



2022 Financial Statements

Our energy for your needs

Financial Statements
at 31 | 12 | 2022

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Explanation added for translation to English

This document is a courtesy translation into English from the original version of 2022 Centrex Italia S.p.A. Financial Statements in Italian. Centrex Italia Management decline any responsibility for any misuse of this document.

Centrex Italia Financial Statements have been prepared in accordance with the accounting principles established by the Italian law, which may not conform with generally accepted accounting principles in other countries.



Report on Operations for the Financial Statements at 31/12/2022

1 SUMMARY DATA



2 REPORT ON OPERATIONS FOR THE FINANCIAL STATEMENTS AT 31 DECEMBER 2022

2.1 Introduction

Dear Shareholders,

To accompany the annual financial statements for the period ended 31/12/2022, we are providing this Report on Operations, prepared under the terms of Art. 2428 of the Italian Civil Code, with the aim of giving true, balanced and exhaustive information on the company's situation, business performance and results, and on the activities carried out by the Company in the year. Information is also provided on the risks to which the Company is exposed and on significant events occurring after the reporting date, which are of fundamental importance given the current uncertainties affecting the Company as of the date these Financial Statements are approved. In particular, please see section 2.13 "Significant events after the reporting date and outlook".

On 22 June 2021, the acquisition by Gazprom export LLC (hereafter, also "GPE") was completed, involving 100% of the shares of Centrex Europe Energy & Gas AG (hereafter, also "Sole Shareholder" or "CEEG"), in turn the sole shareholder of Centrex Italia SpA (hereafter, "Centrex" or the "Company").

Hence, the current investment chain is as follows:



On 18 February 2022, a Shareholders' Meeting was held, during which Director Dmitry Averkin resigned from his position as Chairman of the Board of Directors and the sole shareholder Centrex Energy & Gas AG appointed Elena Burmistrova as a new Director, also appointing her as the Chairman of the Board of Directors.

In July 2022, with subsequent communications, other members of the Board of Directors resigned. Specifically, the Company received letters of resignation from Director Evgenii Korolev, Chairman of the Board of Directors Elena Burmistrova, Director and Executive Committee Member Rostislav Kazancev and Director Dmitry Averkin.

Following the resignations by a majority of Board of Directors members, the entire Board of Directors lapsed and the Shareholders' Meeting, held on 29 July 2022, appointed new members of the Board, while also reducing the number of members from five to four, in compliance with the By-Laws. Hence, the following were appointed as Directors: Igor Telenchak, who was also given the position of Chairman of the Board of Directors, Alexey Kapitskiy, Pavel Terliuk and Michele Libutti, with their terms ending on the date of the Shareholders' Meeting held to approve the financial statements at 31 December 2023.

At the meeting of the Board of Directors held immediately after the Shareholders' Meeting which appointed it, Director Michele Libutti was appointed Managing Director of the Company and was given appropriate management and representation powers.

2.2 The company's Business

Founded in 2007, the Company creates and uses energy and gas production plants, strategically structures energy and gas supply contracts, and also creates distribution structures, sells and distributes oil and natural gas products, and buys and sells energy and natural gas.

Under the terms of Art. 2428, the activity is carried out at the registered offices at 4 Via Lorenzini, Milan, Italy, and there are no secondary offices.

2.3 Analysis of the company's economic, equity and financial situation

Financial year 2022 ended with a loss of € -199,202 (compared to a profit of € 1,967,792 the previous year). The decrease in profit during the year is substantially due to the solidarity contribution fund (pursuant to article 37 of Italian Decree Law 211/2022), which impacted the income statement for a total of € 3.9 million.

The year also saw negative impacts from high and volatile commodities prices. To limit the risk of not being able to handle the financial exposure caused by high price levels, the Company decided to reduce the amounts of natural gas traded, which saw a significant decrease with respect to 2021. In fact, not having suffered repercussions on the credit management side, the Company did not have any significant delays in collections or any significant unpaid amounts. On the other hand, relative to available financial lines, despite maintaining excellent relations with bank counterparts, the Company faced growing difficulties in accessing available credit lines due to the crisis caused by the conflict in Ukraine, with consequent sanctions for companies associated with the Russian Federation. The need for credit lines to finance working capital was therefore mainly handled with the financial resources of the Group. The Company's operating management used an extremely cautious approach throughout the year, with a consequent reduction in assets, exposures and risks.

The main equity and financial figures, together with a summary presentation of the economic performance of the company's business during the year, are shown in the tables below.

The company's reclassified balance sheet, compared with the one from the previous year, is shown below:

<i>Amounts in euro</i>	31/12/22	31/12/21
Net intangible fixed assets	468.204	640.438
Net tangible fixed assets	63.554	98.897
Equity investments and other holdings	2.017.566	2.017.566
Fixed assets	2.549.324	2.756.901
Inventories	1.412.954	16.180.079
Receivables from customers	65.669.831	353.909.166
Other non-financial receivables, including intragroup	23.462.760	101.607.207
Accrued income and prepaid expenses	101.882	216.466
Short-term current assets	90.647.427	471.912.918
Trade payables and advances	54.995.210	240.788.112
Tax and social security liabilities	873.956	818.723
Other non-financial payables, including intragroup	3.087.370	117.012.217
Accruals and deferrals	8.030	33.407
Short-term current liabilities	58.964.566	358.652.459
Net working capital	31.682.861	113.260.459
Employee severance indemnity	447.108	418.559
Other medium/long-term liabilities	1.458.881	1.981.235
Medium/long-term liabilities	1.905.989	2.399.794
Invested capital	32.326.196	113.617.566
Shareholder's equity	-20.808.891	-23.241.981
Net short-term financial position	-11.517.305	-90.375.585
Equity and net financial debt	-32.326.196	-113.617.566

The table clearly shows the impact of high gas prices seen in 2022. On the other hand, the reduction in volumes traded can be seen in the decrease in trade receivables and payables at 31.12.2022 with respect to 31.12.2021.

The table below shows changes in the net financial position:

<i>Amounts in euro</i>	31/12/22	31/12/21
Bank deposits	93.777.024	45.375.558
Cash on hand and other cash equivalents	814	161
Cash, cash equivalents and own shares	93.777.838	45.375.719
Derivatives	51.217	4.961.516
Financial assets not classified as fixed assets	51.217	4.961.516
Payables for shareholder loans (within 12 months)	105.309.908	80.060.258
Payables to banks (within 12 months)	29.632	58.725.688
Derivatives	6.820	1.926.874
Short-term financial payables	105.346.360	140.712.820
Net short-term financial position	-11.517.305	-90.375.585
Net financial position	-11.517.305	-90.375.585

During 2022, difficulties in accessing credit lines granted by banks were covered through intragroup financing for a total of € 105 million. This led to an increase in short-term financial payables with respect to Shareholders.

The income statement reclassified for added value (or operational pertinence) is presented below.

<i>Amounts in euro</i>	2022	2021
Sales and service revenues	2.038.333.672	1.739.122.133
- Purchases of raw materials, consumables and goods for resale	1.976.323.328	1.690.639.392
- Changes in inventories of raw materials, consumables and goods for resale	14.767.126	2.598.788
- Costs for services and third parties assets use	37.197.360	38.723.920
Added value	10.045.858	7.160.033
+ Other revenue and income	139.829	109.235
- Personnel costs	3.523.998	3.653.885
- Other operating expenses	2.803.222	385.830
Gross Operating Profit (GOP)	3.858.467	3.229.553
- Amortisation, depreciation and write-downs	-43.907	439.042
Operating Result	3.902.374	2.790.511
+ Financial income	55.666	26.060
- Financial expense and exchange gains/losses	1.043.860	200.376
- Value adjustments of financial assets	41.069	67.571
Profit before tax	2.873.111	2.548.624
- Income tax	-3.072.313	-580.832
Net income	-199.202	1.967.792

Added Value showed an improvement, going from € 7.2 million in 2021 to € 10.0 million. The result obtained was very good, despite the difficulties the Company faced due to the previously cited record gas prices that led to a significant reduction in business.

The large increase seen in the amount of revenues (and the cost of sales), despite the considerable decline in volumes traded, is mainly due to the average price of gas in 2022, significantly higher with respect to the average price in 2021.

Gross Operating Profit came out at € 3.9 million (compared to € 3.2 million in 2021). Note that gross operating profit suffered from the effect of the solidarity contribution paid for year 2022, equal to around € 2.3 million.

The Operating Profit came out at € 3.9 million (compared to € 2.8 million in 2021). During the year, the Company updated its calculations for the provision for impairment of receivables, with a release of € 256 thousand, bringing the provision to a total of € 411 thousand. The reasons for this change are: the reduction in total receivables at the end of the year, with a reduction in insolvency risk and the fact that, thanks to careful selection of customers, taking into accounting their credit rating assessment, the Company passed this extremely complicated phase without any particular problems, which involved all operators in the relative supply chain, due to high costs of natural gas and electricity and consequent impacts on counterparty risk.

Therefore, the year ended with a loss of around € 200 thousand, compared to around € 2.0 million net profit in 2021. Note that the result for 2022 suffered from the effect of the contribution to the solidarity fund for a total of € 3.9 million. With respect to the contribution to the solidarity fund due for 2023, note that no official positions have been taken by the Italian Accounting Body (OIC) with reference to accounting treatment, more specifically whether the year of accrual should be 2022 or 2023, and where the amount should be allocated in the balance sheet (item B14 Other taxes or item 20 Income taxes). The most likely scenario at present, which was adopted when preparing the financial statements in line with the option selected by most auditing firms (as reported by Assonime in its Circular 8/2023 of 30 March 2023), was to accrue the amount in 2022, with recognition under item 20 Income taxes. The Company also saw a significant increase in financial expense of around € 1.0 million, due to the increase seen in the Euribor index during the year.

A number of financial result indicators are analysed below. These were chosen among those considered most significant in relation to the Company's situation. They are divided into economic and financial indicators.

The key **economic indicators** identified to assess the Company are ROE, ROI and ROS, which are standard indicators and, in the table below, show the excellent result for the year:

Economic indicators	2022	2021
ROE (Return on Equity) Profit(loss) for the year/Shareholders' equity	-0.96%	8.47%
Gross ROE Profit(loss) for the year before tax/Shareholders' equity	13.81%	10.97%
ROI (Return on Investment) Operating profit (loss)/Average capital invested in two prev. finan-	9.33%	6.67%
ROS (Return on Sales) Diff. between value and cost of production/Revenues from sales	0.19%	0.16%

ROE shows a reduction with respect to the previous year which, as stated previously, is mainly due to the impact of extra-profit contributions on the result for the year.

The ROS shows the difference between costs of production and sales revenue as a very low percentage which is typical of the sector, present in particular in businesses such as Centrex Italia which have a high proportion of trading out of total turnover.

The **financial indicators** identified are the following:

Financial indicators	2022	2021
Primary liquidity (Current assets - inventories) / current liabilities	111,4%	101,3%
Secondary liquidity Current assets / current liabilities	112,3%	104,6%
Debt Ratio Third party funding / Shareholders' equity	7,99	21,59
Fixed asset/equity margin (Euro/000) Shareholders' equity - Fixed assets	18.259,567	20.485,080
Primary shareholders' equity/fixed assets index Shareholders' equity / Fixed assets	816,25%	843,05%
Fixed asset/liabilities and equity margin (Euro/000) Shareholders' equity + Consolidated liabilities - Fixed assets	20.172,376	24.811,748
Secondary shareholders' equity/fixed assets index (Shareholders' equity + Consolidated liabilities) / Fixed assets	891,28%	999,99%
Productivity indicators	2022	2021
Cost of Labour/Revenues <i>Personnel costs/Revenues from sales</i>	0,17%	0,21%

The liquidity ratios remained substantially unchanged compared to the previous financial year. The primary liquidity index shows the ratio of current assets net of inventories (short-term current assets and cash and cash equivalents and securities in current assets) to current liabilities (Short-term current liabilities and short-term financial payables). The secondary liquidity index shows the ratio of current assets (including therefore also inventories) to current liabilities.

The debt ratio is the ratio between third party funding and shareholders' equity: the decrease is due to the dual effect of lower Company debt with reference to third-party financing entities and the decrease in shareholders' equity following the loss for the year and reduction in the reserve for hedging of expected cash flows.

The fixed asset/equity margin shows the company's ability to cover investments in fixed assets with own funds. It is calculated as the difference between own capital (shareholders' equity) and fixed assets (fixed capital).

The fixed assets/liabilities and equity margin indicates how much of lasting investments is financed with long-term financing sources. It is calculated as the sum of own capital and long-term debt capital (Medium/long-term liabilities) net of fixed assets.

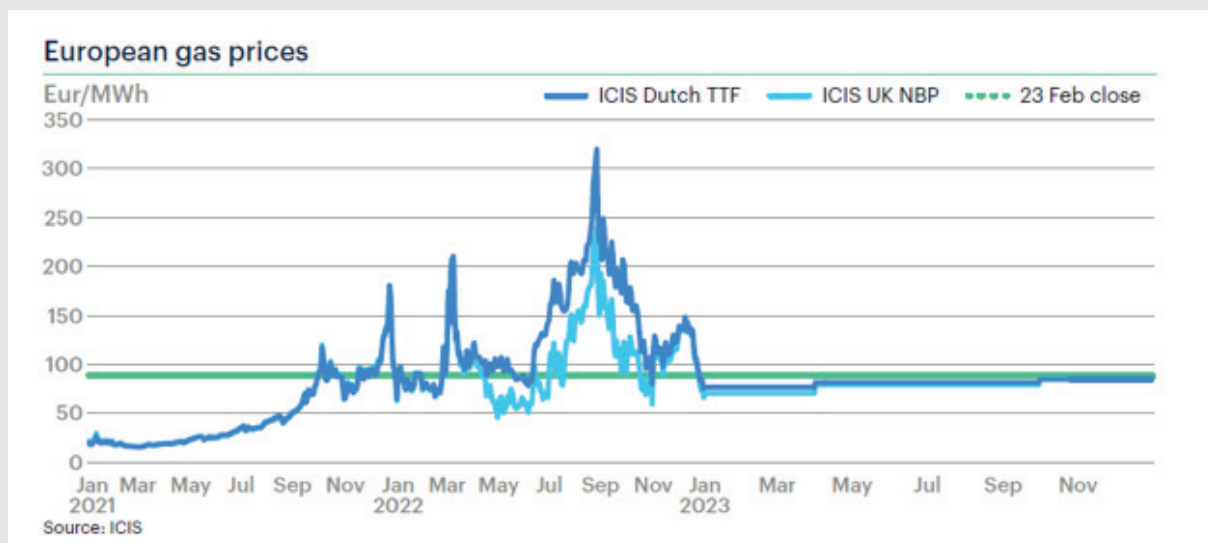
The indices and the reclassified balance sheet show a slight decrease, which in any case does not indicate a substantial change in the company's capital solidity, that is its ability to maintain financial balance over the medium/long-term.

2.4 Analysis of the company's operations and performance - Macroeconomic framework

Due to the difficult international geopolitical situation, 2022 was probably the year with the highest level of oil price volatility in history. Starting with a market already suffering from tensions due to the dramatic recovery in consumption following the end of the Covid-19 pandemic, the conflict in Ukraine created additional imbalance between supply and demand for oil products and, in particular, for natural gas in Europe.

In fact, with reference to the oil market, the first half saw an average price of \$108/bbl, with a peak of \$140/bbl, close to the absolute high registered in 2008. These first six months were then followed by a quarter with a decline of over \$40/bbl with respect to the value at the end of the first half (\$125/bbl), ending the year in December at below \$80/bbl. Hence, 2022 ended with an annual average of around \$101/bbl, with a significant increase over 2021 which ended at \$70/bbl (+40%).

Natural gases saw even higher price instability due to significant European dependence on Russian supplies coming via pipeline. If in 2021 the factor causing high energy prices was the return to industrial operations after the Covid-19 pandemic, with a large increase in demand worsened by lower global supply, in 2022 it was the start of the conflict in Ukraine that triggered growing instability on the energy market. Sanctions applied to Russia by Europe and the United States increased fears of a natural gas shortage for the winter of 2022, causing an increase in natural gas prices that reached a peak of around \$340/MWh in August, unprecedented in the history of the natural gas market.



Similar conditions were seen on wholesale electricity markets with the Single National Price (SNP) reaching a peak of around €600/MWh, also in August.

As can be seen in the graph, during the final part of 2022 and the beginning of 2023, a significant drop in prices occurred. The mild winter, significant increase in US exports of LNG and increased EU regasification capacity allowed for reduced consumption as well as increased diversification in supply sources.

From a financial point of view, the explosion in energy costs was reflected in the inflation rate: after years of very low values, a sharp increase was seen that brought the average annual rate for 2022 to 8.38%, with a peak of over 10%. To combat this phenomenon, the ECB was forced to increase the interest rate, with inevitable repercussions on the financial expense incurred by companies.

Beyond this difficult and complex scenario for businesses operating on the energy market, Centrex Italia also faced additional difficulties due to its membership in a Russian Federation Group. In fact, even without the restrictive sanctions applied by the European Union for natural gas trading, the Company had to face various restrictions on its normal business: availability of credit lines provided by banks decreased significantly with respect to the past, access to markets suffered from limitations due to reductions in the number of active counterparties on the main European hubs, and limitations and restrictions were placed on access to IT services.

To limit risks due to volatility in natural gas prices, difficulties in access credit through national and international banks and the reduced ability to operate on the markets, the Company decided to significantly reduce its business and consequent financial exposure. The sales campaign carried out for Reseller customers for gas year 2022 (October 22 - September 23) was guaranteed only for Group companies, while trading saw a significant reduction, focussing on managing assets in the portfolio. The decision to minimise risks by concentrating sales activities within the Group inevitably led to a large decrease in volumes traded, which fell to 2.6 billion cubic metres from 5.6 billion cubic metres the previous year. Electricity sales to Reseller customers were temporarily suspended, which in 2021 had

seen strong growth.

Forecasts for 2023 continue to be heavily influenced by the continued conflict in Ukraine and the further deterioration of relations between Russia and the European Union. After the malfunctions in September 2022 that made the North Stream 1 and North Stream 2 pipelines unusable, infrastructure available to accept Russian gas has declined dramatically, which a consequent decrease in import volumes. Although the European Union has seen a large increase in its regasification capacity through the purchase or leasing of Floating Storage Regasification Units (FSRU), there is still a supply gap which could lead to a new increase in prices with reference to the winter, above all in the case of a definitive halt in Russian supplies. Hence, a climate of economic and financial instability continues.

2.5 Investment policy

The investments made during the year are summarised below:

<i>Amounts in euro</i>	Investments 2022
Intangible fixed assets	
- concessions, licenses, trademarks and similar rights	0
- investments in progress, advances	0
Total intangible	0
Tangible fixed assets	
- other assets	4.411
Total tangible	4.411
Total investments	4.411

Investments during the year were substantially in line with the previous year (€ 87 thousand), given that already during previous years (2020) most of the projects necessary to launch the Power business had already begun operating after completing feasibility tests.

2.6 Information on the environment

During the year no damage was caused to the environment for which the company was found guilty. Our company was not given fines or definitive sentences for environmental crimes or damage during the year.

The company currently has no civil or criminal disputes with third parties for damage caused to the environment or environmental crimes.

2.7 Information related to personnel

During 2022, the Company saw a decrease in the number of employees. The causes are essentially the geopolitical situation and the impacts it has had, in particular, on Centrex. Active employees totalled 24 at the end of 2022. The Company continued to allow remote work for 3 days a week throughout 2022 with the possibility of requesting total smartworking, if compatible with the duties, for fragile workers and working parents with children under the age of 14. All workers were issued with IT instruments and IT connections in VPN to be able to work opportunely at home.

The company operates in all its environments in compliance with the provisions of Italian Legislative Decree 81/08 on the safety of workers.

The activity carried out in this field involves:

- training employees;
- carrying out regular medical check-ups;
- organising and training the action teams provided for in the law;
- continual corporate monitoring by the PPSM;
- preparing and distributing the documents of Italian Legislative Decree 81/08.

In particular, during the year the following initiatives were taken:

- updating of the corporate risk reporting form;
- updating and preparation of procedures on the subject of health and safety in the workplace;
- training course for new recruits
- five years refresher course for workers already present in the company.

None of the following occurred or were recorded during the year:

- workplace mortalities of personnel listed in the Company's employee register;
- serious workplace accidents that involved serious or very serious injuries to personnel listed in the Company's employee register.

No charges were recorded during the year, regarding occupational illnesses, against employees or former employees and cases of mobbing, for which the Company was held to be definitively liable.

The company is particularly attentive to enhancing human resources, improving aspects of internal communication and continually making the organisation more efficient.

No injuries to employees occurred during the year.

The Company has no disputes with employees or former employees of any kind.

2.8 Description of the main risks and uncertainties to which the Company is exposed

The company has developed a Risk Management model aimed at keeping in adequate consideration current and prospective risks, also in the medium and long term, in the context of a cohesive and overall view. The purpose is to strengthen the awareness, at all corporate levels, that adequate risk assessment and management has an effect on the achievement of the objectives and on the value of the company.

The Company operates in the natural gas and electricity supply sector and, consequently, the main categories of risk are linked to:

- the trend in the price of commodities and the demand for natural gas influenced by consumer consumption and temperatures (market risk);
- non-fulfilment of contractual obligations (credit/counterparty risk);
- inability to manage unforeseen negative cash balances (liquidity risk);
- inability to manage errors (operational risk).

In order to prevent problems connected with inadequate management of risks, the company makes an effort to incorporate risk management adequately into business processes; it constantly monitors, very frequently, both its own global portfolio position and its cash flows over a long time horizon of at least twelve months.

Market risk

The company is exposed to the risk of price oscillation. During 2022, through to the date of this Report, significant volatility was seen in prices. Price volatility associated with climate risk (as defined below) and gas consumption not in line with forecasts, may expose the Company to unexpected results.

The company has no exposure in foreign currencies.

The activities for managing and controlling this risk are governed by the Risk Policy, which provides for the adoption of specific risk limits in terms of economic capital and the use of hedging transactions in order to contain the exposure within the established limits.

During 2022, following a specific request from the shareholder, the Company ceased proprietary trading.

The Risk Management Office has the objective of preventing or limiting the consequence of unforeseen results and of enabling the achievement of the strategic and operating targets.

In relation to climate risk, the Company avails itself of temperature forecasting systems in order to improve its consumption estimates.

Credit risk

The company maintains the level of attention to credit risk, through procedures and actions aimed at controlling and assessing the credit standing of its customers. To this end it bases its procedures on external analyses provided by leading companies in the credit rating sector and on continual monitoring of the positions of each counterparty, both in the stages of beginning a new commercial relationship and during supply. On the basis of the creditworthiness assigned to each counterparty, the corporate policies on credit risk management provide for the company requiring collateral guarantees from any customers that do not have an official credit rating, in the form of first-demand bank guarantees, stand-by letters of credit, patronage letters from the holding company.

Again in 2022, in support of its risk adverse approach, the Company continued to make use also of a credit insurance contract, signed with a market leader, to protect itself against difficulties that could arise with its trade customers. On 31 December 2022, the aforementioned contract came to an end, following the cancellation of the insurance company.

As regards credit risk, the Management analyses the Customer items and, considering any doubtful receivables, the concentrations of Customers, the creditworthiness of Customers and the current economic trend, makes an assessment of provisions for doubtful receivables..

Liquidity risk

Liquidity risk is related to the possibility that the financial resources available to the company will not be sufficient to cope with the financial and commercial obligations in the terms and deadlines set.

Management of the corporate treasury, as regards forecasts and final figures, pursues the purpose of managing immediate and short-term cash flows, in order to control and optimise the use of cash and cash equivalents.

The Company has good credit capacity thanks to an intercompany credit line, which in part offset the reduction seen in access to the credit lines granted by credit institutions with which the Company has worked since it began operations.

As a consequence of the type of business it conducts, the Company has unfavourable collection times and has attempted, during the course of the year, to reduce this gap and improve current assets.

The Company, therefore, continues to implement a careful commercial policy and prudent treasury management, including for the medium-long term, for the purposes of containing exposure and absorption of capital. However, given the core business and the life cycle of natural gas trading, the financial exposure should still be considered as short term.

The level of gas prices of 2022, with peaks exceeding € 300/MWh, created greater exposure to liquidity risk, given the need described above to finance Net working capital. The Company has implemented the measures needed to maximise its credit lines, also with financial support from the Group.

Operational risk

To limit the possibility of error and make business efficient and effective, the Company has established processes to coordinate the main activities carried out.

Policies related to the various hedging activities

In order to reduce to a minimum any possible exposure deriving from fluctuation in commodity prices, the Company takes a cautious approach to hedging its portfolio. Transactions are carried out for the exclusive purpose of hedging with a neutral impact on the income statement result since the effects of hedging are the opposite of the results of the underlying physical contract.

2.9 Research & Development

Pursuant to Art. 2428, paragraph 2, point 1 of the Italian Civil Code, in the financial year in question, the Company did not perform research and development activities.

2.10 Regulatory framework

We can note the following update of the regulatory framework that became relevant during the financial year in question:

Resolution 225/2022/R/Gas of 24/5/2022: Efficacy of the process to assign capacity at transport network output and redelivery points

With this resolution, the Authority postponed by one year the start of provisions to reform the assignment of capacity at transport network output and redelivery points, including the relative informational flows, approved with resolution 147/2019/R/gas, provisions which were to have taken effect on 1 October 2022, and hence are now postponed to 1 October 2023. Recall that this is the third postponement, given that resolution 147/2019 called for the reform to start in 2020, and it had already been postponed first to 2021 and then 2022.

2.11 Relations with subsidiaries, associates, parent companies and sister companies

Following the acquisition of its sole shareholder Centrex Europe Energy & Gas AG by Gazprom export, the Company became subject to management and coordination by PAO Gazprom.

Below is summary information from the Sole Shareholder's last two approved financial statements:

Centrex Europe Energy & Gas AG

Amounts in Euro/000	2021	2020
Total balance sheet assets	177.393	159.344
Shareholders' equity	151.867	146.022
Total balance sheet liabilities	25.527	13.322
Revenue	94.134	37.515
Operating Result	2.635	-2.590
Profit for the year	5.844	3.144

During the year, the company had commercial and financial relationships with Group companies. These transactions, which do not include atypical and/or unusual ones, are regulated by normal market conditions, i.e. conditions which would be applied between independent parties.

2.12 Treasury shares and parent company shares/quotas

Complying with the provisions of points 3 and 4, paragraph 2, Art. 2428 of the Italian Civil Code, during the financial year, the Company did not hold treasury shares or shares of the parent company.

2.13 Significant events after the reporting date and outlook

The fact that Centrex Italia is a member of the Gazprom group, which was fundamental in guaranteeing business continuity in terms of the financial and operational support offered in 2022, makes it exposed to the risk of sanctions and/or the suspension of services from its commercial and financial partners.

In this situation of significant uncertainty, the Board of Directors has constantly monitored the situation, evaluating the appropriate actions aimed at protecting the Company's business continuity as well as protecting the company's assets and value.

Despite the difficulties outlined and the relevant reduction of volumes traded with Reseller customers and trading counterparties, it should be noted that in the first quarter of 2023, thanks to careful management of the positions in the portfolio and new daily natural gas trading begun with Gazprom Italia involving significant volumes, the Company was able to see operating profit.

The support provided by CEEG and by the Gazprom group to the Company, both with the supply of gas volumes sourced from Gazprom Italy and the specific reassurances regarding

the continuity of its activity, allows the Directors to be able to positively assess the existence of the business continuity requirement, on the basis of the risk scenario existing at the date of this Report. However, it must be considered that this scenario is subject to sudden and unforeseeable changes which could potentially also affect the Company's business continuity. The Company and the directors will carefully monitor the evolution of the management, assuming that no external factors beyond the control of the Company could affect the economic, patrimonial and financial soundness.

We thank you for your trust and ask you to approve the Financial Statements as presented.

Milan, 29 May 2023

For the Board of Directors

The Chief Executive Officer

Michele Libutti

Balance Sheet at 31/12/2022



3 FINANCIAL STATEMENTS SCHEDULES FOR THE YEAR 2022 AND STATEMENT OF CASH FLOWS

B) FIXED ASSETS

	31/12/22	31/12/21
I - Intangible fixed assets		
4) Concessions, licenses, trademarks and similar rights	419.039	546.744
6) Investments in progress and advances	0	34.530
7) Others	49.165	59.164
Total intangible fixed assets	468.204	640.438
II - Tangible assets		
4) Other assets	63.554	98.897
Total tangible assets	63.554	98.897
III - Financial fixed assets		
1) Equity investments		
a) subsidiaries	2.017.566	2.017.566
Total financial fixed assets	2.017.566	2.017.566
Total fixed assets (B)	2.549.324	2.756.901

C) CURRENT ASSETS

I - Inventories		
4) finished products and goods	1.412.954	16.180.079
Total inventories	1.412.954	16.180.079
II - Receivables		
1) from customers	65.669.831	353.909.166
due by the end of the next financial year		
2) from investment	4.048.568	4.369.293
due by the end of the next financial year		
4) from parent companies:	26.836	1.134
due by the end of the next financial year		
5) from companies under control of controlling companies	2.455.128	79.002.448
due by the end of the next financial year		
5-bis) Tax credits	2.608.186	3.446.883
5-ter) Deferred tax assets	360.450	333.267
5-quater) from others		
due by the end of the next financial year	13.963.592	14.454.182
Total receivables	89.132.591	455.516.373

III - Financial assets not classified as fixed assets

5) derivatives	51.217	4.961.516
Total financial assets not classified as fixed assets	51.217	4.961.516

IV - Cash and cash equivalents

1) Bank and postal deposits	93.777.024	45.375.558
3) Cash on hand and cash equivalents	814	161
Total cash and cash equivalents	93.777.838	45.375.719

Total Current Assets (C)	184.374.600	522.033.687
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D) ACCRUALS AND DEFERRALS

I) Accruals and deferrals	101.882	216.466
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Total accruals and deferrals (D)	101.882	216.466
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Total assets (A + B + C + D)	187.025.806	525.007.054
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REPORT ON OPERATIONS FOR THE FINANCIAL STATEMENTS AT 31/12/2022

A) Shareholders' equity

I. Share Capital	5.000.000	5.000.000
IV. Legal reserve	682.411	584.021
VI. Other reserves	5.422.001	5.422.001
VII. Reserve for hedging of expected financial flows	31.180	2.265.070
VIII. Retained earnings (losses)	9.872.501	8.003.097
IX. Profit (loss) of the year	-199.202	1.967.792
Total Shareholders' equity (A)	20.808.891	23.241.981

B) Provisions for risks and charges

2) For taxes, including deferred	0	715.285
3) Derivatives	6.820	1.926.874
4) Others	1.458.881	1.265.950
Total provisions for risks and charges (B)	1.465.701	3.908.109

C) Employees severance indemnity

Severance indemnity fund	447.108	418.559
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D) Payables

3) Debts towards shareholders for loans due by the end of the next financial year	105.309.908	80.060.258
4) Payables to banks due by the end of the next financial year	29.632	58.725.688
7) Trade payables due by the end of the next financial year	54.995.210	240.788.112
9) Payables to subsidiaries due by the end of the next financial year	0	0
11) Payables to parent companies due by the end of the next financial year	410.686	9.034.714
11 bis) Debts towards companies under control of controlling companies due by the end of the next financial year	0	106.908.325

REPORT ON OPERATIONS FOR THE FINANCIAL STATEMENTS AT 31/12/2022

12) Tax payables due by the end of the next financial year	784.264	727.178
13) Payables to pension and social-security institutions due by the end of the next financial year	89.692	91.545
14) Other payables due by the end of the next financial year	2.676.684	1.069.178

Total payables (D)	164.296.076	497.404.998
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E) Accruals and deferrals

Accruals and deferrals	8.030	33.407
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Total accruals and deferrals (E)	8.030	33.407
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Total liabilities (A + B + C + D + E)	187.025.806	525.007.054
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REPORT ON OPERATIONS FOR THE FINANCIAL STATEMENTS AT 31/12/2022

A) Value of production

1) Revenue from sales and services	2.038.333.672	1.739.122.133
5) Other revenues and income	139.829	109.235
Total value of production (A)	2.038.473.501	1.739.231.368

B) Costs of production

6) Raw materials, accessories, consumables and goods	1.976.323.328	1.690.639.392
7) Services	36.797.063	38.335.101
8) Use of third party assets	400.297	388.819
9) Personnel	3.523.998	3.653.885
a) Wages and salaries	2.526.100	2.953.338
b) Social security contributions	780.841	510.228
c) Severance Indemnity	87.886	70.282
d) Pensioning and similar	99.271	84.755
e) Other costs	29.900	35.282
10) Amortization, depreciations and write-downs	-43.907	439.042
a) intangible fixed assets amortization	172.235	158.033
b) tangible fixed assets depreciation	39.753	41.213
d) Write-downs of receivables falling in the current assets and liquid assets	-255.895	239.796
11) Changes in inventories of raw materials, accessories, consumables and goods	14.767.126	2.598.788
14) Other operating expenses	2.803.222	385.830
Total costs of production (B)	2.034.571.127	1.736.440.857
Difference between the value and costs of production (A - B)	3.902.374	2.790.511

C) Financial income and expense

16) Other Financial Income		
d) income other than the above	55.666	26.060
d.5) from others	51.586	21.980
17) Interests and other financial charges	1.043.117	199.225
17.3) from controlling companies	911.764	62.113
17.5) from others	131.353	137.112
17 bis) Exchange gains (losses)	743	1.151
Total financial income and expense (15 + 16 + 17)	-988.194	-174.316

D) Value adjustments of financial assets and liabilities

18) Revaluations		
d) of financial derivatives instruments	21.844	96.690
19) Write-downs		
d) of financial derivatives instruments	62.913	164.261
Total of the adjustments (18 - 19)	-41.069	-67.571

Profit before taxes (A - B + / - C + / - D)	2.873.111	2.548.624
20) Income taxes for the year: current, deferred and prepaid	-3.072.313	-580.832
a) current	-3.119.883	-662.986
b) accrued	27.182	81.954
c) deferred	-	200
d) referred to previous years	20.388	-
21) (Loss) Profit for the year	-199.202	1.967.792

Cash Flow Statement

A) Cash flow to/from operating activities

Profit (loss) for the year	-199.202	1.967.792
Adjustments for:		
- Interest expense / (income)	987.451	173.165
- Income taxes	3.072.313	580.832

1) Profit for the year before income tax, interest, dividends and capital gains/losses from disposals

3.860.562 2.721.789

Tangible assets depreciation	39.753	41.213
Intangible assets amortization	172.235	158.033
Value adjustments for derivative assets and liabilities not involving monetary movements	41.069	67.571
Other adjustments increasing/(decreasing) non-monetary elements	-34.415	664.229

2) Cash flow before changes in net working capital

4.079.204 3.652.834

(Increase) decrease in inventories	14.767.125	2.598.789
Decrease/(Increase) in receivables from customers	288.495.230	-272.678.291
Increase/(Decrease) in trade payables	-185.792.902	174.465.429
Decrease/(Increase) in accrued income and prepaid expenses	114.584	-56.210
Increase/(Decrease) in accrued expenses and deferred income	-25.377	-30.525
Other decreases/(increases) in net working capital	-37.524.689	17.213.591

Total changes in net working capital

80.033.971 -78.487.217

Cash flow from operating activities (A)

84.113.174 -74.834.383

Interest received/(paid)	-987.451	-173.165
(Income tax paid)	-1.272.787	-263.238
Total other adjustments	-2.260.238	-436.403

Cash flow from operating activities (A)

81.852.936 -75.270.786

B) Cash flow from investments

Tangible assets acquisition	-4.411	-34.877
Intangible assets acquisition	0	-52.650
Cash flow from investments (B)	-4.411	-87.527

Free cash flow (A + B)

81.848.525	-75.358.313
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C) Cash flow from financing activity

Increase/(Decrease) in short-term payables due to banks	-58.696.056	37.915.047
Opening of intra-group loans payable	25.249.650	75.028.258
Payments deriving from capital increase and reserves	0	0
Cash flow from financing activity (C)	-33.446.406	112.943.305

Increase of net cash and cash equivalents (A + B + C)

48.402.119	37.584.992
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Net cash and equivalent at the beginning of the year	45.375.719	7.790.727
Net cash and equivalent at the closing of the year	93.777.838	45.375.719
Increase of net cash and equivalent for the year	48.402.119	37.584.992



Notes to the Financial Statements at 31/12/2022

4 NOTES TO THE STATEMENTS, FIRST PART

4.1 Introduction

The financial statements, subject to your review and approval, show a loss for the year of € 199,202 (compared to a profit of € 1,967,792 for financial year 2021). The Company is subject to management and coordination by Gazprom PAO.

4.2 Business activities

The Company's purpose is the creation and use of energy and gas production plants, the strategic structuring of energy and gas supply contracts, as well the creation of distribution structures, the sale and distribution of oil and natural gas products, and the purchase and sale of energy and natural gas.

4.3 Significant events during the year

Financial year 2022 ended with a loss of € 199,202 (compared to a profit of € 1,967,792 the previous year).

The conflict in Ukraine and consequent sanctions with reference to Russian companies or those linked to the Russian Federation has created notable difficulties for Centrex Italia, both in obtaining guarantees from banks and in relations with certain suppliers (e.g. software licenses). Thanks to support from the Group, financial management has not represented an obstacle for the company, which in a very complex market situation was able to increase EBITDA with respect to the previous year. Nonetheless, the application of the tax on extra-profit had a large impact on the company's profit, lowering it by around € 3.9 million.

This is confirmed today when these financial statements will be approved.

For more information, please see the paragraph "Operating performance" in the Report on Operations.

4.4 Structure and content of the Annual Financial Statements

The financial statements for the year ending 31/12/2022, consisting of the Balance Sheet, Income Statement, Statement of Cash Flows and Explanatory Notes, correspond with the entries in the accounting records kept regularly and were prepared in compliance with the rules provided for in Arts. 2423 and following of the Italian Civil Code, as well as the accounting standards and recommendations prepared by the Italian Accounting Board (OIC).

The financial statements were prepared on a going concern basis. Please see that found in section 2.13 "Significant events after the reporting date and outlook" in the Report on Operations for considerations regarding the current situation of risk and uncertainty associated with the crisis between Russia and Ukraine.

Their structure is compliant with that outlined by the Italian Civil Code in arts 2424 and 2425, on the

basis of the premises laid down in Art. 2423-ter, while the Explanatory Notes are compliant with the content provided for in arts 2427 and 2427-bis, and in all the other provisions that make reference to them. The Statement of Cash Flows is compliant with the provisions of Art. 2425-ter of the Italian Civil Code.

The entire document, in its constituent parts, was prepared to offer a true and accurate picture of the Company's equity and financial situation, as well as its economic results during the year, providing additional information complementary to this goal when necessary.

Pursuant to Article 2423-ter of the Italian Civil Code, the amount for the previous financial year is indicated for each item.

With regard to information on the Company's economic and financial performance and relationships and transactions occurring with related parties, please refer to the Report on Operations.

4.5 Accounting standards

In compliance with the provisions of Article 2423-bis of the Italian Civil Code, the following standards were observed when preparing the Financial Statements:

- the valuation of individual items was performed in compliance with the general principles of prudence and on a going concern basis, as well as bearing in mind the substance of the transaction or contract;
- only profits effectively realised during the year were recognised;
- income and expenses accruing during the year were indicated, regardless of their actual date of payment;
- risks and losses accruing during the year were taken into account, even if only discovered after the end of the year;
- heterogeneous elements included in the various items of the financial statements were measured distinctly.

The measurement criteria provided for in art. 2426 of the Italian Civil Code were kept unaltered with respect to those adopted in the previous financial year.

The Annual Financial Statements, as well as these Notes, were prepared in euro units.

4.6 Measurement criteria adopted

In preparing these Financial Statements, the measurement criteria envisaged in article 2426 of the Italian Civil Code were applied.

The accounting items were measured on the basis of general criteria of prudence and accrual, in the prospect of the company continuing as a going concern. Please see that found in section 2.13 "Significant events after the reporting date and outlook" in the Report on Operations for considerations regarding the current situation of risk and uncertainty associated with the crisis between Russia and Ukraine.

The application of the principle of prudence gave rise to the individual valuation of the elements making up the individual entries or items of the assets or liabilities in order to avoid offsets between losses to be acknowledged and profits not to be acknowledged given that they were not achieved. In compliance with the accruals concept, the effect of transactions and other events was booked and attributed to the financial year in which such transactions and events took place and not that in which the relevant accounting entries are made (collections and payments).

In application of the principle of significance the obligations on the subject of recognition, measurement, presentation and disclosure were not observed when their observance had insignificant effects in giving a true and correct picture.

Significance is assessed by the directors with reference to the reasonable possibility that a certain item of information will influence the decisions that potential users of the financial statements take on the basis of this information.

The measurement, therefore, considers each time both quantitative factors (namely the value of the item) and qualitative factors (associated with specific factors of the Company).

Some of the main declinations of the principle of significance in preparing the Company's financial statements are the following:

- The amortised cost was not applied in the following items:

- 1) Financial receivables due from subsidiaries and parent companies, because, in relation to the amount of these receivables, the contractual rates do not differ significantly from the market rates at the moment of signing;
 - 2) Financial payables, because they were all entered into at market rates and without significant transaction costs;
 - 3) Trade receivables of Current Assets and Trade payables, because they mature within twelve months and the effects would be insignificant.
- The continuity in the application of the valuation criteria over time represents a necessary element for the purposes of comparability of the company's financial statements in the various financial years.
 - The accounting items were recognised and presented taking into account the substance of the operation or contract.

Intangible fixed assets

Intangible fixed assets were recognised at the cost of acquisition, including directly attributable ancillary expenses. The related amounts were recognised net of amortisation, systematically calculated on the basis of the rates indicated below, taking their residual possibilities of use into account.

Industrial patent and intellectual property rights, licences, concessions and trademarks are amortised with an annual rate differentiated according to the estimated useful life:

- 33% in relation to assets with an estimated useful life of three financial years;
- 20% in relation to assets with an estimated useful life of five financial years.

No changes were made to depreciation rates with respect to the previous financial year.

Improvements to third-party assets are amortised according to rates that depend on the duration of the contract.

Under the terms of point 5) of paragraph 1 of art. 2426 of the Italian Civil Code, we note that no dividends were distributed that exceeded available reserves able to cover the amount of the said non-amortised costs.

Fixed assets for which the value as of the reporting date was found to be permanently lower with respect to the value as determined above were recognised at this lower value. If the reasons for the write-down cease to exist in future years, it is not maintained.

Property, plant and equipment

Property, plant and equipment items are recognised in the Financial Statements at the purchase cost. This cost includes ancillary expenses and directly attributable costs.

The related amounts are recognised net of depreciation, systematically calculated on the basis of the rates indicated below, in relation to their residual possibility of use, taking into consideration the use, destination and economic/technical duration of the assets.

Description	Rate applied
Plant and machinery (office and electronic machines)	20%
Other tangible assets:	
- Furnitures and fittings	20%
- Electronic office machines	20%
- Mobile phones	33%

No changes were made to depreciation rates with respect to the previous financial year.

Fixed assets for which the value as of the reporting date was found to be permanently lower with respect to the value as determined above were recognised at this lower value. If the reasons for the write-down cease to exist in future years, it is not maintained.

Financial fixed assets

Financial fixed assets consisting of equity investments in subsidiaries were measured using the cost method, including ancillary charges. The book value is determined on the basis of the purchase or subscription price or the value attributed to the assets transferred.

The cost as determined above is reduced when lasting losses in value are determined. If the reasons for the adjustment made cease to exist, the value of the equity investment is restored up to the purchase cost.

The value determined in this way is not higher than the value that would be determined applying the criteria envisaged in art. 2426, paragraph 1, point 4, of the Italian Civil Code.

Inventories

Inventories of "Finished products and goods" made up of quantities of stored gas, are recognised at the lower of the purchase cost, including directly attributable ancillary expenses, and the estimated realisable value taken from market trends.

Finished products were recognised applying the weighted average cost method.

Receivables

The amortised cost criterion and the discounting process, as already highlighted in the measurement criteria, were not applied because the effects are insignificant for the purpose of giving a true and correct picture. Receivables are therefore stated at their estimated realisable value. The measurement of receivables takes into account the estimated realisable value, through the allocation of a specific provision for impairment, to which an amount corresponding to the risk of not collecting the receivables recognised in the financial statements is allocated annually, in relation to general economic conditions and the related sector, as well as the origins of the debtor.

Cash and cash equivalents

This item includes cash and cash equivalents and monetary deposits in accounts the company holds with credit institutions, all expressed at their nominal value, duly converted into the national currency in the case of accounts in other currencies.

Accruals and deferrals

Accruals and deferrals are determined on the basis of the accruals concept.

In relation to multi-year accruals and deferrals, the amount originally recognised was verified and when necessary appropriate adjustments were made.

Provisions for risks and charges

Provisions are allocated to cover losses or liabilities of a determinate nature, which are certain or likely to exist, but for which at the end of the financial year the amount or date of payment cannot be determined. In measuring these provisions, the general criteria of prudence and accrual were observed, and no generic provisions for risks were established without an economic justification.

Employee severance indemnity

The provisions for TFR (employee severance indemnity) corresponds to the Company's effective commitment related to each employee, determined in compliance with current legislation and in particular with the provisions of art. 2120 of the Italian Civil Code and the collective employment and supplementary company contracts.

This liability is subject to revaluation based on indices.

Payables

The amortised cost criterion and the discounting process, as already highlighted in the measurement criteria, were not applied because the effects are insignificant for the purpose of giving a true and correct picture.

Payables are therefore shown at their nominal value, possibly modified, for trade payables, on the occasion of invoicing adjustments.

Derivatives

Derivatives are activated in order to guarantee the hedging of risks underlying the oscillation of selling prices.

A derivative financial instrument hedging the cash flows or the fair value of an asset follows the classification, in current or fixed assets, of the asset hedged; a derivative financial instrument hedging the cash flows and the fair value of a liability, an irrevocable commitment or a highly probable planned transaction is classified in current assets, as is a derivative financial instrument not for hedging. In the case of negative fair value, such instruments are recognised as liabilities among provisions for risks.

Fair value changes in derivatives are recognised in the income statement in section D) "Value adjustments of financial assets and liabilities", while fair value changes in the effective component of derivatives hedging financial flows recognised in shareholders' equity are recognised under the item Reserves for hedging of expected financial flows.

Recognition of revenues and costs

Revenue and income are recognised net of returns, discounts and rebates, as well as of taxes directly associated with the sale of products and provision of services.

Specifically:

- revenue for the provision of services are recognised on the basis of the actual provision and in accordance with the related contracts. Revenue related to contract work in progress are recognised in proportion to the progress of the work;
- revenue from the sale of products are recognised at the time ownership is transferred, which normally corresponds with the delivery or shipping of the product;
- costs are recognised based on the accruals concept;
- allocations to provisions for risks and expenses are recognised based on their nature, when possible, in the appropriate class within the income statement;
- financial income and expenses are recognised on an accrual basis.

Income tax

Income tax for the year is recognised in application of the accruals concept, determined by applying the current provisions under the law and based on an estimate of taxable income. The payable is recognised in the Balance Sheet under the item "tax payables", and the receivable under the item "tax credits".

With reference to the recognition of tax effects deriving from temporal differences between the recognition of economic components in the financial statements and the moment the same become fiscally relevant we note the following.

Deferred tax liabilities are calculated on the basis of temporary taxable differences, applying the tax rate that it is believed will be in effect at the moment these temporary differences generate increases in the taxable base.

Following the principle of prudence, deferred tax assets are calculated on temporary deductible differences, applying the tax rate that it is believed will be in effect at the moment these differences generate a decrease in the taxable amount, based on the principle of reasonable certainty that future taxable income will exist in an amount sufficient to reabsorb said changes.

The amount of deferred tax assets is reviewed every year to verify that the reasonable certainty of achieving future taxable income still exists in order to be able to recover the entire amount of deferred tax assets.

The amount of deferred tax liabilities and assets is also subject to redetermination in the case of a change in the tax rates originally used.

For corporate tax (IRES) purposes, the Company subscribed in 2015 to the "national tax consolidation regimen" pursuant to Arts. 117 to 129 of the Income Tax Consolidation Act (TUIR), together with the company Weedoo S.p.A., a company 51% controlled, entailing the calculation of a single taxable base for the group of companies subscribing to this regimen, and only the consolidating company is allocated the requirements relating to the calculation and payment of the Group's corporate income tax, as well as settling the balances and advance payments due for the said tax. This option was renewed tacitly, following the introduction of Art. 7-quater of Italian Law Decree 193/2016.

The economic relations, together with the reciprocal responsibilities and obligations between the Company and the consolidated company, are set out in the tax consolidation contract for the Group's companies.

Based on the above, current corporate income tax is calculated according to the accruals concept, based on the Company's year-end result, not taking into account that it belongs to the tax consolidation regimen, and charged to its income statement. Regional business tax (IRAP) does not fall within the scope of the tax consolidation, and the effects of this tax have therefore only been stated in the Company's income statement according to the regulations that were originally in effect.

Use of estimates

Preparation of the annual financial statements and the related Notes to the Statements requires the Management to make estimates and assumptions that have an effect on the values of the balance sheet assets and liabilities and on the disclosure related to contingent assets and liabilities at the reporting date. The estimates and assumptions used are based on experience and on other factors considered significant. The final results that will emerge could therefore differ from these estimates. The estimates and assumptions are reviewed periodically, and the effects of all changes made to them are reflected in the income statement in the period in which the estimate is revised, if the revision has effects only on this period, or also in subsequent periods, if the revision has effects both on the current year and on future ones. The main accounting items that require estimates and assumptions are chiefly provisions for bad debt and provisions for risks.

5 NOTES TO THE STATEMENTS – COMMENT ON THE ACCOUNTING ITEMS

Balance Sheet Assets

Subscribed capital, unpaid

As of 31 December 2022, the capital was fully subscribed and paid up.

Fixed assets

I. Intangible fixed assets

The breakdown of intangible fixed assets is as follows:

<i>Amounts in euro</i>	31/12/22	31/12/21	Change	Change %
4) Concessions, licenses, trademarks and similar rights	419.040	546.744	-127.704	-23,4%
6) Fixed assets underway and deposits	49.164	34.530	14.634	42,4%
7) Others	0	59.164	-59.164	-100,0%
Total intangible fixed assets	468.204	640.438	-172.234	-61,9%

The changes which occurred during the year (Art. 2427, paragraph 1, point 2, of the Italian Civil Code.) are shown in the statement below:

<i>Amounts in euro</i>	Gross Value				Accumulated amortization			Net Value
	31/12/21	Increase	Reclass.	31/12/22	31/12/21	Increase	31/12/22	
Start-up and expansion costs	8.727			8.727	8.727		8.727	0
Concessions, licenses	1.234.122		34.530	1.268.652	687.378	162.234	849.612	419.040
Improvements on third party assets	120.895			120.895	61.732	10.000	71.732	49.163
Other intangible assets	132.395			132.395	132.394		132.394	1
Investments in progress, advances	34.530		-34.530	0	0		0	0
Total intangible assets	1.530.669	0	0	1.530.669	890.231	172.231	1.062.465	468.204

Intangible fixed assets at 31/12/2022 amounted to Euro 468,204 (Euro 640,438 at the end of the previous financial year) net of amortisation. The increase of € 34,530 in the item concessions and licenses is entirely due to reclassification of licenses in progress which began to be utilised during the year in question.

II. Property, plant and equipment

The breakdown of property, plant and equipment is as follows:

<i>Amounts in euro</i>	31/12/22	31/12/21	Change	Change %
4) Others assets	63.554	98.897	-35.343	-35,7%
Total tangible assets	63.554	98.897	-35.343	-35,7%

The changes which occurred during the year (Art. 2427, paragraph 1, point 6, of the Italian Civil Code.) are shown in the statement below:

<i>Amounts in euro</i>	Gross Value			Accumulated depreciation			Net Value
	31/12/21	Increase	31/12/22	31/12/21	Increase	31/12/22	
Plant and machinery	1.700		1.700	1.700		1.700	0
Furnitures	26.448		26.448	26.448		26.448	0
Electronic office machines	314.200	0	314.200	251.075	33.519	248.594	29.606
Mobile equipment	32.873	0	32.873	27.230	3.173	30.403	2.470
Other electronic equipments	65.664	4.411	70.075	35.535	3.062	38.597	31.478
Total tangible assets	440.885	4.411	445.296	341.988	39.754	341.742	63.554

Property, plant and equipment, net of provisions for depreciation, amounted to € 63,554 (€ 98,897 at the end of the previous year). The reduction in the net value is entirely due to depreciation recognised during the year.

III. Financial fixed assets

The item "financial fixed assets" consists of an equity investment in a subsidiary, as shown in the table below:

<i>Amounts in euro</i>	31/12/22	31/12/21	Change	Change %
Interests in controlled companies	2.017,566	2.017,566	0	0,0%
Total interests	2.017,566	2.017,566	0	0,0%
Total financial fixed assets	2.017,566	2.017,566	0	0,0%

The item Equity investments refers to the equity investment held in WeeDoo S.p.A., with registered office in Milan, VAT no. 08961560961, and represents a long-term and strategic investment by the Company. The total value at 31/12/2022 was Euro 2,017,566 (and remained unchanged compared to the end of the previous year). The equity investment in question is measured at the purchase cost.

Under the terms of art. 2427, paragraph 1, point 5, of the Italian Civil Code, the information related to this, the only equity investment in subsidiaries, is provided below:

WeeDoo S.p.A. - VAT nr. 8961560961

<i>Amounts in euro</i>	31/12/22
Share Capital	1.000.000
Other reserves / retained profit (loss)	576.913
Profit (loss) for the year	-13.063
Total shareholders' equity WeeDoo	1.563.850
Stake held	51%
Stake held in Euro	797,564
Book value	2.017,566

The company decided that it did not have to write down the value of the equity investment in Weedoo S.p.A., even though it is recognised in the accounts at a value higher than the related portion of shareholders' equity, as it represents a strategic and lasting investment for the company, while waiting for it to reach the break-even point foreseen in the coming years. The Company also carried out an impairment test on the equity investment in the subsidiary Weedoo S.p.A., analysing the prospective value of the equity investment by discounting expected cash flows (DCF Method) which will be generated by the subsidiary as defined in the 2023-2027 development plan. Following the analysis, it was confirmed that there was no need to writedown the equity investment.

The subsidiary Weedoo S.p.a. holds a stake of 75% in the share capital of SMG S.r.l., a gas and electricity retail sales company with registered office in Arese (Milan), Italy, VAT no. 03761580962. SMG S.r.l. had shareholders' equity at 31 December 2022 of Euro 1,684,043, while the value at which the equity investment is recognised in the financial statements of Weedoo S.p.a. is Euro 2,361,565. Weedoo S.p.a., to analyse whether or not it was necessary to writedown the value of the equity investment, carried out an impairment test on its investment in the subsidiary SMG S.r.l., analysing the prospective value of the investment by discounting expected cash flows (DCF Method) which will be generated by the subsidiary as defined in the 2023-2027 development plan. Following the analysis, it was confirmed that there was no need to writedown the equity investment.

Current assets***I. Inventories***

Pursuant to Art. 2427, paragraph 1, point 4, of the Italian Civil Code, below we provide a breakdown of the item in question:

<i>Amounts in euro</i>	31/12/22	31/12/21	Change	Change %
Finished products and goods	1.412.954	16.180.079	-14.767.125	-91,3%
Total Inventories	1.412.954	16.180.079	-14.767.125	-91,3%

The Company opportunely checked that the inventory amounts expressed were not more than the current cost of the assets ascertainable on the reporting date (art. 2426, paragraph 1, point 10, of the Italian Civil Code). The check did not find the need to recognise any write-down of inventories. Note that the reduction in inventories is directly correlated to the natural drop associated with the decrease in business.

II. Receivables

Below, we note the breakdown of and changes in receivables recognised in current assets (Article 2427, no. 4 of the Italian Civil Code):

<i>Amounts in euro</i>	31/12/22	31/12/21	Change	Change %
Receivables from customers	65.669.831	353.909.166	-288.239.335	-81,4%
Receivables from investments	4.048.568	4.369.293	-320.725	-7,3%
Receivables from parent companies	26.836	1.134	25.702	2266,5%
Receivables due from subsidiaries of parent companies	2.455.128	79.002.448	-76.547.320	-96,9%
Tax credits	2.608.186	3.446.883	-838.697	-24,3%
Deferred tax assets	360.450	333.267	27.183	8,2%
Receivables from others	13.963.592	14.454.182	-490.590	-3,4%
Total Receivables	89.132.591	455.516.373	-366.383.782	-80,4%

Under the terms of art. 2427, paragraph 1, no. 6 of the Italian Civil Code, we can note that all receivables pursuant to the present item are to be considered enforceable within the year.

The adjustment of receivables to their estimated realisable value is obtained by using the appropriate provisions for impairment of receivables - determined through a valuation of the specific risk of collectability and taking into consideration the general economic conditions and those of the industry. The large decrease in the amount of receivables from customers is mainly

justified by the decision to reduce volumes traded to lessen risks linked to the high degree of natural gas and electricity prices and significant volatility.

The trade receivables due to the Company from Gazprom Marketing & Trading Ltd were classified under the item "Receivables from customers" after it left the Gazprom group, with subsequent rebranding as Sefe Energy.

The item "receivables from others" of € 13,963,592 (€ 14,454,182 at 31 December 2021) mainly consists of guarantee deposits strictly linked to operations related to the business.

The amount of receivables recognised in current assets takes account both of credit notes to be issued and of provisions for bad debt of Euro 411,191. Details of the item and related changes in provisions for bad debt are shown below:

<i>Amounts in euro</i>	31/12/22	31/12/21	Change	Change %
Receivables from customers	66.081.022	354.577.086	-288.496.064	-81,4%
Prevision for impairment of receivables	-411.191	-667.920	256.729	-38,4%
Total receivables from customers	65.669.831	353.909.166	-288.239.335	-81,4%

<i>Amounts in euro</i>	
Balance as at 31.12.21	-667.920
Provisions/reversal	255.895
Releases	0
Utilizations	835
Balance as at 31/12/22	-411.191

As at 31/12/2022, no receivables had a duration of more than five years.

The item Receivables from investments is made up as follows:

<i>Amounts in euro</i>	31/12/22	31/12/21	Change	Change %
Receivables from Weedoo SpA	951.158	1.567.466	-616.308	-39,3%
Receivables from SMG Srl	3.097.411	2.801.828	295.583	10,5%
Tot. receivables from parent companies	4.048.568	4.369.293	-320.725	-7,3%

We must specify that the item from Weedoo S.p.A. includes an interest-bearing loan of € 204,000 remunerated at a fixed rate of 2%.

The item "Receivables from parent companies" consists only of trade receivables, down slightly with respect to the figure at 31 December 2021.

The item Tax Credits is made up as follows:

<i>Amounts in euro</i>	31/12/22	31/12/21	Change	Change %
Revenue agency VAT account	740.330	1.387.715	-647.385	-46,7%
VAT credit requested	1.543.371	1.319.967	223.404	16,9%
VAT credit for offsettings	0	321.826	-321.826	100,0%
IRES advances	0	127.315	-127.315	-100,0%
Excise credits	178.994	178.935	59	0,0%
Additional regional credits	145.491	110.855	34.636	31,2%
Revenue agency interest income withholding account	0	271	-271	-100,0%
Total tax credits	2.608.186	3.446.883	-838.697	-24,3%

Receivables in current assets break down as follows based on the geographical area in which the debtor has its registered office (Article 2427, paragraph 1, point 6, of the Italian Civil Code):

Amounts in euro	Italia	UE	Extra UE	Totale
From customers	30.967.231	14.451.815	20.250.785	65.669.831
From subsidiaries	4.048.568			4.048.568
Credit from parent companies	2.455.128	26.836	0	2.481.964
Tax credits	2.608.186			2.608.186
Deferred tax assets	360.450			360.450
From Others	13.963.592	0		13.963.592
Total receivables	56.858.283	14.505.487	20.250.785	89.132.591

III. Financial assets not classified as fixed assets

Below is a table indicating the structure and changes in financial assets not classified as fixed assets (Article 2427, paragraph 1, point 4 of the Italian Civil Code):

<i>Amounts in euro</i>	31/12/22	31.12.21	Change	Change %
Derivatives	51.217	4.961.516	-4.910.299	-99,0%
Financial assets not classified as fixed assets	51.217	4.961.516	-4.910.299	-99,0%

For more information, please see paragraph 6 "Other Information", in the specific point on "Information on derivatives, pursuant to Art. 2427-bis of the Italian Civil Code".

IV. Cash and cash equivalents

The balance, as detailed below, indicates the amount of and changes in cash and cash equivalents existing at the end of the year (Article 2427, paragraph 1, point 4, of the Italian Civil Code):

<i>Amounts in euro</i>	31/12/22	31/12/21	Change	Change %
Bank and postal deposits	93.777.024	45.375.558	48.401.466	106,7%
Cash at bank and in hand	814	161	653	405,6%
Total cash and cash equivalents	93.777.838	45.375.719	48.402.119	106,7%

The change in cash and cash equivalents is analysed in the statement of cash flows annexed to the financial statements on the basis of the nature of the components that determined it.

Accrued income and prepaid expenses

The breakdown and changes to the item in question are shown below (article 2427, paragraph 1, point 7, of the Italian Civil Code):

<i>Amounts in Euro</i>	31/12/22	31/12/21	Change	Change %
Prepaid expenses for sureties	0	106.021	-106.021	-100,0%
Sundry prepaid expenses	101.882	110.445	-8.563	-7,8%
Total accruals and deferrals	101.882	216.466	-114.584	-52,9%

As at 31/12/2022, no accruals or deferrals had a duration of more than five years, nor were there any significant amounts with duration beyond the subsequent financial year.

The item "prepaid expenses" consists of prepaid fees for car and real estate leases and fees to access databases.

BALANCE SHEET LIABILITIES

Shareholders' equity

<i>Amounts in euro</i>	31/12/22	31/12/21	Change	Change %
Share Capital	5.000.000	5.000.000	0	0,0%
Legal reserve	682.411	584.021	98.390	16,8%
- Other reserves - capital increase payments	925	925	0	0,0%
- Other reserves - payments made by shareholders	5.000.000	5.000.000	0	0,0%
- Other reserves - extraordinary profit reserves	421.076	421.076	0	0,0%
Total Other reserves	5.422.001	5.422.001	0	0,0%
Reserve, hedging of expected cash flows	31.180	2.265.070	-2.233.890	-98,6%
Retained profit (loss)	9.872.501	8.003.097	1.869.404	23,4%
Profit (loss) for the year	-199.202	1.967.792	-2.166.994	-110,1%
Total shareholders' Equity	20.808.891	23.241.981	-2.433.090	-10,5%

Shareholders' Equity amounted to € 20,808,891 at the end of the year, showing the following changes in the last three years (Article 2427, paragraph 1, point 4, of the Italian Civil Code):

We provide details on the reserves which make up Shareholders' Equity, specifying their origins and nature, possibility of use and limits on distribution (Article 2427, paragraph 1, point 7-bis of the Italian Civil Code):

<i>Amounts in euro</i>	Share capital	Legal reserve	Other reserves	Cash flow hedging reserve	Net results carried forward	Result of the year	Total net worth
Balance as of December 31, 2020	5.000.000	501.786	5.422.001	861.251	6.440.632	1.644.700	14.759.512
Previous year net profit allocation		82.235			1.562.465	-1.644.700	0
Other movements (includ. tax effects)				1.403.819			1.403.819
Profit for the year						1.967.792	1.967.792
Balance as of December 31, 2021	5.000.000	584.021	5.422.001	2.265.070	8.003.097	1.967.792	23.241.981
Previous year net profit allocation		98.390			1.869.402	-1.967.792	0
Other movements (includ. tax effects)				-2.233.890	2		-2.233.888
(Loss) for the year						-199.202	-199.202
Balance as of December 31, 2022	5.000.000	682.411	5.422.001	31.180	9.872.501	-199.202	20.808.891

<i>Amounts in euro</i>	31/12/22	Origin/ Nature	Possibility of Use	Portion Available
Share Capital	5.000.000		-	0
Legal reserve	682.411	U	A,B	682.411
- other reserves - capital increase payments	925	C	A,B	925
- other reserves - payments made by shareholders	5.000.000	C	A,B,C	5.000.000
- other reserves - extraordinary profit reserves	421.076	C	A,B,C	421.076
Reserve, hedging of expected cash flows	31.180	U	-	0
Retained earnings	9.872.501	U	A,B,C	9.872.501
(Loss) for the year	-199.202			0
Total shareholders' equity	20.808.891			15.976.913
of which Non-distributable portion	5.714.516			683.336

Key Origin/nature column: C = Capital reserve; U = profit reserve.

Key: A: for capital increase, B: to cover losses, C: for distribution to Shareholders

At 31/12/2022, share capital was fully subscribed and paid up and is represented by 5,000,000 shares with a value of € 1 per unit.

Provisions for risks and charges

The breakdown of and changes in the individual items are shown in the table below (Article 2427, paragraph 1, point 4, of the Italian Civil Code):

<i>Amounts in euro</i>	31/12/22	31/12/21	Change	Change %
For taxes	0	715.285	-715.285	-100,0%
Derivatives	6.820	1.926.874	-1.920.054	-99,6%
Others	1.458.881	1.265.950	192.931	15,2%
Total provision for risks and charges	1.465.701	3.908.109	-2.442.408	-62,5%

Details on provisions for deferred taxes can be found in the section within these Notes on exposure to the effects of deferred taxes.

This table provides details on the item related to other provisions for risks and charges, as well as the changes occurring with respect to the previous financial year (Article 2427, paragraph 1, point 7, of the Italian Civil Code):

<i>Amounts in euro</i>	31/12/21	Increases	Decreases	Utilizations	31/12/22
For taxes	715.285		715.285		0
Derivatives	1.926.874		1.920.054		6.820
Others	1.265.950	192.931			1.458.881
Total provision for risks and charges	3.908.109	192.931	2.635.339	0	1.465.701

The balance of "Other" provisions for risks and charges represents the prudential allocation, against the business risks identified or potential future outlays, made by the Directors on the basis of their best knowledge and supported, where appropriate, by the opinion of the lawyers with reference to existing or potential disputes.

With reference to the considerations presented in paragraph 4.6 on the use of estimates, or on the estimation procedures adopted in the assessment of the risk of losing in disputes, we can note that the Management is not aware of any significant risks which could derive from existing disputes against which no provisions for risks have been set aside at the end of the financial year in question. The Management, therefore, considers the provisions set aside as appropriate.

Employee severance indemnity

The provisions allocated represent the actual amount owed by the company, as at 31/12/2022, to employees in the workforce at this date, net of advances paid.

The breakdown and uses are detailed in the table below (Article 2427, paragraph 1, point 4 of the Italian Civil Code):

<i>Amounts in euro</i>	31/12/21	Accrual	Usage	31/12/22
Severance indemnity	418.559	99.271	70.722	447.108
Total TFR (severance indemnity)	418.559	99.271	70.722	447.108

Payables

The breakdown of payables, changes in individual items and division by maturity are shown in the table below (Article 2427, point 4 of the Italian Civil Code):

<i>Amounts in euro</i>	31/12/22	31/12/21	Change	Change %
Payables for shareholder loans	105.309.908	80.060.258	25.249.650	31,5%
Payables to banks	29.632	58.725.688	-58.696.056	-99,9%
Trade payables	54.995.210	240.788.112	-185.792.902	-77,2%
Payables to parent company	410.686	9.034.714	-8.624.028	-95,5%
Payables due to subsidiaries of parent companies	0	106.908.325	-106.908.325	100,0%
Tax payables	784.264	727.178	57.086	7,9%
Social security liabilities	89.692	91.545	-1.853	-2,0%
Other payables	2.676.684	1.069.178	1.607.506	150,3%
Total payables	164.296.076	497.404.998	-333.108.922	-67,0%

"The item Payables for shareholder loans refers to an interest bearing loan at market conditions for a nominal amount of € 105,000,000. During 2022 this was increased by € 25 million with respect to the previous year. The item also includes interest accruing up to 31 December 2022. The increase in 2022, compared to the previous 80 million line granted, was necessary to allow Centrex Italia to meet the financial requirements associated with high gas prices.

The balance of payables to banks at 31 December 2022, equal to € 29.6 thousand, shows a significant decrease with respect to the previous financial statements (€ 58 million) due to the combined effect of the decrease in business and the decision to privilege internal financing (from Shareholders) with respect to third party financing (banks). Owing to the nature of the Company's business, all existing loans have a duration of less than 12 months. The details of the payable by type are as follows:

<i>Amounts in Euro</i>	31/12/22	31/12/21	Change	Change %
Advances on invoices	0	16.000.000	-16.000.000	-100,0%
Import line	0	24.999.370	-24.999.370	-100,0%
Factoring	0	17.726.318	-17.726.318	-100,0%
Current account overdrafts	29.632	0	29.632	100,0%
Payables to banks	29.632	58.725.688	-58.696.056	-99,9%

The item Trade payables of Euro 55 million is recognised net of credit notes to be received. This item also shows a significant decrease compared to the previous year, mainly due to the reduction in business, as explained above.

The item Payables to parent companies amounted to a total of Euro 400 thousand, payable in relation to Centrex Energy & Gas AG.

Following the exit from the Gazprom group in 2022, the trade payables due to the Company from Gazprom Marketing & Trading Ltd were reclassified to the item "Trade payables".

The item tax payables mainly consists of the IRES payable, net of advances paid, for € 609,635, as well as the IRAP payable, net of advances paid, for € 105,495. The remaining portion of payables refers to withholdings for employees (€ 65,261) and contractors (€ 3,873).

The item "Others Payables" consists entirely of payables of various types due to employees.

Note that there were no payables backed by real guarantees.

An informational schedule is also provided that breaks down payables by geographic area (article 2427, paragraph 1, point 6 of the Italian Civil Code):

Geographical area	Italy	EU	Non-EU	Total
Payables for shareholder loans		105.309.908		105.309.908
Payables to banks	29.632			29.632
Trade payables	18.757.787	16.384.761	19.852.662	54.995.210
Payables to parent company		410.686		410.686
Tax payables	784.264			784.264
Social security liabilities	89.692			89.692
Other payables	2.676.684			2.676.684
Total payables	22.338.059	122.105.355	19.852.662	164.296.076

Accruals and deferrals

<i>Amounts in euro</i>	31/12/22	31/12/21	Change	Change %
Accrued expenses	8.030	19.433	-11.403	-58,7%
Deferred income	0	13.974	-13.974	-100,0%
Total accruals and deferrals	8.030	33.407	-25.377	-76,0%

As at 31/12/2022, no accruals or deferrals had a duration of more than five years, nor were there any significant amounts with duration beyond the subsequent financial year.

INCOME STATEMENT

Value of production

Below we provide a breakdown of the value of production, as well as the changes seen in the individual items with respect to the previous year:

<i>Amounts in euro</i>	2022	2021	Change	Change %
Revenue from sales	2.038.333.672	1.739.122.133	299.211.539	17,2%
Other revenue and income	139.829	109.235	30.594	28,0%
Value of production	2.038.473.501	1.739.231.368	299.242.133	17,2%

The amount seen in Revenues from Sales is for the most part explained by the increase in the price of gas in 2022.

The breakdown of revenues from sales by geographical area is as follows:

<i>Geographical area</i>	Italy	EU	Non-EU	Total
Revenue from sales and services	1.257.863.547	485.077.735	295.392.390	2.038.333.672
Total value of production	1.257.863.547	485.077.735	295.392.390	2.038.333.672

The breakdown of revenues from sales by activity is as follows:

<i>Amounts in euro</i>	2022	2021	Change	Change %
Gas trading revenues	1.548.040.534	1.475.555.576	72.484.958	4,9%
Gas revenues from customers	467.625.543	246.087.119	221.538.424	90,0%
Other gas revenues	10.329.712	2.192.718	8.136.994	371,1%
Intercompany services	61.000	61.000	0	0,0%
Power revenues	12.276.882	15.225.720	-2.948.838	-19,4%
Total revenues	2.038.333.671	1.739.122.133	299.211.538	31,5%

Costs of production

The table below provides information on the structure and changes in the item "Costs of production".

<i>Amounts in euro</i>	2022	2021	Change	Change %
For consumables and goods	1.976.323.328	1.690.639.392	285.683.936	16,9%
Services	36.797.063	38.335.101	-1.538.038	-4,0%
Use of third party assets	400.297	388.819	11.478	3,0%
- Wages and salaries	2.526.100	2.953.338	-427.238	-14,5%
- Social security contributions	780.841	510.228	270.613	53,0%
- Severance indemnity	87.886	70.282	17.604	25,0%
- Pension and similar obligations	99.271	84.755	14.516	17,1%
- Other costs	29.900	35.282	-5.382	-15,3%
Personnel costs	3.523.998	3.653.885	-129.887	-3,6%
Amortisation, intangible assets	172.235	158.033	14.202	9,0%
Depreciation, property, plant and equipment	39.753	41.213	-1.460	-3,5%
Write-down of receivables	-255.895	239.796	-495.691	100,0%
Amortisation, depreciation and write-downs	-43.907	439.042	-482.949	-110,0%
Change in consumables and goods	14.767.126	2.598.788	12.168.338	468,2%
Other operating expenses	2.803.222	385.830	2.417.392	626,5%
Costs of production	2.034.571.127	1.736.440.857	298.130.270	17,2%

Similar to that seen in Sales Revenue, the costs of production with reference to costs to purchase gas saw a significant increase, due to the increase in gas prices during 2021.

Costs for services are mainly related to natural gas transport and storage services and the decrease seen is mainly due to the lower storage capacity used during the year.

Costs for use of third-party assets refer mainly to costs incurred for rental of offices and for vehicle hire and do not show significant changes in the year.

The item "personnel costs" includes all expenses for personnel, including merit pay increases, promotions, automatic cost-of-living increases, the cost of holidays accrued but not taken and provisions according to law and collective contracts. 2022 also includes the allocation of the variable associated with achieving the personal and corporate objectives.

As regards depreciation and amortisation, we note that these were calculated on the basis of the useful life of the asset and its use in the manufacturing stage. Please refer to the information found in the relevant section in these Notes to the Statements for more details.

Financial income and expense

In accordance with the provisions of point 12 of paragraph 1 of Art. 2427 of the Italian Civil Code, we provide details on the amount of interest and other financial expenses related to payables due to banks and others, as well as details of other financial income:

<i>Amounts in euro</i>	2022	2021	Change	Change %
Financial income	55.666	26.060	29.606	113,6%
Financial expenses	-1.043.117	-199.225	-843.892	423,6%
Exchange gains (losses)	-743	-1.151	408	-35,4%
Financial income and expense	-988.194	-174.316	-813.878	466,9%

The increase in financial expense is mainly due to the increase in interest payable following the increase in interest-bearing loans received from Shareholders (€ 25 million).

Value adjustments of financial assets and liabilities

The table below provides information on the structure and changes in the item "Value adjustments of financial assets and liabilities":

<i>Amounts in euro</i>	2022	2021	Change	Change%
Revaluation of financial derivatives	21.844	96.690	-74.846	-77,4%
Writedowns of financial derivatives	62.913	164.261	-101.348	100,0%
Value adjustments of financial assets	-41.069	-67.571	26.502	-39,2%

Derivatives entered into in relation to proprietary trading activity are measured at fair value - that is the price that would be received if an asset were sold or that would be paid to dispose of a liability in a regular transaction between market operators on the measurement date.

Pursuant to article 2426, paragraph 4 of the Italian Civil Code, fair value is determined with reference to the market value, for financial instruments for which an active market can easily be identified. For prices of raw materials, there are observable market prices.

The observable market price is determined by referring to the bulletins published by recognised providers that provide information services to wholesale market participants.

The recognition in the financial statements reflects the typical (monthly) invoicing of sales and purchases on the hubs. The mark to market is then recognised using the net-settlement method on a monthly basis.

Income tax for the year: current, deferred and prepaid

The breakdown of the financial statements item "Income tax for the year" is provided in the tables below:

In particular, these are the details of the breakdown of taxes:

<i>Amounts in Euro</i>	2022	2021	Var	Var %
Current taxes	-3.119.883	-662.986	-2.456.897	370,6%
Taxes related to previous years	20.388	0	20.388	
Deferred tax liabilities	0	200	-200	-100,0%
Deferred tax assets	27.182	81.954	-54.772	-66,8%
Total income taxes for the year	-3.072.313	-580.832	-2.491.481	429,0%

Below is a breakdown of current taxes:

<i>Amounts in Euro</i>	2022	2021	Var	Var %
IRES	-1.219.791	-588.584	-631.207	107,2%
IRAP	-237.841	-129.400	-108.441	83,8%
Solidarity Contribution	-1.662.251	0	-1.662.251	
Income from tax consolidation	0	54.998	-54.998	-100,0%
Current taxes	-3.119.883	-662.986	-2.456.897	370,6%

Note that taxes relative to current tax include, for € 1,662,251, the tax for solidarity contribution.

For information on the differences which resulted in the booking of deferred tax assets, and for the reconciliation of the values reported in the balance sheet, the following should be noted:

- deferred tax liabilities were calculated on the basis of the global allocation criterion, by taking into account the cumulative amount of all timing differences and on the basis of the rates expected to be in force at the time when these timing differences occur;
- deferred tax assets were booked given that there is a reasonable certainty of the existence – in the years in which the deductible timing differences occur, and against which the deferred tax assets were booked – of taxable income that is not less than the differences which will be cancelled;

There are no temporary differences for which the related deferred tax liabilities and assets were not recognised.

6 OTHER INFORMATION

Employment figures

In accordance with the provisions of point 15 of paragraph 1 of Art. 2427 of the Italian Civil Code, below we provide information on the breakdown of employees.

At 31/12/2022 staff was as follows:

Staff	Avarage 2022	Avarage 2021	Change
Management	5	5	0
Middle Managers and Office Workers	21	25	-4
Total	26	30	-4

Note that the national contract used is that for the energy sector.

Fees of directors and statutory auditors

As required by point 16 of paragraph 1 of Art. 2427 of the Italian Civil Code, we can note that the fees to members of the Board of Statutory Auditors were in line with those of the previous year and amounted to € 25,554. No advances or loans were granted to them.

No fees are envisaged for the Board of Directors, nor were advances or credits granted to them. For information about changes in the structure of the Board of Directors, please see that indicated in the Report on Operations, in section 2.1 "Introduction".

Exceptional costs and revenue

As required by point 13 of paragraph 1 of Art. 2427 of the Italian Civil Code, we can note that there were no exceptional costs and revenue.

Fees to the independent auditor or auditing firm

Under the terms of Art. 2427 of paragraph 1, point 16-bis, the fees due to the independent auditor (the auditing firm) for services rendered, that is the independent auditing of the annual accounts, amounted to € 32,500.

Commitments, guarantees and contingent liabilities not found in the balance sheet

Under the terms of Art. 2427 no. 9 of the Italian Civil Code, we can report that the total amount of guarantees, all of a commercial nature, given by the Company totals € 25,852,389 in relation to other transporters, distributors and market operators.

We can also note that the amount indicated above:

- includes the guarantee of Euro 365,975 issued in favour of 2i Rete Gas S.p.A. in the interest of the subsidiary SMG;

In addition, we can inform you that the Sole Shareholder issued patronage letters to guarantee the Company's commitments in relation to a number of financial institutions and suppliers for a total amount of Euro 211.8 million.

Information on equity and loans destined for specific business

The Company does not have assets allocated to a specific area of business pursuant to Article 2447-bis, paragraph 1, letter a of the Italian Civil Code.

Information on transactions with related parties

Under the terms of Art. 2427, paragraph 1, point 22-bis, of the Italian Civil Code we can note that during the year the Company had business relationships with:

- the subsidiary Centrex Europe Energy & Gas AG;
- the subsidiary Weedoo S.p.A.;
- the subsidiary SMG S.r.l.;
- the related party Gazprom Italia S.p.A.;
- the related party Gruppo Società Gas Rimini S.p.A.

These are commercial relationships in the context of normal core business activities, relating to the purchase of raw materials and services, and regulated by normal market conditions.

Information on significant events after the reporting date

Pursuant to article 2427, no. 22-quater of the Italian Civil Code, with regard to significant events after the reporting date, please refer to section 2.13 "Significant events after the reporting date and outlook" of the Report on Operations.

Information on derivatives, pursuant to Article 2427-bis of the Italian Civil Code

Below is the detailed information requested in Article 2427-bis, paragraph 1, no. 1 of the Italian Civil Code.

For each category of derivatives indicated in the table, we provide information about the significant terms and conditions which may influence the amount, maturities and certainty of future cash flows, and fundamental assumptions behind measurement models and techniques used when fair value is not determined on the basis of market evidence. Changes in fair value reserves occurring during the year are found in the table in the Shareholders' equity section.

Information on the obligation to prepare Consolidated Financial Statements

We must specify that the Company does not prepare consolidated financial statements because it fulfils the conditions for exoneration provided for in Art. 27, paragraph 1 of Italian Legislative Decree 127/1991. The parent company that prepares the consolidated financial statements of the larger set of companies to which the Company belongs is Centrex Europe Energy & Gas AG based in Austria.

Information pursuant to Art. 1 paragraph 125 of Italian Law no. 124 of 4 August 2017

With reference to Art. 1, paragraph 125 of Italian Law 124/2017, the company did not receive any subsidies

Proposal for allocation of profits

Pursuant to art. 2427, paragraph 1, no. 22-septies of the Italian Civil Code, it is proposed that losses of € 199,202 be covered by utilising the balance sheet item "profit from previous years" for the same amount.

These financial statements, made up of the Balance Sheet, the Income Statement and the Notes to the Statements, represent a true and fair view of the equity and financial situation as well as the economic result for the financial year to 31 December 2022 and correspond to the results of the accounting entries.

Milan, 29 May 2023

For the Board of Directors

The Chief Executive Officer

Michele Libutti



CENTREX ITALIA SPA
Sole shareholder company
subject to direction and coordination by PAO Gazprom
Registered office in VIA LORENZINI 4 - 20139 MILANO (MI)
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