Quarterly Report

AT MARCH 31, 2020

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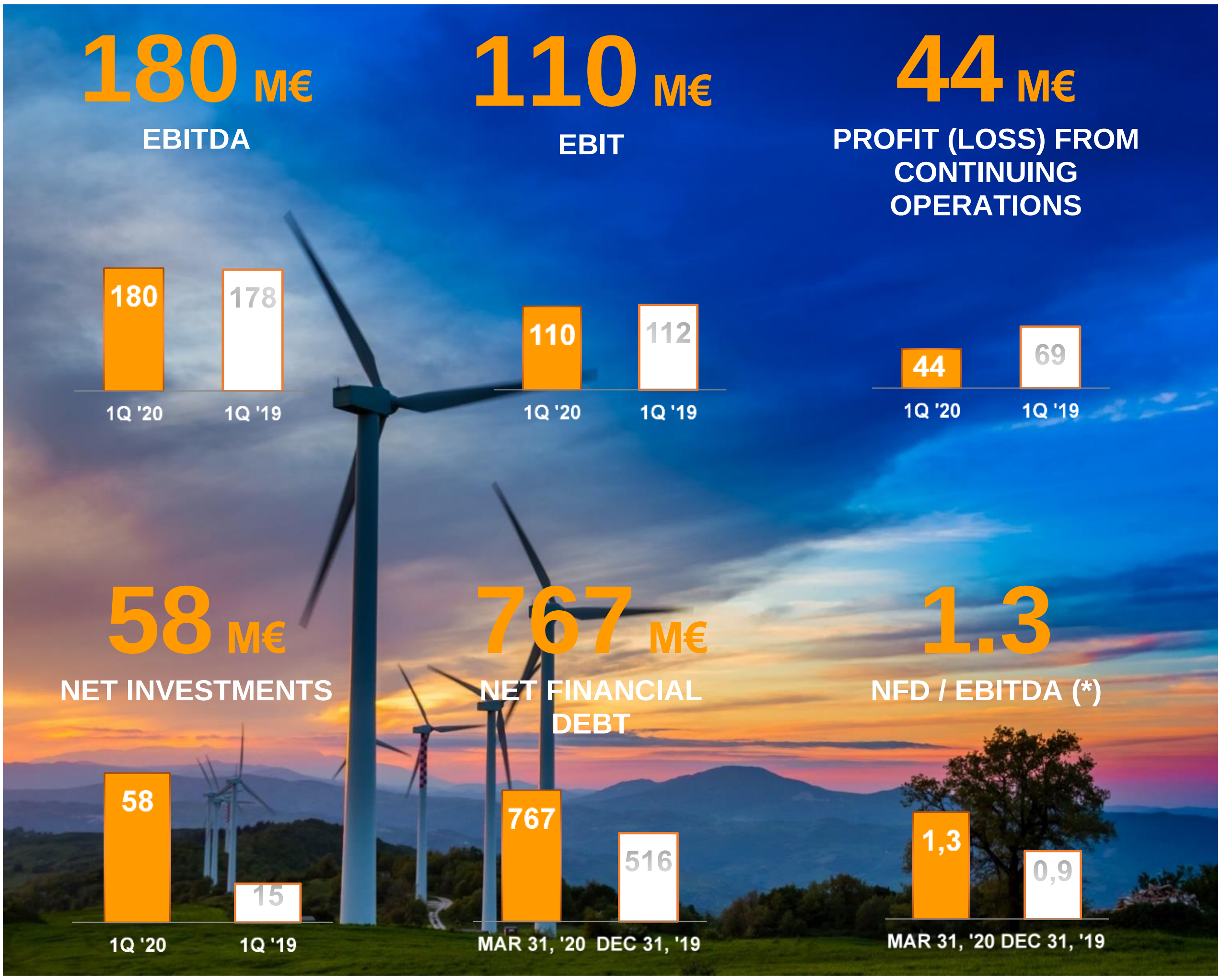
The document has been translated into English for the convenience of readers outside Italy. The original Italian document should be considered the authoritative version

HIGHLIGHTS



(*) **NFD** Net Financial Debt.
The ratio at March 31, 2020 was calculated using an EBITDA based on the last twelve months.

Highlights 1st quarter 2020 (in millions of euros)	Electric Power Operations	Gas Operations	Corporate	Eliminations	Edison Group
EBITDA	115	90	(25)	-	**180**
EBIT	42	98	(30)	-	**110**
Gross Investments	28	7	1	-	**36**

Rating	**Standard & Poor's**		**Moody's**	
	03.31.2020	12.31.2019	03.31.2020	12.31.2019
Medium/long-term rating	BBB-	BBB-		
Medium/long-term outlook	Stable	Stable	Positive	Positive
Short-term rating	A-3	A-3		
Rating			Baa3	Baa3

INTRODUCTION

The preparation criteria of quarterly information

Starting from 2017, the Company provides the market with voluntary quarterly consolidated information, more concise and focused on its business performance. This report therefore includes a comment on the reference economic context, on the performances of the Group and the main operating sectors and provides the presentation formats with economic and financial data comparable with those of the Annual and Semiannual Reports.
For quantitative data, the equivalent figures of the previous reference period are also given.

Newly applied standards

The accounting principles, the valuation criteria and consolidation criteria applied in preparing this information are consistent with those adopted for the preparation of the 2019 Consolidated Financial Statements.

The Board of Directors, met on May 14, 2020, authorized the publication of Edison's Group Quarterly Report at March 31, 2020, which was not audited.

Unless otherwise stated, all amounts in these accompanying notes are in millions of euros.

It should be noted that the Shareholders' Meeting held on April 28, 2020 resolved to confer the legal audit review mandate of accounts for the period 2020-2028 to the company KPMG Spa and elected the Board of Statutory Auditors for the three-year period 2020-2022, confirming all its members.

Changes in the Scope of Consolidation compared with December 31, 2019 – Acquisition and Disposal of Asset

With reference to the changes that took place in the scope of consolidation compared with December 31, 2019, it should be noted only the merger, with effect from January 1, 2020, of the companies Edison Facility Solutions Spa and West Tide Srl into the company Zephyro Spa; this latter, on the same date, changed the company name into Edison Facility Solutions Spa. This operation had no effects on Group's balance sheet and income statement.

Application of Accounting Standard IFRS 5

As already commented in 2019 Consolidated Financial Statements, on July 4, 2019, subject to authorisation by the Board of Directors on the previous day, Edison signed an agreement with Energean Oil & Gas Plc (hereinafter Energean) for the sale to the latter of 100% of Edison Exploration & Production Spa and its subsidiaries operating in Italy and abroad in the hydrocarbons exploration and production business (hereinafter the E&P business). The execution of the sale is subject to some government authorisations.
The sale price was determined on the basis of an Enterprise Value of USD 750 million and the contract provides for an additional consideration of USD 100 million at the start of production of the Cassiopea gas field in Italy. The contract requires the buyer to fulfil future decommissioning obligations.
Afterwards:

- in December 2019, Edison received the refusal of the Algerian Ministry of Energy to transfer the assets located in Algeria and was invited to discuss the sale of these assets with Sonatrach (Algerian state company); Edison, confirming its intention to divest the asset, then commenced negotiations to that effect; Edison and Energean declared their intention to implement the transaction in any case, excluding Algerian assets;
- to that effect, on April 2, 2020, Edison Spa's Board of Directors approved certain amendments to the terms of the agreement signed on July 4, 2019, among which, in addition to the exclusion of assets in Algeria from the perimeter of the transaction, the revision of the consideration excluding some fiscal assets, whose likelihood of being used is considered uncertain, and the accrual of interest on said consideration with effect from January 1, 2019 (reference date of the transaction) until the closing of the transaction itself.

In relation to the assets located in Algeria, which are fully operating since August 2018, in compliance with the provisions of the Algerian authorities and in agreement with Sonatrach, Edison in order to continue with the plan to finalise the closing with Energean, decided to retain ownership of these assets, by initiating an intercompany transfer to exclude them from the perimeter of the sale to Energean. Following the intercompany transfer, the sale of the Algerian assets can be considered when the market conditions allow it. The overall effect of the said agreement with Energean is estimated at a lower benefit of approximately 150 million USD in terms of change of the net financial position of Edison from the transaction.

In this Quarterly Report, in line with 2019 Consolidated Financial Statements, the E&P business, represented by a number of Cash Generating Units, taking into account its significance and unique characteristics because, among other things, it has a higher risk profile than those of the remaining core business activities, was treated as Assets held for sale (discontinued operations) in accordance with IFRS 5; therefore:

- in the income statement for the first quarter of 2020 and, for comparative purposes, for the first quarter of 2019, the revenues and income and costs and expenses, as well as the adjustment of the carrying amount to fair value less cost to sell, of the assets that constitute discontinued operations have been reclassified under the item **Profit (Loss) from discontinued operations** (negative by 52 million euros in the first quarter of 2020, positive by 19 million euros in the first quarter of 2019); the determination of the adjustment of the E&P business' book value at March 31, 2020 reflects, among other things, the effects of the revision of the terms of the agreement with Energean (it should be noted that in 2019 the E&P business had been subjected to a negative value adjustment for 584 million euros);
- in the balance sheet the assets and liabilities attributable to the E&P business have been reclassified to **Assets** and **Liabilities held for sale**.

It should also be noted that the existing relationships between continuing and discontinued operations were treated as relationships between independent parties and that the income statement and balance sheet items referring to discontinued operations also include the effect of the consolidation adjustments on these relationships. In this document, therefore, all the economic and flow data referring to the first 3 months of 2019 have been restated to allow a homogeneous comparison with those of the first 3 months of 2020.

The evaluation of the E&P business and the presentation of the existing relationships between continuing and discontinued operations have been widely commented in 2019 Consolidated Financial Statements, to which reference should be made for further information.

COVID-19

The first quarter of 2020 was dominated by the COVID-19 pandemic, which caused a state of health emergency throughout most of the world, which is set to continue all year round, 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 COVOD-19 emergency Edison has been operating, safeguarding the health of its employees and suppliers, to ensure the continuity of electricity and gas supplies and to support hospitals, thus guaranteeing an essential service for the Country.

The health emergency led to a significant worsening of the macroeconomic scenario with effects on demand and prices for electricity and gas, as well as on a possible deterioration of the counterparties' creditworthiness.

Overall, the impacts of COVID-19 on Edison's results in the first quarter of 2020 have been contained, but the repercussions for the rest of the year are difficult to assess.
The Company continues to monitor the evolution of the situation and reserves the right to update the forecasts as soon as there is more clarity on the macroeconomic scenario and on the times and conditions of the recovery. Thanks to the low level of indebtedness, Edison maintains a solid financial structure and can rely on adequate liquidity reserves to support both operational needs and business development plans.

KEY EVENTS

Heavy transport becomes more sustainable: Lidl, IVECO, LC3 and Edison present the first biomethane powered vehicles

January 22, 2020 - The five new biomethane powered vehicles in the Lidl fleet, built in collaboration with IVECO, LC3 Trasporti and Edison, were presented. Unveiled to the press at a conference organised at the Lidl logistics centre in Somaglia (LO), the new IVECO Stralis NP 460CV CNG trucks will be powered by biomethane, a renewable and sustainable fuel both in terms of CO_2 levels emitted by the exhaust pipe and life cycle emissions, which are significantly lower than other types of fuel.
This is completely new in Italy for the Retail and Large-Scale Retail sector, which is once again demonstrating the concrete commitment of all partners involved to environmental sustainability.

Edison and Toyota partners for sustainable mobility in Italy

January 29, 2020 - The Toyota Group, with a view to expanding its range of electrified models, has entered into a partnership with Edison, which will install and operate over 300 public-access charging stations powered by renewable energy, at all Toyota and Lexus Dealers and Service Centres.
Thanks to the partnership with Toyota, Edison will make its know-how available to the car manufacturer to identify the best energy efficiency solutions, including the installation of photovoltaic systems for the self-production of electric power, based on an analysis of actual consumption by dealers and service centres.
In addition, Edison and Toyota will study solutions dedicated to their respective customers to make their homes and their mobility increasingly sustainable, encouraging the adoption of a responsible lifestyle that is in harmony with the environment.

Edison continues and reinforces its ties with the Venice Biennial and implements a sustainable energy project at the Corderie dell'Arsenale

February 27, 2020 - Edison reinforces its ties with the Venice Biennial and its city, supporting the 17th International Architecture Exhibition «How will we live together?».
In 2018 Edison executed an innovative energy diagnosis of the event's most energy hungry and high-impact facilities, in order to identify ways of improving energy use, thanks to the Internet of Things (IoT) and evolved modelling techniques. Edison's high-efficiency solution applied to the Corderie dell'Arsenale significantly reduces energy consumptions at the facility. The project preserves the original industrial aesthetics of this splendid fourteenth century building consisting of a 320-metre long body divided into three naves, each with two rows of columns supporting two galleries covering the side naves, once used for the spinning of ropes. The revamping project will be inaugurated during the 17th International Architecture Exhibition. The adopted solution will enable a reduction of over 70% in electricity consumption and prevent the emission of 22 tons of CO_2 per year into the atmosphere.

"15 Pledges to Customers": Edison and Eurelectric's Manifesto for the energy transition

March 4, 2020 - The Eurelectric Manifesto "15 Pledges to Customers", signed by Edison, Elettricità Futura and several energy companies, was presented in Brussels. The manifesto aims to accompany consumers in the energy transition process in order to encourage them to play a more active role with a view to increasing energy efficiency, developing renewables and spreading electric technologies in areas such as mobility.

Strategic partnership between Edison and Renergetica for the construction of photovoltaic systems

April 6, 2020 - Edison and Renergetica have entered into a strategic partnership for the development of projects for the construction of photovoltaic systems on the Italian territory. The agreement stipulated provides that Renergetica, a company listed on the AIM Italia market, identifies projects which, if approved by Edison, will be developed by

Renergetica itself, until the authorization is obtained. Subsequently, the authorized projects will be transferred to Edison. Renergetica undertakes to develop new solar plants with a total capacity of at least 50 MWp for each year, therefore for a total of at least 150 MWp. The agreement also provides for the possibility of an automatic renewal for a further two years under the same conditions, for the development of projects for at least an additional 100 MWp.

Edison: the guarantee of the continuity of essential services, solidarity in support of the Country and the initiatives of "Edison for Italy" in favor of Edison Energia customers

In the midst of the COVID-19 emergency, Edison helped to support the Country by guaranteeing essential services, ensuring its 200 electricity plants fully operational and making sure that supplies of services and energy to clients continue. In this particular instance, Edison continued its concrete commitment of closeness and collaboration with the communities and territories in which it operates, donating around 2 million euros, to support the construction of the Fiera Milano hospital and help the health facilities of the most affected regions, as well as to help the research of the Sacco Hospital in Milan on the identification of the most effective diagnostic and therapeutic strategies against the pandemic. In the same month, Edison also launched a crowdfunding campaign among its employees. In two weeks it raised 200,000 euros, a figure that the company doubled to 400,000 euros for immediate aid projects for families and territories, such as mutual aid for the weaker sections of the population and delivery to domicile of basic necessities. Furthermore, with “Edison for Italy”, Edison Energia was the first operator to launch a plan to meet the difficulties of customers most affected by lockdown, such as people receiving redundancy payments and self-employed people, allowing the postponement of the payment of electricity and gas bills in June, pending the progressive restoration of production activities.

Non-Energy activities - legal disputes

The legal disputes that had un update during the first quarter of 2020 are described below.

Mantua – Administrative proceedings

In the past years the Province of Mantua served Edison with several orders for remediation (eight) of areas sold by Montedison to ENI Group in 1990 (Petrolchimico di Mantova), despite the matter had been disciplined by two different transaction agreements, respectively signed with ENI and the Ministry of the Environment.

Against all these orders, Edison filed complaints before Lombardy Regional Administrative Court – Brescia section, which in August 2018 rejected them.

Edison, then, promptly appealed the ruling before the Council of State. On April 1st, 2020, the appeal proposed by Edison has been turned down and the first instance’s statement has been confirmed.

Ausimont - Bussi sul Tirino – Administrative proceedings of remediation of so-called “Solvay External Areas”, areas “2A” and “2B”

On February 28, 2018 the Province of Pescara communicated to the companies Solvay Specialty Polymers Italy Spa and Edison Spa the initiation of proceedings pursuant to Title V Part IV of Legislative Decree No. 152/2006 for the identification of the responsible for the contamination of the so-called "Solvay External Areas" in Bussi sul Tirino, dumping areas 2A and 2B and neighboring.

Subsequently, on June 26, 2018, the Province of Pescara communicated to Edison by order in accordance with the article 244 of Legislative Decree No. 152/2006 (Environmental Code) for the removal of all waste abandoned over time in the aforementioned areas of the Bussi site.

With regard to this provision it should be noted that: i) such portions of land had been conferred to Ausimont since it was incorporated in 1981; ii) Ausimont, solely and exclusively, has obtained the authorization to operate, has realized, has managed and has closed the landfills called 2A and 2B on these 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 in

Solvay Solexis in November 2002, with consequent succession of the latter in the legal, active and passive position, belonging to the company 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 proceedings of remediation 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 ruling to be arbitrary and unfair and reserves the right to take any judicial initiative at domestic and EU level to protect its rights and to achieve substantial justice in the matter.

EXTERNAL CONTEXT

Economic Framework

The first quarter of the year 2020 was dominated by the health emergency linked to the worldwide spread of COVID-19 and the effects triggered by the measures implemented by the various countries around the world to stem it. The health emergency is likely to continue for most of the year.

Initially limited to Asian countries, and mainly to China and South Korea, in mid-February it made its overwhelming entry into Europe, first hitting Italy very aggressively, as is now well known, and then expanding rapidly to other European economies (with Spain, France, Germany and the United Kingdom in the lead). The contagion has also reached North America, affecting above all the United States (which today is the country with the highest number of infections) and, in particular, New York state. But its global spread is now evident.

Regardless of the actions taken by each country to counter the pandemic, the repercussions on their economies and, consequently, on global growth will be powerful, with a magnitude probably similar to or even greater than that of the 2008-2009 recession. Unlike then, the nature of today's shock is real (and not financial) and in this initial phase is affecting mainly services, where the employment component is higher, but it will not be long before it spreads rapidly to the manufacturing sector, not only because of the temporary cessation of productive activities (applied to different extents by the national authorities of the main advanced economies), but also because of the effects linked to the reduction of international trade.

The governments of the main advanced countries have established significant fiscal measures to support the incomes of their citizens and production activities; while the central banks of the main countries have intervened repeatedly in recent weeks to support demand, offering funds at zero or negative rates, and to guarantee liquidity in the markets: quantitative easing programmes without restrictions on purchases (FED) or for unprecedented quantities (ECB) have indeed resumed.

That said, uncertainty is extremely high beyond the short term, given the unpredictability of the evolution of the pandemic and the time needed to prepare a vaccine, without which the virus could remain in circulation and cause new outbreaks. But uncertainty also surrounds the economic and financial resilience of weaker businesses if the spread of contagion lasts longer than expected. And we cannot overlook doubts surrounding the medium-long term sustainability of the public debt of the various countries, which is constantly on the rise as a result of the extraordinary measures taken to contain the virus while also supporting the economy.

The virus is having both direct and indirect effects on economic activity. The former concern the economic losses deriving from the limitations on the movement of people and the closure of commercial businesses (those dedicated to the sale of not strictly essential goods) and many service activities (from tourism to the entertainment or personal care sectors), in addition to manufacturing companies (if engaged in production identified as non-essential), given the need to ensure worker safety. The latter, on the other hand, will tend to manifest themselves the longer the health crisis continues and the more extensive the crisis becomes at global level: over time, the potential damage could extend to value chains due to the lack of intermediate goods, with companies in the supply chain suffering the consequences of the production freeze in other companies; in the event of business bankruptcies or workforce reductions, disposable income will decline; the drop in international demand will reduce exports and therefore domestic production; finally, due to uncertainty, the propensity to save will likely increase and investments will be reduced, holding back the possibility of a rebound once the emergency is over.

In this context, Prometeia is providing forecasts on future economic growth, with the awareness that the whirlwind succession of measures and provisions adopted in the various countries makes it extremely difficult and risky to make any estimate.

For the global economy, the recession is expected to be -1.6% and widespread in both industrialised and non-industrialised countries, with the sole exception of China, which on average during the year will greatly reduce its growth, while however remaining in positive territory; while according to Prometeia international trade is expected to experience a reduction of 9.4% (in 2009 it was -12.3%).

As for the main economic areas, the United States is now preparing to face a recession, with the deployment of measures that are more than double those allocated to combat the 2009 financial crisis. Indeed, the end of March marked the closing of the worst quarter for the American economy since 1987. The plan approved by Congress amounts to about 2 trillion dollars, to be allocated to businesses (mainly small and medium-sized enterprises to limit dismissals as a result of reduced production); the sectors most directly affected by the restrictive measures to limit the spread of the virus (mainly airlines and hotels); healthcare; and support for household incomes. The labour market already appears to be suffering, with the number of applications for unemployment benefits rising sharply and investments falling. In this context, the US economy is expected to decline by 2.5% in 2020.

In Japan, the modest signs of an economic recovery seen at the beginning of the year risk being cancelled out by COVID-19 despite the fact that the spread of the virus in that country is fairly well under control and there have been no drastic business closures. The official postponement of the Tokyo 2020 Olympic Games could be an additional factor weighing on economic trends. Japan has also approved a package of measures (4 billion dollars) aimed at preventing the collapse of the economy as a result of the coronavirus, following an initial stimulus package approved in December 2019. The Japanese economy is also expected to decline by 2.5% in 2020.

As far as emerging countries are concerned, China and India will remain positive on average over the year, although they will show very little growth compared to what was expected before the outbreak of the pandemic. In China, the decline in production has been more intense than ever, with a 13.5% drop in industrial production in the first two months of the year (the latest figure available), also seen in the services sector, due to the disappearance of tourist activity linked to national holidays (including Chinese New Year) and the resulting collapse of domestic flights by 80% in February. A GDP reduction of 6.7% is therefore estimated in the first quarter of the year, with a rebound in the second quarter that would bring the average annual Chinese growth rate to +3.2%, its lowest level in the last 30 years (in 1990 it was 3.9%). The coronavirus pandemic is also having repercussions on India's economy, which is expected to be close to zero in 2020 (+0.4%) if an optimistic view is taken of containing the spread of the epidemic; otherwise, the likelihood of recession in India would also be very high. The effects of the coronavirus are being seen on 4 fronts: global demand, which is slowly being reduced to zero due to the lockdown of the major global economies (India itself is facing a closure of all businesses for 21 days), as well as the capital flows that are leaving several emerging countries, and not only India: both of these factors (reduction in global demand and capital flows) are affecting production as well as investments; the other two problematic fronts are the banking system and the labour market. The coronavirus is also creating problems in the other three major emerging economies: in 2020 Brazil, Russia and South Africa are expected to decline by 1.9%, 4.9% and 2.1%, respectively.

Among the countries of the Arab world, several governments, including the Egyptian government, continue to deny the spread of the coronavirus in their respective countries, classifying the symptoms of those affected as a "normal flu" and censoring the publication of data relating to the victims of the pandemic. Saudi Arabia's attitude is different and it has managed to stem the spread by closing its borders and blocking flights from Lebanon, Egypt, Algeria and Iraq and closing the holy places of Mecca. According to Prometeia's forecasts, in 2020 the economy of the Mediterranean countries considered as a whole (Algeria, Egypt, Israel, Morocco, Syria, Tunisia and Turkey) will decline by 1.5%; that of Middle Eastern countries (Bahrain, Kuwait, Saudi Arabia and the United Arab Emirates) will decline by 4.5%.

On the European front, the UK faces a very complex 2020 that combines the effects of Brexit, the trade policy (with the UK Prime Minister threatening to suspend negotiations with the EU on trade as early as June) and the pandemic. In this context, the Bank of England (BoE) intervened with a large-scale series of measures, including a 15 billion pound liquidity injection (the largest since the 2009 crisis), plans for quantitative easing of 200 billion pounds and a 330 billion pound business and household aid plan (the most robust since World War II). Despite these interventions, the combination of the effects of the three factors mentioned above will trigger a sharp decline in British GDP in 2020, which Prometeia estimates at 5.7%.

The Eurozone, already struggling with a slowdown in 2019, although with different intensity among its main countries (modest for France and Spain, more accentuated for Germany and Italy), suffered a strong blow from the health crisis in this first quarter of 2020, far surpassing 350,000 coronavirus infections (as of March 31, 2020), of which more than 100,000 in Italy alone, 67,000 in Germany, 95,000 in Spain and more than 50,000 in France. Prometeia is forecasting a drop in GDP of 5.1% for the Eurozone in 2020.

As far as its main member countries are concerned, in Germany the coronavirus comes at a time of the deepest recession in the German industrial sector, after the 2008-2009 recession, triggered by continuing uncertainty about the evolution of US trade policy and the need to reconvert the automotive industry (after the dieselgate scandal), with only the resilience of domestic consumption preventing it from leading to an economic recession. Now, the measures to contain the pandemic are impacting household consumption, cancelling out the weak signs of improvement in expectations that had been glimpsed between the end of 2019 and the first two months of 2020 following the easing of trade tensions. German GDP is expected to fall by 5.3% in 2020. In France, where the coronavirus comes during a positive phase for the economy (stimulated by the support of fiscal policy to household incomes and the plan for public investment), the recession is not expected to be as deep as in other EMU countries (-4.2%); this is due to the lower impact on the economy of the sectors most affected by the lockdown, the smaller number of self-employed workers and small businesses (more exposed to the risk of closures and bankruptcies) and, last but not least, the substantial resources allocated by the government to support the economy, to the tune of 45 billion euros. Spain, on the other hand, is expecting a deeper recession than those of 2009 and 2012; what makes the country particularly vulnerable is its strong tourism industry and the high propensity of Spaniards to spend on leisure activities, i.e. the sectors most penalised by the containment measures that force them to stay at home. Spain is also in danger of suffering from more persistent and extended effects over time, both because of the importance of incoming international tourist flows, which will struggle to return to pre-COVID levels, and because of the risk that regional economic disparities may increase as a result of the crisis. For 2020, the Spanish economy is expected to decline by 5.7%.

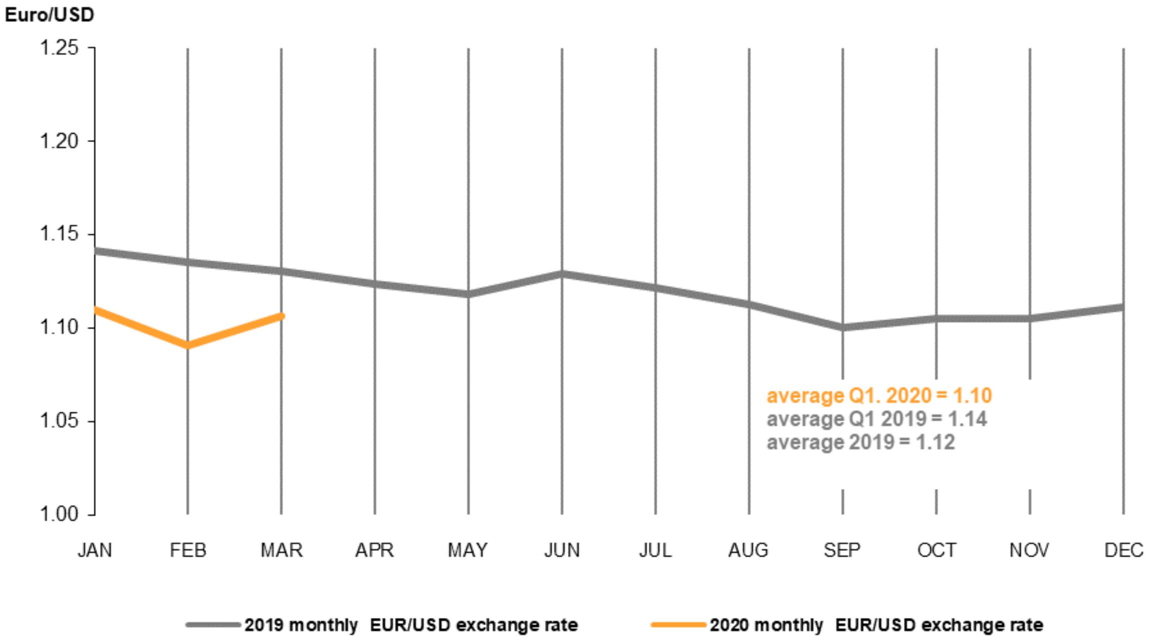
As for Italy, after an already very difficult 2019 (+0.3%) and after beginning the new year with growth forecast at only slightly above zero on an annual basis, following the explosion of the health crisis due to COVID-19, Italian GDP has been revised further and significantly downwards. In fact, the Italian economy has suffered from a joint shock to supply and demand, given the progressive, temporary but prolonged blockade on many economic activities throughout the country, alongside a collapse in demand for goods and services, both domestically and from abroad.

According to Prometeia's forecasts, assuming a slow and selective lifting of production blocks starting in early May, Italian GDP will contract by 6.5% in 2020. This decline is greater than that recorded by other European countries, due in part to the lower support of Italian public finance, and in part to the fact that Italy was the first country in Europe to be struck by the emergency and thus was forced to "improvise" the measures to be taken. Indeed, on the one hand, despite the suspension of the European Stability Pact constraints, the governmental authorities have taken a more prudent attitude than other countries in taking measures to support businesses and households, given the already high level of Italian public debt: with the measures put into place (the "Cura Italia" decree provides for a 25 billion euro rescue plan, but further measures are planned in the short term), it is estimated that by the end of 2020 the Italian deficit/GDP ratio will have reached 6.6% and the debt/GDP ratio 150%. On the other hand, the European countries that were most affected by the virus after Italy were able to benefit from the Italian experience and thus take the most suitable measures to stem the spread of the virus earlier. This being said, in the first two quarters of the year Prometeia estimates, in particular, a reduction in GDP of more than 10% compared to the pre-crisis situation, with quite broad differences between sectors: from -10% for manufacturing to -27% for services linked to tourism, to -16% for transport services and activities linked to entertainment. Confindustria is on the same wavelength, forecasting a 6% drop in GDP on average for the year, assuming that the acute phase of the health emergency ends in May, and a drop of around 10% in the first half of 2020.

In more detail, on average for the year, domestic consumption is expected to fall by 4.3% (even worse than the decline recorded in 2012 in the midst of the sovereign debt crisis); business investment trends are even worse, with a contraction of 14% forecast, mostly in the first half of the year, triggered by the fall in demand, production blocks, the closure of businesses and uncertainties regarding how long it will take to defeat the pandemic.

In addition to these forecast data, "certain" data are already available; among these are those relating to Italian electricity consumption, which from March 9 to 25 (first phase of the Italian lockdown) decreased by 14.8% compared to the same period of the previous year: only during World War II was a decrease of this magnitude recorded. This is very significant since total electricity consumption is an important approximate indicator of general economic trends.

In the first quarter of 2020, the EUR/USD exchange rate stood at an average value of 1.10 dollar per euro, down by 2.9% over the same period in 2019. A look at the economic situation shows that the weakening of the euro in the first few months of 2020 was more contained, with a negative change of 0.4% compared to the fourth quarter of 2019.



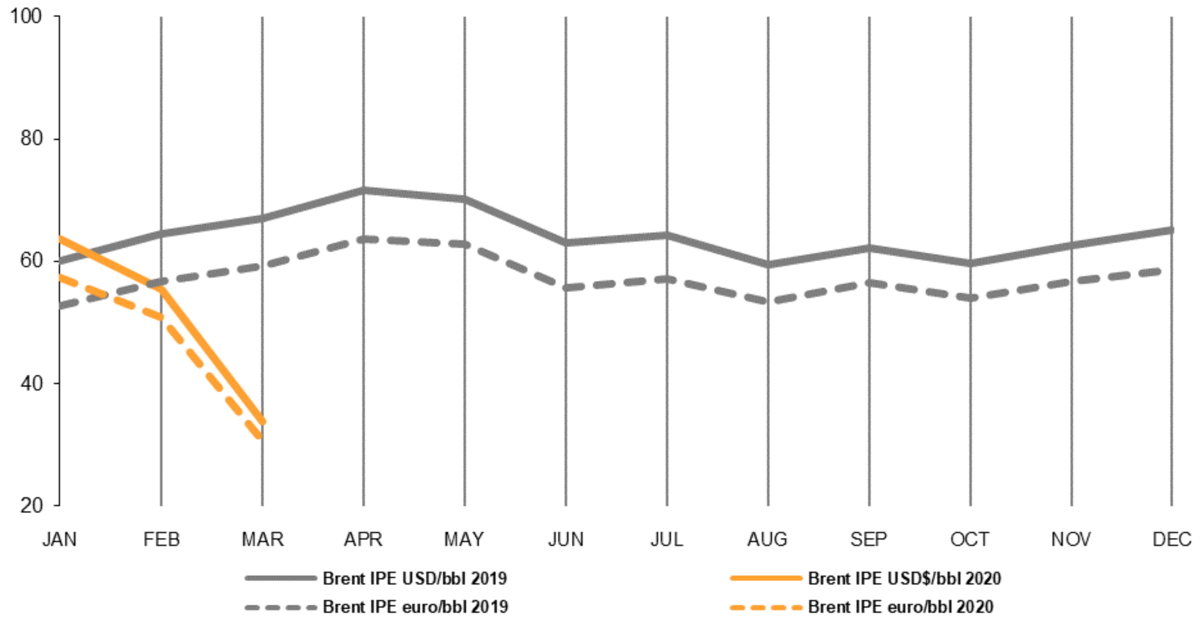
With regard to the oil markets, the average crude oil price for the first quarter of 2020 came in at 51.0 USD/barrel, 20.2% lower than the average recorded for the first quarter 2019 and down 18.4% on the average of the fourth quarter 2019. In the first three months of 2020, due to the depreciation of the single currency, the price in euros declined less than that in dollars (-17.8%), with an average of 46.3 EUR/barrel. The contraction in the Brent began in February 2020, in the wake of the drop in consumption due to the outbreak of the COVID-19 pandemic, in a market context already affected by oversupply.

The downward movement was particularly evident in March: the failure of negotiations between OPEC and non-OPEC members for the extension of the production limitation targets expiring on March 31 brought the alliance to an end after three years, with the main players (Russia and Saudi Arabia) on the brink of a price war, increasing their output in the market. In this context, the worldwide spread of coronavirus containment measures has affected the movement of goods and people, as well as production activities, leading to a slowdown in the economy and therefore also in oil demand. Consumption, which had been growing steadily since 2009, declined sharply during the quarter. The upward pressure from the geopolitical crises in Libya, Venezuela and Iran had a negligible and temporary effect on prices.

The graph and table below respectively give the average values per quarter and the monthly trend of this year and the previous year:

2019 full year		**1st quarter 2020**	1st quarter 2019	% change
64.1	Oil price in USD/barrel(1)	51.0	63.9	*(20.2%)*
1.12	USD/EUR exchange rate	1.10	1.14	*(2.9%)*
57.2	Oil price in EUR/barrel	46.3	56.3	*(17.8%)*

(1) Brent IPE



The Italian Energy Market

Demand for Electric Power in Italy and Market Environment

2019 full year	(TWh)	1st quarter 2020	1st quarter 2019	% change
283.8	Net production:	66.4	70.8	*(6.2%)*
186.8	*- Thermoelectric*	45.0	49.6	*(9.4%)*
47.0	*- Hydroelectric*	8.9	7.6	*17.5%*
24.3	*- Photovoltaic*	5.1	5.1	*(0.0%)*
20.1	*- Wind power*	5.9	7.1	*(16.9%)*
5.7	*- Geothermal*	1.4	1.4	*0.0%*
38.2	Net imports	11.3	10.4	*8.5%*
(2.4)	Pumping consumption	(0.7)	(0.7)	*0.0%*
319.6	**Total demand**	**77.0**	**80.6**	***(4.5%)***

Source: processing of preliminary 2020 and 2019 Terna data, gross of grid losses.

In the first quarter of 2020, gross demand for electric power from the Italian grid totalled 77 TWh (TWh = billions of KWh), or 4.5% less than in the same period last year, despite an additional calendar day, due mainly to the government measures introduced in March to deal with the COVID-19 emergency, the effect of which was a general reduction of about 10% in electricity consumption in the same month compared to March 2019.

Looking at the contribution to the financial statements of electric power by source, starting with renewable energy sources, the wind power segment contracted by 16.9% (-1.2 TWh) in the first quarter compared to 2019, bringing the total to about 5.9 TWh. On the other hand, generation from hydroelectric sources posted an increase of about 1.3 TWh (+17.5%) compared to 2019, with a total of 8.9 TWh injected into the grid.

In the first quarter, the contribution provided by thermoelectric power plants contracted by 9.4% (-4.6 TWh), with the largest decrease of 2.5 TWh (-16%) seen in March.

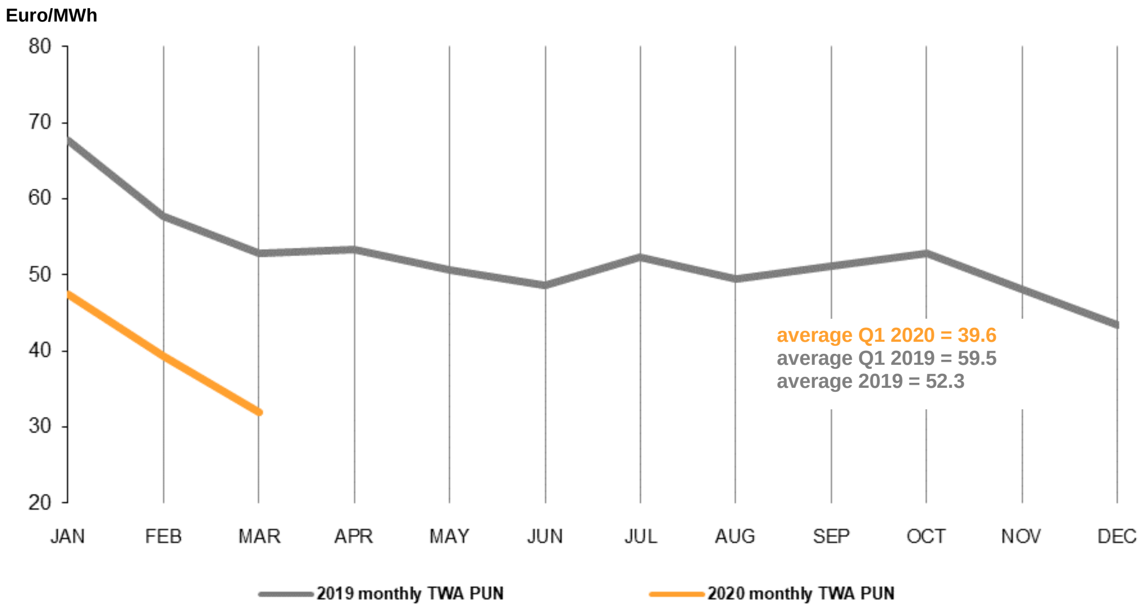
Overall, domestic production accounted for about 86% of total demand for electric power, with a slight increase in the contribution of foreign imports, which increased by about 0.9 TWh (+8.5%) in the first quarter.

With reference to the price scenario as at March 31, 2020, in the first quarter of 2020 the average listing of the time weighted average (TWA) of the single national price (the “PUN” in Italy), came in at 39.6 euro/MWh, down by 33.4% compared to the same period of the previous year (59.5 euro/MWh).

In January, prices rose by 9.5% compared to December 2019, impacted by a reduction in the availability of energy from renewable sources, but prices fell by 29.8% compared to January 2019 due to the significant drop in gas prices. In February and March, PUN prices fell in the wake of lower generation costs. The decrease compared to the respective months of the previous year became progressively accentuated (in February -31.8% and in March -39.5%), in a context of reduced electricity consumption due to the measures gradually introduced to counter the spread of contagion from COVID-19, which led to the closure of businesses and non-essential industrial activities starting in mid-March.

With regard to zonal prices, compared to the first quarter of 2019, there has been an average downward movement of about 32% in all areas. In the group of hours F1, F2 and F3, we note a reduction across all brackets of around 33% compared to the first quarter of 2019.

The chart that follows shows the monthly trend compared with the previous year:



As observed in the Italian market, foreign prices have shown downward variations on both a quarterly and yearly basis. France reported a 37.7% decrease compared with the first quarter of 2019, with prices at 29.4 euro/MWh, while the German electric power market showed a similar yearly change (-35.0%), with prices at an average of 26.6 euro/MWh.

Demand for Natural Gas in Italy and Market Environment

2019 full year	(billions of cubic meters)	1st quarter 2020	1st quarter 2019	% change
28.4	Services and residential customers	12.7	13.5	*(6.2%)*
17.5	Industrial use	4.5	4.9	*(7.3%)*
25.9	Thermoelectric fuel use	6.3	6.7	*(6.7%)*
2.2	Consumptions and system losses	0.4	0.4	*(0.0%)*
74.0	**Total demand**	**23.9**	**25.5**	***(6.5%)***

Source: Preliminary data 2020 and 2019 Snam Rete Gas, Ministry of Economic Development and Edison estimates.

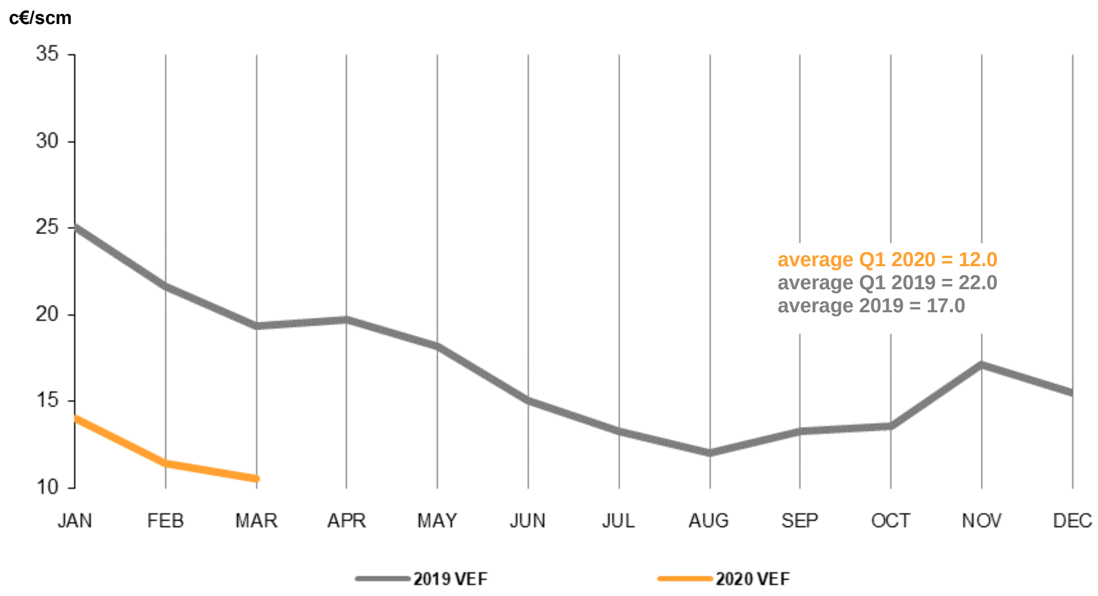
In the first quarter of 2020, demand for natural gas decreased to 23.9 billion cubic meters, marking a drop of 6.5% (-1.6 billion cubic meters), due mainly to a combination of milder winter weather than the 20-year average and the government measures enacted in March in response to the COVID-19 emergency.
The effect linked to the weather component was mainly seen in civil uses, which declined by 6.2% (-0.8 billion cubic meters) compared to the first quarter of 2019, despite a spike in cold weather in the second half of March, which caused daily consumption in the sector to exceed the average of the last five years.

The implementation of the measures to manage the COVID-19 emergency had an effect mainly in the industrial segment, which in the quarter overall lost 7.3% compared to the same period in 2019 (-0.4 billion cubic meters), with a greater loss in March when the closure of businesses defined as non-essential by the government resulted in a 16% contraction in consumption.
In the thermoelectric sector, consumption of natural gas also decreased by 6.7% (-0.4 billion cubic meters), due in part to a reduction in demand for electric power.

As for supply sources, the following developments characterised the first quarter of 2020:

- lower domestic production (-0.2 billion cubic metres; -17% compared to 2019);
- lower gas imports (-1.7 billion cubic meters; -9.5% compared to 2019);
- an increase in volumes injected from storage (+0.2 billion cubic metres; +3.2% compared to 2019).

In the first quarter of the year, the spot gas price in Italy fell by 45.5% on the same period of 2019, coming in at 12.0 €c/scm.
Monthly gas prices showed a downward trend during the first three months of the year, in a context in which the continuation of the trend of numerous LNG arrivals in the European market, combined with not particularly harsh weather conditions, led to a system characterised by an abundance of supply.
The Northern European gas markets recorded downward trends when compared to the same period in 2019, with reductions similar to those observed in the Italian market: the TTF, the main point of reference for gas in Europe, closed the quarter at 10.3 €c/scm, down 47.1% compared to 2019.
The VEF-TTF spread recorded an average of 1.7 €c/scm, down by 33.8% on the first quarter of 2019. The reduction in the price spread between the two hubs was mainly observed from the end of February, following the restrictive measures adopted to contain the spread of the COVID-19 pandemic, which caused a drop in demand in the industrial and thermoelectric sectors.



Legislative and Regulatory Framework

Below are the key points of the main developments concerning the legislative and regulatory framework relative to the first quarter of 2020, for the various businesses of the Group.

Electric Power

The Environment

Environmental Declaration Form (MUD, Modello Unico di Dichiarazione Ambientale) - On January 9, 2020, the Ministry of the Environment published a communication announcing that the 2019 MUD form, annexed to the Prime Ministerial Decree of 12.24.2018, is also confirmed for the declarations that waste producers and managers must submit by April 30, 2020. The deadline for the submission of the 2020 MUD was extended to June 30, 2020 by Decree-Law 18/2020 “Cura Italia”.

FER1 - On March 24, 2020, the GSE, in agreement with the Ministry of Economic Development, published the list of ongoing procedures for which an extension has been ordered following the provisions introduced to deal with the COVID-19 state of emergency.

In particular, the extensions concern the incentivised sectors of Electric Renewables, the Thermal Account, White Certificates, CAR (High Yield Co-generation), Biomethane and Fuel Mix Disclosure, as well as access to the records.

Wholesale Market

Capacity mechanisms: EU Regulation 2019/943 on the internal market for electricity (one of the new regulations adopted as part of the Clean Energy Package) established a new framework for capacity remuneration mechanisms introduced by Member States, calling for, in particular:

- the identification by Member States of regulatory distortions and market failures and their definition of an Action Plan to overcome them before deciding to introduce a capacity mechanism;
- the use of the adequacy analysis developed at European level by ENTSO-E, possibly complemented by analyses carried out at national level, to identify adequacy problems requiring the introduction of capacity mechanisms;
- the introduction of fundamental principles for the design of capacity mechanisms (e.g. the introduction of emission limits, etc.);
- the opening of capacity mechanisms to direct participation by capacity holders located abroad.

During the first quarter of 2020, ENTSO-E launched three consultations related to the implementation of this new framework: two consultations related to the new methodologies for the adequacy assessment at European level that will be used as a reference to justify the introduction of capacity mechanisms in Member States, and one consultation related to the methods for direct participation in capacity mechanisms by holders of capacity located in other Member States (with the possibility to limit such participation to the capacity located in those Member States directly connected to the State in question). In the case of the Italian Capacity Market, the current method of foreign capacity participation, which is purely financial, will therefore need to be superseded in order to transition to a mechanism of direct participation in the auctions by holders of capacity located abroad. The rules of the Italian Capacity Market will therefore need to be modified accordingly, if the decision is made to continue with the mechanism beyond the 2023 delivery year. The provisions relating to the adequacy analyses carried out at European level could have an impact on determining the volumes of capacity supplied by Terna within the Capacity Market and, consequently, on capacity allocation prices. On the other hand, the provisions on cross-border participation in capacity mechanisms could have an impact on the volumes offered in the Capacity Market associated with the contribution of foreign capacity (indeed, stricter participation rules than the current ones would be applied).

Electricity dispatching reform and pilot projects: pending the implementation of the new dispatching regulations, Terna has submitted for consultation the documentation relating to a new pilot project for the provision of the ultra-fast frequency regulation service (Fast Reserve). This project is part of the pilot projects referred to in ARERA Resolution 300/2017/R/eel.

The subject of the proposal is the launch of a pilot project for the provision of the “Fast Reserve” service, aimed at improving the dynamic response in the first instants of frequency transients. This service is distinct from the primary regulation service but closely coordinated with it to ensure dynamic frequency stability. Terna believes that this service will be useful in the coming years in order to cope with the expected decrease in inertia due to the exit of coal-fired plants from the market and the progressive spread of power plants relying on Non-Programmable Renewable Sources (“FRNP”) according to the objectives indicated in the National Integrated Energy and Climate Plan (“PNIEC”). Electrochemical cells are particularly suitable for the provision of this service. Terna also announced that it will launch a pilot project in the coming months aimed at testing new ways of providing the secondary frequency regulation service by limited energy devices, non-programmable renewable sources and aggregates of devices (e.g. UVAM). This project will also be open to devices included in the Fast Reserve Unit.

Edison is considering participating in the pilot project with batteries installed at some of its thermoelectric power plants.

Hydrocarbons

Rates and Market

Gas settlement: the process continues for implementing the gas settlement reform launched by the ARERA (or Authority) by means of Resolution No. 72/2018/R/gas, by which it introduced substantial changes to the previous regulations, with effect from January 1, 2020, subsequently revised with Resolution No. 148/2019/R/gas, by which ARERA approved a new *“Integrated text of the provisions governing the regulation of the physical and economic items of the natural gas balancing service (TISG)”*, in implementation of the new regulations governing interim financial statements and the management of the commercial relations chain within the Integrated Information System (IIS). The new regulations have also been incorporated into the Snam Rete Gas network code and into the technical specifications of the Single Buyer, operator of the IIS. Overall, the implementation of the gas settlement reform is significant for Edison because it requires a major upgrade of its internal information systems to accommodate the new data that will become available in the IIS as well as a revision of forecasting logics and internal procedures across the Business Units.

Following Snam’s publication of the first financial statements for January, several anomalies were found in the allocation data returned by the IIS, reflecting the new settlement criteria. In view of the potential economic impact of these inefficiencies, Edison and the main associations promptly reported the errors detected to ARERA, SNAM and the IIS in order to reopen the financial statements with the most appropriate methods and timing for all players in the industry and ensure the accuracy of the final data. Subsequent steps include the recalculation of the adjustment by the end of May.

By means of Resolution No. 155/2019/R/gas, the Authority introduced provisions to allow for the process of updating the correspondence relationship between the Balancing User (UdB), Distribution User (UdD) and Redelivery Point (PdR) of the distribution network within the IIS, for the purposes of managing commercial relationships within the gas sector. The recent Resolution No. 9/2020/R/gas, containing urgent transitional provisions applicable during the new settlement start-up phase, highlighted the high risk, given the regulations in force, of the activation of last resort services for a significant number of redelivery points (7.8 million redelivery points, equal to about one-third of the total number of national points), in cases where there is no valid UdB-PdR correspondence relationship in the IIS. Edison has taken action in concert with the major industry operators through the main association channels to avoid such a case, with ARERA in agreement. The Authority will therefore amend the regulations accordingly, once it has identified the possible corrections to be made to the provisions governing the activation of the default transport service and last resort services when there is no correspondence relationship, as per Resolution No. 155/2019/R/gas. Pending the definition of the final measures, it has been decided to suspend the termination of distribution contracts for gas distribution companies in cases in which there is no UdB-PdR correspondence.

Methods for the settlement of payments resulting from the redetermination of the k coefficient: by means of consultation document 516/2018/R/gas, in 2018 the Authority set forth its guidelines on how to settle payments following the redetermination of the k coefficient, which took place with Resolution No. 737/2017/R/gas, used to determine the price of the gas commodity for the protection service in the two-year period October 1, 2010 - September 30, 2012.
Subsequently, on January 30, 2019, the Authority approved Resolution No. 32/2019/R/gas, by which it defined the recovery methods for sellers of the amounts due to them following the upward revision of the k coefficient. In particular, Resolution No. 32/2019 upheld the preferences expressed by Edison in response to the Consultation Document ("DCO") and established that the sellers that, in the 2010-2012 thermal two-year period, had served customers subject to the gas protection regime, may be able to obtain payment of the amounts due by presenting the appropriate request and documentary evidence to the Cassa per i Servizi Energetici e Ambientali, at which the necessary account will be set up, financed through the UG2 component by all end consumers with consumption of up to 200,000 Scm/year. The amounts will be paid in three instalments, over a period of 3 years.
Edison may benefit from the mechanism by presenting an application for the different Group companies active in the sale of gas under the protected system in the two-year period concerned.
On January 7, 2020, the Lombardy Regional Administrative Court partially annulled Resolution No. 32/2019, establishing that the scope of application of the additional UG2 component should be extended to all customers, regardless of the consumption threshold. Following this pronouncement, with Resolution No. 89/2020 ARERA began a process of revising the original resolution, with the aim of extending its provisions to all customers, at the same time reshaping the UG2 component currently to be applied to customers with consumption of less than 200,000 Scm. However, the total of the amounts to be recovered for Edison has not been called into question.

Infrastructures

Gas storage auctions for the 2020-2021 thermal year: as a result of the annual Ministerial Decree which regulates storage capacity for coming thermal year (for the 2020-2021 thermal year, it was Ministerial Decree of March 5, 2020), the Authority published Resolution No. 58/2020/R/gas, setting out provisions for the organisation of the procedures for the conferral of said capacity (auctions), amending the criteria for calculating the reserve price (establishing an increase in the relative weight of forward quotes of products quoted at the VTP compared to those at the TTF and introducing the variable CVS_{ETS} fee to cover the costs relating to the Emission Trading system). The formula applied to calculate the reserve price, as usual, was delivered by the Authority in confidential form, subject to a non-disclosure agreement, only to storage businesses. Edison Stoccaggio, at auctions held on March 16 and 20, respectively, provided market users with all of its available capacity (825 MScm at the first auction for the seasonal Peak Modulation service and an additional 60 MScm for the so-called Constant Peaks Modulation service).

Tariff Regulation for gas distribution and metering services for the 2020-2025 period: by means of Resolution No. 570/2019/R/gas of December 27, 2019 the Tariff Regulation for gas distribution and metering services was approved for the 2020-2025 period. Specifically, the resolution defines the criteria for setting operating cost levels (resulting in a significant decrease in the recognised cost level) and sets the productivity recovery rates for the 2020-2025 period (x-factor); it also reduces the value of the β^{asset} relative to natural gas metering service parameter, equating it to that of distribution services, which has not changed compared to 2019 and is equal to 0.439, for the 2020-2023 sub-period. As a result of the change in the β^{asset} of the metering service, the rate of return on invested capital (WACC) of this service decreased from 6.8%, in force for 2019, to 6.3%, in line with the rate of the distribution service.
Resolution No. 570/2019/R/gas was subject to numerous appeals by distribution operators in February 2020, primarily because of the significant reduction in recognised operating costs. The company Infrastrutture Distribuzione Gas has also appealed Resolution No. 570/2019/R/gas; the date of the hearing has not yet been set for these proceedings.

Issues Affecting Multiple Business Segments

Milleproroghe Law Decree "Urgent provisions regarding the extension of the legislative terms, of organisation of public administrations, as well as of technological innovation" – Law Decree No. 162 of December 30, 2019, converted by conversion law No. 8 of February 28, 2020, published in the Official Gazette of February 29, 2020.
The provision contains, inter alia, the following measures:

- postponement of the dates for phasing out the protected market, the new deadlines for which are: January 1, 2021 for larger SME electricity customers; January 1, 2022 for gas customers and household and microenterprise electricity customers;
- extension by 6 months of the deadline for the adoption of the Plan for the Sustainable Energy Transition of Eligible Areas (PiTESAI) and extension of the deadline by which the suspended procedures take effect again in the absence of its adoption;
- provisions for experimenting with forms of self-consumption and energy communities;
- strengthening of the sustainable mobility fund, with particular reference to local public transport in the Lazio region.

Approval of the 4th PCI (Projects of Common Interest) list: on March 11, 2020, Delegated Regulation 2020/389 was published in the Official Journal of the EU, containing the fourth list of PCIs, within which the EastMed Poseidon system was confirmed.
This concludes the process of updating the third list carried out by the European Commission and governments at the end of 2019.
For the EastMed Poseidon project, 2 million euros have already been disbursed for studies and subsequently 34.5 million euros for pre-FEED studies. The documentation for the disbursements is being updated.

Energy Efficiency Certificates (EEC): in November 2019, the Lombardy Regional Administrative Court upheld the appeals filed by Acea and Italgas, resulting in the cancellation of part of the Ministerial Decree of May 10, 2018 (the Ministerial Decree with which the MISE, also redefining the tariff contribution scheme relating to the EECs, would have acted within the Authority's area of competence) and, in full, the resulting ARERA Resolutions 487/2018/R/efr and 209/2019/R/efr. In execution of the Lombardy Regional Administrative Court's ruling, the Authority, with Resolution No. 529/2019/R/efr of December 10, 2019, initiated a procedure to reform the tariff contribution and, in February 2020, published a consultation document on the subject, with regard to which operators were able to send their comments until March 27, 2020.
The Council of State (on behalf of the President of the Republic) has not yet ruled on the extraordinary appeal filed by Infrastrutture Distribuzione Gas.

COVID-19 Emergency Following a series of legislative interventions regarding the management of the national health emergency linked to the "Coronavirus" epidemic (COVID-19), the Authority decided on the subject as follows:

- with Resolution No. 59/2020/R/com, ARERA postponed, to a date to be decided, and in any case after April 3, the data collections relating to the integrated texts TIMR (retail monitoring), TIQV (sales quality), RQDG (commercial quality and gas distribution service safety and continuity) and TIF (billing and metering service quality), as well as those relating to PLACET offers. In addition, for the electricity and natural gas sector, it has been decided that the regulation of the causes of non-compliance with specific and general quality standards due to force majeure shall apply in relation to all measures of the Authority, even if not expressly mentioned.
- With Resolution No. 60/2020/R/com of March 13, 2020 ARERA interrupted the procedures related to delinquency for the period from March 10 to April 3, 2020, ordering the reactivation by distributors of customers whose supply had been suspended/interrupted in the period between March 10 and March 13, 2020. During this period, distributors are not to comply with any requests received from sellers for suspension/interruption of

utilities due to delinquency and sellers are to cancel their requests for suspension/interruption and refrain from sending new requests. Once the emergency is over, the regulations on delinquency will be applied again, and it will be necessary to once again place in default the customers for whom suspension was requested, starting the process from the beginning.

- With Resolution No. 75/2020/R/com, ARERA implemented the provisions of “Law Decree 9/2020”, which establishes the suspension of the terms of payment of electricity and gas invoices until April 30, 2020 in the municipalities referred to in the “Prime Ministerial Decree of March 1”, located in Lombardy and Veneto (former red zone). The resolution establishes that the terms of payment of invoices, issued or to be issued, as well as those of invoices accounting for consumption referring to this time period, shall be suspended until April 30, 2020. If customers do not expressly indicate that they wish to pay the invoices, they are automatically entitled to pay the suspended amounts in instalments, with an instalment plan that will begin in July 2020. Customers subject to such measures must be duly informed by means of notices in the bill and by publication of a notice on the seller’s website.
- With Resolution No. 76/2020/R/com, ARERA extended the terms within which customers who receive the light/gas social bonus can apply for its renewal.

PRESENTATION FORMATS

CONSOLIDATED INCOME STATEMENT

(in millions of euros)	1st quarter 2020	1st quarter 2019 (*)
Sales revenues	1,815	2,401
Other revenues and income	16	21
Total net revenues	**1,831**	**2,422**
Commodity and logistic costs (-)	(1,420)	(2,015)
Other costs and services used (-)	(126)	(127)
Labor costs (-)	(78)	(74)
Receivables (writedowns) / reversals	(7)	(13)
Other costs (-)	(20)	(15)
EBITDA	**180**	**178**
Net change in fair value of derivatives (commodity and exchange rate risk)	16	10
Depreciation and amortization (-)	(85)	(73)
(Writedowns) and reversals	-	-
Other income (expense) non Energy activities	(1)	(3)
EBIT	**110**	**112**
Net financial income (expense) on debt	(8)	(1)
Other net financial income (expense)	(26)	(1)
Net financial income (expense) on assigned trade receivables without recourse	(3)	(6)
Income from (Expense on) equity investments	-	1
Profit (Loss) before taxes	**73**	**105**
Income taxes	(29)	(36)
Profit (Loss) from continuing operations	**44**	**69**
Profit (Loss) from discontinued operations	(52)	19
Profit (Loss)	**(8)**	**88**
Broken down as follows:		
Minority interest in profit (loss)	4	9
Group interest in profit (loss)	**(12)**	**79**

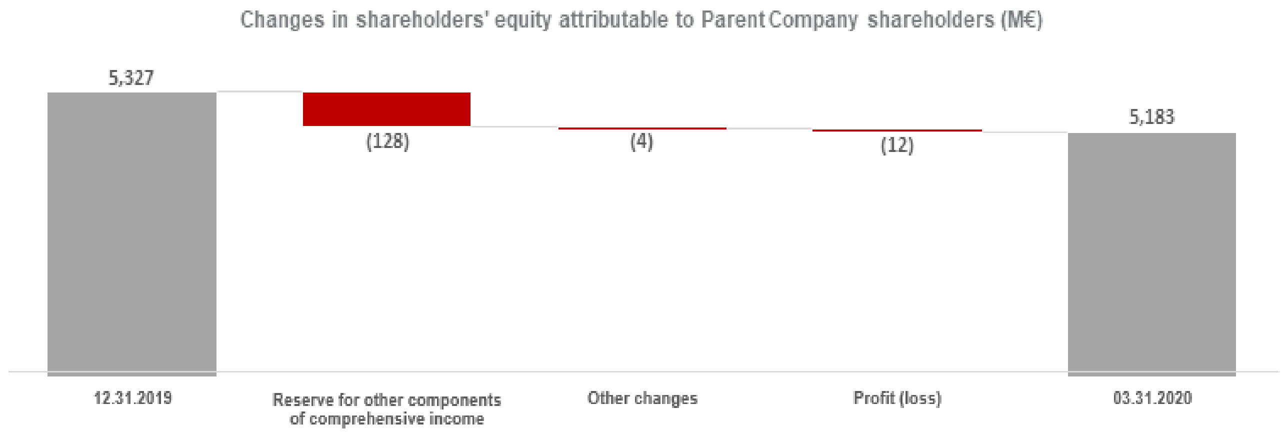
(*) The amounts of 1st quarter 2019 were restated pursuant to IFRS 5.

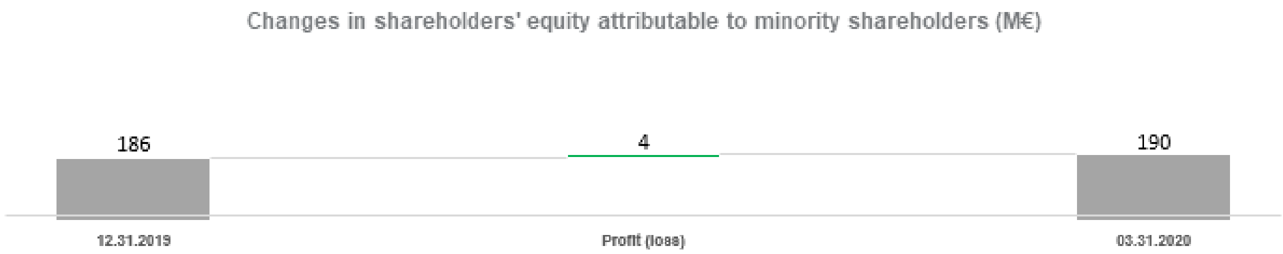
CONSOLIDATED BALANCE SHEET

	03.31.2020	12.31.2019
(in millions of euros)		
ASSETS		
Property, plant and equipment	3,266	3,312
Intangible assets	343	344
Goodwill	2,220	2,220
Investments in companies valued by the equity method	109	91
Other non-current financial assets	66	68
Deferred-tax assets	243	216
Non-current tax receivables	35	35
Other non-current assets	46	43
Fair value	324	100
Assets for financial leasing	2	2
Total non-current assets	**6,654**	**6,431**
Inventories	85	133
Trade receivables	1,114	1,132
Current tax receivables	23	26
Other current assets	456	380
Fair value	985	676
Current financial assets	322	347
Cash and cash equivalents	118	283
Total current assets	**3,103**	**2,977**
Assets held for sale	**1,345**	**1,401**
Total assets	**11,102**	**10,809**
LIABILITIES AND SHAREHOLDERS' EQUITY		
Share capital	5,377	5,377
Reserves and retained earnings (loss carryforward)	(66)	417
Reserve for other components of comprehensive income	(116)	12
Group interest in profit (loss)	(12)	(479)
Total shareholders' equity attributable to Parent Company shareholders	**5,183**	**5,327**
Shareholders' equity attributable to minority shareholders	190	186
Total shareholders' equity	**5,373**	**5,513**
Employee benefits	37	38
Provisions for decommissioning and remediation of industrial sites	164	163
Provisions for risks and charges	216	342
Provisions for risks and charges for non Energy activities	264	266
Deferred-tax liabilities	91	95
Other non-current liabilities	4	5
Fair value	363	93
Non-current financial debt	561	615
Total non-current liabilities	**1,700**	**1,617**
Trade payables	1,184	1,425
Current tax payables	101	104
Other current liabilities	220	184
Fair value	1,167	726
Current financial debt	471	342
Total current liabilities	**3,143**	**2,781**
Liabilities held for sale	**886**	**898**
Total liabilities and shareholders' equity	**11,102**	**10,809**

CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY

(in millions of euros)	Share capital	Reserves and retained earnings (loss carry-forward)	Reserve for other components of comprehensive income	Group interest in profit (loss)	Total shareholders' equity attributable to Parent Company shareholders	Shareholders' equity attributable to minority shareholders	Total shareholders' Equity
Balance at December 31, 2019	**5,377**	**417**	**12**	**(479)**	**5,327**	**186**	**5,513**
Appropriation of the previous year's profit (loss)	-	(479)	-	479	**-**	-	**-**
Dividends and reserves distributed	-	-	-	-	**-**	-	**-**
Other changes	-	(4)	-	-	**(4)**	-	**(4)**
Total comprehensive profit (loss)	-	-	(128)	(12)	**(140)**	4	**(136)**
of which:							
- Change in comprehensive income	-	-	(128)	-	**(128)**	-	**(128)**
- Profit (loss) at March 31, 2020	-	-	-	(12)	**(12)**	4	**(8)**
Balance at March 31, 2020	**5,377**	**(66)**	**(116)**	**(12)**	**5,183**	**190**	**5,373**





ECONOMIC & FINANCIAL RESULTS AT MARCH 31, 2020

Sales Revenues and EBITDA of the Group and by Business Segment

2019 full year	(in millions of euros)	**1st quarter 2020**	**1st quarter 2019 (*)**	Change	% change
	Electric Power Operations				
4,159	Sales revenues	973	1,068	(95)	*(8.9%)*
423	EBITDA	115	118	(3)	*(2.5%)*
	Gas Operations				
4,862	Sales revenues	1,044	1,583	(539)	*(34.0%)*
272	EBITDA	90	80	10	*12.5%*
	Corporate Activities (1)				
56	Sales revenues	12	14	(2)	*(14.3%)*
(108)	EBITDA	(25)	(20)	(5)	*(25.0%)*
	Eliminations				
(909)	Sales revenues	(214)	(264)	50	*18.9%*
	Edison Group				
8,168	**Sales revenues**	**1,815**	**2,401**	**(586)**	***(24.4%)***
587	**EBITDA**	**180**	**178**	**2**	***1.1%***
7.2%	**as a % of sales revenues**	***9.9%***	***7.4%***	**-**	**-**

(1) Includes those operations of Edison Spa, the Group's Parent Company, that engage in central and transversal activities, i.e., activities that are not directly tied with a specific business and certain holding companies and real estate companies.
(*) The figures have been restated pursuant to IFRS 5.

Revenues at March 31, 2020 decreased compared with the previous year to 1,815 million euros.
EBITDA totalled 180 million euros, an increase of 1.1% compared to the previous year, with a positive contribution from Gas Operations.

Below a more detailed analysis of the performance of the individual business segments.

Electric Power Operations

Sources

2019 full year	(GWh) (1)	**1st quarter 2020**	1st quarter 2019	% change
20,628	**Edison's production:**	**4,686**	**5,242**	***(10.6%)***
15,876	- *Thermoelectric power plants*	3,591	4,335	*(17.2%)*
3,189	- *Hydroelectric power plants*	588	439	*33.8%*
1,563	- *Wind power and other renewables*	507	468	*8.3%*
21,175	**Other purchases (wholesalers, IPEX, etc.) (2)**	**4,846**	**4,949**	***(2.1%)***
41,804	**Total sources**	**9,532**	**10,191**	**(6.5%)**

(1) 1 GWh is equal to 1 million kWh, referred to physical volumes.
(2) Before line losses.

Uses

2019 full year	(GWh) (1)	1st quarter 2020	1st quarter 2019	% change
14,897	Customers (2)	3,876	3,745	*3.5%*
26,907	Other sales (wholesalers, IPEX, etc.)	5,656	6,446	*(12.3%)*
41,804	**Total uses**	**9,532**	**10,191**	**(6.5%)**

(1) 1 GWh is equal to 1 million kWh.
(2) Before line losses.

The Group operates in accordance with a business model that calls for the separation of power generation activities (thermoelectric and renewables), sales on the end market (business and retail) and wholesale market and buying and selling activities, aimed at implementing adequate segregation and risk hedging policies for the above-mentioned portfolios and at maximising their profitability through their optimisation.
Within this model, Edison production in Italy amounted to 4,686 GWh, down 10.6% from the same period of 2019. The negative trend is due mainly to the performance of thermoelectric production, which decreased by 17.2%, due in part to the closure of two power plants in the first months of the year. Hydroelectric production increased in the first quarter of 2020 (+33.8%).
Sales to customers were up 3.5%, despite a slowdown in the Business segment in March due to the health emergency.
Other purchases and sales are down on the values of the first quarter of the previous year by 2.1% and 12.3% respectively; it should be noted that, however, these items include not only purchases and sales on the wholesale market but also purchases and sales on IPEX, albeit characterised by lower unit margins, connected with the balancing of portfolios.

Income Statement Data

2019 full year	(in millions of euros)	1st quarter 2020	1st quarter 2019	% change
4,159	Sales revenues	973	1,068	*(8.9%)*
423	EBITDA	115	118	*(2.5%)*

Sales revenues in the first quarter of 2020 came in at 973 million euros, down 8.9% compared to the previous year. EBITDA came to 115 million euros (118 million euros in the first quarter of 2019) and recorded a decrease of 2.5%.
Thermoelectric generation showed a negative trend compared with the previous year, due to lower margins in the dispatching services market, partly due to the closure of two power plants in the first months of the year. The renewables sector, on the other hand, performed positively both in hydroelectric sector, thanks to higher margins on the MGP market, due to the growth in production volumes, and the increase in incentives, and in the wind and photovoltaic portfolios, due to the contribution of EDF EN Italia, consolidated as of July 2019. The marketing of electricity has improved slightly compared to the previous year, despite a contraction in sales in the industrial segment in March, due to the health emergency.

Energy services

The economic data of Electric Power Operations include the results of the Energy & Environmental Services Market Division.
During the first quarter of 2020, the Division reported EBITDA amounting to 26 million euros, down 13% compared with the previous year. The negative trend is attributable both to a slight contraction of the perimeter of activity in the Public

Administration sector, and to the ongoing health emergency, which has impacted above all on the Public Administration sector and on some industrial customers; the foreign sector, on the contrary, recorded a positive trend.

Gas Operations

Sources of Natural Gas

2019 full year	(millions of m3 of natural gas)	1st quarter 2020	1st quarter 2019	% change
9	Production [1]	2.4	2.2	*9.1%*
338	Production from discontinued operations	77	82	*(6.2%)*
14,652	Imports (Pipeline + LNG)	2,838	3,443	*(17.6%)*
4,980	Other purchases	1,956	1,638	*19.4%*
(4)	Change in stored gas inventory [2]	233	317	*(26.5%)*
19,974	**Total sources**	**5,106**	**5,482**	***(6.9%)***
1,785	**Production outside Italy from discontinued operations [3]**	**392**	**453**	***(13.5%)***

(1) Production by Edison Stoccaggio. Net of self-consumption and at standard calorific power.
(2) Includes pipeline leaks. A negative change reflects additions to the stored gas inventory.
(3) Counting volumes withheld as production tax.

Uses of Natural Gas

2019 full year	(millions of m3 of natural gas)	1st quarter 2020	1st quarter 2019	% change
2,627	Residential use	1,052	1,312	*(19.8%)*
4,919	Industrial use	1,422	1,367	*4.0%*
6,626	Thermoelectric fuel use	1,566	1,814	*(13.7%)*
5,803	Other sales	1,066	989	*7.8%*
19,974	**Total uses**	**5,106**	**5,482**	***(6.9%)***
1,785	**Sales of production outside Italy from discontinued operations [1]**	**392**	**453**	***(13.5%)***

(1) Counting volumes withheld as production tax.

Imports of natural gas in the first quarter were down from last year (-17.6%), the increase in other purchases affects both the Italian and foreign markets, leading to a 19.4% increase.
Sales to residential customers decreased by 19.8%, mainly due to the mind climate recorded in the first months of the year.
Sales to thermoelectric users showed a negative trend compared with the first quarter of 2019, linked to the reduction in production volumes.
Sales to industrial users and other sales grew by 4% and 7.8%, respectively, despite a slowdown in the industrial segment in March, linked to the health emergency.

Income Statement Data

2019 full year	(in millions of euros)	1st quarter 2020	1st quarter 2019 (*)	% change
4,862	Sales revenues	1,044	1,583	*(34.0%)*
272	EBITDA	90	80	*12.5%*

(*) The figures have been restated pursuant to IFRS 5.

Sales revenues totalled 1,044 million euros in the first quarter of 2020, down 34.0% compared to the first quarter of last year, while EBITDA was 90 million euros (including the regulated activities sector), up 10 million euros compared to the first quarter of 2019. This trend is mainly linked to the optimization of sources deriving from the new flexibility of pipe contracts; there was a decrease in the margins of the civil segment due to the effects of the mild winter and, in March, some negative effects attributable to the health emergency.
It should be noted that the activities relating to the E&P business are not included in these figures as they are treated as discontinued operations in accordance with IFRS 5.

Assets held for sale

Production

Gas production from discontinued operations totalled 469 million cubic meters in the first quarter of 2020, or 12.3% less than the previous year (535 million cubic meters), due to a reduction in production both in Italy and abroad.
Production of crude oil in Italy and abroad attributable to discontinued operations decreased by about 5.7%.

Income Statement Data

As already described above, the E&P business is treated as discontinued operations in accordance with IFRS 5.
EBITDA (43 million euros) decreased by 44% (77 million euros in the first quarter of 2019) due to lower sales revenues caused by lower volumes and a deteriorating price scenario.

Investments

In 2020, the companies in the Edison Exploration & Production business invested 55 million euros in exploration, mainly in Egypt, and 23 million euros in development, primarily outside Italy, particularly in Norway.

Corporate Activities

Income Statement Data

2019 full year	(in millions of euros)	1st quarter 2020	1st quarter 2019	% change
56	Sales revenues	12	14	*(14.3%)*
(108)	EBITDA	(25)	(20)	*(25.0%)*

Corporate Activities include those operations of Edison Spa, the Group's Parent Company, that engage in central and transversal activities, i.e., activities that are not directly tied to a specific business, and certain holding companies and real estate companies.
Sales revenues in the first quarter of 2020 show a slightly decreasing trend compared to the first quarter of 2019, while the gross operating margin worsened by 5 million euros, partly linked to a donation made on the occasion of the health emergency.

Other components of the Group's Income Statement

2019 full year	(in millions of euros)	1st quarter 2020	1st quarter 2019 (*)	% change
587	**EBITDA**	**180**	**178**	***1.1%***
3	Net change in fair value of derivatives (commodity and exchange rate risk)	16	10	*60.0%*
(341)	Depreciation and amortization (-)	(85)	(73)	*(16.4%)*
(33)	(Writedowns) and reversals	-	-	*n.m.*
(40)	Other income (expense) non Energy activities	(1)	(3)	*66.7%*
176	**EBIT**	**110**	**112**	***(1.8%)***
(18)	Net financial income (expense) on debt	(8)	(1)	*n.m.*
(9)	Other net financial income (expense) (**)	(26)	(1)	*n.m.*
(15)	Net financial income (expense) on assigned trade receivables without recourse	(3)	(6)	*50.0%*
6	Income from (Expense on) equity investments	-	1	*n.m.*
(42)	Income taxes	(29)	(36)	*19.4%*
98	**Profit (Loss) from continuing operations**	**44**	**69**	***(36.2%)***
(562)	**Profit (Loss) from discontinued operations**	**(52)**	**19**	***n.m.***
(479)	**Group interest in profit (loss)**	**(12)**	**79**	***n.m.***

(*) The amounts of 1st quarter 2019 were restated pursuant to IFRS 5.
(**) Including financial income (expense) versus E&P business.

The **Profit (Loss) from continuing operations** is positive by 44 million euros (positive by 69 million euros in the first quarter of 2019).
In addition to the industrial margin dynamics discussed above, the main factors affecting this result were:

- a net positive change in the fair value of derivatives amounting to 16 million euros (positive by 10 million euros in the first quarter of 2019);
- depreciation and amortization for 85 million euros in increase compared with the first quarter of 2019 (73 million euros) mainly due to the contribution of companies acquired during the second half of 2019, especially of EDF EN Italia Group;
- the financial items, which recorded net expenses in increase mainly for foreign exchange translation losses linked to loans denominated in foreign currencies granted to some foreign subsidiaries pertaining to E&P business held for sale, as well as for the impact of financial expenses on debt booked by companies acquired during 2019, including one-off for debt refinancing; and
- the Income Taxes.

Profit (Loss) from discontinued operations is negative by 52 million euros (positive by 19 million euros in the first quarter of 2019). As previously commented, the result for the first quarter of 2020 includes, amongst other, the effects of the revision of the terms of the agreement with Energean; please remember that the amount relating to 2019 full year, which is a loss for 562 million euros, included the adjustment to the value of the E&P business held for sale, negative by 584 million euros, in addition to costs related to the sale, the expected charges for risks and indemnities.
For further information reference should be made to 2019 Consolidated Financial Statements.

Here below the details of the main Other Components of the Group's Income Statement.

Net change in fair value of derivatives (commodity and exchange rate risk)

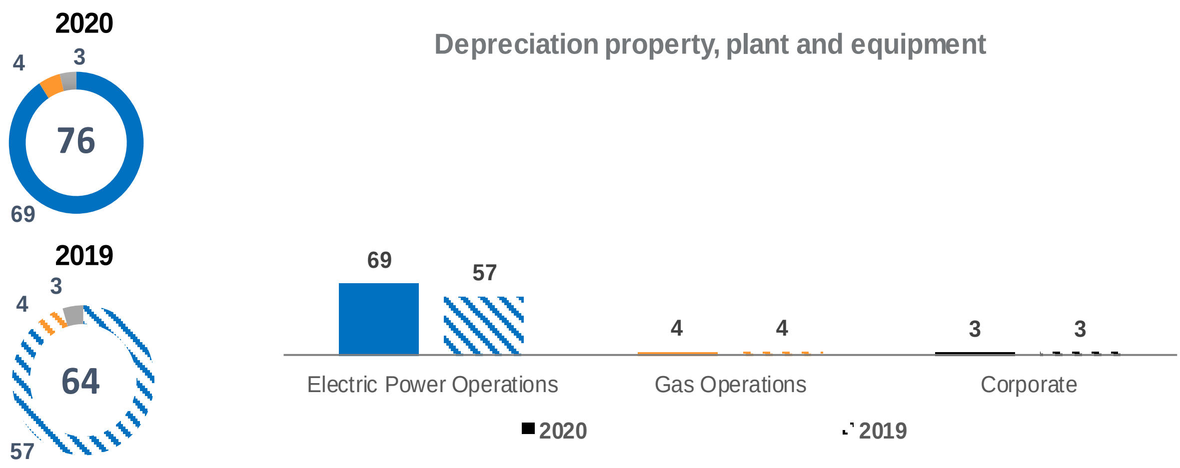
(in millions of euros)	Definable as hedges (CFH) (*)	Definable as hedges (FVH)	Not definable as hedges	Total net change in fair value
1st quarter 2020				
Hedges of price risk on energy products	9	(193)	(4)	**(188)**
Hedges of foreign exchange risk on commodities	-	20	-	**20**
Change in fair value in physical contracts (FVH)	-	184	-	**184**
Total 2020	**9**	**11**	**(4)**	**16**
1st quarter 2019				
Hedges of price risk on energy products	3	232	-	**235**
Hedges of foreign exchange risk on commodities	-	18	1	**19**
Change in fair value in physical contracts (FVH)	-	(244)	-	**(244)**
Total 2019	**3**	**6**	**1**	**10**

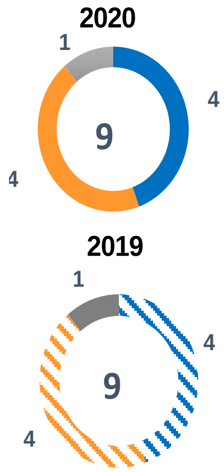
(*) It refers to the ineffective portion.

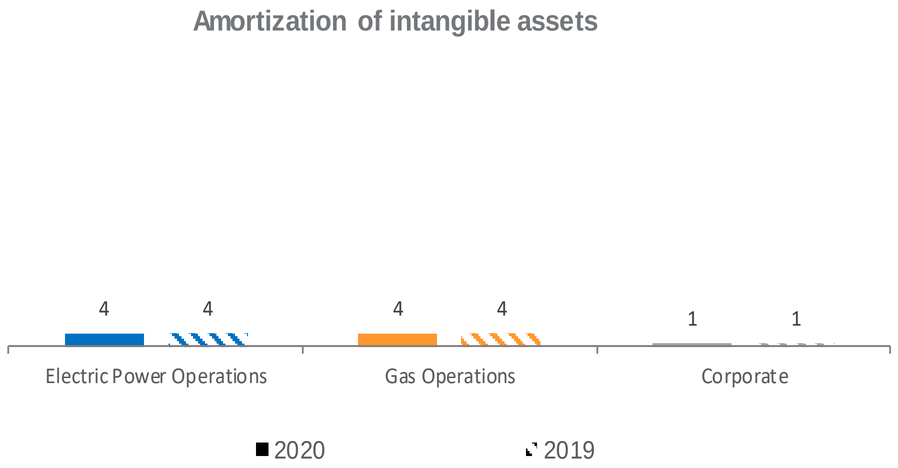
We remind that the Group extensively applies hedge accounting and that new principle IFRS 9, which entered into force starting from January 1, 2018, changed these amendments, also modifying the rules of the accounting hedge relationships approaching the logics of recognition to those of risk management, consequently reducing the volatility effects.
Specifically with regard to the changes that occurred in the first quarter of 2020, the general decrease in the prices of all the commodities determined a negative effect on the value of hedging financial derivatives, appropriately offset by a positive effect on the value of the underlying physical contracts hedged thanks to the positive outcome of the effectiveness tests. In this regard, were used volume forecasts based on the most up to date information. With particular reference to the health emergency linked to the spread of COVID-19, such forecasts may be subject to future updates as a consequence of the development of the situation.

Depreciation, Amortization and Writedowns

The following charts show the details of depreciation and amortization by class of asset and business segment. The increase, compared to the first quarter of 2019, essentially reflects the contribution of the companies of EDF EN Italia Group, acquired during second half of 2019.







Other net financial income (expense)

(in millions of euros)	1st quarter 2020	1st quarter 2019	Change
Financial expenses on provisions	(2)	(2)	-
Net foreign exchange translation gains (losses) (*)	(24)	1	(25)
Other (**)	-	-	-
Other net financial income (expense)	**(26)**	**(1)**	**(25)**

(*) Including net results of the transactions with EDF Sa to cover exchange rate risk.

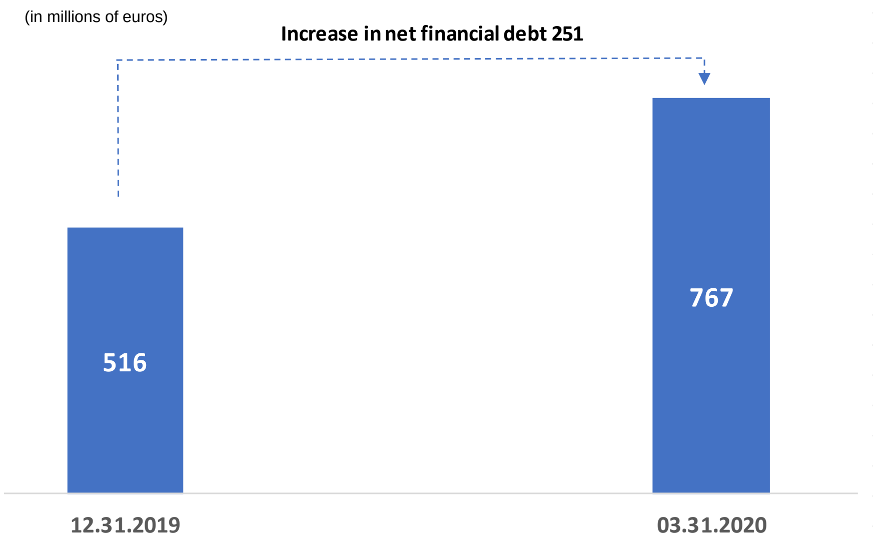
(**) Including financial income/expense versus E&P business.

Net foreign exchange translation gains (losses) show net losses for 24 million euros, which reflect the adjustment of financial receivables and payables denominated in foreign currencies to exchange rates at March 31, 2020 and are affected by significant fluctuations suffered by some currencies, especially Norwegian krone, compared to December 31, 2019.

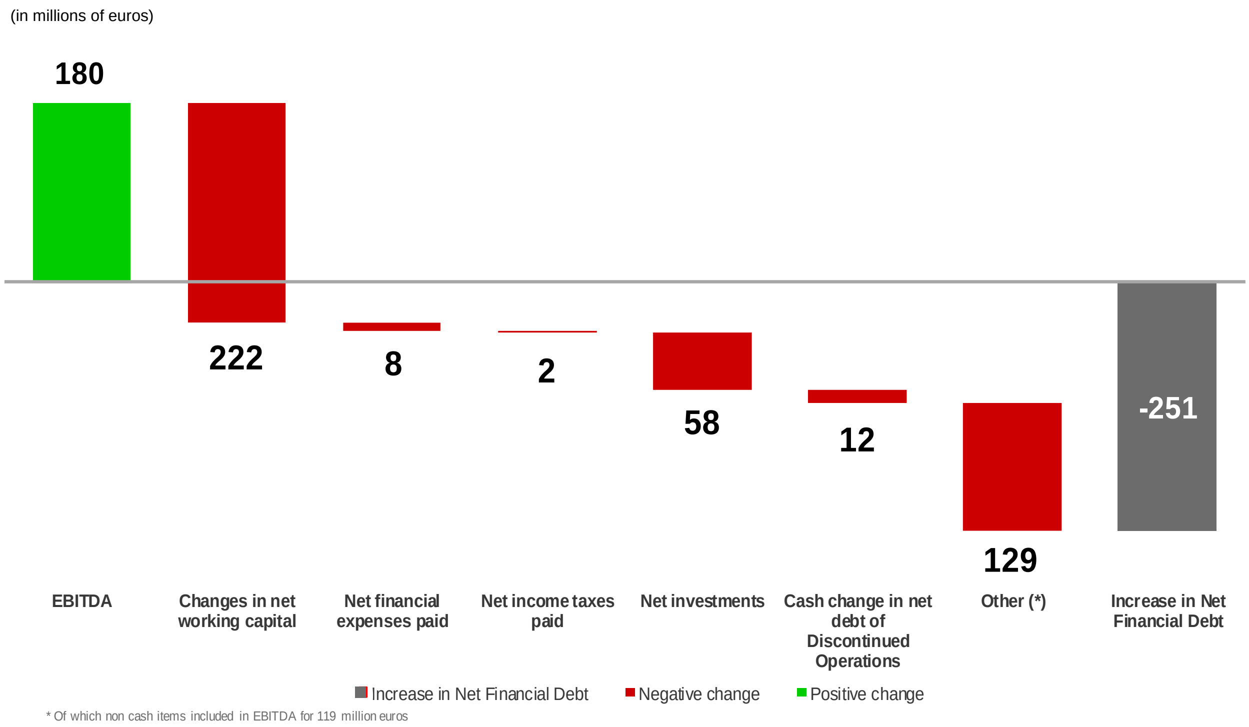
Net Financial Debt and Cash Flows

At March 31, 2020, net financial debt totalled 767 million euros (516 million euros at December 31, 2019).

Change in net financial debt



Below the analysis of changes in net financial debt is provided:



The main cash flows of the period derive from the positive operating performance, previously commented, the cash absorption of working capital, partly due to the seasonality of volumes sold, net investments, which include:

- capital expenditures (36 million euros), mainly for the construction of combined cycle gas turbines in the thermoelectric plants of Marghera Levante (10 million euros) and Presenzano (4 million euros) and the environmental and energy services (11 million euros); and

- investments in non-current financial assets (22 million euros) referred to a capital contribution in the company IGI Poseidon Sa linked to Eastmed pipeline,

as well as the payment of CO_2 emission rights referred to 2019 compliance.

This latter is reflected in the item Other (negative by 129 million euros), which includes the elimination of the use of the 2019 CO_2 provision carried out in March 2020, following the physical delivery of the emission rights (146 million euros).

The table below provides a breakdown of the net financial debt.

Net financial debt

(in millions of euros)	03.31.2020	12.31.2019	Change
Non-current financial debt	561	615	(54)
- Due to banks	317	318	(1)
- Due to EDF Group companies	-	34	(34)
- Debt for leasing	242	259	(17)
- Due to other lenders	2	4	(2)
Assets for financial leasing	(2)	(2)	-
Non-current net financial debt	**559**	**613**	**(54)**
Current financial debt	485	358	127
- Due to banks	58	49	9
- Due to EDF Group companies	94	14	80
- Debt for leasing	33	33	-
- Debt for valuation of Cash Flow Hedge derivatives	14	16	(2)
- Due to other lenders (°)	286	246	40
Current financial assets (°°)	(322)	(347)	25
Cash and cash equivalents	(118)	(283)	165
Current net financial debt	**45**	**(272)**	**317**
Net financial debt Assets held for sale	**163**	**175**	**(12)**
Net financial debt	**767**	**516**	**251**
of which:			
Gross financial debt	**918**	**869**	**49**
Cash and cash equivalents and financial assets	**(151)**	**(353)**	**202**

(°) Include financial debt versus Assets held for sale for 167 million euros (138 million euros at December 31, 2019).
(°°) Include financial receivables versus Assets held for sale for 312 million euros (341 million euros at December 31, 2019).

The reduction in **non-current net financial debt** is due mainly to the debt restructuring process that EDF EN Italia and its subsidiaries began in the final quarter of 2019. In the first quarter of 2020, some leases and the loan granted by EDF Investissement Groupe (EDF IG) to Bonorva Windenergy, a subsidiary of EDF EN Italia, were repaid early. At December 31, 2019, 34 million euros of this loan was recognised as non-current debt and 6 million euros as current debt.

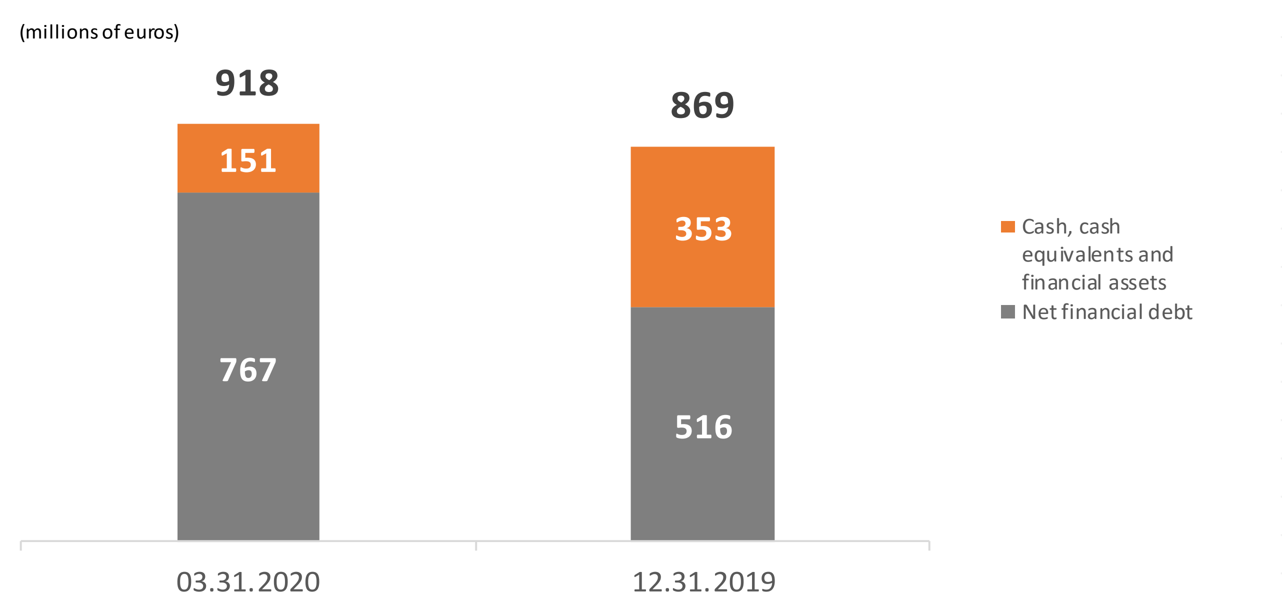
With reference to **current net financial debt** it should be noted that debt due to EDF Group companies at March 31, 2020 includes for 89 million euros the debit balance of the current account of Edison Spa dedicated to cash-pooling with EDF Sa (credit balance included in **cash and cash equivalents** for 156 million euros at December 31, 2019). The dynamic of debt due to other lenders and current financial assets, instead, essentially reflects the change in financial items versus Assets held for sale.

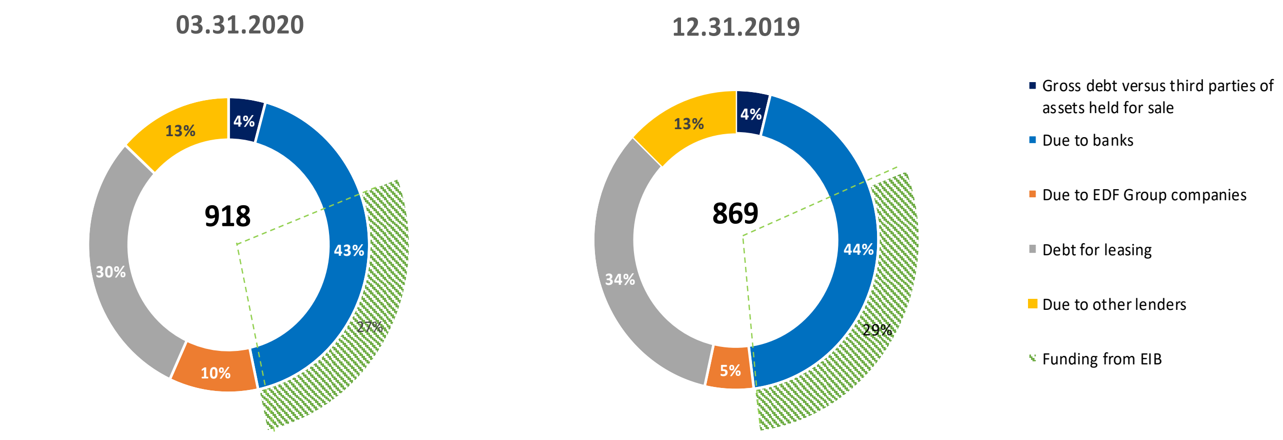
Cash and cash equivalents, amounting to 118 million euros, primarily refer to cash balances in the current accounts of companies with non-centralised cash management systems (127 million euros at December 31, 2019).

At March 31, 2020, Edison Group had unused committed lines of credit totalling 680 million euros, represented:

- by the two-year revolving credit line (600 million euros) signed with EDF Sa on April 9, 2019 to replace a similar credit line signed by Edison in 2017, and
- by the remaining available portion of the Club Deal granted in 2018 to E2i by a pool of banks and Cassa Depositi e Prestiti for an original amount of 100 million euros, increased to 130 million euros in 2019 (used for 50 million euros at March 31, 2020).

Gross financial debt and breakdown by financial source (*)





(*) Include amounts attributable to Assets held for sale

The composition of gross financial debt at the end of the first quarter of 2020 is substantially unchanged compared with December 31, 2019. Debt due to EDF Group companies increased due to the debit balance of the current account with EDF Sa, despite the medium-long term loan granted by EDF IG to Bonorva Windenergy was early repaid.

The bank facilities used include primarily long-term loans for the development of specific projects in the wind sector and gas storage granted directly to Edison by the EIB and the Club Deal loan provided to E2i by a pool of banks and Cassa Depositi e Prestiti.

Fair value recorded in Balance Sheet and Cash Flow Hedge Reserve

Fair Value recorded in Balance Sheet

(in millions of euros)	03.31.2020			12.31.2019		
Broken down as follows:	**Receivables**	**Payables**	**Net**	**Receivables**	**Payables**	**Net**
- Financial assets (liabilities)	-	(14)	(14)	-	(16)	(16)
- Non-current assets (liabilities)	324	(363)	(39)	100	(93)	7
- Current assets (liabilities)	985	(1,153)	(168)	676	(710)	(34)
Fair Value recognized as assets or liabilities (a)	**1,309**	**(1,530)**	**(221)**	**776**	**(819)**	**(43)**
of which of (a) related to:						
- Interest Rate Risk Management	-	(14)	(14)	-	(16)	(16)
- Exchange Rate Risk Management	89	(12)	77	52	(10)	42
- Commodity Risk Management	669	(1,040)	(371)	462	(434)	28
- Fair value on physical contracts	551	(464)	87	262	(359)	(97)

The impacts on the income statement of the changes recorded with respect to December 31, 2019 have been previously commented on with reference to the item Net change in fair value of derivatives (commodities and exchange rates).
The table below, instead, provides a breakdown of the changes that occurred in the Cash Flow Hedge reserve for the accounting treatment of derivatives. The change refers to the provisional recognition in equity of the effective portion of derivatives executed to hedge price and foreign exchange risks on energy commodities and interest rate risk. The amounts recognized directly in equity are reflected in the income statement in line with the effects of the hedged item.

Cash Flow Hedge Reserve

(in millions of euros)	Gross reserve	Taxes	Net reserve
Reserve at December 31, 2019	**(21)**	**7**	**(14)**
Changes in the period	(167)	47	(120)
Reserve at March 31, 2020	**(188)**	**54**	**(134)**

The change that occurred during the period and the reserve at March 31, 2020 are related mainly to the net fair value of the derivatives outstanding to hedge the commodity and foreign exchange risk associated with the formulas used both in sales and purchases contracts entered into by Edison to manage its physical and contractual assets. The figures, down from December 31, 2019, reflect the fall in prices recorded during the period with reference to all commodity markets. However, the effectiveness of the hedge, both in terms of the risk factors hedged and the volumes hedged, guarantees an equivalent positive change in the expected cash flows associated with the underlying physical contracts (less the ineffective portion appropriately reflected in the income statement). Specifically, concerning the volume forecasts employed, apply the same consideration disclosed as a comment to the item Net change in fair value of derivatives (commodity and exchange rate risk).
Finally, it should be noted that the negative value of these financial derivatives, read together with the expected cash flows relating to the physical contracts hedged, does not represent, at present, a critical element in terms of prospective marginality.

OUTLOOK

The health emergency led to a significant worsening of the macro economic scenario, resulting into a reduced demand for electricity and gas as well as in a possible deterioration of the counterparties' creditworthiness. The combination of the two factors will determine for Edison economic and financial effects, which are currently difficult to assess.

Therefore, Edison believes it premature to confirm the previous forecast for 2020 EBITDA (which was placed between 560 and 620 million euros). The Company will continue to monitor the evolution of the situation and reserves the right to update the forecasts as soon as there is more clarity on the macroeconomic scenario and on the times and conditions of the recovery. Thanks to the low level of indebtedness, Edison maintains a solid financial structure and can rely on adequate liquidity reserves to support both operational needs and business development plans.

SIGNIFICANT EVENTS OCCURRING AFTER MARCH 31, 2020

No significant events occurred after March 31, 2020.

Milan, May 14, 2020
The Board of Directors
By Nicola Monti
Chief Executive Officer

CERTIFICATION
PURSUANT TO ARTICLE 154-BIS, SECTION 2, OF LEGISLATIVE DECREE NO. 58/1998

Didier Calvez and Roberto Buccelli, in their capacity as “Dirigenti preposti alla redazione dei documenti contabili societari” of Edison Spa, declare that the accounting information contained in this Quarterly Report at March 31, 2020 is consistent with the data in documents, accounting records and other records.

Milan, May 14, 2020

**“Dirigenti Preposti alla redazione
dei documenti contabili societari”
Didier Calvez
Roberto Buccelli**