Quarterly Report

AT SEPTEMBER 30, 2023

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Quarterly Report at September 30, 2023

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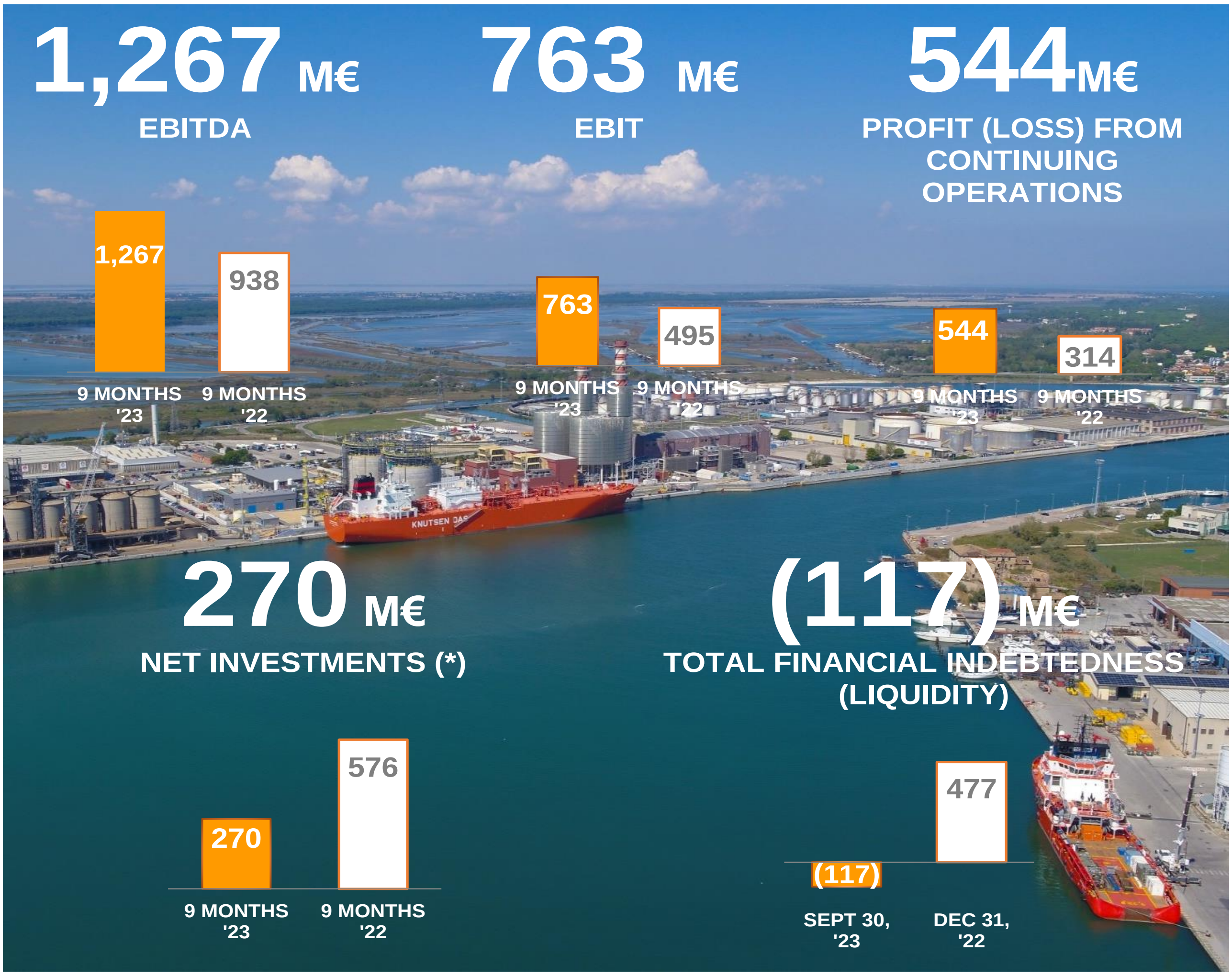
The document has been translated into English for the convenience of readers outside Italy. The original Italian document should be considered the authoritative version

Highlights



(*) Effect on indebtedness as described in paragraph Total financial indebtedness and cash flows.

Highlights 9 months 2023 (in millions of euros)	Electric Power Operations	Gas Operations (*)	Corporate	Eliminations	**Edison Group**
EBITDA	682	587	(2)	-	**1,267**
EBIT	424	491	(185)	33	**763**
Gross Investments (**)	212	34	19	-	**265**

(*) Including E&P business activities in Algeria
(**) Relating to increases of property, plant and equipment and of intangible assets during the period

Rating	**Standard & Poor's**		**Moody's**	
	09.30.2023	12.31.2022	09.30.2023	12.31.2022
Medium/long-term rating	BBB	BBB	Baa3	Baa3
Credit Watch/Outlook	Stable	Stable	Stable	Negative
Short-term rating	A-2	A-2		

Introduction

The preparation criteria of quarterly information

It should be noted that 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 2022 Consolidated Financial Statements.

A number of amendments to IFRS were adopted during the period. In particular, the amendment to **IAS 12 "Income Taxes"** should be noted: a transaction that is not a business combination may result in the initial recognition of an asset and a liability and, at the time of the transaction, affect neither accounting profit nor taxable income. This may be the case when recognising assets/liabilities for leasing or decommissioning. Depending on the applicable tax law, taxable and deductible temporary differences may arise in such transactions that are equal at the time of initial recognition of the asset and liability. The amendment clarifies that the exemption from recognising the deferred tax assets and liabilities provided by paragraphs 15 and 24 of IAS 12 does not apply to such temporary differences, therefore, any resulting deferred tax liabilities and deferred tax assets need to be recognised at gross values.

The Board of Directors, met on October 26, 2023, authorized the publication of Edison's Group Quarterly Report at September 30, 2023, which was not audited.

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

Changes in the Scope of Consolidation compared with December 31, 2022 – Acquisition and Disposal of Asset

The main changes in the period involved:

- the acquisition, executed on March 6, 2023 by Edison Spa, of 100% of the company **Felix Dyanmics**, operating in the mini-hydro sector, for a consideration of about 5 million euros, including the price adjustment, in addition to the repayment of a loan granted to the company by its previous shareholders for about 6 million euros; some earn-outs are also envisaged, subject to the fulfilment of certain conditions precedent;
- the sale, executed on June 19, 2023, of the 65% shareholding in the company **Termica Cologno**, operating in the thermoelectric sector, with a proceed of about 6 million euros; the sale determined the booking of a gain on disposals of about 2 million euros included in the EBITDA;
- the acquisition, executed on July 27, 2023 by Edison Rinnovabili, of 100% of the company **Tes Development**, dedicated to development projects in the photovoltaic sector, for a consideration of about 10 million euros; some earn-outs are also envisaged, subject to the fulfilment of certain conditions precedent. The company has been valued as Group of assets acquisition pursuant to IFRS 3 revised.

It should also be noted the following operations which do not have effects on the scope of consolidation:

- the merger, on April 1, 2023, of the company **Bonorva Windernergy** into **Edison Rinnovabili**;
- the acquisition, on June 21, 2023 of a further stake of about 11.3% of the company **Sistemi di Energia** by Edison Spa, which now owns about 99.5% of the company;
- the merger, on July 1, 2023, of the companies **Ambyenta**, **Ambyenta Campania** and **CEA Biogas** into **Edison Next Environment**;
- the acquisition, on September 12, 2023 by Edison Next, of 49% of the company **Nyox**, owned by Polytec for the remaining stake of 51%. The company, valued by equity method, operates in the construction of photovoltaic plants

for industrial customers. The acquisition occurred for a consideration of about 17 million euros; some earn-outs are also envisaged, subject to the fulfilment of certain conditions precedent;

- the changes, occurred in July and September 2023, to the shareholding structure of the company **Gaxa**, as a result of which Edison Energia, that previously owned 70% of the capital, now holds a shareholding stake of 95%, while the remaining 5% is owned by Italgas; therefore, the valuation of the options to purchase the minority stake of the capital is now referred to the remaining 5% not pertaining to Edison Energia.

Key Events

Edison Next alongside Iris Ceramica Group for H2 Factory™, the first green hydrogen industry for ceramic slabs

July 11, 2023 - Iris Ceramica Group, world leader in innovative solutions and large, high-end technical ceramic slabs for the design, furnishing and architecture sectors, and Edison Next, an Edison Group company that accompanies customers and territories on their path to decarbonisation and ecological transition, announce the signing of an agreement for the development of H2 Factory™, the new production plant in Castellarano (in the province of Reggio Emilia) that will use green hydrogen - i.e. fuelled by renewable energy - produced thanks to a cutting-edge customised system.

Gabetti Lab and Edison Energia announce the commissioning of the first three condominium energy communities

July 17, 2023 - Gabetti Lab and Edison Energia announce the commissioning of the first three condominium energy communities in Bergamo, San Lazzaro di Savena (BO) and Dalmine (BG). The agreement, started in 2021, includes an ambitious plan to develop condominium energy communities in Italy. The two partners to date have more than 40 agreements in place for more than 2 MW of photovoltaic capacity in Veneto, Emilia Romagna, Lombardy, Calabria and Piedmont. Edison Energia recently announced its goal of building 2,200 energy communities in the condominium sector for more than 120 MW of total photovoltaic capacity by 2030. The success of the partnership is demonstrated by the size of the existing portfolio, which is larger than the installed capacity at the end of 2022 of all energy communities in Italy.

Edison Next strengthens the partnership with Haupt Pharma Latina (Aenova Group) by continuing the energy transition with a new photovoltaic plant of over 1 MW

July 27, 2023 - Edison Next and Haupt Pharma Latina, an Aenova Group company, among the world leaders in the pharmaceutical field, take another important step along the road to decarbonisation of the Borgo San Michele production site in Latina, which, with 600 employees and 40,000 square meters of floor space, is one of the largest in the entire Aenova group and is located in an area considered to be the pharmaceutical hub of Lazio.

In particular, Edison Next, thanks to a 15-year contract signed with Aenova, will be responsible for the design, installation, maintenance and management of a new solar tracking photovoltaic plant with a capacity of 1.135 MW, to be installed on the ground within the production perimeter of the Latina site. The plant, which will be commissioned by the end of the year, will be able to produce more than 2,000 MWh per year.

Eni and Edison sign cooperation agreement for environmental work on historic former Montedison plants

August 1, 2023 - Eni and Edison announced that they have signed an agreement sanctioning cooperation between the two companies for the management of environmental remediation projects at all the industrial sites that Montedison transferred to Enichem in 1989. The agreement will regulate the equal economic competition for the remediation works, which have already been underway for some time by Eni companies, Eni Rewind and Versalis, in execution of the projects decreed by the Ministry of the Environment, inaugurating a new season of cooperation between Eni and Edison that will make use of the experience and technologies acquired by Eni Rewind and Edison Next Environment. Remediation activities will continue.

Edison Next joins Nyox, a Polytec company, leader in the design and construction of photovoltaic systems for the decarbonisation of Italian industry

September 13, 2023 - Edison Next and Polytec, an Italian company leader in industrial automation, artificial intelligence and the construction of plants for the production of energy from renewable sources, announce the establishment of a partnership that sees the entry of Edison Next in Nyox Srl.

The joint venture owned 51% by Polytec and 49% by Edison Next, focuses on turnkey construction (engineering procurement and construction) of photovoltaic plants. The new company's mission is to make new photovoltaic capacity available to Edison Next, enabling the latter to offer its industrial customers competitive solutions to decarbonise production processes and reduce energy costs. Nyox may, for a residual part, also offer the same services to third-party operators. The industrial objective is to build 500 MW of new photovoltaic capacity over a five-year period, at the end of which Edison Next will be able to exercise its option to purchase the entire capital of Nyox.

Edison inaugurates the new hydroelectric power plant in Quassolo (To) built with the participation of local communities

September 15, 2023 - Edison inaugurates its new hydroelectric power plant in Quassolo, in the province of Turin, confirming its role as a responsible operator committed to the energy transition and taking a further step forward in the development of renewable energy plants and the achievement of decarbonisation targets set at national and European level.

The Quassolo power plant, located along the left bank of the Dora Baltea River, is a small run-of-river plant with an installed capacity of 2,700 kW and a production capacity of 8,300,000 kWh per year, capable of satisfying the energy needs of about 3,000 households and avoiding the emission into the atmosphere of 3,300 tonnes of CO_2 per year.

Residents of the municipalities of Quassolo, Borgofranco di Ivrea, Quincinetto, Tavagnasco, Montalto Dora and Settimo Vittone, as well as Edison Energia customers from all over Italy, participated in the construction of the power plant by joining the crowdfunding campaign Edison Crowd for Quassolo launched by the Group in 2022, and thus choosing to become protagonists in the energy transition of their territory. Participants in the initiative are paid a fixed annual gross interest (6% for citizens of the six municipalities and 5% for Edison customers) on the sums invested, every six months from April 30, 2022 until April 30, 2025.

Edison will be Permanent Founder of Fondazione Teatro alla Scala

October 2, 2023 - Edison, already a Supporting Founder from 2020, will become a Permanent Founder of Teatro alla Scala. The commitment will be formalised in November 2023 with the co-option by the Assembly of the Fondazione Teatro alla Scala, chaired by Milan Mayor Giuseppe Sala.

The bond between Edison and Teatro alla Scala has deep roots. It was Edison, exactly 140 years ago, that first illuminated Teatro alla Scala, thanks to the electricity generated by the first thermoelectric power plant in continental Europe, in Via Santa Radegonda, just a few steps from Milan Cathedral.

Edison also confirms its commitment to the Teatro alla Scala by supporting for the thirteenth consecutive year the opening night on December 7 with Giuseppe Verdi's opera Don Carlo.

Edison turns 140 and announces a goal to double EBITDA to 2030 by accelerating activities in the energy transition

October 4, 2023 - On the 140th anniversary of the start of operations, Edison looks ahead and presents its development strategy to 2030 and ambitions to 2040, aimed at consolidating its commitment to the ecological transition to support customers and the security and autonomy of the national energy system.

Edison accelerates Italy's path in the energy transition through a plan that envisages investments of 10 billion euro between 2023 and 2030, 85% of which will be in line with the Sustainable Development Goals (SDG) of the United Nations Organisation.

With this plan, the Group aims to double its EBITDA to a range of 2 to 2.2 billion euro in 2030 from 1.1 billion euro in 2022. This will be achieved through a significant change in the industrial portfolio, which will result in direct zero or near-zero emission activities accounting for 70% of EBITDA compared to the average of 35% over the last three years. This development will be financed through operating cash flows and a debt level in line with investment grade ratings.

The business portfolio to 2030 will see renewable electricity generation accounting for more than 45% of the Group's profitability, services to industrial, domestic and public administration customers will contribute about a quarter, and gas and thermoelectric generation will account for 30%.

Edison and Kgal sign agreement for the development of a 150 MW photovoltaic plant

October 10, 2023 - Edison and the German renewable energy fund manager KGAL, KGAL ESPF 4, announce that they have signed a Power Purchase Agreement (PPA) for the construction of a photovoltaic plant in Lazio. With an installed capacity of around 150 MW, the plant will be one of the largest photovoltaic plants in Italy. The agreement has a ten-year term and provides for the collection by Edison of all the renewable energy produced (certified by the relevant guarantees of origin), while KGAL will take care of the construction and subsequent operational management of the asset. According to estimates, the plant will produce around 240 GWh per year, avoiding the emission into the atmosphere of more than 100,000 tons of CO_2 equivalent per year.

Edison: sale of the stake in Reggane Nord to Repsol and Wintershall Dea

October 13, 2023 - Edison announces that, following the approval by the Algerian authorities - with a decree published in the official gazette on October 12, 2023 - of the agreements signed on May 4 and June 29, 2022, it has completed the sale of its 11.25% stake in the Reggane Nord licence, in Algeria, to Repsol (6.75%) and Wintershall Dea (4.50%). The Reggane Nord field produces gas entirely sold to Sonatrach on a long-term basis.

The Company informs that the value of the transaction is confirmed to be, as previously announced, of approximately 100 million dollars (as of the reference date of January 1,2022), and all other terms and conditions remain unchanged.

Edison signs a new PPA for the development of an 87 MW photovoltaic plant in Lazio region and the purchase of green energy

October 24, 2023 - Edison announces the signature of a 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.

External Context

Economic Framework

In the first half of 2023, the global economy proved to be more resilient than expected. However, growth prospects remain weak, due, on the one hand, to the return of the supportive fiscal policies initiated to cope with the effects of the COVID-19 pandemic and, on the other hand, to the effects of the restrictive policies implemented by monetary authorities to contain the high levels of inflation that the global economy has had to face since the end of 2021. Together with the rapid increase in official rates, interest rates for mortgages and loans have also risen, contributing to the worsening of confidence among households and businesses.

Despite the restrictive monetary policies adopted on a global scale, inflation still dominates in 2023. Specifically, while in the first part of the year overall inflation appeared to be falling, thanks to lower food and energy prices, the core component (which excludes the more volatile energy and food items) nevertheless remained persistent, led by the services sector and labour markets that were still unbalanced on the demand side, and largely above central bank targets. There is therefore a risk of a further tightening of monetary policies, with possible new interest rate hikes or keeping interest rates at high levels for a longer period of time.

Now, the explosion of the dramatic crisis in the Middle East, in addition to triggering yet another humanitarian emergency and undermining the already delicate global geopolitical balance, has already had its first effects on the prices of energy raw materials, which have started to grow again, throwing therefore new fuel on inflation. And it once again throws the world stage into a condition of extreme uncertainty which will impact inflation and economic growth.

Before the explosion of the conflict in the Middle East, forecasts for the current year were for global GDP growth of around 3%, estimated to slow down by about half a percentage point in 2024. Much of the growth will continue to come from Asia, despite a weaker-than-expected recovery in China, which is dealing with a deep crisis in the real estate sector. World trade will also continue to be affected by the weakening of the Chinese economy and its failure to support the dynamism of international markets as it did in the past.

As for inflation, the new shocks in the energy sector following the explosion of the Middle Eastern crisis, will likely push away the gradual moderation that was expected during 2023, (estimated at +5.3% by Prometeia) and 2024 (+4.0%), while still remaining above central bank targets in most economies. Uncertainty about the dynamics of world inflation also affects the prices of agricultural and food products, as we cannot exclude new tensions linked to the evolution of the Russian-Ukrainian conflict, as well as the possible negative effects of El Niño on harvests and therefore on the international prices of some of these commodities.

Therefore, as long as inflationary pressures remain, with the risk of new price increases, further tightening of monetary policies cannot be ruled out a priori, even though we have probably reached the end of the upward phase of policy rates both in Europe and in the United States (but not in China), the effects of which, however, have not yet been completely exhausted.

Looking at the main economic areas, the United States and Europe slowed down their growth significantly, but avoided going into recession thanks to the good performance of employment, which enabled households' disposable incomes and thus consumption to hold steady (albeit with differences between European countries).

Economic growth in the US (estimated in September at about +2% in 2023) appears stronger than in Europe, although not enough to drive the world economy. American households are in fact reducing their propensity to save, resorting to the hoard accumulated during the pandemic, which, however, is now being depleted. Consumption was also supported by the good resilience of the labour market, which was accompanied by wage growth that, in turn, limited the erosion of household purchasing power. Inflation dynamics in the United States are also better, with inflation at lower levels than in Europe (and expected in September to be around 4% in 2023).

As for Europe, the greater fragility of its economic growth (estimated in September at around 0.5% for this year), compared to the United States, stems from the lower resilience of household spending. Among the weakest factors in consumption on the European continent is first of all the fact that real wages have fallen more than in the United States; however, domestic demand in Europe appears weaker also due to the greater intensity of the shocks experienced in recent years (soaring energy costs and proximity to war zones), the greater sensitivity of households to inflation levels (and the more marked cautiousness that characterises them) and the greater uncertainty of businesses about future demand. The propensity of households to save has in fact returned to growth in 2023, and remains higher than pre-pandemic levels. Despite the good performance of the labour market (the unemployment rate hit an all-time low in July, falling to 6.4%), the share of national income associated with labour was lower than that attributable to corporate profits, in contrast to the United States. As a result, while on the one hand, weakness on the household consumption front keeps the risk of demand-side inflationary pressures low, contributing to weak growth in European economic activity, on the other hand, relatively stronger companies will be able to drive the recovery once the uncertainty in the outlook on global demand, price dynamics of production factors and inflation in general is reduced. On the latter front, until the explosion of the conflict between Israel and Hamas, in Europe it was mainly the core of inflation that was slow to ease. In fact, overall inflation had come down more due to the mitigation measures taken by some countries' governments and which have distorted the energy component downwards, but which are destinated to be depleted. For the current year it was expected to be just over 5%, but the dramatic events underway could push it higher again.

Finally, while the United States and Europe are dealing with restrictive monetary policy actions (the raising of policy rates has resulted in higher corporate and mortgage lending rates), China is in a cyclical situation that requires economic policy to support growth. For the Asian giant, the main problem is not the cooling of prices, but the risk of falling into deflation. The biggest difficulties concern the real estate sector, which is crucial for the country's economy. The deep crisis that its real estate sector is going through will lead to GDP growth in the coming years below the government target (around 5%), due to the persistent mistrust of households and the high uncertainty in the outlook for businesses, as a result of weak domestic demand and international trade and political tensions. Far below what the Chinese monetary authorities would like to see is also the level of inflation (forecast at +1.5% in 2023), with a significant contribution to the global disinflationary process, which in turn benefits from the weakness of the real estate sector that helps to avoid inflationary pressures in the international metals markets, for which China is the main player.

In this macroeconomic context, in Italy, after the positive rebound in the first quarter that had spread moderate optimism, in the second quarter, GDP recorded a sharp slowdown (-0.4% compared to the previous quarter), fuelling the belief that the expansionary phase may have ended, in line with the slowdown of the global one. In fact, economic indicators point to a stagnant fourth quarter of 2023, which is why Prometeia, in its September Report, revised its GDP growth estimates for 2023 downwards: from +1.1% in July, they drop to +0.7%, and even more critical appears to be 2024, when growth is expected to stop at 0.4%.

In addition to trends related to the slowdown in global trade, there are three main domestic factors that constrain the pace of growth in our country:

1) the worsening of domestic demand reflecting, on the one hand, the stagnation of household spending (due to inflation, rising costs and the resulting loss of purchasing power of wages) and, on the other hand, the fall in government spending and investment. Investments are heavily affected by the weakening of tax incentives, in particular the instrumental ones of Industry 4.0 (which have been halved) and those related to construction of the Superbonus and the façades Bonus (which was not extended);

2) the margins for expansionary policies are reduced: minus the financing of public contracts, indispensable expenditure to ensure social cohesion and tax debts resulting from construction bonuses (80 billion euro that must be honoured in the next four years), the resources available for new support measures are really limited to a few tenths of GDP. It is therefore clear that there will be little room for manoeuvre as debt financing, due to rising rates, weighs increasingly heavily on public accounts;

3) the risk that the contribution of the PNRR (National Recovery and Resilience Plan) will continue to remain meagre: the changes proposed by the government to the EU (15.9 billion in revocation of financing and a re-composition that reduces public investments and increases contributions to private ones) will in fact lead to cancellations and delays in the implementation of projects that will be added to the already substantial ones of 2021 and 2022, effectively weakening the positive impact expected for the two-year period 2023-2024; suffice it to say that 18 out of the 69 targets envisaged in the original timetable for the second half of 2023 will be eliminated or postponed.

In the meantime, the consumer price index, which had begun to slow down due to the decline in the most volatile components, from energy prices to fresh food, could now, following the new conflict, start to grow again; while the slowdown of the core component was still limited. In the coming months, the forecast of a continuous slowdown that would bring consumer inflation to 5.7% on average for the year, down from 8.2% in 2022, could be disregarded. In any case, it is necessary to be aware that the economy is set to settle at permanently higher price levels than in the pre-COVID period: +70% for energy, +20% for food, +10% for other goods and services. Bills and shopping carts will therefore remain sky-high, while wage growth will not allow for a recovery of the loss of purchasing power and, more generally, the financial wealth accumulated by households will also suffer a reduction in its real value.

From 2025, in the absence of other significant shocks, the Italian economy could return to its pre-crisis average growth rates with moderate inflation; this is because the implementation of the PNRR would make it possible to keep the economy on a positive per capita GDP growth path despite the fading impulse of fiscal policy, which is dealing with the objective of bringing indebtedness below 3% and debt on an obligatory downward path.

To conclude, a positive note on the employment front: after the drop recorded in July, in August 2023, ISTAT recorded an increase of 59 thousand units compared to the previous month, especially among fixed-term employees. The number of employed persons thus stood at 23 million 593 thousand, with a trend increase of 550 thousand permanent employees and 48 thousand self-employed, while the number of fixed-term employees was less than 74 thousand.

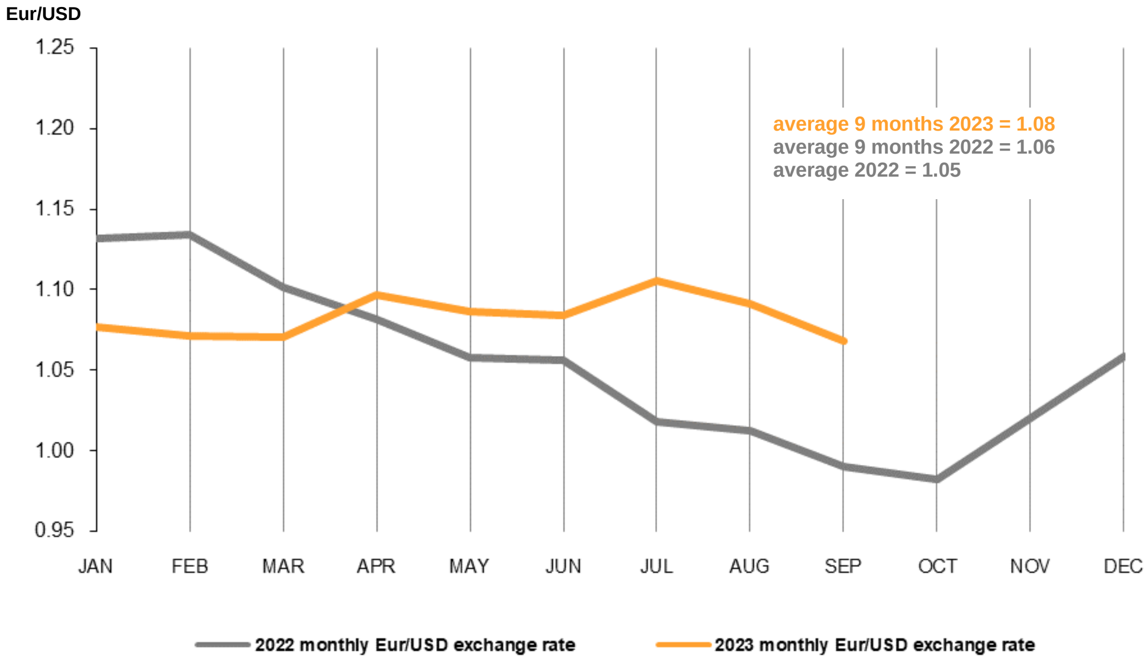
In the first nine months of 2023, the euro appreciated overall against the US dollar compared with the same period in 2022: the average Eur/USD exchange rate stood at 1.08, marking an increase of 1.7%. This was mainly related to the more restrictive policy of the ECB, which had moved later than the FED last year to counteract rising inflation, and thus compensated for this delay with higher rises than the US institution in 2023.

Looking at the monthly trend in 2023, there was a prevailing upward trend in the first half of the year, which allowed the Eur/USD exchange rate to move higher from April onwards than in the same period last year. In the third quarter of the year, the exchange rate declined, leading to a depreciation of the euro on a cyclical basis in the wake of the different performance of the US and European economies.

In the United States, the FED, after the sharp interest rate hikes in 2022, decreased the aggressiveness of its monetary policy. In fact, the US central bank raised rates by 25 basis points in February, March and May, then held the level steady in June, made a further 25 basis point increase in July and held rates steady in September. Thus, US interest rates currently hover in the 5.25-5.5% range. In the third quarter of 2023, the US economy showed signs of resilience, increasing the chances of a soft landing of restrictive monetary policy and dispelling concerns about a possible recession, which had characterised the first part of the year. This context, combined with inflation still at high levels, has fuelled expectations for further rate hikes by the FED in the coming months.

In the Eurozone, the ECB started the year with a more restrictive approach, hiking its main rates twice by 50 basis points in the first quarter, then raising them further by 25 basis points in each of the next four sessions, bringing the main refinancing rate to 4.5% in September, the highest level since 2001. In total, the interest rate differential between the two sides of the ocean therefore decreased by 100 basis points during 2023, going from 2% at the end of 2022 to 1% in September. The ECB, however, hinted that interest rates could remain stable in the coming months, also in light of the possible persistence of the current weak phase in the economy. The ECB quarterly macroeconomic forecast, released in September, saw a downward revision of the GDP growth estimate to 0.7% in 2023 (compared to 0.9% indicated in June) and 1.0% in 2024. Instead, the inflation forecast was revised upwards, to an average of 5.6% in 2023 (compared to the June estimate of 5.4%), and then downwards to 3.2% in 2024.

The monthly development of the exchange rate for this year and the previous year is depicted in the following graph:



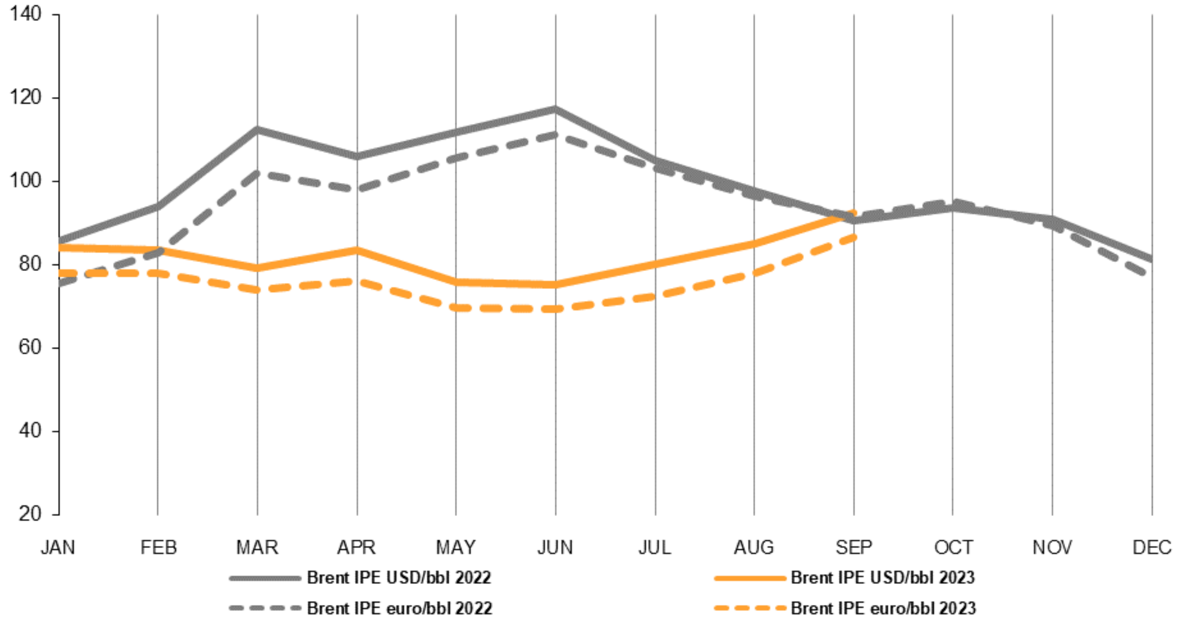
With regard to oil markets, the average Brent price for the first nine months of 2023 was 82.1 USD/barrel, 19.7% lower than the average recorded for the same period of 2022. In the first half of the year, prices were mostly bearish, driven by uncertainty about the global economic scenario. In fact, interest rate hikes by the major central banks created expectations of worsening economic growth, and consequently negatively impacted expectations of oil consumption. The recovery of household and corporate spending in China, the largest oil importing country globally, was slower than expected, limiting the recovery of oil demand. During the third quarter, prices rose as a result of extended production cuts by OPEC+ alliance countries. In addition to the supply reductions provided for in the OPEC+ agreement - extended to the end of 2024 - there were voluntary cuts decided by individual producers. In particular, Saudi Arabia has since July implemented an additional cut of one million barrels/day, which was extended in September until the end of the year. Likewise, Russia made similar decisions with a reduction of 300 thousand barrels/day. As a result, prices rose significantly in September, exceeding 90 USD/barrel for the first time in 2023, receiving support from the prospects of lower global supply in the latter part of the year. The improved economic outlook in the United States and China further supported prices in the third quarter. The Chinese authorities, in particular, have taken several stimulus measures for the economy in recent months, including an unexpected interest rate cut by the central bank in August.

The price of crude oil in Euro stood at an average of 75.8 euro/barrel, down by 21.2% over the first nine months of 2022. This decrease was higher than that in US dollars due to the strengthening of the euro. The table and chart that follow respectively show the average values for the quarter and the monthly trends for this year and the previous year:

	9 months 2023	9 months 2022	Change %	**Q3 2023**	Q3 2022	Change %
Oil price USD/bbl(1)	82.1	102.2	*(19.7%)*	85.9	97.7	*(12.0%)*
USD/EUR exchange rate	1.08	1.06	*1.7%*	1.09	1.01	*8.1%*
Oil price in EUR/bbl	75.8	96.2	*(21.2%)*	79.0	96.9	*(18.5%)*

(1) Brent IPE

USD/barrel



The Italian Energy Market

Demand for Electric Power in Italy and Market Environment

TWh	**9 months 2023**	9 months 2022	Change %	**Q3 2023**	Q3 2022	Change %
Net production:	196.8	211.5	*(7.0%)*	71.2	72.7	*(2.0%)*
- Thermoelectric	121.9	145.4	*(16.2%)*	42.2	49.9	*(15.4%)*
- Hydroelectric	29.1	23.0	*26.7%*	12.3	8.5	*44.9%*
- Photovoltaic	25.7	23.4	*9.7%*	10.6	9.0	*18.3%*
- Wind power	16.1	15.6	*3.1%*	4.7	4.0	*19.8%*
- Geothermal	4.0	4.1	*(2.4%)*	1.3	1.4	*(1.4%)*
Net import/export balance	37.4	32.6	*14.8%*	11.3	11.1	*1.4%*
Pumping consumption	(1.7)	(2.0)	*(14.3%)*	(0.5)	(0.7)	*(24.1%)*
Total demand	**232.5**	**242.1**	***(4.0%)***	**82.0**	**83.1**	***(1.4%)***

Source: processing of preliminary 2023 and 2022 TERNA data, gross of grid losses.

Gross electricity demand in Italy in the third quarter 2023 decreased by 1.4 % compared to the same period in 2022, to 82 TWh (TWh = billion KWh). Strong decreases in electricity demand were observed in July (-3.3%, -1 TWh) and August (-1.1%, -0.3 TWh). Conversely, electricity consumption showed a timid recovery in September (+0.8%, +0.2 TWh year-on-year).

Looking at the contribution to the electricity balance by national source over the third quarter, firstly, an increase can be seen in the contribution of renewables to the national production mix. In the past three months, hydroelectric generation increased by about 45% year-on-year (+3.8 TWh). For photovoltaic and wind power sources, the increase was smaller, amounting respectively to +18.3% (+1.6 TWh) and +19.8% (+0.7 TWh) year-on-year.

As a result, generation from thermoelectric plants contracted by a total of 15.4% (-7.7 TWh) compared to a year ago. The sharpest decline was observed in August (-3.3 TWh, -21% year-on-year).

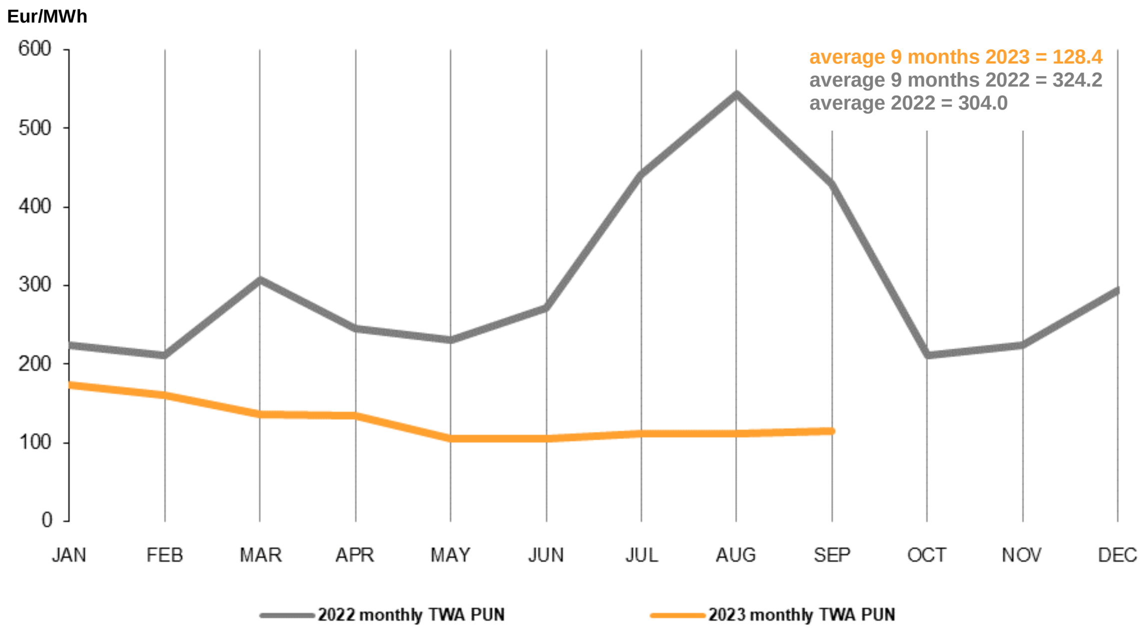
Overall, net energy production at national level decreased by 2% year-on-year in the previous three months (-1.5 TWh). Over the first nine months of the year, the decrease was more pronounced at 7% (-14.7 TWh) compared to the same period in 2022.

Completing the scenario are net imports, which showed a slight increase in the third quarter compared to last year (+1.4% or 0.2 TWh, year-on-year). Overall, domestic production covered 86.3% of demand in the quarter. As a result of the increased import flows, this value decreased slightly compared to the previous year (86.7%).

With reference to the price scenario at September 30, 2023, the average listing in the first nine months of 2023 of the time weighted average (TWA) of the single national price (abbreviated as “PUN” in Italian), came in at 128.4 euro/MWh, a significant decrease, down 60.4% against the figure related to the same period of the previous year (324.2 euro/MWh). In the third quarter of 2023, the average price was 113.2 euro/MWh, a sharp decrease on a trend basis when compared to the highs reached in the third quarter of 2022 (472.0 euro/MWh), while compared to the second quarter of 2023, the decrease was less pronounced, at -1.8%.

The decline in prices compared to 2022 was mainly driven by the marked drop in gas costs and took place against a backdrop of declining electricity consumption, impacted by the slowdown in economic growth. Looking at the monthly trend of the PUN, prices showed a downward trend during the first six months of the year, only to show a limited rise in

the summer quarter, characterised by a seasonal increase in demand for cooling. In any case, the lower tensions observed in the gas market limited the rise, especially in comparison with the high levels observed during 2022.
Beginning in May, there was an increase in rainfall, which brought reservoir levels in Italy back in line with what had been observed in the previous five years and favoured an increase in hydroelectric generation. The lowest PUN value of the year was reached in June when it stood at a monthly average of 105.3 euro/MWh, the lowest value since summer 2021. The most pronounced annual deviation occurred in August with a contraction of 79.4%, due to the historical peak reached in the same month last year. Furthermore, prices were influenced by the significant improvement in the available capacity of the French nuclear park compared to the very low values of 2022. As a result, imports into Italy, especially from France and Switzerland, increased by around +15% compared to the first nine months of 2022.
The following graph shows the comparison of the monthly trend between the two years under review:



As regards zonal prices, the bearish dynamic of the first nine months of 2023 was confirmed in all zones, with prices decreasing by around 60% compared to the nine months of the previous year. The most significant contraction occurred in northern areas, which were most affected by the increase in hydroelectric production and imports from France. The F1, F2 and F3 hourly groups showed decreases across the board compared with the first nine months of 2022 (-61.5%, -59.6% and -60.1%, respectively), in line with the PUN.
As was the case in Italy, prices were down in other countries: in France, quotations decreased by 65.5%, reaching 102.4 euro/MWh. The decrease was more pronounced than observed in neighbouring markets due to increased nuclear generation, the availability of which returned in the summer to levels around the average of the last five years, after last year's extensive maintenance had significantly reduced nuclear output. The German market saw prices more than halve to an average of 99.5 euro/MWh; this drop was driven by the robust availability of capacity from renewable sources. In mid-April, Germany completed the phase out from nuclear power, with the closure of the last three reactors, and this led to an increase in imports in the following months, mainly from France.

Demand for Natural Gas in Italy and Market Environment

in billions of cubic meter	**9 months 2023**	9 months 2022	Change %	**Q3 2023**	Q3 2022	Change %
Services and residential customers	18.2	20.9	*(13.2%)*	2.6	2.7	*(2.1%)*
Industrial use	8.5	9.2	*(6.9%)*	2.7	2.6	*3.2%*
Thermoelectric fuel use	15.8	19.3	*(17.9%)*	5.9	6.5	*(8.4%)*
Consumptions and system losses	3.0	2.0	*50.4%*	1.2	0.5	*127%*
Total demand	**45.5**	**51.4**	***(11.4%)***	**12.4**	**12.2**	***1.0%***

Source: Snam Rete Gas (2022 and January-July 2023: final financial statements data, August and September 2023: provisional financial statements data).

In the third quarter of 2023, domestic demand for natural gas gained approximately 0.2 billion cubic meters (+1%) compared to the same period in 2022. August and September are the first two months of 2023 to close in the positive compared to the corresponding months of 2022, after the first seven months of this year had recorded negative differentials compared to the previous year. The positive dynamics in the third quarter 2023 was due to a slight recovery in the industrial sector, which increased by 3.2% compared to the same period last year. In addition, the item “consumptions and system losses”, which also includes total exports from the Italian system, also shows a significant delta compared to the same period in 2022, amounting to approximately +0.7 billion cubic meters (+127%). Italy, in fact, recorded significant outflows to Austria and Switzerland during the third quarter of 2023, especially during the month of August. On the other hand, the services and civil uses sector recorded a decrease of 2.1% (approximately -0.1 billion cubic meters), while thermoelectric uses showed the largest decrease (-8.4%, or -0.6 billion cubic meters), mainly due to the marked contribution of renewables.

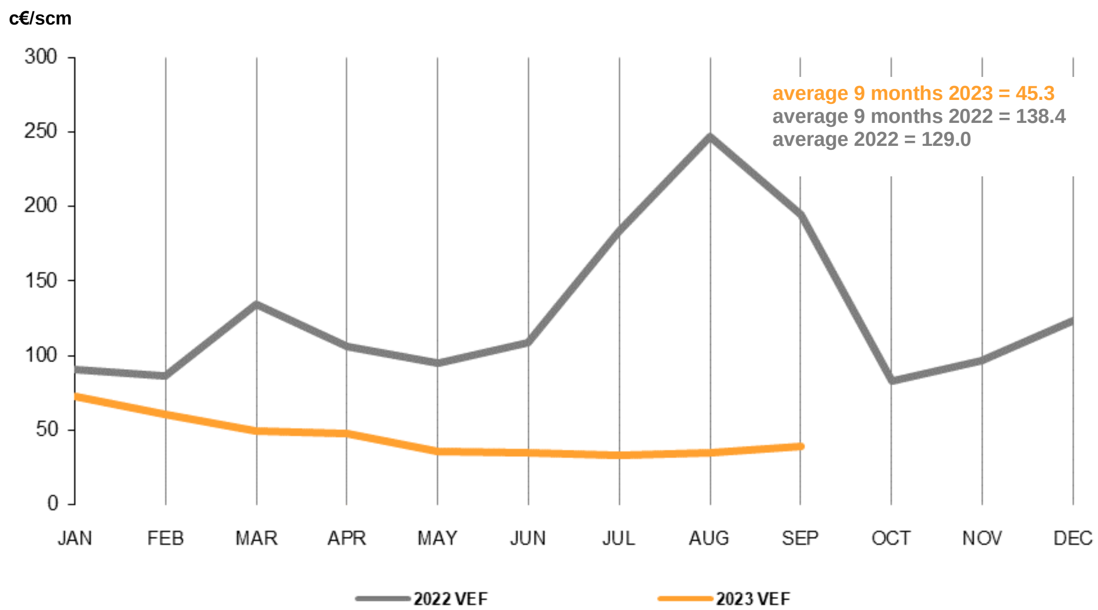
As for supply sources, the following developments characterised the third quarter of 2023:

- a slightly declining national production (-0.1 billion cubic meters vs 2022);
- a decrease in gas imports (-2.7 billion cubic meters vs 2022);
- a sharp decrease in the volumes injected into storage (-3.0 billion cubic meters vs. 2022), due to the high filling level reached at the end of March 2023 and at the end of the second quarter 2023. The filling level of storage at the end of September (gross of strategic storage) was over 96%.

The spot gas price in Italy during the first nine months of 2023 marked a significant decrease, down more than three times (-67.2%) compared to the prices for the same period of 2022, settling at an average of 45.3 c€/scm. During the third quarter, an average value of 35.9 c€/scm was recorded, down sharply from the average of 208.1 c€/scm of the same period last year.
At the European level, prices have been falling since the beginning of the year as a result of continuing high arrivals of Liquefied Natural Gas (LNG) cargoes, also favoured by weak competition with Asian markets, and reduced demand, offsetting the sharp drop in Russian gas supply. During the first quarter, the drop in gas demand was driven by favorable weather conditions, self-induced cost-saving measures against high prices, and containment plans established by European countries. This situation led to a limited need for storage injection during the summer season, with European depots reaching their 90% filling target during August, well ahead of the November 1 deadline set by the European Regulation introduced in 2022. By September 30, 2023, the storage sites were more than 95% full.
After the year's low reached in July (33.3 c€/scm), August and September saw an upward trend in VEF due to a particularly large maintenance programme at the Norwegian production fields, which also saw some delays, postponing the return of normal gas flows for most of September. In addition, uncertainty about a likely strike at three major LNG production plants in Australia, collectively responsible for about 10% of global supply, fuelled concerns about increased

competition for LNG procurement. In the first weeks of September, Chevron's two plants went on strike. However, the impact on European markets was limited, due to the short duration of the protests and weak European demand.

The VEF-TTF spread recorded an average of 2.3 c€/scm in the first nine months, up by 0.6 c€/scm on the average value of 1.7 c€/scm observed in the first nine months of 2022. In the third quarter, the average spread was 0.9 c€/scm, up with respect to the average of 0.4 c€/scm of the same period of 2022. The year-on-year widening of the differential between the two hubs was mainly driven by the increase in import flows from northern Europe via Passo Gries during the first half of the year. The comparison with last year is also influenced by the fact that in September 2022 there was a significant reversal of the differential, at -6.0 c€/scm, due to the high tensions in Northern Europe, caused by the sabotage of the Nord Stream pipeline. Gas imports from Russia at the Tarvisio entry point decreased significantly, with the share in the import mix standing at an average of 5% compared to 19% in the first nine months of 2022. Also in Tarvisio, in the opposite direction, from October 2022, there was an increase in exports to Austria.
The chart that follows shows the monthly trend compared with the previous year:



Legislative and Regulatory Framework

Below are the key points of the main developments concerning the legislative and regulatory framework relative to the third quarter of 2023, for the various areas of the corporate business.

Electric Power

Environment

New Agrisolar Park Decree – The Ministerial Decree was published in the Official Gazette no. 152 of July 1, 2023 (Decree of the Minister of Agriculture, Food Sovereignty and Forestry (MASAF) of April 19, 2023 "Interventions for the construction of photovoltaic systems to be installed on buildings for productive use in the agricultural, livestock and agro-industrial sectors") and provides the necessary directives for the implementation of the measure "Agrisolare Park", Mission 2, Component 1, Investment 2.2, through the provision of a non-repayable contribution for the construction of photovoltaic systems on buildings for productive use in the agricultural, livestock and agro-industrial sectors. For the years 2022 to 2026, available resources amount to 1,500 million euros from the funds of the PNRR, Mission 2, Component 1, Investment 2.2. and, following the Decree of December 21, 2022 and Decree of March 30, 2023, residual resources amount to approximately 993 million euros.

New Agrisolar Park Notice – on July 21, 2023, a new Notice was issued pursuant to the MASAF Decree of April 19, 2023, which provided for the submission of applications via the GSE IT Platform, starting at 12:00 noon on September 12, 2023 and ending at 12:00 noon on October 12, 2023.

Wholesale Market

Resolution 345/2023/R/eel approval of the "Text Integrated on Dispatching of Electricity" (TIDE). In March, the consultative process concerning the TIDE draft proposed by ARERA (or the Authority) was concluded (DCO 685/2022). Following this latest consultation, and after evaluating the comments received, ARERA published Resolution 345/2023/R/eel on July 28, approving the final version of the TIDE.
The TIDE constitutes the basic regulatory framework for the dispatching service, understood as "the activity of making arrangements for the coordinated use and operation of production plants, the transmission grid and ancillary services", which thus includes both the spot energy markets and the procurement procedures for ancillary services and balancing and re-dispatching. The TIDE defines regulation aimed at the efficient use of resources connected to the electricity system, optimising dispatching for the safe operation of the system within the framework of the current design of the European electricity markets. The approved provisions will enter into force on January 1, 2025, as ARERA mandates Terna and GME to initiate the necessary updates to the Grid Code and the TIDME (Text Integrated on the Discipline of the Market for Electricity) respectively by March 31, 2024.
More specifically, the Authority has essentially confirmed the approach of the document proposed in the consultation, net of a few changes that take into account the comments of the operators, Terna and GME. Among the most relevant changes is the one concerning the new mechanism to support the development of new storage capacity, defining, among other things, special, dedicated "commercial storage units" to which time shifting products are associated.

Gas

Rates and wholesale market

Reform of the capacity allocation processes at the redelivery points of the transportation network – With Resolution 334/2023/R/gas, ARERA indicated further provisions for the start of the reform of the capacity allocation processes at the redelivery points of the transportation network (city gates), confirming their start-up on October 1, 2023. With Resolution 418/2023/R/gas, ARERA then approved the updates to the Snam Rete Gas and Società Gasdotti Italia (SGI) Codes proposed for the purposes of implementing the new discipline on capacity allocation to city gates.

Retail Market

Electricity: provisions for the end of protection and treatment of vulnerable customers – The Decree of the Ministry of the Environment and Energy Security of May 18, 2023, no. 169 (so-called “End Protection”) regulated the criteria and modalities for the transition to the market of non-vulnerable domestic customers supplied under the greater protection service and the provisions to ensure the provision of the **Graduated Protection Service** (STG) as a service of last instance by auction. ARERA, following up on the May consultation, published Resolution 362/2023/R/eel defining the discipline for the provision of the STG for non-vulnerable domestic electricity customers (about 5.5 million) and the related allocation auctions. With reference to the design of the procedures and the characteristics of the domestic STG, compared to what was proposed in the consultation, ARERA has confirmed most of the contents and the proposal follows in some aspects what has already been provided for micro-enterprises.
Furthermore, the Regulator highlights that it may be necessary to change the timing of the process to meet the deadline of January 10, 2024 (deadline by law for the holding of the auctions), as it is conditioned by the results of ongoing investigations into the methods for implementing the provisions referred to in Legislative Decree no. 48/23 regarding the social clause for contact centers.
Finally, with a separate provision (Resolution 383/2023), ARERA has defined the methods for identifying vulnerable electricity customers. These, if still served with greater protection, will not be subject to the STG auction procedures, and will receive information to be informed of their condition and their rights.

Flood: suspension of payment terms for flooded populations – In implementation of Decree-Law June 1, 2023 no. 61, which provides for urgent measures to cope with the emergency caused by the flooding events that occurred starting on May 1, 2023 in part of the territory of Emilia-Romagna, in some municipalities of the province of Pesaro and Urbino and in the metropolitan city of Florence - also known as the “Flood Decree” - ARERA adopts urgent provisions in favour of the populations affected by the exceptional weather events.
The measure concerns the payment terms of electricity and gas bills issued or to be issued that fall due in the period from May 1, 2023 to August 31, 2023 and at the end of the suspension period, electricity and gas sellers are obliged to offer their customers an instalment plan for the suspended amounts, spread over a minimum period of 12 months, without discrimination and without charging interest. During the suspension period, the actions on arrears provided for by the Authority's regulation are also suspended, even if they occurred before the flood events. With a subsequent provision, ARERA extended until October 31, 2023 the suspension period of the payment terms of bills and payment notices for users already identified in the previous provision. The users concerned had to send a self-declaration to their operators by August 31 certifying the location of their utility in the areas affected by the aforementioned flood events.

Gas storage auctions for the thermal year storage 2023-2024 – Following the provisions of the MASE Guideline of March 6, 2023, the MASE Decree of March 31, 2023 and ARERA Resolutions 93/2023/R/Gas and 150/2023/R/Gas, Edison offered its available capacity to market users in the auctions of March 13 and 14, 2023 and April 5 and 6, 2023, conferring it in full (for a total of 902 MScm of space offered and conferred). During the third quarter of 2023, the injection campaign continued, which resulted in a filling level of the Edison Stoccaggio hub in excess of 97%.

Issues affecting multiple business segments

Decree-Law May 29, 2023, no. 57 (so-called “Regasifiers”) concerning “Urgent measures for the energy sector” - Published in the Official Journal on May 29, 2023 and converted, with amendments, by Law July 26, 2023, no. 95, published in the Official Journal of July 27, 2023. The measure contains provisions on the reopening of deadlines for the submission of new permit applications for the construction of new floating regasification capacity, also following relocation. During the parliamentary scrutiny, in addition to the introduction of some provisions on renewable energy sources and biomethane, also incorporated into this Decree were the measures contained in Decree-Law June 28, 2023 no. 79 (so-called “Bollette-bis”) concerning “Urgent provisions in support of households and companies for the purchase of electricity and natural gas, as well as legislative terms”. The provision thus includes measures to contain the effects of the price increase in the energy sector for the third quarter of 2023. In particular, the raising of the ISEE threshold to 15,000 euro for the recognition of social bonuses for electricity and gas, the zeroing of general gas system charges, and the 5% VAT on gas are extended.

Decree-Law June 13, 2023, no. 69 (so-called “EU Infringements”) concerning “Urgent provisions for the implementation of obligations deriving from acts of the European Union and from infringement procedures and pending against the Italian State” - Published in the Official Journal of June 13, 2023, no. 136 and converted, with amendments, by the Law August 10, 2023, published in the Official Journal of August 10, 2023. During parliamentary scrutiny, provisions were introduced by amendment to repeal natural gas transmission tariffs for the benefit of gas-intensive customers and on the payment of a penalty in the event of early termination of a supply contract. In addition, the rule was repealed that allowed the National Transmission System Operator, in the event that storage capacity was not awarded through auctions, to submit a plan for the direct implementation of integrated storage systems for approval by the Ministry of the Environment and Energy Security.

Law August 9, 2023, no. 111 (so-called “Tax Reform”) containing “Delegation to the Government for Tax Reform” - Published in the Official Journal on August 14, 2023, no. 189. The provision delegates to the Government the power to issue one or more legislative decrees to revise the tax system, reorganising the provisions of tax law in such a way as to gather together, a revision and rationalisation of VAT, the gradual elimination of IRAP, as well as the reformulation and revision of excise duties and other indirect taxes on energy products and consumption, and the revision of IRES.

Decree-Law August 10, 2023, no. 104 (so-called “Asset”) on “Urgent provisions for the protection of users, economic and financial activities and strategic investments” - Published in the Official Journal on August 10, 2023 no. 186, the Decree was converted into law on October 9, 2023. The measure contains provisions on special powers of the State for the use of critical technologies and Superbonus, and then foresees the possibility for the Regions to confer functions on local authorities regarding the single authorisation for new waste disposal and recovery plants, administrative and operational procedures in the event of contamination of a site, and the simplified procedure for remediation operations.

Decree-Law September 29, 2023, no. 131 (so-called “Energy”) on “Urgent measures on energy, interventions to support purchasing power and to protect savings” - Published in the Official Journal on September 29, 2023 no. 228, the Decree must be converted into law by November 28, 2023. The measure provides for the updating of the compensation values applicable in the fourth quarter of 2023 for recipients of the electricity and gas social bonuses, the zeroing of the rates of the tariff components relating to gas system charges and the application of VAT at 5% on gas, as well as changes to the extraordinary contribution in bills provided for by Decree-Law March 30, 2023, no. 34. A reform of the subsidy scheme for electricity-intensive businesses is also planned.

Ministry of the Environment and Energy Security Decree July 14, 2023, no. 224 (so-called “Guarantees of Origin”) - Published on the institutional website of the Ministry on July 18, 2023, the measure lays down provisions for the issuance, transfer, recognition and cancellation of Guarantees of Origin of energy production from renewable sources relating to electricity, renewable gas, thermal and/or cooling energy, as well as the procedures for the use of the same Guarantees for the provision to end customers of information on the composition of the energy mix used for the production of the electricity supplied and the environmental impact of the production and the consumption of this energy.

Alternative Fuels Infrastructure Regulation (AFIR)

On September 20, 2023, the Alternative Fuels Infrastructure Regulation was published in the Official Journal. The new rules proposed by the text will apply from April 13, 2024. This regulation aims to ensure an adequate and easily accessible infrastructure for alternative fuels in the road, maritime and air transport sectors, promoting zero-emission or low-emission vehicles and contributing to European climate targets. The regulation sets mandatory European targets for the realisation of an alternative fuels infrastructure in the Union by setting specific targets for road, ship, and parked aircraft infrastructure, as well as technical specifications for user information, data provision, and payment methods. The main objectives of the AFIR Regulation include:

- from 2025, fast charging stations of at least 150kW for passenger cars and vans every 60km along major EU transport corridors, for heavy-duty vehicles every 60km on the core transport network and every 100km on the global network with a minimum power of 350kW;
- from 2030, hydrogen refuelling stations in all urban nodes and every 200km of the core transport network;
- obligation to install an adequate number of LNG refuelling points for heavy road and maritime transport by 2025.

Energy Efficiency Directive (EED)

The Energy Efficiency Directive was published on September 20, 2023 in the Official Journal. The directive aims to reduce EU final energy consumption by 11.7% by 2030, leaving Member States some flexibility in achieving this target. Member States will have to ensure a collective reduction in final energy consumption, while the target for primary energy consumption will remain indicative. The energy savings target will gradually increase until 2030, with an average of 1.49% new annual savings on final energy consumption. The public sector will have a specific obligation to reduce energy consumption by 1.9% annually, excluding public transport and the armed forces, and will have to renovate at least 3% of publicly owned buildings each year.

Regulation on the use of renewable and low-carbon fuels in maritime transport (FuelEU Maritime)

The Regulation on the use of renewable and low-carbon fuels in maritime transport was published in the Official Journal on September 20, 2023 and will enter into force on January 1, 2025. The Regulation envisages a gradual reduction of greenhouse gas emissions in fuels used on board ships, with the aim of achieving an 80% reduction by 2050. A lifecycle approach is proposed that allows the correct life-cycle assessment of the emission content of a fuel. Such an approach would enable ship operators to deploy LNG-fuelled vessels in the medium term. Incentives are introduced for the use of renewable fuels and obligations for passenger ships and container ships to connect to shore-side power supply in major EU ports from 2030. The measure includes a pooling mechanism so that ship operators can meet fleet-wide targets. Finally, the text stipulates that revenue generated by penalties will be used for decarbonisation projects in the maritime sector.

Presentation formats

Consolidated Income Statement

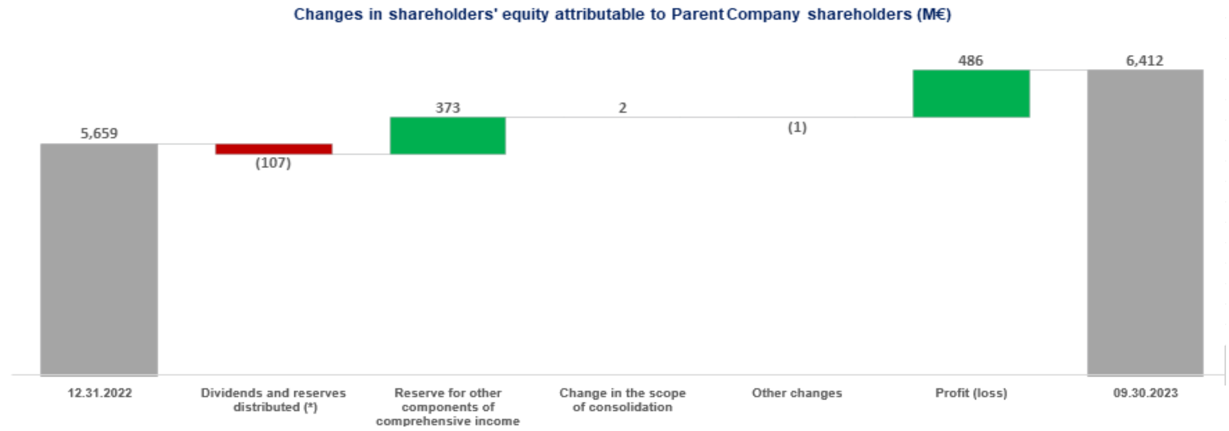
(in millions of euros)	**9 months 2023**	9 months 2022
Sales revenues	14,103	22,842
Other revenues and income	139	100
Total net revenues	**14,242**	**22,942**
Commodity and logistic costs (-)	(11,958)	(21,131)
Other costs and services used (-)	(644)	(548)
Labor costs (-)	(300)	(258)
Receivables (writedowns) / 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

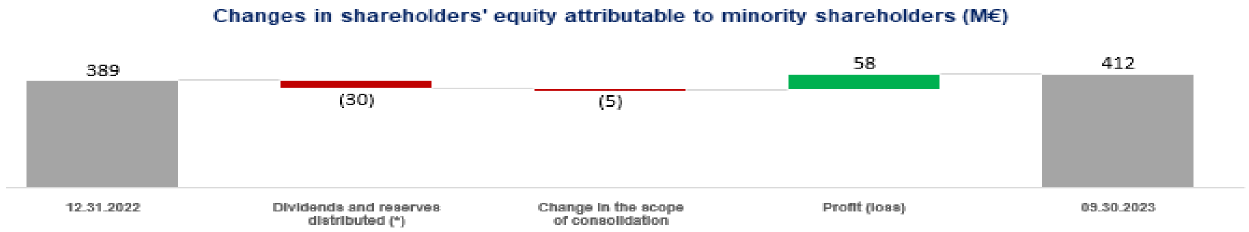
	09.30.2023	12.31.2022
(in millions of euros)		
ASSETS		
Property, plant and equipment	4,015	3,967
Intangible assets	356	340
Goodwill	2,231	2,228
Investments in companies valued by the equity method	284	216
Other non-current financial assets	78	86
Deferred-tax assets	374	427
Non-current tax receivables	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 change in the Reserve for other components of comprehensive income is mainly related to the Cash Flow Hedge Reserve.



(*) 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.

Economic & Financial Results at September 30, 2023

Revenues and EBITDA of the Group and by Business Segment

(in millions of euros)	**9 months 2023**	9 months 2022	Change %	**Q3 2023**	Q3 2022	Change %
Electric Power Operations						
Sales revenues	6,264	7,321	*(14.4%)*	1,890	2,836	*(33.4%)*
EBITDA	682	497	*37.2%*	230	129	*78.3%*
Gas Operations						
Sales revenues	9,435	17,930	*(47.4%)*	2,652	7,599	*(65.1%)*
EBITDA	587	504	*16.5%*	209	209	*0.0%*
Corporate (1)						
Sales revenues	117	56	*108.9%*	39	18	*116.7%*
EBITDA	(2)	(63)	*96.9%*	(1)	(22)	*95.5%*
Eliminations						
Sales revenues	(1,713)	(2,465)	*30.5%*	(451)	(833)	*45.9%*
Edison Group						
Sales revenues	**14,103**	**22,842**	*(38.3%)*	4,130	9,620	*(57.1%)*
EBITDA	**1,267**	**938**	*35.1%*	438	316	*38.6%*
as a % of sales revenues	***9.0%***	***4.1%***		***10.6%***	***3.3%***	

(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.

Revenues for the first nine months of 2023 showed a downward trend compared to the same period last year, amounting to 14,103 million euros, attributable mainly to Gas Operations due to both the reduction in the price scenario and the contraction in volumes sold.
EBITDA amounted to 1,267 million euros, up 35.1% compared to the same period in 2022, thanks to an improved result from the commercial part and the contribution of the renewable business.

See the sections of this Report that follow for a more detailed analysis of the performance of the individual business segments.

Electric Power Operations

Sources

(GWh) (1)	**9 months 2023**	9 months 2022	Change %	**Q3 2023**	Q3 2022	Change %
Edison's production:	**13,913**	**14,604**	***(4.7%)***	**5,158**	**3,975**	***29.8%***
- thermoelectric	10,878	12,104	*(10.1%)*	4,028	3,229	*24.7%*
- hydroelectric	1,511	1,058	*42.8%*	684	354	*93.2%*
- wind power and other renewables	1,524	1,442	*5.7%*	446	392	*13.8%*
Other purchases (wholesalers, IPEX, etc.)(2)	**13,513**	**12,245**	***10.4%***	**4,169**	**4,211**	***(1.0%)***
Total sources	**27,426**	**26,849**	***2.1%***	**9,327**	**8,186**	***13.9%***
EESM activities Production	**516**	**480**	***7.5%***	**171**	**158**	***8.2%***

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

Uses

(GWh) (1)	**9 months 2023**	9 months 2022	Change %	**Q3 2023**	Q3 2022	Change %
End customers (2)	10,248	10,774	*(4.9%)*	3,563	3,724	*(4.3%)*
Other sales (wholesalers, IPEX, etc.)	17,178	16,075	*6.9%*	5,764	4,462	*29.2%*
Total uses	**27,426**	**26,849**	***2.1%***	**9,327**	**8,186**	***13.9%***
EESM activities Sales	**516**	**480**	***7.5%***	**171**	**158**	***8.2%***

(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 maximizing their profitability through their optimization.

Within this model, Edison production amounted to 13,913 GWh, down 4.7% from the same period of 2022. The negative trend is dictated by the performance of thermoelectric production, which shows a decrease of 10.1% due both to lower production due to less favorable market conditions compared to the first nine months of 2022, and to a reduction in production at the Marghera Levante power plant due to a delayed start-up of the new plant; this trend was partially offset by hydroelectric production, which showed an increase of 42.8%, mainly attributable to increased hydraulicity; it is recalled that 2022 was characterized by much lower rainfall than the historical average. As regards wind and other renewables production, there was an increase of 5.7% essentially attributable to a change in the scope linked to the acquisition of Winbis Srl and Cerbis Srl and the entry into operation of the Mazara 2 plant starting from August 2022.

Sales to end customers decreased overall by 4.9%, mainly due to a contraction in consumption in the Business segment.

Other purchases and Other sales are up on the same period of the previous year by 10.4% and 6.9% 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, connected with the balancing of portfolios.
There was an increase in volumes related to Energy & Environmental Services Market activities.

Income Statement Data

(in millions of euros)	**9 months 2023**	9 months 2022	Change %	**Q3 2023**	Q3 2022	Change %
Sales revenues	6,264	7,321	*(14.4%)*	1,890	2,836	*(33.4%)*
EBITDA	682	497	*37.2%*	230	129	*78.3%*

Sales revenues in the first 9 months of 2023 came in at 6,264 million euros, down 14.4% compared to the same period of the previous year.
The EBITDA is 682 million euros, up 185 million euros.
The thermoelectric sector shows a downward trend compared to the first 9 months of 2022, due to decreasing performance of the MGP/MSD markets following less favorable market conditions, partially offset by the contribution of the capacity market.
The renewables sector achieved a higher result than last year; in particular:

- hydroelectric benefited from more favorable prices and growing volumes compared to last year, partially offset by the positive effect in 2022, not repeatable, linked to renunciation by Edison of the option provided for by DL No. 145/2013 (so-called “Spalma-Incentivi”);
- wind power saw an increase in margins partially offset by higher incentives in 2022;
- photovoltaic recorded a result in line with the previous year;
- all renewable productions have been penalized by the effects of DL Sostegni-ter;
- origination activities were contracted under particularly favorable and more profitable conditions compared to last year.

On the commercial side, there was a marked increase in results, particularly in the Retail and Business segments related to an improvement in unit margins. The results for sales of value-added services (VAS) are down slightly compared to the same period last year.
The Electric Power Operations also include the results of the Energy & Environmental Services Market activities, which, in the first nine months of 2023, showed a 22.5% increase in sales revenues compared to the same period last year, to 760 million euros (620 million euros in the first nine months of 2022). The EBITDA is in line with the same period last year and equal to 77 million euros.

Gas Operations

Sources of Gas

(Gas in millions of m³)	**9 months 2023**	9 months 2022	Change %	**Q3 2023**	Q3 2022	Change %
Production (1)	9	7	28.6%	3	3	*n.m.*
Production outside Italy (2)	101	116	(12.9%)	32	36	*(11.1%)*
Long-Term Purchases and Other Import	9,552	10,489	*(8.9%)*	3,401	3,361	*1.2%*
Other purchases	1,486	5,258	*(71.7%)*	411	1,419	*(71.0%)*
Change in stored gas inventory (3)	(161)	(150)	*7.3%*	(146)	(113)	*29.2%*
Total sources	**10,987**	**15,720**	**(30.1%)**	**3,701**	**4,704**	***(21.3%)***

(1) Production by Edison Stoccaggio. Net of self-consumption and at standard calorific power.
(2) Production related to the concession in Algeria.
(3) Includes pipeline leaks. A negative change reflects additions to the stored gas inventory.

Uses of Gas

(Gas in millions of m³)	**9 months 2023**	9 months 2022	Change %	**Q3 2023**	Q3 2022	Change %
Residential use	458	1,370	*(66.6%)*	55	128	*(57.0%)*
Industrial use	3,375	3,872	*(12.8%)*	1,073	1,074	*(0.1%)*
Thermoelectric fuel use	2,833	4,311	*(34.3%)*	1,082	1,303	*(17.0%)*
Sales of production outside Italy	101	116	*(12.9%)*	32	36	*(11.1%)*
Other sales	4,220	6,051	*(30.3%)*	1,459	2,163	*(32.5%)*
Total uses	**10,987**	**15,720**	***(30.1%)***	**3,701**	**4,704**	***(21.3%)***

Long-term gas purchases and other purchases on the wholesale market were down by 8.9% and 71.7%, respectively, compared to the same period last year; the exposure of the Edison portfolio to imports from Russia was zero.
At 10,987 million cubic meters, sales declined in all segments, particularly in the thermoelectric and civil wholesale segments.

Income Statement Data

(in millions of euros)	**9 months 2023**	9 months 2022	Change %	**Q3 2023**	Q3 2022	Change %
Sales revenues	9,435	17,930	*(47.4%)*	2,652	7,599	*(65.1%)*
EBITDA	587	504	*16.5%*	209	209	*0.0%*

Sales revenues in the first 9 months of 2023 stood at 9,435 million euros, down 47.4% compared to the same period of the previous year. This reduction is attributable to both the decline in sales volumes, and to the price scenario.
EBITDA, which includes the result from regulated activities, amounted to 587 million euros, an increase of 16.5% compared to the same period last year. There was a strong negative impact from the delay in LNG deliveries from the United States, which led the Company to start an arbitration dispute; excluding this impact, gas activities benefited significantly from portfolio optimization actions. As regards the commercial part, the results are up compared to the same period of the previous year, in particular thanks to a recovery in margins in the Business segment.

Corporate

Income Statement Data

(in millions of euros)	**9 months 2023**	9 months 2022	Change %	**Q3 2023**	Q3 2022	Change %
Sales revenues	117	56	*108.9%*	39	18	*116.7%*
EBITDA	(2)	(63)	*96.9%*	(1)	(22)	*95.5%*

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 and EBITDA for the first nine months of 2023 show an upward trend from the same period last year, mainly related to a redefinition of service contracts to operating units.

Other components of the Group's Income Statement

(in millions of euros)	**9 months 2023**	9 months 2022	% change
EBITDA	**1,267**	**938**	***35.1%***
Net change in fair value of derivatives (commodity and exchange rate risk)	4	(102)	*n.m.*
Depreciation and amortization	(347)	(288)	*(20.5%)*
(Writedowns) and reversals	-	-	*n.m.*
Other income (expense) non-Energy Activities	(161)	(53)	*n.m.*
EBIT	**763**	**495**	***54.2%***
Net financial income (expense) on debt	9	(7)	*n.m.*
Other net financial income (expense)	(29)	70	*n.m.*
Net financial income (expense) on assigned trade receivables without recourse	(39)	(17)	*(129.4%)*
Income from (Expense on) equity investments	45	1	*n.m.*
Income taxes	(205)	(228)	*10.1%*
Profit (Loss) from continuing operations	**544**	**314**	***73.2%***
Profit (Loss) from discontinued operations	**-**	**6**	***n.m.***
Minority interest in profit (loss)	58	55	*(5.5%)*
Group interest in profit (loss)	**486**	**265**	***83.4%***

The **Profit (Loss) from continuing operations** is positive for 544 million euros (positive for 314 million euros in the first 9 months of 2022).

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 4 million euros (negative for 102 million euros in the first 9 months of 2022);
- depreciation and amortization for 347 million euros (288 million euros in the first 9 months of 2022);
- net expenses non-Energy Activities for 161 million euros (53 million euros in the first 9 months of 2022) which include in particular an adjustment to the provisions for risks related to environmental regeneration issues as a result of new assessments relating to the increase in market costs and the change in the perimeter of the work to be carried out on certain sites;
- the financial items, which record a significant worsening compared to the first 9 months of 2022, mainly attributable to exchange rates effects; furthermore, the strong rise in interest rates determined on one hand a positive effect on cash and cash equivalents, recognized in net financial income (expense) on debt, and on the other hand an increase in expense on assigned trade receivables without recourse;
- income from (expense on) equity investments, which shows an improvement mainly for the effect of the contribution of the company Elpedison Sa;
- the income taxes which record a significant decrease in the Group's tax rate; it should be noted that the amount related to the first 9 months of 2023 includes a positive impact of 23 million euros deriving from the difference between the estimated value of the temporary solidarity contribution pursuant to the Budget Law 2023 for 240 million euros, accounted for under income taxes in 2022, and the amount determined for the payment of the contribution of 217 million euros. In the first 9 months of 2022, instead, it was included the negative effect of the extraordinary contribution 'extra-profits' (effects D.L. 21/2022 "Taglia Prezzi" and D.L. 50/2022 "Aiuti") for 74 million euros.

Minority interest in profit (loss) is 58 million euros in profit (a profit for 55 million euros in the first 9 months of 2022) and essentially reflects the positive performance of Edison Rinnovabili (owned by Edison at 51%) and its subsidiaries.

The **Group interest in profit (loss) is equal to 486 million euros in profit** (a profit for 265 million euros in the first 9 months of 2022).

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)

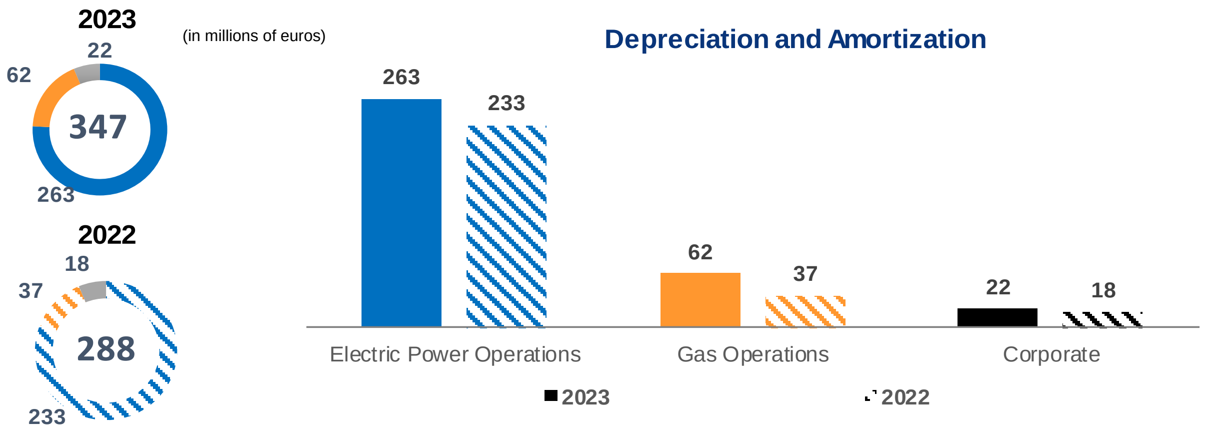
Net change in fair value of derivatives (commodity and exchange rate risk) (in millions of euros)	Definable as hedges (CFH) (*)	Definable as hedges (FVH)	Not definable as hedges	Total net change in fair value
2023				
Hedges of price risk on energy products	-	800	7	**807**
Hedges of foreign exchange risk on commodities	-	(13)	-	**(13)**
Change in fair value in physical contracts (FVH)	-	(790)	-	**(790)**
9 months 2023	**-**	**(3)**	**7**	**4**
2022				
Hedges of price risk on energy products	(82)	(2,761)	51	**(2,792)**
Hedges of foreign exchange risk on commodities	-	133	(1)	**132**
Change in fair value in physical contracts (FVH)	-	2,558	-	**2,558**
9 months 2022	**(82)**	**(70)**	**50**	**(102)**

(*) It refers to the ineffective portion.

Net change in fair value recorded in the first 9 months of 2023 is linked to the change in reference price scenarios.

Depreciation and Amortization

The following chart shows the detail of depreciation and amortization by business segment.



Other net financial income (expense)

(in millions of euros)	9 months 2023	9 months 2022	Change
Financial expenses on provisions	(8)	(8)	-
Net foreign exchange translation gains (losses) (*)	(15)	84	(99)
Other	(6)	(6)	-
Other net financial income (expense)	**(29)**	**70**	**(99)**

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

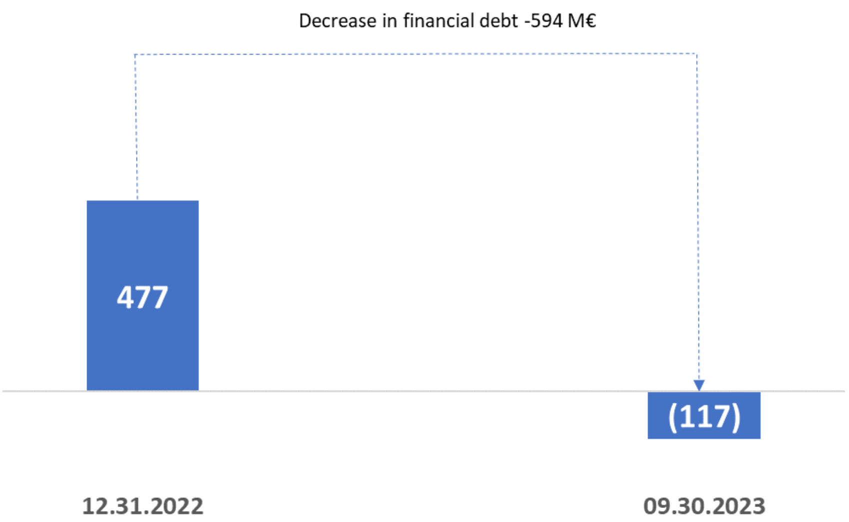
The trend of the item Net foreign exchange translation gains (losses) is affected in particular by the results of hedging derivatives linked to the exchange rate between euro and U.S. dollar.

Total financial indebtedness and cash flows

Total financial indebtedness at September 30, 2023 record a liquidity of 117 million euros (debt of 477 million euros at December 31, 2022).

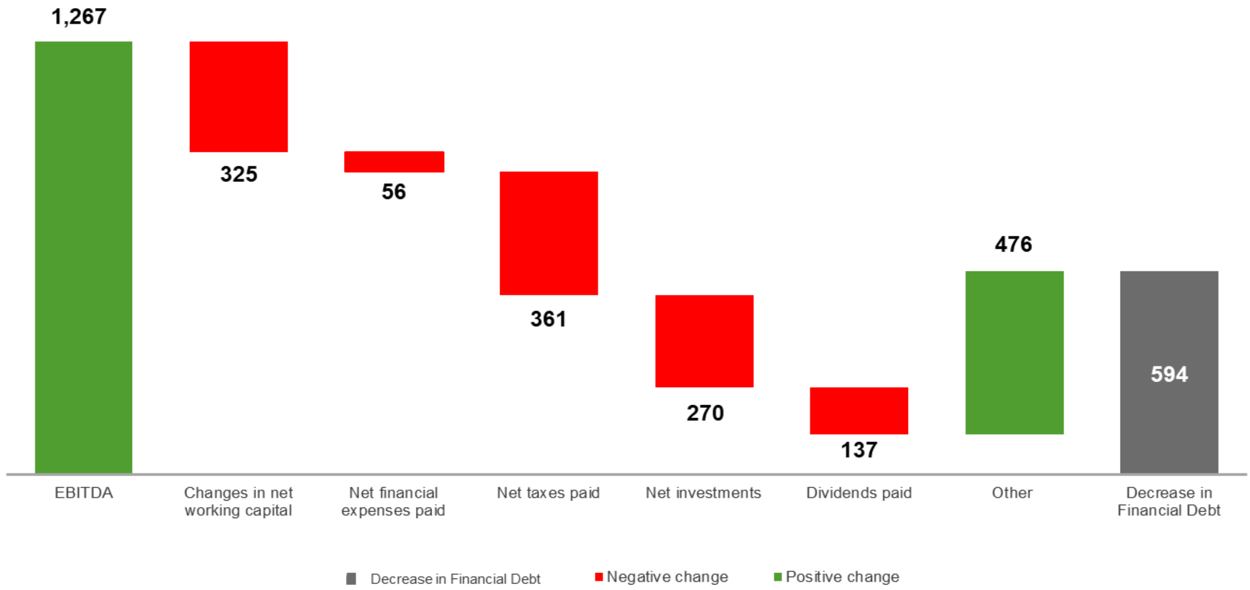
Change in financial debt

(in millions of euros)



Below the analysis of changes in financial debt is provided:

(in millions of euros)



The main cash flows of the period derive from the positive operating performance described above, the payment of taxes, the payment of dividends already described and net investments for 270 million euros, which include:

- net capital expenditures (247 million euros), mainly referred to the environmental and energy services (80 million euros), to thermoelectric sector (34 million euros), to wind and photovoltaic sectors (26 million euros), as well as to the commercial sector (59 million euros) mainly related to incremental costs incurred to obtain new contracts;
- acquisition operations with an overall impact on debt of about 20 million euros, relating to the acquisition of the companies Felix Dynamics (10 million euros) and Tes Development (10 million euros);
- the sale of the equity investment in Termica Cologno, which determined the proceed of about 6 million euros and the deconsolidation of the net liquidity for about 8 million euros;
- the aforementioned acquisition of 49% of the capital of the company Nyox, for a consideration of about 17 million euros;
- the proceed for about 12 million euros of the deferred consideration provided for by the contract for the sale of Edison Norge to Sval Energy and linked to the Dvalin field production start-up, with closure of the disposal executed in March 2021;
- net divestments of other financial assets for 4 million euros.

The item Other derives mainly from the elimination of costs and the recognition of liabilities without monetary effect.

The following table gives the breakdown of Total financial indebtedness, as defined by ESMA Guidelines published on March 4, 2021 and which CONSOB requested to be adopted starting from May 5, 2021.
Please note that balances at September 30, 2023 include for about 94 million euros the debt for leasing referred to a LNG vessel entered into operation for which there is a 7 years long term lease contract stipulated with a shipowner.

Total financial indebtedness (in millions of euros)	**09.30.2023**	12.31.2022	Change
Non-current financial debt	740	709	31
- Due to banks	446	462	(16)
- Due to EDF Group companies	-	-	-
- Debt for leasing	293	234	59
- Due to other lenders	1	13	(12)
Other non-current liabilities	47	27	20
Non-current financial indebtedness	**787**	**736**	**51**
Current financial debt (excluding current portion of non-current financial debt)	271	126	145
- Due to banks	76	15	61
- Due to EDF Group companies	104	7	97
- Debt for valuation of Cash Flow Hedge derivatives	-	-	-
- Due to other lenders	91	104	(13)
Current portion of non-current financial debt	87	74	13
- Due to banks	36	35	1
- Debt for leasing	51	39	12
Current financial assets	(6)	(3)	(3)
- Current financial assets from EDF Group companies	(3)	-	(3)
- Credit for valuation of Cash Flow Hedge derivatives	(1)	(1)	-
- Other current financial assets	(2)	(2)	-
Cash and cash equivalents	(1,256)	(456)	(800)
Net current financial indebtedness	**(904)**	**(259)**	**(645)**
Net financial debt Assets held for sale	**-**	**-**	**-**
Total financial indebtedness	**(117)**	**477**	**(594)**
of which:			
Gross financial indebtedness	**1,145**	**936**	**209**
of which Other non-current liabilities	47	27	20
Liquidity	**(1,262)**	**(459)**	**(803)**

In the first 9 months of the year it should be noted a sharp decrease in total financial indebtedness, which shows at September 30, 2023 a liquidity of 117 million euros, mainly thanks to the significant cash generation deriving from the positive operating performance which has more than offset the slight temporary increase in gross debt.

Non-current financial indebtedness shows a slight increase, compared to December 31, 2022, mainly due to the recognition of the non-current portion of the debt for leasing for the new LNG vessel, which is partially offset by the reclassification to current financial debt of the maturing portion of debts.

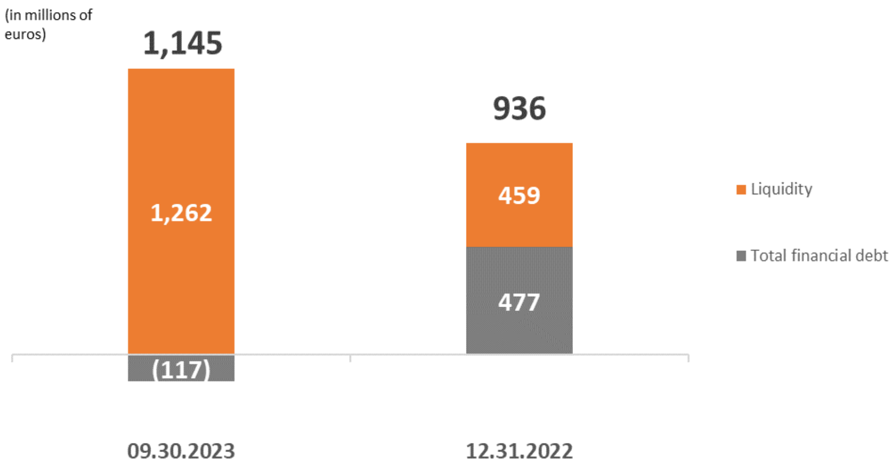
The increase in **current financial debt**, compared to December 31, 2022, is mainly due to the temporary increase in the deposit of the controlling company Transalpina di Energia (TdE) with Edison. It should be also noted an increase in debt due to banks, attributable to temporary overdrafts on current accounts due to normal operations management.

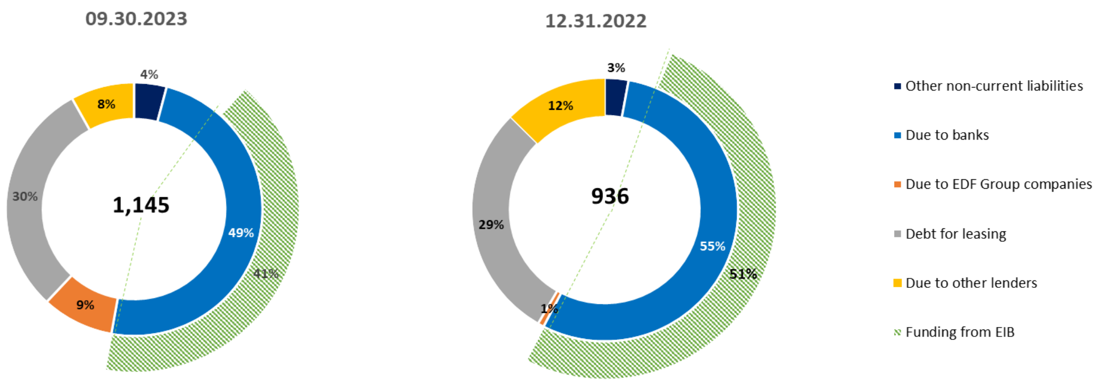
Cash and cash equivalents, amounting to 1,256 million euros, show a significant increase compared to 456 million euros at December 31, 2022, and are mainly represented by available funds held in the current account with EDF Sa for 1,229 million euros (421 million euros at December 31, 2022). Treasury current account overdraft with EDF Sa, amounting to 199 million euros, was not used at September 30, 2023.

The ability of Edison Group to meet its expected and unexpected monetary obligations is based, in addition to its liquidity, on the large availability of unused credit lines.
At September 30, 2023, Edison Group has unused committed lines of credit totalling 1,180 million euros, represented:

- by the revolving credit line (1 billion euros), dedicated to covering working capital needs in a still uncertain and volatile market scenario. The credit line has been subscribed in March 2023 with a pool of banks (BNL BNP Paribas, BPER Banca Spa, Intesa Sanpaolo Spa and UniCredit Spa) and became effective as of June 20, 2023 following the issuance of a specific decree by the Ministry of Economy and Finance. The line will expire in May 2025 and is backed by a guarantee from the national export credit agency SACE Spa for 70% of the amount;
- by the Green Framework Loan (180 million euros) granted by the EIB at the end of June 2020 to finance the creation of a portfolio of projects throughout Italy for energy efficiency and for the construction of renewable energy plants. The line of credit has a duration of 15 years and may be used until June 2024.

Gross financial indebtedness and breakdown by financial source





The composition of gross financial indebtedness compared to December 31, 2022 reflects, inter alia, the recognition of new debt for leasing described above, in addition to the temporary increase in the deposit of TdE with Edison.

Fair value recorded in Balance Sheet and Cash Flow Hedge Reserve

Fair Value recorded in Balance Sheet

(in millions of euros)	09.30.2023			12.31.2022		
Broken down as follows:	Receivables	Payables	Net	Receivables	Payables	Net
- Financial assets (liabilities)	1	-	1	1	-	1
- Non-current assets (liabilities)	181	(317)	(136)	468	(1,153)	(685)
- Current assets (liabilities)	1,550	(1,749)	(199)	3,705	(3,506)	199
Fair Value recognized as assets or liabilities (a)	**1,732**	**(2,066)**	**(334)**	**4,174**	**(4,659)**	**(485)**
of which of (a) related to:						
- Interest Rate Risk Management	1	-	1	1	-	1
- Exchange Rate Risk Management	91	(9)	82	102	(27)	75
- Commodity Risk Management	1,411	(1,363)	48	2,739	(3,626)	(887)
- Fair value on physical contracts	229	(694)	(465)	1,332	(1,006)	326

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 12.31.2022	**(472)**	**134**	**(338)**
Changes in the period	516	(144)	372
Reserve at 09.30.2023	**44**	**(10)**	**34**

The reserve at September 30, 2023 is mainly related 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 procurement contracts entered into by Edison to manage its physical and contractual assets.

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.

Significant events occurring after September 30, 2023

As already described in the paragraph Key Events, following the approval by the Algerian authorities - with a decree published in the official gazette on October 12, 2023 - of the agreements signed on May 4 and June 29, 2022, Edison has completed the sale of its 11.25% stake in the Reggane Nord licence, in Algeria, to Repsol (6.75%) and Wintershall Dea (4.50%).

Milan, October 26, 2023
The Board of Directors
By Nicola Monti
Chief Executive Officer

Certification pursuant to article 154-bis, Section 2, of Legislative Decree No. 58/1998

Ronan Lory 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 September 30, 2023 is consistent with the data in documents, accounting records and other records.

Milan, October 26, 2023

"Dirigenti Preposti alla redazione dei documenti contabili societari"
Ronan Lory
Roberto Buccelli