



SHAREHOLDERS' MEETING ORDINARY SESSION

REPORT OF THE BOARD OF DIRECTORS
AND MOTIONS FOR RESOLUTIONS TO
THE SHAREHOLDERS' MEETING

Shareholders' Meeting
June 24, 2021

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This document has been translated into English for the convenience of readers outside of Italy. The original Italian document should be considered the authoritative version.

Calling to Shareholders' Meeting

(Published on May 21, 2021)

CALL NOTICE OF SHAREHOLDERS' MEETING

The shareholders of Edison S.p.A. are called to a meeting, convened in ordinary session, in Milan, Foro Buonaparte 31 on

Thursday June 24, 2021, at 11.00 AM

to resolve upon the following

Agenda

Posting to the financial statements, pursuant to Article 110 of Law Decree no. 104 of August 14, 2020, converted with amendments by Law no. 126 of October 13, 2020, and subsequently supplemented by Article 1, paragraph 83 of Law no. 178 of December 30, 2020, of a tax restriction on a portion of the share capital for an amount of 1,572,280,356.02 euros.

1. Legitimate entitlement to attend the Shareholders' Meeting

Without prejudice to the provisions of the next paragraph, those who, based on the information of the intermediary, are holders of voting rights at the end of the accounting day of the **second business day before the date set for the Shareholders' Meeting on first call, and therefore, at the end of Tuesday June 22, 2021 (Record Date)**, are entitled to take part in the Shareholders' Meeting, and to exercise the voting right, exclusively on the basis of conferral of the appropriate proxy or proxy/sub-proxy to the appointed representative (Computershare S.p.A.), as specified below. Those who obtain voting rights subsequent to the Record Date shall not have the right to participate and to vote, while any disposal of shares subsequent to the Record Date will have no effects for the purposes of this entitlement. Entitlement is attested to by a communication made by the intermediary, in favour of the party with voting rights, in accordance with its accounting entries proving the registration of the crediting of shares at the end of the date specified above. The communication must be received in compliance with applicable regulations, by the beginning of the Shareholders' Meeting proceedings and without prejudice to the principle according to which participation and voting at the Shareholders' Meeting can take place exclusively through conferral of the appropriate proxy or sub-proxy to the appointed representative (Computershare S.p.A.).

2. Participation and Vote by proxy through the Representative Appointed by Edison S.p.A.

In order to reduce the risks stemming from the COVID-19 health emergency, **participation at the Shareholders' Meeting can only take place through the representative appointed** by the Company pursuant to Article 135-undieces of Legislative Decree no. 58/1998 and subsequent amendments ("TUF") (hereinafter the "**Appointed Representative**"), as permitted by Article 3, paragraph 6, of Legislative Decree no. 183 of December 31, 2020, converted into Law no. 21 of February 26, 2021, which has extended the provision set out in Article 106, paragraph 4, of Legislative Decree no. 18 of March 17, 2020, converted into Law no. 27 of April 24, 2020. For this communication, the Company identified **Computershare S.p.A.** as the Appointed Representative.

The proxy to the Appointed Representative can be conferred:

- pursuant to Article 135-*undecies* of the TUF, directly by the person holding the voting right (the “**Proxy 135-undecies**”), by filling in and signing the specific form, prepared by said Appointed Representative, in agreement with the Company, called “**Proxy Form 135-undecies**”;
- or, in derogation of Article 135-*undecies*, paragraph 4 of the TUF, by the person holding the voting right or the person delegated by the latter pursuant to Article 135-*novies* of the TUF (the “**Proxy/Sub-proxy 135-novies**”), by filling in and signing the specific form, prepared by said Appointed Representative, in agreement with the Company, called “**Proxy/Sub-proxy Form 135-novies**”;

(hereinafter the Proxy 135-*undecies* and the Proxy/Sub-proxy 135-*novies*, together, the “**Proxy to the Appointed Representative**” and the Proxy Form 135-*undecies* and the Proxy/Sub-proxy Form 135-*novies*, together, the “**Proxy Form to the Appointed Representative**”).

The conferral of the Proxy to the Appointed Representative does not involve expenses, with the exception of transmission or shipping expenses.

The Proxy Forms to the Appointed Representative are available from the Company’s registered office and on its website (<https://www.edison.it/en/shareholders-meeting-june-2021>).

The Proxy to the Appointed Representative can also be conferred via a digital document with electronic signature.

The Proxy Form to the Appointed Representative must be sent to the Appointed Representative, accompanied by the **voting instructions** reserved to him, through one of the following alternative methods:

- a) **Registered Email Holders (PEC):** as an attachment document (PDF format) sent to ufficiomilano@pecserviziotitoli.it in the event that the Proxy Grantor (as Individual or as Legal Entity) is a Registered Email Holder;
- b) **Digital Signature Holders (FEA):** as an attachment document with digital signature sent to ufficiomilano@pecserviziotitoli.it in the event that the Proxy Grantor is a Digital Signature Holder;
- c) **Common Email address Holders:** as an attachment document (PDF format) sent to ufficiomilano@pecserviziotitoli.it. In this case, the hard copy of the Proxy Form to the Appointed Representative shall be sent via ordinary mail service to Computershare S.p.A. via Lorenzo Mascheroni,19, 20145 Milano, as soon as possible.

The transmission of the Proxy to the Appointed Representative with methods and terms different than those mentioned above, as well as the only use of ordinary mail service, will not ensure to the delegating person or the sub-delegating person the correct submission of the Proxy to the Appointed Representative.

Together with the Proxy Form to the Appointed Representative, the delegating person or the sub-delegating person must send a copy of a valid identity document and, if a legal entity, also evidence of his powers of representation (copy of chamber of commerce search, power of attorney or other appropriate deed).

The Proxy 135-*undecies*, with the associated voting instructions, must be received by the Appointed Representative by the end of the second stock market trading day before

the Shareholders' Meeting (and therefore **by Tuesday June 22, 2021**). The Proxy 135-*undecies* and voting instructions to the Appointed Representative can be revoked by means of a written declaration, issued with the same methods, by the same deadline as above.

The Proxy/Sub-proxy 135-*novies* with the associated voting instructions, must be received **by Wednesday June 23, 2021 at 12:00 p.m.**, without prejudice to the fact that Computershare S.p.A. may accept the Proxies/Sub-proxies 135-*novies* and/or voting instructions including after the above-mentioned term and until the opening of Shareholders' Meeting proceedings. The Proxy/Sub-proxy 135-*novies* and the associated voting instructions can be revoked by means of a written statement, provided with the same methods, within the opening of the Shareholders' Meeting proceedings.

The Proxy to the Appointed Representative is not effective with regards to proposals for which voting instructions have not been conferred.

It should be noted that, in the event unknown circumstances are verified, or in the event of an amendment or addition to the proposals presented at the Shareholders' Meeting, the company Computershare S.p.A., as Appointed Representative, cannot be authorised to express a vote inconsistent with that indicated in the instructions received.

It should also be noted that no provision is made for expressing a vote electronically or by correspondence.

The Shareholders' Meeting shall only be held through telecommunication methods, and the instructions relating to the methods of participation shall be communicated by the Company individually to those legitimately entitled to attend.

Additional information may be found on the Company website (<https://www.edison.it/en/shareholders-meeting-june-2021>).

The Appointed Representative will be available for clarifications or information through the Help Desk number 02-46776826/11, as well as at the email address ufficiomi@computershare.it.

3. Additions to the agenda or submission of resolution proposals on matters already on the agenda

Pursuant to Article 126-*bis* of the TUF, those shareholders who, including jointly, represent at least one-fortieth of the share capital may request, within 10 days of the publication of the call notice, and therefore **by Monday May 31, 2021**, to add to the list of matters to be discussed, or submit resolution proposals on matters already on the agenda, specifying in the request the additional topics or the resolution proposals they are submitting.

Adding to the agenda is not permitted for topics on which the Shareholders' Meeting passes resolutions, according to the law, on proposal of the directors or on the basis of a project or a report they have prepared, other than those pursuant to Article 125-*ter*, paragraph 1, of the TUF.

The requests, to be submitted in writing, must be accompanied by the personal data of the requesting shareholder (surname and name, place and date of birth) for natural persons, or the name and tax code for entities or companies, and sent to the Company, along with the communication of the intermediary attesting to ownership of the investment on the date of the request:

a) by sending a registered letter with advice of receipt to the address:

Edison S.p.A.

(Ref. “*Corporate Affairs & Governance - Integrazione OdG Assemblea Edison SpA 24 giugno 2021*”)

Foro Buonaparte, 31

20121 MILAN – Italy;

b) by means of a communication to the certified email address:
assemblea.azionisti@pec.edison.it.

Requesting shareholders must also send the Company, with the same methods and within the same term of **Monday May 31, 2021**, as specified above, a report indicating the justification of the resolution proposals on the matters for which discussion is proposed, or the justification relating to the resolution proposals submitted on matters already on the agenda.

Any additions to the agenda or the submission of resolution proposals on matters already on the agenda will be disclosed at least fifteen days before the date scheduled for the Shareholders’ Meeting (therefore **by Wednesday June 9, 2021**), in the same forms as those set forth for the publication of this notice. At the same time, the reports prepared by those requesting an addition to the agenda and/or submitting resolution proposals will be made available to the public at the registered office, on the Company’s website at <https://www.edison.it/en/shareholders-meeting-june-2021> and on the “eMarket Storage” authorised storage mechanism (www.emarketstorage.com), accompanied by any assessments of the Board of Directors.

Additional information may be found on the Company website (<https://www.edison.it/en/shareholders-meeting-june-2021>).

4. Right to ask questions before the Shareholders’ Meeting

Pursuant to Article 127-ter of the TUF, those entitled to vote may ask questions about the items on the agenda before the Shareholders’ Meeting.

Questions, to be submitted in writing, must be accompanied by the personal data of the requesting shareholder (surname and name, place and date of birth) for natural persons, or the name and tax code for entities or companies, and sent to the Company **within 7 (seven) open stock market trading days before** the date set for the Shareholders’ Meeting on first call and, therefore, **by Tuesday June 15, 2021**:

a) by sending a letter to the address:

Edison S.p.A.

(Ref. “*Corporate Affairs & Governance - Domande Assemblea Edison SpA 24 giugno 2021*”)

Foro Buonaparte, 31

20121 MILAN – Italy;

b) by means of a communication to the certified email address:
assemblea.azionisti@pec.edison.it.

Parties who certify that they own shares (at the date of **Tuesday June 22, 2021 - Record Date**), are entitled to receive a response, by sending, within **Friday June 18, 2021**, the communication of the intermediary for the exercising of said right or the copy, or references, of the communication of the intermediary for participation in the Shareholders’ Meeting.

In order to facilitate the organisation of the responses, the requests must contain the reference to the page number of the associated Directors' Report or any other document made available for the Shareholders' Meeting.

A response shall be provided to the questions received, before the Shareholders' Meeting, from legitimately entitled persons and which concern the items on the agenda, at the latest at least **2 days before the Shareholders' Meeting on first call, and therefore by Tuesday June 22, 2021**, through publication in the appropriate section of the Company's website. The Company may provide a single response to questions with the same content.

5. Documentation and information

The documentation relating to the items on the agenda will be made available to the public at the Company's registered office, on the Company's website at <https://www.edison.it/en/shareholders-meeting-june-2021> and in the authorised storage mechanism "eMarket Storage" (www.emarketstorage.com) within 30 days prior to the Shareholders' Meeting, without prejudice to what specified at paragraph no. 3 in this call notice or on the Company website mentioned above.

The shareholders and other parties entitled to participate in the Shareholders' Meeting are entitled to obtain a copy of it.

Additional information may be requested from *Corporate Affairs & Governance* by calling 02.62227465 or 02.62227985.

Edison S.p.A.'s subscribed and paid up share capital totals 4,736,117,250.00 euros, divided into 4,626,557,357 common shares and 109,559,893 savings shares, all with a par value of 1 euro each.

This notice is published on the Company website (<https://www.edison.it/en/shareholders-meeting-june-2021>) as well as in excerpt form in the daily newspaper "*Sole 24 Ore*", and sent to Borsa Italiana S.p.A., through eMarket SDIR, and the authorised storage mechanism "eMarket Storage" (www.emarketstorage.com).

Pursuant to European Regulation 2016/679 and Legislative Decree 196/2003 as amended, the Data Controller for personal data is Edison S.p.A. A full disclosure on data processing in relation to the exercise of rights correlated with the Shareholders' Meeting is available on the website www.edison.it ("Governance" / "2021 June Ordinary Shareholders' Meeting / Shareholders' Rights").

The date and/or location and/or methods of holding of the Shareholders' Meeting indicated in this call notice could change if further measures are issued by the competent Authorities in light of the COVID-19 emergency - effective as at June 24, 2021 - in relation to the current epidemic and its developments which are currently unforeseeable. Any changes shall be promptly notified using the same methods envisaged for publication of the call notice.

Milan, May 21, 2021

The Board of Directors
by: Nicola Monti
Chief Executive Officer

**Report of the Board of Directors,
pursuant to article 125-ter of legislative decree
no. 58/1998 and subsequent amendments
and motions for resolutions to the Shareholders' Meeting**

Posting to the financial statements, pursuant to Article 110 of Law Decree no. 104 of August 14, 2020, converted with amendments by Law no. 126 of October 13, 2020, and subsequently supplemented by Article 1, paragraph 83 of Law no. 178 of December 30, 2020, of a tax restriction on a portion of the share capital for an amount of 1,572,280,356.02 euros.

Dear Shareholders,

You have been called to the Shareholders' Meeting to approve the restriction of a portion of share capital for a total amount of 1,572,280,356.02 euros in relation to the option exercised by Edison S.p.A. ("Edison" or the "Company") to carry out the realignment of statutory and tax values of goodwill and several amortisable assets, as permitted by Article 110 of Law Decree no. 104 of August 14, 2020, converted with amendments by Law no. 126 of October 13, 2020, and subsequently supplemented by Article 1, paragraph 83 of Law no. 178 of December 30, 2020 ("**Article 110**").

The reference regulation

To assist companies in the scenario of the COVID-19 pandemic, the provisions set out in Article 110 allow only companies that have adopted Italian accounting standards (known as Companies under OIC) to revalue company assets (excluding goods) and relevant non-current equity investments, at the company's choice, also for tax purposes, and all companies, including companies that have adopted international accounting standards (known as Companies under IAS) to adjust the tax values of company assets to the higher values recognised in the financial statements which were not relevant for tax purposes (known as "realignment").

Realignment can be applied to the higher statutory values, compared to the tax values, recognised in the financial statements as at December 31, 2019 for companies whose financial years coincide with the calendar year, and still recognised in the financial statements for 2020, of property, plant and equipment or intangible assets, as well as equity investments in subsidiaries or associates constituting long-term investments. With the change made to the rule by Law no. 178 of December 30, 2020 (known as 2021 Budget Law), the possibility to carry out the "realignment" of tax values to the higher values recognised in the financial statements was extended to goodwill and other intangible assets deriving from the financial statements under way as at December 31, 2019. The assets and related misalignment of values must still be present at the end of the financial year following that under way as at December 31, 2019 and, thus, generally as at December 31, 2020.

Contrary to that set out in previous, similar provisions issued, which set out a period in which the realigned higher tax value was "frozen", the new tax values are immediately

recognised, effective from the financial statements following those for which the recognition of the tax value is requested and, thus, in general, from January 1, 2021.

The realignment may be carried out on single assets, identified at the Company's discretion, without prejudice to the obligation to apply the tax relief to the entire difference in value referring to the assets involved in the operation. The annual amortisation and depreciation with tax relevance shall be proportionate to the new values starting from the financial year following that of realignment and, thus, in general, from January 1, 2021. Nonetheless, in the event of any sales of assets on dates prior to the start date of the fourth financial year following the financial statements under way in 2020, the realignment shall be null and void, and gains and losses on the assets sold shall be determined with reference to the values prior to the realignment.

The option requires a payment, as a substitute tax of 3% must be paid, in a lump-sum, by the deadline set out for the payment of income taxes referring to 2020 and, therefore, by June 30, 2021, or in three yearly instalments of equal amounts, without the accrual of interest, by June 30, 2021 and in the following two years. The tax substitutes Corporate Income Tax (IRES) and Regional Business Tax (IRAP).

In the event of the sale of assets by the start of the 4th financial year following 2020, any portion of the substitute tax referring to the assets sold becomes a tax credit which can be used as a deduction from ordinary taxes due on the realigned values which, following the sale, lost their tax recognition.

The realignment option is formally exercised towards the Italian revenue authorities only on filing the tax returns relating to the year of reference, and, thus, with reference to 2020, on filing tax returns by November 2021.

The realignment option entails the obligation to recognise in the financial statements a specific reserve to which the same regulations applied to the revaluation balance shall apply. Lacking available reserves or sufficient reserves, the restriction is applied to the share capital. The total amount of the restriction is equal to the sum of the realignments carried out, net of the substitute tax paid. The restriction is exclusively tax-related and, thus, the restricted reserves pursuant to the above provisions are freely available, but untaxed. As a result, in the event of distribution, the amount attributed to shareholders, plus the substitute tax of 3%, shall contribute to forming the company's taxable income, subject to ordinary tax, with the right to deduct the substitute tax paid at the time from the taxes due, in the form of a tax credit.

Paragraph 8, which refers to the previous paragraph 3, of Article 110, also envisages the possibility to subject the restricted reserves (or restricted capital) to tax relief pursuant to the provisions on revaluation and realignment, gross of the substitute tax, by paying a tax substituting IRES and IRAP of 10%, also to be paid in a lump sum or in three annual instalments, the first by June 2021. The option to subject the restricted equity to tax relief must also be formalised on filing tax returns.

Choices made by Edison for the purposes of realignment

Based on the criteria finalised to maximise the economic and financial benefit, Edison realigned values totalling 1,620,907,583.53 euros, of which 1,543,940,045.92 euros referring to the goodwill recognised as a result of the previous company reorganisation

operations which was not recognised for tax purposes, 13,063,783.54 euros referring to assets in the thermoelectric sector and 63,903,754.07 euros referring to assets in the hydroelectric sector, opting to pay a substitute tax of 3%, totalling 48,627,227.51 euros, in three annual instalments of equal amount, starting from June 2021.

It should be noted that, the differences between tax values and statutory values, still existing at December 31, 2020, had mainly its origin from the allocation of differences of mergers occurred during previous years.

The effects of the realignment on the income statement, also with regard to deferred taxes, will be subject to valuation by the Board of Directors in the interim financial statements as at June 30, 2021.

In order to finalise the realignment, based on the regulations outlined above, lacking reserves, it is necessary to post to the financial statements a tax restriction on a portion of the share capital for a total of 1,572,280,356.02 euros, equal to the amount of the realigned values net of the substitute tax paid.

For the restricted portion of capital, the note “*restricted portion pursuant to paragraphs 3 and 8 of Art. 110 of Decree Law 104/2020*” will be reported and, in the event of reduction in capital and assignment to shareholders, it will be presumed to have first priority in use, and a corresponding amount will contribute to forming the company’s taxable income, as well as the taxable income of the recipients. In any event, the company will have the right to deduct the corresponding portion of 3% substitute tax paid.

It was not deemed suitable or economical to subject the portion of share capital restricted based on the provisions regarding realignment to tax relief through the substitute tax of 10%. That portion of capital, in addition to the residual portions of capital that are untaxed based on the provisions above, which resulted in the establishment of a tax restriction, will be thus considered as untaxed.

The capital thus restricted can be used to cover losses, without the obligation of restoring it, where this is formally decided by the Shareholder’ Meeting.

Motions for resolutions to the shareholders’ meeting

“The Shareholders’ Meeting,

- having regard to Article 110 of Law Decree no. 104 of August 14, 2020, converted with amendments by Law no. 126 of October 13, 2020, and subsequently supplemented by Article 1, paragraph 83 of Law no. 178 of December 30, 2020 (“**Article 110**”), which allows companies to adjust the tax values of amortisable and depreciable company property, plant and equipment and intangible assets to the higher values recognised in the financial statements as at December 31, 2019 and still present as at December 31, 2020, which were not relevant for tax purposes (“realignment”), effective from January 1, 2021;
- acknowledging that, based on the criteria finalised to maximise the economic and financial benefit, Edison realigned values regarding assets totalling

1,620,907,583.53 euros, by paying a substitute tax of 3%, to be paid in three annual instalments of equal amount, the first by June 30, 2021 for a total of 48,627,227.51 euros;

- acknowledging that the realignment option entails the obligation to recognise in the financial statements a specific reserve and, lacking available reserves or sufficient reserves, to restrict a portion of the share capital, and that the same tax regulations envisaged for the revaluation balances shall apply to the restricted items;
- acknowledging the composition of shareholders' equity of Edison, as resulting from the financial statements as at December 31, 2020, approved by the Shareholders' Meeting of March 31, 2021;
- taking account of the changes in the composition of the shareholders' equity following the execution of the resolution passed at the afore-mentioned Shareholders' Meeting of March 31, 2021, on coverage of the losses existing as at December 31, 2020 and the resulting full use of the reserves and reduction in capital represented by ordinary shares for 640,883,421.00 euros;
- acknowledging that the total amount of the restriction is equal to the sum of the realigned values, net of the substitute tax paid;
- considering that, in order to finalise the realignment, based on the regulations outlined above, it is necessary to post to the financial statements of Edison S.p.A. tax restriction on a portion of the share capital for a total of 1,572,280,356.02 euros and, to that end, lacking reserves, restrict a portion of the share capital up to the limit of that amount;
- acknowledging that the share capital subscribed, paid up and existing at the date of this Shareholders' Meeting amounts to 4,736,117,250.00 euros;

resolves

to restrict a corresponding portion of the share capital for a total of 1,572,280,356.02 euros.

Relating to the amount indicated above, the portion of capital involved will bear the note "*restricted portion pursuant to paragraphs 3 and 8 of Art. 110 of Decree Law 104/2020*" and, in the event of reduction in capital and assignment to shareholders, will contribute to forming the company's taxable income for IRES purposes, as well as the taxable income of the recipients, without prejudice to the right to a tax credit for the Company, for the substitute tax of 3% paid in relation to any portion allocated to shareholders.

The share capital thus restricted can be used to cover losses, without the obligation of restoring it, where this is formally decided by the Shareholder' Meeting."

Milan, May 11, 2021

On behalf of the Board of Directors
Chief Executive Officer
Nicola Monti

Declaration of the officer in charge of preparing the corporate accounting documents

The undersigned Didier Calvez and Roberto Buccelli, in their capacity as Corporate Accounting Documents Officers of Edison S.p.A., hereby declare, pursuant to art. 154-*bis*, paragraph 2 of Legislative Decree no. 58 of February 24, 1998, as amended (TUF - Consolidated Law on Finance), that the accounting disclosure contained in this Report of the Board of Directors, drafted in accordance with Art. 125-*ter* of the TUF, corresponds to the documentary results, the books and the accounting records.

Milan, May 11, 2021

The Corporate Accounting Documents Officers

Didier Calvez

Roberto Buccelli