



2I RETE GAS: Net Profit for the period of €77 million and investments of €172 million

THE BOARD OF DIRECTORS OF 2i RETE GAS APPROVES THE RESULTS AT JUNE 30th 2022

Milan, September 29th 2022 – The Board of Directors of 2i Rete Gas S.p.A. (“2iRG”) approved the Consolidated Interim Financial Report at June 30th 2022.

Financial highlights

- **Revenues:** 358.0 million euro (-1.8%)
- **Adjusted EBITDA:** 237.9 million euro (-2.6%)
- **Adjusted EBIT:** 133.6 million euro (-7.5%)
- **Net profit:** 77.2 million euro (-20.0%)
- **Adjusted net profit:** 76.1 million euro (-8.1%)
- **Investments:** 172.0 million euro (-3.3%)
- **Net fixed assets:** 4,061.0 million euro (+ 5.2% compared to June 30th 2021)
- **Adjusted net financial position:** 2,878.7 million euro (+2.1% compared to June 30th 2021)

Operational highlights

- **Active concessions:** 2,193
- **Active redelivery points:** 4,448,143 (-0.5% compared to June 30th 2021)
- **Distributed (Natural and LPG) gas in millions of m³:** 3,558 (-5.8%)
- **Km of pipelines operated:** 69,871 (+0.4% compared to June 30th 2021)

In the first half of the current year, 2iRG reported 358.0 million euro of **Revenues**, net of line items offset with costs. This amount included 1.5 million euro in non-recurring items, related to the capital gain generated by the disposal of the assets of Cinisello Balsamo.

Adjusted revenues item is therefore 356.5 million euro (364.7 million euro as of June 2021). The decrease is mainly a consequence of lower revenues from gas distribution due to lower Weighted Average Cost of Capital (WACC) and lower recognised operating costs (about -15 million euro), offset by the increase of the Regulatory Asset Base (RAB) value thanks to the investments campaign and the full impact of the acquired assets of Infrastrutture Distribuzione Gas.

Adjusted operating costs in the first half of 2022 totalled 118.6 million euro, with a decrease of about 1.9 million euro compared to the previous period (-1.6%) and did not include special items. The costs decrease recorded is mainly due to lower losses from disposals despite the change in the scope of consolidation.

Adjusted EBITDA amounted to 237.9 million euro, 6.3 million euro (-2.6%) lower compared to the previous period.

Adjusted EBIT amounted to 133.6 million euro, 10.8 million euro lower than in June 2021 (-7.5%) also due to the increase of depreciation and amortisation.

The **Adjusted net profit for the period** is equal to 76.1 million euro, 6.7 million euro lower (-8.1%) than in June 2021.

In the first half of 2022, 2iRG put in place **gross investments** of 172.0 million euro (177.9 million euro as of June 2021). The reduction was largely attributable to the lower smart meters installed.

Net fixed assets in June 2022, mainly represented by intangible assets related to gas distribution concessions, are equal to 4,061.0 million euro, 199.3 million euro higher compared to June 2021 (+5.2%). The increase is mainly driven by the normal trend of company's investments.

The **adjusted net financial position** rose from 2,820.7 million euro in the first half of 2021 to 2,878.7 million euro as of 30 June 2022 (+2.1%). The slight worsening (+58.0 million euro), despite the positive operating performance, is mainly due to the increase in net fixed assets.

The Consolidated Interim Financial Report as of June 30th 2022 will be published on the company's website www.2iretegas.it.

The following table illustrates the main financial figures of the consolidated financial statements.

Millions of euro	30.06.2022	30.06.2021	Abs. Change	% change
Revenues (*)	358.0	364.7	-6.7	-1.8%
Adjusted revenues (*)	356.5	364.7	-8.2	-2.2%
Operating costs (*)	118.6	120.7	-2.1	-1.7%
Adjusted operating costs (*)	118.6	120.5	-1.9	-1.6%
EBITDA	239.4	244.0	-4.6	-1.9%
Adjusted EBITDA	237.9	244.2	-6.3	-2.6%
EBIT	135.1	144.1	-9.0	-6.2%
Adjusted EBIT	133.6	144.4	-10.8	-7.5%
Net profit for the period	77.2	96.5	-19.3	-20.0%
Adjusted net profit for the period	76.1	82.8	-6.7	-8.1%
Investments	172.0	177.9	-6.0	-3.3%
Net fixed assets	4,061.0	3,861.7	199.3	5.2%
Net financial position (**)	2,869.5	2,809.3	60.2	2.1%
Adjusted net financial position (***)	2,878.7	2,820.7	58.0	2.1%

(*) Exclusively for the purposes of the reclassified income statement, revenues from construction of the network distribution ex IFRIC 12 "Service Concession Arrangement", which are measured to the extent of the relevant costs incurred (162.5 and 164.5 million euro in the first half of 2022 and 2021, respectively), are accounted for as a deduction of the relevant costs.

(**) Including the debt registered following the application of the IFRS16 principles (equal to 26.0 and 21.4 million euro in the first half of 2022 and 2021, respectively).

(***) Excluding the non-current financial assets for the costs on loan and the adjustment to the payables for transaction costs associated with loans pursuant to IAS 39 (9.2 and 11.4 million euro in the first half of 2022 and 2021, respectively).

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