SERVIZI INTEGRATI BELLUNESI SPA

Via Tiziano Vecellio 27/29 – 32100 Belluno

Financial Statements as at 31 December 2025

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Shareholders’ meeting

1st Call 30 April 2026

2nd Call 05 May 2026

FINANCIAL STATEMENTS

General information on the company

Master data

Name:	SERVIZI INTEGRATI BELLUNESI SPA
Registered office:	VIA TIZIANO VECELLIO 27/29 32100 BELLUNO BL
Share Capital:	3,819,694
Fully paid-up share capital:	yes
CCIAA (Chamber of Commerce, Industry, Craftsmanship and Agriculture) code:	Belluno
VAT number:	00971870258
Tax code:	00971870258
REA (Economic and Administrative Index) no.:	86487
Legal form:	JOINT-STOCK COMPANY
Company's main business segment (ATECO):	360000 Water collection, treatment and supply
Company in liquidation:	no
Single-member company:	no
Company subject to third party management and coordination activities:	no
Name of company or entity that exercises management and coordination activities:	
Membership of a Group:	no
Name of the Parent Company:	
Parent Company's Country:	
Cooperative registration number:	

Balance Sheet

	31-12-2025	31-12-2024
Balance Sheet		
Assets		
B) Fixed Assets		
I - Intangible fixed assets		
4) concessions, licences, trademarks and similar rights	2,128,375	1,041,858
6) fixed assets in progress and advances	2,920,411	5,313,643
7) other	40,684,217	29,389,745
Total intangible fixed assets	45,733,003	35,745,246
II - Tangible fixed assets		
1) land and buildings	4,707,340	3,062,826
2) plant and machinery	33,176,483	25,597,461
3) industrial and commercial equipment	7,706,525	5,090,167
4) other assets	940,467	1,146,731
5) fixed assets in progress and advances	8,443,392	5,760,610
Total tangible fixed assets	54,974,207	40,657,795
III - Financial fixed assets		
1) investments in		
b) associated companies	1,295,828	0
d-bis) other companies	154,837	218,495
Total investments	1,450,665	218,495
2) receivables		
d-bis) others		
due within the next financial year	871,027	448,017
due after the next financial year	4,870,079	5,532,117
Total receivables from others	5,741,106	5,980,134
Total receivables	5,741,106	5,980,134
Total financial fixed assets	7,191,771	6,198,629
Total fixed assets (B)	107,898,981	82,601,670
C) Current assets		
I - Inventories		
1) raw/auxiliary materials and consumables	2,800,534	2,199,577
3) contract work in progress	0	25,229
Total inventories	2,800,534	2,224,806

	31-12-2025	31-12-2024
II - Receivables		
1) trade receivables		
due within the next financial year	11,818,876	11,847,009
due after the next financial year	0	389,039
Total trade receivables	11,818,876	12,236,048
5-bis) tax receivables		
due within the next financial year	293,709	30,598
Total tax receivables	293,709	30,598
5-ter) prepaid tax assets	1,612,640	1,087,755
5-quater) from others		
due within the next financial year	2,858,130	3,274,492
due after the next financial year	637,645	0
Total receivables from others	3,495,775	3,274,492
Total receivables	17,221,000	16,628,893
III – Current financial assets		
6) other securities	32,772,092	0
Total Current financial assets	32,772,092	0
IV - Cash and cash equivalents		
1) bank and postal deposits	8,757,895	10,421,076
3) cash and valuables on hand	2,177	1,055
Total cash and cash equivalents	8,760,072	10,422,131
Total current assets (C)	61,553,698	29,275,830
D) Accruals and deferrals	465,897	309,226
Total assets	169,918,576	112,186,726
Liabilities		
A) Shareholders' Equity		
I - Capital	3,819,694	2,010,000
II - Share premium reserve	3,608,001	0
III - Revaluation reserves	7,773,589	203,500
IV - Legal reserve	763,939	409,492
VI - Other reserves, separately indicated		
Extraordinary reserve	55,371,524	57,803,898
Merger surplus reserve	39,393,729	0
Various other reserves	1	0
Total other reserves	94,765,254	57,803,898
IX - Profit (Loss) for the year	1,491,439	1,550,508
X - Negative reserve for treasury shares in portfolio	0	(450,000)
Total Shareholders' Equity	112,221,916	61,527,398

	31-12-2025	31-12-2024
B) Provisions for risks and charges		
2) for taxes, including deferred taxes	100,461	104,943
4) other	2,246,622	1,612,729
Total provisions for risks and charges	2,347,083	1,717,672
C) Employee severance indemnity	312,935	249,012
D) Payables		
1) bonds		
due within the next financial year	1,360,000	1,360,000
due after the next financial year	13,887,483	15,236,847
Total bonds	15,247,483	16,596,847
4) payables due to banks		
due within the next financial year	1,741,196	3,009,856
due after the next financial year	6,771,544	6,624,478
Total payables to banks	8,512,740	9,634,334
6) payments on account		
due within the next financial year	8,810,172	2,787,401
Total payments on account	8,810,172	2,787,401
7) Payables to suppliers		
due within the next financial year	14,515,245	13,707,070
Total due to suppliers	14,515,245	13,707,070
12) tax payables		
due within the next financial year	561,105	754,924
Total tax payables	561,105	754,924
13) payables due to social security institutions		
due within the next financial year	855,129	705,157
Total payables to social security institutions	855,129	705,157
14) other payables		
due within the next financial year	6,330,847	4,305,323
Total other payables	6,330,847	4,305,323
Total payables	54,832,721	48,491,056
E) Accruals and deferrals	203,921	201,588
Total liabilities	169,918,576	112,186,726

Income Statement

	31-12-2025	31-12-2024
Income Statement		
A) Value of production		
1) revenue from sales and services	35,485,504	29,742,459
3) change in contract work in progress	(61,372)	12,954
4) increases in fixed assets for internal work	3,708,004	3,169,619
5) other revenues and income		
operating grants	162,364	256,541
other	3,301,362	1,863,275
Total other revenues and income	3,463,726	2,119,816
Total value of production	42,595,862	35,044,848
B) Production costs		
6) for raw, auxiliary materials and consumables and goods	4,295,539	3,879,124
7) for services	12,236,005	10,065,863
8) for use of third-party assets	4,358,994	1,797,876
9) for personnel		
a) wages and salaries	9,206,674	8,316,978
b) social security contributions	2,812,449	2,498,949
c) employee severance indemnity	625,029	516,390
d) pension and similar obligations	77,200	63,122
e) other costs	237,879	228,935
Total personnel costs	12,959,231	11,624,374
10) amortisations and write-downs		
a) amortisation of intangible fixed assets	2,650,070	1,912,583
b) depreciation of tangible fixed assets	2,917,776	1,965,079
d) write-downs of receivables included in current assets and cash and cash equivalents	180,000	350,000
Total depreciation, amortisation and write-downs	5,747,846	4,227,662
11) changes in inventories of raw, auxiliary materials and consumables and goods	(569,346)	(868,906)
12) provisions for risks	553,000	334,607
14) sundry operating expenses	1,944,821	1,358,923
Total production costs	41,526,090	32,419,523
Difference between value and cost of production (A - B)	1,069,772	2,625,325
C) Financial income and charges		
15) income from equity investments		
from associated companies	170,000	0
other	0	8,096
Total income from equity investments	170,000	8,096

	31-12-2025	31-12-2024
16) other financial income		
c) from securities included in current assets not constituting investments	908,669	0
d) income other than the above		
other	732,656	688,638
Total income other than the above	732,656	688,638
Total other financial income	1,641,325	688,638
17) interest and other financial charges		
other	756,784	803,832
Total interest and other financial charges	756,784	803,832
Total financial income and expenses (15 + 16 - 17 + - 17-bis)	1,054,541	(107,098)
Profit before tax (A - B + - C + - D)	2,124,313	2,518,227
20) Current, deferred and prepaid income taxes for the year		
current taxes	656,995	859,317
taxes relating to previous financial years	23,850	99,374
deferred and prepaid taxes	(47,971)	9,028
Total current, deferred and prepaid income taxes for the year	632,874	967,719
21) Profit (Loss) for the year	1,491,439	1,550,508

Cash Flow Statement, indirect method

	31-12-2025	31-12-2024
Cash Flow Statement, indirect method		
A) Cash flow from operating activities (indirect method)		
Profit (loss) for the year	1,491,439	1,550,508
Income taxes	632,874	967,719
Interest expense/(income)	(884,541)	115,194
(Dividends)	(170,000)	(8,096)
1) Profit (loss) for the year before income tax, interest, dividends and capital gains/losses from disposals	**1,069,772**	**2,625,325**
Adjustments for non-monetary items not reflected in net working capital		
Provisions to funds	860,190	342,183
Amortisation/Depreciation of fixed assets	5,567,846	3,877,662
Other adjustments up/(down) for non-monetary items	69,862	24,922
Total adjustments for non-monetary elements that did not have a contra-item in net working capital	6,497,898	4,244,767
2) Cash flow before changes in net working capital	**7,567,670**	**6,870,092**
Changes in net working capital		
Decrease/(Increase) in inventories	(575,729)	(881,859)
Decrease/(Increase) in trade receivables	417,172	568,560
Increase/(Decrease) in payables to suppliers	808,175	3,557,751
Decrease/(Increase) in accrued income and prepaid expenses	(156,671)	(3,456)
Increase/(Decrease) in accrued expenses and deferred income	2,333	(20,045)
Other decreases/(Other increases) in net working capital	4,041,346	1,385,059
Total changes in net working capital	4,536,626	4,606,010
3) Cash flow after changes in net working capital	**12,104,296**	**11,476,102**
Other adjustments		
Interest received/(paid)	1,133,341	108,517
(Income taxes paid)	(523,954)	(115,931)
Dividends received	170,000	8,096
(Use of provisions)	(166,857)	(32,320)
Total other adjustments	612,530	(31,638)
Cash flow from operating activities (A)	**12,716,826**	**11,444,464**

	31-12-2025	31-12-2024
B) Cash flows from investing activities		
Tangible fixed assets		
(Investments)	(17,596,975)	(9,720,247)
Divestments	362,788	10,461
Intangible fixed assets		
(Investments)	(12,842,940)	(9,811,110)
Divestments	205,114	35,038
Financial fixed assets		
(Investments)	(1,574,595)	
Divestments	526,645	437,944
Non-fixed financial assets		
(Investments)	(32,772,092)	-
Cash flow from investing activities (B)	**(63,692,055)**	**(19,047,914)**
C) Cash flows from financing activities		
Third-party funding		
New loans	2,362,592	-
(Repayment of loans)	(4,848,603)	(4,668,803)
Equity		
Capital increase against payment	52,765,959	
(Dividends and advance dividends paid)	(966,778)	
Cash flow from financing activities (C)	**49,313,170**	**(4,668,803)**
Increase (decrease) in cash and cash equivalents (A ± B ± C)	**(1,662,059)**	**(12,272,254)**
Cash and cash equivalents at the beginning of the financial year		
Bank and postal deposits	10,421,076	22,693,275
Cash and valuables on hand	1,055	1,110
Total cash and cash equivalents at the beginning of the financial year	10,422,131	22,694,385
Cash and cash equivalents at the end of the financial year		
Bank and postal deposits	8,757,895	10,421,076
Cash and valuables on hand	2,177	1,055
Total cash and cash equivalents at the end of the financial year	8,760,072	10,422,131

Notes to the Financial Statements, Initial Part

Dear Shareholders, these Explanatory Notes to the Financial Statements form an integral part of the financial statements as at 31/12/2025.

The financial statements comply with the provisions of articles 2423 et seq. of the Italian Civil Code and with the national accounting standards as published by the Italian Accounting Standards Board; therefore, they clearly represent, and provide a true and fair view of the company’s equity and financial situation and the economic result for the year.

The content of the balance sheet and income statement is that required by articles 2424, 2424 bis, 2425 and 2425 bis of the Italian Civil Code, while the cash flow statement has been prepared pursuant to article 2425-ter.

The Explanatory Notes, prepared in accordance with articles 2427 and 2427 bis of the Italian Civil Code, also contain all the information needed to provide a correct interpretation of the financial statements.

The Company's financial statements are the first after the merger by incorporation, entered into by notarial deed of 23 December 2024, between Bim Gestione Servizi Pubblici S.p.A., the merging company, and Bim Belluno Infrastrutture S.p.A., the merged company. The accounting and tax effects arising from the merger process took effect as of 1 January 2025; at the same time, the Company took the new name of Servizi Integrati Bellunesi S.p.A. (abbreviated to SIB S.p.A.). Following the transaction, SIB S.p.A. took over all the assets and liabilities of the merged company, continuing the related activities without interruption. In the following, reference will be made to the current name, with the assumption that, as far as periods up to 31 December 2024 are concerned, any reference shall be understood as referring to the former name.

For the purpose of preparing these Financial Statements, the merger resulted in the presentation of comparative figures as at 31 December 2024 that are not immediately comparable with those as at 31 December 2025, as they relate to two partially different entities (pre- and post-merger). To facilitate the comparability of the values, these Notes to the Financial Statements include comments on the most significant changes recorded with reference to the values resulting from the recognition of merger balances as at 1 January 2025.

Under this corporate structure, the Company has been engaged almost exclusively in the Integrated Water Service, by virtue of the direct assignment operated by the Autorità d'Ambito Ottimale Alto Veneto (AATO - Alto Veneto Optimal Area Authority), now the Dolomiti Bellunesi Basin Council, in place since 1 January 2004.

As at 31/12/2025, 61 municipalities of the Bacino Imbrifero Montano del Piave area have equal stakes in the share capital, of which 60 in the Province of Belluno and 1 in the province of Udine (Municipality of Sappada), with the exception of the new municipalities of Setteville, Longarone, Val di Zoldo (double), Alpago and Borgo Valbelluna (triple), deriving from mergers, and the municipalities of Arsié and Lamon, which recently acquired 1 share at later dates, thus joining the shareholding structure. Following the aforementioned merger by incorporation, the Bim Piave Belluno Consortium (1,533 shares) also became part of the shareholding structure.

By way of a preliminary remark, it is noted that, pursuant to article 3 para. 2 of Legislative Decree 175/2016 (Testo Unico sulle Società Pubbliche), "In publicly owned joint-stock companies, the statutory audit of the accounts cannot be entrusted to the board of statutory auditors" and, furthermore, that article 14.1, letter q), of the "Convenzione per l'affidamento del Servizio Idrico Integrato" (Convention for the Assignment of the Integrated Water Service), entered into between Servizi Integrati Bellunesi S.p.A. and the "Dolomiti Bellunesi" Basin Council, requires the Company to have its financial statements certified by an authorised independent auditing company.

Lastly, it should be noted that the Company, as of the year 2016, must comply with the obligations of separate reporting on the activities of the Integrated Water Service, based on the provisions of Resolution 137/2016/R/IDR of 24/03/2016 of the Authority for Electricity, Gas and the Water System (AEEGSI), now renamed, following the extension of the regulatory and control functions on the waste cycle, the Regulatory Authority for Energy, Networks and Environment (ARERA).

Activities performed

The Company operates mainly in the Integrated Water Service, as direct assignee in the 59 municipalities of the province that make up the Alto Veneto Optimal Territorial Area.

The Company is still engaged in the service of supplying liquefied petroleum gas (LPG) through proprietary local networks. For this service, since the pre-existing synergies related to the simultaneous management of the natural gas Distribution Service by Bim Belluno Infrastrutture S.p.A., incorporated with the merger, have ceased, the search for a different and adequate management model is underway, as better detailed in the *Report on operations*.

Following the aforementioned merger by incorporation, the Company now also carries out the activities of producing electricity from micro-hydroelectric plants and managing a biomass district heating network in the municipality of Santo Stefano di Cadore, a service that had been transferred in 2014 to Bim Belluno Infrastrutture S.p.A. in compliance with the need to separate the management of the Integrated Water Service, which was then affected by major economic-financial problems.

Significant events during the year

The first post-**merger** financial year saw the Company engaged in the absorption and integration of the activities arising from the merger, namely the production of electricity from micro-plants and the District Heating Service in the Municipality of Santo Stefano di Cadore.

The year 2025 also saw the Company heavily involved in the implementation of the three regeneration projects of the Integrated Water Service financed under the **National Recovery and Resilience Plan** (NRRP):

- Basin sludge hub (EUR 1.24 million financed by MASE): construction of a new sludge pre-treatment line with mechanised thickening and centrifuge dewatering in the Longarone purification plant. The project was completed in July 2025 and the plant is now fully operational, with estimated savings of around EUR 100,000/year on treatment costs and a significant reduction in environmental impact.
- Reduction of losses in water distribution networks, including digitisation and monitoring (EUR 20.4 million financed out of a total amount of EUR 25.6 million): modelling, districtisation and digitisation of 1,615 km of water supply network in 36 water supply systems distributed throughout the territory served. The project is nearing completion, with 1,694.52 km of districted network to be achieved by March 2026, corresponding to 100% of the updated final target of 1,694.52 km following a change authorised by the MIT, with a note dated 20 March 2026, compared to the initial target of 1,615 km.
- Upgrading of the Marisiga di Belluno purification plant (EUR 2.9 million financed): centralisation of the purification of the entire Belluno urban agglomeration. The work is completed, but important developments are planned, as detailed in the *Report on Operations*.

On **the tariff front of the Integrated Water Service**, the Company is applying the tariffs proposed by the Dolomiti Bellunesi Basin Council, the Area Governing Authority (EGA), in accordance with the resolution of the assembly no. 8 passed on 4 July 2024, and approved by ARERA on 10 September 2024, with resolution 359/2024/R/IDR, illustrated in detail in the *Report on operations*.

On 23 December 2025, ARERA published Resolution 582/2025/R/IDR for the tariff update for the two-year period 2026-2027, with the incorporation of the actual data for 2024-2025 and the consequent revision of the Programme of Interventions; the result of the update will lead to the recalculation of the tariff coefficients for 2026, currently used provisionally for the charging of consumption, and for 2027. Work with the EGA is currently ongoing.

The Company has been consistently committed to improving the **ARERA indicators** with reference to technical quality, as per Resolution 917/2017/R/IDR, and maintaining the commercial quality indicators, as per Resolution 655/2015/R/IDR. In 2025, the Company benefited from the envisaged bonus mechanisms, receiving EUR 1.5 million for the quality objectives achieved in the two-year period 2022-2023.

As already illustrated in the Financial Statements as of 31/12/2024 of the merged company Bim Belluno Infrastrutture S.p.A., on 31 January 2024, the natural gas distribution system of ATEM Belluno was delivered to **Italgas Reti S.p.A.**, with the simultaneous payment of a down payment of EUR 47.2 million (98% of the provisional repayment value). An administrative dispute has arisen following the final reimbursement value set by the contracting authority (Municipality of Belluno) on 24 February 2025: the Municipality, acknowledging the objections of the new operator, has reduced the reimbursement to EUR 42.5 million, an amount about EUR 6 million lower than the expected figure. The Company, deeming this interpretation incorrect, lodged an appeal with the Regional Administrative Court of Veneto on 7 April 2025 against the contracting authority and Italgas Reti S.p.A.; at the time of drafting this Report, the outcome of the hearing is pending.

Pending the settlement of the dispute, the Company has withheld the amount in excess of the down payment received, amounting to EUR 4.8 million, and has allocated it to other payables, a situation that partially precludes the use of cash and cash equivalents.

In the **hydroelectric** sector, the works for the restart at the end of June 2025, after several years of shutdown, which began in November 2020, of the Rio San Rocco plant in the Municipality of Auronzo di Cadore are reported, which made it possible to also restart the Ponte Malon hydroelectric plant, located in the same municipality downstream of the former. In the regulatory framework, mention should be made of the publication of the judgment of the European Court of Justice concerning the legitimacy of the rule on windfall profits introduced by Article 15-bis of Decree-Law 4/2022 (Sostegni Ter Decree). This ruling, which in fact establishes the compatibility of the national extra-profit measure with EU law, does not, however, seem destined to close the matter completely, paving the way for a further phase of the proceedings, already pending before the Regional Administrative Court of Lombardy, which will now have to decide how to manage the next phases. We therefore await further developments.

On 25 July 2025, the Company received from the Revenue Agency the draft act for the correct determination of taxes for the 2021 financial year, with particular reference to the deduction for invested equity capital, (the so-called ACE relief). The Company has prepared a defensive report, which has been submitted to the Revenue Agency, and is awaiting a decision on the matter. As a precautionary measure, a provision for risks commensurate with the minimum risk of loss was set aside in the Financial Statements as at 31/12/2025.

The Shareholders' Meeting of 15 October 2025 resolved to distribute dividends by drawing from the extraordinary reserve in the amount of EUR 2,400,000, to which was added the share of EUR 1,162,881 that the Member Municipalities may allocate to support measures for “disadvantaged users”.

The personnel are covered by the CCNL (national collective labour agreement) for the gas-water sector, updated on 8 May 2025 and valid until 31 December 2027, which stipulates periodic increases in the contractual minimums across all classification levels, staggered across four dates (01/07/2025, 01/07/2026, 01/07/2027, and 01/10/2027), with an average annual increase of 2.2%.

A shared protocol was signed with the RSUs regulating the arrangements for the use of Smart Working, expiring on 31 December 2027. The consequent individual annual agreements were entered into with the employees concerned.

The agreement for the 2025 Result Bonus was concluded with the RSU (unitary workplace union structures) and the provincial trade union representatives, providing for the payment to employees of a bonus linked to the achievement of objectives considered strategic.

Drafting principles

Structure and Content of the Financial Statements

The Financial Statements for the year ended 31/12/2025, consisting of the Balance Sheet, Income Statement, Cash Flow Statement and Explanatory Notes, correspond to the results of the accounting records duly kept and have been prepared in accordance with the provisions of articles 2423 and 2423-bis of the Italian Civil Code, as well as the accounting principles and recommendations issued by the Italian Accounting Standards Board (O.I.C.).

The financial statements have therefore been prepared in accordance with the principles of clarity, truthfulness and fairness and the general principle of materiality. Data or information is considered relevant when its omission or misstatement could influence the decisions made by the recipients of the financial statement information.

The financial statements have been prepared on a going concern basis, based on a forward-looking assessment of the company's ability to continue as a functioning, income-producing business for a future period of more than 12 months from the balance sheet date. Their structure conforms to that outlined in articles 2424 and 2425 of the Italian Civil Code, based on the premises laid down in article 2423-ter, while the Explanatory Notes comply with the contents of articles 2427, 2427-bis and all other provisions referring to them.

The entire document, in the parts of which it is composed, has been prepared in such a way as to give a true and fair view of the financial position of the Company, as well as the economic result for the year, providing, where necessary, additional information for this purpose.

Pursuant to art. 2423-ter, for each item the amount for the previous year is indicated, and if offsetting is permitted by law, the gross amounts subject to offsetting are indicated in these notes.

For information on the Company's economic and financial performance and on relations and transactions with related parties, please refer to the Report on Operations.

Accounting standards

In accordance with article 2423-bis of the Italian Civil Code, the following standards were observed in preparing the Financial Statements:

- individual items were measured in accordance with the principles of prudence and on a going concern basis, as well as taking into account the substance of the transaction or contract;
- only profits actually realised during the financial year have been shown;
- income and expenses pertaining to the financial year, regardless of their payment or collection, have been indicated;
- account was taken of the risks and losses pertaining to the financial year, even if they became known after its closure;
- dissimilar elements included in the various balance sheet items have been valued separately.

The measurement criteria provided for in article 2426 of the Italian Civil Code have been maintained unchanged from those adopted in the previous year.

The Financial Statements, as well as these Notes to the Financial Statements, have been drawn up in euro units.

Exceptional cases pursuant to article 2423, paragraph 5 of the Italian Civil Code

During the financial year, there were no circumstances that made it necessary to resort to the derogations provided for in article 2423 paragraph 4 of the Italian Civil Code.

Assessment criteria applied

The measurement criteria set forth in article 2426 of the Italian Civil Code were applied in the preparation of these Financial Statements, unchanged from the previous year.

Intangible fixed assets

Intangible fixed assets were recorded at acquisition or internal production cost, including directly attributable ancillary costs incurred up to the period prior to their completion.

Investment grants, if any, are accounted for using the direct method, i.e. by deducting the historical cost of the asset, and depreciation is calculated on the net amount.

The relative amounts have been shown net of depreciation, calculated systematically at the rates indicated below, taking into account their residual possibility of utilisation.

Description	Rates or criteria applied
Software licences	20% or 33% based on economic-technical durability
Network and plant information systems - Integrated Water Service	20%
Extraordinary maintenance of networks and installations - Integrated water service	economic-technical life of the relevant assets (see tangible fixed assets)
Other leasehold improvements	the shorter of the economic-technical duration and the remaining duration of the usage contract

There were no changes in depreciation rates compared to the previous year.

Fixed assets, whose value at the end of the financial year is permanently lower than the value as determined above, have been recorded at this lower value; this is not maintained in subsequent financial statements if the reasons for the adjustment no longer apply, with the exception of goodwill.

Any advance payments to suppliers for the purchase of intangible fixed assets are entered under item B.I.6 and recognised on the date on which the obligation to pay these amounts arises. Accordingly, payments on account are not subject to depreciation.

The same item includes intangible assets under construction, which are initially recognised at the date the first costs are incurred for the construction of the asset and include internal and external costs incurred for its realisation. These costs remain under this item until the project is completed and are then subject to depreciation.

The assets arising from the merger by incorporation of Bim Belluno Infrastrutture S.p.A., the effects of which take effect from 01/01/2025, have been recorded at book values for the difference with respect to what has already been amortised by the merged company and are amortised according to their remaining useful life.

Tangible fixed assets

Tangible fixed assets were entered in the balance sheet at purchase or internal production cost. This cost includes ancillary charges, as well as directly attributable costs incurred up to the period prior to their completion.

Investment grants, if any, are accounted for using the direct method, i.e. by deducting the historical cost of the asset, and depreciation is calculated on the net amount.

The assets, whose book value derived from revaluations as of 1 January 1999, carried out on the basis of a special appraisal drawn up by the transferor Azienda Bim Piave Belluno Consortium, were depreciated by applying the rates adopted by the transferor, and their value was completely written off.

The relative amounts are shown net of depreciation, calculated systematically with reference to the rates indicated below, in relation to their residual possibility of utilisation, taking into consideration the use, destination and economic-technical life of the assets.

The useful lives adopted and the related depreciation rates for the general categories of fixed assets are as follows:

Description	Useful life in years	Rates applied
Civil buildings	30	3.33%
Technical Equipment	10	10%
Office furniture and equipment	10	10%
Electronic machines and data processing centres	5	20%
Vehicles	5	20%
Mobile phone	5	20%

The useful lives adopted and the relative depreciation rates for specific categories of plant and equipment are as follows:

Description	Useful life in years	Rates applied
Industrial buildings	40	2.5%
Intake/capture work	40	2.5%
Water supply connections	40	2.5%
Sewer connections	50	2.0%
Water supply pipelines	40	2.5%
Sewerage pipelines	50	2%
Reservoirs	40	2.5%
Hydroelectric plants	20/30	5% / 3.33%
Purification plants	20	5%
Drinking water treatment plants	20	5%
District heating plant	20	5%
District heating substations	10	10%
Other purification treatments	12	8.3%
Water supply lifting plants	8	12.5%
Sewage lifting plants	8	12.5%
Meters	10	10%
Flow meters	10	10%
Telecontrol systems	8	12.5%

There were no changes in depreciation rates compared to the previous year. For fixed assets resulting from the merger, the rate was determined with reference to the residual useful life of each category of asset.

Fixed assets, whose value at the end of the financial year is permanently lower than the value as determined above, have been recorded at this lower value; this is not maintained in subsequent financial statements if the reasons for the adjustment no longer apply.

Since land does not exhaust its usefulness over time, it is not depreciated.

Tangible fixed assets in progress include costs related to projects not yet completed and/or advance payments for the acquisition of tangible fixed assets.

Any advances to suppliers for the purchase of tangible fixed assets, recorded under item B.II.5, are recognised on the date on which the obligation to pay these amounts arises. Accordingly, payments on account are not subject to depreciation.

The same item includes tangible assets under construction, which are initially recognised on the date the first costs are incurred for the construction of the asset.

These costs remain under this item and are not amortised until the project is realised. The entry was made at cost, on the basis of invoices from the supplier-builder or work accounts, with reference to contractual agreements.

Financial fixed assets

Financial fixed assets consisting of equity investments have been valued according to the cost method, including ancillary charges; the book value is determined on the basis of the purchase or subscription price or the value attributed to the assets transferred.

The cost as determined above is reduced in the event of an impairment loss; if the reasons for the adjustment no longer apply, the value of the investment is reinstated within the limit of the acquisition cost.

The value thus determined is not higher than the value that would have been determined by applying the criteria set forth in article 2426, point 4 of the Italian Civil Code.

Receivables recorded as financial fixed assets are recognised in the balance sheet according to the amortised cost criterion, taking into account the time factor and the presumed realisable value.

The amortised cost criterion is not applied when the effects of applying this criterion are insignificant compared to the criterion adopted.

Inventories, securities and financial assets not held as fixed assets

Inventories, securities and financial assets not constituting fixed assets were recorded at the lower of purchase cost, including directly attributable ancillary expenses, and presumed realisable value, based on market trends.

Raw and ancillary materials and finished products have been recorded using the weighted average cost method.

Contract work in progress includes job orders with a duration of several years and is valued on the basis of the consideration accrued with reasonable certainty, according to the percentage of completion criterion, estimated through the incurred cost method.

Any losses on orders estimated with reasonable approximation have been fully charged to the income statement in the year in which they become known.

The market value is determined on the basis of the current costs of inventories at the end of the financial year.

The value of obsolete and slow-moving inventories is written down in relation to their possible future use or realisation.

Receivables

Receivables are recorded at amortised cost, taking into account the time factor; differences arising from subsequent revisions of the value of the receivable are recorded under financial income and expenses.

Receivables due within 12 months are, however, recorded at nominal value, as the effects are insignificant, compared to the amortised cost criterion, pursuant to article 2423 paragraph 4 of the Italian Civil Code.

Receivables are recorded net of all premiums, discounts, allowances and are inclusive of any costs directly attributable to the transaction that generated the receivable (the latter are recorded as prepaid expenses if the amortised cost criterion is not applied).

Receivables were subsequently adjusted to their presumed realisable value through the allocation of a special allowance for bad debts, to which an amount corresponding to the risk of uncollectability of the receivables shown in the balance sheet is set aside annually, in relation to the general economic conditions and the sector to which they belong, as well as the origin of the debtor.

Receivables include invoices issued and those yet to be issued, but referring to services pertaining to the year under review.

Receivables from customers subject to bankruptcy proceedings or in a state of proven financial distress, for which it is useless to initiate enforcement actions, are carried at a loss in full or to the extent that the information obtained and the proceedings in progress suggest that they are definitively unrecoverable.

Cash and cash equivalents

This item includes cash and cash equivalents, revenue stamps and cash balances resulting from the company's accounts with credit institutions, all stated at their nominal value.

Accruals and deferrals

Accruals and deferrals were determined on an accrual basis.

Provisions for risks and charges

Provisions have been set aside to cover losses or liabilities of a given nature, whose existence is certain or probable, but whose amount or date of occurrence could not be determined at the close of the financial year.

The general criteria of prudence and accrual have been observed in the assessment of these provisions, and no generic risk provisions without economic justification have been set up.

The related provisions are recognised in the income statement for the year in which they accrue, based on the "by nature" classification of costs.

Contingent liabilities have been recognised in the Financial Statements and entered under provisions, as they are considered probable and the amount of the related charge can be reasonably estimated.

Risks for which the occurrence of a liability is only possible, are described, if necessary, in the explanatory notes, with no allocation made to the provision for risks according to the reference accounting standards. No account is taken of remote risks.

EMPLOYEE SEVERANCE INDEMNITY

The provision for Employee severance indemnity corresponds to the Company's actual commitment to each employee, determined in accordance with current legislation and, in particular, the provisions of article 2120 of the Italian Civil Code and by collective labour and supplementary company agreements. This liability is subject to revaluation on the basis of indexes.

Payables

Payables are recorded at amortised cost, taking into account the time factor; differences arising from subsequent revisions of the value of the payable are recorded under financial income and expenses.

Payables expiring within 12 months are, however, recorded at nominal value, as the effects are insignificant, compared to the amortised cost criterion, pursuant to article 2423 paragraph 4 of the Italian Civil Code.

Payables are recorded net of all premiums, discounts, allowances and are inclusive of any costs directly attributable to the transaction that generated the payable.

Criteria for the translation of amounts stated in foreign currency

The Company held no assets or liabilities in foreign currency at the balance sheet date.

Recognition of revenues and costs

Revenues and income are stated net of returns, discounts and rebates, and net of taxes directly related to the sales of products and services rendered.

In particular:

- the tariff revenues of the Integrated Water Service are determined in accordance with the provisions established by the Regulatory Authority for Energy, Networks and Environment (ARERA) and include the effects of the planned mechanism for the adjustment of external costs;
- revenue from the sale of electricity, the district heating service and the LPG delivery service in the network is recognised at the time of delivery to the counterparty;
- revenues from services are recognised as provided and in accordance with the relevant contracts;
- revenues related to contract work in progress are recognised in proportion to the progress of the work;
- Increases in fixed assets for internal work are recorded on the basis of production cost, which includes direct costs (material and direct labour, design costs, external supplies, etc.) and general production costs, for the portion reasonably attributable to the asset for the period of its manufacture up to the time the asset is ready for use;
- revenues from the sale of goods are recognised at the time of transfer of ownership, which normally coincides with delivery to the counterparty;
- investment grants are entered in the balance sheet after receipt of the formal disbursement order, upon fulfilment of the conditions set out therein;
- costs are accounted for on an accrual basis;
- provisions for risks and charges are recorded by nature, where possible, in the relevant class of the income statement;
- financial income and expenses are recognised on an accrual basis.

Dividends

Dividends are accounted for on an accrual basis, when the right to receive them arises, in accordance with OIC 21.

Income Taxes

Income taxes for the year are allocated on an accrual basis, and are determined in accordance with the laws in force and on the basis of estimated taxable income; in the balance sheet, the liability is recognised under "Taxes payable" and the receivable under "Taxes receivable".

With reference to the recognition of the tax effects arising from timing differences between the presentation of economic components in the financial statements and the time at which they are recognised for tax purposes, the following is specified.

Deferred taxes have been calculated on the basis of taxable temporary differences by applying the tax rate that is deemed to be in force at the time when such temporary differences will generate an increase in the tax base.

In accordance with the principle of prudence, deferred tax assets have been calculated on deductible temporary differences by applying the tax rate that is deemed to be in effect at the time these differences will generate a decrease in taxable income, based on the principle of the reasonable certainty of the existence of future taxable income sufficient to absorb the above changes. The amount of prepaid taxes is reviewed each year in order to verify the continued reasonable certainty of earning taxable income in the future, such that the full amount of deferred tax assets can be recovered.

The amount of deferred and prepaid taxes is also subject to restatement in the event of a change in the tax rates originally considered.

Other information

The Company, as provided for in Legislative Decree No. 14/2019 (Corporate Crisis and Insolvency Code), adopts an organisational, administrative and accounting structure appropriate to the nature of the business also for the purpose of the timely detection of any corporate crisis and the undertaking of any appropriate initiatives.

Notes to the Financial Statements, Assets

Fixed assets

Intangible fixed assets

The breakdown of intangible fixed assets and changes during the year are shown in the following table.

Balance sheet item	Opening balance	Changes	Closing balance
Concessions, licences, trademarks and similar rights	1,041,859	1,086,517	2,128,375
Fixed assets in progress and payments on account	5,313,642	(2,393,232)	2,920,411
Other intangible fixed assets	29,389,745	11,294,472	40,684,217
Totals	**35,745,246**	**9,987,757**	**45,733,003**

Intangible assets as at 31/12/2025 amounted to EUR 45,733,003 (EUR 35,745,246 at the end of the previous year) net of amortisation.

Concessions, licences, trademarks and similar rights

The net balance amounts to EUR 2,128,375 (EUR 1,041,859 at the end of the previous year) and is mainly represented by software licences.

Intangible fixed assets in progress and advances

The balance amounts to EUR 2,920,411 (EUR 5,313,642 at the end of the previous year) and mainly includes costs related to improvements on third-party plants that had not come into operation at year-end.

Other intangible fixed assets

The net balance amounts to EUR 40,684,217 (EUR 29,389,745 at the end of the previous year), and is mainly represented by "leasehold improvements" for extraordinary maintenance work on water service plants owned by the entrusting municipalities and on information systems for networks and plants.

Changes in intangible fixed assets

The following table shows the changes in intangible fixed assets (art. 2427, point 2 of the Italian Civil Code).

	Concessions, licences, trademarks and similar rights	Intangible fixed assets in progress and advances	Other intangible fixed assets	Total intangible fixed assets
Value at the beginning of the financial year				
Cost	4,451,076	5,313,643	37,879,837	47,644,556
Amortisation (Amortisation provision)	3,409,218	-	8,490,092	11,899,310
Book value	1,041,858	5,313,643	29,389,745	35,745,246
Changes during the financial year				
Increases for acquisitions	1,032,397	903,612	11,600,002	13,536,011
Reclassifications (of book value)	621,435	(3,105,470)	2,541,136	57,101
Decreases due to disposals and divestments (of book value)	-	191,374	13,740	205,114
Depreciation for the financial year	567,315	-	2,082,754	2,650,069
Other changes	-	-	(750,172)	(750,172)
Total changes	1,086,517	(2,393,232)	11,294,472	9,987,757
Value at the end of the financial year				
Cost	6,106,984	2,920,411	51,306,128	60,333,523
Amortisation (Amortisation provision)	3,978,609	-	10,621,911	14,600,520
Book value	2,128,375	2,920,411	40,684,217	45,733,003

The increase in the item **Concessions, licences, trade marks and similar rights**, amounting to EUR 1 million, relates mainly to renewals of multi-year application software licences during the year.

The increases in **Fixed assets in progress and payments on account**, totalling EUR 904 thousand, refer to works not completed at year-end, mainly relating to:

- improvements to existing works relating to the Integrated Water Service (EUR 555 thousand);
- initiatives to reduce losses in water distribution networks, including digitisation and monitoring as part of the NRRP Reduction of losses project (EUR 249 thousand).

The increase of EUR 11.6 million in the item **Other intangible fixed assets** mainly refers to the following works on third-party assets, which were in operation at year-end:

- minor extraordinary maintenance work on water and sewage networks (EUR 5.2 million);
- initiatives to reduce losses in water distribution networks, including digitisation and monitoring as part of the NRRP Reduction of losses project (EUR 3.5 million);
- upgrade of the Marisiga plant in the municipality of Belluno, as part of the NRRP project (EUR 1.1 million).

Among the **increases for acquisitions**, there is the amount of EUR 58 thousand for merger acquisitions mainly relating to work on hydroelectric plants owned by third parties.

Among the **reclassifications**, the reversal of EUR 3.1 million corresponding to items of Intangible Fixed Assets relating to works completed during the year and entered into operation is noted, in addition to the reclassification of EUR 57 thousand to Tangible fixed assets.

Grants pertaining to the year are shown under **Other changes**.

Investment grants

In 2025, the grants accruing allocated to intangible fixed assets amount to EUR 750 thousand.

The Obligation recognised to the Operator's Revenues (VRG) for 2025 does not include the tariff component *New Investment Fund* (FoNI), which is therefore not shown in these financial statements among the grants.

Below, we detail the grants accruing in 2025, broken down by type, allocated to intangible fixed assets.

Type of grant	Amount in euro
Redevelopment and regulatory and structural adjustments to the water supply system of the Municipality of Falcade - NRRP	409,332
VAIA emergency grants	264,350
Grants for joint work with the Municipality of Colle Santa Lucia – Pianaz adduction	64,689
Grants from the Basin Council for hydrogeological studies	11,800
Grand total	**750,171**

Tangible fixed assets

The breakdown of property, plant and equipment and the changes during the year are shown in the following table.

Balance sheet item	Opening balance	Changes	Closing balance
Land and buildings	3,062,826	1,644,514	4,707,340
Plant and machinery	25,597,461	7,579,022	33,176,483
Industrial and commercial equipment	5,090,167	2,616,358	7,706,525
Other assets	1,146,731	(206,264)	940,467
Fixed assets in progress and payments on account	5,760,610	2,682,782	8,443,392
Totals	**40,657,795**	**14,316,412**	**54,974,207**

Tangible fixed assets, net of accumulated depreciation, amounted to EUR 54,974,207 (EUR 40,657,795 at the end of the previous year).

Changes in tangible fixed assets

The following table shows the components that contributed to the determination of the net book value in the Financial Statements (art. 2427, point 2 of the Italian Civil Code).

	Land and buildings	Plant and machinery	Industrial and commercial equipment	Other tangible fixed assets	Tangible fixed assets under construction and advances	Total tangible fixed assets
Value at the beginning of the financial year						
Cost	3,340,605	34,837,622	8,998,894	4,415,392	5,760,610	57,353,123
Amortisation (Amortisation provision)	277,779	9,240,161	3,908,727	3,268,661	-	16,695,328
Book value	3,062,826	25,597,461	5,090,167	1,146,731	5,760,610	40,657,795
Changes during the financial year						
Increases for acquisitions	1,577,093	9,821,886	3,437,251	204,601	4,637,939	19,678,770
Reclassifications (of book value)	211,689	1,301,086	36,640	-	(1,606,516)	(57,101)
Decreases due to disposals and divestments (of book value)	-	-	-	14,147	348,641	362,788
Depreciation for the financial year	132,864	1,540,361	847,833	396,718	-	2,917,776
Other changes	(11,404)	(2,003,589)	(9,700)	-	-	(2,024,693)
Total changes	1,644,514	7,579,022	2,616,358	(206,264)	2,682,782	14,316,412
Value at the end of the financial year						
Cost	5,633,993	46,499,982	12,528,568	4,041,572	9,333,010	78,037,125
Amortisation (Amortisation provision)	926,653	13,023,499	4,822,043	3,101,105	-	21,873,300
Write-downs	-	300,000	-	-	889,618	1,189,618
Book value	4,707,340	33,176,483	7,706,525	940,467	8,443,392	54,974,207

Land and buildings

The increase in the item **Land and buildings** includes EUR 1,358,922 from merger acquisitions relating to:

- building in Via Masi Simonetti in Belluno;
- land in the Levego locality in the Municipality of Belluno;
- land pertaining to the district heating plant in the Municipality of Santo Stefano di Cadore and the related building;
- building belonging to the Missiaga hydroelectric plant, in the municipality of La Valle Agordina.

The further increase for the year, amounting to EUR 218 thousand, relates to industrial buildings, mainly relating to the new sludge dewatering plant in the Municipality of Longarone (NRRP Basin Sludge Hub project).

Plant and machinery

The increase in the item **Plant and machinery** includes EUR 5,586,743 from merger acquisitions relating to:

- district heating plant, including the associated distribution networks and connections, the carrying amount of which is net of a write-down of EUR 300 thousand made by the acquired company in 2024 following an impairment test carried out on the business units to be transferred as part of the merger;
- hydroelectric plants;
- telecontrol systems.

The further increase for the year, amounting to EUR 4 million, mainly refers to the following works, which were completed at year-end:

- new connections to the water supply/sewerage networks and new disinfection plants (EUR 1.4 million)
- initiatives to reduce losses in water distribution networks, including digitisation and monitoring as part of the NRRP Reduction of losses project (EUR 807 thousand);
- construction of sludge dewatering plant in the municipality of Longarone, NRRP project, basin sludge hub (EUR 442 thousand);
- construction of the new sewerage network serving the hamlet of Dussano and the renovation of the Callibago section in the Municipality of Santa Giustina (EUR 779 thousand);
- imhoff tanks in agglomerates > 2000 ae to be eliminated: Col di Piana (EUR 240 thousand).

Industrial and commercial equipment

The increase in the item **Industrial and commercial equipment** includes EUR 60,793 of merger acquisitions relating to meters of the District Heating service as well as various technical equipment.

The further increase in the year, amounting to EUR 3.4 million, refers to water meters (EUR 2.5 million) and flow meters (EUR 452 thousand), largely installed in the geographical area covered by the NRRP Leakage Reduction project, as well as technical equipment (EUR 381 thousand).

Other assets

The increase in the item **Other tangible fixed assets** includes EUR 48,926 from merger acquisitions relating to vehicles, office furniture and equipment, and electronic machines. The further increase for the year, amounting to EUR 156 thousand, refers mainly to:

- Vehicles (EUR 84 thousand);
- Electronic machines and data processing centres (EUR 52 thousand);
- Telephony (EUR 19 thousand).

Fixed assets in progress and payments on account

The increase in the item **Fixed assets in progress and payments on account** includes EUR 69,830 of acquisitions from mergers relating to the value of the Rio Rin hydroelectric plant in the municipality of Lozzo di Cadore. This value is net of the write-down of EUR 889,618 made in 2024 by the merged company following an impairment test on the hydroelectric business. The plant is still experiencing technical issues that are delaying its commissioning.

The further increase for the year, amounting to EUR 3.3 million, is mainly related to the following works that have not been completed:

- Vaia – Caprile-Masarè sewerage (EUR 1.2 million);
- sewerage collectors and purification plant serving the municipality of Borca di Cadore (EUR 648 thousand);
- construction of new tank (Cadelverzo) in the Municipality of Cortina d'Ampezzo (EUR 554 thousand);
- imhoff tanks in agglomerates > 2000 ae to be eliminated: Vielmi in the Municipality of Domegge di Cadore (EUR 258 thousand);
- purification plant serving Caprile, Le Grazie and Alleghe in the Municipality of Alleghe (EUR 129 thousand).

Reclassifications include the reversal of EUR 1.6 million corresponding to items of assets under construction and advances relating to works completed during the year and brought into operation, as well as the reclassification of EUR 57 thousand within Intangible Fixed Assets.

Grants pertaining to the year are shown under Other changes.

Investment grants

We note the share of contributions to be borne by users for new connections to the water supply and sewerage system, for a total of EUR 365,907, in relation to the tariff system for the same, which requires the applicant to cover the cost of constructing the part on public land.

The Obligation recognised to the Operator's Revenues (VRG) for 2025 does not include the tariff component *New Investment Fund* (FoNI), which is therefore not shown in these financial statements among the grants.

Below, we detail the grants accruing in 2025, broken down by type, allocated to intangible fixed assets.

Type of grant	Amount in euro
VAIA emergency grants	1,316,196
Redevelopment and regulatory and structural adjustments to the water supply system of the Municipality of Falcade - NRRP	342,591
Connection grants from Users	365,907
Grand total	**2,024,694**

Finance lease transactions

The Company did not have any finance lease agreements in place at the end of the financial year.

Financial fixed assets

Financial fixed assets consist of equity investments and receivables of a financial nature, as shown in the table below.

Balance sheet items	Opening balance	Changes	Closing balance
Equity investments in:			
b) Associated companies	0	1,295,828	1,295,828
d-bis) other companies	218,495	(63,658)	154,837
Receivables from:			
d-bis) Others	5,980,134	(239,028)	5,741,106
Totals	**6,198,629**	**993,142**	**7,191,771**

Detailed information and schedules of the individual items are provided below.

Changes in investments, other securities and derivative financial instruments fixed assets

The equity investments recorded under fixed assets represent a long-term and strategic investment on the part of the Company. Their value as at 31/12/2025 totalled EUR 1,450,665. The following table shows the components that contribute to the determination of the net book value in the financial statements (art. 2427, point 2 of the Italian Civil Code).

	Equity investments in associated companies	Investments in other companies	Total investments
Value at the beginning of the financial year			
Cost	-	218,495	218,495
Book value	-	218,495	218,495
Changes during the financial year			
Increases for acquisitions	1,264,828	71,151	1,335,979
Reclassifications (of book value)	31,000	(31,000)	-
Decreases due to disposals (of book value)	-	49,000	49,000
Other changes	-	(54,809)	(54,809)
Total changes	1,295,828	(63,658)	1,232,170
Value at the end of the financial year			
Cost	1,295,828	154,837	1,450,665
Book value	1,295,828	154,837	1,450,665

The item **Investments in associated companies** includes investments in:

- Valmontina S.r.l. for EUR 899 thousand (acquired through the merger);
- Renaz S.r.l. for EUR 366 thousand (acquired through the merger);
- Società Informatica Territoriale S.r.l. for EUR 31 thousand (of which EUR 15 thousand acquired through the merger). As detailed below, the equity investment was reclassified during the year.

The item **Investments in other Companies** includes investments in:

- Dolomiti Ambiente S.p.A. for EUR 140 thousand;
- Consorzio Quadrante Levego for EUR 7 thousand (acquired through the merger);
- Viveracqua S.c.a.r.l. for EUR 5 thousand;
- Network contract called Laboratori Viveracqua for EUR 3 thousand.

As a result of the merger, the equity investment held by the Company in the merged company (EUR 54,809) was also cancelled.

Finally, as detailed below, the shareholding in FIAC S.r.l. for EUR 49 thousand, acquired through the merger, was sold during the year.

Pursuant to Article 2361 of the Italian Civil Code, it should be noted that no equity investment entails the assumption of unlimited liability.

Details of long-term equity investments in associated companies

Pursuant to Article 2427, point 5 of the Italian Civil Code, the information relating to equity investments in associated companies, held directly or indirectly, recorded under financial fixed assets, is provided below.

Name	City, if in Italy, or foreign Country	Share Capital in €	Shareholders' equity in €	Profit (Loss) for the last financial year in €	Portion held in %	Portion held in €	Book value
Valmontina S.r.l.	Belluno	100,000	6,036,378	857,163	25%	1,509,095	898,750
Renaz S.r.l.	Belluno	10,000	1,161,690	138,787	20%	232,338	366,078
Società Informatica Territoriale S.r.l.	Belluno	100,000	514,322	22,905	31%	159,440	31,000
Total							**1,295,828**

The figures for shareholders' equity and the result for the year are taken from the latest approved financial statements which, specifically, refer to the year ended 31/12/2024.

The equity investments in Valmontina S.r.l. and Renaz S.r.l., both relating to the hydroelectric sector, were acquired through the merger by incorporation of Bim Belluno Infrastrutture S.p.A. The value acquired in the Financial Statements is the result of an impairment test carried out by the merged company in 2024, pursuant to the Italian Civil Code and Accounting standard OIC 9, which led to a write-down of the shareholding in Renaz S.r.l. of EUR 246,000 to adjust its value to current profitability. In accordance with the provisions of OIC 9, the performance of the investee companies is monitored to assess any future reversals of impairment losses.

Following the merger, the equity investment in Società Informatica Territoriale S.r.l., in which the Company already held a 16% stake assumed in 2007 as consideration for the contribution of the 'Mapping' business unit, increased by EUR 15,000, reaching a 31% stake in the capital. It was therefore reclassified among the equity investments in associated companies.

Details of long-term equity investments in other companies

Name	City, if in Italy, or foreign Country	Share Capital in €	Shareholders' equity in €	Profit (Loss) for the last financial year in €	Portion held in %	Portion held in €	Book value
La Dolomiti Ambiente S.p.A.	Belluno	2,035,104	2,117,026	134,377	7.60%	160,894	139,640
Viveracqua S.c.a.r.l.	Verona	105,134	259,167	4,988	4.82%	12,492	5,160
Viveracqua Laboratories Network	Vicenza	50,000	-	-	5.77%	0	2,886
Quadrante di Levego Consortium	Belluno	30,000	30,553	(2,366)	23.84%	7,283	7,151
Total							**154,837**

The figures for shareholders' equity and the result for the year of investee companies included under equity investments in other companies are taken from the latest approved financial statements as at 31/12/2024.

The shareholding in La Dolomiti Ambiente S.p.A. derives from the incorporation of the company by deed of transformation and demerger of the pre-existing Consorzio Azienda Bim Piave Belluno. The investee processes municipal solid waste and the organic fraction, managing the treatment plant located in the district of Maserot in the municipality of Santa Giustina (BL), where it also operates a plant for the production and energy enhancement of biogas from the organic matrix.

The investment in Viveracqua S.c.a.r.l. relates to a consortium created by the Operators of the Integrated Water Service in Veneto.

The network contract called Viveracqua Laboratories Network, created within the Viveracqua Consortium, allows the participating Operators to carry out analysis services for water intended for human consumption and wastewater pertaining to the Integrated Water Service managed in the relevant territory. The Company joined by notarial deed in December 2023, paying a shareholding of the Common Equity Fund intended for the operation of the Network amounting to EUR 2,886.

With the merger, a shareholding was acquired in the company FIAC S.r.l., relating to the hydroelectric sector, equal to 16% of the share capital, corresponding to a book value of EUR 49,000. By deed of sale dated 18/12/2025, the Company transferred its shareholding for a total consideration of EUR 50,000.

There were no verified cases of write-backs.

Changes and maturity of long-term receivables

The following table shows the formation and composition of non-current receivables (art. 2427, point 2 of the Italian Civil Code), as well as amounts due in more than five years (art. 2427, point 6 of the Italian Civil Code).

	Value at the beginning of the financial year	Changes during the financial year	Value at the end of the financial year	Share due within the financial year	Share due after the financial year	Of which with a residual maturity of more than 5 years
Long-term receivables from others	5,980,134	(239,028)	5,741,106	871,027	4,870,079	2,533,888
Total long-term receivables	**5,980,134**	**(239,028)**	**5,741,106**	**871,027**	**4,870,079**	**2,533,888**

This item includes the receivable from the Comuni B.I.M. Piave Belluno Consortium deriving from the payment in instalments of a grant to support investments in the water service. Of this grant already approved in 2011 for a total amount of EUR 10 million, EUR 1,200,000 remains to be collected; the amount over 12 months is EUR 800,000, to be fully collected within 5 years.

There is also a receivable due from the Comuni B.I.M. With Piave Belluno, there is a receivable for a capital grant on the LPG networks, disbursed in instalments, which amounted to EUR 471,027 at year-end. For this grant, a rescheduling of the disbursement plan was agreed in the first few months of 2026, with the balance to be disbursed within 2026.

This item also includes a receivable totalling EUR 3,700,000 related to the establishment of irregular pledges to support the credit (Credit Enhancement) provided for in connection with the Hydrobond securities issue transactions. It should be noted that the amounts pledged may be used by the special purpose vehicle to pay for the bonds issued by it on the secondary market if, for any reason, even one of the issuers fails to honour its obligations pro-tempore. Without prejudice to this exception, as of the year 2027, the special purpose vehicle is obliged to repay the pledges taken out in the context of the Hydrobond 1 and 2 transactions, while the repayment of the pledges taken out in 2022 in support of the Hydrobond 4 transaction will take place as of the year 2030. In both cases, repayment will be in instalments based on the remaining amortisation schedule of the bond debt.

Also as part of the Hydrobond transactions, receivables of EUR 46,191 and EUR 39,747 are recognised as participation in the reserves set up in the vehicle companies (Viveracqua Hydrobond 1 S.r.l. for the Hydrobond 1 and 2 transactions and Viveracqua Hydrobond 2022 S.r.l. for the Hydrobond 4 transaction), for the incurring of expenses related to the transaction.

The item also includes the receivables acquired with the merger from Quadrante Levego Consortium, for a loan granted by the Consortium Members (EUR 74 thousand).

The remainder of the item refers to deposits paid mainly for water concession renewal procedures.

Breakdown of long-term receivables by geographical area

Pursuant to Article 2427, point 6 of the Italian Civil Code, a summary of non-current receivables by geographic area is provided below.

Geographical area	Long-term receivables from others	Total long-term receivables
Italy	5,741,106	5,741,106
Total	**5,741,106**	**5,741,106**

It should be noted that this item only includes receivables from entities based in the national territory.

Value of financial fixed assets

Financial fixed assets were not booked to the financial statements at a value exceeding their fair value.

Current assets

Inventories

Pursuant to Article 2427, point 4 of the Italian Civil Code, details of the composition of this item are provided below.

	Value at the beginning of the financial year	Change during the financial year	Value at the end of the financial year
Raw/auxiliary materials and consumables	2,199,577	600,957	2,800,534
Contract work in progress	25,229	(25,229)	0
Total inventories	**2,224,806**	**575,728**	**2,800,534**

It should be noted that the criteria adopted for the measurement of the individual items resulted in the recognition of values that did not differ significantly from the current costs of the assets recognised at the end of the financial year (article 2426, point 10 of the Italian Civil Code).

The *inventories of raw materials and consumables* consist mainly of meters, water and sewage network components and consumables. At the end of the period, there was a transitory increase in inventories, mainly related to the purchase of meters for mass replacements, particularly in the area affected by the installation of electronic meters under the NRRP.

The change in the item *Contract work in progress* relates to the completion of the design activities carried out for works under an agreement with the Municipality of Falcade, aimed at the construction of a work financed by the Municipality.

Receivables recognised as current assets

Changes and maturity of receivables recognised as current assets

The following table shows the composition, change and expiry of receivables in current assets (article 2427, points 4 and 6 of the Italian Civil Code).

	Value at the beginning of the financial year	Change during the financial year	Value at the end of the financial year	Share due within the financial year	Share due after the financial year
Trade receivables recognised as current assets	12,236,048	(417,172)	11,818,876	11,818,876	0
Tax receivables recognised as current assets	30,598	263,111	293,709	293,709	0
Prepaid tax assets recognised as current assets	1,087,755	524,885	1,612,640		
Receivables from others recognised as current assets	3,274,492	221,283	3,495,775	2,858,130	637,645
Total receivables recognised as current assets	**16,628,893**	**592,107**	**17,221,000**	**14,970,715**	**637,645**

Breakdown of receivables recognised as current assets by geographical area

Receivables in current assets are broken down according to the geographic areas of operation of the debtor (art. 2427, point 6 of the Italian Civil Code):

Geographical area	Italy	Total
Trade receivables recognised as current assets	11,818,876	11,818,876
Tax receivables recognised as current assets	293,709	293,709
Prepaid tax assets recognised as current assets	1,612,640	1,612,640
Receivables from others recognised as current assets	3,495,775	3,495,775
Total receivables recognised as current assets	**17,221,000**	**17,221,000**

For the purpose of the required disclosure of the geographic breakdown of receivables and payables, it should be noted that all receivables are from entities domiciled in Italy.

Receivables from customers

Receivables from Customers	31/12/2025	31/12/2024	Change
Water receivables for invoices issued	9,739	7,762	1,978
Water receivables for invoices to be issued	4,298	5,097	(799)
Water receivables for VRG adjustment	(212)	2,523	(2,735)
Total water receivables	**13,825**	**15,382**	**(1,557)**
Hydroelectric receivables for invoices issued	548	0	548
Hydroelectric receivables for invoices to be issued	207	0	207
Total hydroelectric receivables	**754**	**0**	**754**
Receivables from the district heating sector	135	0	135
Receivables from the LPG sector	91	94	(3)
Receivables from other sectors	304	38	266
from local authorities	98	0	98
from others	206	38	167
Total receivables gross of write-down	**15,110**	**15,514**	**(405)**
Bed debt provision	(3,291)	(3,278)	(13)
Total receivables net of write-down	**11,819**	**12,236**	**(417)**

Water receivables for invoices issued and **to be issued** increased in connection with the increase in revenues.

The change in **water receivables for VRG adjustment** of EUR 2.7 million is due to the tariff dynamics linked to the adjustment of external costs. In the 2025 VRG, the tariff receivable accrued in 2023 (2.4 million) and part of the 2024 VRG deferral determined based on the MTI-4 Tariff Method, approved by ARERA on 28 December 2023 with Resolution 639/2023/R/IDR, the balance of which will be collected in the 2026 VRG (EUR 184 thousand), are collected.

It should be noted that the regulations in force allow for the revenue due to the Operator to be determined in the year of accrual, guaranteeing a tariff mechanism for the recovery of the balancing items with the turnover of the second subsequent year; this discipline has also been endorsed from a fiscal point of view on the basis of response to specific request for a tax ruling.

Hydroelectric receivables relate to invoices issued and to be issued to the Gestore Servizio Elettrico (GSE) for the feeding into the grid of electricity produced by the managed plants.

Receivables from other sectors include receivables from Municipalities for services rendered. The item also includes a receivable of EUR 117 thousand arising in the merged company Bim Belluno Infrastrutture S.p.A.

for services re-invoiced to Italgas Reti S.p.A. following the sale of the methane branch; of these, EUR 34 thousand were collected in the first few months of 2026.

Tax receivables

Description	Previous year	Change	Current FY
IRES/IRPEF credits	0	180,034	180,033.93
IRAP credits	0	81289	81,289.00
VAT credits	0	0	0.00
Other tax receivables	30,598	1,789	32,386.55
Totals	**30,598**	**263,111**	**293,709**

Other tax receivables relate to:

- excess IRES (EUR 180 thousand) and IRAP advances (EUR 81 thousand);
- consumption tax and excise duties on LPG (EUR 27 thousand);
- consumption tax on district heating (EUR 5.5 thousand).

Other receivables

Current assets include **deferred tax assets**; for a detailed description please refer to the section on deferred taxation.

Receivables from others as at 31/12/2025 are summarised as follows:

Receivables from others	Previous year	during the year year	*Change*
a) Receivables from others due within the financial year	**3,274,492**	**2,858,027**	**(416,465)**
Advances to suppliers	2,276,433	1,669,782	(606,651)
Receivables for grants	843,414	446,971	(396,443)
Advances to municipalities on hydroelectric management fees	0	353,612	353,612
Other	154,645	387,765	233,120
b) Receivables from others due beyond the financial year	**0**	**637,645**	**637,645**
Advances to municipalities on hydroelectric management fees	0	637,645	637,645
Total other receivables	**3,274,492**	**3,495,775**	**221,183**

Advances to suppliers are mainly related to financial advances paid to suppliers upon request made pursuant to law and contracts.

Receivables for grants relate to investments in the Water Service, subsidised by the Veneto Region and other local authorities.

This item also includes:

- advance payments made to the Municipalities on the management fees for hydroelectric power plants (EUR 991 thousand, of which EUR 638 thousand is due beyond the financial year);
- receivables from Cassa Conguaglio per i Servizi Energetici, of which EUR 205 thousand related to incentives for the safety of methane gas networks and plants, accrued by the merged company Bim Belluno Infrastrutture S.p.A. (EUR 88 thousand collected in the first few months of 2026) and EUR 29 thousand relating to social bonuses advanced on behalf of CSEA to users suffering economic hardship;
- EUR 43 thousand relating to disputed State fees, paid with the benefit of recovery of undue payments;
- other receivables relating to reimbursements of electoral leave and advance payments on behalf of third parties.

The nominal value of receivables was adjusted to their presumed realisable value by means of a special provision for bad debts, which underwent the following changes during the year:

Description	Opening balance	Uses	Provisions	Closing balance
Provision for the write-down of receivables included in current assets	3,278,169	269,355	282,020	3,290,834

Utilisations relate, for EUR 267 thousand, to the non-recourse transfer to financial intermediaries of non-performing receivables and, for the remaining portion, to receivables from parties involved in insolvency proceedings and receivables of limited amount for which it was not deemed appropriate to proceed with legal recovery actions.

Provisions include EUR 102,020 relating to the carry-over of the merger balance. Net of this component, the provision for the year amounts to EUR 180,000.

Current financial assets

As a result of the merger, the Company acquired, in addition to EUR 29 million in cash and cash equivalents, current financial assets in the amount of EUR 19.2 million. In fact, in order to manage the liquidity collected at the beginning of 2024 following the sale of the gas branch, with a view to diversifying and minimising risk, the merged company had subscribed to bond funds and securities portfolios with two different credit institutions, with low-risk underlying securities and diversified maturities, including medium-term maturities, in order to contain the effects of any changes in the rates expected on the markets.

During the current financial year, the Company, in the presence of cash and cash equivalents in excess of short-term commitments, adopted a cash optimisation policy by allocating the surplus to securities portfolios or other forms of temporary liquidity parking with the aim of maximising their return without compromising the prompt availability of funds. At the reporting date, **current financial assets** amount to EUR 32.8 million.

All investments are made in accordance with a *liquidity management policy* adopted by the Company with the aim of minimising the risks associated with the invested capital.

Cash and cash equivalents

The balance as detailed below represents the amount of and changes in cash and cash equivalents existing at the close of the financial year (art. 2427, point 4 of the Italian Civil Code).

	Value at the beginning of the financial year	Change during the financial year	Value at the end of the financial year
Bank and postal deposits	10,421,076	(1,663,181)	8,757,895
Cash and other valuables on hand	1,055	1,122	2,177
Total cash and cash equivalents	**10,422,131**	**(1,662,059)**	**8,760,072**

Cash and cash equivalents amounted to EUR 8,760,072 as at 31/12/2025.

It should be noted that the investment methods were selected on the basis of a liquidity management policy that the Company has adopted in order to minimise the risks on capital invested.

Accrued income and prepaid expenses

The composition of and changes in this item are detailed as follows (art. 2427, point 7 of the Italian Civil Code):

	Value at the beginning of the financial year	Change during the financial year	Value at the end of the financial year
Accrued income	21,219	217,173	238,392
Prepaid expenses	288,007	(60,502)	227,505

Total accrued income and prepaid expenses	**309,226**	**156,671**	**465,897**

Description	Previous year	Current FY	Change
Prepaid expenses:	288,007	227,505	(60,502)
- on software support fees	191,245	124,380	(66,865)
- on data traffic fees	42,347	45,928	3,581
- on surety commissions	10,174	31,853	21,679
- on insurance premiums	14,481	14,554	73
- on hardware support fees	14,850	4,365	(10,485)
- other	14,909	6,424	(8,485)
Accrued income:	21,219	238,392	217,173
- on interest income on securities held as current assets	0	211,448	211,448
- on remuneration of Cash Collateral - Hydrobond	21,219	26,945	5,726
Totals	**309,226**	**465,897**	**156,671**

Prepaid expenses mainly relate to the portion of rents, insurance premiums and surety commissions, paid in 2025 but pertaining to subsequent years.

The accrued income relates to the portion of interest income accrued on portfolio securities whose coupons will be collected in 2026 (EUR 211 thousand) and the portion of income accrued as remuneration of the *Cash Collateral* under the "Credit Enhancement Creditor Agreement" in connection with Hydrobond Transactions 1, 2 and 4 (EUR 27 thousand).

Notes to the Financial Statements, Liabilities and Shareholders’ Equity

Shareholders’ Equity

Changes in Equity items

Shareholders' Equity at the close of the year amounted to EUR 112,221,916 and recorded the following changes (art. 2427, point 4 of the Italian Civil Code).

	Value at the beginning of the financial year	Allocation of the previous financial year's result	Other changes			Result for the year	Value at the end of the financial year
		Other allocations	Increases	Decreases	Reclassifications		
Capital	2,010,000	-	1,839,693	-	(30,000)		3,819,694
Share premium reserve	0	-	3,608,001	-	-		3,608,001
Revaluation reserves	203,500	-	7,570,089	-	-		7,773,589
Legal reserve	409,492	-	354,447	-	-		763,939
Other reserves							
Extraordinary reserve	57,803,898	1,550,508	-	3,562,880	(420,000)		55,371,524
Merger surplus reserve	0	-	39,393,729	-	-		39,393,729
Various other reserves	0	-	1	-	-		1
Total other reserves	57,803,898	1,550,508	39,393,730	3,562,880	(420,000)		94,765,254
Profit (loss) for the year	1,550,508	(1,550,508)	-	-	-	1,491,439	1,491,439
Negative reserve for treasury shares in portfolio	(450,000)	-	-	-	450,000		0
Total Shareholders’ Equity	**61,527,398**	**-**	**52,765,960**	**3,562,880**	**-**	**1,491,439**	**112,221,916**

Details of the various other reserves

Description	Amount
Other reserves	1
Total	**1**

The *Decreases* in the **Extraordinary Reserve** include the distribution of dividends approved by the Shareholders' Meeting on 15 October 2025, mentioned in the section *Significant events during the year*. The *Reclassifications* show the absorption, in conjunction with the merger, of the reserve for the purchase of treasury shares generated in 2024 with the liquidation of a Shareholder.

Availability and use of Equity

Details are provided on the reserves that make up the Shareholders' Equity, specifying their origin or nature, their possibility of utilisation and the limits on their distributability, as well as their utilisation in previous years (art. 2427, point 7-bis of the Italian Civil Code):

	Amount	Origin/nature	Possible uses	Available portion
Capital	3,819,694			-
Share premium reserve	3,608,001	C	A, B, C	3,608,001
Revaluation reserves	7,773,589	C	A, B	7,773,589
Legal reserve	763,939	U	B	-
Other reserves				
Extraordinary reserve	55,371,524	U	A, B, C	55,371,524
Merger surplus reserve	39,393,729	C	A, B, C	39,393,729
Various other reserves	1	C	A, B	-
Total other reserves	94,765,254			94,765,253
Negative reserve for treasury shares in portfolio	0			-
Total	110,730,477			106,146,843
Non-distributable portion				7,773,589
Residual distributable share				98,373,254

Keys for column "Origin/nature": C = share capital reserve; U = profit reserve.
Keys: A: for capital increase B: to cover losses C: for distribution to shareholders D: for other statutory restrictions E: other

Origin, possible uses and distributability of the various other reserves

Description	Amount
Other reserves	1
Total	**1**

The elimination of tax impediments from the annual financial statements resulted, pursuant to the combined provisions of article 4, paragraph 1, letter h and article 109, paragraph 4 of Legislative Decree No. 344/2003, in the establishment of a regime for deferred tax encumbering 'per masse' (grouping together of homogeneous items) shareholders’ equity reserves amounting to EUR 318,132 referable to accelerated depreciation.

Provisions for risks and charges

The breakdown and changes in the individual items are shown in the following table (art. 2427, point 4 of the Italian Civil Code).

	Provision for taxes, including deferred taxes	Other provisions	Total provisions for risks and charges
Value at the beginning of the financial year	104,943	1,612,729	1,717,672
Changes during the financial year			
Provision in the financial year	-	553,000	553,000
Use in the financial year	4,482	139,622	144,104
Other changes	-	220,515	220,515
Total changes	(4,482)	633,893	629,411
Value at the end of the financial year	100,461	2,246,622	2,347,083

Provisions for taxes include deferred tax liabilities of EUR 100 thousand. The utilisation for the year of EUR 4,482 refers to the reversal of accelerated depreciation.

In the section of these Explanatory Notes on the presentation of the effects of deferred taxation, details are provided on the provision for deferred tax liabilities.

Among **other provisions**, the change of EUR 221 thousand relates to the carry-over of the merger balance of the provisions for legal proceedings and other expenses of the merged company.

This table provides a breakdown of the item relating to **other provisions for risks and charges**, as well as the change from the previous year (art. 2427, point 7 of the Italian Civil Code).

Description	Previous year	Change	Current FY
Other provisions for risks and charges:			
Provision for risks relating to legal proceedings	58,000	67,500	125,500
Provision for Province sanction risks	75,000	0	75,000
Provision for risks for quality penalties	359,729	155,378	515,107
Provision for miscellaneous risks	1,120,000	228,000	1,348,000
Provision for sundry risks and charges	0	183,015	183,015
Totals	**1,612,729**	**633,893**	**2,246,622**

During the year, a provision of EUR 270 thousand was allocated to the **Provision for risks for quality penalties** to cover possible penalties for failure to achieve the technical (RQTI) and contractual (RQSI) quality objectives of the integrated water service set by ARERA.

The **provision for miscellaneous risks** includes:

- probable charges for the regularisation of water concession procedures for EUR 858 thousand, of which EUR 88 thousand was set aside during the year;
- probable penalties on the purification service, as a result of the European Court sentencing Italy on 6 October 2021 for the Falcade and Borca di Cadore sites, in the amount of EUR 360 thousand, of which EUR 10 thousand was set aside during the year;
- probable charges related to an ongoing tax audit of the Company (EUR 130 thousand) in relation to the application of the ACE regulations with reference to the 2021 tax year, arising from the Revenue Agency's dispute regarding the alleged sterilisation of the ACE base following the temporary use of cash in restricted deposit accounts.

The **Provision for other charges** includes the costs of asphalt restoration for methanisation and maintenance works at the district heating plant, which the merged company Bim Belluno Infrastrutture S.p.A. had not been able to complete by 31/12/2024, for the part not yet carried out by the Company in 2025.

Employee severance indemnity

The provision accrued represents the Company's actual liability as at 31/12/2025 towards employees in force at that date, net of severance indemnities paid, and corresponds to the indemnities accrued up to 31 December 2006, and does not include the indemnities accrued as of 1 January 2007, which are allocated to supplementary pension plans pursuant to Legislative Decree No. 252 of 5 December 2005, or transferred to the INPS treasury.

The formation and utilisation are detailed in the schedule below (art. 2427, point 4 of the Italian Civil Code).

	Employee severance indemnity
Value at the beginning of the financial year	249,012
Changes during the financial year	
Provision in the financial year	13,259
Use in the financial year	22,753
Other changes	73,417
Total changes	63,923
Value at the end of the financial year	**312,935**

The provision for the year relates to the portion of severance pay of newly hired staff for the period in which no choice was made regarding the destination of their severance pay and therefore to be transferred to the INPS treasury fund. The utilisation in the year relates to severance payments to employees in the year 2025. Other changes include EUR 6 thousand relating to the revaluation of allowances set aside in previous years and EUR 68 thousand relating to severance pay accrued by personnel acquired following the merger.

Payables

Changes and maturity of payables

The composition of payables, changes in individual items, and their breakdown by maturity are shown in the following table (art. 2427, point 4 of the Italian Civil Code).

	Value at the beginning of the financial year	Change during the financial year	Value at the end of the financial year	Share due within the financial year	Share due after the financial year	Of which with a residual maturity of more than 5 years
Bonds	16,596,847	(1,349,364)	15,247,483	1,360,000	13,887,483	8,400,000
Payables to banks	9,634,334	(1,121,593)	8,512,741	1,741,196	6,771,544	1,047,589
Advances	2,787,401	6,022,771	8,810,172	8,810,172	0	0
Payables to suppliers	13,707,070	808,175	14,515,245	14,515,245	0	0
Tax payables	754,924	(193,819)	561,105	561,105	0	0
Payables to social security institutions	705,157	149,972	855,129	855,129	0	
Other payables	4,305,323	2,025,524	6,330,847	6,330,847	0	0
Total payables	**48,491,056**	**6,341,665**	**54,832,721**	**34,173,694**	**20,659,027**	**9,447,589**

Bonds

The item 'Bonds' includes the debt associated with the Hydrobond transactions. During the year, principal amounts of EUR 720 thousand relating to the Hydrobond 1 and 2 transactions and EUR 640,000 relating to the Hydrobond 4 transactions were repaid.

The portion of bond debt due within the next financial year is attributable to Hydrobond 1 and 2 for EUR 720 thousand, while the remaining EUR 640 thousand relates to Hydrobond 4.

Payables to banks

Description	Previous year	Current FY	Change
a) Payables due to banks within the next financial year	3,009,856	1,741,196	(1,268,660)
Mortgages	3,009,856	1,741,196	(1,268,660)
Other payables:			
b) Payables due to banks after the next financial year	6,624,478	6,771,544	147,066
Mortgages	6,624,478	6,771,544	147,066
Other payables:			
Total payables to banks	**9,634,334**	**8,512,741**	**(1,121,593)**

The item **Payables to banks** includes the balances of two loan positions outstanding as at 31/12/2024 in Bim Belluno Infrastrutture S.p.A., transferred to the Company following the merger. The loans were taken out under the same original contractual terms and accounted for at the outstanding debt as at the effective date of the merger (EUR 2,358,304).

The repayment of instalments on medium- and long-term loans that fell due during the year amounted to EUR 3.5 million.

Advances

Description	Previous year	Current FY	Change
a) Payments on account within the next financial year	2,787,401	8,810,172	6,022,771
Advances on grants	2,652,259	3,640,715	988,456
Advances from customers	135,142	259,025	123,883
Other advances	0	4,910,432	4,910,432
Total payments on account	**2,787,401**	**8,810,172**	**6,022,771**

The item **Advances** includes the amounts of grants that have not yet been deducted from the related assets as they have not been completed and put into operation at the balance sheet date (EUR 2.4 million relating to NRRP projects and EUR 1.6 million VAIA financing for the construction of the Caprile-Masarè collector).

The increase in the item is mainly attributable to the amount of EUR 4,682,885, collected by the merged company as an advance on the transfer price based on the reimbursement value of the transfer of the gas business unit, which was not confirmed by the contracting authority in the final reimbursement value, an event for which the merged company filed the appeal before the Regional Administrative Court already mentioned above.

The item also includes the amount of EUR 106,630, relating to the collection by the merged company of past taxes on the basis of a ruling by the Court of Tax Justice of first instance of Belluno, confirmed at second instance, following an appeal by the Belluno Revenue Agency, which appealed to the Court of Cassation. The Company has filed a counter-appeal and is now awaiting the settlement of the case.

The item also includes advances invoiced to users relating to connection works to the water and sewerage networks that had not yet been carried out as at 31 December 2025.

Payables to suppliers

Description	Previous year	Current FY	Change
a) Payables to suppliers within the next financial year	13,707,070	14,515,245	808,175
Suppliers within the next financial year:	6,007,508	5,499,156	(508,352)
- trade-related payables due to local authorities	6,393	808,228	801,835
- trade-related payables to related parties	0	0	0
- other	6,001,115	4,690,928	(1,310,187)
Invoices to be received within the next financial year:	7,699,562	9,016,089	1,316,527
- trade-related payables due to local authorities	0	568,596	568,596
- trade-related payables to related parties	21,690	0	(21,690)
- other	7,677,873	8,447,493	769,620
b) Payables to suppliers within the next financial year	0	0	0
Payables to suppliers after the next financial year:	0	0	0
Invoices to be received after the next financial year:	0	0	0
Total due to suppliers	**13,707,070**	**14,515,245**	**808,175**

Following the merger, the Company took over the payables of the merged company (EUR 0.9 million), mainly related to items due to Local Authorities for fees for the Electricity Production Service.

The total item as at 31/12/2025 amounted to EUR 14.5 million, of which EUR 9 million for invoices to be received.

Tax payables

Description	Previous year	Change	Current FY
Payables for IRES	62,788	(62,788)	0
Payables for IRAP	71,170	(71,170)	0
Payables for IVA	225,835	(183,026)	42,809
Treasury - employee withholdings taxes	379,956	99,836	479,792
Treasury - withholding tax professionals/associates taxes	12,609	20,239	32,848
Substitute taxes	1,402	(865)	537
Payables for other taxes	1,164	3,955	5,119
Total tax payables	**754,924**	**(193,819)**	**561,105**

The item **Tax payables** mainly refers to VAT and IRPEF withholdings.

Payables to social security institutions

Description	Previous year	Current FY	Change
Payables due to INPS (National Social Security Institute) and Inpdap (National Social Insurance Institute for Civil Servants)	512,460	470,767	(41,693)
Payables to Inail (National Institute for Insurance against Accidents at Work)	19,630	9,708	(9,922)
Other payables to pension and social security institutions	173,067	374,654	201,587
Total pension and social security and insurance payables	**705,157**	**855,129**	**149,972**

Payables to pension and social security institutions mainly include payables to INPS, INPDAP and supplementary pension funds.

Other payables

Description	Previous year	Current FY	Change
a) Other payables within the next financial year	4,305,323	6,330,847	2,025,524
Payables to employees/similar	1,432,299	1,385,377	(46,922)
Payables to employees and Statutory Auditors	0	0	0
Payables due to shareholders	0	2,596,102	2,596,102
Other payables:			
- fees accrued and not yet claimed for reimbursement	795,561	894,401	98,840
- other	2,077,463	1,454,968	(622,495)
b) Other payables after the next financial year	0	0	0
Other payables:			
To related company	0	0	0
Total Other payables	**4,305,323**	**6,330,847**	**2,025,524**

As a result of the merger, the merged company's payables of EUR 2.5 million were assumed and paid in 2025, of which:

- EUR 1.8 million related to dividends approved in 2024 and paid to Shareholders in 2025;
- EUR 658 thousand mainly relating to the equalisation of the methane gas tariff, which was regularised in 2025;
- EUR 48 thousand relating to amounts due to employees transferred to the merged company;
- EUR 26 thousand relating to bank charges pertaining to the merged company but debited from the respective current accounts in the first few days of 2026.

As at 31 December 2025, amounts due to employees relate to salaries and accruals accrued as at the reporting date, to be paid or taken in the following year.

Payables to shareholders relate to the distribution of reserves approved on 15/10/2025 and paid in January 2026 (of which EUR 1.7 million for ordinary dividends and EUR 880 thousand as a measure to support vulnerable users).

Payables for fees accrued and not yet requested for reimbursement refer to concession fees accrued and not yet subject to a specific reimbursement request in 2025.

The item Other includes payables to the Cassa per i servizi energetici e ambientali (CSEA), mainly relating to tariff components (UI1, UI2, UI3, UI4) charged to users and to be paid to the CSEA (EUR 334 thousand) and security deposits to users of the Integrated Water Services (EUR 926 thousand), as well as other sundry payables of a residual nature.

It should be noted that, as part of the merger, the residual payable to the merged company of EUR 813 thousand shown above under *Other payables – other* as at 31/12/2024, originating from the take-over of the Banca Intesa loan by Bim Belluno Infrastrutture S.p.A. on 25/09/2014 for the amount of EUR 5,600,000, was cancelled.

Breakdown of payables by geographical area

A table is also provided on the breakdown of debts according to the geographic areas of operation of the creditor.

Geographical area	Italy	Total
Bonds	15,247,483	15,247,483
Payables to banks	8,512,741	8,512,741
Advances	8,810,172	8,810,172
Payables to suppliers	14,515,245	14,515,245
Tax payables	561,105	561,105
Payables to social security institutions	855,129	855,129
Other payables	6,330,847	6,330,847
Payables	**54,832,721**	**54,832,721**

It should be noted that this item only includes payables to entities based in Italy.

Payables secured by collateral on corporate assets

Further details are provided in respect of debts secured by collateral on company assets (art. 2427, point 6 of the Italian Civil Code):

	Unsecured payables	Total
Bonds	15,247,483	15,247,483
Payables to banks	8,512,741	8,512,741
Advances	8,810,172	8,810,172
Payables to suppliers	14,515,245	14,515,245
Tax payables	561,105	561,105
Payables to social security institutions	855,129	855,129
Other payables	6,330,847	6,330,847
Total payables	**54,832,721**	**54,832,721**

A pledge of EUR 3.7 million is recorded on the bond debt; for more information, please refer to the comment on 'Credit Enhancement' in the section on non-current receivables.

Accrued expenses and deferred income

An indication of the composition and movements of this item is provided (art. 2427, point 7 of the Italian Civil Code).

	Value at the beginning of the financial year	Change during the financial year	Value at the end of the financial year
Accrued expenses	201,588	2,333	203,921
Deferred income	0	0	0
Total accrued expenses and deferred income	**201,588**	**2,333**	**203,921**

Accrued expenses relate to interest accrued in 2025, included in the bond repayment instalments paid in January and February 2026 (EUR 213 thousand) and in the repayment instalments of two bank loans paid in March 2026 (EUR 22 thousand).

Notes to the Financial Statements, Income Statement

The Income Statement shows the economic result for the year.

It provides a representation of operations by summarising the positive and negative income components that contributed to the economic result. The positive and negative components of income, recorded in the financial statements in accordance with article 2425-bis of the Italian Civil Code, are distinguished according to whether they belong to the different managements: core, accessory and financial.

Core business identifies the components of income generated by transactions that occur on an ongoing basis and in the sector relevant to the performance of operations, which identify and qualify the unique and distinctive part of the economic activity carried out by the Company, for which it is intended.

Financial activities consist of transactions that generate income and charges of a financial nature.

On a residual basis, ancillary activities consist of transactions that generate income components that are part of ordinary activities but are not part of core business and financial activities.

Value of production

The breakdown of the value of production, as well as the changes in individual items, compared to the previous year, is provided:

Description	Previous year	Current FY	Change
Revenues from sales and services	29,742,459	35,485,504	5,743,045
Changes in contract work in progress	12,954	(61,372)	(74,326)
Increases in fixed assets for internal work	3,169,619	3,708,004	538,385
Other revenues and income	2,119,816	3,463,724	1,343,908
Totals	**35,044,848**	**42,595,861**	**7,551,013**

Breakdown of revenues from sales and services by category of activity

In accordance with the provisions of article 2427, point 10 of the Italian Civil Code, the breakdown of revenue from sales and services by business category is provided.

Activity category	Current year value
Integrated Water Service	30,725,060
Electricity Production Service	4,174,062
District Heating Service	357,185
LPG service	226,336
Other	2,862
Total	**35,485,504**

The change in revenue from sales and services is closely related to what is stated in the Report on Operations.

Revenues from sales and services are broken down as follows:

Sector	Assets	Previous year	Current FY	Change
Revenues from the integrated water service	Provision of Integrated Water Service - User Turnover	28,483,655	29,165,269	681,615
	Provision of Integrated Water Service - VRG Adjustment	546,655	1,021,910	475,255
	Provision of Integrated Water Service - wholesale disposals	265,191	311,473	46,283
	Various services - Integrated Water Service	213,354	226,407	13,053
Revenues from the Integrated Water Service - Total		**29,508,854**	**30,725,060**	**1,216,205**
Revenues from the electricity production service	Revenues from the sale of electricity	-	3,577,960	3,577,960
	Miscellaneous services	-	596,102	596,102
Revenues from electricity production - Total		**-**	**4,174,062**	**4,174,062**
District Heating Service	User turnover	-	357,125	357,125
	Miscellaneous services	-	60	60
District Heating Service - Total		**-**	**357,185**	**357,185**
LPG service revenues	LPG supply revenues	228,853	225,523	(3,330)
	Miscellaneous LPG services	2,850	813	(2,037)
LPG service revenue - Total		**231,703**	**226,336**	**(5,367)**
Miscellaneous revenues		1,902	2,862	960
Grand total		**29,742,459**	**35,485,504**	**5,743,045**

Revenues from the Integrated Water Service, whose structure is closely linked to the tariff mechanisms, show an increase of EUR 1.2 million compared to the previous year, mainly related to the increase in investments and the recognition of inflation on the 2023 adjustment items.

The sectors acquired through the merger generate revenues totalling EUR 4.5 million in the year.

In detail, in the hydroelectric sector, **revenues from the electricity production service** refer to a production of approximately 22.4 million kWh, a marked decrease compared to the previous year, which was characterised by particularly favourable weather conditions (32.2 million kWh in 2024).

The **other services of the hydroelectric management** concern extraordinary maintenance carried out on power plants owned by the Municipalities and therefore, as required by the agreements in force, are invoiced to them. During the year, the item mainly includes the work carried out to restart the Rio San Rocco power plant in the Municipality of Auronzo di Cadore.

Revenues of the District Heating Service relate to the management of district heating in the Municipality of Santo Stefano di Cadore, and are valued on the basis of the actual turnover at the current rate.

Revenues from the LPG Service are measured on the basis of actual turnover at the tariff in force and are substantially in line with the previous financial year.

Breakdown of revenues from sales and services by geographical area

In accordance with the provisions of article 2427, point 10 of the Italian Civil Code, the breakdown of revenue from sales and services by geographic area is provided.

Geographical area	Current year value
Italy	35,485,504
Total	**35,485,504**

It should be noted that this item only includes revenue from entities based in Italy.

Increases in fixed assets for internal work amounting to EUR 3.7 million are related to internal labour (EUR 1.4 million) and warehouse material (EUR 2.3 million), connected to the construction of water service works, particularly the mass replacement of meters in the areas included in the NRRP project.

Other income and revenues are broken down as follows:

Description		Previous year	Current FY	Change
Operating grants	Water Service and LPG grants	247,300	152,730	(94,570)
Operating grants - Total		**247,300**	**152,730**	**(94,570)**
Other	Technical quality bonuses	0	1,466,264	1,466,264
	Revenues from previous years	905,159	734,685	(170,474)
	Treatment and lifting plant services	365,043	386,242	21,200
	Insurance compensation	57,280	222,933	165,653
	Use of funds	0	139,622	139,622
	Reimbursement of debt collection costs	92,451	100,968	8,517
	Services to other companies	223,392	56,487	(166,905)
	Reimbursements for seconded personnel	109,661	0	(109,661)
	Other revenues	119,589	203,186	83,597
Other - Total		**1,872,574**	**3,310,387**	**1,437,813**
Total other revenues and income		**2,119,874**	**3,463,117**	**1,343,243**

Operating grants, recorded under **Other revenues and income**, include the operating portion of the contributions for the connection of the Integrated Water Service and the LPG Service.

The item **Other** includes the amount of ARERA bonuses obtained for the management of technical and commercial quality in the 2022-2023 biennium, amounting to EUR 1.5 million, in respect of the objectives achieved.

This item also includes:

- revenues from previous years for EUR 734 thousand, mainly related to tariff adjustments due to the recalculation of the reference tariffs for natural gas distribution and metering services for the years 2020-2023, the period in which the service was provided by the merged company;
- revenues for services on treatment and lifting plants of EUR 386 thousand;
- insurance compensation for EUR 223 thousand, mainly related to the enforcement of a surety policy issued to guarantee work for which the contractor was in default;
- use of funds for a total of EUR 140 thousand, of which (i) EUR 114 thousand related to the surplus of provisions made in 2022-2023 for probable penalties related to the application of the incentive mechanism of the regulation of the technical quality of the integrated water service, and (ii) EUR 25 thousand related to provisions made by the merged company in 2024 to cover asphalt restoration and maintenance expenses, the cost of which was borne by the Company.

Other revenues, as a result of the merger, include the elimination of reimbursements for seconded personnel and the net decrease in revenues for services to other companies, which, during the year, amounted to EUR 56 thousand, of which EUR 24 thousand for services to Estenergy S.p.A. (formerly Ascotrade S.p.A.), EUR 18 thousand for services rendered to the investee Società Informatica Territoriale S.r.l. and EUR 14 thousand for services requested by the shareholder Consorzio Bim Piave Belluno.

Production costs

The following table shows the breakdown and changes in the item "Production costs".

Description	Previous year	Current FY	Change
For raw and ancillary materials, consumables and goods	3,879,124	4,295,539	416,415
For services	10,065,863	12,236,005	2,170,142
For use of third-party assets	1,797,876	4,358,994	2,561,118
For personnel:			
a) wages and salaries	8,316,978	9,206,674	889,695
b) social security contributions	2,498,949	2,812,449	313,500
c) employee severance indemnity	516,390	625,029	108,639
d) pension and similar obligations	63,122	77,200	14,078
e) other costs	228,935	237,879	8,944
Amortisation/depreciation and write-downs:			
a) intangible fixed assets	1,912,583	2,650,070	737,487
b) tangible fixed assets	1,965,079	2,917,776	952,697
d) write-downs of receivables under current assets	350,000	180,000	(170,000)
Changes in inventories of raw materials, consumables and goods	(868,906)	(569,346)	299,560
Provision for risks	334,607	553,000	218,393
Sundry operating charges	1,358,923	1,944,821	585,898
Totals	**32,419,523**	**41,526,089**	**9,106,565**

The costs of subsidiary raw materials, consumables, and goods pertain to the purchase of stock materials, mainly connected with the management of plants and the construction and maintenance of networks and connections of the Integrated Water Service, including the meters intended for the mass replacement campaign planned in the areas covered by the NRRP project. This item also includes consumables for vehicles, stationery, printed material for users and items for office equipment.

The main **costs for services** and their changes were as follows:

	Previous year	Current FY	Change
Management and maintenance services	3,130,720	4,160,541	1,029,821
Electricity	2,485,331	2,672,557	187,226
Sludge disposal cost	1,161,806	1,098,689	(63,117)
Invoicing and collection services	644,405	676,339	31,935
Consulting for project reporting	0	358,469	358,469
Insurance	329,960	487,106	157,146
Water analysis	385,700	412,562	26,861
Personnel services	294,495	314,216	19,721
Promotion and disclosure expenses	98,764	307,827	209,063
Technical consultancy	144,379	251,612	107,234
Dedicated Call Centre Service	146,169	196,211	50,042
Expenses for associated services	136,382	123,380	(13,002)
Administrative consultancy	194,808	120,684	(74,124)
Telephony services	111,444	113,075	1,631
Legal services	88,521	104,358	15,837
Expenses for payment reminders	79,052	97,570	18,518
Vehicle operating expenses	89,436	88,390	(1,046)
Bank charges	22,036	76,220	54,184
Services for office use	65,363	73,115	7,752
IT consultancy	22,601	67,315	44,714
Personnel training	119,023	63,545	(55,478)
Brokerage service and hydroelectric transmission charges	0	51,216	51,216
Payroll processing services	56,643	41,353	(15,290)
Audit and control services	39,483	36,432	(3,051)
Director’s fees	28,000	28,000	0
Remuneration of Board of Statutory Auditors	23,212	25,955	2,744
Gas consumption	28,460	27,248	(1,212)
Postal charges	28,594	19,407	(9,187)
Other costs	111,078	142,613	31,535
Total	**10,065,863**	**12,236,005**	**2,170,142**

The main costs for services relate to the **management and maintenance** of networks and plants (EUR 5.4 million), accounting for 44% of the item total, an increase of EUR 1 million due to activities arising from the merger.

Another significant cost is related to the procurement of **electricity** (EUR 2.7 million), which accounts for 22% of the total item and shows an increase of EUR 187 thousand compared to the previous year, partly related to the acquisition, through the merger, of the sector relating to Electricity Production; it should also be noted that these costs are related to accrued revenues, in application of the tariff mechanisms established by ARERA. The costs for sludge disposal are highlighted (EUR 1.1 million), showing a slight decrease compared to the previous period.

Also noted are services provided for the correct reporting of NRRP projects and for reorganisation analyses of the IT area, and expenses for the promotion and dissemination of the water service and the new company logo.

The increase in **promotion and disclosure expenses** relates to the promotion of the new company logo.

Services for **invoicing and collection**s, consisting of meter reading, bill printing and delivery, and collection services, were in line with the previous year.

Personnel services consist mainly of the cafeteria service, established on the basis of union negotiations, provided to employees by means of meal vouchers (EUR 314 thousand).

Expenses for associated services refer to the operating costs of the Viveracqua Consortium in which the company participates.

Lease and rental costs

	Previous year	Current FY	Change
Fees for the use of micro-hydroelectric plants	0	2,412,144	2,412,144
Loan repayments to municipalities	666,941	625,363	(41,578)
Fees for drinking water derivation, water crossings, public land concessions for hydroelectric plants	758,384	919,528	161,144
Rents and use of buildings	324,821	343,263	18,442
Vehicle and equipment rental fees	47,731	58,696	10,966
Total	**1,797,876**	**4,358,994**	**2,561,118**

From the 2025 financial year, as a result of the merger, the costs for the use of third-party assets include the fees paid to Municipalities for the use of hydroelectric micro-power stations (EUR 2.4 million), the trend of which is closely related to that of revenues from the sale of electricity.

The item also includes the annual fee for the use of the water network and related facilities, represented by the reimbursement due to the grantor Municipalities of the instalments of the loans taken out to carry out the works and not yet repaid. It should be noted that these costs are related to accrued revenues, in application of the tariff mechanisms established by ARERA.

For the remaining part, these costs relate to (i) EUR 920 thousand in annual fees for the derivation of drinking water, for water crossings and for state concessions on hydroelectric plants (the latter, amounting to EUR 109 thousand, are borne by the Company as a result of the merger), (ii) EUR 343 thousand in rents and use of buildings, and (iii) EUR 59 thousand in vehicle and equipment rental fees.

Personnel costs

The item includes all expenses for employees, including therein merit pay increases, promotions, automatic cost-of-living increases, the cost of holidays accrued but not taken and legal provisions and collective contracts. It should be noted that overtime work and the use of holidays and leave are constantly monitored.

Personnel costs show an increase of EUR 1.3 million, due to the absorption of 6 employees from the company incorporated through the merger, as well as the effect of the contract renewal, increases for career advancements and new hires made during the year.

Depreciation of tangible fixed assets

With regard to depreciation, it is specified that it was calculated on the basis of the useful life of the asset and its exploitation in the production phase. The value of depreciation shows an increase due to the commissioning of new works.

Write-downs of receivables included in current assets and cash and cash equivalents

The annual provision for credit risk was calculated on the basis of the actual assessment of the collectability of receivables, also considering the average insolvency risk of the sector prudentially assessed in relation to the general economic situation. The provision made allowed the provision for bad debts to be reduced to a size deemed consistent with the valuation of receivables at their presumed realisable value.

Provisions for risks

The annual provision of EUR 553 thousand was set aside to cover probable future charges arising from the risk of:

- probable penalties arising from the failure to achieve technical and commercial quality objectives (EUR 270 thousand), as already commented in the specific section on *Provisions for risks and charges*;
- probable charges for the regularisation of water concession procedures on state-owned areas currently being regularised (EUR 88 thousand);
- probable penalties on the purification service (EUR 10 thousand) as a result of the European Court's sentence sentencing Italy on 6 October 2021 in relation to the Borca di Cadore site;
- possible charges related to an ongoing tax audit of the Company (EUR 130 thousand) in connection with the application of the ACE regulations with reference to the 2021 tax year.

Sundry operating charges

Sundry expenses are broken down as follows:

	Previous year	**Current FY**	**Change**
Costs pertaining to previous years	752,184	1,201,728	449,545
Basin Council Operating Fee	377,143	370,148	(6,995)
Taxes other than income taxes, duties and fees	79,966	151,638	71,832
Compensation to Users	56,894	63,821	6,926
Compensation to users and third parties	43,288	67,502	24,215
Trade association membership fees	23,648	30,257	6,609
Fines and Penalties	3,724	23,948	20,223
ARERA contribution	7,173	7,173	0
Credit losses	550	296	(253)
Compensation to Suppliers	0	6	6
Other	14,354	48,887	34,373
Grand total	**1,358,923**	1,965,404	606,481

The item includes cost components pertaining to previous years totalling EUR 1.2 million, mainly due to:

- the write-off of projects whose costs had been capitalised in previous years, given the reasonable expectation of future utility, but which proved to be unfeasible following an overall review of technical feasibility (EUR 698 thousand);
- tax credit recognised for electricity for the year 2023 (EUR 254 thousand), which led to a reduction in components included in VRG 2025 ($CoRes_{2025}$).

This item also includes the operating fee of the Belluno Dolomites Basin Council and taxes other than income tax, duties and fees. Finally, the item includes penalties arising from the application of the Service Charter, compensation to third parties for damages caused, which are reflected in insurance compensation, and trade associations membership fees.

Financial income and charges

Breakdown of investment income

Income from equity investments from associated companies consists of dividends approved and extraordinary reserve shares distributed, during 2025, by the company Valmontina S.r.l. and the company Renaz S.r.l., both acquired through the merger.

Breakdown of interest and other financial charges by debt type

In accordance with the provisions of article 2427, point 12 of the Italian Civil Code, details are provided of interest and other financial charges relating to bonds, payables due to banks and other items.

	Interest and other financial charges
Bond loans	438,274
Payables to banks	269,384
Other	49,126
Total	**756,784**

Interest on bonds refers to the Hydrobond issues that took place on 3 July 2014, 22 January 2016 and 21 February 2022.

Interest accrued on payables to bank mainly relates to interest on loans (EUR 266 thousand).

The item *Other* mainly relates to interest expense due to suppliers and on security deposits.

A breakdown of the composition of item 'C.16 Other financial income' is also provided.

Description	Total
C.16.c) Other financial income from securities included in current assets not constituting investments	
Interest income on securities recognised under current assets	710,124
Capital gains from securities recognised under current assets	169,206
Other income from securities recognised under current assets	29,339
Total other financial income from securities included in current assets not constituting investments	**908,669**
C.16.d) Other income, other than the above, from others	
Bank and postal interest	496,863
Interest from trade receivables	102,089
Interest on bonds	117,158
Other interest income	16,546
Total Other income, other than the above, from others	**732,656**
Total Other financial income	**1,641,324**

Other financial income consists of:

- income from securities recognised under current assets (EUR 909 thousand) deriving from the use of cash and cash equivalents acquired through the merger;
- bank interest income of EUR 497 thousand accrued on free current accounts and temporary deposits of liquidity, the latter being fully liquidated during the year;
- interest on arrears applied on Water Service invoices for EUR 102 thousand;
- interest income accrued on sums securing Hydrobond transactions in the amount of EUR 117 thousand;
- interest income for the deferred collection of capital grants disbursed by the Bim Piave Belluno Consortium in the amount of EUR 13 thousand.

Current, deferred and prepaid income taxes

Income taxes for the year

The breakdown of the balance sheet item 'Income Taxes for the Year' is shown in the following table:

Description	Previous year	Change	Various %	Current FY
Current taxes	859.317	(202.322)	(23,54%)	656.995
Taxes relating to previous financial years	99.374	(75.524)	(76,00%)	23.850
Deferred taxes	(4,482)			(4,482)
Prepaid taxes	13.510	(56.999)	(421,90%)	(43.489)
Totals	**967.719**	**(334.845)**		**632.874**

Deferred Taxation (art. 2427, point 14 of the Italian Civil Code)

Deferred taxes have been calculated by taking into account the amount of all temporary differences generated by the application of tax rules and applying the rates in force at the time these differences arose.

Prepaid taxes have been recognised as there is a reasonable certainty of the existence in future years of taxable income not less than the amount of the differences that will be reversed.

The following table provides a description of the temporary differences that led to the recognition of deferred and prepaid taxes, specifying their amount, the tax rate applied, the tax effect, the amounts credited or debited to the income statement and the items excluded from the calculation, with reference to both the current and previous years. The table also shows the amount of prepaid taxes recognised in the financial statements relating to losses for the year and previous years.

Item	Previous year		Changes in the FY		Current FY	
	IRES (corporate income tax)	IRAP (regional business tax)	IRES (corporate income tax)	IRAP (regional business tax)	IRES (corporate income tax)	IRAP (regional business tax)
PREPAID TAXES	Amount of temporary differences					
Excess bad debt provision	3,199,417		15,568		3,214,985	
Change in provision for risks	1,262,729		340,878		1,603,607	
Change in provision for charges			183,015		183,015	
Statutory and tax amortisation misalignment	68,198		31,457		99,655	
Write-downs of fixed assets			1,164,622		1,164,622	
Tax losses and ROL from EC merger			452,483		452,483	
Unpaid directors' fees	1,667		(1,000)		667	
Total deductible temporary differences	4,532,011		2,187,023		6,719,034	
IRES and IRAP rates	24	4.38			24	4.38
Deferred tax assets	1,087,683		524,886		1,612,568	
DEFERRED TAXES	Amount of temporary differences					
Statutory and tax amortisation misalignment	437,271		(18,677)		418,595	
Total taxable temporary differences	437,271		(18,677)		418,595	
IRES and IRAP rates	24.00	4.38			24.00	4.38
Deferred tax liabilities	104,945		(4,483)		100,463	
Net prepaid taxes (deferred taxes) - IRES and IRAP	982,738		529,368		1,512,105	
Total net prepaid taxes (deferred taxes)	982,738		529,368		1,512,105	
- charged to the income statement			47,972			
- charged to Shareholders' Equity			0			

Reconciliation of taxes - IRES

A table containing the information required by Accounting Standard No. 25, concerning the reconciliation between the tax charge shown in the financial statements and the theoretical tax charge, is provided.

Description	Value	Taxes
Profit before tax	2,124,313	
Theoretical tax charge %	24.00	509,835
Temporary differences taxable in subsequent years:		
Total	0	
Temporary differences deductible in subsequent years:		
- allocation to provision for bad debts	104,451	
- allocation to provision for risks	543,000	
- statutory and tax amortisation misalignment	26,784	
- unpaid directors' fees	667	
Total	**674,902**	
Reversal of temporary differences from previous years:		
- use of bad debt provision	(181,856)	
- use of other provisions	(139,622)	
- deduction of surplus from previous maintenance expenses	(8,031)	
- paid directors' fees	(1,667)	
- statutory and tax amortisation misalignment	(43,844)	
Total	**(375,020)**	
Differences that will not be reversed in subsequent years:		
- car expenses	112,159	
- contingent liabilities	6	
- vehicle depreciation	38,775	
- telephony depreciation	2,264	
- entertainment expenses	1,425	
- provision for risks	10,000	
- telephone charges	22,615	
- fines and penalties	23,947	
- interest on arrears collected	82,801	
- dividends received	(161,500)	
- 2011 assessment	(5,561)	
- interest on arrears accruals	(102,089)	
- non-taxable contribution	(9,241)	
- 10% IRAP	(15,319)	
- employee IRAP deduction and TFR (employee severance indemnity) set aside	(28,758)	
Total	**(28,476)**	
Taxable IRES	2,395,720	
Current IRES for the year		574,973
Calculated IRES balancing- IRES balance sheet		

Reconciliation of taxes - IRAP

A table containing the information required by Accounting Standard No. 25, concerning the reconciliation between the tax charge shown in the financial statements and the theoretical tax charge, is provided.

Description	Value	Taxes
IRAP taxable amount (A - B + b9 + b10 letter c) and d) + b12 + b13)	14,762,003	
Costs not relevant for IRAP purposes:		
- directors' fees	28,000	
- directors' social security contributions	2,096	
- directors' mileage reimbursements	1,039	
- IMU (single municipal tax)	22,422	
- employees' mileage reimbursements	1,317	
- fines and penalties	23,947	
- other items	302	
Revenues not relevant for IRAP purposes:		
- non-taxable contribution	9,241	
Total	14,831,885	
Theoretical tax charge %	4.38	649,637
Deductions:		
- employee cost deductions	12,959,231	
Total	12,959,231	
Total		
Taxable IRAP	1,872,654	
Current IRAP for the year		82,022
Calculated IRAP balancing- IRAP balance sheet		

Explanatory Notes – Cash Flow Statement

As shown in the cash flow statement, prepared using the indirect method, there was a decrease in liquidity of EUR 1.7 million during the year.

Cash flow before changes in net working capital amounted to EUR 7.6 million (EUR 6.9 million in the previous year), of which EUR 343 thousand derived from merger items.

The change in net working capital, amounting to EUR 4.5 million, includes merger acquisitions of EUR 3 million and, together with the other adjustments, results in a positive cash flow from operating activities of EUR 12.7 million.

Investments resulted in a cash flow from investment activities of EUR 63.7 million, of which EUR 10.2 million for acquisitions of fixed assets from the merger and EUR 32.8 million for acquisitions of non-fixed financial assets and uses of cash and cash equivalents resulting from the merger; net of these items, the amount of EUR 20.7 million was used for investments in the integrated water service made in 2025.

The cash flow from financing activities, positive during the year, amounted to EUR 49.3 million, determined by merger items relating to acquired loans, for EUR 2.4 million, and by the increase in shareholders' equity from the merger, for EUR 52.8 million. On the negative side, the distribution of dividends in the amount of EUR 967 thousand paid out during the year had an impact.

Notes to the Financial Statements, other information

Employment figures

In accordance with the provisions of article 2427, point 15 of the Italian Civil Code, the average composition of employees as at 31/12/2025 is provided below.

	Average number
Executives	1
Middle Managers	11
Employees	143
Workers	80
Other employees	0
Total Employees	**235**

Headcount	Units at[1]		Change	Average units in[2]		Change	Average units at[3]		Change
	31/12/2025	31/12/2024		2025	2024		31/12/2025	31/12/2024	
Executives	1	1	0	1	1.5	-0.5	1	1	0
Technical employees	77	72	5	75	70	5	74	71.5	2.5
Administrative clerks	81	79	2	74.25	75.25	-1	74.5	76	-1.25
Workers	83	77	6	81.25	77	4.25	83	77	6
Total	**242**	**229**	**13**	**231.5**	**223.75**	**7.75**	**232.5**	**225.25**	**7.25**
of which personnel attached/seconded to another company[4]	0	-1.5	1.5	0	-1.5	1.5	0	-1.5	1.5

[1] no. employees in force at the end of the financial year, including employees with fixed-term employment contracts and employees absent due to leave not paid for by the company
[2] no. of employees in relation to full-time units in the financial year (incidence of part-time contracts, absences due to leave not paid for by the company and recruitments/ terminations during the year)
[3] no. of employees in relation to full-time units on the date indicated (incidence of part-time contracts)
[4] employees on full or partial secondment to Bim Belluno Infrastrutture S.p.A. until 31 December 2024

The employment contract applied for the personnel is the Gas-Water Sector CCNL (national collective labour agreement) renewed on 8 May 2025 and valid until 31 December 2027.

Fees, advances and credits granted to Directors and Statutory Auditors, and commitments undertaken on their behalf

The following table shows the fees, advances, loans granted to the Directors and members of the Board of Statutory Auditors, as well as the commitments undertaken on their behalf for the financial year as of 31/12/2024, as required by point 16 of article 2427 of the Italian Civil Code.

	Directors	Statutory Auditors
Fees	28,000	25,955

Fees to the Independent Auditors or Independent Auditing Firm

Pursuant to art. 2427, point 16-bis, details of the fees due to the independent auditing company for services rendered, relating to statutory auditing services, are provided below.

	Value
Statutory audit of annual accounts	28,268
Other audit services	8,164
Total fees due to the Independent Auditors or Independent Auditing Firm	**36,432**

Other audit services concern the signing of tax declarations and the asseveration of receivables/payables with Member Municipalities.

Categories of shares issued by the Company

As prescribed in point 17 of article 2427 of the Italian Civil Code, the data on the shares making up the share capital.

The share capital determined by the merger is EUR 3,819,693.80 and consists entirely of 7,639 ordinary shares. Pursuant to Article 2346 of the Italian Civil Code, the shares have no nominal value, are not represented by share certificates and are allocated to the shareholders in proportion to the shareholding in the share capital held.

Commitments, guarantees and contingent liabilities not shown in the Balance Sheet

Pursuant to article 2427 no. 9 of the Italian Civil Code, the total amount of off-balance sheet commitments, guarantees and contingent liabilities is reported, with an indication of the nature of the collateral provided; existing commitments regarding pensions and similar obligations, as well as commitments to subsidiaries, associated companies, as well as parent companies and companies controlled by the latter, are indicated separately.

	Amount
Guarantees	4,025,402

Guarantees mainly include the value of the sureties provided in favour of the Dolomiti Bellunesi Basin Council, in accordance with the provisions of the tender specifications, and other entities to guarantee the regular execution of works within the scope of the management of the Integrated Water Service.

Information on related party transactions

Pursuant to art. 2427 point 22-bis, it should be noted that transactions with related parties during the year were conducted at arm's length. In any case, transactions with related parties are set out in the table below:

Item	Parent companies	Associated companies	Executives	Other related parties
Revenues		17,965		48,761
Costs		226,812		
Financial income/expenses		170,000		
Financial receivables				1,684,328
Trade receivables				5,211
Financial payables				
Payables to suppliers		26,355		

For further information, please refer to what is set out and detailed in the Report on Operations.

Information on off-balance sheet agreements

Pursuant to art. 2427, point 22-ter, it should be noted that there are no off-balance sheet agreements that have significant risks or benefits and that are necessary for assessing the company's assets, financial and economic situation.

Information on significant events occurring after the end of the financial year

In the first months of 2026, the Company was committed to ensuring the operation of the Integrated Water Service during the Milan Cortina Olympics and is still engaged in the final stages of the NRRP project.

At the same time, the first biennial update of the tariff arrangement for the Integrated Water Service is underway, in accordance with the tariff method for the fourth regulatory period MTI-4 and ARERA Resolution 582/2025/R/IDR of 23/12/2025.

Information pursuant to Article 1, paragraph 125 of Law no. 124 of 4 August 2017

Pursuant to Article 1, paragraph 125-bis of Law 124/2017, we report the amount of subsidies, grants, paid assignments and in any case economic advantages of any kind received by public administrations and entities related to them, which are not of a general nature and are not of a consideration, remuneration or compensation nature:

P.A. entity	**On account**	**Grant objective**	**Amount collected**
Comuni B.I.M. Piave Belluno Consortium	investments	Various installations - Integrated Water Service	400,000
Basin Council	investments	Grants for Hydrogeological Studies of Springs	9,600
Municipality of Falcade	investments	Redevelopment and regulatory and structural adjustments to the water supply system of the Municipality of Falcade	607,619
Commissioner Delegate	investments	Restoration and securing of Sottoguda-Caprile sewerage system in the municipality of Rocca Pietore	1,596,091
Commissioner Delegate	investments	Works to move the sewage that runs from Costalta towards Mare in the municipality of San Pietro	613,836
Commissioner Delegate	investments	Restoration of the water supply system along the road in Val Bieggia in the Municipality of Domegge	417,103
Commissioner Delegate	FY	Restoration of the water supply system along the road in Val Bieggia in the Municipality of Domegge	5,216
Commissioner Delegate	investments	Securing works on the Prà Stavel water supply system in the municipality of San Pietro	387,587
Commissioner Delegate	investments	Securing of the water supply system at the Le Spesse/La Tempia intake in the Municipality of Lozzo di Cadore	162,020
Total			**4,199,072.60**

Summary table of the company's financial statements according to the OIC4 guidelines, Chapter 4

In order to make the breakdown of the assets of the merged company Bim Belluno Infrastrutture S.p.A. (BBI S.p.A.) taken over by the incorporating company (GSP S.p.A., now SIB S.p.A.), the following is a comparison of the closing Balance Sheets of the two companies as at 31/12/2024.

	BBI S.p.A. 31/12/2024	GSP S.p.A. 31/12/2024
Balance Sheet		
Assets		
B) Fixed Assets		
I - Intangible fixed assets		
4) concessions, licences, trademarks and similar rights	260	1,041,858
6) fixed assets in progress and advances	1,186,085	5,313,643
7) other	57,555	29,389,745
Total intangible fixed assets	1,243,900	35,745,246
II - Tangible fixed assets		
1) land and buildings	1,358,922	3,062,826
2) plant and machinery	5,856,743	25,597,461
3) industrial and commercial equipment	7,434,947	5,090,167
4) other assets	7,434,947	1,146,731
5) fixed assets in progress and advances	7,434,947	5,760,610
Total tangible fixed assets	7,434,947	40,657,795
III - Financial fixed assets		
1) investments in		
b) associated companies	1,264,828	0
d-bis) other companies	71,151	218,495
Total investments	1,335,979	218,495
2) receivables		
d-bis) others		
due within the next financial year		448,017
due after the next financial year	168,205	5,532,117
Total receivables from others	168,205	5,980,134
Total receivables	168,205	5,980,134
Total financial fixed assets	1,504,184	6,198,629
Total fixed assets (B)	10,183,031	82,601,670
C) Current assets		
I - Inventories		
1) raw/auxiliary materials and consumables	31,612	2,199,577
3) contract work in progress	36,143	25,229
Total inventories	67,755	2,224,806

	BBI S.p.A. 31/12/2024	GSP S.p.A. 31/12/2024
II - Receivables		
1) trade receivables		
due within the next financial year	1,228,663	11,847,009
due after the next financial year		389,039
Total trade receivables	1,228,663	12,236,048
5-bis) tax receivables		
due within the next financial year	321,045	30,598
Total tax receivables	321,045	30,598
5-ter) prepaid tax assets	481396	1087755
5-quater) from others		
due within the next financial year	1,702,617	3274492
due after the next financial year	955,625	0
Total receivables from others	2,658,242	3,274,492
Total receivables	4,689,346	16,628,893
III – Current financial assets		
6) other securities	19,184,765	0
Total Current financial assets	19,184,765	0
IV - Cash and cash equivalents		
1) bank and postal deposits	29,058,432	10,421,076
3) cash and valuables on hand	843	1,055
Total cash and cash equivalents	29,059,275	10,422,131
Total current assets (C)	53,001,141	29,275,830
D) Accruals and deferrals	572,613	309,226
Total assets	63,756,785	112,186,726
Liabilities		
A) Shareholders' Equity		
I - Capital	7,040,500	2,010,000
II - Share premium reserve	3,608,001	0
III - Revaluation reserves		203,500
IV - Legal reserve	878,110	409,492
VI - Other reserves, separately indicated		
Extraordinary reserve	18,006,181	57,803,898
Merger surplus reserve		0
Various other reserves	1,087,861	0
Total other reserves	26,664,131	57,803,898
IX - Profit (Loss) for the year	14,630,027	1,550,508
X - Negative reserve for treasury shares in portfolio		(450,000)
Total Shareholders' Equity	52,820,769	61,527,398

	BBI S.p.A. 31/12/2024	GSP S.p.A. 31/12/2024
B) Provisions for risks and charges		
2) for taxes, including deferred taxes	0	104,943
4) other	220,515	1,612,729
Total provisions for risks and charges	220,515	1,717,672
C) Employee severance indemnity	67,745	249,012
D) Payables		
1) bonds		
due within the next financial year		1,360,000
due after the next financial year		15,236,847
Total bonds		16,596,847
4) payables due to banks		
due within the next financial year	485,067	3,009,856
due after the next financial year	1,873,237	6,624,478
Total payables to banks	2,358,304	9,634,334
6) payments on account		
due within the next financial year	4,789,515	2,787,401
Total payments on account	4,789,515	2,787,401
7) Payables to suppliers		
due within the next financial year	872,727	13,707,070
Total due to suppliers	872,727	13,707,070
12) tax payables		
due within the next financial year	20,134	754,924
Total tax payables	20,134	754,924
13) payables due to social security institutions		
due within the next financial year	25,555	705,157
Total payables to social security institutions	25,555	705,157
14) other payables		
due within the next financial year	2,544,231	4,305,323
Total other payables	2,544,231	4,305,323
Total payables	10,610,466	48,491,056
E) Accruals and deferrals	37,290	201,588
Total liabilities	63,756,785	112,186,726

Proposed allocation of profits or coverage of losses

Allocation of profit for the year

Pursuant to art. 2427 no. 22-septies, the following allocation of the profit for the year is proposed to the shareholders' meeting convened to approve the financial statements:

Description	Value
Profit for the year:	
- to the Extraordinary reserve	1,491,439
Total	1,491,439

Explanatory Notes - final part

We confirm that these financial statements, consisting of the Balance Sheet, Income Statement, Cash Flow Statement and Explanatory Notes, give a true and fair view of the financial position of the Company, as well as the results of operations for the year, and correspond to the accounting records. We therefore invite you to approve the draft financial statements as at 31/12/2025 together with the proposed allocation of the year's profit.

Belluno, 27 March 2026

For the Board of Directors

The Chairperson

Attilio Sommavilla

Declaration of Financial Statements Compliance

The undersigned Attilio Sommavilla, as Chairperson of the Board of Directors of Servizi Integrati Bellunesi S.p.A., pursuant to article 31 paragraph 2-quinquies of Law 340/2000, hereby declares that this document is a true copy of the original filed at the company.

Belluno, 27 March 2026 Signature ________________________________

Ria
Grant Thornton

Report of the Independent Auditing Firm pursuant to article 14 of Legislative Decree No. 39 of 27 January 2010

Ria Grant Thornton S.p.A.
Vicolo del Molinetto 1
31100 Treviso
P +39 0422 1780676

To the Shareholders of
Servizi Integrati Bellunesi S.p.A.

Report on the audit of the Financial Statements

Audit Opinion

We have audited the Financial Statements of Servizi Integrati Bellunesi S.p.A. (the "Company") consisting of the Balance Sheet as at 31 December 2025, the Income Statement, the Cash Flow Statement for the year ended as at said date and the Explanatory Notes.

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2025, of its results of operations and of its cash flows for the year then ended, in accordance with Italian regulations governing the criteria for their preparation.

Elements underlying the audit opinion

We carried out our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under these standards are further described in the section "*Responsibilities of the Independent Auditors for the Audit of the Annual Financial Statements*" of this Report.

We are independent of the Company in accordance with the ethics and independence rules and principles applicable in the Italian regulatory frameworks to the auditing of Financial Statements. We believe that we have acquired sufficient and appropriate evidence on which to base our opinion.

Emphasis of Matter

We draw attention to the disclosures made by the directors in the notes to the financial statements, in the paragraph "Initial Part" and in the following paragraphs, concerning the merger by incorporation of Bim Belluno Infrastrutture S.p.A. and its related effects, which involved the Company during the year ended 31 December 2025. Our opinion is not modified in respect of this matter.

Responsibility of the Directors and the Board of Statutory Auditors for the Financial Statements

The Directors are responsible for the preparation of the Financial Statements that give a true and fair view in accordance with the Italian regulations governing the criteria for their preparation and, to the extent provided for by law, for that part of the internal control they deem necessary to enable the preparation of Financial Statements that do not contain any material misstatements due to fraud or unintentional conduct or events.

The Directors are responsible for assessing the Company's ability to continue as a going concern and, in preparing the Annual Financial Statements, for the appropriateness of the use of the going concern assumption, as well as for providing adequate disclosure in this regard.

The Directors use the going concern assumption in the preparation of the Annual Financial Statements unless they have assessed that conditions exist for the liquidation of the Company or for discontinuing operations or have no realistic alternative to such choices.

The Board of Statutory Auditors is responsible for supervising, in compliance with the provisions of the law, the process of preparing the Company's financial reporting.

Responsibility of the Independent Auditing Firm 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 unintentional conduct or events, and to issue an Audit Report that includes our opinion. Reasonable assurance is defined as a high level of assurance, which, however, does not provide assurance that an audit performed in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement, if any. Errors may result from fraud or unintentional conduct or events and are considered material if they could reasonably be expected, individually or as a whole, to influence the economic decisions taken by users on the basis of the financial statements.

In performing our audit in accordance with International Standards on Auditing (ISA Italia), we exercised professional judgement and maintained professional scepticism throughout the audit. In addition:

- we have identified and assessed the risks of material misstatement found in the Financial Statements, whether due to fraud or unintentional conduct or events; we have defined and performed audit procedures in response to those risks; and we have obtained sufficient appropriate audit evidence on which to base our opinion. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting a significant error resulting from unintentional conduct or events, since fraud may involve collusion, falsification, intentional omissions, misleading representations or forcing internal control;
- we obtained an understanding of internal control relevant to the audit for the purpose of designing audit procedures that are appropriate in the circumstances and not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- we have assessed the appropriateness of the accounting standards used as well as the reasonableness of the accounting estimates made by the directors, including the related disclosures;
- we have reached a conclusion on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the evidence obtained, on 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 a material uncertainty exists, we are required to draw attention to it in the Audit Report on the relevant Financial Statement disclosures, or, if such disclosures are inadequate, to reflect that fact in the formulation of our opinion. Our conclusions are based on the evidence acquired up to the date of this report. However, future events or circumstances may result in the Company ceasing to operate as a going concern;
- we have evaluated the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether they present the underlying transactions and events in a manner that gives a true and fair view.

We disclosed to those charged with governance activities, identified at an appropriate level as required by ISA Italia, among other matters, the planned scope and timing of the audit and the significant findings, including any significant deficiencies in internal control identified during the audit.

Report on other legal and regulatory provisions

Opinions and statement pursuant to Article 14, paragraph 2, letters e), e-bis) and e-ter) of Legislative Decree 39/2010

The directors of Servizi Integrati Bellunesi S.p.A. are responsible for preparing the report on operations of Servizi Integrati Bellunesi S.p.A. as at 31 December 2025, including its consistency with the related financial statements and its compliance with legal regulations.

We have performed the procedures specified in Auditing Standard (SA Italia) no. 720B in order to:

- express an opinion on the consistency of the Report on Operations with the Financial Statements of Servizi Integrati Bellunesi S.p.A.;
- express an opinion on whether the Report on Operations has been prepared in accordance with the law;
- issue a statement on any material misstatements in the Report on Operations.

In our opinion, the report on operations is consistent with the financial statements of Servizi Integrati Bellunesi S.p.A. as at 31 December 2025.

Furthermore, in our opinion, the Report on Operations has been prepared in accordance with the law.

With reference to the statement referred to in Article 14, paragraph 2, letter e-ter) of Legislative Decree 39/2010, issued on the basis of the knowledge and understanding of the Company and its environment acquired in the course of the audit, we have nothing to report.

Treviso, 14 April 2026

Ria Grant Thornton S.p.A.

Mauro Polin

Member

Register of Companies 00971870258
Rea (Economic and Administrative Index) 86487

SERVIZI INTEGRATI BELLUNESI S.p.A.

Registered Office in via Tiziano Vecellio 27/29 - 32100 Belluno - share capital EUR3,819,693.80 fully paid-in

REPORT on OPERATIONS of the Financial Statements as at 31 December 2025

Dear Shareholders,

we submit for your examination and approval the Financial Statements for the financial year 2025, which closed with a *Value of Production* of EUR 42,595,861 and a *Profit for the year* of EUR 1,491,439.

While we refer you to the Explanatory Notes to the Financial Statements for clarifications on the data resulting from the Balance Sheet and Income Statement, we would like to present here some considerations on the Company's management, both with reference to the financial year ended and the future outlook, all in accordance with art. 2428 of the Italian Civil Code.

General information on the company's situation and development

The year 2025 marks the first year of activity of Servizi Integrati Bellunesi S.p.A. (SIB S.p.A.), the name adopted by the Company following the merger by incorporation of the related company Bim Belluno Infrastrutture S.p.A., with effect from 1 January 2025. Hereinafter, reference is made to the current name, with the understanding that, as far as previous periods are concerned, any reference must be made to the previous name BIM Gestione Servizi Pubblici S.p.A.

Following the merger, the Company now also carries out the activities of producing electricity from micro-hydroelectric plants (36 plants, of which 8 are owned and 28 are managed under concession by the Member Municipalities holding the relevant authorisations), as well as the district heating service in the Municipality of Santo Stefano di Cadore (85 active supplies). The year 2025 therefore saw the Company engaged in the absorption and integration of these activities, with particular regard to the organisational, administrative and accounting procedures necessary to consolidate the unified management.

In the hydroelectric sector, the completion of the works for the restart, after several years of inactivity, of the Rio San Rocco plant in the Municipality of Auronzo di Cadore is worth noting, which made it possible to also bring the Ponte Malon plant in the same Municipality back into operation.

The NRRP projects

The year 2025 also saw the Company heavily involved in the implementation of the three regeneration projects of the Integrated Water Service financed under the National Recovery and Resilience Plan (NRRP):

- **Basin sludge hub** (EUR 1.24 million financed by MASE): construction of a new sludge pre-treatment line with mechanised thickening and centrifuge dewatering in the Longarone purification plant. The project was completed in July 2025 and the plant is now fully operational, with estimated savings of around EUR 100,000/year on treatment costs and a significant reduction in environmental impact.
- **Reduction of losses in water distribution networks**, including digitisation and monitoring (EUR 20.4 million financed out of a total amount of EUR 25.6 million): modelling, districtisation and digitisation of 1,615 km of water supply network in 36 water supply systems distributed throughout the territory served. The project is nearing completion, with 1,694.52 km of districted network to be achieved by March 2026, corresponding to 100% of the updated final target of 1,694.52 km following a change authorised by the MIT, with a note dated 20 March 2026, compared to the initial target of 1,615 km.

- **Upgrading of the Marisiga di Belluno purification plant** (EUR 2.9 million financed): centralisation of the purification of the entire Belluno urban agglomeration. The work has been completed, but important developments are planned:
  - the tender discounts and the limited use of contingencies generated a substantial surplus in the economic framework, which made it possible to finance, within the same original QE and without additional charges, the construction of a 180 kW photovoltaic plant on the roof of the purification plant, for a total cost of EUR 550,000. The variation, classified as non-substantial, was approved by the Dolomiti Bellunesi Basin Council in January 2026 and obtained the approval of the MASE by note protocol no. 34510 of 17/02/2026. The completion of the works with the issuance of the certificate of regular execution is scheduled by 30 June 2026";
  - the project envisages a 2nd section divided into two functional lots, both financed with regional resources pursuant to Regional Law No. 33 of 16 April 1985, Articles 65-bis and 65-quater, with SIB S.p.A. as the implementing party. Lot 1 (CUP G38B24000140007, QE EUR 835,000) is financed with a regional grant of EUR 595,463.27 allocated by Regional Government Decree No. 1296 of 14 November 2024. Lot 2 (CUP G38B25000200007, QE EUR 700,000) benefits from a regional grant of EUR 685,590.48 allocated by Regional Government Decree No. 1159 of 30 September 2025. The total regional grants for the 2nd section amount to EUR 1,281,053.75 out of a total QE of EUR 1,535,000. As at 31 December 2025, both lots were in the process of preparation of the final design, with the execution of the works scheduled for 2027 and entry into operation by 31 December 2027

The management of these projects, with the related tendering, implementation and reporting activities, continued to require an extraordinary organisational commitment from the Company's structure, which during the mandate was progressively strengthened for this purpose with the addition of qualified personnel, which also led to the professional growth of the workers already present in the Company.

The Milan-Cortina 2026 Winter Olympics

In view of the Milan-Cortina 2026 Winter Olympic Games, the Company completed and managed a series of works to upgrade the water supply network in the Cortina d'Ampezzo area, partly financed by SIMICO for approximately EUR 2 million. The work involved the construction in just five months of a new 500 m³ storage reservoir in Cadelverzo, serving not only the bobsleigh track but the entire area on the right bank of the Boite, the districtisation of the local network, the interconnection of the pipelines, the replacement of the most damaged sections and the upgrading of the disinfection system. During the period of the Games, the Company guaranteed the presence of a dedicated team of four operators available 24/7 to ensure constant monitoring of the system. Throughout the Olympic period, an extraordinary service was also maintained for the sampling and testing of water potability, daily in Cortina and weekly in the surrounding areas, using the Viveracqua Lab laboratory.

The dispute over the reimbursement value of the gas distribution service

As already illustrated in the Financial Statements as of 31/12/2024 of the merged company Bim Belluno Infrastrutture S.p.A., on 31 January 2024, the natural gas distribution system of ATEM Belluno was delivered to Italgas Reti S.p.A., with the simultaneous payment of a down payment of EUR 47.2 million (98% of the provisional repayment value).

An administrative dispute has arisen following the final reimbursement value set by the contracting authority (Municipality of Belluno) on 24 February 2025: the Municipality, acknowledging the objections of the new operator, has reduced the reimbursement to EUR 42.5 million, an amount about EUR 6 million lower than the expected figure. The Company, deeming this interpretation incorrect, lodged an appeal with the Regional Administrative Court of Veneto on 7 April 2025 against the contracting authority and Italgas Reti S.p.A.; at the time of drafting this Report, the outcome of the hearing is pending. Pending the settlement of the dispute, the Company has withheld the amount in excess of the down payment received, amounting to EUR 4.8 million, and has allocated it to other payables, a situation that partially precludes the use of cash and cash equivalents.

The Revenue Agency's draft act on the 2021 ACE relief

On 25 July 2025, the Company received from the Revenue Agency the draft act for the correct determination of taxes for the 2021 financial year, with particular reference to the deduction for invested equity capital, (the so-called ACE relief). The Company has prepared a defensive report, which has been submitted to the Revenue Agency, and is awaiting a decision on the matter. As a precautionary measure, a provision for risks commensurate with the minimum risk of loss was set aside in the Financial Statements as at 31/12/2025.

The tariffs of the Integrated Water Service (IWS)

On the tariff front, the Company is applying the tariffs proposed by the Dolomiti Bellunesi Basin Council, the Area Governing Authority (EGA), in accordance with the resolution of the assembly no. 8 passed on 4 July 2024, and approved by ARERA on 10 September 2024, by means of Resolution no. 359/2024/R/$_{IDR}$.

Below is a summary of the tariff increases determined for the period 2024-2029, compared to the base year 2023 and the previous year:

2023 base year for 2024-2029 period	Tariff multiplier					
	ϑ^{2024}	ϑ^{2025}	ϑ^{2026}	ϑ^{2027}	ϑ^{2028}	ϑ^{2029}
	1.082	1.181	1.236	1.291	1.345	1.399

Tariff multiplier values – proposed by the Area Governing Authority – approved, as maximum values, pursuant to Article 5.4 of Resolution 639/2023/R/IDR.

	% Increase over previous year					
	2024	2025	2026	2027	2028	2029
% Increase on previous year	8.20%	9.15%	4.66%	4.45%	4.18%	4.01%

The significant increases for the years 2024 and 2025 reflect the recovery of the inflationary phenomenon, recognised by ARERA for the year 2023 at 4.5%, and for the year 2024 at 8.8%.

It should be noted that the EGA – Dolomiti Bellunesi Basin Council – with resolution no. 18 of 17 December 2024 approved a new tariff structure, through the revision of tariffs and consumption brackets, with the aim of favouring, in particular, resident domestic use. This revision of the articulation has effectively eliminated, for this type of user, the tariff increases of 2025.

The Company pays attention to the incentive mechanisms introduced and/or strengthened with ARERA Resolution 639/2023/R/$_{IDR}$ (MTI-4), in particular to the targets for reducing the electricity used to run the integrated water service. The self-generation of electricity has also gained considerable importance, with the possibility of recognising the cost of self-generated energy within the tariff components, also in consideration of the acquisition, through the merger by incorporation of Bim Belluno Infrastrutture S.p.A., of micro-hydroelectric plants for which the Company must implement demand optimisation plans.

On 23 December 2025, ARERA published Resolution 582/2025/R/$_{IDR}$ for the tariff update for the two-year period 2026-2027, with the incorporation of the actual data for 2024-2025 and the consequent revision of the *Programme of Interventions*; the result of the update will lead to the recalculation of the tariff coefficients for 2026, currently used provisionally for the charging of consumption, and for 2027. Work with the EGA is currently ongoing.

Energy Sector

In the hydroelectric sector, the works for the restart at the end of June 2025, after several years of shutdown, which began in November 2020, of the Rio San Rocco plant in the Municipality of Auronzo di Cadore are reported, which made it possible to also restart the Ponte Malon hydroelectric plant, located in the same municipality downstream of the former.

The Company is engaged on multiple fronts, including:

- evaluations of initiatives in cooperation with the Consorzio dei Comuni Bim Piave Belluno and with CER Dolomiti for those relating to photovoltaics;
- the design and construction of renewable energy plants to be installed on Integrated Water Service plants, with the aim of reducing the energy purchased to meet the needs of the plants under management;
- assessments on the acquisition of small hydroelectric plants from private owners who have declared their willingness to sell them; in this regard, it should be noted that, given the uncertainty linked to the legislation on concessions, Servizi Integrati Bellunesi S.p.A. could be identified by local entities as a possible public partner to continue to have local energy production for the benefit of the entire community.

It should be noted that the development of new initiatives in the energy sector will have to consider all the shared interests with other entities currently engaged in the analysis of future opportunities that the market will offer.

Following several meetings with the Consorzio dei Comuni Bim Piave Belluno and CER Dolomiti, the wish of the Member Municipalities was acknowledged that the Company should take action to strengthen the structure, including through the financial support of the Consortium, by creating a specific sector to develop initiatives along the following lines:

- Analysis of opportunities in the carbon credit market;
- Operations on photovoltaic plants beyond the NRRP;
- Operations on biomass plants;
- Support for CER Dolomiti;
- Enhancement of sludge produced by treatment plants;
- Possibility of free electricity supply (Regional Law 27/2020);
- Analysis of opportunities relating to the expiry of hydroelectric concessions in 2029.

On these issues, the Company has been in dialogue with national stakeholders for some time to identify the best emerging strategies in the energy sector.

Operating conditions and development of activities

The Company has been operating since 1 January 2004 as the entrusted Operator of the Integrated Water Service in the "Alto Veneto" Optimal Territorial Area. As of 1 January 2024, the management was again extended to the municipality of San Nicolò di Comelico, covering all of the current 59 municipalities constituting the area.

The Company manages six small local LPG networks, for which a new management method is being sought. It also provides services to other companies, including, predominantly, services for Estenergy S.p.A., which took over from Ascotrade S.p.A. as a result of the merger by incorporation, for residual counter services to methane gas customers historically coming from the proprietary gas sales branch sold in 2006; in recent years, these services have been gradually reduced, however, now being limited to the provision of premises and telephone service for setting appointments, with the agreement expiring on 31 December 2025.

Pursuant to article 2428 of the Italian Civil Code, it should be noted that business is also conducted in the branch offices of:

- Agordo - via 4 Novembre no. 2
- Feltre - via Rizzarda no. 21
- Feltre - via Cavalieri di Vittorio Veneto no. 31
- Lozzo di Cadore - viale dell'Industria no. 14
- Pieve di Cadore - locality Tai, via degli Alpini no. 28
- Sedico - via Feltre no. 31/A
- Taibon Agordino - via Foch s.n.

From an operational point of view, as of 1 January 2025, following the merger by incorporation of the related company Bim Belluno Infrastrutture S.p.A., the Company is engaged in the energy sectors.

With regard to the renewable energy sector, in 2025 the management of 36 hydroelectric plants continued, of which 8 plants were owned and 28 plants were managed on the basis of specific agreements, directly entrusted by the Member Municipalities holding the hydroelectric concessions. Production recorded a marked increase compared to the previous year, reaching a total value of about 31.2 GWh. The revenues generated are therefore increasing, a trend that is consequently also reflected in the costs for usage fees in favour of the Municipalities, which, as a result of the agreements entered into, are determined according to standardised proportionality criteria.

In the field of heat supply, the Company manages a biomass-fuelled district heating plant in the Municipality of Santo Stefano di Cadore, which supplied approximately 2.26 GWh of thermal energy to 85 active supplies connected to the distribution network.

During 2025, the photovoltaic plant on the purification plant in Pagognane (Borgo Valbelluna), which represents the first pilot application for the Company, recorded a production of 8,326 kWh, most of which (81%) was self-consumed to power the electrical uses of the purification plant, while the remaining 1,571 kWh were fed into the grid and involved in the remote self-consumption system activated with the Gestore dei Servizi Energetici.

Operating performance

Development of demand and trends in the markets in which the company operates

As far as the integrated water service is concerned, particular attention continues to be paid to the volumes supplied, since, although the economic and financial balance is guaranteed by tariff mechanisms, the quantity variable can have a significant impact on tariff policies. Invoiced volumes continue to show a slight contraction, so no major tariff adjustments are expected for deviations in volumes delivered.

In the **Hydroelectric** sector, total production recorded a value of about 22.4 GWh, perfectly in line with the average of the last three years and down sharply compared to the previous year, which was characterised by particularly favourable weather conditions.

Year	Energy fed (kWh)
2021	28,635,323
2022	13,775,359
2023	22,196,859
2024	31,237,027
2025	**22,421,123**

With regard to the regulatory framework, which remains particularly complex, mention should be made of the publication of the judgment of the European Court of Justice concerning the legitimacy of the rule on windfall profits introduced by Article 15-bis of Decree-Law 4/2022 (Sostegni Ter Decree). This ruling, which in fact establishes the compatibility of the national extra-profit measure with EU law, does not, however, seem destined to close the matter completely, paving the way for a further phase of the proceedings, already pending before the Regional Administrative Court of Lombardy, which will now have to decide how to manage the next phases. We therefore await further developments.

With reference to the water diversion concessions for hydroelectric use that are currently being renewed, it should be noted that the Veneto Region, by means of Regional Law no. 1/2025 published in BUR no. 23 of 14 February 2025, extended the small hydroelectric concessions until 31 July 2029, amending Regional Law no. 27/2020, which had allowed the continuation of the operation until 31 July 2024 of the same concessions, even those that had already expired before that date. However, it should be noted that in April 2025 this Law was challenged by an appeal by the President of the Council of Ministers to the Constitutional Court for a declaration of unconstitutionality. Therefore, at present there is a regulatory gap that is expected to be filled as soon as possible.

In addition, the conclusions presented in December 2025 by the Advocate General of the Court of Justice in Case C-653/24 lead to the conclusion that Article 12 of the Bolkestein Directive does not apply to companies whose main activity consists in the production of electricity, as is the case for small hydroelectric diversions. This activity, in fact, does not constitute a service but is relevant as the production of a good, with all the consequences that derive from this, including in relation to the structure of tender procedures. On this matter, we are awaiting the final ruling.

As far as the construction of **photovoltaic plants** to serve the Integrated Water Service infrastructure is concerned, after the first pilot project in Pagognane, a further plant with a capacity of just under 200 kW will be built in 2026 at the Belluno purification plant, in the Marisiga area (financed with NRRP funds).

SIB manages the **service of distribution and sale of LPG** through piped networks in five Municipalities in the Province of Belluno (288 users in total) under a direct in-house assignment scheme. During the year, in agreement with the Municipalities concerned, a process was initiated aimed at the consensual termination of the in-house contracts and the subsequent outsourcing of the service by means of a joint public tender, formalised in specific recognition agreements currently being approved by the respective Municipal Councils. As part of this process, it was also agreed with the Comuni BIM Piave Belluno Consortium to reschedule the residual investment grant (EUR 490,000.00) in a single payment by September 2026. The publication of the tender for the new concession is scheduled for the 2026 financial year.

Competition

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The main service assigned, the Integrated Water Service, is operated under a monopoly regime and therefore no problems related to competition behaviour arise.

In the field of renewable energy, on the one hand, the assignments by the Shareholder Authorities are acquired under an inter-organisational delegation regime, while the Company operates under a competitive regime in obtaining the ownership of hydroelectric concessions.

Social, political and union environment

The personnel are covered by the CCNL (national collective labour agreement) for the gas-water sector, updated on 8 May 2025 and valid until 31 December 2027, which stipulates periodic increases in the contractual minimums across all classification levels, staggered across four dates (01/07/2025, 01/07/2026, 01/07/2027, and 01/10/2027), with an average annual increase of 2.2%.

A shared protocol was signed with the RSUs regulating the arrangements for the use of Smart Working, expiring on 31 December 2027, and individual annual agreements were consequently signed with the employees concerned.

On the trade union front, the agreement for the 2025 Result Bonus was concluded with the RSU (unitary workplace union structures) and the provincial trade union representatives, providing for the payment to employees of a bonus linked to the achievement of objectives considered strategic.

Operating performance in the sectors in which the Company operates

The company's **Reclassified Income Statement**, compared with the one from the previous year, is shown below:

Reclassified INCOME STATEMENT (amounts €/1000)	**Final balance 2025**		**Final balance 2024**		**Δ Final balance 2025 / Final balance 2024**
Revenues from Integrated Water Service	30,726		29,509		*1,217*
Electricity Production Revenues	3,621		0		*3,621*
Revenues from miscellaneous services	586		234		*353*
Total revenue from services	**34,934**		**29,743**		***5,191***
Increase in fixed assets	3,708		3,170		*538*
Other revenues	3,954		2,133		*1,822*
Total Revenues	**42,596**	*100%*	**35,045**	*100%*	***7,551***
Purchase of materials	(3,726)		(3,010)		*(716)*
Purchase of services	(12,236)		(10,066)		*(2,170)*
Use of third party assets	(4,359)		(1,798)		*(2,561)*
Personnel costs	(12,959)		(11,624)		*(1,335)*
Other costs	(1,945)		(1,359)		*(586)*
Total Costs	**(35,225)**		**(27,857)**		***(7,368)***
EBITDA	**7,371**	*17%*	**7,188**	*21%*	***183***
Amortisation of Investments	(5,568)		(3,878)		*(1,690)*
Allocation to Provision for Bad Debts	(180)		(350)		*170*
Other Provisions	(553)		(335)		*(218)*
Total Provisions	**(6,301)**		**(4,562)**		***(1,739)***
EBIT	**1,070**	*3%*	**2,626**	*7%*	***(1,556)***
Net financial (expenses)/income	1,055		(107)		*1,162*
EBT	**2,124**	*5%*	**2,518**	*7%*	***(394)***
Taxes	(633)		(968)		*335*
Net Result	**1,491**	*4%*	**1,551**	*4%*	***(59)***

Total Revenues amounted to EUR 42.6 million, an increase of EUR 7.6 million compared to the previous year, mainly due to the integration of the new sectors following the merger.

Revenues from **Integrated Water Service** (+EUR 1.2 million compared to 2024) reflect the approval by ARERA of the tariff determination submitted by the EGA for the fourth regulatory period (2024-2029) based on Resolution 639/2023/R/IDR of 28 December 2023 (MTI-4).

Electricity Production Revenues amounted to EUR 3.6 million and derive from the production of the micro-hydroelectric plants owned and those managed under concession by the Member Municipalities, whose usage fee is determined on the basis of the agreements in force and shown under the item *Use of third-party assets*.

Revenues from miscellaneous services relate not only to the LPG network supply service, but also to the District Heating Service managed in the Municipality of Santo Stefano di Cadore, acquired through the merger.

The **Increase in fixed assets** refers to the internal costs of personnel and stock material used for investments and shows an increase of EUR 0.5 million compared to 2024.

Other revenues include EUR 1.5 million in ARERA bonuses for the management of technical and commercial quality in the 2022-2023 biennium (EUR 1.5 million), EUR 0.7 million in tariff adjustments relating to the previous management of the methane gas tariff, EUR 0.6 million in re-invoicing of extraordinary maintenance costs for electrical installations, and EUR 0.2 million in insurance compensation.

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Total Costs increased by EUR 7.4 million compared to 2024, mainly as a result of the new sectors integrated through the merger.

Costs for the **Purchase of materials** increased by EUR 0.7 million compared to 2024, in connection with the increased use of materials purchased during the year.

Costs for the **Purchase of services** increased by EUR 2.2 million, of which approximately EUR 1 million related to costs for activities resulting from the merger and, for the remaining part, mainly to services provided for the correct reporting of NRRP projects, services for the reorganisation analysis of the IT area, insurance services and services for the promotion and disclosure of the water service and the new company logo.

Costs for the **Use of third-party assets** show an increase of EUR 2.6 million in 2025, related to the fees to be paid to the municipalities for the management of the hydroelectric plants under concession, acquired through the merger, which are covered by the Electricity Production Revenues discussed above.

Personnel costs show an increase of EUR 1.3 million in 2025, related to the absorption of 6 employees from the company incorporated through the merger, the effect of contract renewal, increases for career advancement and new hires made during the year.

Other costs relate for EUR 1.2 million to adjustments pertaining to previous years, including EUR 0.7 million relating to write-offs of expenses for designs that were found to be outdated and had to be completely redone. They also include EUR 254 thousand of costs relating to tariff items accruing in 2023 which, due to the complex functioning of the tariff method, are included in the VRG 2025.

EBITDA amounted to EUR 7.4 million (EUR +183 thousand compared to 2024).

In relation to the **Provisions**, the following are noted:

- **Amortisation of Investments**, up by EUR 1.7 million compared to 2024 as a result of investments completed during the year;
- **Provision for Bad Debts**, with an allocation in the year of EUR 180 thousand;
- **Other Provisions**, which mainly include allocations for the risk of penalties for technical and contractual quality and for the risk of charges related to an ongoing tax audit.

EBIT, after amortisation, depreciation and provisions, amounted to EUR 1.1 million.

Net financial expenses in 2025 were positive at EUR 1.1 million and derive from the use of cash and cash equivalents acquired through the merger pending their use for investments in the energy area, as per the guidelines of the Shareholders' Meeting.

After taxes, which entail a tax burden of 30% of EBT before taxes, the **Net Profit** is EUR 1.5 million.

The **reclassified balance sheet** of the Company, compared to the previous year, is as follows:

Reclassified BALANCE SHEET (amounts €/1000)	**Final balance 31/12/2025**		**Final balance 31/12/2024**		**Δ Final balance 2025 / Final balance 2024**
Tangible and intangible fixed assets	100,707		76,403		24,304
Financial fixed assets	1,590		347		*1,244*
NET FIXED ASSETS	**102,298**	115%	**76,750**	106%	**25,548**
Receivables from customers	12,031		9,713		*2,318*
Receivables from customers with VRG adjustment	(212)		2,523		*(2,735)*
Warehouse	2,801		2,225		*576*
Deferred tax assets	1,613		1,088		*525*
Sundry receivables	4,255		3,614		*641*
Current assets	**20,487**		**19,163**		***1,325***
Payables to suppliers	(14,515)		(13,707)		*(808)*
Tax payables	(561)		(755)		*194*
Sundry payables	(16,200)		(7,186)		*(9,014)*
Current Liabilities	**(31,276)**		**(21,648)**		***(9,628)***
NET WORKING CAPITAL	**(10,789)**	(12%)	**(2,485)**	(3%)	***(8,304)***
Provisions	(2,660)	(3%)	(1,967)	(3%)	*(693)*
NET INVESTED CAPITAL	**88,849**	100%	**72,298**	100%	***16,551***
Share Capital	(3,820)		(2,010)		*(1,810)*
Reserves	(106,911)		(57,967)		*(48,944)*
Net result	(1,491)		(1,551)		*59*
SHAREHOLDERS' EQUITY	**(112,222)**	126%	**(61,527)**	85%	***(50,695)***
Medium/long-term financial payables to lenders	(23,760)		(26,231)		*2,471*
Financial debt to related parties	0		(813)		*813*
Medium/long-term financial receivables	5,601		5,852		*(251)*
Short-term financial payables	0		0		*0*
Cash	41,532		10,422		*31,110*
NET FINANCIAL POSITION	**23,373**	(26%)	**(10,770)**	15%	***34,143***
SOURCES OF FUNDING	**(88,849)**	100%	**(72,298)**	100%	***(16,551)***

The **Net Invested Capital** shows an increase of EUR 16.6 million over the year, distributed as follows:

- **Net Fixed Assets**, up by EUR 25.6 million as a result of new investments recognised gross of the NRRP grants accruing. It should be noted that the merger resulted in an increase in tangible and intangible fixed assets of EUR 8.7 million and in financial fixed assets of EUR 1.3 million;
- **Net Working Capital** decreased by EUR 8.3 million in relation to:
  - an increase in the item *Sundry payables*, which includes the down payment collected by Bim Belluno Infrastrutture S.p.A. from Italgas Reti S.p.A. of EUR 4.8 million, subject to post-gas tender litigation, as well as advances collected for investment grants of EUR 4 million;
  - increase in *Payables to suppliers* relating to the new services managed;
  - a decrease, among current assets, in *Receivables from customers for VRG adjustments,* of EUR 2.7 million, connected to tariff dynamics linked to the adjustment of external costs from previous years.

Sources of financing showed a similar change, broken down as follows:

- **Shareholders' equity** increased by EUR 50.7 million due to the combined effect of the merger (+EUR 54.3 million) and the distribution of dividends from reserves, described in the Notes to the Financial Statements, approved during the year (-EUR 3.6 million);
- **Net Financial Position** improved by EUR 34.1 million due to the liquidity contribution resulting from the merger, and therefore has a positive value of EUR 23.4 million.

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The **Net Financial Position**, compared to the previous year, is as follows:

NET FINANCIAL POSITION (amounts €/1000)	**31/12/2025**	**31/12/2024**	**Change**
Bank and postal deposits	8,758	10,421	(1,663)
Cash and other valuables on hand	2	1	1
Securities held for trading	32,772	0	32,772
Cash and cash equivalents	**41,532**	**10,422**	**31,110**
Short-term portion of financial receivables (within 12 months)	871	448	423
Short-term portion of medium- to long-term financing (within 12 months)	(3,101)	(4,370)	1,269
Short-term portion of loans to Related Parties (within 12 months)	0	(813)	813
Net short-term financial debt	**(2,230)**	**(4,735)**	**2,505**
Short-term net financial position	**39,302**	**5,687**	**33,615**
Medium/long-term financial receivables (over 12 months)	4,730	5,404	(674)
Medium/long-term financial payables (over 12 months)	(20,659)	(21,861)	1,202
Medium- and long-term net financial position	**(15,929)**	**(16,457)**	**529**
Net financial position	**23,373**	**(10,770)**	**34,143**

The **short-term net financial position** is positive and amounts to EUR 39.3 million. Compared to 31/12/2024, it increased by EUR 33.6 million as a result of the increase in cash and cash equivalents generated by the merger of the related company Bim Belluno Infrastrutture S.p.A. Liquidity is held in free current accounts (EUR 8.8 million) and in technical forms of "cash park" (EUR 32.8 million) which, while aiming at capital preservation, allow better returns.

The **medium- and long-term net financial position** is negative and amounts to -EUR 15.9 million. Compared to 31/12/2024, it decreased during the year by EUR 0.5 million, due to the repayment of loan instalments in accordance with the existing amortisation schedules and the simultaneous absorption of loan positions resulting from the merger.

The **Total net financial position** is positive and amounts to EUR 23.4 million.

Comparison with forecast data and industry analysis

The Articles of Association, in Title V, article 23 bis 'In-house providing engagements' provide that 'in-house' management is implemented through clear powers of management and control of the Shareholders' Meeting, guaranteeing 'similar control', i.e. the situation in which the granting body - in our case, each of the municipalities - operates as if it were using its own internal structure. To this end, the Articles of Association require the company to be equipped with instruments for planning, economic and financial control and shareholder involvement. The instruments provided consist of the Multi-Year Business Plan, the Annual Budget and the Half-Year Report, which, together with the Annual Financial Statements, guarantee the economic and financial control of the company's management.

Therefore, the comparison with the economic forecast data and sector analysis is presented.

Comparison of the 2025 Income Statement with the 2025 Forecast Financial Statements

Reclassified INCOME STATEMENT (amounts €/1000)	**Final balance 2025**		**Budget 2025**		**Δ Final balance 2025 / Fin. St. Budget 2025**
Revenues from Integrated Water Service	30,726		30,146		*580*
Electricity Production Revenues	3,621		3,978		*(357)*
Revenues from miscellaneous services	586		579		*8*
Total revenue from services	**34,934**		**34,703**		***231***
Increase in fixed assets	3,708		4,042		*(334)*
Other revenues	3,954		2,774		*1,181*
Total Revenues	**42,596**	*100%*	**41,518**	*100%*	***1,078***
Purchase of materials	(3,726)		(3,240)		*(486)*
Purchase of services	(12,236)		(13,182)		*946*
Use of third party assets	(4,359)		(4,555)		*196*
Personnel costs	(12,959)		(13,329)		*370*
Other costs	(1,945)		(628)		*(1,317)*
Total Costs	**(35,225)**		**(34,934)**		***(291)***
EBITDA	**7,371**	*17%*	**6,584**	*16%*	***787***
Amortisation of investments	(5,568)		(5,022)		*(546)*
Allocation to Provision for Bad Debts	(180)		(100)		*(80)*
Other provisions	(553)		(400)		*(153)*
Total Provisions	**(6,301)**		**(5,522)**		***(779)***
EBIT	**1,070**	*3%*	**1,062**	*3%*	***8***
Net financial (expenses)/income	1,055		1,492		*(438)*
EBT	**2,124**	*5%*	**2,554**	*6%*	***(430)***
Taxes	(633)		(833)		*200*
Net Result	**1,491**	*4%*	**1,721**	*4%*	***(230)***

The main changes in the Final Income Statement compared to the 2025 Forecast Income Statement, approved on an extraordinary basis in October 2025, relate to the following items:

- **Increase in fixed assets** down by EUR 334 thousand due to a temporary slowdown in the meter replacement plan at the end of the year, recovered in 2026;
- **Other Revenues** increased by EUR 1.2 million, mainly due to tariff adjustments from previous years relating to the natural gas service and insurance compensation;
- **Purchase of services** decreased by EUR 0.9 million due to cost savings achieved;
- **Personnel costs** decreased by EUR 370 thousand due to the difficulty in finding the relevant professional figures;
- **Other costs** increased by EUR 1.3 million, due to costs pertaining to previous years that could not be planned;
- **Amortisation of investments** increased by EUR 0.5 million, estimated in the forecast with the effect of the grants provided for by the NRRP, which will be accounted for in years after 2025;

- **Net financial income** decreased by EUR 438 thousand, in relation to less favourable than expected estimates of rates and availability;
- **Net Result** decreased by EUR 230 thousand.

Comparison of Income Statement 2025 by Sector on Forecast 2025

Income statements by sector are derived from analytical accounting, which allows cost and revenue items to be attributed directly, if they specifically relate to the sectors themselves, and indirectly, if they are common to more than one or all sectors. This indirect allocation takes place on the basis of criteria that, as far as possible, coincide with those identified by ARERA for the obligations of accounting separation ('unbundling') already in place for companies operating in the electricity and gas sectors, and which from the 2016 financial statements, have also been extended to the Integrated Water Service.

Conto Economico riclassificato per settore	**Servizio Idrico Integrato**		**Produzione energia elettrica**		**Teleriscaldamento**		**Gpl**		**Servizi generali e altre poste**		**Totale**	
(importi €/1000)	**Cons. 2025**	**Prev. 2025**	**Cons. 2025**	**Prev. 2025**	**Cons. 2025**	**Prev. 2025**	**Cons. 2025**	**Prev. 2025**	**Cons. 2025**	**Prev. 2025**	**Cons. 2025**	**Prev. 2025**
Ricavi Servizio idrico Integrato	30.726	30.146	0	0	0	0	0	0	0	0	30.726	30.146
Ricavi Servizio Produzione Energia Elettrica	0	0	3.621	3.978	0	0	0	0	0	0	3.621	3.978
Ricavi Servizi diversi	0	0	0	0	357	344	226	220	3	14	586	579
Totale ricavi prestazione servizi	**30.726**	**30.146**	**3.621**	**3.978**	**357**	**344**	**226**	**220**	**3**	**14**	**34.934**	**34.703**
Incremento Immobilizzazioni	3.688	4.042	6	0	0	0	0	0	14	0	3.708	4.042
Altri ricavi	2.562	1.993	617	547	0	0	6	5	770	229	3.954	2.774
Totale Ricavi	**36.976**	**36.181**	**4.243**	**4.525**	**357**	**344**	**232**	**225**	**787**	**242**	**42.596**	**41.518**
Acquisto materiali	(3.182)	(2.550)	(15)	(16)	(13)	(20)	(127)	(114)	(389)	(540)	(3.726)	(3.240)
Acquisto servizi	(8.545)	(9.328)	(760)	(971)	(321)	(286)	(35)	(54)	(2.575)	(2.543)	(12.236)	(13.182)
Godimento beni di terzi	(1.425)	(1.418)	(2.543)	(2.740)	(2)	0	(9)	(9)	(380)	(388)	(4.359)	(4.555)
Costo del personale	(9.541)	(9.896)	(374)	(398)	(30)	(30)	(103)	(82)	(2.912)	(2.923)	(12.959)	(13.329)
Altri costi	(1.504)	(339)	(90)	(45)	(11)	(1)	(2)	(2)	(338)	(241)	(1.945)	(628)
Totale Costi	**(24.197)**	**(23.530)**	**(3.782)**	**(4.170)**	**(376)**	**(338)**	**(276)**	**(261)**	**(6.594)**	**(6.636)**	**(35.225)**	**(34.934)**
EBITDA	**12.779**	**12.651**	**461**	**356**	**(19)**	**7**	**(44)**	**(36)**	**(5.807)**	**(6.393)**	**7.371**	**6.584**
Ammortamento Investimenti	(4.734)	(4.199)	(385)	(381)	(42)	(41)	(11)	(11)	(395)	(391)	(5.568)	(5.022)
Accantonamento F.do Svalutazione Crediti	(180)	(100)	0	0	0	0	0	0	0	0	(180)	(100)
Altri Accantonamenti	(368)	(400)	0	0	0	0	0	0	(185)	0	(553)	(400)
Totale Accantonamenti	**(5.282)**	**(4.699)**	**(385)**	**(381)**	**(42)**	**(41)**	**(11)**	**(11)**	**(580)**	**(391)**	**(6.301)**	**(5.522)**
EBIT (lordo servizi generali)	**7.496**	**7.952**	**76**	**(26)**	**(61)**	**(34)**	**(55)**	**(47)**	**(6.388)**	**(6.784)**	**1.070**	**1.062**
Quota spesa servizi generali	(6.324)	(6.716)	(64)	(68)	0	0	0	0	6.388	6.784	0	0
EBIT (netto servizi generali)	**1.172**	**1.236**	**13**	**(93)**	**(61)**	**(34)**	**(55)**	**(47)**	**(0)**	**0**	**1.070**	**1.062**
(Oneri)/Proventi finanziari netti											1.055	1.492
EBT ante imposte											**2.124**	**2.554**
Imposte											(633)	(833)
Risultato Netto											**1.491**	**1.721**

The **Integrated Water Service** is managed on a balanced basis, thanks to the tariff mechanisms for covering exogenous costs and the recognition of the inflationary phenomenon in recent years, as provided for by the new MTI-4 tariff method.

For the dynamics of revenues and costs, the assumptions already presented in the commentary on the total *Reclassified Income Statement* apply.

For the **District Heating** and **LPG** services, there are negative results already outlined by the forecast data. As mentioned above, the Company is committed to identifying management models for these services that will allow them to be brought back into economic-financial balance.

The breakdown of operating revenues between the Integrated Water Service and other sectors is as follows:

Sectors	**2025**	**2024**
Revenues from Integrated Water Service	87%	98%
Revenues from other sectors	13%	2%

In 2025, the weight of the revenues of the Integrated Water Service, compared to those generated in the other sectors, decreased significantly as a result of the merger compared to the previous year.

Comparison of the 2025 Income Statement of the Integrated Water Service with the 2024 Final Balance

Integrated Water Service Reclassified Income Statement amounts €/1000	**Final 2025**		**Final 2024**		**Δ Final balance 2025 / Final balance 2024**
Revenues from Integrated Water Service	30,726		29,509		1,217
Total revenue from services	**30,726**		**29,509**		**1,217**
Increase in fixed assets	3,688		3,168		520
Other revenues	2,562		1,755		807
Total Revenues	**36,976**	*100%*	**34,432**	*100%*	**2,544**
Purchase of materials	(3,182)		(2,364)		(818)
Purchase of services	(8,545)		(7,712)		(833)
Use of third party assets	(1,425)		(1,416)		(9)
Personnel costs	(9,541)		(8,993)		(548)
Other costs	(1,504)		(1,192)		(312)
Total Costs	**(24,197)**		**(21,677)**		**(2,520)**
EBITDA	**12,779**	*35%*	**12,755**	*37%*	**24**
Amortisation of Investments	(4,734)		(3,529)		(1,206)
Allocation to Provision for Bad Debts	(180)		(350)		170
Other Provisions	(368)		(335)		(33)
Total Provisions	**(5,282)**		**(4,213)**		**(1,069)**
EBIT (gross of general services)	**7,496**		**8,542**		**(1,046)**
General services expenditure share	(6,324)		(5,865)		(459)
EBIT (net of general services)	**1,172**		**2,677**		**(1,504)**

The income statement of the Integrated Water Service in 2025 reflects the same dynamics already commented for the overall income statement, representing 87% of the company's business.

Indirectly allocated costs are up by EUR 459 thousand compared to 2024, in connection with the general increase in costs.

EBIT net of general services is positive at EUR 1.2 million, down by EUR 1.5 million compared to the previous year, due to increased depreciation (+ EUR 1.2 million).

Environment and personnel-related information

Taking into account the social role of the company, as also highlighted in the Report on Operations document of the National Institute of Chartered Accountants, it is deemed appropriate to provide the following information regarding the environment and personnel, as well as to extend monitoring and supervisory activities.

Environment

It should be noted that all activities, and in particular those in the wastewater sector, are subject to systematic environmental supervision as a legal obligation. In this context, even single incidents of non-compliance with the parameters trigger corrective actions; in some circumstances, administrative dispute reports may be issued to the external persons in charge and/or to the Company, which, if they are not dismissed, result in the issuance of injunctions and the payment of the relevant penalty, without prejudice to any appeal.

Personnel

During 2025, there were three non-serious occupational accidents, while there were no charges for occupational illnesses among employees and no employment disputes. The Company continues to conduct extensive safety training courses, specialist courses and soft skills courses in order to enhance the professional skills of its personnel.

Investments

The following gross investments were made during the financial year 2025:

Fixed assets	Acquisitions during the year
Third-party plant maintenance	11,542,447
Plant and machinery	3,965,142
Industrial and commercial equipment	3,376,459
Software (user licences)	1,032,137
Other investments	373,847
Fixed assets in progress	4,245,902
Grand total	**24,535,932**

The investments in the Integrated Water Service, which in 2025 totalled EUR 24.5 million, of which EUR 4.2 million related to works still in progress at year-end, are strictly related to the forecast set out in the Programme of Interventions in force, approved by the Dolomiti Bellunesi Basin Council on 4 July 2024, as part of the MTI-4 tariff determination for the 2024-2029 period.

The following grants accrued in 2025 in respect of the investments made by the Company:

Grant objective	Amount pertaining to the financial year
VAIA emergency grants	1,580,546
Redevelopment and regulatory and structural adjustments to the water supply system of the Municipality of Falcade - NRRP	751,923
Connection grants from Users	365,907
Grants for joint work with the Municipality of Colle Santa Lucia – Pianaz adduction	64,689
Grants from the Basin Council for hydrogeological studies	11,800
Grand total	**2,774,865**

The final figure is shown below with a comparison of the forecast figure and the change for each type of investment.

INVESTMENT EXPENDITURE (amounts in €/1000)	**Final Balance 2025**	**Budget 2025**	**Change**
NRRP Works	9,766	13,588	(3,822)
Major IWS works	5,300	8,230	(2,930)
Minor IWS extraordinary maintenance	7,094	5,403	1,691
Capital goods	894	344	549
TOTAL Investment Expenditure IWS Programme of Initiatives	**23,053**	**27,565**	**(4,512)**
"Vaia" investments - IWS (with reimbursement by the Operator)	1,250	802	448
Investments from other sectors	233	572	(340)
TOTAL Company Investment Expenditure	**24,536**	**28,940**	**(4,404)**

Compared to the forecast, there was a negative variance of EUR 4.4 million in the investments realised in 2025.

There were delays in the execution of NRRP works (EUR 3.8 million) and major works (EUR 2.9 million), related to external factors and organisational issues, for which a process of strengthening the engineering structure was undertaken, aimed at the complete management of all implementation phases.

The selection procedures for the recruitment of three high-level figures were successfully concluded and, starting from January 2026, they are employed in the development and implementation of strategic works.

In relation to the NRRP, some works relating to the initiative "M2C4-I4.2_254 – Reduction of losses in water distribution networks, including digitisation and monitoring" (CUP G61D22000040003) have been appropriately postponed to the first months of 2026, relying on the extension granted in application of Circular No. 1/2026 of the General Directorate for Dams and Water Infrastructures (prot. note 5683 of 18 March 2026), which extended the deadline for the completion of the works from 31 March 2026 (T1/2026) to 30 June 2026. In this context, the RUP adopted a specific decision to update the timetable, setting the new deadline for the completion of the activities at 29 May 2026, following the extension of thirteen contracts, duly justified. The extension did not entail any changes to the contractual amounts or alterations to the NRRP targets associated with the initiative.

The variance identified is partially offset by minor extraordinary maintenance of the Integrated Water Service (EUR 1.7 million).

Research and development activities

Pursuant to Article 2428, paragraph 2, no. 1, of the Italian Civil Code, it is hereby noted that in 2025 the Company did not carry out research and development activities.

Transactions with subsidiary, associated, parent and related companies

The following transactions were conducted with related companies:

Company	Receivables	Payables	Revenues	Costs
Valmontina S.r.l.	0	0	150,000	0
Renaz S.r.l.	0	0	20,000	0
Società Informatica Territoriale S.r.l.	0	26,355	17,965	226,812

Revenues from the companies Valmontina S.r.l. and Renaz S.r.l. relate to dividends received. There are property transactions with Società Informatica Territoriale S.r.l. for rents on properties owned by the Company as far as revenues are concerned, while the costs relate to services relating to safety on construction sites provided by the related company.

The following transactions were also conducted with related entities.

Company	Receivables	Payables	Revenues	Costs
Consorzio BIM Piave Belluno	1,689,539	0	48,761	0

The Company provided services to the related entity Consorzio BIM Piave Belluno, relating to office leases and related services for EUR 20 thousand, as well as for analysis and development of CERs for EUR 14 thousand under an agreement for general and specific services in force. There are also relationships of a financial nature, relating to grants obtained disbursed in instalments. These relationships do not include any atypical and/or unusual transactions, and are governed by normal market conditions.

Treasury shares and shares/units held in parent companies

Following the withdrawal of the Municipality of Alano, and the unsuccessful placement of the 60 shares held by it due to the failure of the other Shareholders to exercise their option rights, in 2024 the Company proceeded to purchase treasury shares pursuant to article 2357 of the Italian Civil Code, subject to Shareholders' Meeting authorisation, for the amount of EUR 450 thousand, equal to the liquidation value determined on the basis of a specific appraisal. As part of the merger, this reserve was reduced to zero.

Disclosure of risks and uncertainties pursuant to art. 2428, par. 2, point 6-bis, of the Italian Civil Code

Pursuant to art. 2428, paragraph 2, point 6-bis of the Italian Civil Code, below we provide information on the use of financial instruments, insofar as they are relevant to the valuation of the balance sheet and financial situation.

Credit risk

In terms of credit granted, the ratio between the volume of receivables and turnover at 31 December 2025 was 38%, a further improvement on previous years (it was 41% in 2024 and 47% in 2023); the ratio is not affected by the tariff dynamics linked to the adjustment of exogenous costs, which did not generate credit.

With regard to the risk of insolvency due to the general economic situation, the Company continued to manage credit recovery policies by negotiating extensions and instalment-based payments. No particular critical issues are noted.

Liquidity risk

Following the merger of the related company Bim Belluno Infrastrutture S.p.A., the Company managed substantial liquidity, for which low-risk financial instruments were identified to safeguard the invested capital, with adjustments allowing for easy disinvestment in case of need. At the beginning of 2025, the Company updated the regulation adopted for liquidity management, which aims to establish the following key points to be considered and observed in the management of corporate liquidity:

1. investment classifiable within the NFP (cash equivalent or listed financial instruments with a bond content, or collective asset management instruments – funds and/or SICAVs – to be recorded in the Current Assets of the Balance Sheet);
2. risk characterisation, which must be close to 'zero';
3. flexibility and ease of disinvestment at limited costs;
4. economic performance;
5. accounting simplicity;
6. ethicality;
7. spill-over effects on the territory.

Financial Covenants

In the subscription contracts for the two new Hydrobond 4, the following covenants are provided for:

Covenants	Thresholds provided for	31/12/2025	31/12/2024
EBITDA		7,191	6,838
NFC (Net Financial Charges)		(885)	115
EBITDA/NFC	>=2.50 from 2021 to 2024 inclusive >=3.50 from 2025 to maturity	**(8.1)**	**59.4**
Net Borrowings		(17,772)	16,622
EBITDA		7,191	6,838
Net Borrowings/EBITDA	<=6 from 2021 to 2024 inclusive <=6.50 from 2025 to 2026 inclusive <=7.50 from 2026 to maturity	**(2.5)**	**2.4**
Net Borrowings		(17,772)	16,622
Total Fixed Assets		107,899	82,602
Net Borrowings/Total Fixed Assets	≤ 50%	**(16.47%)**	**20.12%**

Following the merger, the Company has a significant amount of cash and cash equivalents and current financial assets. These items result, in the period under review, in positive net financial income and negative net financial position, as financial assets prevail over financial debts. In particular, as at 31 December 2025, the net financial position shows a **net liquidity position**, with the result that the financial covenants provided for in the Bond Regulations are not significant.

Based on the above, at the reporting date, all covenants, although not significant, were met.

It is specified that following the Bondholders' Meeting of 8 February 2022, the financial covenants provided for in the Regulations of the Hydrobond 1 bonds issued in 2014 and Hydrobond 2, issued in 2016, were aligned with those provided for the Hydrobond 4 transaction of 2022, with the aim of thus ensuring the same protection for creditors.

Market risk

It should be noted that, in general, business activity in the Integrated Water Service is affected by specific risks related to the characteristics of the market subject to the tariff method. The tariff system includes, in principle, adjustment mechanisms that do not make alternative risk management assumptions relevant. The risk management policies are, again, of a predominantly operational nature, in the sense that the continuous compliance of the company's standards with the tariff model must be monitored in order to avoid the presence of costs that are not recognisable when updating tariffs.

Significant events after the close of the year

In early 2026, the Company was committed, as mentioned in the introduction, to ensuring the operation of the Integrated Water Service during the Milan Cortina Olympics and is still engaged in the final stages of the NRRP project.

At the same time, the first biennial update of the tariff arrangement for the integrated water service pursuant to the tariff method for the fourth regulatory period MTI-4 pursuant to ARERA Resolution 582/2025/R/IDR of 23/12/2025 is underway, with a major revision of the *Programme of Interventions,* relating to investments.

Outlook

In addition to the completion of the NRRP projects and the related reporting, in 2026 the Company's commitment shall be directed towards the investments planned in the Programme of Interventions, which is being updated by the Basin Council, as well as the investments to be realised with the funds made available for the VAIA emergency.

Special attention will have to be paid during the Plan years to the technical quality macro-indicators established by ARERA for all Integrated Water Service Operators, which, thanks also to the reward system, may provide new resources to be used to improve services, together with the other incentives provided for by the tariff method for the 2024-2029 period.

The Company shall also formulate and implement an investment plan in the energy sector, using the proceeds from the merger, in accordance with the Shareholders' instructions.

Finally, in 2026, the foundations must be laid to structure the funding necessary to support the important Integrated Water Service Programme of Interventions.

Activities pursuant to Legislative Decree 231/01

The company has adopted an Organisation and Control Model pursuant to Legislative Decree No. 231/01, including a Code of Ethics, whose operation is monitored by a Supervisory Board.

Allocation of profit for the year

Dear Shareholders,

in light of the foregoing, we submit the Financial Statements for the year ended 31 December 2025 for your examination and approval, proposing that the profit for the year of EUR 1,491,439 be allocated entirely to the extraordinary reserve, as there is no need to allocate it to the legal reserve, which has already reached the minimum amount required by law.

Belluno, 27 March 2026

Servizi Integrati Bellunesi S.p.A.

The Chairperson of the Board of Directors

Attilio Sommavilla

Servizi Integrati Bellunesi SPA

Registered office in Belluno - Via Tiziano Vecellio no. 27/29
Fully paid-up share capital € 3,819,693.80
Entered in the Belluno Register of Companies under No. 00971870258
Tax code no. 00971870258

REPORT OF THE BOARD OF STATUTORY AUDITORS

ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31/12/2025

PURSUANT TO ART. 2429, PARAGRAPH 2 OF THE ITALIAN CIVIL CODE

To the shareholders of the company: **Servizi Integrati Bellunesi spa.**

- ***Foreword***

As of 1 January 2025, the company "Bim Gestione Servizi Pubblici spa" absorbed by way of merger the company "Bim Belluno Infrastrutture spa", changing its company name to "Servizi Integrati Bellunesi spa".
During the financial year ended 31 December 2025, our activities were guided by the provisions of the law and the "Rules of Conduct for the Board of Statutory Auditors of Unlisted Companies" issued by the National Council of Chartered Accountants and Accounting Experts.

We hereby inform you of these activities and the results achieved.

The financial statements of "Servizi Integrati Bellunesi S.p.A." as at 31 December 2025, prepared in accordance with the Italian regulations governing their preparation, have been submitted for your examination and show a profit for the year of EUR 1,491,439. The Financial Statements were made available to us within the legal deadline.

The Board of Statutory Auditors, not being entrusted with the statutory auditing, has carried out the supervisory activities provided for in Rule 3.8 of the "Rules of Conduct for the Board of Statutory Auditors of Unlisted Companies", consisting of an overall summary review to verify that the Financial Statements have been properly drawn up. Verification of compliance with the accounting data is, in fact, the responsibility of the Independent Auditors.

We recall that the auditing function, pursuant to Article 2409-bis of the Italian Civil Code, is carried out by the company "Ria Grant Thornton spa" for the three-year period 2023, 2024 and 2025, as per the shareholders' resolution of 4 May 2023.
The Independent Auditing Firm entrusted with the statutory auditing, "Ria Grant Thornton spa", has provided

us with its Report containing an unmodified opinion.

Therefore, the financial statements as at 31.12.2025 give a true and fair view of the financial position, results of operations and cash flows of your Company and have been prepared in accordance with the Italian regulations governing their preparation.

- ***Supervisory activities***

We monitored compliance with the law and the Articles of Association, compliance with the principles of proper administration and, in particular, the adequacy of the organisational, administrative and accounting structure and its actual functioning.

During the period from 1 January 2025 to 31 December 2025, we attended the Shareholders' Meetings at which, in relation to the transactions approved, on the basis of the information obtained, no violations of the law or the articles of association were found, nor were there any transactions that were manifestly imprudent, risky, in potential conflict of interest or such as to compromise the integrity of the company's assets.

We obtained information from the Board of Directors, sufficiently in advance and through the meetings held, on the general performance of operations and their foreseeable development, as well as on the most significant transactions, by reason of their size or characteristics, carried out by the Company and, based on the information obtained, we have no particular observations to report.

The Board participated in the meetings of the Board of Directors.

We have examined the reports of the Supervisory Body and no critical issues have arisen with regard to the proper implementation of the organisational model that need to be highlighted in this report.

We have acquired knowledge of and supervised the adequacy of the organisational, administrative and accounting structure and its actual functioning, also by collecting information from the heads of functions, and in this regard we have no particular observations to report.

We have acquired knowledge of and supervised, to the extent of our competence, the adequacy and functioning of the administrative-accounting system, as well as the reliability of the latter in properly representing operational events, by obtaining information from the Heads of functions and reviewing Company documents, and, in this regard, we have no particular observations to report.

In particular, the year 2025 was managed in continuity with the previous year, especially with regard to the Integrated Water Service, consolidating the results achieved previously; invoiced volumes remain substantially stable, although there has been a very slight decrease. Following the merger, the hydroelectric service and the district heating service were also managed.

During the year, the company was significantly involved in the implementation of the NRRP projects, which were completed on schedule, with an extraordinary commitment from the company structure and the recruitment of qualified personnel, which led to the professional growth of all staff. Added to this was the commitment for the Milan-Cortina 2026 Winter Olympics with the upgrading of the water network in the Cortina d'Ampezzo area.

At income statement level, the effect of the tariff method approved for the fourth regulatory period 2024-2029 by ARERA Resolution 639/2023/R/RDR of 28 December 2023 is significant, as it entailed the recognition of the major inflationary effect experienced in recent years, with a marked increase in the costs included in the tariff, improving the profitability of the Integrated Water Service and its self-financing capacity.

The gross operating margin (EBITDA), EUR 7,371,000.00, is up from the previous year (EUR 183 thousand), while the operating profit (EBIT), EUR 1,070,000.00, is down from the previous year (-EUR 1,556 thousand), mainly due to higher depreciation resulting from the works completed during the year.

The net profit for the year of EUR 1,491,439.00 is determined by ordinary operations and financial operations, as there are no extraordinary items.

From a financial point of view, the net financial position as at 31/12/2025 was positive in the amount of EUR 23.4 million, mainly due to the liquidity contribution resulting from the merger.

As regards collections, payment times do not reveal any particular issues; the Company has continued to manage credit recovery policies by negotiating deferrals and instalment payment plans.

Compared to the previous year, the ratio of equity to total debt further improved: also thanks to the merger, shareholders' equity reached EUR 112 million.

It is noted that, with regard to the dispute over the reimbursement value of the gas distribution service, the company has correctly set aside, among the sundry payables, the sum of 4.8 million, preventing its use until the conclusion of the dispute. With regard to the Revenue Agency's draft act, we agree with the allocation, for prudential purposes, of a provision for risks commensurate with the minimum risk of an adverse outcome.

No complaints were received pursuant to Article 2408 of the Italian Civil Code.

During the course of the supervisory activity, as described above and documented in the relevant minutes, no other significant facts emerged that would require mention in this report.

- ***Comments on the Financial Statements***

We have verified that the Directors have declared compliance with the relevant regulations governing the drafting of the Financial Statements.

From the Independent Auditors' Report, "the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2025, of its results of operations and of its cash flows for the year then ended, in accordance with Italian regulations governing the criteria for their preparation”.

To the best of our knowledge, the Board of Directors, in drafting the financial statements, has not departed from the provisions of the law pursuant to Article 2423, paragraph 4, Italian Civil Code.

- ***Conclusions***

Considering the results of the work we have performed and the opinion expressed in the audit report issued by the independent auditors, we find no reason to prevent the shareholders from approving the financial statements for the year ended 31 December 2025, as prepared by the directors.

The Board of Statutory Auditors agrees with the proposal to allocate the profit for the year put forward by the directors.

Belluno, 15 April 2026

The Board of Statutory Auditors

Mario De Poli

Michela Marrone

Elena Zadra

SERVIZI INTEGRATI BELLUNESI S.P.A.
CORPORATE GOVERNANCE REPORT
(under art. 6, paragraph 4, TUSP)

We note that the Company, following the merger by incorporation of the related company Bim Belluno Infrastrutture S.p.A. by notarial deed dated 23 December 2024, with effect from 1 January 2025, adopted the new name of Servizi Integrati Bellunesi S.p.A. (hereinafter SIB). In the following, reference will be made to the current name, with the assumption that, as far as periods up to 31 December 2024 are concerned, any reference shall be understood as referring to the former name.
Servizi Integrati Bellunesi is an in-house fully publicly owned company, whose Shareholders are 61 municipalities, of which 60 in the Province of Belluno and the Municipality of Sappada in the Province of Udine, and the Consorzio Bim Piave Belluno (following the aforementioned merger).
Therefore, the regulations of the Consolidated Law on State-owned Enterprises (Legislative Decree 175/2016), article 6(4) of which provides for the preparation of a corporate governance report.
The contents of this report are precisely laid down in paragraphs 2 and 3 of the same article, which are reproduced below:
"*2. Publicly owned companies prepare specific corporate crisis risk assessment programmes and inform the shareholders' meeting thereof as part of the report referred to in paragraph 4.*
3. Without prejudice to the functions of the supervisory bodies provided for by law and by the articles of association, publicly owned companies assess the appropriateness of supplementing their corporate governance instruments with the following, taking into account their size and organisational characteristics as well as the activity performed:

a) internal regulations aimed at ensuring compliance of the company's activities with competition protection rules, including those on unfair competition, as well as rules on the protection of industrial or intellectual property;
b) an internal audit office structured according to criteria of appropriateness with respect to the size and complexity of the social enterprise, which cooperates with the statutory auditing body, promptly responding to requests from the latter, and periodically submits reports to the statutory auditing body on the regularity and efficiency of management;
c) own codes of conduct, or adherence to collective codes of conduct regulating business conduct towards consumers, users, employees and associates, as well as other bearers of legitimate interests involved in the company's business;
d) *corporate social responsibility programmes, in accordance with the recommendations of the European Commission*'.

Below are the assessments carried out regarding, firstly, corporate risk assessment and, secondly, corporate governance instruments.

1. Corporate crisis risk assessment.

As is well known, article 6(4) of the TUSP requires "*publicly owned companies to prepare specific corporate crisis risk assessment programmes and inform the shareholders' meeting thereof in the report referred to in paragraph 4*".

In order to assess this risk, the main profitability and financial indicators were examined, and the figures for the last three financial years were verified, and some of the 'alarm thresholds' recommended by utility trade associations were examined.

The indicators under review are listed and commented on below.

ROE (Return on equity)

ROE = (Net profit/shareholders' equity) %

In order to evaluate a company, it is not sufficient to consider only the economic result in absolute terms, but the economic result must always be considered in relation to the capital employed.
ROE expresses the same concept: it indicates the return on EUR 100 of capital invested in the company.
In order to be able to say whether a given ROE value is positive or negative, it has to be compared with the return of alternative low-risk investments (BOT, BTP, etc.).
The difference between 'safe' alternative investments (BOT, BTP, etc.) and the ROE value is called the 'risk premium' as it 'rewards' a risky investment.
In the last three financial years, including 2025, the following values were recorded for SIB:

SIB ROE		
Year 2023	Year 2024	Year 2025
1.24%	2.52%	1.33%
Average BOT yield[1]		
Year 2023	Year 2024	Year 2025
3.086%	3.217%	2.11%
Average BPT yield[2]		
Year 2023	Year 2024	Year 2025
4.35%	3.71%	3.6%

The decrease in ROE in 2025 is strongly influenced by the increase in shareholders' equity, which occurred following the merger. The increase in equity has in fact produced a dilution effect on ROE, which is temporarily compressed as the economic and operational benefits of the merger are not yet fully reflected in the net result, while the increase in shareholders' equity is already fully accounted for. Looking ahead, the higher level of capitalisation may provide a favourable basis for improving the return on equity, although it should be remembered that the company's core business, i.e., the Integrated Water Service, reflects the principle of "full cost recovery", but does not guarantee - nor is it expected to do so - the expected returns of private-sector industrial management.

ROS (return on sales)

ROS = (Operating profit/sales revenue) %

ROS expresses the percentage of gross operating profit per EUR 100 of net sales. The higher the ratio, the more satisfactory it is. ROS increases as revenues increase and costs decrease. In general, revenues can be grown either by increasing the sales volume or by raising sales prices; in the integrated water service, the increase in revenues is closely related to the investments recognised in the tariff based on the tariff method determined by the sector Authority, ARERA.

[1] Weighted average 12-month BOT rate (Ministry of the Treasury data, January 2026 auction).
[2] Average interest rate of 10-year Treasury bonds (Ministry of the Treasury)

The R.O.S. Ratio can take on the following values:
R.O.S. = greater than zero
It means that a portion of revenue is still available after all costs relating to the core business have been covered. It expresses the ability of revenues from ordinary operations to help cover extraordinary costs, such as financial charges and taxes, and to produce a reasonable profit as a return on equity.

R.O.S. = zero
The remunerative capacity of the core revenue stream is limited to covering only the costs of core operations. In this case, the coverage of financial expenses and taxes and the occurrence of a profit depend on the presence of extraordinary resources, such as financial income.

R.O.S. = negative
The inability of core revenues to cover the costs of core operations is reported, as well as, of course, financial costs, taxes and return on equity. This is a symptom of a very serious production and management crisis.

In the last three financial years, including 2025, the following values were recorded for SIB:

SIB ROS		
Year 2023	Year 2024	Year 2025
4.43%	8.83%	3.01%

The ROS result of 3.01% shows the revenue margin after the coverage of costs relating to core operations. The trend is consistent with the context of the merger, which saw a growth in revenues related to the integration of the new sectors not characterised by high margins, but by the economic return to the serviced territory.

Incidence of extraordinary operations

Incidence of extraordinary operations = (profit for the year/EBIT)

This indicator expresses the incidence of extraordinary operations on EBIT, or the amount of net profit per EUR 100 of EBIT. The difference between EBIT and the economic result is due largely to financial management.

This ratio indicates how much net profit remains from operating profit after interest expense, financial events and taxes.

It highlights the influence of financial and tax management on the result for the year; if these operations have a negative impact on the formation of income, as frequently occurs, the result of this ratio will be <1.

A ratio of 1 (operating profit = profit for the year) highlights (quite a rare case) neutrality or the absence of financial and tax management.

Incidence of extraordinary operations		
Year 2023	Year 2024	Year 2025
0.62	0.59	1.39

In the 2025 financial year, the ratio assumes a value > 1, attributable to the merger transaction, which resulted in an increase in cash and cash equivalents, with a consequent greater contribution to profitability from financial management. The improvement in the result of extraordinary operations reflects the availability of the financial resources acquired, the operational and strategic uses of which will be seen in subsequent years.

Indebtedness ratio. LEVERAGE

Leverage = (Net Invested Capital/Shareholders' Equity)

Leverage is an economic ratio of corporate profitability.
The lower the equity (denominator of the formula) in relation to total loans, the higher the debt and the higher the ratio. In general, the lower the ratio, the more satisfactory it is.

Leverage shows how the company manages to finance its investments and in particular whether it is predominantly equity or debt capital.

The debt ratio is also called leverage (leverage effect) because the presence of debt can implement a positive or negative financial multiplication of profitability.

Leverage		
Year 2023	Year 2024	Year 2025
1.36	1.59	1.11

The significant decrease in leverage in 2025 is closely linked to the merger, which resulted in a strengthening of shareholders’ equity and an improvement in the financial structure, also thanks to the aforementioned contribution of cash and cash equivalents. The expansion of equity therefore reduced the ratio of debt to total sources, compressing the value of the index.

Financial independence ratio

Financial independence ratio = (Shareholders' Equity/Total Financing) %

The financial independence ratio expresses the ratio of shareholders’ equity to total financing. Financial independence increases as net equity increases. A ratio of 100% indicates that financing is equally represented by equity and third-party funds.
A ratio below 33% indicates low financial independence and a heavy financial structure; values between 33 and 55 indicate a financial structure that needs to be kept under control; values between 55 and 66 indicate a satisfactory structure; values above 66 indicate considerable possibilities for development.

Financial independence ratio		
Year 2023	Year 2024	Year 2025
194.26%	234.56%	472.31%

The financial independence ratio, equal to 472.31%, shows a high level of capitalisation of the company. Shareholders' equity is well above total debt, reflecting a situation of strong financial solidity and a low degree of risk. This level of independence guarantees the company a large self-financing capacity and considerable independence from third-party capital, constituting a strength in the economic and financial structure. In 2025, a significant increase was recorded, directly attributable to the merger transaction, which resulted in a substantial increase in shareholders’ equity.

Alarm thresholds

The guidance provided by trade associations in the public utilities sector (Utilitalia) identifies certain alarm thresholds, to be verified over the last three financial years, including: negative operating result, operating losses that erode shareholders' equity, doubts as to the company's ability to continue as a going concern raised by the board of statutory auditors or the independent auditing firm in their respective reports on the financial statements, etc.
None of these eventualities occurred (as can be easily verified from the approved financial statements and those pending approval) with regard to SIB's situation.

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2. Corporate governance instruments.

The main corporate governance instruments are provided for in the Articles of Association and are functional to SIB's nature as an in-house company.

Articles 22 and 23 of the Articles of Association, in fact, provide, respectively, for the appointment of atypical, unpaid advisory and control bodies, such as the Coordination Committee, made up of representatives of the shareholding structure distributed throughout the territory, and the adoption of additional control instruments in favour of the Shareholders' Meeting with respect to the classic Financial Statements.

Article 22 of the Articles of Association, in particular, which was implemented by the Shareholders' Meeting with the creation of the Coordination Committee, attributes the following functions to this atypical body:
a) - hearings of the Company's top management bodies, also with a view to verifying the adequacy of the organisational structure adopted as well as its actual functioning in the best pursuit of the corporate purpose;
b) - formulation of opinions, guidelines, suggestions and other similar collaborative contributions with regard to the administrative approach of the Company;
c) - prior scrutiny, with a view to the early preparation of possible observations and proposals, of the acts of the Administrative Body that will be submitted to the Meeting and the Shareholders;
d) - forwarding of requests for information and acquisition of documents to the Administrative Body on matters relating to the planning and performance of services;
e) - promotion of information initiatives and fact-finding methods that guarantee the participation and information of users, including those organised in their own forms of representation.

On the other hand, Article 23 of the Articles of Association stipulates that an Interim Report as at 30 June of each year must be brought to the attention of the Shareholders' Meeting, which reports an interim situation with respect to the company's management, as well as an Annual Budget Forecast and a Three-Year Business Plan, which allow the Shareholders to determine the company's guidelines in terms of investments, cost containment (with particular reference to personnel costs) and financial management.

These instruments allow shareholders effective control over the company's performance.

In relation to the further contents indicated in paragraph 3 of article 6 of the TUSP, the following should be noted.

With reference to the provisions of letter a), it is worth noting that SIB operates as the sole Area Operator of the Integrated Water Service under a local monopoly regime pursuant to and in accordance with the determinations of the "Dolomiti Bellunesi" Basin Council, as an in-house operator. Therefore, there are no potential competition issues, as water service is not part of an open market.

From a different point of view, within the scope of its functions as a Contracting Authority, the company ensures compliance with the principles of competition and equal treatment issued by the European Union by applying the Public Contracts Code (Legislative Decree No. 36/2023, as amended), in the special sectors and its own internal regulations in the other sectors.

With regard to letter b), the company's size does not require the creation of an ad hoc office to act as a point of contact with the control body – in this case the Board of Statutory Auditors – which liaises directly with the senior managers of the various company functions during the periodic checks carried out in accordance with the law.

Further control is exercised by the Supervisory Board, appointed when the 231 Model was adopted, and subsequently confirmed, which carries out verification activities on company activities subject to the risk of the 'predicate offences' being committed. It meets, where possible, on a two-monthly basis and receives regular information flows from the company as a whole.

With regard to letter c), as mentioned above, SIB has adopted an organisational, management and control model pursuant to Legislative Decree No. 231/2001, to be updated in 2023 and approved by the Board of Directors on 12 January 2024, which includes the Code of Ethics, published on the company website, which specifically governs the business conduct towards consumers, users, employees and associates, as well as other legitimate stakeholders involved in the company's activities. Following the merger mentioned in the introduction, a new update of the model and its implementation procedures is underway and will be completed in the first half of 2026.

With reference to CSR (Corporate Social Responsibility), Corporate Social Responsibility, the demands formulated by the European Union since the Lisbon European Council in March 2000 - where it was considered as one of the strategic tools to achieve a more competitive and socially cohesive society and to modernise and strengthen the European social model - were first reported in the European Commission's Green Paper, published in 2001, where social responsibility is defined as: 'The voluntary integration of companies' social and environmental concerns into their business operations and relations with stakeholders'.

With regard to the activity of SIB, it should be noted that its activity is necessarily linked to the decisions of a third-party regulator (first and foremost the "Dolomiti Bellunesi" Basin Council, from the standpoint of identifying investments, and secondly, ARERA, from the perspective of service standards and quality).

Nevertheless, for 2025, the Company has prepared, for the eleventh consecutive year, a Sustainability Report in which it describes not only its investments and corporate performance, but also the added value generated for its local area.

Belluno, 27 March 2026

The Chairperson of the Board of Directors
Attilio Sommavilla