2020 performance update

Milan
11.06.2020
ACTIVITY
RAMP-UP POST
LOCKDOWN
Level of activity is picking up progressively as we expected.

Looking at the “new normal” way of operating as a an opportunity.

Digitization is a major competitive advantage.

- Restart of all work-field activities
- WorkOnSite App takeout boosted
- Safety and Quality remain priorities
- Capex, M&A and tenders in focus
- Working capital under control
- Capital markets remain healthy and open
- Staff to progressively return to offices
- Learning from lockdown, Italgas reloaded project to rethink our way of working
Construction works restarting on major sites, after the Covid-19 induced stoppage

Use of WorkOnSite App has surged – positive for costs, quality and safety.

~5x construction sites where WorkOnSite App is used today vs March

MAJOR CONSTRUCTION SITES including Sardinia
**APPLIED DIGITALISATION**

WorkOnSite App

- Proprietary app developed by our Digital Factory
- Allows remote monitoring of construction sites
- Takes advantage of AI capabilities for part of the remote controls
- Working to extend usage to smaller construction sites and to simplify reporting

**MAIN BENEFITS**

- Reduced personnel on the field
- Better supervision
- Improved quality of works and compliance
- Supplier also benefit
A FEW RELEVANT NUMBERS on digitisation since the restart

238
External users of our WorkOnSite App

16,300
Photos sent from construction sites to our systems by WorkOnSite App users

82%*
of photos sent by WorkOnSite App users resulting in a positive signal

166,000
Interventions scheduled by our suppliers using our scheduling application

(*) of those verified
Inability to access buildings deeply affected the pace of smart meters replacement at the start of the lock down.

We expect to conclude the plan in 2020.
We see a clear pick up in requests for regulated services from gas sale companies with the end of the lockdown.

Estimated data

(*) Week of 1st June includes two days of holidays

Week beginning

24-Feb
2-Mar
9-Mar
16-Mar
23-Mar
30-Mar
6-Apr
13-Apr
20-Apr
27-Apr
4-May
11-May
18-May
25-May
1-Jun
8-Jun
15-Jun

Number of interventions

Lockdown starts
Non-essential activities suspended
Non-essential activities restart
The number of incoming calls* has significantly dropped and remains below pre-Covid levels.

### INCOMING CALLS

Significant reduction vs 2019

#### Yoy % drop in number of calls

- Jan: -5%
- Feb: -1%
- Mar: -32%
- Apr: -43%
- May: -35%

(* to the integrated supervision centre)
WAY OF WORKING has materially changed

- Through the lock down the whole way of working was redesigned to allow remotisation
- Smart devices available to all employees
- Staff returning to offices smoothly and progressively

**10x VPN CONNECTIONS**

Jan Feb | Lockdown | June

- Increase in chat messages and videoconferences through Italgas adopted systems

-85% PRINTS
NEW INITIATIVES
Italgas reloaded

"Italgas reloaded" project launched with the aim of rethinking the way we work taking advantage of what we learned during the lockdown

- Priority is to ensure the safety of our people
- While guaranteeing best in class service to our stakeholders
- We aim at creating a more flexible and more efficient working environment
- We learn from the experiences of employees coming from other realities
- This can have positive implications also on Italgas environmental footprint
MAJOR RECENT EVENTS
Since end of 1Q

- Awarded the concession of gas distribution service in the Belluno district
- Shortlisted for DEPA distribution assets
- Acquisition of 15% Reti Distribuzione from AEG Coop
- Fitch BBB+ rating confirmed
- €0.256/share paid on 20 May
<table>
<thead>
<tr>
<th>Metric</th>
<th>2020</th>
<th>Trend vs 2019</th>
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</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>~1.3bn</td>
<td>↑</td>
</tr>
<tr>
<td>EBITDA</td>
<td>960-980</td>
<td>↑</td>
</tr>
<tr>
<td>EBIT</td>
<td>530-550</td>
<td>↑</td>
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<tr>
<td>Capex</td>
<td>&gt;700</td>
<td>=</td>
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<tr>
<td>Net Debt*</td>
<td>~4.5bn</td>
<td>↑</td>
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<tr>
<td>Leverage**</td>
<td>~60%</td>
<td>=</td>
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*(ex IFRS 16, expected in line with 2019, (**) including IFRS 16, TFR and work in progress)
Growth in asset base to compensate negative impact of new regulation in the first year of the regulatory period.

**REVENUES**

Growth highlight resiliency of business model.

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<tr>
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<tbody>
<tr>
<td>2019 Revenues</td>
<td>1.26bn</td>
</tr>
<tr>
<td>Toscana Energia and M&amp;A carryover</td>
<td></td>
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<tr>
<td>Resolution 570</td>
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<td>Resolution 570 2020 meters substitution</td>
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<td>Other regulated tariff components (RAB growth)</td>
<td></td>
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<tr>
<td>Other</td>
<td></td>
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<tr>
<td>2020 guidance</td>
<td>&gt;1.3bn</td>
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2019 Revenues

Toscana Energia and M&A carryover

Resolution 570

Resolution 570 2020 meters substitution

Other regulated tariff components (RAB growth)

Other

2020 guidance
COSTS

Efficiencies are a priority

Toscana Energia consolidation and 2019 M&A carryover drive higher operating expenses

Focus on efficiencies and support of digitalisation to drive costs down

We anticipate more efficiencies despite higher costs related to Covid-19 related safety equipment

<table>
<thead>
<tr>
<th>2019 operating expenses</th>
<th>Toscana Energia and M&amp;A carryover</th>
<th>Other Costs + Efficiencies</th>
<th>2020 guidance</th>
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</thead>
<tbody>
<tr>
<td>350.4</td>
<td></td>
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<td>360-380</td>
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Negative impact of Covid-19 limited to 2Q 2020

~2/3 of total spending in networks compensating lower capex for expected conclusion of meters replacement project

CAPEX
2020 investments above €700mn

<table>
<thead>
<tr>
<th>Year</th>
<th>Networks</th>
<th>Metering</th>
<th>Other</th>
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<tbody>
<tr>
<td>2019</td>
<td>740</td>
<td>24%</td>
<td>13%</td>
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<tr>
<td>2020</td>
<td>&gt; 700</td>
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IR contacts

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