

PRESS RELEASE

EDISON'S 9-MONTH RESULTS: RENEWABLES AND DOWNSTREAM ACTIVITIES PUSH EBITDA UP TO 1,267 MILLION EUROS, PROFIT AT 486 MILLION EUROS.

Milan, October 27, 2023 – Edison's Board of Directors met yesterday and examined the Quarterly Report as at September 30, 2023, which shows a solid operating performance across all businesses.

In the first nine months of 2023, **EBITDA rose to 1,267 million euros (+35%)** from 938 million euros in the first nine months of 2022. This result was driven by renewable energy generation, which benefitted from a recovery in hydroelectric power volumes in 2023, as well as by the very positive contribution of Edison Energia's Gas&Power business, after a difficult 2022, and of Edison Next's energy and environmental services. Despite this growth, Edison's EBITDA suffered the strong negative impact of delays in LNG deliveries from the US, for which an arbitration procedure is in progress.

Edison Group closed the first 9 months of 2023 with **a net profit of 486 million euros**, compared to 265 million euros in the same period in 2022, which was adversely affected by the "Extra-profitti" decrees.

Financial debt at September 30, 2023 was a credit of 117 million euros, compared to a debit of 477 million euros at December 31, 2022, thanks mainly to significant cash-flows from operations. This allows the Group to further strengthen its position in the energy transition business.

EDISON GROUP HIGHLIGHTS

<i>million euros</i>	9 months 2023	9 months 2022
Sales revenues	14,103	22,842
EBITDA	1,267	938
EBIT	763	495
Net profit from Continuing Operations	544	314
Net profit/(loss) of the Group	486	265

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Scenario and energy market at September 30, 2023

In the first nine months of 2023, **electricity demand in Italy stood at 232.5 TWh, down 4% compared to the same period in 2022**. The decrease affected thermoelectric power generation in particular, which fell 16.2% to 121.9 TWh in the period. However, this remains the primary energy source in Italy, covering over 52% of requirements. On the other hand, renewable energy generation grew (and covered over 32% of requirements) – hydroelectric power generation grew 26.7% to 29.1 TWh, thanks to the rainfalls that brought water reservoir levels back to historical averages, while photovoltaic and wind power generation grew 9.7% to 25.7 TWh and 3.1% to 16.1 TWh, respectively, as a result of new plants commissioning. On the price front, the **Single National Price (PUN) averaged 128.4 euros/MWh, down 60.4%** from 324.2 euros/MWh in the same period last year, as a result of a decline in gas costs and in demand.

On the national gas consumption front, the decline in demand continued to fall sharply by 11.4% to 45.5 billion cubic meters from 51.4 billion cubic meters in the first nine months of 2022. Residential consumption dropped by 13.2% to 18.2 billion cubic meters, thermoelectric consumption by 17.9% to 15.8 billion cubic meters and industrial consumption by 6.9% to 8.5 billion cubic meters in the period. This is due to temperatures continuing to be higher than average and to the effects of Italy's national plan for the containment of natural gas consumption, as well as to a decline in thermoelectric power generation. On the price front, **spot gas in Italy averaged 45.3 euro cents per cubic meter in the first nine months of 2023**, down 67.2% from 138.4 euro cents per cubic meter in the same period in 2022. This decline took place in the context of a drop in demand and of a greater supply of natural gas, and of Liquefied Natural Gas (LNG) in particular, a combination of factors that contributed to limiting withdrawals from storage sites in the first six months of the year and made it possible to exceed 96% of the storage capacity at September 30, 2023.

In this context, Edison Group closed the first nine months of 2023 with **sales revenues of 14,103 million euros**, compared to 22,842 million euros in the first nine months of 2022. This decrease is mainly the result of **Gas Operations**, which recorded revenues of 9,435 million euros (-47.4% compared to the first nine months of 2022) following the contraction in natural gas prices and volumes. Revenues from **Electric Power Operations** decreased too (-14.4% to 6,264 million euros), mainly as a result of the contraction in thermoelectric power generation, partially offset by an increase in renewable energy generation (+21.4%), which benefitted from a recovery in hydroelectric power (+42.8%), and by an increase in wind power generation, also following an acquisition in July 2022.

During the first nine months of the year, **EBITDA rose by 35% to 1,267 million euros** from 938 million euros. This result was mainly driven by renewable activities, which last year were particularly affected by water resource availability below historical averages. The contribution of Gas and Power (B2B and B2C) activities was also positive, which last year suffered the negative impact of price increases on sales margins, partly covered by the Group in order to limit adverse effects for end customers. Sales of energy and environmental services to the Public Administration performed well, thanks in particular to an acquisition in the public lighting sector. Gas Operations benefitted from significant portfolio optimisation actions which mitigated the strong negative impact of delayed LNG deliveries from the US.

EBIT stood at 763 million euros, up from 495 million euros in the first nine months of 2022. This result was impacted, for 161 million euros, by net expenses attributable to remediation activities at former-Montedison sites.

As a result of the above, the Group closed the first nine months of 2023 with **a profit of 486 million euros**, compared to 265 million euros in the same period in 2022, which was adversely affected by the “Extra-profitti” decrees.

Financial debt at September 30, 2023 was a credit of 117 million euros, compared to a debit of 477 million euros at December 31, 2022, thanks mainly to significant cash-flows from operations.

Outlook

Based on the results for the first nine months of 2023 and despite the current market scenario, which remains characterised by significant economic and geopolitical uncertainties, as well as persistent price volatility, the Group has revised its EBITDA growth estimates from 1.6 billion euros to at least 1.8 billion euros at December 31, 2023, compared to 1.1 billion euros in 2022.

Main events during the third quarter of 2023

July 11, 2023 – Iris Ceramica Group and Edison Next announce the signature of an agreement for the development of H2 Factory™, a new production plant in Castellarano (province of Reggio Emilia) which will use green hydrogen produced using a pioneering, bespoke system.

July 17, 2023 – Edison Energia and Gabetti Lab announce that the first three residential energy communities in Bergamo, San Lazzaro di Savena (BO) and Dalmine (BG) have started operations. The agreement, launched in 2021, sets out an ambitious plan to develop residential energy communities in Italy. To date, the two partners have entered into over 40 agreements, totalling a photovoltaic capacity of more than 2 MW across Veneto, Emilia-Romagna, Lombardy, Calabria and Piedmont.

July 27, 2023 – Edison Next and Haupt Pharma Latina, which is part of Aenova, a worldwide leading pharmaceutical group, take yet another important step towards decarbonisation at the Borgo San Michele (Latina) production site. Under a 15-year agreement with Aenova, Edison Next will be responsible for the design, installation, maintenance and operation of a new 1.135 MW solar tracking photovoltaic plant to be installed on the ground within the production area of the Latina site. The plant, which will be commissioned by the end of the year, will be capable of producing more than 2,000 MWh per year.

August 1, 2023 - Eni and Edison announced that they have signed an agreement to establish cooperation in the management of environmental remediation projects involving all industrial sites sold by Montedison to Enichem in 1989. The agreement will regulate the two companies' equal sharing of the costs incurred for remediation activities, which Eni's subsidiaries Eni Rewind and Versalis have been carrying out for some time now, as ordered by the Italian Ministry of the Environment. A new era of cooperation will begin between Eni and Edison, building on the experience gained and technologies developed by Eni Rewind and Edison Next Environment.

September 13, 2023 – Edison Next and Polytec, an Italian leading company in industrial automation, artificial intelligence and renewable energy production plants, announce a strategic partnership under which Edison Next will acquire a stake in Nyox Srl. This joint venture between Polytec (51%) and Edison Next (49%) focusses on the engineering, procurement and construction of photovoltaic plants. The new company's mission is to provide Edison Next with additional photovoltaic capacity, thus allowing it to offer its industrial customers competitive solutions for the decarbonisation of production processes and the reduction of energy costs. Nyox may offer the same services to third-party operators too, although not as its main business. The

goal is to implement 500 MW of new photovoltaic capacity over five years. Upon reaching this target, Edison Next will be entitled to exercise its option to purchase the entire share capital of Nyox.

September 15, 2023 – Edison inaugurates a new hydroelectric power plant in Quassolo, in the province of Turin, thus taking yet another step forward in the development of power plants based on renewable energy and towards the national and EU’s decarbonisation targets. The Quassolo power plant, on the left bank of the Dora Baltea river, is a small run-of-the-river system with installed power of 2,700 kW and production capacity of 8,300,000 per year, meeting the energy needs of some 3,000 households and preventing 3,300 tons of CO₂ emissions per year. The construction of the power plant was supported by the population of the local municipalities, as well as by Edison Energia’s customers across Italy, who joined the “Edison Crowd per Quassolo” crowdfunding campaign launched by the Group in 2022. Every six months from April 30, 2022 until April 30, 2025, participants will receive a fixed annual gross interest (6% for the local population and 5% for Edison’s customers) on the amount invested.

Main events after September 30, 2023

October 4, 2023 – On its 140th anniversary, Edison presents its development strategy to 2030 and its ambitions for 2040, aimed at consolidating its commitment to the energy transition, its support to its customers and to the security and independence of the national energy system. Edison accelerates Italy’s path towards the energy transition through a plan that envisages investments of 10 billion euros between 2023 and 2030, 85% of which will be in line with the United Nations’ Sustainable Development Goals (SDGs). With this plan, the Group aims to double EBITDA to a range between 2 and 2.2 billion euros by 2030 from 1.1 billion euros in 2022. The goal will be achieved through a significant change in the industrial portfolio, which will result in zero or near-zero direct emission activities accounting for 70% of EBITDA, compared to an average of 35% over the last three years. This development will be financed through operating cash flows and a debt level in line with an investment grade rating. The 2030 business portfolio will see renewable energy generation accounting for over 45% of the Group’s profitability; services to industrial, residential and public administration customers will contribute about a quarter, and gas supply and thermoelectric power generation will account for 30%.

October 10, 2023 – Edison and KGAL, the German investment manager of the KGAL ESPF 4 renewable energy fund, announce the signature of a Power Purchase Agreement (PPA) for the construction of a 150 MW photovoltaic plant in the Lazio region (Italy). Under the ten-year agreement, Edison will collect all the renewable energy generated (certified by the relevant guarantees of origin), while KGAL will take care of building and operating the asset.

October 13, 2023 – Edison announces that, following the Algerian authorities’ approval of the agreements signed on May 4 and June 29, 2022, as per a decree published in the Official Gazette on October 12, 2023, the sale of its 11.25% stake in the Reggane Nord licence, in Algeria, to Repsol (6.75%) and Wintershall Dea (4.50%) has become effective.

October 24, 2023 – Edison announces the signature of a Power Purchase Agreement (PPA) for the construction of a photovoltaic plant with installed power of 87 MW in the province of Viterbo (Lazio, Italy). The PPA has a ten-year term and Edison will collect all the renewable energy generated, which will then be made available to its customers.

Documentation

Please note that Edison Group's Quarterly Report at September 30, 2023, which was approved yesterday by the Board of Directors of Edison Spa, will be available to the public from October 30, 2023 at the registered office, on the website of Edison Spa (<http://www.edison.it/it/bilanci-e-documenti-correlati>) and on the authorised storage platform "eMarket STORAGE" (www.emarketstorage.com).

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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 Quarterly Report at September 30, 2023 was not audited.

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 abridged consolidated financial statements.

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

Presentation formats

Consolidated Income Statement

(in millions of euros)	9 months 2023	9 months 2022
Sales revenues	14,103	22,842
Other revenues and income	139	100
Total net revenues	14,242	22,942
Commodity and logistic costs (-)	(11,958)	(21,131)
Other costs and services used (-)	(644)	(548)
Labor costs (-)	(300)	(258)
Receivables (writedowns) / reversals	2	(24)
Other costs (-)	(75)	(43)
EBITDA	1,267	938
Net change in fair value of derivatives (commodity and exchange rate risk)	4	(102)
Depreciation and amortization (-)	(347)	(288)
(Writedowns) and reversals	-	-
Other income (expense) non-Energy Activities	(161)	(53)
EBIT	763	495
Net financial income (expense) on debt	9	(7)
Other net financial income (expense)	(29)	70
Net financial income (expense) on assigned trade receivables without recourse	(39)	(17)
Income from (Expense on) equity investments	45	1
Profit (Loss) before taxes	749	542
Income taxes	(205)	(228)
Profit (Loss) from continuing operations	544	314
Profit (Loss) from discontinued operations	-	6
Profit (Loss)	544	320
Broken down as follows:		
Minority interest in profit (loss)	58	55
Group interest in profit (loss)	486	265

Consolidated Balance Sheet

	09.30.2023	12.31.2022
(in millions of euros)		
ASSETS		
Property, plant and equipment	4,015	3,967
Intangible assets	356	340
Goodwill	2,231	2,228
Investments in companies valued by the equity method	284	216
Other non-current financial assets	78	86
Deferred-tax assets	374	427
Non-current tax receivables	2	2
Other non-current assets	205	162
Fair Value	181	468
Assets for financial leasing	17	8
Total non-current assets	7,743	7,904
Inventories	308	387
Trade receivables	2,420	4,281
Current tax receivables	19	63
Other current assets	485	372
Fair Value	1,551	3,706
Current financial assets	23	17
Cash and cash equivalents	1,256	456
Total current assets	6,062	9,282
Assets held for sale	126	150
Total assets	13,931	17,336
LIABILITIES AND SHAREHOLDERS' EQUITY		
Share capital	4,736	4,736
Reserves and retained earnings (loss carryforward)	1,150	1,105
Reserve for other components of comprehensive income	40	(333)
Group interest in profit (loss)	486	151
Total shareholders' equity attributable to Parent Company shareholders	6,412	5,659
Shareholders' equity attributable to minority shareholders	412	389
Total shareholders' equity	6,824	6,048
Employee benefits	33	34
Provisions for decommissioning and remediation of industrial sites	194	192
Provisions for risks and charges	501	195
Provisions for risks and charges for non-Energy Activities	399	300
Deferred-tax liabilities	66	76
Other non-current liabilities	57	37
Fair Value	317	1,153
Non-current financial debt	740	709
Total non-current liabilities	2,307	2,696
Trade payables	2,022	3,778
Current tax payables	282	392
Other current liabilities	353	680
Fair Value	1,749	3,506
Current financial debt	358	200
Total current liabilities	4,764	8,556
Liabilities held for sale	36	36
Total liabilities and shareholders' equity	13,931	17,336

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, 2022	4,736	1,105	(333)	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	-	(1)	-	-	(1)	-	(1)
Total comprehensive profit (loss)	-	-	373	486	859	58	917
of which:							
- Change in comprehensive income	-	-	373	-	373	-	373
- Profit (loss) at September 30, 2023	-	-	-	486	486	58	544
Balance at September 30, 2023	4,736	1,150	40	486	6,412	412	6,824

(*) 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.