

PRESS RELEASE

EDISON AND WEBUILD: INDUSTRIAL ALLIANCE TO DEVELOP PUMPED HYDROELECTRIC PROJECTS IN ITALY

The two groups commit to jointly developing Edison's hydropower storage projects in Southern Italy. The goal is to achieve at least 500 MW of pumped storage by 2030 and to develop the Italian hydropower industry in order to enhance the country's energy independence and economic development.

Milan, 10 July 2024 - **Edison and Webuild signed a programme agreement to develop pumped storage hydroelectric projects**, highly strategic infrastructures for the ecological transition and national energy security. Under the agreement, Edison and Webuild will work closely together for the planning and implementation of the Pescopagano (PZ) pumped storage hydropower plant in Basilicata and the one in Villarosa (EN) Sicily, both developed by Edison. These two pumped storage projects are part of Edison's strategy for the growth of renewable energy in Italy, which aims to increase the Group's installed *green* capacity to 5 GW by 2030 (from the current 2 GW), and jointly build at least 500 MW of storage, as these are necessary to prevent the dispersal of renewable energy during peak availability and to guarantee the security of the electricity grid itself.

The two initiatives, in addition to the creation of new reservoirs and significant fully underground engineering works to ensure greater compatibility with the territory, involve the use of existing reservoirs. These existing reservoirs will require interventions to restore full functionality, increasing both safety levels and the volumes of water that can be stored for additional public uses and to combat drought. The Pescopagano and Villarosa projects are awaiting approval by the Ministry of the Environment and Energy Security (MASE) and licensing procedures in the respective regions. They aim to participate in the first competitive auctions organised by Terna to acquire new storage capacity through long-term supply contracts, as part of the Electricity Storage Capacity Procurement Mechanism (MACSE), which is currently being defined.

«Edison and Webuild are once again working together to develop the Italian hydropower sector. Thanks to this agreement, we are laying the foundations for a secure energy transition, limiting the Country's exposure to dependency on critical raw materials and re-launching the development of a highly strategic industry, in which we are a leader in Europe, with clear benefits for national economic development and the increase of renewable energy in the grid, in line with decarbonisation targets», said Nicola Monti, CEO Edison.

«The agreement with Edison aims at putting together the skills of two private Italian groups, global leaders in the energy and infrastructure sector, contributing to the energy transition journey, and contrasting drought in Italy, particularly in the southern regions. Creating virtuous systems of skill and resources with the entire production chain is key to creating the infrastructure works needed by Italy to remain competitive. Webuild is therefore ready to put its premium know-how that it has acquired by building complex and innovative projects, globally, like the pumped hydroelectric plant of Snowy 2.0 in Australia" said Webuild CEO Pietro Salini.

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The cooperation agreement, leveraging the know-how and specific expertise of the two Italian groups, aims to optimise the projects and their construction methods, ensuring the best conditions to stimulate significant private investments in the South of Italy, amounting to approximately 1.2 euros billion. This will ensure benefits for the traditional Italian civil and manufacturing sectors, as well as socio-economic advantages for the involved areas, with a multiplier effect of 2.96.

The Italian hydropower industry

The Italian hydropower industry, of which pumped storage is a part, plays an extremely strategic role both in terms of energy autonomy and in terms of related industries and economic development. Hydropower technology contributes to energy security by reducing dependence on foreign suppliers of critical raw materials and strengthening the competitiveness of the domestic sector. **The Italian hydropower industry has a unique position in Europe and is one of the most important assets of the country: it generates a turnover of €28 billion, of which €15 billion are exports and ranks first in the EU with a trade balance of €8 billion¹.**

Storage systems: hydroelectric pumping

The PNIEC (National Integrated Energy and Climate Plan) has indicated storage systems as necessary to achieve decarbonisation targets, anticipating the installation of new storage systems exceeding 10 GW by 2030, of which 6 GW will be utility-scale (batteries and pumped hydro storage, primarily located in the South and on the islands) and the remainder in distributed batteries. . Electricity energy storage systems are essential for the national electricity system. The ability to store electricity ensures the safety and stability of the grid, for regulation and preventing blackouts. Storage systems are therefore crucial for increasing the share of non-programmable renewable energy in the national grid, such as photovoltaic and wind power.

Pumped hydroelectric storage plants are the most reliable form of electricity storage and ensure the efficient use of surplus energy generated by non-programmable renewable energy sources. They consist of two reservoirs at different elevations: water is pumped from the lower to the upper reservoir during peak renewable energy production, thus not wasting the excess production. In this way, potential energy is stored to be converted back into renewable electricity and released into the grid when needed (at night or during periods of lower demand). Pumped hydroelectric storage guarantees one of the most efficient forms of generation (i.e. almost the entire kinetic energy of the water is converted into electricity) and is particularly flexible from an operational standpoint.. They can be brought into service very quickly and provide a regulating function for the national electricity grid. They also do not consume water resources, as they mostly operate in a closed cycle and can play an important role in saving water that can be used for irrigation purposes.

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 employs more than 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

¹ Source The European House - Ambrosetti

challenge, consistent with the UN Sustainable Development Goals and European decarbonisation policies. Edison has a highly flexible and efficient power generation fleet, consisting of more than 250 power plants including hydroelectric, wind, solar and high-efficiency gas-fired combined-cycle thermoelectric power plants with a total capacity of about 7.2 GW; and supplies the country with LNG and natural gas, thanks to a large and highly diversified portfolio of 13 billion cubic metres per year.

We Build

Webuild is a global leader in the design and construction of large, complex projects in the sectors of sustainable mobility, hydropower, water management and production, and green buildings. For many years, the recognized leader in the water sector, also ranking among the Top 10 international players in Australia, Europe and the US, the Group has consolidated experience in 50 countries. In almost 120 years of applied engineering on more than 3,200 projects, the Group has built 14,140 kilometres of rail and metro lines, 82,533 kilometres of roads and highways, 1,020 kilometres of bridges and viaducts, 3,408 kilometres of tunnels, and 313 dams and hydropower plants. Projects include the Bridge over the Danube River in Braila in Romania, and the Genoa Long Beach International Gateway in California; the expansion of the Panama Canal and the Third Bosphorus Bridge in Turkey; the Kingdom Centre skyscraper in Riyadh in Saudi Arabia, and metro lines in Copenhagen, Paris, Rome, Milan, Doha and Riyadh. Projects under construction include the New Genoa Breakwater, the Brenner Base Tunnel, Line 4 of Milan's metro, and Line C of Rome's metro, the Genoa-Milan highcapacity railway line, the Snowy 2.0 hydroelectric project in Australia, and the Trojena project for NEOM in Saudi Arabia. As of December 31, 2023, the Webuild Group with 87,000 people, achieved 10 billion in total revenues, and a total backlog of €64 billion, with over 90% of its construction backlog related to projects linked to the advancement of the United Nations Sustainable Development Goals (SDGs). Webuild, subject to the direction and coordination of Salini Costruttori S.p.A., is headquartered in Italy and is listed on the Milan stock exchange (WBD; WBD.MI; WBD.IM). Since 2021, it is member of the MIB ESG, the index of Italian companies with the best ESG practices.

Edison Press Office

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