A2A, RESULTS AS AT 30 SEPTEMBER 2022

CONTINUING GROWTH OF INVESTMENT IN INFRASTRUCTURES FOR THE ENERGY TRANSITION AND THE CIRCULAR ECONOMY

BUSINESS DIVERSIFICATION AND CAREFUL MANAGEMENT OF THE ACTIVITIES GUARANTEEING THE RESILIENCE OF ECONOMIC AND FINANCIAL RESULTS

CONTINUING EVOLUTION OF SUSTAINABLE FINANCE INSTRUMENTS

- **EBITDA at 1,148 million euro**, a 20% increase compared to the first nine months of 2021: the reduction in margins recorded in the Market Business Unit, which improved compared to previous quarters, was more than offset by the results of the Generation and Trading and Waste Business Units.

- **Net profit at 461 million euro, +17%** compared to the first nine months of 2021 (394 million euro).

- **Capex amounting to 802 million euro**, up 25% compared to the same period of last year, for the development of green energy production plants, for the energy and material recovery from waste, and for the upgrading and streamlining of networks.

- **Net Financial Position at 4,911 million euro** (4,113 million euro at 31 December 2021). Net of changes in the scope of consolidation for the period, of 472 million euro, the NFP increased by 326 million euro, after investments of 802 million euro, dividend payments of 283 million euro and proceeds from the sale of certain real estate assets of 221 million euro.

Energy Transition

- Acquisition of SEA Energia, a company that produces electricity and heat, with the aim of **fostering the decarbonisation process** of the Milan Linate and Milan Malpensa airports.

Sustainability

- 213 GWh of green energy, produced from photovoltaic and wind sources in the first nine months of 2022 (+81% compared to the same period of 2021)

- 5.3 TWh of green energy sold in the first nine months of 2022 (+33% compared to the same period in 2021)

The Group's commitment to sustainable finance continues: during the quarter, A2A resorted to the capital market for the third time in 2022 with a view to pre-funding, successfully placing a bond in Green Bond format for 650 million euro (bringing annual funding to 1 billion 750 million euro, all in ESG format).
Following these transactions, the proportion of sustainable debt to the Group's total gross debt as at 30 September 2022 reached 60% (38% as at 30 September 2021).

A2A S.p.A. Board of Directors has examined and approved the quarterly Financial Information as at 30 September 2022

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Milan, 10 November 2022 – At today's meeting of the Board of Directors of A2A S.p.A., chaired by Marco Patuano, the Board examined and approved the quarterly financial information as at 30 September 2022.

"*In the first nine months of 2022, the Group confirmed its solid performance in coping with the impacts of the energy crisis that began at the end of last year, which was also impacted by lower hydroelectric production due to the drought. In a phase characterised by the uncertain dynamics of the energy markets and by high volatility of commodity prices, A2A has responsibly managed its activities by making the most of the diversification of its business*" - comments **Renato Mazzoncini**, A2A's Chief Executive Officer - "*The complex moment we are going through and the heavy repercussions on families and businesses are forcing Italy to implement concrete actions to increase their level of energy autonomy. In this context, the Group has continued to make its contribution with investments, up by 25% over the period, in infrastructure in key sectors to foster the country's ecological transition process.*"

The Group's operations proved resilient in a complicated geopolitical scenario. The exceptionally low hydraulicity levels of the period resulted in lower electricity production from hydroelectric plants, which was compensated for by making the most of the diversification of sources, a specific characteristic of the Group.

The dynamics of the energy markets, which saw an almost fourfold increase in the Base Load PUN (Single National Price) (322.9€/MWh; +275%) and a more than fourfold increase in the average cost of gas at the PSV (130.7€/MWh, +335%) compared to the same period of the previous year, were appropriately managed by monitoring the risks arising from the volatility of commodity prices and the consequent financial and credit exposure.
Indeed, A2A has adopted a prudent policy of stabilising margins by hedging electricity production at a fixed price and bringing forward supplies with a view to hedging sales.

In this context, A2A Energia's Mass Market customers on the free market, benefited in the first nine months of 2022 from a saving compared to the rates of the protected market of 39% for electricity and 40% for natural gas. For electricity and gas utilities, instalments were granted, in line with Group policy, 5 times more than in the same period of the previous year and 8 times more than in the pre-pandemic period. On the district heating front, too, mitigation actions were implemented on prices through extraordinary interventions that ensured significant savings for customers.

The following are the main economic indicators:

Millions of euro	**9M 2022**	**9M 2021**	**Δ**	**Δ%**
Revenues	**16,869**	**6,445**	10,424	162%
Gross Operating Margin – EBITDA	**1,148**	**955**	193	20%
Net Operating Income – EBIT	**561**	**456**	105	23%
Ordinary Net Profit	**319**	**256**	63	25%
Group Net Profit	**461**	**394**	67	17%

In the first nine months of 2022, the **Revenues** of the Group amounted to **16,869 million euro,** up 161.7% compared to the same period of the previous year, related to extraordinary and contingent dynamics of the period. The change is mainly related to the bullish dynamics of commodity prices that characterised the period under review and is attributable to:

- approximately 60% to the *wholesale* energy markets, in particular electricity price increases; the contribution related to the growth of sold and intermediated volumes is residual;
- almost 40% to retail markets mainly due to higher electricity, gas and heat unit prices.

This increase goes hand-in-hand with an increase in the procurement costs of energy raw materials.

EBITDA equalled **1,148 million euro**, an increase of 193 million compared to the first nine months of 2021 (+20%).
Net of non-recurring items (+17 million in the first nine months of 2022, +13 in the same period of 2021), **Ordinary EBITDA** increased by 189 million euro (+20%): the decline in margins recorded in the Market Business Unit was more than offset by the results of the Generation and Trading Business Unit and the Waste Business Unit.

EBIT came in at **561 million euro**, up 105 million on 2021 (456 million euro). This increase is attributable to the increase in EBITDA, which more than offset the higher costs deriving from:

- the increase in amortisation/depreciation (45 million euro) mainly related to investments made by all BUs in the period October 2021 - September 2022 and the amortisation/depreciation of the assets of the new companies acquired;
- 43 million euro higher net accruals to the provision for risks and provisions for bad debts, mainly related to the higher credit exposure to customers due to the exceptional increase in turnover, net of releases to excess provisions for risks due to the effect of the increase in discount rates.

Ordinary Group Net Profit came in at **319 million euro**, up 63 million on the first nine months of 2021. The change is attributable to the increase in Net EBIT, partly offset by higher financial expenses and higher taxes.

Net of extraordinary items for:

- the current year for a total of 142 million euro related to the capital gains, net of taxation, on the sale of certain assets (sale of real estate and gas ATEMs deemed non-strategic)
- the previous year for a total of 138 million euro related to the effects of the statutory - tax realignment of the Group's tangible and intangible assets

Group **Net Profit** amounted to **461 million euro**, up 17% compared to the same period of 2021.

Capex in the period under review amounted to **802 million euro**, an increase of 25% compared to the first nine months of the previous year. In detail, development investments of 525 million euro (+36% compared to the same period in 2021) were made to contribute to the flexibility, adequacy and security of the national electricity grid, the growth of wind and photovoltaic plants, the recovery of energy and materials, the improvement of the quality of distribution networks, the upgrading of water and sewerage networks, the development of purification plants and the digitalisation of the Group.

The **M&A transactions** amounted to **599 million euro** and focused on the **energy transition** segment. In addition to the operations already completed during the first half of the year, the Group acquired SEA Energia, a company that produces electricity and thermal energy, with the aim of fostering the decarbonisation process of the two airports of Milan Linate and Milan Malpensa.
The gas distribution assets have also been rationalised with the sale of non-strategic ATEMs for an amount of **127 million euro**. The value of **M&A transactions**, net of the sale of non-strategic assets (already completed

in the first half) was therefore **472 million euro**.

Net Financial Position at 30 September 2022 amounted to **4,911 million euro** (4,113 million euro as at 31 December 2021). Excluding changes in scope that took place during the period under review, of 472 million euro, NFP came to **4,439 million euro**, recording net cash absorption of 326 million euro, after investments for 802 million euro, dividend payments for 283 million euro and collections for the sale of certain real estate assets for 221 million euro. This change is mainly attributable to the increase in trade receivables, particularly in the Market Business Unit, an effect related to the significant increase of commodity prices.

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A2A Group – Results by Business Unit

The following table shows the composition of the Gross Operating Margin by Business Unit:

Millions of euro	**09.30.2022**	**09.30.2021**	**Change**	**Change %**
Generation	445	203	242	119.2%
Market	70	161	-91	-56.5%
Waste	287	238	49	20.6%
Smart Infrastructures	367	363	4	1.1%
Corporate	-21	-10	-11	110.0%
Total	**1,148**	**955**	**193**	20.2%

Generation and Trading Business Unit

In the first nine months of 2022, the Generation and Trading Business Unit contributed to fulfil the sales demand of the A2A Group through 13.9 TWh of plant production (13.6 TWh at 30 September 2021).
In particular, thermoelectric production for the period amounted to 11.4 TWh (10 TWh as at 30 September 2021), an increase of 13.9% attributable to higher energy demand and lower production from other sources. The growth is linked to the higher output of certain CCGT plants (Cassano, Chivasso Piacenza, Sermide and Mincio) and the San Filippo del Mela plan under the essentiality regime. The increased need for energy also led to the temporary reactivation of the Monfalcone coal plant.
Production from renewable sources in the first nine months of 2022 was down 30.4% year-on-year: the drop in hydroelectric production (-39%) linked to the severe drought this year was partly offset by the significant contribution of new photovoltaic and wind renewable sources thanks to the contribution of the companies acquired during 2021 and 2022 (Octopus, 3New and 4New).

Revenues amounted to 14,228 million euro, up by 10,237 million euro (+257%) compared to the first nine months of the previous year. The significant change was mainly caused by the increase in the prices of electricity and gas; the higher volumes sold and brokered made a marginal contribution.

EBITDA of the Generation and Trading Business Unit amounted to 445 million euro, an increase of 242 million euro compared to 30 September 2021 (+119%). Net of the non-recurring items recorded in the first nine months of 2021 (+7 million euro), ordinary EBITDA increased by 249 million euro.

The positive change is mainly attributable to:

- the extraordinary results achieved in the ancillary services market ("MSD"), thanks to the opportunities that emerged as a result of Terna's requests for critical grid conditions in the first nine months of the year;
- remuneration of the capacity market, thanks to the award of production capacity in auctions held by Terna to ensure the security of the system with resources that are always available;
- positive performance of the trading portfolio;
- contribution of newly acquired photovoltaic and wind power plants;
- good results on the gas portfolio thanks to the procurement strategies adopted during the period.

The positive impacts were partly offset by:

- lower hydroelectric production;
- higher operating costs due in part to increases in hydroelectric fees.

The positive trend of the Business Unit was concentrated in the third quarter of the year (+170 million euro compared to the same period of the previous year) and was the result of offsetting the lower margins due to the low wind levels with the positive effect of the management of the other production sources, as well as the performance of the ancillary services market, the incremental contribution of the capacity market, the optimisation of the gas portfolio in the period, the impact of the scenario on the industrial electricity portfolio and the contributions of the recently acquired photovoltaic and wind power plants.

In the period in question, the Capex of the Generation and Trading Business Unit amounted to around 187 million euro (51 million euro in the first nine months of 2021).

Market Business Unit

In the first nine months of 2022, the Market Business Unit recorded 15.8 TWh of electricity sales, up 16.5% compared to the same period of the previous year. The increase is attributable to the acquisition of new customers, the contribution of the Gradual Protection Service and higher sales to large customers.
Gas sales, equal to 1.9 billion cubic metres, increased by +4% compared to the first nine months of 2021, mainly thanks to the key accounts segment.

With reference to the mass market segment (electricity and gas), the number of points of delivery in the period exceeded 3 million units in total, of which more than 2 million related to the free market, with an increase of about 234 thousand units compared to the end of 2021 thanks to the positive contribution of commercial development and the low churn rate in the period.

The revenues amounted to 6,408 million euro (2,323 million euro at 30 September 2021). The growth recorded is mainly attributable to higher unit prices for both electricity and gas, and to a more limited extent to higher quantities sold.

Market Business Unit EBITDA amounted to a positive 70 million euro (161 million euro as at 30 September 2021).

The reduction was concentrated in the first half of the year and is attributable to the decline in unit margins in the energy retail segment, both electricity and gas, due to:

- different distribution over time of the margins of fixed-price contracts compared to the previous year, with the same overall contractual margin, particularly penalising in the first quarter of the year and recovering in the course of the year under review (for contracts with a duration coinciding with the calendar year) or in future years (for contracts providing for supply beyond the current year);

- impacts related to end-customer consumption, some of which different from the contracted profiles, as a result of an extraordinarily high and very volatile price environment;
- imbalances, also emphasised by the current year's energy price level.

The contribution of the third quarter, on the other hand, in terms of EBITDA improved compared to the same period of the previous year (62 million euro in the third quarter of 2022 vs 41 million euro in the third quarter of 2021), due to a partial re-absorption of the aforementioned negative impacts with particular reference to the electricity sector. In addition, the positive contribution of commercial development continued, both in terms of increasing the mass-market customer base and volumes sold to large customers, and in terms of commercial unit margins.

Operating expenses increased year-on-year, consistent with the increased commercial activity in the period.

In the reporting period, the Capex of the Market Business Unit amounted to around 46 million euro (47 million euro in the first nine months of 2021).

Waste Business Unit

In the period under review, the quantity of waste collected amounted to 1.3 million tonnes (1.4 million tonnes in 2021), a decrease of 2% due to the loss of the concession of the municipality of Varese as of 1 January 2022.
Net waste disposed of amounted to 2.5 million tonnes (-1% compared to the same period last year).
At 1.6 TWh, the amount of electricity produced was up 2% year-on-year thanks to the contribution of Agripower, a company consolidated as from April 2021, and the increased availability of the Brescia waste-to-energy plant, while the volumes of heat required by the district heating segment decreased by 1.7%.

In the first nine months of 2022, the Waste Business Unit recorded revenues of 1,082 million euro, up 19.3% compared to the same period in 2021 (907 million euro as at 30 September 2021) mainly due to higher revenues from the sale of electricity and heat, the greater revenues from waste disposal and recovery and the contribution made by the companies acquired in 2021.

The Gross Operating Margin of the Waste Business Unit equalled 287 million euro (238 million euro at 30 September 2021), up 49 million euro compared to the previous year.
Net of non-recurring items (+6 million euro in the first nine months of 2022; +1 million in the same period of the previous year), the Ordinary EBITDA of the Business Unit reached 281 million euro, up 44 million euro (+18%) with respect to the first nine months of 2021.

The urban waste treatment segment made the main contribution to the period result (+47 million euro compared to the first nine months of 2021), thanks to:

- a positive trend in electricity and heat sale prices of waste-to-energy plants;
- increase in the price of conferral of urban waste;
- the positive contribution of biomass-fuelled plants, due to both the incremental contribution of Agripower - consolidated from April 2021 - and the effect of the energy scenario;
- higher operating expenses.

The industrial waste treatment segment recorded an increase of approximately 3 million euro over the corresponding period of the previous year, mainly due to the larger quantities treated.
On the other hand, the waste collection segment contributed negatively to the result (-6 million euro), which was mainly penalised by the increase in the cost of fuel consumed by the vehicles used and the loss of the concession in the municipality of Varese during the period under review.

Capex in the first nine months of 2022 amounted to 161 million euro (166 million euro at 30 September 2021).

Smart Infrastructures Business Unit

In the first nine months of 2022, the RABs for electricity, gas and water services were up by 10%, 1% and 24%, respectively, thanks to increased investments.
The volume of water distributed amounted to 56 million cubic metres, in line with the previous year.
Heat sales by the Business Unit in the period in question amounted to 1.9 TWht, a decrease of 3% on the volumes sold in the first nine months of the previous year.

The Smart Infrastructures Business Unit's revenue for the period amounted to 1,035 million euro (869 million euro at 30 September 2021, +19%). The change is related to higher revenues from district heating due to heat and electricity unit price dynamics.

EBITDA of the Smart Infrastructures Business Unit in 2022 was 367 million euro (363 million euro at September 30, 2021).
Net of non-recurring items (+15 million euro in the first months of 2022; +5 million euro in the same period of the previous year), the Ordinary EBITDA of the Business Unit reached 352 million euro, down 6 million euro with respect to the first nine months of 2021.
It should be noted that non-recurring items in the current year include 15.3 million euro for past tariff items related to the 2010/2011 years of the water cycle of the Acinque group.

The change in margins is distributed as follows:

- electricity and gas distribution networks (-23 million euro): decrease related to lower revenues allowed for regulatory purposes following the resolutions of the sector authority (ARERA) concerning the remuneration of capital, the value of electricity loss equalisation, lower revenues from connection fees, and higher operating costs (mainly charges for updating the gas fee related to ATEM Milano 1 and energy costs);
- district heating: +26 million euro, due to an increase in unit margins, particularly on electricity sales;
- water cycle: -14 million euro for higher operating costs, in particular electricity costs and reimbursements for water losses;
- public lighting: +5 million euro attributable to the adjustment of fees due to increased energy costs.

Period capex equalled 370 million euro (344 million euro at 30 September 2021).

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Balance sheet

It is noted that the consolidation scope at 30 September 2022 changed compared to 31 December 2021 for to the following operations:

- the acquisition by A2A Rinnovabili S.p.A. of 100% of Volta Green Energy S.r.l. and 60% of R2R S.r.l., companies operating in the photovoltaic and wind power sectors, resulting in the line-by-line consolidation of seven companies, as well as 100% of 4New S.r.l. and 3 New & Partners S.r.l., companies also operating in the photovoltaic and wind power sectors, resulting in the line-by-line consolidation of eleven companies and the consolidation at equity of one company. A2A Rinnovabili S.p.A. also acquired directly and consolidated at equity the companies Daunia Calvello S.r.l. and Daunia Serracapriola S.r.l.;

- sale of the shareholding in Seasm S.r.l., previously consolidated on a line-by-line basis;
- the acquisition and line-by-line consolidation by A2A Calore & Servizi S.r.l. of 100% of A2A Airport Energy S.p.A., a company engaged in the production and sale of electricity, heat and cooling.

Millions of euro	09.30.2022	12.31.2021	Change
CAPITAL EMPLOYED			
Net fixed assets	**8,722**	**8,026**	**696**
- Tangible assets	5,951	5,588	363
- Intangible assets	3,298	3,125	173
- Shareholdings and other non-current financial assets (*)	123	73	50
- Other non-current assets/liabilities (*)	(123)	(93)	(30)
- Deferred tax assets/liabilities	425	424	1
- Provisions for risks, charges and liabilities for landfills	(716)	(797)	81
- Employee benefits	(236)	(294)	58
of which with counter-entry to equity	*(117)*	*(134)*	
Net Working Capital and Other current assets/liabilities	**532**	**243**	**289**
Net Working Capital:	***543***	***601***	***(58)***
- Inventories	664	204	460
- Trade receivables	4,087	3,291	796
- Trade payables	(4,208)	(2,894)	(1,314)
Other current assets/liabilities:	***(11)***	***(358)***	***347***
- Other current assets/liabilities (*)	128	(405)	533
- Current tax assets/tax liabilities	(139)	47	(186)
of which with counter-entry to equity	*52*	*55*	
Assets/liabilities held for sale (*)	**195**	**147**	**48**
of which with counter-entry to equity	-	-	
TOTAL CAPITAL EMPLOYED	**9,449**	**8,416**	**1,033**
SOURCES OF FUNDS			
Shareholders' equity	**4,538**	**4,303**	**235**
Total financial position after one year	5,987	4,309	1,678
Total financial position within one year	(1,076)	(196)	(880)
Total Net Financial Position	**4,911**	**4,113**	**798**
of which with counter-entry to equity	*(16)*	*20*	
TOTAL SOURCES	**9,449**	**8,416**	**1,033**

(*) Excluding balances included in the Net Financial Position

Net Fixed Assets

"**Net fixed assets**" amounted to 8,722 million euro, up 696 million euro compared to 31 December 2021.

Changes are detailed below:

- Tangible assets increased by 363 million euro due to:
  - investments made for 551 million euro due to interventions on waste treatment and waste-to-energy plants, on thermoelectric and hydroelectric plants and on renewable source energy plants for 320 million euro, to the development and maintenance of electricity distribution plants, the expansion and reconstruction of the medium and low voltage network, and the installation of new electronic meters for 131 million euro, the development of district heating networks for 47 million euro, the purchase of movable means to collect waste and other equipment for 17 million euro, interventions on buildings for 12 million euro, investments focussed on developing the energy efficiency plan for 7 million euro, interventions on the optic fibre and gas transport network for 6 million euro, for the plan to increase efficiency with new LED light sources for 8 million euro and investments on the network of electric vehicle charging stations for 3 million euro;
  - first-time consolidation of period acquisitions, accounting for a 204 million euro increase;
  - net decrease for other changes of 25 million euro due to decreases in the provisions for decommissioning for 48 million euro, reductions in provisions made for landfill closure and post-closure expenses of 9 million euro, increases in usage rights in accordance with IFRS16 of 35 million euro, and other decreases of 3 million euro;
  - decrease of 3 million euro arising from disposals in the period, net of accumulated depreciation;
  - decrease of 1 million euro due to write-downs in the period;
  - decrease of 363 million euro for the depreciation charges for the period.

- Intangible assets increased by 173 million euro on 31 December 2021, due to:

  - capex for 251 million euro related to the implementation of computer systems for 78 million euro, development and maintenance work in gas distribution plants and the replacement of medium and low-pressure underground pipes for 93 million euro; works on the water transport and distribution network, sewers and purification plants for 61 million euro; new acquisitions and maintenance of the customer portfolio for 16 million euro and other residual investments for 3 million euro;
  - first consolidation of the companies acquired during the period, which resulted in an increase of 109 million euro, of which 98 million euro related to goodwill arising from the acquisitions made during the period under review;
  - net decrease of 20 million euro for other changes, due to a 14 million euro decrease in environmental certificates for the industrial portfolio, a 3 million euro reclassification to assets held for sale of certain gas distribution network assets deemed non-strategic for the Group and the sale of which was completed in the second quarter, a 1 million euro decrease in tax credits for investments in new capital goods pursuant to Law no. 178/2020, art.1 paragraph 1051 for the development of the new IDMS system, as well as the decrease of 2 million euro for reclassifications to other balance sheet items;
  - decrease of 1 million euro arising from disposals in the period, net of accumulated depreciation;
  - decrease of 1 million euro due to write-downs in the period;
  - decrease of 165 million euro for the depreciation charges for the period.

- Shareholdings and other non-current financial assets, at 123 million euro, up by 50 million euro compared to 31 December 2021; The change is mainly due to the acquisitions, for 40 million euro, of

49% of the shareholding in Daunia Calvello and 30% of the shareholding in Daunia Serracapriola. Other changes include increases of 3 million euro for investments in innovative start-ups through Corporate Venture Capital projects, and 1 million euro for the payment to the Court of Taranto, following the request to deposit in a specific account, of the residual amounts seized as part of the proceedings ongoing against the subsidiary Linea Ambiente S.r.l., down payments made on investments for 3 million euro, for future development projects of plants for the production of electricity from renewable sources and other increases for 3 million euro;

- Other Non-Current Assets and Liabilities show a net decrease of 24 million euro, net of the effects of first-time consolidation for the period of 6 million euro, due to a net increase in caution deposits for 47 million euro, higher receivables from the tax authorities for building bonus tax benefits due after one year in the amount of 13 million euro, higher receivables in the amount of 12 million euro for the recognition of prior-period items related to water service revenues, and other decreases in non-current liabilities in the amount of 2 million euro;

- "Deferred tax assets" amounted to 425 million euro (424 million euro at 31 December 2021) and showed a net increase of 1 million euro as a result of the tax effect on the change in equity reserves on the fair value of derivatives and reserves arising from the application of IAS 19, partially offset by the effects of the first-time consolidation of 22 million euro;

- At 30 September 2022, provision for risks, charges and liabilities for landfills amounted to 716 million euro and showed a decrease of 81 million euro. The movement for the period is due to utilisations for the period of 24 million euro: 14 million euro related to the incurring of decommissioning and landfill costs and 10 million euro related to the settlement of certain disputes; other decreases and releases of 100 million euro due mainly to an increase in the discount rates used to estimate future decommissioning and remediation costs. In addition, provisions for the period totalled 41 million euro and the contribution of the first-time consolidation amounted to 2 million euro;

- Employee benefits decreased by 58 million euro, due to disbursements during the half-year and payments to pension funds and actuarial valuations, net of allocations during the period.

Net Working Capital and Other Current Assets/Liabilities

"**Net Working Capital**", defined as the algebraic sum of trade receivables, closing inventories and trade payables, amounted to 543 million euro, down by 58 million euro compared to 31 December 2021. Comments on the main items are given below:

Inventories

Millions of euro	Balance at 12.31.2021	First-time consolidation	Changes during the period	Balance at 09.30.2022
- Materials	96		23	119
- Material obsolescence provision	(22)		(2)	(24)
- Fuel	122		441	563
- Others	8		(2)	6
Raw and ancillary materials and consumables	**204**	**-**	**460**	**664**
Third-party fuel	**-**		-	**-**
Total inventory	**204**	**-**	**460**	**664**

"Inventories" amounted to 664 million euro (204 million euro at 31 December 2021), net of the related obsolescence provision for 24 million euro, up 460 million euro compared to 31 December 2021. The increase is attributable to higher inventories of fuels for electricity generation and gas inventories for sales and storage activities of 441 million euro as a result of higher market prices and a net increase in material and other inventories of 19 million euro.

Trade receivables

Millions of euro	Balance at 12.31.2021	First-time consolidation	Changes during the period	Balance at 09.30.2022
- Materials	96		23	119
- Material obsolescence provision	(22)		(2)	(24)
- Fuel	122		441	563
- Others	8		(2)	6
Raw and ancillary materials and consumables	**204**	**-**	**460**	**664**
Third-party fuel	**-**		-	**-**
Total inventory	**204**	**-**	**460**	**664**

At 30 September 2022, 'Trade receivables' amounted to 4,087 million euro (3,291 million euro at 31 December 2021), an increase, net of the effects of first-time consolidation, of 739 million euro, mainly attributable to the increase in electricity and gas sales tariffs that occurred during the period, which in turn was caused by the increase in commodity prices and the instalments granted to electricity, gas and district heating customers, which more than offset the reduction due to seasonality.

The Bad debt provision of 182 million euro increased by a net 49 million euro with respect to 31 December 2021, due to net provisions for 65 million euro and period uses for 16 million euro.

Trade receivables ageing is detailed here below:

Millions of euro **Trade receivables of which:**	**09/30/2022** **4,087**	**12/31/2021** **3,291**
Current	**1,117**	**840**
Past due of which:	**433**	**284**
Past due up to 30 days	*100*	*90*
Past due from 31 to 180 days	*179*	*69*
Past due from 181 to 365 days	*60*	*32*
Past due over 365 days	*94*	*93*
Invoices to be issued	**2,719**	**2,300**
Bad debts provision	**(182)**	**(133)**

Trade payables

Millions of euro	**Balance at 12.31.2021**	**First-time consolidation**	**Changes during the period**	**Balance at 09.30.2022**
Advances	8	-	2	10
Payables to suppliers	2,886	43	1,269	4,198
Total trade payables	**2.894**	**43**	**1,271**	**4,208**

"Trade receivables" amounted to 4,208 million euro and compared to the closing of the previous year, represent an increase of 1,271 million euro, excluding the first-time consolidation effects of the period for 43 million euro. This change is mainly attributable to the rising dynamics of commodity market prices.

"Other current assets/liabilities" evidenced a net increase of 347 million euro on 31 December 2021. This change is due to:

- net increase of 355 million euro in derivative assets, reflecting a change in fair value at the end of the period and in the quantities hedged;
- net increase in current tax payables for 186 million euro;
- net increase in receivables from Cassa per i Servizi Energetici e Ambientali for 126 million euro;
- decrease of 94 million euro in payables due to early collection of electricity and gas futures contracts, which will take place in the following period;
- 95 million euro net increase in tax payables for VAT, excise duties and other indirect taxes;
- increase in deferred expenses/income for 33 million euro;
- increase in receivables for advances to suppliers for 7 million euro;
- increase in receivables for works to upgrade and improve energy efficiency in condominiums and third parties, for which tax benefits will be available under the building bonus scheme for 6 million euro;
- decrease in social security payables for 15 million euro;
- increase in other current liabilities for 8 million euro.

Below the breakdown of the Net Working Capital by Business Unit, including changes to other current assets/liabilities:

(Millions of euro)	**09.30.2022**	**12.31.2021**	**CHANGE**
Generation and Trading	-830	-574	-256
Market	1,608	959	649
Waste	-35	-43	8
Smart Infrastructures	59	-1	60
Corporate	-270	-98	-172
TOTAL	**532**	**243**	**289**

"Assets/liabilities held for sale" amounted to 195 million euro and referred to the value of the A2A Group's 50% equity investment in Daunia Wind previously recognised in the first half of 2022 under equity investments. This reclassification is related to the agreement reached between the A2A Group and the shareholder Margherita S.r.l. (which holds the remaining 50% of Daunia Wind). As a result of this agreement, the A2A Group will have full ownership and control of the companies Daunia Calvello and Daunia Serracapriola, while the shareholder Margherita will take over full ownership and control of Daunia Wind and subsidiaries other than Daunia Calvello and Serracapriola.
During the previous year, assets/liabilities held for sale were positive and amounted to 147 million euro and relate for 102 million euro to the reclassification of certain assets and liabilities relating to gas distribution referring to ATEMs considered non-strategic for the Group, sold on 1 April 2022, and the reclassification of assets owned by the parent company A2A S.p.A. referring to three buildings located in Milan which were sold in February 2022 for 45 million euro.

Consolidated "**Capital Employed**" at September 30, 2022 amounted to 9,449 million euro and was financed by Equity for 4,538 million euro and the Net Financial Position for 4,911 million euro.

"**Equity**" amounted to 4,538 million euros and shows a positive change for a total of 235 million euros.
The positive change was partly due to the period result for 491 million euro (461 million euro pertaining to the Group and 30 million euro to minorities), offset by the dividends resolved for 302 million euro (of which 283 million euro distributed by the parent company A2A S.p.A.). There was also a positive valuation of cash flow hedge derivatives for 23 million euro and IAS 19 reserves for 27 million euro and other reductions for 4 million euro.

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Financial position

Net free cash flow	09.30.2022	09.30.2021
EBITDA	**1,148**	**955**
Changes in Net Working Capital	58	83
Changes in Other assets/liabilities	(520)	136
Utilization of provisions, net taxes and net financial charges	(148)	(155)
FFO	**538**	**1,019**
Investments	(802)	(640)
Property disposals	221	-
Dividends	(283)	(248)
Net free cash flow	**(326)**	**131**
Change in scope	(472)	(410)
Application of ESMA Directive		(31)
Change in Net Financial Position	**(798)**	**(310)**

Net Financial Position at 30 September 2022 amounted to 4,911 million euro (4,113 million euro as at 31 December 2021).
The gross debt amounted to 7,631 million euro, up by 2,532 million euro compared to 31 December 2021.
Cash and cash equivalents amounted to 2,664 million euro, up by 1,700 million euro.
The other net financial assets/liabilities showed a positive balance of 56 million euro with a net decrease of 34 million euro as compared with 31 December 2021.

The fixed rate and hedged portion of the gross debt amounted to 76%. The duration is 5.9 years.

During the period, net cash absorption amounted to 326 million euro, after capital expenditure of 802 million euro, dividends of 283 million euro and proceeds from the sale of real estate of 221 million euro, plus perimeter changes during the period of 472 million euro.

Regarding net cash flow absorption:

- Net Working Capital, calculated as the sum of trade receivables, trade payables and inventories, generated an improvement of 58 million euro in the Net Financial Position due to the increase of 1,314 million euro in trade receivables, partly offset by the increase in inventories for 460 million euro and, finally, the increase in trade receivables for 796 million euro.

  The Group occasionally performs non-recourse credit assignments and has no revolving factoring programmes in place;

- the negative change of 520 million euro in Other assets/liabilities mainly refers to the increase in the net fair value of commodity derivatives with a balancing entry in the income statement, the net increase in receivables due from Cassa per i Servizi Energetici e Ambientali, the reduction in payables related to advance receipts of electricity and gas futures contracts whose economic manifestation will occur in the following period, the increase in caution deposit liabilities from customers, the increase in receivables for energy requalification and efficiency works at condominiums and third parties, for which they will benefit from tax benefits provided by building bonuses and the increase in receivables for tariff items related to the integrated water service;

- payment of net financial charges, taxes and provisions absorbed cash for 148 million euro, while period capex, partly offset by the sale of real estate for 221 million euro, absorbed 802 million euro, while the dividend payment absorbed resources of 283 million euro.

"Capex", amounting to 802 million euros, concerned the following Business Units:

Millions of euro	09.30.2022	09.30.2021	Change
Generation	187	51	136
Market	46	47	-1
Waste	161	166	-5
Smart Infrastructures	370	344	26
Corporate	38	41	-3
Adjustments	-	-9	9
Total	**802**	**640**	**162**

Generation and Trading Business Unit

Capital expenditure in the period under review amounted to approximately 187 million euro andincluded extraordinary maintenance work of 44 million euro, of which 29 million euro at thermoelectric plants and 13 million euro at the Group's hydroelectric plants and 1 million euro at the photovoltaic plants.
Development work totalling 141 million euro was also carried out, of which 119 million euro was for investments in thermoelectric plants: gas turbine upgrades of combined-cycle plants in Cassano, Chivasso, Sermide and Piacenza, projects for endothermic engines in Cassano, and new combined-cycle plants in Monfalcone and Cassano. These interventions, aimed at ensuring flexibility, peak demand coverage and balancing the energy needs of the electricity grid, contribute to the adequacy and security of the national electricity system.
Finally, investments were made in wind and photovoltaic plants for 21 million euro, aimed at accelerating the growth of the Group's renewable sources.

Market Business Unit

Capex in the first nine months of 2022 amounted to 46 million euro (47 million euro at 30 September, 2021). These investments concerned:

- the energy retail segment with 40 million euro for capitalised charges for the acquisition of new customers and for evolutionary maintenance and development work on hardware and software platforms, aimed at supporting billing and customer management activities, and the full-digital NEN start-up;
- the Energy Solution segment with 6 million euro for energy efficiency projects.

Waste Business Unit

Investments for the first nine months of 2022 amounted to 161 million euro and regarded:

- development work amounting to 120 million euro, of which 60 million euro relating to waste-to-energy plants (in particular 31 million euro for the construction of the new Parona plant and 18 million euro for the flue gas purification line of the Brescia waste-to-energy plant) and 58 million euro to treatment plants (42 million euro for the OFMSW plants and 4 million euro for the new sludge plant of Parona) and 2 million to the collection segment;
- 41 million in maintenance work on waste-to-energy plants (20 million euro), treatment plants (10 million euro) and the collection sector (11 million euro).

Smart Infrastructures Business Unit

Capex in the period in question amounted to 370 million euro and regarded:

- in the electricity distribution segment, development and maintenance work on plants and in particular the connection of new users, maintenance work on secondary cabins, the extension and refurbishment of the medium and low voltage network, the maintenance and upgrading of primary plants and investments in the launch of the 2G smart meter project (136 million euro);
- in the gas distribution subsector, development and maintenance work on plants relating to the connection of new users and the replacement of medium and low pressure piping and smart gas meters (91 million euro);
- in the integrated water cycle sector, maintenance and development work carried out on the water transport and distribution network, as well as works and restoration works on the sewer networks and purification plants (68 million euro);
- district heating and heat management segment: development and maintenance of plants and networks for a total of 54 million euro;
- in the public lighting sector for new projects (12 million euro);
- in the Smart City segment, mainly laying fibre optics, radio frequencies and data centres (6 million euro);
- in the e-mobility sector for the installation of new electric energy recharging stations (3 million euro).

Corporate

Capex in the period, amounting to 38 million euro, mainly refer to work on IT systems (26 million euro) and buildings (7 million euro).

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Impacts of the Russia-Ukraine conflict

The ongoing conflict between Russia and Ukraine has exacerbated an energy market crisis that had already been ongoing since 2021, linked to the post-pandemic recovery and the severe shortage of raw materials, leading to a further increase in energy commodity prices and their volatility. In addition to the direct impacts on the production and sale of electricity and gas, such a price increase has led to a general increase in inflation with particular reference to the prices of oil derivatives and foodstuffs, as well as tensions on financial markets, on the solvency of certain counterparts and the security of the computer infrastructure to address a possible increase in cyber-attacks, for which the Group is equipped with processes in line with the best market standards.

The average value of the PUN Base Load in the first nine months of 2022 in fact shows an increase of +275% compared to the first nine months of 2021, reaching 323€/MWh. The dynamic is mainly driven by a significant rise in gas costs exacerbated by the conflict. The PUN in January 2022 stood at 225€/MWh, peaked at 543€/MWh in August and dropped slightly in September, to 430€/MWh.

As far as gas prices are concerned, the upward trend of the price at the PSV continues, which, after peaking in August at a monthly average of € 234/MWh (and daily peaks that even exceeded 300€/MWh), in September it fell back slightly to 183€/MWh. Specifically, the average price of gas to the PSV for the first nine months of 2022 amounted to 131€/MWh, up 335% compared to the first nine months of 2021. After 30 September 2022, this trend will see a gradual slowdown and a reversal of the downward trend.

In addition, recent government measures have introduced extraordinary contributions on the economic performance of energy companies (e.g. "SostegniTer", "Taglia Prezzi" Decree Law, "Aiuti" Decree Law) allocating them, in particular, to the financing of measures to support national companies and households. This context is constantly evolving, with impacts on the A2A Group's margins as well, and further levies cannot be ruled out during the latter months of 2022 and 2023.

Economic Impacts in Business Units

The extraordinary increase in energy prices had a positive impact on the margins of the industrial and trading portfolios of the Generation BU, contributed to the increase in the margins of the Waste BU in relation to the sale of electricity and heat from waste-to-energy plants, and of the Smart Infrastructures BU in the Heat segment. On the other hand, volatility and rising prices contributed negatively to the Market BU's margins, both for gas and electricity. In addition to this, there are indirect impacts and, essentially, related to the potential reduction in GDP and the rise in inflation.

Risks and uncertainties related to commodities and scenario developments

The A2A Group, as part of its industrial activity of generating energy carriers and marketing them on a wholesale basis, is managing the growing volatility of the price of gas both by monitoring the limits of exposure to commodity risk and by optimising its buying and selling strategies. The Group pursues a prudent hedging policy and at 30 September the hedge ratio for the remaining 3 months was 95% for fixed-price production (Renewables and WtE) and 68% for thermoelectric production (CCGT And Coal). It should also be noted that the Group, in its procurement activities, mainly operates on platforms.
Should the national supply situation become critical and an emergency be declared, the highest level of crisis expected, extraordinary measures would be triggered in line with national emergency procedures, ranging from the use of strategic storage to new temperature thresholds and the interruption of certain types of gas and energy supply.

A2A has, however, equipped itself with gas storage space, which it promptly filled in order to hold forms of flexibility to reduce the impact of any stress on gas imports into Italy and guarantee winter supplies to users.
A2A's gas portfolio is currently balanced: gas volumes used by thermoelectric power plants that have not already been purchased in advance by hedging the spark spread are purchased daily on the market. November-December is expected to require the purchase of approximately 470 Mm3 (with reference to both thermoelectric power plants and energy retail customers), with no assumption of a forced reduction in consumption.
Should there not be sufficient liquidity on the market to buy gas on a daily basis, recourse would have to be made to the balancing market operated by the GME and/or in some cases, failing to fully cover requirements, to the Unbalancing market.
The expected effects of this situation are mainly of a financial nature as they would lead to an increase in the guarantees to be provided to Snam and GME.
The stipulated contracts do not provide for a *force majeure* clause on the part of suppliers in the event of an interruption of Russian supplies, but the possibility that parties in difficulty, today considered reliable both financially and in terms of assets, might not make the planned deliveries is not excluded. In such an event, A2A would find itself buying more volumes every day on the balancing market, with the need to pay further attention to the financial resources required to meet the payments and the consequent request to increase the related guarantees.
The Group has been called upon to maximise electricity production from fuels other than natural gas until March 2023.

Impact on Net Working Capital

With reference to the solvency of certain counterparties, the increase in commodity prices determines - as noted in the first nine months of 2022 - an increase in credit exposures to customers (even assuming constant volumes): prudently and consistently with this increase, the provision for bad debts was adjusted by 65 million euro. Credit risk is managed through a Credit Policy with the objective of managing counterparty risk both in the acquisition phase through preliminary checks and requests for guarantees, and in management through the definition of payment terms and/or repayment plans with the application of interest.
As at 30 September 2022, for example, A2A Energia showed an increase in corporate credit of 169% compared to the same month of 2021 strongly influenced by the increase in issued credit (+177% compared to September 2021).
This increased exposure generates a higher risk due to both the possible default of more energy-intensive counterparties and payment delays. It should be noted, however, that it is mainly overdue credit (65%) that fuel credit. The increase in overdue credit (35%) is also attributable to the increase in instalment requests.
At 30 September 2022, 94% of the still open credit subject to instalment was related to contracts with active supplies.

Impacts on the Net Financial Position

The Net Financial Position felt the effects of the crisis in the energy markets: the increase in commodity prices combined with higher demand for instalment plans from customers led to a higher cash absorption. This growth was controlled by proactive management of net working capital. To date, no significant deterioration related to the increase in credit delinquency has been reported.
In particular, of the overall change in the Net Financial Position of 798 million euro, about 589 million euro is considered as temporary cash absorption as it was essentially due to: i) government measures for 106 million euro (instalment payments granted to customers of electricity and gas sales companies or district heating companies and zeroing of general system charges) and ii) the increase in the reference scenario for 483 million euro.

As regards possible tension on the financial markets, it should be noted that the Group's solid liquidity position, also supported by committed and uncommitted back-up lines (at 30 September 2022 equal to 2.3 billion euro), allowed for managing positions on the commodities market, temporary increases in working capital due to price increases and instalment plans granted to customers and requests for cash collateral by clearing houses by way of a guarantee of operations in commodity derivatives.

During the first nine months, characterised by a complex and volatile market environment, A2A successfully issued three bonds for a total of 1.75 billion euro, thus partially anticipating 2023 funding needs. In addition, medium-term bilateral credit lines were signed for 350 million euro, as well as a total of 460 million euro in revolving credit lines for back-up purposes, all confirming the Group's ability to access capital and banking markets.

Other Information

With reference to the generalised increase in inflation, the A2A Group is experiencing cost increases in the performance of operating activities (for example, the cost of asphalting in excavation activities rather than the generalised cost of transporting waste to destination plants, the cost of reagents in waste treatment processes) and difficulties in obtaining certain materials within the ordinary time frame. In order to cope with this situation, price list adjustments are being made where possible, stocks of materials that are more difficult to obtain are being increased and the supplier portfolio is being expanded. In addition to these measures, the A2A Group, also in relation to the increased difficulties in finding materials, revised the timing of planned investments.

Exposure to cyber attacks

In relation to the high level of alertness for cyber attacks, the Group activated a channel with the top management of National Security to exchange information, accelerating the programme to secure endpoints with advanced malware protection tools; an analysis of the main hacker attack techniques was also conducted and an IT Security assessment was carried out to determine the degree of vulnerability of A2A's services; this activity, which was completed in March, led to the preparation of a detailed technical report and the identification of specific actions to strengthen IT security levels, which were taken up by Information Technology and A2A Smartcity.

Impacts on strategy

Currently the Group, while maintaining the strategic targets of the first 2021-2030 Plan unchanged, is in the process of updating the Strategic Plan to take into account recent macroeconomic and energy scenario developments.

Business outlook

After the health emergency of 2020 and 2021, both the geopolitical tensions following the Russia-Ukraine conflict and the reduction of gas flows from Russia are affecting the macroeconomic environment, leading to significant effects on the energy scenario. The escalation and prolongation of hostilities have accentuated the volatility of commodity prices, especially energy prices, leading to strong inflationary pressures with repercussions on household and corporate spending. Finally, government actions aimed at containing prices for end consumers or offering financial support have impacted on companies operating in the electricity and gas sales sector.

Against this backdrop, the financial results of the first nine months and in particular of the third quarter highlighted the resilience and strength of the Group: growing EBITDA thanks to strong business diversification and solid financial structure.

These results make it possible to forecast a higher EBITDA compared to initial expectations, in the range between 1.45 and 1.5 billion euro, and a Net Ordinary Profit in the range of 340 - 380 million euro.

Alternative performance indicators

Certain alternative performance indicators (AIP) not envisaged by the International Financial Reporting Standards endorsed by the European Union (IFRS-EU) are presented in the press release to give a better view of the A2A Group’s performance. In accordance with the recommendations of the new ESMA Guidelines published in July 2020 and applicable from 5 May 2021, the meaning, content and calculation basis of these indicators are set out below:

- **EBITDA (Gross Operating Margin)**: an alternative indicator of operating *performance*, calculated as the sum of "Net operating income" plus "Depreciation, amortisation, provisions and impairment";
- **Ordinary EBITDA (Ordinary gross operating margin)**: an alternative indicator of operating performance, calculated as the gross operating margin described above net of items, both positive and negative, arising from transactions or operations that have characteristics of non-repeatability in future years (e.g. adjustments relating to past years; costs for extraordinary mobility plans, etc.);
- **“Ordinary” Net Result (Ordinary Net Profit)** is an alternative measure of performance, calculated by excluding from the Group's net result the items deriving from non- recurring transactions (net of related items) and the write-down of assets, goodwill and equity investments, as well as impairment reversals (net of the relative tax effects);
- **Net financial position** is an indicator of one's financial structure. This indicator is determined as the result of current and non-current financial payables, the non-current portion of trade payables and other non-interest-bearing payables that have a significant implicit financing component (payables due over 12 months); net of cash and cash equivalents and current and non-current financial assets (financial receivables and securities other than equity investments);
- **Capex:** alternative indicator of performance used by the A2A Group as a financial target within the scope of intra-Group presentations (business plans) and external documents (presentations to financial analysts and investors). It is a useful measure of the resources employed to maintain and develop the A2A Group’s investments;
- **M&A:** alternative indicator of performance used by the A2A Group to represent the overall impact at capital level of growth operations by external line.

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On the basis of the Issuer Regulations, amended by Consob, with Resolution no. 19770 of October 26, 2016 effective as of January 2, 2017, article 82-ter (additional periodic financial information), the Board of Directors, in order to ensure continuity and regular information for the financial community, has decided to continue to publish the quarterly financial information on a voluntary basis, adopting the following disclosure policy effective as of financial year 2017 and until otherwise resolved.

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The executive responsible for drawing up A2A S.p.A.’s corporate accounting documents, Luca Moroni, states – in accordance with article 154-bis, sub-section 2 of the Financial Act (Legislative Decree 58/1998) – that the accounting information contained in this document corresponds to the documentary evidence, books and accounting records.

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The A2A Group's financial statements at 30 September 2022 are attached.

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CONSOLIDATED BALANCE SHEET	09.30.2022	12.31.2021
(millions of euro)		
ASSETS		
NON-CURRENT ASSETS		
Tangible assets	5,951	5,588
Intangible assets	3,298	3,125
Shareholdings carried according to equity method	74	33
Other non-current financial assets	74	64
Deferred tax assets	425	424
Other non-current assets	87	25
TOTAL NON-CURRENT ASSETS	**9,909**	**9,259**
CURRENT ASSETS		
Inventories	664	204
Trade receivables	4,087	3,291
Other current assets	9,099	4,051
Current financial assets	14	9
Current tax assets	34	68
Cash and cash equivalents	2,664	964
TOTAL CURRENT ASSETS	**16,562**	**8,587**
NON-CURRENT ASSETS HELD FOR SALE	**195**	**162**
TOTAL ASSETS	**26,666**	**18,008**
EQUITY AND LIABILITIES		
EQUITY		
Share capital	1,629	1,629
Reserves	1,897	1,627
Result of the year	-	504
Result of the period	461	-
Equity pertaining to the Group	**3,987**	**3,760**
Minority interests	551	543
Total equity	**4,538**	**4,303**
LIABILITIES		
NON-CURRENT LIABILITIES		
Non-current financial liabilities	6,029	4,322
Employee benefits	236	294
Provisions for risks, charges and liabilities for landfills	716	797
Other non-current liabilities	193	129
Total non-current liabilities	**7,174**	**5,542**
CURRENT LIABILITIES		
Trade payables	4,208	2,894
Other current liabilities	9,001	4,487
Current financial liabilities	1,572	746
Tax liabilities	173	21
Total current liabilities	**14,954**	**8,148**
Total liabilities	**22,128**	**13,690**
LIABILITIES DIRECTLY ASSOCIATED WITH NON-CURRENT ASSETS HELD FOR SALE	**-**	**15**
TOTAL EQUITY AND LIABILITIES	**26,666**	**18,008**

CONSOLIDATED INCOME STATEMENT (millions of euro)	**01.01.2022 09.30.2022**	**01.01.2021 09.30.2021 Restated (*)**
Revenues		
Revenues from the sale of goods and services	16,743	6,274
Other operating income	126	171
Total Revenues	**16,869**	**6,445**
Operating expenses		
Expenses for raw materials and services	14,872	4,722
Other operating expenses	285	218
Total Operating expenses	**15,157**	**4,940**
Labour costs	**564**	**550**
Gross operating income - EBITDA	**1,148**	**955**
Depreciation, amortization, provisions and write-downs	**587**	**499**
Net operating income - EBIT	**561**	**456**
Result from non-recurring transactions	**157**	
Financial balance		
Financial income	22	13
Financial expenses	79	58
Affiliates	2	2
Result from disposal of other shareholdings	-	-
Total financial balance	**(55)**	**(43)**
Result before taxes	**663**	**413**
Income taxes	**208**	**(22)**
Result after taxes from operating activities	**455**	**435**
Net result from discontinued operations	36	(2)
Net result	**491**	**433**
Minorities	**(30)**	**(39)**
Group result of the period	**461**	**394**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (millions of euro)	**09.30.2022**	**09.30.2021**
Net result of the period (A)	**491**	**433**
Actuarial gains/(losses) on Employee's Benefits booked in the Net equity	40	5
Tax effect of other actuarial gains/(losses)	(13)	(1)
Total actuarial gains/(losses) net of the tax effect (B)	**27**	**4**
Effective part of gains/(losses) on cash flow hedge	33	210
Tax effect of other gains/(losses)	(10)	(62)
Total other gains/(losses) net of the tax effect of companies consolidated on a line-by-line basis (C)	**23**	**148**
Total comprehensive result (A)+(B)+(C)+(D)	**541**	**585**
Total comprehensive result attributable to:		
Shareholders of the parent company	**511**	**546**
Minority interests	**(30)**	**(39)**

With the exception of the actuarial effects on employee benefits recognized in equity, the other effects stated above will be reclassified to the Income Statement in subsequent years.

(*) The values as at 30 September 2021 have been restated to make them consistent with the values as at 30 September 2022 by reclassifying under the item "Net result from discontinued operations " revenues, operating costs and depreciation related to gas distribution assets and under the item "Result from non-recurring transactions" depreciation related to buildings subject to sale .

CONSOLIDATED CASH-FLOW STATEMENT (millions of euro)	09.30.2022	09.30.2021
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	**964**	**1,012**
Operating activities		
Net Result	491	433
Net income taxes	208	(22)
Net financial interests	57	45
Capital gains/expenses	(191)	-
Tangible assets depreciation	363	342
Intangible assets amortization	165	149
Fixed assets write-downs/disposals	2	2
Net provisions	57	14
Result from affiliates	(2)	(2)
Net financial interests paid	(45)	(59)
Net taxes paid	(79)	(76)
Dividends paid	(302)	(263)
Change in trade receivables	(804)	1
Change in trade payable	1,271	179
Change in inventories	(460)	(107)
Other changes in net working capital	(443)	75
Cash flow from operating activities	**288**	**711**
Investment activities		
Investments in tangible assets	(551)	(407)
Investments in intangible assets and goodwill	(251)	(233)
Investments in shareholdings and securities (*)	(497)	(140)
Cash and cash equivalents from first consolidations asset	94	27
Disposal of fixed assets and shareholdings	349	5
Purchase of Treasury shares	-	(109)
Dividends paid by equity investments and other investments	1	-
Cash flow from investment activities	**(855)**	**(857)**
FREE CASH FLOW	**(567)**	**(146)**
Financing activities		
Changes in financial assets		
Issuance of loans	**-**	(6)
Proceeds from loans	(3)	-
Other changes	(2)	2
Total changes in financial assets (*)	**(5)**	**(4)**
Changes in financial liabilities		
Borrowings/bonds issued	4,456	640
Repayment of borrowings/bond	(2,137)	(717)
Lease payments	(9)	-
Other changes	(38)	17
Total changes in financial liabilities (*)	**2,272**	**(60)**
Cash flow from financing activities	**2,267**	**(64)**
CHANGE IN CASH AND CASH EQUIVALENTS	**1,700**	**(210)**
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**2,664**	**802**

(*) Cleared of balances in return of shareholders' equity and other balance sheet items.

Statement of changes in Group equity
(millions of euro)

Description	Share capital	Treasury shares	Cash Flow Hedge	Other Reserves and retained earnings	Result of the period/year	Total Equity pertaining to the Group	Minority interests	Total Net shareholders equity
Net equity at December 31, 2020	**1,629**	**(54)**	**(6)**	**1,604**	**364**	**3,537**	**579**	**4,116**
Changes in the first nine months of 2021								
2020 result allocation				364	(364)			
Distribution of dividends				(248)		(248)	(15)	(263)
Purchase of treasury shares		(109)				(109)		(109)
IAS 19 reserves (*)				4		4		4
Cash flow hedge reserves (*)			148			148		148
Other changes				(1)		(1)		(1)
Group and minorities result of the period					394	394	39	433
Net equity at September 30, 2021	**1,629**	**(163)**	**142**	**1,723**	**394**	**3,725**	**603**	**4,328**
Changes from 1st October 2021 to 31st December 2021								
Distribution of dividends								
IAS 19 reserves (*)				(31)		(31)		(31)
Cash flow hedge reserves (*)			(114)			(114)		(114)
Other changes		163		(93)		70	(67)	3
Group and minorities result of the period					110	110	7	117
Net equity at December 31, 2021	**1,629**	**-**	**28**	**1,599**	**504**	**3,760**	**543**	**4,303**
Changes in the first nine months of 2022								
2021 result allocation				504	(504)			
Distribution of dividends				(283)		(283)	(19)	(302)
IAS 19 reserves (*)				27		27		27
Cash flow hedge reserves (*)			23			23		23
Other changes				(1)		(1)	(3)	(4)
Group and minorities result of the period					461	461	30	491
Net equity at September 30, 2022	**1,629**	**-**	**51**	**1,846**	**461**	**3,987**	**551**	**4,538**

(*) These form part of the statement of comprehensive income.