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<table>
<thead>
<tr>
<th>TIME</th>
<th>TOPIC</th>
<th>SPEAKER</th>
</tr>
</thead>
<tbody>
<tr>
<td>13.30 - 13.50</td>
<td>1. STRATEGIC GUIDELINES &amp; PLAN SUMMARY</td>
<td>MARCO TRONCHETTI PROVERA</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Executive V. Chairman &amp; CEO</td>
</tr>
<tr>
<td>13.50 - 14.00</td>
<td>2. MARKET OUTLOOK &amp; STRATEGY IMPLEMENTATION PLAN</td>
<td>ANDREA CASALUCI</td>
</tr>
<tr>
<td></td>
<td></td>
<td>General Manager Operations</td>
</tr>
<tr>
<td>14.00 - 14.20</td>
<td>2.1 COMMERCIAL</td>
<td>MATTIA BUSSACCHINI</td>
</tr>
<tr>
<td></td>
<td></td>
<td>SVP Commercial Operations</td>
</tr>
<tr>
<td>14.20 - 14.35</td>
<td>2.2 INNOVATION</td>
<td>PIERANGELO MISANI</td>
</tr>
<tr>
<td></td>
<td></td>
<td>SVP Research &amp; Development and Cyber</td>
</tr>
<tr>
<td>14.35 - 15.00</td>
<td>1ST Q&amp;A SESSION</td>
<td></td>
</tr>
<tr>
<td>15.00 - 16.10</td>
<td>BREAK</td>
<td></td>
</tr>
<tr>
<td>16.15 - 16.35</td>
<td>2.3 – 2.5 COMPETITIVENESS, OPERATIONS &amp; DIGITAL TRANSFORMATION</td>
<td>ANDREA CASALUCI</td>
</tr>
<tr>
<td></td>
<td></td>
<td>General Manager Operations</td>
</tr>
<tr>
<td>16.35 - 16.55</td>
<td>3. TARGETS</td>
<td>FABIO BOCCHIO</td>
</tr>
<tr>
<td></td>
<td></td>
<td>SVP Planning &amp; Controlling</td>
</tr>
<tr>
<td>16.55 - 17.25</td>
<td>2ND Q&amp;A SESSION</td>
<td></td>
</tr>
<tr>
<td>17.25 - 17.30</td>
<td>CLOSING REMARKS</td>
<td>MARCO TRONCHETTI PROVERA</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Executive V. Chairman &amp; CEO</td>
</tr>
</tbody>
</table>
STARTING POINT
What the 2020 Covid crisis has taught us

- Strong reaction in terms of togetherness and participation
- Learning also from Pirelli China, we launched countermeasures
- Decision supported by insights, predictions and early warning system
- Resilient response to social, economic and environmental stresses

OUR TEAM IS MORE ENGAGED
FASTER IN ADAPTING TO THE VOLATILE ENVIRONMENT
MORE DATA DRIVEN
SUSTAINABILITY AT THE CORE
**MACROECONOMICS**

Data indicates two distinctive phases

<table>
<thead>
<tr>
<th>Real GDP growth 2020 (YoY%)</th>
<th>2020</th>
<th>2021-2022 (avg. growth%)</th>
<th>2023-2025 (avg. growth %)</th>
</tr>
</thead>
<tbody>
<tr>
<td>World</td>
<td>-3.7%</td>
<td>World</td>
<td>3.1%</td>
</tr>
<tr>
<td>China</td>
<td>-3.5%</td>
<td>China</td>
<td>5.3%</td>
</tr>
<tr>
<td>US</td>
<td>-6.8%</td>
<td>US</td>
<td>2.5%</td>
</tr>
<tr>
<td>Europe</td>
<td></td>
<td>Europe</td>
<td>1.6%</td>
</tr>
</tbody>
</table>

**Rebound phase**

- Rebound linked to vaccination
- EUR appreciation vs all major currencies, especially USD in ’21

**Stable growth**

- Stable growth
- More stable scenario

’21-’25 overall: China growth engine +5.8%, US at +3.4%, eurozone at +2.5% - euro appreciation
High-end consumers growing and far more digital

Covid has re-prioritized some Core Values

- Safety – Well-being
- Digital economy (e-commerce, remote working & learning, delivery, telemedicine)
- Servitization
- Purpose, culture and inclusivity
- Climate Emergency

Online shopping booming also in tyres

Total market B2C sales through online channels, %

55% of world population “digital natives” in 2025
MOBILITY SCENARIO: MILES DRIVEN

Car Global Miles Driven, Trillion

- **Private Car**
- **Total Car**

<table>
<thead>
<tr>
<th>Year</th>
<th>Private Car</th>
<th>Total Car</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>8.9</td>
<td>9.6</td>
</tr>
<tr>
<td>2018</td>
<td>9.7</td>
<td>10.7</td>
</tr>
<tr>
<td>2020</td>
<td>~8.1</td>
<td>~9.0</td>
</tr>
<tr>
<td>2022</td>
<td>9.2</td>
<td>10.4</td>
</tr>
<tr>
<td>2025</td>
<td>10.0</td>
<td>11.8</td>
</tr>
<tr>
<td>2025 old plan</td>
<td></td>
<td>&gt;13.0</td>
</tr>
</tbody>
</table>

**Private Car Share on Tot**
- 2015: 93%
- 2018: 91%
- 2020: 90%
- 2022: 88%
- 2025: ~85%
- 2025 old plan: <80%

By 2025 ~2/3 of miles driven increase from private cars, reaching old plan levels.

1. Non private cars (Share and services) category includes: Ride hailing, Car-Sharing, Autonomous Sharing, Car Rental, Subscription models, Company Leasing, Private Leasing
MOBILITY SCENARIO: EVs
Electric vehicles growth accelerated, pushing demand for technology tyres

**EV penetration in Premium & Prestige production**

- Positively impacted by growing regulations and Government incentives

<table>
<thead>
<tr>
<th>Year</th>
<th>2015</th>
<th>2018</th>
<th>2020</th>
<th>2022</th>
<th>2025</th>
</tr>
</thead>
<tbody>
<tr>
<td>Penetration</td>
<td>1%</td>
<td>5%</td>
<td>12%</td>
<td>22%</td>
<td>30%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2025 '20-22 plan</td>
</tr>
</tbody>
</table>

n.a. | 1% | 2% | 7% | 11% | 9% |

**Tyre for EVs Technologically challenging**

- EVs Customers mostly "Motorheads" and "Tech enthusiast", looking for Performance & Safety features
- EV tyres have to meet challenging technological requirements:
  - Higher load
  - Lower Rolling Resistance
  - Higher grip
  - Lower noise

**GREEN TRANSITION**

**EV SPECIALTY TYRES**

**HIGHER COMPETITIVE BARRIERS**

1. EVs include BEV (Battery Electric Vehicles) and PHEV (Plug in Electric Vehicle)
Rich H.V. Demand particularly in ≥19”

**Car production**

<table>
<thead>
<tr>
<th>Million vehicles</th>
<th>Premium &amp; Prestige</th>
<th>Other SUVs</th>
<th>Synergic</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019A</td>
<td>13%</td>
<td>89</td>
<td>18%</td>
</tr>
<tr>
<td>2020A</td>
<td>15%</td>
<td>73</td>
<td>15%</td>
</tr>
<tr>
<td>2021E</td>
<td>14%</td>
<td>82</td>
<td>15%</td>
</tr>
<tr>
<td>2022E</td>
<td>15%</td>
<td>83</td>
<td>15%</td>
</tr>
<tr>
<td>2025E</td>
<td>+7</td>
<td>88</td>
<td>+2</td>
</tr>
</tbody>
</table>

CAGR% ‘20A-’22E ‘22E-’25E

- +7
- +6
- +10
- +7

**Car parc**

<table>
<thead>
<tr>
<th>Million vehicles</th>
<th>Prestige &amp; Premium</th>
<th>Other SUVs</th>
<th>Synergic</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019A</td>
<td>11%</td>
<td>1,423</td>
<td>18%</td>
</tr>
<tr>
<td>2020A</td>
<td>11%</td>
<td>1,451</td>
<td>12%</td>
</tr>
<tr>
<td>2021E</td>
<td>11%</td>
<td>1,483</td>
<td>4%</td>
</tr>
<tr>
<td>2022E</td>
<td>11%</td>
<td>1,517</td>
<td>4%</td>
</tr>
<tr>
<td>2025E</td>
<td>+2</td>
<td>1,620</td>
<td>+2</td>
</tr>
</tbody>
</table>

CAGR% ‘20A-’22E ‘22E-’25E

- +2
- +4
- +3
- +2

**≥18” O.E. Tyre market**

<table>
<thead>
<tr>
<th>Million tyres</th>
<th>VS -19% STANDARD</th>
<th>≥19”</th>
<th>=18”</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019A</td>
<td>-13%</td>
<td>110</td>
<td>45%</td>
</tr>
<tr>
<td>2020A</td>
<td></td>
<td>95</td>
<td>47%</td>
</tr>
<tr>
<td>2021E</td>
<td></td>
<td>112</td>
<td>48%</td>
</tr>
<tr>
<td>2022E</td>
<td></td>
<td>118</td>
<td>49%</td>
</tr>
<tr>
<td>2025E</td>
<td></td>
<td>&gt;125</td>
<td>51%</td>
</tr>
</tbody>
</table>

CAGR% ‘20A-’22E ‘22E-’25E

- +11
- +3

**≥18” Replacement Tyre market**

<table>
<thead>
<tr>
<th>Million tyres</th>
<th>VS -16% STANDARD</th>
<th>≥19”</th>
<th>=18”</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019A</td>
<td>-7%</td>
<td>152</td>
<td>41%</td>
</tr>
<tr>
<td>2020A</td>
<td></td>
<td>141</td>
<td>42%</td>
</tr>
<tr>
<td>2021E</td>
<td></td>
<td>157</td>
<td>42%</td>
</tr>
<tr>
<td>2022E</td>
<td></td>
<td>171</td>
<td>42%</td>
</tr>
<tr>
<td>2025E</td>
<td></td>
<td>&gt;210</td>
<td>45%</td>
</tr>
</tbody>
</table>

CAGR% ‘20A-’22E ‘22E-’25E

- +10
- +8

High value tyre demand: double digit growth by ‘22e, high single digit by ’25e

Source: Company estimates based on third party and associations of tyre producers market data; 1. Synergic Car segments Larger than Car-D and SUV-C
In this scenario Pirelli has grown its array of competitive strengths.

**Conventional**

<table>
<thead>
<tr>
<th>Leader in ≥19” marked tyres</th>
<th>Share leader in China ≥18”</th>
<th>2 Wheels</th>
</tr>
</thead>
<tbody>
<tr>
<td># of ≥19” O.E. marked items¹ vs. peers</td>
<td>≥18” Repl. market share 2020</td>
<td>Leader in Moto High Value</td>
</tr>
<tr>
<td>PIRELLI</td>
<td>1st</td>
<td>Moto High Value Repl. Market share 2020</td>
</tr>
<tr>
<td>avg. Top 4</td>
<td>2nd</td>
<td>1st</td>
</tr>
<tr>
<td>923</td>
<td>318</td>
<td>~1.5X</td>
</tr>
</tbody>
</table>

**Ambitious EVs growth**

- 2025E O.E. Pirelli Premium Share
- 2022E Low Cost Capacity on total²
- Made in Italy production (Bollate)

**Emerging**

**First in O.E. with Cyber Tyre**

- First in the World to equip sensorized tyres in O.E.

**Services**

- Tyre subscriptions
- Prestige travel experiences

**Micro-mobility**

- For corporations and hospitality

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1. Source: German Product List (Pricat) @ January 2021; 2. Pirelli internal estimates based on company announcements / web articles
Very favorable scenario for Pirelli

Two Phase Macro-Economic Growth: strong rebound till 2022, followed by steady state growth, both confirming High Value segment opportunity

China Leading Macro-Economic Growth where Pirelli is leader in the ≥18”

High-End Consumer Growth, with higher than expected use of private cars & 2-wheels

Demand for technologically sophisticated EV Tyres rapidly increasing
## STRATEGIC GUIDELINES

<table>
<thead>
<tr>
<th>In continuity with February 2020 plan</th>
<th>Additional &amp; Accelerated</th>
</tr>
</thead>
<tbody>
<tr>
<td>Focus on H.V. Market, growing and resilient</td>
<td>Growth in Specialties/EVs and ≥19”</td>
</tr>
<tr>
<td>Capitalize on array of strengths</td>
<td>Rebalancing O.E. (-) and Replacement (+)</td>
</tr>
<tr>
<td>Green Transition spurring innovation and enhancing Competitive Barriers</td>
<td>China acceleration</td>
</tr>
<tr>
<td></td>
<td>Consumer Insights feeding:</td>
</tr>
<tr>
<td></td>
<td>Online to Offline Commerce</td>
</tr>
<tr>
<td></td>
<td>Replacement-only products</td>
</tr>
<tr>
<td></td>
<td>Digital Business Model coming on stream</td>
</tr>
</tbody>
</table>

**Fully Capture 2021-2022 rebound opportunities**

**Accelerate cash generation as a remodelled High Value Specialties Leader**
PIRELLI FOCUS
On the highest growing and most profitable segments

≥18” O.E. Tyre market

<table>
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<tr>
<td>2025E</td>
<td>&gt;125</td>
<td>51%</td>
</tr>
<tr>
<td>CAGR%</td>
<td>+14</td>
<td>+9</td>
</tr>
</tbody>
</table>

≥18” Replacement Tyre market

<table>
<thead>
<tr>
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<th>≥19”</th>
<th>=18”</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019A</td>
<td>152</td>
<td>41%</td>
</tr>
<tr>
<td>2020A</td>
<td>141</td>
<td>42%</td>
</tr>
<tr>
<td>2021E</td>
<td>157</td>
<td>42%</td>
</tr>
<tr>
<td>2022E</td>
<td>171</td>
<td>45%</td>
</tr>
<tr>
<td>2025E</td>
<td>&gt;210</td>
<td>+10</td>
</tr>
<tr>
<td>CAGR%</td>
<td>+11</td>
<td>+10</td>
</tr>
</tbody>
</table>

≥18” O.E. PIRELLI volumes

<table>
<thead>
<tr>
<th>% on tot O.E.</th>
<th>~60%</th>
<th>~70%</th>
</tr>
</thead>
<tbody>
<tr>
<td>≥19”</td>
<td>&gt;65%</td>
<td>+15</td>
</tr>
<tr>
<td>=18”</td>
<td></td>
<td>+8</td>
</tr>
<tr>
<td>2019A</td>
<td></td>
<td>+8</td>
</tr>
<tr>
<td>2025A</td>
<td></td>
<td>+8</td>
</tr>
<tr>
<td>&lt;1% EVs</td>
<td></td>
<td>+8</td>
</tr>
<tr>
<td>≥19”</td>
<td>+13</td>
<td>+15</td>
</tr>
<tr>
<td>≥18”</td>
<td>+13</td>
<td>+15</td>
</tr>
</tbody>
</table>

≥18” Replacement PIRELLI volumes

<table>
<thead>
<tr>
<th>% on tot Repl</th>
<th>~40%</th>
<th>~60%</th>
</tr>
</thead>
<tbody>
<tr>
<td>≥19”</td>
<td>&gt;55%</td>
<td>+18</td>
</tr>
<tr>
<td>=18”</td>
<td></td>
<td>+11</td>
</tr>
<tr>
<td>2019A</td>
<td></td>
<td>+11</td>
</tr>
<tr>
<td>2025A</td>
<td></td>
<td>+11</td>
</tr>
<tr>
<td>~30% EVs</td>
<td></td>
<td>+11</td>
</tr>
<tr>
<td>~65% Specialties</td>
<td></td>
<td>+11</td>
</tr>
<tr>
<td>~70% Specialties</td>
<td></td>
<td>+11</td>
</tr>
</tbody>
</table>
## STRATEGY IMPLEMENTATION PLAN: KEY PROGRAMS’ IMPACT

<table>
<thead>
<tr>
<th>Commercial</th>
<th>2021 - 2022</th>
<th>2023 - 2025</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue Increase: (\sim +\text{€0.8B} / \sim +\text{€1B})</td>
<td><strong>Fully capture rebound opportunities</strong></td>
<td>Revenue Increase: (\sim +\text{€0.6B} / \text{€0.9B})</td>
</tr>
<tr>
<td>Volume based</td>
<td>Volume and mix based</td>
<td></td>
</tr>
<tr>
<td>Innovation</td>
<td>Product Launches / year: (~10)</td>
<td><strong>Accelerate cash generation as a remodelled specialties leader</strong></td>
</tr>
<tr>
<td>Technical homologations / year: (~330)</td>
<td>Product Launches / year: (~8)</td>
<td></td>
</tr>
<tr>
<td>Competitiveness</td>
<td>Net efficiencies (\sim \text{€170M}, 4.5% \text{ vs. baseline’20})</td>
<td>Net efficiencies (\sim \text{€70M} + \text{€100M}; 2% \div 2.5% \text{ vs. baseline’20})</td>
</tr>
<tr>
<td>Operations</td>
<td>Footprint rationalization and organization streamlining completed</td>
<td>H.V. capacity in Low Cost Countries from 74% in ‘20 to 77% in ‘25</td>
</tr>
</tbody>
</table>
Investing in H.V. Capacity and mix upgrade (≥19” & specialties)

CAPEX on Sales

<table>
<thead>
<tr>
<th>Year</th>
<th>CapEx on Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>7%</td>
</tr>
<tr>
<td>2020</td>
<td>3%</td>
</tr>
<tr>
<td>2021</td>
<td>7%</td>
</tr>
<tr>
<td>2022</td>
<td>7.5%</td>
</tr>
<tr>
<td>2023</td>
<td>9%</td>
</tr>
<tr>
<td>2025</td>
<td>6%</td>
</tr>
</tbody>
</table>

€ billion

- **2019 A**: 391
- **2020 A**: 140
- **2021 E**: ~0.71 ÷ ~0.73
- **2022 E**: ~0.73 ÷ ~0.87
- **2023 E**: ~1.2 ÷ ~1.3
- **2025 E**: ~1.3 ÷ ~1.4

CAPEX breakdown

- **H.V. Capacity** (increase and conversion)
- **Tech upgrade & productivity improvement**
- **Digital**
- **Maintenance & others**

High Value capacity expansion in Low-Cost Countries
ALL KEY PROGRAMS WILL LEVERAGE ON PROACTIVE PEOPLE STRATEGY

Our People

International and Diverse Organization
- ~30,500 people in 35 Countries
- 92 Nationalities
- ~30% Female

Experienced and Engaged Workforce
- Average age ~39 yrs
- Average tenure ~10 yrs
- Voluntary attrition <5% in 2020

Pirelli active in 4 pillar Programs

- Social Inclusion
- Caring
- Knowledge
- Alignment & Rewarding

* as a percentage of Staff
PEOPLE AT THE HEART OF OUR JOURNEY

Our Priorities

- **Caring**
  - Protect our employees, safe workplace and healthy lifestyle
  - Shift from traditional welfare programs to tailored wellbeing initiatives
  - New policies to increase flexibility and autonomy of people

- **Knowledge**
  - Support business transformation with **up/reskilling initiatives**
  - Exploit **Professional Academies**, leveraging on **senior experts’ knowledge**
  - Develop **life-long learning culture**

- **Social Inclusion**
  - Support education and knowledge development partnering with **local Communities** & Universities
  - Promote **social values** and improve standard of living (cooperation with hospitals, volunteering initiatives,…)
  - Integrate company culture with perspectives, coming from diverse personal and professional areas

Our Ambitions in 2025

- **Protect Employees**
  - **[Frequency Index]**

- **Up/Re-Skilling**
  - **[People Involved/Total HC]**
    - 2019: 2020: 2025: x4

- **Wellbeing**
  - **[# of New Initiatives]**
### 2021-22/25 TARGETS

<table>
<thead>
<tr>
<th></th>
<th>2020 A</th>
<th>2021 E</th>
<th>2022 E</th>
<th>2025 E</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Sales</strong></td>
<td>€ 4.3</td>
<td>~4.7 +</td>
<td>~5.1 +</td>
<td>~5.7 +</td>
</tr>
<tr>
<td></td>
<td></td>
<td>~4.8</td>
<td>~5.3</td>
<td>~6.2</td>
</tr>
<tr>
<td><strong>Adjusted EBIT margin</strong></td>
<td>11.6%</td>
<td>&gt;14% +</td>
<td>&gt;16% +</td>
<td>~19% +</td>
</tr>
<tr>
<td></td>
<td></td>
<td>~15%</td>
<td>~17%</td>
<td>~20%</td>
</tr>
<tr>
<td><strong>CapEx</strong> (% on sales)</td>
<td>0.14</td>
<td>~0.33</td>
<td>~0.38 +</td>
<td>~1.2 +</td>
</tr>
<tr>
<td></td>
<td>(3.3%)</td>
<td>(~7%)</td>
<td>(~7.5%)</td>
<td>(~7.5%)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>cum '23-'25</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(~7.5% avg)</td>
</tr>
<tr>
<td><strong>Net Cash Flow</strong> bef. Dividends &amp; conv. Bond impact</td>
<td>0.21</td>
<td>~0.30 +</td>
<td>~0.42 +</td>
<td>~1.7 +</td>
</tr>
<tr>
<td></td>
<td></td>
<td>~0.34</td>
<td>~0.46</td>
<td>~1.9</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>cum '23-'25</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(~7.5% avg)</td>
</tr>
<tr>
<td><strong>Net Financial Position</strong> NFP / adj. EBITDA</td>
<td>3.3</td>
<td>~3.0</td>
<td>~2.75 +</td>
<td>~1.6 +</td>
</tr>
<tr>
<td></td>
<td>3.65x</td>
<td>~2.7x</td>
<td>~2.65</td>
<td>~1.4</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>~2x</td>
<td>~1x</td>
</tr>
<tr>
<td><strong>ROIC</strong> Post taxes</td>
<td>10.4%</td>
<td>~16%</td>
<td>~19%</td>
<td>~25%</td>
</tr>
</tbody>
</table>

Dividend policy: ~50% pay out of 2021-22 net income; 40% of 2023-24 net income
DIGITIZATION PLAN 21/25

- **CapEx**: ∼7% of cumulated CapEx '21-25
- **OpEx**: ∼0.8% of yearly baseline '21-25
- **Benefits**: ∼6%÷8% of cumulated net cash '21-25

First phase of a typical exponential improvement

IN CASE OF MARKET SLOWDOWN

≥18” Market
current plan assumption

<table>
<thead>
<tr>
<th>2020A</th>
<th>2025E</th>
</tr>
</thead>
<tbody>
<tr>
<td>+8%</td>
<td></td>
</tr>
</tbody>
</table>

'20-'25 CAGR

we continue to outperform with an added flexibility in reducing:

- **Costs for growth** (currently in the plan) ~10% of incremental H.V. revenues '20-25
- **CapEx for H.V. capacity increase** (currently in the plan) ~20% of cumulated CapEx '21-25
## OUR SUSTAINABILITY STRATEGY: KEY TARGETS

<table>
<thead>
<tr>
<th>Area</th>
<th>Focus</th>
<th>KPIs</th>
<th>2020A</th>
<th>2025E</th>
<th>2030E</th>
</tr>
</thead>
<tbody>
<tr>
<td>SAFETY FIRST</td>
<td>Towards zero accidents at work</td>
<td>Accident frequency index</td>
<td>0.22</td>
<td>&lt;0.10</td>
<td></td>
</tr>
<tr>
<td>PRODUCT ECO &amp; SAFETY PERFORMANCE</td>
<td>Improve Rolling Resistance with no compromise on safety</td>
<td>RR(^1) = A/B</td>
<td>39%</td>
<td>&gt;70%</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>WG(^1) = A/B</td>
<td>87%</td>
<td>&gt;90%</td>
<td></td>
</tr>
<tr>
<td>MATERIALS INNOVATION</td>
<td>Increase the % of renewable and recycled materials while reducing fossils</td>
<td>Renewable</td>
<td>&gt;40%</td>
<td>&gt;60%</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Recycled</td>
<td>&gt;3%(^2)</td>
<td>&gt;7%(^2)</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Fossil based</td>
<td>&lt;40%</td>
<td>&lt;30%</td>
<td></td>
</tr>
<tr>
<td>TOWARDS DECARBONIZATION</td>
<td>Reduce CO(_2) footprint</td>
<td>CO(_2) (plants)</td>
<td>-31% (COVID impact)</td>
<td>-25% vs 2015(^3)</td>
<td>Carbon neutrality</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>-12,5% (target)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>CO(_2) (suppliers raw mat.)</td>
<td>-22% (COVID impact)</td>
<td>-9% vs 2018(^3)</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>-2,5% (target)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Renewable electricity</td>
<td>52%(^4)</td>
<td>100%</td>
<td></td>
</tr>
</tbody>
</table>

We will deliver our strategy through our people:
Passionate, engaged and highly skilled in a safe and inclusive environment

---

1. RR: Rolling Resistance, WG: Wet Grip, focus on new labelled IPcode; 2. Excluding metals; 3. Target approved by the Science Based Target Initiative in line with "well below 2° scenario"; 4. Internal assessment based on data from the International Energy Agency (IEA) taking into account the geographical distribution of Pirelli.
AGENDA

1. STRATEGIC GUIDELINES & PLAN SUMMARY

2. MARKET OUTLOOK & STRATEGY IMPLEMENTATION PLAN
   2.1 COMMERCIAL
   2.2 INNOVATION
   2.3 COMPETITIVENESS
   2.4 OPERATIONS
   2.5 DIGITIZATION

3. TARGETS
HIGH VALUE CAR TYRE DEMAND

≥19” growing double-digit, 3-5pp faster than ≥18”; demand from pure EVs booming, sizable in ’22-’25

≥18” World O.E. Tyre Market

<table>
<thead>
<tr>
<th>Year</th>
<th>≥19”</th>
<th>≥18”</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019A</td>
<td>110</td>
<td>45%</td>
</tr>
<tr>
<td>2020A</td>
<td>95</td>
<td>47%</td>
</tr>
<tr>
<td>2021E</td>
<td>112</td>
<td>48%</td>
</tr>
<tr>
<td>2022E</td>
<td>118</td>
<td>49%</td>
</tr>
<tr>
<td>2025E</td>
<td>&gt;125</td>
<td>51%</td>
</tr>
</tbody>
</table>

≥19” World Replacement Tyre Market

<table>
<thead>
<tr>
<th>Year</th>
<th>≥19”</th>
<th>≥18”</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019A</td>
<td>152</td>
<td>41%</td>
</tr>
<tr>
<td>2020A</td>
<td>141</td>
<td>42%</td>
</tr>
<tr>
<td>2021E</td>
<td>157</td>
<td>42%</td>
</tr>
<tr>
<td>2022E</td>
<td>171</td>
<td>42%</td>
</tr>
<tr>
<td>2025E</td>
<td>&gt;210</td>
<td>45%</td>
</tr>
</tbody>
</table>

Pure EV’ O.E. Tyre Market

<table>
<thead>
<tr>
<th>Year</th>
<th>2019A</th>
<th>2020A</th>
<th>2021E</th>
<th>2022E</th>
<th>2025E</th>
</tr>
</thead>
<tbody>
<tr>
<td>O.E. Tyre Market (million tyres)</td>
<td>5</td>
<td>6</td>
<td>~11</td>
<td>~15</td>
<td>~30</td>
</tr>
<tr>
<td>CAGR % ‘20A-’22E</td>
<td>~13%</td>
<td>+11%</td>
<td>+3%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CAGR % ‘22E-’25E</td>
<td>+14%</td>
<td>+4%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Replacement Tyre Market (million tyres)</td>
<td>3</td>
<td>4</td>
<td>~6</td>
<td>~8</td>
<td>~20</td>
</tr>
<tr>
<td>CAGR % ‘20A-’22E</td>
<td>-7%</td>
<td>+10%</td>
<td>+8%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Company estimates based on third party and associations of tyre producers market data - 1. 100% BEV only vehicle
PURE EV PENETRATION IN PREMIUM & PRESTIGE
Higher than traditional ICE, leading to a rich tyre market

Pure EV¹ penetration driven by China

<table>
<thead>
<tr>
<th></th>
<th>2020 A</th>
<th>2022 E</th>
<th>2025 E</th>
</tr>
</thead>
<tbody>
<tr>
<td>Car Production</td>
<td>3%</td>
<td>6%</td>
<td>12%</td>
</tr>
<tr>
<td>o/w Prestige &amp; Premium</td>
<td>~7%</td>
<td>~15%</td>
<td>~30%</td>
</tr>
</tbody>
</table>

Pure EV¹ car production reshaped from 2020

- China ~50% total Premium EV

- Prestige + Premium EU
- Other Premium (mainly USA) and other SUVs²
- Synergic

- ~20% Mid-High Segments²
- ~40% ~
- ~80% Low Segments
- ~60% ~

1. 100% BEV only; 2. Car and SUV segments Larger than C
PIRELLI’S JOURNEY TO EV PREMIUM & PRESTIGE LEADERSHIP
Rich project pipeline, supporting mix improvement

EV Contribution to High Value

Growth in rim
- Higher weight and torque call for high performance tyres

<table>
<thead>
<tr>
<th>Q3</th>
<th>Q4-tron</th>
</tr>
</thead>
<tbody>
<tr>
<td>Range and main fitment</td>
<td>Range and main fitment</td>
</tr>
<tr>
<td>17&quot; 18&quot; 19&quot;</td>
<td>19&quot; 20&quot; 21&quot;</td>
</tr>
</tbody>
</table>

Premium Price
- EV car (price higher than ICE) calls for Premium fitments and more technology in tyres

Loyalty Rate\(^1\) EV > ICE

Pirelli positioning at 2025

- Homologations ELECT: 60%
- \(~30\%) of \(\geq 18\)" OE volumes in EV
- OE Premium EV Market share vs. traditional ICE Premium market share: \(1.5X\)

**EV**: electric vehicle; **ICE**: internal combustion Engine

1. Calculated as homologated sales / homologated market
CHINA A LONG LASTING OPPORTUNITY

Boosting High Value tyre market in the Region

China ≥18” OE + Replacement tyre market

<table>
<thead>
<tr>
<th>OE+Repl</th>
<th>2020A</th>
<th>2022E</th>
<th>2025E</th>
</tr>
</thead>
<tbody>
<tr>
<td>% on tot</td>
<td>~14%</td>
<td>~16%</td>
<td>~18%</td>
</tr>
<tr>
<td>‘OE+Repl’</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

CAGR% ‘20A’-22E ‘22A’-25E

<table>
<thead>
<tr>
<th></th>
<th>+11</th>
<th>+7</th>
</tr>
</thead>
<tbody>
<tr>
<td>≥19”</td>
<td>+17</td>
<td>+11</td>
</tr>
<tr>
<td>=18”</td>
<td>+7</td>
<td>+4</td>
</tr>
</tbody>
</table>

Outperforming the market in the next 5 years

China ≥18” OE + Replacement PIRELLI volumes

<table>
<thead>
<tr>
<th>OE+Repl</th>
<th>2020A</th>
<th>2022E</th>
<th>2025E</th>
</tr>
</thead>
<tbody>
<tr>
<td>% on tot</td>
<td>~75%</td>
<td>&gt;80%</td>
<td>&gt;90%</td>
</tr>
<tr>
<td>‘OE+Repl’</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

CAGR% ‘20A’-22E ‘22A’-25E

<table>
<thead>
<tr>
<th></th>
<th>+17</th>
<th>+9</th>
</tr>
</thead>
<tbody>
<tr>
<td>≥19”</td>
<td>+20</td>
<td>+13</td>
</tr>
<tr>
<td>=18”</td>
<td>+14</td>
<td>+3</td>
</tr>
</tbody>
</table>

Pirelli consolidating leadership position in HV

OE growth based on electrification

Replacement: growth based on ≥ 18” pull through

Industrial footprint efficiency and innovation

Exploiting booming trend of e-commerce

Green certified

Online channel: Pirelli leadership in Share of Value by partnering with top 3 platforms Tuhu, JD.com and Alibaba

Volumes

Source: company estimates based on third party
PRESTIGE
China and EV as key drivers of growth

Prestige new trends

<table>
<thead>
<tr>
<th>2020A</th>
<th>2025E</th>
</tr>
</thead>
<tbody>
<tr>
<td>SUV tyre market²</td>
<td>+10%</td>
</tr>
<tr>
<td>BEV tyre market³</td>
<td>+37%</td>
</tr>
<tr>
<td>SUPER/SPORT CARS tyre market²</td>
<td>+8%</td>
</tr>
<tr>
<td>CHINA Car parc</td>
<td>+14%</td>
</tr>
</tbody>
</table>

Pirelli undisputed leadership

- 1 out 2 Prestige car fitting Pirelli tyres
- Consumer digital engagement
- P ZERO™ EXPERIENCE: a new, distinctive business model for Pirelli and its Partners
- Service excellence thanks to dedicated supply chain
- Technologies: PNCS, Elect and Cyber

¹ HNWI: High Net Worth Individual
### PLAN MAIN PROGRAMS

<table>
<thead>
<tr>
<th>COMMERCIAL</th>
<th>2021-22</th>
<th>2023-25</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capture H.V. market rebound, thanks to:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- <strong>LCA:</strong> Life Cycle Assessment</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- <strong>Acceleration of new product launches</strong></td>
<td></td>
<td><strong>Rebalancing OE / Repl in favour of Replacement</strong></td>
</tr>
<tr>
<td>- Rich homologation portfolio</td>
<td></td>
<td><strong>High Value Specialties &amp; ≥19” growth</strong></td>
</tr>
<tr>
<td>- China fast growth</td>
<td></td>
<td><strong>Consumer Value pricing &amp; Journey Management</strong></td>
</tr>
<tr>
<td><strong>INNOVATION</strong></td>
<td></td>
<td><strong>Stabilization of Standard</strong> in profitable niche</td>
</tr>
<tr>
<td>New Products time to market reduced, through</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Virtualization and Modelling</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Modularity &amp; Commonality vs. variety</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sustainability: Eco &amp; Safety design – LCA*</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>COMPETITIVESS</strong></td>
<td><strong>Complete the Wave 1 and Wave 2 programs</strong></td>
<td><strong>Draw benefits from Wave 3, especially Digital Transformation benefits</strong></td>
</tr>
<tr>
<td><strong>OPERATIONS</strong></td>
<td><strong>Ramp-up volumes to full saturation</strong></td>
<td><strong>Process innovation &amp; IIoT</strong></td>
</tr>
<tr>
<td>Completion of industrial footprint rationalization and delocalization</td>
<td><strong>Selective High Value capacity increase</strong></td>
<td><strong>Supply chain streamlining</strong></td>
</tr>
<tr>
<td><strong>DIGITIZATION</strong></td>
<td>Adoption of new customers, consumers and salesforce workflows and analytics</td>
<td>Coming on stream:</td>
</tr>
<tr>
<td>Integrated long-term business planning</td>
<td><strong>Product life cycle</strong> management</td>
<td><strong>Product life cycle management</strong></td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Intelligent operations</strong></td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Intelligent operations</strong></td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Integrated operational business planning</strong></td>
</tr>
</tbody>
</table>
AGENDA

1 | STRATEGIC GUIDELINES & PLAN SUMMARY

2 | MARKET OUTLOOK & STRATEGY IMPLEMENTATION PLAN
   2.1 | COMMERCIAL
   2.2 | INNOVATION
   2.3 | COMPETITIVENESS
   2.4 | OPERATIONS
   2.5 | DIGITIZATION

3 | TARGETS
PIRELLI VS. MARKET
Overperforming in High Value taking advantage of already achieved homologation

Volume variance (Car)

<table>
<thead>
<tr>
<th>Year</th>
<th>High Value (≥18&quot;)</th>
<th>Low Value (≤17&quot;)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020 A</td>
<td>~54</td>
<td></td>
</tr>
<tr>
<td>2022 E</td>
<td>~64</td>
<td></td>
</tr>
<tr>
<td>2025 E</td>
<td>~70</td>
<td></td>
</tr>
</tbody>
</table>

Key Programs

- **HV Replacement OE Driven**
  - Mirroring demand from past homologations mainly driven by Asia Pacific (Apac)

- **HV Replacement Consumer Driven**
  - Push-through volumes increase in Europe and North America

- **HV OE**
  - Coming from already running business growth in ≥19" segment and EV

Over-performance vs. market

<table>
<thead>
<tr>
<th>Year</th>
<th>Market Share Increase</th>
<th>Market Share Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020 A</td>
<td>+11%</td>
<td>+3-4pp</td>
</tr>
<tr>
<td>2022 E</td>
<td></td>
<td>+1pp</td>
</tr>
<tr>
<td>2025 E</td>
<td></td>
<td>-3pp</td>
</tr>
</tbody>
</table>

* Market Growth contribution keeping 2020 market share constant
HIGH VALUE REPLACEMENT
Key initiatives to gain shares

O.E. Driven Replacement

- “Surf” Homologated Market Growth
- O.E. homologations & Technologies

Distribution channel strategy
Sales Process Transformation SFA¹
Digital Conversion Funnel

Consumer driven Replacement

Wide Market potential
Consumer - driven Product range

¹ SFA
WIDE RANGE OF SPECIALTIES
As a result of strong relationship with OEMs

Focus on ≥19"

# ≥19" O.E. marked items vs. peers¹: Pirelli undisputed leadership.

Leader in prestige and high-end vehicles

To be furtherly boosted by future homologations pipelines

Focus on Specialties⁴

- RUNFLAT
- SEAL INSIDE™
- NOISE CANCELLING SYSTEM™
- PIRELLI ELECT
- RACING TYRES
- COLLECTION TYRES
- CYBER TYRE

~70% of ≥18" Repl. Volumes in 2025
- Extending specialties product range
- Pirelli Leadership in technologies²
- Strong O.E. Loyalty Replacement rate
- Higher value added proven by sell-out prices up to +20%

Competitive barrier: loyalty rate >80%³

(1) Source: German Product List (Pricat) @ January 2021; (2) Internal Pirelli Survey on final end users; (3) calculated as homologated sales / homologated market; (4) New Specialties definition includes also "other marked tyres"
DEEPER UNDERSTANDING OF CONSUMER NEEDS
“Perfect fit” in designing regional product lines

“Premium - Online”

TOP 6 PURCHASE DRIVERS

<table>
<thead>
<tr>
<th>Driver</th>
<th>Relevance</th>
</tr>
</thead>
<tbody>
<tr>
<td>PRESTIGE (COLLABORATIONS)</td>
<td>100</td>
</tr>
<tr>
<td>SAFETY (EXCELLENT GRIP)</td>
<td>100</td>
</tr>
<tr>
<td>DURABILITY</td>
<td>95</td>
</tr>
<tr>
<td>HIGH-TECH</td>
<td>93</td>
</tr>
<tr>
<td>TRUST</td>
<td>92</td>
</tr>
<tr>
<td>PRESTIGE (SPORT USE)</td>
<td>90</td>
</tr>
</tbody>
</table>

CHARACTERISTICS

CAR DRIVEN: Premium (e.g., BMW X5, Audi Q7, Volvo hybrid XC70)

MAIN NEEDS: Prestige & Safety

DEMOGRAPHICS: 68% male, average age 30-40

INCOME: Above average

PRODUCT SEARCH: 14% brand-, 73% value-, 13% price-seeker

DRIVING BEHAVIOR: High mileage, incl. mountain routes (mainly >20k km)

INFORMATION SEARCH: Gets influenced by celebrity endorsement and sponsors, reads magazines and watches TV

High technological content

Safety

Performance & Milage

Eco Friendly approach

Efficient Production process

Regional approach

28 new product lines
DEEPER UNDERSTANDING OF CONSUMER NEEDS
“Perfect fit” in designing regional product lines

“City rider” – persona description

TOP 6 PURCHASE DRIVERS

<table>
<thead>
<tr>
<th>Top Driver</th>
<th>Relevance</th>
</tr>
</thead>
<tbody>
<tr>
<td>RELIABILITY &amp; TRUST</td>
<td>100</td>
</tr>
<tr>
<td>GOOD REPUTATION</td>
<td>95</td>
</tr>
<tr>
<td>COMFORTABLE DRIVE</td>
<td>88</td>
</tr>
<tr>
<td>HIGH QUALITY (ALL SEASON T.)</td>
<td>81</td>
</tr>
<tr>
<td>DURABILITY</td>
<td>79</td>
</tr>
<tr>
<td>SAFETY (SAVE DRIVE)</td>
<td>74</td>
</tr>
</tbody>
</table>

CHARACTERISTICS

CAR DRIVEN: Premium European car models (e.g., BMW 3, Mercedes GLE)

DEMOGRAPHICS: 60% male, average age 40-50

INCOME: Average

PRODUCT SEARCH: 15% brand-, 60% value-, 25% price-seeker

INFORMATION SEARCH: Gets influenced by advertising on advertisement boards during city rides

High technological content
Safety
Performance & Milage
Eco Friendly approach
Efficient Production process
Regional approach

28 new product lines
DEEPER UNDERSTANDING OF CONSUMER NEEDS
“Perfect fit” in designing regional product lines

“Adventure enthusiast”

TOP 6 PURCHASE DRIVERS

<table>
<thead>
<tr>
<th>Factor</th>
<th>Relevance</th>
</tr>
</thead>
<tbody>
<tr>
<td>DURABILITY</td>
<td>100</td>
</tr>
<tr>
<td>COMFORTABLE DRIVE</td>
<td>92</td>
</tr>
<tr>
<td>RELIABILITY &amp; TRUST</td>
<td>87</td>
</tr>
<tr>
<td>HIGH QUALITY (ALL-SEASON T.)</td>
<td>86</td>
</tr>
<tr>
<td>GOOD REPUTATION</td>
<td>79</td>
</tr>
<tr>
<td>SAFETY (EXCELLENT GRIP)</td>
<td>75</td>
</tr>
</tbody>
</table>

CHARACTERISTICS

CAR DRIVEN: Synergic (e.g. Nissan Pathfinder, Toyota Land Cruiser)

DEMOGRAPHICS: 67% male, average age 40-50

INCOME: Average

PRODUCT SEARCH: 14% brand-, 60% value-, 26% price-seeker

DRIVING BEHAVIOR: High mileage (mainly >20k km), city & mountain
DISTRIBUTION NETWORK
Will coherently support the Replacement regional strategy

Car dealer: high focus on pull, growing channel, especially for 1st/2nd tyre change

Pirelli retail: expansion of the network and focus on high end mix and services

Tier1: distributors focused on pull-through distribution, higher integration and new partnerships

Online growing online channel, Share of wallet increase in main players (APAC / EU / NAFTA) also via Tier 1 partners

Increase market coverage in Pirelli Retail thanks to new product lines and digital tools

Tier1 program reinforcement with top distribution players
Coverage increase thanks to new products (online, regional chains and distributors)

Keep expanding controlled retail network, introducing Prestige retail concept;
High Value leadership with top Online players

Number of PoS (1)

<table>
<thead>
<tr>
<th>Year</th>
<th>2020 A</th>
<th>2022 E</th>
<th>2025 E</th>
</tr>
</thead>
<tbody>
<tr>
<td>11%</td>
<td>29%</td>
<td>30%</td>
<td>31%</td>
</tr>
<tr>
<td>12%</td>
<td>21%</td>
<td>23%</td>
<td>25%</td>
</tr>
<tr>
<td>8%</td>
<td>9%</td>
<td>13%</td>
<td></td>
</tr>
</tbody>
</table>

2020 A 2022 E 2025 E
~ 17,000 ~ 19,000 ~ 22,000

(1) Pirelli equities, franchising and fidelity clubs
THE ROLE OF BIG DATA ANALYTICS
O.E.- Replacement integrated sales process to maximize effectiveness

Predictive Market Intelligence
Data Science know-how and dedicated tools to accurately identify commercial opportunities

CRM B2B2C Implementation
B2B New sales force and customer relation approach

2020
+15% sales visits
+30% Points of sale
+20% Contact Center efficiency

2021

2022

B2C New relation with consumer and Life cycle management targeting by 2022:

+10pp Cross selling (consumer with 2 products or more – summer+winter or moto+car)
+10 points NPS

✓ +5pp increase market penetration vs market\(^{(1)}\)
✓ +5% service level improvement\(^{(2)}\)

\(^{(1)}\) In High Value segment; \(^{(2)}\) Back order reduction; \(^{(3)}\) Net Promoter Score
THE ROLE OF BIG DATA ANALYTICS
Premium & Prestige car parc analytics integrated in company process

Car parc
CAGR 20-22: +3%
CAGR 25-22: +3%

Car parc
CAGR 20-22: +2%
CAGR 25-22: +2%

Car parc
CAGR 20-22: +8%
CAGR 25-22: +6%

Porsche 911 example

2025 Premium & Prestige car parc >190M:

- **Forecast visibility** beyond 2025
- Linked to **tyre fitments** info generating **billion of market potential data**
- Collected into unique **Data-Lake** feeding dedicated
  - sales force tools
  - forecasting tools
MARKETING SPEND
Reallocation towards conversion

Pirelli Global Brand Investments in Consumer Journey funnel

<table>
<thead>
<tr>
<th>Stage</th>
<th>2020</th>
<th>2022-25</th>
</tr>
</thead>
<tbody>
<tr>
<td>Awareness</td>
<td>35%</td>
<td>16%</td>
</tr>
<tr>
<td>Consideration</td>
<td>17%</td>
<td></td>
</tr>
<tr>
<td>Conversion</td>
<td>48%</td>
<td>57%</td>
</tr>
</tbody>
</table>

Pirelli «Click to Buy» Platform

Thanks to advanced digital solutions:

- Funnel consumers on Pirelli digital properties where they can have an immersive experience in Pirelli product and solutions
- Enable the consumers to finalize the purchase leading them to our trade partner’s platforms:

Online: Click to buy
Offline¹: Shopping windows

¹ Shopping windows refer to offline channels where customers can make selections and proceed with purchase without immediate online communication.
HIGH VALUE O.E. KEY INITIATIVES

SOLID PROJECT PIPELINE THANKS TO ALREADY ACHIEVED HOMOLOGATIONS
85% 21-22 volumes coming from business already running/sourced to Pirelli

FOCUS ON ≥19"
> 50% of total volumes from 2022 and ~90% new homologations in 2025

CUSTOMER – BASE DIVERSIFICATION
Growing in North America and APac (+6pp in volumes incidence in the next 5 years)

INCREASE EV PENETRATION
in 2025 “Elect” marking in ~30% OE ≥18” fitments

DEDICATED SUPPLY CHAIN
STANDARD
Stabilization of standard volumes at double digit Ebit margin

Pirelli Car Standard volumes

<table>
<thead>
<tr>
<th></th>
<th>HV Regions</th>
<th>Std Regions</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>48%</td>
<td>52%</td>
</tr>
<tr>
<td>2020</td>
<td>24%</td>
<td>53%</td>
</tr>
<tr>
<td>2022</td>
<td>~25.5%</td>
<td>56%</td>
</tr>
<tr>
<td>2025</td>
<td>~25%</td>
<td>66%</td>
</tr>
</tbody>
</table>

- **Product mix improvement** favoring =17” and more profitable segments (SUV / CUV and All Season)
- **Price protection**, focusing on segments less exposed to tier-2 and tier-3 competition
- Production concentrated in **3 specialized and efficient plants** (Kirov, Campinas, Jiaozuo)

<table>
<thead>
<tr>
<th></th>
<th>Volume</th>
<th>Net Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>48%</td>
<td>30%</td>
</tr>
<tr>
<td>2020</td>
<td>44%</td>
<td>26%</td>
</tr>
<tr>
<td>2022</td>
<td>~40%</td>
<td>~24%</td>
</tr>
<tr>
<td>2025</td>
<td>~35%</td>
<td>~21%</td>
</tr>
</tbody>
</table>

Weight on Total

Landing Point
2 WHEEL HIGH VALUE LEADERSHIP
Enhance moto positioning, projecting solid growth in the cycling, exploiting 2-wheel favourable market

In the Moto Business:
- Global leader in H.V.
- 2 Distinctive Premium Brands
- Segment Price Leadership
- Top-Winning Award products
- Re-designed Industrial Footprint

In the Cycling Business:
- Targeting 8x volume by ’25
- Made in Italy Production starting in ’21
- Back in Cycle business since 2017 with winning-award products
SESSION AGENDA

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   2.4 | OPERATIONS
   2.5 | DIGITIZATION

3 | TARGETS
INNOVATION MODEL
Leveraging our strengths, further developing enablers to accelerate product solutions Vs. previous plan

Empowerment from outside

Enablers

People skills
Design Innovation
Material Innovation
Process Innovation
Modularity & variety management

Pirelli product solutions

2020
2021 - 2022
2023 - 2025

- Confirming Feb '20 Plan
- Accelerating in ‘21/22
- Eco - Safety design
OUR INNOVATION MODEL STRENGTHS
How we constantly get inspiration to foster our cutting edge innovation

<table>
<thead>
<tr>
<th>Collaboration with top Car makers</th>
<th>Constant feedbacks from consumers</th>
<th>Leading research &amp; innovation</th>
</tr>
</thead>
<tbody>
<tr>
<td>OE Leadership: 2x Homologations on Marked items</td>
<td>Consumer Insights through O2O Journey, regionally tailored products</td>
<td>Open Innovation Model: Forefront Suppliers, Universities &amp; Innovation Hubs</td>
</tr>
</tbody>
</table>

WE KNOW WHERE TECHNOLOGY AND SOLUTIONS ARE GOING
WE KNOW HOW CONSUMER NEEDS ARE EVOLVING
WE KNOW HOW TO RIDE INNOVATION
PEOPLE SKILLS: RESHAPING THE FUTURE OF R&D
Empowerment and spread of new competencies through acquisition and upskilling

- **INVESTING IN NEW CAPABILITIES**
  - TALENT ACQUISITION: Acquire core and new competencies

- **INTERNAL GROWTH**
  - UPSKILLING & CONTINUOUS LEARNING: Upgrade internal strategic know how

- **TALENT MANAGEMENT**
  - ADVANCED DEV’T PROGRAMS: Strengthen internal pipeline of talents

- **EXCELLENCE PROGRAMS**
  - TYRE TECHNOLOGY GRADUATE PROGRAMS: Launch tailored graduate programs
DESIGN INNOVATION
Virtualization and Simulation bringing tangible benefits in both product development and industrialization

Development phase

- Virtual Tyre Design
- Virtual Tyre Test
- Vehicle Perf. simulation

Industrialization phase

- Modelling & Parametric Design

Milestones

<table>
<thead>
<tr>
<th></th>
<th>2022</th>
<th>2025</th>
</tr>
</thead>
<tbody>
<tr>
<td>OE</td>
<td>~30%¹</td>
<td>~60%¹</td>
</tr>
<tr>
<td>REPL</td>
<td>~80%¹</td>
<td>~100%¹</td>
</tr>
</tbody>
</table>

KPIs

- Product Development Time: -30%
- Prototype Costs: -20%
- New Product Line Availability: +30%

¹: new Products virtually designed - 2: Noise Vibration Harshness
MATERIAL INNOVATION
Virtualization and Eco & Safety design as a key driver for material (r)evolution

Virtual material development

Eco-materials

End-of-life

Renewable materials

Fossil based materials:

Recycled materials

From recycle to regeneration

Target Scope: selected products

1. Renewable Materials are natural resources, such as agricultural product or biomass, that, after exploitation, can return to their previous stock levels by natural processes of growth or replenishment(*), on a human time scale(**). Fossil resources and minerals are not renewable resources. Definition based on: (*) OECD glossary definition at https://stats.oecd.org/glossary/detail.asp?ID=2290 ); (** ISO 17422:2018(en) Plastics — Environmental aspects — General guidelines for their inclusion in standards); Recycled materials are materials derived from the conversion of waste, by means of any recovery operation which returns substances or materials used to fulfil a particular function, in place of virgin raw materials. Recycled materials are no more classified as a waste. Recycled materials do not include materials that are to be used as fuels, as other means to generate energy, or for backfilling operations. Definition based on Dir 2008/98/EC “Waste Framework Directive”
INDUSTRIAL PROCESS DESIGN
Integrated roadmaps and Data driven process design to support industrial efficiencies

Data Driven Processes
- New Processes
- Existing Equipment Digitalization
- Industrial IOT Platform
- Digital Twin
- Robotized Processes Extension
MODULARITY

Extension of modularity concept to planning and processes to optimize variety management

Development phase
- Technological Portfolio Modularity
- Production Planning & Sales forecast integration
- Process Modularity, Flexibility factory and “IIOT”

Milestones
- 2019: Product Modularity Concept applied in EU Factories
- 2020: Product Modularity globally*
- 2021-2023: Modularity Approach extended to Processes, Integrated with planning

KPIs**
- COMMONALITY & MODULARITY TO MEET INCREASING O.E. DRIVEN DEMAND:
  - Components Commonality: +30%
  - Simplified Semi-manufactured ready to use: -15%
  - Range Rotation (Mix Rotation): +15%

*: to all High Value Factories  **: KPIs in respect to 2019 levels
PIRELLI ECO & SAFETY LEADERSHIP
Sustainability pervasive innovation approach

- Product Lifecycle Assessment (LCA)
- Process Innovation
- Design
- Innovation
- Renewable materials
- End-of-life

SUSTAINABILITY

By 2025:
- Renewable materials >40%
- A/B rolling resistance >70%
- A/B WET BRAKING >90%
- 100% renewable electricity
- 98% Waste to recovery

1. Non exhaustive list, for more details please visit the dedicated section of this document; 2. Target scope: selected products; 3. Target scope: new products (all new labelled IPcodes)
PRODUCT SOLUTIONS
Speeding up Product Pipeline with focus on Regional Consumer Driven Lines

Product renewal Acceleration

<table>
<thead>
<tr>
<th>Timeframe</th>
<th>Old Plan</th>
<th>New Plan</th>
<th>New Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020 - 2022</td>
<td>20</td>
<td>24 (3 in ’20A)</td>
<td>44</td>
</tr>
<tr>
<td>2020 - 2022</td>
<td>24</td>
<td>28</td>
<td>44</td>
</tr>
<tr>
<td>2021 - 2025</td>
<td>In 3 years</td>
<td>In 5 years</td>
<td>In 5 years</td>
</tr>
</tbody>
</table>

**Focus on Eco & Safety***
- Wet Grip: >90% A&B Class**
- Rolling Resistance: >70% A&B Class**

**Focus on Regional Lines**
- Robustness Comfort
- Eco-label
- All terrain
- Mileage
- Snow&ice

*: 66% of revenues from Eco&Safety Products identifying car tyres that Pirelli produces throughout the world and that fall only under rolling resistance and wet grip classes A, B, C according to the labeling parameters set by European legislation ** Considering newly labelled IP codes in 2025

Old Plan
New Plan
New Plan

New Lines

+20% acceleration

o/w O.E. Driven

o/w Consumer Driven

In 3 years

In 5 years

20

24

28

24

2020 - 2022

2021 - 2025

2022

2025

2020 - 2022

2021 - 2025

2022

2025

2020 - 2022

2021 - 2025

2022

2025

2020 - 2022

2021 - 2025

2022

2025

2020 - 2022

2021 - 2025

2022

2025

2020 - 2022

2021 - 2025

2022

2025

2020 - 2022

2021 - 2025

2022

2025
New Homologation Pipeline focused on Top-end range (≥19) and Specialties

**New Homologations Focus on ≥19”**

- 2017: ~70%
- 2019: >80%
- 2022: ~90%
- 2025: ~90%

Total: >350/y
Total: ~330/y
Total: ~300/y

**New Homologations Focus on Specialties**

- RUNFLAT
- SEAL INSIDE™
- NOISE CANCELLING SYSTEM
- PIRELLI ELECT
- RACING TYRES
- COLLECTION TYRES
- CYBER TYRE

From ~70% in 2017-19 to ~90% expected in 2025

From 47% in ’20 to ~60% of ≥18 New Homologations in ‘25
EVs to represent more than half of homologations in 2025

PRODUCT SOLUTIONS

Strong EV project pipeline

<table>
<thead>
<tr>
<th>2020A</th>
<th>2025E</th>
</tr>
</thead>
<tbody>
<tr>
<td>BEVs/PHEVs homologations %</td>
<td>29%</td>
</tr>
<tr>
<td>~2x</td>
<td>~2x</td>
</tr>
</tbody>
</table>

Why “ELECT” is perfect fit for EVs

- Battery Range Extension
- Sustaining Higher Vehicle Mass
- Handling Higher Torque
- Delivering Higher Comfort

Extensively collaboration with all relevant Car OEMs on EV Projects:

- Premium & Prestige
- Selected Synergic focusing on specialties
- Pure EV manufacturers and Start-ups

High Load Tyre Capacity

- 10% reduced RR → +2% Battery Range
  (WLTP Cycle = Only Straight Running)

- Improve RR in Real Driving Conditions
  (RR in Cornering up to 5 times higher)

Specific tyre shape to optimize aerodynamic Interaction with Vehicle

- Higher load
- Lower Rolling R.
- Higher grip
- Lower noise
CYBERTYRE
Hits the ground as the first tyre system

2020-2022
WORLD FIRST TYRE
SYSTEM IN A
SERIES CAR

A road of features towards vehicle safety, fleet & data solutions

Tyre vehicle interaction

IoT & related services

AD

Data Provider

ADAS

Telematics

V2X & 5G

Dynamic Forces

Aqua Planning

Tyre Wear

Mass Distribution

Tyre ID

TPMS

WORLD FIRST
5G CONNECTED TYRE
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## COST COMPETITIVENESS

### Wave 2 confirmed, Wave 3 worth ~€70M÷€100M cumulated ‘23-’25 Net impact

<table>
<thead>
<tr>
<th>Wave 1 - ’20</th>
<th>Wave 2 - ’21-22</th>
<th>Wave 3 - ’23-25</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Product Cost</strong></td>
<td>Gross impact</td>
<td>Focusing on:</td>
</tr>
<tr>
<td>~€160M</td>
<td>~ 3.5 % of baseline ’19</td>
<td>£Modularity</td>
</tr>
<tr>
<td>~110M</td>
<td>~ 2.5 % of baseline ’19</td>
<td>Design speed and virtualization</td>
</tr>
<tr>
<td><strong>Manufacturing</strong></td>
<td></td>
<td>Footprint optimization</td>
</tr>
<tr>
<td>~€110M</td>
<td>~180 M€</td>
<td></td>
</tr>
<tr>
<td><strong>SG&amp;A</strong></td>
<td></td>
<td>Industrial IOT and flexible factory</td>
</tr>
<tr>
<td><strong>Organization</strong></td>
<td></td>
<td>Logistic network redesign and service differentiation</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Procurement rationalization</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Digital Processes and Organization transformation</td>
</tr>
</tbody>
</table>

### Total Gross Impact
- as% of cost baseline
  - Wave 1+2: ~€310M ~ 8.0 % of baseline ’20
  - Wave 3: ~€470M ~ 12.5 % of baseline ’20
  - Old Plan @Feb20: ~€110M ~180 M€ of baseline ’20

### Total Net Impact
- as% of cost baseline
  - Wave 1+2: ~€170M ~ 4.5 % of baseline ’20
  - Wave 3: ~€280M ~ 7.5 % of baseline ’20
  - Old Plan @Feb20: ~€110M ~180 M€ of baseline ’20

- Wave 1+2: ~50% ~50% ~50% ~50% ~70M÷100M cumulated ‘23-’25 Net impact
MANUFACTURING CAPACITY
Back to 90% saturation already in 2022, capacity increase in ’23-’25 to support volume growth

Pirelli car capacity & saturation trend

<table>
<thead>
<tr>
<th></th>
<th>Production</th>
<th>High Value (≥18” &amp; Specialties)</th>
<th>Other (≤17” Marked, Homologated, technological and regional lines)</th>
<th>% Low-Cost Countries</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019 A</td>
<td>77</td>
<td>27</td>
<td></td>
<td>81%</td>
</tr>
<tr>
<td>2020 A</td>
<td>75</td>
<td>50</td>
<td></td>
<td>~82%</td>
</tr>
<tr>
<td>Δ H.V.</td>
<td>+2</td>
<td></td>
<td></td>
<td>~83%</td>
</tr>
<tr>
<td>Δ Std.</td>
<td>-4</td>
<td></td>
<td></td>
<td>~83%</td>
</tr>
<tr>
<td>2022 E</td>
<td>73</td>
<td>53</td>
<td></td>
<td>~83%</td>
</tr>
<tr>
<td>Δ H.V.</td>
<td>3</td>
<td></td>
<td></td>
<td>~90%</td>
</tr>
<tr>
<td>Δ Std.</td>
<td>-1</td>
<td></td>
<td></td>
<td>~95%</td>
</tr>
<tr>
<td>2025 E</td>
<td>75</td>
<td>56</td>
<td></td>
<td>~83%</td>
</tr>
</tbody>
</table>

Saturation:
- 2019 A: 83%
- 2020 A: ~70%
- 2022 E: ~90%
- 2025 E: ~95%
CAR MANUFACTURING FOOTPRINT EVOLUTION
Rationalization completed by 2022, 2023-2025 H.V. capacity growth in Low Cost Countries

EU & RUSSIA

<table>
<thead>
<tr>
<th>Year</th>
<th>2019</th>
<th>2022</th>
<th>2025</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>9</td>
<td>-2</td>
<td>7</td>
</tr>
</tbody>
</table>

- Specialization in small lots & Prestige
- Bollate (ITA) conversion in Cycling
- Burton (UK) reorganization (alt of Mirs Car production)
- Standard Hub in Kirov (RUS)

APAC

<table>
<thead>
<tr>
<th>Year</th>
<th>2019</th>
<th>2022</th>
<th>2025</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>3</td>
<td>3</td>
<td>3</td>
</tr>
</tbody>
</table>

- Yanzhou (CHN) Class – A Performance Enterprise as green plant certified
- Specialties production strengthened
- Std. production mainly in Jiaozuo (CHN)

S.AMERICA

<table>
<thead>
<tr>
<th>Year</th>
<th>2019</th>
<th>2022</th>
<th>2025</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>4*</td>
<td>-1</td>
<td>3</td>
</tr>
</tbody>
</table>

- Specialties production strengthened
- Focus on HV export to US
- Alt of Gravatai (BRA) Car production
- Std. production mainly in Campinas (BRA)

N. AMERICA

<table>
<thead>
<tr>
<th>Year</th>
<th>2019</th>
<th>2022</th>
<th>2025</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2</td>
<td>2</td>
<td>2</td>
</tr>
</tbody>
</table>

- Further growth in HV capacity in Silao (MX) from ’23, ~1.5 Mln pieces

Legenda

- HV Plant
- STD Plant
- # plants

*Including Gravatai moto plant
INDUSTRIAL IOT
Platform enhancing plant efficiency and aiming at zero defect

Higher efficiency, Zero Defect Manufacturing, immediate Best Practice sharing across plants

Plan Targets

- >95% Process data On cloud
- -10% Energy cost Savings
- -15% Cost of quality

DIGITAL TWIN

>300 data analysts (i.e. >30% manuf. White Collars)
>100 industrial apps up & running
100% H.V. capacity connected in '23
SUSTAINABLE INDUSTRIAL FOOTPRINT

100% renewable electricity worldwide by 2025

Group Carbon Neutrality by 2030

Commitment to the Science Based Target initiative in alignment with our CO2 emissions reduction strategy

Most efficient plants in terms of sustainability (e.g., excellence in water management, zero waste to landfill)

1. 25% CO2 in plants Vs. 2015 in 2025, -8.6% CO2 from raw material supply Vs 2018 in 2025
2. -10% Specific Energy Consumption Vs. 2019 by 2025; -43% Specific Water withdrawal Vs 2015 by 2025; Waste to recovery target of 98% by 2025; Accidental Frequency Index Target of 0.10 by 2025
# CUSTOMER CENTRIC SUPPLY CHAIN
Enhancing service level through dedicated supply chains and digital customers integration

## 5 dedicated supply chains

<table>
<thead>
<tr>
<th>Category</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>OEMs</td>
<td>Synchronized supply chain with car build schedule</td>
</tr>
<tr>
<td>TIER-1</td>
<td>Collaborative Make To Order with top distributor to deliver &gt;95% service guaranteed*</td>
</tr>
<tr>
<td>PRESTIGE</td>
<td>Dedicated Production and Delivery exploiting geo-localized Parc to optimize forecasts (one day shipping)</td>
</tr>
<tr>
<td>SPECIALTY (small seller)</td>
<td>Yearly Frozen Make To Stock and express delivery service for selected high profitability items</td>
</tr>
<tr>
<td>LONG RUN (best seller)</td>
<td>Predictive preparation and distribution, with full-truck load and routing efficiency</td>
</tr>
</tbody>
</table>

## Customers digital integration

### PLAN TARGETS

<table>
<thead>
<tr>
<th>Service Level¹</th>
<th>Collaborative sales planning²</th>
<th>Stock Rotation³</th>
<th>Inventory Coverage⁴</th>
</tr>
</thead>
<tbody>
<tr>
<td>&gt;90%</td>
<td>~60%</td>
<td>~6</td>
<td>~17%</td>
</tr>
</tbody>
</table>

---

¹: % of customer orders we can ship within the month of the requested delivery value on Revenues  
²: 2025 sales with planned orders (OEMs+TIER1) on Total CAR Sales  
³: Year-end 2025 Group inventory  
⁴: Average days of coverage CAR from 2020 to 2025  

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AGENDA

1 | STRATEGIC GUIDELINES & PLAN SUMMARY

2 | MARKET OUTLOOK & STRATEGY IMPLEMENTATION PLAN
   2.1 | COMMERCIAL
   2.2 | INNOVATION
   2.3 | COMPETITIVENESS
   2.4 | OPERATIONS
   2.5 | DIGITIZATION

3 | TARGETS
BY 2023 A TOTALLY REMODELED, “SIMULTANEOUS” COMPANY

- Workflows integrating internal functions with external partners/ customers
- Integration is real time, 24/7, data intensive
- All data stored in shared “data lake” enabling better interpretation by AI models
- 5 leading-edge platforms supporting workflows

Plan factors in only first bottom up improvements, in a typically exponential curve
## STRATEGY IMPLEMENTATION PLAN: RECAP

<table>
<thead>
<tr>
<th></th>
<th>Brand heritage &amp; Open Sky innovation</th>
<th>H.V. ≥19”, Specialties, EVs</th>
<th>H.V. capacity in low cost countries</th>
<th>High cost capacity rationalization</th>
<th>China</th>
<th>High Technology Sports Activities</th>
<th>Speed Effectiveness Integration Efficiency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commercial</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Innovation</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Competitiveness</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td>Operations</td>
<td></td>
<td>✓</td>
<td></td>
<td></td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Digitization</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>✓</td>
</tr>
</tbody>
</table>

All programs leveraging & enhancing Pirelli strengths
# AGENDA

## 1. STRATEGIC GUIDELINES & PLAN SUMMARY

## 2. MARKET OUTLOOK & STRATEGY IMPLEMENTATION PLAN

- **2.1 COMMERCIAL**
- **2.2 INNOVATION**
- **2.3 COMPETITIVENESS**
- **2.4 OPERATIONS**
- **2.5 DIGITIZATION**

## 3. TARGETS
## 2021-22/25 TARGETS

<table>
<thead>
<tr>
<th></th>
<th>€ billion</th>
<th>2020 A</th>
<th>2021 E</th>
<th>2022 E</th>
<th>2025 E</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Sales</strong></td>
<td></td>
<td>4.3</td>
<td>~4.7 +</td>
<td>~5.1 +</td>
<td>~5.7 +</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>~4.8</td>
<td>~5.3</td>
<td>~6.2</td>
</tr>
<tr>
<td><strong>Adjusted EBIT margin</strong></td>
<td></td>
<td>11.6%</td>
<td>&gt;14% +</td>
<td>&gt;16% +</td>
<td>~19% +</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>~15%</td>
<td>~17%</td>
<td>~20%</td>
</tr>
<tr>
<td><strong>CapEx</strong> (% on sales)</td>
<td></td>
<td>0.14</td>
<td>~0.33</td>
<td>~0.38</td>
<td>~1.2 +</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(3.3%)</td>
<td>(~7%)</td>
<td>(~7.5%)</td>
<td>~1.3 +</td>
</tr>
<tr>
<td><strong>Net Cash Flow</strong> bef. Dividends &amp; conv. Bond impact</td>
<td></td>
<td>0.21</td>
<td>~0.30 +</td>
<td>~0.42 +</td>
<td>~1.7 +</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>~0.34</td>
<td>~0.46</td>
<td>~1.9 +</td>
</tr>
<tr>
<td><strong>Net Financial Position</strong> NFP / adj. EBITDA</td>
<td></td>
<td>3.3</td>
<td>~3.0</td>
<td>~2.75 +</td>
<td>~1.6 +</td>
</tr>
<tr>
<td></td>
<td></td>
<td>3.65x</td>
<td>~2.65</td>
<td>~2x</td>
<td>~1.4 +</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>~1x</td>
</tr>
<tr>
<td><strong>ROIC</strong> Post taxes</td>
<td></td>
<td>10.4%</td>
<td>~16%</td>
<td>~19%</td>
<td>~25%</td>
</tr>
</tbody>
</table>

**Dividend policy:** ~50% pay out of 2021-22 net income; 40% of 2023-24 net income
OUR VALUE ROADMAP

- **Volume**: seizing market growth in H.V., gaining share
- **Price/Mix**: reaping the benefits of our commercial actions while keeping price discipline
- **Net Efficiencies**: 2020-22 Competitiveness plan delivered with an add-on wave in ‘23-’25
- **Operating Cash Flow**: improving despite high investment for growth in ‘23-’25
- **Cash out for restructuring**
- **Keep a tight working capital management**
### 2021-2022 Revenues Trend

<table>
<thead>
<tr>
<th></th>
<th>€ billion</th>
<th>Volumes</th>
<th>High Value</th>
<th>Standard</th>
<th>Price/mix</th>
<th>Forex</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2020 A</strong></td>
<td>4.3</td>
<td>-15%</td>
<td>-9%</td>
<td>-21%</td>
<td>+1.2%</td>
<td>-5.1%</td>
</tr>
<tr>
<td><strong>2021 E</strong></td>
<td>~4.7 + ~4.8</td>
<td>~ +11 ÷ ~ +13%</td>
<td>~ +15 ÷ ~ +17%</td>
<td>~ +6 ÷ ~ +8%</td>
<td>~ +2.5 ÷ ~ +3%</td>
<td>~ -3.5%</td>
</tr>
<tr>
<td><strong>2022 E</strong></td>
<td>~5.1 ÷ ~5.3</td>
<td>~ +7 ÷ ~ +10%</td>
<td>~ +7% ÷ ~ +10%</td>
<td>Slightly declining (reducing the exposure to Car ≤16&quot;)</td>
<td>Slightly higher vs. 2021 performance</td>
<td>Slightly negative</td>
</tr>
</tbody>
</table>

**Price/mix**:
- High Value: ~ +15 ÷ ~ +17%
- Standard: ~ +6 ÷ ~ +8%
  (recovering in LatAm & Russia)

**High Value**:
- High Value: ~ +15 ÷ ~ +17%
- Standard: ~ +6 ÷ ~ +8%

**Forex**:
- High Value: ~ +7% ÷ ~ +10%
- Standard: ~ +7% ÷ ~ +10%
### 2021-2022 PRICE-MIX TREND

<table>
<thead>
<tr>
<th><strong>Product Mix</strong></th>
<th><strong>2020 A</strong></th>
<th><strong>2021 E</strong></th>
<th><strong>2022 E</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>H.V. vs. Standard outperformance</strong></td>
<td>+</td>
<td>+</td>
<td>++</td>
</tr>
<tr>
<td><strong>Region Mix</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>+ solid demand in China from 2Q and EU and N.A. recovery in 2H</td>
<td>+</td>
<td>+</td>
<td>++</td>
</tr>
<tr>
<td><strong>Channel Mix</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- stronger O.E. vs. Repl. (Prem./Prestige demand rebound in 2H; client base expansion)</td>
<td>=</td>
<td>=</td>
<td>+</td>
</tr>
<tr>
<td><strong>Price</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- slightly negative, mainly on O.E.</td>
<td>=</td>
<td>+</td>
<td>=</td>
</tr>
</tbody>
</table>

- **2021 E**: ~ +2.5 ~ +3%
- **2022 E**: slightly higher vs. 2021 performance

#### Key Points
- **Product Mix**: H.V. vs. Standard outperformance
  - **2020 A**: +
  - **2021 E**: ++
  - **2022 E**: ++
  - H.V. vs. Standard outperformance
  - Mix improvem. within segments thanks to new product launch in ‘21-‘22

- **Region Mix**: H.V. Regions outperformance
  - **2021 E**: +
  - **2022 E**: ++
  - Higher APac contribution (market share increase in ≥19", pull-through effect)

- **Channel Mix**: balanced O.E. / Repl. trend
  - **2022 E**: +
  - Fully seizing the benefits of O.E. previous years growth

- **Price**: increasing linked to raw mat. headwind
  - **2021 E**: +
  - **2022 E**: Assuming a contained raw mat. impact
**EFFICIENCIES 2020-22**

**Competitiveness plan ’20-22**

€ million, YoY net efficiencies

- **~ +110**
- **~ 50%**
- **~ +280**

**Covid actions ’20-21**

€ million, YoY net impact

- **+32 Net impact**
- **-29 Net impact**
- **+3**

- **20-22 Competitiveness Plan confirmed**
  - 2nd Wave almost in line with 2020 Feb plan despite a lower Standard production saturation vs. the old plan
  - Lower benefits on manufacturing and product cost partially covered by higher SG&A and Organization savings

- **2020 Short term cost cutting plan to counterbalance Covid-19**

- **2021 Reverse Impact**
  - - €73 million of costs related to activities kept on–hold in 2020 (65% of 2020 gross efficiencies)
  - + €44 million linked to volume rebound (55% of 2020 slowdown): production recovery still below the old plan and furlough not contributing anymore
2021-2022 PROFITABILITY TREND

€ million

<table>
<thead>
<tr>
<th></th>
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<td></td>
<td></td>
</tr>
</tbody>
</table>

Adj EBIT margin 11.6% >14%÷~15%

<table>
<thead>
<tr>
<th>2021 E</th>
<th>Volume</th>
<th>Price/mix</th>
<th>Raw Mat.</th>
<th>Efficiencies</th>
<th>Inflation</th>
<th>D&amp;A</th>
<th>Cost for growth &amp; Others¹</th>
<th>FX</th>
<th>2022 E</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>

Adj EBIT margin >14%÷~15% >16%÷~17%

1. Costs of growth: R&D, Digital transformation, organization, marketing expenses
BELOW ADJUSTED EBIT

Restructuring and non recurring costs

<table>
<thead>
<tr>
<th>€ million</th>
<th>2020 A</th>
<th>2021 E</th>
<th>2022 E</th>
</tr>
</thead>
<tbody>
<tr>
<td>Restructuring</td>
<td>168</td>
<td>~120</td>
<td>~50</td>
</tr>
<tr>
<td>Non rec./One-off</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>COVID direct costs</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Financial income and expenses

<table>
<thead>
<tr>
<th>€ million</th>
<th>2020 A</th>
<th>2021 E</th>
<th>2022 E</th>
</tr>
</thead>
<tbody>
<tr>
<td>Debt related</td>
<td>156</td>
<td>~160</td>
<td>~150</td>
</tr>
<tr>
<td>Fin. Exp.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Comm. hedg. &amp; others</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial expenses excl. deemed inter. on Conv Bond</td>
<td>156</td>
<td>~152</td>
<td>~142</td>
</tr>
</tbody>
</table>

Tax rate

<table>
<thead>
<tr>
<th>2020 A</th>
<th>2021 E</th>
<th>2022 E</th>
</tr>
</thead>
<tbody>
<tr>
<td>26%</td>
<td>~25%+~27%</td>
<td>~25%+~27%</td>
</tr>
</tbody>
</table>

- **Restructuring:**
  - on-going plant restructuring (Brazil, Italy, Burton MIRS), rightsizing / organization streamlining and early retirement programs
  - benefits already visible within competitiveness program
  - cash-out ~20% vs P&L in both ’21-22 (previous years accruals)

- **2021 Non Recurring:** mainly Retention and other costs not related to the business (e.g. pension fund de-risking actions)

- **Cost of Debt 2022E:** 2.2% vs. 1.94% in 2020A due to higher interest rate in Emerging Markets (~17% of gross debt)

- **Deleveraged benefits dented** by:
  - commercial hedging increases due to our top-line growth
  - exposure to high yield currencies
  - hyperinflation in Argentina

- **In line with Feb 2020 Industrial plan**
2021-2022 NET CASH FLOW (BEF. DIV.) & NET FIN. POS. TREND

MAIN COMPONENTS

€ billion

+ Positive
- Negative

2020 A

3.26

Δ op. C.F.
Δ int. / taxes
/ other
dividends

NFP

on adj. EBITDA
3.7 x

2021 E

~3.0

Δ op. C.F.
Δ int. / taxes
/ other
dividends

NFP

~2.7 x

2022 E

~2.7

Δ adj. EBITDA
Δ W.C.
Δ CapEx

~2 x

~Δ adj. EBITDA
- Δ W.C.
- Δ CapEx

~Δ interests
- Δ taxes
- Δ restr. / non-rec.

~Δ interests
- Δ taxes
- Δ restr. / non-rec.

~0.30 ÷ ~0.34 Net Cash Flow bef. Div.
(~7% on Sales)

~0.42 ÷ ~0.46 Net Cash Flow bef. Div.
(~8.5% on Sales)
2023-2025 REVENUES TREND

€ billion

CAGR '22-'25
~+4% ÷ ~+5%

2022 E

Volumes
Price/Mix
FX

2025 E

Standard

~5.1 ÷ ~5.3

High Value

~73%

~5.7 ÷ ~6.2

~75%

YoY trend
Mid single digit growth
Low single digit growth
Slightly negative

o/w H.V. outperforming Car ≥18” market
o/w Std. slightly declining (reaching ~1/3 of Car volume weight)
2023-2025 ADJ. EBIT TREND

Price/mix vs. Raw mat.

Efficiencies vs. Inflation

- Volume
- Price/mix
- Raw Mat.
- Efficiencies
- Inflation
- D&A
- Cost for growth & Other
- FX
- 2025 E

Adj. Ebit margin

>16%÷~17%

~19%÷~20%
2023-2025 NET CASH FLOW (BEF. DIV.) & NET FIN. POS. TREND

MAIN COMPONENTS

+ Positive
- Negative

+ Δ adj. EBITDA
- Δ W.C.
- Δ CapEx

Δ op. C.F.
Δ int. / taxes / other
dividends

- Δ Interests
  *slightly below 2022 level YoY*
- Δ Taxes
  ~26% ÷ ~28% average yearly P&L tax rate
- Δ Restr. / non-rec.

~2.7
~1.7 ÷ ~1.9 of cum. net cash flow bef. dividends in 2023-25 (~10.5% on sales)
A  GOVERNANCE

B  SUSTAINABILITY STRATEGY & TARGETS
## PIRELLI GOVERNANCE HIGHLIGHTS

<table>
<thead>
<tr>
<th><strong>By-laws</strong></th>
<th><strong>Board of Directors</strong></th>
<th><strong>Shareholders agreement</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Pirelli By-Laws shall be inspired by international best practices</td>
<td><strong>Board made of highly qualified Members with a suitable mix of skills.</strong></td>
<td>The partnership acknowledges: (i) Pirelli is a company specialised in high quality and technology products, (ii) loyalty, professional skills and expertise of the management, key factor for the Company success and business growth</td>
</tr>
<tr>
<td>Pirelli Technological know-how never be transferred unless approved by 90% of Pirelli shareholders</td>
<td><strong>Independent directors shall be the majority of the Board</strong></td>
<td>Pivotal role of the top management to maintain quality standards, to preserve and value Pirelli industrial legacy</td>
</tr>
<tr>
<td>Pirelli headquarters shall remain in Milan (Italy) unless approved by 90% of Pirelli shareholders</td>
<td><strong>Focus on Diversity value: gender, age, seniority, nationality, educational background and work-experience</strong></td>
<td><strong>Pirelli Chief Executive Officer</strong> to lead top management and ensure Pirelli business culture continuity</td>
</tr>
<tr>
<td>One-fifth of the Board shall be appointed by minority shareholders</td>
<td><strong>Internal committees in line with the best practices, with independent directors having a key role.</strong></td>
<td>Pirelli Recruiting, Career Plans and incentive schemes to match management and shareholders interests. Incentive plan targets consistent with Pirelli Strategic Plan, and in line with the best practices for listed Companies (e.g.: TSR, sustainability)</td>
</tr>
<tr>
<td></td>
<td><strong>Transactions with related parties to be governed by best International practices</strong> with a key role of the Committee for Related Parties Transactions</td>
<td>Leading role of Marco Tronchetti Provera in the designation of his successor</td>
</tr>
</tbody>
</table>
PIRELLI SHAREHOLDER STRUCTURE

1. Tacticum Investment S.A. (formerly Long-Term Investments Luxembourg S.A.): stake transferred to a third party, subject to a “Repurchase Agreement”. Such third party committed to transfer back to Tacticum, when due, the ownership of the same number of Pirelli stocks and to do everything is in its power to exercise the right to vote, subject to the transaction, according to the voting instructions given by Tacticum each time.

2. Includes the 7.68% held by ICBC Standard Bank Plc, which is the subject of the repurchase agreement between ICBC and Longmarch S.à.r.l. On May 13, 2020, Camfin and Longmarch entered into an agreement relating to the potential participation of Longmarch in Pirelli. For more details, please refer to the following link.

3. Includes the 4.99% stake held by Alberto Bombassei (also through Brembo S.p.A.).

4. Stake assigned on Sept. 29, 2020 to PFQY Srl, an Italian company wholly owned by Silk Road Fund, following the demerger from Marco Polo International Italy Srl, in line with the shareholders agreement between Chemchina and SRF at the IPO of Pirelli in 2017. For more information, please refer to the shareholders agreement at the following link.
PIRELLI REMUNERATION SYSTEM ALIGNED WITH INDUSTRIAL PLAN

Remuneration structure to be approved by the Shareholders’ Meeting (June 15, 2021)

Compensation mix for key management

Fixed component

- No more than 50% of Total Annual Direct Compensation on reaching all objectives at target level

Short term incentive (1/3 of total variable compensation)

- Cash incentive based on key financial objectives:
  Group adj. EBIT, Net Income, Net Cash Flow before dividends
- Sustainability target: Eco-Safety Performance\(^1\) Revenues
- On / off condition: Group Net Cash Flow before dividends

Long-term incentive plan 2021-23 (2/3 of total variable compensation)

- Cash plan based on 3 key objectives: Relative TSR vs. Tier 1 peers; 2021-23 Cumulated Group Net Cash Flow before dividends; on-going inclusion in Sustainability Indices (Dow Jones Sustainability World Index ATX Auto Component sector, CDP scoring)
- Rolling plan: every year starting a new 3-year period
- Payment in 2024 (and, for the following years, at the end of each 3-year vesting period)

\(^1\) Eco-Safety Performance products, previously named "green performance products", identify car tyres that Pirelli produces throughout the world and that fall only under rolling resistance and wet grip classes A, B, C according to the labelling parameters set by European legislation

- All variable components are capped
- Non-competitive agreement
- Claw-back clauses
  Key management in both STI and LTI plans
### SHORT TERM INCENTIVE PLAN OBJECTIVES

- **On / off condition:** Group Net Cash Flow before Dividends

<table>
<thead>
<tr>
<th>Objective</th>
<th>Weight</th>
</tr>
</thead>
<tbody>
<tr>
<td>Group adjusted EBIT</td>
<td>40%</td>
</tr>
<tr>
<td>Group Net Cash Flow(^1)</td>
<td>30%</td>
</tr>
<tr>
<td>Net Income</td>
<td>20%</td>
</tr>
<tr>
<td>Eco &amp; Safety Performance Revenues</td>
<td>10%</td>
</tr>
</tbody>
</table>

- Bonus at target level defined as percentage of base salary; pay-out cap. is 2x bonus at target level
**2021-2023 LONG-TERM INCENTIVE PLAN HIGHLIGHTS**

- Cash, long-term incentive plan aligned with the 2021-2023 Industrial Plan
- Rolling plan, with 3 objectives with different weights

<table>
<thead>
<tr>
<th>Objective</th>
<th>Weight</th>
<th>Value at target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Relative TSR</td>
<td>40%</td>
<td>Pirelli performance aligned to the average of the peers’ performance – Tier 1 (Nokian, Michelin, Continental, Goodyear, Bridgestone)</td>
</tr>
<tr>
<td>Group Net Cash Flow(^1)</td>
<td>40%</td>
<td>2021-2023 cumulated Pirelli Cash Flow consistent with the Industrial Plan</td>
</tr>
</tbody>
</table>
| Sustainability Index   | 20%    | • Pirelli ranking in Dow Jones Sustainability World Index ATX Auto Component sector (weight 10%)
                             |                     | • Pirelli ranking in CDP ranking (weight 10%)                                    |

- Rolling plan: every year starting a new three-years period, with relevant targets
- Bonus at target level defined as percentage of base salary; pay-out cap. is ~2.6x bonus at target level, entry level pay-out is 0.75x bonus at target level.
APPENDIX

A | GOVERNANCE

B | SUSTAINABILITY STRATEGY & TARGETS
OUR INTEGRATED MODEL

MULTI-STAKEHOLDER APPROACH

Governance
- Board of Directors
- Board Committee
- Sustainability Steering Committee
- Group Sustainability and Future Mobility
- Country Sustainability Managers (CEOs)

Management systems
- Quality
  - ISO 9001
  - IATF 16949
  - ISO/IEC 17025
- Labour and Social
  - OHSAS 18001/ISO 45001\(^1\)
  - Standard SA8000\(^\text{®}\) (Reference Std)
- Environment
  - ISO 14001\(^1\)
  - ISO 14040 (Reference Std)
  - ISO 14064 (Reference Std)
- Anti-Bribery
  - ISO 37001
- Purchasing
  - ISO 20400\(^1\)

Planning
- Return on capital
- Growth Opportunities
- Productivity
- Risk Governance

Reporting\(^2\)
- Group integrated Annual Report

Strategy
- Environmental performance
- Economic performance
- Social performance

OUR SUSTAINABILITY LEADERSHIP IN NUMBERS

2020 KPIs¹

-54%  Accident frequency index  (vs. 2015)

58%  Eco & Safety performance² revenues

-9%  Avg. rolling resistance of car tyres  (vs. 2015)

52%³  Electricity from renewable sources

-31%⁴  Plant CO₂ absolute emissions  (vs. 2015)

-22%⁵  Raw materials suppliers CO₂ absolute emissions  (vs. 2018)

-26%  Specific water withdrawal  (vs. 2015)

97%  Waste sent to recovery

¹ Non exhaustive list; ² Eco-Safety Performance products, previously known as “Green Performance Products”, refer to car tyres that Pirelli produces worldwide and which fall exclusively into classes A, B, C for rolling resistance and wet grip, standardized according to the European labelling parameters. Figure is obtained by weighing Eco & Safety Performance sales on total car tyres sales; ³ Internal assessment based on data from the International Energy Agency (IEA) taking into account the geographical distribution of Pirelli; ⁴ Impacted by COVID, target for 2020 was -12.5% vs 2015; ⁵ Impacted by COVID, target for 2020 was -2.5% vs 2018;
## OUR SUSTAINABILITY LEADERSHIP «IN REAL LIFE TERMS»

<table>
<thead>
<tr>
<th>Category</th>
<th>2020A</th>
<th>Savings From 2015 to 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Avg. rolling resistance</td>
<td>-9% vs 2015</td>
<td>Fuel saved: 1.2 Bn liters = Emissions of 600k Cars driven for 1 year</td>
</tr>
<tr>
<td>Electricity from renewable sources</td>
<td>52%(^1)</td>
<td>Fossil based electricity saved: 590 Mln kWh = Electricity consumed by 370k EU inhabitants in a year</td>
</tr>
<tr>
<td>Plant CO(_2) absolute emissions</td>
<td>-31%(^2) vs 2015</td>
<td>Emissions saved: 550k tons of CO(_2) = Carbon sequestered by 3.6 mln</td>
</tr>
<tr>
<td>Raw materials suppliers CO(_2) absolute emissions</td>
<td>-22%(^3) vs 2018</td>
<td>680k tons of CO(_2) = 4.5 mln(^5) Trees over their lifespan(^6)</td>
</tr>
<tr>
<td>Specific water withdrawal</td>
<td>-26% vs 2015</td>
<td>Water saved: 11 Mln m(^3) = Water amount of 12 hours Tiber river volume of water flow</td>
</tr>
<tr>
<td>Waste sent to recovery</td>
<td>97%</td>
<td>Waste recovered: 16k tons = Waste equivalent of 31k EU inhabitants in a year</td>
</tr>
</tbody>
</table>

Note: Pirelli estimates based on public data; 1 Internal assessment based on data from the International Energy Agency (IEA) taking into account the geographical distribution of Pirelli; 2. Impacted by COVID, target for 2020 was -12.5% vs 2015; 3. Impacted by COVID, target for 2020 was -2.5% vs 2018; 4. Related to Pirelli’s direct renewable electricity procurement; 5. Data refer to the 2018-2020 period; 6. Considering 150 kgCO\(_2\)/tree/lifetime
GLOBAL SCENARIO @2025-2030
Opportunities & challenges must match the global journey towards UN SDGs

Demographic growth and urbanization
- Population reaching 8.5 Bn. in 2030¹ (7.8 Bn. in '20) of which 60%² will live in urban areas
- Mega and Smart cities

Future of work
- Manufacturing productivity gain
- Aging pressure
- Competition on talents
- Social inequality rising
- Remote working
- Inclusivity and well-being in employer propositions

Climate change
- Flooding, weather emergencies, displaced people impacting businesses, governments and economies
- Stress on natural resources

Mobility
- Electric vehicles sales accelerating
- Autonomous vehicles investments not stopped despite the crisis
- Bikes and e-bikes sales booming

Technological breakthroughs
- Automation, Robotics
- Artificial Intelligence

Cybersecurity
- Cybercrime may cost several trillions dollars by 2030 if not properly tackled

COVID impacts all areas at least for the mid-term

---
Eco & safety growth shaped around sustainable development goals is our must to tackle future scenarios in a resilient and competitive way.
THE LEVER ACROSS TO REACH SDGS: HUMAN RIGHTS
Protect, Respect, Remedy, and ENGAGE

1. Reporting (Annual Report)
   - N° of on-site 3P4 audits & risk materiality
   - N° of HR5 related whistleblowing and measures taken

2. Risk and Impact Assessment
   - Recurring country materiality update
   - Analysis before entering new countries/markets
   - Conflict Minerals and Cobalt due diligence

3. Prevention and Mitigation of Adverse Impacts
   - Supply chain
     - On-boarding HR compliance declaration
     - 3P4 on-site pre-homologation audit (raw materials)
     - Contractual clause
     - 3P4 on-site Annual Audit Campaign (all suppliers)
     - Training
   - By Pirelli facilities
     - Internal Audits
     - SA8000 gap analysis in Country Sustainability Plans
     - Training

4. Addressing Impacts & Tracking Results
   - Recovery Plans: actions, deadlines & responsibilities
   - On-site 3P4 follow-up
   - Whistleblowing management & remediation
   - Contract closure contractually reserved

5. OUR BUSINESS CONDUCT: HUMAN RIGHTS IN VALUE CHAIN
   - ISO 260001 - ISO 204001 - SA 80002
   - UN Guiding Principles on Business and Human Rights3
   - Our Policies along the value chain
     - The Values and Ethical Code, Human Rights Policy (incl. Conflict Minerals), Social Responsibility Policy, Equal Opportunities Statement, Health, Safety and Environment Policy, Privacy Policy, Natural Rubber Sustainability Policy, Whistleblowing Procedure

Beyond due diligence: engage to impact

UN Global Compact Action Platform “Decent Work in Global Supply Chains”
Global Platform for Sustainable Natural Rubber
WBCSD CEO Guide to Human Rights
Support areas: health, education, sport, solidarity and inclusiveness

PEOPLE AT THE HEART OF OUR JOURNEY

Our Priorities

Caring
- Protect our employees, safe workplace and healthy lifestyle
- Shift from traditional welfare programs to tailored wellbeing initiatives
- New policies to increase flexibility and autonomy of people

Knowledge
- Support business transformation with up/reskilling initiatives
- Exploit Professional Academies, leveraging on senior experts’ knowledge
- Develop life-long learning culture

Social Inclusion
- Support education and knowledge development partnering with local Communities & Universities
- Promote social values and improve standard of living (cooperation with hospitals, volunteering initiatives, …)
- Integrate company culture with perspectives, coming from diverse personal and professional areas

Our Ambitions in 2025

Protect Employees
[Frequency Index]
- 2019: 62%
- 2020: -62%
- 2025: x3

Up/Re-Skilling
[People Involved/Total HC]
- 2019: x4
- 2020: x4
- 2025: x4

Wellbeing
[# of New Initiatives]
- 2019: x3
- 2020: x3
- 2025: x3
OUR LIFE-CYCLE STRATEGY: ECO & SAFETY DESIGN
To minimize impacts on people and planet while maximizing performance

- **CO₂ absolute emissions reduction**
- **Renewable & recycled materials increase**
- **Fossil based materials reduction**

**RAW MATERIALS**

- **From tyre to tyre: material recycling**
- **Other industries**

**MANUFACTURING**

- **R&D to support innovation in industrial ecosystems to value ELTs² derived materials**
- **Material recycling**
- **Energy recovery**

**USE**

- **Rolling Resistance reduction while enhancing safety**

**LOGISTIC¹**

- **CO₂ emissions reduction**
- **Safety on the road**

**END OF LIFE**

- **Health & Safety**
  - CO₂ absolute emissions reduction
  - Renewable electricity increase on the road to Carbon Neutrality
  - Raw materials & natural resources saving
  - Responsible chemical management

1. Logistic is fully outsourced; 2. End of Life Tyres
**OUR CONSUMER TYRES RAW MATERIALS TARGETS**

**Eco & Safety Design**

Our Eco & Safety strategy starts from raw materials

We push innovation to increase bio-based and recycled materials while decreasing fossils

<table>
<thead>
<tr>
<th>Targets</th>
<th>2020A</th>
<th>By 2025</th>
<th>By 2030</th>
</tr>
</thead>
<tbody>
<tr>
<td>Renewable materials¹</td>
<td>23%</td>
<td>&gt;40%</td>
<td>&gt;60%</td>
</tr>
<tr>
<td>Recycled materials²</td>
<td>1%³</td>
<td>&gt;3%³</td>
<td>&gt;7%³</td>
</tr>
<tr>
<td>Fossil based materials</td>
<td>68%</td>
<td>&lt;40%</td>
<td>&lt;30%</td>
</tr>
</tbody>
</table>

Scope: Selected products

Note: Pirelli’s Eco & Safety targets refer to consumer tyres and, therefore, should only be compared, where relevant, with consumer tyre targets and not other tyre categories or consolidated production segments; 1. Renewable Materials are natural resources, such as agricultural product or biomass, that, after exploitation, can return to their previous stock levels by natural processes of growth or replenishment(¹), on a human time scale(²). Fossil resources and minerals are not renewable resources. Definition based on: (¹) OECD glossary definition at https://stats.oecd.org/glossary/detail.asp?ID=2290 ; (²) ISO 17422:2018(en) Plastics — Environmental aspects — General guidelines for their inclusion in standards; 2. Recycled materials are materials derived from the conversion of waste, by means of any recovery operation which returns substances or materials used to fulfill a particular function, in place of virgin raw materials. Recycled materials are no more classified as a waste. Recycled materials do not include materials that are to be used as fuels, as other means to generate energy, or for backfilling operations. Definition based on Dir 2008/98/EC “Waste Framework Directive”; 3. Excluding metals.
## OUR RENEWABLE AND RECYCLED MATERIALS INNOVATION

### Eco & Safety Design

To achieve our targets, we are introducing new polymers, reinforcements, fillers and chemicals including:

<table>
<thead>
<tr>
<th>What</th>
<th>Why</th>
<th>When</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>RICE HUSK SILICA</strong></td>
<td>- Silica produced from rice husk, one of the major by-products of rice production. &lt;br&gt;It replaces silica from quartz-sand</td>
<td>- Introduction in 2021 in Pirelli materials' portfolio</td>
</tr>
<tr>
<td><strong>LIGNIN</strong></td>
<td>- Lignin is sourced from paper pulp and can be used as antioxidant instead of fossil-derived products.</td>
<td>- Already in use in normal production for cycling application &lt;br&gt;- Extension to top sustainable selected Car products in 2022</td>
</tr>
<tr>
<td><strong>PYROLYSIS CARBON BLACK</strong></td>
<td>- Recovered Carbon Black (rCB) is obtained by pyrolyzed end of life tyres</td>
<td>- Introduction in limited application in 2021 &lt;br&gt;- Specific cooperation with suppliers to extend the use to a broader range of applications</td>
</tr>
</tbody>
</table>

- **What**
  - Silica produced from rice husk, one of the major by-products of rice production.
  - It replaces silica from quartz-sand.

- **LIGNIN**
  - Lignin is sourced from paper pulp and can be used as antioxidant instead of fossil-derived products.

- **PYROLYSIS CARBON BLACK**
  - Recovered Carbon Black (rCB) is obtained by pyrolyzed end of life tyres.
OUR MANUFACTURING TARGETS
Eco & Safety Design

There is an urgent need for climate action to reduce greenhouse gas emissions in line with Paris Agreement goals.

\( \text{CO}_2 \) abatement is only one among the key sustainability areas in operations.

<table>
<thead>
<tr>
<th>Targets</th>
<th>2020A</th>
<th>By 2025</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CO(_2)</strong></td>
<td>Absolute emissions</td>
<td>-31(^%)(^1) vs 2015</td>
</tr>
<tr>
<td></td>
<td>approved by the SBT(^2)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Renewable Electricity</td>
<td>52(^%)</td>
</tr>
<tr>
<td><strong>Resources eff.</strong></td>
<td>Specific energy cons.</td>
<td>+9.5(^%)(^2) vs 2019</td>
</tr>
<tr>
<td></td>
<td>Specific water withdrawal</td>
<td>-26(^%) vs 2015</td>
</tr>
<tr>
<td></td>
<td>Waste to recovery</td>
<td>97(^%)</td>
</tr>
<tr>
<td><strong>People</strong></td>
<td>Accident frequency index</td>
<td>0.22</td>
</tr>
</tbody>
</table>

1. Reduction favoured by COVID impact, target for 2020 was -12.5\(^\%\) vs 2015; 2. Inefficiency from COVID impact; 3. Science Based Targets initiative, for more details please see the following slide.
OUR DECARBONIZATION STRATEGY IN LINE WITH THE PARIS AGREEMENT GOALS

1. Global Warming Potential, data based on Pirelli carbon footprint analysis 2020; 2. logistic is outsourced; 3. Science-based targets are GHG emissions reduction targets in line with the decarbonization level required to meet Paris Agreement goals, limiting global warming to well-below 2°C above pre-industrial levels and pursuing limitation to 1.5°C; 4. End of Life Tyres

GWP¹ impact

<table>
<thead>
<tr>
<th>Scope 3</th>
<th>Scope 1 &amp; 2</th>
<th>Scope 3</th>
<th>Scope 3</th>
<th>Scope 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>5.8%</td>
<td>2.6%</td>
<td>0.2%</td>
<td>91.3%</td>
<td>&lt;0.1%</td>
</tr>
</tbody>
</table>

RAW MATERIALS

-9% absolute scope 3 CO₂ emissions from purchased raw material by 2025 vs 2018

MANUFACTURING

-25% absolute scope 1 & 2 CO₂ emissions by 2025 vs 2015
Carbon neutrality by 2030

LOGISTIC²

CO₂ emissions reduction

USE

Rolling Resistance = A/B ≥ 70% by 2025 on new labelled IP Codes

END OF LIFE

CO₂ efficiency from materials recycling and energy recovery

Target approved by the Science Based Targets initiative³ in June 2020, as in line with “well below 2°C” scenario

CO₂ efficient logistic providers preferred (logistic is outsourced)

Improved Rolling Resistance reduces fuel consumption and thus CO₂ emissions of the car

R&D to support innovation in industrial ecosystems to value ELTs⁴ derived materials

1. Global Warming Potential, data based on Pirelli carbon footprint analysis 2020; 2. logistic is outsourced; 3. Science-based targets are GHG emissions reduction targets in line with the decarbonization level required to meet Paris Agreement goals, limiting global warming to well-below 2°C above pre-industrial levels and pursuing limitation to 1.5°C; 4. End of Life Tyres
OUR FOCUS ON WATER
Excellence in Water Management, every drop counts

WATER STEWARDSHIP

Group water footprint
Water use and quality

Sustainable water management

<table>
<thead>
<tr>
<th>Water risks assessment</th>
<th>Minimize water demand</th>
<th>Ensure safe water and its quality</th>
<th>Return clean water back to ecosystems</th>
</tr>
</thead>
<tbody>
<tr>
<td>Identification of water scarcity areas, adoption of mitigation measures</td>
<td>Water Specific Withdrawal 2025 target: -43% vs 2015</td>
<td>Promotion of safe water, sanitation and hygiene according to international best practices</td>
<td>Replenish water ecosystem with water at equal or better conditions</td>
</tr>
</tbody>
</table>
OUR PRODUCT PERFORMANCE TARGETS

Eco & Safety Design

- Tyre rolling resistance plays a key role in reducing fuel and energy consumption and thus CO₂ emissions.
- Our Eco and Safety approach consists on a continuous reduction of rolling resistance without any compromise on safety in all driving conditions.

Targets

<table>
<thead>
<tr>
<th></th>
<th>2020A</th>
<th>By 2025</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rolling Resistance</td>
<td>A/B=39%</td>
<td>A/B ≥ 70%</td>
</tr>
<tr>
<td>Wet Grip</td>
<td>A/B=87%</td>
<td>A/B ≥ 90%</td>
</tr>
</tbody>
</table>

Scope: New products (all new labelled IPcodes)

Note: extra EU labelling scales are converted to EU labelling grades.
OUR TECHNOLOGY FOR ELECTRIC VEHICLES

Electric vehicles are key to decarbonize mobility and have specific features that our tyres perfectly match

**Elect™** is the answer to the specific needs of Electric Vehicles:

- High load capacity for heavier vehicles
- Ultra low Rolling Resistance to improve battery range
- Lower noise
- Maximum grip for high torque
- Specific development for specific Electric vehicles, following the Perfect Fit Strategy
OUR TYRES FOR AUTONOMOUS VEHICLES

Sensorized tyres can play a key role in road safety, enhancing ADAS and targeting Autonomous Vehicles

Pirelli Cyber Tyre™ can provide important safety related real-time data to the vehicle, the driver and the infrastructure:

- High-accuracy Pressure and Temperature monitoring
- Tyre ID for actual tyre fitted information
- Car Load for accurate Battery Range estimation (EVs) and optimal suggested tyre inflation
- Tyre wear indication
- Aquaplaning risk information
- Data distribution through 5G network and V2X¹ technologies

In 2019, Pirelli world first company to develop tyres interacting with the 5G network, providing road conditions information through smart tyres.

In 2021, Pirelli world first company to supply a sensorized tyre as original equipment for McLaren Artura
**ECO & SAFETY PERFORMANCE REVENUES**

**Our targets**

**ECO & SAFETY PERFORMANCE REVENUES**

**TOTAL RANGE PRODUCTS**

<table>
<thead>
<tr>
<th>Year</th>
<th>2015</th>
<th>2020</th>
<th>2025</th>
</tr>
</thead>
<tbody>
<tr>
<td>33%</td>
<td>58%</td>
<td>66%</td>
<td></td>
</tr>
<tr>
<td>+25pp</td>
<td>+8pp</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year</th>
<th>2015</th>
<th>2020</th>
<th>2025</th>
</tr>
</thead>
<tbody>
<tr>
<td>42%</td>
<td>64%</td>
<td>71%</td>
<td></td>
</tr>
<tr>
<td>+22pp</td>
<td>+7pp</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**ECO & SAFETY PERFORMANCE REVENUES**

**HIGH VALUE PRODUCTS**

1. Eco-Safety Performance products, previously known as "Green Performance Products", refer to car tyres that Pirelli produces worldwide and which fall exclusively into classes A, B, C for rolling resistance and wet grip, standardized according to the European labelling parameters; 2. Figures calculated in % by weighing the value of sales of eco & safety performance products on the total value of Group car sales; 3. Focus on HIGH VALUE products including RIM18+ and «specialties» (Run-Flat, PNCS, Seal Inside with rim ≤ 17)
PIRELLI CYCLING
Our history and outlook

1890: Pirelli produces its first tyre, a bicycle tyre

2017: Pirelli re-enters in the cycling business

2020: The turning point
- Bicycle market booming worldwide
- Pirelli in its best shape to take advantage of this scenario: new OE partnership, product range extension
- Racing: Pirelli in 3 top World Tour teams and MTB¹ World Cup teams

2021: Made in Italy production and Urban Strategy revamping

2025: Challenging plan to become a leading player in the industry, targeting 8x volumes (vs 2020)

¹ MTB: Mountain bike
OUR APPROACH TO ELT¹

Eco & Safety Design

End of life consumer tyres are a precious source of secondary raw materials for a number of industries, importantly valorized in circular economy.

Pirelli’s Open Innovation Model

- **Joint Development Agreements** with key suppliers to enhance the quality of secondary raw materials deriving from ELTs

- **R&D** to support innovation in *industrial ecosystems* to value ELTs derived materials through:
  - Dedicated **partnerships**
  - **Cooperation** with key national and international stakeholders (eg. TIP – WBCSD, ETRMA)²

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¹ ELT: End of Life Tyres; ² TIP: Tyre Industry Project, WBCSD: World Business Council for Sustainable Development, ETRMA: European Tyre & Rubber Manufacturers Association
OUR FOCUS ON 5R\textsuperscript{1} CIRCULAR ECONOMY

**Re-think: Eco & Safety Design**

Design outstanding products, processes and services in terms of performance, environmental impact, health and safety

- **Refuse**
  - Avoid processes, products, services, materials that can be made redundant
  - Enhance chemicals safety through substitution
  - Anticipation of Raw Material & Chemicals HSE concerns
  - Health, safety and hygiene risk prevention
  - Phase out of single use plastics

- **Reduce**
  - Reduce use of resources, especially those not renewable
  - Reduce waste, air, soil and water emissions
  - CO\textsubscript{2} reduction, towards carbon neutrality
  - Fossil based / non-renewable materials reduction
  - Energy, water, waste reduction
  - Tyre Rolling Resistance reduction

- **Reuse**
  - Reuse resources and products as much as possible
  - Prevent waste generation and resource depletion
  - Acceleration on plant closed loop water cycles
  - Plant-scraped material enhancement and reuse
  - Innovative materials based on non-tyre production by-products

- **Recycle**
  - Ensure that ELT\textsuperscript{2} are recovered or recycled
  - Enhance new solutions to maximize ELT secondary raw materials quality and performance
  - Increase in use of recycled materials
  - Tyre design to improve recyclability either in open or closed loop
  - R&D to support innovative industrial ecosystems valorizing ELT derived materials

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1. 5R: Re-think, Refuse, Reduce, Reuse, Recycle; 2. ELT: End Of Life Tyres
Pirelli journey continues: by 2025 we are committed to almost double the environmental benefit delivered since 2015

### SOME ENVIRONMENTAL BENEFITS «IN REAL LIFE TERMS»

Note: Pirelli estimates based on public data; 1. Related to Pirelli's direct renewable electricity procurement; 2. Data refer to the 2018-2020 period; 3. Considering 150 kgCO2/tree/lifetime

<table>
<thead>
<tr>
<th>Category</th>
<th>From 2015 to 2020</th>
<th>From 2020 to 2025</th>
<th>Targets @2025</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Electricity from renewable sources</strong></td>
<td><strong>FOSSIL BASED ELECTRICITY SAVED</strong> 590 Mln kWh = <strong>ELECTRICITY CONSUMED BY</strong> 370k EU inhabitants in a year</td>
<td><strong>FOSSIL BASED ELECTRICITY SAVED</strong> 4.6 Bn kWh = <strong>ELECTRICITY CONSUMED BY</strong> 2.9 mln EU inhabitants in a year</td>
<td>100%</td>
</tr>
<tr>
<td><strong>Plant CO₂ absolute emissions</strong></td>
<td><strong>EMISSION SAVED</strong> 550k tons of CO₂ = <strong>CARBON CONSUMED BY</strong> 3.6 mln</td>
<td><strong>EMISSION SAVED</strong> 925k tons of CO₂ = <strong>CARBON CONSUMED BY</strong> 6 mln</td>
<td>-25% vs. 2015</td>
</tr>
<tr>
<td><strong>Raw materials suppliers CO₂ absolute emissions</strong></td>
<td><strong>680k tons of CO₂ = 4.5 mln² Trees over their lifetime³</strong></td>
<td><strong>817k tons of CO₂ = 5 mln Trees over their lifetime³</strong></td>
<td>-9% vs. 2018</td>
</tr>
<tr>
<td><strong>Specific water withdrawal</strong></td>
<td><strong>WATER SAVED</strong> 11 Mln m³ = <strong>WATER AMOUNT</strong> 12 hours Tiber river volume of water flow</td>
<td><strong>WATER SAVED</strong> 20 Mln m³ = <strong>WATER AMOUNT</strong> 1 day Tiber river volume of water flow</td>
<td>-43% vs. 2015</td>
</tr>
<tr>
<td><strong>Waste sent to recovery</strong></td>
<td><strong>WATER RECOVERED</strong> 16k tons = <strong>WASTE EQUIVALENT OF</strong> 31k EU inhabitants in a year</td>
<td><strong>WATER RECOVERED</strong> 32k tons = <strong>WASTE EQUIVALENT OF</strong> 65k EU inhabitants in a year</td>
<td>98%</td>
</tr>
</tbody>
</table>
OUR SUPPLY CHAIN: COMPLIANCE, ENGAGEMENT AND SHARED VALUE CREATION
Starting with common business values is a pre-requisite for a shared growth

Management model: UN GLOBAL COMPACT – ISO 26000 – SA8000 - ISO 20400
Policies designed to embed Suppliers engagement

Compliance
ESG² fully integrated in PROCUREMENT PROCESS and ERM³

SELECTION + QUALIFICATION
• ESG² on-boarding assessment
• 3rd Party pre-qualification on on-site audit (high value supplies)
• Cobalt & conflict minerals assessment

CONTRACTUAL STAGE
Sustainability & anti-corruption clause

RATING STAGE
• 100% coverage of ESG² Risk suppliers with 3rd Party on-site audit based on yearly risk mapping on all supply base
• Vendor Rating: ESG² KPIs (on-boarding assessment, on site audit performance, CDP⁴ response) weighting on average 20% on the overall score

Engagement

Science Based Target to reduce raw material suppliers CO₂ absolute emissions by 9% in 2025 vs 2018

CDP⁴ Supply chain: target to reach 90% response rate from raw materials suppliers (84% in 2020)

Joint development partnership for innovative eco & safety raw materials

Training sessions on-line and on-site

Dialogue: the business case is natural rubber sustainability strategy, co-developed with suppliers, clients, NGOs

Awarding Suppliers’ best practices

Shared Value Creation

• Human rights and environmental performances enhanced
• Innovative eco & safe materials
• Enhanced Quality
• Efficiency, productivity & competitive advantage
• Business continuity along the value chain

RESILIENCY & DEVELOPMENT

1. Attested by 3rd party; 2. ESG: Environmental, Social & Governance; 3. ERM: Enterprise Risk Management; 4. CDP: Carbon Disclosure Project
### OUR FOCUS ON NATURAL RUBBER SUSTAINABILITY

Pirelli Policy, Implementation Manual and Roadmap drafted in *multi-stakeholder dialogue*

#### Implementation Roadmap 2019-2021 – focus areas

<table>
<thead>
<tr>
<th>TRAINING</th>
<th>TRACEABILITY</th>
<th>SHARING THE COMMITMENT</th>
<th>ENGAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>to improve farmers’ productivity and resiliency</td>
<td>towards more &amp; more precise RISK assessments</td>
<td>along the supply chain</td>
<td>with value-chain stakeholders</td>
</tr>
</tbody>
</table>

### Plan 2021

- **Training on critical topics** as identified through risk assessment, outcomes from training and dialogues
- **Engage with suppliers** to improve upstream traceability and transparency
- **Suppliers’ Roadmap monitoring and implementation support** on activities planned for 2021, including 2020 ones delayed due to COVID.
- **Active engagement within GPSNR** by participating in four working groups, co-chairing 2 of them

The new forward-looking plan will be released end 2021/early 2022

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1. Initiated by WBCSD’s TIP Tyre makers, the Global Platform for sustainable Natural Rubber (GPSNR) was launched in 2018 and is today an independent multi-stakeholder initiative pursuing sustainable development of the natural rubber value-chain

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Photo taken by Alessandro Scotti for Pirelli
Check out more at [www.naturalrubber.pirelli.com](http://www.naturalrubber.pirelli.com)
CORPORATE CITIZENSHIP: OUR KEY AREAS OF ENGAGEMENT

Culture

OUR CULTURE STEMMING FROM OUR LONG HISTORY

A 147-year story made up of people, technology and a pioneering spirit recognized throughout the world, an important historic tradition and a corporate culture that brings together industry and humanity

• Pirelli Foundation preserves the historical heritage of the company and promotes the bond between the Group and culture with a multi-disciplinary approach towards schools, universities and other cultural institutions

• Pirelli HangarBicocca™ is a non-profit foundation, an institution for producing and promoting contemporary art, one of the largest contiguous exhibition spaces in Europe presenting major solo exhibitions every year by international artists, cultural events and educational projects

Community projects

OUR ROOTS IN COMMUNITIES
Supporting personal development and the improvement of living standards

Health, education and sport as a lever of inclusivity, with a particular focus on children; even in 2020 more than 3000 children involved in sporty activities around the world

Road Safety

POWER IS NOTHING WITHOUT CONTROL™
Control is the heart of performance: safety shall be embedded in the way people approach moving

• Donor and Member of the Advisory Board of the United Nations Road Safety Fund
• Partnership with FIA supporting both motorsport and road safety initiatives