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modefinance Corporate Credit Rating (Solicited) for

ITALY GREEN POWER S.P.A.: B1- (First issuance)

modefinance published the Solicited Corporate Credit Rating of ITALY GREEN POWER S.P.A. on the website (http://cra.modefinance.com/en) and the rating assigned to the entity is B1- (First issuance). The analysis highligths that the company presents an adequate economic and financial profile, demonstrating the capacity to withstand adverse economic conditions in the medium to long term.

Italy Green Power S.p.A. (hereinafter also referred to as "the Company") is a company of the Nuove Sorgenti Energie Group specializing in the sale of electricity and natural gas in the liberalized energy market. As both an energy trader and a Dispatching User (UDD), the Company supplies electricity and natural gas to residential, corporate, and public sector customers, while also providing energy consulting services and energy efficiency solutions. These include energy audits, the design and installation of photovoltaic systems, battery storage solutions, electric vehicle charging infrastructure, and LED relamping projects.
The Company is also actively involved in the development of Renewable Energy Communities (RECs), promoting sustainable energy generation and sharing models aimed at increasing self-consumption and supporting the energy transition.
The Company operates within the Nuove Sorgenti Energie Group, an Italian energy group active across the entire energy value chain, from renewable energy generation to the sale and trading of electricity and natural gas, as well as the development of innovative solutions for the energy transition. Through its integrated business model and continuous investments in innovation and sustainability, the Group has achieved significant milestones, generating more than 1.8 GW of installed renewable capacity and serving over 18,000 customers through Renewable Energy Communities, thereby strengthening its position as a leading operator in the Italian energy market.

Key Rating Assumptions

ITALY GREEN POWER S.p.A. maintains a reasonably balanced capital structure, with leverage of 3.46x, and a sustainable level of financial indebtedness, as reflected by a Net Financial Position/EBITDA ratio of 0.86x. Liquidity management remains sound, with both the current ratio and quick ratio stable above 1.0x (1.62x), indicating an adequate balance between current assets and current liabilities. From an operating perspective, the Company reported a significant increase in revenue, which doubled to EUR 18 million, driving a corresponding improvement in operating profitability. EBITDA increased to EUR 273.000, compared with EUR 130.000 in the previous year. Nevertheless, profitability remains modest, with an EBITDA margin of approximately 1%.
During 2025, the Company further strengthened its financial position by increasing its cash reserves through improved cash generation from core operations. Operating cash flow of EUR 617.000 fully financed capital expenditures of EUR 195.000 incurred during the year, while also enabling a reduction in financial debt of EUR 233.000. This confirms a balanced financial management approach and an enhanced capacity for self-financing.

The Company is wholly owned by Gruppo Nuove Sorgenti Energia S.r.l., which is ultimately controlled by the Company's Sole Director, Mr. Eleuterio Proia. The parent company controls eight subsidiaries operating in the design of renewable energy plants, electricity generation, energy distribution, and electricity and gas trading.
The Company has also established a Board of Statutory Auditors.
ITALY GREEN POWER S.p.A. is larger than the median company within its peer group, supported by strong revenue growth. However, its profitability and solvency indicators remain below the peer group average. Despite this, the Company's capital structure is considered adequately balanced on a standalone basis, while its profitability remains constrained by relatively low returns on invested capital.
Overall, the peer group has strengthened its financial profile over the review period, benefiting from lower leverage, improved capitalisation, and stable liquidity, while demonstrating solid operating and net profitability.

Between late 2025 and 2026, the global energy and economic environment has been characterized by heightened uncertainty. Worldwide electricity demand continues to expand, supported by the rapid deployment of renewable energy capacity, particularly solar photovoltaic and wind power, while fossil fuels continue to play a significant role in the global energy mix.
Geopolitical tensions in the Middle East, particularly involving Iran and the Strait of Hormuz, have increased volatility in global oil and natural gas markets, contributing to higher inflationary pressures and influencing monetary policy decisions across major economies.
In Italy, despite continued growth in renewable electricity generation, the country's significant dependence on natural gas continues to support elevated energy prices, prompting the Government to postpone the planned closure of certain coal-fired power plants in order to safeguard security of supply. From a macroeconomic perspective, Italy's economy continued to expand at a moderate pace during the first months of 2026, driven primarily by the services sector, while manufacturing activity remained under pressure due

to higher energy costs and weak external demand. Household consumption and private investment recorded only modest growth as a result of persistent uncertainty and reduced purchasing power.
According to the latest projections of the Bank of Italy, real GDP is expected to grow by 0.5% in both 2026 and 2027, before accelerating to 0.8% in 2028. Nevertheless, the outlook remains subject to significant downside risks associated with geopolitical developments, energy commodity prices, and international trade conditions.

Sensitivity Analysis

In the following table, the addressing factors, actions or events that could lead to an upgrade or a downgrade are summarized:

Action	Description of the addressing factors, actions or events
Upgrade	• Growth in sales revenues and operating margins. • Strengthening of profitability indicators. • Upward revision of European economic growth forecasts. If these conditions were to occur, the rating could increase to B1.
Downgrade	• Significant deterioration in operating margins. • Increase in financial debt not adequately supported by a corresponding strengthening of shareholders' equity and EBITDA. • Deterioration in the customer churn rate and/or an increase in overdue receivables. • Escalation of international geopolitical instability with an adverse impact on economic growth. If these factors were to occur, the rating could decrease to B2+.

No amendments were applied after the notification process.
The rated company purchased ancillary services from modefinance (preliminary rating). Modefinance guarantees that this purchase of ancillary activities does not constitute any conflict of interest.
The rating action issued by modefinance was performed independently. The analysts, members of the rating team involved in the process, modefinance Srl and its members and shareholders do not have any conflicts of interest in relation to the Rated Entity and/or Related Third Parties.
If in the future a potential conflict of interest is identified in relation to the persons reported above, modefinance Ratings will provide the appropriate information and if necessary the rating will be withdrawn.
The present Credit Rating is an opinion of the general creditworthiness that modefinance issues on the rated entity, and should be relied upon to a limited degree. The issued rating is subject to an ongoing monitoring until withdrawal.

Contacts:

Head Analyst – Elisa Graffi, Senior Rating Analyst
elisa.graffi@modefinance.com

Responsible for Rating Approval – Giada D'Avenia, Rating Process Manager
giada.davenia@modefinance.com