PRESS RELEASE

EDISON: SOLID OPERATING PERFORMANCE IN THE FIRST HALF OF 2023. REVENUES AT 10 BILLION EUROS, EBITDA UP 33% AT 829 MILLION EUROS AND PROFIT DOWN 7% AT 187 MILLION EUROS. STRONG NEGATIVE IMPACT DUE TO THE DELAY IN LNG DELIVERIES FROM THE U.S.

Milan, July 26, 2023 – Edison's Board of Directors met yesterday and reviewed the Semiannual Report at June 30, 2023, which shows a solid operating performance across all businesses.

In the first half of the year, **EBITDA rose to 829 million euros** (+33.3%) from 622 million euros in the first half of 2022. The growth was driven by an increased contribution of Gas&Power sales in the end customers market, after a difficult 2022, of renewable energy generation (+9%), and of Edison Next's energy and environmental services.

Edison Group closed the first half of 2023 with a **net profit of 187 million euros** compared to a net profit of 201 million euros in the first half of 2022, also due in particular to expenses attributable to territorial regeneration activities on the ex-Montedison sites.

These overall results were also affected by a strong negative impact deriving from the delay in the LNG deliveries from the United States, which led the Company to start an arbitration dispute.

Financial debt at June 30, 2023 stood at 191 million euros compared to 477 million euros at December 31, 2022, thanks to a strong operating cash-flow that will allow the Group to further strengthen its position in the energy transition businesses.

EDISON GROUP HIGHLIGHTS

millions euros	**6 months 2023**	**6 months 2022**
Sales revenues	**9,973**	**13,222**
EBITDA	**829**	**622**
EBIT	**310**	**407**
Net profit from Continuing Operations	**223**	**228**
Net profit of the Group	**187**	**201**

Edison Spa

Foro Buonaparte, 31
20121 Milan
Tel. +39 02 6222.7331
Fax +39 02 6222.7379
ufficiostampa@edison.it

www.edison.it

Scenario and energy market at June 30, 2023

In the first half of 2023, **electricity demand in Italy stood at 150.5 TWh, down 5.3% compared to the same period in 2022**. In particular, thermoelectric power generation fell sharply to 79.7 TWh (-16.6%) in the period, while remaining the primary energy source in Italy, covering about 53% of demands. Wind power generation also decreased (-2.6% to 11.3 TWh), while photovoltaic power generation grew (+4.3% to 15.1 TWh). After an exceptionally dry 2022, hydroelectric power generation recovered (+16% to 16.8 TWh), but it remains below historical averages. Foreign power imports rose sharply in the period (+21.8% to 26,1 TWh), although over 82% of Italy's total electricity demand remained covered by domestic production. On the price front, the **Single National Price (PUN) averaged 136.1 euros/MWh in the period, down 45.4%** from 249.1 euros/MWh in the same period last year, as a result of a decline in thermoelectric power generation costs and demand.

As already noted in the first quarter, **domestic gas consumption continued to fall sharply (-15.2%) to 33.2 billion cubic meters** from 39.1 billion cubic meters in the first half of 2022. All segments of gas consumption decreased in the period – residential consumption dropped by 14.7% to 15.6 billion cubic meters, thermoelectric consumption by 22.7% to 9.9 billion cubic meters and industrial consumption by 10.7% to 5.9 billion cubic meters. This decrease in consumption is explained by a combination of temperatures being higher than average and to the effects of Italy's national plan for the containment of natural gas consumption. On the price front, **spot gas in Italy averaged 50.1 euro cents per cubic meter in the first half of 2023**, down 51.6% from 103.5 euro cents per cubic meter in the first half of 2022. This decline took place in the context of a drop in demand and of a greater supply of Liquefied Natural Gas (LNG), a combination of factors that also limited withdrawals from storage sites. Oil prices decreased too in the period, averaging 80.1 US dollars per barrel (-23.3% compared to the same period in 2022).

In this context, Edison Group closed the first half of 2023 with **sales revenues of 9,973 million euros**, compared to 13,222 million euros in the same period of 2022, mainly due to a contraction in volumes and price of natural gas sold, which took revenues from **Gas Operations** to 6,783 million euros (down 34.3% compared to the first half of 2022). Revenues from **Electric Power Operations** also decreased slightly (-2.5% to 4,374 million euros), mainly as a result of the contraction in thermoelectric power generation, partially offset by an increase in renewable energy generation (+9%), which benefitted from the recovery in hydroelectric power volumes and an increase in wind power generation after that the Mazara 2 wind farm come into operation and following the acquisition of a 66 MW wind farm in Campania, which took place in July 2022.

EBITDA rose by 33.3% to 829 million euros, from 622 million euros in the first half of 2022. The main driver of this growth were downstream retail activities (B2B and B2C), which last year recorded the negative impact of price increases on sales margins, partly absorbed by the Group to limit the effects on end customers. Sales to the Public Administration also performed well, with new offer of energy and environmental services. The contribution of renewables activities also improved, benefiting from higher production volumes and strong results from origination activities. The gas activities, excluding the impact generated by the delay in the deliveries of LNG from the United States, benefited from significant portfolio optimization actions.

EBIT stood at 310 million euros, from 407 million euros in the first half of 2022. Net charges relating to territorial regeneration activities on the ex-Montedison sites accounted for 140 million euros.

These overall results were also affected by a strong negative impact deriving from the delay in the LNG deliveries from the United States, which led the Company to start an arbitration dispute.

The Group closed the first half of 2023 with a **profit of 187 million euros**, compared to 201 million euros in the same period last year, due to the dynamics highlighted above.

Financial debt at June 30, 2023 stood at 191 million euros compared to 477 million euros at December 31, 2022 thanks to strong cash-flow from operations.

Outlook

Based on the results for the first half of the year and the current market scenario, still characterised by significant economic and geopolitical uncertainties, as well as persistent price volatility, the Group expects EBITDA to grow from 1.1 billion euros in 2022 to at least 1.6 billion euros in 2023.

Main events during the first half of 2023

March 6, 2023 – EDF, Ansaldo Energia and Edison announced that they signed a Letter of Intent (LOI) to collaborate on the development of new nuclear power in Europe and to promote it prospectively in Italy. The aim of the agreement is to leverage on the expertise of the Italian nuclear power sector, headed by Ansaldo Nucleare, in order to support the development of EDF Group's new nuclear projects, and, at the same time to open a debate on the possible role of new nuclear power in Italy's energy transition.

March 21, 2023 – Edison will accelerate the implementation of new renewable capacity in Italy by investing 5 billion euros in this sector and plans to bring the Group's green installed capacity from 2 GW to 6 GW by 2030. The development plan aims to increase the Group's wind power installed capacity by 1 GW and its photovoltaic installed capacity by 2 GW and to devote 1 GW to the development of renewables for green hydrogen production and energy storage systems (such as batteries and hydro pump storage).

April 18, 2023 – Edison Energia reached 2 million contracts among residential, SMEs and industrial customers, thus consolidating its position as the third operator by electricity volumes and second operator by gas volumes sold in the domestic market (14.2 TWh and 6.6 billion cubic metres in 2022, respectively). Edison Energia's strategic development plan to 2030 aims to double the number of contracts to 4 million.

May 4, 2023 – Edison Next has embarked on a path towards sustainability with Berco, a ThyssenKrupp Group company. Through a 20-year onsite PPA (Power Purchase Agreement), Edison Next will design, build, operate and maintain a 7.1 MWp ground-mounted photovoltaic plant for the Copparo site, Berco's historical and main facility in the Province of Ferrara, which is regarded as of the world's largest production centres in its sector.

May 15, 2023 – Initiation of arbitration proceedings against Venture Global at the LCIA in London, for the failure of LNG deliveries from the U.S.A.

June 5, 2023 – Edison informed that, on June 2, Moody's rating agency affirmed the company's Baa3 long-term rating and changed the outlook to stable from negative following an equivalent change in the outlook of EDF's rating (Baa1 long-term rating). The affirmation of Edison's Baa3 rating and the change in outlook reflect a strong improvement in the company's credit profile, after fully divesting its Exploration and Production (E&P) activities and shifting its strategic focus on gas and renewable capacity development in Italy. This also takes into account the company's solid and improving balance sheet; a positive momentum in earnings and stronger cashflow generation on the back of increased electricity generation capacity; an optimised flexibility and appropriate indexation of gas contracts; and a long-term exposure to wholesale electricity prices in Italy.

June 16, 2023 – In Porto Marghera, near Venice, Edison inaugurated the most efficient thermoelectric power plant in Italy and among the most efficient in the world, the first latest-generation facility of its kind, which will support the country's energy transition. This is an important milestone for the security of the Italian energy system, ensuring a highly flexible, low-carbon production that balances the intermittent nature of renewable sources, thus contributing to the achievement of the country's decarbonisation targets under the Integrated National Energy and Climate Plan (PNIEC). The plant, which required an investment of around 400 million euros, has an installed capacity of 780 MW and an energy efficiency of 63%, the highest output currently available, ensuring a reduction of specific emissions of nitrogen oxides (NOx mg/kWh) by 70% and of carbon emissions (CO_2 mg/kWh) by 30% compared to the current average of the Italian thermoelectric fleet, and meeting the annual energy needs of some 2,000,000 households.

June 21, 2023 – Edison announced that a new revolving credit facility of 1 billion euro, executed on March 13, 2023 to finance its working capital requirements, is effective as from June 20, 2023. The facility has been granted by a pool of banks including BNL BNP Paribas, BPER Banca Spa, Intesa Sanpaolo Spa and UniCredit Spa. The facility is guaranteed by the Italian export credit agency SACE S.p.A. for 70% of its amount. The SACE guarantee was issued in the context of the measures to protect the Italian energy system, in line with the "Support Italia" programme pursuant to the "Aiuti" Decree and came into effect further to the publication of the relevant decree by the Ministry of Economy and Finance.

June 26, 2023 – Edison and SPP announced that they signed a Memorandum of Understanding (MoU) for cooperation in the gas and liquefied natural gas sector (LNG), in order to improve Slovakia's diversification and security of supply.

June 28, 2023 – The City of Salerno and Edison Next announced the energy efficiency upgrading of the city's public lighting. This 9-year project falls within the scope of the Consip Servizio Luce 4 Agreement and covers the installation of over 15,300 cutting-edge LED lighting fixtures, against some 24,000 total lighting fixtures in the city.

June 29, 2023 – Edison Next strengthened its partnership with Barilla, Italy's leading agri-food group, which has long been committed to achieving the UN Sustainable Development Goals of the 2030 Agenda. Through a new 10-year agreement signed with Barilla, Edison Next launched a project to revamp (i.e. upgrade to the latest technology) the trigeneration plant that supports the entire production process at the Barilla facility in Marcianise. Works under the project will result in the upgrading of the existing equipment (which supplies electricity, heating and cooling) and mainly involve the heat recovery boiler and the alternator. The upgraded plant is expected to start operations in the first quarter of 2024.

Documentation

Please note that Edison Group's Semiannual Report at June 30, 2023, which was approved yesterday by the Board of Directors of Edison Spa, will be available to the public from July 31, 2023 at the Company's head office, on the website of Edison Spa (https://www.edison.it/en/reports-and-related-documents), as well as on the authorised storage mechanism “eMarket STORAGE” (www.emarketstorage.com).

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Edison Press Office
http://www.edison.it/it/contatti-2; http://www.edison.it/it/media
Elena Distaso, 338 2500609, elena.distaso@edison.it;
Lorenzo Matucci, 337 1500332, lorenzo.matucci@edison.it;
Antonella Ladisi, 335 1000 793, antonella.ladisi@edison.it

Edison Investor Relations
Anna Ferrari 02 6222 7953 – anna.ferrari@edison.it; investor.relations@edison.it

The “Dirigenti Preposti alla redazione dei documenti contabili societari” of Edison S.p.A., Ronan Lory and Roberto Buccelli, certify that – pursuant to Article 154-bis, paragraph 2 of the Italian Consolidated Finance Act (Legislative Decree no. 58/1998) – the disclosure in this press release is consistent with the company’s accounting records, documents and entries. The Semiannual Report at June 30, 2023 was subject to a limited audit.

This press release and, in particular, the section entitled “Outlook”, contains forward-looking statements. Such statements are based on the Group’s current forecasts and projections in relation to future events and are, by their very nature, subject to intrinsic risk and uncertainty. Actual results could differ materially from the forecasts referenced in these statements due to many different factors, including the continued volatility and deterioration of capital and financial markets, fluctuations in the prices of raw materials, changes in macroeconomic conditions and in economic growth and other changes in business conditions, changes in legislation, including regulations, and in the institutional context (both in Italy and abroad) and many other factors, most of which are beyond the Group’s control.

Please find attached the Group’s consolidated income statement and other components of the comprehensive income, balance sheet, cash flow statement and statement of changes in consolidated shareholders’ equity.

Material information pursuant to Consob resolution no. 11971 of May 14, 1999, as amended.

Consolidated Income Statement

(in millions of euros)	1st half 2023	1st half 2022
Sales revenues	9,973	13,222
Other revenues and income	93	46
Total net revenues	**10,066**	**13,268**
Commodity and logistic costs (-)	(8,562)	(12,097)
Other costs and services used (-)	(427)	(345)
Labor costs (-)	(203)	(174)
Receivables (writedowns) / reversals	6	(9)
Other costs (-)	(51)	(21)
EBITDA	**829**	**622**
Net change in fair value of derivatives (commodity and exchange rate risk)	(148)	(7)
Depreciation and amortization (-)	(231)	(191)
(Writedowns) and reversals	-	(5)
Other income (expense) non-Energy Activities	(140)	(12)
EBIT	**310**	**407**
Net financial income (expense) on debt	5	(3)
Other net financial income (expense)	(23)	17
Net financial income (expense) on assigned trade receivables without recourse	(27)	(9)
Income from (Expense on) equity investments	38	14
Profit (Loss) before taxes	**303**	**426**
Income taxes	(80)	(198)
Profit (Loss) from continuing operations	**223**	**228**
Profit (Loss) from discontinued operations	-	4
Profit (Loss)	**223**	**232**
Broken down as follows:		
Minority interest in profit (loss)	36	31
Group interest in profit (loss)	**187**	**201**

Other Components of the Comprehensive Income Statement

(in millions of euros)	1st half 2023	1st half 2022
Profit (Loss)	**223**	**232**
Other components of comprehensive income:		
A) Change in the Cash Flow Hedge reserve	**458**	**(337)**
- Gains (Losses) arising during the period	635	(470)
- Income taxes	(177)	133
B) Differences on the translation of assets in foreign currencies	**2**	**-**
- Gains (Losses) arising during the period not realized	2	-
- Losses (Gains) reversal to Income Statement	-	-
- Income taxes	-	-
C) Pro rata interest in other components of comprehensive income of investee companies	-	-
D) Actuarial gains (losses) (*)	**-**	**(1)**
- Actuarial gains (losses)	-	(1)
- Income taxes	-	-
Total other components of comprehensive income net of taxes (A+B+C+D)	**460**	**(338)**
Total comprehensive profit (loss)	**683**	**(106)**
Broken down as follows:		
Minority interest in comprehensive profit (loss)	36	31
Group interest in comprehensive profit (loss)	**647**	**(137)**

(*) Items not reclassificable in Income Statement.

Consolidated Balance Sheet

(in millions of euros)	06.30.2023	12.31.2022
ASSETS		
Property, plant and equipment	4,015	3,967
Intangible assets	353	340
Goodwill	2,233	2,228
Investments in companies valued by the equity method	253	216
Other non-current financial assets	80	86
Deferred-tax assets	397	427
Non-current tax receivables	2	2
Other non-current assets	208	162
Fair Value	306	468
Assets for financial leasing	9	8
Total non-current assets	**7,856**	**7,904**
Inventories	249	387
Trade receivables	2,236	4,281
Current tax receivables	18	63
Other current assets	397	372
Fair Value	2,377	3,706
Current financial assets	22	17
Cash and cash equivalents	933	456
Total current assets	**6,232**	**9,282**
Assets held for sale	**138**	**150**
Total assets	**14,226**	**17,336**
LIABILITIES AND SHAREHOLDERS' EQUITY		
Share capital	4,736	4,736
Reserves and retained earnings (loss carryforward)	1,151	1,105
Reserve for other components of comprehensive income	127	(333)
Group interest in profit (loss)	187	151
Total shareholders' equity attributable to Parent Company shareholders	**6,201**	**5,659**
Shareholders' equity attributable to minority shareholders	390	389
Total shareholders' equity	**6,591**	**6,048**
Employee benefits	33	34
Provisions for decommissioning and remediation of industrial sites	193	192
Provisions for risks and charges	396	195
Provisions for risks and charges for non-Energy Activities	403	300
Deferred-tax liabilities	112	76
Other non-current liabilities	38	37
Fair Value	468	1,153
Non-current financial debt	752	709
Total non-current liabilities	**2,395**	**2,696**
Trade payables	1,892	3,778
Current tax payables	164	392
Other current liabilities	388	680
Fair Value	2,411	3,506
Current financial debt	350	200
Total current liabilities	**5,205**	**8,556**
Liabilities held for sale	**35**	**36**
Total liabilities and shareholders' equity	**14,226**	**17,336**

Cash Flow Statement

		1st half 2023	1st half 2022
	(in millions of euros)		
	Profit (Loss) before taxes	**303**	**426**
	Depreciation, amortization and writedowns	231	196
	Net additions to provisions for risks	87	(41)
	Interest in the result of companies valued by the equity method (-)	(38)	(14)
	Dividends received from companies valued by the equity method	-	7
	(Gains) Losses on the sale of non-current assets	(2)	1
	Change in employee benefits	(1)	(1)
	Change in fair value recorded in EBIT	148	7
	Change in operating working capital	297	134
	Change in non-operating working capital	(381)	(165)
	Change in other operating assets and liabilities	414	208
	Net financial (income) expense	45	(5)
	Net financial income (expense) paid	(49)	13
	Net income taxes paid	(361)	(182)
	Operating cash flow from discontinued operations	-	-
A.	**Operating cash flow**	**693**	**584**
	Additions to intangibles and property, plant and equipment (-)	(158)	(202)
	Additions to non-current financial assets (-)	(4)	-
	Net price paid on business combinations	(10)	(111)
	Proceeds from the sale of intangibles and property, plant and equipment	-	-
	Proceeds from the sale of non-current financial assets	-	-
	Cash used in investing activities from discontinued operations	-	-
B.	**Cash used in investing activities**	**(172)**	**(313)**
	Receipt of new medium-term and long-term loans	-	94
	Redemption of medium-term and long-term loans (-)	(23)	(27)
	Other net change in financial debt	110	218
	Change in current financial assets	6	3
	Net liabilities resulting from financing activities	93	288
	Capital and reserves contributions (+)	-	-
	Dividends and reserves paid to controlling companies or minority shareholders (-)	(137)	(286)
	Cash used in financing activities from discontinued operations	-	-
C.	**Cash used in financing activities**	**(44)**	**2**
D.	**Net currency translation differences**	**-**	**-**
E.	**Net cash flow for the period (A+B+C+D)**	**477**	**273**
F.	**Cash and cash equivalents at the beginning of the year**	**456**	**910**
G.	**Cash and cash equivalents at the end of the period (E+F)**	**933**	**1,183**
H.	**Cash and cash equivalents at the end of the period discontinued operations**	**-**	**-**
I.	**Cash and cash equivalents at the end of the period continuing operations (G-H)**	**933**	**1,183**

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
			Cash Flow Hedge reserve	Differences on the translation of assets in foreign currencies	Interest in other components of comprehensive income of investee companies	Actuarial gains (losses)				
Balance at December 31, 2021	**4,736**	**980**	**(183)**	**(6)**	**-**	**(6)**	**413**	**5,934**	**419**	**6,353**
Appropriation of the previous year's profit (loss)	-	413	-	-	-	-	(413)	**-**	-	**-**
Dividends and reserves distributed (*)	-	(286)	-	-	-	-	-	**(286)**	-	**(286)**
Change in the scope of consolidation	-	(4)	-	-	-	-	-	**(4)**	3	**(1)**
Other changes	-	1	-	-	-	-	-	**1**	(1)	**-**
Total comprehensive profit (loss)	**-**	**-**	**(337)**	**-**	**-**	**(1)**	**201**	**(137)**	**31**	**(106)**
of which:										
- Change in comprehensive income	-	-	(337)	-	-	(1)	-	**(338)**	-	**(338)**
- Profit (loss) from 01.01.2022 to 06.30.2022	-	-	-	-	-	-	201	**201**	31	**232**
Balance at June 30, 2022	**4,736**	**1,104**	**(520)**	**(6)**	**-**	**(7)**	**201**	**5,508**	**452**	**5,960**
Dividends and reserves distributed (**)	-	-	-	-	-	-	-	**-**	(64)	**(64)**
Change in the scope of consolidation	-	3	-	-	-	-	-	**3**	(1)	**2**
Other changes	-	(2)	-	-	-	-	-	**(2)**	2	**-**
Total comprehensive profit (loss)	**-**	**-**	**182**	**12**	**-**	**6**	**(50)**	**150**	**-**	**150**
of which:										
- Change in comprehensive income	-	-	182	12	-	6	-	**200**	-	**200**
- Profit (loss) from 07.01.2022 to 12.31.2022	-	-	-	-	-	-	(50)	**(50)**	-	**(50)**
Balance at December 31, 2022	**4,736**	**1,105**	**(338)**	**6**	**-**	**(1)**	**151**	**5,659**	**389**	**6,048**
Appropriation of the previous year's profit (loss)	-	151	-	-	-	-	(151)	**-**	-	**-**
Dividends and reserves distributed (***)	-	(107)	-	-	-	-	-	**(107)**	(30)	**(137)**
Change in the scope of consolidation	-	2	-	-	-	-	-	**2**	(5)	**(3)**
Other changes	-	-	-	-	-	-	-	**-**	-	**-**
Total comprehensive profit (loss)	**-**	**-**	**458**	**2**	**-**	**-**	**187**	**647**	**36**	**683**
of which:										
- Change in comprehensive income	-	-	458	2	-	-	-	**460**	-	**460**
- Profit (loss) from 01.01.2023 to 06.30.2023	-	-	-	-	-	-	187	**187**	36	**223**
Balance at June 30, 2023	**4,736**	**1,151**	**120**	**8**	**-**	**(1)**	**187**	**6,201**	**390**	**6,591**

(*) The item refers to the payment of a portion of 2021 profit as per resolution of Edison Spa Shareholders' Meeting, held on March 31, 2022.

(**) The amount refers to minority shareholders' dividends distributed by the subsidiary Edison Rinnovabili in December 2022

(***) The amount relating to Shareholders' equity attributable to Parent Company shareholders refers to the payment of a portion of 2022 profit, as per resolution of Edison Spa Shareholders' Meeting, held on April 5, 2023; the amount relating to Shareholders' equity attributable to minority shareholders refers to minority shareholders' dividends distributed by the subsidiary Edison Rinnovabili in March 2023.