Cross-border merger by incorporation of EDISON INTERNATIONAL HOLDING NV into EDISON SpA

Interim Statements of the merger at June 30, 2020

of Edison SpA

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Abridged interim financial statements of the parent company Edison Spa

AS AT JUNE 30, 2020

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INCOME STATEMENT

(in million of euros)	Note	1st semester 2020	1 st semester 2019
Sales revenues	2.3	2.188	3.312
Other revenues and income	2.3	26	49
Total revenues		**2.214**	**3.361**
Raw materials and services used (-) (**)	2.3	(1.914)	(3.128)
Labour costs (-)	2.3	(63)	(62)
Receivables (Write-dow ns)/reversal	3.2	-	1
EBITDA	2.3	**237**	**172**
Net change in fair value of derivatives	2.3	4	11
Depreciation and amortisation (-) (**)	2.3	(63)	(63)
(Write-dow ns) reversal on non-current assets	2.3	-	-
Other income (expense) - non-Energy activities, net	9	(19)	(15)
EBIT		**159**	**105**
Net financial income (expense) on net financial debt (available funds)	7.1	10	7
Income (expense) on assignment of receivables w ithout recourse	3.2	-	-
Financial expense for decommissioning and adjustment of provisions	5.3 - 9	(3)	(4)
Net financial income (expense) for leasing (**)	7.1	(1)	(1)
Other net financial income (expense)	2.3	(12)	8
Revaluations (w rite-dow ns) of equity investments	5.2	(21)	(6)
Dividends	5.2	5	42
Gains (losses) on the sale of equity investments	5.2	-	-
Profit (Loss) before taxes		**137**	**151**
Income taxes	8.2	(47)	(26)
Profit (Loss) from continuing operations		**90**	**125**
Profit (Loss) from discontinued operations	2.8	(154)	(489)
Profit (Loss) for the year	2.8	**(64)**	**(364)**

OTHER COMPREHENSIVE INCOME

(in million of euros)	*Note*	1st semester 2020	1 st semester 2019
Net income/(loss) for the year	2.4	**(64)**	**(364)**
A) Change in the cash flow hedge reserve	*6*	***(32)***	***16***
Gains (Losses) arising during the year		(45)	22
Income taxes (+/-)		13	(6)
B) Actuarial gains (losses (*)	*6*	**-**	**-**
Total other components of comprehensive income net of taxes (A+B)		**(32)**	**16**
Total comprehensive profit (loss)		**(96)**	**(348)**

(*) Items not reclassificable in Income Statement.

BALANCE SHEET

(in million of euros)	Note	06/30/2020	12/31/2019
ASSETS			
Property, plant and equipment (*)	5.1	1,304	1,311
Intangible Assets	5.1	73	72
Goodwill	5.1	1,573	1,573
Other non-current financial assets	5.1	7	6
Equity investments	5.2	1,391	1,412
Investments at fair value through profit and loss	5.2	1	1
Non-current financial assets from subsidiaries and affiliated companies (*)	7.1	484	614
Deferred-tax assets	8.3	121	125
Non-current tax receivables	8.3	25	25
Other non-current assets	3.3	193	40
Derivative financial instruments and FVH - non-current	4.1	218	101
Total non-current assets		**5,390**	**5,280**
Inventories	3.2	37	58
Trade receivables	3.2	388	621
Current tax receivables	8.3	-	-
Other current assets	3.3	153	290
Derivative financial instruments and FVH - current	4.1	837	697
Current financial assets	7.1	1	1
Current financial assets from subsidiaries and affiliated companies (*)	7.1	711	538
Cash and cash equivalents	7.1	53	169
Total current assets		**2,180**	**2,374**
Assets under disposal	2.2	**408**	**550**
Total assets		**7,978**	**8,204**
LIABILITIES AND SHAREHOLDERS' EQUITY			
Share capital		5,377	5,377
Statutory reserve		3	3
Reserve from merger by absorption		218	218
Reserves for other components of comprehensive income		(57)	(25)
Retained earnings/(loss carryforward)		(797)	(386)
Profit(Loss) for the year		(64)	(411)
Total shareholders' equity	6	**4,680**	**4,776**
Provisions for employee benefits	5.3	15	15
Provisions for decommissioning and remediation of industrial sites	5.3	65	65
Provisions for risks and charges	5.3	135	223
Provision for income tax liabilities	8.3	-	-
Provisions for risks and charges for non-Energy activities	9	280	266
Deferred-tax liabilities	8.3	-	-
Derivative financial instruments and FVH - non-current	4.1	202	93
Non-current financial debt (*)	7.1	320	330
Total non-current liabilities		**1,017**	**992**
Trade payables	3.2	654	938
Current tax payables	8.3	80	66
Other current liabilities	3.3	95	80
Derivative financial instruments and FVH - current	4.1	912	731
Current financial debt (*)	7.1	81	70
Current financial payables to subsidiaries and affiliated companies	7.1	402	505
Total current liabilities		**2,224**	**2,390**
Liabilities under disposal		**57**	**46**
Total liabilities and shareholders' equity		**7,978**	**8,204**

CASH FLOW STATEMENT

This cash flow statement analyses **cash flows** relative to short-term liquid funds (due within 3 months), the value of which at period end is 53 million euros, as compared with those of first half of 2019 (320 million euros).

	(in million of euros)	1st semester 2020	1st semester 2019
Profit (Loss) before taxes of Edison Spa		**137**	**151**
	Depreciation, amortisation and write-downs	63	62
	Net additions to provisions for risks	7	(16)
	(Gains) Losses on the sale of non-current assets	-	1
	(Revaluations) Write-downs of non-current financial assets	21	6
	Change in provisions for employee benefits	-	1
	Change in fair value recognised in EBIT	4	(11)
	Change in the operating working capital	(30)	(109)
	Dividends from subsidiaries, affiliated companies and other companies	(5)	(42)
	Dividends collected (including amounts attributable to previous years)	2	37
	Total Net financial income (expense)	(5)	(2)
	Financial income collected	13	11
	Financial (expense) paid	(4)	(5)
	Net income taxes paid	(15)	(13)
	Change in other operating assets and liabilities	(101)	(65)
A.	**Cash flow from operating activities from activities**	**87**	**6**
	Additions to intangibles and property, plant and equipment (-)	(57)	(34)
	Additions to non-current financial assets (-)	(1)	(5)
	Proceeds from the sale of intangibles and property, plant and equipment	1	-
B.	**Cash from (used in) investment activities**	**(57)**	**(39)**
	Proceeds from new medium-term and long-term loans	-	-
	Redemptions of medium-term and long-term loans (-)	(6)	(17)
	Change in other current and non-current financial assets	(43)	38
	Other changes in financial debt	(97)	287
C.	**Cash from (used in) financing activities**	**(146)**	**308**
D.	**Net change in cash and cash equivalents (A+B+C)**	**(116)**	**275**
E.	**Cash and cash equivalents at the beginning of the year**	**169**	**45**
F.	**Cash and cash equivalents at the end of the year (D+E)**	**53**	**320**
H.	**Total cash and cash equivalents at the end of the year (G)**	**53**	**320**
I.	**(-) Cash and cash equivalents from discontinued operations**	**-**	**-**
L.	**Cash and cash equivalents from continuing operations (H-I)**	**53**	**320**

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(in million of euros)	Share capital	Statutory reserve	Reserve from merger by absorption	Reserves and retained earnings (loss carryforward)	Reserve for other components: *Cash flow hedge*	Reserve for other components: Actuarial gains (losses) pursuant to IAS 19	Profit (Loss) for the year	Total shareholders' equity
Balances at December 31, 2018	**5,377**	**-**	**218**	**(438)**	**31**	**(1)**	**55**	**5,242**
Appropriation of the 2018 result	-	3	-	52	-	-	(55)	**-**
Other change in comprehensive income	-	-	-	-	17	-	-	**17**
Profit (loss) from 1st January to June, 30 2019	-	-	-	-	-	-	(364)	**(364)**
Period changes from 1st January to June 30, 2019	**-**	**3**	**-**	**52**	**17**	**-**	**(419)**	**(347)**
Balances at June 30, 2019	**5,377**	**3**	**218**	**(386)**	**48**	**(1)**	**(364)**	**4,895**
Other change in comprehensive income	-	-	-	-	(71)	(1)	-	**(72)**
Profit (loss) from 1st July to December, 31 2019	-	-	-	-	-	-	(47)	**(47)**
Period changes from 1st July to December 31, 2019	**-**	**-**	**-**	**-**	**(71)**	**(1)**	**(47)**	**(119)**
Balances at December 31, 2019	**5,377**	**3**	**218**	**(386)**	**(23)**	**(2)**	**(411)**	**4,776**
Appropriation of the 2019 result	-	-	-	(411)	-	-	411	**-**
Other change in comprehensive income	-	-	-	-	(32)	-	-	**(32)**
Profit (loss) from 1st January to June, 30 2020	-	-	-	-	-	-	(64)	**(64)**
Period changes from 1st January to June 30, 2019	**-**	**-**	**-**	**(411)**	**(32)**	**-**	**347**	**(96)**
Balances at June 30, 2020	**5,377**	**3**	**218**	**(797)**	**(55)**	**(2)**	**(64)**	**4,680**

RECLASSIFIED BALANCE SHEET

This schedule, prepared on a voluntary basis, reclassifies the balance sheet items of the main statement, to allow a quicker reconciliation with the information provided in the following chapters.

(in million of euros)	***Note***	**06/30/2020**	**12/31/2019**
NET WORKING CAPITAL	***3***	**22**	**(9)**
Operating Working Capital	***3.2***	**(229)**	**(259)**
Inventories (+)		37	58
Trade receivables (+)		388	621
Trade payables (-)		(654)	(938)
Other assets / (liabilities)	***3.3***	**251**	**250**
Other current assets		153	290
Other non-current assets		193	40
Other current liabilities		(95)	(80)
Other non-current liabilities		-	-
DERIVATIVE FINANCIAL INSTRUMENTS and FVH	***4.1***	**(59)**	**(27)**
- current assets		837	697
- non-current assets		218	100
- current liabilities		(912)	(731)
- non-current liabilities		(202)	(93)
INVESTED CAPITAL AND PROVISIONS		**4.134**	**4.072**
Fixed assets	***5.1***	**2.950**	**2.956**
Fixed assets		2.950	2.956
Equity investments	***5.2***	**1.399**	**1.419**
Equity investments		1.391	1.412
Investments at fair value through profit and loss		1	1
Other non-current financial assets		7	6
Operational Provisions	***5.3***	**(215)**	**(303)**
Provisions for employee benefits		(15)	(15)
Provisions for decommissioning and remediation of industrial sites		(65)	(65)
Provisions for risks and charges		(135)	(223)
TAX ASSETS (LIABILITIES)	***8***	**66**	**84**
Non-current tax receivables		25	25
Current-tax receivables		-	-
Current taxes (payable)		(80)	(66)
Deferred-tax assets		121	125
(Deferred-tax liabilities)		-	-
Provision for income tax liabilities		-	-
NET INVESTED CAPITAL		**4.163**	**4.120**
Provisions for risks and charges for non-Energy activities	***9***	**(280)**	**(266)**
Assets (Liabilities) under disposal	***2,2***	**351**	**504**
TOTAL NET INVESTED CAPITAL		**4.234**	**4.358**
SHAREHOLDERS’ EQUITY	***6***	**4.680**	**4.776**
NET FINANCIAL DEBT (AVAILABLE FUNDS)	***7***	**(446)**	**(418)**
Current financial assets (-)		(1)	(2)
Current financial assets from subsidiaries and affiliated companies (-)		(711)	(538)
Non-current financial assets from subsidiaries and affiliated companies (-)		(484)	(614)
Cash and cash equivalents (-)		(53)	(170)
Non-current financial debt (+)		320	331
Current financial debt (+)		81	70
Current financial payables to subsidiaries and affiliated companies (+)		402	505
TOTAL HEDGES		**4.234**	**4.358**

1. FORM AND CONTENT OF THE FINANCIAL STATEMENTS

1.1 Basis of preparation

These condensed half-year financial statements of the parent company Edison Spa at 30 June 2020 was drafted in order to be included in the transnational merger plan for the incorporation of Edison International Holding NV into its 100% parent company Edison SpA in compliance with the provisions of art. 2501 quater of the Italian Civil Code and the provisions of the Dutch Civil Code.

That document as an interim report, with the requirements of IAS 34 “Interim Financial Reporting” and were drafted in compliance with the International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB), as published in the Official Journal of the European Union (O.J.E.U.).

They were not audited by the company KPMG Spa, which was engaged during the shareholders’ meeting of April 28, 2020 for the years 2020-2028.

For the aforementioned purposes, the Board of Directors, at its meeting held on **July 29, 2020**, authorised their publication.

The values shown in the Notes to the statement of financial position, unless otherwise stated, are expressed in millions of euros.

1.2 Accounting standards and valuation criteria

In preparing the interim separate financial statements, the accounting principles and valuation criteria applied are consistent with those applied in the preparation of the 2019 separate financial statements, to which reference should be made.

1.3 Use of estimated values

The preparation of the statement of financial position as at June 30, 2020 required the use of estimates and assumptions both in the measurement of certain assets and liabilities and in the valuation of contingent assets and liabilities. The actual results that arise upon the occurrence of the relevant events could differ from these estimates.
Estimates and assumptions are revised on a regular basis, and the impact of any such revision is immediately accounted.

For a more extensive description of the most relevant valuation processes for the company, which have not changed compared to 2019, reference is made to the paragraph on the “Use of estimated values” in the 2019 Separate Financial Statements.

2. *PERFORMANCE*

2.1 Economic performance in the first half of 2020

The first half of 2020 was characterised by the COVID-19 pandemic, which caused a state of health emergency throughout most of the world, which is set to continue at least throughout the entire year, to which various Countries responded, albeit by adopting different measures, by stopping all commercial and manufacturing activities and services considered not strictly essential, in order to check the spread of the virus. The virus had an immediate impact on the global economy, which will be in a recession for at least the whole of 2020. During the COVID-19 emergency, Edison continued to operate while safeguarding the health of its employees and suppliers, to ensure continuity in electricity and gas supplies and support hospitals, thus providing an essential service to the Country. The health emergency triggered a significant worsening in the macroeconomic scenario, with effects on both demand and on electricity and gas prices, as well as on a possible deterioration in counterparty solvency.

Overall, the impacts of COVID-19 on the results of Edison Spa in the first half of 2020 were limited at operating profit level - also thanks to the margins of flexibility guaranteed by the power plants and the LT gas import contracts - but they reflect negatively in particular in the result of equity investments for certain subsidiaries operating in the downstream segment of retail sales and energy services, the results of which were significantly impacted by the health emergency.

It should be noted that, following the important contraction of the reference scenario and the volumes of gas and power sold, revenues went from 3,312 million euros at June 30, 2019 to 2,188 million euros at June 30, 2020 (-33.9%); a similar trend was recorded on costs (-38.8%)

It is also difficult to evaluate the impacts for the rest of the year, however the company will continue to monitor its evolution and support both operating needs and business development plans, thanks to the limited level of debt and a solid financial structure which guarantees adequate liquidity reserves.

2.2 Information on the application of IFRS 5

In relation to the disposal of assets referring to the E&P business and concentrated in Edison E&P S.p.A., changes were made during the period in question subsequent to July 4, 2019, when the equity investment sale agreement was signed, as commented on in the separate financial statements as at December 31, 2019, to which reference is made for detailed information.

Please recall that the execution of the sale is subject to several governmental authorisations and that the contract referred to above requires the buyer to fulfil future decommissioning obligations. Following the refusal of the Algerian Ministry of Energy on the transfer of the assets located in that country, received by Edison in December 2019, Edison and Energean in any event expressed their desire to carry out the transaction, albeit with a changed scope. At the same time, Edison engaged in dialogue with Sonatrach (an Algerian state company) to evaluate the latter's intention with regard to the confirmed intent of Edison to dispose of the asset.

Subsequently, on April 2, 2020, an amendment to the above-mentioned sale agreement was signed to remove from the scope of the transaction the assets located in Algeria and to reduce the consideration, considering the uncertainty of the likelihood of use of the value of some tax assets, and to exclude the calculation of interest accruing from January 1, 2019 (transaction reference date) until the closing. With regard to the assets located in Algeria, Edison, to enable the sale to Energean of Edison E&P, immediately began to transfer those assets, which in any event have been operating under normal conditions since August 2018, to another Group subsidiary, postponing the sale to third parties to when market conditions will make it possible to maximise their valuation. The overall effect of the amendments to the agreement with Energean is a lower benefit deriving from the sale of approximately 150 million dollars in terms of the change in the net financial position of Edison.

Later, on June 28, 2020, based on a request made by Energean, an additional amendment to the sale agreement was signed, subsequent to a renegotiation, to also exclude from the scope of the transaction the company Edison Norge AS, which holds the Edison Group's E&P assets located in Norway, and to further reduce the price. Like for the Algerian assets, the Norwegian equity investment will be immediately transferred to another Edison subsidiary, to then be placed back up for sale when market conditions allow for the full valuation of the related assets.

After the amendments to the sale agreement, the enterprise value of Edison E&P at the reference date of January 1, 2019 is 284 million dollars, essentially corresponding to the benefit in terms of the change in Edison's net financial position as a result of the transaction. This benefit will be determined in part by the collection of the consideration due from Energean at the closing and in part from the operating cash flows generated by the assets disposed of relating to the period from January 1, 2019 until the closing, which will be retained by Edison. The agreement also calls for an additional consideration of up to 100 million dollars subject to the entry into production of Cassiopea, the actual amount of which will be determined on the basis of gas prices in the Italian market (VTP) recorded at the date of the field's entry into production.
The scope of the sale to Energean now includes the assets, mineral leases and equity investments in the hydrocarbons sector of Edison E&P in Italy, Egypt, Greece, the UK and Croatia for a portfolio of around 75 licenses corresponding to production, for the applicable share, of 43,000 equivalent barrels per day as at December 31, 2019.
The maintenance within the Edison Group of the assets under development in Norway and the assets in production in Algeria will in any event allow for Edison to substantially exit from the E&P sector, in line with the company's sustainable development plan. Indeed, given that the assets are not operated by Edison in either Algeria or Norway, the agreement with Energean, even amended, continues to concern the disposal of the majority of the E&P portfolio and therefore will enable Edison to exit from production activities in which it acts as operator.
The closing with Energean is expected within the year.

Presentation of values as at June 30, 2020

In these interim financial statements, the items referring to the equity investment held in Edison E&P Spa and recognised as Discontinued Operations regard the following values as at June 30, 2020:

"Discontinued Operations E&P balance sheet (in millions of euros)	**06.30.2020**
Non-current financial assets	547
Discontinued Operations value adjustment	(139)
Asset under disposal	**408**
Non-current non-financial liabilities	55
Disposal under liabilities	**55**

- the discontinued operations amount to 408 million euros and correspond in particular to the fair value of the equity investment in Edison E&P Spa;
- the **liabilities held for sale**, amounting to 55 million euros, which include provisions for tax and environmental risks, of which 5 million euros recognised during the year (as commented on more extensively at the end of this section) and the payable at fair value of the derivative contract entered into to hedge the EUR/USD exchange rate on the sale price, the economic effects of which are described below;
- the **net loss from discontinued operations** is 154 million euros and includes the adjustment of the value of the equity investment to its fair value (139 million euros) and the accessory costs of the sale itself and the valuation of some indemnities set forth in the contract recognised under liabilities held for sale (around 15 million euros) (for the content, see the comments to the section "Ministry for the Environment - request for compensation for environmental damages" and "Disputed municipal property taxes (ICI and IMU) on offshore hydrocarbon production platforms" in the separate financial statements as at December 31, 2019). Please also note that during the period, cash flow hedges were put into place to reduce the EUR/USD exchange rate risk referring to the fixed part of the sale price of the equity investment, including the interest accrued at the reporting date; the results realised (-4 million euros) and the fair value

(-1 million euros) of these derivatives were recognised as an adjustment to the result from Discontinued Operations, which is in part variable depending on exchange rate trends.

2.3 Economic performance of operations

2.3.1 Sales revenues

Sales revenues came in at 2,188 million euros, on the whole down by 33.9% compared to the first half of 2019 (3,312 million euros). This decrease, relating to both gas and electricity, is primarily connected to the collapse in average prices in the reference scenario.

(in millions of euros)	1st semester 2020	1st semester 2019	Change	% change
Natural gas	1,309	2,090	(781)	(37.4%)
Electric Power Operations	1,030	1,214	(184)	(15.2%)
Steam	17	24	(7)	(29.2%)
Environmental securities	1	1	-	0.0%
Other	13	14	(1)	n.m.
Realised commodity derivatives	(202)	(47)	(155)	n.m.
Total sales	**2,168**	**3,296**	**(1,128)**	**(34.2%)**
Sundry service revenues	20	16	4	25.0%
Total sales revenues	**2,188**	**3,312**	**(1,124)**	**(33.9%)**

2.3.2 Materials and services used

As mentioned in the revenues section, also as regards the materials used the trend was caused by the performance of the energy scenario as well as purchased volumes, in addition to the average unit costs of the commodities, by impacting the main price formulas indexed to the single national price, Brent or VTP.

(in millions of euros)	1st semester 2020	1st semester 2019	Change	% change
- Natural gas	1,018	2,021	(1,003)	(49.6%)
- Electric power	433	562	(129)	(23.0%)
- Utilities and other materials	-	5	(5)	(100.0%)
- Environmental securities	55	48	7	n.m.
- Realised commodity and foreign exchange derivatives	(67)	(89)	22	n.m.
Total	**1,439**	**2,547**	**(1,108)**	**(43.5%)**
- Carrier services	292	337	(45)	(13.4%)
- Regasification fee	57	53	4	7.5%
- Facilities maintenance	16	21	(5)	(23.8%)
- Professional services	23	22	1	4.5%
- Insurance services	4	5	(1)	(20.0%)
- Change in inventories	28	27	1	n,s
- Accruals to provisions for risks	22	61	(39)	(63.9%)
- Costs for use of third party assets (*)	-	14	(14)	(100.0%)
- Indirect taxes and fees	6	4	2	50.0%
- Sundry charges	27	37	(10)	(27.0%)
Total materials and services used	**1,914**	**3,128**	**(1,214)**	**(38.8%)**

2.3.4 Costs for personnel

They amount to 63 million euros, basically unchanged compared to June 30, 2019. As at June 30, 2020, there are 1,351 employees (1,321 as at June 30, 2019).

2.3.5 EBITDA

The **EBITDA** was a positive 237 million euros, a notable increase with respect to the first half of 2019 (172 million euros), up in both the gas and electricity businesses, and more specifically:

- positive for 146 million euros in the **gas segment**, which benefitted from the flexibility of the contracts for gas imports via pipe;
- 137 million euros in the **power segment**, which benefitted from the positive results in the dispatching services market, as well as the higher margin deriving from the hydroelectric power stations, which offset the lower contribution of thermoelectric generation, due to the unavailability of the Altomonte and Simeri Crichi gas plants in the first six months of the year;
- in the **corporate segment**, the EBITDA in the first half of 2020, which incorporates the central and cross-company management activities, i.e. not directly connected to specific business, was a negative 46 million euros, basically unchanged compared to the same period of 2019.

For the sake of comprehensiveness, for a more significant representation of the operating EBITDA of the individual segments, the values shown also include intercompany transactions, i.e., those between the different segments of the company such as the sale of gas from the hydrocarbons segment to the power segment's thermoelectric power stations on the basis of the volumes consumed, and costs for centralised services in the corporate segment but charged back to the operating business units.

2.3.6 EBIT

EBIT was positive for 159 million euros, a considerable improvement compared to 105 million euros in the first half of 2019 and includes, aside from the effects arising from EBITDA, also:

- 4 million euros, due to the positive impact connected with the **net change in fair value of derivatives on commodities and foreign exchange rates** (positive for 11 million euros in the first half of 2019), the reduction of which, compared to the same period of the previous year, was due to trends in market scenarios;
- 63 million euros due to **amortisation/depreciation**, unchanged compared to the first half of 2019;
- 19 million euros for **other net non-energy expenses** (15 million euros other net expenses in the first half of 2019) connected with expenses not directly related to industrial and financial operations, but rather primarily linked to disputes concerning the former Montedison group, of which approximately 1 million euros for legal expenses.

2.3.7 Profit (Loss) from continuing operations

In addition to the industrial margin trends discussed above, the profit (loss) from continuing operations, of 90 million euros, compared to 125 million euros in the first half of 2019, was affected by the following factors:

- 6 million euros in **net financial expense** (10 million euros in net financial income in the first half of 2019). The item was impacted in particular by exchange losses on loans in foreign currency and linked to the reference foreign exchange scenario;
- 16 million euros for **net expense on equity investments** (36 million euros in net income in the first half of 2019), which mainly includes dividends from subsidiaries (5 million euros) net of the write-down of equity investments (21 million euros);
- **income taxes** for 47 million euros (26 million euros in the first half of 2019) include, in particular, current taxes, of which 26 million euros for IRES, 4 million euros for IRAP and 17 million euros for the net effect deriving from the use of deferred tax assets and the provision for deferred tax liabilities.

2.3.8 Net income (loss) for the period

Edison closed the first half of the year with a **net loss** of 64 million euros compared to the loss of 364 million euros in the same period of 2019.

This result includes the net loss of 154 million euros of E&P discontinued operations, commented on in chapter 2.2 Information on the application of IFRS 5 following the revision of the terms of the agreement with Energean Oil & Gas triggered by the negative development of the scenario of the Brent and gas markets, mitigated in part by the good results of the industrial margins described previously.

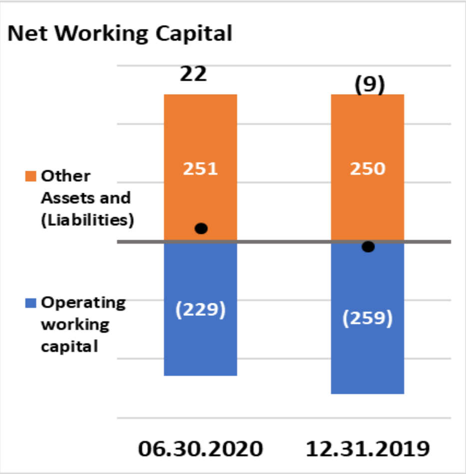
3. NET WORKING CAPITAL

3.1. Credit risk

The credit risk represents Edison Spa's exposure to potential losses that could be incurred if a commercial or financial counterpart fails to meet its obligations.

To control this risk, Edison Spa implemented procedures and programs designed to assess customer credit worthiness (using specially designed scoring grids) and subsequently monitor the expected cash flows and any collection actions.

When choosing counterparties for transactions to manage temporary excess liquidity or execute financial hedging contracts (derivatives), Edison Spa deals only with entities with a high credit rating. As at June 30, 2020, there were no significant exposures to risks related to a possible further deterioration of the overall financial environment and no significant levels of concentration held by non-institutional individual counterparties.



3.2 Operating working capital

(in millions of euros)	06/30/2020	12/31/2019	*Changes*
Inventories (+)	37	58	*(21)*
Trade receivables (+)	388	621	*(233)*
Trade payables (-)	(654)	(938)	*284*
Operating Working Capital	**(229)**	**(259)**	***30***

The value of trade receivables is net of an allowance for doubtful accounts of 24 million euros, unchanged compared to December 31, 2019.

3.3 Other assets and liabilities

(in millions of euros)	06/30/2020	12/31/2019	Changes
VAT receivable from the tax administration	154	4	150
Guarantee deposits	18	15	3
Receivables for other taxes	21	21	-
Total other non-current assets (A)	**193**	**40**	**153**
Provision of technical, admin. and financial services to Group companies	32	26	6
VAT receivable from the tax administration	72	170	(98)
Customer advances	13	47	(34)
VAT pool receivables	5	7	(2)
Other	31	41	(10)
Total other current assets (B)	**153**	**291**	**(138)**
of which allowance for doubtful accounts (*)	***(5)***	***(5)***	**-**
Employees	22	21	1
Social security and welfare institutions	17	16	1
Other taxes payable	4	4	-
Other	52	40	12
Total other current liabilities (C)	**95**	**81**	**14**
Total other assets/liabilities (A+B-C)	**251**	**250**	**1**

Please note in particular that in **other non-current assets** the value of receivables from the tax authorities for VAT refers to the request for reimbursement of 150 million euros for the credit accrued in 2019, emerging in the 2020 annual VAT return.

4. MARKET RISKS AND RISK MANAGEMENT

As at June 30, 2020, there were no changes in the policies and principles adopted by Edison Spa to manage and control commodity price risk, tied to the volatility of the prices of energy commodities and environmental securities, the foreign exchange risk linked to commodities and other risks correlated with the exchange rate. They are therefore summarised below. A more complete description is provided in the separate financial statements as at December 31, 2019.

4.1 Commodity price risk and exchange rates risk related to commodity transactions

The management and control of commodity price and exchange rate risk related to commodity transactions, governed by the Energy Risk Policies, involve the use of derivatives for hedging purposes in order to reduce or mitigate the related risk, balancing the changes in economic value of the underlying hedged item with those deriving from the use of such instruments.

At the operational level, the net exposure is computed for the company's entire portfolio of assets and contracts (so-called Industrial Portfolio), which is the net residual exposure after maximizing all available vertical and horizontal integrations provided by the different business operations. This net exposure is then used to compute the overall level of Economic Capital involved (stated in millions of euros), measured in terms of Profit at Risk (PaR[1]) with a confidence index of 97.5% and an annual time horizon.

Each year, the Board of Directors approves the Economic Capital at Group level ceiling concurrently with the approval of the annual budget.

The unrealised derivatives at June 30, 2020 are measured at fair value with reference to the market forward curve at the reporting date, if the derivative underlying is traded in markets that have official and liquid forward price quotations. If the market has no such forward quotations, forecast price curves based on internal simulation models developed by the Edison Group are employed.

For the derivatives that provide hedging for the Industrial Portfolio, which qualify part as cash flow hedges or fair value hedges pursuant to IFRS 9 and part as economic hedges, a simulation is performed to measure the potential impact that fluctuations in market prices of the underlying item could have on the fair value of the outstanding derivatives, pursuant to IFRS 7. The simulation is performed with reference to the time period of the residual life of the derivative contracts in place, whose maximum term is currently 2023.

For all derivative contracts in place as at June 30, 2020, the methodology makes use of the forward prices of commodities and exchange rates, recorded at the reporting date, and of the associated volatilities and correlations.

Once a probability distribution of changes in fair value is thus obtained, it is possible to extrapolate the maximum expected negative variance in the fair value of the outstanding derivatives, over the time horizon corresponding to the reporting year, for a given level of probability, conventionally set at 97.5%.

The following table shows the maximum expected negative variance in the fair value of the outstanding hedging derivative contracts on commodities and exchanges by the end of 2020, compared with the fair value determined at June 30, 2020.

Value at Risk (VaR) (in million euros)	**06/30/2020**	**06/30/2019**
Maximum expected variance in the fair value (*)	814.2	401.4

(*) Estimated with a level of probability of 97.5%.

The increase in the maximum change in fair value compared to June 30, 2019 is primarily connected to the increase in volatility in the energy markets in which the company operates.

In other words, compared with the fair value determined for hedging derivatives outstanding at June 30, 2020, the probability of a negative variance greater than 814 million euros by the end of 2020 is limited to 2.5% of the scenarios.

For derivatives qualified as fair value hedges, also considering the change in the fair value of the hedged contracts, the above-mentioned maximum expected variance value is reduced from 814 million euros to 466 million euros.

[1] Profit at Risk: is a statistical measurement of the maximum potential negative variance in the budgeted margin in response to unfavourable markets moves, within a given time horizon and confidence interval.

Of this value:

- roughly 20 million euros relates to derivatives that may be classified as Economic Hedges and the ineffective part of derivatives qualified as Cash Flow Hedges and Fair Value Hedges; this potential change would therefore be recognised in the income statement;
- around 470 million euros relates to the effective portion of hedging derivatives that may be classified as Cash Flow Hedges and would be shown in the balance sheet with recognition in the dedicated shareholders' equity reserve.

Period hedging allowed the company's risk management objectives to be achieved, reducing the commodity price risk profile of the Industrial Portfolio to within the approved economic capital limit. The table below shows the risk profile of the Industrial Portfolio in terms of the absorption of Economic Capital:

Industrial Portfolio Economic Capital Absorption	**First half of 2020**		**First half of 2019**	
	without derivatives	**with derivatives**	**without derivatives**	**with derivatives**
Average absorption of the approved Economic Capital limit	266%	39%	158%	53%
Maximum absorption	288% - Jun. '20	54% - Jun. '20	198% - Jun. '19	63% - Jun. '19

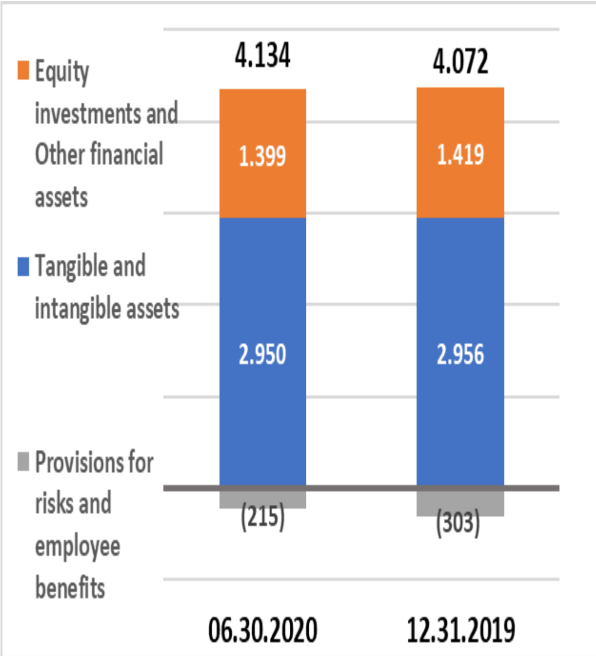
4.2 Foreign exchange risk

The guidelines relative to governance and foreign exchange risk mitigation strategies are unchanged as compared with December 31, 2019.

5. INVESTED CAPITAL AND PROVISIONS

Edison Spa is the operating holding of the Edison group, and through the assets held directly rather than those owned by the companies in which it directly or indirectly holds equity investments, it operates throughout the power and natural gas business segment from upstream to downstream, and in the energy efficiency services segment.
The non-current assets thus consist of both assets - for the most part large-scale directly operated thermoelectric and hydroelectric production plants - and equity investments in companies which are almost all subsidiaries, as well as the provisions for operational risks associated with such items.

The main change in the first half of the year in **operational provisions and employee benefits** is linked to the use for roughly 146 million euros of the valuation of CO_2 emissions quota requirements relating to the year 2019, offset for 62 million euros by the provision for CO_2 requirements at the date of June 30, 2020. The decrease in **equity investments and other financial assets** was caused by the write-down of equity investments.



5.1 Non-current assets

(in millions of euros)	Property, plant and equipment	Intangible Assets	Leased tangible fixed assets IFRS 16	Goodwill	Total
Opening balances at 12/31/2019 (A)	**1,216**	**72**	**95**	**1,573**	**2,956**
Changes at June 30, 2020:					
- additions	49	8	-	-	57
- disposals (-)	(1)	-	-	-	(1)
- depreciation (-)	(51)	(7)	(5)	-	(63)
Total changes (B)	**(3)**	**1**	**(5)**	**-**	**(36)**
Figures as at 06.30.2020 (A+B)	**1,213**	**73**	**90**	**1,573**	**2,920**

5.1.1 Property, plant and equipment and intangible assets

The item **Property, plant and equipment** refers mainly to land and buildings and the assets located there that are used to generate electric power, consisting of combined-cycle natural gas and hydroelectric power plants, as well as investment property (4 million euros), which consists of land and buildings that are not used for production purposes.
The item Property, plant and equipment includes **assets transferable without consideration** for 38 million euros, relating mainly to Edison's hydroelectric operations, in which it directly holds 37 concessions.

Additions to property, plant and equipment during the period include:

- thermoelectric plants for 45 million euros, primarily referring to the new combined cycles of the Marghera Levante and Presenzano thermoelectric power plants;
- the replacement of parts of some hydroelectric plants for roughly 3 million euros.

Additions to intangible assets during the period mainly include:

- the capitalisation of expenses for the implementation and updating of network applications for approximately 4 million euros;
- the release of the State concession to construct a wharf for mooring ships that will supply the LNG coastal depot planned at the Oristano Port, as part of the Small-Scale LNG project, for around 3 million euros.

In accordance with IAS 23 revised, note that during the period less than 1 million euros in financial expense was capitalised in property, plant and equipment.

Intangible assets include:

- 35 million euros for an intangible asset recognised in 2014 for the value of the electric power off-take contract, with a total duration of 10 years (4 years remaining), in connection with the renewable energy hub;
- 14 million euros for software licenses and network applications;
- 11 million euros for work in progress;
- 10 million euros for the advance paid to purchase from Gas Natural Fenosa, the gas procurement agreement relating to the Azerbaijan Shaz Deniz II field;
- 3 million euros for the coastal State concession in Oristano.

5.1.2 Goodwill

The value of 1,573 million euros has not changed compared to December 31, 2019.
The residual value represents an intangible asset with an undefined useful life and, therefore, it is not subject to systematic amortization, but rather to impairment testing at least once a year.
It should be noted that no indicators of impairment of goodwill were identified during the period.

5.2 Equity investments

Equity investments and Other financial assets

(in millions of euros)	Equity investments	Investments at fair value through profit and loss	Other non-current financial assets	Total
Opening balances at 12/31/2019 (A)	**1,411**	**1**	**6**	**1,418**
Changes at June 30, 2020:				
- additions	1	-	1	2
- rev. (+) / write-down (-) on income statement	(21)	-	-	(21)
Total changes (B)	**(20)**	**-**	**1**	**(19)**
Figures as at 06.30.2020 (A+B)	**1,391**	**1**	**7**	**1,399**

For the details of equity investments, please refer to what is published in the separate financial statements at December 31, 2019.

The main changes in the first half of 2020 include the **write-down to the income statement** of 21 million euros, which - in accordance with the principles of preparation of the annual financial statements - reflect the adjustment of the carrying value of the investment in Fenice SpA, against a impairment loss deemed lasting, also taking into account the results of the impairment carried out on a half-yearly basis.

5.3 Operational provisions

(in millions of euros)	12/31/2019	Financial expense	Provisions	Utilizations	Other changes	06/30/2020
- Provisions for employee benefits	15	-	-	-	-	15
- Provisions for decommissioning and remediation of industrial	65	1	-	(1)	-	65
- Provisions for other risks and charges	223	-	-	(4)	148	367
Total provisions for operational risks	**303**	**1**	**-**	**(5)**	**148**	**447**

Provisions for other risks and charges relate to provisions of a purely industrial nature for the various areas in which the company operates.

Specifically, in the column **other changes**, the change is linked to the use for roughly 146 million euros of the valuation of CO_2 emissions quota requirements relating to the year 2019 (settled at the end of March), offset for 62 million euros by the provision for CO_2 requirements at the date of June 30, 2020. These also include some provisions related to the sale of equity investments and tax disputes related to property taxes.

6. SHAREHOLDERS’ EQUITY

Statement of Changes in Shareholders’ Equity

Edison Spa’s shareholders' equity is 4,680 million euros, down by 96 million euros compared to 4,776 million euros recorded at December 31, 2019. The structure of shareholders’ equity at June 30, 2020 is shown in the table below compared with that of December 31, 2019:

Shareholders’ equity (in millions of euros)				**06.30.2020**				**12.31.2019**
Share capital of which:	No. shares	Unit. Euro N.V.	% of Share capital		No. shares	Unit. Euro N.V.	% of Share capital	
Common shares	5,267,224,718	1.00	97.96%	5,267	5,266,845,824	1.00	97.95%	5,267
Non-convertible savings shares	109,775,953	1.00	2.04%	110	110,154,847	1.00	2.05%	110
Total share capital	**5,377,000,671**		**100.00%**	**5,377**	**5,377,000,671**		**100.00%**	**5,377**
Statutory reserve				3				3
Cash flow hedge reserve				(55)				(23)
Reserve for actuarial gains (losses)				(2)				(2)
Reserve from merger by absorption				218				218
Retained earnings/(loss carryforward)				(797)				(386)
Net income (loss) for the year				(64)				(411)
Total shareholders’ equity				**4,680**				**4,776**

The shareholders’ meeting on April 28, 2020 approved carrying forward the loss from 2019 of 411 million euros, which was therefore recognised in profits/losses carried forward.

In the press release dated April 10, 2020, the company notified its savings shareholders of the methods for exercising the voluntary conversion of savings shares.

In detail, it informed the Edison Spa savings shareholders that, in implementation of the provisions of art. 25, paragraph 3, of the Bylaws, extending the terms laid out therein so as to ensure the effective exercise of the right considering the COVID-19 epidemiological emergency and the relative ensuing regulatory measures, in the period April 14 - July 31, 2020, inclusive (“Conversion Period”), they have the right to request the conversion of their savings shares, with a par value of 1 euro each, at the ratio of 1 common share not traded on the MTA market, for every 1 savings share traded on the MTA market presented (the “Voluntary Conversion”).

At June 30, 2020, no savings shares had been converted into common shares.

In the **cash flow hedge reserve** due to the adoption of IFRS 9 for the accounting of derivatives and relating to the deferral to shareholders’ equity of the effective part of derivatives executed to hedge price and foreign exchange risks on energy commodities. The amounts recognised directly in equity will be reflected in the income statement concurrently with the economic effects produced by the hedged items. The table below shows the change with respect to December 31, 2019:

(in millions of euros)	**Gross reserve**	**Deferred taxes**	**Net reserve**
Reserve at 31.12.2019	(32)	9	(23)
Changes in the period	(45)	13	(32)
Reserve at 06.30.2020	**(77)**	**22**	**(55)**

7. NET FINANCIAL DEBT (AVAILABLE FUNDS) AND COST OF DEBT

7.1 Net financial debt (available funds) and cost of debt

The table below shows the situation as at June 30, 2020, with net available funds of 446 million euros, an improvement of 29 million euros compared to December 31, 2019, due basically to the positive flows of operating working capital, which more than offset investments during the period and the CO_2 payment of 146 million euros.

Below is the breakdown of **net financial debt (available funds)**:

(in millions of euros)	06/30/2020	12/31/2019	*Changes*
Non-current financial debt	320	330	*(10)*
Non-current financial assets from subsidiaries and affiliated companies	(484)	(614)	*130*
Non-current net financial debt (available funds)	**(164)**	**(284)**	***120***
Current financial debt	81	70	*11*
Current financial payables to subsidiaries and affiliated companies	402	505	*(103)*
Current financial assets	(1)	(2)	*1*
Current financial assets from subsidiaries and affiliated companies	(711)	(537)	*(174)*
Cash and cash equivalents	(53)	(169)	*116*
Current net financial debt (available funds)	**(282)**	**(133)**	***(149)***
Total net financial debt (available funds)	**(446)**	**(417)**	***(29)***
of w hich:			
Gross Financial Debt	**803**	**905**	***(102)***
Cash and cash equivalents and financial assets	**(1,249)**	**(1,320)**	***71***

During the first half of the year, the company entered into:

- on June 29, 2020, a loan agreement between Edison Spa and the European Investment Bank (EIB) to finance renewable energy and energy efficiency projects for 300 million euros, usable in multiple tranches in the first 4 years after the contract is signed;
- on June 15, 2020, a loan agreement between Edison Spa and the European Investment Bank (EIB) for the Marghera Levante CCGT thermoelectric power plant project for 150 million euros, usable in multiple tranches.

Net financial income (expense) linked to debt (available funds)

(in millions of euros)	1st semester 2020	1st semester 2019	Changes
Financial income			
Financial income from Group companies	12	10	2
Total financial income on cash and cash equivalents	**12**	**10**	**2**
Financial expense			
Financial expense paid to EDF	(1)	(1)	-
Interest paid to banks	(1)	(1)	-
Financial expense from Group companies	(1)	(1)	-
Total financial expense on debt	**(3)**	**(3)**	**-**
Total financial income (expense) on net financial debt (available funds)	**9**	**7**	**2**
Income (expense) on assignment of receivables without recourse	-	-	**-**
Charges on financial leases IFRS 16	(1)	(1)	**-**

8. TAXATION

8.1 Tax risk management

In 2018, a tax risk management and reporting system was adopted, which is integrated within the Group's overall control system (the Tax Control Framework or TCF). The TCF adopted consists of a Tax Policy and General Rules applicable to the Group companies, as well as matrices, coordinated with the provisions of Law No. 262, and is a tax management instrument to monitor activities with potential tax impacts in the main business processes and the results of the Group.

8.2 Taxes

8.2.1. Taxes

(in millions of euros)	1 st semester 2020	1st semester 2019	Changes
Current taxes	29	14	15
Deferred/(prepaid) tax	17	12	5
Previous years' taxes	1	-	1
Total	**47**	**26**	**21**

Current taxes include 26 million euros for corporate income taxes (IRES) and 4 million euros for regional business taxes (IRAP), net of 1 million euros in income that the National Consolidated Tax Return, filed by Transalpina di Energia Spa, recognised to the company.

Net deferred/prepaid taxes had a balance of 17 million euros. The main reasons for this balance are the use of deferred tax assets on the provisions for risks and the use of deferred tax assets on the difference in the value of property, plant and equipment.

8.2.2 Income taxes paid

During the first half of the year, direct tax payments amounted to 17 million euros and refer to payments for the settlement of tax disputes (so-called "fiscal peace") which fell within the scope of the law for 5 million euros and the payment of the IRAP balance for the year 2019 for 12 million euros.

8.3 Tax assets and liabilities

8.3.1 Taxes receivable and payable

At June 30, 2020 there are net payables of 55 million euros (net payables of 41 million euros at December 31, 2019); the details are provided in the table below:

(in millions of euros)	06/30/2020	12/31/2019	Changes
Non-current tax assets	25	25	-
Total tax assets (A)	**25**	**25**	**(18)**
Current tax payables	4	11	(7)
Payables for other taxes	4	9	(5)
Payables due from the controlling company TDE for the filing of a consolidated tax return	72	46	26
Total taxes payable (B)	**80**	**66**	**14**
Taxes receivable (payable) (A-B)	**(55)**	**(41)**	**(32)**

8.3.2 Deferred tax assets and liabilities

At June 30, 2020, assets of 120 million euros were recognised (assets of 125 million euros at December 31, 2019).
Details of the changes in “Deferred tax assets” and “Deferred tax liabilities” are provided below, broken down by type of timing difference, determined based on the tax rates envisaged by governing measures.
Please recall that if the requirements set forth in IAS 12 are met, the items are offset.

Impacts on the income statement and shareholders' equity

Changes in deferred-tax liabilities and deferred-tax assets *(in millions of euros)*	**12/31/2019**	**Effect in income statement**	**Effect in shareholders' equity**	**06/30/2020**
Deferred-tax liabilities:				
Adoption of IFRS 9 to value financial instruments:				
- impact on shareholders' equity	-	-	-	-
	-	**-**	**-**	**-**
Offsets	-	-	-	-
Total deferred-tax liabilities	**-**	**-**	**-**	**-**
Deferred-tax assets:				
Tax assets from tax losses	-	-	-	-
Taxed provisions for risks	86	(16)	-	70
Adoption of IFRS 9 to value financial instruments:				
- impact on shareholders' equity	9	-	13	22
Differences in the valuation of property, plant and equipment	28	(2)	-	26
Other	2	1	-	3
	125	**(17)**	**13**	**121**
Offsets	-	-	-	-
Total deferred-tax assets	**125**	**(17)**	**13**	**121**

In particular, please note that the valuation of **deferred tax assets** reflects the assumption of probable realisation and recoverability for tax purposes, based on the realisation time horizon.

9. NON-ENERGY ACTIVITIES

Please recall that the company is involved in a number of judicial and arbitration proceedings of various types as universal successor of Montedison, which it absorbed. Information about the reasons for and the methods used to recognise in the financial statements charges and provisions for risks related to these disputes is provided in the notes to the separate financial statements at December 31, 2019.

The non-recurring economic effects associated with such activity, which are augmented by the correlated legal costs, are recognised in the item "**Other income (expense) non-energy activities"** included in EBIT and which in the first half of 2020 amounted to a net expense of 20 million euros (net expense of 15 million euros in the first half of 2019).

The table below shows the changes in the **provisions for risks** in the interim financial statements, which totalled 280 million euros (266 million euros as at December 31, 2019):

(in millions of euros)	12/31/2019	Financial expense	Provisions	Utilizations	06/30/2020
A) Risks for disputes, litigation and contracts	140	1	-	(1)	140
B) Charges for contractual guarantees on sale of equity investments	52	-	-	-	52
C) Environmental risks	71	-	18	(4)	85
D) Disputed tax items	3	-	-	-	3
Provisions for risks on non-Energy activity disputes	**266**	**1**	**18**	**(5)**	**280**

Updates in disputes in the first half of 2020 are described below.

Mantua – Administrative Proceedings

In recent years the Province of Mantua sent Edison a number of clean-up orders (eight) relating to areas transferred by Montedison to the ENI Group in 1990 along with the entire Petrochemical site of Mantua, despite the fact that the environmental matters had already been subject to two separate settlement agreements entered into, respectively, with ENI and the Ministry of the Environment. Edison submitted an appeal before the Regional Administrative Court of Lombardy - Brescia Section against all of these orders, which was rejected in August 2018. Edison then challenged this decision before the Council of State. With decision of April 1, 2020, the appeal lodged by Edison was rejected and thus the ruling in the first instance was confirmed. Edison has already appealed before the Court of Cassation and the Council of State against this decision.

Ausimont – Bussi sul Tirino – Administrative proceedings regarding the clean-up of the "Solvay External Areas", areas "2A" and "2B"

On February 28, 2018, the Province of Pescara notified the companies Solvay Specialty Polymers Italy Spa and Edison Spa that it was initiating proceedings pursuant to Title V Part IV of Legislative Decree No. 152/2006 to identify the party liable for the contamination of the "Solvay External Areas" in Bussi sul Tirino, landfill areas 2A and 2B and adjoining areas. Subsequently, on June 26, 2018, the Province of Pescara served Edison with an order pursuant to art. 244 of Legislative Decree No. 152/2006 (the "Environmental Code") for the removal of all waste dumped over time in the above-mentioned areas of the Bussi site. With regard to this measure, it is necessary to note that: i) the portions of land in question were contributed to Ausimont since its date of establishment in 1981; ii) Ausimont, and only and exclusively Ausimont, obtained authorisation to run, built, managed and closed landfills 2A and 2B located on such portions of land; iii) the shares of Ausimont were transferred to Solvay Solexis Spa, today Solvay Specialty Polymers Italy Spa, in May 2002; iv) Ausimont was merged with Solvay Solexis in November 2002, with the latter becoming successor of any and all legal positions lodged by and against Ausimont. Edison challenged the order before the Regional Administrative Court of Pescara, which dismissed the company's appeal. Edison has therefore filed an appeal before the Council of State. With a ruling published on April 6, 2020, the Council of State confirmed, although qualifying its scope and content, the decision of the Province of

Pescara and the subsequent ruling of the Pescara Regional Administrative Court in relation to the reclamation procedure for the so-called "North" areas called 2A and 2B of the Bussi sul Tirino industrial site.
The Council of State postponed to a subsequent administrative procedure the definition of any obligations; therefore, at the moment, it is not possible to determine any further economic commitments related to the decision. The company considers this decision to be arbitrary, and Edison has already appealed before the Court of Cassation and the Council of State against this decision.

Bussi – Tre Monti Area
As part of the clean-up procedure in the Tre Monti area in the Bussi SNI, in light of the recent case law on remediation activities in areas characterised by historical pollution, the company decided it would be appropriate to update the operational provision for site clean-up.

As regards the additional content, please refer to the separate financial statements as at December 31, 2019.

SIGNIFICANT EVENTS OCCURRING AFTER JUNE 30, 2020

No significant events occurred after 30 June 2020.

Milan, July 29, 2020

On behalf of the Board of Directors
The Chief Executive Officer
Nicola Monti