



Italian Sustainability Week 2021

28 JUNE – 2 JULY 2021



DISCLAIMER

This document contains certain forward-looking information that is subject to a number of factors that may influence the accuracy of the statements and the projections upon which the statements are based. There can be no assurance that the projections or forecasts will ultimately prove to be accurate; accordingly, the Company makes no representation or warranty as to the accuracy of such information or the likelihood that the Company will perform as projected.

AGENDA

- ❑ A Successful Journey
- ❑ ERG Tomorrow
- ❑ Moving towards an infrastructural Business Model
- ❑ With ESG in our DNA
- ❑ 2020 ESG Key Figures
- ❑ 2021-2025 Financial Strategy
- ❑ 2021-2025 Targets
- ❑ 2021 Guidance & Final Remarks



A Successful Journey



A LONG HISTORY...

Production commences at the San Quirico Refinery in Genoa.



1947



The ERG share is listed on the Stock Exchange.

1997



ERG enters the renewables sector with the acquisition of EnerTAD.

2006



TotalERG is established, a joint venture for the sale of oil products.

2010

ERG transfers the ISAB Energy plant and the fuel network of ERG Oil Sicily.



2014



ERG enters the wind market in the United Kingdom with a 47.5MW project. At the end of 2016, installed wind capacity is 1,720MW.

2016



ERG enters the solar power sector (30 photovoltaic plants acquired, 89MW in operation).

Definitive exit from Oil with the sale of TotalERG.

2018



ERG enters the solar sector in Germany: co-development agreement with AREAM (600 MW)

Installed wind power at the end of 2020 totals 1,967 MW.

2020

1938

Edoardo Garrone founds ERG in Genoa.



1975



Production commences at the ISAB Refinery in Priolo.

2000

ERG - through ISAB Energy - starts to produce and sell electricity from the gasification of the heavy residues from refinement.



2008



ERG sells 49% of the ISAB Refinery to LUKOIL.

2013

ERG becomes the leading wind operator in Italy with an installed capacity of 1,087MW and among the top ten in Europe, and acquires a company for wind farm O&M activities.



ERG transfers the ISAB Refinery and completes its exit from refining.

2015

ERG enters the hydroelectric sector with plants in Umbria, the Marches and Lazio (527MW).



ERG acquires 6 wind farms in France (64MW) and constructs 3 wind farms in Poland for a total of 82MW. At the end of 2015, installed wind capacity is 1,506MW.

2017



ERG's growth in the wind sector continues: 48MW in operation in Germany; 16MW in operation in France. At the end of 2017, installed wind capacity in Europe is 1,814MW.

2019



ERG closed the acquisition of Andromeda (51MW) assets, increasing its PV total capacity up to 141MW. Wind: ERG acquired 52MW in France and 34MW in Germany.

OUR TRACK-RECORD IN ENERGY TRANSITION

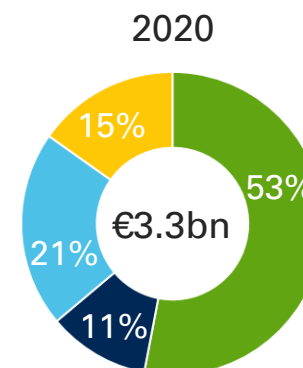
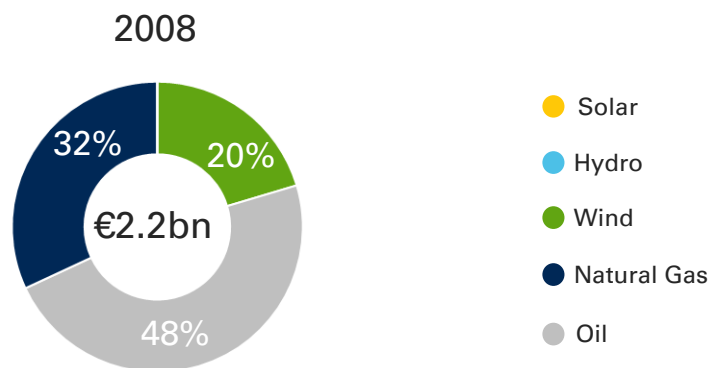
RES GROWTH

- +342MW in 2018-2020: 141MW solar and 201MW wind
- +~400MW under construction / RtB abroad
- 143MW RPW fully permitted



ENERGY TRANSITION

Capital Employed evolution



ACCESS TO DEBT CAPITAL MARKET

Main evolutions in 2018-2020:

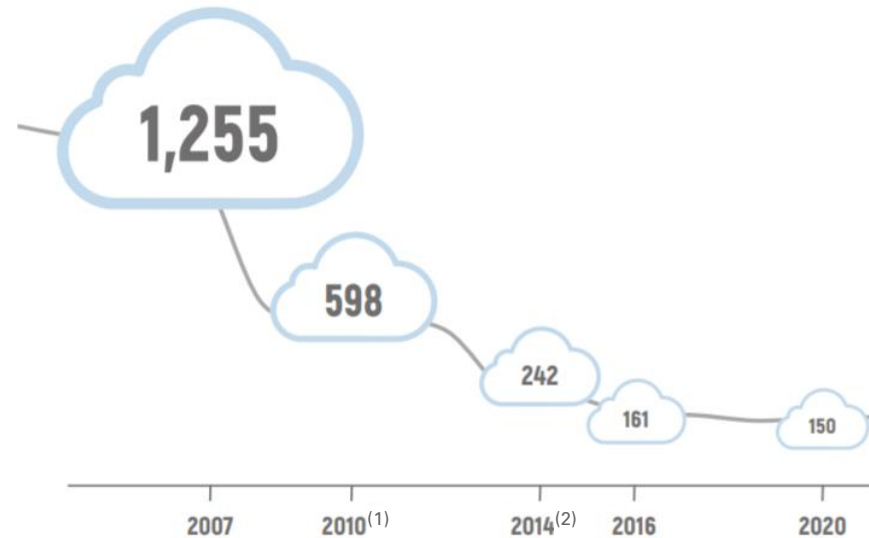
- Fitch assigned to ERG an investment grade (BBB-) rating
- €1.1bn Green Bonds issued
- €2bn Liabilities Management



DECARBONIZATION OF ERG'S PORTFOLIO WELL ON TRACK



Carbon Index



- Carbon index down 5% in 2018-2020 period

CO₂ Avoided



- 2,983 kt of CO₂ avoided in 2020, in line with 2018-2022 Business Plan



ERG ranked 1st by Vigeo as 2019 best Climate-related financial disclosure



Source: non-financial statements

⁽¹⁾ The Carbon index drop in 2010 was due to the entrance into operation of the ERG Power plant which replaced the existing oil fed power plants.

⁽²⁾ The Carbon index drop in 2014 was due to the sale of the ISAB Energy plant.

A WELL RECOGNIZED AND REWARDED ESG PROFILE

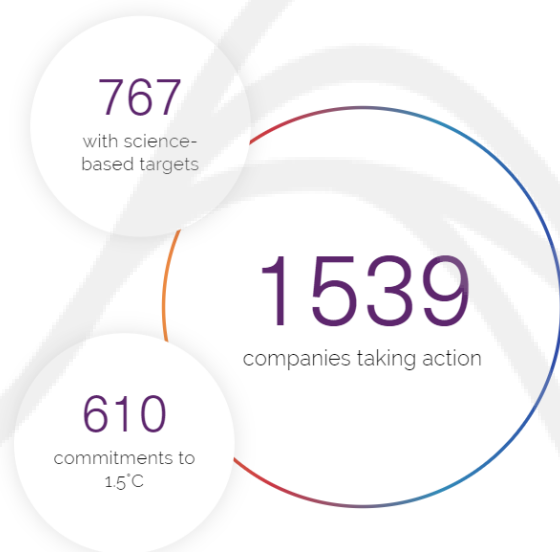
ESG Rating Company	Rating
	62 Advanced
	A-
	74/100
	B+
	MSCI ESG RATINGS AA
	23.6 Medium Risk
	EE+
	84
	ESG Vulnerability Score = Tier 1 ⁽¹⁾

**ERG included in S&P Clean Energy Index
with a 0.3% weight:
iShares ETFs hold c. 0.7% of
ERG share capital**

⁽¹⁾ With a score <10 [scale from 0 to 100] ERG is placed at the very top of the utility universe

SBTI – SCIENCE BASED TARGET INITIATIVE

- April 2019: ERG signed the **Commitment Letter** (confirmed in March 2021)
- May 2021: ERG submitted its **targets for validation**:
 - ERG commits to reduce its Carbon Index of about 30% by 2025 (from a 2020 base year)
 - ERG commits to increase annual sourcing of renewable electricity from 94%⁽¹⁾ in 2020 to 100% by 2025 (asset base 2020)



⁽¹⁾ 90% data in Non-Financial Reporting refers includes steam

A REJUVENATED MANAGEMENT TEAM TO ENSURE SEAMLESS STRATEGY CONTINUATION



Our Mission: keep growing in RES acting as #SDGsContributor



A new BoD, a new CEO, a new COO to continue our journey



A rejuvenated and motivated Management Team mainly grown internally sharing the same values



A renewed remuneration policy linked to BP 21-25 execution



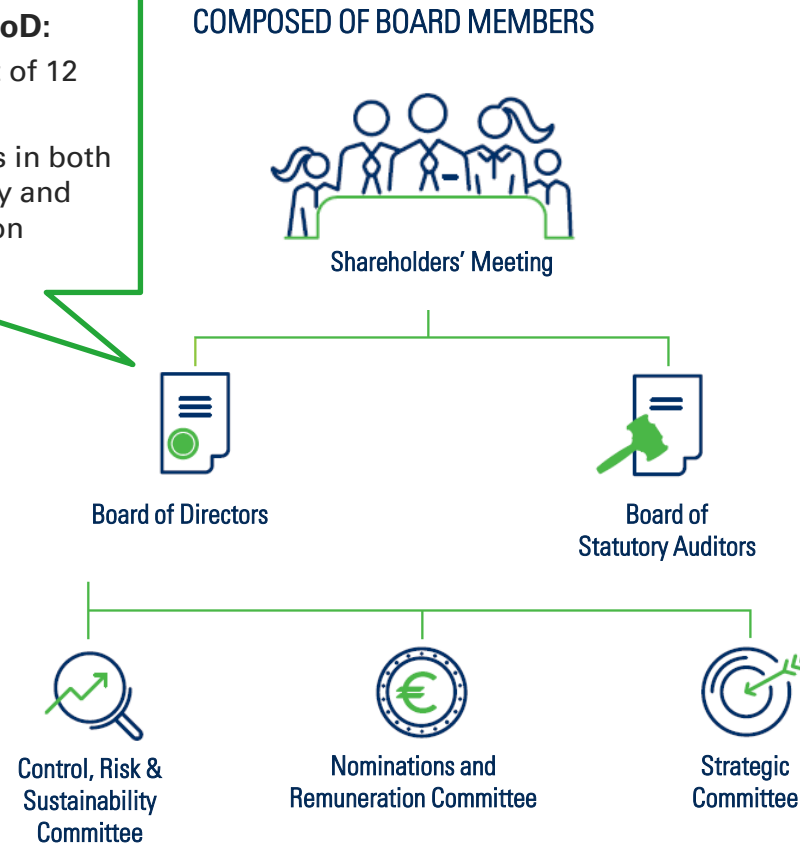
Strong commitment to ESG targets (included in both MBO and LTI schemes), at the core of ERG strategy

A BEST IN CLASS GOVERNANCE MODEL WITH...



Key elements of the new BoD:

- 6 independent members out of 12
- 5 female members out of 12
- 100% independent members in both Control, Risk & Sustainability and Nominations & Remuneration Committees

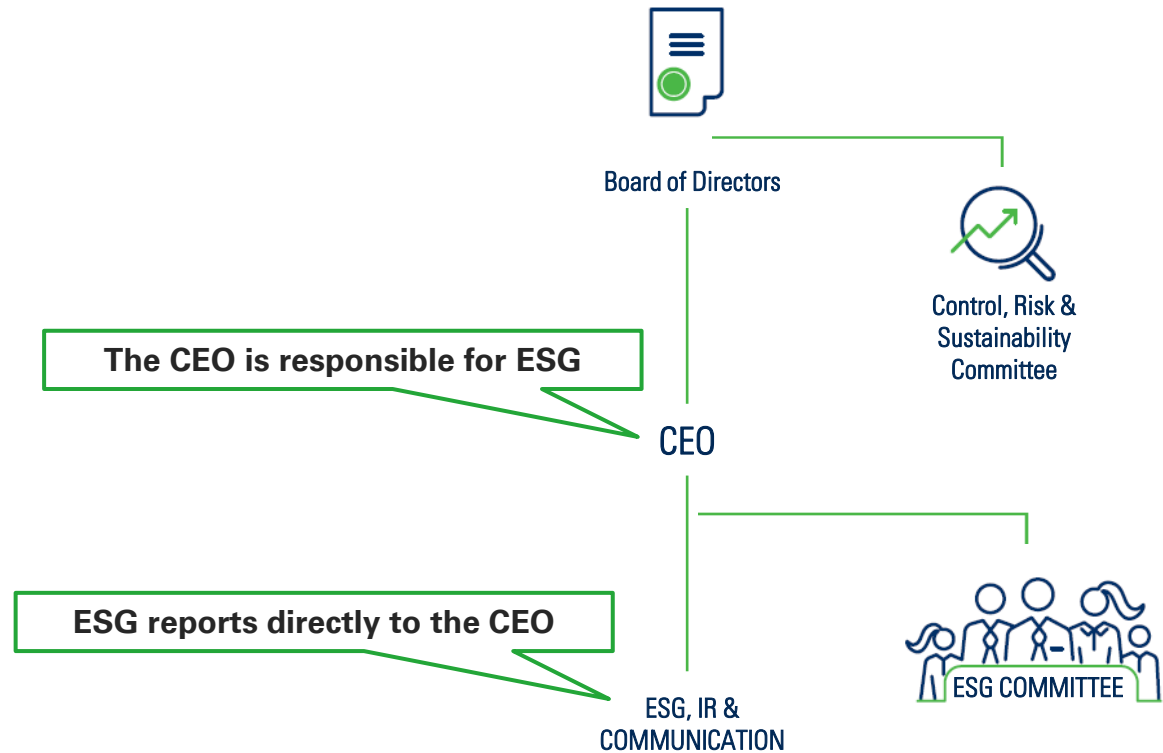


- **A renewed Control, Risk and Sustainability Committee to ensure:**
 - a strong risk management policy
 - a focus on ESG at the core of ERG LT strategy
- **Strategic Committee committed to supervising Strategy Execution**



- **A strict financial discipline on investments (organic and M&A)**
- **An enhanced focus on Energy Sales through CFD and PPA**

ESG SUSTAINABILITY GOVERNANCE MODEL



CR&SC

A renewed Control, Risk and Sustainability Committee, appointed by the Board of Directors on 26 April 2021, that is responsible to support the Board in its decisions about:

- the approval of the ESG LT strategy and its implementation;
- the approval of the Non-Financial Disclosure;
- the supervision of all the sustainability topics (e.g. Climate Change; D&I; Governance)

ESG Committee ⁽¹⁾

Composed by: Chairman; Executive Deputy Chairman; CEO; CFO; Top management.

Duties:

- defines the Group's guidelines on medium to long-term sustainability and promotes the implementation of consistent practices and projects in the field of corporate social responsibility;
- approves the ESG Plan as part of the Group's Business Plan, monitors the execution, the achievement of the targets and the priority areas of intervention;
- manages the preparation and dissemination of the NFR and other reporting methods related to ESG issues.

ESG, IR & Communication

ESG Duties:

- drawing up the ESG Strategic Plan and the external communication strategy and to the financial market;
- managing the ESG rating processes;
- drawing up the ESG initiative plan, in coordination with the departments of the Group involved, ensuring its implementation and periodically monitoring the achievement of the predetermined targets;
- ensuring the drafting of the NFR.

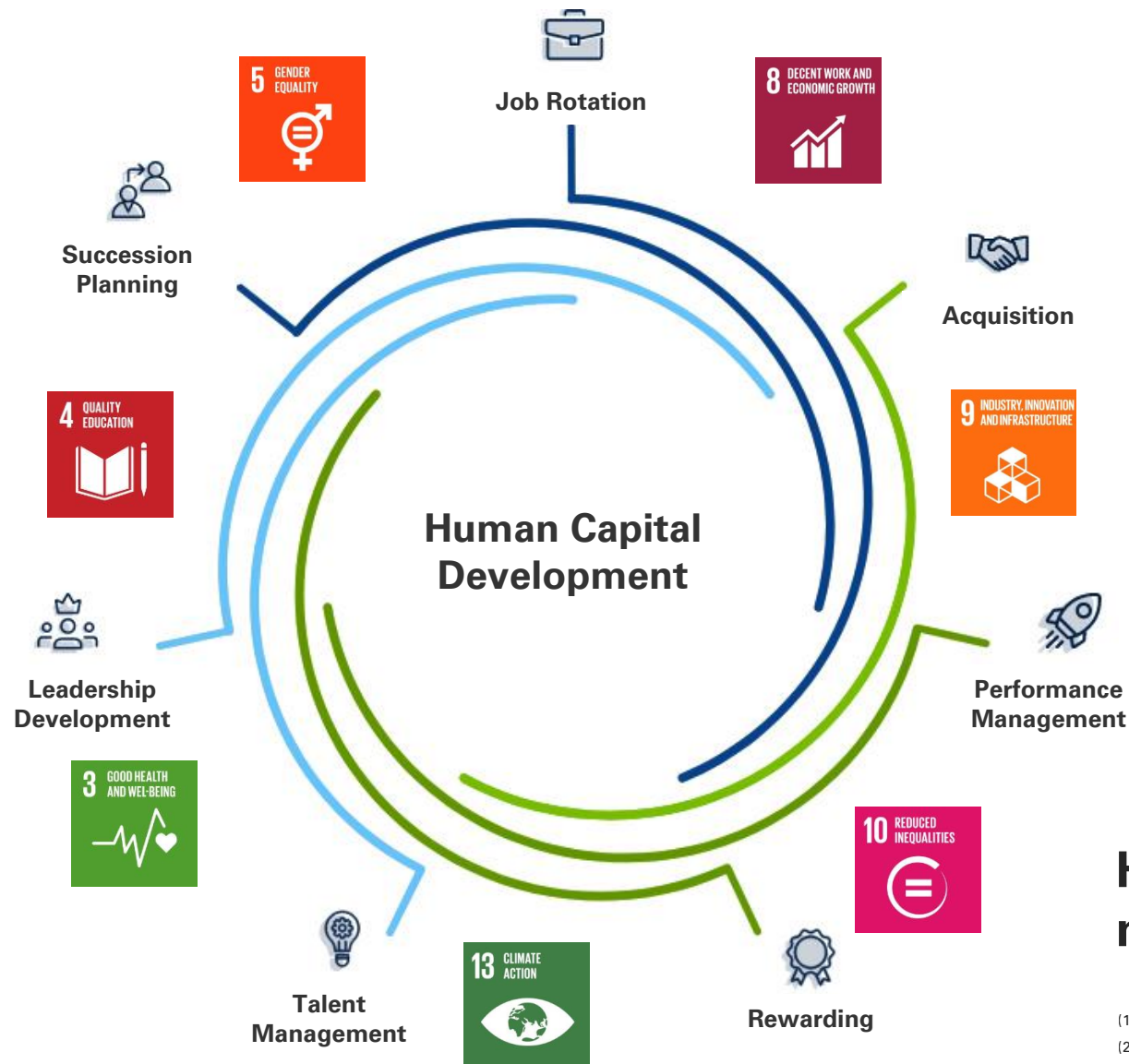
Our Principles:

- ✓ Code of Ethics
- ✓ Sustainability policy
- ✓ Human rights policy

⁽¹⁾ The ESG Committee is also appointed as Green Bond Committee



... AN ADVANCED SYSTEM OF REWARD POLICY, SUCCESSION AND CAREER PLANNING



Rewarding Policy:

- **A revised remuneration system for CEO** to enhance correlation with strategy execution and share performance (60% MBO/LTI – 40% Fix)
- **An enlarged⁽²⁾ LTI system** based on shares with escalation mechanism based on stock performance and execution of ESG KPI
- **MBO:** Short-Term objectives linked to EBT⁽¹⁾, MW Growth and ESG targets
- **100% of management** committed to **ESG 2021-2025 Strategy**

High Degree of satisfaction in AGM for the new Rewarding policy (96%⁽³⁾ voted in favour)

⁽¹⁾ EBT: Earning Before Taxes





⁽²⁾ LTI enlarged to more than 20 key leaders of the Group

⁽³⁾ % on total votes in AGM







GOVERNANCE - REWARDING POLICY - ESG TARGET

Sustainability objective CEO

Weight objective	Weight indicators	Pillars	Objective
20%	5%	 Planet	Circular Wind: reblading recovery of materials and/or energy
	5%	 Engagement	Contributions to communities of wind farms (UK)
	5%	 People	2.5% Predictive safety: HSE Improvement of frequency and severity indexes [internal + contractors]
			2.5% Incidence of women in workforce increase
	5%	 Governance	Suppliers engagement in continuous improvement process. Rating review IVQ 2021: Increase in average scoring of strategic suppliers

Sustainability Objective MBO

Weight objective	Weight indicators	Pillars	Objective
10%	2.5%	 Planet	Circular Wind: reblading recovery of materials and/or energy
	2.5%	 Engagement	Contributions to communities of wind farms (UK)
	2.5%	 People	1.25% Predictive safety: HSE Improvement of frequency and severity indexes [internal + contractors]
			1.25% Incidence of women in workforce increase
	2.5%	 Governance	Suppliers engagement in continuous improvement process. Rating review IVQ 2021: Increase in average scoring of strategic suppliers

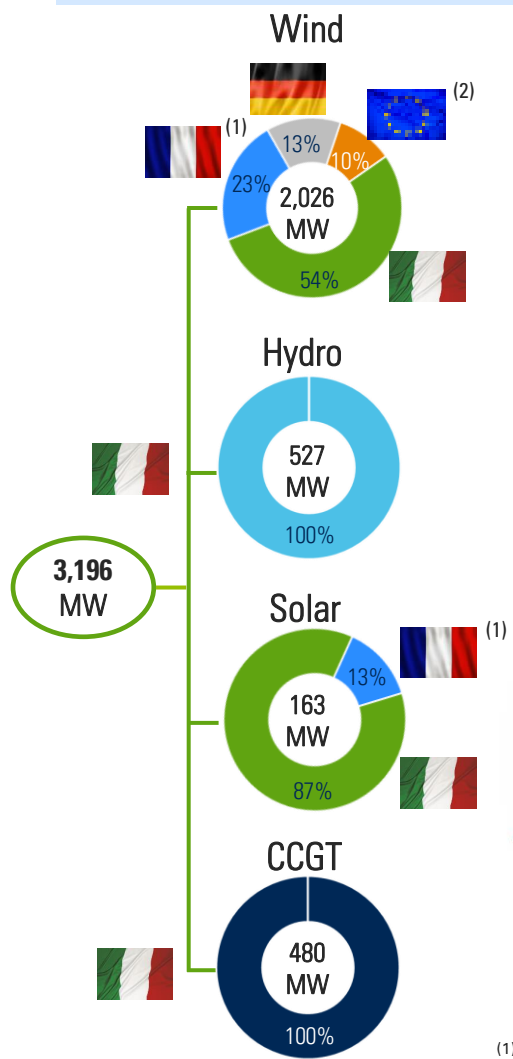
100% of management committed to ESG 2021-2025 Strategy

ERG Tomorrow



ERG TODAY: A SOLID PLATFORM OF ASSETS TO BOOST FUTURE GROWTH...

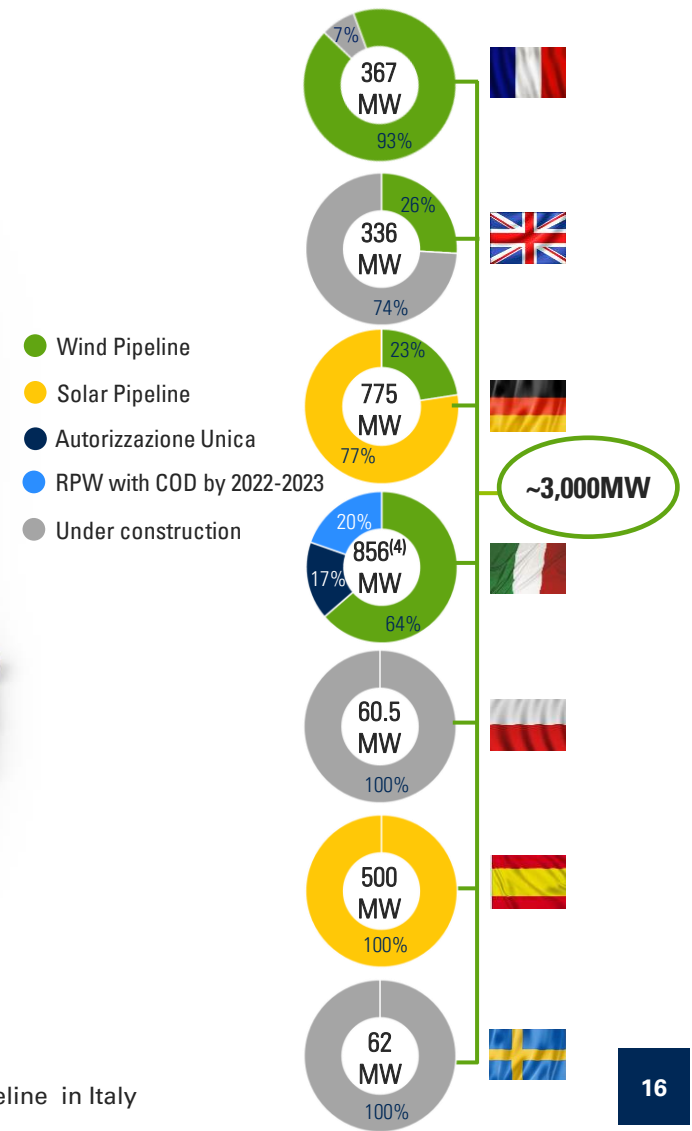
Total installed Capacity



- Wind Farm in operation
- Wind Pipeline
- Solar Plant in operation
- Solar Pipeline
- Hydroelectric Plant
- CCGT



Pipeline⁽³⁾



(1) It includes the recent acquisition of 58MW Wind and 22MW Solar, whose closing took place on June 24, 2021

(2) It refers to Poland, Romania and Bulgaria

(3) Pipeline (~3,000MW) is on a gross basis and includes: ~400 MW in construction, repowering & greenfield pipeline in Italy and pipeline for solar & wind greenfield in EU

(4) Repowering is on a gross basis



ERG'S 2021-2025 BP MAIN OBJECTIVES

Key 2021-2025 Strategic Guidelines

ERG's 2021-2025 Targets



Growth in scale

Setting high growth ambition RES portfolio

➤ **+1.5GW** through RPW, Greenfield and M&A



Energy Sales / Mgmt

Securing energy sales through PPA/CfD

➤ **80%** regulated



Geographical diversification

Positioning over multiple geographies

➤ **~10 countries (vs 7 @2020)**



Solar as strategic pillar

Wind and solar as growth drivers, with solar gaining share

➤ **+~0.5GW of solar PV**



Seed in Innovation

Capturing opportunities in Storage & other technologies

➤ **Scouting** of opportunities



Conventional is "legacy"

RES-centricity on asset base and development.

➤ **Opportunity of Asset Rotation**



Integration of ESG

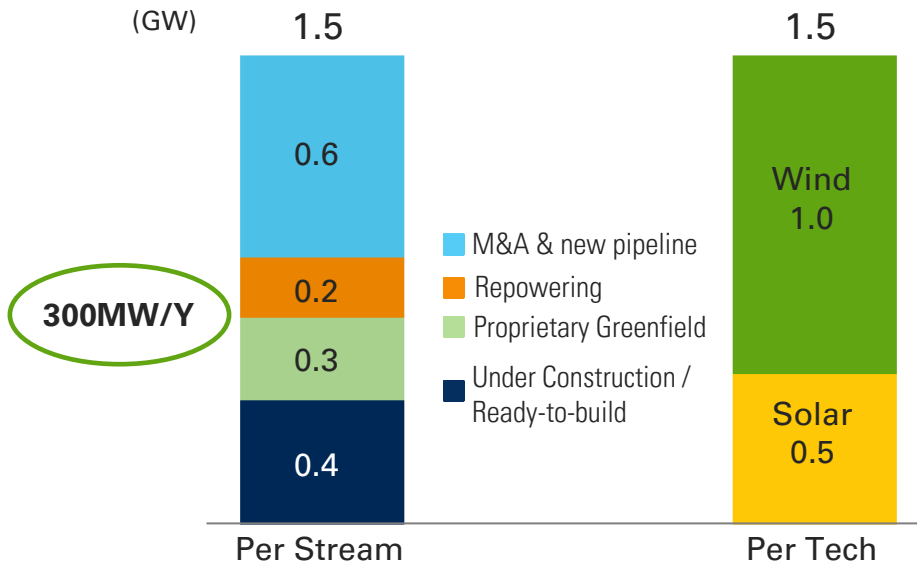
ESG fully integrated in business strategy

➤ **ESG Plan**

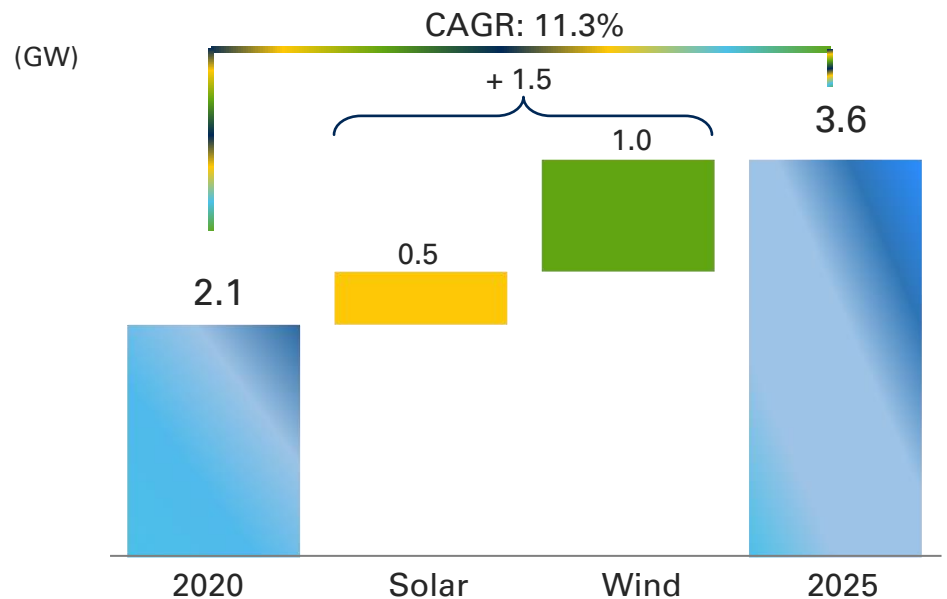


1.5GW ADDITIONAL THROUGH: REPOWERING, GREENFIELD & M&A

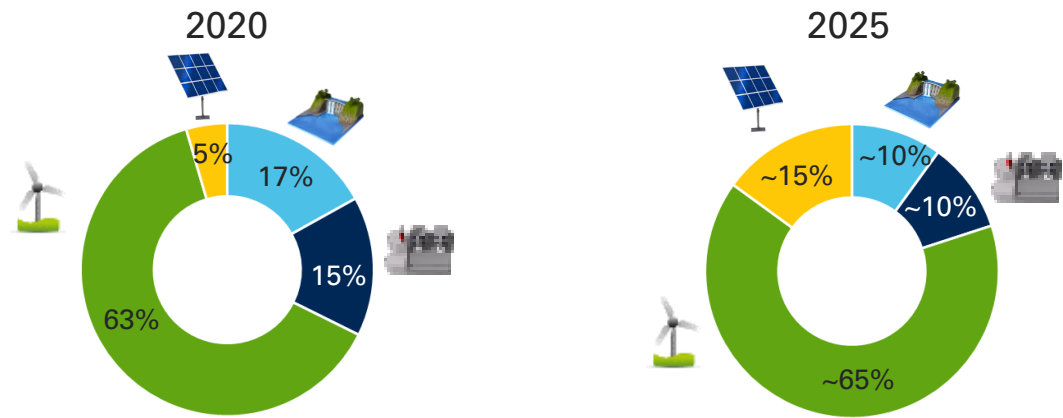
Cumulative RES additional installed Capacity 2021-2025



Wind & Solar installed Capacity



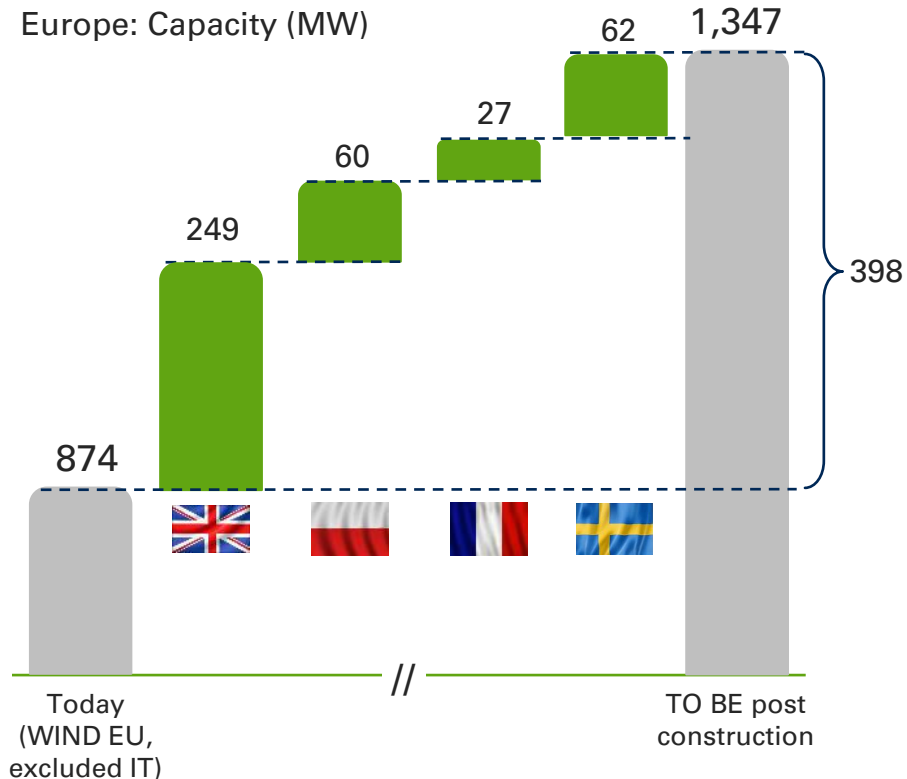
MW by business





~400MW GREENFIELD HIGH QUALITY PROJECTS IN CONSTRUCTION ABROAD

Growth in installed capacity (MW) – Under construction/RTB



~400MW under construction with a visible route to market through CFD or PPA

Evishagaran

47MW

Construction started in January 2020
COD: 4Q 2021
Producibility: 3,700 heq

10 yr
PPA under negotiation

Sandy Knowe

86MW

Construction started in 4Q 2020
COD: 1Q 2022 (50MW); 2H 2023 (36MW)
Producibility: 3,100 heq

10 yr
PPA under negotiation/CFD

Laszki

36MW

Construction to start in 2Q 2021
COD: 1H 2022
Producibility: 2,500 heq

15 yr CfD auction awarded

Champagne I – Les Bouchats

20MW

Construction to start in 3Q 2021
COD: 1H 2022
Producibility: 2,300 heq

20 yr CfD auction awarded

Craiggorr

24MW

Construction started in 4Q 2019
COD: 4Q 2021
Producibility: 3,400 heq

10 yr
PPA under negotiation

Creag Riabhach

92MW

Construction started in 4Q 2020
COD: 2H 2022
Producibility: 2,900 heq

10 yr
PPA under negotiation/CFD

Piotrkow

24.5MW

Construction started in 4Q 2020
COD: 1H 2022
Producibility: 3,100 heq

15 yr CfD auction awarded

Vaa2 ext.

7MW

Construction to start in 3Q 2021
COD: 4Q 2021
Producibility: 2,100 heq

20 yr CfD auction awarded

Erik

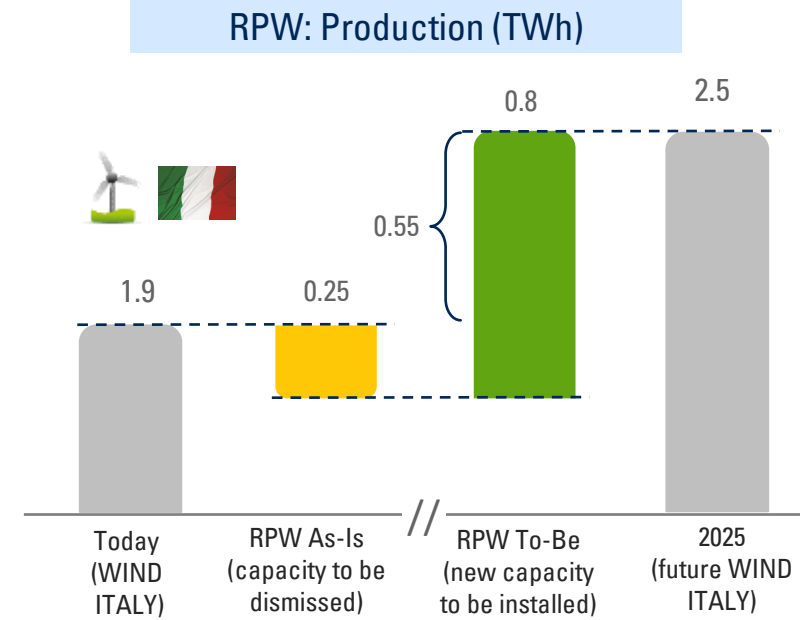
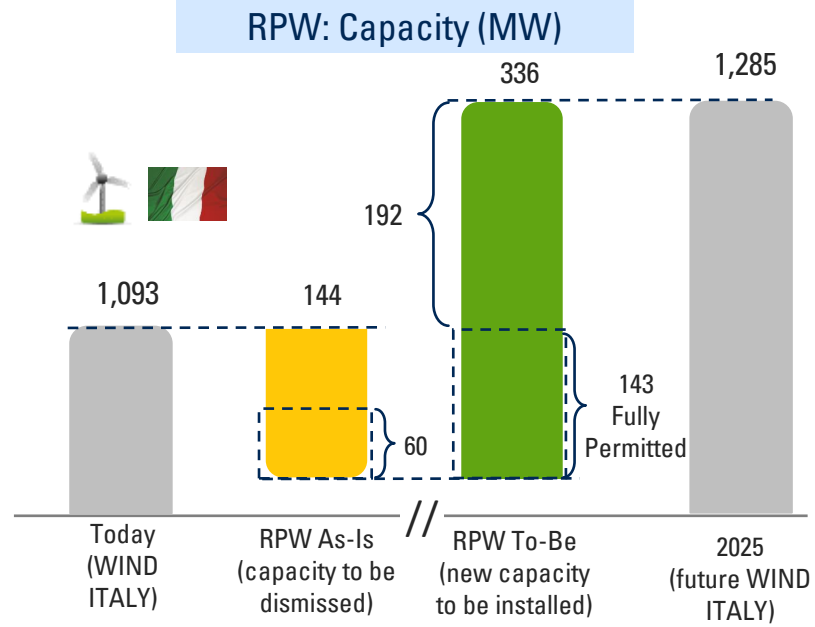
62MW


Construction to start in 1H 2021
COD: 4Q 2022
Producibility: 3,400 heq

10 yr
PPA under negotiation




OUR REPOWERING PROJECTS IN ITALY ARE GAINING VISIBILITY






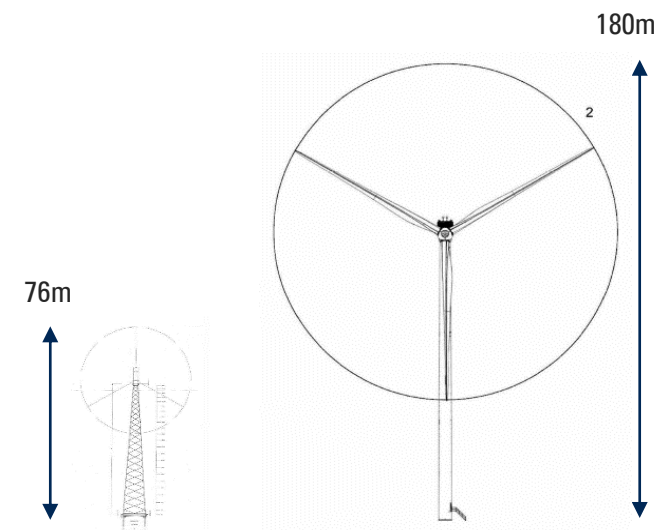
N. WTG → 0.5X



MW → 2.0X ÷ 2.5X

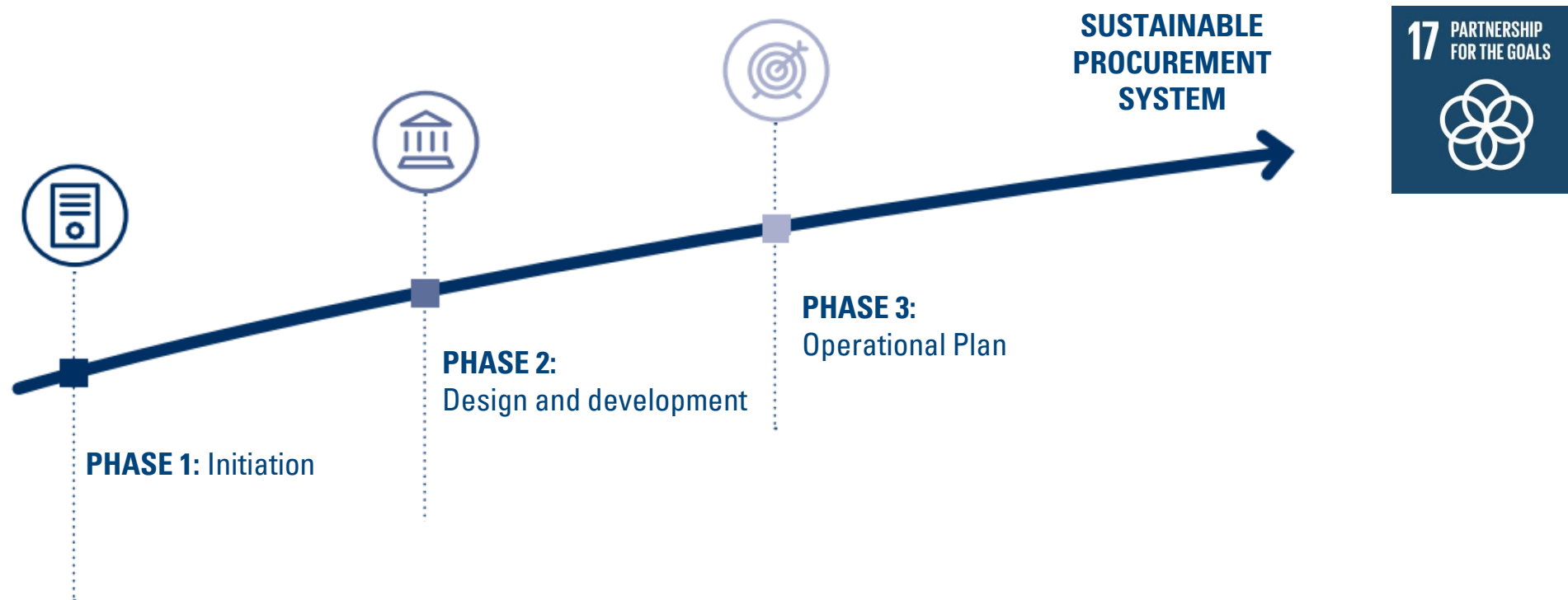


PRODUCTION → 3.0X ÷ 3.5X





WTG SUPPLY FULLY SECURED FOR GREENFIELD AND REPOWERING PROJECTS



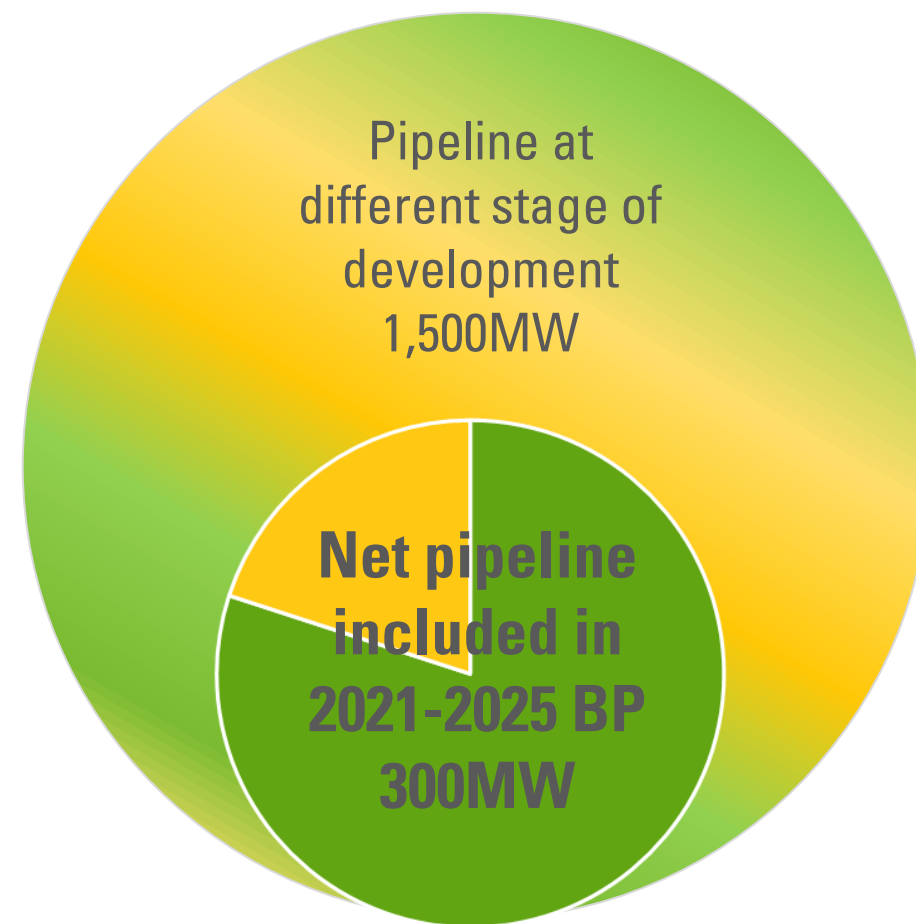
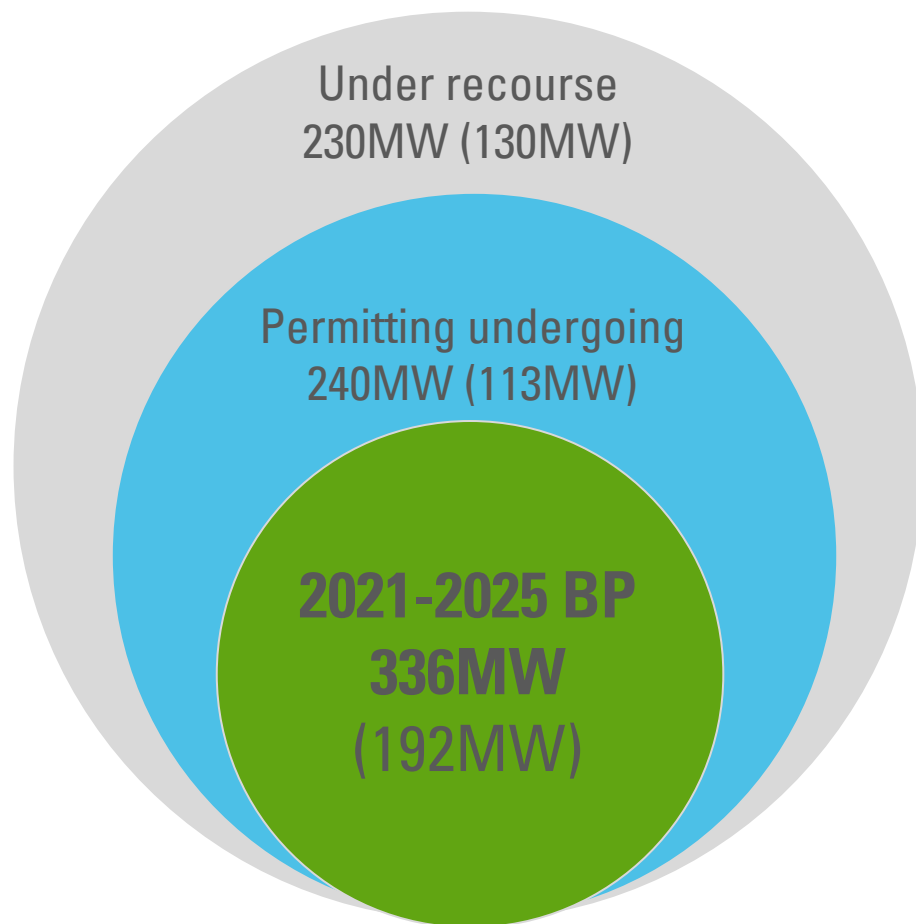
- ✓ Secured ~1GW through top suppliers contracts at competitive cost
- ✓ Contracts based on ESG criteria



POTENTIAL UPSIDE FROM PIPELINE IN CASE OF PERMITTING SIMPLIFICATION

Gross (Net) Repowering Pipeline: >800MW ⁽¹⁾

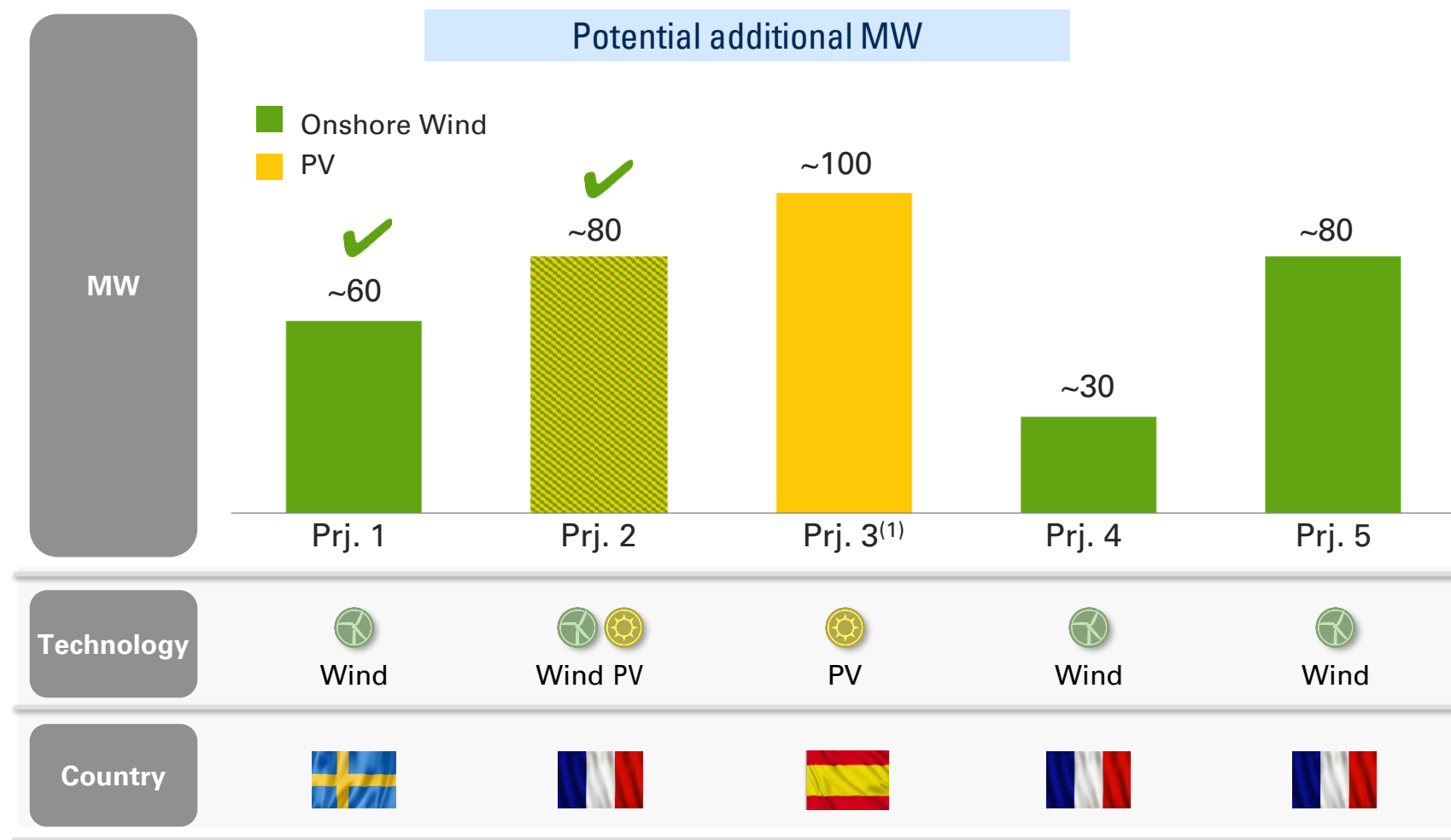
Wind & Solar Pipeline: 1,800MW



Leveraging on owned pipeline to boost our growth

(1) Net capacity of 440MW

ONGOING M&A PROJECTS: POTENTIAL CONTRIBUTION IN 2021-2025

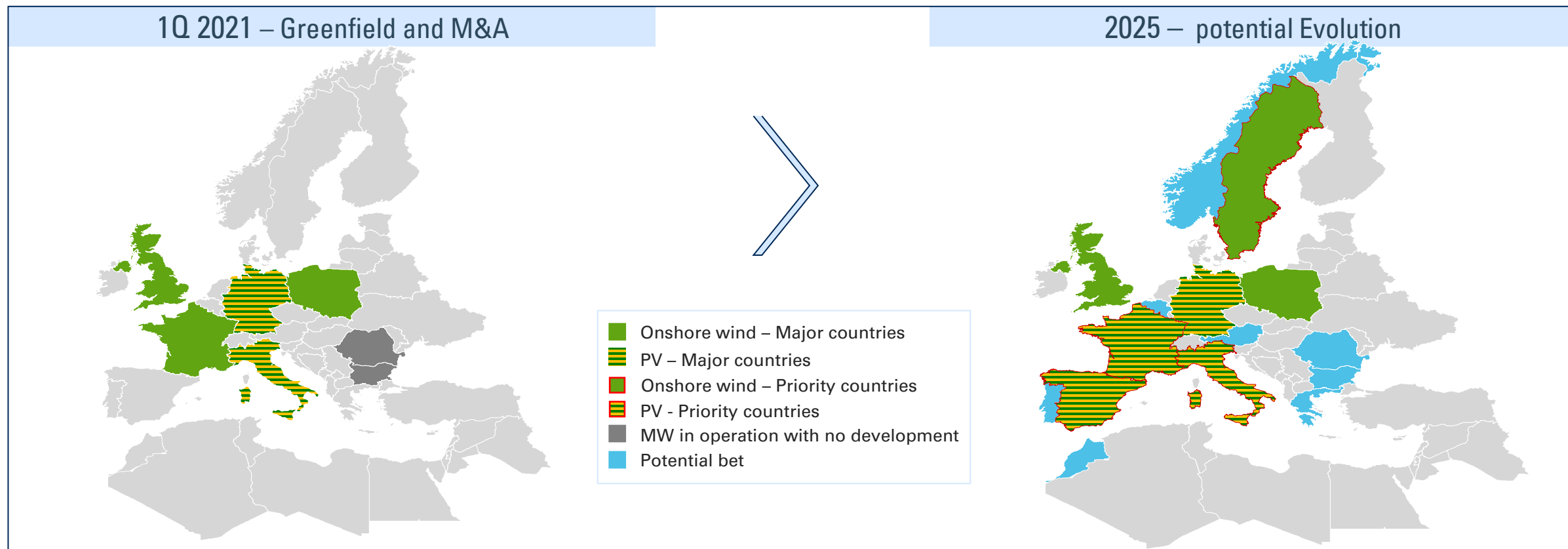


Our unique M&A expertise and reputation well recognized on the market⁽²⁾

⁽¹⁾ Prj. 3 includes 100MW plus a gross pipeline of ~1,000MW at different stage of development

⁽²⁾ More than €10bn in terms of EV of executed transactions from 2008 to the present, both Sell and Buy Side

THE EXPECTED EVOLUTION: MORE GEOGRAPHIES TO ADD DIVERSIFICATION

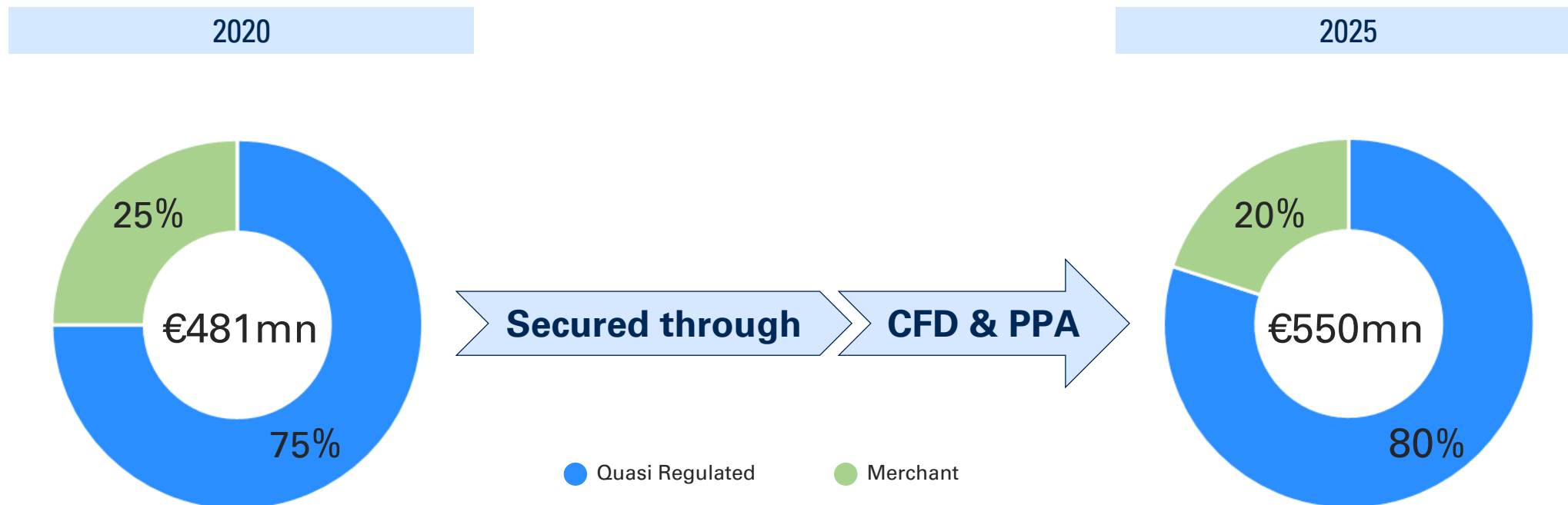


Through a flexible and opportunistic approach we will select the most fitting and executable deals adding geographies in Wind & Solar technologies



Moving towards an Infrastructural Business Model

AN EVOLUTION TOWARDS A QUASI REGULATED BUSINESS MODEL



ERG targets 80% of quasi regulated EBITDA despite incentives phase-out

WIND BEST PRACTICE EXAMPLES: LIFE TIME EXTENSION PLAN & REBLADING

LifeTime Extension

What is it: operational life extension of WTG over the design lifetime

What we are doing: Lifetime Certification extension, up to 40 years

Deployment plan: over 40% capacity covered by certification in 2025

LTE Certification guarantees that the operation of the wind farm is compliant with regulations (IEC 61400-28 or DiBt 2012 for Germany) after the expiration of the type certificate



Reblading

What is it: replacement of the old WTGs' rotor, with innovative blades, both in the materials and aerodynamic profile

What we are doing: Currently ongoing the worksites in the Lacedonia wind farms (180 new blades).

Deployment plan: Planned in the others Wind Farms where the repowering is not made possible

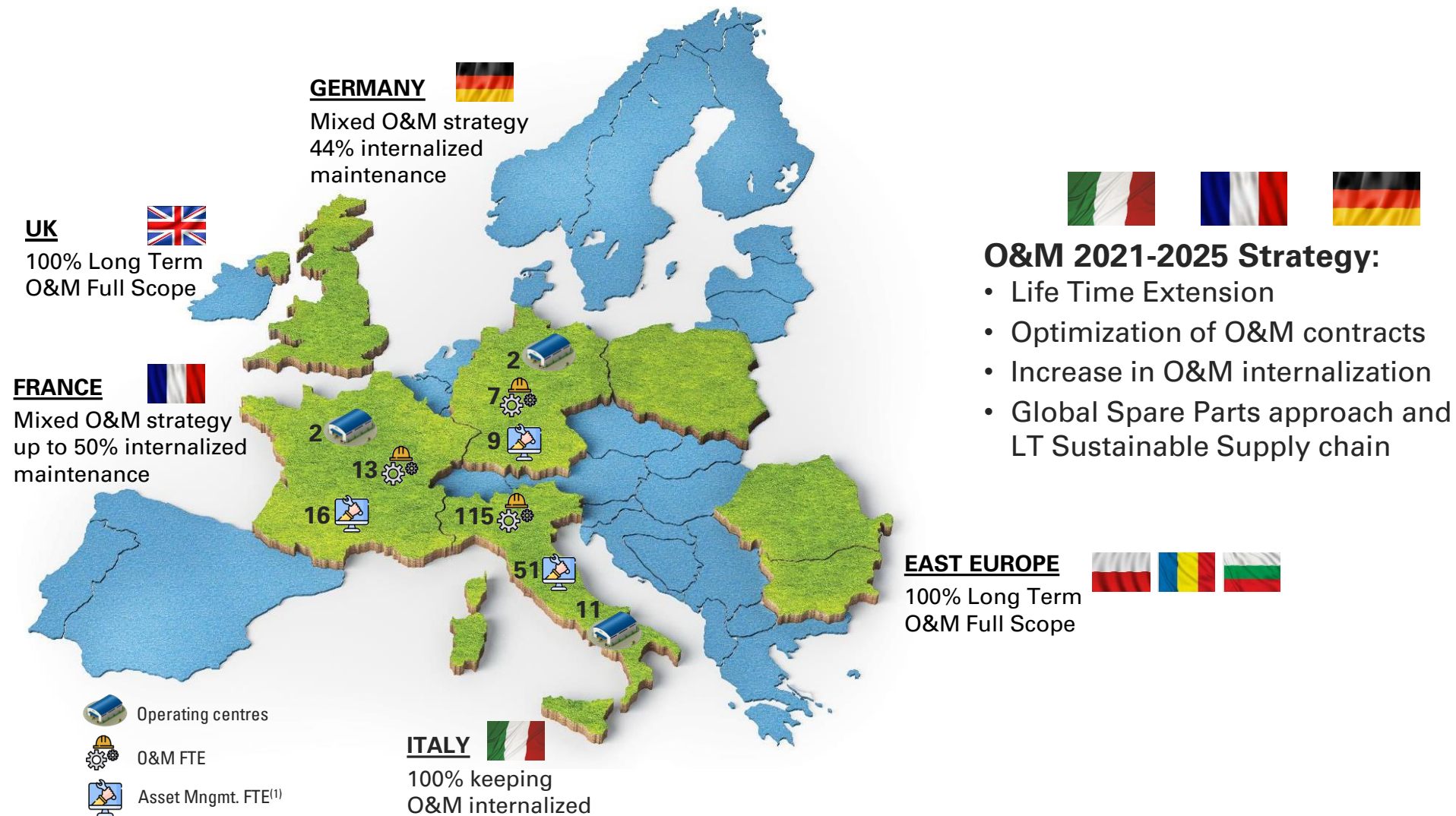
Dismantling consistent with ESG Strategy: >98% circular

- 23 turbines certified with new blades and new controller
- 69 blades replaced
- 69 blade bearings replaced
- total overhaul of all mechanical components accompanying the blades
- 5,800 man-hours for blade and controller assembly
- 400 man-hours in pre-assembly at blade factory
- 0 accidents/incidents



Our in-depth knowledge of the plants and our industrial expertise enhance our assets

O&M CONTRACTS OPTIMIZATION IN EUROPE – "GLOBAL APPROACH"



A strong industrial footprint with a flexible approach to O&M

⁽¹⁾ It includes HSE and Warehouses

SEEDING IN INNOVATION: STORAGE & HYDROGEN



In general

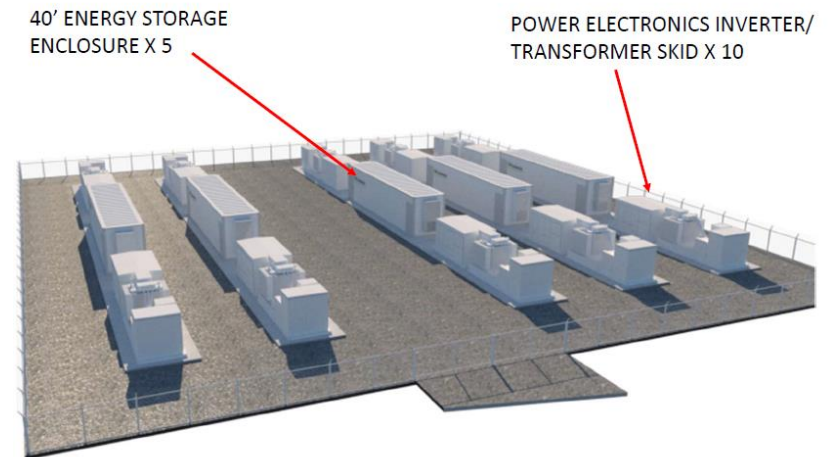
- ✓ Scouting of technologies for storage & Hydrogen

Storage

- ✓ 2 sites identified and ready for storage:
Fossa del Lupo (25MW) e Vicari (10MW)

Hydrogen

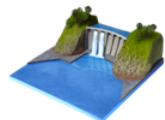
- ✓ Possible partnerships with off-takers and developers
- ✓ Green energy & site availability on ERG portfolio may bring opportunities and synergies



Leveraging on our asset base and technical skills

OPPORTUNITY TO RESHAPE ASSET PORTFOLIO TOWARDS A PURE WIND & SOLAR PLAYER

Hydro



Efficient Capacity: 527MW (1.5TWh)
 > 90% basin (modulable) with 19 hydro plants, 7 micro-hydro plants, 7 dams, 3 reservoirs and one pumping station



Avg. EBITDA 2018–2020: €105mn
 Incentives till 2025 on ~35-40% of production



Upside
 Revamping, PPA, Storage

CCGT



Installed Capacity: 480MW (2.5TWh)
 High Efficiency Cogeneration (CAR) renewal for Module 1 on track to be completed by year-end 2021;



Avg. EBITDA 2018–2020: €63mn
 Premium asset based on Location, Captive, MGP, Capacity and MSD Markets as well as distribution revenues from RIU (Owned Internal Grid)



Development Projects in BP 2021-2025
 CAR Renewal for module 2⁽¹⁾
 A new OCGT (57MW)⁽²⁾ in ERG Power site with Permitting well advanced

⁽¹⁾ COD Module 2 expected in December 2024 with Capex for €17mn included in the 2021-2025 BP

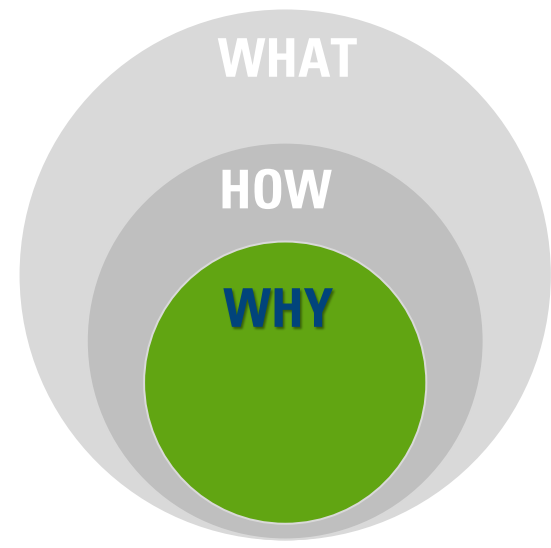
⁽²⁾ OCGT COD expected in January 2024 with Capex for €31mn included in the 2021-2025 BP

The background is a solid blue gradient. It is decorated with several sets of three parallel diagonal lines in cyan, green, and white. One set is in the top right corner, another in the middle right, and a third in the bottom right corner. A fourth set of three lines is in the bottom left corner.

With ESG in our DNA



ERG'S WHY



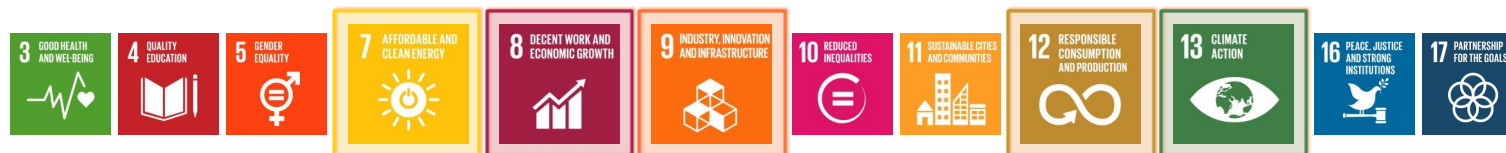
We are #GreenEnERGyMakers, one of the leading European producers of energy from renewable sources

We are #ClimateChangeFighters, at the forefront of the fight against climate change, and pioneers of the energy transition through the development of renewable energy production

We are #SDGsContributors, our Business model focuses on helping to achieve the Sustainable Development Goals (SDGs) set by the United Nations



ESG AT THE CORE OF ERG'S 2021-2025 STRATEGY



ERG 8 KEY ESG PRIORITIES...



Planet

- Carbon Neutrality
- **>98% Circular**



Engagement

- Education for Next Generation
- **>1% for the Community**



People

- Re-skilling & Agile Transformation
- **Inclusion & Diversity**



Governance

- **ESG objectives into MBO and LTI**
- Enhancing Governance model

... BUT CONTINUOUS IMPROVEMENT on other 5 projects well on track



Planet:

- Energy Efficiency



Engagement:

- Trust & Reputation



Governance:

- Tax Control Framework abroad
- Sustainable Procurement



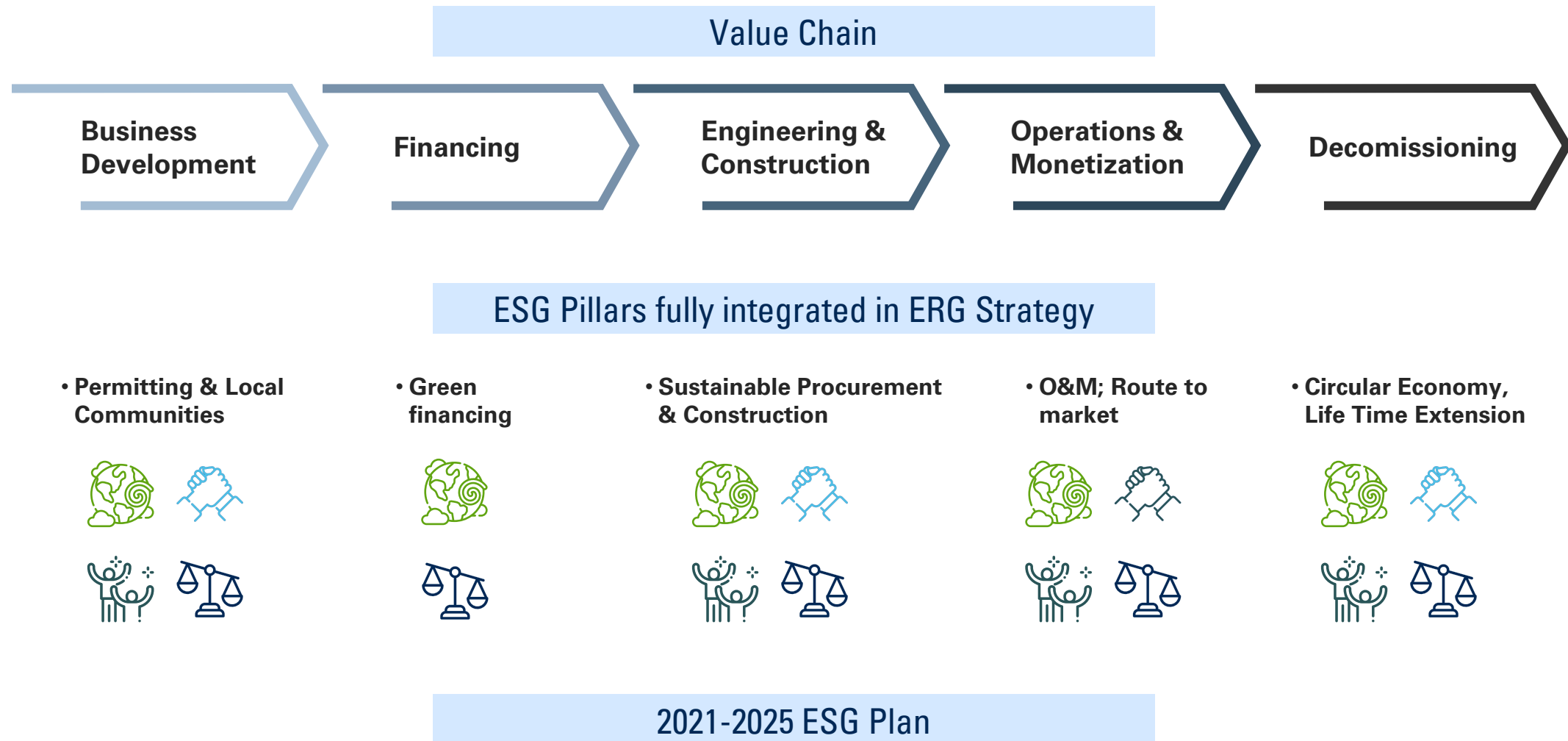
People:

- Health & Safety always

We identified 8 ESG priorities which will be the bulk of our ESG strategy




ESG AS A COMPLEMENTARY LEVER ALONG THE VALUE CHAIN





Target 2021-2025 ESG Plan based on measurable KPIs along the value chain

2021-2025 ESG PLAN IN DETAILS




PLANET









2025 Targets

1. Carbon Neutrality:

- Scope 1 & 2 neutrality in BP period (scope 3 by 2040)
- Carbon index down 30%

2. >98% Circular Wind:

- <2% Wind Repowering waste in landfill

3. Energy Efficiency:

- +260 kTEE (Thermo), +40 GWh (Minihydro), +8.7 GWh (Solar)



ENGAGEMENT









2025 Targets

4. Next Generation:

- 20,000 students involved (Italy and abroad)

5. 1% for the Community:

- >1% revenues for social developments of local communities.

6. Trust & Reputation:

- Scoring > 65/100 in Reputation Index



PEOPLE









2025 Targets

7. Agile Transformation:

- 75% people with individual development plan
- 100% people involved in up-skilling and re-skilling

8. Diversity & Inclusion:

- >20% women amongst the key leader (manager and senior manager)
- >15% key leaders abroad

9. Health & Safety, always:

- No fatalities, IF < 2, IG < 1



GOVERNANCE









2025 Targets

10. Sustainability Incentives:

- 100% incentives plan integrated with ESG objectives

11. Enhancing Governance Model:

- BoD Independence & Diversity, revising the system of Powers in SPVs and TCF

12. Tax Control Framework:















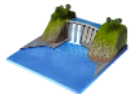






- Tax Control Framework abroad (FR, GE)

13. Sustainable Procurement:

- +10 pts in average strategic suppliers scoring



100% OF 2021-2025 BP CAPEX CONSISTENT WITH UN SDGs

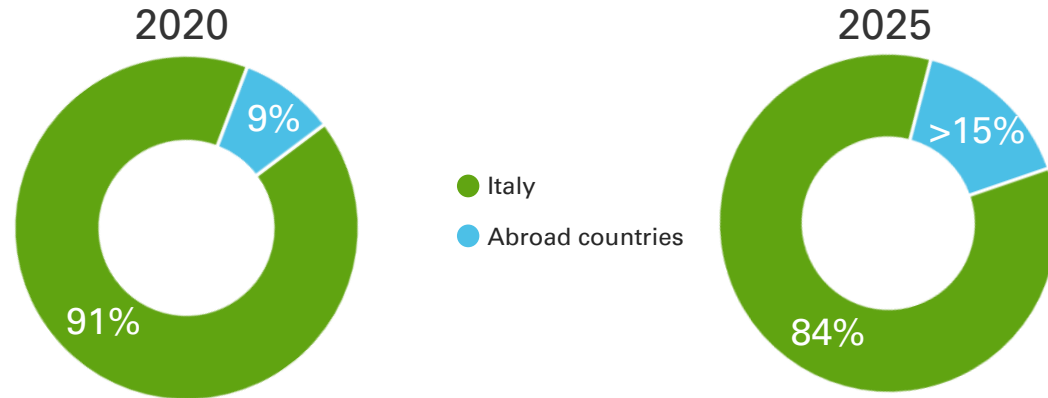
Business/Technology	EU Taxonomy ⁽¹⁾	SDGs contribution	% on TOTAL CAPEX	2021-2025 CAPEX
Wind 	100% 	 7 AFFORDABLE AND CLEAN ENERGY  13 CLIMATE ACTION	~68%	<p>~€2.1bn</p> <div> 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE } 3%</div> <div> 12 RESPONSIBLE CONSUMPTION AND PRODUCTION } 6%</div> <div> 7 AFFORDABLE AND CLEAN ENERGY  13 CLIMATE ACTION</div> <div>91%</div>
Solar 	100% 	 7 AFFORDABLE AND CLEAN ENERGY  13 CLIMATE ACTION	~22%	
Thermo 	Energy transition contributor Waiting for the final Taxonomy	 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	~3%	
Hydro 	100% 	 7 AFFORDABLE AND CLEAN ENERGY  13 CLIMATE ACTION	~1%	
O&M 	~100% 	 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	~6%	

We are #SDGscontributors

ENHANCING DIVERSITY IN AN INTERNATIONAL INDUSTRIAL GROUP

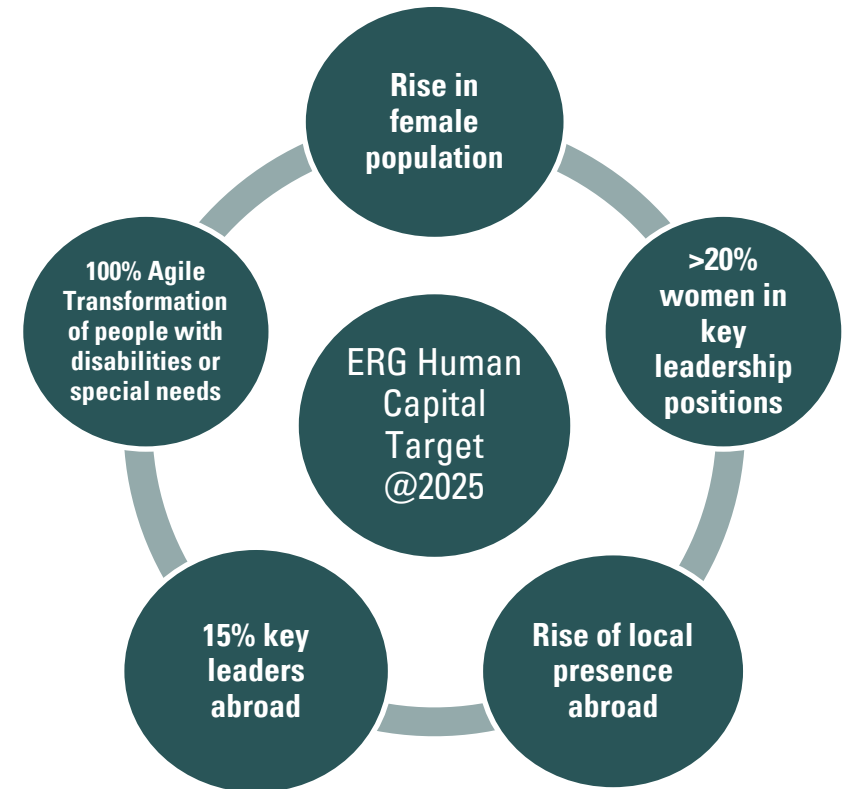
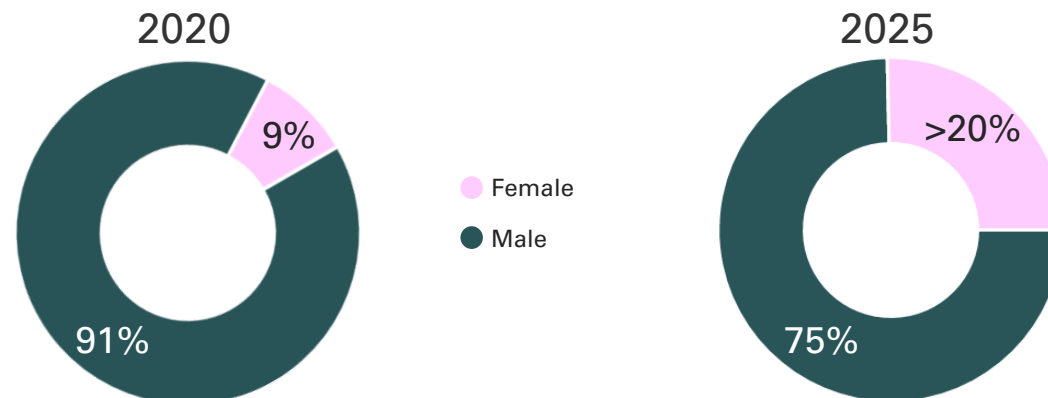


Key Leaders abroad



Women Key Leaders

Strengthening the female presence through +40% net female additions in 2020



2020 ESG Key Figures

2018-2022 ESG TARGETS AND 2020 KPI

Tackling climate change	OBJECTIVES 2018-2022	2020 ACTUAL	 7 AFFORDABLE AND CLEAN ENERGY 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 13 CLIMATE ACTION
	Avoided CO ₂ : 15 m tons Carbon Index ⁽¹⁾ : down 14% to 2022	More than 9 million tons of avoided CO ₂ (2,983 kt in 2020) Carbon index -4.7% (0.15 kgCO₂/kWh as at end 2020)	
	Continuous efforts on extracting value from our technology	64.71% CCGT plant HEC performance index 90% of indirect consumption supplied by "green" energy	
	Enhancing our integrated generation portfolio	2,636 MW installed capacity in renewable energy plants 89% of the invested capital	

(1) The carbon index (gCO₂/kWh) shows the quantity of CO₂ contained in every kWh produced.

People enhancing	OBJECTIVES 2018-2022	2020 ACTUAL	 4 QUALITY EDUCATION 5 GENDER EQUALITY
	New leadership model Human Capital Coverage	Human Capital Coverage +4% compared to 2018 More than 29 thousand training hours, 77% training on technical and managerial topics, 95% of our employees	
	Skills development	Power of Diversity project supported by Valore D	

Sustainable thinking sustainable acting	OBJECTIVES 2018-2022	2020 ACTUAL	 8 DECENT WORK AND ECONOMIC GROWTH 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 17 PARTNERSHIP FOR THE GOALS
	Integration of HSE certifications according to ONE Company Model	100% ISO 14001 and/or ISO 45001 certified Italian and German companies consistent with their activities	
	Technological development	Repowering and reblading projects for our wind farms	
	CDP reporting Consolidating relations with communities	CDP Climate Change - Rating A- ESG rating & indexes Sustainable Procurement and Suppliers Code of Conduct	

IMMEDIATE REACTION TOWARDS COVID-19

Employees

- No reduction in staff and no mandatory temporary leaves
- **Adoption** of appropriate **safety measures for all employees**
- **Working from Home (5 days out of 5) for 70% people**
- **Strengthening of IT System**
- **health insurance for Covid-19** for all the employees



Local Communities

- ERG has donated **€2mn to support the healthcare system** where has operations
- ERG's people donated the equivalent of **2,300 hours of work to the Civil Protection Dep.**
- ERG's majority shareholder, donated **€1mn in favour of Genoa's front-line hospitals**



ERG's Operations

- **Steering Committee to ensure business continuity**
- **Investment: delays in construction program and processes**
- **Difficult market environment**

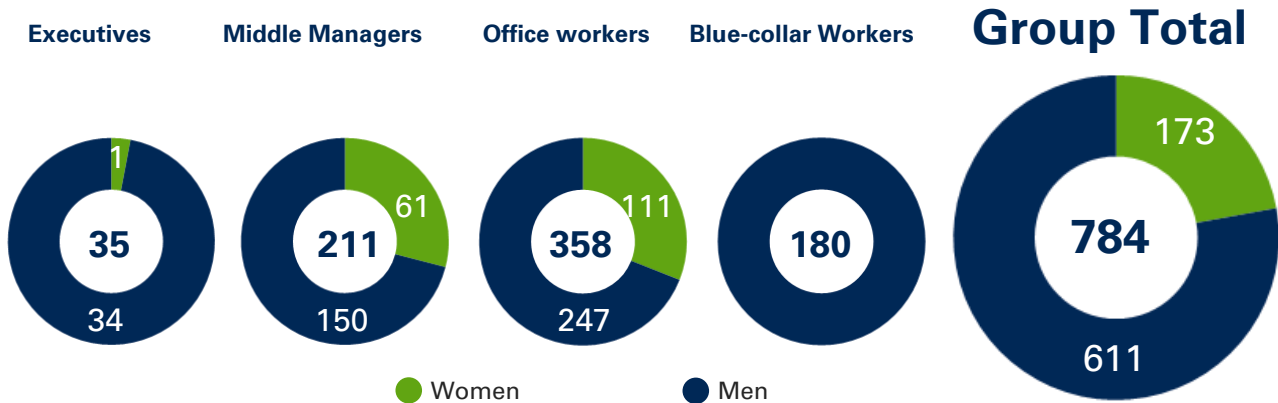


DATA BREAKDOWN ON PERSONNEL

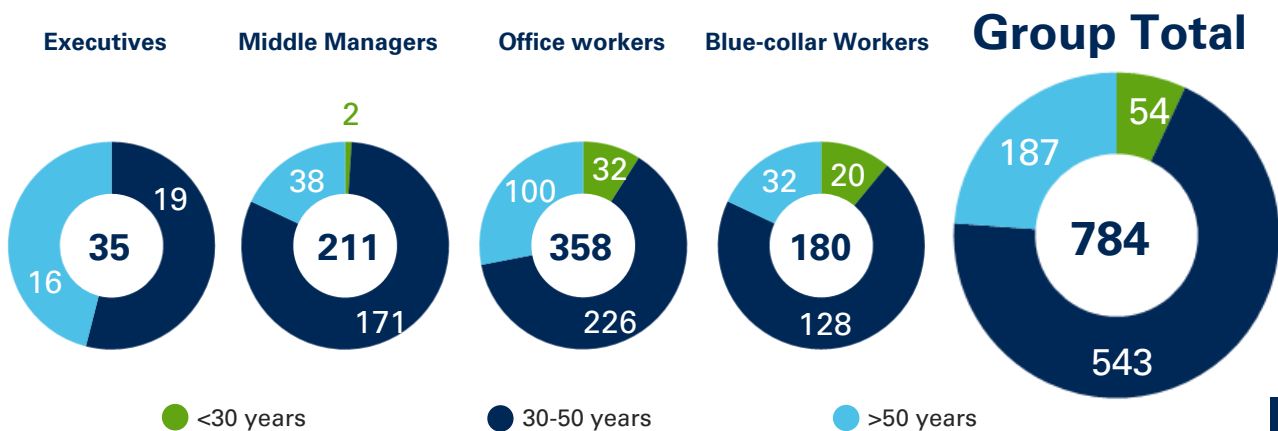
By country and gender



By professional category and gender

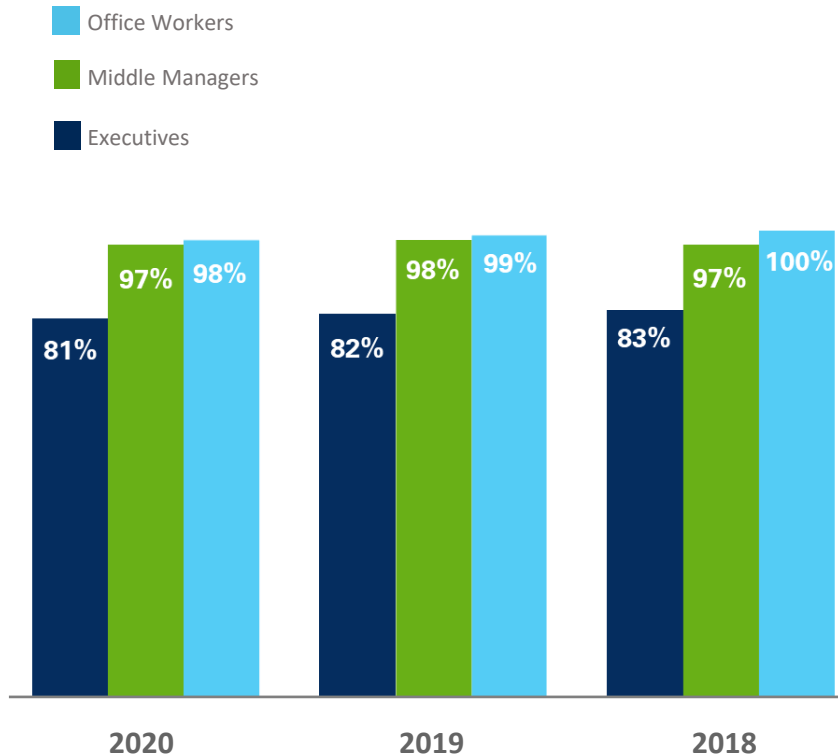


By professional category and age



A DIVERSIFIED GROUP WITH EQUAL OPPORTUNITIES

Women/Men pay gap evolution⁽¹⁾



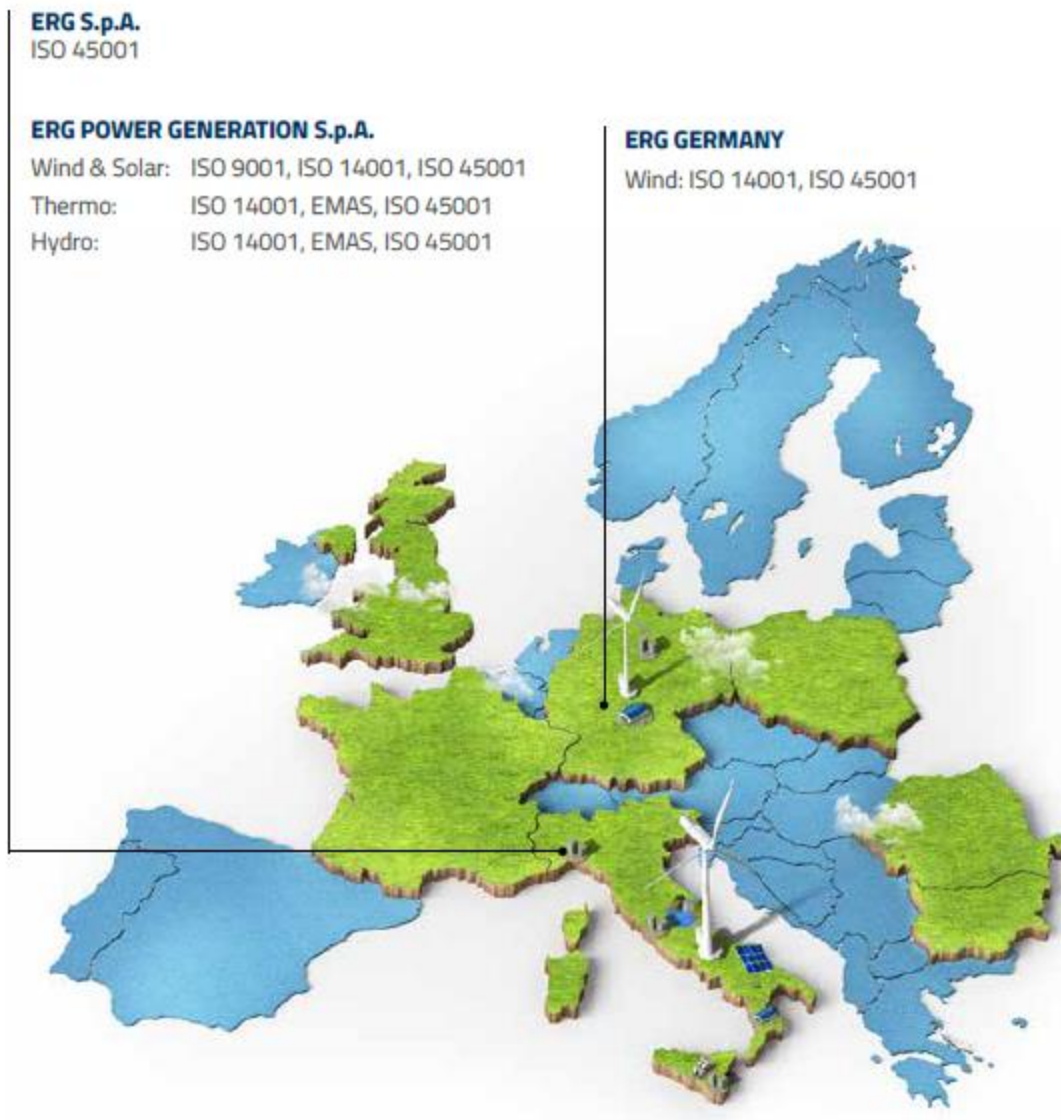
Inclusion

- **Inclusion** is a competence of **ERG's Leadership Model**
- **Partnership with ValoreD**, the greatest Italian association promoting gender balance and an inclusive culture in organisations and across the country:
 - first assessment of HR processes in D&I effectiveness
 - survey to verify ERG's and Employees' approach to Inclusion
- **Action plan to raise awareness about:**
 - inclusive communication
 - Inclusive leadership
 - women's empowerment



⁽¹⁾ Percentage ratio between the average fixed remuneration for women for each position they belong to and the average fixed remuneration for men for the same position

ENVIRONMENTAL AND SAFETY CERTIFICATIONS

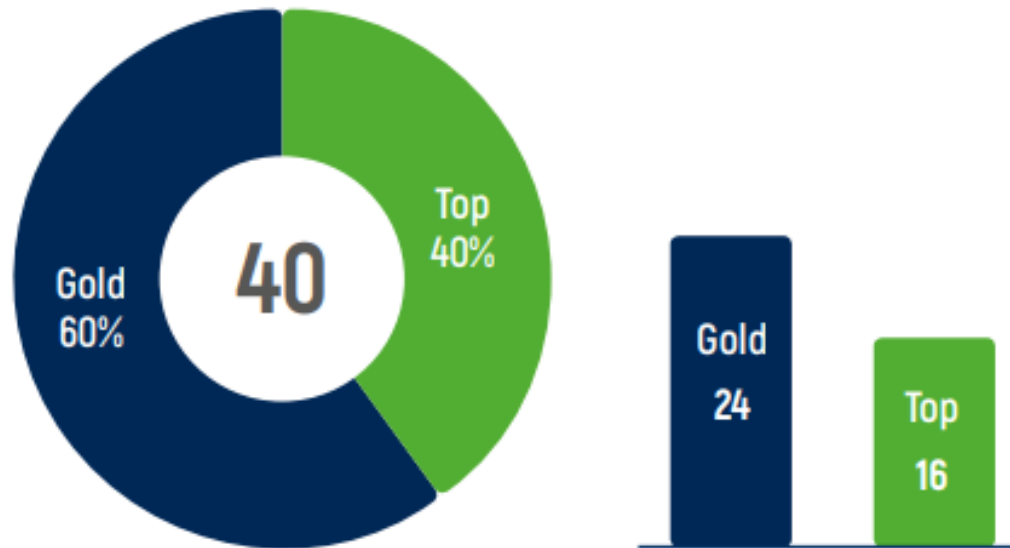


- Environmental certification under ISO 14001 covers over 80% of our installed base and over 59% of our people
- Health & Safety certification, updated in 2020 according to ISO 45001, covers over 80% of our installed base and about 91% of our people



ERM TARGETS ACHIEVED IN 2020

Risk Classification 2020



Results 2020

In 2020 we have identified 40 “Main Risks” of which:

- **16 classified as TOP** - described in greater detail to senior management;
- **24 classified as GOLD** - depicted in a concise Dashboard)

The risks are divided into 4 categories: Strategic, Financial, Operational (including HSE and ICT risks) and Compliance.

Reporting

The results are reported on a six-month basis to:

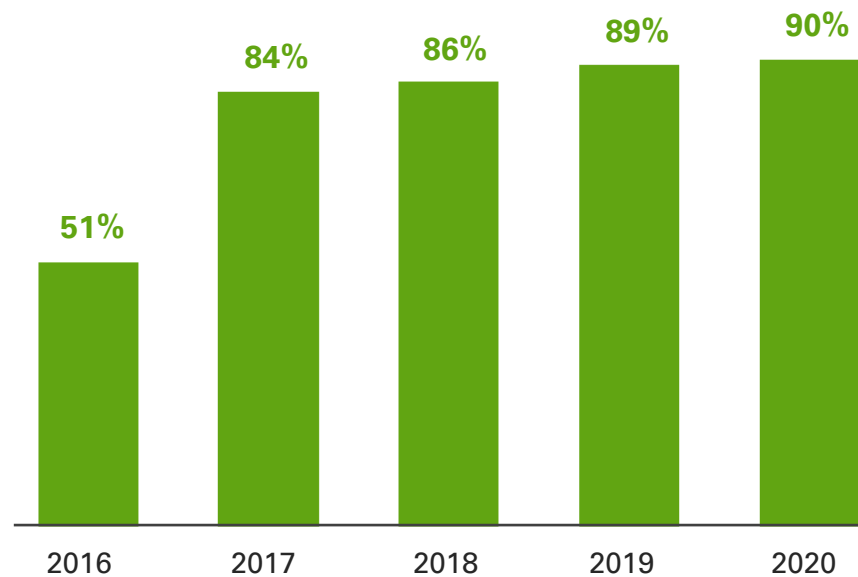
- management / CFO / CEO, who assess the adequacy of the risk profile assumed in relation to the objectives set and the actions taken to mitigate the risks;
- the Board Committees, who assess the overall effectiveness of the Integrated Risk Management process.

REDUCTION OF ENVIRONMENTAL IMPACT OF OPERATIONS



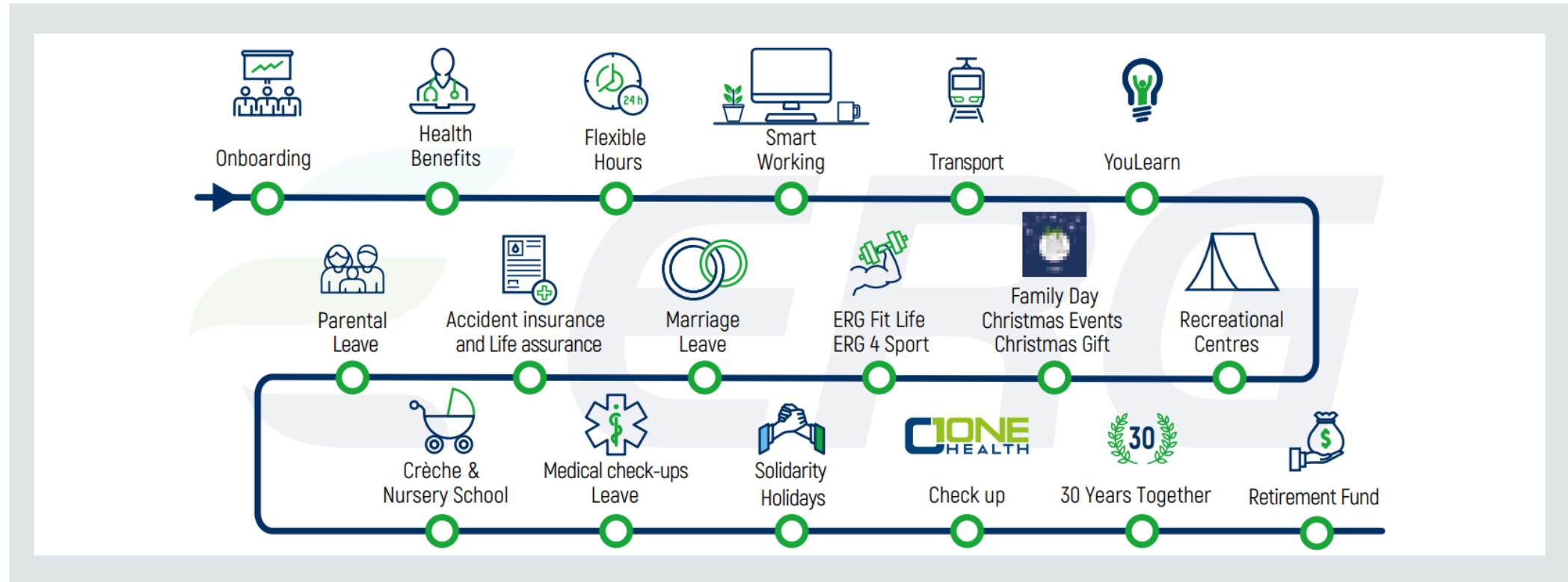
Green Energy for our indirect Consumption⁽¹⁾

As of 2016, ERG is committed to supply its offices and plants with certified renewable energy



⁽¹⁾ Figures are not on a like-for-like basis: they include all plants in exercise at each year-end

WELFARE PROJECTS FOR EMPLOYEES



ENGAGING LOCAL COMMUNITIES



TAX CONTROL FRAMEWORK (TCF)

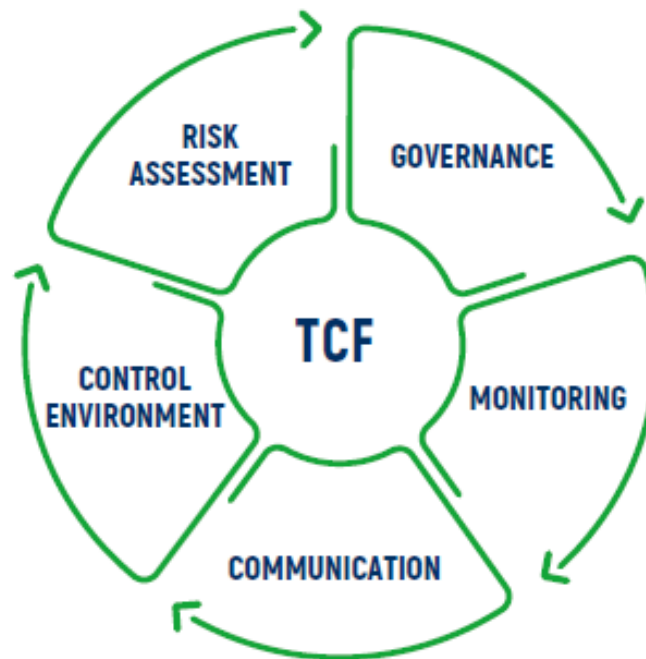
The ERG Group has adopted a Tax Control Framework, i.e. an internal audit system for tax risk (a set of rules, procedures, etc.), that comprises the following pillars:

CONTROL ENVIRONMENT

Adoption of a Fiscal strategy, approved by the Board of Directors of ERG S.p.A., to define the principles and limits governing final risk management

RISK ASSESSMENT

Mapping of potential tax risks impacting the Group and introduction of appropriate measures to identify their presence and mitigate their effects



GOVERNANCE

Identification of roles and responsibilities of players involved in the management of the tax variable

MONITORING

Ongoing auditing to assess the adequacy and effectiveness of the implemented TCFs

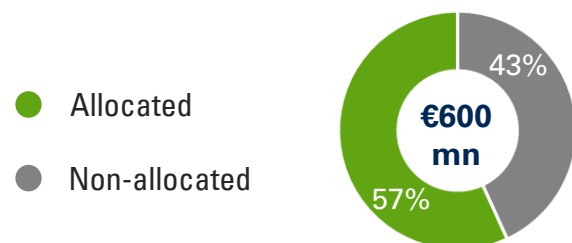
COMMUNICATION

Definition of information flows between those involved in tax risk management and of a periodic reporting plan to senior management

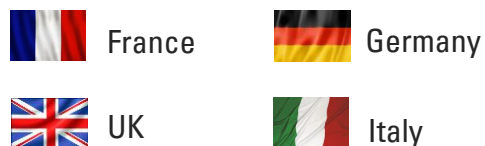
The TCF is effective in ERG SpA and its Italian subsidiaries from 1 Jan 2021 (Fiscal Year 2020)

2021-2025 Financial Strategy

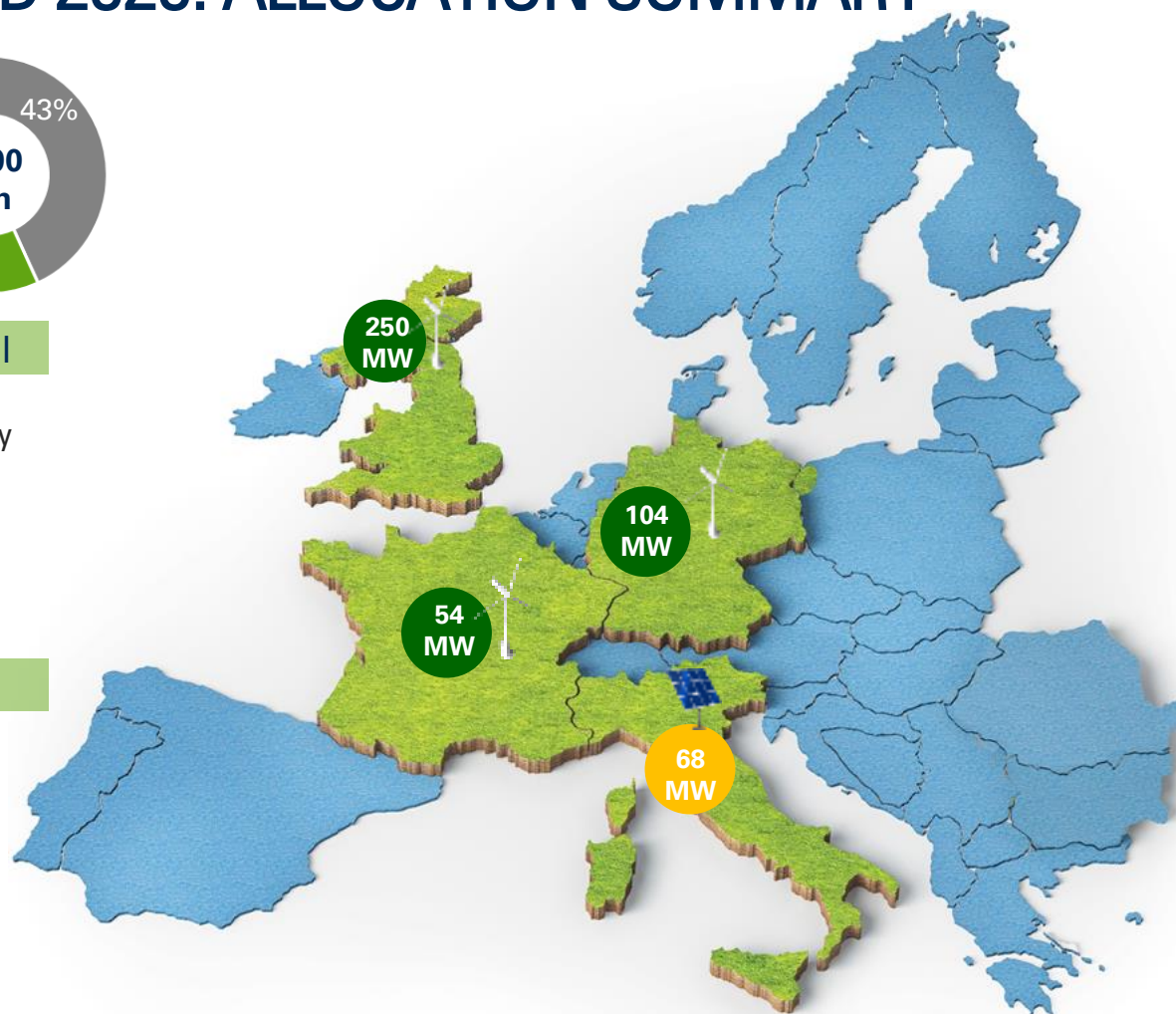
ERG GREEN BOND 2020: ALLOCATION SUMMARY



ERG Green Bond geographical



ERG Green Bond Technology



France

54 MW Wind
#5 Wind Farms in operation
2020 Production 120.3 GWh
CO2 Savings 67 ktCO2e

Germany

104 MW Wind
#10 Wind Farms in operation
2020 Production 190.6 GWh
CO2 Savings 143 ktCO2e

UK

250 MW Wind
#4 Wind Farms under construction
Expected Annual Production 740.6 GWh
Expected CO2 Savings 355 ktCO2e

Italy

68 MW Solar
#25 Solar Plants in operation
2020 Production 102.3 GWh
CO2 Savings 52 ktCO2e

Green Bond 2020 Highlights

€ 341 mn
Allocated Proceeds

44 Plants
Eligible for Green Projects

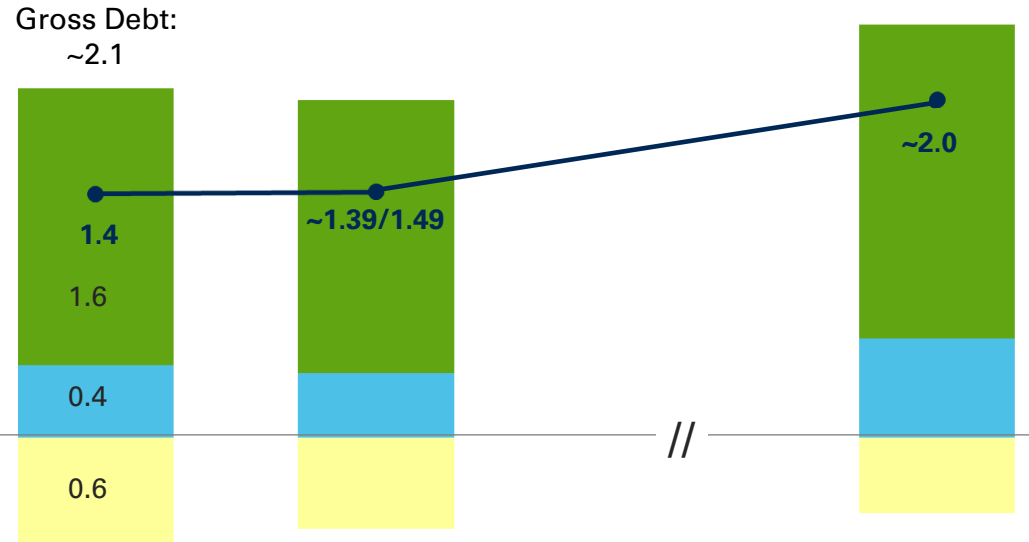
476 MW
Total Capacity

413 GWh
Actual 2020 Production

262 ktCO2e
CO2 2020 Savings

SOLID FINANCIAL PROFILE PRESERVED OVER 2021-2025 BP PERIOD

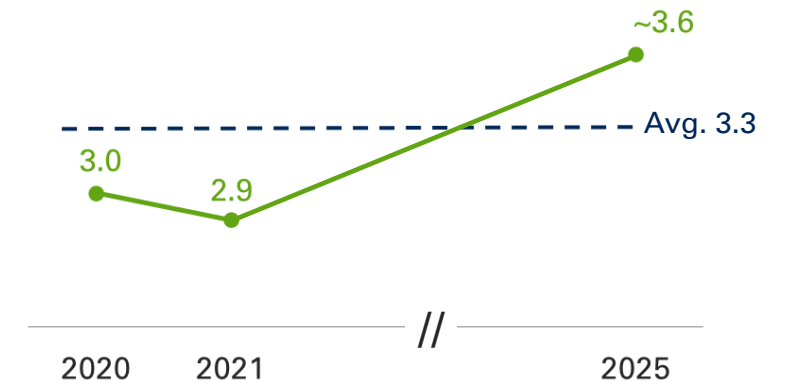
(€ bn)



BP 2021-2025: 2020 2021 2025
Kd: 1.8%⁽¹⁾ 1.7% 1.5%

● NFP ■ Cash & Other ■ MLT PF ■ Green Bonds & Corporate Loans

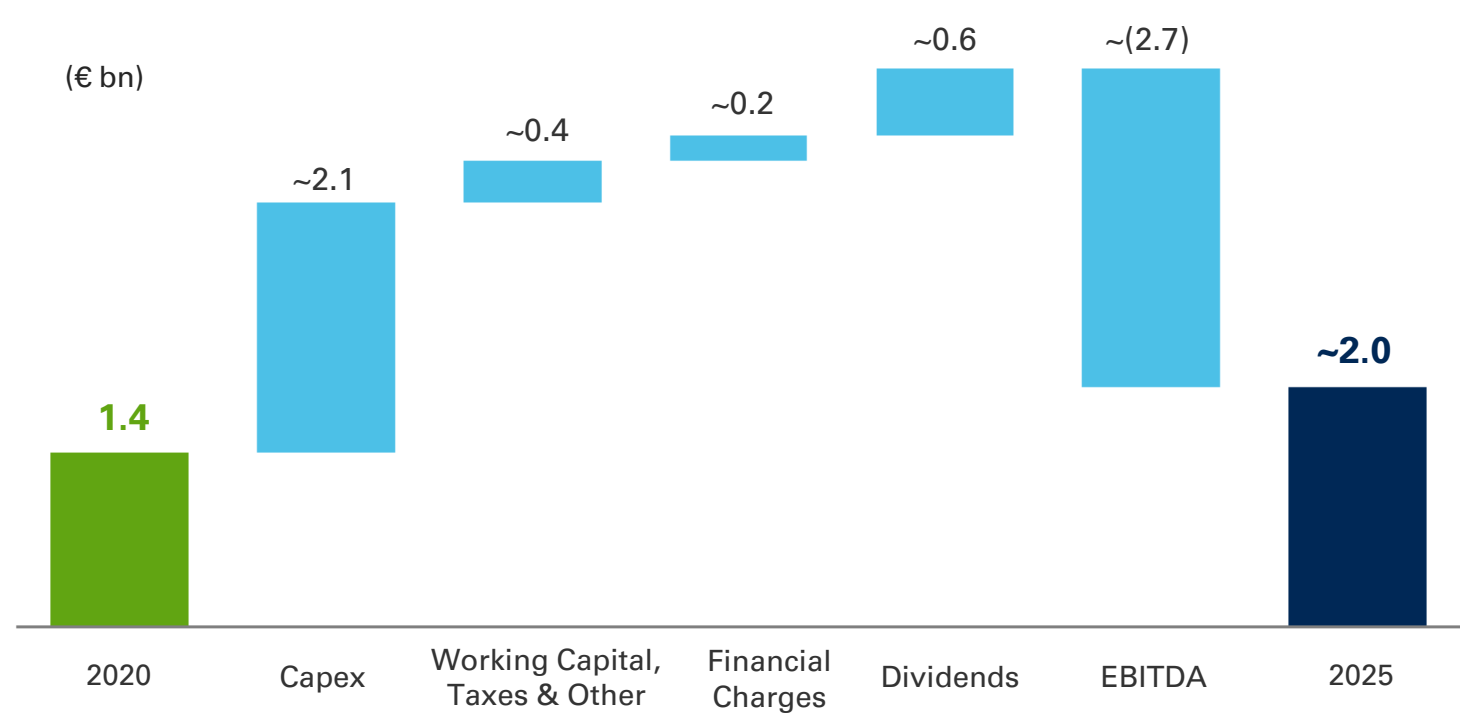
Net Debt / EBITDA



Financial policy:
maintaining BBB- investment grade rating and Net Debt/Ebitda @ ~3.5x

⁽¹⁾ Kd proforma post Liabilities Management

A RELEVERAGE TO BOOST RES PORTFOLIO

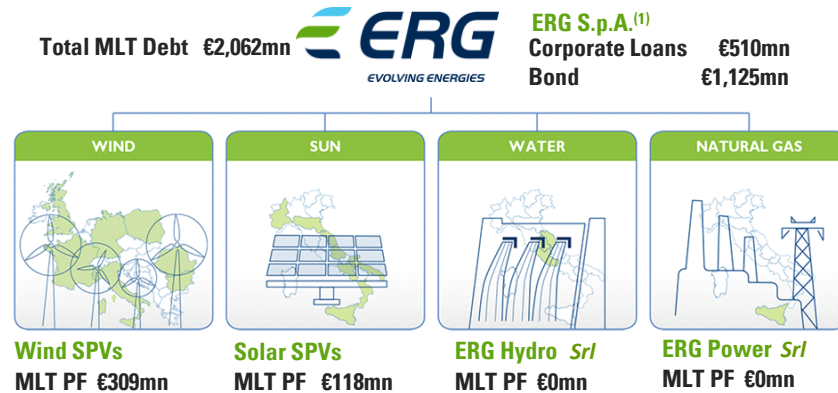


Sustainable leverage increase consistent with current investment grade rating

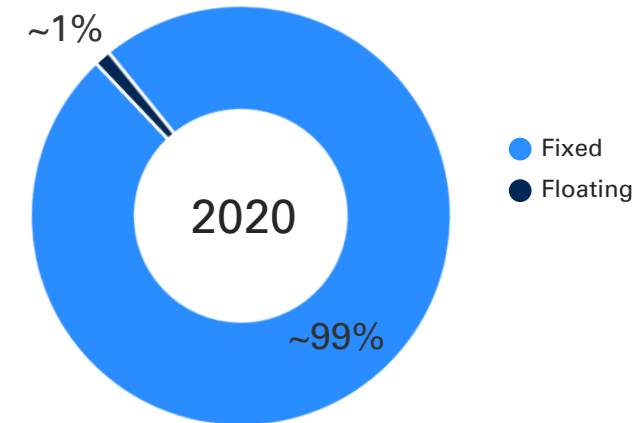
A ROBUST FINANCIAL STRUCTURE

"ERG's 'BBB-' IDR affirmation reflects robust business profile, and a diversified and clean asset base..."

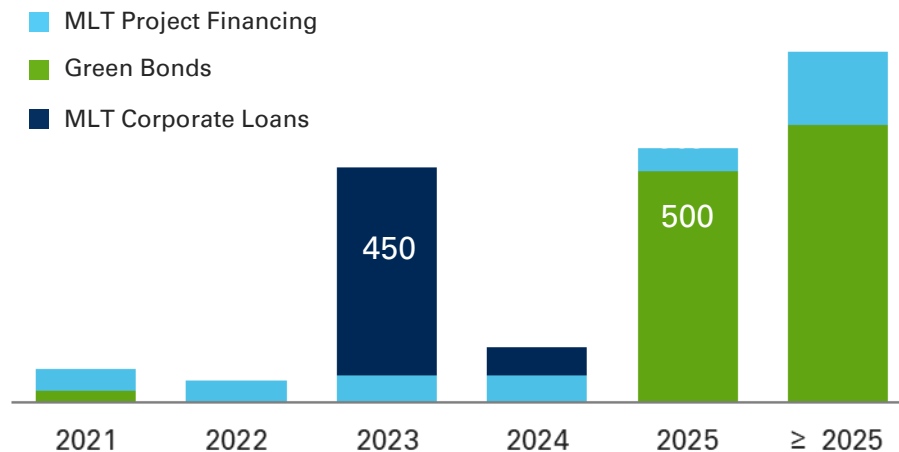
Non programmable sources fully unlevered



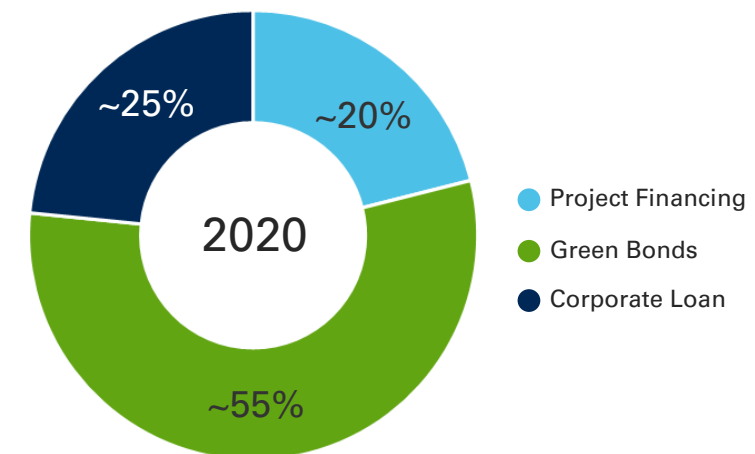
Interest rate risk fully offset



No refinancing needs until mid 2023




Switch from PF to DCM funding completed



⁽¹⁾ ERG SpA owns operating subsidiaries via fully owned subholding ERG Power Generation (free of debt and in cash pooling with ERG S.p.A.)



ASSET ROTATION CAN OPEN FOR FURTHER DEBT CAPACITY STILL MAINTAINING THE INVESTMENT GRADE

	Business Profile	Financial Policy	Expected ⁽¹⁾ Rating
 ASSET ROTATION towards Wind & Solar Assets	Target of quasi-regulated EBITDA up to 90%	from 3.5x	BBB- (stable outlook)
	Greener asset base		
	Increased asset diversification	Up to	
	Increased geographical diversification	4.0x	

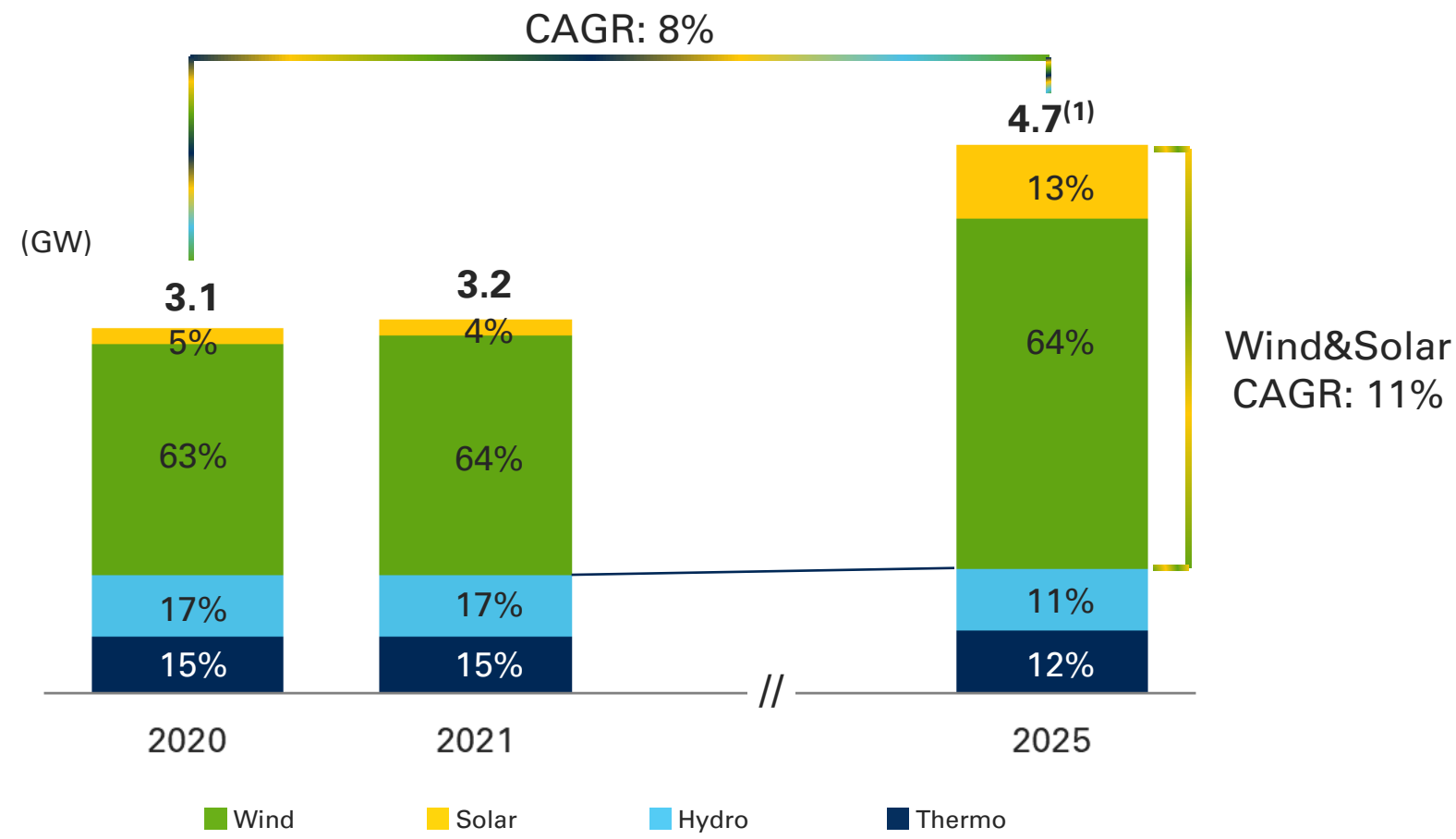
A pure W&S Portfolio with up to 90% secured revenues through PPA/CfD can strengthen the business profile and provide for further leverage capacity

⁽¹⁾ Based on internal assessment

2021-2025 Targets



CAPACITY EVOLUTION IN 2021-2025



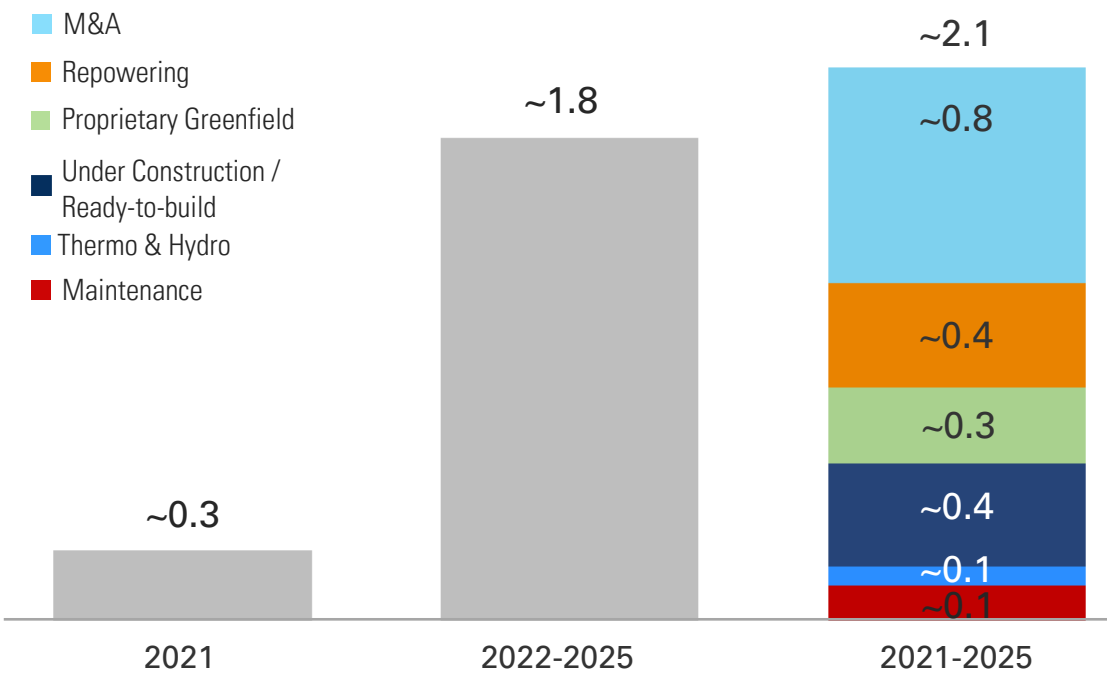
+1,500MW added to strengthen ERG RES portfolio

⁽¹⁾ 2025 Capacity Target includes 57MW of OCGT in ERG Power site

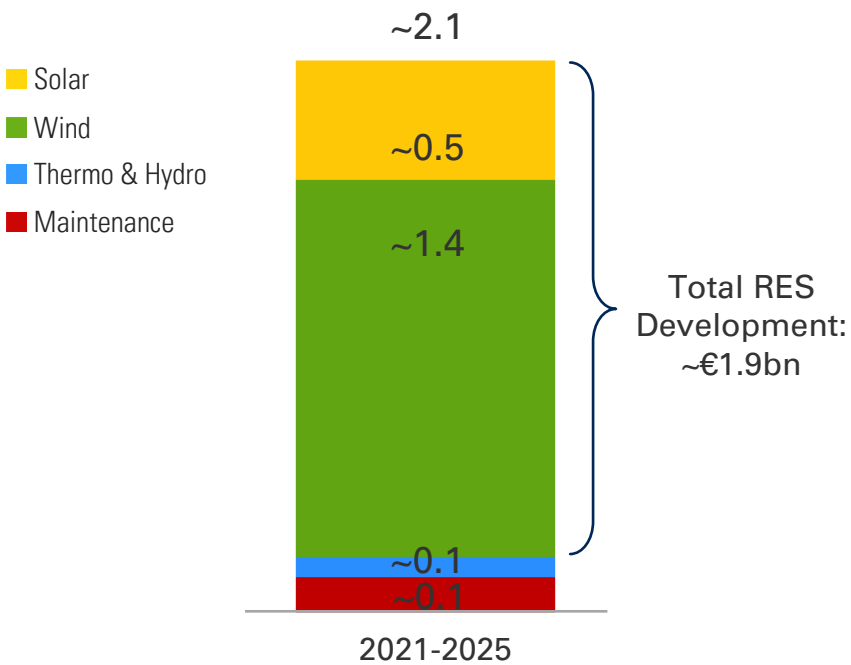


CAPEX EVOLUTION IN 2021-2025

Capex per Stream (€ bn)



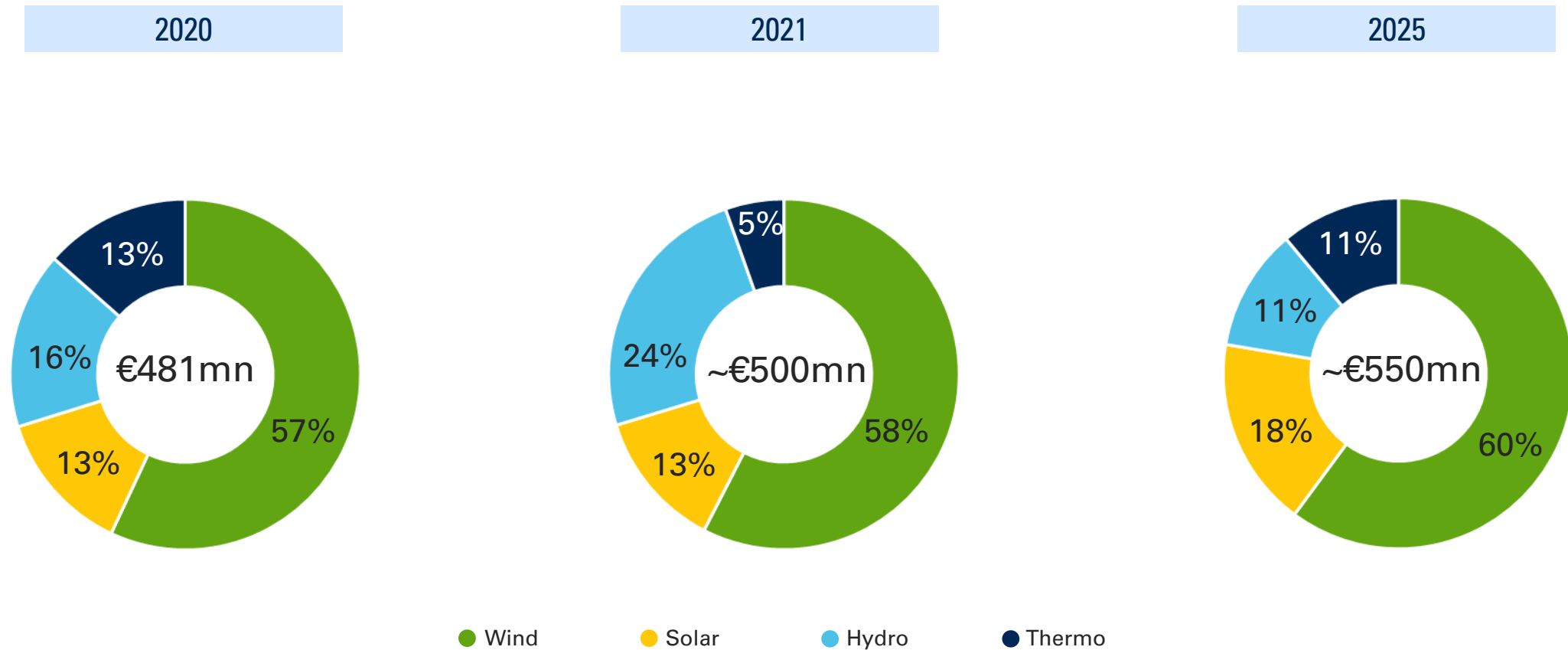
Capex per Technology (€ bn)



More than 70% of total CAPEX abroad to enhance geographical diversification



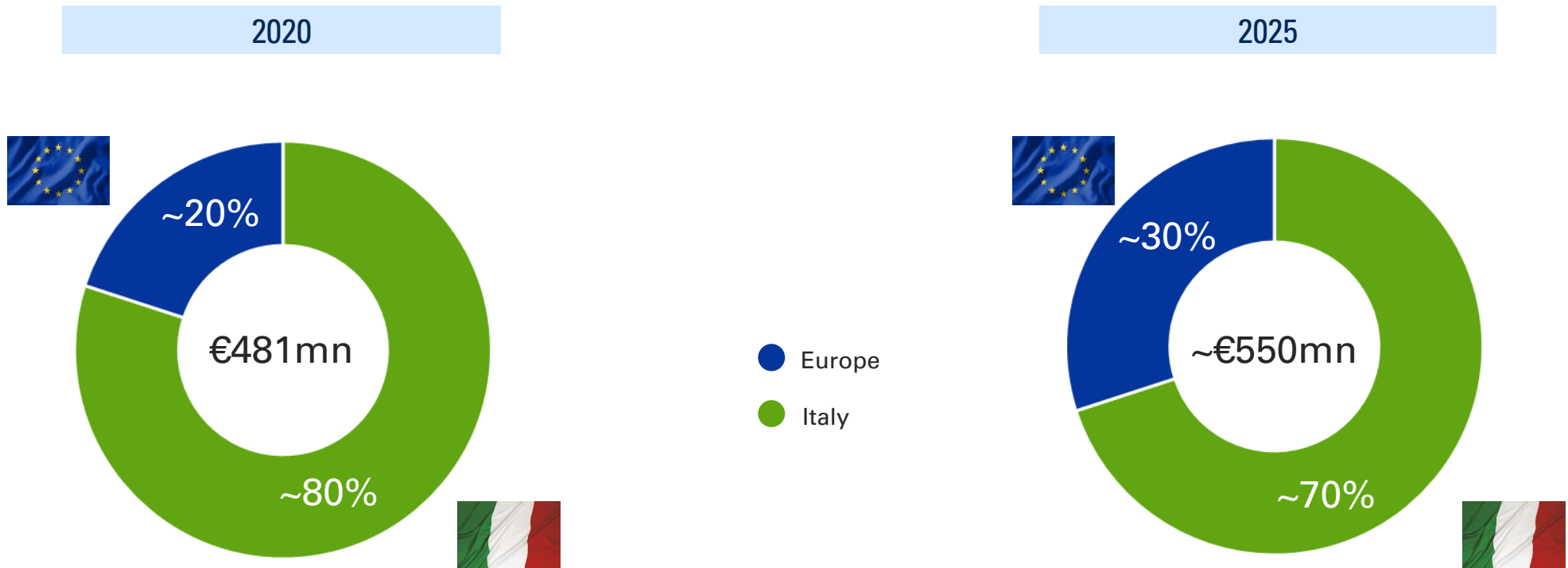
EBITDA EVOLUTION IN 2021-2025



Increasing technological diversification

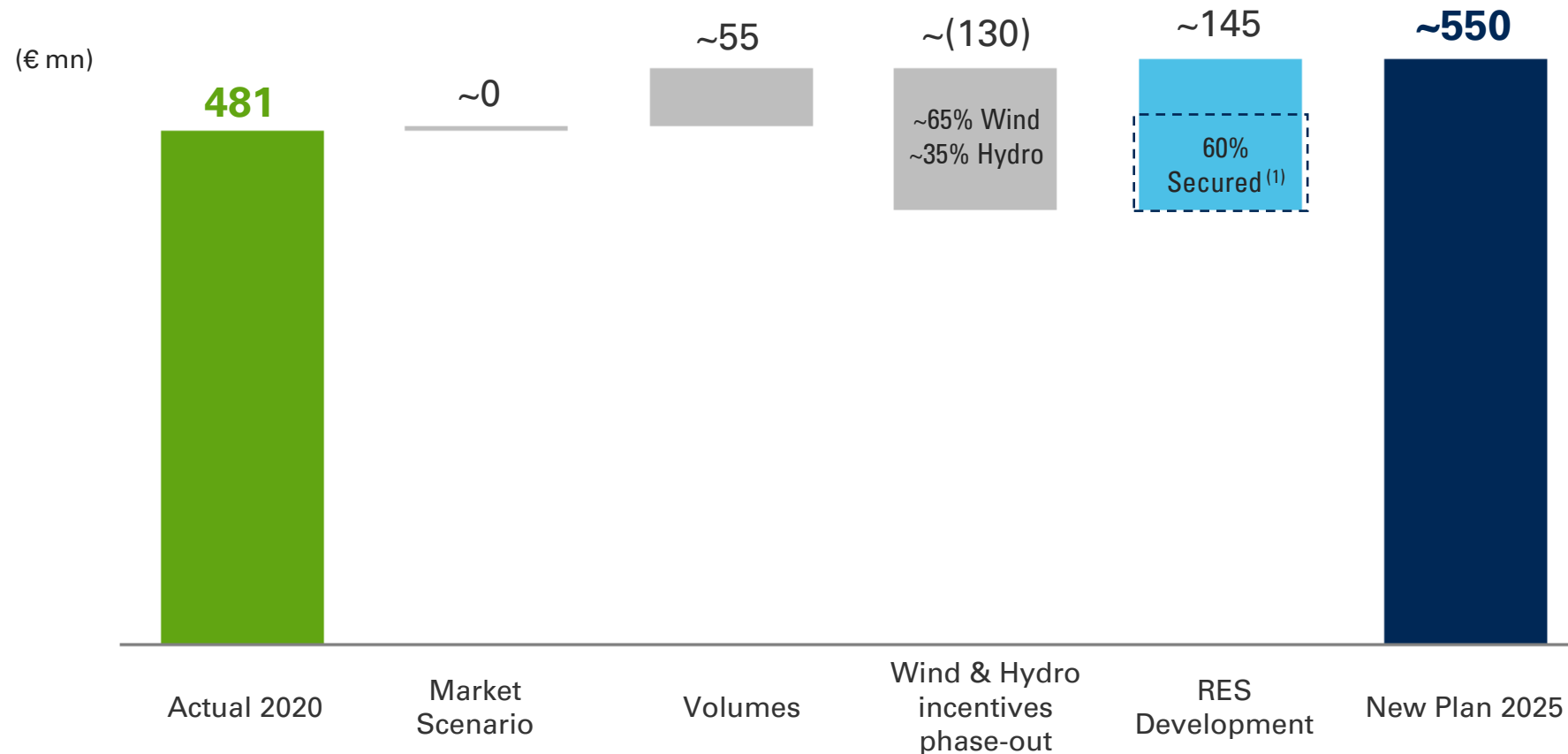


EBITDA GEOGRAPHICAL DIVERSIFICATION



EU assets to contribute over 30% of Group EBITDA in 2024-2025

GROWTH IN RES TO MORE THAN OFFSET PHASING OUT OF INCENTIVES



RES development to more than offset the phasing out of incentives

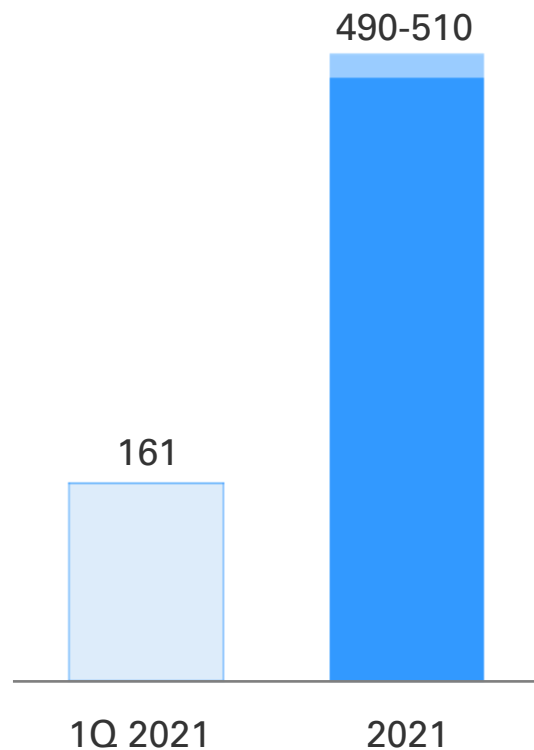
⁽¹⁾ Based on owned pipeline weighted for success rate

2021 Guidance & Final Remarks

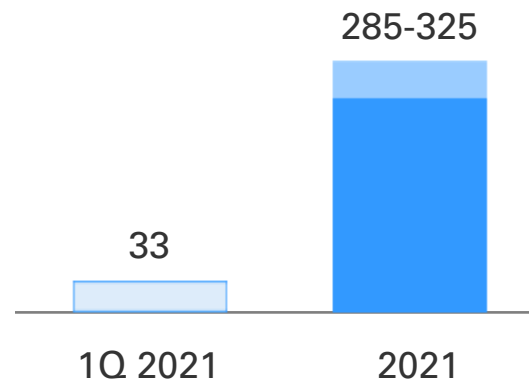


2021 GUIDANCE

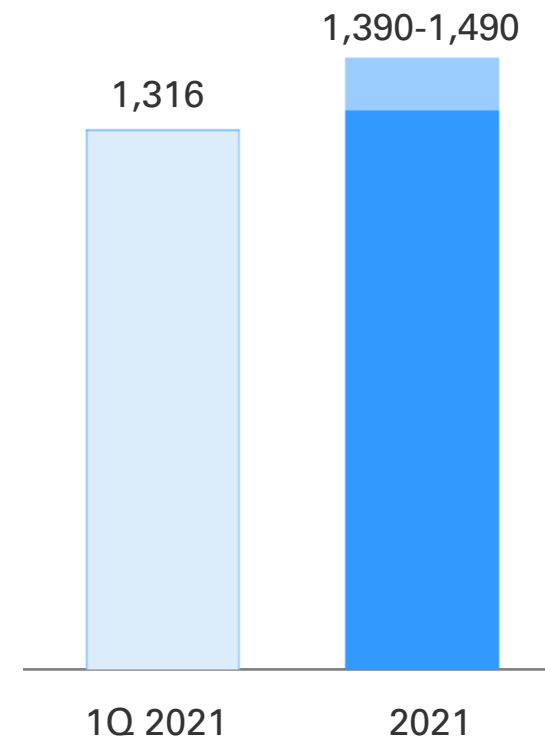
Adjusted EBITDA (€ mn)



CAPEX⁽¹⁾ (€ mn)



Adjusted NFP (€ mn)



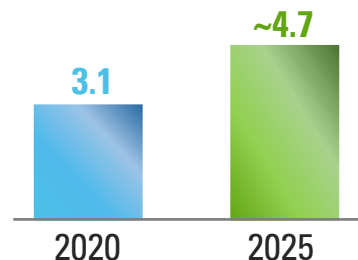
Actual Guidance Guidance range

Revised upwards to capture a solid Q1 and current water reservoir level

⁽¹⁾ It includes about €50mn of Capex related to the construction Capex for ERIK project in Sweden

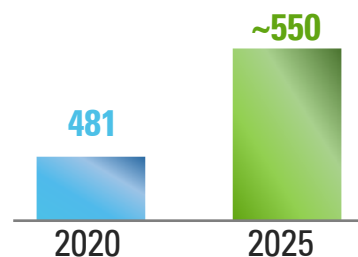
2021-2025 BP KEY TARGETS

CAPACITY (GW)



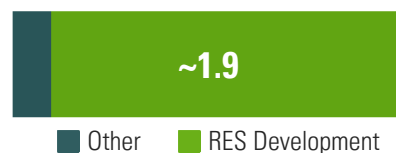
- +1,500 MW through:
 - 0.4GW in construction
 - 0.5GW from owned Pipeline (RPW and GF)
 - 0.6GW from M&A and new Pipeline

EBITDA (€ mn)



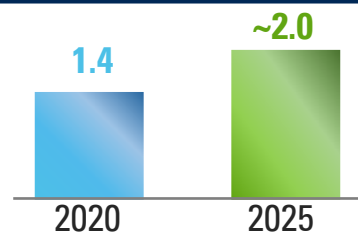
- EBITDA at ~€550mn
 - 80% quasi regulated
 - 30% abroad

CAPEX (€ bn)



- €2.1bn CAPEX
 - ~€1.9bn of RES development
 - 100% CAPEX consistent with UN SDGs

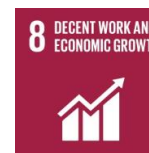
NFP (€ bn)



- Releverage to fuel growth backed by a sustainable IG rating
- Leverage @ ~3.5x NFP/EBITDA

DIVIDEND POLICY

- A sustainable yearly dividend of €0.75/sh





ACTION PLAN BASED ON 3 STRATEGIC PILLARS

*R*³ - Strategy

1 *R*epositioning Portfolio

- More: Capacity, Regulated, Geo and Tech-diversification

2 *R*einforcing Organization

- In Business Development and Energy Sales

3 *R*otating Invested Capital

- Asset rotation as a flexible option



THANK YOU!