



financial statements 2023

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Our energy for your needs





Our energy for your needs

## More value to energy every day.

Centrex Italia S.p.A. is active in the import, sale and trading of natural gas.

The company, operative from October 2008, with sale volumes rising steeply, can rely on a diversified supply portfolio and relevant transport and storage capacity.



Financial Statements  
at 31 | 12 | 2023

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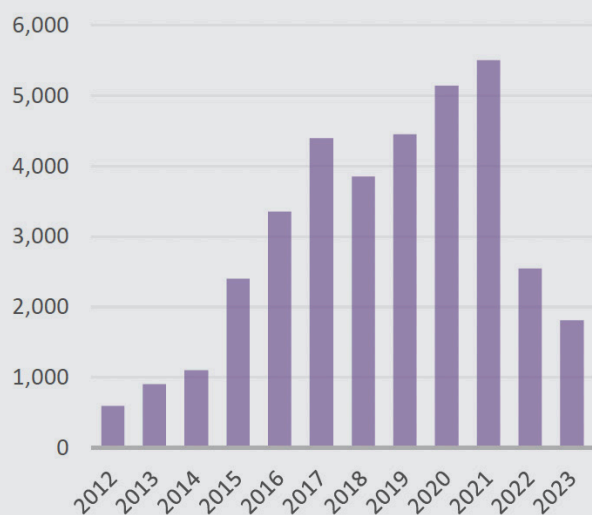
## Explanation added for translation to English

This document is a courtesy translation into English from the original version of 2023 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.

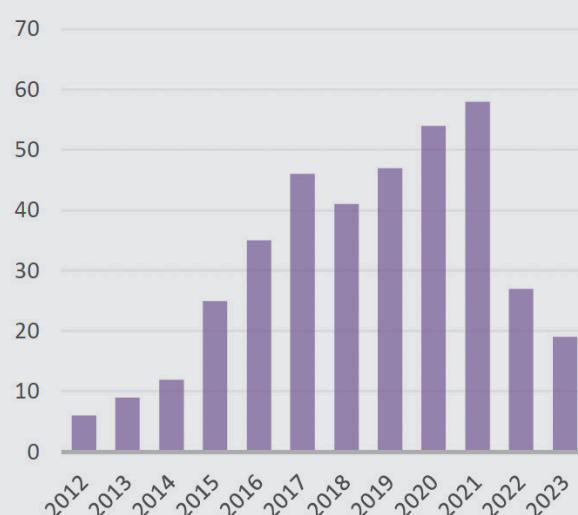


## 1 SUMMARY DATA

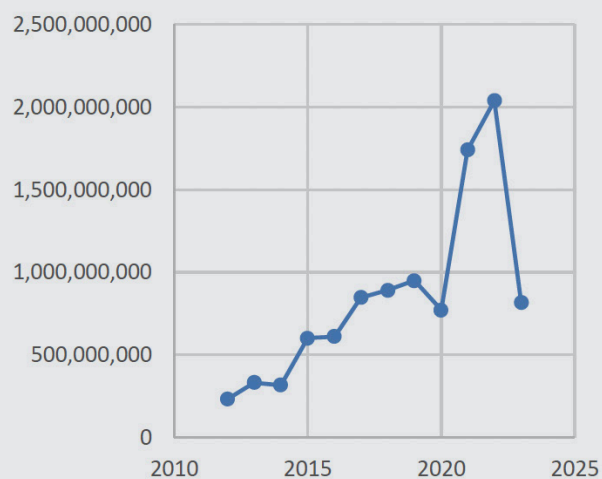
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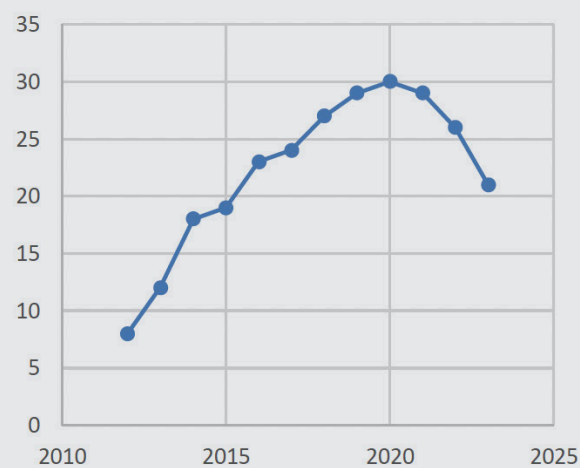
TWh



Turnover



N° employees







# Report on Operations for the Financial Statements at 31/12/2023

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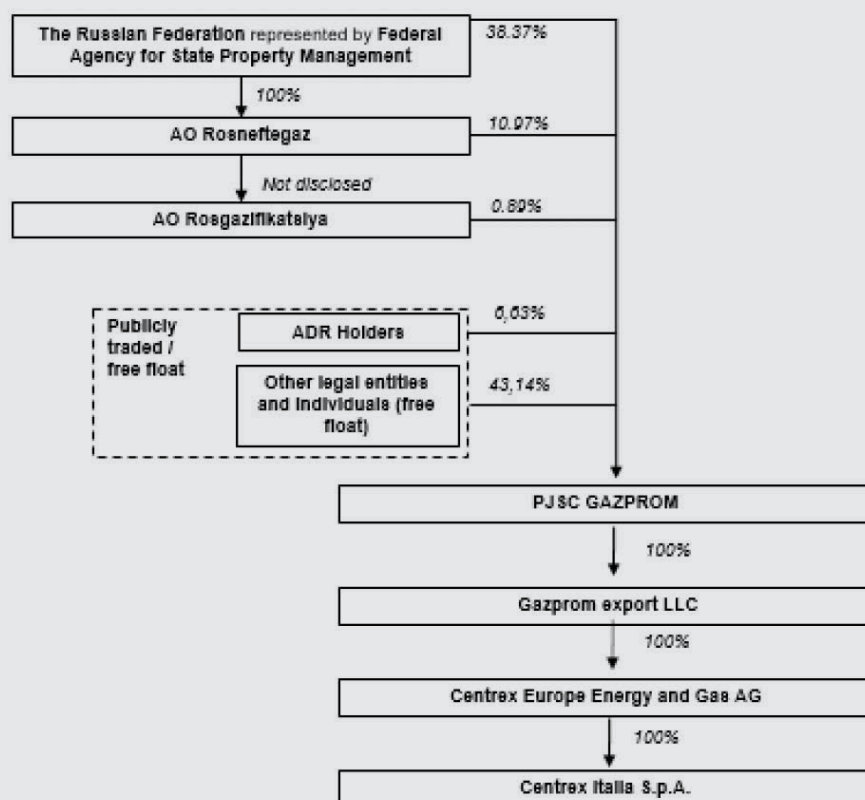


## 2.1 Introduction

Dear Shareholders,

To accompany the annual financial statements for the period ended 31/12/2023, 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, found in the section "2.13 Significant events after the reporting date and outlook".

Preliminarily recall that, as already outlined in the previous edition of the financial statements, 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:





More specifically with reference to the members of the Board of Directors, also note that following the resignation of Director Alexey Kapitiskiy, on 29/6/2023 Maria Sedykh was appointed as the new member of the Board of Directors.

Therefore, the current Directors of the Company are: Igor Telenchak, who has also been given the position of Chairman of the Board of Directors, Michele Libutti, who has been assigned the position of Managing Director, Maria Sedykh and Pavel Terliuk, with their terms ending on the date of the Shareholders' Meeting held to approve the financial statements at 31 December 2023.

## 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 of the Italian Civil Code, business is carried out at the registered offices at Via Lorenzini no. 4 in Milan, Italy, and there are no secondary offices.

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

Financial year 2023 ended with a profit of € 3,258,081 (compared to the loss of € -199,202 in the previous year). The increased profit during the year can mainly be traced to the lack of the extra-profit contribution in place for the years 2022 and 2023, which negatively affected the results the previous year for a total of around € 3.9 million and the result of the adjustment session called for in the Network Code for Snam Rete Gas, relative to year 2022 but with effects in 2023.

The consequences triggered initially by the shocks of energy market prices and subsequently by the ongoing conflicts, have accelerated a series of developments in the vision and method of operating the businesses, forced to rapidly adapt to changes and improve production process efficiency to reduce consumption. The impacts have also been significant for companies in the energy supply chain. In this context, Centrex has adopted a conservative approach, reducing the quantities of natural gas sold, which hence saw a drop with respect to 2022. The Company has not suffered repercussions on the credit management side. In fact, there are no significant delays in collections or any significant unpaid amounts to report. On the other hand, relative to available financial lines, despite maintaining excellent relations with bank counterparts, the Company is continuing to face difficulties in accessing available credit lines due to the crisis caused by the geopolitical developments in Ukraine, with consequent sanctions for companies controlled by the Russian Federation. As in the previous year, credit line requirements to finance working capital have been managed using the Group's financial resources and therefore the Company's operating management continued with an extremely cautious approach throughout the year, reducing its activity, exposure and consequent risk.



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:

Amounts in Euro	31.12.23	31.12.22
Net intangible fixed assets	313.647	468.204
Net tangible fixed assets	35.575	63.554
Equity investments and other holdings	2.017.566	2.017.566
<b>Fixed assets</b>	<b>2.366.788</b>	<b>2.549.324</b>
Inventories	0	1.412.954
Receivables from customers	5.157.655	65.669.831
Other non-financial receivables, including intragroup	44.207.654	23.462.760
Accrued income and prepaid expenses	109.624	101.882
<b>Short-term current assets</b>	<b>49.474.933</b>	<b>90.647.427</b>
Trade payables and advances	33.929.831	54.995.210
Tax and social security liabilities	728.847	873.956
Other non-financial payables, including intragroup	10.530.155	3.087.370
Accruals and deferrals	40	8.030
<b>Short-term current liabilities</b>	<b>45.188.873</b>	<b>58.964.566</b>
<b>Net working capital</b>	<b>4.286.060</b>	<b>31.682.861</b>
Employee severance indemnity	178.989	447.108
Other medium/long-term liabilities	3.921.056	1.458.881
<b>Medium/long-term liabilities</b>	<b>4.100.045</b>	<b>1.905.989</b>
<b>Invested capital</b>	<b>2.552.803</b>	<b>32.326.196</b>
Shareholders' equity	(24.035.792)	(20.808.891)
Net short-term financial position	21.482.989	(11.517.305)
<b>Equity and net financial debt</b>	<b>(2.552.803)</b>	<b>(32.326.196)</b>

On the other hand, the reduction in the price of natural gas and in volumes traded can be seen in the decrease in trade receivables and payables at 31.12.2023 with respect to 31.12.2022.



The table below shows changes in the net financial position:

Amounts in Euro	31.12.23	31.12.22
Bank deposits	33.713.868	93.777.024
Cash on hand and other cash equivalents	1.125	814
<b>Cash, cash equivalents and own shares</b>	<b>33.714.993</b>	<b>93.777.838</b>
Derivatives.	0	51.217
<b>Financial assets not classified as fixed assets</b>	<b>0</b>	<b>51.217</b>
Payables for shareholder loans (within 12 months)	12.231.423	105.309.908
Payables to banks (within 12 months)	581	29.632
Derivatives	0	6.820
<b>Short-term financial payables</b>	<b>12.232.004</b>	<b>105.346.360</b>
<b>Net short-term financial position</b>	<b>21.482.989</b>	<b>(11.517.305)</b>
<b>Net financial position</b>	<b>21.482.989</b>	<b>(11.517.305)</b>



The drop in the price of natural gas and the decline in business seen during 2023 led to lower intragroup financing requirements for a total of € 93 million. This also led to higher cash and cash equivalents with respect to short-term financial payables due to Shareholders.

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

Amounts in Euro	31.12.23	31.12.22
Sales and service revenues	815.357.443	2.038.333.672
- Purchases of raw materials, consumables and goods for resale	796.048.919	1.976.323.328
- Changes in inventories of raw materials, consumables and goods for resale	(1.412.954)	(14.767.126)
- Costs for services and use of third-party assets	6.686.020	37.197.360
<b>Added Value</b>	<b>11.209.550</b>	<b>10.045.858</b>
+ Other revenue and income	167.081	139.829
- Personnel costs	3.249.555	3.523.998
- Provisions for risks and other Provisions	2.000.000	0
- Other operating expenses	451.677	2.803.222
<b>Gross Operating Profit (GOP)</b>	<b>5.675.399</b>	<b>3.858.467</b>
- Amortisation, depreciation and write-downs	10.335	(43.907)
<b>Operating Result</b>	<b>5.665.064</b>	<b>3.902.374</b>
+ Financial income	162.337	55.666
- Financial expense and exchange gains/losses	1.354.891	1.043.860
- Value adjustments of financial assets	13.217	41.069
<b>Profit before tax</b>	<b>4.459.293</b>	<b>2.873.111</b>
- Income tax	(1.201.212)	(3.072.313)
<b>Net income</b>	<b>3.258.081</b>	<b>(199.202)</b>

The notable reduction in turnover is not due to a drop in volumes commercialised, which in any case fell by around 30%, but rather the significant reduction in the price of natural gas.

Added Value showed an improvement, going from € 10 million in 2022 to € 11.2 million. This result is very good, achieved despite the difficulties the Company faced due to the previously cited gas price shock and subsequent ongoing conflicts, which led to a significant reduction in business.

Gross Operating Profit came out at € 5.7 million (compared to € 3.9 million in 2022). Note that this year gross operating profit did not suffer from the reduction caused by the Solidarity Contribution, which in 2022 totalled around € 2.3 million.



Operating Profit came out at € 5.7 million (compared to € 3.9 million in 2022). During the year the Company redetermined, based on actual need, the amount of the provision for write-downs, consequently releasing € 172 thousand. This brought the provision for write-downs to € 11 thousand.

Therefore, the year ended with net profit of around € 3.3 million, compared to the loss of € -0.2 million seen in 2022. The Company also saw an increase in financial expense of € 0.3 million, due to the increase seen in the Euribor index during the year.

The financial result indicators deemed most significant are analysed below. They are divided into economic and equity indicators.

The key **economic indicators** identified for the Company are ROE, ROI and ROS. The table below demonstrates the excellent result during the year:

Economic indicators	31.12.23	31.12.22
<b>ROE (Return on Equity)</b> <i>Profit(loss) for the year/Shareholders' equity</i>	13,56%	-0,96%
<b>Gross ROE</b> <i>Profit(loss) for the year before tax/Shareholders' equity</i>	18,55%	13,81%
<b>ROI (Return on Investment)</b> <i>Operating profit (loss)/Average capital invested in two prev. financial years</i>	13,55%	9,33%
<b>ROS (Return on Sales)</b> <i>Diff. between value and cost of production/Revenues from sales</i>	0,69%	0,19%

ROE shows an increase with respect to 2022, in good part due to the lack of the negative impacts of extra- profit contributions relative to profit for the year.

ROS also increased with respect to the previous year, and can be classified as medium-high for the sector.



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

Financial indicators	31.12.23	31.12.22
<b>Primary liquidity</b> <i>(Current assets - inventories) / current liabilities</i>	144,9%	111,4%
<b>Secondary liquidity</b> <i>Current assets / current liabilities</i>	144,9%	112,3%
<b>Debt ratio</b> <i>Third party funding / Shareholders' equity</i>	2,56	7,99
<b>Fixed asset/equity margin (Euro/000)</b> <i>Shareholders' equity - Fixed assets</i>	21.669.004	18.259.567
<b>Primary shareholders' equity/fixed assets index</b> <i>Shareholders' equity / Fixed assets</i>	1015,54%	816,25%
<b>Fixed asset/liabilities and equity margin (Euro/000)</b> <i>Shareholders' equity + Consolidated liabilities - Fixed assets</i>	25.769.049	20.172.376
<b>Secondary shareholders' equity/fixed assets index</b> <i>(Shareholders' equity + Consolidated liabilities) / Fixed assets</i>	1188,78%	891,28%

All liquidity ratios improved with respect 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).

On the other hand, the secondary liquidity ratio shows the ratio between current assets and liabilities.

The debt ratio is the ratio between third party funding and shareholders' equity: the decrease is linked to the drop in Company debt relative to third-party lenders.

The fixed asset/equity margin shows the company's ability to cover investments 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 an increase in the Company's capital solidity—i.e. its ability to maintain financial equilibrium in the medium/long-term.

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

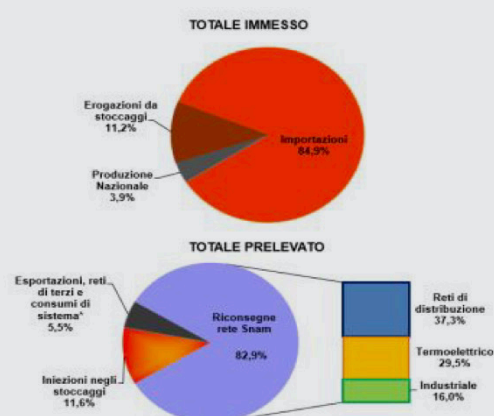
The long wave of the crisis associated with the geopolitical developments in Ukraine and also fed by new tensions in the Middle East, had effects on the Italian and international gas system again in 2023, a year in which low demand levels continued. In 2023, natural gas consumption fell to around 63.1 billion m<sup>3</sup> (- 8.4%). The decline was concentrated in the first six months of the year, while the changes in the second part of the year were more modest, given that 2022 had already recorded low consumption. The drop involved the three main segments, with more significant trends in the thermoelectric and civil segments, in which volumes respectively came to around 21.1 billion m<sup>3</sup> (-16.2%) and 26.6 billion m<sup>3</sup> (-7.4%), while in the industrial sector it was more moderate, with consumption totalling 11.4 billion m<sup>3</sup> (-4.0%) and appreciably rising starting in August. On the supply side, against lower demand and national production at historic lows (2.8 billion m<sup>3</sup>), a drop in natural gas imports was seen, which were also at the lowest level since 2015, at 60.6 billion m<sup>3</sup> 11.7%), in a context in which the growing role of LNG was strengthened following reductions in gas arriving via pipeline.

Figura 1: Bilancio gas trasportato. Anno 2023

Fonte: dati SRG

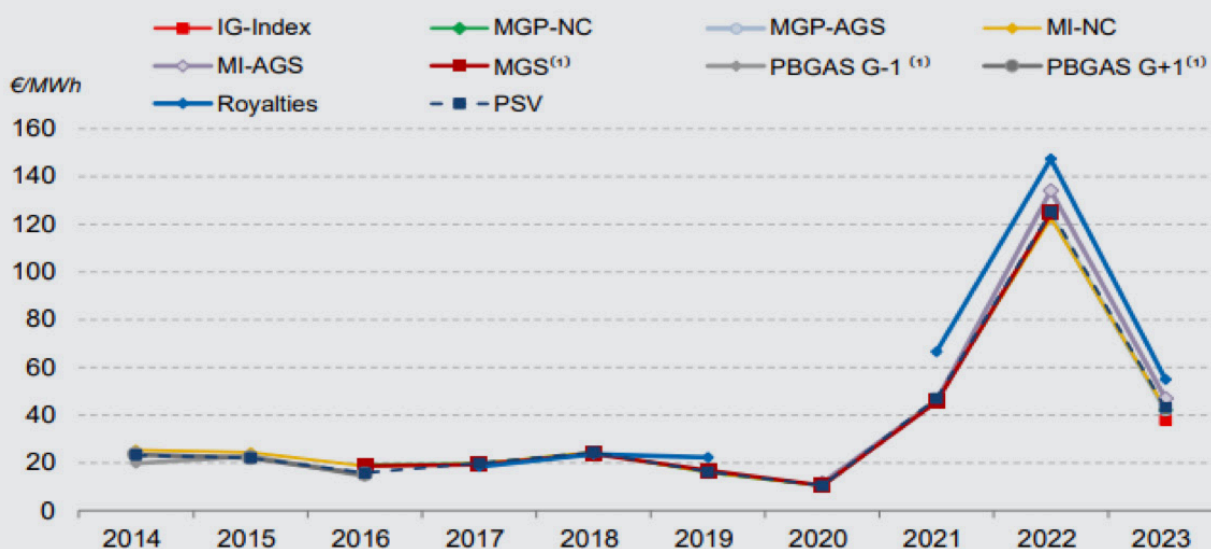
	Mt di mc	TWh	var. tend.
<b>Importazioni</b>	<b>60.639</b>	<b>641,1</b>	<b>-11,7%</b>
<i>Import per punti di entrata</i>			
Mazara	23.040	243,6	-2,2%
Tarvisio	2.541	26,9	-76,9%
Passo Gries	6.426	67,9	-9,4%
Gela	2.524	26,7	-3,6%
Gorizia	1	0,0	-92,2%
Melendugno	9.841	104,0	-3,4%
Panigaglia (GNL)	2.567	27,1	+16,4%
Cavarzere (GNL)	8.775	92,8	+6,0%
Livorno (GNL)	3.783	40,0	+1,8%
Piombino (GNL)	1.141	12,1	-
<b>Produzione Nazionale</b>	<b>2.802</b>	<b>29,6</b>	<b>-9,7%</b>
<b>Erogazioni da stoccaggi</b>	<b>7.971</b>	<b>84,3</b>	<b>-12,9%</b>
<b>TOTALE IMMESSO</b>	<b>71.412</b>	<b>755,0</b>	<b>-11,7%</b>
Riconsegne rete Snam Rete Gas	59.178	625,7	-10,2%
Industriale	11.445	121,0	-4,0%
Termoelettrico	21.091	223,0	-16,2%
Reti di distribuzione	26.641	281,7	-7,4%
Esportazioni, reti di terzi e consumi di sistema*	3.949	41,8	+28,5%
<b>TOTALE CONSUMATO</b>	<b>63.127</b>	<b>667,4</b>	<b>-8,4%</b>
Iniezioni negli stoccaggi	8.285	88	-30,7%
<b>TOTALE PRELEVATO</b>	<b>71.412</b>	<b>755,0</b>	<b>-11,7%</b>

\* comprende variazione invaso/svaso, perdite, consumi e gas non contabilizzato





With reference to prices, the consolidation of stocks favoured a progressive decrease in prices from the record levels seen in 2022. In fact, the price for natural gas at the national Virtual Exchange Point (PSV - Punto di Scambio Virtuale) fell to € 43.05/MWh (-€ 82.33/MWh with respect to 2022), due to the downward trend that characterised the entire year, bringing prices to their lowest level in July (€ 32.33/MWh) followed by a recovery to over € 40/MWh in October and November, when the tensions in the Middle East and the winter season began. Similar developments were also seen on the main European hubs and the TTF in particular, down to € 40.79/MWh (-€ 83.87/MWh), bringing the PSV-TTF spread to just over € 2/MWh (€ 0.7/MWh in 2022).





These conditions were also seen in the wholesale electricity market, with the Single National Price (SNP) on the Day Ahead Market (DAM) at € 127.24/MWh, showing a clear decline with respect to the very high values of 2022 (-€ 176.72/MWh) with the trend common to all the main European electricity prices.

From a financial point of view, the significant reduction in commodities prices produced a net slowing of inflation, which went from 8.1% in 2022 to 5.7%.

With respect to monetary policies, the central banks continued with the strict policies begun in 2022, keeping interest rates high.

Centrex Italia continues to suffer from the difficulties associated with 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 and manage various restrictions on its normal business: there is currently no availability of credit lines from banks; access to markets has been limited due the number of counterparties active on the main European hubs; there are limitations and restrictions on access to IT services.

To limit these risks, the Company decided to significantly reduce its business and consequent financial exposure. The sales campaign with Reseller customers for gas year 2023 (October 23 - September 24) was guaranteed solely by Group companies, in particular Weedoo S.p.A., in which the Company holds a 51% stake, and SMG S.r.l., controlled by Weedoo with a 75% stake as at 31.12.2023, and currently with a 96.25% stake, while trading was reduced by around 30%.

## 2.5 Investment policy

No investments were made during the year.

Amounts in Euro	2023 Investments
<b>Intangible fixed assets</b>	
Concessions, licences, trademarks and similar rights	0
Investments in progress and advances	0
<b>Total Fixed Assets</b>	<b>0</b>
<b>Property, plant and equipment</b>	
Other assets	0
Total Property, plant and equipment	0
<b>Total investments</b>	<b>0</b>



## 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 2023, 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 17 at the end of 2023. Throughout 2023 the Company continued to utilise remote work for 3 days a week, with the opportunity for fragile employees and parents with children aged 14 or less to request full remote work. 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 of 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 Document;
- updating and preparation of procedures on the subject of health and safety in the workplace;
- training course for new recruits;
- five-year continuing education courses for existing employees.

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 currently 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. Additionally, it constantly and very frequently monitors both its own global portfolio position and its cash flows over a wide time horizon of at least twelve months.

### **Market risk**

The Company is exposed to the risk of price oscillation. 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.

The Company has no exposure in foreign currencies.

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.

### **Credit risk**

The Company maintains its level of attention to credit risk, through procedures and actions aimed



at controlling and assessing the credit standing of its customers.

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.

### **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 has offset the reduction seen in access to the credit lines granted by credit institutions with which the Company had worked since it began operations.

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.

### **Operational risk**

Al fine di limitare la possibilità di errore e per rendere efficiente ed efficace il business dell'azienda, la Società opera secondo processi aziendali che coordinano le principali attività svolte all'interno dell'azienda.

### **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, although such operations were stopped during 2023.

## **2.9 Research & Development**

Pursuant to Art. 2428, paragraph 2, number 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

On 1/10/2023, the new regulations took effect on "Reform of the process to assign capacity at transport network output and redelivery points." This was introduced by Resolution 147/2019/R/gas of 16/4/2019, with the date of effect initially set for 1/10/2020. Subsequently, with Resolutions 110/2020/R/gas of 1/4/2020, 134/2021/R/gas of 30/3/2021 and 225/R/gas of 24/5/2022, the start date was respectively postponed to 1/10/2021, 1/10/2022 and finally 1/10/2023, with the latter becoming the effective start date.

## 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 PJSC Gazprom.

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

### Centrex Europe Energy & Gas AG

Amounts in Euro/000	31.12.23	31.12.22
Total balance sheet assets	156.425	177.393
Shareholders' equity	95.432	151.867
Total balance sheet liabilities	60.993	25.527
Revenue	154.966	94.134
Operating Result	(2.512)	2.635
(Loss) profit for the year	(1.435)	5.844



During the year, the Company had the following commercial and financial relationships with Group companies:

Amounts in Euro	Payables		Receivables		Costs		Revenues	
Society	Trade	Financial	Trade	Financial	Trade	Financial	Trade	Financial
Centrex Europe	82.016	12.231.423	21.936		1.009.624	1.345.656	56.936	
Gazprom Italia S.p.A.	9.290.050		0		651.674.588		0	
SMG			694.783				6.364.070	
Weedoo			785.639	1.738.080			1.970.591	0
<b>Total</b>	<b>9.372.0666</b>	<b>12.231.423</b>	<b>1.502.358</b>	<b>1.738.080</b>	<b>652.684.212</b>	<b>1.345.656</b>	<b>8.391.597</b>	<b>0</b>

Recall that the Company holds a 51% stake in Weedoo S.p.A. and that at 31.12.2023 SMG S.r.l. was controlled by Weedoo with a 75% stake. On 19 February 2024 a share capital increase for SMG S.r.l. was carried out, to allow it to remain on the list of entities eligible to sell electricity to end consumers, which was fully subscribed and paid by WEEDOO. Following this operation, the stake in SMG rose from 75% to 96.25%.

Also note that due to strategic importance, there are commercial relations with Società Gas Rimini, which holds a 49% stake in the share capital of WEEDOO.

Amounts in Euro	Payables		Receivables		Costs		Revenues	
Society	Trade	Financial	Trade	Financial	Trade	Financial	Trade	Financial
Società Gas Rimini							1.391.752	

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 2023, means it is 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, assessing suitable actions to protect the Company as a going concern, as well as its assets and the value of the same.

The liquidity currently existing within the Company and the support provided by the Gazprom Group to the Company, both with the intercompany loan provided by CEEG to cover the expected cash needs and with the specific assurances provided by Gazprom export regarding the Company business continuity, allow the Directors to positively evaluate the going concern requirement, based on the risks identified as of the reporting date of this Report. However, it must be taken into consideration that this scenario is subject to sudden and unforeseeable changes which could potentially affect the Company's status as a going concern. The Company and its Directors will carefully monitor operating trends, assuming no external factors arise which are outside of the Company's control and of an extent such as to impact its economic, equity and financial stability.

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

Milan, 3 June 2024

For the Board of Directors

The Chief Executive Officer  
Michele Libutti



# Financial Statement Schedules 2023

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## 3 FINANCIAL STATEMENT SCHEDULES FOR THE YEAR 2023 AND STATEMENT OF CASH FLOWS

## B) FIXED ASSETS

	31.12.23	31.12.22
<b>I. Intangible fixed assets</b>		
4) Concessions, licenses, trademarks and similar rights	274.482	419.039
6) Investments in progress	0	0
7) Others	39.165	49.165
<b>Total intangible fixed assets</b>	<b>313.647</b>	<b>468.204</b>
<b>II - Tangible assets</b>		
4) Others assets	35.575	63.554
<b>Total tangible assets</b>	<b>35.575</b>	<b>63.554</b>
<b>III - Financial fixed assets</b>		
1) Equity investments in:		
a) subsidiaries	2.017.566	2.017.566
<b>Total financial fixed assets</b>	<b>2.017.566</b>	<b>2.017.566</b>
<b>Total fixed assets (B)</b>	<b>2.366.788</b>	<b>2.549.324</b>

## C) CURRENT ASSETS

<b>I -Inventories</b>		
4) finished products and goods	0	1.412.954
<b>Total inventories</b>	<b>0</b>	<b>1.412.954</b>
<b>II - Receivables</b>		
1) from customers:		
due by the end of the next financial year	5.157.655	65.669.831
2) from investmen		
due by the end of the next financial year	3.218.501	4.048.568
4) from parent companies:		
due by the end of the next financial year	21.936	26.836
5) from companies under controll of controlling companies		
due by the end of the next financial year	0	2.455.128
5-bis) tax credits	591.478	2.608.186
5 ter) deferred tax assets	1.062.282	360.450
5 quater) from others:		
due by the end of the next financial year	39.313.457	13.963.592
<b>Total receivables</b>	<b>49.365.309</b>	<b>89.132.591</b>



## ASSETS

31/12/2023

31/12/2022

*III - Financial assets not classified as fixed assets:*

5) Derivatives

0

51.217

**Total financial assets not classified as fixed assets****0****51.217***IV Cash and cash equivalents*

1) Bank and postal deposit

33.713.868

93.777.024

3) Cash on hand and cash equivalent

1.125

814

**Total cash and cash equivalents****33.714.993****93.777.838****Total Current Assets (C)****83.080.302****184.374.600****D) ACCRUALS AND DEFERRALS***I - Accruals and deferrals*

109.624

101.882

**Total accruals and deferrals (D)****109.624****101.882****TOTAL ASSETS (A+B+C+D)****85.556.714****187.025.806**



LIABILITIES	31/12/2023	31/12/2022
<b>A) Shareholders' equity</b>		
I. Share capital	5.000.000	5.000.000
IV. Legal reserve	682.411	682.411
VI Other reserves	5.422.001	5.422.001
VII - Reserve for hedging of expected financial flows	0	31.180
VIII - Retained earnings (losses)	9.673.299	9.872.501,00
IX - Profit (loss) of the year	3.258.081	-199.202,00
<b>Total shareholders' equity (A)</b>	<b>24.035.792</b>	<b>20.808.891</b>
<b>B) Provisions for risks and charges</b>		
2) For taxes, including deferred	0	0
3) Derivatives	0	6.820
4) Others	3.921.056	1.458.881
<b>Total provisions for risks and charges (B)</b>	<b>3.921.056</b>	<b>1.465.701</b>
<b>C) Employees severance indemnity</b>		
<b>Severance indemnity fund</b>	<b>178.989</b>	<b>447.108</b>
<b>D) Payables</b>		
3) Debts towards shareholders for loans due by the end of the next financial years	12.231.423	105.309.908
4) Payables to banks due by the end of the next financial years	581	29.632
7) Trade payables due by the end of the next financial years	33.929.831	54.995.210
9) Payables to subsidiaries due by the end of the next financial years	0	0
11) Payables to parent companies due by the end of the next financial years	82.016	410.686



LIABILITIES	31/12/2023	31/12/2022
11 bis) Debts towards companies under controll of controlling companies due by the end of the next financial years	9.290.050	0
12) Tax payables due by the end of the next financial years due after the end of the next financial year	645.296 0	784.264 -
13) Payables to pension and social-security institutions due after the end of the next financial year	83.551	89.692
14) Others payables altri debiti due after the end of the next financial year	1.158.089	2.676.684
<b>Total payables (D)</b>	<b>57.420.837</b>	<b>164.296.076</b>
<b>E) Accruals and deferrals</b>		
Accruals and deferrals	40	8.030
<b>Total accruals and deferrals (E)</b>	<b>40</b>	<b>8.030</b>
<b>Total liabilities (A+B+C+D+E)</b>	<b>85.556.714</b>	<b>187.025.806</b>



# INCOME STATEMENT

31/12/2023

31/12/2022

## A) Value of production

1) Revenue from sales and services	845.811.373	607.510.834
5) Other revenues and income	1.137.580	146.791

<b>Total value of production (A)</b>	<b>846.948.953</b>	<b>607.657.625</b>
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## B) Costs of production

6) Raw materials, accessories, consumables and goods	796.048.919	1.976.323.328
7) Services	6.206.194	36.797.063
8) Use of third party assets	479.826	400.297
9) Personnel	<b>3.249.555</b>	<b>3.523.998</b>
a) Wages and salaries	2.511.333	2.526.100
b) Social security contributions	549.305	780.841
c) Severance Indemnity	54.092	87.886
d) Pensioning and similar	100.944	99.271
e) Other costs	33.881	29.900
10) Amortization, depreciations and write-downs	10.335	(43.907)
a) intangible fixed assets amortization	154.556	172.235
b) tangible fixed assets depreciation	27.979	39.753
c) Other fixed assets depreciations	0	-
d) Write-downs of receivables falling in the current assets and liquid assets	(172.200)	(255.895)
11) Changes in inventories of raw materials, accessories, consumables and goods	1.412.954	14.767.126
12) Risks provisions	2.000.000	0
13) Other provisions	0	0
14) Other operating expenses	2.000.000	341.565

<b>Total costs of production (B)</b>	<b>809.859.460</b>	<b>2.034.571.127</b>
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<b>Difference between the value and costs of production (A - B)</b>	<b>5.665.064</b>	<b>3.902.374</b>
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# INCOME STATEMENT

31/12/2023

31/12/2022

## C) Financial income and expense

16) Other Financial Income		
d) income other than the above	162.337	55.666
d.1) from controlled companies	4.080	4.080
d.5) from others	158.257	51.586
17) Interest and other financial charges	1.353.808	1.043.117
17.3) from controlling companies	1.345.656	911.764
17.5) from others	8.152	131.353
17-bis) Exchange gains (losses)	(1.083)	(743)

<b>Total financial income and expense (15 + 16 - 17 + - 17)</b>	<b>(1.192.554)</b>	<b>(988.194)</b>
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## D) Value adjustments of financial assets and liabilities

18) Revaluations		
d) of financial derivatives	0	21.844
19) Write-downs		
d) of financial derivatives instruments	13.217	62.913

<b>Total of the adjustments (18 - 19)</b>	<b>(13.217)</b>	<b>(41.069)</b>
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<b>Profit (loss) before taxes (A - B + - C + - D)</b>	<b>4.459.293</b>	<b>2.873.111</b>
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20) Imposte sul reddito dell'esercizio	(1.201.212)	(3.072.313)
a) current	(1.903.044)	(3.119.883)
b) accrued	701.832	27.182
c) deferred	0	0
d) referred to previous years	0	20.388

<b>21) Profit for the year</b>	<b>3.258.081</b>	<b>(199.202)</b>
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# CASH FLOW STATEMENT

31/12/2023

31/12/2022

## Amounts in Euro

2023

2022

### A) Cash flow to/from operating activities

Profit (loss) for the year Adjustments for:	3.258.081	(199.202)
Dividends received	0	0
Interest expense / (income)	1.191.471	987.451
Income taxes	1.201.21	3.072.313

### 1) Profit (Loss) for the year before income tax, interest,

dividends and capital gains/losses from disposals **5.650.764** **3.860.562**

Tangible assets depreciation	27.979	39.753
Intangible assets amortization	154.556	172.235
Value adjustments for derivative assets and liabilities not involving monetary movements	13.217	41.069
Other adjustments increasing/(decreasing) non-monetary elements	2.021.856	(34.415)

**2) Cash flow before changes in net working capital** **7.868.372** **4.079.203**

(Increase) decrease in inventories	1.412.954	14.767.125
Decrease/(Increase) in receivables from customers	60.684.376	288.495.230
Increase/(Decrease) in trade payables	(21.065.379)	(185.792.902)
Decrease/(Increase) in accrued income and prepaid expenses	(7.742)	114.584
Increase/(Decrease) in accrued expenses and deferred income	(7.990)	(25.377)
Other decreases/(increases) in net working capital	(13.535.632)	(37.524.689)

**Total changes in net working capital** **27.480.587** **80.033.971**

**3) Cash flow from operating activities (A)** **35.348.959** **84.113.174**

Interest received/(paid)	(1.191.471)	(987.451)
(Income tax paid)	(1.112.797)	(1.272.787)

**Total other adjustments** **(2.304.268)** **(2.260.238)**

**Cash flow from operating activities (A)** **33.044.691** **81.852.936**

### B) Cash flow from investments

Tangible assets acquisition	0	(4.411)
Intangible assets acquisition	0	0

**Cash flow from investments (B)** **0** **(4.411)**

### C) Cash flow from financing activity

Increase/(Decrease) in short-term payables due to banks	(29.051)	(58.696.056)
Opening of intra-group loans payable	(93.078.485)	25.249.650

**Cash flow from financing activity (C)** **(93.107.536)** **(33.446.406)**

**Increase (decrease) of net cash and cash equivalents (A+B+C)** **(60.062.845)** **48.402.119**

Net cash and equivalent at the beginning of the year	93.777.838	45.375.719
Net cash and equivalent at the closing of the year	33.714.993	93.777.838

**Increase (decrease) of net cash and equivalent for the year** **(60.062.845)** **48.402.119**





# Notes to the Statements 2023

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## 4 NOTES TO THE STATEMENTS

### 4.1 Introduction

The financial statements, subject to your review and approval, reported a profit for the year of € 3,258,081 (compared to a loss for financial year 2022 of € -199,202). The Company is subject to management and coordination by PJSC Gazprom.

### 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

The geopolitical developments in Ukraine and consequent sanctions implemented with reference to Russian companies or those linked to the Russian Federation have created notable difficulties for Centrex Italia, both in obtaining credit lines and 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.

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 31/12/2023, 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 sanctions and/or suspension of services consequent to the ongoing geopolitical developments 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 ongoing geopolitical developments 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 assets:	
- Furniture and fittings	20%
- Electronic office machines	20%
- Mobile phones	30%

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 DescriptionRate appliedPlant and machinery (office and electronic machines)20%Other assets:- Furniture and fittings20%- Electronic office machines20%- Mobile phones33% 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 original 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 revenue 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 is recognised on the basis of the actual provision and in accordance with the related contracts. Revenue related to contract work in progress is recognised in proportion to the progress of the work;
- revenue from the sale of products is 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 Decree Law 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 tax consolidation into account, 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 2023, the capital was fully subscribed and paid up.

## Fixed assets

*I. Intangible fixed assets*

The breakdown of intangible fixed assets is as follows:

Amounts in Euro	31.12.23	31.12.22	Change	Change %
4) Concessions, licenses, trademarks and similar rights	274.482	419.039	(144.557)	-34,5%
6) Fixed assets underway and deposits	39.165	49.165	(10.000)	-20,3%
7) Others	0	0	0	0
<b>Total intangible fixed assets</b>	<b>313.647</b>	<b>468.204</b>	<b>(154.557)</b>	<b>-33,0%</b>

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

Amounts in Euro	Gross Value				Accumulated amortization			Net Value
	31.12.22	Incram.	Riclass.	31.12.23	31.12.22	Incram.	31.12.23	
Start-up and expansion costs	8.727			8.727	8.727		8.727	0
Concessions, licenses	1.268.652			1.268.652	849.612	144.557	994.169	274.483
Improvements on third party assets	120.895			120.895	71.732	9.999	81.731	39.164
Other intangible assets	132.395			132.395	132.395		132.395	0
Investments in progress, advances	0			0	0		0	0
<b>Total intangible assets</b>	<b>1.530.669</b>	<b>0</b>	<b>0</b>	<b>1.530.669</b>	<b>1.062.466</b>	<b>154.556</b>	<b>1.217.022</b>	<b>313.647</b>

Intangible fixed assets at 31/12/2023 amounted to € 313,647 (€ 468,204 at the end of the previous financial year) net of amortisation.



**II. Property, plant and equipment**

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

Amounts in Euro	31.12.23	31.12.22	Change	Change %
4) Other assets	35.575	63.554	(27.979)	-44,0%
<b>Total property, plant and equipment</b>	<b>35.575</b>	<b>63.554</b>	<b>(27.979)</b>	<b>-44,0%</b>

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

Amounts in Euro	Gross Value			Accumulated depreciation			Net Value
	31.12.22	Increase	31.12.23	31.12.22	Increase	31.12.23	
Plant and machinery	1.700		1.700	1.700		1.700	0
Furnitures	26.448	0	26.448	26.448		26.448	0
Electronic office machines	314.200	0	314.200	284.594	19.944	304.538	9.662
Mobile equipment	32.873	0	32.873	30.403	1.683	32.086	787
Other electronic equipments	70.075	0	70.075	38.597	6.352	44.949	25.126
<b>Total tangible assets</b>	<b>445.296</b>	<b>0</b>	<b>445.296</b>	<b>381.742</b>	<b>27.979</b>	<b>409.721</b>	<b>35.575</b>

Property, plant and equipment, net of provisions for depreciation, amounted to € 35,575 (€ 63,554 at the end of the previous year). The reduction in 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:

Amounts in Euro	31.12.23	31.12.22	Change	Change %
Equity investments in subsidiaries	2.017.566	2.017.566	0	0,0%
<b>Equity investments</b>	<b>2.017.566</b>	<b>2.017.566</b>	<b>0</b>	<b>0,0%</b>
<b>Total financial fixed assets</b>	<b>2.017.566</b>	<b>2.017.566</b>	<b>0</b>	<b>0,0%</b>

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 31/12/2023 was € 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. - P.IVA 8961560961

Description	31.12.23	31.12.22
Share Capital	1.000.000	1.000.000
Retained earnings/reserves	563.971	577.034
Net profit (Loss)	389.055	(13.063)
<b>Total equity Weedoo</b>	<b>1.953.026</b>	<b>1.563.971</b>
Owned share	51%	51%
Owned share in Euro	996.043	797.625
Interest amount	2.017.566	2.017.566

The Company decided that it did not need 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 2024-2027 development plan. Following the analysis, it was confirmed that there was no need to writedown the equity investment.

Note that at 31 December 2023 the subsidiary Weedoo S.p.a. held a stake of 75% in the share capital of SMG S.r.l., a natural 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 2023 of € 3,701,432, while the value at which the equity investment is recognised in the financial statements of Weedoo S.p.a. is € 2,361,565. Note that the stake held in shareholders' equity, € 2,776,074 (equal to 75%, € 3,701,432), is higher than the amount at which the same is recognised in the financial statements and therefore there was no need for Weedoo to recognise impairment relative to SMG S.r.l.

Finally, note that the stake held in SMG by Weedoo increased from 75% to 96.25% in 2024, following the SMG share capital increase adopted by the SMG Extraordinary Shareholders' Meeting on 19 February 2024, bringing it from € 15,000 to € 100,000, subscribed and immediately paid in by Weedoo in the amount of € 85,000, in favour of SMG.



**Current assets*****I Inventories***

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

Amounts in Euro	31.12.23	31.12.22	Change	Change %
Finished products and goods	0	1.412.954	(1.412.954)	-100,0%
<b>Total Inventories</b>	<b>0</b>	<b>1.412.954</b>	<b>(1.412.954)</b>	<b>-100,0%</b>

Inventories total zero given that during the year the Company did not acquire any storage capacity.

***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):

Amounts in Euro	31.12.23	31.12.22	Change	Change %
Receivables from customers	5.157.655	65.669.831	(60.512.176)	-92,1%
Receivables from subsidiaries	3.218.501	4.048.568	(830.067)	-20,5%
Receivables from parent companies	21.936	26.836	(4.900)	-18,3%
Receivables due from subsidiaries of parent companies	0	2.455.128	(2.455.128)	-100,0%
Tax credits	591.478	2.608.186	(2.016.708)	-77,3%
Deferred tax assets	1.062.282	360.450	701.832	194,7%
Receivables from others	39.313.457	13.963.592	25.349.865	181,5%
<b>Total Receivables</b>	<b>49.365.309</b>	<b>89.132.591</b>	<b>(39.767.282)</b>	<b>-44,6%</b>

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 significant decrease in the amount of receivables from customers is mainly due to the reduction in business.

The item "receivables from others" of € 39,313,457 (€ 13,963,592 at 31 December 2022) increased mainly due to the opening of an interest-bearing bank deposit and guarantee deposits strictly linked to business operations.

The amount of receivables recognised in current assets takes account both of credit notes to be issued and of provisions for bad debt of € 10,671. Details of the item and related changes in provisions for bad debt are shown below:

Amounts in Euro	31.12.23	31.12.22	Change	Change %
Receivables from customers	5,168,326	66,081,022	(60,912,696)	-92,2%
Provision for impairment of receivables	(10,671)	(411,191)	400,520	-97,4%
<b>Total receivables from customers</b>	<b>5,157,655</b>	<b>65,669,831</b>	<b>(60,512,176)</b>	<b>-92,1%</b>

Amounts in Euro	31.12.23
Balance as at 31/12/2022	(411,191)
Provisions	0
Releases	172,200
Utilizations	228,321
<b>Balance as at 31/12/2023</b>	<b>(10,671)</b>

As at 31/12/2023, no receivables had a duration of more than five years.

The item Receivables from subsidiaries is made up as follows:

Amounts in Euro	31.12.23	31.12.22	Change	Change %
Receivables from Weedoo S.p.A.	2,523,719	951,158	1,572,561	165,3%
Receivables from SMG S.r.l.	694,783	3,097,411	(2,402,628)	-77,6%
<b>Total Receivables from investment</b>	<b>3,218,501</b>	<b>4,048,568</b>	<b>(830,067)</b>	<b>-20,5%</b>



Note that the item relative to Weedoo S.p.A. includes an interest-bearing loan of € 204,000, remunerated at a fixed rate of 2%, and another interest-bearing loan of € 1,530,000, remunerated at a variable rate of Euribor 3M + 200 basis points. The item "Receivables from investment" consists only of trade receivables, down with respect to the figure at 31 December 2022.

The item Tax Credits is made up as follows:

Amounts in Euro	31.12.23	31.12.22	Change	Change %
Revenue agency VAT account	202.426	740.330	(537.904)	-72,7%
VAT credit requested	0	1.543.371	(1.543.371)	-100,0%
VAT credit for offsetting	0	0	0	-
IRES advances	0	0	0	-
Excise credits	232.980	178.994	53.986	30,2%
Additional regional credits	118.367	145.491	(27.124)	-18,6%
Revenue agency interest income withholding account	37.704	0	37.704	
<b>Total tax credits</b>	<b>591.478</b>	<b>2.608.186</b>	<b>(2.016.708)</b>	<b>-77,3%</b>

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):

Geographical area	Italy	UE	Extra UE	Total
Receivables from customers	1.983.911	3.173.744		5.157.655
Receivables from subsidiaries	3.218.501			3.218.501
Receivables from parent companies	0	21.936		21.936
Tax credits	591.478			591.478
Deferred tax assets	1.062.282			1.062.282
Receivables from others	39.313.457			39.313.457
<b>Total Receivables</b>	<b>46.169.629</b>	<b>3.217.616</b>	<b>(2.016.708)</b>	<b>49.365.309</b>



**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):

Amounts in Euro	31.12.23	31.12.22	Change	Change %
Derivatives	0	51.217	(51.217)	-100,0%
<b>Financial assets not classified as fixed assets</b>	<b>0</b>	<b>51.217</b>	<b>(51.217)</b>	<b>-100,0%</b>

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):

Amounts in Euro	31.12.23	31.12.22	Change	Change %
Bank and postal deposits	33.713.868	93.777.024	(60.063.156)	-64,0%
Cash at bank and in hand	1.125	814	311	38,2%
<b>Total cash and cash equivalents</b>	<b>33.714.993</b>	<b>93.777.838</b>	<b>(60.062.845)</b>	<b>-64,0%</b>

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):

Amounts in Euro	31.12.23	31.12.22	Change	Change %
Sundry prepaid expenses	109.624	101.882	7.742	7,6%
<b>Total accruals and deferrals</b>	<b>109.624</b>	<b>101.882</b>	<b>7.742</b>	<b>7,6%</b>

As at 31/12/2023, 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

Amounts in Euro	31.12.23	31.12.22	Change	Change %
Share Capital	5.000.000	5.000.000	0	0,0%
Legal reserve	682.411	682.411	0	0,0%
<i>Other reserves - capital increase payments</i>	925	925	0	0,0%
<i>Other reserves - payments made by shareholders</i>	5.000.000	5.000.000		
<i>Other reserves - extraordinary profit reserves</i>	421.076	421.076	0	0,0%
<b>Total Other reserves</b>	<b>5.422.001</b>	<b>5.422.001</b>	<b>0</b>	<b>0,0%</b>
Reserve, hedging of expected cash flows	0	31.180	(31.180)	-100,0%
Retained profit (loss)	9.673.299	9.872.501	(199.202)	-2,0%
Profit (loss) for the year	3.258.081	(199.202)	3.457.283	-1735,6%
<b>Total Shareholders' Equity</b>	<b>24.035.792</b>	<b>20.808.891</b>	<b>3.226.901</b>	<b>15,5%</b>



## NOTES TO THE STATEMENTS

Shareholders' Equity amounted to € 24,035,792 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):

Amounts in Euro	Share Capital	Legal Reserve	Other Reserves	Reserve for hedging of expected financial flows	Retained earnings (losses)	Profit (loss) of the year	Total Shareholders' Equity
<b>Balance as of December 31, 2020</b>	<b>5.000.000</b>	<b>501.786</b>	<b>5.422.001</b>	<b>861.251</b>	<b>6.440.632</b>	<b>1.644.700</b>	<b>19.870.371</b>
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
<b>Balance as of December 31, 2020</b>	<b>5.000.000</b>	<b>584.021</b>	<b>5.422.001</b>	<b>2.265.070</b>	<b>8.003.097</b>	<b>1.967.792</b>	<b>23.241.981</b>
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)
Profit for the year						(199.202)	(199.202)
<b>Balance as of December 31, 2020</b>	<b>5.000.000</b>	<b>682.411</b>	<b>5.422.001</b>	<b>31.180</b>	<b>9.872.501</b>	<b>(199.202)</b>	<b>20.808.891</b>
Previous year net profit allocation		0			(199.202)	199.202	0
Other movements (includ. tax effects)				(31.180)			(31.180)
Profit for the year						3.258.081	3.258.081
<b>Balance as of December 31, 2020</b>	<b>5.000.000</b>	<b>682.411</b>	<b>5.422.001</b>	<b>0</b>	<b>9.673.299</b>	<b>3.258.081</b>	<b>24.035.792</b>



## NOTES TO THE STATEMENTS

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):

Amounts in Euro	31.12.23	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	0	U	.	0
Retained earning	9.673.299	U	A, B, C	9.673.299
Profit for the year	3.258.081			
<b>Total Shareholders' Equity</b>	<b>24.035.792</b>			<b>15.777.711</b>
<b>of which Non-distributable portion</b>	<b>5.683.336</b>			<b>683.336</b>

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 31/12/2023, 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):

Amounts in Euro	31.12.23	31.12.22	Change	Change %
For taxes	0	0	0	
Derivatives	0	6.820	(6.820)	-100,0%
Others	3.921.056	1.458.881	2.462.175	168,8%
<b>Total provisions for risks and charges</b>	<b>3.921.056</b>	<b>1.465.701</b>	<b>2.455.355</b>	<b>167,5%</b>



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):

Amounts in Euro	31.12.22	Increases	Decreases.	Utilizations	31.12.23
For taxes	0				0
Derivatives	6.820	0	6.820		0
Others	1.458.881	2.462.175			3.921.056
<b>Total provisions for risks and</b>	<b>1.465.701</b>	<b>2.462.175</b>	<b>6.820</b>	<b>0</b>	<b>3.921.056</b>

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 31/12/2023, 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):

Amounts in Euro	31.12.22	Accrual	Usage	31.12.23
Severance indemnity	447.108	54.092	322.211	178.989
<b>Total TFR (severance indemnity)</b>	<b>447.108</b>	<b>54.092</b>	<b>322.211</b>	<b>178.989</b>



## 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):

Amounts in Euro	31.12.23	31.12.22	Change	Change %
Payables for shareholder loans	12.231.423	105.309.908	(93.078.485)	-88,4%
Payables to banks	581	29.632	(29.051)	-98,0%
Trade payables	33.929.831	54.995.210	(21.065.379)	-38,3%
Payables to parent company	82.016	410.686	(328.670)	-80,0%
Payables due to subsidiaries of parent companies	9.290.050	0	9.290.050	100,0%
Tax payables	645.296	784.264	(138.968)	-17,7%
Social security liabilities	83.551	89.692	(6.141)	-6,8%
Other payables	1.158.089	2.676.684	(1.518.595)	-56,7%
<b>Total payables</b>	<b>57.420.837</b>	<b>164.296.076</b>	<b>(106.875.239)</b>	<b>-65,1%</b>

The item Payables for shareholder loans refers to an interest bearing loan at market conditions for a nominal amount of € 12,000,000. During 2023 this was decreased by € 93 million with respect to the previous year. The item also includes interest accruing up to 31 December 2023. The decrease during 2023, compared to the previous 105 million line granted, occurred due to reduction of business. The details of payables to banks by type follow:

Amounts in Euro	31.12.23	31.12.22	Change	Change %
Current account overdrafts	581	29.632	(29.051)	-98,0%
<b>Payables to banks</b>	<b>581</b>	<b>29.632</b>	<b>(29.051)</b>	<b>-98,0%</b>

The balance of payables to banks at 31 December 2023, equal to € 581, shows a significant decrease with respect to the previous financial statements (€ 29.6 thousand) due to the combined effect of the decrease in business and the need to utilise 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 item Trade payables of € 34 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 € 82 thousand, payable in relation to Centrex Energy & Gas AG.

The item tax payables mainly consists of the IRES payable, net of advances paid, for € 516,457, as well as the IRAP payable, net of advances paid, for € 69,868. The remaining portion of payables refers to withholdings for employees (€ 58,021) and contractors (€ 950).

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	UE	Extra UE	Total
Payables for shareholder loans		12.231.423		12.231.423
Payables to banks	581			581
Trade payables	33.828.969	87.479	13.383	33.929.831
Payables to parent company		82.016		82.016
Tax payables	645.296			645.296
Social security payables	83.551			83.551
Other payables	1.158.089			1.158.089
<b>Total payables</b>	<b>45.006.536</b>	<b>12.400.918</b>	<b>13.383</b>	<b>57.420.837</b>

### Accruals and deferrals

Amounts in Euro	31.12.23	31.12.22	Change	Change %
Accrued expenses	40	8.030	(7.990)	-99,5%
Deferred income	0	0	0	
<b>Total accruals and deferrals</b>	<b>40</b>	<b>8.030</b>	<b>(7.990)</b>	<b>-99,5%</b>

As at 31/12/2023, 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 the decrease in the value of production, as well as the changes seen in the individual items with respect to the previous year:

Amounts in Euro	31.12.23	31.12.22	Change	Change %
Revenues from sales	815.357.443	2.038.333.672	(1.222.976.229)	-60,0%
Other revenue and income	167.081	139.829	27.252	19,5%
<b>Value of production</b>	<b>815.524.524</b>	<b>2.038.473.501</b>	<b>(1.222.948.977)</b>	<b>-60,0%</b>

The decrease seen in Revenues from Sales is for the most part explained by the decrease in both the price and in business during 2023.

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

Geographical area	Italy	UE	Extra UE	Total
Revenues from sales	51.384.242	719.543.259	44.429.942	815.357.443
<b>Total value of production</b>	<b>51.384.242</b>	<b>719.543.259</b>	<b>44.429.942</b>	<b>815.357.443</b>

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

Amounts in Euro	31.12.23	31.12.22	Change	Change %
Revenue from trading and corporate	813.880.669	2.015.666.077	(1.201.785.408)	-59,6%
Other gas revenue	1.307.219	10.329.712	(9.022.493)	-87,3%
Revenue from intercompany services	0	61.000	(61.000)	-100,0%
Revenue from power	169.555	12.276.882	(12.107.327)	-98,6%
<b>Total revenue from sales</b>	<b>815.357.443</b>	<b>2.038.333.672</b>	<b>1.089.720.123</b>	<b>114,9%</b>



## Costs of production

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

Amounts in Euro	31.12.23	31.12.22	Change	Change %
For consumables and goods	796.048.919	1.976.323.328	(1.180.274.409)	-59,7%
Services	6.206.194	36.797.063	(30.590.869)	-83,1%
Use of third-party assets	479.826	400.297	79.529	19,9%
<i>Wages and salaries</i>	2.511.333	2.526.100	(14.767)	-0,6%
<i>Social security contributions</i>	549.305	780.841	(231.536)	-29,7%
<i>Severance indemnity</i>	54.092	87.886	(33.794)	-38,5%
<i>Pension and similar obligations</i>	100.944	99.271	1.673	1,7%
<i>Other costs</i>	33.881	29.900	3.981	13,3%
<b>Personnel costs</b>	<b>3.249.555</b>	<b>3.523.998</b>	<b>(274.443)</b>	<b>-7,8%</b>
<i>Amortisation, intangible assets</i>	154.556	172.235	(17.679)	-10,3%
<i>Depreciation, property, plant and equipment</i>	27.979	39.753	(11.774)	-29,6%
<i>Write-down of receivables</i>	172.200	(255.895)	83.695	-32,7%
<b>Amortisation, depreciation and wri-</b>	<b>10.335</b>	<b>(43.907)</b>	<b>54.242</b>	<b>-123,5%</b>
Change in consumables and goods	1.412.954	14.767.126	(13.354.172)	-90,4%
Provisions for risks	2.000.000	0	2.000.000	
Other operating expenses	451.677	2.803.222	(2.351.545)	-83,9%
<b>Costs of production</b>	<b>809.859.460</b>	<b>2.034.571.127</b>	<b>(1.224.711.667)</b>	<b>-60,2%</b>

Similar to that seen in Revenue from Sales, production costs with reference to costs to purchase gas saw a significant decrease, following the drop in the price of volumes traded.

Costs for services are mainly related to natural gas transport and storage services and the decrease seen is mainly justified by the decrease in sales volumes.



Leasing costs mainly refer to costs incurred for rental of offices and for vehicle hire and show a change in the year that is explained by inflation and the adjustment of condominium fees by the lessor. 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. 2023 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:

Amounts in Euro	31.12.23	31.12.22	Change	Change %
Financial income	162.337	55.666	106.671	191,6%
Financial expenses	(1.353.808)	(1.043.117)	(310.691)	-29,8%
Exchange gains (losses)	(1.083)	(743)	(340)	-45,8%
<b>Financial income and expense</b>	<b>(1.192.554)</b>	<b>(988.194)</b>	<b>(204.360)</b>	<b>-20,7%</b>

The increase in financial expense can mainly be traced to the payment of interest on interest-bearing loans from Shareholders which ended during 2023.

### 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":

Amounts in Euro	31.12.23	31.12.22	Change	Change %
Revaluation of financial derivatives	0	21.844	(21.844)	-100,0%
Writedowns of financial derivatives	13.217	62.913	(49.696)	-79,0%
<b>Value adjustments of financial assets</b>	<b>(13.217)</b>	<b>(41.069)</b>	<b>27.852</b>	<b>-67,8%</b>



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:

Amounts in Euro	31.12.23	31.12.22	Change	Change %
Current taxes	(1,903,044)	(3,119,883)	1,216,839	-39,0%
Taxes related to previous years	0	20,388	(20,388)	
Deferred tax assets	701,832	27,182	674,650	2482,0%
<b>Income taxes for the year</b>	<b>(1,201,212)</b>	<b>(3,072,313)</b>	<b>1,871,101</b>	<b>-60,9%</b>

Below is a breakdown of current taxes:

Amounts in Euro	31.12.23	31.12.22	Change	Change %
IRES	(1,765,383)	(1,219,791)	(545,592)	44,7%
IRAP	(309,149)	(237,841)	(71,308)	30,0%
Solidarity Contribution	0	(1,662,251)	1,662,251	-100,0%
Income (expense) from tax consolidation	171,488	0	171,488	100,0%
<b>Current taxes</b>	<b>(1,903,044)</b>	<b>(3,119,883)</b>	<b>1,216,839</b>	<b>-39,0%</b>

Note that in 2022 current taxes included the Solidarity Contribution, for € 1,662,251.



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;  
Non vi sono differenze temporanee per le quali non si sia provveduto all'iscrizione delle relative imposte differite e anticipate.

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 31/12/2023 staff was as follows:

Staff	Average 2023	Average 2022	Change
Management	4	5	-1
Middle Managers and Office Workers	17	21	-4
<b>Total</b>	<b>21</b>	<b>26</b>	<b>-5</b>

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, note that the fees to members of the Board of Statutory Auditors increased with respect to the previous year, also to comply with regulations on fair compensation, and total € 52,166. 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 € 6,766,141 in relation to other transporters, distributors and market operators.



We can also note that the amount indicated above:

- includes the guarantee of € 365,975 issued in favour of zi Rete Gas S.p.A. in the interest of the indirect subsidiary SMG;
- includes the guarantee of € 13,422 issued in favour of zi Rete Gas S.p.A. in the interest of the subsidiary Weedoo.

In addition, note 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 € 150 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 Società Gas Rimini S.p.A. Group.

These are financial and 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, 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**

Note 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, as the Legal Reserve is not equal to one fifth of the Share Capital, it is proposed that the profit for the year be allocated as follows:

- € 162,904 to the Legal Reserve;
- € 3,095,177 retained.

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 2023 and correspond to the results of the accounting entries.

Milan, 3 June 2024

For the Board of Directors

The Chief Executive Officer  
Michele Libutti





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