

PRESS RELEASE

EDISON TURNS 140 YEARS OLD AND ANNOUNCES GOAL TO DOUBLE EBITDA BY 2030 THROUGH THE ACCELERATION OF ITS ENERGY TRANSITION ACTIVITIES

The Group plans to invest 10 billion euros between 2023 and 2030 and achieve an EBITDA level of between 2 and 2.2 billion euros at the end of the plan, compared to 1.1 billion euros in 2022.

This will be achieved by a significant change in the industrial portfolio, which will result in direct zero or near-zero emission activities accounting for 70% of its EBITDA, compared to an average of 35% over the last three years. This development will be financed through operating cash flows and a debt level in line with an investment grade rating.

The company has the ambitious to have 90% of its generation mix decarbonised by 2040 through the use of renewables and new technologies such as CO₂ capture and new nuclear power, if the conditions are created for its return in Italy.

Milan, October 4, 2023 - On its 140th anniversary, Edison looks ahead and presents its development strategy to 2030 and its ambitions for 2040, aimed at consolidating its commitment to the energy transition, its support to its clients and to the security and independence of the national energy system.

*"140 years ago we started the process of electrifying the Country and ushered in a new era. Today, we are a leader in the energy transition and our history of leadership has accustomed us to responsibly looking to the future of the country through our contribution to the security, stability and autonomy of the national energy system for the benefit of all our customers", says **Nicola Monti, CEO of Edison**. 'This means always looking ahead and making courageous choices today, bringing all stakeholders to a serious debate on how to integrate security and independence of supply with economic and environmental sustainability while maintaining a technological neutrality. Therefore, Edison continues to invest in innovation to create new Italian and European supply chains in the ecological transition, ensuring that the transition to the new era is an opportunity for progress for all'.*

Edison accelerates Italy's path towards energy transition through a **plan that envisages investments of 10 billion euros between 2023 and 2030, 85% of which will be in line** with the United Nations' **Sustainable Development Goals (SDGs)**.

A transformation that leverages the excellence of the professional and human skills already in the Company and the forecast of hiring an average of around 300 people per year between now and 2030, at a pace that will follow the one of our investment program. Approximately 50% of the hiring will be oriented towards young high school graduates and graduates, mainly with school curricula in STEM disciplines, 60% of whom will be placed across our various local offices and plants that will host the new investments. The female component will represent at least 40% of new highly educated hires.

With this plan, the Group aims to **double EBITDA to a range between EUR 2 and 2.2 billion by 2030** from 1.1 billion euros in 2022. The goal will be achieved by a significant change in the industrial portfolio, which will result in direct zero or near-zero emission activities accounting for 70% of EBITDA, compared to an average of 35% over the last three years. This development will be financed through operating cash flows and a debt level in line with an investment grade rating.

The 2030 business portfolio will see zero-emission electricity generation accounting for over 45% of the Group's profitability; services to industrial, domestic and public administration customers will contribute about a quarter, and gas supply and thermoelectric production will account for 30%.

Of the 10 billion euros planned investments, about half will focus on the development of renewable energy sources, about 1 billion on flexibility systems, and about 2.5 billion on energy services for the decarbonisation and reduction of consumption of our clients; the remaining portion, amounting to 1-2 billion, will be allocated to gas activities and the growth of the customer portfolio.

Edison will maintain its key role in the Country's energy security and independence with a flexible and increasingly decarbonised gas portfolio, thanks to green gases such as hydrogen and biomethane. Edison's goal for 2030 is to **continue to meet 20% of Italian gas demand with green gases accounting for about 5% of the portfolio**.

Edison's strategy to 2030 envisages a development along **three axes**: sustainable electricity generation, security and flexibility of gas supply with reduction of related emissions, value-added energy services for customers and territories for the reduction and electrification of consumption.

Power Production. In the area of electricity production, Edison aims to reach 2030 with:

- **5 GW of installed renewable capacity** between wind, photovoltaics and hydropower compared to the current 2 GW. This means increasing photovoltaic capacity by 2 GW, wind power capacity by 1 GW over existing capacity and keeping 1 GW of hydro;
- **at least 2 new state-of-the-art**, highly efficient and flexible **thermoelectric plants** with a total installed capacity of about 2 GW, to compensate for the intermittency of renewables and to respond to their increasing penetration;
- **500 MW of storage systems**, between pumping systems and batteries, to complement renewable production and provide stability to the grid;
- **at least 1 approved CO₂ capture system** to be installed by 2035 at a Group thermal power plant.

Edison aims to reduce its CO₂ emission factor from 293 grams per kilowatt-hour in 2022 to 190 grams per kilowatt-hour in 2030 and as low as 50 grams per kilowatt-hour in 2040, reducing absolute emissions in parallel.

Looking ahead to 2040, Edison believes that nuclear energy will play a key role in achieving the EU's carbon neutrality targets, as a source capable of providing stability to the electricity system, offsetting the intermittency of renewables sources. Nuclear power is one of the generation sources with the lowest CO₂ emissions, ensuring a low land footprint to installed capacity ratio, and allowing optimal programmability of production. Moreover, new **Small Modular Reactors (SMRs)** technology can be used to produce both electricity and heat, responding in a highly flexible way to the needs of energy-intensive districts and territories.

Edison has the ambition to develop new nuclear power if the conditions are created for its return to Italy. In particular, Edison aims to build **two nuclear power plants of 340 MW each with SMR technology between 2030 and 2040**, leveraging on distinctive technological competencies of the shareholder EDF.

At the same time, Edison intends to focus on **CO₂ capture and storage (CCS) systems** to decarbonise its gas-fired power generation portfolio. The introduction of these systems makes it possible to capture almost all of the CO₂ emissions of a thermal power plant, allowing them to be stored in natural cavities, such as depleted hydrocarbon deposits.

Thanks to its investments in renewable energies and energy transition technologies (CCS and SMR), Edison is pursuing a trajectory of progressive decarbonisation of its electricity generation mix, with the ambition of **reaching 90% decarbonised power generation by 2040**, while reducing the absolute value of its emissions.

Activities and Gas Portfolio. In Edison's strategy, the gas segment will continue to play an essential role toward the security of the national energy system, on the one hand accompanying the energy transition towards renewables through its modulation role, and on the other contributing to the decarbonisation of heavy-duty road and maritime transport. The Group's targets for 2030 are to:

- have a portfolio of long-term gas supply contracts of between **13 and 15 billion cubic meters of natural gas**, of which at least **2 billion cubic meters from flexible contracts in terms of destination**, in order to adapt supply to market demands;
- **bring green gases** - hydrogen and bio-methane - to account for **about 5% of Edison's portfolio**;
- build a **second small-scale storage** facility (SSLNG) for natural gas in the South of the Country, serving the decarbonisation of heavy duty maritime and land transport (hard to abate), maintaining its current market leadership.

Customer services. Edison's objectives in the B2B, B2G and B2C downstream sectors are realised by **Edison Energia**, a company active in the sale of electricity, gas and value-added services to the retail market, and **Edison Next**, a unique platform of services, technologies and skills to accompany large companies, public administration and territories in their ecological transition. The targets to 2030 are:

- **Doubling the contract portfolio from 2 to 4 million**, facilitating the switch of customers from gas to electricity, through a network of 3,000 business partners and more than 1,000 sales points by 2030;
- Developing more than **2,000 energy** communities and over 100 Renewable Energy Communities (RECs);
- **Install up to 1 GW of photovoltaics for self-consumption at industrial and public administration customers**;
- **Install 2,500 public charging points** for electric cars;
- **Double the number of managed public lighting points to 2 million.**

Edison has long paid particular attention to social responsibility: from this commitment, the EOS Foundation - Edison Orizzonte Sociale ETS was established in 2021, with the aim of creating value and social innovation in the territory. On the occasion of its 140th anniversary, Edison together with the EOS Foundation decided to support an important new project for the psychosocial rehabilitation of teenagers with neuropsychiatric disorders (DAN disorders, anxiety, social withdrawal and school dropping out) at Casa Oz in Turin. Fondazione EOS and Edison will provide concrete support to Casa Oz in Turin, a third sector organisation active since 2007 that provides care for children and adolescents facing illness, and their families. With this organisation, the Group started a collaboration last year to take in hospitalised children and young people

from Ukraine. In addition, through Edison Energia, a solidarity energy community will be built at the new Molino di Cavour center which will be donated to Casa OZ.

On the occasion of its 140th anniversary, Edison, already a Supporting Founder since 2020, will become Permanent Founder of the Teatro alla Scala. The commitment will be formalized in November with co-optation by the Assembly of the Teatro alla Scala Foundation, chaired by the Mayor of Milan Giuseppe Sala. This passage celebrates a profound bond: exactly 140 years ago Edison illuminated the Teatro alla Scala with electric light for the first time, thanks to the energy generated by the first thermoelectric power plant in Continental Europe in via Santa Radegonda, a few steps from the Duomo from Milan. Thanks to the intuition of Edison's founder and rector of the Milan Polytechnic, Giuseppe Colombo, on 26 December 1883 the public attended the premiere of Amilcare Ponchielli's *Mona Lisa* in a Theatre illuminated by 2,450 light bulbs which definitively replaced the gas lamps. It was the start of the Country's electrification process and the beginning of a new era, in which Edison was preparing to be an undisputed protagonist of the Country's economic and social development.

140 YEARS OF INDUSTRIAL FIRSTS: 1883 – 2023

Group history: <https://140anni.edison.it>

Documentation

Please note that Edison Group's presentation "140 years of Edison – Looking ahead towards 2030-2040" is available to the public on the website of Edison Spa (<https://www.edison.it/en/reports-and-related-documents>), as well as on the authorised storage mechanism "eMarket STORAGE" (www.emarketstorage.com).

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Material information pursuant to Consob resolution no. 11971 of May 14, 1999, as amended

Edison

Edison is a leading energy company, with 140 years of history and records that make it Europe's oldest operator in the sector. The company, which started operations in Milan in December 1883, ushered in the beginning of a new era through the country's electrification process, making a tangible contribution to Italy's social, cultural, economic and industrial progress. Today Edison employs over 5,500 people, operating in Italy and Europe in renewable and low-carbon production, natural gas procurement and sales, sustainable mobility, and through Edison Energia and Edison Next in energy, environmental and value-added services for

customers, companies, territories and Public Administration. The Group is at the forefront of the energy transition challenge, consistent with the UN Sustainable Development Goals and European decarbonisation policies. Edison has a highly flexible and efficient power generation fleet, consisting of 200 power plants including hydroelectric, wind, solar and high-efficiency gas-fired combined-cycle thermoelectric power plants with a total capacity of about 7 GW; and supplies the country with LNG and natural gas, thanks to a large and highly diversified portfolio of 12.6 billion cubic metres per year. In 2021 Edison established the EOS Foundation, Edison Orizzonte Sociale (Edison Social Horizon), the corporate foundation with which the company consolidates its social commitment by contributing with its people and skills to the 2030 Agenda goals.

Edison Press Office

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Elena Distaso, +39 338 2500609, elena.distaso@edison.it;

Lorenzo Matucci, +39 337 1500332, lorenzo.matucci@edison.it

Antonella Ladisi, +39 335 1000793 antonella.ladisi@edison.it