

PRESS RELEASE

EDISON CLOSES THE FIRST QUARTER OF 2023 WITH REVENUES AT 6.1 BILLION EUROS, WITH EBITDA AND PROFIT INCREASING TO 544 MILLION EUROS AND 288 MILLION EUROS RESPECTIVELY THANKS TO GOOD OPERATING PERFORMANCE

Milan, May 5, 2023 – Edison’s Board of Directors met yesterday and reviewed the Quarterly Report at March 31, 2023, which shows a solid performance across all businesses.

In the first quarter of the year, **EBITDA rose to 544 million euros** (by 52.4%) from 357 million euros in the first quarter of 2022. The growth was driven by the strong contribution of renewable power generation and the good performance of the segment Gas&Power Sales to end consumers, after a very difficult performance in 2022.

Edison Group ended the first quarter of 2023 with a **net profit of 288 million euros**, compared to 27 million euros in the first quarter of 2022, which included an early estimate of the extraordinary tax contribution as a result of the “Taglia prezzi” Decree (D.L. 21/2022).

Financial debt at March 31, 2023 stood at 169 million euros, compared to 477 million euros at December 31, 2022, thanks to the strong operating cash-flows which allow the Group to consolidate its position in the energy transition businesses.

EDISON GROUP HIGHLIGHTS

<i>million euros</i>	3 months 2023	3 months 2022
Sales revenues	6,120	7,111
EBITDA	544	357
EBIT	462	242
Net profit from <i>Continuing Operations</i>	311	66
Group net profit	288	27

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Scenario and energy market at March 31, 2023

In the first quarter of 2023, **electricity demand in Italy stood at 77.4 TWh, down 4%** from the same period in 2022. All generation sources decreased, with thermoelectric power generation – still the primary energy source in the country – falling more sharply (-13.9% to 45.1 TWh from 52.4 TWh in the first quarter of 2022). Hydroelectric fell too (-1.5% to 5.7 TWh from 5.8 TWh), while renewable power generation from wind and photovoltaic was substantially in line with 12.1 TWh. Conversely, imports in the period grew to 13.7 TWh (+43.4% from 9.6 TWh). Overall, about 82,4% of Italy's total electricity demand was met by domestic production. On the price front, the **Single National Price (PUN) averaged 157.2 euros/MWh in the quarter, down 36.9%** from 249.3 euros/MWh in the same period in 2022, mainly due to the reduction in thermoelectric generation costs and the contraction in demand.

Domestic gas consumption fell more sharply reporting a decrease of 18.9% to 20.7 billion cubic meters from 25.6 billion cubic meters in the first quarter of 2022. All gas consumption were down in the period – residential consumption dropped by 17.1% to 11.6 billion cubic meters, thermoelectric consumption by 26,9% to 5.3 billion cubic meters and industrial consumption by 13.2% to 3 billion cubic meters. This was mainly due to higher than average seasonal temperatures and the effects of the national plan to curb natural gas consumption. On the price front, **spot gas in Italy averaged 60.6 euro cents per cubic meter in the first quarter of 2023** (-41.6% from 103.7 euro cents per cubic meter in the first quarter of 2022). The drop came against a backdrop of increased Liquefied Natural Gas (LNG) supply and reduced demand, factors that, among other things, limited withdrawals from storage sites. Oil prices decreased too, averaging 82.2 US dollars per barrel in the first quarter of 2023, down 15.4% compared to the same period in 2022.

The Edison Group closed the first quarter of 2023 with **sales revenues of 6,120 million euros**, compared to 7,111 million euros in the same period of the previous year, due to the contraction in the volumes of natural gas sold, which brought the revenues in **Gas Operations** to 4,317 million euros (a decrease of 23.5% compared to the first quarter of 2022). Revenues from the **Electric Power Operations** grew, up 15% compared to the first quarter of 2022 to 2,620 million euros, mainly due to the increase in average contractual price. The perimeter also partially had a positive effect on the result, with the entry into operation of the Mazara 2 wind plant, the acquisition of a further 66 MW of wind power in Campania region and the entry into public lighting.

EBITDA stood at 544 million euros, compared to 357 million euros in the first quarter of 2022, thanks to the contribution of renewable sources, sales to the end market and gas operations, which benefitted from portfolio optimisation activities. As for downstream activities, the contribution of Edison Energia was strongly positive, reaching 2 million contracts for electricity, gas and value-added services; Edison Next's energy and environmental services also performed well, with the entry of Citelum Italia into the Group perimeter in May 2022, a leading company in public lighting.

The Group ended the first quarter of 2023 with **a net profit of 288 million euros**, compared to 27 million euros in the first quarter of 2022, which included an early estimate of the extraordinary contribution provided for by D.L. 21/2022 (so-called "Taglia prezzi" Decree).

Financial debt at March 31, 2023 stood at 169 million euros, compared to 477 million euros at December 31, 2022.

Outlook

In light of the results of the first quarter and a market context that continues to be characterized by high economic and geopolitical uncertainty, as well as high price volatility, the Group estimates a growth in Ebitda for 2023 in a range between 1.4 and 1.6 billion euros.

Main events during the first quarter 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 also 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 accelerates the implementation of new renewable capacity in Italy by planning to invest 5 billion euros to increase the Group’s renewable 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 photovoltaic installed capacity by 2 GW and to dedicate 1 GW to the development of renewables for green hydrogen production and to energy storage systems (such as pump storage and batteries).

Main events after March 31, 2023

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

Documentation

Please note that Edison Group’s Quarterly Report at March 31, 2023, which was approved yesterday by the Board of Directors of Edison Spa, will be available to the public from May 8, 2023 at the registered office, on the website of Edison Spa (<https://www.edison.it/en/reports-and-related-documents>), and via the electronic storage mechanism “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 March 31, 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.

Consolidated income statement

(in millions of euros)	1 st quarter 2023	1 st quarter 2022
Sales revenues	6,120	7,111
Other revenues and income	50	15
Total net revenues	6,170	7,126
Commodity and logistic costs (-)	(5,317)	(6,497)
Other costs and services used (-)	(192)	(164)
Labor costs (-)	(98)	(84)
Receivables (writedowns) / reversals	4	(2)
Other costs (-)	(23)	(22)
EBITDA	544	357
Net change in fair value of derivatives (commodity and exchange rate risk)	28	(19)
Depreciation and amortization (-)	(107)	(94)
(Writedowns) and reversals	-	-
Other income (expense) non-Energy Activities	(3)	(2)
EBIT	462	242
Net financial income (expense) on debt	-	(2)
Other net financial income (expense)	(7)	8
Net financial income (expense) on assigned trade receivables without recourse	(15)	(4)
Income from (Expense on) equity investments	(1)	(1)
Profit (Loss) before taxes	439	243
Income taxes	(128)	(177)
Profit (Loss) from continuing operations	311	66
Profit (Loss) from discontinued operations	-	-
Profit (Loss)	311	66
Broken down as follows:		
Minority interest in profit (loss)	23	39
Group interest in profit (loss)	288	27

Consolidated balance sheet

	03.31.2023	12.31.2022
(in millions of euros)		
ASSETS		
Property, plant and equipment	4,043	3,967
Intangible assets	341	340
Goodwill	2,228	2,228
Investments in companies valued by the equity method	215	216
Other non-current financial assets	103	86
Deferred-tax assets	364	427
Non-current tax receivables	2	2
Other non-current assets	157	162
Fair Value	358	468
Assets for financial leasing	9	8
Total non-current assets	7,820	7,904
Inventories	141	387
Trade receivables	3,388	4,281
Current tax receivables	60	63
Other current assets	392	372
Fair Value	3,135	3,706
Current financial assets	20	17
Cash and cash equivalents	951	456
Total current assets	8,087	9,282
Assets held for sale	146	150
Total assets	16,053	17,336
LIABILITIES AND SHAREHOLDERS' EQUITY		
Share capital	4,736	4,736
Reserves and retained earnings (loss carryforward)	1,254	1,105
Reserve for other components of comprehensive income	(115)	(333)
Group interest in profit (loss)	288	151
Total shareholders' equity attributable to Parent Company shareholders	6,163	5,659
Shareholders' equity attributable to minority shareholders	382	389
Total shareholders' equity	6,545	6,048
Employee benefits	34	34
Provisions for decommissioning and remediation of industrial sites	193	192
Provisions for risks and charges	302	195
Provisions for risks and charges for non-Energy Activities	289	300
Deferred-tax liabilities	70	76
Other non-current liabilities	38	37
Fair Value	637	1,153
Non-current financial debt	773	709
Total non-current liabilities	2,336	2,696
Trade payables	2,728	3,778
Current tax payables	532	392
Other current liabilities	346	680
Fair Value	3,207	3,506
Current financial debt	323	200
Total current liabilities	7,136	8,556
Liabilities held for sale	36	36
Total liabilities and shareholders' equity	16,053	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 (*)	-	-	-	-	-	(30)	(30)
Other changes	-	(2)	-	-	(2)	-	(2)
Total comprehensive profit (loss)	-	-	218	288	506	23	529
of which:							
- Change in comprehensive income	-	-	218	-	218	-	218
- Profit (loss) at March 31, 2023	-	-	-	288	288	23	311
Balance at March 31, 2023	4,736	1,254	(115)	288	6,163	382	6,545

(*) The amount refers to minority shareholders' dividends distributed by the subsidiary Edison Rinnovabili in March 2023.