board of Statutory Auditors 2. Timossi Commerciale S.p.A., Statutory Auditor 3. C.A.I. Creazioni Ambientali Innovative S.p.A. Statutory Auditor 4. Ecotrade Societa' per Azioni, Statutory Auditor 5. Six Italia - Societa' per Azioni, Statutory Auditor 6. Exacto Societa' Per Azioni, Alternate Auditor 7. Immobiliare Terra Di Levante S.R.L. Director 8. Un'altra Storia - Societa' Cooperativa, Alternate Auditor 9. Medov Logistics S.R.L. Statutory Auditor 10. Aedes S.P.A. Member of the Management Control Committee 11. Lavip S.R.L. Director 12. Timossi Investimenti Societa' per Azioni, Statutory Auditor 13. Officina Dell'Ambiente S.P.A. Statutory Auditor 14. H & Friends Gtl It S.P.A. Alternate Auditor 15. Gruppo Investimenti Portuali S.r.l. Chairman of the Board of Statutory Auditors 16. Delca Energy S.R.L. Statutory Auditor

	17. S.T.C. Di Revisione A R.L. Director-Chief Executive Officer 18. Reconta S.A.S. Limited Partner 19. A.D.R. - S.p.A. Statutory Auditor
Anna Maria Bortolotti	1. AREA S.P.A. Standing Auditor 2. AZIMUT CAPITAL MANAGEMENT SGR S.P.A. Independent director 3. AZIMUT HOLDING S.P.A. Independent director 4. AZIMUT LIBERA IMPRESA SGR S.P.A. Independent director 5. BOERO BARTOLOMEO S.P. A. Standing Auditor 6. COMPAGNIA PORTUALE S.R.L. Standing Auditor 7. FHP TERMINAL CARRARA S.P.A. Standing Auditor 8. F2I LIGANTIA S.P.A. Standing Auditor 9. F2I PORTI S.R.L. ODV 10. F2I PORTI S.R.L. Standing Auditor 11. ANGELO MANGIAROTTI FOUNDATION Control Body 12. FONDAZIONE CINETECA DI BOLOGNA Auditor 13. GEASAR S.P.A. Standing Auditor 14. GESAC S.P.A. Standing Auditor 15. IGS S.P.A. - (ITALGAS STORAGE S.P.A) Standing Auditor 16. MADE ITALIA S.P. A Chairwoman of the Board of Statutory Auditors 17. MALOSSO S.P.A. Chairwoman of the Board of Statutory Auditors 18. MARTERNERI S.P.A. Standing Auditor 19. MULTI SERVICE S.R.L. Standing Auditor 20. OTTORINO NONFARMALE S.R.L. Director 21. POLIGRAFICI PRINTING S.P. A Standing Auditor 22. SO.RI.MA. S.R.L. Standing Auditor 23. TRANSPED S.R.L. Standing Auditor
Paola Florita	1. Designelementi S.r.l. Sole Statutory Auditor 2. Experis S.r.l. Sole Statutory Auditor 3. ASG Scarl Standing Auditor 4. Bending Spoons Holdings S.p.A. Standing Auditor 5. Bending Spoons Operations S.p.A. Standing Auditor 6. Eni Mozambique S.p.A. Chairwoman of the Board of Statutory Auditors 7. Eni Natural Energies Italia S.r.l. Chairwoman of the Board of Statutory Auditors 8. Professional Dietetics S.p.A. Chairwoman of the Board of Statutory Auditors 9. Appia Joint Venture S.p.A. Standing Auditor 10. Paris S.r.l. Auditor 11. Iera S.r.l. Auditor
Lucia Tacchino	1. Elettracqua Societa' a Responsabilita' Limitata, Standing Auditor 2. Impresa Costruzioni Appalti Marittimi I.C.A.M. - Societa' a Responsabilita' Limitata, Auditor 3. Genuensis di Revisione-S.p.A. Alternate Auditor 4. Unistara S.p.A. Standing Auditor 5. Aeroporto di Genova S.p.A. Standing Auditor 6. Costruzioni E Restauri S.r.l. Auditor 7. Un'altra Storia - Societa' Cooperativa, Standing Auditor 8. Hydra Energia S.r.l. Sole Statutory Auditor 9. San Giorgio Gestione Patrimoniale S.r.l. Sole Statutory Auditor 10. Aedes Società Anonima Ligure per Imprese e Costruzioni per Azioni, Member of the Management Control Committee

	11. Sophia Sustainability Consulting S.r.l. Societa' Benefit Sole Director
	12. Salati Armando S.p.A. Alternate Auditor
	13. Essegei S.p.A. Alternate Auditor
	14. Energia Pulita S.r.l. Alternate Auditor
	15. Fin 01 S.p.A. Alternate Auditor
	16. San Carlo 1927 S.p.A. Alternate Auditor
	17. Iren S.p.A. Alternate Auditor
	18. Traghetti del Mediterraneo S.p.A, Alternate Auditor
	19. Aziende Dolciarie Riunite Societa' per Azioni per Brevita' A.D.R. - S.p.A. Standing Auditor

11.3 Role

The Board of Statutory Auditors is the internal control body that verifies the presence and compliance with all necessary measures for the correct management by the Company. In particular, the Board of Statutory Auditors oversees:

- the compliance with the Law and the Articles of Association;
- the observance of legal, procedural, and good governance principles, monitoring compliance with applicable regulations and the proper conduct of directors' decision-making processes, ensuring they acquire the necessary information to make decisions, that resolution proposals are backed by adequate documentation, and that decisions align with the Company's strategic objectives and are based on appropriate economic, capital, and financial plans;
- the suitability of the Company's organisational structure in relation to its size and complexity, the management processes in place, and the procedures designed to ensure an appropriate level of competence and accountability in the delegation of functions;
- the adequacy and effectiveness of the Internal Control and Risk Management System;
- the adequacy of the administrative-accounting system, as well as the reliability of the latter in correctly representing management facts, monitoring the financial reporting and sustainability process, the statutory audit, and the independence of the audit firm. In pursuit of this goal, the Board of Statutory Auditors maintains a regular flow of information with the independent auditors and gathers information from the Appointed Executive, verifying the accuracy of the process followed by the Company. It is responsible for overseeing the procedure aimed at selecting the independent auditors and informs the Board of Directors about the outcome of the statutory audit;
- the concrete implementation of the corporate governance rules provided by the codes of conduct to which the Company claims to adhere;
- the adequacy of the provisions issued by the Company to subsidiaries pursuant to art. 114, paragraph 2 of the Consolidated Law on Finance;
- that the procedures adopted by the Company regarding transactions with related parties comply with the regulations and ensure the correct and transparent management of the transactions carried out. The members of the Board of Statutory Auditors attend the assemblies and participate in the meetings of the Board of Directors and its Committees. In performing their supervisory duties, they establish information flows with members of the Board of Directors, the independent auditors, the Internal Audit

Function, the Supervisory Body, the administrative and control bodies of subsidiaries, the designated manager, and the internal board committees, in which at least one member of the Board usually participates.

During the Financial Year, the Company's Board of Statutory Auditors fulfilled its supervisory roles in accordance with applicable legislation and the responsibilities assigned to it by the Company. It contributed to the dissemination of a corporate culture focused on sustainability and compliance with regulations by consistently engaging with internal functions, the Company's Supervisory Body, and external stakeholders. During the Financial Year, the Board of Statutory Auditors met regularly, addressing relevant issues and documenting its activities in the minutes of the meetings, while paying particular attention to the following areas:

- verification of compliance and regulatory and organisational evolution;
- supervision of compliance with the correct performance of the process regarding transactions with related parties;
- monitoring the regulatory compliance and quality of the Board's decision-making process, examining its independence and competence, through a timely verification of the process of evaluating the independence of the directors;
- verification of the adequacy of company procedures and documents and compliance with regulatory requirements and best practice in governance;
- updates on tax obligations;
- monitoring of actions to improve the Internal Control and Risk Management System: updates on the activities of the Internal Audit function, on the status of corrective actions, and on Group risks;
- monitoring the economic-financial and administrative situation of the Group and supervising the financial reporting process through periodic sessions with management and other relevant stakeholders, including the Manager in charge;
- supervision of the financial statements processes, including the Sustainability Report, through periodic meetings with the independent auditors for the analysis of the separate and consolidated financial statements and the work related to the preparation of the Sustainability Report;
- updates on credit lines, loans, and insurance policies;
- preparation of the report for the Shareholders' Meeting;
- examination regarding the proper fulfilment of pre- and post-meeting activities;
- monitoring of the activities carried out in the field of sustainability and the related reporting.

12. RELATIONS WITH SHAREHOLDERS AND OTHER RELEVANT STAKEHOLDERS

The Issuer has set up a special section within its website in which the information concerning the Issuer that is relevant to its shareholders is made available to interested parties, so as to allow said Shareholders to consciously exercise their rights.

At the date of this Report, the Issuer has identified Mr. Simone Albertazzi as the person responsible for managing relations with Shareholders (Investor Relations).

In compliance with art. 1, Recommendation 3 of the Code, the Board of Directors, on the proposal of the Chairman, formulated in agreement with the Chief Executive Officer, adopted on January 26, 2022 the *"Policy for managing dialogue with the entirety of shareholders"* (the **"Dialogue Policy"**), also considering the engagement policies adopted by institutional investors and asset managers.

The Issuer has always endeavoured to make access to the information of relevance to its Shareholders timely and easy, highlighting its publication on the home page of its institutional website.

The Dialogue Policy is an integral part of the set of documents that make up the Company's internal control system and is published on the Company's website (<http://www.plc-spa.it>) in the "Investor relations/Corporate Governance/Dialogue with Shareholders" section, to which reference should be made for more details.

The Chairman of the Board ensured the Board with sufficient and correct periodic information regarding the development and significant elements of the dialogue with all shareholders.

13. SHAREHOLDERS' MEETINGS

During the Financial Year, a single Shareholders' Meeting was held on April 29, 2024, the minute of which was regularly published on the Company's website and in which the following members of the Board in office took part, in the prescribed forms: the Chairman of the Board of Directors, Francesco Esposito, the Chief Executive Officer, Diego Percopo; and the Directors, Chiara Esposito, Andrea Sassi, Graziano Gianmichele Visentin and Marina D'Artibale. The Director Claudia Crivelli was excused.

All the members of the Board of Statutory Auditors in office also took part in the Shareholders' Meeting in the prescribed form: Chairman of the Board of Statutory Auditors, Massimo Invernizzi, Claudio Sottoriva and Maria Francesca Talamonti.

With reference to the Financial Year, no Shareholder has made proposals on topics not already covered by the Board of Directors, in the specific illustrative report, drawn up in accordance with the law, for the benefit of the Shareholders' Meeting.

The Board, through the CEO, reported to the Shareholders' Meeting on the activities undertaken and planned, and has made efforts to provide Shareholders with adequate information about the elements necessary for them to be able to take informed decisions in the Shareholders' Meeting.

The texts of the Articles of Association governing the mechanisms for the functioning of the Shareholders' Meeting, its main powers, the rights of Shareholders and the manner in which they are exercised are shown below. It should be noted that, to date, the Articles of Association do not contemplate the possibility that the Shareholders' Meeting may be held with the exclusive intervention of the appointed Representative.

"Article 8 - Convening

The Shareholders' Meeting, legally convened and validly constituted, represents all shareholders and its resolutions, taken in accordance with the law and these Articles of Association, oblige all shareholders, even if absent or dissenting.

The Shareholders' Meeting is convened by the current Board of Directors by means of a notice, containing the information required by current legislation, to be published within the terms of the law:

- on the Company's website;
- with the other methods provided for by the rules and regulations in force at the time.

The Shareholders' Meeting may also take place outside the municipality in which the registered office is located, provided that it is in Italy or, if abroad, in another member state of the European Union.

The same call notice may indicate the date for the second and, in the case of an Extraordinary Shareholders' Meeting, the third call, if the portion of the share capital required to pass resolutions is not present at the previous meetings. In the absence of such an indication, the Shareholders' Meeting on second and/or third call must be reconvened in the manner and within the time limits required by law.

The Board of Directors may decide, if it deems it appropriate, that the Ordinary and Extraordinary Shareholders' Meetings be held following a single call. In the case of a single call, the majorities required by law shall apply.

The Shareholders' Meeting is Ordinary and Extraordinary and resolves on matters reserved to it by law or by the Articles of Association.

The Ordinary Shareholders' Meeting must be convened at least once a year within 120 days of the end of the financial year or, if the company is required to prepare consolidated financial statements or if particular requirements relating to the structure and purpose of the company so require, within 180 days of the end of the financial year.

In the report provided for under art. 2428 of the Italian Civil Code the reasons for this postponement are outlined by the Directors.

As an exception to the provisions of art. 104, paragraph 1, of Italian Legislative Decree no. 58 of February 24, 1998, if the Company's securities are the subject of a take-over and/or exchange offer, the authorisation of the shareholders' meeting is not required for the performance of acts or transactions that may counteract the achievement of the objectives of the offer, during the period between the communication referred to in art. 102, paragraph 1, of the same Decree and the closure of the offer.

As an exception to the provisions of art. 104, paragraph 1-bis, of Italian Legislative Decree no. 58 of February 24, 1998, the authorisation of the shareholders' meeting is not necessary even for the implementation of any decision taken before the beginning of the period indicated in the previous paragraph which has not yet been implemented in whole or in part, which does not fall within the normal course of the Company's activities and whose implementation may counteract the achievement of the objectives of the offer.

Unless otherwise provided for by the law and the relevant regulatory provisions, the Board of Directors shall convene the Shareholders' Meeting within thirty days of the request when requested by shareholders representing at least five per cent of the share capital.

The request must be sent to the Chairman of the Board of Directors by registered letter and must contain a list of the items to be discussed and an indication of the requesting Shareholders, attaching appropriate certification, in accordance with the laws and regulations in force, attesting to the individual shareholdings at the date of sending of the request.

The Shareholders' Meeting may be called by the Board of Statutory Auditors, subject to prior notification to the Chairman of the Board of Directors, if this power is exercised by at least two members of the said Board.

Article 9 - Right to attend and representation

The Shareholders' Meeting may be attended by those who demonstrate they are legitimately entitled to do so in accordance with the procedures provided for by current legislation. Those entitled to attend the meeting may be represented at the meeting in accordance with the law.

The Company may designate one or more persons for each Shareholders' Meeting to whom the entitled persons may grant a proxy, with voting instructions on all or some of the items on the agenda, in accordance with the procedures provided for by the applicable regulations, expressly indicating this in the call notice.

Notification to the Company of the proxy for participation in the Shareholders' Meeting may also be made by sending the document to the e-mail address indicated in the call notice.

Article 10 - Constitution of the meetings and validity of the Resolutions

The constitution of the Ordinary and Extraordinary Shareholders' Meeting and the validity of the resolutions are regulated by law, except for the appointment of the members of the Board of Directors and the Board of Statutory Auditors, to which Articles 12 and 18 of these Articles of Association apply.

The application of the exemption, provided for by current legislation, from the obligation to promote a take-over and/or exchange offer following mergers or demergers will be precluded only if the majority of shareholders who oppose the relative shareholders' meeting resolution - determined based on the applicable legislation - represents at least 7.5% of the share capital with voting rights.

Article 11 - Chairmanship

The Shareholders' Meeting is chaired by the Chairman of the Board of Directors or, in the event of his absence or impediment, by the Deputy Chairman or, in the event of the latter's absence or impediment, by another person designated by the Shareholders' Meeting.

The Chairman is assisted by a Secretary, who may or may not be a shareholder, appointed by the Shareholders' Meeting: the assistance of the Secretary is not necessary when the minutes, in the cases of law or when the Chairman deems it appropriate, are drawn up by a Notary Public.

If he deems it necessary, the Chairman of the Shareholders' Meeting shall appoint two scrutineers from among the auditors or shareholders present.

The minutes signed by the Chairman and the Secretary provide full evidence.

The Chairman of the Shareholders' Meeting, also by means of special appointees, verifies the regularity of the constitution of the meeting, verifies the identity and legitimacy of those present, regulates the conduct of the proceedings, establishing procedures for discussion and voting and verifies the results of voting.

Resolutions are taken by show of hands, unless the Chairman deems the roll call or other forms of voting more appropriate.

The resolutions of the Shareholders' Meeting must be recorded in a special report, drawn up in accordance with art. 2375 of the Italian Civil Code, signed by the Chairman and the Secretary or the Notary".

Given the above, the current Articles of Association, as effective on the date of this Report's approval, do not stipulate that participation may occur exclusively via the Appointed Representative as per art. 135-undecies

TUF (as permitted by art. 135-undecies.1 TUF), nor do they explicitly prohibit appointing the Appointed Representative (in accordance with art. 135-undecies TUF).

Furthermore, the Articles of Association do not provide for measures specifically designed to ease the constraints and obligations that make participation in the assembly and the exercise of voting rights difficult or onerous, such as correspondence voting, electronic voting, or audiovisual links.

For matters not illustrated in the Report on Shareholders' rights, please refer to the laws and regulations in force and applicable at the time.

It should be noted that the Board has decided not to propose to the Shareholders the adoption of regulations for the Shareholders' Meeting, reserving the right to make a periodic assessment of the possible adoption of the same in the future, also considering what has emerged from the Shareholders' Meetings already held. In this regard, it should be noted that the Chairman of the Shareholders' Meeting has always ensured, also by virtue of the statutory and legal prerogatives, that the meetings were held in an atmosphere of orderly general participation and strict respect for the rights of the Shareholders, but also in mutual respect between the shareholders and with a balanced reconciliation of their rights with the decision-making function.

14. ADDITIONAL CORPORATE GOVERNANCE PRACTICES (pursuant to art. 123-bis, paragraph 2, letter a), second part, TUF)

Regarding those already indicated in the previous points, and to the adoption of the 231 Model, the Company has not applied any further corporate governance practices beyond the obligations established by legislative and regulatory provisions.

15. CHANGES SINCE THE END OF THE FINANCIAL YEAR OF REFERENCE

Since the end of the Financial Year and up to the date of this Report, there have been no changes in the Company's Corporate Governance system.

16. CONSIDERATIONS ON THE LETTER OF DECEMBER 14, 2023 OF THE CHAIRMAN OF THE CORPORATE GOVERNANCE COMMITTEE

The recommendations made by the Chairman of the Corporate Governance Committee in the letter of December 17, 2024 were first sent to the directors and Statutory Auditors and subsequently brought to the attention of the Board on December 19, 2024. The latter, at the meeting of February 19, 2025, to identify possible development of governance or to fill any gaps in the application or explanations provided, expressed some considerations regarding the Company's implementation of the Code, considering that the Company's governance system is substantially aligned with the Code's guidelines, with the understanding that continuous and constant improvement should always be pursued.

At the Board meeting of March 27, 2025, the Board approved this Report.