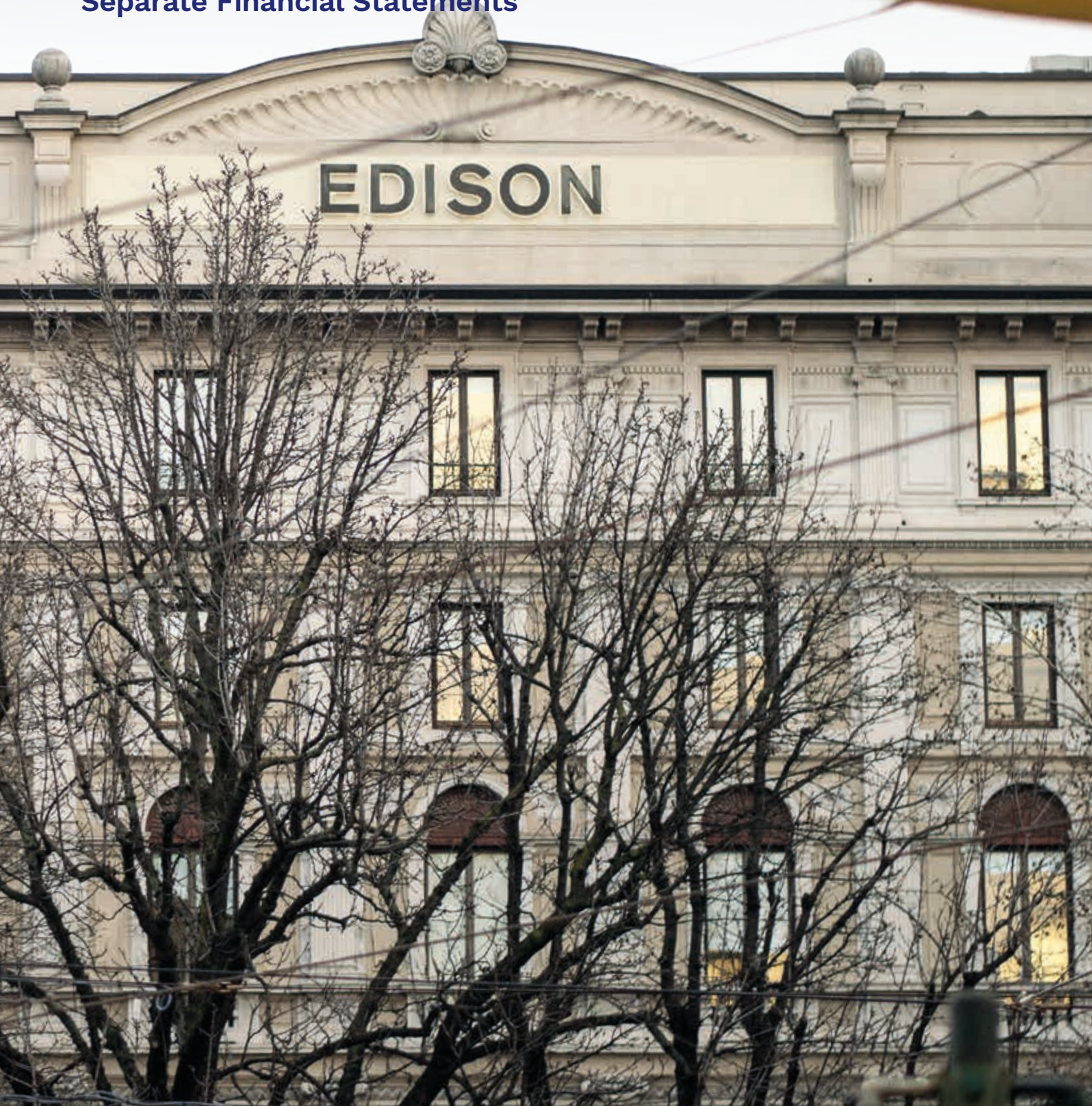


# 2023

# Financial Report

Separate Financial Statements







# **2023**

# Financial Report

## **Separate Financial Statements**

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



Hydroelectric power plant in Cedegolo (BS)

## SEPARATE FINANCIAL STATEMENTS

(Primary statements and Reclassified Balance Sheet)

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LNG coastal deposit small scale in Ravenna (RA)

# Separate Financial Statements

(Primary statements and Reclassified Balance Sheet)



## Income statement

(in euros)	Chapter	2023	of which related parties	2022	of which related parties
Sales revenues	2.3	16,402,122,399	11,339,685,963	28,916,516,916	15,906,875,215
Other revenues and income	2.3	118,895,342	61,761,602	80,275,495	43,644,232
<b>Total net revenues</b>		<b>16,521,017,741</b>		<b>28,996,792,411</b>	
Commodity end logistics costs (-)	2.3	(14,906,383,213)	(2,508,700,649)	(28,004,449,941)	3,615,356,049
Other costs and services used (-)	2.3	(306,966,374)	(43,190,276)	(241,490,670)	41,604,346
Labor costs (-)	2.3	(164,811,167)		(143,998,498)	
Receivables (Writedowns)/reversal	3.2	2,583,763		15,413,891	
Other costs (-)	2.3	(76,643,047)	(2,363,021)	(46,760,851)	(1,453,043)
<b>EBITDA</b>	2.3	<b>1,068,797,703</b>		<b>575,506,342</b>	
Net change in fair value of derivatives (commodity and exchange rate risk)	4.3	(49,671,050)	741,806,324	54,132,644	(83,703,165)
Depreciation and amortisation (-)	5.1	(157,143,839)		(121,446,505)	
(Writedowns) reversals	5.1	(40,730)	-	-	
Other income (expense) non-Energy Activities	9	(553,032,945)	(22,641,554)	(66,008,212)	(16,794,370)
<b>EBIT</b>		<b>308,909,139</b>		<b>442,184,269</b>	
Net financial income (expense) on net financial debt (available funds)	7.2	62,091,765	74,260,726	12,851,035	17,749,576
Income (expense) on assignment of receivables without recourse	3.2	(5,046,636)		(2,426,825)	
Financial expense for decommissioning and adjustment of provisions	5.3 - 9	(4,915,301)		(5,676,157)	
Net lease income (expense)	7.2	(8,299,220)	106,126	(4,399,133)	110,526
Other net financial income (expense)	2.3	(2,752,052)	(21,258,991)	46,279,536	64,969,465
Revaluations (write-downs) from equity investments, net	5.2	23,340,998	26,870,050	(138,148,364)	(136,622,254)
Dividends	5.2	55,403,351	55,291,202	135,564,478	135,452,329
Gains (losses) on the sale of equity investments, net	5.2	9,551,768	2,914,633	(2,591,639)	(2,591,639)
<b>Profit (loss) before taxes</b>		<b>438,283,812</b>		<b>483,637,200</b>	
Income taxes	8.2	(108,128,896)		(226,003,490)	
<b>Profit (loss) from continuing operations</b>		<b>330,154,916</b>		<b>257,633,710</b>	
Profit (loss) from discontinued operations	2.3	(728,877)		5,607,417	
<b>Profit (loss) for the year</b>	2.3	<b>329,426,039</b>		<b>263,241,127</b>	

## Other Components of the Comprehensive Income Statement

(in euros)	Chapter	2023	2022
<b>Profit (loss)</b>	2.8	<b>329,426,039</b>	<b>263,241,127</b>
<b>A) Change in the cash flow hedge reserve</b>	6	<b>412,585,320</b>	<b>(175,154,475)</b>
Gains (Losses) arising during the year		574,213,588	(244,472,596)
Income taxes (+/-)		(161,628,268)	69,318,121
<b>B) Actuarial gains (losses) (*)</b>	6	<b>108,988</b>	<b>792,847</b>
<b>Total other components of comprehensive income net of taxes (A+B)</b>		<b>412,694,308</b>	<b>(174,361,628)</b>
<b>Total comprehensive profit (loss)</b>		<b>742,120,347</b>	<b>88,879,499</b>

(\*) Items that will not be reclassified to the income statement.



## Balance Sheet

(in euros)	Chapter	12.31.2023	of which related parties	12.31.2022	of which related parties
<b>ASSETS</b>					
Property, plant and equipment	5.1	2,032,817,713		1,889,846,592	
Intangible assets	5.1	77,188,040		75,884,827	
Goodwill	5.1	1,457,690,046		1,543,940,046	
Equity investments	5.2	1,626,490,423	1,626,490,423	1,669,823,761	1,669,823,761
Investments at fair value through profit and loss	5.2	1,912,586		1,379,166	
Other non-current financial assets	5.2	17,592,304	9,910,475	19,368,358	9,820,859
Non-current financial assets from subsidiaries and affiliated companies	7.2	1,153,079,524	1,153,079,524	1,076,158,852	1,076,158,852
Deferred-tax assets	8.3	326,404,797		317,635,219	
Receivables for taxes	8.3	4,630,135		1,719,136	
Other non-current assets	3.3	20,976,539	2,213,413	31,547,273	2,276,363
Fair value non-current assets	4	183,500,032	160,202,126	468,133,918	243,747,381
<b>Total non-current assets</b>		<b>6,902,282,139</b>		<b>7,095,437,148</b>	
Inventories	3.2	143,932,569		293,997,471	
Trade receivables	3.2	1,646,202,385	922,895,581	3,236,310,809	1,764,446,255
Other current assets	3.3	472,680,838	329,616,580	364,501,665	258,190,440
Fair value current assets	4	1,050,130,256	797,554,924	3,765,059,467	1,531,215,202
Current financial assets from subsidiaries and affiliated companies	7.2	383,126,474	383,126,474	297,254,375	297,254,375
Cash and cash equivalents	7.2	1,207,627,090	1,201,427,881	431,978,397	421,427,881
<b>Total current assets</b>		<b>4,903,699,612</b>		<b>8,389,102,184</b>	
<b>Assets held for sale</b>	1.5	<b>285,380,758</b>		<b>64,849,911</b>	
<b>Total assets</b>		<b>12,091,362,509</b>		<b>15,549,389,243</b>	
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>					
Share capital		4,736,117,250		4,736,117,250	
Statutory reserve		49,210,747		36,048,691	
Other reserves		401		401	
Reserves for other components of comprehensive income		45,237,119		(367,457,189)	
Retained earnings/(loss carryforward)		541,837,600		399,239,905	
Profit (Loss) for the period		329,426,039		263,241,127	
<b>Total shareholders' equity</b>	6	<b>5,701,829,156</b>		<b>5,067,190,185</b>	
Employee benefits	5.3	11,388,393		12,244,370	
Provisions for decommissioning and remediation of industrial sites	5.3	72,036,688		69,985,146	
Provisions for other risks and charges	5.3	47,805,264		60,889,277	
Provisions for risks on equity investments	5.2	41,863		41,863	
Provisions for risks and charges for non-Energy Activities	9	749,524,956		294,046,542	
Deferred-tax liabilities	8.3	19,275,846		-	
Non-current trade payables	3.2	76,600,450		9,734,200	
Other non-current liabilities	7.2	4,568,012		-	
Fair value non-current liabilities	4	155,503,476	126,975,215	1,154,361,674	722,316,476
Non-current financial dbet	7.2	587,044,092		574,385,469	
<b>Total non-current liabilities</b>		<b>1,723,789,040</b>		<b>2,175,688,541</b>	
Trade payables	3.2	1,705,803,386	211,841,717	3,392,563,928	544,238,867
Current tax payables	8.3	213,615,650	138,855,944	191,221,850	57,250,209
Other current liabilities	3.3	207,282,663	25,983,031	524,859,231	129,147,078
Fair value current liabilities	4	1,271,346,240	325,231,871	3,548,369,105	1,411,235,515
Current financial debt	7.2	236,288,859	12,809,187	93,693,680	6,768,831
Current financial debt to subsidiaries and affiliated companies	7.2	1,002,689,721	1,002,689,721	526,306,824	526,306,824
<b>Total current liabilities</b>		<b>4,637,026,519</b>		<b>8,277,014,618</b>	
<b>Liabilities held for sale</b>	1.5	<b>28,717,794</b>		<b>29,495,899</b>	
<b>Total liabilities and shareholders' equity</b>		<b>12,091,362,509</b>		<b>15,549,389,243</b>	

## Cash Flow Statement

This cash flow statement analyses cash flows relative to short-term liquid funds (due within 3 months), the value of which at year-end is 1,208 million euro, as compared with those of 2022 equal to 432 million euro. For a better understanding of cash flows, the dynamics of cash generation and absorption and the overall change in the company's financial debt, please refer to the comments in section 7.2 Total Financial Debt and Cost of Debt.

(in euros)	2023 financial year	of which related parties	2022 financial year	of which related parties
<b>Profit (Loss) before taxes of Edison Spa</b>	<b>438,283,812</b>		<b>483,637,200</b>	
Depreciation, amortisation and write-downs	157,184,569		121,446,505	
Net additions to/(Utilisations of) provisions for risks	435,332,178		(82,667,479)	
(Gains) Losses on the sale of non-current assets	(8,831,725)		3,658,960	
(Revaluations) Write-downs of non-current financial assets	(23,340,998)	(26,870,050)	138,148,364	136,622,254
Change in provisions for employee benefits	(855,977)		(1,384,181)	
Change in fair value recognised in EBIT	49,671,050	741,803,324	(54,132,644)	83,703,165
Change in the operating working capital	120,279,034	509,153,524	303,582,765	(459,740,176)
Dividends from subsidiaries, affiliated companies and other companies	(55,403,351)	(55,291,202)	(135,564,479)	(135,452,329)
Dividends collected (including amounts attributable to previous years)	55,403,351	55,291,202	136,504,917	136,392,768
Net financial income (expense)	(47,525,477)	(74,366,852)	(2,818,689)	(17,860,102)
Financial income collected	111,166,886	105,998,698	24,429,122	21,528,960
Financial (expense) paid	(58,594,526)	(28,489,754)	(14,172,255)	(2,441,123)
Net income taxes paid	(232,896,813)		(76,719,493)	
Change in other operating assets and liabilities	(353,368,422)	771,217,870	(17,807,450)	128,025,556
<b>A. Cash flow from continuing operations</b>	<b>586,503,591</b>		<b>826,141,164</b>	
Investments in property, plant and equipment and intangible assets (-)	(135,938,781)		(264,108,221)	
Equity investments and other financial assets (-)	(63,640,950)	(63,640,950)	(327,745,628)	(327,745,628)
Proceeds from the sale of intangibles and property, plant and equipment	7,476,515	641,515	266,933	
Proceeds from the sale of non-current financial assets	12,446,630		54,271,538	
Capital proceeds of non-current financial assets	2,871,125		-	
<b>B. Cash used in investment activities</b>	<b>(176,785,462)</b>		<b>(537,315,379)</b>	
Proceeds from new medium-term and long-term loans	18,000,000		120,415,760	
Redemptions of medium-term and long-term loans (-)	(23,731,225)		(18,503,953)	
Other changes in short-term financial debt	641,935,936	482,423,253	(25,702,056)	143,770,006
Dividends paid	(107,481,376)	(101,247,537)	(285,685,224)	(253,118,843)
Change in other current and non-current financial assets	(162,792,771)	(85,961,715)	(510,127,478)	(510,127,478)
<b>C. Cash used in financing activities</b>	<b>365,930,564</b>		<b>(719,602,951)</b>	
<b>D. Net cash flow for the year (A+B+C)</b>	<b>775,648,693</b>		<b>(430,777,166)</b>	
<b>E. Cash and cash equivalents at the beginning of the year</b>	<b>431,978,397</b>	<b>421,427,881</b>	<b>862,755,563</b>	<b>850,427,881</b>
<b>F. Cash and cash equivalents at the end of the year (D+E)</b>	<b>1,207,627,090</b>	<b>1,201,427,881</b>	<b>431,978,397</b>	<b>421,427,881</b>



## Statement of Changes in Shareholders' Equity

(in euros)	Share capital	Reserve Legal	Other reserves	Reserves and retained earnings (loss carryforward)	Reserve for other components		Profit (Loss) for the period	Total shareholders' equity (loss)
					Cash Flow Hedge	Actuarial gains (losses) pursuant to IAS 19		
<b>Balances at December 31, 2021</b>	<b>4.736.117.250</b>	<b>-</b>	<b>401</b>	<b>-</b>	<b>(190.944.516)</b>	<b>(2.151.045)</b>	<b>720.973.821</b>	<b>5.263.995.911</b>
Appropriation of the 2021 result	-	36.048.691	-	399.239.905	-	-	(435.288.596)	-
Dividends	-	-	-	-	-	-	(285.685.225)	(285.685.225)
Other change in comprehensive income	-	-	-	-	(175.154.475)	792.847	-	(174.361.628)
2022 Profit (loss)	-	-	-	-	-	-	263.241.127	263.241.127
<b>Period changes 2022</b>	<b>-</b>	<b>36.048.691</b>	<b>-</b>	<b>399.239.905</b>	<b>(175.154.475)</b>	<b>792.847</b>	<b>(457.732.694)</b>	<b>(196.805.726)</b>
of which total net comprehensive income/(loss) 2022	-	-	-	-	(175.154.475)	792.847	263.241.127	88.879.499
<b>Balances at December 31, 2022</b>	<b>4.736.117.250</b>	<b>36.048.691</b>	<b>401</b>	<b>399.239.905</b>	<b>(366.098.991)</b>	<b>(1.358.198)</b>	<b>263.241.127</b>	<b>5.067.190.185</b>
Appropriation of the 2022 result	-	13.162.056	-	142.597.695	-	-	(155.759.751)	-
Dividends (*)	-	-	-	-	-	-	(107.481.376)	(107.481.376)
Other change in comprehensive income	-	-	-	-	412.585.320	108.988	-	412.694.308
2023 Profit (loss)	-	-	-	-	-	-	329.426.039	329.426.039
<b>Period changes 2023</b>	<b>-</b>	<b>13.162.056</b>	<b>-</b>	<b>142.597.695</b>	<b>412.585.320</b>	<b>108.988</b>	<b>66.184.912</b>	<b>634.638.971</b>
of which total net comprehensive income/(loss) 2023	-	-	-	-	412.585.320	108.988	329.426.039	742.120.347
<b>Balances at December 31, 2023</b>	<b>4.736.117.250</b>	<b>49.210.747</b>	<b>401</b>	<b>541.837.600</b>	<b>46.486.329</b>	<b>(1.249.210)</b>	<b>329.426.039</b>	<b>5.701.829.156</b>

(\*) The Shareholders' Meeting of Edison Spa, held on April 5, 2023, resolved to allocate a portion of the profit for the 2022 financial year, for a total of 107 million euros, dividend for savings and ordinary shares. This amount was paid on April 26, 2023.

## Reclassified Balance Sheet

This schedule, prepared on a voluntary basis, reclassifies the balance sheet items of the main statement, to allow a quicker reconciliation with the information provided in the following chapters.

(in euros)	Chapter	12.31.2023	12.31.2022
<b>NET WORKING CAPITAL</b>	<b>3</b>	<b>294,105,832</b>	<b>(800,141)</b>
<b>Operating Working Capital</b>	<b>3.2</b>	<b>7,731,118</b>	<b>128,010,152</b>
Inventories (+)		143,932,569	293,997,471
Trade receivables (+)		1,646,202,385	3,236,310,809
Current trade payables (-)		(1,705,803,386)	(3,392,563,928)
Non-current trade payables (-)		(76,600,450)	(9,734,200)
<b>Other assets/(liabilities)</b>	<b>3.3</b>	<b>286,374,714</b>	<b>(128,810,293)</b>
Other current assets		472,680,838	364,501,665
Other non-current assets		20,976,539	31,547,273
Other current liabilities		(207,282,663)	(524,859,231)
<b>FAIR VALUE</b>	<b>4</b>	<b>(193,219,428)</b>	<b>(469,537,394)</b>
- current assets		1,050,130,256	3,765,059,467
- non-current assets		183,500,032	468,133,918
- current liabilities		(1,271,346,240)	(3,548,369,105)
- non-current liabilities		(155,503,476)	(1,154,361,674)
<b>INVESTED CAPITAL AND PROVISIONS</b>	<b>5</b>	<b>5,082,418,904</b>	<b>5,057,082,094</b>
<b>Fixed assets</b>	<b>5.1</b>	<b>3,567,695,799</b>	<b>3,509,671,465</b>
Fixed assets		3,567,695,799	3,509,671,465
<b>Equity investments</b>	<b>5.2</b>	<b>1,645,995,313</b>	<b>1,690,571,285</b>
Equity investments		1,626,490,423	1,669,823,761
Investments at fair value through profit and loss		1,912,586	1,379,166
Other non-current financial assets		17,592,304	19,368,358
<b>Operational Provisions</b>	<b>5.3</b>	<b>(131,272,208)</b>	<b>(143,160,656)</b>
Employee benefits		(11,388,393)	(12,244,370)
Provisions for decommissioning and remediation of industrial sites		(72,036,688)	(69,985,146)
Provisions for other risks and charges		(47,805,264)	(60,889,277)
Provisions for risks on equity investments		(41,863)	(41,863)
<b>TAX ASSETS (LIABILITIES)</b>	<b>8</b>	<b>98,143,436</b>	<b>128,132,505</b>
Non-current tax assets		4,630,135	1,719,136
Current taxes (payable)		(213,615,650)	(191,221,850)
Deferred-tax assets		326,404,797	317,635,219
(Deferred-tax liabilities)		(19,275,846)	-
<b>NET INVESTED CAPITAL</b>		<b>5,281,448,744</b>	<b>4,714,877,064</b>
<b>Provisions for risks on non-energy activities</b>	<b>9</b>	<b>(749,524,956)</b>	<b>(294,046,542)</b>
<b>Assets (Liabilities) under disposal</b>	<b>1.5</b>	<b>256,662,964</b>	<b>35,354,012</b>
<b>TOTAL NET INVESTED CAPITAL</b>		<b>4,788,586,752</b>	<b>4,456,184,534</b>
<b>SHAREHOLDERS' EQUITY</b>	<b>6</b>	<b>5,701,829,156</b>	<b>5,067,190,185</b>
<b>NET FINANCIAL DEBT (AVAILABLE FUNDS)</b>	<b>7</b>	<b>(913,242,404)</b>	<b>(611,005,651)</b>
Current financial assets from subsidiaries and affiliated companies (-)		(383,126,474)	(297,254,375)
Non-current financial assets from subsidiaries and affiliated companies (-)		(1,153,079,524)	(1,076,158,852)
Cash and cash equivalents (-)		(1,207,627,090)	(431,978,397)
Long-term financial debt and other financial liabilities (non-current) (+)		587,044,092	574,385,469
Financial debt and other financial liabilities (current) (+)		236,288,859	93,693,680
Current financial liabilities to subsidiaries and affiliated companies (+)		1,002,689,721	526,306,824
Other non-current liabilities (+) (*)		4,568,012	-
<b>TOTAL HEDGES</b>		<b>4,788,586,752</b>	<b>4,456,184,534</b>

(\*) This item implements the guidelines issued by ESMA with regard to financial debt and therefore includes other non-current liabilities.





Hydroelectric power plant in Calusco - Semenza (BG)





Hydroelectric power plant in Meduno (PN),  
Cà Selva dam



# Notes to the Separate Financial Statements as at December 31, 2023



# 1. Introduction

Dear Shareholders,

We submit for your approval the separate financial statements of Edison Spa at December 31, 2023, which consist of an income statement, a statement of other components of comprehensive income, a balance sheet, a cash flow statement, a statement of changes in shareholders' equity and the accompanying notes. The financial statements were drawn up in accordance with the International Financial Reporting Standards IFRS issued by the International Accounting Standards Board (IASB), based on the text published in the Official Journal of the European Communities (OJEC). At its meeting held on February 12, 2024, the Board of Directors authorized the publication of these separate financial statements, which are audited by the company KPMG Spa based on the assignment granted by the shareholders' meeting on April 28, 2020, pursuant to Legislative Decree No. 39 of January 27, 2010, with duration for nine financial years (2020-2028).

The values shown in the Notes to the separate financial statements, unless otherwise stated, are expressed in millions of euro.

## 1.1 Newly applied accounting standards

In preparing the separate financial statements, the accounting standards and valuation criteria applied are consistent with those applied in the preparation of the 2022 separate financial statements.

During the year, certain amendments to IFRSs came into force, applicable for financial years beginning on or after January 1, 2023, which did not have a significant effect on the separate financial statements:

- **IAS 1 “Presentation of financial statements”**: it has been clarified that the full financial statement disclosures must include the relevant information on accounting standards accompanied by other explanatory information as well as the relevant decisions, excluding those concerning estimates, that management has made in the process of applying the accounting standards and their impacts. Information is material if, considered together with other information included in the financial statements, it is reasonable to expect that it will influence the decisions that the primary users of the financial statements make on the basis of those financial statements;
- **IAS 8 “Accounting standards, changes in accounting estimates and errors”**: new definition of an accounting estimate – accounting estimates are monetary amounts recognized in the financial statements under a particular accounting standard that have measurement uncertainties. Subsequently, if there are changes in the circumstances on which the estimate was based or as a result of new information, new developments or increased experience, the estimate is modified and the effects are recognized prospectively in the income statement;
- **IAS 12 “Income Taxes”**: 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 (i) for leases where the lessee usually recognizes a lease liability and the corresponding amount as part of the cost of an asset consisting of the right of use or (ii) for decommissioning recognized either as a depreciable asset or as a liability in provisions. 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 in paragraphs 15 and 24 of IAS 12 does not apply to such temporary differences and the company recognizes any resulting deferred tax liabilities and deferred tax assets at gross values.

## 1.2 Presentation formats adopted by the company

Edison, based on the numerous projects of the IASB with regard to “Effective Communication”, has adopted for some time a presentation method that makes financial reporting more relevant and effective, taking into account the materiality of the information and the expectations of its Stakeholders. For this purpose and in continuity with previous years, the notes to the financial statements have been reviewed and broken down into chapters of similar topics rather than by lines of the financial statements.

The main presentation formats utilized have the following characteristics:

- the **Income Statement** is scalar, with the single items analyzed by nature, and comprises the Statement of Comprehensive Income, which shows the result components outstanding in the shareholders' equity;
- in the **Balance Sheet**, assets and liabilities are analyzed by maturity. Current and non-current items, which are due within or after 12 months after the balance sheet date, respectively, are shown separately;
- the **Cash Flow Statement** is prepared reporting the cash flows in accordance with the “indirect method”, as permitted by IAS 7;
- the **Statement of Changes in Shareholders' Equity** shows the flows concerning the components of the reserve for other components of comprehensive income separately.
- A **reclassified balance sheet** has been included on a voluntary basis to supplement these schedules, which allows a more rapid reconciliation with the information provided in the following chapters of the notes to the financial statements.

## 1.3 Application of accounting standard IFRS 5

### 1.3.1 Edison Stoccaggio Disposal

The transaction is classified as a “Non-current asset held for sale and discontinued operations” and therefore IFRS 5 has been applied. The methods and effects ensuing from this presentation are described in more detail in the following section.

#### Classification

During 2023, the investment in Edison Stoccaggio Spa was the subject of strategic evaluations aimed at exploiting its potential to serve a further drive for growth in the Group's strategic sectors. These assessments led to the activation of a process for the search of a potential buyer of the entire stake held by Edison Spa. In this context, the company received non-binding offers for the acquisition of the entire stake, currently being studied by management. Therefore, for the aforementioned reasons, the investment in Edison Stoccaggio Spa was reclassified among Assets held for sale (Discontinued Operations), pursuant to IFRS 5, as the sale is considered probable.

#### Valuation

IFRS 5 requires assets and liabilities held for sale to be measured at the lower of the book value and the fair value less costs to sell. In the valuation of the equity investment in Edison Stoccaggio Spa, whose carrying value is 134 million euro, the fair value was estimated to be higher than the carrying value. Instead, with reference to the determination of the carrying value of the equity investment held for sale, in addition to the values of the assets and liabilities, a portion of the undivided goodwill was also considered, in compliance with the standard; this portion, quantified at approximately 86 million euro, was identified pursuant to IAS 36 par. 86 using the main method of determination provided, i.e. the so-called “relative values” method of the assets



sold applied pro rata to the values of the consolidated financial statements. Upon disposal, it is expected that the difference between the estimated fair value and the carrying value will result in a positive effect.

### Presentation of values as at December 31, 2023

For the above, in these financial statements, the items referring to the equity investment held in Edison Stoccaggio Spa and recognized as Discontinued Operations regard the following values as at December 31, 2023:

<b>BALANCE SHEET DISCONTINUED OPERATIONS EDISON STOCCAGGIO</b> (in euro)	<b>12.31.2023</b>
Non-current non-financial assets	86,250,000
Non-current financial assets	134,280,487
<b>Assets under disposal</b>	<b>220,530,487</b>
Non-current non-financial liabilities	416,040
<b>Liabilities under disposal</b>	<b>416,040</b>

More specifically:

- **assets held for sale**, which amounted to 221 million euro and included the fair value of the investment in Edison Stoccaggio Spa calculated as described above;
- **liabilities held for sale** include liabilities to be settled against costs incidental to the sale;
- the **net result from discontinued operations** was negative by less than 1 million euro and related to the ancillary costs of the sale itself;
- the **cash flow statement** for 2023 has no significant impact with reference to the sale transaction.

It is also noted that intercompany dealings existing between Continuing and Discontinued Operations were treated as dealings between third parties.

## 1.3.2 Edison E&P Disposal

At December 31, 2023, assets and liabilities held for sale include certain residual values relating to the disposal of the equity investment held in Edison E&P Spa in 2021 and treated as Discontinued Operations.

### Presentation of values as at December 31, 2023

For the above, in these financial statements, the residual items referring to the disposal of the equity investment Edison E&P Spa and recognized as Discontinued Operations regard the following values as at December 31, 2023:

<b>BALANCE SHEET DISCONTINUED OPERATIONS EDISON E&amp;P</b> (in euro)	<b>31.12.2023</b>
Non-current non-financial assets	64,849,911
<b>Assets under disposal</b>	<b>64,849,911</b>
Non-current non-financial liabilities	28,301,754
<b>Liabilities under disposal</b>	<b>28,301,754</b>

More specifically:

- **assets held for sale** refer to non-current non-financial assets in the amount of 65 million euro (unchanged compared to December 31, 2022) and refer to the estimated present value of the additional consideration under the contract with Energean (up to 100 million dollars, contingent upon the Cassiopea gas field in Italy becoming operational); this consideration will be determined on the basis of gas prices (PSV) recorded at the time the field currently expected to enter into production in 2024; any changes in the year are recognized as offsetting entry in the item "Net result from discontinued operations";
- **liabilities held for sale** refer to non-current non-financial liabilities of about 28 million euro (about 29 million euro at December 31, 2022), and include provisions for tax and environmental risks related to the sale to Energean.

For more information on the disposal transactions concluded with Energean and the effects of the application of IFRS 5, please refer to the Separate Financial Statements of the period 2019-2022.

## E&P business liabilities already divested

### Disputed municipal property taxes (ICI and IMU) on offshore hydrocarbon production platforms

Following the disposal of the E&P assets and the agreements with the counterparty Energean, Edison Spa has remained liable for any liabilities that may emerge from the demands made by some coastal municipalities to subject offshore platforms to local taxes for years before the locked-box date (December 31, 2018).

At present, for the years 2016-2018, disputes are pending against Edison Spa with the municipalities of Cupra Marittima and Scicli, while the dispute with the municipality of Pineto is also pending against Energean alone, with reference also to the years attributable to Edison spa. Any charges, including pending litigation, arising from existing disputes are covered by a special provision for risks.

### Ministry for the Environment - request for compensation for environmental damages

On May 31, 2018, the Ministry for the Environment notified Edison of a claim for compensation for alleged environmental damages deriving from reinjection activities for the Vega 6 well of the aquifer and process waters, operated by the Vega A platform.

The request for compensation is quantified at a total maximum amount of roughly 80 million euro. The civil proceedings at first instance were finalized with ruling no. 3296/2022 of July 19, 2022, whereby the Court of Catania rejected the claims made by the Ministry and, in particular, the claim for compensation for pecuniary equivalent damages.

By a writ of summons on appeal served on Edison on February 18, 2023, the Ministry appealed against the aforementioned first instance ruling before the Court of Appeal of Catania, reformulating substantially the same allegations already made in the first instance.

Edison then filed a cross-appeal to contest the lack of authorization for the re-injection of the fluids in the reservoir as held by the first judge and requesting, in any event, confirmation of the rejection of the Ministry's claim for damages. The hearing for closing arguments has been set for March 5, 2024.

The facts in question have already been the subject of a criminal procedure declared invalid by the competent court.

Edison believes that this claim for compensation is completely unfounded, since the activities in question are not illegal, rather, on the contrary, authorized according to the applicable regulation, have not produced any environmental damage, nor any risk of geological pollution, or pollution of the aquifer or the sea.

Consequently, the company appeared in court requesting the full dismissal of the request from the Ministry for the Environment.

Following the agreement reached for the sale of the E&P business in July 2019, the newly formed Edison Exploration & Production Spa ("Edison E&P") assumed the liability related to this dispute. Subsequently, after the agreement was signed for the sale of the entire share capital of Edison E&P to Energean Capital Ltd (executed on December 17, 2020), Edison committed to fully indemnifying the purchaser with reference to this dispute. Therefore, Edison deemed it appropriate, on a completely prudential basis, to forecast an expense correlated with the dispute. This value, together with estimates of other disposal-related expenses, had been recognized in the year 2019 in net income from Discontinued Operations and at December 31, 2023 is included in Liabilities held for sale.

#### **Fraudulent activity to the detriment of the company Edison Norge AS**

With reference to the fraud perpetrated at the end of 2019 to the detriment of Edison Norge AS, the Norwegian company, now disposed of, has launched a series of activities aiming to recover the stolen sums (around 12.5 million euro).

These are legal actions brought against the companies in the Far East that both directly and indirectly received the payments and against the financial intermediaries which permitted such payments.

The disputes remain outside the scope of the Edison Norge assets disposed of; therefore, it will be Edison that manages the proceedings intended to recover the sums and obtain compensation for damages.

The criminal proceedings against the defendants began in Oslo in 2022 and ended with their conviction. Edison International has joined as a civil plaintiff and the related proceedings have concluded with the defendants being ordered to pay compensation for all amounts involved in the fraud (although there is little prospect to date of actually recovering all or part of these amounts from the defendants).



## 2. Performance

### 2.1 Core business of the Parent Company

Within the different Group companies, the Parent Company Edison Spa is responsible for the strategic direction, planning, control, financial management, risk and the coordination of activities.

More specifically:

- provides Group companies with business support and operating activity support services, such as administrative, tax, legal, procurement, personnel management, information technology and communication services, as well as risk management, through the management of financial derivatives relating to energy commodities, in order to optimize the available resources and make efficient use of existing know-how, providing subsidiaries with use of spaces for offices and for operating areas, as well as services relating to their use. These services are governed by the appropriate intercompany service agreements;
- in the electric power segment, it manages the generation of thermoelectric and hydroelectric power stations, purchases, sells and trades electricity as well as electricity transport capacity and makes the relative sales to the wholesale market on forward markets as well as spot markets in Italy and abroad;
- in the gas segment, it works in the importing of gas based on long-term contracts and the sale of hydrocarbons for thermoelectric uses, and carries out buying and selling activities in the wholesale market, including through the contracting of fossil fuel storage and transport capacity and the relative rights. In the midstream gas segment, it is present along with international partners with several important projects for the development of foreign gas transport infrastructure, and in Italy in the Small Scale LNG supply chain. Furthermore, with reference to the business model which calls for the separation of retail segment sales activities (residential and industrial market), Edison Spa also provides its subsidiary Edison Energia Spa with the energy and gas needed to meet its requirements, optimizing its supply in terms of both volume and price;
- it is also indirectly present in the specific wind, hydroelectric production and energy services sectors through its subsidiaries, which head their respective business lines, Edison Rinnovabili Spa and Edison Next Spa.

### 2.2 Key events

In addition to the more detailed comments made in the Report on Operations with reference to the events that characterized 2023 for Edison Spa, the main transactions and their effects on the 2023 financial statements are described below.

#### **Edison renews partnership with Amazon Web Services (AWS) with multi-year strategic agreement: digitalization as a tool for green transaction**

Milan, April 17, 2023 – Edison announces the renewal of its cooperation with AWS until 2027. The agreement aims to further accelerate the digital evolution path started with AWS in 2019 in order to achieve greater efficiency and performance for the benefit of the company's commitment to the country's green transition.

The company will conclude the total migration to the cloud on AWS by completely re-engineering the applications (typical example the SAP HANA system). The objective of Edison is a complete

digital overhaul of processes and applications with performance, security, efficiency and the use of big data analysis and management.

Among the benefits induced by this management is also the reduction of environmental impact through the decarbonization of the company's IT processes.

### Initiation of arbitration proceedings against Venture Global

May 15, 2023 – Edison initiated an arbitration procedure at the LCIA in London against Venture Global for the failure to start LNG deliveries from the USA.

### Edison: Moody's confirms Baa3 rating and changes outlook to stable

June 5, 2023 – Edison announces that on June 2, Moody's agency confirmed the Company's long-term rating at Baa3 and changed the outlook from negative to stable, following an equivalent change in the outlook of the rating of EDF (long-term rating Baa1).

### Edison inaugurates Italy's most efficient thermoelectric power plant: industrial excellence at the service of the country's energy transition

June 16, 2023 – Edison inaugurates in Porto Marghera (VE) the most efficient thermoelectric power plant in Italy and among the most efficient in the world, the first of the latest generation contributing to the country's energy transition. An important milestone in the security of the Italian energy system thanks to low carbon highly flexible production that compensates for the intermittency of renewables, thus contributing to the achievement of the decarbonization targets set by the PNIEC. The new Marghera plant, whose overall investment was approximately 400 million euro, has an installed capacity of 780 MW and energy efficiency of 63%, the highest made available by technology today, capable of ensuring a reduction of specific emissions of nitrogen oxides (mg NO<sub>x</sub>/kWh) by up to 70% and of carbon dioxide (mg CO<sub>2</sub>/kWh) by up to 30% compared to the average of the current Italian thermoelectric park, meeting the equivalent annual needs of about 2,000,000 households.

### Edison: 1 billion euro credit line with SACE guarantee

Milan, June 21, 2023 – On June 20, 2023, the new revolving credit line of 1 billion euro became effective dedicated to the coverage of working capital, subscribed on March 13, 2023 with a pool of banks comprised of BNL BNP Paribas, BPER Banca Spa, Intesa Sanpaolo Spa and UniCredit Spa.

Each of the banks participates with equal stakes as Mandated Lead Arranger and Original Lender; Intesa Sanpaolo Spa is also Agent Bank and SACE Agent.

The credit line is backed by the guarantee of the national export credit agency SACE Spa ("SACE") for 70% of the amount. The SACE guarantee was issued as part of the interventions to protect the national energy system in line with the SupportItalia instrument under the Aiuti Decree and became effective following the issuance of a specific decree by the Ministry of Economy and Finance.

The credit line, which expires in May 2025, had no impact on net financial debt as at December 31, 2023.

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

Milan – San Donato Milanese (MI), August 1, 2023 - Eni and Edison 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 reclamation 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. The implementation of the site-by-site agreement, with related planning activities, sharing of costs resulting from approved reclamation projects and relations with institutions will be shared and coordinated by a joint technical-legal committee between the companies.

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

Quassolo (TO), September 15, 2023 – Edison inaugurates the new Quassolo hydroelectric 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 tons of CO<sub>2</sub> per year.

The power station was built in just 19 months and the total investment amounted to 12 million euro.

## Edison and La Scala together after 140 years in the name of environmental and social sustainability

Milan, November 28, 2023 - On the occasion of the 140th anniversary of the start of its activities, Edison consolidates its historic link with La Scala, which began in 1883, by becoming a Permanent Founder of the Foundation and confirming its commitment to accompanying the Theatre on its path of decarbonization and ecological transition.

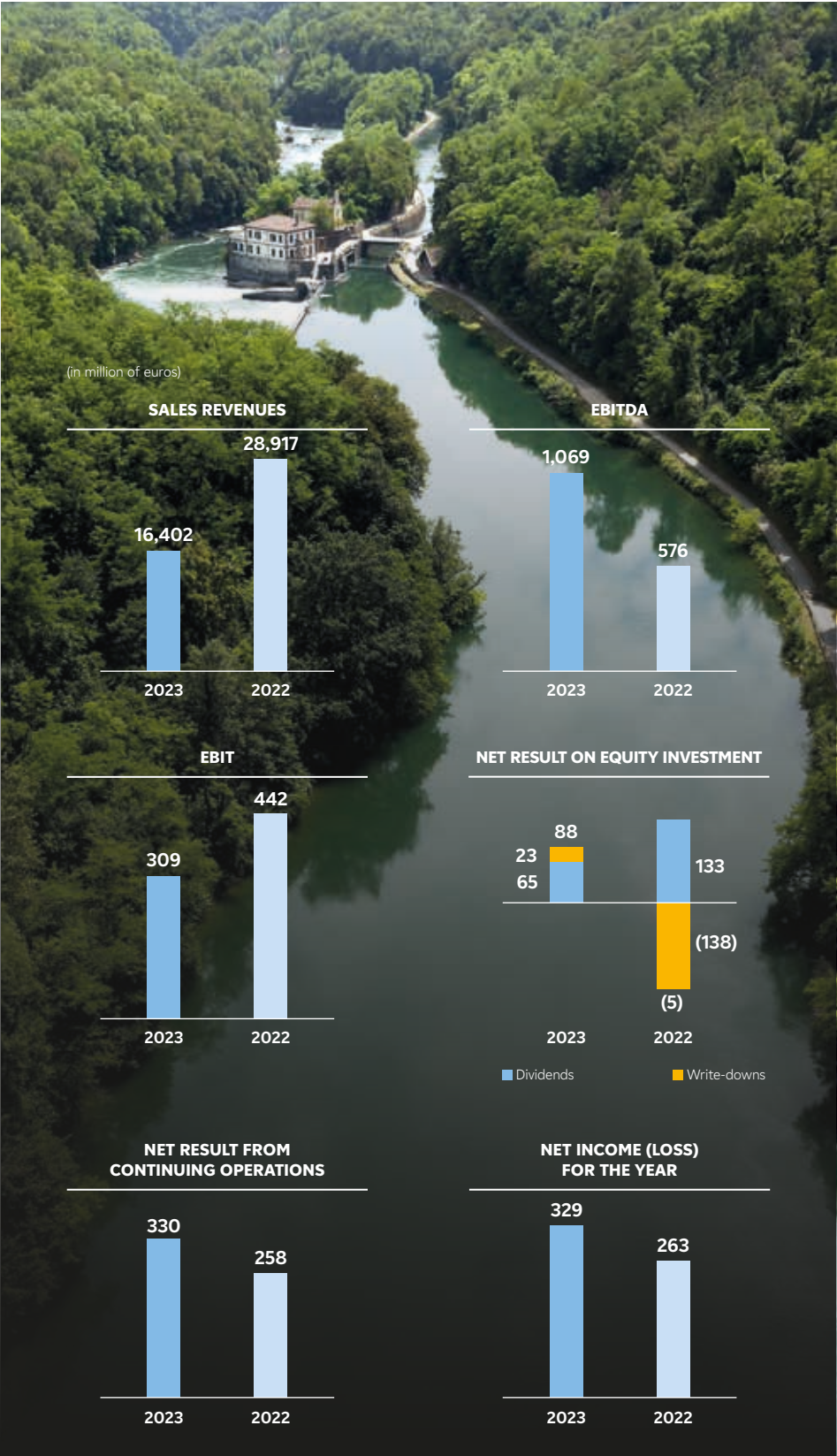
## Edison buys 10 hydroelectric plants in Piedmont

Milan, December 19, 2023 – Edison signed the agreement with Idronord for the purchase of a portfolio of 10 run-of-river mini-hydroelectric power plants in Piedmont. Through this transaction, the company took over 100% of three special purpose companies - Nuove Iniziative Energetiche Srl (NIE), Cuorgnè Srl and IdroRessia Srl - held by Idronord, increasing its presence in a region with high potential in the hydroelectric sector.

The control panels are highly automated and their functionality can be adjusted remotely.



2.3 Highlights



## 2.3.1 Sales revenues

(in millions of euros)	2023 financial year	2022 financial year	Change	% change
Natural gas	6,557	19,634	(13,077)	(66.6%)
Electricity	6,183	8,237	(2,054)	(24.9%)
Steam	33	101	(68)	(67.3%)
Environmental securities	23	23	-	n.m.
Realized commodity derivatives	3,483	839	2,644	n.m.
Other revenues and services	123	83	40	48.2%
<b>Total sales</b>	<b>16,402</b>	<b>28,917</b>	<b>(12,515)</b>	<b>(43.3%)</b>

**Sales revenues** totalled 16,402 million euro, down significantly compared with fiscal year 2022 (28,917 million euro). They should be compared with a similar change in commodity and logistics costs, and were generated primarily in Italy. The change is primarily attributable to:

- revenues from electricity sales amounted to 6,183 million, down 24.9% compared to 2022, in particular, the thermoelectric segment showed a downward trend compared to 2022, due to a declining performance in the PGM/MSD markets as a result of less favorable market conditions, partially offset by the contribution of the capacity market; the hydroelectric segment benefited from growing volumes compared with last year, which included the positive, non-repeatable effect of Edison's waiver of the option provided for by Legislative Decree No. 145/2013 (the so-called "Spalma-Incentivi"); both 2022 and 2023 were negatively impacted by the allocations relating to the so-called decrees cap 180 and sostegni Ter;
- Gas sales revenues came in at 6,557 million euro, down 66.6% compared to 2022. This reduction is attributable to both the decline in sales volumes, and to the price scenario, however benefiting from portfolio optimization actions.

The results achieved from commodity derivatives, to be analyzed together with the corresponding item, included in "Costs for commodities and logistics", regard hedges on commodities and foreign exchanges put into place to manage the risk of swings in the cost of natural gas as well as risks related to its sale, consistent with the index formulas and risk factors included therein.

## 2.3.2 Commodity and logistics costs

(in millions of euros)	2023 financial year	2022 financial year	Change	% change
Natural gas	6,968	20,691	(13,723)	(66.3%)
Realized commodity and foreign exchange derivatives	3,103	1,331	1,772	n.m.
Electricity	3,301	4,971	(1,670)	(33.6%)
Transmission	796	689	107	15.5%
Regasification fee	112	105	7	6.7%
Environmental securities	458	384	74	19.3%
Utilities and others materials	18	17	1	5.9%
Demineralized industrial water	-	1	(1)	n.m.
Changes in inventories	150	(185)	335	n.m.
<b>Total commodity and logistics costs</b>	<b>14,906</b>	<b>28,004</b>	<b>(13,098)</b>	<b>(46.8%)</b>

Commodity and logistics costs of 14,906 million euro were also considerably lower than in the previous year (28,004 million euro), partly reflecting the phenomena commented on sales revenues.

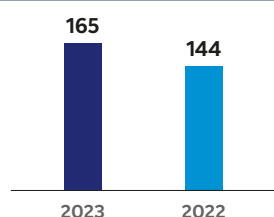
The item Regasification Fees of 112 million euro includes the charges attributed to Terminale GNL Adriatico for regasification activities and increased due to both the price effect and an increase in regasification capacity slots.

### 2.3.3 Other costs and services used

(in millions of euros)	2023 financial year	2022 financial year	Change	% change
Plant maintenance	53	49	4	8.2%
Professional services	67	59	8	13.6%
Insurance services	20	17	3	17.6%
Costs for rents and leases	119	77	42	54.5%
Others	48	39	9	23.1%
<b>Total other costs and services used</b>	<b>307</b>	<b>241</b>	<b>66</b>	<b>27.4%</b>

The increase in lease and rental costs is mainly due to the increase in concession fees and ancillary costs related to two LNG carrier, recognized in leased tangible fixed assets IFRS 16.

#### LABOUR COST (M€)



### 2.3.4 Labor cost

Costs for personnel came to 165 million euro, marking an increase from 144 million euro in 2022. This change was caused by the increase in the average headcount in 2023 by 64 compared to the average value in 2022 as well as the change in the cost of labour due to the effects of salary and contractual policies, and a component of non-structural cost related to the extraordinary bonus to all the staff of the Edison Group Companies amounted to 1,400 euros gross on the occasion of the 140th anniversary of its foundation.

(number of employees)	Start of the year	Incoming	Outgoing	Changes of classification	Other changes (*)	End of the year	Average number 2023	Average number 2022
Managers	132	2	(2)	6	(4)	134	132	134
Middle managers	437	28	(15)	26	(5)	471	451	417
Office staff	758	100	(51)	(22)	24	809	801	773
Production staff	153	37	(11)	(10)	-	169	157	152
<b>Total</b>	<b>1,480</b>	<b>167</b>	<b>(79)</b>	<b>-</b>	<b>15</b>	<b>1,583</b>	<b>1,540</b>	<b>1,476</b>

(\*) include changes with other Edison Group companies.

### 2.3.5 Other revenues and income and Other costs

OTHER REVENUES AND INCOME (in millions of euros)	2023 financial year	2022 financial year	Change	% change
Release of provisions for other risks	11	5	6	120.0%
Insurance and contractual compensation	9	24	(15)	(62.5%)
Revenues for MASA agreement	16	18	(2)	(11.1%)
Recovery of costs, out-of-period income and sundry items	83	33	50	151.5%
<b>Total other revenues and income</b>	<b>119</b>	<b>80</b>	<b>39</b>	<b>48.8%</b>

It should be noted that:

- the **release of provisions for various risks** refers in particular to those of an operational nature, set aside in previous years to cover any charges and which are considered extinguished in the period in question;

- **revenues from the MASA agreement** of 16 million euros (18 million euros in 2022) include the results of the activity carried out under the MASA joint venture agreement in place with EDF Trading, as described in paragraphs 4.1 Market risks and risk management and 10.2 Intragroup and related party transactions;
- the **cost recovery** item mainly refers to insurance costs and personnel loans, while the contingent assets mainly include the active items realized against adjustments relating to previous years in both the gas and electricity sectors, and finally the other revenues include the sublease of the methane vessel which entered into service during 2023.

<b>OTHER COSTS</b> (in millions of euros)	<b>2023</b> <b>financial year</b>	<b>2022</b> <b>financial year</b>	<b>Change</b>	<b>% change</b>
Accruals to provisions for risks	12	4	8	n.m.
Indirect taxes and fees	11	9	2	22.2%
Contingent liabilities and other	54	34	20	58.8%
<b>Total other costs</b>	<b>77</b>	<b>47</b>	<b>30</b>	<b>63.8%</b>

More specifically:

- **sundry provisions for risks** primarily refer to possible future charges connected with tariff risks, as well as environmental and fiscal risks;
- **indirect taxes and fees** include IMU costs of 9 million euro;
- **contingent liabilities and other** and other and include insurance costs and miscellaneous expenses to be recharged, the offsetting entry of which can be found under “Other revenues and income - Cost recovery”.

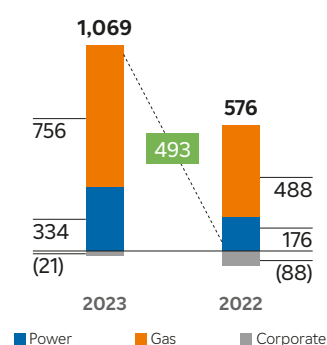
### 2.3.5 EBITDA

Against a backdrop of a sharp drop in energy commodity prices from the record levels recorded in 2022, **EBITDA** amounted to 1,069 million euro, a considerable increase over the financial year 2022 (+493 million).

In detail, as regards the individual sectors, note the following:

- in the **gas segment**, EBITDA amounted to 756 million euro, a considerable increase over 2022, and the result benefited significantly from portfolio optimization actions. However, there was a strong negative impact from the delay in LNG deliveries from the US, which led the company to initiate an arbitration dispute;
- in the **power segment**, EBITDA was a positive 334 million euro, up compared to 2022. In particular, it should be noted that the result for the financial year 2022 was negatively affected by the effects of Decree Law January 27, 2022 no. 4 (“Sostegni-ter”), as well as the introduction in the 2023 Budget Law of a cap on market revenues of 180 euro/MWh in force from December 2022, to be applied to electricity producers who use RES not included in the scope of application of the “Sostegni ter” Decree Law, continued effect until June 30, 2023. The thermoelectric segment shows a downward trend with respect to 2022, due to a declining performance in the PGM/MSD markets as a result of less favorable market conditions, partially offset by the contribution of the capacity market, while the hydroelectric segment benefited from growing volumes with respect to last year, due to increased rainfall compared to the previous year; in 2022, the hydroelectric segment also benefited from the positive effect, which cannot be repeated, related to Edison's waiver of the option provided for by Legislative Decree No. 145/2013 (the so-called “Spalma-Incentivi”). Finally, it should be noted that thermoelectric production shows a decrease in production due to less favorable market conditions compared to 2022, despite the progressive commissioning in the second half of the year of the two new plants of Marghera Levante and Presenzano, the most efficient in Italy and among the most efficient in Europe.

**EBITDA (M€)**



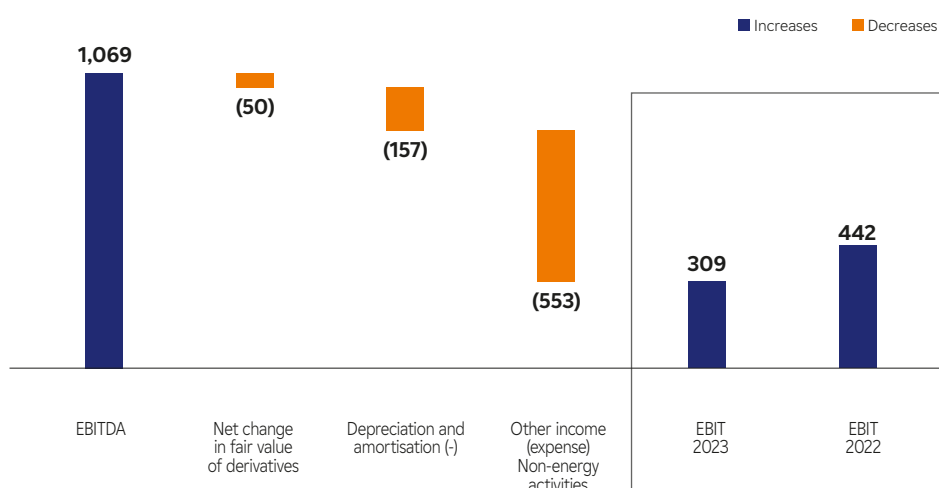


- in the **corporate segment**, the gross operating margin for the 2023 financial year, which brings together central and transversal management activities, i.e. not directly linked to the specific business, is negative by 21 million euro and in 2023, shows an improving trend compared to financial year 2022, mainly related to a redefinition of service contracts towards the operating units.

For the sake of comprehensiveness, for a more significant representation of the operating EBITDA of the individual segments<sup>1</sup>, the values shown also include intercompany transactions, i.e., those between the different segments of the Company such as the sale of gas to the thermoelectric power plants on the basis of the volumes consumed, and costs for centralised services in the corporate segment but charged back to the operating Business Units.

### 2.3.6 EBIT

(in millions of euros)



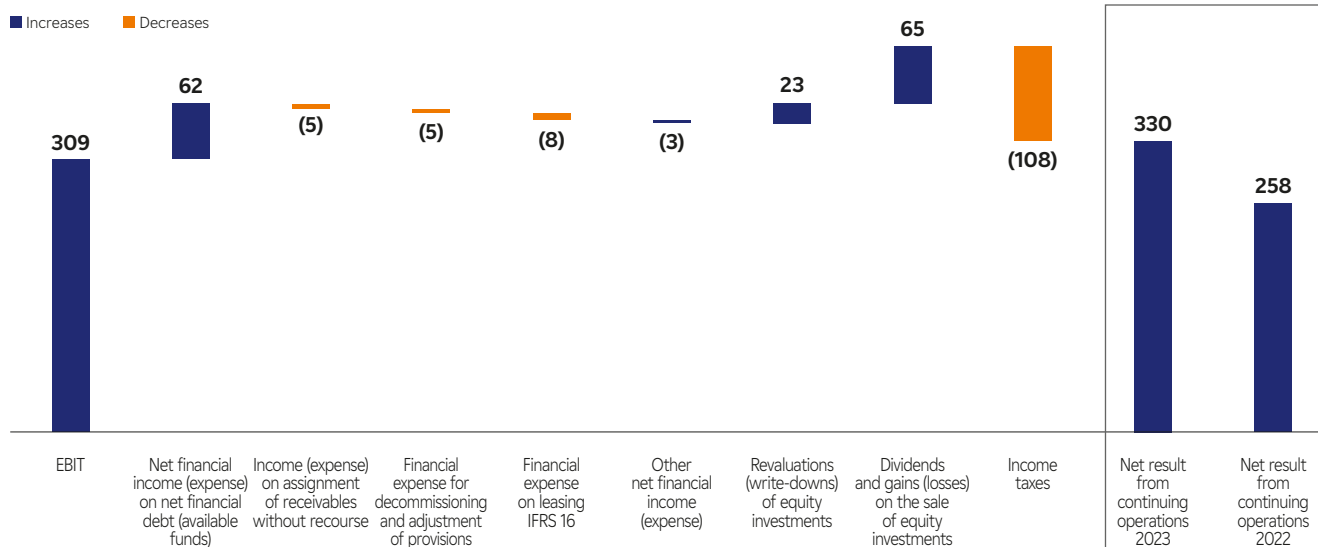
**EBIT** was a positive 309 million euro (positive for 442 million euro in 2022) and includes, in addition to the industrial effects previously described, also:

- 50 million euro, the negative impact connected with the **net change in fair value of derivatives on commodities and foreign exchange rates** (positive for 54 million euro in 2022) (for more information, see chapter 4. “Market risk management”);
- 157 million euro for depreciation and amortization (121 million euro in 2022) (for more information, see chapter 5. “Invested capital and provisions”), mainly increased due to the commissioning of the Marghera Levante thermoelectric power plant;
- 553 million euro for **other net non-Energy expenses** (other net expenses in 2022 came to 66 million euro), connected with expenses not directly related to industrial and financial operations, and essentially related to disputes and reclamation works concerning the former Montedison Group (for more information, see chapter 9. “Non-energy activities”), approximately 14 million euro for legal expenses are also included.

1. The “Operating” EBITDA of the individual segments is not verified by the Independent Auditors.

## 2.3.7 Profit (Loss) from continuing operations

(in millions of euros)



In detail, the main items refer:

- for approximately 62 million euro to net financial income relating to the financial position (13 million euro net in financial year 2022), of which mainly (for further information see the information in chapter 7):
  - 80 million euro in financial income from subsidiaries and associates (23 million euro in 2022) and 31 million euro in financial income from EDF Sa from current account balances;
  - net of 34 million euro in financial expenses due to subsidiaries and associates (3 million euro in 2022), 13 million euro in interest expenses due to banks (4 million euro in 2022), and 3 million euro in financial expenses due to the parent company Transalpina di Energia;
- about 5 million euro (2 million in 2022) for charges on the assignment of receivables without recourse;
- about 5 million euro (6 million in 2022) for the adjustment of **decommissioning provisions** and the discounting of provisions for risks (details provided in chapter 5);
- about 8 million euro in **lease costs** (4 million in 2022) as a result of the adoption of the IFRS 16 accounting standard;

(in millions of euros)

	Financial year 2023	2022 financial year	Changes
<b>Other financial income (expense)</b>	<b>4</b>	<b>2</b>	<b>2</b>
<b>Exchange rate gains/(losses)</b>			
<b>Exchange rate gains of which:</b>	<b>111</b>	<b>275</b>	<b>(164)</b>
- amount with EDF	62	188	(126)
- amount with others	49	87	(38)
<b>Foreign exchange translation losses:</b>	<b>(118)</b>	<b>(231)</b>	<b>113</b>
- amount with EDF	(84)	(125)	41
- amount with others	(34)	(106)	12
<b>Total exchange gains/(losses)</b>	<b>(7)</b>	<b>44</b>	<b>(51)</b>
<b>Total other net financial income/(expense)</b>	<b>(3)</b>	<b>46</b>	<b>(49)</b>

- for approximately 3 million euro to **other net financial expenses** (46 million euro of other net financial income in financial year 2022), including in particular **financial income** of which 3 million euro of interest income on trade credits, net of **financial expenses** of which 6 million euro from bank commissions, as well as net exchange losses of 7 million euro (44 million euro of net gains in the 2022 financial year), mainly referring to hedges on exchange rate risk hedging operations in place with EDF Sa;
- for approximately 23 million euros in **net revaluations of equity investments** (net write-downs of 138 million euros in the 2022 financial year) (for further information, see the information in chapter 5);
- 65 million euro for **dividends from investee companies and gains from the sale of equity investments** (133 million euro in 2022) (for more information, see chapter 5);
- for 108 million euro from **income taxes** (226 million euro in 2022), consisting mainly of 198 million euro from IRES and 75 million euro from IRAP. It should be noted that the previous year included a negative current tax effect of 114 million euro related to the extraordinary temporary contribution pursuant to the Budget Law 2023.

They also include net deferred/prepaid taxes, which had a positive balance of 151 million euro. The main reasons for this balance are the allocation of deferred tax assets on the provisions for risks and the use of deferred tax assets on the difference in the value of property, plant and equipment (for more information, see chapter 8).

### 2.3.8 Profit (loss) for the year

The profit for the year 2023 of Edison Spa was 329 million euro (a profit for 263 million euros in 2022).

The result for the year includes the net negative effect of about 1 million euro from discontinued operations, caused by the ancillary costs for the sale of the investment in Edison Stoccaggio. For more information, see the paragraph “1.3.1 Disclosures on IFRS 5 - Edison Stoccaggio Disposal”.

## 3. Net working capital

### 3.1. Credit risk management

The credit risk represents Edison Spa's exposure to potential losses that could be incurred if a commercial or financial counterpart fails to meet its obligations.

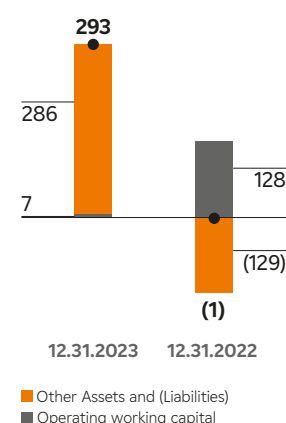
To control this risk, Edison Spa has implemented procedures and programs designed to evaluate customer credit worthiness and optimized collection strategies for the various customer segments.

The significant increase in commodity price volatility experienced during 2022, also as a result of the geopolitical context related to the Russia-Ukraine conflict, contributed to an increase in credit risk exposure. The actions implemented by the company made it possible to mitigate this risk.

When choosing counterparties for transactions to manage temporary excess liquidity or execute financial hedging contracts (derivatives), Edison Spa deals only with entities with a high credit rating.

At December 31, 2023, there were no significant exposures to risks related to a possible further deterioration of the overall financial environment and/or significant concentrations with individual non-institutional counterparties.

#### NET WORKING CAPITAL (M€)



### 3.2 Operating Working Capital

(in millions of euros)	12.31.2023	12.31.2022	Changes
Inventories (+)	144	294	(150)
Trade receivables (+)	1,646	3,236	(1,590)
Current trade payables (-)	(1,706)	(3,392)	1,686
Non-current trade payables (-)	(77)	(10)	(67)
<b>Operating Working Capital</b>	<b>7</b>	<b>128</b>	<b>(121)</b>

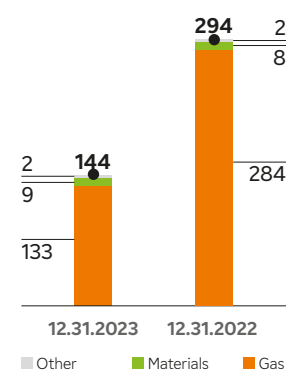
The change in operating working capital shows a decrease compared to December 31, 2022, which is largely attributable to the decrease in energy commodity prices and gas inventories.

#### 3.2.1 Inventories

They amount to 144 million euro, and are essentially made up of gas inventories for 133 million euro net of a write-down of 5 million euro (gas inventories are decreasing compared to the 284 million euro at December 31, 2022, in particular for the decrease in market prices), and from materials and equipment for the maintenance and operation of the plants in operation for 9 million euro (substantially unchanged compared to December 31, 2022).

Gas inventories include 110 million euro (142 million euro at December 31, 2022) in quantities of natural gas stored subject to restricted use, as a guarantee.

#### INVENTORIES (M€)





### 3.2.2 Trade receivables

(in millions of euros)	12.31.2023	12.31.2022	Changes
<b>Total trade receivables</b>	<b>1,646</b>	<b>3,236</b>	<b>(1,590)</b>
Broken down as follows:			
- amount owed to outsiders	1,119	2,389	(1,270)
- amount owed to subsidiaries and affiliated companies	527	847	(320)
<b>Total trade receivables</b>	<b>1,646</b>	<b>3,236</b>	<b>(1,590)</b>
<b>of which provision for doubtful debt</b>	<b>(24)</b>	<b>(27)</b>	<b>3</b>
<b>Guarantees to cover outstanding loans</b>	<b>32</b>	<b>2</b>	<b>30</b>
<b>Overdue receivables</b>			
<b>Within 6 months</b>	<b>1</b>	<b>8</b>	<b>(7)</b>
<b>1 to 12 months</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Over 12 months</b>	<b>20</b>	<b>21</b>	<b>(1)</b>

They refer, in particular, to contracts for the supply of electricity and steam and to contracts for the supply of natural gas, to Group companies and to Terna, GSE and GME, the significant change from the end of the previous year is mainly attributable to the contraction of the energy commodity price scenario.

**Receivables from subsidiaries and affiliated companies** relate almost entirely to gas and electricity sales to the subsidiary Edison Energia for sale on the end market.

The company regularly disposes of trade receivables without recourse on a monthly revolving basis and through the transfer without recourse of the credit risk. These transactions were carried out in 2023 for a total value of 803 million euro (1,763 million euro as at December 31, 2022). These receivables were not exposed to the risk of recourse at December 31, 2023. The costs related to managing these activities are recorded under financial items and amount to 5 million euro.

The **provision for doubtful debt** totalled 24 million euro, down compared with December 31, 2022. The table below shows the changes occurred during the year 2023:

(in millions of euros)	Values at 12.31.2022	Provisions	Utilizations	Values at 12.31.2023
<b>Total</b>	27	1	(4)	<b>24</b>

**Allocations** derive from the valuation, in application of the Edison group policy, of the various credit statuses taking into consideration the customer segment, the relative past due and aging and of the methodology envisaged by the accounting standard IFRS 9 (so-called expected credit losses model); **uses** were made based on the credit status of individual customers, taking into consideration the amount of the relative credit.

### 3.2.3 Current and non-current trade payables

(in millions of euros)	12.31.2023	12.31.2022	Changes
<b>Total trade payables of which:</b>	<b>1,783</b>	<b>3,402</b>	<b>(1,619)</b>
- current	1,706	3,392	(1,686)
- non-current	77	10	67
Broken down as follows:			
- amount owed to outsiders	1,698	3,299	(1,601)
- amount owed to subsidiaries and affiliated companies	85	103	(18)
<b>Total</b>	<b>1,783</b>	<b>3,402</b>	<b>(1,619)</b>

Trade payables reflect mainly purchases of natural gas deriving from long-term contracts, purchases of electric power and other utilities, and services related to plant maintenance. They also include a contractual fee as a result of an agreement signed with a counterparty for the long-term supply of gas; the significant change compared to the end of the previous year is attributable in particular to the contraction of the energy commodity price scenario.

### 3.3 Other assets and liabilities

(in millions of euros)	12.31.2023	12.31.2022	Changes
VAT receivable from the tax administration	4	4	-
Guarantee deposits	15	14	1
Other receivables	2	2	-
Receivables for other taxes	-	12	(12)
<b>Total other non-current assets (A)</b>	<b>21</b>	<b>32</b>	<b>(11)</b>
Receivables for technical, admin. and financial services to Group companies	244	158	86
VAT receivable from the tax administration	42	-	42
Sundry advance account receivables	39	25	14
VAT pool receivables	33	46	(13)
Other	115	136	(21)
<b>Total other current assets (B)</b>	<b>473</b>	<b>365</b>	<b>108</b>
<b>of which provision for doubtful debt</b>	<b>(2)</b>	<b>(6)</b>	<b>3</b>
Others (*)	5	-	-
<b>Total other non-current liabilities (C)</b>	<b>5</b>	<b>-</b>	<b>-</b>
Amount owed to employees	40	25	15
Payables to social security and welfare institutions	23	18	5
Other taxes payable	4	6	(2)
VAT receivable from the tax administration	-	42	(42)
VAT pool payables	13	3	10
Other	127	432	(305)
<b>Total other current liabilities (D)</b>	<b>207</b>	<b>526</b>	<b>(319)</b>
<b>Total other assets/liabilities (A+B-C-D)</b>	<b>282</b>	<b>(129)</b>	<b>416</b>
Of which subsidiaries and affiliated companies			
- Other current assets	277	204	163
- Other current liabilities	23	12	11

(\*) the item is classified in the net financial position, implementing the guidelines issued by ESIMA.

#### Other current assets

In particular, **other assets** include receivables for charges on certain derivatives, amounting to 69 million euro, which were realized on December 31, 2023, but settled financially at the beginning of January 2024, and whose value was also affected by the significant decrease in the price scenario compared to the year 2022 (for further information, see chapter 4. Market risk management).

### **Receivables for technical, admin. and financial services to Group companies**

These mainly concerned for 158 million euro to the charge-backs of the effects of the renewable energy hedges referred to in the Decree Law on Support Ter and the year-end “cap 180” decree, for 37 million euro to receivables for administrative services, and for 15 million euro to receivables for derivatives (for further information, see chapter 4. Market risk management).

### **Other current liabilities**

**Other liabilities** mainly include:

- payables for charges on certain derivatives, amounting to 37 million euro, which were realized on December 31, 2023, but settled financially at the beginning of January 2024, and whose value was also affected by the significant decrease in the price scenario compared to the year 2022 (for further information, see chapter 4. Market risk management);
- payables related to the Sostegni Decree amounting to 39 million euro.



## 4. Market risk management

This chapter provides a description of the policies and principles adopted by Edison Spa to manage and control the commodity price risk, tied to the volatility of the prices of energy commodities and environmental securities, the foreign exchange risk linked to commodities and other risks correlated with the exchange rate.

As required by IFRS 7 Financial Instruments - Disclosures, the paragraphs that follow provide information about the nature of risks resulting from financial instruments, based on an analysis of an accounting or managerial nature.

The effects on the income statement and balance sheet at December 31, 2023 are also provided.

### 4.1 Market risks and risk management

#### 4.1.1 Commodity Price Risk and Exchange Rates Risk Related to Commodity Transactions

Edison Spa is exposed to the risk of fluctuations in the prices of all of the energy commodities that it handles (electric power, natural gas, petroleum products and environmental securities), both directly, with pricing formula, and indirectly, through statistical correlations and economic relations, which have an impact on the revenues and expenses of its production, storage and marketing operations. Moreover, because some contracts are settled in currencies different from euro and/or include a translation into different currencies through price indexing formulas, the company is also exposed to exchange rate risk.

The management and control of commodity price and exchange rate risk related to commodity transactions, governed by the Energy Risk Policies, involve the use of derivatives for hedging purposes in order to reduce or mitigate the related risk, balancing the changes in economic value of the underlying hedged item with those deriving from the use of such instruments.

From an organizational standpoint, the governance model adopted by the Group requires the separation of the risk control and management functions from the derivatives trading activity. At the operational level, the net exposure is computed for the company's entire portfolio of assets and contracts (so-called Industrial Portfolio), which is the net residual exposure after maximizing all available vertical and horizontal integrations provided by the different business operations. This net exposure is then used to compute the overall level of Economic Capital involved (stated in millions of euro), measured in terms of Profit at Risk (PaR<sup>2</sup>) with a confidence index of 97.5% and an annual time horizon.

Each year, the Board of Directors approves the Economic Capital at Group level ceiling concurrently with the approval of the annual budget. The Hedging Pricing and Counterparty Committee, which is headed by Senior Management, reviews monthly the Group's net exposure and, if the Profit at Risk is higher than the predetermined ceiling, defines the appropriate Strategic Hedging policies, which may involve the use of suitable derivatives instruments. These activities are performed in line with the policy of the Group with the aim to minimize the use of financial markets for hedging, by maximizing the benefits of vertical and horizontal integration of the various business operations and the homogenization of the formulas and indexing between the sources and physical uses. In addition, the gradualness of Strategic Hedging ensure the minimization of the execution risk, related to the concentration of all the hedges in a phase of unfavorable market, the volume risk, linked to the variability of the underlying hedged based on the best volume projections, and of the operational risk, related to implementation errors. Provided transactions are approved in advance by the Risk Office, which determines whether

<sup>2</sup> Profit at Risk: is a statistical measurement of the maximum potential negative variance in the budgeted margin in response to unfavorable markets moves, within a given time horizon and confidence interval.

they are consistent with the risk management objectives and with the Group's total exposure, the company, responding to specific requests from individual Business Units, may also use other types of hedges called Operational Hedges with the aim to fix the margin related to a single transaction or to limited set of transactions correlated.

The unrealized derivatives at December 31, 2023 are measured at fair value with reference to the market forward curve at the reporting date, if the derivative underlying is traded in markets that have official and liquid forward price quotations. If the market has no such forward quotations, forecast price curves based on internal simulation models developed by Edison Group are employed.

The Italian forward market for electric power does not yet meet IFRS requirements to qualify as an active market. Specifically, both the Over The Counter (OTC) markets operated by brokerage firms (e.g., TFS) and those operated by Borsa Italiana (IDEX) and the Manager of the Energy Markets (MTE) lack sufficient liquidity for peak and off-peak products and for maturities longer than one year. Consequently, market price data obtained from those markets should be viewed as input for the internal valuation model used to measure at fair value the aforementioned products.

For the derivatives that provide hedging for the Industrial Portfolio, which qualify part as cash flow hedges or fair value hedges pursuant to IFRS 9 and part as economic hedges, a simulation is performed to measure the potential impact that fluctuations in market prices of the underlying item could have on the fair value of the outstanding derivatives, pursuant to IFRS 7. The simulation is performed with reference to the time period of the residual life of the derivative contracts in place, whose maximum term is currently 2027.

For all derivative contracts in place as at December 31, 2023, the methodology makes use of the forward prices of commodities and exchange rates, recorded at the reporting date, and of the associated volatilities and correlations.

Once a probability distribution of changes in fair value is thus obtained, it is possible to extrapolate the maximum expected negative variance in the fair value of the outstanding derivatives, over the time horizon corresponding to the reporting year, for a given level of probability, conventionally set at 97.5%.

The following table shows the maximum expected negative variance in the fair value of the outstanding hedging derivative contracts on commodities and exchanges by the end of 2024, compared with the fair value determined at December 31, 2023.

<b>VALUE AT RISK (VAR)</b> (in millions of euros)	<b>12.31.2023</b>	12.31.2022
Maximum expected variance in the fair value (*)	<b>528,7</b>	6,110.8

(\*) Estimated with a level of probability of 97.5%.

The decrease in the maximum change in fair value compared to December 31, 2022, is primarily connected to the decrease in volatility and the reduction in volumes of derivatives traded in the energy markets in which the company operates.

In other words, compared with the fair value determined for hedging derivatives outstanding at December 31, 2023, the probability of a negative variance greater than 529 million euro by the end of 2024 is limited to 2.5% of the scenarios.

For derivatives qualified as fair value hedges, also considering the change in the fair value of the hedged contracts, the aforementioned maximum expected variance value is reduced from 529 million euro to 289 million euro. Of this value:

- roughly 133 million euro relates to derivatives that may be classified as Economic Hedges and the ineffective part of derivatives qualified as Cash Flow Hedges and Fair Value Hedges; this potential change would therefore be recognized in the income statement;

- around 156 million euro relates to the effective portion of hedging derivatives that may be classified as Cash Flow Hedges and would be shown in the balance sheet with recognition in the dedicated shareholders' equity reserve.

Period hedging allowed the Company's risk management objectives to be achieved, reducing the commodity price risk profile of the Industrial Portfolio to within the approved economic capital limit. The table below shows the risk profile of the Industrial Portfolio in terms of the absorption of economic capital:

INDUSTRIAL PORTFOLIO ECONOMIC CAPITAL ABSORPTION	2023 financial year		2022 financial year	
	without derivatives	with derivatives	without derivatives	with derivatives
Average absorption of the approved economic capital limit	91%	38%	453%	67%
Maximum absorption	221% - Jan. '23	80% - Jan. '23	736% - Sep. '22	97% - Jan. '22

In 2023, Edison Spa's trading operations are conducted within the framework of the joint venture agreement with EDF Trading: with effect from 1 January 2023, in fact the agreement which had been in force since September 2017, between EDF Trading and Edison Spa (formerly Edison Trading Spa merged into Edison Spa on 1 December 2017), or the MASA (Trading Joint Venture and Market Access Services Agreement) which, like the previous agreement, regulates both proprietary trading activities, carried out through a joint desk with EDF Trading, both the access activities to the power forward market for which the access methods and costs have been revised.

## 4.1.2 Foreign Exchange Risk

The foreign exchange risk arises from the fact that part of the activities of the Edison Group are carried out in currencies other than the euro or are influenced by changes in foreign exchange rates through contractual components indexed to a foreign currency. Revenues and expenses denominated in foreign currencies can be affected by fluctuations in foreign exchange rates that have an impact on sales margins (economic risk). Likewise, the amount of trade and financial payables and receivables denominated in foreign currencies can be affected by the translation rates used, with an impact on profit or loss (transactional risk).

The foreign exchange risk management objectives are described in specific Policies.

The exposure to economic and transaction risk arising from exchange rate, related to commodity transactions, is also managed in accordance with the above-mentioned specific limits and strategies.



## 4.2 Hedge accounting and economic hedges - Fair value hierarchy

Whenever possible, Edison uses hedge accounting, provided the transactions comply with the requirements of IFRS 9.

### 4.2.1 Classification

Forward transactions and existing derivatives can be classified as follows:

- 1) derivatives that qualify as hedges in accordance with IFRS 9:** this category includes (i) transactions that hedge the risk of fluctuations in cash flow (Cash Flow Hedge - CFH) on exchange rates and commodities and (ii) transactions that hedge the fair value of the hedged item (Fair Value Hedge - FVH) on commodities (price and exchange rate);
- 2) forward transactions and derivatives that cannot be defined as hedges pursuant to IFRS 9,** meeting the requirements of compliance with company risk management policies on exchange rates and on energy commodities.

### 4.2.2 Fair value hierarchy according to IFRS 13

The classification of financial instruments at fair value, provided by IFRS 13, based on the reliability of inputs used to measure it, is based on the following hierarchy:

- **Level 1:** determination of fair value based on quoted prices (unadjusted) for identical assets or liabilities in active markets. Instruments with which Edison Group operates directly in active markets (e.g., futures) are included in this category.
- **Level 2:** determination of fair value based on inputs other than the quoted prices of Level 1 but which are directly or indirectly observable (e.g. forward contracts or swaps in futures markets);
- **Level 3:** determination of fair value based on valuation models with inputs not based on observable market data (unobservable inputs). At December 31, 2023, this level includes a category of derivative instruments used to hedge against zonation risk in the power market.

The valuation of financial instruments can entail significant subjective judgements. However, Edison uses prices quoted in active markets, when available, as the best estimate of the fair value of all derivatives.

## 4.3 Effects of derivative transactions on the Income Statement and Balance Sheet at December 31, 2023

### 4.3.1 Effects of derivative transactions on Income Statement at December 31, 2023

(in millions of euros)

	12.31.2023			12.31.2022		
	Realized	At FV for the year	Values recorded in the Income Statement at 12.31.2023 (A+B)	Realized	At FV for the year	Values recorded in the Income Statement at 12.31.2022 (C+D)
	(A)	(B)	(A+B)	(C)	(D)	(C+D)
<b>Result from commodity price and exchange rate risk management of which:</b>						
<b>Total definable as hedges pursuant to IFRS 9 (CFH) (*)</b>	<b>(146)</b>	<b>30</b>	<b>(116)</b>	<b>(951)</b>	<b>(3)</b>	<b>(954)</b>
Price risk hedges for energy products	(144)	30	(114)	(973)	(3)	(976)
Exchange risk hedges for commodities	(2)	-	(2)	22	-	22
<b>Total definable as hedges pursuant to IFRS 9 (FVH)</b>	<b>1,549</b>	<b>(19)</b>	<b>1,530</b>	<b>358</b>	<b>16</b>	<b>374</b>
Price risk hedges for energy products	1,520	699	2,219	316	391	707
Exchange risk hedges for commodities	29	(41)	(12)	42	18	60
Physical contracts		(677)	(677)	-	(393)	(393)
<b>Total not definable as hedges pursuant to IFRS 9</b>	<b>(1,022)</b>	<b>(61)</b>	<b>(1,083)</b>	<b>101</b>	<b>41</b>	<b>142</b>
Price risk hedges for energy products	(1,056)	(61)	(1,117)	104	40	144
Exchange risk hedges for commodities	34	-	34	(3)	1	(2)
<b>Total for price and foreign exchange risk hedges for commodities (A)</b>	<b>381</b>	<b>(50)</b>	<b>331</b>	<b>(492)</b>	<b>54</b>	<b>(438)</b>
<b>TOTAL RECOGNIZED IN EBIT (A)</b>	<b>381</b>	<b>(50)</b>	<b>331</b>	<b>(492)</b>	<b>54</b>	<b>(438)</b>
<b>Result from exchange rate risk management of which</b>						
Defined as hedges pursuant to IFRS 9 (CFH)	(25)	-	(25)	58	-	58
Not definable as hedges pursuant to IFRS 9	-	-	-	11	-	11
<b>Margin from the management of exchange rate operations (B)</b>	<b>(25)</b>	<b>-</b>	<b>(25)</b>	<b>69</b>	<b>-</b>	<b>69</b>
<b>TOTAL RECORDED IN OTHER NET FINANCIAL INCOME (EXPENSES) (B)</b>	<b>(25)</b>	<b>-</b>	<b>(25)</b>	<b>69</b>	<b>-</b>	<b>69</b>

(\*) Includes the ineffective portion.

The actual results of the activity carried out within the scope of the MASA joint venture agreement in place with EDF Trading, referred to as “profit sharing”, are instead not included here as they are recorded in the item “Other revenues and income” (roughly 16 million euro in 2023).

### Focus on the Net change in fair value of derivatives (commodity and exchange rate risk)

The following table shows the impact on the income statement of changes in the fair value of derivatives (commodities and foreign exchanges) in 2023 and 2022, respectively negative for 50 million euro and positive for 54 million euro.

<b>NET CHANGE IN FAIR VALUE OF DERIVATIVES (COMMODITIES AND FOREIGN EXCHANGE)</b> (in millions of euros)	Definable as hedge (CFH) (*)	Definable as hedge (FVH)	Not definable as hedge	<b>Total net change in fair value</b>
<b>2025</b>				
Price risk hedges for energy products	30	699	(61)	668
Exchange risk hedges for commodities	-	(41)	-	(41)
Change in fair value in physical contracts (FVH)	-	(677)	-	(677)
<b>Total 2023 financial year</b>	<b>30</b>	<b>(19)</b>	<b>(61)</b>	<b>(50)</b>
<b>2022</b>				
Price risk hedges for energy products	(3)	391	40	428
Exchange risk hedges for commodities	-	18	1	19
Change in fair value in physical contracts (FVH)	-	(393)	-	(393)
<b>Total 2022 financial year</b>	<b>(3)</b>	<b>16</b>	<b>41</b>	<b>54</b>

(\*) Refers to the ineffective part

### 4.3.2 Effects of derivatives transactions in Balance Sheet effects at December 31, 2023

The table below provides details of the Fair value recorded in Balance Sheet and classification by IFRS 13. As at December 31, 2023, net payables are recognized referring to transactions in derivatives measured at fair value equal to 193 million euro, a significant part carried out with EDF Trading Ltd.

(in millions of euros)	12.31.2023			12.31.2022		
	Receivables	Payables	Net	Receivables	Payables	Net
- Other assets/liabilities (non-current portion)	1,050	(1,271)	(221)	3,765	(3,548)	217
- Other assets/liabilities (current portion)	184	(156)	28	468	(1,155)	(687)
<b>Fair Value recognized as assets or liabilities (a)</b>	<b>1,234</b>	<b>(1,427)</b>	<b>(193)</b>	<b>4,233</b>	<b>(4,703)</b>	<b>(470)</b>
<i>of which of (a) related to:</i>						
- Exchange rate risk management	29	(21)	8	102	(28)	74
- Commodity Risk Management	1,128	(979)	149	2,799	(3,669)	(870)
- Fair value on physical contracts	77	(427)	(350)	1,332	(1,006)	326
Broken down on fair value hierarchy:						
- Level 1	51	(62)	(11)	188	(19)	169
- Level 2	1,183	(1,364)	(181)	4,045	(4,646)	(601)
- Level 3*	-	(1)	(1)	-	(38)	(38)
<b>Potential offsetting IFRS 7 (b)</b>	<b>244</b>	<b>(244)</b>		<b>(1,720)</b>	<b>1,720</b>	
<b>Potential Net Fair Value (a+b)</b>	<b>1,478</b>	<b>(1,671)</b>	<b>(193)</b>	<b>2,513</b>	<b>(2,983)</b>	<b>(470)</b>

(\*) Fair Value classified at level 3 is recorded in the CFH reserve

Please note that the receivables and payables shown are offset in shareholders' equity by a positive cash flow hedge reserve amounting to 64 million euro, before the applicable deferred taxes (negative for 510 million euro at December 31, 2022).

## Instruments outstanding at December 31, 2023

The tables that follow provide an illustration of the information listed below:

- the fair value hierarchy applied;
- derivatives that were outstanding, classified by maturity;
- the value at which these contracts are reflected on the balance sheet, which is their fair value.

### A) Interest Rate and Foreign Exchange Rate Risk Management

(in millions of euros)		December 31, 2023								December 31, 2022			
	Fair value hierarchy (***)	Notional amount (*)								Balance sheet value (**)	Notional value (*)		Balance sheet value (**)
		Maturity		Maturity		Maturity		Total			Total		
		to receive	to pay	to receive	to pay	to receive	to pay	to receive	to pay		to receive	to pay	
Foreign exchange rate risk management													
A. Cash Flow Hedge pursuant to IFRS 9:													
- on commercial transactions	2	247		276	-	-	-	523	-	4	3,334	(75)	39
- on financial transactions	2	170			-	-	-	170	-	(5)	-	-	-
B. Fair Value Hedge pursuant to IFRS 9:													
- on commercial transactions	2									(5)			36
C. contracts that do not qualify as hedges in accordance with IFRS 9, to hedge margins:													
- on commercial transactions	2	12	(27)	-	-	-	-	12	(27)	14	22	(11)	-
- on financial transactions	2	1		-	-	-	-	1	-	-	(59)	(58)	-
Total exchange rate derivatives		430	27	276	-	-	-	706	27	8	3,297	(144)	74

(\*) Represents the sum of the notional amounts of the basic contracts that would result from an unbundling of complex contracts.

(\*\*) Represents the net receivable (+) or payable (-) recognized on the balance sheet following the measurement of derivatives at fair value.

(\*\*\*) For the definition see the previous paragraph "Fair Value hierarchy according to IFRS 13".



## B) Commodity Risk Management

(in millions of euros)			December 31, 2023					December 31, 2022	
	Hierarchy fair value (***)		Notional value (*)				Value of balance sheet (**)  (in millions of euros)	Notional value (*)	Value of balance sheet (**)  (in millions of euros)
Price risk hedges for energy products		Unit of measurement	due within 1 year	due within 2 years	due in more than two years	Total			
A. Cash Flow Hedge pursuant to IFRS 9, of which:							89		(559)
- Electric power	3	TWh	(1)	-	-	(1)	(1)	(5)	(38)
- Natural gas	1/2	Millions of therms	180	122	37	339	96	536	(524)
- LNG and oil	2	Millions of barrels	2	-	-	2	(2)	7	(15)
- CO <sub>2</sub>	1	Millions of tonnes	2	-	-	2	(4)	2	18
B. Fair Value Hedge pursuant to IFRS 9							348		(351)
- Natural gas	2	Millions of therms	(494)	-	-	(494)	379	(1,102)	(419)
- Oil	2	Millions of Barrels	5	-	-	5	(31)	16	68
contracts that do not qualify as hedges in accordance with IFRS 9, to hedge margins:							(288)		40
- Electric power	2	TWh	(1)	-	-	(1)	(12)	-	(6)
- Natural gas	2	Millions of therms	78	(5)	-	73	(276)	(20)	49
- LNG and oil	2	Millions of barrels	-	-	-	-	-	-	(1)
- CO <sub>2</sub>	1	Millions of tonnes	-	-	-	-	-	-	(2)
Total							149		(870)

(\*) + for purchase balance, - for sales balance.

(\*\*) Represents the net receivable (+) or payable (-) recognized in the balance sheet following the fair value measurement of derivatives.

(\*\*\*) For definitions see the previous paragraph "Fair Value hierarchy according to IFRS 13".

Derivatives classified as "level 3" regard hedges intended to reduce price risk in the Italian electricity market and are classified as cash flow hedges. The valuation is based on models that simulate the functioning of the domestic market on the basis of actual data. The ineffective part had no impact on the income statement (negative of about 7 million euro in 2022).

## 5. Fixed asset, financial assets and provisions

Edison Spa is the operating holding of the Edison Group, and through the assets held directly rather than those owned by the companies in which it directly or indirectly holds equity investments, it operates throughout the electricity and natural gas business segment from upstream to downstream, and in the energy efficiency services segment.

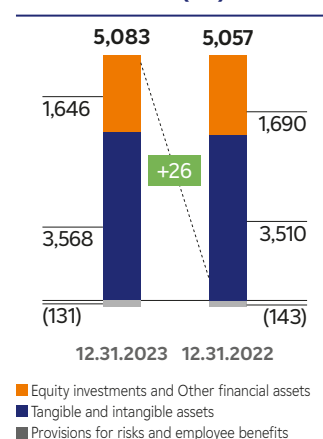
The invested capital thus consists of both productive assets - for the most part large-scale directly operated thermoelectric and hydroelectric production plants - and equity investments in companies which are almost all subsidiaries, as well as the provisions for operational risks associated with such items.

**Invested capital** increased by 26 million euro during the year, mainly due to the following combined effect:

- reclassification to discontinued operations of the value of the investment in Edison Stoccaggio Spa for a fair value of 221 million euro (of which 134 million euro related to the carrying value of the investment and 86 million euro to the allocation of part of the undivided goodwill);
- investments in tangible and intangible assets net of depreciation and amortization for the year;
- investments in financial assets for about 70 million euro and net writebacks of 23 million euros.

Provided below are details of the changes that occurred in 2023.

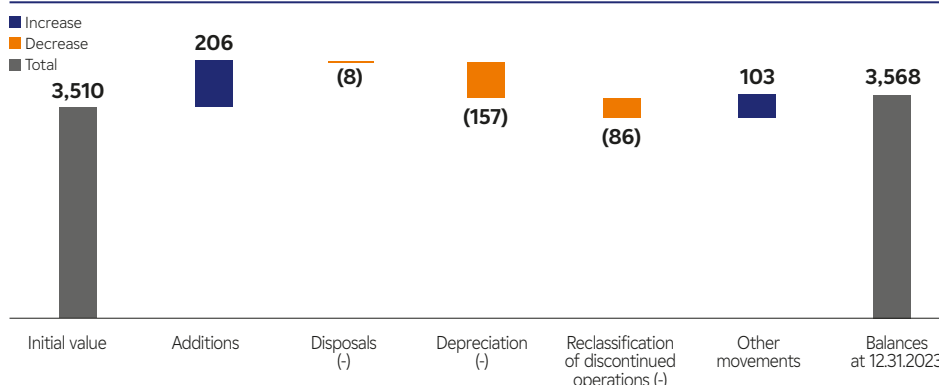
**INVESTED CAPITAL AND PROVISIONS (M€)**



### 5.1 Tangible, intangible assets and goodwill

(in millions of euros)	Property, plant and equipment	Intangible Assets	Leased tangible fixed assets IFRS 16 (*)	Goodwill	Total
<b>Opening balances at 12.31.2022 (A)</b>	<b>1,761</b>	<b>76</b>	<b>129</b>	<b>1,544</b>	<b>3,510</b>
<b>Changes at December 31, 2023:</b>					
- acquisitions	184	22	-	-	206
- disposals (-)	(8)	-	-	-	(8)
- amortization/depreciation (-)	(108)	(20)	(29)	-	(157)
- reclassification to assets held for sale (-)	-	-	-	(86)	(86)
- other changes	(1)	(1)	105	-	103
<b>Total changes (B)</b>	<b>67</b>	<b>1</b>	<b>76</b>	<b>(86)</b>	<b>58</b>
<b>Balances at 12.31.2023 (A+B)</b>	<b>1,828</b>	<b>77</b>	<b>205</b>	<b>1,458</b>	<b>3,568</b>

(\*) Recorded as required by IFRS 16; the relative financial debt is exposed in "Non-current financial payables" (181 million euro) and in "Current financial payables" 29 million euro).

**CHANGES IN TANGIBLE AND INTANGIBLE ASSETS (M€)****Commitments on non-current assets:**

Commitments of 72 million euro (113 million euro in 2022) were made for the completion of ongoing investments, of which 20 million euro for hydroelectric plants and 52 million euro for thermoelectric plants.

**5.1.1 Property, plant and equipment**

**Property, plant and equipment** refers primarily to land and buildings, as well as the assets located there for the production of electricity, consisting of natural gas combined cycles and hydroelectric power stations.

(in millions of euros)

	Land and buildings	Plant and machinery	Industrial and commercial equipment	Other assets	Payments on account and assets under construction	Investment property	Total
<b>Opening balances at 12.31.2022 (A)</b>	<b>222</b>	<b>1,110</b>	<b>2</b>	<b>3</b>	<b>420</b>	<b>4</b>	<b>1,761</b>
Changes at December 31, 2023:							
- acquisitions	7	27	-	1	149	-	184
- disposals (-)	-	(2)	-	-	(6)	-	(8)
- amortization/depreciation (-)	(8)	(99)	-	(1)	-	-	(108)
- other changes	3	19	(1)	1	(23)	-	(1)
<b>Total changes (B)</b>	<b>2</b>	<b>(55)</b>	<b>(1)</b>	<b>1</b>	<b>120</b>	<b>-</b>	<b>67</b>
<b>Balances at 12.31.2023 (A+B)</b>	<b>224</b>	<b>1,055</b>	<b>1</b>	<b>4</b>	<b>540</b>	<b>4</b>	<b>1,828</b>
of which:							
- historical cost	454	3,808	9	16	540	6	4,833
- write-downs (-)	(50)	(537)	-	-	-	(1)	(588)
- amortization/depreciation (-)	(180)	(2,216)	(8)	(12)	-	(1)	(2,417)
<b>Net value</b>	<b>224</b>	<b>1,055</b>	<b>1</b>	<b>4</b>	<b>540</b>	<b>4</b>	<b>1,828</b>

The main changes that occurred during the year are reviewed below:

- **acquisitions**, amounting to 184 million euro, mainly refer to investments in the gas-fired combined cycle thermoelectric power plants of Marghera Levante (approximately 21 million euro) and Presenzano (approximately 116 million euro), as well as minor interventions on other thermoelectric power plants (around 24 million euro) and on some hydroelectric power plants (around 11 million euro) as well as on the Quassolo hydroelectric power plant that came into operation in September (around 13 million euro);

- **depreciation and amortization** amounted to 108 million euro, up from the previous year (89 million euro) mainly due to the higher depreciation of the Marghera Levante thermoelectric power plant.

The balance of **investment property** refers to land and buildings that are not used for production activities.

The net value of **property, plant and equipment** includes **assets transferable without consideration** attributable mainly to Edison's hydroelectric operations, which holds 38 concessions. A breakdown is as follows:

<b>FREELY TRANSFERABLE ASSETS</b> (in millions of euros)	Buildings and other assets	Plant and machinery	<b>Total</b>
<b>Opening balances at 12.31.2022 (A)</b>	<b>4</b>	<b>30</b>	<b>34</b>
Changes at December 31, 2023			
- acquisitions	-	4	4
- amortization/depreciation (-)	-	(6)	(6)
- other changes	-	1	1
<b>Total changes (B)</b>	<b>-</b>	<b>(1)</b>	<b>(1)</b>
<b>Balances at 12.31.2023 (A+B)</b>	<b>4</b>	<b>29</b>	<b>33</b>
of which:			
- historical cost	7	335	342
- depreciation (-)	(3)	(306)	(309)
<b>Net value</b>	<b>4</b>	<b>29</b>	<b>33</b>

In accordance with IAS 23 revised, note that during the period about 11 million euro in financial expense was capitalized in property, plant and equipment.

The table below provides a **disclosure about the concessions** held by the company recognized in other intangible assets:

	Number	Residual life (years)	
		from	to
Hydroelectric concessions	38	2	28

## 5.1.2 Leased tangible fixed assets IFRS 16

(in millions of euros)	Land and buildings	Plant and machinery	Other assets	<b>Total</b>
<b>Opening balances at 12.31.2022 (A)</b>	<b>72</b>	<b>55</b>	<b>2</b>	<b>129</b>
Changes at December 31, 2023:				
- amortization/depreciation (-)	(11)	(17)	(1)	(29)
- other changes	3	101	1	105
<b>Total changes (B)</b>	<b>(8)</b>	<b>84</b>	<b>-</b>	<b>76</b>
<b>Balances at 12.31.2023 (A+B)</b>	<b>64</b>	<b>139</b>	<b>2</b>	<b>205</b>

The item "Land and Buildings" refers mainly to the leased premises of the Foro Buonaparte office in Milan.

The increase in plant and equipment relates to the commissioning of a second LNG carrier in March 2023; in this regard, it should be noted that at December 31, 2022, an amount of 116 million euro was recognized as a commitment for the long-term contract of 7 years and now accounted for in accordance with IFRS 16.



### 5.1.3 Intangible assets

(in millions of euros)	Other intangible assets
<b>Opening balances at December 31, 2022 (A)</b>	<b>76</b>
Changes at December 31, 2023:	
- acquisitions	22
- amortization/depreciation (-)	(20)
- other changes	(1)
<b>Total changes (B)</b>	<b>1</b>
<b>Balances at December 31, 2023 (A+B)</b>	<b>77</b>
of which:	
- historical cost	174
- amortization/depreciation (-)	(96)
- write-downs (-)	(1)
<b>Net value</b>	<b>77</b>

They mainly include:

- 27 million euro the contract to supply gas from the Shah Deniz II field in Azerbaijan;
- 32 million euro software licenses and network applications;
- 8 million euro work in progress;
- 3 million euro coastal state concession in Oristano.

Additions during the year include the capitalization of expenses for the implementation and updating of network applications and the acquisition of software licences.

### 5.1.4 Goodwill

The value is 1,458 million euro, in reduction of about 86 million euro for the allocation, performed pursuant to IAS 36, par. 86, of the portion referring to the Edison Stoccaggio Spa investment, now treated as an asset for sale (see chapter 1.5 "Information relating to the application of IFRS 5", to which reference is made for further information). The residual value represents an intangible asset with an undefined useful life and, therefore, it is not subject to systematic amortization, but rather to impairment testing at least once a year.

As indicated in note 5.1.5 below, the impairment test carried out pursuant to IAS 36 did not reveal any impairment loss.

### 5.1.5 Impairment Test in Accordance with IAS 36 Applied to the Value of Goodwill, Property, Plant and Equipment and Other Intangibles and Equity Investments

The impairment test conducted pursuant to IAS 36 did not reveal any write-downs at the level of the CGU, nor at the level of goodwill, while net writebacks of equity investments were recorded for a value of 26 million (see comment in paragraph 5.2 Equity investments and other financial assets).

The results of the test and the sensitivities carried out are commented on below, while for the methodology used, please refer to as fully described in chapter 11. Valuation criteria.

The global macroeconomic context of 2023 was characterized by a sharp contraction in energy commodity prices compared to the record levels recorded in 2022 and by the progressive

increase in interest rates; the phenomenon of high inflation, not yet normalized, and a situation of geopolitical instability persist, due to the war conflicts in Ukraine and the Middle East.

The principal assumptions used in the test are as follows:

- In developing the reference scenario for the Italian electricity market, in continuity with last year's test, the results of the electricity generation capacity remuneration auctions (so-called capacity market) which were held in February 2022 were taken into account with reference:
  - for existing generation capacity: to the year 2024;
  - for the generation capacity that will be made available with new investments: to a 15 year time horizon from entry into operation.

The company had taken part in the auctions both with existing generation capacity and with that which would become available following the implementation of new investments. In particular, the test included the contribution of two new thermoelectric plants for a period of 15 years and the contribution of existing plants for a period of 10 years, valuing them on the basis of prudential tariffs compared to those currently recognized.
- With regard to hydroelectric concessions, it was assumed that expired or expiring concessions would be extended for a further year, consistent with the extension provided for in Law 118/2022 "Annual Market and Competition Law 2021".
- Regarding tax regulations, which had a significant impact on last year's test:
  - the Italian Government decided not to extend D.L. Sostegni-Ter, L. 25/2022 beyond June 30, 2023; the hypothesis of a price cap of 60 €/MWh, that last year was prudentially assumed for the entire three-year period 2023-2025, was not considered anymore;
  - consequently, the Italian Government decided not to extend the effects of Art.1 comma 30 Budget Law 2023, L. 197/2022; the hypothesis of a ceiling of 180 €/MWh for the other renewable source plants not falling within the scope of application of the D.L. Sostegni-Ter, that last year was prudentially assumed for the entire three-year period 2023-2025, was not considered anymore;
  - D.L. 21/2022 "Cut Prices" and the Budget Law 2023 were providing for the establishment of the extraordinary solidarity contribution for 2022 and 2023. During the previous year, an extension of this rule was also taken into account, with a probabilistic sensitivity analysis, for the entire three-year period 2023-2025; as no new law was introduced, this hypothesis was no longer considered.
- The WACC used in the 2023 impairment test are higher than those of last year due mainly to an increase in risk-free rates.
- The reference values of WACC are between 7.0% and 8.0% for electricity (6.7% in 2022) and between 5.5% and 9.1% for gas (8.4% in 2022).

Specifically for the impairment test of the goodwill, in addition to the hypothesis explained above, in the determination of the terminal value was assumed a growth rate in the range 0 - 1.5% according to company different businesses' peculiarities.

Overall, the goodwill's recoverable amount is widely higher than its carrying amount.

To support the analyses developed from the test, sensitivity analyses were also conducted to highlight the impact on the recoverable values of the assets as specific assumptions change. In particular, the theoretical impact of non-renewal of the remuneration mechanism for production capacity (Capacity Payment) at the end of the periods in which the company is already the assignee (2025 for existing plants and after 15 years for new plants) was analyzed. Sensitivity was performed with all other scenario conditions being equal.

A further simulation was also carried out assuming the non-renewal of the hydroelectric concessions upon their expiry, considering the reimbursement of the so-called works. dry by the successor. Both sensitivities, even cumulative, do not highlight any loss of value.

With reference to the goodwill, some key variables were then used as inputs in Montecarlo simulation to target the recoverable value.

Besides the reference recoverable amount, the simulation allows to quantify the possible deviations from the reference value related to the oscillations of input variables and to the statistical probability of those changes. Considering a reasonable range, the Group's recoverable value may have a relative change nevertheless marginal and without impact on total writedowns.

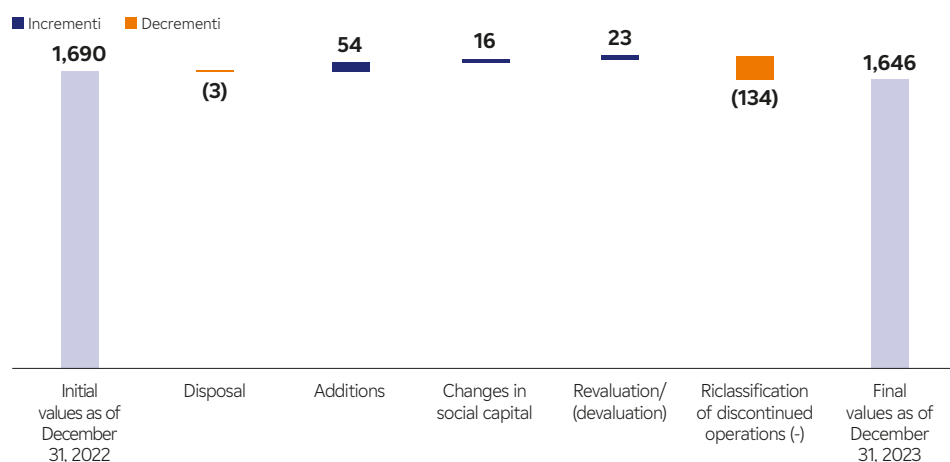
## 5.2 Equity investments and other non-current financial assets

(in millions of euros)	Equity investments	Investments at fair value through profit and loss	Other non-current financial assets	Total
<b>Opening balances at 12.31.2022 (A)</b>	<b>1,670</b>	<b>1</b>	<b>19</b>	<b>1,690</b>
Changes at December 31, 2022:				
- disposals (-)	(3)	-	-	(3)
- acquisitions	50	1	2	53
- changes in share capital and reserves	16	-	-	16
- rev. (+)/write-down (-) on income statement	26	-	(3)	23
- reclassification of assets held for sale	(134)			(134)
<b>Total changes (B)</b>	<b>(44)</b>	<b>1</b>	<b>(1)</b>	<b>(44)</b>
<b>Balances at 12.31.2023 (A+B)</b>	<b>1,626</b>	<b>2</b>	<b>18</b>	<b>1,646</b>
of which:				
- historical cost	1,954	7	22	1,983
- write-downs (-)	(328)	(5)	(4)	(336)
<b>Net value</b>	<b>1,626</b>	<b>2</b>	<b>18</b>	<b>1,646</b>

Total equity investments and other non-current financial assets amount to 1,646 million euro and break down as follows:

- equity investments, of which 1,606 million euro in subsidiaries and 20 million euro in associates and joint ventures;
- **equity investments at fair value through profit and loss** for 2 million euro, refer mainly to the equity investment in American Superconductor, in European Exchange Energy, in Bake Two Srl, in Musa Scarl, in Endeavour Srl and in Easyfeel Srl;
- **other non-current financial assets**, amounting to 18 million euro, refer for:
  - 10 million euro (value unchanged with respect to December 31, 2022) the financial receivable claimed by Edison from the company Depositi Italiani GNL (DIG) referring to a shareholders' loan granted in 2020 with maturity in 2036;
  - 6 million euro (8 million euro at December 31, 2022) the investment in the FPCI Electranova - Idinvest Smart City Venture Fund, which concentrates on unlisted companies experiencing rapid growth (from the initial phase to the advanced phase) in the Energies & Cities sector, primarily at EU level. This investment is measured at fair value and decreases in value of approximately 2 million euro were recognized in the income statement during the year;
  - 1 million investment in the CDP Venture Capital Corporate Partners I fund, for the EnergyTech segment. This investment is measured at fair value and decreases in value of approximately 1 million euro were recognized in the income statement during the year.

As required by the Italian Civil Code, information about the changes that occurred during the year and detailed data about investments in subsidiaries, affiliated companies, joint ventures and other companies is provided in the schedule entitled "List of Equity Investments at December 31, 2023" annexed to these separate financial statements.

**EQUITY INVESTMENTS AND OTHER FINANCIAL ASSETS (M€)**

The main changes in 2023 are reviewed below:

- **disposals** refer to the sale of Termica Cologno Srl;
- **acquisitions** mainly refer to the purchase of 100% of the investment of hydroelectric companies such as Nuove Iniziative Energetiche Srl, which also holds 100% of Idro Ressia Srl, Cuorgnè Srl and Felix Dynamics Srl;
- **changes in capital and reserves** refer in particular to:
  - 11 million in favor of Deposito GNL Brindisi Srl;
  - 5 million in favor of Nuova Alba Srl;
- **write-downs/reversals in the income statement**, commented on below, reflect the adjustment of the carrying value of some investees due to the impairment testing process described below; in particular, we note the restoration of value of 31 million euros of the subsidiary Edison Energia Spa due to both the good performance of the year and future scenarios;
- **reclassification discontinued operations** of the equity investment in Edison Stoccaggio Spa.

**Impairment test on equity investments**

At least once a year the company evaluates whether there are any indicators of impairment on each equity investment, in line with its strategy for the management of legal entities within the Group and, if they are identified, it tests such assets for impairment. The processes and methods for assessing and determining the recoverable amount of each equity investment are based on assumptions which are at times complex and by their very nature require recourse to the judgement of the Directors, in particular with reference to the identification of indicators of impairment, forecasting their future profitability for the Group's business plan period, determining normalized cash flows on the basis of estimated terminal value and determining long-term growth rates and discounting rates to be applied to expected future cash flows.

The write-downs or revaluations of equity investments reflect the valuations resulting from the impairment test performed on such equity investments. The impairment test on the carrying amount of equity investments involves comparing the carrying amount and the respective shareholders' equity and profit (loss) of the investee, which thus includes the effects of the impairment test it has conducted on its own assets. If following this comparison the net equity is lower or higher than the book value, the company evaluates whether to adjust the book value of the investment.



For certain equity investments whose cost is higher than the pro rata of net equity, the book value remained unchanged as positive future income flows are expected. No write-down was recognized in 2023, while the outcomes of the impairment test allowed a restoration of value of 31 million euros.

### Dividends, revaluation and (write-downs) and other income and (expense) from equity investments

(in millions of euros)	2023 financial year	2022 financial year	Changes
Dividends	55	136	(81)
<b>Total income from equity investments</b>	<b>55</b>	<b>136</b>	<b>(81)</b>
Revaluations (write-downs) from equity investments, net	23	(138)	161
Gains (losses) on the sale of equity investments	10	(3)	13
<b>Total expense on equity investments</b>	<b>33</b>	<b>(141)</b>	<b>174</b>
<b>Income from (Expense on) equity investments, net</b>	<b>88</b>	<b>(5)</b>	<b>93</b>

The **revaluations (write-downs) from equity investments, net** for the year, which amount to 23 million euros, mainly refer to the write-back in value of the investment in Edison Energia (31 million euros), and to the write-down of the investments in Nuova Alba (4 million euros), Electranova (2 million euros) and CPD (1 million euros).

The **gain on the sale of equity investments** mainly refers to the earn-out related to the sale of the equity investment in Terminale ALNG Adriatico Srl to Snam in 2017 (7 million euro).

## 5.3 Provisions for risks and employee benefits

(in millions of euros)	12/31/2022	Financial expense	Provisions	Utilizations	Other changes	12.31.2023
- Employee benefits	12	-	-	(1)	-	11
- Provisions for decommissioning and remediation of industrial sites	70	3	-	(5)	4	72
- Provisions for other risks and charges	61	1	12	(26)	-	48
<b>Total provisions for operational risks</b>	<b>143</b>	<b>4</b>	<b>12</b>	<b>(32)</b>	<b>4</b>	<b>131</b>

### 5.3.1 Employee benefits

The value of 11 million euro (12 million euro at December 31, 2022), reflects the severance indemnities and other benefits accrued at period end in favor of employees. The actuarial gains and losses entered directly as shareholders' equity total around 1 million euro, unchanged compared to December 31, 2022 (see shareholders' equity table).

An actuarial valuation in accordance with IAS 19 was performed only for the liability corresponding to the provision for employee severance indemnities that is still held by the company. The parameters used for this valuation are as follows:

	12.31.2023	12.31.2022
- Theoretical annual discounting rate	3.40%	3.90%
- Annual rate of inflation	2.00%	5.9% for 2023, 2.3% for 2024, 2.0% from 2025
- Global salary annual increase rate	2.00%	2.00%
- Estimated annual increase in employee severance indemnities	3.00%	5.93% for 2023, 3.33% for 2024, 3.0% from 2025

### 5.3.2 Provisions for decommissioning and remediation of industrial sites

These include, for 72 million euro, the valuation, discounted to the reporting date, of the decommissioning costs that the company expects to incur for industrial sites. The change in the year reflects, in particular: (i) the recognition of the expense related to discounting, in the income statement included in the item "Other net financial income (expenses)" and (ii) the recognition of a new provision with a consequent increase in the fixed assets concerned.

### 5.3.3 Provisions for other risks and charges

These refer to provisions of a purely industrial nature for the various areas in which the company operates, as well as some provisions related to the sale of equity investments and provisions for tax disputes related to property taxes.

They also reflect the valuation of contingent liabilities correlated with some disputes under way for which it was possible to develop a reliable estimate of the corresponding expected obligation, even though the timing of the corresponding cash outlays cannot be objectively predicted.

The total value decreased compared to December 31, 2022 mainly due to the following events related to the provisions for tax disputes; in particular, the Company:

- adhered to the "facilitated settlement applications for pending tax disputes" provided for by Law no. 197 of 12.29.2022, art. 1, paragraphs 186 to 202 (Budget Law 2023), defining several pending tax disputes. The provisions existing at the beginning of the year were therefore used for the payment related to the facilitated settlement, while the surplus no longer due was reversed to income with effect on the income statement;
- reversed to income, for an amount of about 4.2 million euro, the existing provision relating to a VAT assessment for 2006 that was exhausted in 2023 as a result of both the partial remission issued by the competent Revenue Agency for the portion of the penalty no longer due and the reimbursement for the remainder;
- reversed to income, in the amount of about 3.5 million euro, the existing provision for ICI disputes concerning hydroelectric power plants, in order to settle the existing litigation.

### Disputed municipal property taxes (ICI and IMU) and assessed property values of hydroelectric and thermoelectric power plants

With reference to the disputes underway with the Municipality of Piateda concerning the hydroelectric plants located within the municipality's territory, in January 2023, payment was made of the higher amount of ICI tax with related interest for the years from 2003 to 2005 and for 2008, following a final sentence issued by the Court of Cassation, which however annulled the sanctions. In the first months of 2024, the payment of the higher taxes, penalties and interest due on the basis of the latest rulings for the years before 2016 will be made: the entire expense is covered by the existing risk provisions. The litigations still open are related to the post-2016 cadastral annuities post "bolted down" regulation, which are having a positive development for the Company.

## 5.4 Contingent assets and liabilities

### Contingent assets

Benefit not recognized in the financial statements as not virtually certain.

There were no contingent assets as at December 31, 2023.

## Contingent liabilities

Not recognized in the financial statements as they depend on events that are possible, but not probable, or are probable but cannot be quantified reliably and the corresponding cash outlays cannot be reasonably estimated.

## Assessment with adhesion for 2017

In December 2023, a part of the International Preventive Agreement procedure with the Revenue Agency, whereby the tax treatment of the Lump Sum collected in 2017 by Edison Trading Spa (later merged into Edison Spa) following the MASA contract signed with EDF Trading UK, was closed without agreement. In the same month of December, the Regional Tax Directorate - Large Taxpayers Office served an assessment with adhesion for the 2017 tax year for IRES and IRAP purposes and contextual invitations to appear, proposing an increase in the value of Lump Sum that may be the subject of discussion and possible agreement in the first months of 2024, according to the provisions of law.

The company considers its actions to be correct, supported by appropriate reasons, which are also correctly stated and justified by the Transfer Pricing documentation produced for the 2017 financial year.

## 6. Shareholders' equity

Edison Spa's **shareholders' equity** of 5,702 million euro is up by 635 million euro compared to 5,067 million euro recorded at December 31, 2022. The breakdown of shareholders' equity at December 31, 2023 is shown in the table below compared with that of December 31, 2022:

<b>SHAREHOLDERS' EQUITY</b> (in millions of euros)				<b>12.31.2023</b>	<b>12.31.2022</b>			
<b>Share capital of which:</b>	No. shares	Unit. Euro V.n.	% of Capital		No. shares	Unit. Euro V.n.	% of Capital	
Common shares	4,626,557,357	1.00	97.69%	4,627	4,626,557,357	1.00	97.69%	4,627
Non-convertible savings shares	109,559,893	1.00	2.31%	110	109,559,893	1.00	2.31%	110
<b>Total share capital</b>	<b>4,736,117,250</b>		<b>100.00%</b>	<b>4,736</b>	<b>4,736,117,250</b>		<b>100.00%</b>	<b>4,736</b>
Statutory reserve				49				36
Cash flow hedge reserve				46				(366)
Reserve for actuarial gains (losses)				(1)				(1)
Retained earnings/(loss carryforward)				543				399
Profit (loss) for the year				329				263
<b>Total shareholders' equity</b>				<b>5,702</b>				<b>5,067</b>

The shareholders' meeting of April 5, 2023 resolved to distribute dividends on savings and ordinary shares from the 2022 financial year's earnings in the total amount of 107 million euro, and these were payable from April 26, 2023.

Analyzed and indicated below are the changes of the individual items making up the company's shareholders' equity at the end of 2023:

### Share capital

There are no changes in the composition of the company's share capital.

#### The Shareholders' Meeting approves a restriction on a portion of the share capital

It is recalled that on June 24, 2021, Edison's Ordinary Shareholders' Meeting approved the placement in the financial statements of a tax restriction for a total amount of 1,572,280,356.02 euro on a corresponding portion of the share capital, pursuant to Article 110 of Decree Law No. 104 of August 14, 2020 and supplementary and related provisions. This resolution was made necessary as Edison had exercised the option to realign the tax values to the higher statutory values of a significant portion of certain amortizable assets and goodwill, as allowed under the above-mentioned law.

#### Shareholders with Significant Equity Interests

The table that follows, which is based on the data in the Shareholder Register and reflects communications received pursuant to law and other information available as of February 12, 2024, shows that there is no party, other than the EDF Group, that holds, directly or indirectly (including through third parties, nominees and subsidiaries), an interest greater than 3% of the voting stock ("Significant Equity Interests"). A breakdown of the interest held by EDF in Edison's common share capital is as follows:



	Common shares	% exercisable voting rights	% ownership of issued capital
Transalpina di Energia Spa	4,602,160,785	99.473	97.172
<b>Total for the EDF Group</b>	<b>4,602,160,785</b>	<b>99.473</b>	<b>97.172</b>

## Rights of the Classes of Shares

Common shares	Savings shares
<p>The common shares, which are registered shares, convey the right to vote at the Company's Ordinary and Extraordinary Shareholders' Meetings, in accordance with the applicable provisions of the law and the By-laws, and provide their holders with any additional administrative and property rights attributed to voting shares pursuant to law.</p>	<p>The savings shares can be either bearer or registered shares, as the holder may choose, except for shares held by Directors, Statutory Auditors and the General Manager, if one is appointed, which must be registered shares. They do not convey the right to vote at the company's Ordinary and Extraordinary Shareholders' Meetings. Pursuant to the By-laws, they convey the benefits and have the characteristics that are listed below in addition to those provided pursuant to law:</p> <ul style="list-style-type: none"> <li>• A reduction in the share capital to absorb losses does not cause the par value of savings shares to decrease, except for the amount in excess of the aggregate par value of the shares.</li> <li>• If the savings shares are delisted, they will retain all of the rights attributed to them under the Bylaws and may be converted into common shares according to the terms and conditions determined by a shareholders' meeting, which must be held within two months from the date of delisting.</li> <li>• The remainder of the earnings shown in the duly approved financial statements, after allocating at least 5% to the statutory reserve, which must be set aside until the reserve reaches one-fifth of the share capital, are distributed to the savings shares up to an amount that may not be greater than 5% of their par value (equal to 5 eurocents). If in a given fiscal year the savings shares receive a dividend that is less than the above-mentioned amount, the difference will be brought forward and added to the preferred dividend over the following four years;</li> <li>• If no dividend is distributed to the savings shares for five consecutive years, these shares can be converted one for one into common shares, upon a simple request by the shareholder, during the period from January 1 to March 31 of the sixth year.</li> <li>• Any remaining earnings that the shareholders' meeting decides to distribute are allocated to all of the shares such that the savings shares receive a total dividend that is greater than the dividend paid to the common shares by 3% of their par value.</li> </ul>

For any matters not addressed here, please refer to the company's Bylaws.

## Other shareholders' equity items

### Statutory reserve

The Ordinary Shareholders' Meeting of April 5, 2023 resolved to set aside 5% of the profit for the financial year 2022 to the legal reserve in the amount of 13 million euro.

### Cash flow hedge reserves

The cash flow hedge reserve, positive and amounting to roughly 46 million euro, is due to the adoption of IFRS 9 for the accounting of derivatives. It refers to the provisional recognition in equity of the effective portion of derivatives executed to hedge price and foreign exchange risk on energy commodities. The amounts recognized directly in equity will be reflected in the income statement concurrently with the economic effects produced by the hedged items. The table below shows the change with respect to December 31, 2023:

(in millions of euros)	Gross reserve	Deferred taxes	Reserve
Opening value as at 12.31.2023	(510)	144	(366)
- Period changes	574	(162)	412
<b>Value as at 12.31.2023</b>	<b>64</b>	<b>(18)</b>	<b>46</b>

The change that occurred during the period and the reserve at December 31, 2023 are related mainly to the net fair value of the derivatives outstanding to hedge the commodity and foreign exchange risk associated with the formulas used both in sales and procurement contracts entered into by Edison to manage its physical and contractual assets. The value, up from December 31, 2022, reflects the price decrease recorded during the period compared to the prices set under the existing hedges.

## Reserve for actuarial gains and losses

It is entered directly as equity and is negative for about 1 million euro, unchanged vs 2022. An actuarial valuation in accordance with IAS 19 was performed only for the liability corresponding to the provision for employee severance indemnities that is still held by the company.

## Retained earnings and (loss) carryforward

The Ordinary Shareholders' Meeting of April 5, 2023 resolved to allocate 143 million euro to retained earnings.

## Tax status of share capital and reserves in the event of repayment or distribution

The types of tax status and utilization options of the different items that constitute the company's shareholders' equity are reviewed below:

(in thousands of euros)

(in thousands of euros)		Tax Status		
	Carrying amount	Share class	Amount	Possibility of use
Share capital				
Common shares	4,626,557			
Savings shares	109,560			
	4,736,117			
	of which:	B	192,082	-
		C	588,628	-
		F	1,572,280	-
Other reserves				
Statutory reserve	49,211	A		2
Retained earnings	541,838	A		1, 2, 3
CFH derivative valuation reserve	46,486	E		-
Actuarial reserve (IAS 19)	(1,249)			-

### Tax Status

**A:** Reserves that, if distributed, would be included in the taxable income of the shareholders.

**B:** Reserves the taxation of which has been suspended that are part of share capital. If the share capital is reduced upon a shareholder distribution, these reserves would become taxable.

**C:** Portion of shareholders' equity restricted pursuant to Section 469 of Law No. 266/2005 (so-called realignment), which, if utilized, would be included in the Company's taxable income, increased by a 12% substitute tax, with the concurrent earning of a 12% tax credit (equal to the substitute tax paid).

**D:** Reserves that, if distributed, would not be included in the taxable income of the shareholders.

**E:** Cash flow hedge reserve.

**F:** Restricted portion pursuant to paragraphs 3 and 8 of Art. 110 of Decree Law 104/2020, in the event of reduction in capital and assignment to shareholders, will contribute to forming the company's taxable income for IRES purposes, as well as the taxable income of the recipients, without prejudice to the right to a tax credit for the Company, for the substitute tax of 3% paid in relation to any portion allocated to shareholders.

### Utilisation options

**1:** Capital Increase

**2:** Loss coverage

**3:** Distribution to shareholders

Specifically as concerns the tax regime, please note that the reserves the taxation of which has been suspended that are part of share capital (see letter B) are broken down below according to the relevant regulatory and corporate references (in thousands of euro):

• No. 576 of 12/01/1975 (old Edison form. Montedison)	31,064
• No. 72 of 3/19/1983 (old Edison form. Montedison)	15,283
• No. 576 of 12/1/1975 (former Finagro)	1,331
• No. 72 of 3/19/1983 (former Finagro)	3,310
• No. 72 of 3/19/1983 (former Montedison)	8,561
• No. 72 of 3/19/1983 (former Silos di Genova Spa)	186
• No. 413 of 12/30/1991 (former Finagro)	4,762
• No. 576 of 12/1/1975 (former Calceamento)	976
• No. 72 of 3/19/1983 (former Calceamento)	4,722
• No. 413 of 12/30/1991 (former Sondel)	2,976
• No. 413 of 12/30/1991 (former Edison)	118,911

Any taxes that may be due on the reserves would amount to 46 million euro for those under letter B, 80 million euro (net of tax credit) for those under letter C, and 340 million euro for those under letter F (net of the tax credit).

As for the negative income components that are not reflected in the income statement, which until 2008 could be deducted by listing them on a separate schedule annexed to the income tax return, the provision of the tax code require that a corresponding amount of the unrestricted reserves and retained earnings should be maintained on the company's financial statements and, if the above-mentioned amount is distributed, it would be included in the company's taxable income.

As a result of non-accounting depreciation and amortization taken in 2006 and 2007 and the derecognition in 2004 of entries booked for tax purposes but which had no relevance for statutory reporting purposes, non-accounting deductions still available totalled about 2.2 million euro. Deferred taxes totalling about 0.5 million euro were recognized in connection with these entries.

Therefore, should the company choose to distribute earnings or reserves, it must have residual qualified reserves, as defined in art. 109 of the Uniform Tax Code, totalling 1.7 million euro. If the company lacks or has insufficient qualified reserves, any uncovered portion of the distribution, increased by the applicable deferred taxes, would become part of the company's taxable income. Lastly, the reform of the corporate income tax system, which went into effect on January 1, 2004, introduced the overriding presumption that the profit for the year and the portion of reserves other than share capital reserves that has not been set aside in a suspended taxation status will be distributed, irrespective of the motions approved by the shareholders' meeting (art. 47 of the Uniform Tax Code).

## 7. Net Financial Debt (Available Funds) and Cost of Debt

### 7.1 Management of Financial Resources

Edison Spa defines its financial strategy with the main view of guaranteeing the availability of monetary resources under the best market conditions, and in the appropriate proportions, to support the running of ordinary business activities and the development of investments to support future growth.

For this purpose, Edison Spa also relies although not exclusively on the parent company EDF Sa for funding, to obtain loans in any technical form that guarantee flexibility in liquidity and/or coverage of structural needs. The terms and conditions are aligned with the best market conditions for Edison. This does not preclude recourse to the market as further explained below.

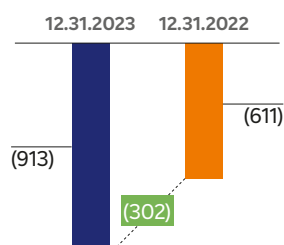
In terms of cash management, one of Edison's current accounts is dedicated to the cash pooling relationship with EDF Sa, allowing for significant cash flexibility, thanks to a credit facility of up to 199 million euro under competitive conditions. As for the governance of liquidity, it is centralized at the level of Edison Spa, which directly manages the treasury of its Italian subsidiaries and coordinates the foreign subsidiaries, in both cases through correspondence current accounts and intra-group loans. The former are used for the collection and payment system, ensuring, when necessary, cash flexibility in the short term, while the loans make it possible to cover structural requirements, first and foremost investments. The terms and conditions applied reflect prevailing market conditions over time according to the "arm's length" principle, based on which transactions, in this case financial, between members of the same Group must be carried out substantially under the same conditions as would be applied with respect to third parties.

With regard to the financing of investments and the coverage of working capital, Edison turns to the market when interesting opportunities arise: for example, in covering investments, Edison has made extensive use of loans granted by the European Investment Bank (EIB), which offers particularly favorable economic conditions and terms.

In 2023, Edison also signed a 1 billion euro revolving credit line dedicated to covering its working capital needs with a pool of banks (BNL BNP Paribas, BPER Banca Spa, Intesa Sanpaolo Spa and UniCredit Spa), which became effective on June 20, 2023 following the issuance of a specific decree by the Ministry of Economy and Finance. The credit line is backed for 70% of the amount by the guarantee of the national export credit agency SACE Spa. This guarantee was issued as part of the measures to protect the national energy system in line with the SupportItalia instrument under the Aiuti Decree.

At December 31, 2023, Edison's credit rating is BBB stable outlook for Standard & Poor's and Baa3 stable outlook for Moody's.

This paragraph also provides some sensitivity analyses and details to better describe the financial risk management procedures (interest rate risk, credit risk, liquidity risk).

**CHANGE IN NET FINANCIAL DEBT  
(AVAILABLE FUNDS) (M€)****7.2 Net Financial Debt (Available Funds) and Cost of Debt**

Below is a summary of the main phenomena which impacted the net available funds, which as at December 31, 2023 came to 913 million euro (net available funds of 611 million euro at December 31, 2022).

The change of 302 million euro in net cash was mainly due to the positive change in working capital, as well as the following main cash flows for the year:

- 107 million from dividend payments;
- 55 million from the collection of dividends from subsidiaries;
- 233 million from the payment of direct taxes;
- 206 million euro investments in tangible and intangible assets, mainly for the construction of the Marghera Levante (21 million euro) and Presenzano (116 million euro) thermoelectric power plants;
- 102 million euro from the recognition in current and non-current financial liabilities, in accordance with IFRS 16, of a second LNG carrier
- 70 million euro for investments in financial assets.

Below is a breakdown of total net financial debt (cash), as defined by the ESMA Guidelines published on March 4, 2021 that CONSOB requested to be adopted as of May 5, 2021:

<b>TOTAL (LIQUIDITY) FINANCIAL DEBT</b> (in millions of euros)	<b>12.31.2023</b>	12.31.2022	Changes
<b>Non-current financial debt</b>	<b>587</b>	<b>574</b>	<b>13</b>
- Payables to banks	406	455	(49)
- Lease payables	181	119	62
<b>Non-current financial receivable</b>	<b>(1,153)</b>	<b>(1,076)</b>	<b>(77)</b>
Non-current financial assets from subsidiaries and affiliated companies	(1,153)	(1,076)	(77)
<b>Other non-current liabilities</b>	<b>5</b>	<b>-</b>	<b>5</b>
<b>Non-current financial debt</b>	<b>(561)</b>	<b>(502)</b>	<b>(59)</b>
<b>Current financial debt (excluding the current portion of non-current financial debt)</b>	<b>1,143</b>	<b>578</b>	<b>565</b>
- Current financial liabilities from subsidiaries and associates (-)	1,003	526	477
- Payables to banks	117	15	102
- Payables to subsidiary Transalpina di Energia	11	7	4
- Payables to other lenders	12	30	(18)
<b>Current portion of non-current financial debt</b>	<b>96</b>	<b>42</b>	<b>54</b>
- Payables to banks	67	25	42
- Lease payables	29	17	12
<b>Current financial credit</b>	<b>(383)</b>	<b>(297)</b>	<b>(86)</b>
Current financial assets from subsidiaries and affiliated companies	(383)	(297)	(86)
<b>Cash and cash equivalents</b>	<b>(1,208)</b>	<b>(432)</b>	<b>(776)</b>
<b>Net current financial debt</b>	<b>(352)</b>	<b>(109)</b>	<b>(243)</b>
<b>Total net financial debt</b>	<b>(913)</b>	<b>(611)</b>	<b>(302)</b>
of which:			
<b>Gross Financial Debt</b>	<b>1,831</b>	<b>1,194</b>	<b>637</b>
of which Other non-current liabilities	5	-	5
<b>Liquidity</b>	<b>(2,744)</b>	<b>(1,805)</b>	<b>(939)</b>



Below is the breakdown of **net financial debt referring to the application of IFRS 16**:

(in millions of euros)	12.31.2023	12.31.2022	Changes
Long-term financial debt	181	119	62
Non-current financial assets from subsidiaries and affiliated companies	(4)	(4)	-
<b>Non-current net financial debt (available funds)</b>	<b>177</b>	<b>115</b>	<b>62</b>
Current financial payables	29	17	12
Current financial assets from subsidiaries and affiliated companies	(1)	(1)	-
<b>Current net financial debt (available funds)</b>	<b>28</b>	<b>16</b>	<b>12</b>
<b>Total net financial debt (available funds)</b>	<b>205</b>	<b>131</b>	<b>74</b>

## 7.2.1 Non-current financial payables

(in millions of euros)	12.31.2023	12.31.2022	Changes
Banks	406	455	(49)
Leasing IFRS 16	181	119	62
<b>Total non-current financial payables</b>	<b>587</b>	<b>574</b>	<b>13</b>

**Non-current financial payables** did not change significantly in total, but their composition shows the combined effect of the following factors:

- recognition of a lease liability related to a new LNG carrier in the first quarter of 2023;
- new draw down, in December 2023, of the Green Loan with the **EIB** for 18 million euro linked to investments in renewables;
- reclassification among short-term liabilities of the loan granted to Edison by the **EIB** (in the amount of 41 million euro) to finance Edison Stoccaggio investments, considering that the latter was classified as an “asset held for sale”;
- repayments under the amortization schedule of outstanding loans and leases.

**Payables to banks** mainly consist of medium/long-term loans granted by the **EIB** for projects in energy produced from renewable sources and energy efficiency and for the construction of the Marghera Levante thermoelectric power plant.

## 7.2.2 Current financial payables

(in millions of euros)	12.31.2023	12.31.2022	Changes
Banks	184	40	144
Transalpina di Energia Spa	11	7	4
Leasing IFRS 16	29	17	12
Factoring companies	6	24	(18)
Other financial payables	6	6	-
<b>Total current financial payables</b>	<b>236</b>	<b>94</b>	<b>142</b>

**Current financial payables** increased compared to December 31, 2022, mainly due to the increase in payables to banks which highlights overdrafts on ordinary current accounts on the date of recording of receipts and payments of the operations and the reclassification of storage activities, as commented in Section 7.2.1 Non-current financial payables.

The tables below provide details on **current payables and current and non-current receivables** with respect to subsidiaries and affiliated companies, which represent financial transactions and balances in the intra-group current accounts. Indeed Edison Spa, generally collects excess liquidity from its subsidiaries and affiliates and finances the investment requirements.

### 7.2.3 Current financial payables to subsidiaries and affiliated companies

(in millions of euros)	12.31.2023	12.31.2022	Changes
Edison Energia	354	-	354
Edison Rinnovabili	279	146	133
Cellina Energy	142	110	32
Edison International	72	61	11
Winbis	32	27	5
Other minor	124	182	(58)
<b>Total</b>	<b>1,003</b>	<b>526</b>	<b>477</b>

The total value of current financial payables to subsidiaries and affiliated companies increased compared to last year due to the cash generated by the companies that was deposited in the intercompany current account with Edison Spa, allowing the company to take advantage of a remuneration. It should be noted, in particular, that Edison Energia Spa benefited from a positive operating cash flow in 2023, after a very poor 2022. In addition to good operating performance, Edison Rinnovabili benefited from the cash flow of the companies merged in 2023 (Aerochetto and Bonorva).

### 7.2.4 Current and non-current financial receivables from subsidiaries and affiliated companies

(in millions of euros)	Of which non-current			Of which current			Of which non-current		
	12.31.2023	12.31.2022	change	12.31.2023	12.31.2022	change	12.31.2023	12.31.2022	change
<b>Subsidiaries</b>									
Edison Energia	499	502	(3)	4	187	(183)	502	187	315
Edison Next (formerly Fenice)	383	269	114	12	20	(8)	144	163	(19)
Edison Rinnovabili	146	144	2	52	62	(10)	135	160	(25)
Edison Stoccaggio	126	135	(9)	1	2	(1)	20	2	18
Edison Next Government (formerly Citelum)	100	105	(5)	14	-	14	14	-	14
Other minor	283	219	64	23	14	(2)	57	23	34
<b>Total subsidiaries (A)</b>	<b>1,537</b>	<b>1,374</b>	<b>163</b>	<b>298</b>	<b>467</b>	<b>(169)</b>	<b>1,374</b>	<b>863</b>	<b>510</b>
<b>Provision for doubtful debt IFRS 9 (B)</b>	<b>(1)</b>	<b>(1)</b>	<b>•</b>	<b>(1)</b>	<b>-</b>	<b>(1)</b>	<b>(1)</b>	<b>-</b>	<b>(1)</b>
<b>Total (A+B)</b>	<b>1,536</b>	<b>1,373</b>	<b>163</b>	<b>297</b>	<b>467</b>	<b>(170)</b>	<b>1,373</b>	<b>863</b>	<b>510</b>

Among the changes shown in the table above, it is noted that the non-current receivable from Edison Stoccaggio was reclassified to current receivables as the investment was reclassified as "Assets held for sale" in accordance with the dictates of IFRS 5, as mentioned above. The quantitatively most significant credit increase is in favor of Edison Next, which Edison SpA refinanced to accompany it in the development of its industrial projects.

## 7.2.5 Cash and cash equivalents

Cash and cash equivalents, which amounted to 1,208 million euro (432 million euro as at December 31, 2022) and mainly consisted of current account balances with EDF Sa of 1,201 million euro (421 million euro as at December 31, 2022) and bank account balances of 7 million euro (11 million euro as at December 31, 2022), increased sharply compared to 2022 and reflected the significant generation of cash, which benefited from the excellent results of operations. It is recalled that the current account with EDF has a credit facility of 199 million euro under competitive conditions. This current account credit facility with EDF, as at December 31, is not used.

## 7.2.6 Breakdown by funding source of gross financial debt

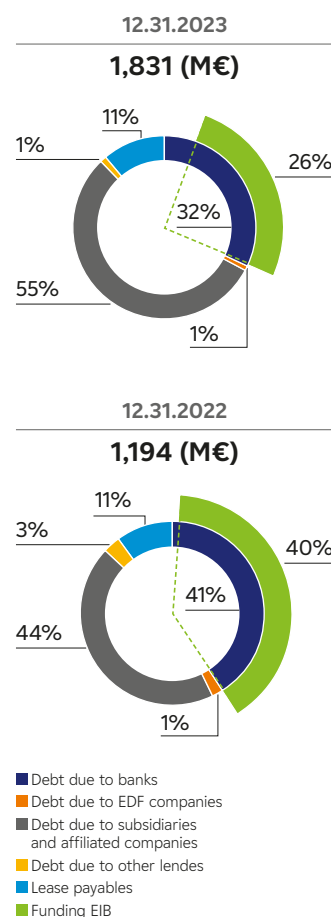
The external **funding sources** are primarily represented by long-term loans for the development of specific projects in the renewable energies and energy efficiency, and gas storage sectors and for the development of the Porto Marghera thermoelectric power plant, granted by the **EIB** directly to Edison Spa.

## 7.2.7 Net financial income (expense) linked to debt (available funds)

(in millions of euros)	2023 financial year	2022 financial year	Change
<b>Financial income</b>			
Financial income from Group companies	80	23	57
Financial income from EDF Sa	31		31
Financial income from banks	2		2
<b>Total financial income on cash and cash equivalents</b>	<b>113</b>	<b>23</b>	<b>90</b>
<b>Financial expense</b>			
Financial expense paid to Group companies	(34)	(3)	(31)
Interest paid to banks	(13)	(4)	(9)
Financial expense paid to TdE	(3)	-	(3)
Financial expense paid to EDF	(1)	(3)	2
<b>Total financial expense on debt</b>	<b>(51)</b>	<b>(10)</b>	<b>(41)</b>
<b>Total financial income (expense) on net financial debt (available funds)</b>	<b>62</b>	<b>13</b>	<b>49</b>
<b>Income (expense) on assignment of receivables without recourse</b>	<b>(5)</b>	<b>(2)</b>	<b>(3)</b>
<b>Charges on financial leases IFRS 16</b>	<b>(8)</b>	<b>(5)</b>	<b>(3)</b>

**Net financial income on net financial available funds** in the financial year 2023 amounted to 62 million euro, in increase of 49 million euro compared to the previous year. This effect is mainly due to the increase in cash and cash equivalents, only partially offset by higher financial liabilities to subsidiaries. In addition, the average rise in applied rates is fully reflected on the variable-rate remuneration of loans, which exceeded the largely prefixed cost of bank loans in 2023.

### BREAKDOWN BY FUNDING SOURCE OF GROSS FINANCIAL DEBT



## 7.2.8 Cash flow statement reconciliation

Pursuant to IAS 7 “Statement of Cash Flows”, below is a statement of changes in liabilities deriving from lending activities, making it possible to reconcile the cash flows shown in the “Cash Flow Statement” with the total changes recognized during the year in balance sheet items that contribute to net financial debt.

(in million euro)	12.31.2022	Cash Flow	No Cash Flow		12.31.2023
			Registration of new IFRS 16 leasing	Other variations	
Long-term financial debt	574	(92)	105	-	587
Other current financial payables	620	619	-	-	1,239
Other non-current liabilities	-	-	-	5	5
Current and non-current financial assets (-)	(1,373)	(163)	-	-	(1,536)
<b>Net liabilities from financing activities</b>	<b>(179)</b>	<b>364</b>	<b>105</b>	<b>5</b>	<b>295</b>
Cash and cash equivalents (-)	(432)	(776)	-	-	(1,208)
<b>Net financial borrowings (available funds)</b>	<b>(611)</b>	<b>(412)</b>	<b>105</b>	<b>5</b>	<b>(913)</b>

## 7.3 Financial risk management

### 7.3.1 Interest rate risk

Edison's exposure to interest rate risk has remained basically stable. It should be noted that its fixed rate payables are represented by IFRS 16 leases and uses for 260 million euro of EIB funds, corresponding to the portion of credit facilities for which Edison, at the time of granting the loan, opted for a fixed rate, as permitted by the contractual agreements. The remainder of the payable is variable-rate (the Euribor rate). Edison assesses its exposure to the risk of changes in interest rates on a regular basis, which it manages mainly by selecting loan utilization methods.

#### Gross financial debt: mix fixed and variable rate

Edison's exposure to interest rate risk here takes into account, within intra-group transactions, only the liabilities and not the assets and thus, for a clearer view of the interest rate risk to the market, please refer to the Consolidated Financial Statements where intra-group transactions are eliminated.

GROSS FINANCIAL DEBT: MIX FIXED AND VARIABLE RATE (in millions of euros)	12.31.2023			12.31.2022		
	without derivatives	with derivatives	% with derivatives	without derivatives	with derivatives	% with derivatives
- fixed rate portion	469	469	26%	400	400	34%
- variable rate portion	1,357	1,357	74%	794	794	66%
<b>Total gross financial debt (*)</b>	<b>1,826</b>	<b>1,826</b>	<b>100%</b>	<b>1,194</b>	<b>1,194</b>	<b>100%</b>

(\*) Includes the effects of applying IFRS 16, does not include Other non-current liabilities.

### Sensitivity analysis on financial expense

The table below provides a sensitivity analysis that shows the impact on the income statement of a hypothetical shift of the forward curve of plus or minus 50 basis points compared with the rates actually applied in 2023, compared with the corresponding data from 2022. It should be noted that this analysis is carried out based on the debt component of financial expenses only and disregards financial income, which nevertheless played a very significant role in 2023, unlike in previous years.

SENSIVITY ANALYSIS (in millions of euros)	2023 impact on financial expense (P&L)			2022 impact on financial expense (P&L)		
	+50 bps	base	-50 bps	+50 bps	base	-50 bps
	12	11	10	7	6	4

### 7.3.2 Liquidity risk

Liquidity risk is the risk that Edison Spa may not have access to sufficient financial resources to meet its financial and commercial obligations in accordance with agreed terms and maturities. The company aims to ensure that the Group always has sufficient funding sources to meet its obligations that are falling due and to support the established investment programs, with reasonable margins of financial flexibility.

The table below provides a prudential assessment of the total outstanding liabilities at the time the financial statements were prepared until their natural expiry. It includes:

- in addition to principal and accrued interest, all future interest payments estimated for the entire length of the underlying debt obligation. When present, the effect of interest rate derivatives is also considered;
- financing facilities are treated as if repayable on demand, in the case of revocable lines of credit, or on the first due date when repayment can be demanded, in other cases.

For a more meaningful representation, the prudential value thus obtained is compared with the existing cash and cash equivalents, without considering other assets (e.g., trade receivables).

### Projection of future cash flows

PROJECTION OF FUTURE CASH FLOWS (in millions of euros)	12.31.2023			12.31.2022		
	1 to 3 months	over 3 months to 1 year	After 1 year	1 to 3 months	over 3 months to 1 year	After 1 year
Financial debt and other financial liabilities (*)	140	109	659	45	50	654
Payables to suppliers	1,650	55	77	3,277	115	10
<b>Total</b>	<b>1,790</b>	<b>164</b>	<b>736</b>	<b>3,322</b>	<b>165</b>	<b>664</b>
<b>Personal guarantees given (**)</b>	<b>115</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>115</b>	<b>-</b>
<b>Cash and cash equivalents</b>	<b>1,208</b>			<b>432</b>		

(\*) The item does not include "current financial payables to factoring companies and other financial payables".

(\*\*) These guarantees are given to lenders of associated companies.

The **financial debt due within one year**, amounting to 249 million euro (95 million euro as of December 31, 2022), increased compared to December 31, 2022 due to accounting overdrafts on current accounts and the reclassification of **EIB** loans related to Edison Stoccaggio investments, consistent with the representation in the financial statements of Edison Stoccaggio as "Assets held for sale".

The **financial debt maturing beyond one year**, amounting to 659 million euro (654 million euro as at December 31, 2022), is virtually stable: the reclassification of the gas storage activities



is offset by the new 18 million euro draw down under the **EIB** Green Framework Loan and the recognition of the lease for the new LNG carrier.

The maturity structure of Edison's financial debt, with a clear predominance of medium- to long-term debt, is a crucial factor in protecting against liquidity risk.

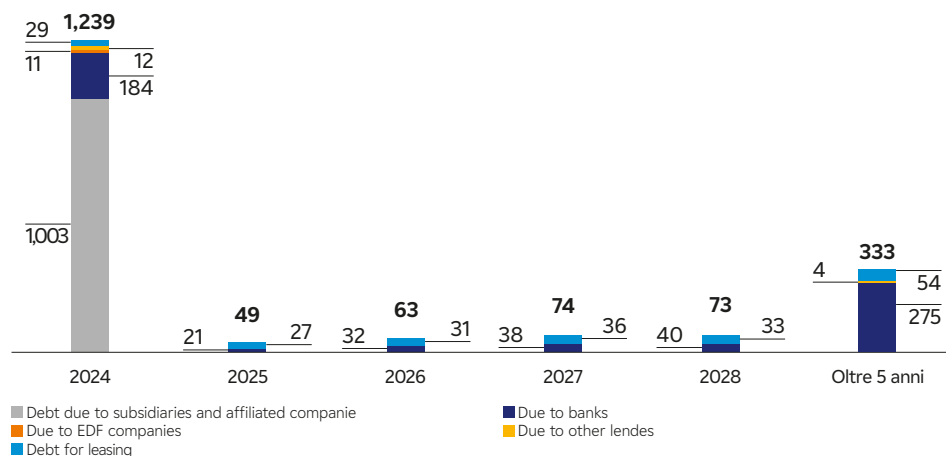
## Total available financial resources

Cash and cash equivalents amounted to 1,208 million euro, of which 1,201 million euro in the treasury current account with EDF Sa.

At December 31, 2023, Edison had unused committed lines of credit totalling 1,162 million euro, represented:

- by the revolving credit line (1 billion euro) dedicated to covering working capital requirements, underwritten in March 2023 with a pool of banks (BNL BNP Paribas, BPER Banca S.p.A., Intesa Sanpaolo S.p.A. and UniCredit S.p.A.) and backed for a portion equal to 70% by the guarantee of the national agency for export credit SACE S.p.A.
- by the Green Framework Loan (180 million euro) granted by the EIB at the end of June 2020 dedicated 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 the end of June 2024.

### GROSS FINANCIAL DEBT: DEBT EXPIRATION (M€)



### 7.3.3 Risk of early repayment of loans

The company is not required, under the terms of any of its credit lines, to comply with specific financial covenants.

With regard to the effects that a change in control of Edison could have on outstanding loans, please refer to the discussion in the Report on Corporate Governance and on the company's Ownership Structure, in the paragraph "Change of Control Clauses".

The loan agreements do not contain clauses that could result in the early termination of the loan as an automatic effect if the credit rating assigned to Edison Spa by the rating agencies is downgraded or cancelled. Note that the medium/long-term credit lines provided by EIB envisage restrictions on the use of funds and on the management of projects financed, typical of loans for industrial businesses. On the date on which this report was drafted, Edison Spa was not aware of the existence of any default situation with regard to any of its subsidiaries.

## 8. Taxation

### 8.1 Tax risk and tax management

Starting from 2018, Edison and its subsidiaries adopted a tax risk governance and reporting system, which is integrated within the Group's overall control system (the Tax Control Framework or TCF). The TCF adopted consists of a Tax Policy and General Rules applicable to all the Group companies, as well as some specific controls applied to several principal and cross-company processes, coordinated with the provisions of Law No. 262 to which the parent company Edison Spa is subject, as a tax management instrument to monitor activities with potential tax impacts on the results of the Group.

In December, the company was admitted, by order issued by the Revenue Agency, to the Collaborative Compliance regime pursuant to Article 7(2) of Legislative Decree No. 128 of August 5, 2015 with effect from tax year 2022.

### 8.2 Taxes

Current income taxes are determined on the basis of the estimated taxable income, calculated in accordance with the tax rates and laws that have been enacted or substantively enacted at the balance sheet date, taking into account any applicable exemptions or available tax credits. Deferred tax assets and liabilities are calculated on the temporary differences between the values attributed to assets and liabilities in the balance sheet and the corresponding values recognized for tax purposes, based on the tax rates in effect when the temporary differences will be reversed. Deferred tax assets are recognized if they are likely to be recovered in the future. When measuring deferred tax assets the taxable income estimated in the business plans approved by the company is considered. When gains and losses are recognized directly in shareholders' equity, and namely in the "Reserve for other components of comprehensive income", prepaid-tax assets and deferred-tax liabilities must also be directly recognized in shareholders' equity.

For the three-year period 2022-2024, the company renewed the Group taxation option for corporate income tax (IRES) purposes, pursuant to art. 117 et seq. of the Uniform Tax Code - so-called National Consolidated Tax Return - which is filed by Transalpina di Energia Spa (TdE) and involves all the main Group companies. Consequently, the companies included in the return must determine their IRES liability in coordination with the Parent Company TdE. Mutually agreed commitments and actions are governed by new bilateral agreements executed by TdE, the consolidating entity, and the individual companies.

#### 8.2.1 Taxes and tax rate

(in millions of euros)	2023 financial year	2022 financial year	Change
Current taxes	(272)	(93)	(179)
Deferred/(prepaid) tax	151	(25)	176
Previous years' taxes	13	8	5
Other current taxes	-	(116)	116
<b>Total</b>	<b>(108)</b>	<b>(226)</b>	<b>118</b>

**Current taxes** amounting to 272 million euro include IRES for 198 million euro and IRAP for 75 million euro, net, for less than 1 million euro, of the income that the national tax consolidation, filed by Transalpina di Energia Spa, recognized to the Company.

**Net deferred/prepaid taxes** had a positive balance of 151 million euro. The main reasons for this balance are the allocation of deferred tax assets on the provisions for risks and the use of deferred tax assets on the difference in the value of property, plant and equipment.

Taxes for the previous year include the positive impact of 12 million euro resulting from the difference between the estimated value of the temporary solidarity contribution pursuant to the Budget Act 2023 of 114 million euro, recognized as taxes in the financial year 2022, and the value determined for the purpose of paying the contribution of 102 million euro. This value, which was paid by the legal deadline of June 30, 2023, was calculated following the updating of the company's tax provisions and taxable income.

An analysis of the reconciliation between the theoretical tax burden, determined by applying the IRES and IRAP tax rate applicable in Italy, and the actual tax burden for the year, is shown below:

(in millions of euros)	2023 financial year		2022 financial year	
<b>Income (loss) before taxes</b>	<b>438</b>		<b>484</b>	
<b>Taxes applicable in the year</b>	<b>105</b>	<b>24.0%</b>	<b>116</b>	<b>24.0%</b>
Non-taxable dividends (95% collected at 12.31)	(13)	(3.0%)	(31)	(6.4%)
Writedowns (Revaluations) of equity investments	(23)	(5.3%)	33	6.8%
Gain on sales of investments	(2)	(0.5%)	-	-
Permanent differences	(9)	(2.1%)	(10)	(2.1%)
Regional tax (IRAP)	74	16.9%	7	1.4%
Deferred taxes	(20)	(4.6%)	4	0.8%
Effect DTA on realignment	(9)	(2.1%)	(9)	(1.9%)
Extraordinary extra profit contribution	(12)	(2.7%)	115	23.8%
<b>Total income taxes in the income statement</b>	<b>91</b>	<b>20.8%</b>	<b>225</b>	<b>46.5%</b>

For a better understanding of this reconciliation, the impact of IRAP was kept separate to avoid any distortion effects, as that tax is applied on a tax base that is not the same as the pre-tax result.

## 8.2.2 Income taxes paid

During the financial year, disbursements for direct taxes amounted to 233 million euro and related to the IRES 2022 balance of 57 million euro, IRES 2023 advances of 52 million euro, IRAP 2022 balance of 4 million euro, IRAP 2023 advances of 2 million euro and 16 million euro for the third instalment relating to the tax realignment, and the remaining 102 million euro for the extraordinary "extra-profits" contribution.

## 8.3 Tax assets and liabilities

### 8.3.1 Taxes receivable and payable

At December 31, 2023, there are net payables of 209 million euro (net payables of 189 million euro at December 31, 2022); the details are provided in the table below:

(in millions of euros)	12.31.2023	12.31.2022	Changes
Non-current tax assets	5	2	3
<b>Total tax assets (A)</b>	<b>5</b>	<b>2</b>	<b>3</b>
Current taxes payable	75	134	(59)
Amount due to the parent company TDE for the filing of a consolidated tax return	139	57	82
<b>Total taxes payable (B)</b>	<b>214</b>	<b>191</b>	<b>23</b>
<b>Taxes receivable (payable) (A-B)</b>	<b>(209)</b>	<b>(189)</b>	<b>(20)</b>

In detail:

- **Current tax payables** include the payable for IRAP for the year;
- The **payables to the parent company** for tax consolidation refer to the IRES National Consolidated Tax Return.

### 8.3.2 Deferred tax assets and liabilities

As at December 31, 2023, there are liabilities recorded for 19 million euro (nil as at December 31, 2022), while assets total 326 million euro (318 million euro as at December 31, 2022).

Details of the changes in “Deferred tax assets” and “Deferred tax liabilities” are provided below, broken down by type of timing difference, determined based on the tax rates envisaged by governing measures. Please recall that if the requirements set forth in IAS 12 are met, the items are offset.

#### Impacts on the income statement and shareholders' equity

<b>CHANGES IN DEFERRED TAX LIABILITIES TO DEFERRED TAX ASSETS</b> (in million euro)	01.01.2023 (*)	Effect on income statement	Effect on shareholders' equity	12.31.2023
<b>Deferred-tax liabilities:</b>				
Other deferred taxes	-	1	-	1
Differences in the valuation of property, plant and equipment	2	-	-	2
- of which with impact on shareholders' equity	-		18	18
	2	1	18	21
Offsets	(2)	-	-	(2)
<b>Total deferred-tax liabilities</b>		<b>1</b>	<b>18</b>	<b>19</b>
<b>Deferred-tax assets:</b>				
Taxed provisions for risks	51	153	-	204
Adoption of IFRS 9 to value financial instruments:				
- impact on the income statement	-	-	-	-
- impact on shareholders' equity	144		(144)	-
Differences in the valuation of property, plant and equipment	39	(1)	-	38
Tax value goodwill realigned	86	-	-	86
Other	-	-	-	-
	320	152	(144)	328
Offsets	(2)	-	-	(2)
<b>Total deferred-tax assets</b>	<b>318</b>	<b>152</b>	<b>(144)</b>	<b>326</b>

In particular, please note that the valuation of **deferred tax assets** reflects the assumption of probable realization and recoverability for tax purposes, based on the realization time horizon.

### Temporary solidarity contribution (effects of Budget Law 2023)

Please note that the 2023 Budget Law (Law no. 197/2022), in art. 1 paragraphs 115 to 119, had introduced, with effect on the 2022 budget, a “*temporary solidarity contribution*” payable by entities that carry out the electricity production activity in the territory of the State, for the subsequent sale of goods, of methane gas or extraction of natural gas, of entities resellers of electricity, methane gas and natural gas and of entities that carry out the production, distribution and trade of petroleum products.

The amount of the contribution is set at 50% on the portion of total income, determined for corporate income tax purposes, relating to the financial year ending before January 1, 2023, that exceeds the average income of the previous four tax periods by at least 10% and within the limits of 25% of the net assets of the financial year ended December 31, 2021.

In the Separate Financial Statements 2022, the amount of the contribution was estimated at 114 million euro and was recognized in the income statement under “Income Taxes”. As of June 30, 2023, the due date for payment of the contribution, also following the clarifications provided by the Revenue Agency, the amount of approximately 102 million euro had been paid; the difference between the amount actually paid and the amount estimated and recorded as of December 31, 2022 under “Payables for current taxes”, therefore amounts to a positive value of approximately 12 million euro and is recognized as income under “Income Taxes”. For additional information, see chapter “8. Taxation”.

### Extraordinary contribution against high bills

During the last quarter of 2023, a request was submitted for reimbursement of the “*extraordinary contribution against high bills*”, instituted at the expense of companies operating in the energy sector by Article 37 of Decree Law March 21, 2022, no. 21, converted into Law no. 51 of May 20, 2022 (also known as “Ucraina Bis” or “Taglia Prezzi”). This application, filed by the company for the contribution paid in 2022, concerns, among other things, a question of the constitutional legitimacy of the contribution.



## 9. Non-energy activities

The Edison Group is involved in various processes, in particular, for environmental remediation and decontamination of polluted areas deriving from its own industrial history. Edison Spa, in fact, represents the universal successor of Montedison Spa, merged in it. As a result, in the financial statements are recognized charges for environmental activities and risk provisions related to disputes arising from events over the time, connected, *inter alia*, to the management of chemical production plants already held by Montedison Group – that were object, from the 1990s to 2010, of a wide-range divestment policy that led to Edison Group's activities being redirected into the energy sector - and which therefore are not relevant to the current business management of Edison Spa and its subsidiaries.

For this reason, it was decided to isolate and represent in a dedicated chapter the contribution of these activities to the consolidated income statement and balance sheet, as well as the related contingent liabilities.

There are several legal disputes related to these remediation and decontamination activities and in the assessment of likely impacts, the Company's management must use estimates and assumptions that are more relevant, in particular as regards provisions related to environmental litigation for the chemical facilities of Montedison Group. In this regard, note that the present quantification of the provisions was determined as residual amount of the original accrual referred to the specific dispute, considering the juridical complexity, the type of proceeding and also the uncertainty about the evolution of every proceeding in terms of duration and thus of the outcomes. The quantification and the review of these provisions are part of a recurring process of assessment based on what stated above; likewise, and in general, the periodical assessment also includes the quantification and updating of the other provisions for risk related to legal and arbitral disputes.

The resulting effects are recognized in the Corporate segment and in particular, in the income statement, the related income and expenses, including the associated legal costs, are recorded in the item 'Other income (expense) non Energy activities' included in EBIT.

**Net expenses in 2023 amounted to 553 million euros** (net expenses of 66 million euros in the previous year). Please note that the value includes expenses for about **503 million euros related to environmental issues**, due to the developments occurred during the period, new assessments related to the increase in market costs and the change in the scope of the work to be performed on certain sites, as well as the agreement "Patto per l'ambiente" signed with ENI. Below is the composition and movement of the risk provisions present in the balance sheet and the contents that determined their registration:

(in millions of euros)	12/31/2022	Financial expense	Provisions	Utilizations	Other	12.31.2023
A) Risks for disputes, litigation and contracts	90	2	7	(43)	(49)	7
B) Charges for contractual guarantees on sale of equity investments	60	-	25	-	-	85
C) Environmental risks	144	-	503	(38)	49	658
<b>Provisions for risks on non-energy activity disputes</b>	<b>294</b>	<b>2</b>	<b>535</b>	<b>(81)</b>	<b>-</b>	<b>750</b>

### A) Probable liabilities for which a provision for disputes, litigation and contracts risks was recognized in the Balance Sheet:

Date started/ Jurisdiction	Description of dispute
<b>Collapse of the Stava Dam</b>	
October 25, 2000 Court of Milan/ Milan Court of Appeals/ Court of Cassation	The last civil dispute that is still pending with regard to the events that occurred in Val di Stava in 1985, when the levies of two mining mud holding ponds, operated by a Montedison-owned company were breached causing the well-known disaster. In its decision, the lower court ruled that the statute of limitation prevented the action filed against Edison. By a decision published in November 2015, the Milan Court of Appeals upheld that decision. The Court of Cassation instead voided the decision in the second instance and referred the case back to the Milan Court of Appeals indicating the items for the quantification of the damages for which compensation is to be provided. In 2022, the Court of Appeals of Milan, in ruling no. 2242/2022, ordered Edison (formerly Montedison) to pay the pecuniary damages suffered as a result of the Stava disaster, quantified at approximately 300,000 euros, which, due to the effect of interest and revaluation from 1985 to the present day, are revalued at 2,191,707.14 euros, plus legal expenses. By virtue of the agreement with the other parties to the dispute, Edison is called upon to pay the entire sum, subject to pro rata recourse against ENI, the Autonomous Province of Trento and Finimeg for 70% of the total. The sum of 2,191,707.14 euro was paid and Edison filed a claim for recovery against the joint debtors on a pro rata basis.

#### Claims for Damages Caused by Exposure to Asbestos

In recent years, there has been a significant increase in the number of claims for damages arising from the deaths or illnesses of workers that were allegedly caused by exposure to different forms of asbestos at factories formerly owned by Montedison Spa (now Edison) or from judicial cases taken over by Edison as a result of corporate transactions. Without rendering an opinion on the merits of these claims, considering the long latency of illnesses related to exposure to different types of asbestos and the industrial activities carried out in the past by Group companies that belonged to the chemical industry, the presence of these companies throughout Italy and the manufacturing technologies used (considering the dates when these activities were carried out and the state of technological advancement at the time), which complied fully with the laws in force at that time, the possibility that new legitimate claims for damages may emerge in addition to those that are already the subject of several civil and criminal proceedings cannot be excluded.

### B) Probable liabilities for which a provision for risks for contractual guarantees on sale of equity investments was recognized in the Balance Sheet:

Date started/ Jurisdiction	Description of dispute
<b>Civil lawsuits and administrative proceedings concerning and/or related the sale of Agorà S.p.A., which owned 100% of the shares of Ausimont S.p.A. Edison is a party to these proceedings in its capacity as universal successor to Montedison Spa</b>	
<b>Ausimont - Spinetta Marengo - Administrative proceedings</b>	
February 2012 Piedmont Regional Administrative Court	The case concerns activities that Solvay Specialty Polymers was ordered to carry out, under various titles, to ensure safety and environmental remediation of areas inside the Spinetta Marengo (AL) chemical plant. This plant was operated until 2002 by Ausimont Spa, a Montedison Group company sold to the Solvay Group in May 2002. Edison joined these proceedings exclusively to protect its rights and legitimate interests in connection with the challenges filed against the administrative acts of the relevant Services Conference by Solvay Specialty Polymers, which specifically contested the failure to identify Edison as a respondent (or correspondent) in the proceedings.

Date started/ Jurisdiction	Description of dispute
<b>Ausimont - Solvay Arbitration</b>	
May 2012 ICC - Geneva Milan Court of Appeals - Court of Cassation	<p>These arbitration proceedings were initiated in 2012 by Solvay Sa and Solvay Specialty Polymers Italy Spa against Edison, for alleged violations of certain representations and warranties in the environmental area concerning the industrial sites of Bussi sul Tirino and Spinetta Marengo included in the deed of sale of Agorà Spa (parent company of Ausimont Spa) executed on the one hand by Montedison Spa and Longside International Sa and on the other hand by Solvay Solexis Spa (now Solvay Specialty Polymers) in December 2001.</p> <p>The proceeding, after an initial phase focused on preliminary and prejudicial issues, proceeded with the examination of the various requests formulated by the parties regarding the merits of the dispute and at the end of June 2021, the Secretariat of the International Court of Arbitration at the International Chamber of Commerce notified Edison of the partial award with which the Arbitration Tribunal largely upholding the claims made by Solvay Specialty Polymers Italy in connection with the environmental guarantees provided by Montedison in the contract for the sale of Ausimont, signed in 2001, ordered Edison to pay damages quantified at approximately 91 million euros for the period from May 2002 (date of closing) to December 2016.</p> <p>The partial award shall be accompanied by a dissenting opinion of one of the members of the Arbitral Tribunal.</p> <p>The award was immediately appealed by Edison before the competent Swiss courts. However, the appeal was rejected.</p> <p>In the parallel 'exequatur' proceedings of the partial award before the Court of Appeal of Milan, the judges, in a ruling published on January 24, 2023, rejected Edison's summons, recognizing the enforceability of the award in Italy.</p> <p>Edison paid approximately 92 million euros; as early as December 31, 2022 this amount was reclassified from the existing specific risk provision to Other current liabilities.</p> <p>Edison appealed to the Court of Cassation and is waiting for the setting of the discussion hearing.</p> <p>In the meantime, the arbitration proceeding proceeds with a further phase aimed at quantifying any further damage suffered by Solvay Specialty Polymers in the period after January 2017 and at the interest rate applicable to this claim.</p> <p>Solvay's Statement of Claim was notified in April 2022 and Edison replied with the Statement of Defense in September 2022. The discussion hearing took place in September 2023. The Arbitration Court then granted a deadline until 5.17.2024 for the clarification of costs. The decision of the Arbitration Court could be pronounced, barring unforeseen circumstances, in autumn 2024.</p>

### C) Probable liabilities for which a provision for environmental risks was recognized in the Balance Sheet:

Following the new assessments made during the year, related to the increase in market costs and changes in scope of the work to be performed on certain sites, as well as the agreement "Patto per l'ambiente" signed with ENI, and consistently with the provisions recorded in the financial statements, the main evolutions of pending proceedings are represented in this section, including those related to the sites of Mantua, Crotone and Bussi sul Trino.

#### C.1 - "Patto per l'ambiente" Edison-ENI

By way of introduction to the paragraphs that follow, in particular referred to the sites of Mantua and Crotone, it seems appropriate to note that on July 31, 2023, Edison S.p.A., ENI S.p.A., ENI Rewind S.p.A. and Versalis S.p.A. entered into an agreement that will regulate the joint economic competition for the reclamation work to be carried out in execution of the projects decreed by the Ministry of the Environment for the sites so-called "former EniMont" (the sites contributed to the j.v. EniMont in 1990 by the ENI and Montedison groups, respectively), initiating a cooperation between ENI and Edison that would make use of the experience and technologies acquired by ENI Rewind and Edison Next Environment (company indirectly controlled by Edison Spa). The implementation of the site-by-site agreement, with related planning activities, sharing of costs resulting from approved remediation projects and relations with institutions will be shared and coordinated by a joint technical-legal committee between the companies. In light of this agreement, in 2023 Edison increased the provisions for the specific remediation activities currently foreseeable.

Date started/ Jurisdiction	Description of dispute
<b>Mantua - Criminal Proceedings</b>	
Court of Mantua	<p>The Public Ministry of Mantua decided to initiate criminal proceedings against some executive directors working for the Company over time since 2015 and some of the Company's representatives, due to alleged environmental offences, also relevant pursuant to Legislative Decree 231 of 2001, in relation to certain portions of the Mantua petrochemical plant subject to orders of the Province of Mantua, which were confirmed in the Council of State's ruling of April 2020, described in a separate section.</p> <p>Following the decision of the GUP of Mantua to remand the defendants for trial, the trial will begin before the Court of Mantua on February 14, 2024.</p> <p>The Mantua petrochemical plant - which Edison (as the successor of Montedison) has not owned or managed since 1990 - was over time subject to a large-scale, detailed and complex plan of environmental remediation and restoration activities which also regarded all of the areas relating to which the Public Prosecutor has decided to lodge proceedings. These activities were initiated and carried out for two decades, with significant although uneven progress, by the ENI Group and, after the transfer in June 2020 of the relative operational remediation projects following the Council of State ruling referred to above, Edison, which had already previously performed some preparatory activities, methodically took them over. For at least one of those areas, the remediation was completed in compliance with the relative project, according to what has been ascertained by the Ministry for the Environment and the Province of Mantua.</p> <p>On these grounds, as well as for an extensive list of legal elements, the Company believes that the charges are completely first factually and also legally groundless, and it has already filed several defence briefs accompanied by quite considerable documentary evidence.</p>
<b>Mantua - Administrative Proceedings</b>	
2012-2020 Lombardy Regional Administrative Court (BS) - Council of State	<p>In recent years, the Province of Mantua sent Edison 8 different orders pursuant to art. 244 of Legislative Decree 152/2006, which required securing and remediation activities on just as many areas of the Mantua Site of National Interest, transferred from Montedison to the ENI Group in 1990 along with the entire Mantua Petrochemical site. These orders were imposed although the environmental remediation obligations relating to the Mantua site had already been subject to two separate settlement agreements entered into by Edison with ENI (2003) and with the Ministry for the Environment (2005), respectively.</p> <p>Edison submitted separate appeals before the Regional Administrative Court of Lombardy - Brescia Section against all of these orders. In August 2018, the Court, which had joined them, rejected them in bloc. Edison then challenged this Regional Administrative Court decision before the Council of State. With decision of April 1, 2020, the appeal lodged by Edison was rejected.</p> <p>Edison, which considers this decision illegitimate, lodged appeals before the Court of Cassation and the Council of State, which rejected them. An independent appeal brought by the Company before the European Court of Human Rights is still pending. At the same time, Edison in any event began the remediation activities on the site, taking over from the ENI Group companies in performing the remediation activities set forth in the provincial orders mentioned above.</p>
<b>Crotone - Criminal Proceedings</b>	
2005 Court of Crotone	<p>Of the three disputes outstanding at the end of 2018, a single criminal case is currently pending at the preliminary hearing against former executives and employees of the company Montecatini for alleged poisoning of the aquifer and, consequently, of the water intended for feed.</p> <p>The proceedings concluded with a dismissal. However, as the grounds were not deemed fully satisfactory, the Company decided to lodge an appeal. The hearing is reportedly scheduled for May 2024.</p>

Date started/ Jurisdiction	Description of dispute
<b>Crotone - Administrative Proceedings</b>	
November 2022 Province of Crotone - TAR (Regional Administrative Court) Calabria	<p>The Province, as part of the preliminary activities relating to the process of identifying the party responsible for the contamination, asked Edison S.p.A., as the successor to Montedison, for a note on the reconstruction of the corporate history of the companies operating in the area within the SIN.</p> <p>On June 14, 2023, the Crotone Provincial Authority adopted Ordinance no. 1/2023 <i>"against the parties identified as responsible for the pollution and contextual warning to provide, pursuant to art. 244, paragraph 2 of Title Five of the Fourth Part of Legislative Decree no. 152/2006 and subsequent amendments and additions, the execution and, if necessary, the integration of safety measures, reclamation and environmental restoration of groundwater, soil and subsoil, including prevention measures and emergency safety measures - Areas of former plants Agricoltura, former Fosfotec, Kroton Gres 2000 - Industrie Ceramiche s.r.l. - former Sasol Italy S.p.A and Service Landfill called "Farina Trappeto", located in the Municipality of Crotone. "S.I.N. of Crotone - Cassano - Cerchiara".</i></p> <p>Edison challenged the Ordinance, in order to have it annulled, before the TAR (Regional Administrative Court) Calabria-Catanzaro.</p>

## C.2 - Bussi sul Tirino site - Ausimont areas

Date started/ Jurisdiction	Description of dispute
<b>Ausimont - Bussi sul Tirino - Administrative proceedings of remediation of so-called "Solvay Internal Areas" - plant area</b>	
December 18, 2019 TAR (Regional Administrative Court) Abruzzo	<p>On December 18, 2019, the Province of Pescara served Edison with an order pursuant to art. 244 of Legislative Decree No. 152/2006 (the "Environmental Code") for the remediation of the areas where the Ausimont plant in Bussi, which was sold to Solvay in 2002, was located.</p> <p>With regards to this measure, it should be stressed that: i) the area on which the facility is built was conferred to Ausimont since it was incorporated in 1981; ii) Ausimont, and only and exclusively Ausimont, operated that facility continuously from 1981 to 2002 and it is during that time that the rules for the remediation of industrial sites affected by historical pollution came into force; iii) Ausimont's shares were transferred to Solvay Solexis Spa, now Solvay Specialty Polymers Italy Spa, in May 2002; iv) Ausimont was merged in Solvay Solexis in November 2002, with consequent succession of the latter in the legal, active and passive position, belonging to the company Ausimont.</p> <p>Edison steadfastly contests the legitimacy of this order, so the Company lodged an appeal before the Abruzzo Regional Administrative Court.</p> <p>While the proceedings are pending, Edison and the current owner of the area, Società Chimica Bussi, are negotiating an agreement to define the terms for taking over the management of the existing facilities and the decontamination work.</p>



Date started/ Jurisdiction	Description of dispute
<b>Ausimont – Bussi sul Tirino – Administrative proceedings of remediation of “Solvay External Areas”, areas “2A” and “2B”</b>	
February 28, 2018 Regional Administrative Court of Pescara – Council of State	<p>On February 28, 2018, the Province of Pescara notified the companies Solvay Specialty Polymers Italy Spa and Edison Spa that it was initiating proceedings pursuant to Title V Part IV of Legislative Decree No. 152/2006 to identify the party liable for the contamination of the so-called “Solvay External Areas” or “North areas” in Bussi sul Tirino, landfill areas 2A and 2B and adjoining areas.</p> <p>Subsequently, on June 26, 2018, the Province of Pescara served Edison with an order pursuant to art. 244 of Legislative Decree No. 152/2006 (the “Environmental Code”) for the removal of all waste dumped over time in the above-mentioned areas of the Bussi site. With regard to this measure, it is necessary to note that: i) the portions of land in question were contributed to Ausimont since its date of establishment in 1981; ii) Ausimont, and only and exclusively Ausimont, obtained authorization to run, built, managed and closed landfills 2A and 2B located on such portions of land; iii) the shares of Ausimont were transferred to Solvay Solexis Spa, now Solvay Specialty Polymers Italy Spa, in May 2002; iv) Ausimont was merged in Solvay Solexis in November 2002, with the latter becoming successor of any and all legal positions lodged by and against Ausimont.</p> <p>Edison, challenged the decision before the Regional Administrative Court of Pescara, which however dismissed the Company’s appeal. Edison has therefore filed an appeal before the Council of State.</p> <p>With a ruling published on April 6, 2020, the Council of State confirmed, although requalifying its scope and content, the decision of the Province of Pescara and the subsequent ruling of the Pescara Regional Administrative Court in relation to the remediation procedure for the “North” areas of the Bussi sul Tirino site.</p> <p>Therefore, on June 11, 2021, the decision was published by which the Council of State rejected the appeal by the Ministry of the Environment against the sentence of the Abruzzo Regional Administrative Court “regarding the cancellation of the award of the integrated contract relating to decontamination works in the ‘Solvay external areas’ located in the Municipality of Bussi sul Tirino”. The Ministry had, in fact, annulled the tender procedure that in 2019, had awarded to an ATI headed by the Belgian company Dec Deme the decontamination of the areas so-called 2A and 2B, sold by Montedison to Solvay in 2002 together with Ausimont. These areas are now owned by the Municipality of Bussi.</p> <p>Edison, which was already proceeding to complete safety works in these areas (not carried out by Solvay) on the basis of the Council of State’s decision of April 2020, is now discussing with the competent bodies the activities of decontamination and removal of the waste for which it is responsible.</p>

### C.3 – Bussi sul Trino site – other areas

Date started/ Jurisdiction	Description of dispute
<b>Bussi sul Tirino National Interest Site – “former Montedison Srl” area and Bolognano site</b>	
2011 and 2018 Abruzzo Regional Administrative Court – Pescara Section	<p><b>“Former Montedison Srl” area:</b> on July 14, 2021 Edison sold an 80% stake of the company Tremonti, specializing in soil and groundwater decontamination services. The company, whose name at the same time has been changed in Tre Monti, is now owned by Ambientthesis, Herambiente (Hera Group), Sersys Ambiente and Edison and will be responsible for carrying out its first decontamination works in the Tre Monti area of the Site of National Interest (SNI) of Bussi sul Tirino (Pe). The area, for which complex environmental procedures have been underway for many years, is currently the subject of a wide-ranging and articulated project for the restoration and removal of historical waste in agreement with the competent bodies and, in particular, with the Ministry of the Environment. Acceptances of the first intervention lots have already taken place.</p> <p>Please refer to previously published financial statements for information regarding the area and proceedings that occurred in past years.</p> <p><b>Bolognano site:</b> with reference to the Piano D’Orta site, in the Bussi SNI, and the remediation and environmental restoration proceedings concerning the so-called “former Montecatini” area in the Municipality of Bolognano (PE), note that the activities are underway as set forth in the sub-project approved by the competent Public Administrations. In addition, Edison has already submitted a project for the removal of waste on the adjacent ‘Compartment Z’ area.</p> <p>With reference to the Piano d’Orta site, a number of disputes are also pending before the Regional Administrative Court (TAR) and the Council of State concerning the legitimacy and proper fulfilment of obligations related to the reclamation operations as well as the activities that are prodromal thereto (demolition of existing buildings).</p>

## C.4 - Other sites

Date started/ Jurisdiction	Description of dispute
<b>Piazzola sul Brenta (PD) - Administrative Proceedings</b>	
August 2023 Province of Padua - TAR (Regional Administrative Court) Veneto	The Province of Padua, by ordinance pursuant to Art. 244 of Legislative Decree 152/06, ordered Edison S.p.A. to start a reclamation procedure at its own expense of a former Montecatini site in Piazzola sul Brenta (PD), after various substances from the site contaminated the subsoil of a nearby school. According to media reports, a survey conducted in 2020 found high levels of metals, heavy hydrocarbons, fluorides, sulphates and various other substances at the site, which is currently used as a car park for buses. According to the Province, the site belonged to Montecatini, which was incorporated into Montedison and later became Edison S.p.A.. The area was allegedly sold by Montecatini over 60 years ago to third-party companies. The Province of Padua acquired the land in 1984 and has now - unilaterally - established that the pollution is attributable to the operations carried out by Montecatini on the site, thereby making Edison S.p.A. liable for the pollution and its obligation to provide for its reclamation. On October 30, 2023, Edison filed an appeal against this provincial measure with the Veneto TAR (Regional Administrative Court).
<b>Vercurago (LC) - Administrative proceedings</b>	
March 2023	In March 2023, the Province of Lecco adopted the ordinance concerning the "Area SAFILO in the Municipality of Vercurago (LC) - ART. 244 of Legislative Decree 152/2006 "Ordinances" - Identification of the party responsible for the contamination" (prot. no. 13844/2023 of March 8, 2023) by which it ordered Edison, Pirelli & C. S.p.A., Safilo S.r.l. and Fiocchi Munizioni S.p.A. to perform all the activities provided for by Title V, and in particular by Articles 242 and 244 of Legislative Decree 152/2006, as amended: 1. submitting, within 90 days from the notification of this measure to the Municipality of Vercurago and to all the Entities involved in the proceedings concerning the Site under examination, a specific reclamation/operational/permanent safety project; 2. carrying out and completing at its own expense the reclamation work to be approved by the Municipality of Vercurago. Edison appealed to the TAR (Regional Administrative Court) Lombardy. In November 2023, the Province intervened on the subject of the ordinance by revoking point 1 above.
<b>Legnago (VR) - Administrative proceedings</b>	
April 2023	Edison, as universal successor of Montedison, is involved in the decontamination proceed of "Ex-Pasqualini" area's in Legnago, Verona. The intervention is carried out in agreement with the Municipality of Legnago and ARPAV; the focus area is about 13 hectares.

In addition, there are contingent liabilities, which are dependent on the occurrence of events that are possible, but not probable, or are probable but their impact cannot be quantified reliably and the corresponding cash outlays cannot be reasonably estimated, for which risk provisions are not recognized and are only discussed in the comments to the notes.

## Contingent liabilities associated with legal disputes

### Environmental Legislation

In addition to the probable liabilities for environmental risks, already covered by provisions and previously described, in recent years, we have witnessed an expansion and evolution of environmental laws (most recently with Legislative Decree No. 152 of April 3, 2006 "Environmental Regulations", as amended), specifically with regard to liability for environmental damages, which is especially relevant to the purposes of these notes. In particular, the discussion and adoption in several legal systems of the principle of "internalization" of environmental costs (summarized in the expression "those who pollute must pay") have resulted in the development of two new types of liabilities for the act of polluting: objective liability (which does not require the subjective element of guilt) and indirect liability (which stems from the actions of others), which can arise as a result of an earlier act that constitutes a violation of acceptable contamination levels under current laws. Therefore, taking into account the current and past scope of the industrial operations of the Company and the Group, particularly in the chemical industry, which were carried out in full compliance with the statutes then in force, it cannot be excluded that, in light of current legislation, new allegations of contaminations may arise, in addition to those currently subject to administrative and judicial proceedings.

Date started/ Jurisdiction	Description of dispute
<b>Ausimont - Bussi sul Tirino - Civil proceedings for alleged environmental disaster</b>	
April 8, 2019	<p>On April 8, 2019 the Ministry of the Environment and Protection of Land and Sea, the Abruzzo Region and the Presidency of the Council of Ministers sued Edison Spa before the Court of L'Aquila and, with it, six of the defendants who had already been involved, in relation to the same events, in the criminal proceedings brought in 2011 before the Court of Pescara and concluded with the acquittal decision of the Court of Cassation No. 47779 of 2018, asking the judge before whom the proceedings were filed to:</p> <ol style="list-style-type: none"> <li>"ascertain and declare that the defendants are obligated to accept liability for the environmental damage caused by the pollution", allegedly occurred in the industrial area of Bussi sul Tirino and, "as a consequence", "to order the defendants to pay compensation for environmental damage to the Ministry of the Environment and Protection of Land and Sea, quantified at 1,376,954,137 euros subject to better quantification in the course of the proceedings;</li> <li>order the defendants to restore, even naturally, the state of the sites by carrying out, at their own expense, environmental repairs in the manner and within the time-limits laid down by the relevant legislation;</li> <li>order the defendants to reimburse all costs which may be paid in advance and/or incurred in lieu of payment by the Ministry of the Environment;</li> <li>order the defendants to pay compensation for all pecuniary and non-pecuniary damage, other than environmental damage, resulting from the damage to the environment and the damage to the protected assets/interests belonging to the Abruzzo Region, to be settled on an equitable basis and in any event in an amount of no less than 500,000,000 euros;</li> <li>order the defendants to pay compensation for all pecuniary and non-pecuniary damage, other than environmental damage, caused to the Abruzzo Region and the Presidency of the Council of Ministers [and] damage to their image in such a way as the Court may consider fair, and in any event no less than 50,000,000 euros".</li> </ol> <p>As mentioned earlier, the charges on which the current lawsuit is based are the same as those raised in the above-mentioned criminal proceedings, from which Edison was excluded pursuant to law and which ended with the acquittal of all of the defendants. These charges refer mainly to the management of the Bussi plant, which was transferred from Montedison (now Edison) to the Ausimont Group/Montefluos in 1981, the 2A and 2B landfills, which were opened, developed and closed by Ausimont in the 1990s, and the so-called "Tre Monti" area, currently owned by Edison, in which, in the 1970s, production residues from the same factory were collected and for which a remediation process is already under way. Edison joined the proceedings on July 18, 2019, vigorously contesting the opposing claims in a number of areas, from the inapplicability at this juncture of the aspects established in the criminal proceedings, to the lack of capacity to be sued, from the statute of limitations to the lawfulness on the merits of the conduct being investigated and, finally, to the erroneous quantification of any damage to the environment. By order dated November 10, 2021, the judge hearing the case, after a reservation lasting more than a year regarding the preliminary and interlocutory issues raised by Edison and the evidence requested by the parties, ordered (i) the postponement of the examination of Edison's preliminary and interlocutory motions to the merits of the case and (ii) the admission of witnesses' evidence and an expert witness's report, for which hearings were set for the first quarter of 2022. As of today, December 2023, technical consultancy activities are still ongoing. The CTU (expert witness) applied for an extension of the time limit for filing the expert report by 270 days, which was granted by the Judge, and it is assumed (given the equivocal nature of the order) that it will be ready around September 2024. With reference to this dispute, Edison, following assessments performed with leading legal and accounting advisors, believes that the necessary requirements are not met to define a provision with respect to a contingent liability, or its actuality, probability and quantifiability. Therefore, in essence, there is no current obligation, either legal or environmental in nature, to be met for which the use of economic resources is currently expected.</p>
<b>Bussi sul Tirino - Claim for damages Municipality of Bussi</b>	
September 25, 2023	<p>On 9.25.2023, the Municipality of Bussi served a writ of summons on the company before the Civil Court of Pescara seeking compensation for the damages allegedly suffered by the local authority as a result of the alleged contamination found in the Municipality of Bussi - including, in particular, damage to its image - quantified in total at 20,000,000.00 euro. The following natural persons were also defendants in the aforementioned case: Maurilio Aguggia, Carlo Cogliati, Nicola Sabatini, Domenico Alleva, Nazzareno Santini, Carlo Vassallo. The hearing indicated in the documents is set for March 30, 2024. At the moment, the activities related to the legal proceedings are ongoing.</p>

Date started/ Jurisdiction	Description of dispute
<b>Montecatini Spa - Montefibre Spa - Verbania - Criminal proceedings</b>	
2002-2015 Court of Verbania/ Turin Court of Appeals/ Court of Cassation Tribunale di Verbania/ Corte d'Appello di Torino/ Corte di Cassazione	<p>All these litigations concern the alleged responsibility of former Directors and executives of the company Montefibre Spa, already part of Montedison Group, for the crimes of involuntary manslaughter and involuntary personal injuries in the violation of the occupational accident prevention regulations, caused in connection with the death or illness of employees at the old plant Montefibre of Pallanza (VB) allegedly caused by exposure to asbestos. Edison is exclusively involved in its capacity as the former parent company (until 1989) of Montefibre.</p> <p>To date, all proceedings have led to the acquittal of the defendants on all counts ("because the fact does not exist").</p>
<b>Port of Augusta - Administrative proceedings</b>	
2020	<p>In 2020, the Minister of Ecological Transition and the Region of Sicily signed a programme agreement for the definition of safety and reclamation measures for the areas included in the "Priolo" Site of National Interest, including the port of Augusta, the portion of the marine area facing the Priolo Gargallo industrial site.</p> <p>As is well known, Priolo is still home to an important petrochemical plant, operated by Montecatini and then Montedison until 1989 and then passed to the ENI Group in 1990 following the events surrounding the Enimont company.</p>
<b>Bussi - River Tirino - Remediation proceedings</b>	
July 2022 TAR (Regional Administrative Court) Pescara	<p>On July 22, 2022, Edison was notified of the order pursuant to art. 244 of Legislative Decree 152/2006 by the Province of Pescara in which Edison was identified as being "responsible for the contamination of the sediments of the Tirino river in the stretch from upstream to downstream of landfills 2A 2B and surrounding areas". A sediment survey plan is being drawn up with the Public Administration.</p> <p>Edison decided to challenge the order before the Pescara TAR (Regional Administrative Court).</p>

## 10. Other notes

### 10.1 Other Commitments

(in millions of euros)	12.31.2023	12.31.2022	Change
Guarantees provided	2,525	2,607	(82)
Other commitments and risks	106	276	(170)
<b>Total</b>	<b>2,631</b>	<b>2,883</b>	<b>(252)</b>
<b>Maturity:</b>			
- 1 to 3 months	797	653	144
- More than 3 months and up to 1 year	511	1,160	(649)
- After 1 year	1,323	1,070	253
<b>Total</b>	<b>2,631</b>	<b>2,883</b>	<b>(252)</b>

**Personal guarantees provided** were determined based on the potential amount of the commitment not discounted at the reporting date. In particular, the personal guarantees provided include:

- guarantees provided by the company or by banks and counter guarantees on behalf of Edison and on behalf of subsidiaries and affiliated companies mainly to secure the performance of contractual obligations, such as: guarantees necessary to trade on the Power Exchange, in favour of the GME, and on the natural gas balancing market in favour of SNAM, plus sureties issued to the individual operators with which the company carries out electricity and gas buying/selling activities;
- for 259 million euro, a decrease of 79 million euro compared to 2022, guarantees issued in favor of the Revenue Agency, the reduction of which was mainly due to refunds of VAT credits in 2017;
- for 115 million euro, guarantees issued on behalf of Elpedison Sa in favour of banks that purchased the Bond Loan issued by Elpedison Sa or have granted it credit lines;
- for 700 million euro, the guarantee issued by SACE S.p.A. ("SACE") as part of the interventions to protect the national energy system in line with the SupportItalia instrument under the Aiuti Decree, in favour of the banks that in 2023 granted to Edison the 1 billion euro revolving credit line (for further information, please refer to the comments in section 2.2 Significant Events).

It should be noted that during the year, the bank guarantee in favor of AGSC, procured by EDF S.A. on behalf of its subsidiary Edison, in the amount of 682 million dollars (640 million euro at December 31, 2022) was discharged; for further information, please see the separate financial statements of Edison Spa at December 31, 2022.

**Other commitments and risks** mainly refer to commitments for the completion of ongoing investments to be carried out in the next few years, including 20 million euro for hydroelectric plants and 52 million euro for thermoelectric plants.

It should be noted, that in the financial year 2023, investment commitments decreased compared to the financial year 2022, in particular for:

- 116 million for the delivery of the LNG carrier for which there is a 7-year long-term contract with a charterer;
- 39 million euro following the progress of work on the Presenzano (CE) power plant.

For further information, see Chapter 5 of Invested Capital.

## Unrecognized Commitments and Risks

It should be noted that Gas Operations have contracts for the import of hydrocarbons for a total nominal supply of 12.6 billion m<sup>3</sup>/year. These contracts typically have an extended duration (as at December 31, 2023 up to 21 years) and therefore their margins are susceptible to change over time as conditions change in the economic and external competitive context and the commodity scenarios used as a reference in the purchase cost/sale price indexing formulas. The presence of supply price renegotiation clauses, as well as the revision of their flexibility conditions, are therefore important elements to partially mitigate the risk outlined above that the parties may make use of according to contractual windows that occur cyclically.

The table below provides a breakdown of the timing for the supply of natural gas, based on minimum contractual deliveries:

		within 1 year	from 2 to 5 years	more than 5 years	Total
Natural gas	Billions of cubic metres	12.0	45.8	53.4	111.2

The economic values are according to the prospective price formulas.

Please also note the expected medium-term launch of an additional supply that will significantly contribute to the diversification and competitiveness of the Edison gas supply portfolio, or:

- the agreement developed with Venture Global for 1 million tons per year of LNG for 20 years (equivalent to roughly 1.4 billion m<sup>3</sup>/year of natural gas) coming from the Calcasieu Pass plant (Cameron Parish, Louisiana, USA) based on the contract for the hire of an LNG vessel that is currently being built.

Furthermore, based on the contract in place with Terminale GNL Adriatico, Edison benefits from 76% of the terminal's regasification capacity until 2025 and a share between approximately 67% and 71% starting from 2026 and until 2034.

## 10.2 Intercompany and related-party transactions

Within the Group, the Parent Company Edison Spa operates in the purchase, sale, exchange and supply of electricity and natural gas, with particular regard to the subsidiaries and affiliated companies, as well as the buying/selling of environmental securities. As regards the mix of sources and total funding of the company, special sale agreements are in place with the subsidiary Edison Energia Spa, which, nonetheless, allow the selling party, taking account of the specific roles that the companies play within the Group, to have adequate coverage of both fixed and variable costs. In line with the related company policies, the economic, equity and financial transactions in place as at December 31, 2023, with related parties, are shown below, in accordance with the disclosure required by IAS 24. These transactions are implemented under the scope of normal operations and regulated at contractual conditions established by the parties in line with ordinary market practice. The table below summarizes the company's related-party transactions:



(in millions of euros)	Related parties in accordance with IAS 24				Total for financial statement item	% impact
	With Edison Group companies (A)	With controlling companies (B)	With other EDF Group companies (C)	Total for related parties		
Balance sheet transactions						
Equity investments	1,626	-	-	1,626	1,626	100.0%
Non-current financial assets from subsidiaries and affiliated companies	1,153	-	-	1,153	1,153	100.0%
Other non-current financial assets	10	-	-	10	18	55.6%
Other non-current assets	2	-	-	2	21	9.5%
Fair value non-current assets	3	9	149	161	184	87.5%
Trade receivables	527	-	396	923	1,646	56.1%
Other current assets	277	3	50	330	473	69.8%
Fair value current assets	14	20	764	798	1,050	76.0%
Current financial assets from subsidiaries and affiliated companies	379	4	-	383	383	100.0%
Cash and cash equivalents	-	1,201	-	1,201	1,208	99.4%
Fair value non-current liabilities	3	6	118	127	156	81.4%
Trade payables	89	5	118	212	1,706	12.4%
Payables for taxes	-	139	-	139	214	65.0%
Other current liabilities	23	1	1	25	207	12.1%
Fair value current liabilities	16	5	305	326	1,271	25.6%
Current financial payables	2	11	-	13	236	5.5%
Current financial payables to subsidiaries and affiliated companies	1,003	-	-	1,003	1,003	100.0%
Income statement transactions						
Sales revenues	5,504	42	5,794	11,340	16,402	69.1%
Other revenues and income	42	-	19	61	119	51.3%
Costs for commodities and logistics (-)	(666)	(2)	(1,840)	(2,508)	(14,906)	16.8%
Other costs and external services (-)	(5)	(32)	(6)	(43)	(307)	14.0%
Other expenses (-)	(2)	-	-	(2)	(77)	2.6%
Net change in fair value of derivatives	(20)	-	762	742	(50)	n.a.
Other net income (expense) - non-energy activities	(23)	-	-	(23)	(553)	4.2%
Net financial income (expense) on net financial debt (available funds)	47	28	-	75	62	n.a.
Other net financial income (expense)	2	(22)	(1)	(21)	(3)	n.a.
Revaluations (write-downs) from equity investments	27	-	-	27	23	n.a.
Dividends	55	-	-	55	55	100.0%
Gains (losses) on the sale of equity investments	3	-	-	3	10	30.0%

## A) Intercompany transactions

Transactions between Edison Spa and its subsidiaries and affiliated companies and its parent companies consist primarily of:

- commercial transactions involving the buying and selling of electric power, natural gas and environmental securities;
- transactions involving contracts for the provision of services (technical, organizational, legal and administrative) by headquarters staff functions;
- financial transactions involving lending, risk hedging and current account facilities established within the framework of the cash pooling system with its subsidiaries;
- transactions required to file a consolidated VAT return for the company (so-called VAT Pool).

In particular, **trade receivables** are mainly from the subsidiary Edison Energia Spa, the same as regards **sales revenues**.

With the exception of transactions related to the VAT Pool and the consolidated corporate income tax return, which are executed first of all pursuant to law, all of the transactions listed above are governed by contracts with conditions that are consistent with market terms, i.e., the terms that would be applied by two independent parties.

### Consolidated VAT Return

Edison Spa has a consolidated Group VAT return in place (so-called VAT Pool), that includes the Edison Group companies that meet the requirements of art. 73, paragraph 3 of Presidential Decree No. 633/72). The payment of Group VAT relating to 2023 presented a credit of 42 million euro due from the tax authorities.

## B) Transactions with controlling companies

### B.1. With Transalpina di Energia (TdE)

#### Consolidated Corporate Income Tax (IRES) Return Filed by TdE

With respect to the consolidated tax return, it shows a payable of the company of 139 million euro; please refer to as commented on in chapter 8. Taxation.

#### Intercompany current account

As of December 31, 2023, the current account between Edison Spa and Transalpina di Energia Spa has a debit balance of approximately 11 million euro (debt of 7 million euro as of December 31, 2022).

#### Dividend payment

It should be noted that following the resolution of the Shareholders' Meeting of April 5, 2023, Edison Spa paid a dividend of 101 million euro to Transalpina di Energia Spa on April 26, 2023.

### B.2 With EDF Sa

#### Cash-pooling

At December 31, 2023, the current account established by Edison Spa, dedicated to the cash pooling transaction with EDF Sa, had a credit balance of roughly 1,201 million euro (credit of 421 million euro at December 31, 2022).

#### Credit Lines

On March 31, 2023, the revolving credit line entered into between EDF Sa and Edison in April 2021 with a two-year term expired and was not renewed.

#### Other transactions

For the main economic relations, the following should be noted:

- operating costs equal to 30 million euro refer in particular to insurance costs, royalties for trademark use, the provision of services, as well as the charge-backs of corporate costs, basically linked to remuneration for members of the Board of Directors;
- revenues and income for a total of 4 million euro which mainly refer to the services provided for the management of activities relating to the gas portfolio.

As part of financial operations, Edison signed exchange risk hedging operations which, influenced by currency trends, recorded realized net financial income of 22 million euro (realized net financial income of 63 million euro at December 31, 2022), recorded under the item Other net financial income (expenses). Also in this area, a gain of about 37 million euro,

related to commodity exchange rate risk hedges, was recognized under Sales revenues. The fair value of the outstanding derivatives in Cash Flow Hedge and Economic Hedge with EDF Sa is estimated at a net positive amount of approximately 18 million euro, which is recorded under Fair Value (29 million euro under Assets and 11 million euro under Liabilities).

## C) Transactions with other EDF Group companies

### C.1 Loans

There are no outstanding financing relations with other EDF Group companies.

### C.2 Other operating transactions

The main transactions with other EDF Group companies are essentially commercial in nature and almost all with respect to EDF Trading Ltd, in particular:

- with reference to EDF Trading, please note that in 2023 the trading operations of Edison Spa are conducted within the scope of the joint venture agreement with EDF Trading: with effect from 1 January 2023 the agreement was renewed which, like the previous one, regulates the proprietary trading activities, carried out through a joint desk with EDF Trading, and the access activities to the power forward market for which the methods and costs of access have been reviewed. In this context, approximately 16 million euros are recorded under the item "Other revenues and income" (approximately 18 million euros at 31 December 2022);
- Cash Flow Hedge, Fair Value Hedge and Economic Hedge derivatives are in place; the estimated fair value of these derivatives is shown in the statement of financial position under Fair Value in current and non-current assets and liabilities (net assets of 490 million euro); the estimated economic effects, mainly related to Fair Value Hedge contracts, are recognized in the income statement under "Net change in fair value of derivatives (commodity and foreign exchange)".

Furthermore, note that during the year, insurance claims of around 3 million euro were paid by Wagram Insurance Company.

## 11. Valuation criteria

### 11.1 Use of estimated values

The preparation of the financial statements and of the notes required the use of estimates and assumptions both in the measurement of certain assets and liabilities and in the valuation of contingent assets and liabilities. The actual results that arise upon the occurrence of the relevant events could differ from these estimates.

Estimates and assumptions are revised on a regular basis, and the impact of any such revision is immediately accounted.

The use of estimates is particularly significant for the following items:

- the evaluation that property, plant and equipment and intangible assets, including goodwill, are recognized in the financial statements for a value no higher than their recoverable amount ("impairment testing"). First and foremost, the impairment testing process calls for testing the sustainability of the value of the individual assets broken down into Cash Generating Units (CGUs) and, subsequently, a test on goodwill with reference to the aggregates of the CGUs and as an evaluation of the company overall due to the presence of unallocated general costs, which cannot be objectively allocated to the aforementioned CGUs (second level impairment testing).

The CGUs, which have been identified in a way that is consistent with the company's organizational and business structure, are assets that generate cash inflows independently, through their continued use and have a two-fold dimension related, on one hand, to the source of production and relative technology and, on the other, the current outlet market. At each reporting date, the company verifies whether there is any indication that an asset may have suffered a loss in value (impairment indicator), with the exception of goodwill, which is annually subjected to mandatory impairment testing.

IAS 36 defines the recoverable amount as the higher of the fair value of an asset or cash generating unit, less costs to sell, and its value in use. Thus, the recoverability of the value of fixed assets is verified by comparing the carrying amount recorded in financial statements with the relative recoverable value, after deducting from both the values of any risk provision recognized for costs to decommission and remediate sites.

The recoverable amount is calculated in compliance with the criteria laid out in IAS 36 and is determined as the value in use through the discounting of cash flows expected from the use of the asset or a set of assets (CGUs) as well as the amount expected from its disposal at the end of its useful life. Thus, the recoverability of the value of fixed assets is verified by comparing the carrying amount recorded in financial statements with the relative recoverable value, after deducting from both the values of any risk provision recognized for costs to decommission and remediate sites. This process entails the use of estimates and assumptions to determine both the amount of future cash flows and the corresponding discounting rates.

Future cash flows are based on the most recent economic-financial plans developed by the management with reference to the functioning of productive assets (production, operating and capital expenses, useful life of the assets), the market environment (sales, prices of reference commodities, margins) and the evolution of the regulatory and legislative framework.

In particular, in developing future cash flows, reference was made to information reflecting the best estimates that could be made by the Top Management with respect to company operations, or:

- the 2024 budget and 2025-2027 Medium Term Plan approved by the Board of Directors on December 7, 2023;
- the long-term plan drawn up by senior management.

When the valuation entails estimates beyond the forecast period included in the economic-financial plans developed every year by the management, projections based on conservative growth assumptions are used.

The valuation of assets entailed an estimation of cash flows until the end of the useful life of the fixed assets including, if present, a residual value when activities are completed. Specifically, to determine the recoverable amount of goodwill, a terminal value was calculated that is consistent with the long-term plan based on business continuity assumptions. These assumptions and the corresponding cash flows were deemed to be suitable for impairment test purposes by the Board of Directors, which approved the results on February 12, 2024.

With reference to the businesses in which the Company operates, the factors with the greatest relevance in estimates of future cash flows are:

- for activities related to the electric power sector: single national price ("PUN") and spark spread scenarios, the evolution of Italian sector regulations on producer governance and incentives (e.g., capacity market) and national demand trends;
- for activities related to the hydrocarbons sector: oil commodity, natural gas and EUR/USD exchange rate scenarios;
- for goodwill, the future growth rate necessary to determine the terminal value.

The discount rates applied were estimated by determining the weighted average cost of capital (WACC), taking into consideration the specific risks of the company's business, and are based on data observable in the financial markets.

The company relies on an independent expert to determine the recoverable amount (i.e., value in use) and, through statistical simulation techniques (Montecarlo method), weights the cash flows linked to variables with the greatest risk of volatility (capacity market remuneration rates, parameters of discount rates and growth rates, the level of non-discretionary investments to maintain normal business operating conditions).

For details on the results of the impairment test conducted this year, please refer to the paragraph "Impairment test pursuant to IAS 36 on the value of goodwill, property, plant and equipment and intangible assets" (paragraph 5.1.5).

- the determination of some provisions for risks and charges, in particular the:
  - **provisions for decommissioning and remediation of industrial sites:** the valuation of future liabilities connected to industrial site decommissioning and remediation obligations is a complex process based on technical and financial assumptions of the management supported, when necessary, by independent appraisers. These liabilities reflect estimated dismantling, removal and reclamation costs that the company will need to incur when production and operating activities at a production site are completed, to restore environmental conditions in compliance with local regulations as well as specific contractual arrangements.

The initial estimate of remediation costs, after deducting income that it is estimated could derive from the resale of recoverable parts, takes into consideration the value of inflation estimated until the expected site decommissioning date and is then discounted on the basis of a risk-free rate. The estimate is based on the principle of prudence in light of the market, legislative and technological conditions known at the moment of the valuation. This value is capitalized with that of the asset to which it refers and is subject to depreciation; the relative provision for decommissioning is recognized as an offsetting entry which, taking into account the expected time horizon, is then adjusted from time to time by recognizing the effect of discounting under financial expense.

At each reporting date, the estimates are revised so as to verify that the amounts recognized are the best expression of the costs that will likely be incurred by the company and, if there are significant changes, the amounts are adjusted. The main factors triggering a revision of cost estimates are the revision of the useful life of the site, market scenarios, the evolution of environmental technologies and regulations and inflation and discounting rate trends.

- **provisions for legal and tax disputes**, within which the types that require greater recourse to estimates and assumptions by the Management are the **provisions relating essentially to environmental disputes** connected to legal and arbitration proceedings of various types in which Edison Spa, as the universal successor of Montedison Spa, which it absorbed, is involved. Specifically as regards the provisions recognized in relation to disputes deriving from events dating back some time, connected to the management of chemical production sites formerly owned by the Montedison Group – which were subject to a large-scale decommissioning process between the 1990s and the first decade of the new century, resulting in the conversion of the Edison group's activities in the energy sector – the current levels of the provisions have been determined as the residual amount of the amount recognized initially with reference to the specific dispute, considering the complexity and differentiation of the reference legal matters, as well as the uncertainties in terms of the merit and the time horizons for the evolution of the various proceedings and, therefore, their outcomes. For the purposes indicated in paragraph 1.2 “Presentation formats of the financial statements adopted by the company”, since the economic and financial impact associated with the aforementioned disputes is not part of the company's ordinary business, it is separated in the summary schedules and identified as non-energy activities.

These provisions are quantified and updated according to a periodic audit process that takes into account the above considerations; similarly and more generally, this periodic audit concerns the quantification and updating of the other risk provisions related to judicial and arbitration disputes.

- the determination of **some sales revenues**, in particular revenues from the sale of electricity and natural gas to customers and the subsidiary Edison Energia Spa. These revenues include turnover on the basis of the periodic reading of consumption for the year and the estimate for the supply of commodities provided but not yet invoiced at the reference date.

This estimate is calculated in a differentiated manner depending on the commodity and on the basis of the segment of customers receiving the supply, according to the following factors:

- 1) volumes distributed (based on communications coming from third parties: transporters and distributors);
- 2) historical consumption of the customer;
- 3) pipeline leaks and adjustments to reflect weather conditions or other factors that could impact the consumption estimate.

Specifically, the first factor is subject to potential invoicing settlements up to the fifth subsequent year as laid out in reference legislation; in particular, the estimate impacts revenues from natural gas sales. Historical consumption, on the other hand, is most significant in determining the revenues from electricity sales to residential customers. Please also note that at each reporting date, revenues from the sale of natural gas and electricity from residential and other customers include the estimate referring to the last two months of consumption.

## 11.2 Other valuation criteria applied

### Net working capital

#### Inventories

Inventories relating to industrial activities are valued at purchase or production cost, including incidental expenses, determined primarily by the FIFO method, or at estimated realisable value, whichever is lower.



### Trade receivables, Other assets, Trade payables, Other liabilities

They are qualifiable as financial instruments. They are initially recognized at fair value. Trade receivables without a significant financial component are initially recognized at the transaction price. The recoverability of receivables is evaluated on the basis of the Expected Credit Losses model set forth in IFRS 9.

As regards the prerequisites for the elimination of receivables and payables from the balance sheet, please refer to the comments below with reference to financial assets and liabilities. Revenues from contracts with customers are recognized in accordance with IFRS 15.

The recognition of revenues from contracts with customers is based on the following five steps: (i) identification of the contract with the customer; (ii) identification of the performance obligation, represented by contractual promises to transfer goods and/or services to a customer; (iii) determination of the transaction price; (iv) allocation of the transaction price to the performance obligations identified on the basis of the sale price of each good or service; and (v) recognition of the revenue only when the associated performance obligation is satisfied, or when the promised good or service is transferred to the customer. The transfer is deemed completed when the customer obtains control over the good or service, which may take place over time or at a specific point in time.

Revenue is recognized in the amount equal to the fair value of the consideration which the Company believes it is entitled to in exchange for the goods and/or services promised to the customer, with the exclusion of amounts collected on behalf of third parties. If there is variable consideration, the Company estimates the amount of the consideration it will be entitled to in exchange for the transfer of the goods and/or services promised to the customer. In particular, the amount of the consideration may vary as a result of discounts, allowances or premiums or if the price itself depends on the occurrence or otherwise of certain future events.

No revenue is recognized for exchanges between goods or services that are similar in nature and value as these are not representative of sale transactions.

Lease payments under operating leases receivable are recognized in the income statement over the term of the contract.

Operating grants are booked in full in the income statement when the conditions for recognition are satisfied; items that qualify as operating grants include agreed incentives for energy produced by plants using renewable sources, which are measured at fair value pursuant to IAS 20.

Costs are recognized when they relate to goods and services that have been consumed during the year. Materials used include the cost of environmental securities attributable to the period and, if applicable, those referred to facilities divested during the period attributable to the seller; while purchases of environmental securities held for sale are included under inventory.

### Valuation of medium/long-term gas importation contracts ("take-or-pay")

Under the terms of medium/long-term contracts for the importation of natural gas, the Group is required to take delivery of a minimum annual quantity of natural gas. If delivery of the minimum annual quantity is not achieved, the company is required to pay the consideration attributable to the undelivered quantity. This payment can be treated either as an advance on future deliveries or as a penalty for the failure to take delivery. The first situation (advance on future deliveries) occurs in the case of undelivered quantities at the end of the reporting period for which there is a reasonable certainty that, over the remaining term of the contract, the shortfall will be made up in future years by means of increased deliveries of natural gas, in excess of minimum annual contract quantities. The second situation (penalty for failure to take delivery) occurs in the case of undelivered quantities for which there is no expectation that the shortfall can be made up in the future. The part of the payment that qualifies as an advance on future deliveries is initially recognized in "Other non-current

assets" pursuant to IAS 38. The recognized amount is maintained based on the prior periodic verification that: i) over the residual duration of the contract, the company estimates that it will be able to recover the volumes below the contractual minimum (quantitative valuation); ii) the company believes that the contracts entail, over their entire residual lives, expected positive net cash flows based on approved company plans (economic valuation). These recoverability assessments are also applied to quantities that, while scheduled for delivery, were still undelivered and unpaid at the end of the reporting period, the payment for which will occur in the following period. The corresponding amount is recognized as a commitment. Advances are reclassified to inventory only when the company actually takes delivery of the gas or are recognized in profit or loss as penalties when it is unable to take delivery of the gas. In estimating the estimated realizable value of the gas inventory, any contractual renegotiations on a three-year basis of the price of delivered natural gas may be considered as a price adjustment, if applicable.

## Derivatives

**Financial derivatives**, including embedded derivatives, subject to separation from the main contract, are assets and liabilities measured at fair value.

As part of the risk management strategy and objectives, the following are required for transactions to be classified as hedges: (i) verification of the existence of an economic relationship between the hedged item and the hedging instrument such so as to offset the relative changes in value, and such offsetting capacity should not be negatively impacted by the level of counterparty credit risk; (ii) the definition of a hedge ratio consistent with the risk management objectives within the Group's risk management strategy, carrying out the appropriate rebalancing actions when necessary. Changes in risk management objectives, the absence of the conditions indicated above for the qualification of transactions as hedges or the activation of rebalancing operations determine the total or partial prospective discontinuation of the hedge.

The company applies hedge accounting extensively; in particular:

- a) when derivatives hedge the risk of changes in the fair value of the hedged instruments (Fair Value Hedge), the derivatives are recognized at fair value through profit or loss. The carrying amount of the hedged items is adjusted accordingly to reflect changes in fair value associated with the hedged risk in the income statement.
- a) when derivatives hedge against the risk of changes in cash flows of the hedged instruments (Cash Flow Hedge), changes in the fair value of derivatives deemed effective are initially recognized in the shareholders' equity reserve and in other comprehensive income and, subsequently, allocated to the income statement consistent with the economic effects of the hedged transaction.

Please note that the economic effects of transactions for the purchase or sale of commodities entered into to meet company needs in the ordinary course of business and which are expected to be settled with the physical delivery of the goods, are recognized on an accrual basis ("own use exemption").

The fair value of financial instruments listed in an active market is based on market prices at the reporting date (type 1). The fair value of instruments that are not listed in an active market is defined using specific measurement techniques (type 2 internal model with market input and type 3 with internal models).

## Fixed assets

### Property, plant and equipment

In the financial statements, these assets are shown at purchase or production cost, or at their conveyance value, including any attributable incidental costs and direct costs deemed necessary to make them operable, net of any capital grants.

After acquisition, property, plant and equipment are recognized using the cost model.

Costs incurred for periodic maintenance, particularly in the thermoelectric sector (major and/or revamping) are charged to the relevant assets and they are depreciated over the specific residual possible use of those assets.

The estimated realizable value that the company expects to recover at the end of an asset's useful life is not depreciated. Non-current assets are depreciated every year on a straight-line basis, according to economic-technical rates calculated based on the residual possible use of assets.

The following table shows the ranges of the depreciation rates applied by the company:

	Electric power		Corporate		Gas	
	minimum	maximum	minimum	maximum	minimum	maximum
Buildings	2%	4%	3%	8%	-	-
Plant and machinery	3%	7%	6%	14%	8%	14%
Industrial and commercial equipment	5%	10%	5%	10%	-	-
Other assets	6%	16%	8%	20%	-	-
Investment property	-	-	2%	4%	-	-

The depreciation of the portion of assets that is transferable free of charge is taken on a straight-line basis over the remaining term of the respective contracts (taking into account any renewals/extensions) or their estimated useful lives, whichever is shorter.

Upon first-time adoption of the IFRS, the company used fair value as deemed cost. As a result, accumulated depreciation and the provision for write-downs booked through January 1, 2004 were derecognized.

As from January 1, 2009, the financial expense directly related to the purchase, construction or production of an asset having a significant life is capitalized if the investment exceeds a pre-defined size threshold; please note that, until December 31, 2008, the financial expense was not capitalized.

### Leased assets (IFRS 16)

The provisions of IFRS 16 were applied upon transition on a prospective basis, by adopting some simplifications (so-called Practical expedients), whereby contracts with a duration of less than 12 months and some contracts with a low market value were excluded from the valuation. A lease is defined as a contract for which, in exchange for a fee, the lessee has the right to control the use of a specific asset for a certain period of time. The application of the standard to the contracts identified resulted in the recognition of a right of use plus, when applicable, any accessory costs required to make the asset ready for use. The right of use is depreciated over the shorter duration between the economic-technical life of the asset and the residual duration of the contract. During the transition phase, the exemption from the provision for deferred taxes provided for by IAS 12 "Income taxes" was applied.

### Intangible assets and Goodwill

Intangible assets are recognized in financial statements at their purchase price. After acquisition, they are recognized using the cost model and are amortized on a straight-line basis over their estimated useful life (at least 1 year/at most 50 years). The intangible assets recognized have a definite useful life.

Goodwill is not subject to systematic amortisation, but is tested for impairment at least once a year. Any write-downs cannot be reversed in subsequent periods.

### Environmental securities

The Company secures a supply primarily of CO<sub>2</sub> emissions rights to meet its own requirements in the exercise of its industrial activities.

Specifically, "Intangible assets" can include emissions rights, which are recognized at the cost incurred to acquire them, provided the rights carried by the company at the end of the reporting period represent a surplus over its requirements of such instruments, based on the emissions released during the year. Emissions rights allocated free of charge and utilized for compliance purposes are recognized at a zero carrying value. Since these assets are designed for instantaneous use, they are tested for impairment and cannot be amortized. Their recoverable value is their value in use or their market value, whichever is greater. On the other hand, if, at the end of the reporting period, the volume of the emissions actually generated is greater than the volume of allocated emissions and any purchased emissions, a special provision for risks is recognized to account for the difference. Any emissions rights that are surrendered each year, based on the volume of polluting gas emissions released into the atmosphere each calendar year or the production generated, will be derecognized (compliance) using a special reserves for risks set aside in the previous year.

The costs attributable to the year are recorded under "Materials and services used" (this item also includes any costs referred to plants disposed of in the transferor's accounting period). In the course of the year, expected costs are calculated by valuing at market price the difference between emissions for the period and the rights held; if there are derivative hedging instruments correlated with the acquisition of rights (typically futures with physical delivery), the relative fair value is recognized as an adjustment of the estimated cost.

### Equity investments in subsidiaries, joint ventures and affiliates

Subsidiaries are companies in which Edison has the power to make strategic decisions independently, in order to receive the corresponding advantages. As a rule, control is assumed when the company directly or indirectly holds over a half of the voting rights that can be exercised within the ordinary shareholders' meeting, also considering potential votes, i.e. voting rights linked to convertible instruments.

Other equity investments comprise joint ventures that do not qualify as joint operations and affiliates over which Edison has a significant influence in determining the company's strategic choices, while it does not control them, also considering potential votes, i.e. voting rights linked to convertible instruments; significant influence is assumed when Edison directly or indirectly holds over 20% of the voting rights that can be exercised within the ordinary Shareholders' Meeting. Equity investments in subsidiaries, affiliates and joint ventures are measured at acquisition cost. The acquisition cost may be permanently written down to reflect any distributions of share capital or equity reserves or any impairment losses detected as a result of an impairment test. If the reasons that justified the write-down cease to apply in subsequent years, the original cost can be reinstated. The reversal cannot exceed the original cost. If the loss attributable to Edison Spa exceeds the carrying amount of the equity investment and the investor is obliged to meet legal or implicit obligations of the investee company or in any event cover its losses, any excess with respect to the carrying amount is recognized in a dedicated liability provision under provisions for risks and charges.

## Provisions for risks and employee benefits

### Employee benefits

The Company provides its employees with short-term benefits (only for example, holidays, production bonus, flexible benefits correlated with welfare services and benefits); the relative costs are recognized in the period in which the company receives the service from the employee.

With reference to employee severance indemnities specifically, in accordance with Budget Law No. 296 of December 27, 2006, only the liability for vested employee severance benefits that remained at the company was valued for IAS 19 purposes, since the portion applicable to future vesting benefits is being paid to separate entities (supplemental pension funds or INPS funds). Following the entry into force of that Law and as a result of these payments, the company has no further obligations with regard to the work that employees will perform in the future. Thus, the company considers the portion accrued prior to that reform as a “defined benefit plan”, while the portion accrued subsequently is a “defined contribution plan”.

### Provisions for risks and charges

Provisions for risks and charges are recognized against obligations existing at the reporting date and are valued on the basis of the best estimate of the expense required to fulfil such obligations. The estimates are reviewed at each reporting date and adjusted when necessary. For details, please refer to the paragraph 11.1 “Use of estimated values”.

## Shareholders’ equity, financial debt and cost of debt

**Dividends** are recognized when the shareholders’ right to collect them arises, usually in the year when the shareholders’ meeting of the investee resolving on the distribution of profits or reserves takes place.

**Financial assets** are initially recognized at fair value. Subsequent to initial recognition, financial assets that generate contractual cash flows representative solely of payments of principal and interest are measured at amortized cost.

The recoverability of financial assets not at fair value through profit or loss is evaluated based on the Expected Credit Losses model set forth in IFRS 9.

**Financial liabilities** other than derivatives are initially recognized at the fair value of the consideration received, net of directly attributable transaction costs and are subsequently measured at amortized cost.

**Financial income and expense** are recognized on an accrual basis.

### Elimination of financial assets and liabilities

Financial assets are derecognized when the right to receive the related cash flows is extinguished and all of the risks and benefits related to the ownership of the assets have been substantially transferred (so-called Derecognition) or when an asset is deemed to be totally non-recoverable after all necessary recovery procedures have been carried out.

The financial liabilities are removed from the balance sheet when the specific contractual obligation is redeemed. Also the amendment of existing contractual terms is understood as redemption, if the new terms change the original understandings significantly and however when the current value of cash flows generating from the revised agreements differs by over 10% from the value of discounted cash flows of the original liability.

Financial assets and liabilities are offset in the balance sheet when there is a current legally enforceable right to offset and the company intends to settle on a net basis (or to realize the asset and simultaneously extinguish the liability).

### Translation of items denominated in foreign currencies

Transactions in foreign currencies are translated into euro at the exchange rate in force on the transaction date. At the end of the reporting period, cash assets and liabilities are translated at the exchange rate in force on the balance sheet date. Any resulting foreign exchange translation differences are recognized in the income statement. Non-cash assets and liabilities denominated in foreign currencies and measured at cost are translated at the exchange rate in force on the transaction date.

### Taxation

Current tax liabilities and assets are measured at the value expected to be paid to tax authorities, calculated by applying the tax rates in force or essentially in force at the reporting date.

Deferred tax assets are recognized only to the extent that their future recovery is probable. In valuing deferred tax assets, the time-frame of the business planning period for which approved company plans are available is taken into account.

The deferred tax liability on retained earnings of Group companies is recognized only if there is truly an intent to distribute those earnings and provided that the tax liability is not cancelled when a consolidated tax return is filed.

Tax treatments for which there is uncertainty regarding application are valued separately or together with other situations of tax uncertainty, depending on the approach that best represents its resolution. The company accounts for uncertain tax treatment based on the probability that the tax authority will accept this treatment. Uncertain tax treatments can be estimated using one of the two methods that best represents the uncertain tax treatment: i) the most probable amount; ii) the expected value. Also see the paragraph 11.1 "Use of estimated values" below.



## 12. Other information

### 12.1 Significant non-recurring events and transactions

Pursuant to Consob Communication no. DEM/6064293 of July 28, 2006, it should be noted that no significant non-recurring transactions took place during the financial year 2023.

### 12.2 Transactions resulting from atypical and/or unusual activities

Pursuant to Consob Communication No. DEM/6064293 of July 28, 2006, it should be noted that, in 2023, Edison Spa did not enter into any atypical and/or unusual transactions, as defined by said Communication, according to which the typical and/or unusual transactions are as such that, owing to their significance/relevance, nature of the counterparties, object of the transaction, method of determination of transfer pricing and timing of the event (proximity to close of the year), they may raise doubts regarding the accuracy/completeness of the information in the financial statements, conflicts of interest, the safeguarding of company assets and protection of minority shareholders.

### 12.3 Treasury Shares

At December 31, 2023, Edison Spa owned no treasury shares.

### 12.4 Compensation, Stock Options and Equity Investments of Directors, Executives with Strategic Responsibilities and Statutory Auditors

For information concerning:

- the compensation of Directors and Statutory Auditors;
- stock options awarded to Directors;
- equity investments of Directors;

reference should be made to the information provided in the “Corporate Governance” section of the “Report on Remuneration Policy and Remuneration Paid”.

### 12.5 Fees of the Independent Auditors (Information pursuant to art. 149-duodiecies of the Consob Issuers’ Regulations)

The statement below, drafted pursuant to art. 149-duodiecies of the Consob Issuers’ Regulations, shows the consideration for the year 2022 for auditing services and for non-auditing services provided by the same auditing company and entities belonging to its network.

(amounts in euros)	KPMG Spa December 31, 2023	Network KPMG Spa. December 31, 2023	Total KPMG Spa December 31, 2023
<b>Edison Spa</b>	<b>917,271</b>	<b>-</b>	<b>917,271</b>
Legal and accounting audit	806,517	-	806,517
Certification services	100,954	-	100,954
Other services	9,800	-	9,800
<b>Group Companies <sup>(1)</sup></b>	<b>1,743,145</b>	<b>251,562</b>	<b>1,994,707</b>
Legal and accounting audit	1,564,978	251,562	1,816,540
Certification services	178,167	-	178,167
<b>Total</b>	<b>2,660,416</b>	<b>251,562</b>	<b>2,911,978</b>

(1) Subsidiaries and other companies consolidated line by line.

## 12.6 Information pursuant to Article 1, Sections 125-129, Law No. 124/2017

Law No. 124 of August 4, 2017 ("Annual market and competition law") introduced, in art. 1, paragraphs 125-129, new disclosure obligations to ensure transparency as regards public disbursements, both received and given.

Please note that no collections for the year 2023 arising from green certificates, feed-in tariffs, white certificates or the energy account were taken into consideration, as they all constitute a fee for supplies and services rendered.

The reporting approach to be followed is the "cash approach". In 2023, Edison Spa received the following contributions:

**Through:** European Commission

**Disbursing Entity:** European Climate, Infrastructure and Environment Executive Agency (CINEA) ("EU executive agency" or "granting authority"), under powers delegated by the European Commission

**Operational program:** Connecting Europe Facility - Transport

**Project name:** HYMOT - Hydrogen Mobility on TEN-T Corridor

**Action:** The project involves the construction of three hydrogen refuelling stations for heavy vehicles operating in three

various sites in Northern Italy in the areas of Venice, Verona and Piacenza along the core TEN-T network. These areas have a strategic added value due to their relevance as traffic hubs and/or logistics centres in the Mediterranean.

**Financing instrument:** grant.

**Grant received:** 2,839,789.50 euro

**Through:** Ansaldo Energia Spa

**Disbursing Entity:** Clean Hydrogen Joint Undertaking ("EU Implementing Agency" or "Licensing Authority"), under powers delegated by the European Commission

**Operational program:** Horizon Europe

**Project name:** FLEX4H2 - Flexibility for Hydrogen

**Action:** The project aims to design, develop and validate a highly flexible sequential combustion system capable of operating with any concentration of hydrogen mixed with natural gas, up to 100%, at the operating temperatures of a state-of-the-art gas turbine (Class H).

**Financing instrument:** grant.

**Grant received:** 31,335.00 euro

It should also be noted that, in 2023, the company collected about 80 thousand euro in respect of a lump-sum contribution received for upgrading certain hydroelectric power plants (CCI installation) pursuant to ARERA Resolution 540/2021/R/eel, and whose contribution is disbursed by CSEA, through E-Distribuzione, from the fund for exceptional resilience events.

## Significant events occurring after December 31, 2023

No significant events occurred after December 31, 2023.

Milan, February 12, 2024

On behalf of the Board of Directors  
*The Chief Executive Officer*  
**Nicola Monti**

# List of Equity Investments

## Investments in subsidiaries

Company	Head office	Share capital			Shares or par value interests held		Initial value (A)		
		Curr.	Amount	Par value per share	%	Number or par value	Cost	Revaluations (Writedowns)	Net carrying amount
Atema DAC	Dublin (Ireland)	EUR	1,500,000	0.50	100.000	3,000,000	1,381,681	-	1,381,681
Axpo Storage IT1 Srl (Sole shareholder)	Rome (*)	EUR	10,000	-	100.000	10,000	-	-	-
Cellina Energy Srl (Sole shareholder)	Milan (*)	EUR	5,000,000	-	100.000	5,000,000	171,128,000	(168,000)	170,960,000
Cuorgnè Srl (Sole shareholder)	Milan (*)	EUR	100,000	-	100.000	100,000	-	-	-
Deposito GNL Brindisi Srl - DGB Srl (Sole shareholder)	Milan (*)	EUR	1,000,000	-	100.000	1,000,000	-	-	-
Edison Energia Spa (Sole shareholder)	Milan (*)	EUR	40,000,000	SVN	100.000	41,000,000	685,737,097	(254,922,765)	430,814,332
Edison Hellas Sa	Athens (Greece)	EUR	263,700	2.93	100.000	90,000	187,458	(8,000)	179,458
Edison International Spa (Sole shareholder)	Milan (*)	EUR	75,000,000	1.00	100.000	75,000,000	70,926,759	(3,751,759)	67,175,000
Edison International Shareholdings Spa (Sole shareholder)	Milan (*)	EUR	26,000,000	1.00	100.000	26,000,000	102,400,000	-	102,400,000
Edison Next Spa (Sole shareholder)	Rivoli (TO) (*)	EUR	330,500,000	100.00	100.000	3,305,000	291,994,680	(40,000,000)	251,994,680
Edison Reggane Spa (Sole shareholder)	Milan (*)	EUR	200,000	1.00	100.000	200,000	200,000	-	200,000
Edison Rinnovabili Spa	Milan (*)	EUR	4,200,000	1.00	51.000	2,142,000	407,372,649	-	407,372,649
Energia Italia Srl (Sole shareholder)	Milan (*)	EUR	20,000	-	100.000	20,000	22,000,000	-	22,000,000
Energie Rinnovabili Arpitane Srl (Sole shareholder)	Aosta (*)	EUR	100,000	-	100.000	100,000	32,717,626	-	32,717,626
Felix Dymanics Srl (Sole shareholder)	Aosta (*)	EUR	20,000	-	100.000	20,000	-	-	-
Frendy Energy Spa	Milan (*)	EUR	14,829,312	SVN	76.971	45,656,952	15,451,454	(5,406,000)	10,045,454
Jesi Energia Spa	Milan (*)	EUR	3,148,900	1.00	70.000	2,204,230	15,537,145	(13,295,745)	2,241,400
MS Energy Srl (Sole shareholder) <sup>(1)</sup>	Milan (*)	EUR	20,000	-	100.000	-	898,004	-	898,004
Nuova Alba Srl (Sole shareholder)	Milan (*)	EUR	2,016,457	-	100.000	2,016,457	41,669,151	(39,900,882)	1,768,269
Nuova Cisa Spa in bankruptcy (Sole shareholder)	Milan (*)	EUR	1,549,350	1.00	100.000	1,549,350	3,500,109	(1,086,596)	2,413,513
Nuove Iniziative Energetiche Srl (Sole shareholder)	Milan (*)	EUR	2,040,000	-	100.000	2,040,000	-	-	-
Sistemi di Energia Spa	Milan (*)	EUR	10,083,205	1.00	99.523	10,035,151	4,400,206	4,150,094	8,550,300
Società Generale per Progettazioni Cons. e Part. Spa (extraordinary administration)	Rome	LIT	300,000,000	10.000.00	59.333	17,800	1	-	1
Termica Cologno Srl	Milan (*)	EUR	1,000,000	-	65.000	-	2,819,782	-	2,819,782
Tre Monti Srl (Sole shareholder)	Milan	EUR	100,000	-	15.000	15,000	50,000	(29,000)	21,000
<b>Total Investments in subsidiaries</b>							<b>1,870,772,803</b>	<b>(354,819,653)</b>	<b>1,515,953,150</b>

(A) Amounts in euros.

(\*) Company subject to management and coordination by Edison Spa.

(\*\*) Values as per draft financial statements submitted to the Board of Directors if already available; alternatively the last approved budget.

(1) Merged in Energia Italia Srl (Sole shareholder).

The currency codes used are consistent with the ISO 4217 International Standard, with the exception of the Italian lira for which the traditional Lit. has been maintained.  
EUR Euro

Changes during the year (A)					Ending value at December 31, 2023 (A)						
Additions	Disposals	Advance on (Distribution of) capital and reserves	Revaluations (Writedowns)	Merge	Cost	Revaluations (Writedowns)	Net present value recorded in the balance sheet	S.E. last financial statements (**)	Pro rata interest in S.E. (**)	Net result last fin. Statements (**)	Pro rata interest in net result (**)
-	-	-	(8,680)	-	1,381,681	(8,680)	1,373,001	1,401,193	1,401,193	17,808	17,808
400,000	-	-	-	-	400,000	-	400,000	104,044	104,044	(235,955)	(235,955)
-	-	-	-	-	171,128,000	(168,000)	170,960,000	187,268,036	187,268,036	8,849,061	8,849,061
22,933,169	-	-	-	-	22,933,169	-	22,933,169	1,286,063	1,286,063	(2,042,724)	(2,042,724)
2,306,290		11,000,000	-	-	13,306,290	-	13,306,290	13,294,679	13,294,679	(11,611)	(11,611)
-	-	-	31,000,000	-	685,737,097	(223,922,765)	461,814,332	365,533,219	365,533,219	57,918,848	57,918,848
-	-	-	-	-	187,458	(8,000)	179,458	666,091	666,091	27,704	27,704
-	-	-	-	-	70,926,759	(3,751,759)	67,175,000	69,420,872	69,420,872	2,189,253	2,189,253
-	-	-	-	-	102,400,000	-	102,400,000	128,247,755	128,247,755	25,114,896	25,114,896
-	-	-	-	-	291,994,680	(40,000,000)	251,994,680	245,184,250	245,184,250	(17,341,493)	(17,341,493)
-	-	-	-	-	200,000	-	200,000	2,893,638	2,893,638	168,002	168,002
-	-	-	-	-	407,372,649	-	407,372,649	766,279,976	390,802,788	164,779,008	84,037,294
-	-	-	-	898,004	22,898,004	-	22,898,004	8,689,997	8,689,997	639,528	639,528
-	-	-	-	-	32,717,626	-	32,717,626	13,260,174	13,260,174	1,167,999	1,167,999
6,280,871	-	-	-	-	6,280,871	-	6,280,871	582,213	582,213	545,763	545,763
-	-	-	-	-	15,451,454	(5,406,000)	10,045,454	9,981,100	7,682,552	3,064,219	2,358,560
-	-	-	-	-	15,537,145	(13,295,745)	2,241,400	2,936,341	2,055,439	(212,559)	(148,791)
-	-	-	-	(898,004)	-	-	-	-	-	-	-
-	-	5,000,000	(4,150,268)	-	46,669,151	(44,051,150)	2,618,001	2,619,910	2,619,910	(4,148,359)	(4,148,359)
-	-	-	-	-	3,500,109	(1,086,596)	2,413,513	3,073,792	3,073,792	(183,561)	(183,561)
17,876,910	-	-	-	-	17,876,910	-	17,876,910	3,617,021	3,617,021	(1,286,063)	(1,286,063)
1,100,000	-	-	-	-	5,500,206	4,150,094	9,650,300	22,180,160	22,074,361	586,404	583,607
-	-	-	-	-	1	-	1	-	-	-	-
-	(2,819,782)	-	-	-	-	-	-	-	-	-	-
-	-	-	29,000	-	50,000	-	50,000	211,087	31,663	101,513	15,227
50,897,240	(2,819,782)	16,000,000	26,870,052	-	1,934,449,260	(327,548,601)	1,606,900,659				



# List of Equity Investments (continued)

## Investments in joint ventures and affiliated companies

Company	Head office	Share capital			Shares or par value interests held		Initial value (A)		
		Curr.	Amount	Par value per share	%	Number or par value	Cost	Revaluations (Writedowns)	Net carrying amount
Depositi Italiani GNL Spa	Ravenna	EUR	20,000,000	100.00	30.000	60,000	6,000,000	-	6,000,000
Dolomiti Edison Energy Srl	Trento	EUR	5,000,000	-	49.000	2,450,000	8,187,900	-	8,187,900
Iniziativa Universitaria 1991 Spa	Varese	EUR	16,120,000	520.00	32.258	10,000	4,405,565	(378,938)	4,026,627
Nuova ISI Impianti selez.inerti Srl (in bankruptcy)	Vazia (RI)	LIT	150,000,000	-	33.333	50,000,000	1	-	1
Puglia Green Hydrogen Valley - PGHYV S.r.l. (ex Alboran Hydrogen Brindisi S.r.l.)	Bari	EUR	2,750,471	-	50.000	1,375,236	1,375,236	-	1,375,236
<b>Total investments in joint ventures and affiliated companies</b>							<b>115,870,902</b>	<b>(96,281,138)</b>	<b>19,589,764</b>
<b>Total Equity investments</b>							<b>1,986,643,705</b>	<b>(451,100,791)</b>	<b>1,535,542,913</b>

## Investments in subsidiaries - Discontinued operations

Company	Head office	Share capital			Shares or par value interests held		Initial value (A)		
		Curr.	Amount	Par value per share	%	Number or par value	Cost	Revaluations (Writedowns)	Net carrying amount
Edison Stoccaggio Spa (Sole shareholder)	Milan (*)	EUR	90,000,000	1.00	100.000	90,000,000	134,280,847	-	134,280,847

(A) Amounts in euros.

(\*) Company subject to management and coordination by Edison Spa.

(\*\*) Values as per draft financial statements submitted to the Board of Directors if already available; alternatively the last approved budget.

(I) Merged in Energia Italia Srl (Sole shareholder).

The currency codes used are consistent with the ISO 4217 International Standard, with the exception of the Italian lira for which the traditional Lit. has been maintained.  
EUR Euro

Changes during the year (A)					Ending value at December 31, 2023 (A)						
Additions	Disposals	Advance on (Distribution of) capital and reserves	Revaluations (Writedowns)	Merge	Cost	Revaluations (Writedowns)	Net present value recorded in the balance sheet	S.E. last financial statements (**)	Pro rata interest in S.E. (**)	Net result last fin. Statements (**)	Pro rata interest in net result (**)
-	-	-	-	-	6,000,000	-	6,000,000	21,962,915	6,588,875	(2,225,728)	(667,718)
-	-	-	-	-	8,187,900	-	8,187,900	52,471,052	25,710,815	(476,004)	(233,242)
-	-	-	-	-	4,405,565	(378,938)	4,026,627	14,210,679	4,584,081	149,755	48,308
-	-	-	-	-	1	-	1	-	-	-	-
-	-	-	-	-	1,375,236	-	1,375,236	2,174,231	1,087,116	(334,023)	(167,012)
-	-	-	-	-	19,968,702	(378,938)	19,589,764				
50,897,241	(2,819,782)	16,000,000	26,870,052	-	1,954,417,962	(327,927,539)	1,626,490,423				

Changes during the year (A)					Ending value at December 31, 2023 (A)						
Additions	Disposals	Advance on (Distribution of) capital and reserves	Revaluations (Writedowns)	Merge	Cost	Revaluations (Writedowns)	Net present value recorded in the balance sheet	S.E. last financial statements (**)	Pro rata interest in S.E. (**)	Net result last fin. Statements (**)	Pro rata interest in net result (**)
-	-	-	-		134,280,847	-	134,280,847	248,939,552	248,939,552	14,139,311	14,139,311

# List of Equity Investments (continued)

## Fixed equity investments valued at fair value through profit or loss

Company	Head office	Share capital		Shares or par value interests held		
		Curr,	Amount	Par value per share	%	Number or par value
American Superconductor	Devens (United States)	USD	295,954	0.01	0.054	16,000
Bake Two Srl	Milan	EUR	13,889	-	8.000	1,111
Consel Srl	Rome	EUR	51,000	-	1.000	510
Ditne Scarl	Brindisi	EUR	451,878	-	1.787	8,076
Easyfeel Srl	Milan	EUR	15,143	-	5.980	905
Endeavour Srl	Portalbera (PV)	EUR	51,669	-	9.251	4,780
European Energy Exchange Ag - EEX	Leipzig (Germany)	EUR	60,075,000	1.00	0.505	303,106
FCA Security S.c.p.a.	Turin	EUR	152,520	1.00	0.250	382
Hydrogen Park - Marghera per l'Idrogeno Srl	Venice	EUR	245,000	-	9.732	23,843
I.SV.EUR. Spa in liquidazione	Rome	EUR	2,500,000	1,000.00	1.000	25
MIP Politecnico di Milano Graduate School of Business Scpa	Milan	EUR	414,000	1.00	2.899	12,000
Musa Scarl	Milan	EUR	100,000	-	7.000	7,000
Nomisma - Società di studi economici Spa	Bologna	EUR	6,963,499	0.24	1.096	-
Reggente Spa	Lucera (FG)	EUR	260,000	0.52	5.209	26,043
Sistema Permanente di Servizi Spa (in bankruptcy)	Rome	EUR	154,950	51.65	12.600	378
Syremont Monument Management Spa	Rose (CS)	EUR	3,248,200	1.00	9.236	300,000
<b>Total Long-term investments valued at fair value through profit or loss</b>						

(A) Amounts in euros

The currency codes used are consistent with the ISO 4217 International Standard  
 EUR Euro USD U.S. dollar

Initial value (A)			Changes during the year (A)			Ending value at December 31, 2023 (A)		
Cost	Revaluations (Writedowns)	Net carrying amount	Additions	Disposals	Revaluations (Writedowns)	Cost	Revaluations (Writedowns)	Net present value recorded in the balance sheet
4,975,111	(4,922,308)	52,803	-	-	108,500	4,975,111	(4,813,808)	161,303
200,000	-	200,000	-	-	-	200,000	-	200,000
510	-	510	-	-	-	510	-	510
7,671	-	7,671	-	-	-	7,671	-	7,671
-	-	-	250,000	-	-	250,000	-	250,000
-	-	-	250,000	-	-	250,000	-	250,000
680,500	-	680,500	-	-	-	680,500	-	680,500
288	-	288	-	-	-	288	-	288
23,843	-	23,843	-	-	-	23,843	-	23,843
5,620	-	5,620	-	-	-	5,620	-	5,620
12,000	-	12,000	-	-	-	12,000	-	12,000
307,000	-	307,000	-	-	-	307,000	-	307,000
479,473	(404,393)	75,080	-	(75,080)	-	-	-	-
13,450	-	13,450	-	-	-	13,450	-	13,450
1	-	1	-	-	-	1	-	1
400	-	400	-	-	-	400	-	400
<b>6,705,867</b>	<b>(5,326,701)</b>	<b>1,379,166</b>	<b>500,000</b>	<b>(75,080)</b>	<b>108,500</b>	<b>6,726,394</b>	<b>(4,813,808)</b>	<b>1,912,586</b>

# Motion for a resolution

*Dear Shareholders,*

like every year, you are called to approve the separate financial statements of your Company, as well as to make the appropriate decisions regarding the allocation of the profit for the year. Given the exceptionally positive trend of the Group in 2023, with the intention of also allowing shareholders to participate in the brilliant consolidated results achieved, as well as the financial solidity of the Company, it is proposed, together with the full distribution of the profit, also to assign a portion of the distributable “retained earnings” reserve.

For each common share it is therefore proposed to pay a total unit amount of 0.075 euros, of which 0.065 euros as dividend (0.022 euros in 2022) and 0.010 euros as reserves, corresponding to 7.5% of the nominal value of common shares; and to each savings share -taking into account that the increase of 3% of the nominal value, compared to common shares, is due to the category on the distribution of profit and not also on the distribution of reserves, as established by the article 25 of the Bylaws-, a total unit amount equal to 0.105 euros per share, of which 0.095 euros as dividend (0.052 euros in 2022) and 0.010 euros as reserves, corresponding to 10.5% of the nominal value of savings shares.

If you concur with the criteria adopted to prepare the financial statements and the accounting principles and methods applied, we recommend that you adopt the following resolutions.

## Motions for resolutions to the Shareholders’ Meeting

### “The Shareholders’ Meeting,

- having reviewed the Company’s separate financial statements at December 31, 2023, which show a profit of 329,426,038.84 euros, the Group’s consolidated financial statements at December 31, 2023, which show a profit of 515 million euros, the Report on Operations submitted by the Board of Directors, the Report on Corporate Governance and the Company’s Ownership Structure, as well as the Consolidated Non-Financial Statement;
- taking into account that the financial statements at 31 December 2023 show reserves available for distribution (retained earnings) of 541,837,599.75 euros;
- considering the Report of the Board of Statutory Auditors to the Shareholders’ Meeting pursuant to art. 153 of Legislative Decree No. 58/1998 (TUF);
- considering the Reports of the Independent Auditors on the separate and consolidated financial statements at December 31, 2023;
- taking into account the provisions of art. 2430 of the Italian Civil Code regarding the legal reserve, as well as art. 25 of the Bylaws regarding the preferred dividend due to savings shares and the increase compared to the dividend of common shares, as well as regarding the distribution of reserves;
- considering that as at March 27, 2024 capital was 4,736,117,250.00 euros, divided into 4,626,557,357 common shares and 109,559,893 savings shares, all with a nominal value of 1 euro each;

### resolves

#### FIRST RESOLUTION

- i) to approve the Company’s separate financial statements for the year ended December 31, 2023, as a whole, and the individual items contained therein, which show a profit of 329,426,038.84 euros, rounded to 329,426,039 euros in the financial statements.

## SECOND RESOLUTION

ii) to allocate 5% of net income for the year,  
amounting to 329,426,038.84 euros to the statutory reserve  
for a total of **16,471,301.94 euros**

iii) to allocate the net income of 312,954,736.90 euros remaining after  
its partial use for allocation to the legal reserve  
referred to in point ii) above:

- a) to dividends for the 109,559,893 savings shares:
- 5% of the nominal value, i.e. 0.050 euros per share,  
to a preferred dividend for 2023, for a total of **5,477,994.65 euros**
  - 4.5% of the nominal value, i.e. 0.045 euros per share,  
taking into account the extent of the dividend assigned  
to common shares referred to under point (b) and the  
increase of the dividend assigned to savings shares  
compared to common shares equal to 3% of the  
nominal value for a total of **4,930,195.19 euros**

**for a total of 0.095 euros for each savings share  
and therefore for a grand total of **10,408,189.84 euros****

b) to a dividend for the 4,626,557,357 common shares:

- 6.5% of the nominal value, i.e. 0.065 euros  
per share, for a total of **300,726,228.21 euros**

c) to retained earnings for the remaining amount,  
taking into account what is proposed under  
points (ii) and (iii) a) and b) above **1,820,318.86 euros**

## THIRD RESOLUTION

iv) to distribute, to each common and savings share, a further  
amount equal to 0.010 euros per share corresponding to 1%  
of the relevant nominal value to be withdrawn from the  
“retained earnings” reserve for a total of **47,361,172.50 euros**

the “retained earnings” reserve  
will remain for a total of **494,476,427.25 euros**

As a result of the above resolutions, a total amount **of 0.075 euros** will be distributed **to each common share** and a total amount of **0.105 euros to each savings share**.

The dividend for the savings shares and for the common shares will be paid on **Wednesday April 24, 2024**, with an ex-dividend date of Monday April 22, 2024, and record date of Tuesday April 23, 2024.

Milan, February 12, 2024

On behalf of the Board of Directors  
*The Chief Executive Officer*  
**Nicola Monti**

# Certification of the Statutory Financial Statements pursuant to Art. 81-ter of Consob Regulation No. 11971 of May 14, 1999, as Amended

1. The undersigned Nicola Monti, in my capacity as “Chief Executive Officer”, Ronan Lory and Roberto Buccelli, in our capacity as “Dirigenti Preposti alla redazione dei documenti contabili societari” of Edison Spa, taking into account the provisions of Article. 154-bis, Sections 3 and 4 of Legislative Decree No. 58 of February 24, 1998, certify that the administrative and accounting procedures applied to prepare Separate Financial Statements at December 31, 2023:

- the adequacy in relation of the characteristics of the business and
- the effective application,

of the administrative and accounting procedures for drawing up the financial statements during the period January 1 - December 31, 2023.

2. We further certify that:

2.1 the financial statements:

- a) were prepared in accordance with applicable international accounting principles recognized by the European Union pursuant to Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of July 19, 2002;
- b) are consistent with the data in the accounting records and other corporate documents;
- c) provide a truthful and fair presentation of the balance sheet, income statement and financial position of the issuer;

2.2 the Report on Operations includes a reliable analysis of the developments and results from operations, as well as of the position of the issuer and all of the companies included in the scope of consolidation, together with a description of the main risks and contingencies to which they are exposed.

Milan, February 12, 2024

*The Chief Executive Officer*

Nicola Monti

*“Dirigenti Preposti alla redazione dei documenti contabili societari”*

Ronan Emmanuel Lory  
Roberto Buccelli



# Report of the Independent Auditors



KPMG S.p.A.  
Revisione e organizzazione contabile  
Via Vittor Pisani, 25  
20124 MILANO MI  
Telefono +39 02 6763.1  
Email [it-fmauditaly@kpmg.it](mailto:it-fmauditaly@kpmg.it)  
PEC [kpmgspa@pec.kpmg.it](mailto:kpmgspa@pec.kpmg.it)

(The accompanying separate financial statements of Edison S.p.A. constitute a non-official version which is not compliant with the provisions of the Commission Delegated Regulation (EU) 2019/815. This independent auditor's report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative)

## Independent auditors' report pursuant to article 14 of Legislative decree no. 39 of 27 January 2010 and article 10 of Regulation (EU) no. 537 of 16 April 2014

To the shareholders of  
Edison S.p.A.

### Report on the audit of the separate financial statements

#### Opinion

We have audited the separate financial statements of Edison S.p.A. (the "company"), which comprise the balance sheet at 31 December 2023, the income statement and other components of the comprehensive income statement, cash flow statement and statement of changes in shareholders' equity for the year then ended and notes thereto, including material accounting policy information.

In our opinion, the separate financial statements give a true and fair view of the financial position of Edison S.p.A. as at 31 December 2023 and of its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards endorsed by the European Union and the Italian regulations implementing article 9 of Legislative decree no. 38/05.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the "Auditors' responsibilities for the audit of the separate financial statements" section of our report. We are independent of the company in accordance with the ethics and independence rules and standards applicable in Italy to audits of financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the separate financial statements of the current year.

KPMG S.p.A. è una società per azioni di diritto italiano e fa parte del network KPMG di entità indipendenti affiliate a KPMG International Limited, società di diritto inglese.

Ancona Bari Bergamo  
Bologna Bolzano Brescia  
Catania Como Firenze Genova  
Lecce Milano Napoli Novara  
Padova Palermo Parma Perugia  
Pescara Roma Torino Treviso  
Trieste Varese Verona

Società per azioni  
Capitale sociale  
Euro 10.415.500,00 i.v.  
Registro Imprese Milano Monza Brianza Lodi  
e Codice Fiscale N. 00709600159  
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20124 Milano MI ITALIA



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These matters were addressed in the context of our audit of the separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

***Recoverability of goodwill, intangible assets, property, plant and equipment and equity investments***

Key audit matter	Audit procedures addressing the key audit matter
<p>The separate financial statements at 31 December 2023 include goodwill of €1,458 million, intangible assets of €77 million, property, plant and equipment of €2,033 million and equity investments of €1,626 million.</p> <p>Impairment testing entails firstly checking the carrying amount of the items of the assets allocated to the individual cash-generating units ("CGUs") and secondly a test on goodwill with reference to the aggregate of CGUs and as an evaluation of the company as a whole due to the presence of general expenses that aren't allocated and couldn't be objectively related to the above mentioned CGUs, as a second-level check.</p> <p>The Company relies on an independent expert to determine the recoverable amount and, through statistical simulation techniques (Montecarlo method), weights the cash flows linked to variables with the greatest risk of volatility (capacity market remuneration tariffs, customer list's churn rates, parameters of discount rates and growth rates, the level of non-discretionary investments to maintain normal business operating conditions).</p> <p>At least annually, the company checks whether there are indicators that its equity investments may be impaired. If so, it tests the equity investments for impairment by comparing their carrying amount with the company's share of the investees' net equity.</p> <p>Impairment testing is complex entails the use of estimates and assumptions to determine both the amount of future cash flows and the corresponding.</p> <p>To estimate the future cash flows the group made mainly reference to:</p> <ul style="list-style-type: none"> <li>the 2024 budget approved by the board of directors on 7 December 2023;</li> <li>the 2025-2027 medium-term plan approved by the board of directors on the same date;</li> <li>the long-term plan drawn up by management.</li> </ul> <p>The most significant variables underlying the estimated cash flows are as follows:</p> <ul style="list-style-type: none"> <li>the national single price (PUN) and the related spark spread, changes in the Italian regulations governing and incentivising producers and national demand trends with respect to the electricity power segment;</li> </ul>	<p>We checked how management calculated the CGUs' and equity investments' value in use by challenging the methods and assumptions used in impairment testing. Our audit procedures, carried out partly by involving experts of the KPMG network, included the following:</p> <ul style="list-style-type: none"> <li>understanding the company's impairment testing procedure;</li> <li>analysing the reasonableness of the key assumptions used to estimate cash flows, including through sector data analyses;</li> <li>comparing actual figures to forecasts to assess any discrepancies and the reliability of the estimation process;</li> <li>challenging the reasonableness of the discount (WACC);</li> <li>checking the mathematical accuracy of the model used to calculate the CGUs' and equity investments' value in use;</li> <li>checking the calculation of the carrying amount of the CGUs, the groups of CGUs relating to the electricity and hydrocarbons markets, the assets as a whole and equity investments and comparing it with the recoverable amount resulting from the impairment tests;</li> <li>challenging management's sensitivity analysis;</li> <li>checking whether how management carried out impairment tests complied with the IFRS;</li> <li>assessing the appropriateness of the disclosures provided in the notes about the impairment tests and their compliance with the requirements of IAS 36.</li> </ul>



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- the price of oil commodities and natural gas and in the €/USD exchange rate, with respect to the gas segment;
- the growth rates to assess the terminal value with respect to the goodwill.

Considering the materiality of the carrying amount of assets and the subjectivity affecting the estimated cash flows and the most significant variables set out above, we believe that impairment testing is a key audit matter.

Notes "5.1.5 Impairment Test in Accordance with IAS 36 Applied to the Value of Goodwill, Property, Plant and Equipment and Other Intangibles and Equity Instruments", "5.2 Equity investments and other non-current financial assets" and "11.1 Use of estimated values" to the separate financial statements present the disclosures about the impairment tests, the impairment losses recognised on equity investments and the changes in the most significant variables used for impairment testing.

#### **Recognition of revenue from sales carried out between the last metering date and the reporting date**

<b>Key audit matter</b>	<b>Audit procedures addressing the key audit matter</b>
<p>Revenue from sales of electric power operations and natural gas of €6,183 million and €6,557 million, respectively, include sales invoiced on the basis of actual metering and the estimated commodities sold but not yet invoiced at the reporting date.</p> <p>The related estimation methods differ depending on the type of commodity and end-user, based on the following variables:</p> <ol style="list-style-type: none"> <li>1 volumes transported (according to communications from third parties: i.e., carriers and distributors);</li> <li>2 the customer's historical data;</li> <li>3 network losses and adjustments to reflect weather conditions or other factors that may affect estimated consumption.</li> </ol> <p>The first variable is subject to potential adjustments up to the fifth subsequent year under applicable laws. The estimate has a greater impact on revenue from the sale of natural gas. The second point, on the other hand, is the main driver in the electricity consumption estimate notably for residential customers.</p> <p>We believe that how the above revenue from sales is determined is a key audit matter, taking into account i) the discretionary component of any estimates; ii) the materiality of the total amount; iii) the large number of transactions involving users and iv) the effort necessary to carry out the related audit procedures, which require the involvement of experienced personnel and specialists.</p>	<p>We carried out the following audit procedures on the estimated revenue from the sales carried out between the last metering date and the reporting date:</p> <ul style="list-style-type: none"> <li>• checking the algorithms and data used in the IT systems, including by involving our IT specialists;</li> <li>• understanding the revenue recognition process and the main controls implemented by the company, again by involving our IT specialists;</li> <li>• performing substantive procedures on the electricity and gas volumes considered in the estimation;</li> <li>• checking the accuracy of the selling prices used in the estimation;</li> <li>• comparing the estimates recognised in the separate financial statements with the subsequent actual figures;</li> <li>• assessing the appropriateness of the disclosures provided in the notes.</li> </ul>





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Note "11.1 Use of estimated values" to the separate financial statements discloses the revenue recognition policies used by the company.

### **Provisions for non-energy activities**

<b>Key audit matter</b>	<b>Audit procedures addressing the key audit matter</b>
<p>The company's separate financial statements at 31 December 2023 include provisions for non-energy activities of €750 million.</p> <p>The provisions relating to non-energy activities cover: i) disputes, litigation and contracts, ii) contractual guarantees on the sale of equity investments, iii) environmental risks.</p> <p>The different types of disputes include disputes of an environmental nature that entail a high level of complex estimates and uncertainties, as they are linked to litigation and different legal proceedings in which the company is involved as a result of the merger of Montedison S.p.A. into it.</p> <p>The company regularly remeasures these provisions and adjusts them in line with changes in the related legal and arbitration disputes. Considering the complexity of the pending proceedings, the uncertainty of the estimation process and the significant potential effects on the company's financial position, financial performance and cash flows, we believe that this is a key audit matter.</p> <p>Notes "9. Non-energy activities" and "11.1 Use of estimated values" to the separate financial statements present the disclosures about estimates of provisions.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> <li>• understanding the controls implemented by the company over the process for the identification, initial recognition and monitoring of proceedings and investigations at the organisation's various levels;</li> <li>• understanding the controls implemented by the company over the process for the identification, initial recognition and updating of provisions;</li> <li>• assessing the appropriateness of management's estimation methods in relation to the requirements of the IFRS;</li> <li>• analysing the accounting policies and assumptions used by management to estimate provisions;</li> <li>• checking the accuracy and completeness of the data used for the estimates;</li> <li>• discussing the progress of the most significant disputes with the company's legal and tax departments;</li> <li>• sending requests for information to the legal and tax advisors assisting the company and checking the consistency of the information obtained with the risk assessment made by management and the legal and tax departments;</li> <li>• analysing supporting documentation, including minutes of the board of directors' meetings, agreements with counterparties and updates prepared by the company;</li> <li>• analysing the events after the reporting date up to the date of this report;</li> <li>• assessing the appropriateness of the disclosures provided in the notes.</li> </ul>

### **Responsibilities of the company's directors and board of statutory auditors ("Collegio Sindacale") for the separate financial statements**

The directors are responsible for the preparation of separate financial statements that give a true and fair view in accordance with the International Financial Reporting Standards endorsed by the European Union and the Italian regulations implementing article 9 of Legislative decree no. 38/05 and, within the terms established by the Italian law, for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.



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The directors are responsible for assessing the company's ability to continue as a going concern and for the appropriate use of the going concern basis in the preparation of the separate financial statements and for the adequacy of the related disclosures. The use of this basis of accounting is appropriate unless the directors believe that the conditions for liquidating the company or ceasing operations exist or have no realistic alternative but to do so.

The *Collegio Sindacale* is responsible for overseeing, within the terms established by the Italian law, the company's financial reporting process.

#### ***Auditors' responsibilities for the audit of the separate financial statements***

Our objectives are to obtain reasonable assurance about whether the separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISA Italia will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these separate financial statements.

As part of an audit in accordance with ISA Italia, we exercise professional judgement and maintain professional scepticism throughout the audit.

We also:

- identify and assess the risks of material misstatement of the separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;
- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the company to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance, identified at the appropriate level required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



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We also provide those charged with governance with a statement that we have complied with the ethics and independence rules and standards applicable in Italy and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the actions taken to eliminate the related risk or the safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the separate financial statements of the current year and are, therefore, the key audit matters. We describe these matters in our auditors' report.

#### ***Other information required by article 10 of Regulation (EU) no. 537/14***

On 28 April 2020, the company's shareholders appointed us to perform the statutory audit of its separate and consolidated financial statements as at and for the years ending from 31 December 2020 to 31 December 2028.

We declare that we did not provide the prohibited non-audit services referred to in article 5.1 of Regulation (EU) no. 537/14 and that we remained independent of the company in conducting the statutory audit.

We confirm that the opinion on the separate financial statements expressed herein is consistent with the additional report to the *Collegio Sindacale*, in its capacity as audit committee, prepared in accordance with article 11 of the Regulation mentioned above.

#### **Report on other legal and regulatory requirements**

##### ***Opinion on the compliance with the provisions of Commission Delegated Regulation (EU) 2019/815***

The company's directors are responsible for the application of the provisions of Commission Delegated Regulation (UE) 2019/815 with regard to regulatory technical standards on the specification of a single electronic reporting format (ESEF) to the separate financial statements as at 31 December 2023 to be included in the annual financial report.

We have performed the procedures required by Standard on Auditing (SA Italia) 700B in order to express an opinion on the compliance of the consolidated financial statements with the Commission Delegated Regulation (EU) 2019/815.

In our opinion, the separate financial statements as at 31 December 2023 have been prepared in the XHTML format in compliance with the provisions of Commission Delegated Regulation (EU) 2019/815.

##### ***Opinion pursuant to article 14.2.e) of Legislative decree no. 39/10 and article 123-bis.4 of Legislative decree no. 58/98***

The company's directors are responsible for the preparation of a directors' report and a report on corporate governance and ownership structure at 31 December 2023 and for the consistency of such reports with the related separate financial statements and their compliance with the applicable law.

We have performed the procedures required by Standard on Auditing (SA Italia) 720B in order to express an opinion on the consistency of the directors' report and the specific information presented in the report on corporate governance and ownership structure indicated by article 123-bis.4 of Legislative decree no. 58/98 with the company's separate financial statements at 31 December 2023 and their compliance with the applicable law and to state whether we have identified material misstatements.



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In our opinion, the directors' report and the specific information presented in the report on corporate governance and ownership structure referred to above are consistent with the company's separate financial statements at 31 December 2023 and have been prepared in compliance with the applicable law.

With reference to the above statement required by article 14.2.e) of Legislative decree no. 39/10, based on our knowledge and understanding of the entity and its environment obtained through our audit, we have nothing to report.

Milan, 21 February 2024

KPMG S.p.A.

(signed on the original)

Jacopo Ralph Ronzoni  
Director of Audit





LNG coastal deposit small scale in Ravenna (RA)



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