

PRESS RELEASE

EDISON: CLOSE ON THE SALE OF EDISON EXPLORATION & PRODUCTION S.P.A. TO ENERGIAN

Through this transaction Edison implements its exit strategy from the exploration and production of hydrocarbons to focus on the development of renewables and energy efficiency, in line with the national decarbonisation targets.

Milan, December 17, 2020 – Today, Edison and Energinor executed the agreement signed on July 4, 2019 and subsequently amended in June 2020 due to the economic impact of the pandemic crisis and the change in the transaction perimeter, for the sale of Edison Exploration and Production S.p.A. (E&P) and its investments in the hydrocarbon (oil and natural gas) exploration and production sector.

This transaction is part of Edison's divestment plan from hydrocarbon exploration and production activities in order to focus on sustainable development, in line with the energy transition and national decarbonisation targets. Edison will invest in Italy in the short term the financial resources made available by the sale of these assets to support the development plan in the areas identified as strategic, which are generation from renewable sources and latest gas technology, services to final clients, energy efficiency services and sustainable mobility.

*“It is an extremely significant milestone, a fundamental step to enhance our investments in the company's strategic development sectors, such as low carbon generation, energy efficiency services and sustainable mobility in line with the country's energy transition”, says **Nicola Monti**, CEO of Edison. “I would like to thank Energinor for the fruitful collaboration over these past months and to extend my sincere wishes to all colleagues, certain that they will be able to continue to demonstrate their skills and express their potential”.*

*“Completion of our acquisition of Edison E&P marks a key milestone along our path to becoming the leading independent, gas-producer in the Mediterranean and significantly advances us towards our goal of delivering material free cash flows and shareholder returns in a sustainable way”, says **Mathios Rigas**, CEO of Energinor.*

The enterprise value of the transferred assets is 284 million USD¹ and the benefit on Edison net financial position with the transaction is equal to around 230 million USD, in addition also to the net cash from operations generated between 1 January 2019 and closing by the disposed assets. The agreement provides for an additional consideration of up to 100 million USD subject to the commissioning of Cassiopea development gas project in Italy; that consideration will be determined on the basis of gas prices (PSV) recorded at the time of the commissioning of the field, which is expected in the first quarter of 2024. The buyer will also assume future decommissioning obligations.

¹ As at the transaction reference date (locked-box date) of 1 January 2019.



The scope of the sale to Energean includes Edison Exploration and Production's assets, mineral rights and equity investments in the hydrocarbons sector in Italy, Egypt, Greece, the UK and Croatia, comprising a portfolio of around 75 mineral leases corresponding to net entitlement production of 37,000 equivalent barrels per day as at June 30, 2020.

Public disclosure requirements under CONSOB Resolution no. 11971 of May 14, 1999, as amended.

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