

## PRESS RELEASE

### **EDISON: THE BOARD OF DIRECTORS APPOINTS NICOLA MONTI CHIEF EXECUTIVE OFFICER AND MARC BENAYOUN CHAIRMAN FROM JULY 1, 2019**

### **EDISON: THE BOARD OF DIRECTORS APPROVES THE ACQUISITION OF EDF ENERGIES NOUVELLES ITALIA THROUGH WHICH IT BECOMES THE SECOND LARGEST WIND OPERATOR IN ITALY AND LAYS THE FOUNDATIONS FOR A SIGNIFICANT DEVELOPMENT IN PHOTOVOLTAICS**

Milan, 19 June 2019 - The Board of Directors of EDISON, meeting today, having acknowledged the resignation of Sylvie Jéhanno, co-opted Nicola Monti, director of the Company. Furthermore, having taken note of the decision of Jean Bernard Lévy and Marc Benayoun to renounce the position, respectively as Chairman and CEO, maintaining the willingness to remain directors, he also designated with effect from 1 July 2019, Nicola Monti Chief Executive Officer and Marc Benayoun Chairman. Marc Benayoun will therefore retain managerial powers until the end of the current month of June.

Nicola Monti joined EDISON in 1999 as head of international development. In 2007 he moved to the Exploration & Production Division (E&P) and in 2009 he took the responsibility of North Africa and Middle East Operations. In 2012 he was appointed head of the E&P Division and joined the EDISON Executive Committee. In 2017 he also assumes the position of Executive Vice President of the Power Asset and Engineering Division of EDISON.

Nicola Monti, as co-opted by the board of directors, will remain in office until the next shareholders' meeting, as required by law. He stated that he did not hold Edison shares.

Marc Benayoun, who from 1 January 2016 is CEO of EDISON, from 1 July 2019, in addition to the office of President of EDISON, will take on the role of Group Senior Executive Vice President responsible for the Customer, Services and Regional Action business unit of EDF Group, retaining responsibility for the Gas business and the Italian market.

The curriculum vitae of Nicola Monti, like that of all the other directors, is available to the public on the website [www.edison.it](http://www.edison.it).

#### **Renewable energies project**

Edison's Board of Directors also approved a extensive industrial transaction which envisages, as a first step, the acquisition by Edison of EDF Renouvelables of 265 MW of wind capacity and 77 MW of photovoltaic. Thanks to this transaction, Edison will become the second largest wind operator in Italy, consolidating 975 MW of capacity, and will lay the foundations for a significant development in photovoltaics, in collaboration with EDF Renouvelables.

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The operation is part of the strategic guidelines outlined by Edison in recent years to become a "carbon free" company pursuing a sustainable development model relying also on environmental topics. The transaction is in fact consistent with one of the main pillars of Edison's medium and long-term development plan, which foresees a significant growth in the sector of electricity generation from renewable sources with the aim that they reach 40% of the total production of Edison by 2030, and for the same date, also an emissions target of 260 grams of CO<sub>2</sub>/kWh, thus contributing to the country's energy transition.

From a strategic and industrial perspective, the acquisition of EDF EN Italia enables Edison to grow further in the renewable energy business, a segment in which the company already has a significant presence thanks to its hydroelectric production portfolio.

With the implementation of the Project, Edison intends to continue the path of consolidation in renewables through both organic development and external growth.

The project will be divided into several phases, the first of which requires Edison to acquire the entire share capital of EDF EN Italia from EDF Renouvelables SA ("EDFR"). Both companies are controlled by EDF Electricité de France and therefore are related parties.

EDF EN Italia is a company that holds a series of shares in companies operating in the wind sector, that own plants for a total of 265 MW, and in the photovoltaics sector for a total of 77 MW, as well as 16.7% of Edison Partecipazioni Energie Rinnovabili S.r.l. ("EPER").

Furthermore, EPER will maintain 30% of E2i Energie Speciali S.r.l. ("E2i"), a company jointly owned by the F2i fund and owner of a portfolio of wind farms of about 710 MW. E2i is fully consolidated by Edison thanks to its governance structure and the structure of existing contracts.

The proposed consideration for the acquisition of EDFR Italia amounts to a total of 172.9 million euros.

The overall transaction will allow Edison to consolidate approximately 70 million euros of additional Ebitda per year against an increase in the net financial position (NFP) of approximately 431 million euros, without compromising financial strength or limiting the possibility to seize any new investment opportunity.

The closing of the EDF EN Italia acquisition by Edison is expected within the first ten days of July.

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### **Complete Project Structure**

In addition to the acquisition of EDF EN Italia by Edison, the Project envisages the following additional operations:

- merger by incorporation of EDF EN Italia into EPER (hereinafter "NewEper"),
- capital increase for a fee by EDFR in NewEper, - with the exclusion of the option right reserved for EDFR, at the end of which Edison and EDFR will hold, respectively, an equity investment of 83.3% and 16.7 % of NewEper's capital;
- contribution in kind by NewEper of the photovoltaic company branch to a dedicated company ("FV Holding"), wholly owned by NewEper,
- capital increase for EDFR payment in FV Holding - with the exclusion of the option right reserved for EDFR -, at the end of which NewEper and EDFR will hold, respectively, an equity investment of approximately 61.2% and 38.8% of the capital of FV Holding;

Upon completion of the transaction, Edison, through its subsidiary EPER (Edison Partecipazioni Energie Rinnovabili), will hold an “economic” participation of 83.3% in the wind assets of EDF EN Italia and 51% in its fotovoltaic assets.

The governance of NewEper and FV Holding will be structured in such a way as to allow Edison, also following the capital increases in favor of EDFR, to fully consolidate the results of the two companies in its financial statements and to maintain the full consolidation of E2i .

### **Consideration and conditions precedent**

The proposed consideration for the acquisition of EDF EN Italia is equal to a total of 172.9 million euros, while the estimated consideration for the reserved capital increases subscribing to EDFR is equal to approximately 70 million euros relating to NewEper and approximately 34 million euro relating to FV Holding. The amounts of these capital increases will in any case be realized at values consistent with the development of EDF EN Italia and its subsidiaries.

Closing is subject to the occurrence or renunciation of certain conditions precedent, including the conversion into equity of a portion of the receivable claimed by EDFR from EDF EN Italia on the basis of existing financing agreements and informed at the time they are executed.

### **Nature, qualification of operations and information requirements**

The related parties of Edison involved in the set of transactions outlined above are:

- (a) EDFR, a wholly-owned subsidiary of EDF (which indirectly holds a 99.476% equity interest in Edison);
- (b) EDF EN Italia, wholly controlled by EDFR and, following the Acquisition wholly owned by Edison;
- (c) NewEper, wholly owned by Edison and, subsequently to the NewEper Increase, 83.3% owned by Edison;
- (d) FV Holding, at the time of the transfer of the fotovoltaic company branch entirely owned by NewEper and, following the capital increase, 61.2% controlled by NewEper and held for the remaining 38.8% by EDFR.

Furthermore it is reported that

- the Acquisition constitutes a transaction of "greater significance" between related parties pursuant to the provisions of the Consob Regulation and the Procedure, in that it exceeds the relevance indices referred to in Annex 3 of the Consob Regulation and the Procedure;
- the NewEper Increase and the FV Holding Increase qualify as "minor" transactions between related parties pursuant to the provisions of the Consob Regulation and the Procedure; moreover, given that even these operations constitute the articulation of a unique project split into several stages and are consistent with the same economic and strategic plan and given that they could be implemented by 2019, they were treated and will be treated as operations of greater relevance - on the basis of the information available – pursuant to the procedural controls and to the related disclosure to the market.

The Board of Directors of Edison - subject to the release, on June 14, 2019 by the Related-Party Transactions Committee, of the favorable opinion relative, for the above reasons, in particular, either to the Acquisition of EDF EN Italia, and to the two subsequent capital increases -, it approved the essential terms and conditions of the project and, in particular, the acquisition of EDF EN Italia. The Board of Directors has given the Chief Executive Officer the mandate to address the related contractual proposal to EDFR and it is expected that the conclusion of the agreement will happen by the end of June. It should be noted that the Procedure for transactions with related parties of greater importance was followed in the decision-making process of the competent bodies and applied to the information flows.

Finally, it should be noted that, referring the project to transactions with related parties that are also of greater importance, an Information Document will be published pursuant to and for the purposes of Article 5 of the "Regulations containing



provisions on related party transactions" adopted by Consob with resolution no. 17221 of March 12, 2010, as subsequently amended and supplemented, as well as the "Procedure for the regulation of transactions with related parties" adopted by Edison's Board of Directors.

The Information Document will be published following the contract's conclusion in the envisaged regulatory terms and it will refer not only to the Acquisition, but also to the essential terms of the NewEper capital increase and of the FV Holding capital increase.

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

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