

Press Kit

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1.0 Group profile



Entrance of Palazzo Edison, the company's headquarters in Milan, located at 31 Foro Buonaparte.

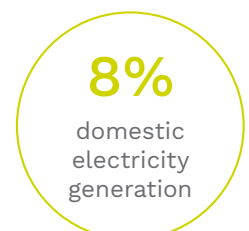
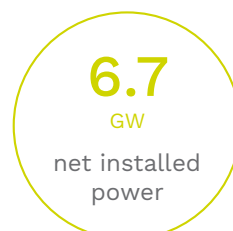
Edison is the oldest energy company in Europe, boasting over 135 years of achievements, and is one of the sector's leading operators in Italy. The company is at the forefront of the energy transition challenge and has set itself 10 sustainability targets, in line with the UN's **Sustainable Development Goals**, which guide its development in the field of renewable energy, energy efficiency, digitalisation and the end market.

In this rapidly changing market, Edison has made innovation a strategic cornerstone of its development. Digitalisation and artificial intelligence are key aspects of the innovation that the company brings to the energy sector by fostering the development of renewables, while always offering its customers new services and supporting the evolution of the energy industry as it faces the challenges of climate change.

Edison sells electric power and natural gas to **1.6 million end customers**. The company is integrated throughout the electricity supply chain: from production to distribution and sales. It has highly sustainable, flexible and efficient electric power generation facilities consisting of **over 200 plants**, including combined cycle gas turbine (CCGT), hydroelectric, wind power and solar power plants. **The Group's net installed power is 6.7 GW** and in 2019 it generated **20.6 TWh**, accounting for **8% of domestic electricity generation**.

Edison has set itself the target of increasing its production of energy from renewable sources to 40% by 2030 and is working on the construction of latest-generation combined cycles to complement its renewable production.

In the gas sector, Edison is committed to diversifying its sources and supply routes to ensure the reliability and competitiveness of the national energy system, as well as to support the process of energy transition. Edison is currently working on the construction of new infrastructure for importing natural gas and on the development of the first small-scale liquefied natural gas (LNG) integrated logistics chain to support sustainable heavy and maritime transport. It also manages gas storage and distribution activities. In 2019, it imported **14,4 billion cubic metres of gas**, meeting **20% of Italian demand**.



Edison is also a **key player in the energy and environmental services sector** and offers innovative and tailored solutions to large companies, SMEs, hospitals and the public administration. Edison operates both nationally and internationally in this segment and, through its valuable experience and expertise, assists customers in choosing tailored solutions that increase the efficiency of processes, buildings and resources. Edison's Energy and Environmental Services manage **2,100 public and private facilities, 89 district heating plants, 40 industrial sites** powered by electricity generation plants (including renewables and cogeneration plants) and **21 environmental services sites**.

Edison intends to play a leading role in Italy's energy transition. Between 2018 and 2019, it generated value for the country by investing over **1.6 billion euros** to develop key infrastructure for its decarbonisation programme, in line with the Integrated National Energy and Climate Plan and with the CO₂ emission reduction targets set by COP21. **Edison's investment plan** for the three-year period from 2019 to 2021 amounts to **2 billion euros** and aims to strengthen the company's role as a key player in **renewable energy, energy efficiency and end market services**.

Today Edison operates in Italy, Europe and the Mediterranean Basin, employing over 5,000 people.



Piazza Gae Aulenti in Milan.

2,100

public
and private
facilities

89

district heating
plants

40

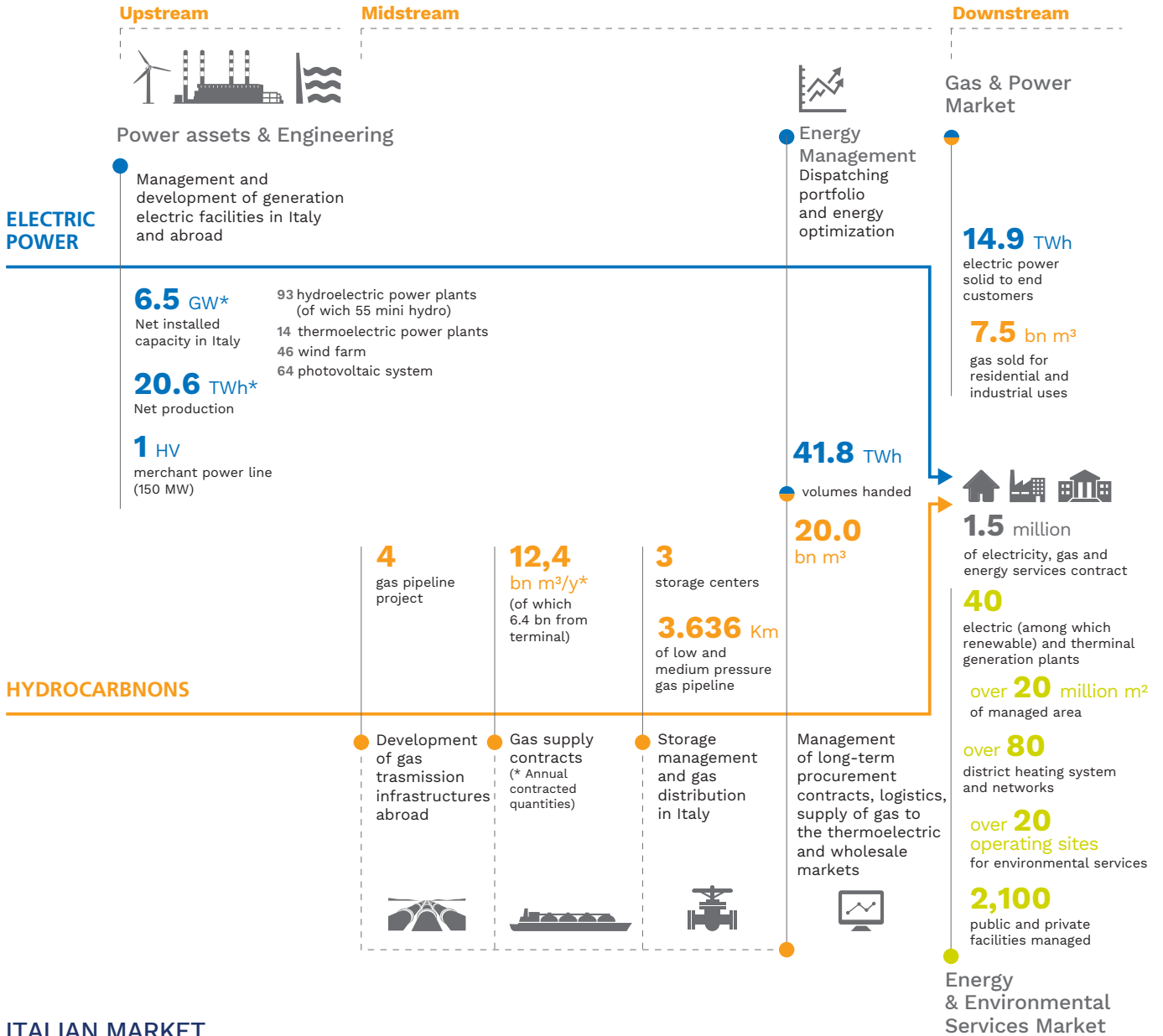
industrial
sites

21

environmental
services
sites

VALUE CHAIN

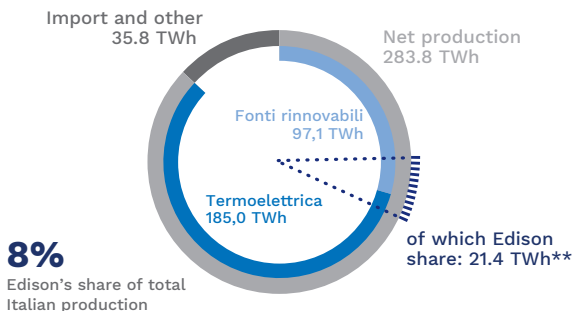
ACTIVITY



ITALIAN MARKET

ELECTRIC POWER

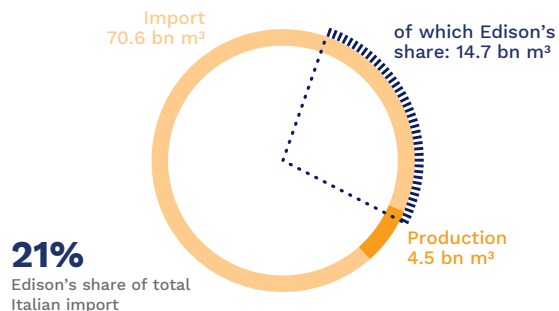
2019 - Total gross Italian demand 319.6 TWh



* Figures in line with the consolidation criterion
 ** Including the production of electricity of the Energy & Environmental Services

GAS

2019 - Total Italian demand 73.7 bn m³*



* Includes injections / withdrawals from storage

2.0 Sustainable energy

Edison views sustainability as a business driver and a means of creating value for communities. The company has therefore steered its operations in the direction outlined by the UN's 17 Sustainable Development Goals (SDGs), promoting sustainable economic growth, including through its commitment to the United Nations Global Compact, and applying its 10 fundamental principles relating to human rights, labour standards, environmental protection and the fight against corruption.

2.1 Edison's commitment to sustainable development

EDISON'S VISION FOR 2030



Edison's Sustainability Policy consists of six ambitions, divided into 10 quantitative targets, which are monitored annually using performance indicators (KPIs) approved by the company's Board of Directors.

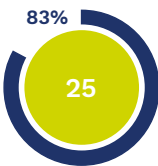
Business process sustainability is the prerequisite underlying Edison's Sustainability Policy. This involves the application of the principles of integrity and respect for human rights, as well as the implementation of digitalisation processes to support transformation within the company (SDGs 8 and 9).

SUSTAINABILITY POLICY TARGETS

Sustainability in business processes

At least 30 digital transformation projects by 2021.

2019 PROGRESS

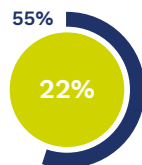


IMPLEMENTED PROJECTS

Combating dynamic change

- 40% of production from renewable sources by 2030.
- Specific emissions from electric power generation facilities at 0.26 kg/kWh by 2030, within the framework of the Italian carbon reduction plan.

2019 PROGRESS



PRODUCTION FROM RENEWABLE SOURCES IN 2019

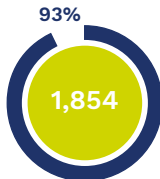


SPECIFIC CO₂ EMISSIONS²

People and skills as a platform for growth

- At least 2,000 employees involved in inclusion projects by 2021.
- At least 70% of employees involved in the use of social collaboration tools.
- Balanced pipeline aimed at the promotion of candidates for managerial categories to strengthen the presence of women.

2019 PROGRESS

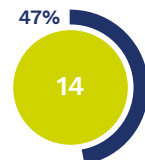


EMPLOYEES INVOLVED IN INCLUSION PROJECTS

Close to customers and the local area

- By 2021, at least 30 design initiatives through the innovative BIM system.
- High customer satisfaction over time and consolidation of a network of at least 400 regional contact points by 2021.

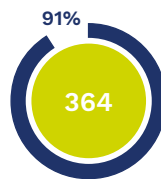
2019 PROGRESS



BIM PROJECTS



INPS INDEX



OPEN CONTACT POINTS

Sustainable production to protect biodiversity

By the end of 2023, at least 3 initiatives to protect habitats and enhance biodiversity, co-designed with local stakeholders, partly identified by mapping the vulnerability of existing sites and those under development.

2019 PROGRESS



Dialogue with stakeholders and shared design

At least two meetings of the SDGs@Edison stakeholder panel per year, of which at least one in the areas of interest.

2019 PROGRESS



PANEL MEETINGS

Edison believes that combating climate change means developing renewable sources by leveraging its expertise and consolidated experience in this area (the company's first hydroelectric power plant was built in 1898) and the use of a sustainable resource, natural gas, to balance the intermittency of renewables, as identified by COP21 and PNIEC, in addition to promoting energy efficiency.

One of Edison's targets is to increase its production of energy from renewable sources to 40% and to reduce the specific CO₂ emissions of its electric power generation facilities to 0.26 kg/kWh by 2030 (SDGs 7 and 13).

These targets go hand in hand with the enhancement of biodiversity and ecosystems, which the company considers essential elements of its industrial approach and dialogue with local communities (SDGs 7, 9, 13, 14 and 15).

The other pillar of strategic development is closeness to customers and markets, which, for Edison, primarily means strengthening dialogue tools, monitoring procedures and conciliation processes, as well as designing new services by focusing on innovation and digitalisation (SDGs 7, 9 and 12).

These targets are also pursued by leveraging the skills of the people who work at Edison and fostering an inclusive context that promotes diversity and encourages employees to express their talent and share their expertise (SDGs 4, 5 and 8).

The Sustainability Policy, which sets out Edison's ambitions, targets and commitments, is the result of dialogue and consultation with the SDGs@Edison Stakeholder Panel – a community consisting of representatives from institutions, academia, culture and third sector associations, as well as millennial students –, that the company meets at least twice a year at events devoted to shared planning.

2.2 Edison's commitment to a future of renewable energy

Electric power: highly efficient production facilities comprising combined cycle gas turbines and renewables



Renewable energy. Edison's wind farm in Foiano di Val Fortore in Campania.

Edison is one of the leading power production operators in Italy: since its foundation, it has always looked to the future with a pioneering approach, investing in innovative and sustainable technologies. In line with national and international climate change mitigation objectives, the company has set itself the target of 40% of production from renewable energy by 2030, up from the current proportion of 22%, and of reducing the emissions of its electric power generation facilities to 0.26 g/kWh, down from the current figure of 0.28 g/kWh.



The company's production facilities include highly efficient combined cycle gas turbine (CCGT) plants, hydroelectric plants, wind farms and photovoltaic systems. With installed power of **6.7 GW**, in 2019 Edison produced 20.6 TWh of electricity, accounting for 8% of national production. The current portfolio of facilities consists of over 200 power plants, including **93 hydroelectric power plants** (31 mini hydro), **14 thermo-electric power plants**, **46 wind farms** and **64 photovoltaic systems**.



The Bertini plant in Paderno d'Adda. It is the Edison Group's oldest hydroelectric power plant and one of the oldest in Italy. When it was opened in September 1898, the Bertini plant was the largest electrical plant in Europe and the second-largest in the world.

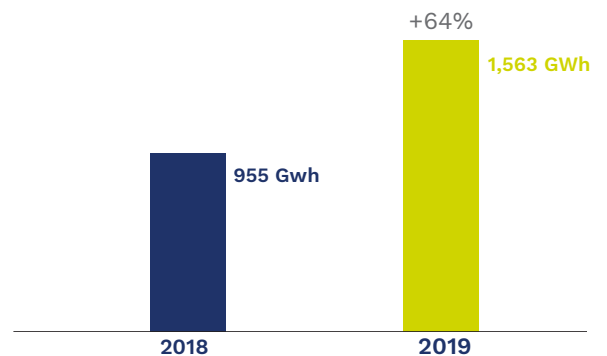
Hydroelectric energy. Edison has played a historic role in the hydroelectric sector: it built the country's first power plants, which are still in operation today, in the late 19th century. Renewable energy from water is therefore not only the company's origin and tradition, but also its future.

Its growth strategy in this area is based on a two-pronged strategy: the consolidation and increase in the number of large-scale power plants and the expansion of its scope through the construction or acquisition of mini hydro plants (under 3 MW of power). Edison's hydroelectric production sites are mainly concentrated in Northern Italy, with a **capacity of 1,018 MW**. In 2019, the company produced 3,189 GWh of hydroelectric energy (+3.6% compared to 2018).

Renewable energy. Edison is integrated throughout the renewable energy chain, conducting operations that range from production to the management and maintenance of facilities and the sale of sustainable energy. Edison is the second-largest player in the Italian **wind farm** sector with **922 MW of installed capacity** fully consolidated in its financial statements. In this area Edison operates through **E2i Energie Speciali**, a company established in 2014 as a joint venture with F2i Fondi Italiani per le Infrastrutture and EDF Energies Nouvelles. In 2019, the company further increased its installed capacity by commissioning 8 wind farms with a capacity of 165 MW and through the acquisition of EDF Energies Nouvelles Italia, an operation that increased renewable capacity by an additional 292 MW (215 MW of wind power and 77 MW of solar power) and paved the way for significant development in the photovoltaic sector.

In 2019, Edison produced **1,563 GWh** of renewable energy (wind and solar), up 64% compared with 2018.

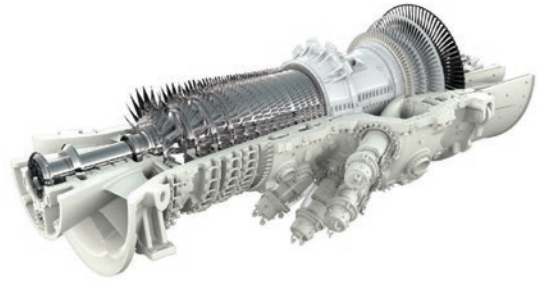
RENEWABLE PRODUCTION



Thermoelectric energy. Edison was the first company in Italy to introduce combined cycle gas technology in its thermoelectric power plants in 1992. An efficient and environmentally friendly technology that guarantees the national electricity system the production flexibility necessary to compensate for the intermittency of generation from renewable sources. Since it is very environmentally friendly, natural gas is the ideal raw material to facilitate the energy system's transition process. In Italy, Edison has **14 thermoelectric power plants**, all with combined cycle gas technology, which have an installed capacity of **4.472 MW**.

Introducing the best technologies for increasingly sustainable electricity production in Italy, **in 2019 Edison invested over 670 million euros in the construction of two latest-generation combined cycle gas turbine thermoelectric plants:** one in Marghera Levante in Veneto (modernisation and capacity increase of a power plant already in operation) and one in Presenzano in Campania (green field).

The two plants will be equipped with the GT36 turbine (known as "Mont Blanc") produced by Ansaldo Energia, which will enable a 40% reduction in specific CO₂ emissions compared to the average of the current Italian thermoelectric facilities and a 70% reduction in emissions of nitrogen oxides. The new turbine will also ensure the highest energy performance currently possible (63%), making the two plants the most efficient thermoelectric power plants in Europe.



Mont Blanc GT36 turbine, cutting-edge technology created by Ansaldo Energia in the Genoa Cornigliano plants.

Edison is also active in the electric power generation sector outside Italy: most significantly, it operates in Greece through ElpEdison, a company established as a joint venture with Hellenic Petroleum, which owns two major combined cycle gas turbine plants in Thessaloniki (390 MW) and Thisvi (410 MW).



Marghera power plant.



Rendering of the Presenzano thermoelectric plant.

3.0 Close to customers and markets

3.1 Light, gas and services for people



Edison Energia Customer Service Desk in Piazzale Cadorna, Milan.

Edison Energia is the Group company responsible for selling electricity and natural gas to households and business customers (professionals, businesses and condominiums). The company combines its traditional supply with a range of services for people and the home to increase consumer comfort and well-being.

Edison is ready to seize the opportunity offered by the full deregulation of the energy market, postponed until January 2022 and introduced by the Letta Decree in 2003 for the gas market and the Bersani Decree in 2007 for the electric power market, contributing to the creation of a fair and balanced market that puts consumers first. To this end, since its entry into the retail market in 2008, it has initiated an ongoing dialogue with consumer associations to ensure the **transpar-**

ency and correctness of the information and behaviour of its agents, as well as **high-quality service standards**. Through the establishment of dialogue groups and the implementation of numerous joint initiatives, Edison listens to the demands of consumers and their feedback, taking on board their suggestions in order to offer a service that is increasingly attentive to their needs and to increase their guarantees.

The company's focus on listening and providing accurate information is also recognised by Altroconsumo's 2019 survey, which confirms Edison Energia's position as one of the most reliable energy operators, scoring highly in all areas examined, including customer satisfaction, for both electricity and gas.

Edison aims to meet the needs of emancipated, independent consumers who are actively involved in the energy progress. Both consumers and producers of renewable energy, with whom the company shares a commitment to sustainability and the responsible use of resources.



View of the new CityLife district in Milan.

In 2017, it launched **Edison World** on the market: an adjustable and customisable services platform that offers transparent costs, smart home, self-production and energy storage services, and personal services, such as maintenance and emergency services in the event of a fault in the light or gas system. Edison World meets the need to provide a service that considers the home and small and medium-sized businesses as an intelligent structure, with measurable and transparent costs, powered by environmentally friendly energy.



Plug&Go: Edison Energia's long-term rental solution and installation of a charging station or wallbox.

Sustainable mobility. How we move around in our cities and transport goods has a direct impact on our well-being. Mobility is currently an area that is undergoing major transformation, faced with disruptive technologies that challenge traditional models. To support the transition to alternative mobility, Edison has launched **Plug&Go**, a long-term electric car rental service with **wall boxes** for charging at home or in the office. This is an ideal solution for adopting a sustainable lifestyle and constantly keeping pace with the technological evolution of the models. Edison is also committed to making its charging infrastructure increasingly widespread throughout the country by installing charging stations at major mobility hubs, such as the car parks at supermarkets, hotel chains, tourist locations and the network of Toyota and Lexus dealerships and service points in Italy.

In addition to supporting the spread of electric vehicles, Edison promotes the transition to fuels that are more sustainable than traditional diesel and petrol, such as methane and biomethane. Today the company supplies compressed natural gas (CNG) to more than **300 car filling stations**, 20 of which are under the Edison brand, in Puglia, Lazio, Calabria, Sicily, Emilia Romagna and Abruzzo. Since January 2019, Edison has also been the **first operator licensed to collect GSE biomethane and to deliver it** to service stations for 100% renewable and environmentally friendly mobility.



Edison bio-methane filling station in Somaglia (Lodi).

Edison's plan also extends to heavy road and maritime transport. In these areas, in which electrical solutions are less effective and reliable, Edison is committed to developing an integrated logistics chain for the transportation, storage and distribution to end customers of LNG (liquefied natural gas) and BioLNG, two types of very sustainable fuel. Compared to traditional automotive mixtures, they enable a reduction of 100% of PM10 dust, 100% of SO_x (sulphur oxides), 25% of CO₂ and between 60% and 90% of NO_x (nitrogen oxides).

3.2 Energy and environmental services: innovation for businesses and cities



Stazione Centrale in Milan.

In the Energy and Environmental Services sector, Edison is one of the leading operators with proven experience and expertise. In 2016, the company established a special division – **Energy & Environmental Services Market** – that consolidates and coordinates the activities of Fenice, Citelum, Comat, and Dalkia, companies operating in various market segments: business services, street lighting, district heating, and construction and management of energy facilities and sustainable buildings. Today Edison offers its solutions to industry, small and medium-sized businesses, public administrations, hospitals and condominiums. A multitude of actors with different needs, values and environmental contexts, which require tailored solutions rather than standardised responses.

Edison, through its activities in energy and environmental services, manages **2,100 public and private facilities, 89 district heating plants, 40 industrial sites** powered by renewable electricity generation plants (and cogeneration plants) and **21 environmental services sites**.

Edison, together with the Group's companies, can offer services such as: **design, construction or redevelopment of buildings** with advanced tools, including **building information modelling (BIM)**, software that makes it possible to create a 3D model of a structure and to predict the behaviour of the materials that it is formed of and its maintenance cycles, as well as to precisely indicate delivery times; **creation of control rooms** to centrally manage the **services of a smart city**; **replacement of company fleets with electric cars and installation of charging infrastructure**, associated with self-production; **optimisation of production cycles** for industry and SMEs through the use of artificial intelligence; installation of **self-production energy and heat plants** for industrial districts or neighbourhoods and **management of energy networks**; **energy check-ups** to identify losses and their solutions; integrated waste management and creation of **ecological islands**.

Edison has always helped Italian companies to grow and has supported them on their path to success by identifying solutions that make it possible to combine cost-cutting and environmental sustainability.





Villa Necchi Campiglio, the 1930s Art Deco icon in Milan. A FAI treasure, which is also supported and protected by Edison through energy efficiency measures.

One of Edison's commitments is to protect and enhance Italy's artistic and historical heritage, in line with the target set out in its Sustainability Policy of creating shared value with the local area and communities.

Italy possesses the greatest cultural heritage in the world. Over 4,000 museums, 6,000 archaeological sites, 85,000 protected churches and 40,000 listed historic houses.

Every 100 km² in Italy contains an average of over 33 listed properties. This architectural heritage is extremely "energy-intensive". In certain cases, energy costs account for 70% of the budget. Efficient use of resources such as energy, light, heat and water can reduce consumption, resulting in significant benefits for both the environment and running costs. In order to make this vast cultural heritage more sustainable and accessible, Edison has launched numerous initiatives and partnerships throughout Italy.

Examples include its collaboration with **FAI - The National Trust for Italy**, which has led to improved energy efficiency in 5 historic buildings, including the La Cavallerizza headquarters in Milan, with an annual reduction in CO₂ emissions of over 500 tons; its partnership with the **Teatro alla Scala in Milan**, which has resulted in the improved energy efficiency of the Museo Teatrale and the new lighting project for the workshops where the sets and costumes for the operas are created; and its sustainable collaboration with the **Venice Biennial**, where Edison, among other things, has carried out measures to make the Corderie dell'Arsenale more energy efficient.



The Teatro alla Scala in Milan lit by Edison with electric light for the first time in 1883.

4.0 Importance of gas in energy transition



LNG carrier: a tank ship for transporting liquefied natural gas.

Edison has a unique position in Italy throughout the natural gas value chain: the company is committed to importing, storing and distributing this raw material, which is essential for the country's energy transition. The Italian market is the third-largest in Europe for natural gas consumption (around 73.7 billion cubic metres in 2019) and is one of the most dependent on imports: in 2019, Italy imported over 90% of the gas required to meet its needs.

Edison accounts for 20% of the country's imports (in 2019, it imported 14.6 billion cubic metres of gas), thanks to a diversified portfolio that guarantees a reliable and flexible supply. The company has long-term supply contracts with Qatar (6.4 billion cubic metres), Libya (4 billion cubic metres) and Algeria (1 billion cubic metres). Thanks to its know-how and consolidated experience, it is the centre of expertise in the gas sector for the entire EDF Group, to which it belongs, managing the contract portfolio for the Dunkirk terminal in Northern France, the second-largest regasification terminal in Europe (13 billion cubic metres of gas per year).

In line with the Integrated National Energy and Climate Plan, Edison is committed to improving security of supply by supporting the development of a complex infrastructural system based on a multi-source and multi-destination approach. The company is committed to the development of new infrastructure, such as the EastMed-Poseidon project, to strengthen the Southern Corridor and open direct access to the huge gas resources located in Central Asia, beyond the Black Sea, in the Middle East and the Eastern Mediterranean. EastMed-Poseidon is an interconnection project between Italy and Greece, Cyprus and Israel, supported and co-funded by the European Union due to its high strategic value in relation to Europe's energy security and the competitiveness of the markets.

In terms of **LNG** (liquefied natural gas), Edison is also in the privileged position of being the **only long-term importer in Italy**, boasting a wide and diversified portfolio. In 2008, the company built the Adriatic LNG, the world's first offshore regasifier, and now manages 80% of its capacity. In 2018, the company was the first to open **a new supply channel from the United States**, signing an agreement with Venture Global for the purchase of LNG (1 million tons per year, equivalent to about 1.4 billion cubic metres) from the Calcasieu Pass plant, which is scheduled to start operating in 2022.



Rendering of Edison's first small-scale LNG depot in the Port of Ravenna.

Edison is working on the **development of the first integrated small-scale LNG** logistics chain to support sustainable mobility, both on land and at sea, and to promote the methanisation of areas that are not yet connected to the network. There are currently two authorised facilities, one in the Port of Ravenna and one in the Port of Oristano. With an **investment of 100 million euros**, the Ravenna facility will be the **first LNG reception and storage terminal in Continental Italy**, with a capacity of **20,000 cubic metres of gas** and annual handling of **over 1 million cubic metres**, which will supply at least 12,000 trucks and 48 ferries per year with LNG. It is expected to begin operating in 2021.

Edison has also signed an agreement for the construction of a 30,000-cubic metre ship to transport LNG to coastal storage depots, stocking up thanks to Edison's long-term contracts.

The company also provides **storage and sales of related services** through its subsidiary Edison Stoccaggio Spa. It boasts over thirty years of experience in the development and operation of natural gas storage plants and is the second-largest operator in the sector in Italy.



Detail of gate valves. Gas storage facility in Collalto (Treviso).

Edison Stoccaggio's facilities consist of 3 sites (Cellino, Collalto and San Potito e Cotignola) constructed and operated under a storage concession agreement with a total capacity of approximately 1,005 million cubic meters.



Technician working at a storage facility.

5.0 Digital technology dedicated to energy: Edison's innovation

A notable step in this direction is the **strategic partnership agreement with Idivest Partners**, one of Europe's leading private equity firms, which researches and invests in start-ups in Europe, the US, China and Israel. Specifically, Edison has joined Idivest's **Smart City** fund, which is dedicated to start-ups in the areas of **smart energy, smart building and industry, new mobility and enabling technologies**. Edison, which is on the fund's **governance** committee, is therefore able to foster the development and growth of the most promising and interesting companies in the energy sector.



In 2018, Edison decided to transform innovation and digitalisation into effective business drivers.

Open innovation. The accelerated development of digital technology has made the traditional approach to innovation, which typically involves large long-term investments, unsustainable. Edison has therefore adopted an open innovation model with the goal of establishing a fruitful exchange between the company's expertise and tools on the one hand, and start-ups, universities and research institutions on the other, initiating shared planning and facilitating rapid identification of solutions.



Officine Edison in Bovisa: the new centre for the development of digital solutions in the energy sector.

The Officine Edison. The close and fruitful collaboration with the Milan Polytechnic and its Poli-Hub, the Turin Polytechnic and the local administrations has resulted in two spaces of interaction and productive exchange with the ecosystem of talents, start-ups and centres of excellence that gravitate around these universities, with which the company is committed to developing the best solutions for a future of sustainable energy.



Interior of the Officine Edison. Detail of the DAFNE (Digital Arena for the Next Edison) rooms.

The Officine Edison are the heart of the company's research and experimentation activities. The goal is to give concrete answers to the challenges posed by energy transition and to develop, through analysis of *big data* and use of artificial intelligence (AI), applications for renewable energy, energy efficiency, gas and customer services.

The Officine Edison in Turin, in particular, focus on the optimisation of industrial processes and the practical development of solutions for the smart city and sustainable mobility, while the Officine Edison in Milan host AI applications and two technology research laboratories: one dedicated to *Internet of Things* (IoT) solutions for the domestic environment and the other to *power storage* systems.

Successfully forecasting renewable energy production is one of the main challenges for the sector to compensate for the intermittency of this type of source and thus improve the balance of the national electricity grid.

The Officine are therefore conducting machine learning research in order to develop increasingly accurate forecasts of the electricity generation expected from the company's wind farms. Similarly, *machine learning* is used to forecast gas demand in the civil, industrial and thermoelectric sectors to enable better management of the raw material supply portfolio.

6.0 Economic profile



Shareholders' Room in Palazzo Edison, Milan.

Strategic choices made in recent years have enabled Edison to achieve important goals as a key player in the country's energy transition, while maintaining a solid financial profile.

2019 represented an important juncture for Edison in the implementation of its growth strategy, which focuses on renewables, energy efficiency and the end market. In July, the company acquired 292 MW of renewable capacity (wind and photovoltaic) from EDF EN Italia. Edison thus became the second-largest operator in the wind power sector in Italy (roughly 920 MW of installed capacity), laid the foundations for development of photovoltaic generation and confirmed its position as an operator integrated throughout the entire renewable energy chain, conducting activities that range from development to the production, management and sale of sustainable energy.

Edison closed 2019 with **sales revenues of 8,168 million euros**, compared to 8,728 million euros in 2018. This decrease was caused by the performance of Natural Gas Activities, which reported revenues of 4,862 million euros, down from 5,657 million euros in 2018, mainly due to the price scenario (-33.6%, the average spot gas price for the year), which was affected by increased availability of LNG from the US and lower demand from Asia, as well as temperatures that were not especially cold. Electric Power Operations recorded a **growth in revenues of 10.4%, up to 4,159 million euros**, thanks to the entry into production of new wind power plants, the acquisition of EDF EN Italia, and the increase in thermoelectric production (+7.5%). The Energy and Environmental Services Division also contributed to the results of Electric Power Operations, recording an increase of 13.6% in revenues in 2019, up to 507 million euros, due to the contribution of the subsidiary active in the public administration segment, Zephyro, now Edison Facility Solutions.

EBITDA increased by 38% to 587 million euros, up from 426 million euros in 2018, **thanks to the positive contribution of both businesses**. In particular, **Electric Power Operations recorded an increase of 28.9% in EBITDA to 423 million euros**, compared to 328 million euros in 2018. This growth is the result of the marked increase in production from wind and photovoltaic power (+63.7%) – as a result of the commissioning of new wind farms and the acquisition of EDF EN Italia (consolidated from July 1, 2019) – and hydroelectric power (+3.6%), as well as the excellent profit margins from thermoelectric production. **The EBITDA of Natural Gas Activities also increased, rising by 34% to 272 million euros** from 203 million euros in the previous year, which was affected by adverse weather events that had a negative impact on the gas trading business.

The 2019 margin was also driven up by exploiting the flexibility of pipeline gas import contracts. Good operational management made it possible to reduce the **net financial debt** from 581 million euros on January 1, 2019¹ to **516 million euros**, despite the extraordinary transactions completed in the renewables sector, which led to the acquisition of EDF EN Italia and its 292 MW (215 MW of wind power and 77 MW of photovoltaic power) and EDF En Services Italia, a renewable asset management and maintenance company.

2019 also saw the advancement of initiatives to support the company's innovation and digital transformation, which were further strengthened with the establishment of the Officine Edison in the Bovisa district of Milan, a space for research and development in the energy sector in collaboration with the Milan Polytechnic, and with the platform of projects for digitalization DAFNE (Digital Arena For the Next Edison).

In July, an agreement was reached with Energean Oil and Gas for the sale of 100% of Edison Exploration and Production and its equity investments in hydrocarbon exploration and production (oil and natural gas). Closing, subject to the obtainment of ministerial authorisations in the various countries involved, is expected to take place in 2020.

In light of the agreement to discontinue the E&P operations, the results of the Exploration & Production business have been considered as *Discontinued Operations* and therefore did not contribute to sales revenues and to EBITDA² in the 2019 financial statements.

EDISON GROUP HIGHLIGHTS in millions of euros	2019 financial year³	2018 financial year³ Restated IFRS 5	2018 financial year Published
Sales revenues	8,168	8,728	9,159
EBITDA	587	426	793
EBIT	176	126	199
Net profit from continuing operations	98	93	67
Group net profit	(479)	54	54

¹ Debt as at December 31, 2018 stood at 416 million euros and did not include the application, from January 1, 2019, of the new IFRS 16 accounting standard, which resulted in an increase in debt of 165 million euros (including the contribution of the discontinued E&P operations).

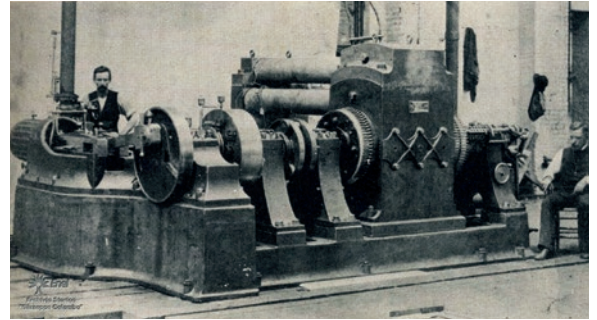
² The income items that contribute to the net profit from *Continuing Operations* exclude the contribution of E&P activities, classified as Discontinued Operations pursuant to IFRS 5. The figures for 2018 have consequently been restated to provide a uniform comparison (E&P EBITDA of 367 million euros in 2018). The comments below therefore relate to "*Continuing Operations*".

7.0 Over 135 years of history

Edison is the oldest energy company in Continental Europe, boasting over 135 years of history. The company was founded in Milan in 1884 by **Giuseppe Colombo**, rector of the Milan Polytechnic and a pioneer in the electrification of Italy.



Photo portrait of Edison's founder Giuseppe Colombo.



Edison electric dynamo, type C, known as "Jumbo". Interior of Santa Radegonda, the first electric power plant in Continental Europe.

Colombo, after visiting the Exposition Internationale d'Electricité in Paris in 1881, realised that the dynamo designed by the inventor Thomas Alva Edison was the key to the future and decided to start experimenting with it in Italy. This led to the establishment of the first European thermoelectric power plant, **Santa Radegonda**, located a short distance from Milan Cathedral, where electricity was produced to light the most important public and private buildings and galleries in the city centre.

Santa Radegonda supplied the electricity that permanently changed the staging at the Teatro alla Scala. On December 26, 1883, the day of the première of *La Gioconda* by Amilcare Ponchielli, the gas lamps in the opera house were replaced by 2,450 light bulbs, which filled the hall with the spectacle of light for the first time. This marked a turning point; founded a few weeks later, Edison initiated the electrification of the whole of Milan and Northern Italy, contributing to the country's industrial development.



Piazza alla Scala, late 19th century.



Electric tram in Milan in the late 19th century, powered by Edison's hydroelectric energy.

Edison's history is a story of groundbreaking industrial achievements. In 1885, it supplied street lighting in Milan; in 1893, it electrified the Milanese tram network, powered by a 32 km power line from the Bertini hydroelectric power plant on the Adda river; in 1931, it brought gas to the homes of Italians.

In the early post-war years, the company could already boast the largest and most modern power plant portfolio in Italy and one of the largest in Europe. In 1951, it opened Santa Giustina, the tallest dam in Europe. Two years later, it implemented the first telephone *customer care* service in Italy.

Edison's history is also tied to several key figures who exemplify the company's professional and human qualities: in 1919, the company hired Maria Artini, the first woman to graduate in Electronic Engineering; in 1931, Ferruccio Parri, the first post-war President of the Council of Ministers, joined the company; in 1947, it hired a very young Ermanno Olmi, who between 1953 and 1961, before becoming an established director, founded the company's film group, documenting, in over 40 short films made using his first camera given to him by the management at the time, the construction of the great Alpine dams and the condition of the workers who constructed these projects.

The company was impacted by the nationalisation of the energy sector in 1962. During those years, Edison, which in the meantime had expanded its business to include chemicals, was required to relinquish its power generation and sales activities, retaining only the power plants that served the Group's industrial facilities. In 1966, the merger with Montecatini led to the formation of Montedison, Italy's largest industrial chemical group. In 1979, Montedison's electrical assets (21 hydroelectric power plants and 2 thermoelectric power plants) became part of a new company, SELM, which was listed on the Milan Stock Exchange four years later. In the 1990s, Edison was the first company in Italy to introduce combined cycle gas turbines, the most efficient and environmentally friendly technology for the production of electric power from traditional sources.



Frame of Ermanno Olmi's documentary "Il tempo si è fermato" (1958) produced by Edisonvolta's Cinema Department.

The company's long series of achievements was crowned in 2008 by the construction of the world's first offshore regasifier, the Rovigo terminal. Edison also returned to the residential market in 2008 with the launch of the first "family package", and a year later, following its success in the electric power sector, Edison expanded its range for households with the inclusion of gas. In 1991, SELM regained the historic Edison name. Ten years later Italennergia (a corporate vehicle formed of Electricité de France, Fiat, Tassara, Banca Intesa and San Paolo IMI) launched a successful takeover bid for Montedison and Edison.

This transaction was intended to establish the second-largest energy operator in Italy through the divestiture of all of the Montedison Group's operations other than those connected to energy. In 2002, the merger of Edison, Fiat Energia and Sondel into Montedison resulted in a new company named Edison. In 2005, Transalpina di Energia, a 50-50 joint venture between Edf and Delmi, a group of Italian investors headed by A2A, acquired control of Edison. In May 2012, EDF, the European leader in the electricity sector, acquired control of the company and during the summer launched a takeover bid to delist the company. Edison's savings shares, which account for 2.04% of the share capital, are still listed on the Milan Stock Exchange.



Edison field in Altomonte: solar panels with storage battery

Over 135 years of innovation and progress

- 1883**
Edison lights up the Teatro alla Scala for the first time and the Santa Radegonda plant starts operation
- 1885**
Edison provides street lighting in Milan
- 1893**
Edison powers the first tramway line
- 1931**
Edison brings gas to homes
- 1951**
Edison opens Santa Giustina, the tallest dam in Europe
- 1953**
opens the first telephone customer care service in Italy
- 1962**
nationalisation of the energy sector
- 1966**
merger of Edison with Montecatini, forming Montedison
- 1979**
creation of a new company, SELM
- '90s**
Edison is the first company in Italy to introduce combined cycle gas turbines
- 2008**
Edison constructs the world's first offshore regasifier
- 2012**
Edison becomes part of the EDF Group, a European leader in renewable energy
- 2016**
Edison announces a strategy focused on renewables, customers and the local area
- 2017**
Edison Energia launches Edison World: a platform offering customisable and adjustable services for the home
- 2018**
Edison strengthens its local presence in Southern Italy with the acquisitions of the Gas Natural Vendita Italia and Attiva companies and launches Edison Plug&Go, an electric mobility solution and charging stations for residential and business customers
- 2019**
Edison becomes the second-largest wind power operator and establishes itself as a major player in Italy's energy transition