



Gas Plus - The Board of Directors

approves the half-yearly consolidated financial statements as of 30th June 2023

Ebitda at €41.9 million (€ 9.1 million in 1H22), thanks to the increase in natural gas production, and Net Profit reaching € 39.8 million (-€ 6.9 million in 1H22) due to the elimination of the extraordinary solidarity contribution in Romania (€ 21.6 million). Excluding this non-recurring income, Adjusted Net Profit is at € 18.2 million (-€ 1.8 million in 1H22), with the tax rate back to normal levels.

E&P Area: Natural gas production doubled thanks to 2022 gas-in in Romania's fields. In Italy, for the Longanesi project drilling and completion activities for development wells concluded and tenders launched for surface works.

Retail Area: the critical juncture is over and there is a return to profitability.

Net financial debt at € 49.5 million (€ 49.0 million in FY22) despite investments totaling € 15.4 million

• Total revenues:	€	90.8 M	vs	77.1 M of 1H22
• EBITDA:	€	41.9 M	vs	9.1 M of 1H22
• EBIT/EBIT adjusted ^(a) :	€	30.3 M	vs	0.8 M of 1H22
• Net result:	€	39.8 M	vs	-6.9 M of 1H22
• Net result adjusted ^(a) :	€	18.2 M	vs	-1.8 M of 1H22
• Net Financial Debt ^(b) :	€	49.5 M	vs	49.0 M as of 31.12.22

Milan, 7 September 2023 - The Board of Directors of Gas Plus S.p.A. – a company listed on the Italian Stock Exchange (Euronext Milan) -, chaired by the Chairman Stefano Cao, approved today the half-yearly consolidated financial statements as of 30th June 2023.

a) For the definition of adjusted results, please refer to the note on "alternative performance measures" on page 7.

b) This item incorporates the ESMA guidelines on the definition of "total financial indebtedness," published on March 4, 2021.



The Chief Executive Officer Davide Usberti stated:

"After a penalized net result for financial year 2022 due to a disproportionate extraordinary tax burden, which led the tax rate to reach 94%, the first half of 2023 showed the full extent of the increased profitability of the Group's E&P BU, benefitting from the new MGD Project productions in Romania, the first of the two most relevant projects of the Group which reached the production phase.

In the current year, thanks to the full year production of the Romanian fields, the Group is again reaching gas production levels similar to those in place when it first entered the upstream sector by acquiring the E&P activities of the historical Società Petrolifera Italiana (S.P.I.), moreover by reaching the production phase with its other most relevant project – Longanesi – the Group targets the doubling of its production volumes in a few years.

On this basis, when comparing with 2022, notwithstanding lower and less volatile gas price scenarios, we are aiming for the current year to achieve a gross operating profit in line with the previous financial year and decidedly more favorable net results, in the absence of extraordinary contributions on financial year 2023 and as a result of the elimination in Romania already for financial year 2022 of the extraordinary contribution on new gas productions, such as those of the Group."



HALF-YEARLY CONSOLIDATED FINANCIAL STATEMENTS AS OF 30TH JUNE 2023

Highlights

Italian E&P

- The growing profitability is a result of increased natural gas production and favorable trends in energy prices.
- Ebitda reached € 22.0 million compared to € 11.0 million in the same period of 2022;
- Longanesi Project: drilling of three new development wells completed, as well as workover of the pre-existing well, and tenders for surface facilities launched.

International E&P

- Significant profitability increase thanks to higher natural gas production in the Midia project fields in Romania, which are now fully operational: first half production amounts to about 55 million cubic meters compared to 3.7 million cubic meters in 1H22, which registered only 15 days of production.
- Ebitda amounted to € 15.0 million compared to € 2.1 million in 1H22.

Retail

- The critical juncture is over due to the losses (concentrated in the winter period of 1H22) on temporarily negative margin sales segments;
- Ebitda is positive again amounting to € 2.0 million compared to a negative value of € 6.1 million in 1H22.

Network

- Positive economic performance and growing results thanks to the continuous monitoring of operational costs and the reduction of energy costs.
- Ebitda registered a significant increase (€ 4.1 million compared to € 3.3 million in 1H22).



ECONOMIC, FINANCIAL AND BALANCE SHEET DATA FOR THE FIRST HALF OF 2023

Revenues in 1H23 grew significantly compared to 1H22 (+17.8%) and amounted to € 90.8 M compared to € 77.1 in 1H22 thanks to the increase in natural gas production and favorable level of energy price scenarios.

In this context, the sale of gas and oil from the Group's fields resulted in revenues of respectively € 51.4 M (€ 20.7 M in 1H22) and € 3.7 M (€ 5.4 M in 1H22), while sales to end customers resulted in revenues of € 22.1 M (€ 37.0 M in 1H22). The first revenues component reflected the increase in natural gas production, following 2022 gas-in at the fields in Romania. In addition, in 1H23, the same first component benefited from the positive effect of commodity hedging for € 2.1 M, while, in 1H22, it had discounted the negative effect of € 21.5 M from hedging carried out in the first part of the previous year and therefore before the strong growth in the prices of energy products.

Retail gas sales, on the other hand, were affected by the reduction in both sales prices and demand due to the particularly mild temperatures in winter and the initiatives to contain consumption.

Operating costs recorded a significant reduction (-28%), going from € 68.0 M in 1H22 to € 48.9 M in 1H23. Among its components there was naturally a sharp reduction in the purchase costs of the main raw material, gas, (-€ 18.5 M) due to the trend in energy prices and an increase in royalties (+€ 3.7 M) and the Windfall tax (+€ 1.1 M) due to higher gas production, particularly in Romania. The trend of the aforementioned components led to a significant increase in **EBITDA** which reached € 41.9 M compared to € 9.1 M in 1H22. The 1H22 result, although registered the return to good levels of margins in the E&P activities, was however affected by the temporary negative margins from the Retail area.

As regards the contribution of the specific sectors of activity, the B.U. E&P indeed achieved an EBITDA of € 37.0 M against € 13.1 M in 1H22, showing strong growth due to the favorable level of energy prices and higher gas production, particularly in Romania. B.U. Network recorded growing results more in line with those of the previous periods and achieved an EBITDA of € 4.1 M (€ 3.3 M in 1H22) due to the constant monitoring of operating costs and the reduction of energy costs.

B.U. Retail returned to a positive margin with an EBITDA of € 2.0 M compared to a negative EBITDA of € 6.1 M in 1H22.



Depreciation (equal to € 11.7 M against € 8.3 M in 1H22) increased due to the growth in hydrocarbon production. In the period under review, no impairment losses and reversal of impairment losses were made on the assets recorded in the balance sheet.

Even **EBIT** was growing, going from € 0.8 M in 1H22 to € 30.3 M in 1H23 and substantially following the EBITDA trend.

The **Operating Result** amounted to € 30.6 M against € 4.9 M in 1H22, which had benefited from the release to the income statement of the provision set up for the losses of the Retail area.

Net financial charges, reflecting the market rate scenario, increased significantly compared to the values of the corresponding period of the previous year (€ 5.5 M in 1H23 against € 3.4 M in 1H22).

Income taxes, despite the positive economic result of the half-year, instead recorded a positive balance (€ +14.7 M against € -8.5 M in 1H22).

The amount of taxes is affected by the non-obligation to pay the solidarity contribution, which was established, at the end of 2022, in Romania on gas extraction activities and recorded in the 2022 consolidated financial statements for the amount of € 21.6 M. The scope of application of this contribution was in fact subject of a recent amendment - made in May 2023 during the conversion of the original provision on the matter – which provided the exclusion from payment (both for 2022 and 2023) of subjects which started production in 2022 (such as Gas Plus Dacia of the Gas Plus Group). The debt previously recognized in the balance sheet for € 21.6 M was therefore reversed, recognizing a non-recurring income of the same amount under 1H23 income taxes.

In 1H22, income taxes had included for € 8.1 M the so-called “*contributo straordinario contro il caro bollette*”.

At the balance sheet level, **fixed capital** remains at the levels of the end of last year, standing at € 399.5 M compared to € 399.7 M in FY22, while **net working capital** remains negative but significantly decreasing, assuming a negative value of € 6.6 M compared to a negative value of € 41.6 M in FY22. The trend of this item is mainly determined by the reduction in tax payables, i.e. those for royalties and windfall tax on hydrocarbon production (€ 3.3 M against € 12.4 M in FY22) and for income taxes (€ 13.8 M against € 38.0 M in FY22) due to the payments made in the semester and the non-obligation to pay the extraordinary solidarity contribution in Romania (€ 21.6 M).

Investments in 1H23 were down compared to 1H22 (€ 15.4 M against € 19.8 M in the corresponding period of the previous financial year) and mainly concerned E&P activities in Italy.



At the end of the half-year, thanks to the positive cash flow from operating activities, **net financial debt** remained at the low levels of the end of 2022 (€ 49.5 M against 49.0 M in FY22). This value includes approximately € 3.5 M of the accounting effects of the application of the IFRS 16 accounting standard.

Net financial debt remains at an extremely low level, despite investments and repayments under existing credit lines. During the half-year, medium-long term loans, in Italy and abroad, were in fact repaid on the basis of the agreed repayment plans or in advance for € 15.1 M. In particular, the “RBL” loan in Romania was repaid in advance and the entire credit line was cancelled.

Shareholders’ equity amounts to € 222.5 M against € 186.5 M at 31 December 2022 and presents an increase of € 36.0 M compared to the figure at the end of last year. The increase is attributable to the positive result of the half-year.

The ratio between net financial debt and equity (0.22) is further reduced compared to the low levels at the end of the previous year (0.26).

OUTLOOK 2023

Given the current decline in natural gas and oil prices, Ebitda is expected to be approaching the 2022 amount, while net profit is should achieve significant growth.

The net result will benefit from the positive performance of all activities as well as from the non-obligation to pay the extraordinary solidarity contribution in Romania, which was already accounted for in the 2022 financial statements; with current regulations, this net result will not be subject to extraordinary contributions in either Italy or Romania.

In particular, the E&P activities will achieve an overall production growth thanks to the full year production of the Romanian fields. In Italy, instead hydrocarbon production will remain in line with 2022 volumes, counteracting the natural depletion of mature sites while a significant growth will be possible in the coming years with the Longanesi project production start. On the assumption that the current energy price scenarios continue for the remaining part of the year, Ebitda for the E&P Business Unit is expected to decrease compared to 2022.

The impact of price scenarios will have a minor effect on downstream activities. Network activities will see economic results grow compared to 2022, thanks to the containment of operational costs and reduced energy costs, while Retail activities will confirm a return to profitability.

Investments will primarily focus on the E&P area (particularly, the Longanesi Project in Italy), although the Group will remain committed to development projects also in regulated



and commercial downstream activities.

From a financial perspective, the Group's structure will remain solid and balanced. Due to investments and the payment of various tax obligations (including the extraordinary solidarity contribution in Italy, already accounted for in the 2022 financial statements), net financial debt is expected to increase compared to the end of 2022. The main operational activities will continue to generate positive cash flows.

Alternative performance measure (*Non-GAAP measure*)

Management assesses the Group's performance for the year also considering measures of results not envisaged by IFRS ("Alternative performance measures") such as adjusted EBIT and adjusted net profit, which exclude the charges and income deemed significant and extraordinary or unrelated to industrial management, such as, for example, impairment losses or reversal of impairment losses of assets.

In the first half of 2023 these elements are illustrated below:

- non-obligation to pay of the debt of € 21.6 M relating to the extraordinary solidarity contribution in Romania following the amendment of the reference legislation;
- while in the first half-year 2022 they consisted of:
- reversal of the provision of € 4.1 M (€ 2.9 M net of the deferred tax effect) set up in the financial statements 2021 against the expected losses of Retail activities and the related deferred taxes;
 - the extraordinary solidarity contribution foreseen in Italy for the amount of € 8.1 M.

The management believes that these alternative performance measures enable to facilitate the analysis of the trend of the Group's results, in the presence of non-recurring phenomena, and highlights that they are to be considered as complementary, not substitutes, to the financial information contained in the financial statements prepared in accordance with IFRS.

In application of CONSOB Resolution no. 15519 of July 27, 2006, the income components deriving from non-recurring transactions are highlighted, when significant, separately in the comments of the management and in the financial notes.

The manager responsible for the draft of the company's financial reports, Mr. Germano Rossi, declares, according to Article 154-bis, paragraph 2, of the Consolidated Law on Finance, that the accounting information contained in this press release corresponds to



the documentary results, books and accounting records.

The Half-Year Financial Report as of 30 June 2023, along with the limited report of the auditors, will be made available to the public at Gas Plus registered office, on Gas Plus website www.gasplus.it (Investor Relations section) and on the authorized storage mechanism "eMarket STORAGE" (www.emarketstorage.com) in compliance with applicable law.

On 8 September 2023, at 10.00 am (CEST), Gas Plus will host the conference call for analysts/investors about the 1H 2023 financial results.

Speakers:

Davide Usberti – *Chief Executive Officer*

Cinzia Triunfo – *General Manager*

Germano Rossi – *Chief Financial Officer*

To connect to the conference call:

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Gas Plus is the fourth Italian producer of natural gas (estimates by the Italian Regulatory Authority for Energy, Networks and Environment, "ARERA" formerly "AEEGSI") after Eni, Energean Italy and Shell Italia E&P. It is active in the main sectors of the natural gas supply chain, in particular in the exploration, production, purchase, distribution and sale to retail customers. As of December 31, 2022, the Group has 42 exploitation concessions located throughout the Italian territory, manages a total of approximately 1,800 kilometres of regional distribution and transportation network located in 40 municipalities, serves a total of approximately 57,000 end customers, with a staff of 145 employees.

For further information: www.gasplus.it

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Attachments:

Summaries of half-year consolidated balance sheet, consolidated income statements and consolidated cash-flow statements, extracted from the half-year financial report as of June 30, 2023 (still unaudited).



GAS PLUS S.P.A.: CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET

Amounts in thousands of Euro	06/30/2023	12/31/2022
ASSETS		
Non-current assets		
Property, plant and equipment	126,031	121,250
Right of use	8,837	11,381
Goodwill	884	884
Concessions and other intangible assets	257,895	259,784
Other financial assets	8,262	8,820
Fair value	212	878
Deferred tax assets	37,689	39,068
Total non-current assets	439,810	442,065
Current assets		
Inventory	4,388	3,430
Trade receivables	18,129	50,709
Income tax receivables	11	52
Other receivables	34,255	25,742
Fair value	772	5,956
Cash and cash equivalents	32,012	30,198
Total current assets	89,567	116,087
TOTAL ASSETS	529,377	558,152
SHAREHOLDERS' EQUITY		
Share capital	23,353	23,353
Reserves	95,798	97,472
Retained earnings	72,959	71,784
Treasury shares	(9,600)	(9,600)
Net result for the period	39,826	3,354
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF PARENT	222,336	186,363
Minority interests	148	153
TOTAL SHAREHOLDERS' EQUITY	222,484	186,516
LIABILITIES		
Non-current liabilities		
Financial debts	40,824	51,131
Lease financial debts	2,534	2,874
Termination indemnity	4,639	4,546
Deferred tax liabilities	11,595	13,866
Other liabilities	2,373	2,427
Provisions	142,386	143,177
Total non-current liabilities	204,351	218,021
Current liabilities		
Trade payables	26,910	51,843
Financial debts	38,122	25,469
Fair value	371	2,246
Lease financial debts	1,002	980
Other liabilities	22,308	35,036
Income tax payables	13,829	38,041
Total current liabilities	102,542	153,615
TOTAL LIABILITIES	306,893	371,636
TOTALE SHAREHOLDERS' EQUITY AND LIABILITIES	529,377	558,152



CONSOLIDATED PROFIT & LOSS STATEMENT

	1H 2023	1H 2022
Amounts in thousands of Euro		
Sale revenues	88,427	75,762
Other revenues	2,386	1,309
Total Revenues	90,813	77,071
Raw materials and consumable costs	(24,937)	(41,768)
Services and other costs	(20,024)	(21,882)
Personnel costs	(3,904)	(4,340)
GROSS OPERATING PROFIT (EBITDA)	41,948	9,081
Depreciation	(11,673)	(8,274)
EBIT	30,275	807
Other income	331	4,109
OPERATING RESULT	30,606	4,916
Financial income	42	14
Financial expense	(5,573)	(3,399)
PRE-TAX RESULT	25,075	1,531
Income tax	14,750	(8,471)
NET RESULT FOR THE PERIOD	39,825	(6,940)
Group	39,826	(6,938)
Minority interests	(1)	(2)



CONSOLIDATED CASH FLOW STATEMENT

	1H 2023	1H 2022
Cash flow from operating activities		
Net result for the period	39,825	(6,940)
Depreciation, amortization of property, plant and equipment	5,144	2,519
Depreciation, amortization of right of use	831	1,002
Depreciation, amortization of concessions and other intangible assets	5,698	4,753
(Use) of other non-monetary provisions	(155)	(4,153)
Other (income) non-monetary	(331)	-
Discounted fund for asset retirement	2,783	1,370
Other total financial (income) expense	2,748	2,015
Capital losses	-	62
Income taxes	(14,750)	8,471
Increases/decreases in operating assets and liabilities		
Changes in inventories	(916)	(913)
Changes in trade receivables from third parties and associated companies	34,664	6,572
Changes in trade payables to third parties and associated companies	(24,985)	(6,550)
Asset retirement expenses	(53)	(24)
Changes in employees' termination indemnity	(24)	(116)
Dividends received	331	-
Net financial charges paid in the period	(2,358)	(1,430)
Net income tax paid	(5,013)	(3,033)
Changes in other operating assets and liabilities	(27,777)	1,587
Net cash flows generated from operating activities	15,662	5,192
Cash flows from investing activities		
Investments in tangible assets	(12,882)	(18,232)
Investment in intangible assets	(2,515)	(1,556)
Cash flows used from investing activities	(15,397)	(19,788)
Cash flows from financing activities		
New bank loans	17,400	2,400
Repayment of financial debt	(15,141)	(6,482)
Repayment lease financial debt	(499)	(469)
Dividends paid	(5)	-
Changes in bank payables for securitization	(60)	4,199
Other changes in financial liabilities	(104)	785
Net cash flows generated in financing activities	1,591	433
Effect on cash of exchange rate from translation of foreign companies' financial statements	(42)	(8)
Increase (decrease) of the cash and cash equivalents	1,814	(14,171)
Cash and cash equivalents at the beginning of the period	30,198	21,107
Cash and cash equivalents at the end of the period	32,012	6,936