



Press Release

ERG and TIM sign the most extensive long-term agreement in Italy for the supply of electricity produced from renewable sources

Genoa, Rome, 14 May 2021 – ERG, primary independent producer of electricity from renewable sources, through its subsidiary ERG Power Generation, and TIM, leading Group in Italy and Brazil in the ICT sector, through its subsidiary Telenergia, have signed a ten-year corporate PPA (Power Purchase Agreement) for the supply of 3.4 Terawatt-hours (TWh) of green energy for the period 2022-2031.

The agreement, the most extensive ever signed between two Italian companies, covers the supply to TIM of 100% 'green' energy from wind farms directly from ERG's portfolio. The supply will be partly 'baseload' and partly 'pay as produced' from wind farms subject to 'reblading' interventions in Lacedonia Monteverde (Av) and Avigliano (Pz), from 2023, with the possibility of increasing the volume by including other upgrading projects planned by ERG on its wind fleet.

Under the agreement, ERG will sell green energy to TIM at a set price, optimising the risk profile of the investment on its assets. At the same time, with this agreement, TIM will cover around 20% of the company's energy consumption through renewable sources, strengthening its commitment to pursue the eco-efficiency objectives and use of renewable sources on which the Group's strategy rests.

Moreover, the transaction represents an important contribution to the development of the clean energy sector, in line with the Co2 emission reduction and decarbonisation targets established by the European Union.

Paolo Luigi Merli, ERG's Chief Executive Officer commented: *"We are very satisfied with the agreement, which is in fact a partnership, in line with one of the main guidelines of the Industrial Plan, which envisages an evolution towards an infrastructural model to reduce the volatility of revenues. This agreement, in addition to stabilising the sale price of a part of our portfolio of generation from renewable sources, enhances the innovative reblading project, which is at the cutting-edge both in technological terms and, now, also as regards the sale of energy."*

Luigi Gubitosi, TIM's Chief Executive Officer commented: *"We are proud of this agreement as it allows us to achieve not only strategic ESG objectives for the company but also for the community. On the one hand, we are diversifying energy supply sources, stabilising costs and reaffirming the company's strong commitment to the use of renewable energy in the medium to long term. On the other, we confirm TIM's engagement to support the national plan for the energy transition: this transaction in fact will see us contribute to the reduction of Co2 emissions and generate benefits for the environment."*

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