

PRESS RELEASE

EDISON REPORTS REVENUES OF 4 BILLION EUROS, AN EBITDA OF 595 MILLION EUROS (+12%) AND A PROFIT OF 322 MILLION EUROS (+12%) IN THE FIRST QUARTER OF 2024

The results for the first quarter of 2024 were driven in particular by an increase in renewable energy generation and by Edison Energia's strong sales performance.

Edison's Board of Directors also approved and confirmed its strategic targets to 2030, as announced last year, which include the doubling of Edison's EBITDA to 2-2.2 billion euros compared to 1.1 billion euros in 2022, and an evolution of the company's industrial portfolio that will result in zero or near-zero direct emission activities accounting for 70% of EBITDA itself, compared to an average of 35% over the last three years.

Milan, May 3, 2024 – Edison's Board of Directors met today to examine the Quarterly Report at March 31, 2024, which shows a strong performance of zero or near-zero direct emission businesses.

In the first quarter of the year, **EBITDA rose by 12% to 595 million euros**, from 532 million euros in the first quarter of 2023. The result was due in particular to the increase in renewable energy generation (+58% in volumes), driven by the recovery in hydroelectric power, after rainfall had remained below average in 2023, especially in the first part of the year; and to the growth in Edison Energia's sales, which strengthened even further in the residential segment (+13% in the number of contracts for commodity and value-added services).

As a result of such strong operating performance, the Edison Group ended the first quarter of 2024 with **an increase in net profit to 322 million euros**, from 288 million euros in the first quarter of 2023. **Financial debt at March 31, 2024 showed a credit of 571 million euros**, against a credit of 160 million euros at December 31, 2023. This puts the Group in the best position to strengthen its energy transition businesses.

EDISON GROUP HIGHLIGHTS

<i>million euros</i>	3 months 2024	3 months 2023⁽¹⁾
Sales revenues	4,066	6,102
EBITDA	595	532
EBIT	494	454
Net profit from Continuing Operations	334	306
Net profit of the Group	322	288

¹ Values for the Q1 2023 have been restated in accordance with IFRS 5
Edison Spa

Scenario and energy market at March 31, 2024

In the first quarter of 2024, electricity demand in Italy grew by 0.7% to 77.7 TWh compared to the same period in 2023. National generation covered about 78% of requirements, -4.3% compared to the first quarter of 2023, while foreign imports grew. Renewables made an extremely positive contribution: hydroelectric power was the primary renewable energy source in terms of production, up 75.6% to 9.8 TWh, followed by wind (+12.5% to 7.5 TWh) and photovoltaic power (+5.9% to 5.8 TWh). The drop in national generation resulted from lower thermoelectric power (-18.2% to 36.8 TWh), which however remained the primary energy source in Italy, covering over 47% of requirements. On the price front, the Single National Price (PUN) averaged 92 euros/MWh in the first quarter, down 42% from 157.2 euros/MWh in the same period last year, as a combined result of a decline in thermoelectric power generation costs and an increase in imports and in power generation from renewable sources.

In the first quarter of 2024, gas demand in Italy fell by 4% to 19.9 billion cubic meters from 20.7 billion cubic meters in the first quarter of 2023. Residential consumption decreased (-1.1% to 11.4 billion cubic meters), mainly due to higher average temperatures compared to the same period last year. Thermoelectric consumption also decreased (-6% to 5 billion cubic meters), while industrial gas demand remained stable at 3 billion cubic meters compared to the same period in 2023. On the price front, **spot gas in Italy averaged 31 euro cents per cubic meter in the first quarter of 2024**, down 49% (60.6 euro cents per cubic meter in the first quarter of 2023). This was the result of a number of factors, including a mild winter, a moderate demand in the European market and a well-supplied global system despite geopolitical tensions in the Middle East and within the European continent itself.

In this context, the Group closed the first quarter of 2024 with **sales revenues at 4,066 million euros** down from 6,102 million euros in the same period of the previous year, due to a contraction in prices and despite the positive sales volume performance. Gas Operations recorded revenues of 2,683 million euros, with an increase in sales, especially for industrial use. Electric Power Operations showed revenues of 1,767 million euros, with a growth in electric power generation by 4.2% to 4,703 GWh and an increase in sales to end customers.

EBITDA increased by 12% to 595 million euros from 532 million euros in the same period in 2023, thanks to the strong performance of zero or near-zero direct emission businesses. Renewable energy generation made an especially positive contribution in the quarter, hydroelectric volumes, in particular, grew by more than 190% compared to the same period last year. Wind and photovoltaic power performed well too, with a combined increase of 12.4%. During the period, Edison Energia experienced sustained growth in the Gas & Power (B2B and B2C) segment, mostly thanks to a bigger customer base (2,166,000 contracts, up 13% compared to the first quarter of 2023).

As a result of the above, the Group ended the first quarter of 2024 with **a 12% increase in net profit to 322 million euros**, from 288 million euros in the first quarter of 2023.

Financial debt at March 31, 2024 showed a credit of 571 million euros, against a credit of 160 million euros at December 31, 2023, mainly due to the significant cash generation resulting from the strong operating results.

Outlook

Based on the first quarter results, which benefit from positive seasonality, and considering the persistence of international geopolitical tensions, as well as the resulting market volatility, the Edison Group confirms an EBITDA of at least 1.5 billion euros in 2024.

Edison's Board of Directors confirms its strategic guidelines to 2030

The Edison Group announces that the Board of Directors has confirmed its strategic guidelines to 2030 as presented to the press on October 4, 2023 on the occasion of the celebrations for the 140th anniversary of the Group's creation.

In particular, the Board of Directors has confirmed Edison's commitment to consolidate its path toward energy transition supporting customers, local communities and public administrations and ensuring autonomy and security of supply of the national energy system.

The Group aims to double its EBITDA to a range between 2 and 2.2 billion euros by 2030 from 1.1 billion euros in 2022, by investing around 10 billion euros across this period. Such goals will be achieved through a significant change in the industrial portfolio, which will result in zero or near-zero direct emission activities accounting for 70% of EBITDA, compared to an average of 35% over the last three years. With these objectives, Edison aims to reduce its CO₂ emission factor from 293 grams per kilowatt-hour in 2022 to 190 grams per kilowatt-hour in 2030, reducing absolute emissions in parallel. This development will be financed through operating cash flows and a debt level in line with an investment grade rating.

Edison's presentation "140 years of Edison – Looking ahead towards 2030-2040" is available to the public on the website of Edison Spa (<https://www.edison.it/en/reports-and-related-documents>), as well as via the electronic storage mechanism "eMarket STORAGE" (www.emarketstorage.com).

For further information: <https://140anni.edison.it/futuro>

Merger by incorporation of Cellina Energy Srl into Edison

The Board of Directors also approved the project for the merger by incorporation into Edison Spa of Cellina Energy Srl (held directly and entirely by Edison), in order to optimize the corporate structure of the Group and reduce the related management costs.

The documentation relating to the transaction, as required by the regulations in force, will be made available to shareholders and the public in the prescribed places in accordance with the applicable deadlines.

Main events during the first quarter of 2024

January 18, 2024 – Edison announced that it had been admitted to the Cooperative Compliance Tax System promoted by the Italian Revenue Agency. In line with the OECD's call for Cooperative Compliance, the institute allows for the establishment of forms of prior notification and cooperation between the tax authority and taxpayers, aimed at reducing the level of uncertainty in situations which may generate tax risks and thus prevent disputes.

February 6, 2024 – Edison Energia was awarded all four lots it was aiming at in the auctions called by the Italian regulatory authority ARERA and for which it had submitted a bid (Southern Area 3, 5, 8 and 9), acquiring the possibility of serving up to 700,000 new electricity customers under the gradual safeguards, which add to Edison existing 2 million retail customer base as at end of 2023 and bring the company closer to its target of 4 million by 2030.

February 22, 2024 – Edison Next and SEA Milan Airports announced the development of a green hydrogen refuelling station inside Milan Malpensa international airport for the decarbonisation of ground operations. The Malpensa H2 project, funded under the NRRP, will be implemented near the Malpensa Cargo City area with the support of OLGA (hOListic Green Airport), a programme funded by the European Commission (Horizon 2020), as part of the broader decarbonisation process undertaken by SEA to reduce the environmental impact of the aviation sector. Under the Malpensa H2 project, Edison Next will build a green hydrogen refuelling station, powered by an electrolyser installed on site, serving airport ground vehicles in the Malpensa Cargo City area.

February 22, 2024 – The Municipality of Iglesias and Edison Next announced the energy efficiency upgrading of the city's public lighting, scheduled to start on April 1. This 9-year project falls within the scope of the Consip Servizio Luce 4 Agreement and covers the installation of over 3,200 LED lighting fixtures.

February 26, 2024 – Edison and Snam announced the launching of exclusive negotiations for the sale of 100% of Edison Stoccaggio, following the competitive sales process initiated by Edison in October 2023 with reference to its subsidiary. Edison Stoccaggio contributes to the security of the national energy system through three natural gas storage plants located in Cellino (TE), Collalto (TV) and San Potito e Cotignola (RA), with a total capacity of about 1 billion cubic meters per year.

February 26, 2024 – Edison announced that the Puglia Green Hydrogen Valley project was selected to receive IPCEI funding up to 370 million euros, thus confirming its strategic importance and feasibility. This is one of the first large-scale green hydrogen production initiatives in Europe and involves the construction of two production plants in Brindisi and Taranto, with a total electrolytic capacity of 160 MW. Once in operation, the Puglia Green Hydrogen Valley plants are expected to generate about 250 million cubic meters of green hydrogen per year.

March 5, 2024 – Edison Next announced an agreement with AFV Beltrame Group, a leading international player in the steel industry, for the digital transformation of its plants. The 5-year agreement will involve the implementation of Edison Analytics, an innovative energy consumption monitoring solution that relies on digitisation and artificial intelligence. Edison Analytics will be applied at every production site of the Group, including three manufacturing facilities in Italy, one in France, one in Switzerland and two in Romania, as well as thirteen renewable energy production sites in Italy.

March 14, 2024 – Edison Energia and Verallia announced a new green energy supply agreement. The Power Purchase Agreement (PPA) will allow the food packaging company to cut down carbon emissions. Over 350 GWh of power will be generated from a mix of renewable sources from a number of plants located in Italy.

March 15, 2024 – Edison celebrated the Group's 140th anniversary with a commemorative stamp issued in just over 250,000 pieces by the Ministry of Enterprises and Made in Italy. The stamp, which is part of the *Le Eccellenze del sistema produttivo ed economico* thematic series, acknowledges Edison's role as a driver for the country's growth.

March 28, 2024 – Edison Next and Bekaert, a global market and technology leader in steel wire transformation and coating technologies, announced a 12-year on-site Power Purchase Agreement (PPA) for the installation of a photovoltaic power plant with a total capacity of 6.1 MWp at Bekaert's facility in Macchiareddu (Cagliari, Sardinia), which will be capable of meeting more than 20% of its current energy demand.

Main events after March 31, 2024

April 9, 2024 – The Meeting of the holders of Edison's savings shares confirmed Luciano Duccio Castelli as common representative of the savings shareholders and set the term of his office for three years (until the Shareholders' Meeting convened to approve the financial statements at December 31, 2026).

April 16, 2024 – Edison inaugurated a 41 MW photovoltaic power plant in Aidone (Sicily). The new plant will boost the Group's renewables development pipeline, aiming at 2 GW of photovoltaic power installed capacity by 2030.

Documentation

Please note that Edison Group's Quarterly Report at March 31, 2024, which was approved today by the Board of Directors of Edison Spa, will be available to the public from May 6, 2024 at the registered office, on the website of Edison Spa (<https://www.edison.it/en/reports-and-related-documents>) and via the electronic storage mechanism "eMarket STORAGE" (www.emarketstorage.com).

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The “Dirigenti Preposti alla redazione dei documenti contabili societari” of Edison S.p.A., Ronan Lory and Roberto Buccelli, certify that – pursuant to Article 154-bis, paragraph 2 of the Italian Consolidated Finance Act (Legislative Decree no. 58/1998) – the disclosure in this press release is consistent with the company’s accounting records, documents and entries. The Quarterly Report at March 31, 2024 was not audited.

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

Please find attached the abridged consolidated financial statements.

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

Presentation formats

Consolidated income statement

(in millions of euros)	1 st quarter 2024	1 st quarter 2023 (*)
Sales revenues	4,066	6,102
Other revenues and income	65	50
Total net revenues	4,131	6,152
Commodity and logistic costs (-)	(3,220)	(5,314)
Other costs and services used (-)	(186)	(190)
Labor costs (-)	(109)	(97)
Receivables (writedowns) / reversals	(2)	4
Other costs (-)	(19)	(23)
EBITDA	595	532
Net change in fair value of derivatives (commodity and exchange rate risk)	18	28
Depreciation and amortization (-)	(116)	(103)
(Writedowns) and reversals	-	-
Other income (expense) non-Energy Activities	(3)	(3)
EBIT	494	454
Net financial income (expense) on debt	9	-
Other net financial income (expense)	(7)	(5)
Net financial income (expense) on assigned trade receivables without recourse	(16)	(15)
Income from (Expense on) equity investments	1	(1)
Profit (Loss) before taxes	481	433
Income taxes	(147)	(127)
Profit (Loss) from continuing operations	334	306
Profit (Loss) from discontinued operations	8	5
Profit (Loss)	342	311
Broken down as follows:		
Minority interest in profit (loss)	20	23
Group interest in profit (loss)	322	288

(*) The amounts of 1st quarter 2023 were restated pursuant to IFRS 5

Consolidated balance sheet

	03.31.2024	12.31.2023
(in millions of euros)		
ASSETS		
Property, plant and equipment	3,771	3,811
Intangible assets	389	387
Goodwill	2,108	2,107
Investments in companies valued by the equity method	294	291
Other non-current financial assets	86	89
Deferred-tax assets	393	401
Non-current tax receivables	2	2
Other non-current assets	295	229
Fair Value	190	181
Assets for financial leasing	15	15
Total non-current assets	7,543	7,513
Inventories	92	174
Trade receivables	2,343	2,561
Current tax receivables	36	36
Other current assets	440	376
Fair Value	723	1,037
Current financial assets	149	149
Cash and cash equivalents	1,701	1,234
Total current assets	5,484	5,567
Assets held for sale	564	547
Total assets	13,591	13,627
LIABILITIES AND SHAREHOLDERS' EQUITY		
Share capital	4,736	4,736
Reserves and retained earnings (loss carryforward)	1,311	1,154
Reserve for other components of comprehensive income	75	55
Group interest in profit (loss)	322	515
Total shareholders' equity attributable to Parent Company shareholders	6,444	6,460
Shareholders' equity attributable to minority shareholders	374	435
Total shareholders' equity	6,818	6,895
Employee benefits	33	33
Provisions for decommissioning and remediation of industrial sites	129	127
Provisions for risks and charges	234	171
Provisions for risks and charges for non-Energy Activities	746	761
Deferred-tax liabilities	90	85
Other non-current liabilities	122	116
Fair Value	111	152
Non-current financial debt	682	696
Total non-current liabilities	2,147	2,141
Trade payables	2,048	2,246
Current tax payables	394	257
Other current liabilities	732	364
Fair Value	908	1,256
Current financial debt	411	345
Total current liabilities	4,493	4,468
Liabilities held for sale	133	123
Total liabilities and shareholders' equity	13,591	13,627

Changes in consolidated shareholders' equity

(in millions of euros)	Share capital	Reserves and retained earnings (loss carry-forward)	Reserve for other components of comprehensive income	Group interest in profit (loss)	Total shareholders' equity attributable to Parent Company shareholders	Shareholders' equity attributable to minority shareholders	Total shareholders' Equity
Balance at December 31, 2023	4,736	1,154	55	515	6,460	435	6,895
Appropriation of the previous year's profit (loss)	-	515	-	(515)	-	-	-
Dividends and reserves distributed (*)	-	(358)	-	-	(358)	(81)	(439)
Other changes	-	-	-	-	-	-	-
Total comprehensive profit (loss)	-	-	20	322	342	20	362
of which:							
- Change in comprehensive income	-	-	20	-	20	-	20
- Profit (loss) at March 31, 2024	-	-	-	322	322	20	342
Balance at March 31, 2024	4,736	1,311	75	322	6,444	374	6,818

(*) Edison Spa Shareholders' Meeting, held on March 27, 2024, resolved to allocate a portion of the profit for the year 2023, for a total amount of 311 million euros, as a dividend for savings and common shares, and to distribute to shareholders an additional amount of 47 million euros to be taken from the "retained earnings". The total amount of 358 million euros was paid on April 24, 2024, and was recorded at March 31, 2024, under "Other current liabilities." The amount relating to Shareholder's equity attributable to minority shareholders refers to dividends attributable to minority shareholders distributed by the subsidiary Edison Rinnovabili in March 2024.