



# ERG IR DAY

## FY 2021 RESULTS AND 2022-2026 BUSINESS PLAN

## 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 non 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

- ❑ **Welcome and Agenda** – Emanuela Delucchi, Chief ESG, IR & Comm.
- ❑ **2021 Results in a nutshell** – Paolo Merli, CEO
- ❑ **Continuing our successful journey** - Alessandro Garrone, EVP
- ❑ **2022-2026 Business Plan** - Paolo Merli, CEO:
  - ERG Today
  - Sector Trends
  - ERG Tomorrow
  - An infrastructural Business Model
  - 2022-2026 Targets
- ❑ **2022-2026 Financial Strategy** - Michele Pedemonte, CFO
- ❑ **ESG always at the core** - Emanuela Delucchi, Chief ESG, IR & Comm.
- ❑ **FY and 4Q 2021 Results Review** - Michele Pedemonte, CFO
- ❑ **2022 Guidance & Final Remarks** - Paolo Merli, CEO
- ❑ **Appendix**



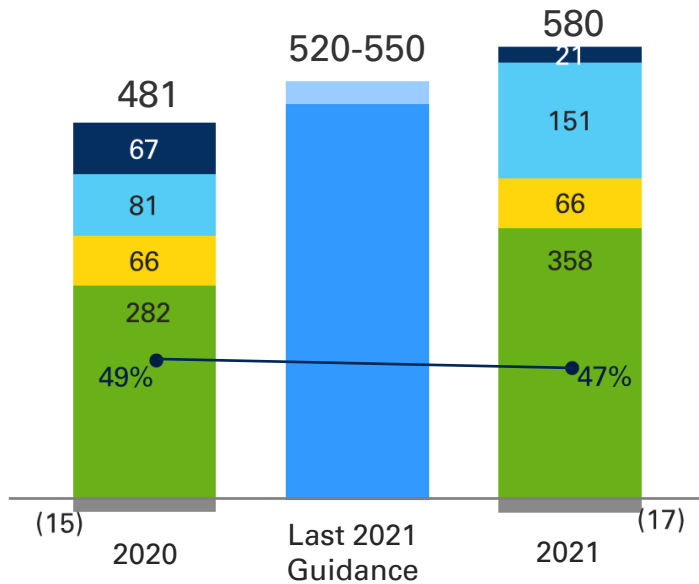


# 2021 RESULTS IN A NUTSHELL

Paolo Merli - CEO

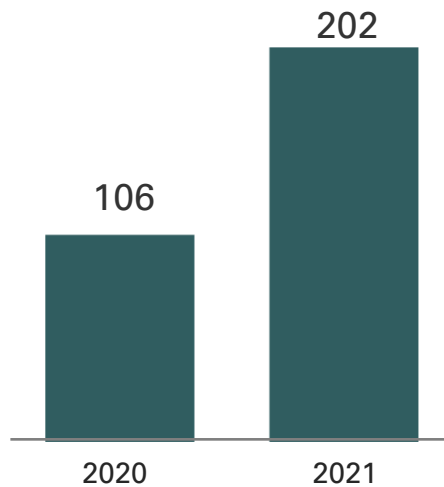
# 2021 KEY FIGURES

## EBITDA (€ mn)



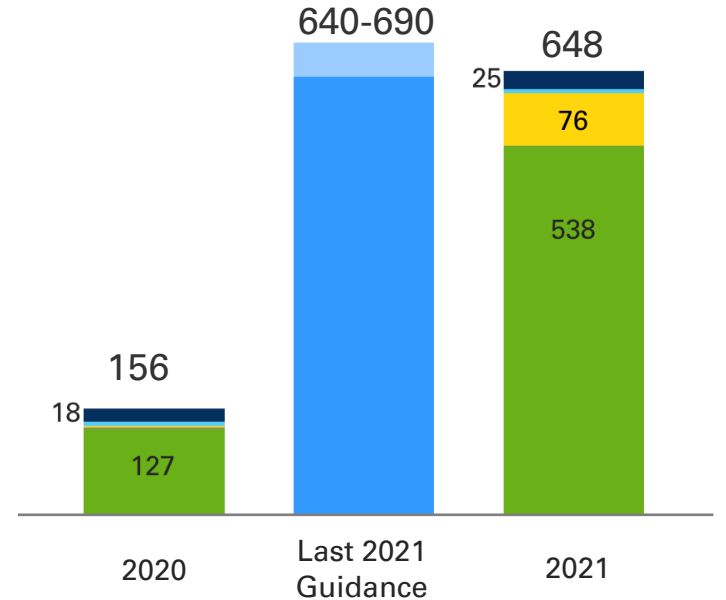
- EBITDA Margin
- CCGT
- Hydro
- Solar
- Wind
- Corporate

## Net Profit (€ mn)

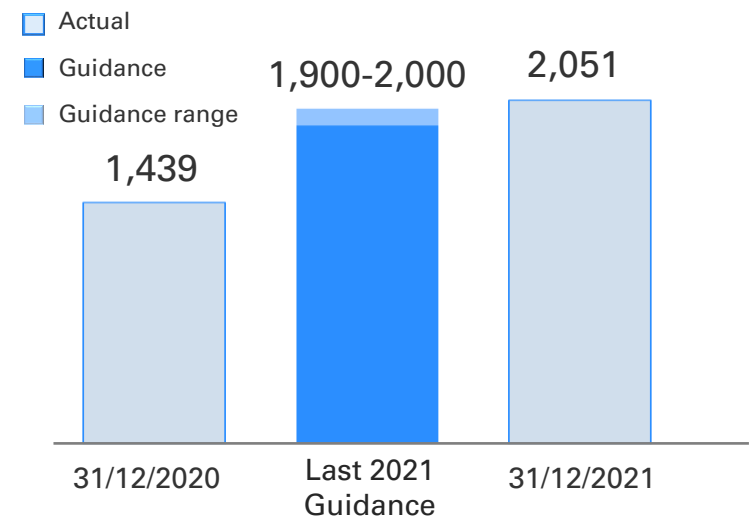


Dividend  
at €0.9/sh

## CAPEX (€ mn)





## NFP (€ mn)



# CONTINUING OUR SUCCESSFUL JOURNEY

Alessandro Garrone - EVP

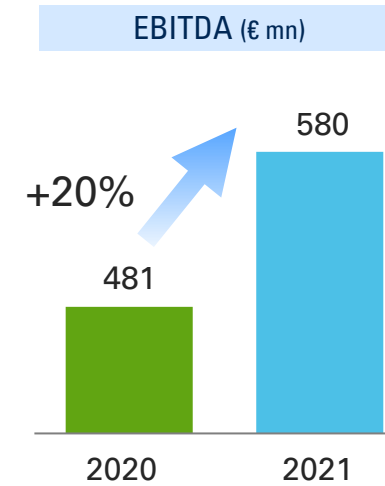
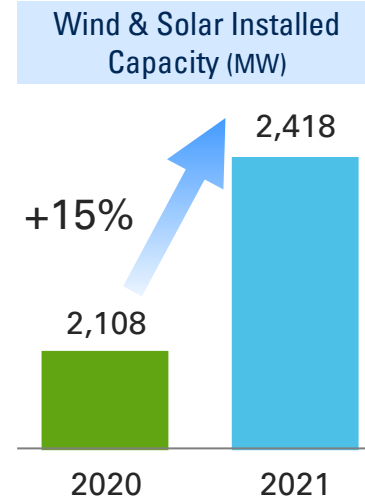
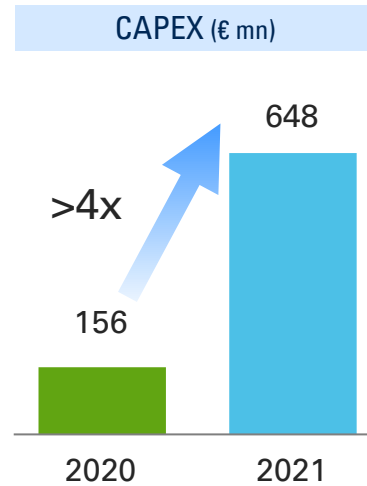
# ERG 21-25 BP: ACHIEVEMENTS TO DATE

	ERG'S 21-25 Targets	Achievements @ Today since 21-25 BP launch
 <b>Growth in scale</b>	<b>+1.5 GW</b> through RPW, Greenfield and M&A	<b>+309MW</b> in 2021 (o/w ~30% in Solar PV) <b>further ~400MW<sup>(1)</sup></b> secured for 2022+
 <b>Energy Sales / Mgmt</b>	<b>80%</b> regulated	<b>0.7 TWh PPA signed</b> in Northern Ireland, Italy and France
 <b>Geographical diversification</b>	<b>Increase in geographical diversification</b>	<b>Entry in Sweden, Spain</b> and First MWs installed in the UK
 <b>Solar as strategic pillar</b>	<b>+0.5GMW of solar PV</b>	<b>+170 MW of solar assets</b>
 <b>Seeding in Innovation</b>	<b>Scouting</b> for opportunities in Storage and Hydrogen	Start up project of Storage plant ( <b>22MW</b> ) Scouting in circularity, hydrogen and floating offshore
 <b>Conventional is "legacy"</b>	<b>Opportunities for asset rotation</b>	<b>Hydro closing on 3/1/2022; CCGT signing on 9/2/2022</b>
 <b>Integration of ESG</b>	<b>ESG Plan</b>	ERG included on <b>S&amp;P Global Clean Energy Index, MIB ESG Index and Bloomberg Gender-Equality Index.</b>

<sup>(1)</sup> 62MW Wind in Sweden; 92MW Solar PV in Spain; 240MW fully authorized and awarded by Auction in Italy (repowering and greenfield)

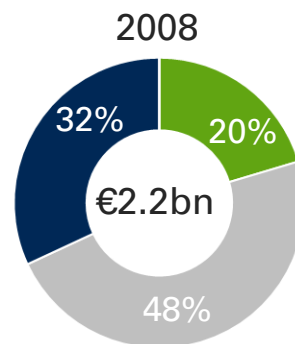
# 2021: A DEEP DIVE INTO OUR *R<sup>3</sup>* - Strategy

**STRONG EXECUTION**

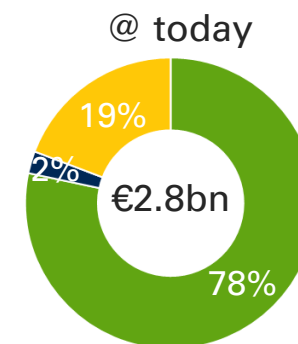
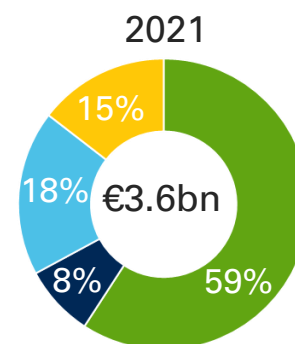


## Evolution of Capital Employed

**COMPLETION OF ENERGY TRANSITION**



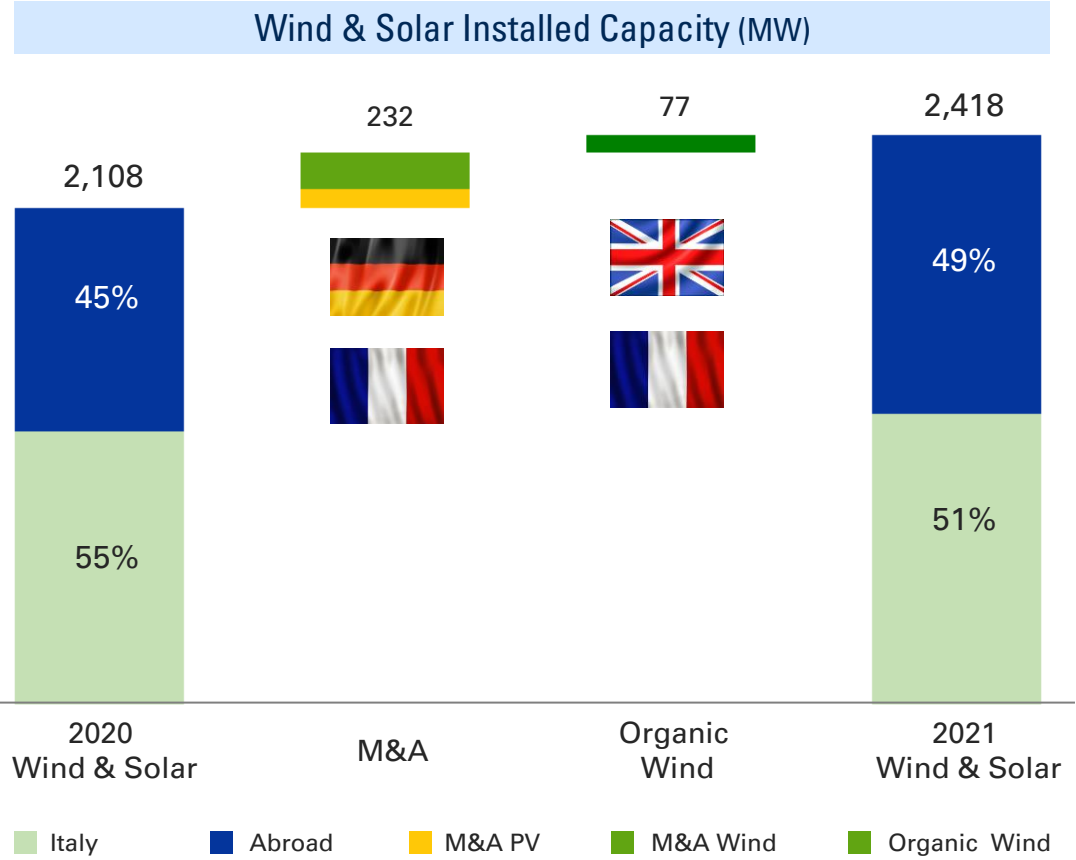
- Solar
- Hydro
- Wind
- Natural Gas
- Oil







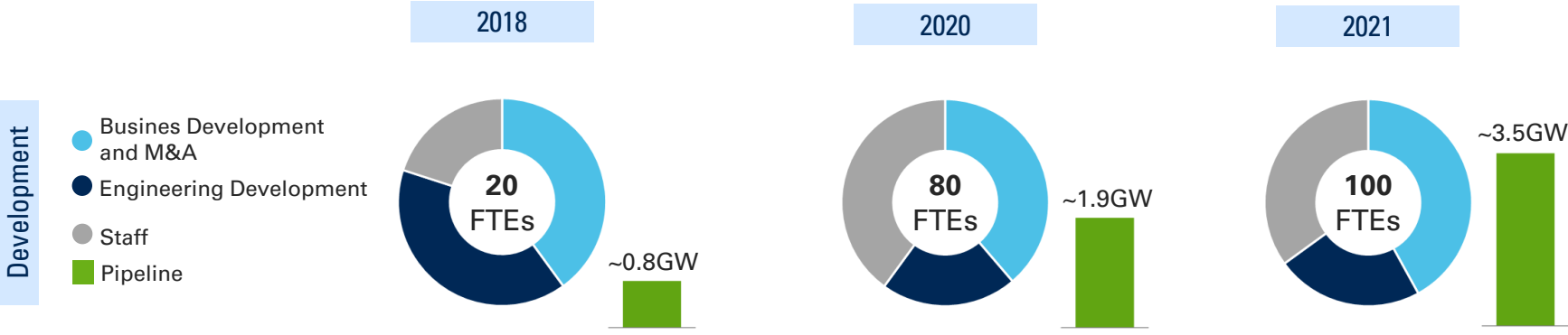
# STRONG EXECUTION IN 2021

## 1 *R*epositioning Portfolio



- Further recent Developments**
-  62MW WIND under construction
  -  92MW SOLAR acquired in 2022
  -  240MW WIND Repowering & Greenfield awarded in auction and under construction

# IMPORTANT STEP FORWARD TOWARDS IN STRENGTHENING LOCAL TEAMS IN BD AND ASSET MANAGEMENT



**2 Reinforcing Organization & Reskilling**

# ERG IS NOW A PURE RENEWABLES PLAYER

## 3 Rotating Invested Capital

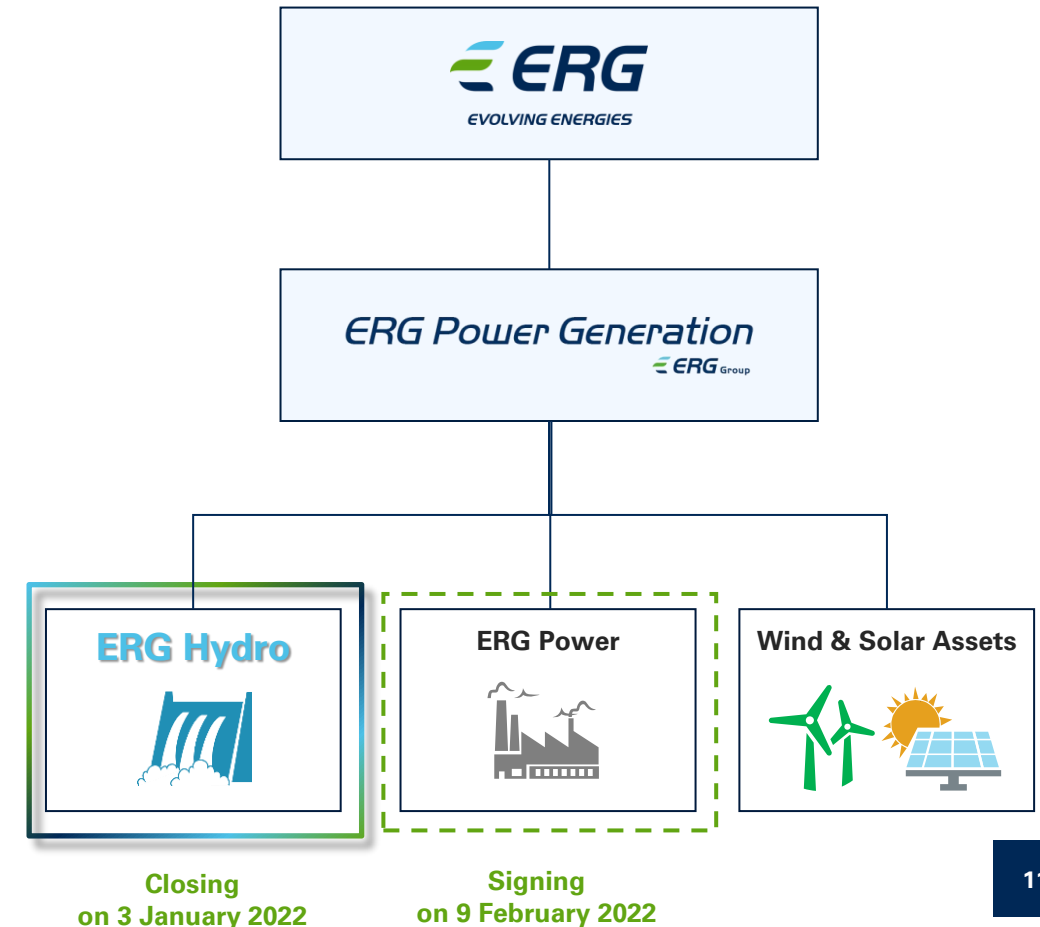
### Overview

- Disposal of Hydro assets and CCGT to ENEL Produzione.
- Total EV for hydro: €1.265bn
- Total EV for CCGT: €188mn plus fair value of derivatives at closing
- Closing for hydro disposal took place on 3 January 2022
- Closing for CCGT expected in 3Q 2022 subject<sup>(1)</sup> to Antitrust Approval
- Total FTE involved: 258

### Strategic Rationale

- Anticipate cash flow to support scale growth in RES business
- Achieve pure RES model, refocusing on 100% ESG compliant businesses
- Lower portfolio “merchant” exposure
- Allowing for energy management focus towards sales & PPA activities
- Decrease business complexity
- Enhancing geographical diversification

<sup>(1)</sup> Golden Power clearance already obtained



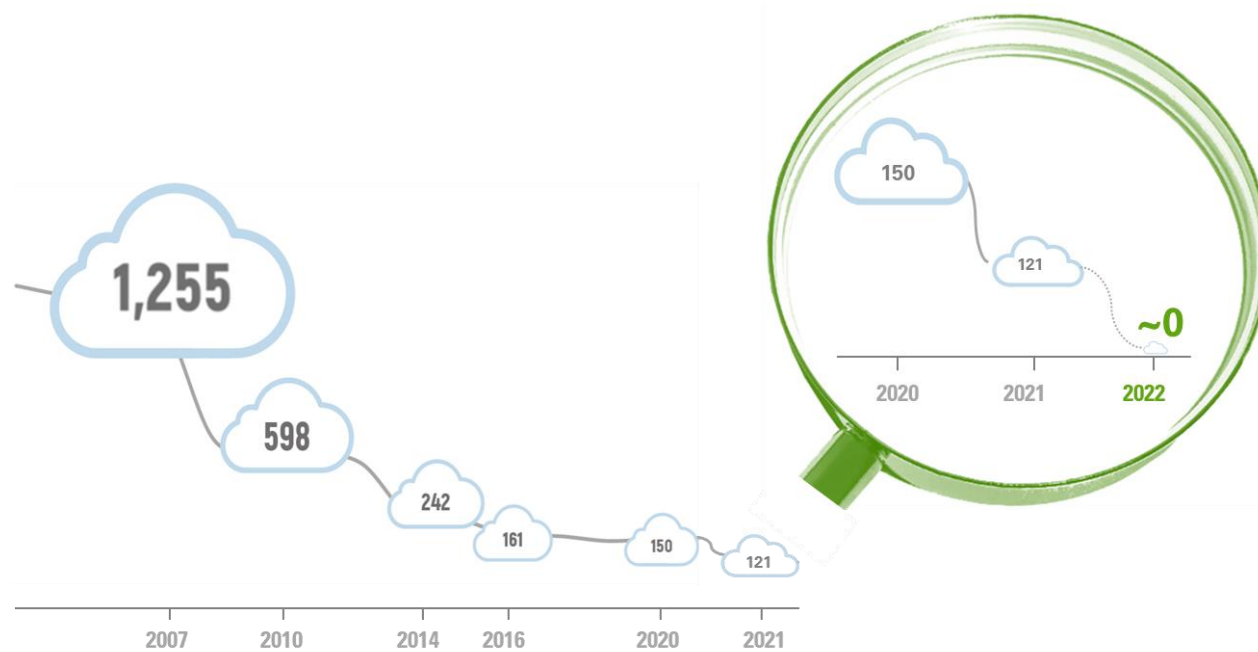


# ACCELERATION OF DECARBONIZATION

## Carbon Index

Pre Asset Rotation

Post Asset Rotation



- Carbon index down 20% in 2021 (baseline 2020)
- Carbon index down to «Zero» after Asset Rotation

## CO<sub>2</sub> Avoided



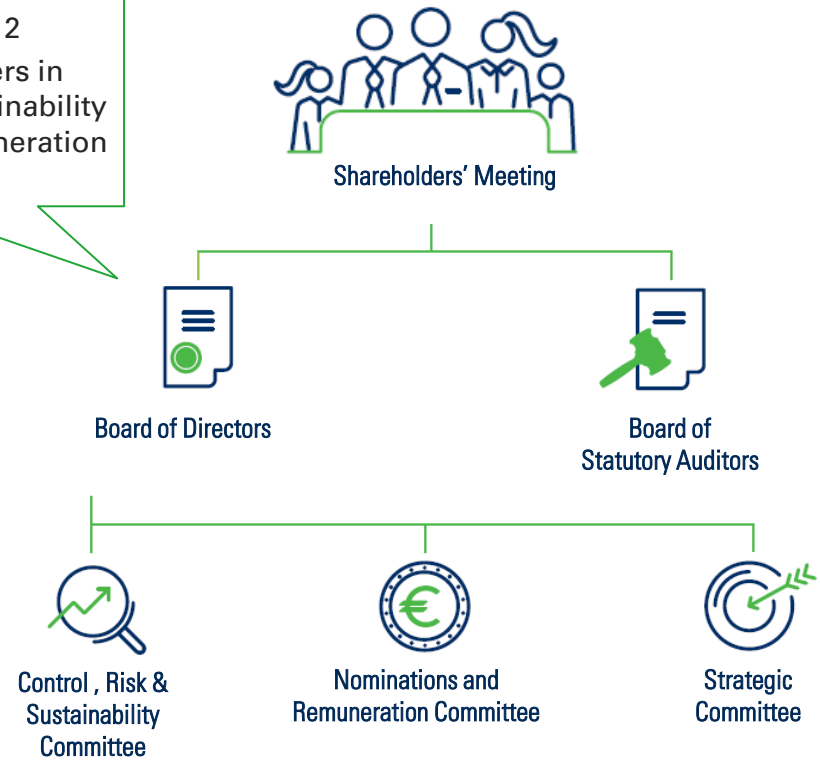
- >3mn t of CO<sub>2</sub> avoided in 2021 and >15mn t over the last 5 years

# A BEST-IN-CLASS GOVERNANCE MODEL

**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

COMPOSED OF BOARD MEMBERS



COMPOSED OF MANAGERS



**A Board Performance Review yielded solid results for 2021**

# FOCUS ON SUSTAINABILITY WAS RECOGNIZED IN 2021

- **Science Based Target** approves emission reduction targets included in the 2021-2025 Business Plan
- **ISS** assigns ERG an "A-" Corporate Rating, placing the Group at the top of the "Electric Utilities" sector



August 2021

- ERG wins the 2021 **Financial Statements Oscar**



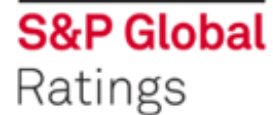
November 2021

- ERG enters for the first time the **Bloomberg Gender Equality Index**



January 2022

April 2021



- ERG included in **S&P Global Clean Energy Index**
- ERG among the 150 companies in the "**Sustainability Leaders**" list

October 2021



- ERG among the 40 blue-chips of the **MIB ESG Index** of Borsa Italiana

December 2021



- **CDP** confirms the A- ERG's rating

February 2022



- ERG enters for the first time the CDP's "**Suppliers Engagement Leaderboard**" with an A rating



# 2022-2026 BUSINESS PLAN

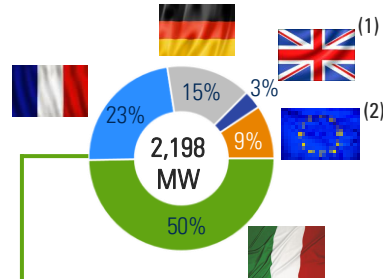
Paolo Merli - CEO



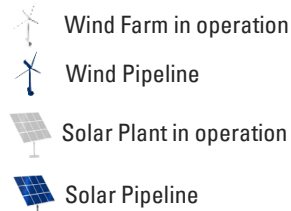
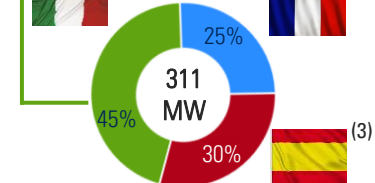
# ERG TODAY: A SOLID PLATFORM OF ASSETS TO BOOST FUTURE GROWTH

## Total installed Capacity

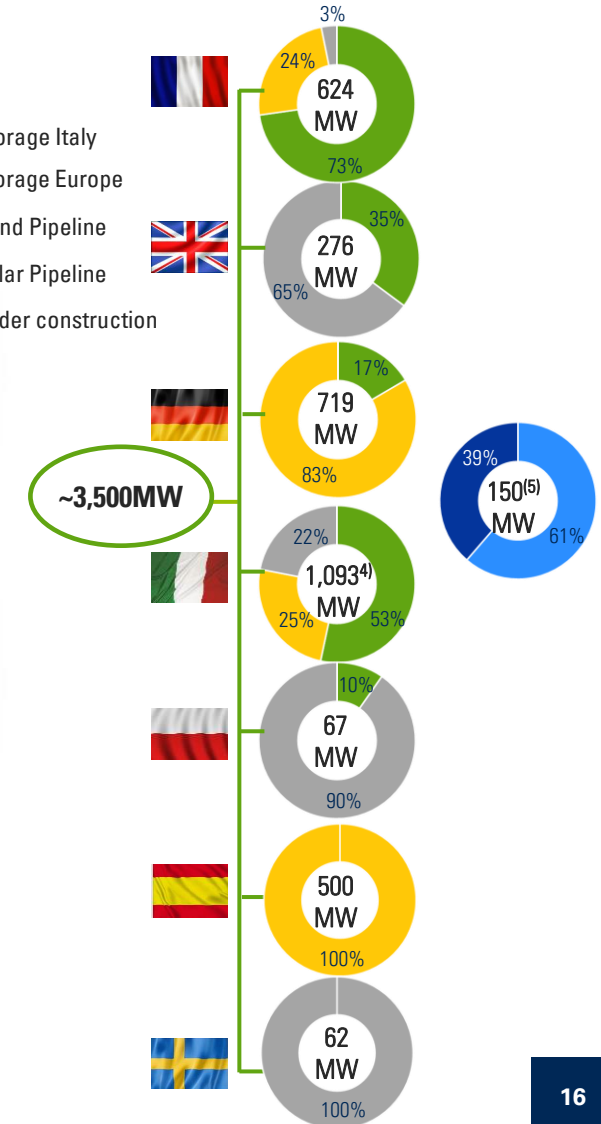
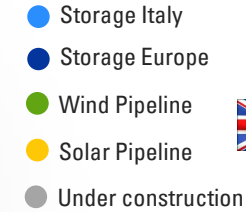
### Wind



### Solar



## Wind, Solar & Storage<sup>(5)</sup> Pipeline



(1) It refers to Craiggore (23.5MW) and Evishagaran (46.8MW) wind farms in Northern Ireland, entered into operation on December 29, 2021

(2) It refers to Poland, Romania and Bulgaria

(3) It refers to the recent acquisition of 92MW, whose closing took place on January 31, 2022

(4) Repowering is on a gross basis

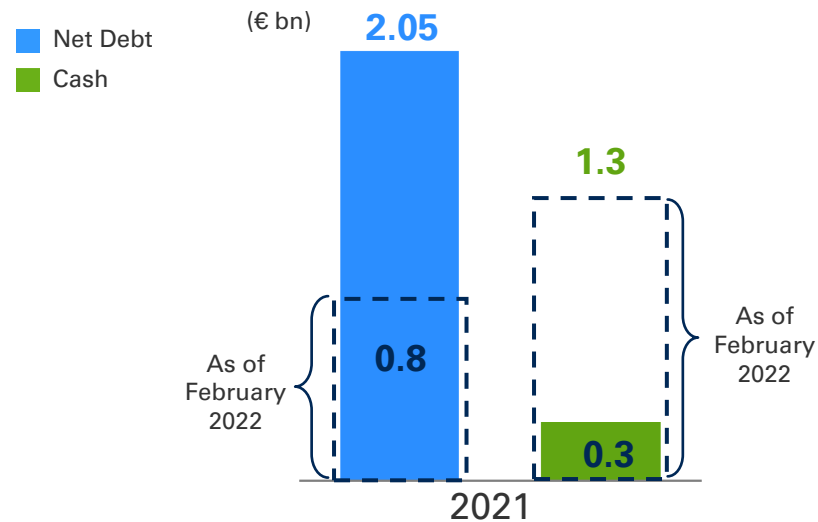
(5) It includes ~150MW storage of which 22MW with auction awarded





# WITH AN INVESTMENT GRADE CAPITAL STRUCTURE

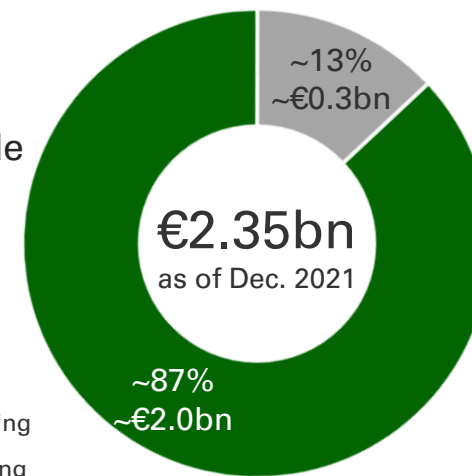
Hefty bulk of liquidity as fuel for growth (as of December 2021)



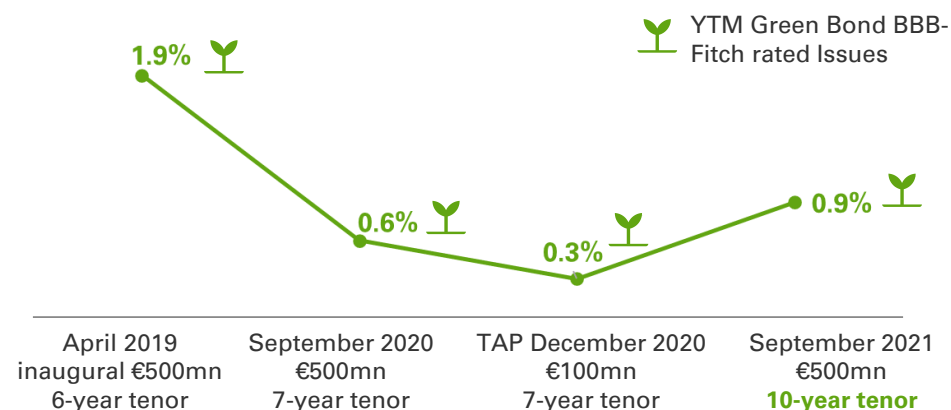
Capital structure aligned to ESG based business model

Financial & Dividend policy:

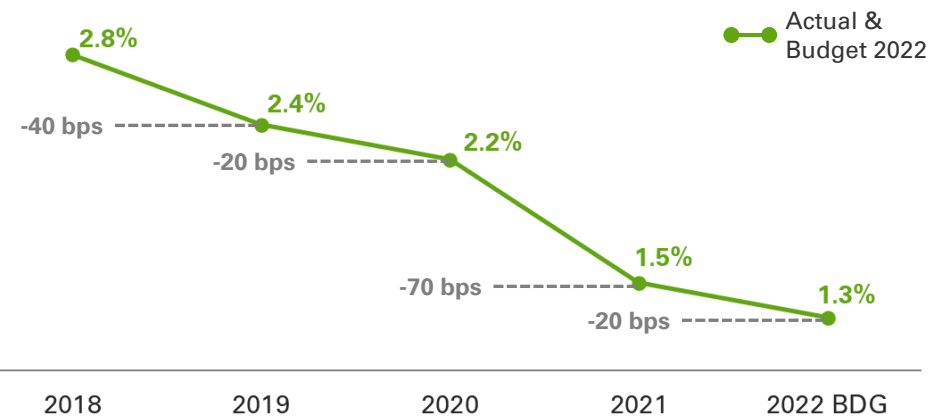
- Net Debt/EBITDA up to ~4x
- Maintaining Investment Grade rating (BBB-)
- **Sustainable dividend from €0.75/sh to €0.90/sh**



Debt Capital Market as key long term funding channel at competitive terms



Cost of Funding MLT



Unique leading renewable player with financial firepower

# Sector Trends

# KEY TRENDS IN THE RENEWABLES MARKET



Geopolitical crisis led to unprecedented power prices spikes...



... bringing more urgency for RES development on top of "Fit-for-55"



Permitting and Grid Connections remain bottlenecks to be solved



PV installed capacity uptake is faster than onshore wind



PPAs have a crucial role as a real route to market for RES



ESG is more and more a game changer

# A REACTION TO HIGH ELECTRICITY PRICES: TEMPORARY MEASURES ON RES PRODUCERS



A EU toolbox issued in October 2021 to support consumers and not negatively affect RES producers

Nevertheless some Member States autonomously issued **different measures limiting profits for RES producers**:



- **“Decreto Bollette”** to cap electricity revenues for RES plants under approval



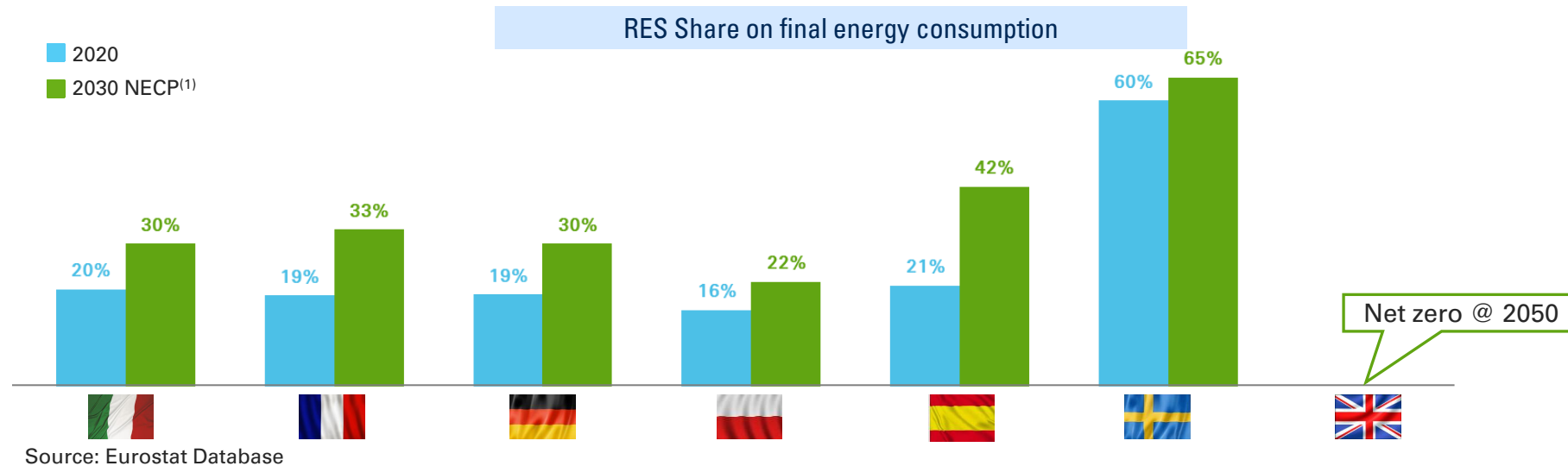
- **80% windfall profit tax on revenues > 450 LEI/MWh** (app. 90 EUR/MWh)



- Mechanism to **reduce the remuneration** for non-CO2 emitting plants > 10 MW

**RES could play a strategic role to solve the “energy crisis” by reducing gas dependence**

# FUNDAMENTALS ARE STILL THERE WITH AGGRESSIVE 2030 RES TARGET



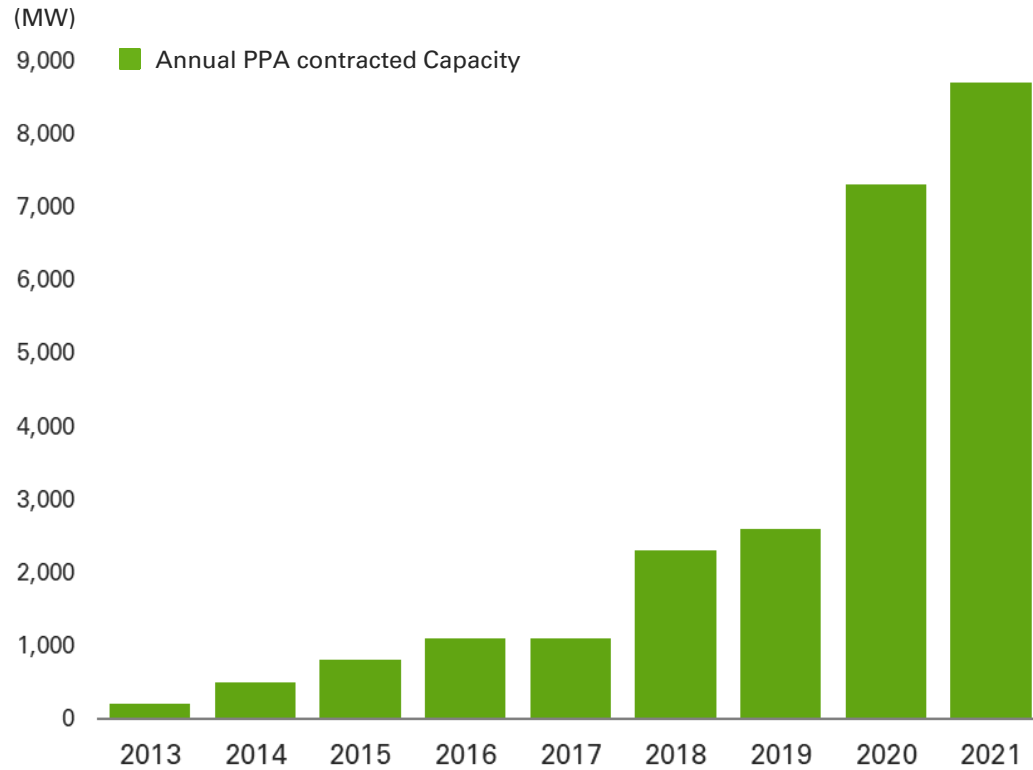
## Strong visibility on auctions on ERG's core countries

Country	Auctioned 2020-2021	Awr/Auct 2020-2021 (%)	Av Price (€/MWh)	Contract / Duration	Visibility
Italy	W + S: 9.6 GW	W + S: 28%	W: 66.1 S: 65.7	2 ways CFD/20yrs	W/S 2022-2027
France	W: 2.8 GW S (>5 MW): 1.6 GW	W: 88% S: 79%	W: 60.5 S: 53.6	2 ways CFD/20yrs	W/S 2022-2026
Germany	W: 8.1 GW S: 2.9 GW	W: 74% S: 100%	W: 60.4 S: 51.2	1 way CFD/20yrs	W/S 2022-2028
Poland	104 TWh	78%	51.5	2 ways CFD/15yrs	W/S 2022-2027
Spain	W+S: 6.3GW	100%	W: 27.7 S: 28	2 ways CFD/12yrs	W/S 2022-2025
UK	n.a.	n.a.	n.a.	2 ways CFD/15yrs	Annual from 2023+

<sup>(1)</sup> NECP target (pre-Fit for 55)

# STRONG ACCELERATION IN PPA MARKET IN RECENT YEARS

PPAs per Country and Year



Source: WindEurope

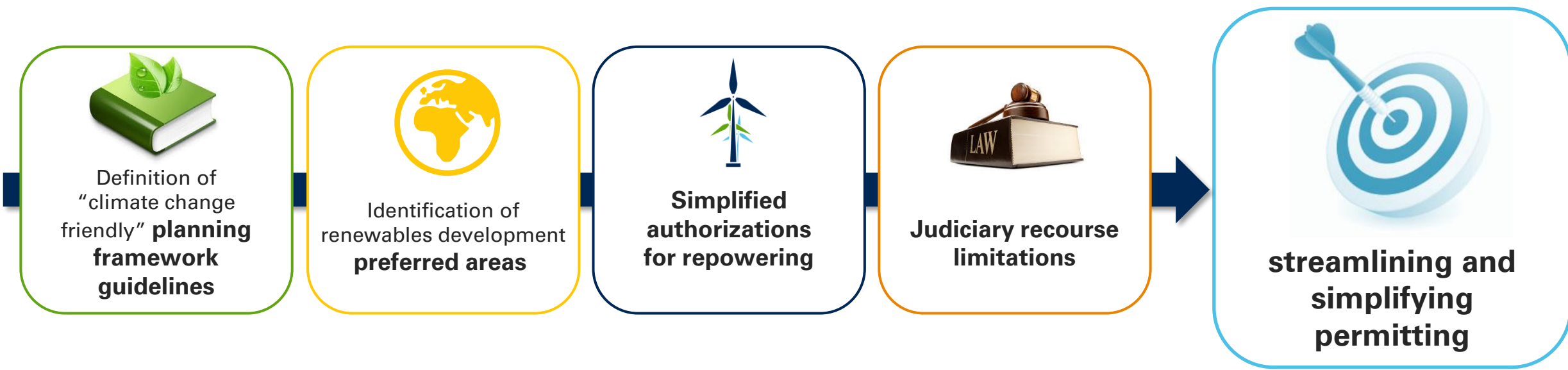
Recent Trend on PPA Prices



**Corporate PPA are gaining ground in all EU ERG's core countries; prices are progressively increasing driven by surging wholesale electricity prices**

(1) Based on 10y fixed baseload price in Germany

# ROLL-OUT OF REGULATORY FRAMEWORKS IS LONGER THAN NEEDED




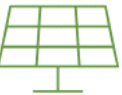






**Permitted projects volumes still lag behind (in particular for wind)  
But geopolitical tensions accelerate urgency for energy transition**

# ERG tomorrow



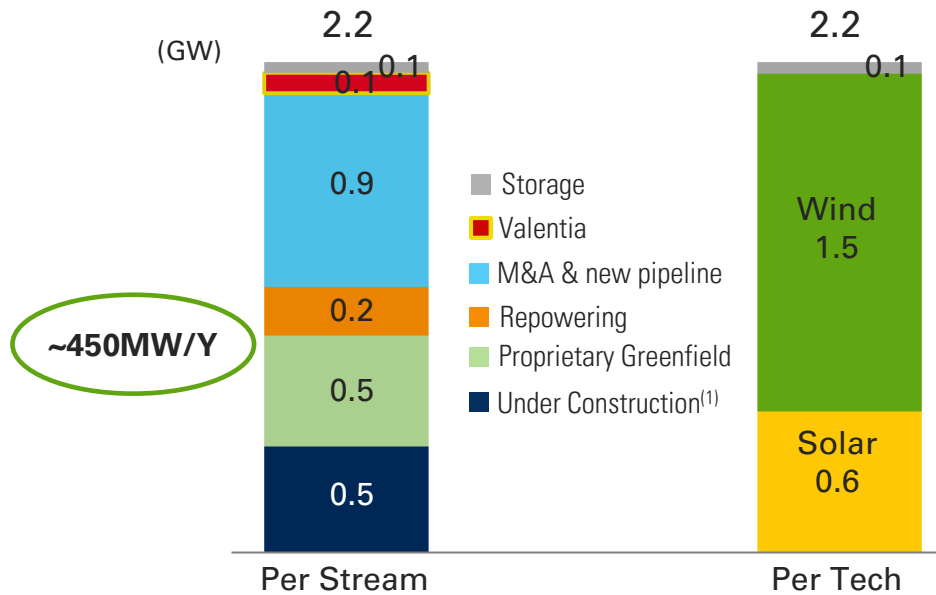
# ERG'S NEW TARGETS TO 2026

	ERG'S 21-25 Targets	ERG'S new targets to 2026
 Growth in scale	+1.5 GW through RPW, Greenfield and M&A	+2.2GW in 2022-26 (~450MW pa) 4.6GW Installed Capacity in 2026
 Energy Sales / Mgmt	80% regulated	85-90% regulated on total EBITDA
 Geographical diversification	Increase in geographical diversification	9-10 countries: EBITDA abroad at ~ 50% @2026
 Solar as strategic pillar	+0.5GMW of solar PV	~650MW of solar PV (out of +2200MW) ~ 20% of solar on group capacity @2026
 Seeding in Innovation	Scouting of opportunities in Storage and Hydrogen	~50MW storage @2026 (o/w 22MW already secured) Scouting on circularity, hydrogen and floating offshore
 Conventional is "legacy"	Opportunities of asset rotation	Completion of CCGT disposal (subject <sup>(1)</sup> to antitrust approval)
 Integration of ESG	ESG Plan	Updated ESG Plan with more challenging KPI
 Dividend Policy	0.75 € per share	0.90 € per share (+20% vs previous)

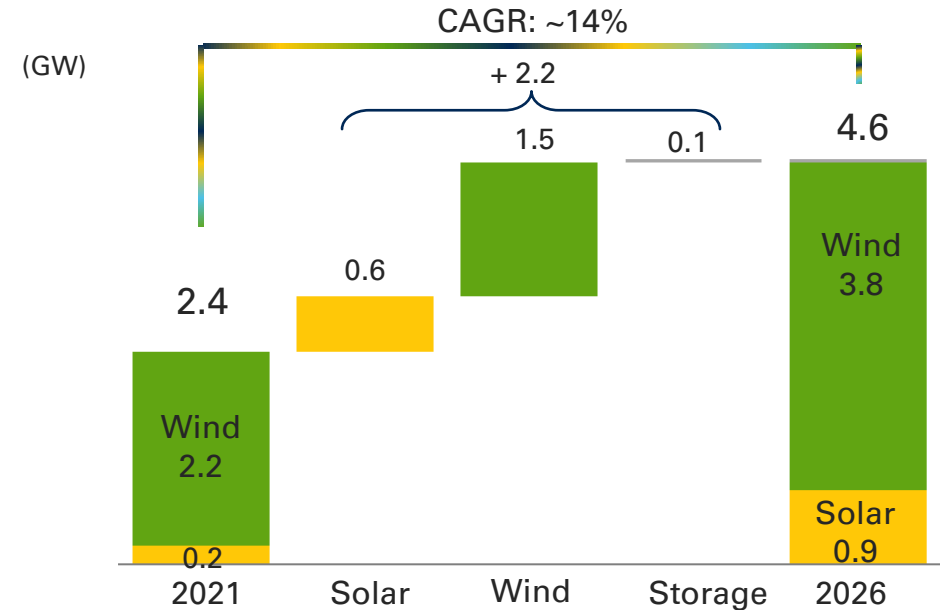
<sup>(1)</sup> Golden Power clearance already obtained

# 2.2GW ADDITIONAL THROUGH: REPOWERING, GREENFIELD & M&A

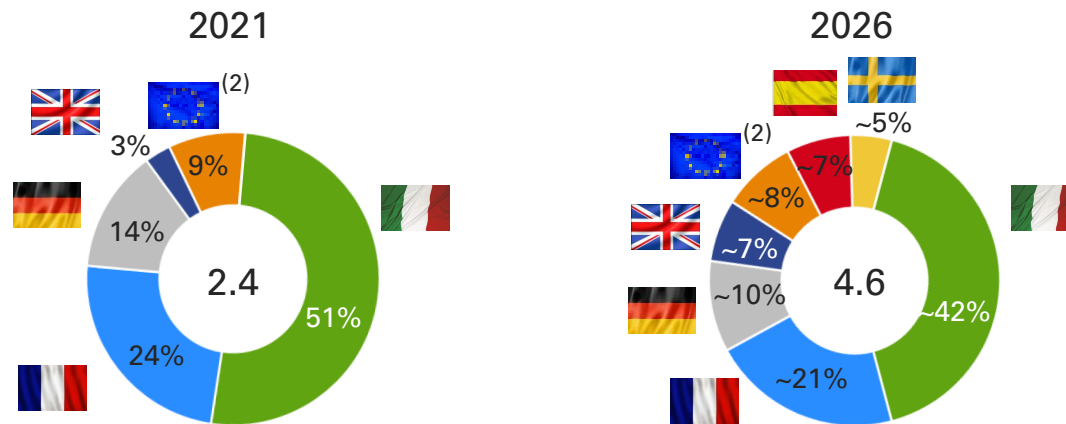
Cumulative RES additional installed Capacity 2022-2026 (GW)



Wind & Solar installed Capacity (GW)



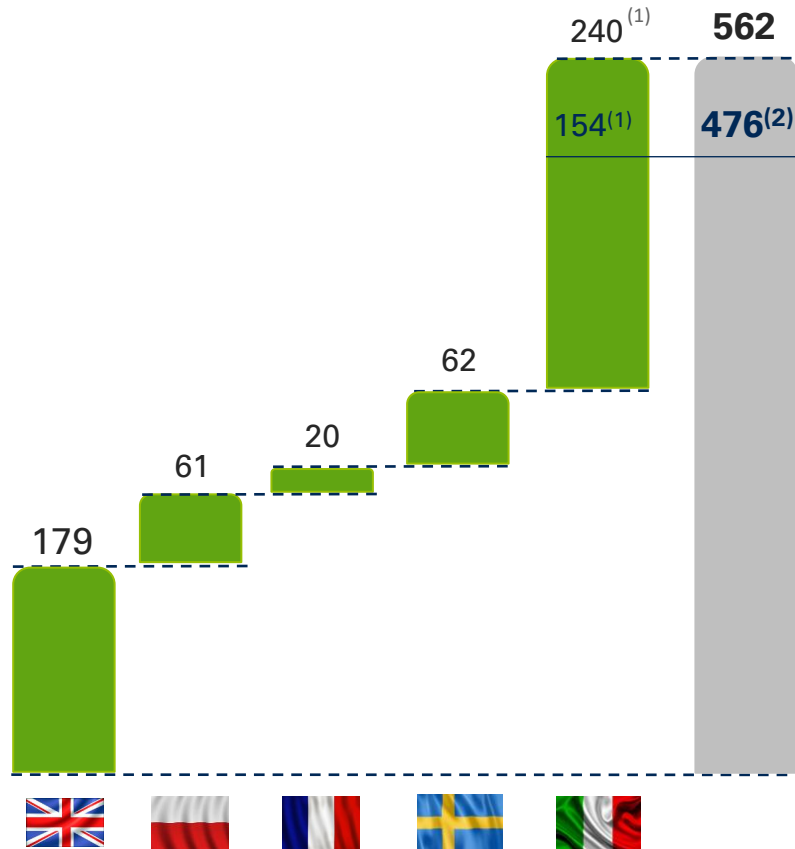
GW by geography



<sup>(1)</sup> It includes about 100MW of Repowering under construction

<sup>(2)</sup> It refers to Poland, Romania and Bulgaria

# 560MW UNDER CONSTRUCTION IN ITALY, UK, FRANCE, POLAND AND SWEDEN



(1) Total MW "to be" (+154MW Δ vs as-is)

(2) Total MW under construction on a differential basis

**Sandy Knowe**

86MW

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

**Creag Riabhach**

92MW

Construction started in 4Q 2020  
COD: 3Q 2022  
Producibility: 2,900 heq

**Piotrkow**

24.5MW

Construction started in 4Q 2020  
COD: 2Q 2022  
Producibility: 3,100 heq

**Laszki**

36MW

Construction started in 2Q 2021  
COD: 4Q 2022  
Producibility: 2,500 heq

**Champagne I – Les Bouchats**

20MW

Construction started in 3Q 2021  
COD: 2Q 2022  
Producibility: 2,300 heq

**Furuby**

62MW

Construction started in 2Q 2021  
COD: 1Q 2023  
Producibility: 3,400 heq

**Mineo-Militello-Vizzini**

101MW to be, 51MW Δ vs as-is

Construction to start in 3Q 2022  
COD: 3Q 2023  
Producibility: 2,300 heq

**Monreale-Partinico**

42MW to be, 26MW Δ vs as-is

Construction to start in 2Q 2022  
COD: 4Q 2022  
Producibility: 2,200 heq

**Roccapalumba**

47MW

Construction to start in 3Q 2022  
COD: 3Q 2023  
Producibility: 2,100 heq

**Camporeale**

50MW to be, 30MW Δ vs as-is

Construction to start in 3Q 2022  
COD: 1Q 2023  
Producibility: 1,700 heq



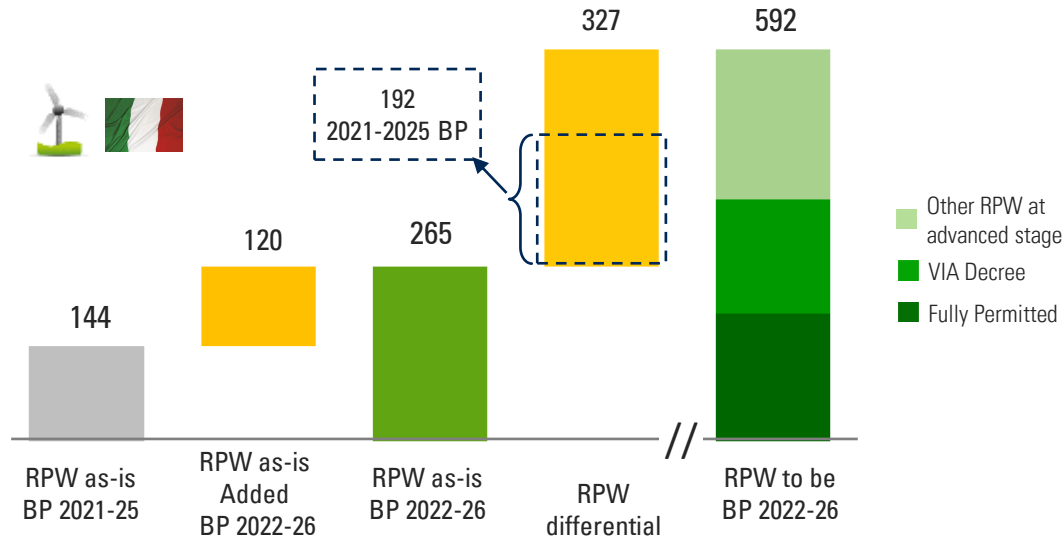
PPA



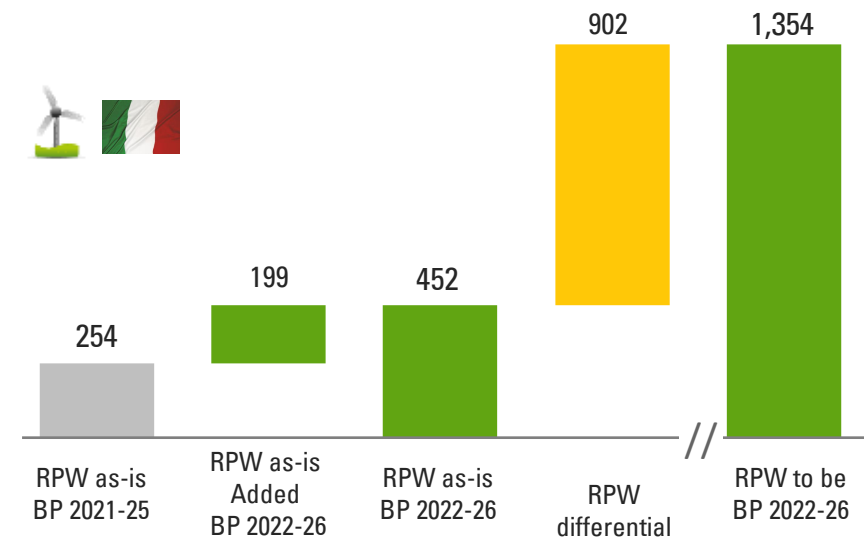
Auction

# OUR REPOWERING PROJECTS IN ITALY ARE GAINING VISIBILITY

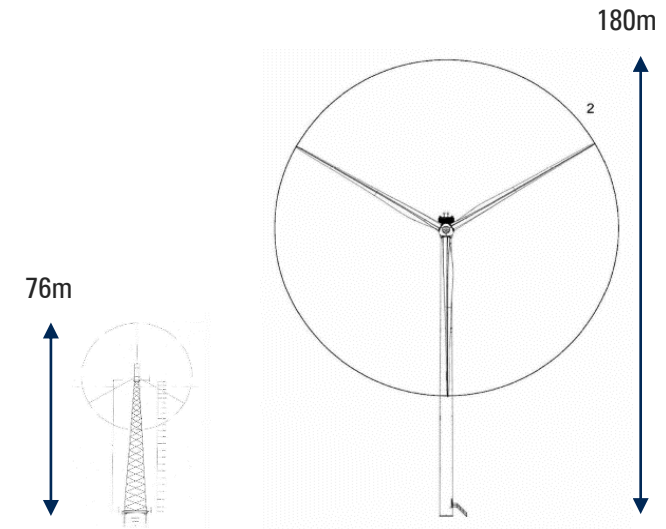
RPW: Capacity (MW)



RPW: Production (TWh)



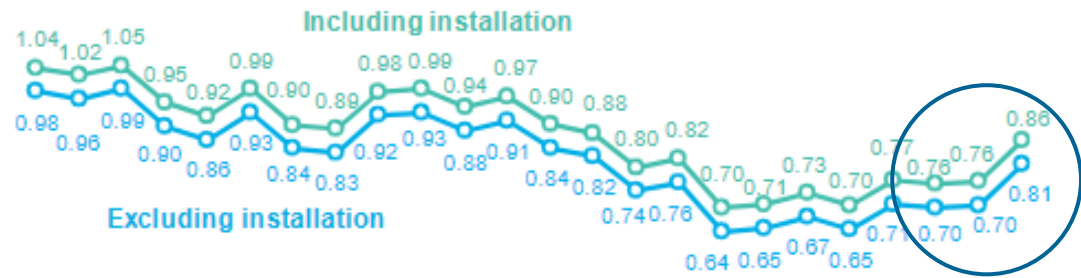
	N. WTG	→	0.5X
	MW	→	2.0X ÷ 2.5X
	PRODUCTION	→	3.0X



# WIND: PRICES TREND WTG

## Onshore wind turbine prices in EUR

Million euros per MW, nominal



1H	2H	1H	2H	1H	2H	1H	2H	1H	2H	1H	2H	1H	2H	1H	2H	1H	2H
2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021						

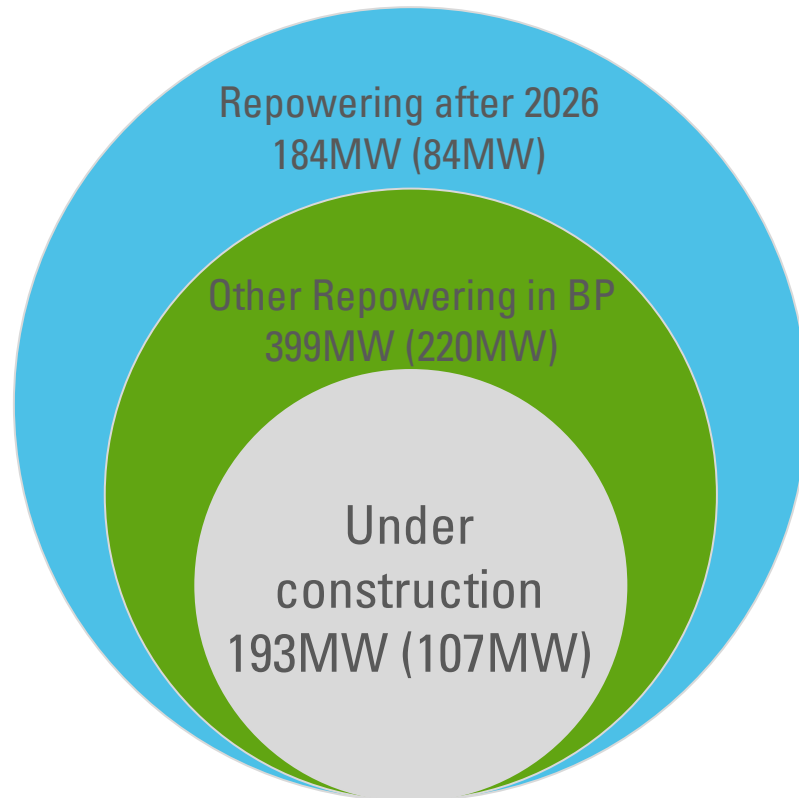
Source: BloombergNEF

Signing date

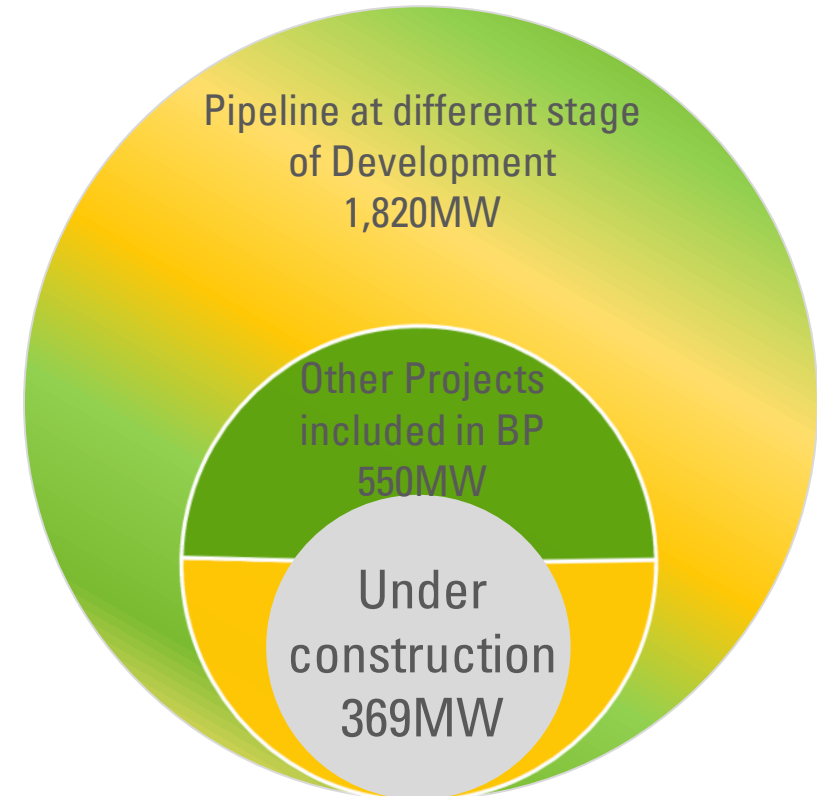
**Short term WTG prices increases, with expectation of a longer-term stabilization**  
**Limited impact for secured CAPEX given framework agreement with Vestas and Enercon**

# POTENTIAL UPSIDE FROM PIPELINE IN CASE OF PERMITTING SIMPLIFICATION

Gross (Net) Repowering Pipeline: 780MW (411MW)

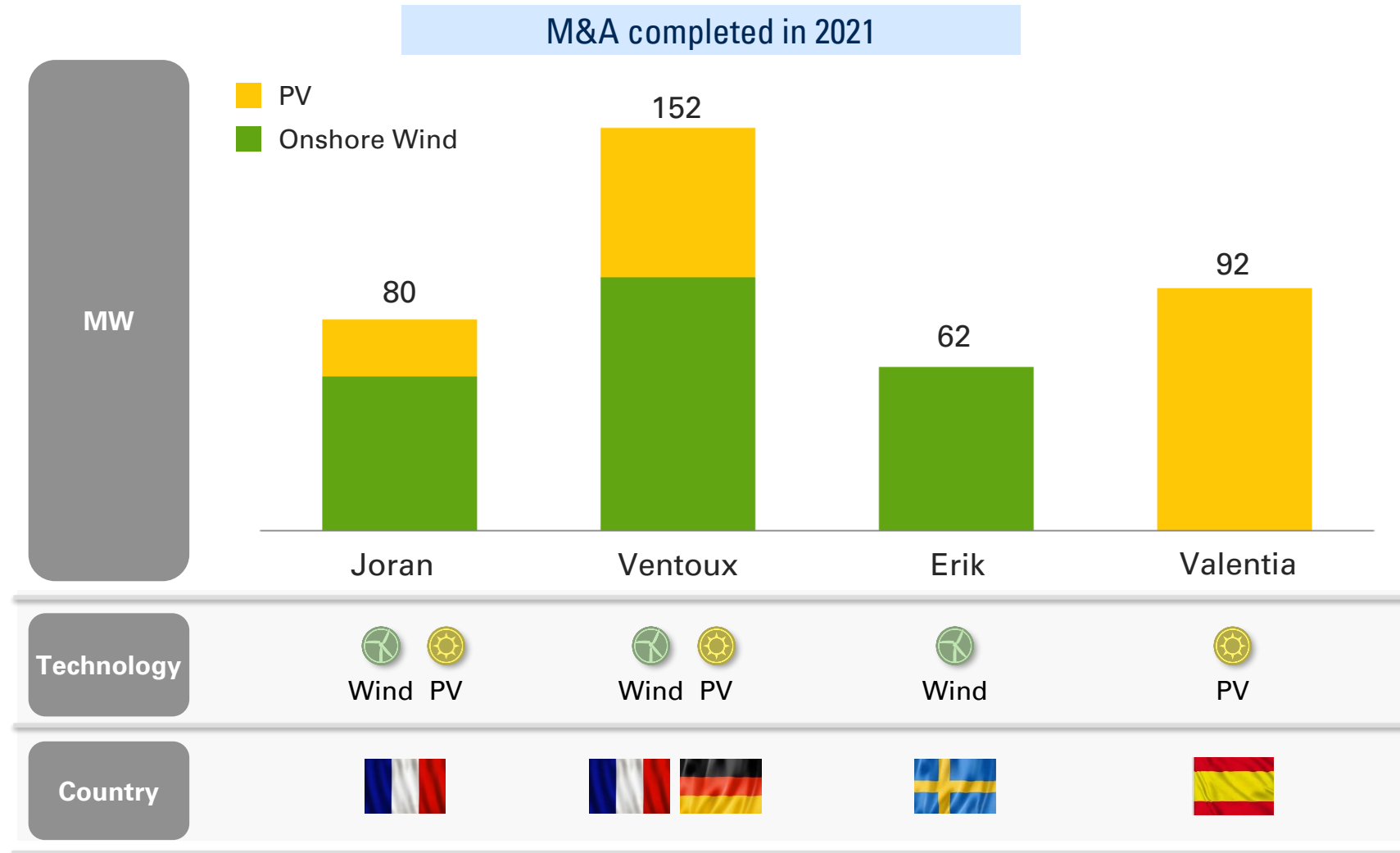


Wind, Solar & Storage Pipeline: 2,700MW



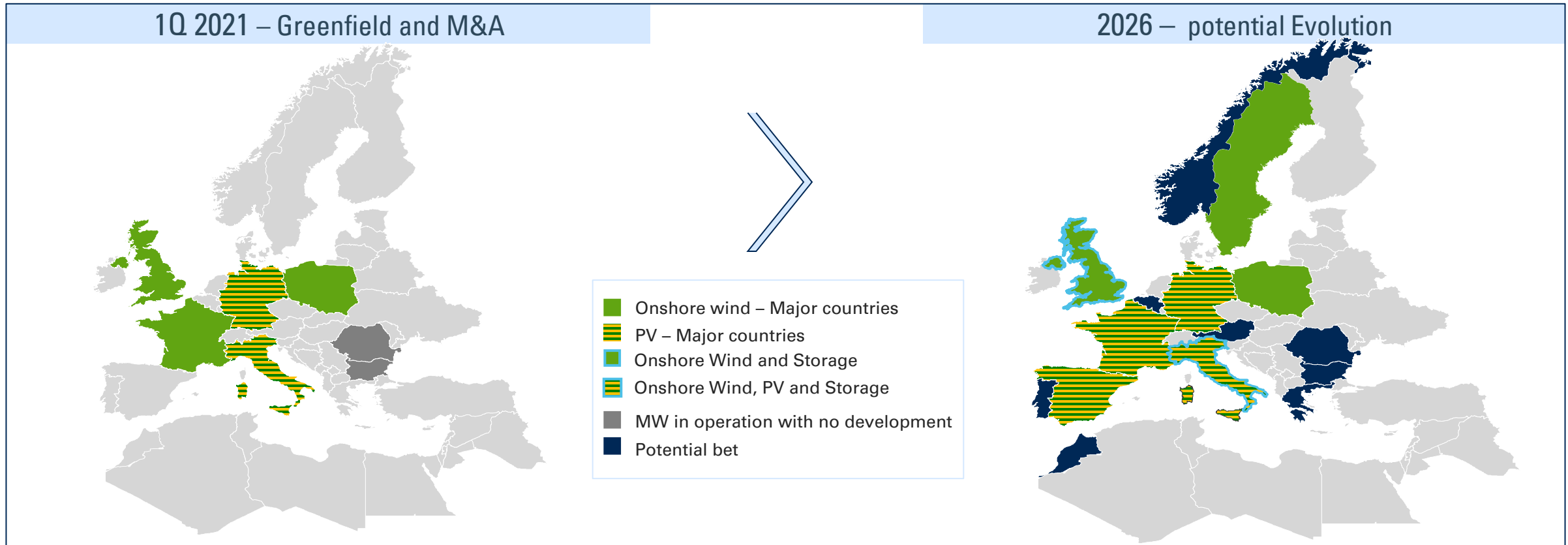
**Leveraging on owned pipeline to boost our growth**

# LEVERAGING ON A STRONG TRACK RECORD IN M&A



Currently under scrutiny several opportunities in wind & solar

# THE EXPECTED EVOLUTION: MORE GEOGRAPHIES TO ADD DIVERSIFICATION


















**Towards a new enlarged and technologically diversified portfolio**



# An Infrastructural Business Model

# UPDATE ON ERG PPA STRATEGY

Country	Plants & Capacity	Price range & structure	Tenor / start date	Industry and Rating Counterparty	Volume	Negotiation status
 	Wind Portfolio (25MW BL) + Avigliano/Lacedonia (53MW)	Collar structure	10 years/ Jan'22		220GWh/Y Baseload + 120 GWh/Y Pay as Produced	SIGNED ✓
 	Bois Bigot, Bois de l'Arche/ Theta PTF (72MW)	Fixed Price	5 years/ Sept – Dec '21		~145GWh/Y Pay as Produced	SIGNED ✓
 	Evishagaran/ Craiggore (70MW)	Fixed Price	5 years/ Jan'22	 ElectroRoute	~236GWh/Y Pay as Produced	SIGNED ✓
 	Sandy Knowe/ Creag Riabach (179MW)	Fixed Price	10 years / Jan'23 CR Jan'24 SK	Utility/ Corporate	~405GWh Baseload	Contract under final negotiation
 	Poland/ Romania (152MW)	Fixed Price	5 years/ Jan'23 – Jan'24	Utility/ Corporate	~340GWh/Y Baseload	Contract under negotiation
 	Sweden (62MW)	Fixed Price	10 years/ Jan'23	Utility/ Corporate	150GWh/Y Baseload	Offer requested

**Already secured 3.4TWh in BP period (700GWh/Y) through long term PPAs in 2021**  
**The aim is to deliver a sizable PPA stream to secure additional 400MW**

# OUR STRONG INDUSTRIAL FOOTPRINT: REBLADING & SOLAR REVAMPING

## Reblading

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

**What we are doing:** concluded reblading for 249 blades

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

**Dismantling consistent with ESG Strategy:** >98% circular

-  83 turbines certified with new blades and new controller
-  249 blades replaced
-  249 blade bearings replaced
-  total overhaul of all mechanical components accompanying the blades
-  19.982 man-hours for blade and controller assembly
-  1.452 man-hours in pre-assembly at blade factory
-  0 accidents/incidents











## Revamping

**What is it:** replacement of the old PV modules, with new ones with lower degradation rate and higher efficiency

**What we are doing:** Planning the dismantling on worksite for about 160k solar PV panels

**Deployment plan:** Planned revamping for a total installed capacity of 30MW




**Dismantling consistent with ESG Strategy:** >90% circular

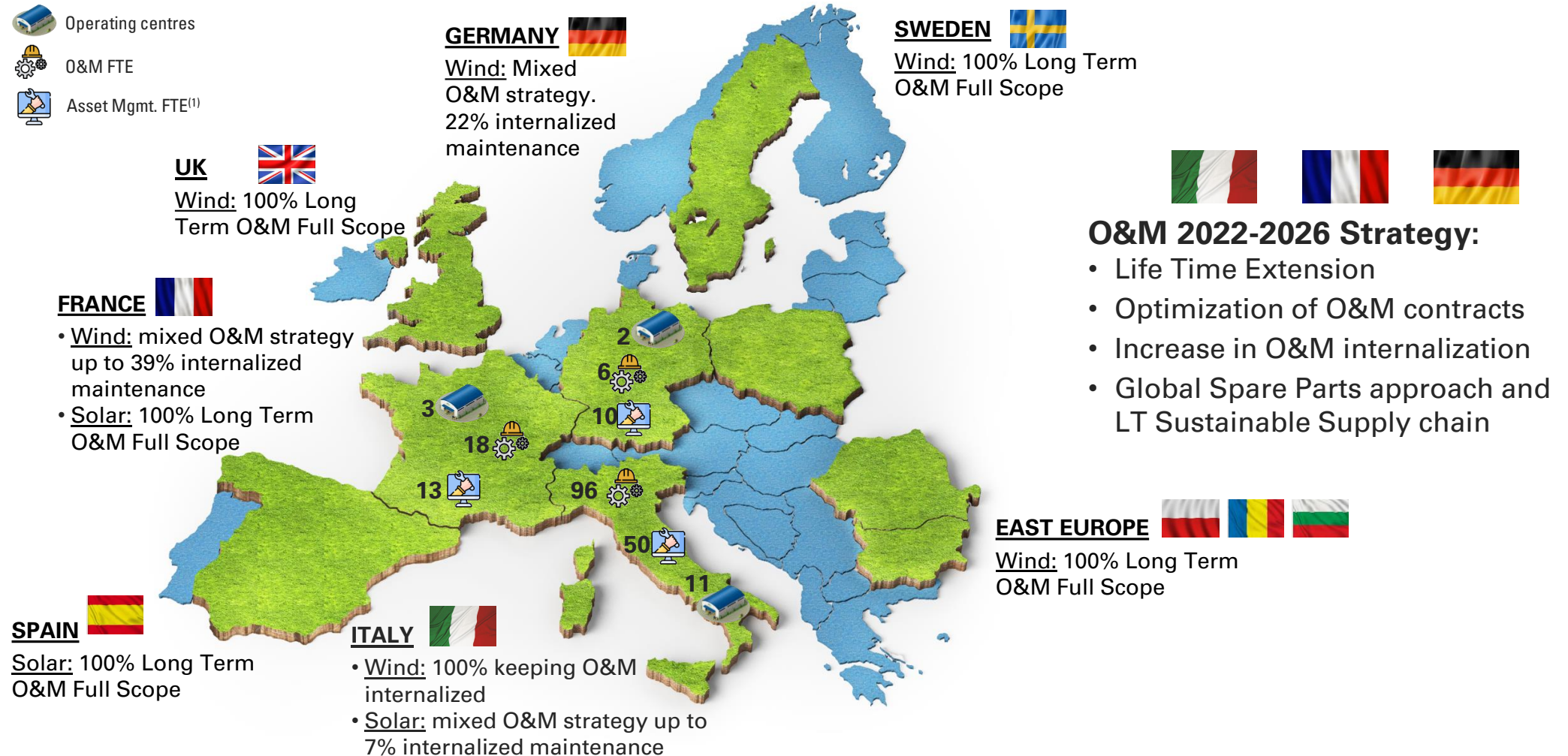
-  30 MW
-  18 PV farms
-  160k solar PV panels
-  12 months revamping project
-  20% increase of energy production
-  +4720 ton/year CO2 avoided
-  30% less soil consumption
-  Social purpose for solar revamping



Our in-depth knowledge of the plants and industrial expertise enhance Asset Value

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

-  Operating centres
-  O&M FTE
-  Asset Mgmt. FTE<sup>(1)</sup>



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

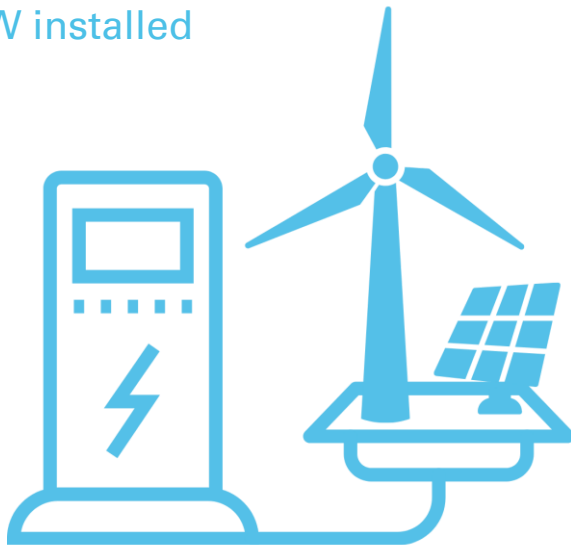
<sup>(1)</sup> It includes HSE and Warehouses

# FROM SEEDING TO A CONCRETE STEP FORWARD IN INNOVATION

## Storage

Storage is key to support RES:

- Assigned 22 MW of Gross Capacity in the Capacity Market auction for the 2024-2039 period
- Ginestra (10MW) e Vicari (12MW), equipped with lithium technology
- Both project will be active in MSD and load shifting
- A pipeline of projects under evaluation
- 2026 Target: 50MW installed



## Digitalization

Multi-year partnership with Istituto Italiano di Tecnologia to improve asset management in particular remote control, data analysis, production optimization



## Floating

Exploring opportunity with technical feasibility study and regulatory aspect for wind floating In Italy



## Circularity

- **Dismantled Wind Turbines.** Possible collaboration with primary utilities for the planning and realization of an industrial scale recycling pilot plant
- **Solar Purpose for Solar Revamping** under study



## Hydrogen

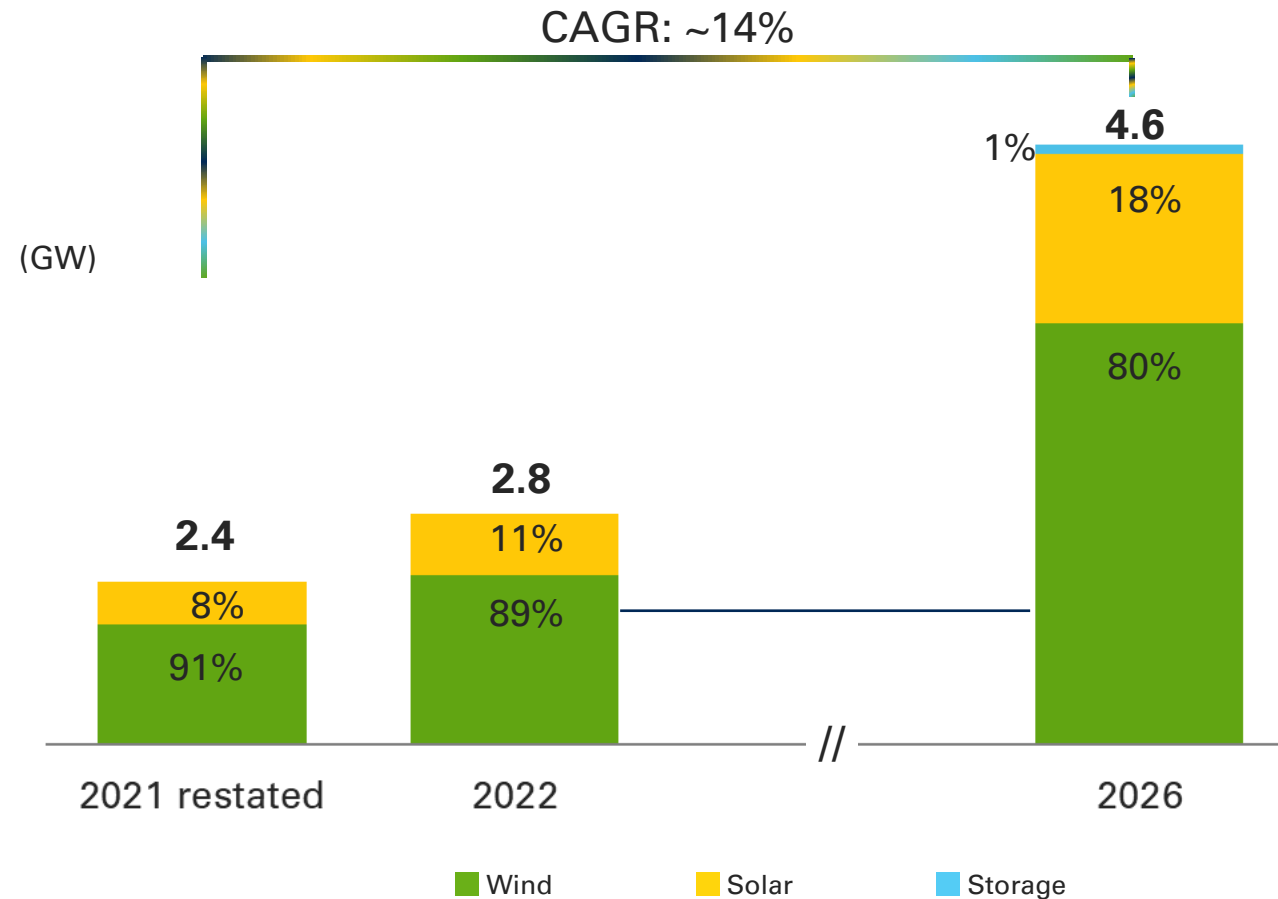
Under evaluation partnerships or collaboration to explore opportunities in hydrogen





# 2022-2026 Targets

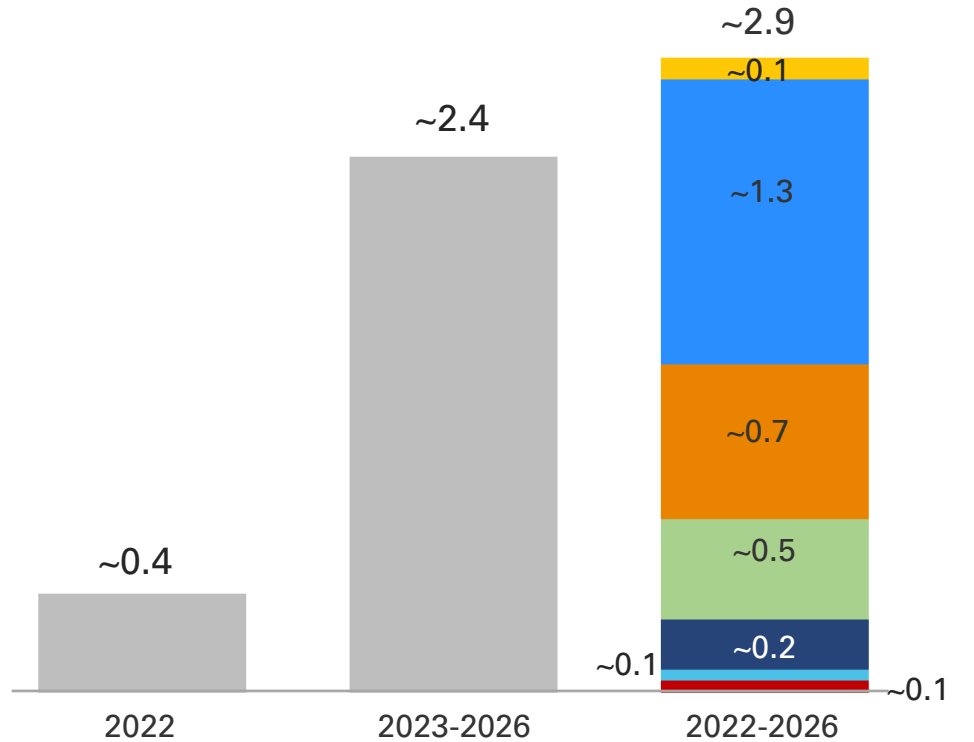
# CAPACITY EVOLUTION IN 2022-2026



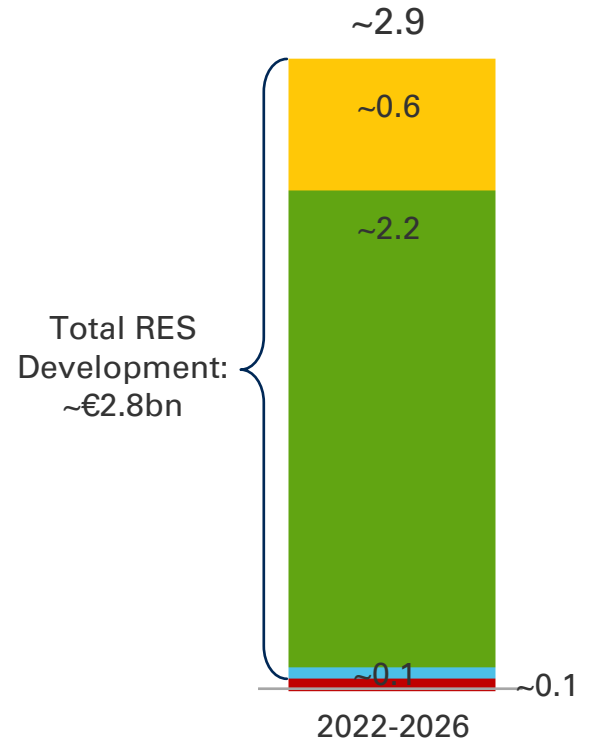
**+2,200MW (450MW per year) added to strengthen ERG RES portfolio**

# CAPEX EVOLUTION IN 2022-2026

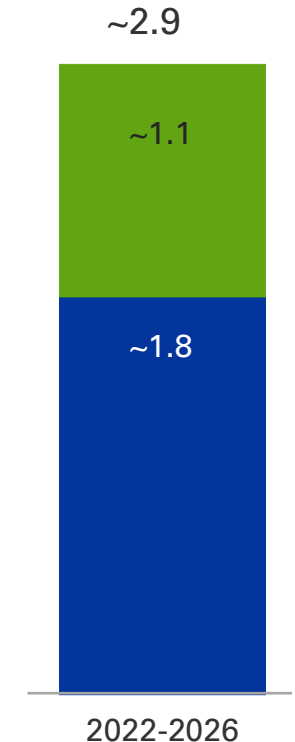
per Stream (€ bn)



per Technology (€ bn)



per Geography (€ bn)



- Storage
- Under Construction / Ready-to-build
- Repowering
- Valentia
- Maintenance
- Proprietary Greenfield
- M&A

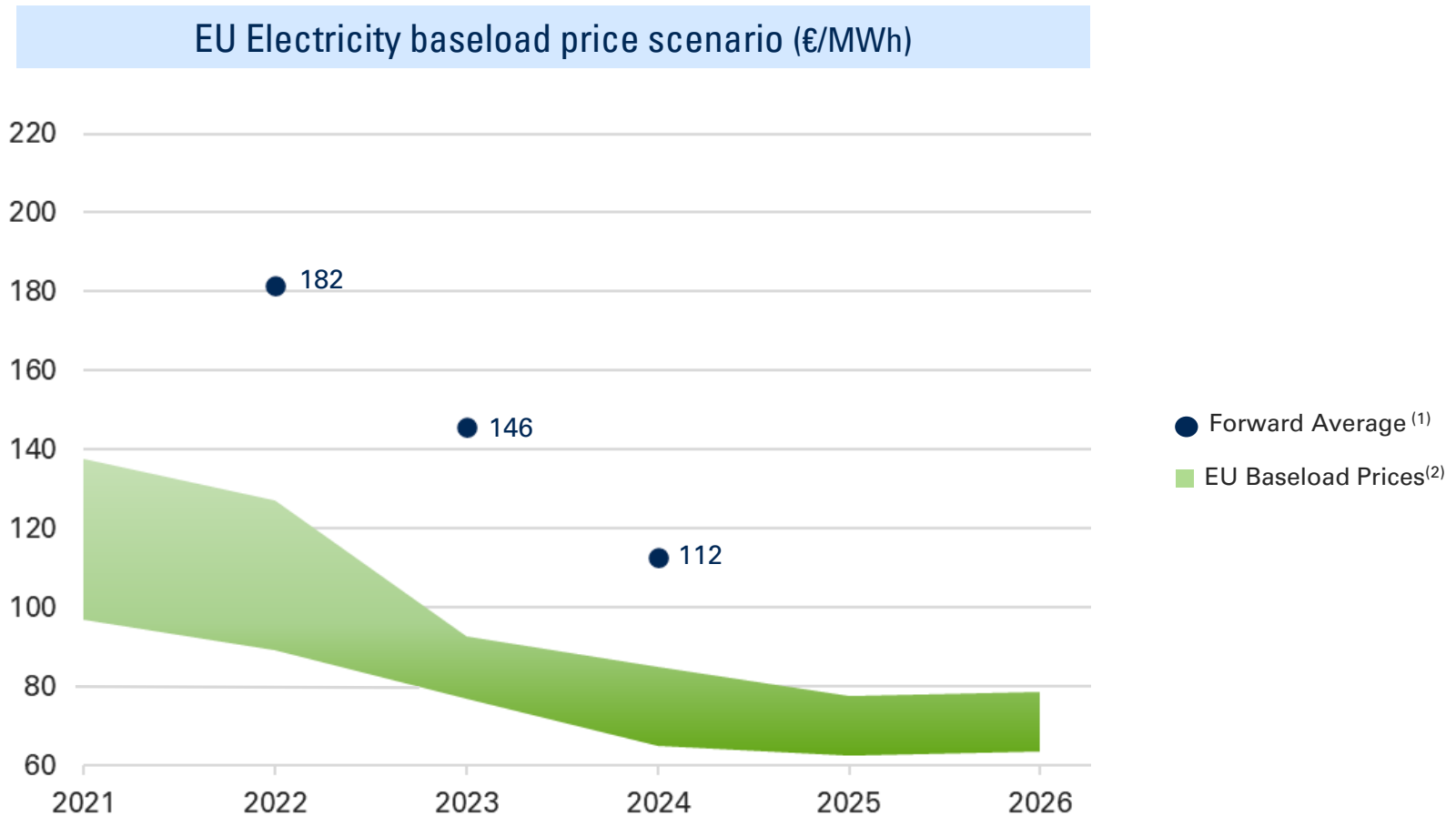
- Solar
- Wind
- Storage
- Maintenance

- Italy
- Abroad

**A capex plan to further enhance geographical & technological diversification**



# MERCHANT PRICES ENVIRONMENT: OUR VIEW

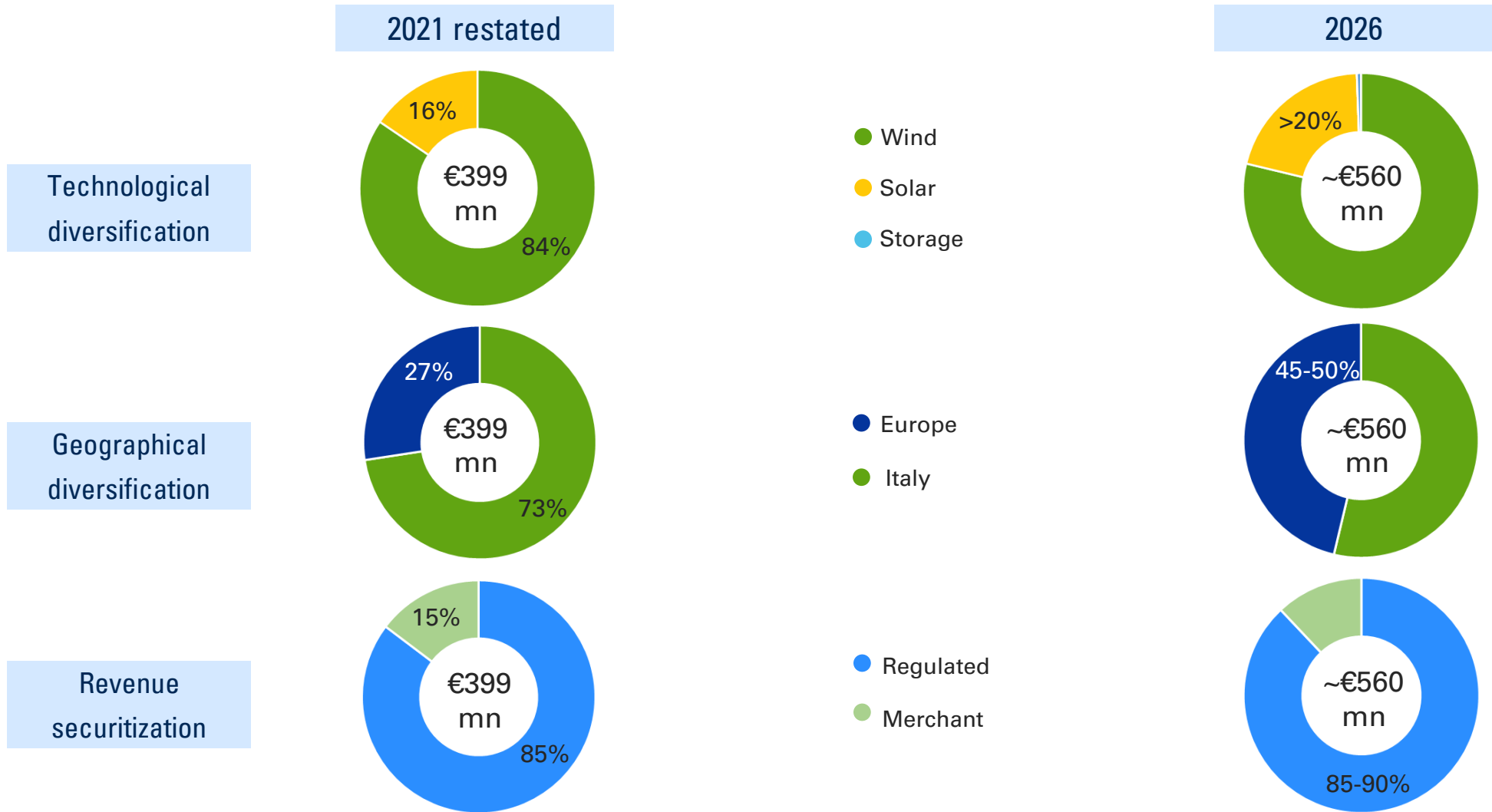


**BP assumptions based on a more cautious price scenario (vs forwards) ahead of an expected normalization back to fundamentals**

(1) It represents the average forward price prices in various ERG's reference countries fall

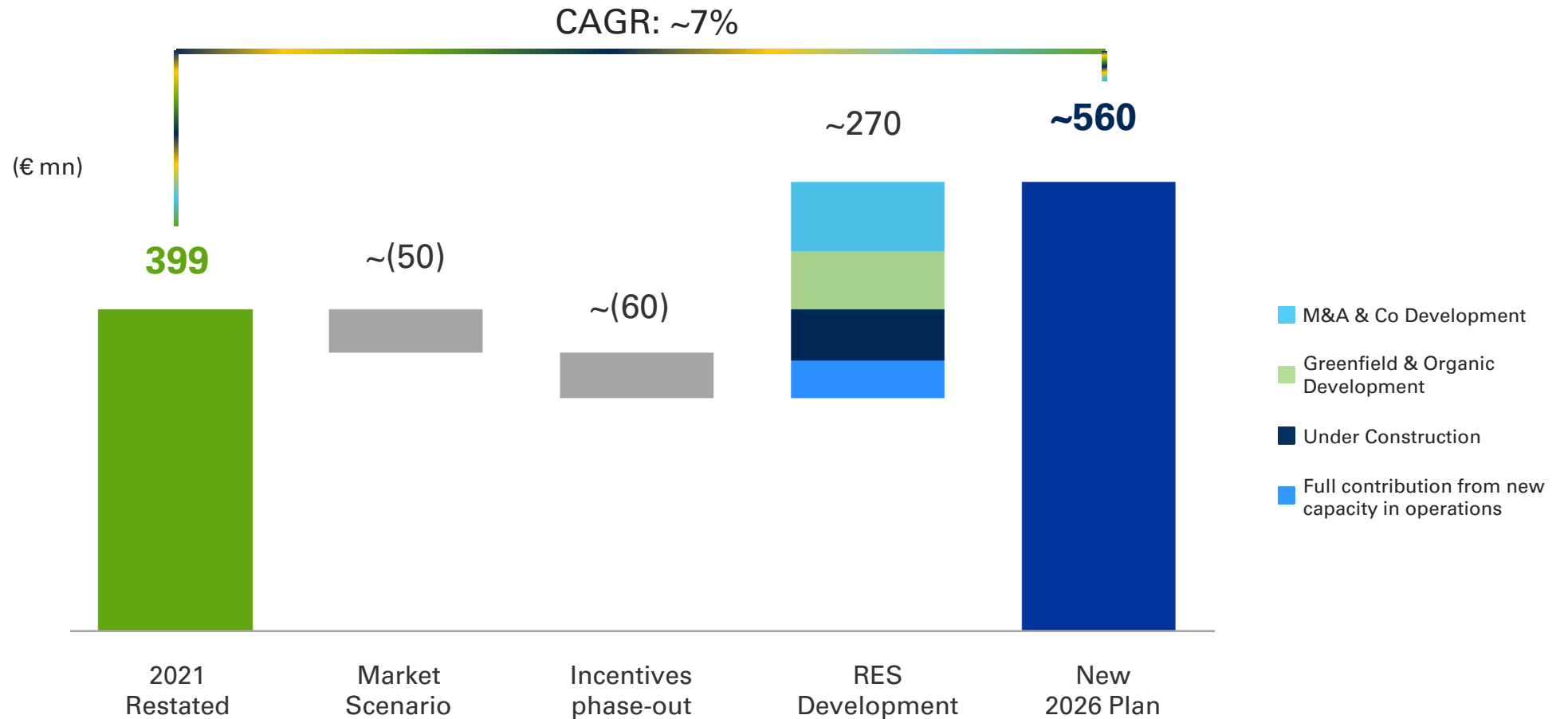
(2) It represents the range where expected prices in various ERG's reference countries fall. Sensitivity to prices is anyway limited by exposure to PPA, CfD mechanism and hedging

# EBITDA EVOLUTION IN THE PLAN PERIOD



**A more diversified portfolio with a rising infrastructural revenue component**

# EBITDA TO BENEFIT FROM STRONG GROWTH OF RES PORTFOLIO



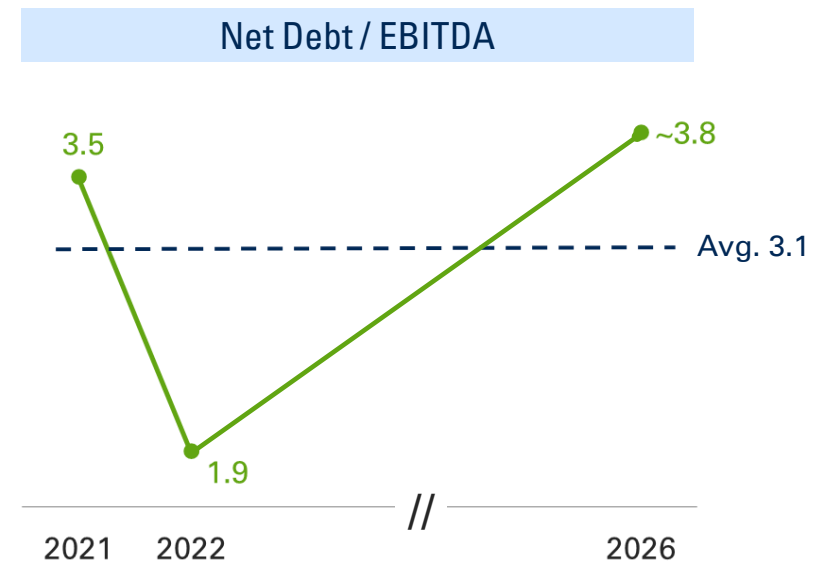
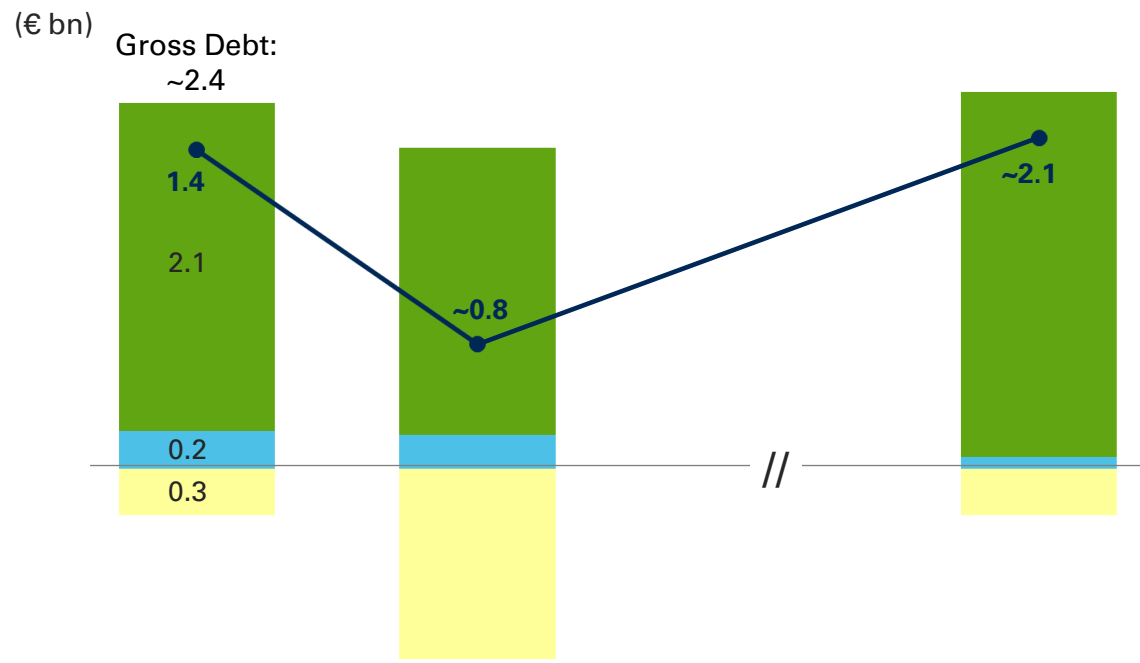
**RES development to more than offset the phasing out of incentives**



# 2022-2026 FINANCIAL STRATEGY

Michele Pedemonte - CFO

# SOLID FINANCIAL PROFILE PRESERVED OVER 2022-2026 BP PERIOD



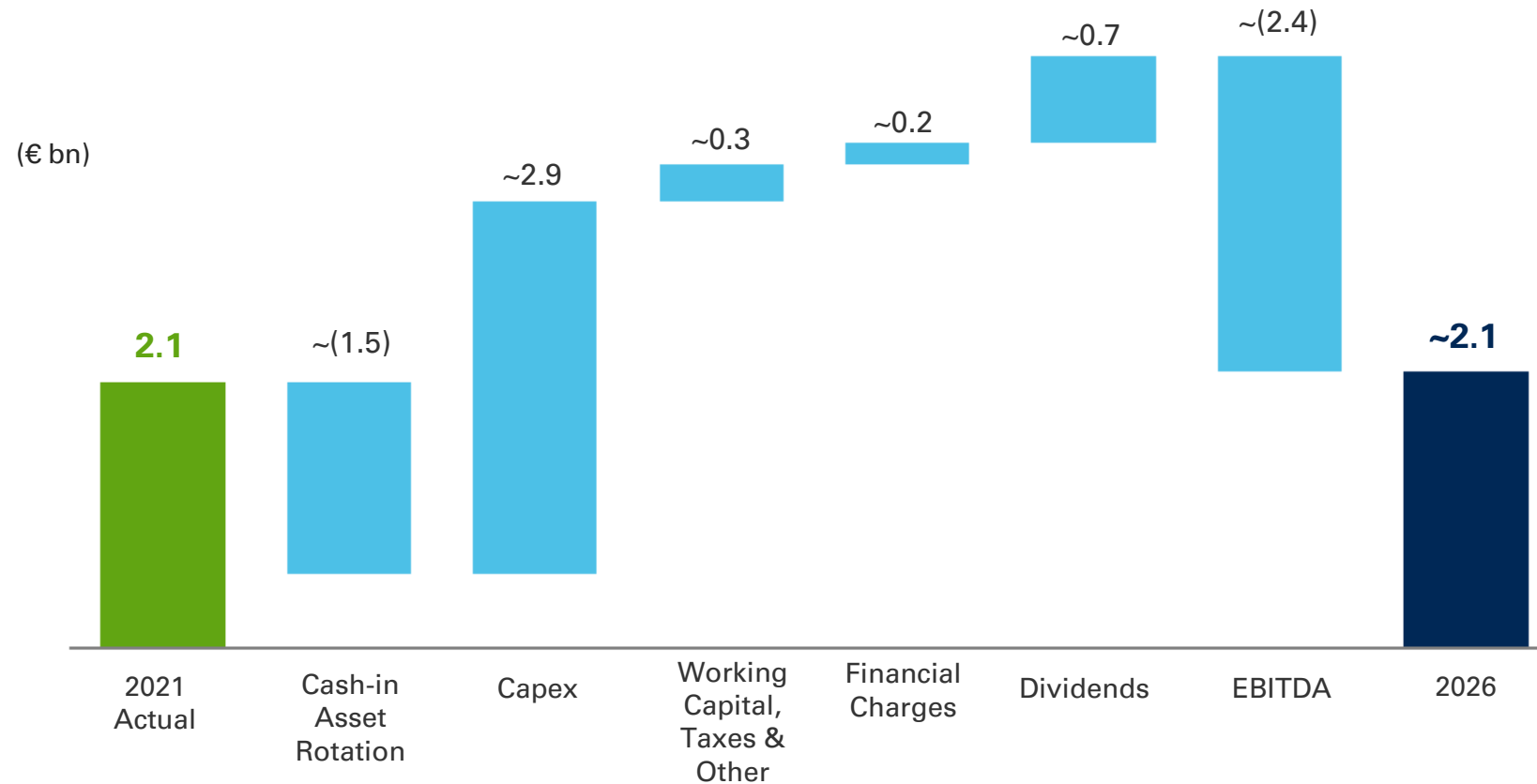
	2021	2022	//	2026
Cost of Gross Debt:	1.5% <sup>(1)</sup>	1.3%		1.3%

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

**Financial policy: maintaining BBB- investment grade rating and Net Debt/Ebitda up to 4.0x**

<sup>(1)</sup> Kd proforma post Liabilities Management

# A RELEVERAGE TO BOOST RES PORTFOLIO



**Sustainable leverage increase consistent with current investment grade rating**

# A ROBUST FINANCIAL STRUCTURE

## Debt Structure as of 31 December 2021

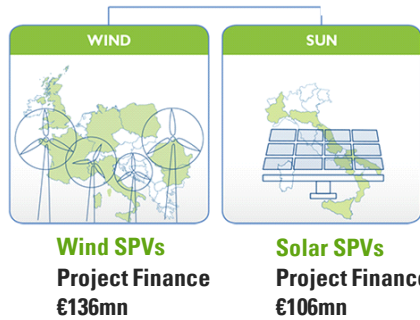
**ERG Group**

Total Medium Lon Term Debt  
€2,352mn

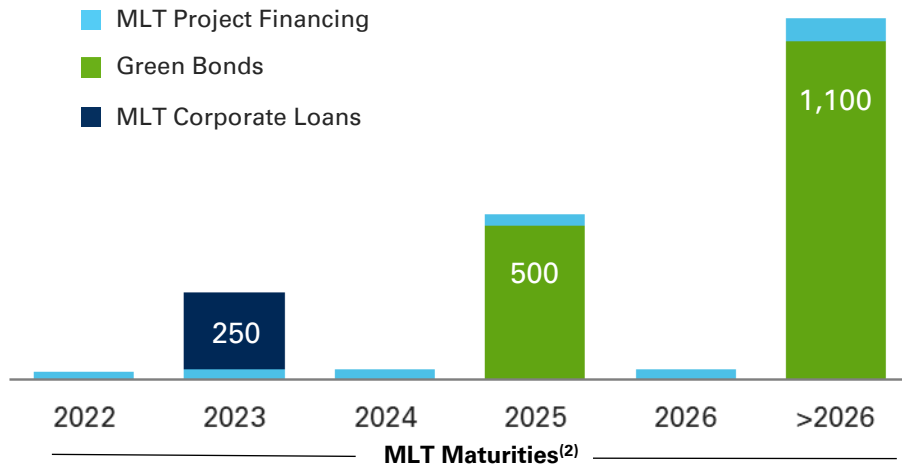


**ERG S.p.A.<sup>(1)</sup>**

Corporate Loans<sup>(2)</sup> €510mn  
Bonds €1,600mn



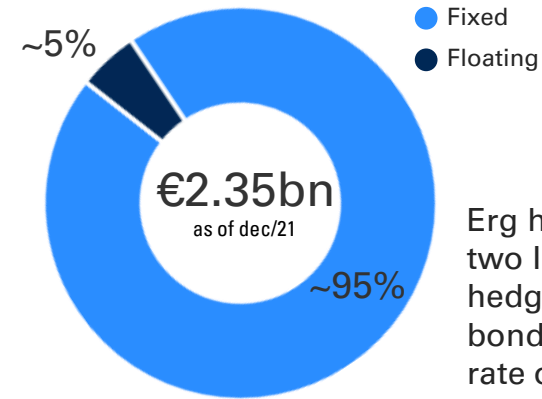
## No refinancing needs until mid 2023



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

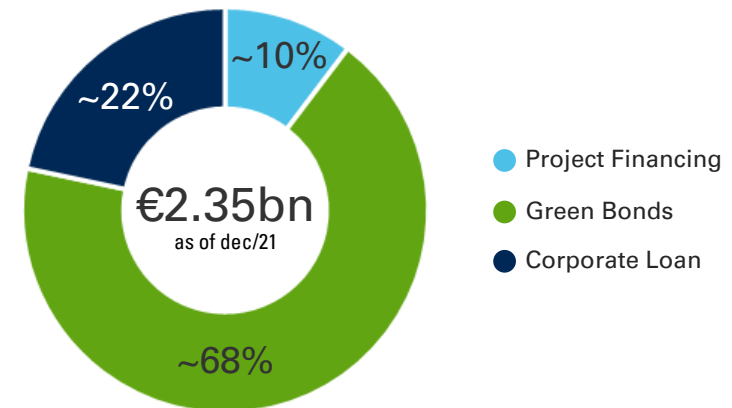
<sup>(2)</sup> Corporate Loans for an amount of €260mn have been prepaid in early 2022

## Interest rate risk fully offset



Erg has also entered into two IRS forward start to hedge €500mn of future bond issues at an average rate of 0.3%

## Switch from PF to DCM funding completed



# ESG ALWAYS AT THE CORE

Emanuela Delucchi - Chief ESG, IR & Communication



# KEY TRENDS IN THE ESG WORLD



Towards a “Net Zero” world



D&I at the basis of a sustainable development



Social integration & flexibility at the basis of employees retention



\$140 trillion of ESG funds by 2025<sup>(1)</sup>



EU Green Taxonomy to avoid “greenwashing”

<sup>(1)</sup> Bloomberg estimates

# ESG AT THE CORE OF ERG'S 2022-2026 STRATEGY



## ERG 8 KEY ESG PRIORITIES...



### Planet

- Net Zero
- Circular Economy (Wind & Solar)



### Engagement

- ERG Academy for Next Generation
- >1% for the Community



### People

- ERG Academy for ERG People
- Inclusion & Diversity



### Governance

- ESG objectives into MBO and LTI
- ESG Finance

## ... BUT CONTINUOUS IMPROVEMENT on other 8 projects well on track



### Planet:

- Energy Efficiency
- Biodiversity



### Engagement:

- Trust & Reputation



### Governance:

- Tax Control Framework abroad
- Sustainable Procurement
- Enhancing Governance Model



### People:

- Health & Safety always
- Employees' well-being

We still focus on 8 priorities which will be the bulk of our ESG strategy

FROM CARBON NEUTRALITY... TO NET ZERO

# ERG will reach Net Zero Target @2040 (to be approved by SBT)

The strategy to become Net Zero @2040

Asset Rotation  
CCGT  
@2022

100% RES  
production  
@ 2023

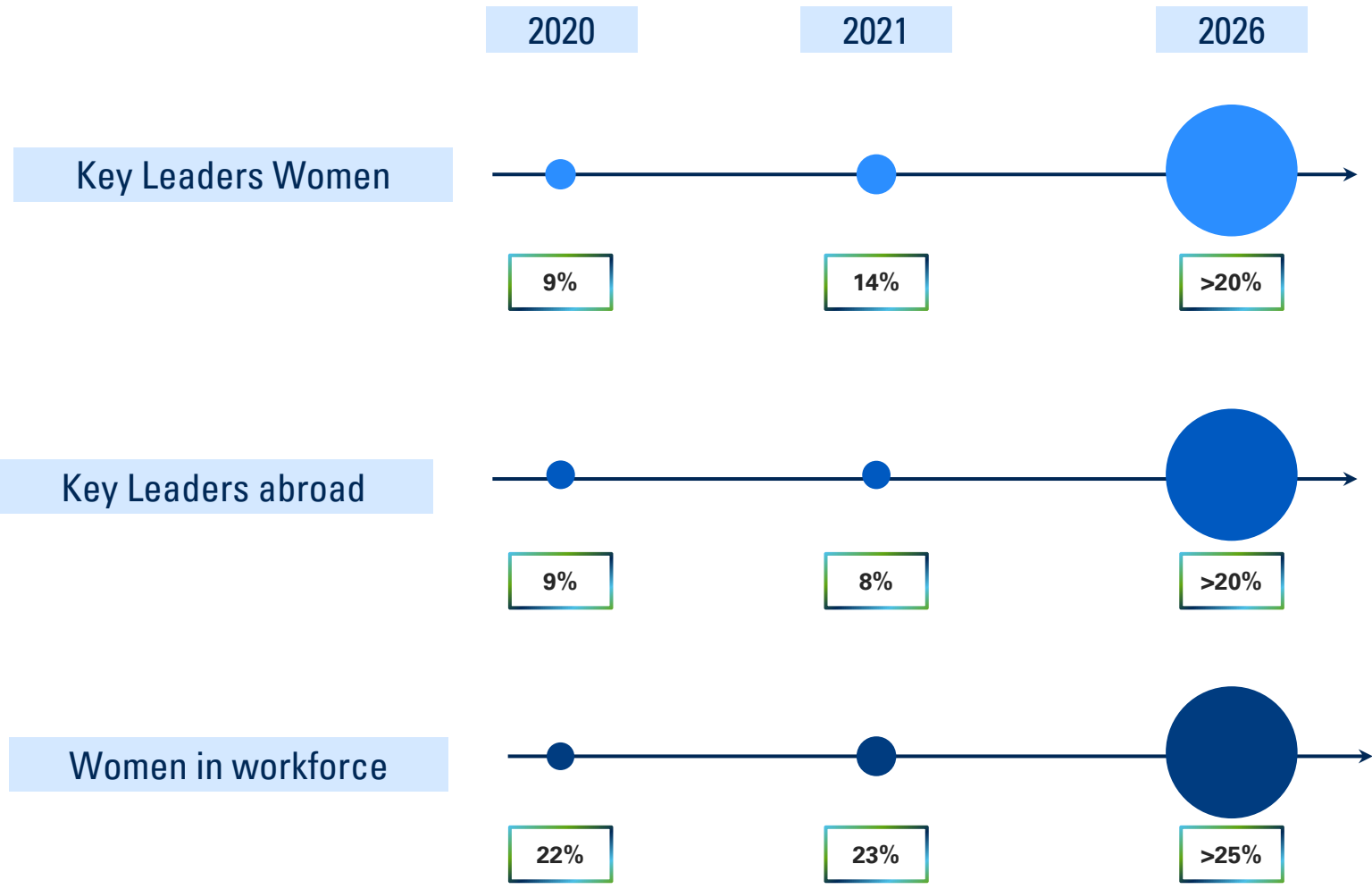
100% sales of  
Green Energy  
@2023

>75% of  
Supplier<sup>(1)</sup> with  
SBT target  
@2030

<sup>(1)</sup> Turnover greater than €1mn



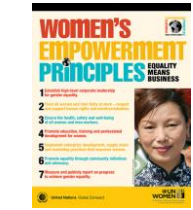
# OUR APPROACH FOR A MORE INCLUSIVE ERG



**D&I Policy approved in July 2021**



**ERG included Bloomberg Gender Equality Index in 2022**









**Women Empowerment Principles @2022**



**D&I certification @ 2025**

# ERG PERFECTLY ALIGNED WITH EU GREEN TAXONOMY AFTER ASSET ROTATION

Business/Technology	ELIGIBLE EU Taxonomy	Alignment EU Taxonomy (MW)	FY 2021 Actual			Post Asset Rotation		
			Revenues	Opex	Capex	Revenues	Opex	Capex
			Alignment			Alignment		
Group			62%	31%	96%	100%	100%	100%
Wind	 ✓	100% 	100%	100%	100%	<b>2022-2026 CAPEX<sup>(1)</sup></b> ~€2.9bn   } <b>100%</b>		
Solar	 ✓	100% 	100%	100%	100%			

*We are #SDGscontributors*

<sup>(1)</sup> It includes also Storage and Maintenance



# FY AND 4Q 2021 RESULTS REVIEW

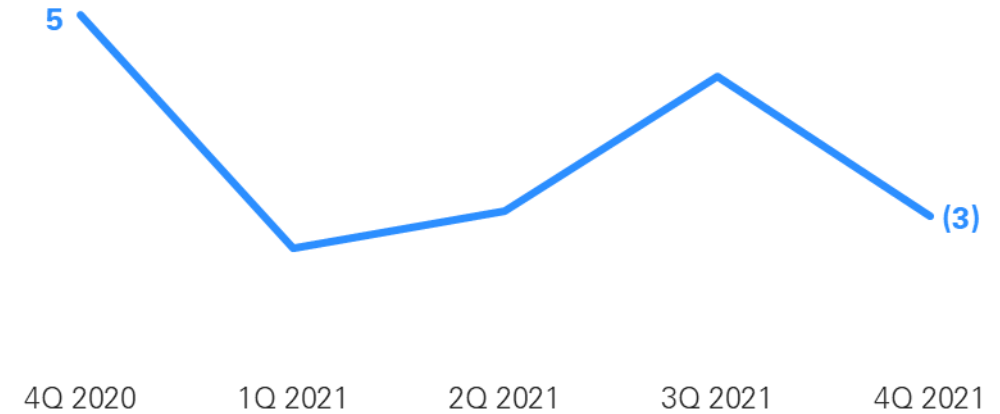
Michele Pedemonte - CFO

# BUSINESS ENVIRONMENT

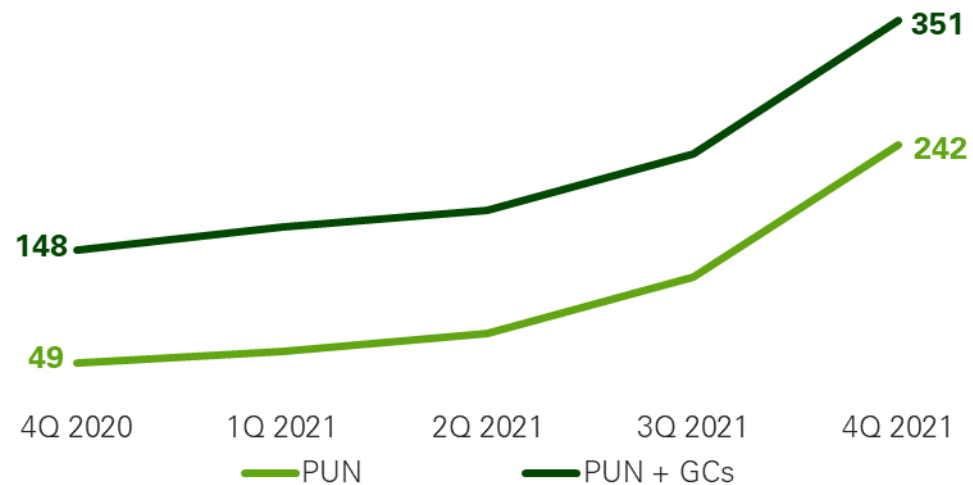
Italy: Electricity Production vs Demand (TWh)

	4Q 2020	4Q 2021	Delta %
Italian Electricity Demand	77	80	4%
Italian Electricity Production	66	72	9%
<i>of which:</i>			
- Thermo	45	52	15%
- Hydro	12	9	-22%
- Solar	4	4	2%
- Wind	5	6	33%
- Other Sources	1	1	-2%

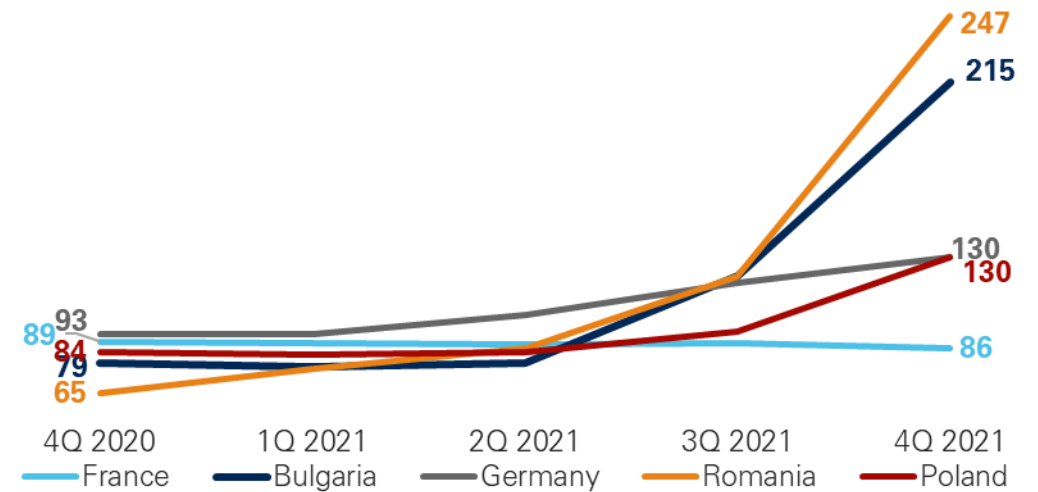
Clean Spark Spread Indicator (€/MWh)



Electricity Prices in Italy (€/MWh)

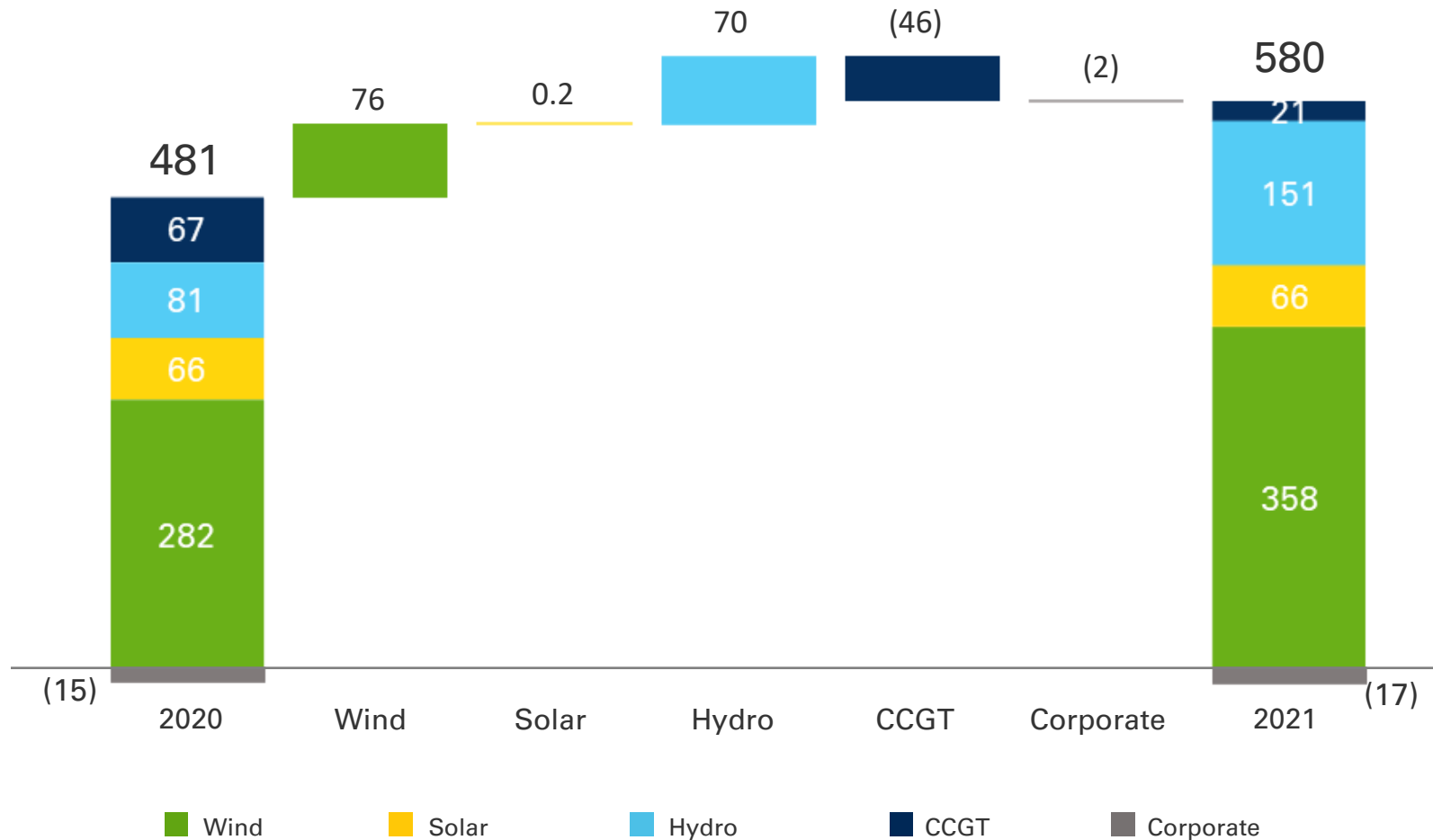


All-in Wind Prices abroad (€/MWh)





# 2021 GROUP EBITDA EVOLUTION

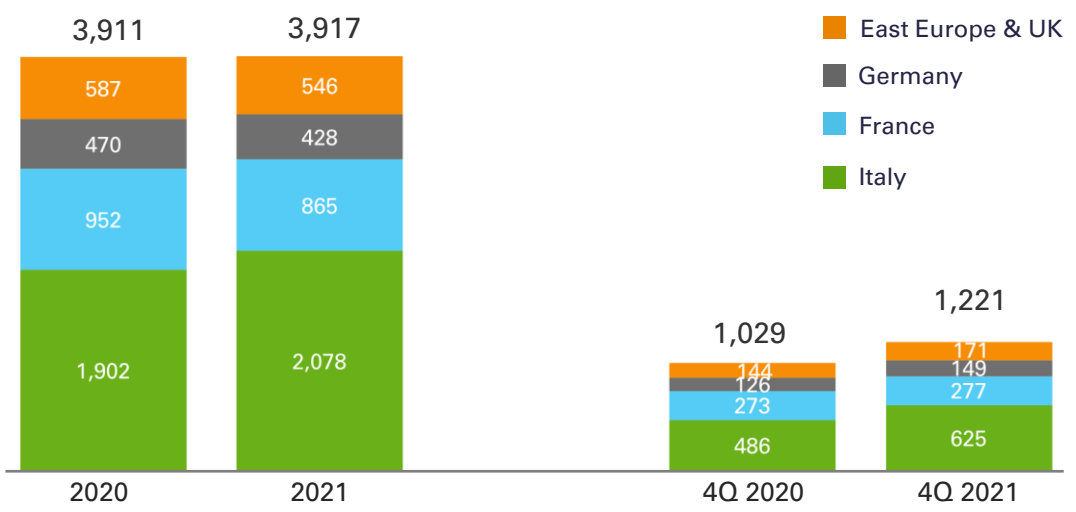


**A solid set of results**

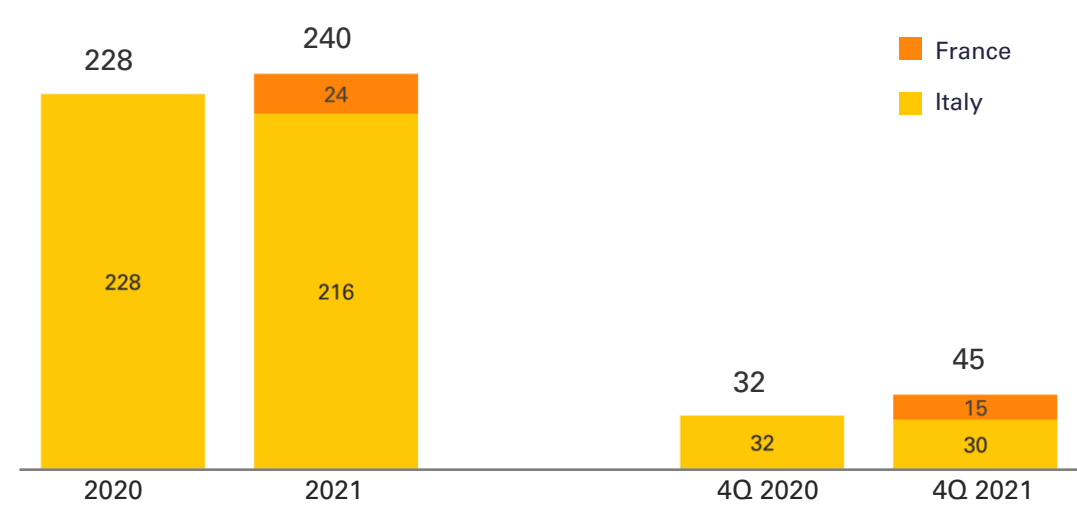


# FY & 4Q 2021 PRODUCTION PER TECHNOLOGY

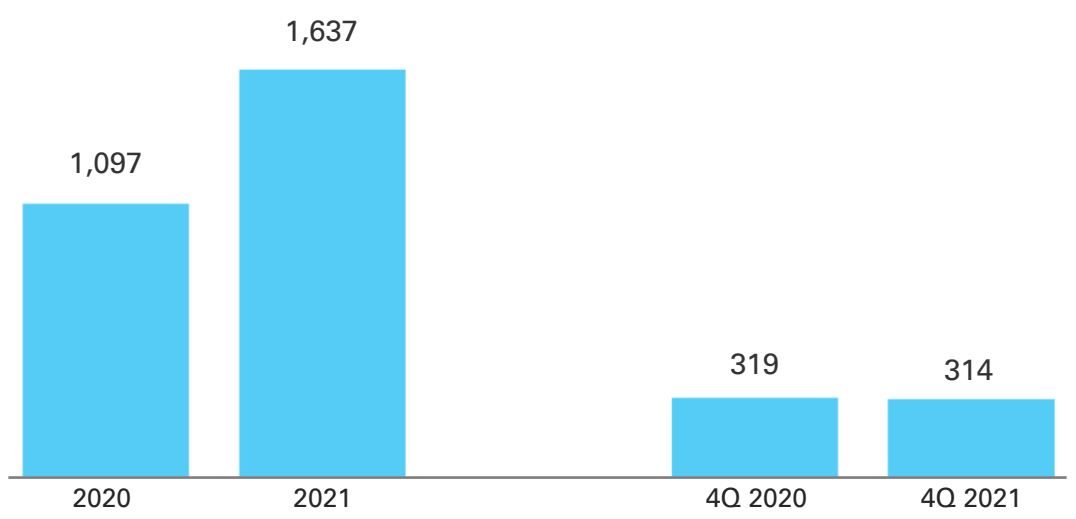
Wind (GWh)



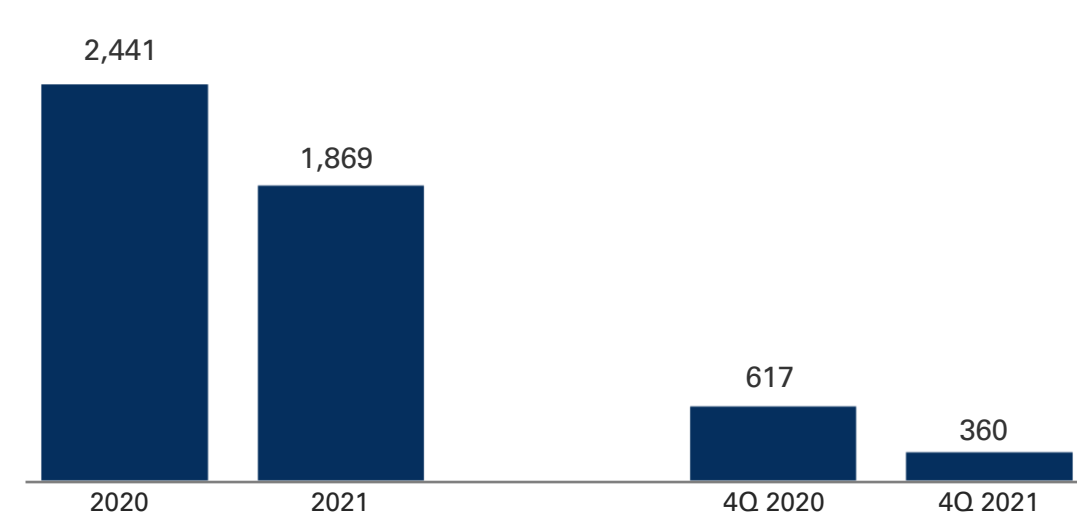
Solar (GWh)



Hydro (GWh)

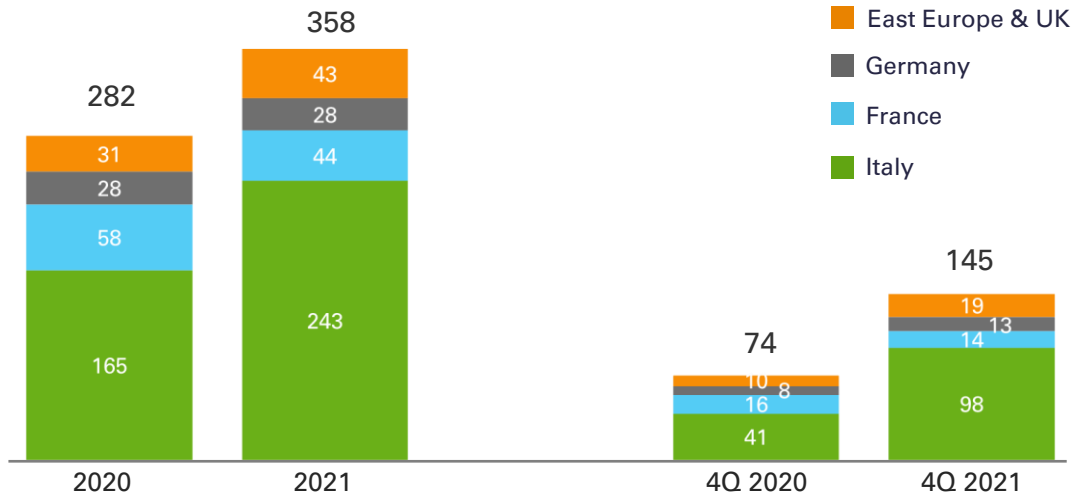


CCGT (GWh)

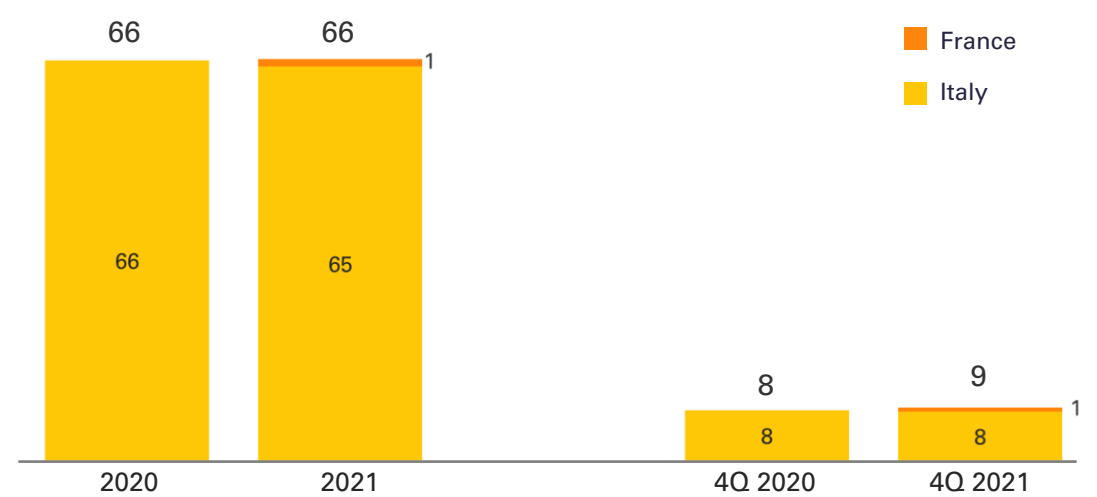


# FY & 4Q 2021 EBITDA PER TECHNOLOGY

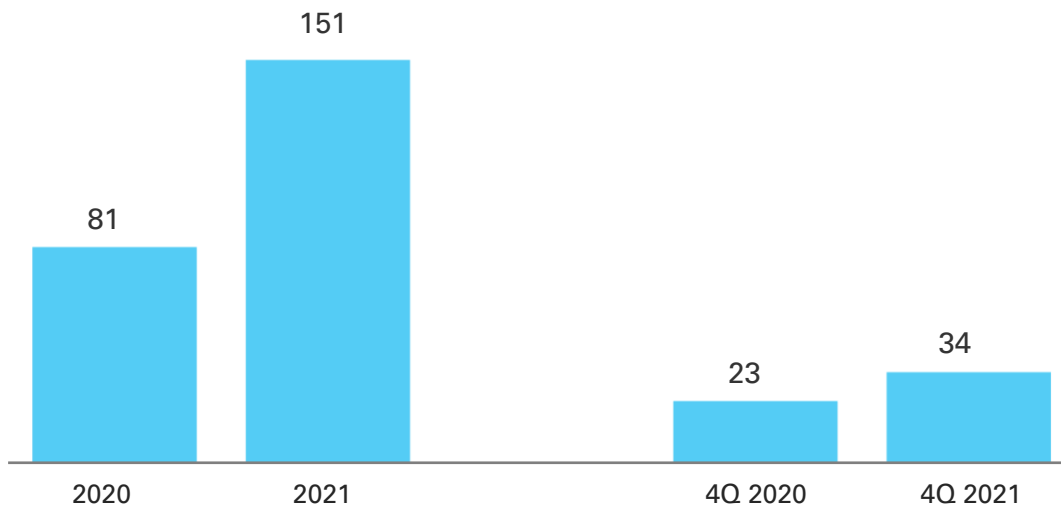
## Wind (€ mn)



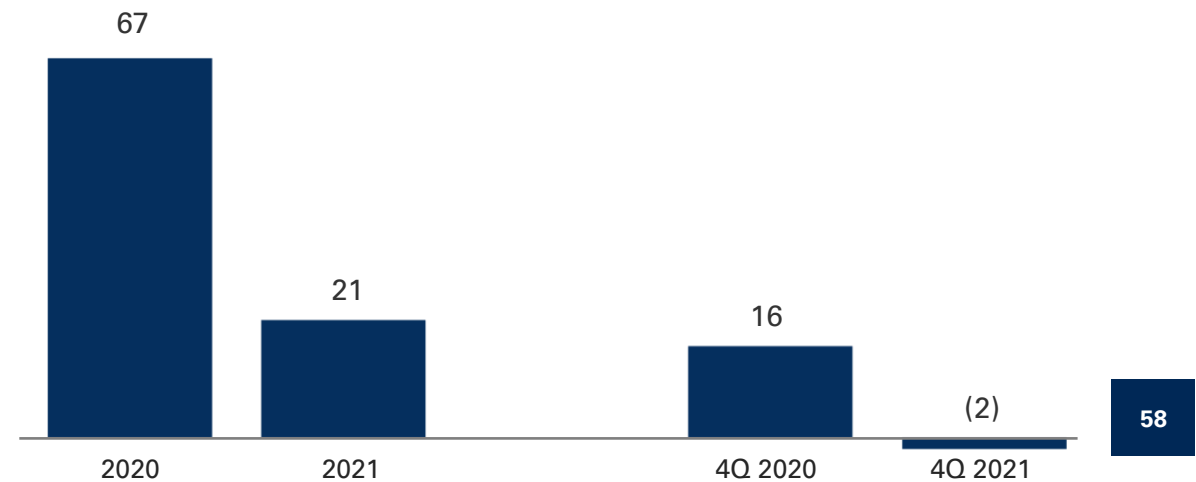
## Solar (€ mn)



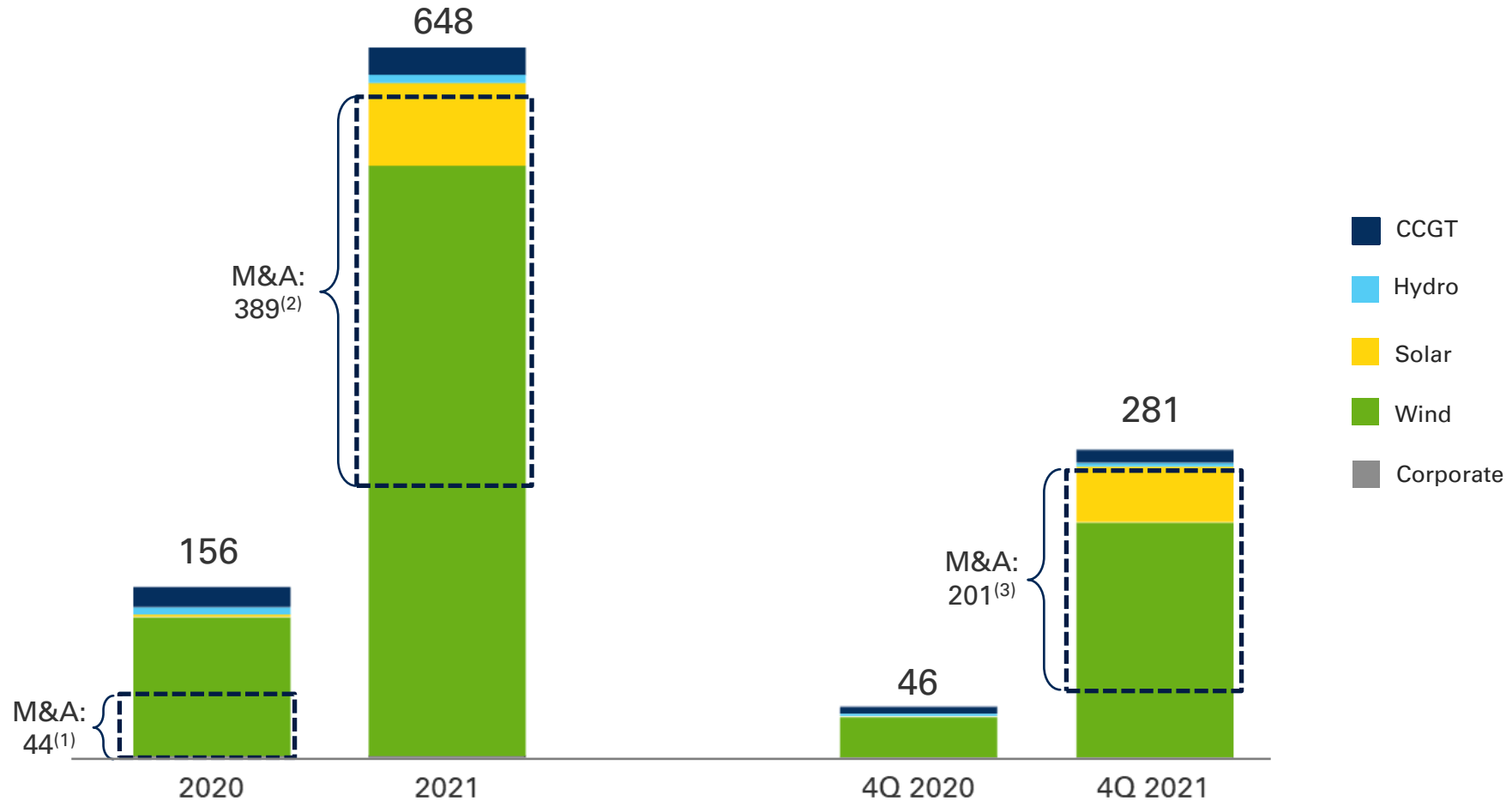
## Hydro (€ mn)



## CCGT (€ mn)



# INVESTMENTS



## Investments increase: M&A and constructions

<sup>(1)</sup> M&A CAPEX related to the closing of Trinity acquisition (which took place on February 24, 2020 for an amount of €42mn), and of Laszki acquisition (which took place on March 5, 2020) amounting to €2mn

<sup>(2)</sup> M&A CAPEX related to the Wind acquisition in Sweden (closing on May 10, 2021 for an amount of €41mn), of Joran Wind and Solar acquisition in France (closing on June 24, 2021, amounting to €146mn), and of Ventoux Wind and Solar acquisition in Germany and France (closing on October 1 and 28, 2021 for a total amount of €202mn)

<sup>(3)</sup> M&A CAPEX related to the Ventoux Wind and Solar acquisition in Germany and France (closing on October 1 and 28, 2021 for a total amount of €202mn)

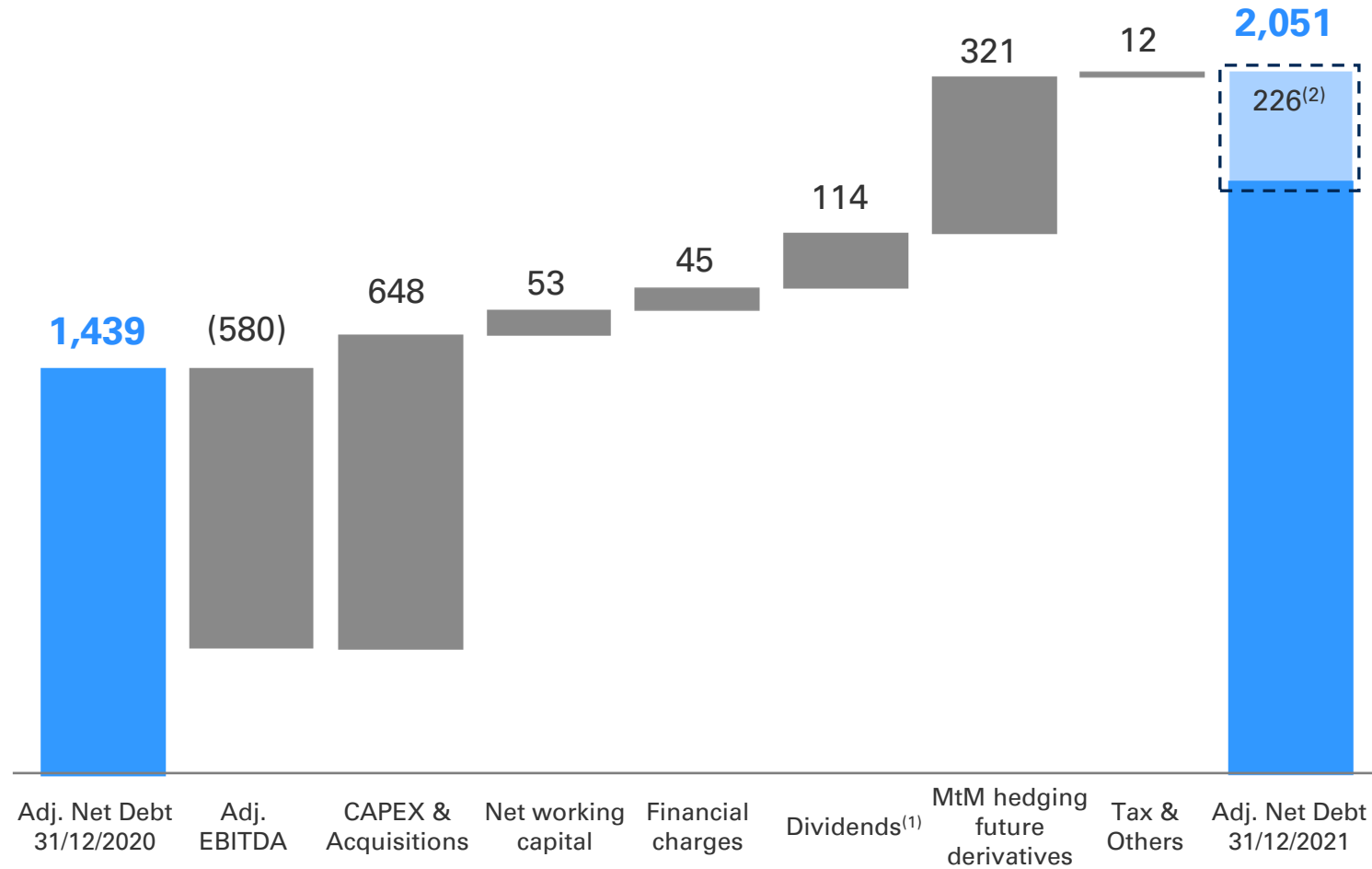
# ADJUSTED P&L

2021	2020	Euro millions	4Q 2021	4Q 2020
580	481	Adjusted EBITDA	180	119
(276)	(298)	Amortization and depreciation	(72)	(74)
304	183	Adjusted EBIT	107	45
(29)	(47)	Net financial income (expenses)	(6)	(9)
0	0	Net income (loss) from equity investments	0	0
275	136	Adjusted Results before taxes	101	36
(72)	(29)	Income taxes	(30)	(9)
203	107	Adjusted Results for the period	72	27
(2)	(2)	Minority interests	0	0
202	106	Adjusted Net Profit	72	27
26%	21%	Tax Rate	29%	25%



Note: figures based on NO GAAP measures

# 2021 CASH FLOW STATEMENT



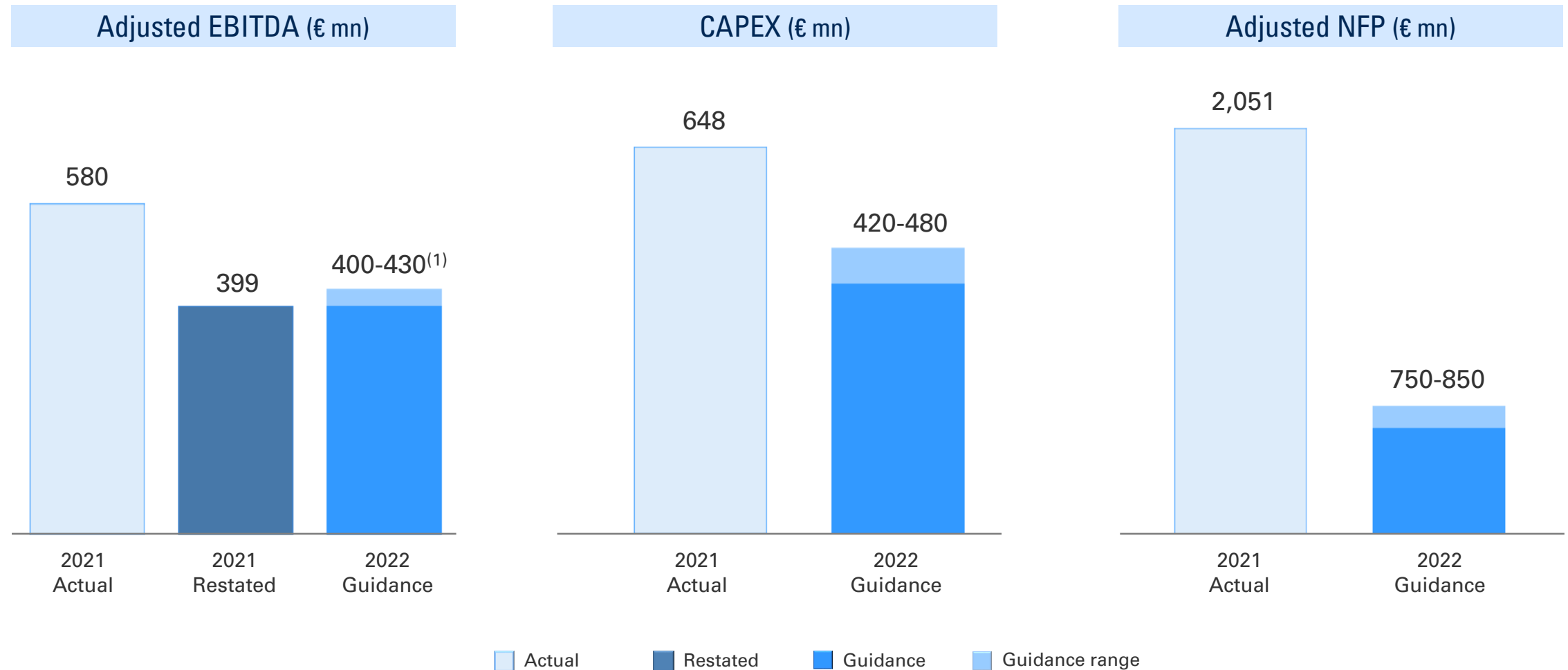
<sup>(1)</sup> It includes €2mn of dividends to minorities

<sup>(2)</sup> It refers to MtM future derivatives transferred to ENEL as a price adjustment for the hydro disposal

# 2022 GUIDANCE & FINAL REMARKS

Paolo Merli - CEO

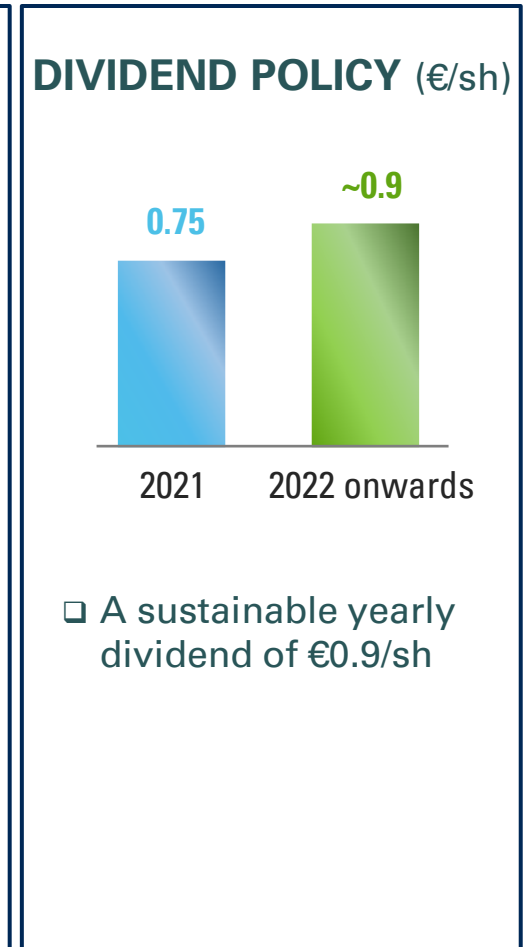
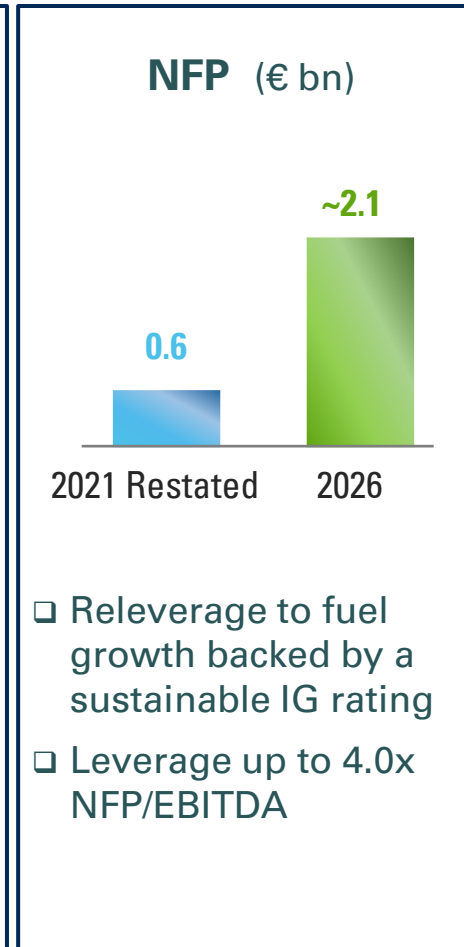
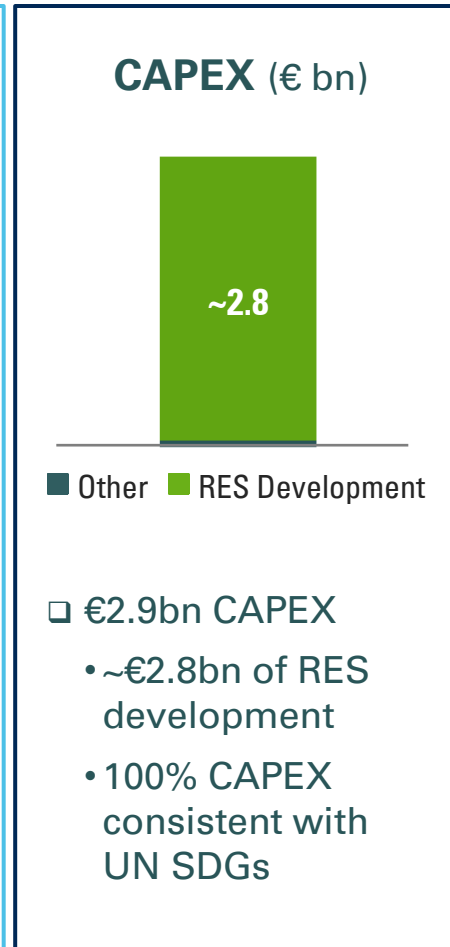
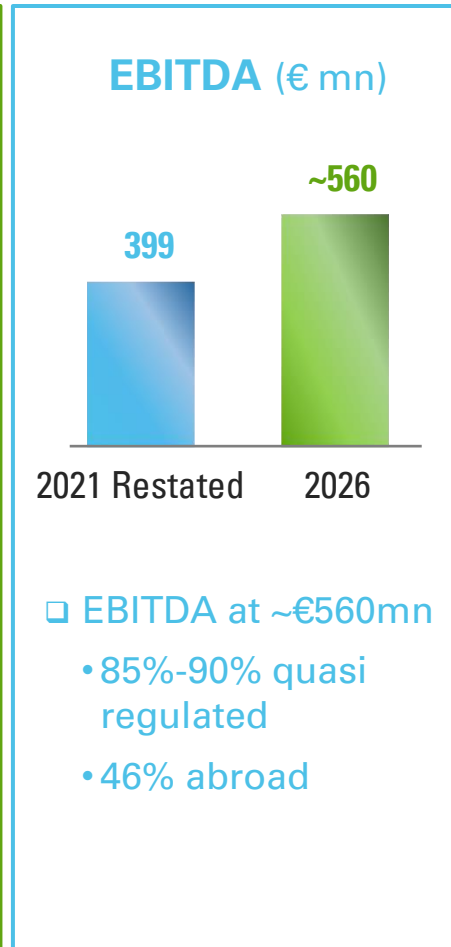
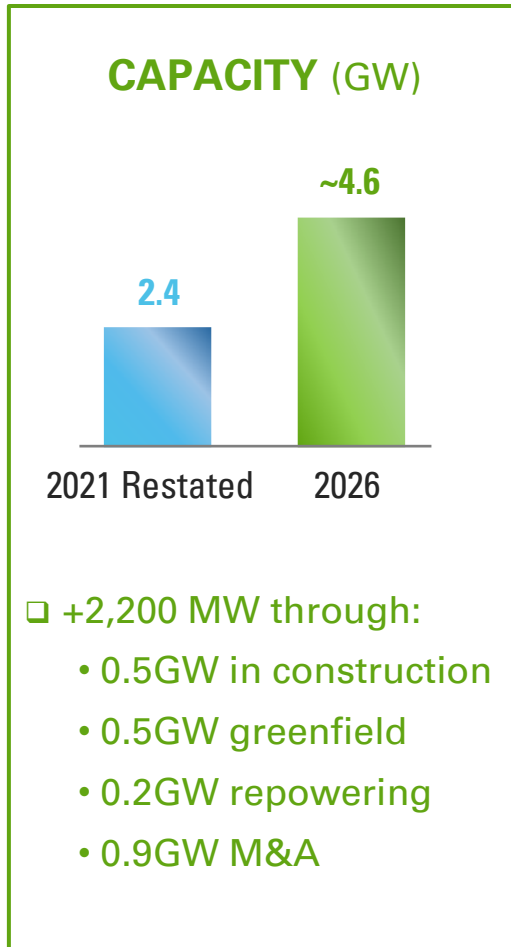
# 2022 GUIDANCE



**Revised upwards to reflect stronger business environment and investments**

<sup>(1)</sup> It does not include any contribution pro-tempore related to CCGT, which will be consolidated on a reported basis in the discontinued operations from January 1, 2022 to Closing Date

# 2022-2026 BP KEY TARGETS







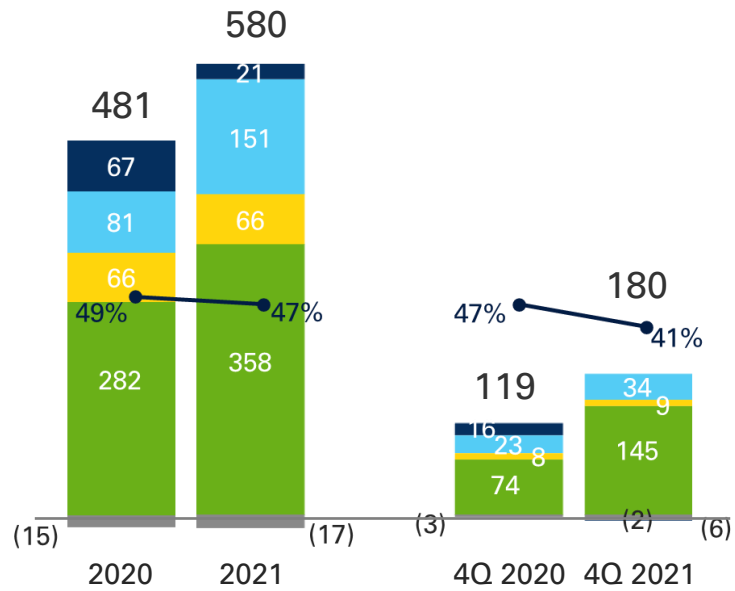
# We ARE #SDGs



# APPENDIX

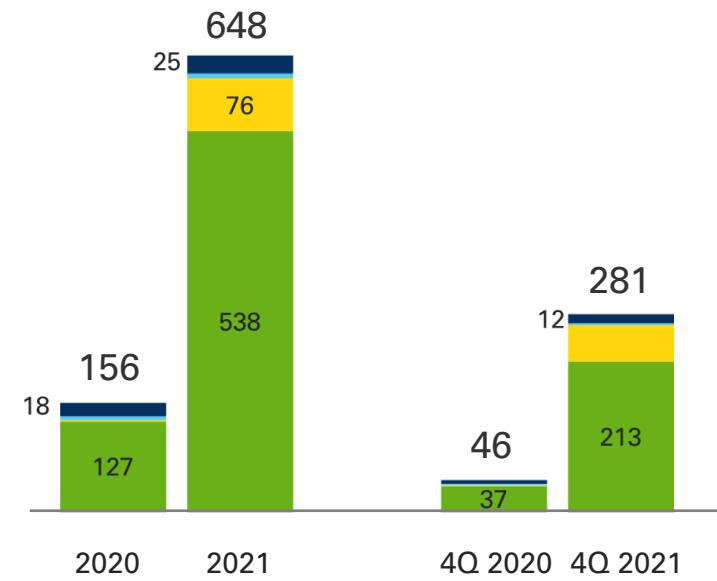
# HIGHLIGHTS: KEY FIGURES

EBITDA (€ mn)

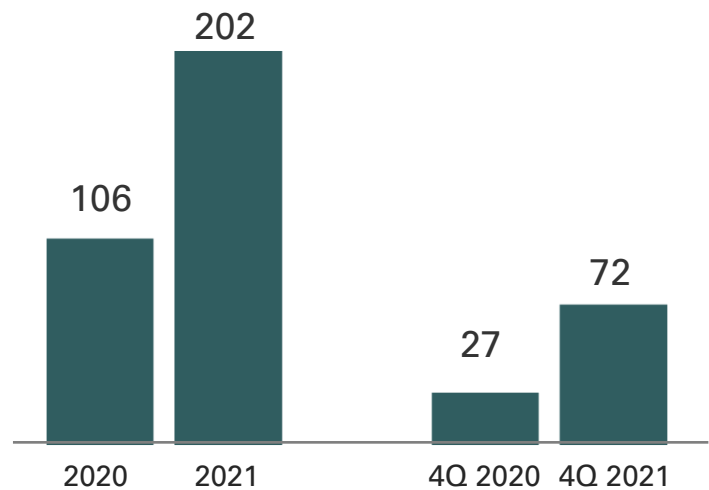


- EBITDA Margin
- CCGT
- Hydro
- Solar
- Wind
- Corporate

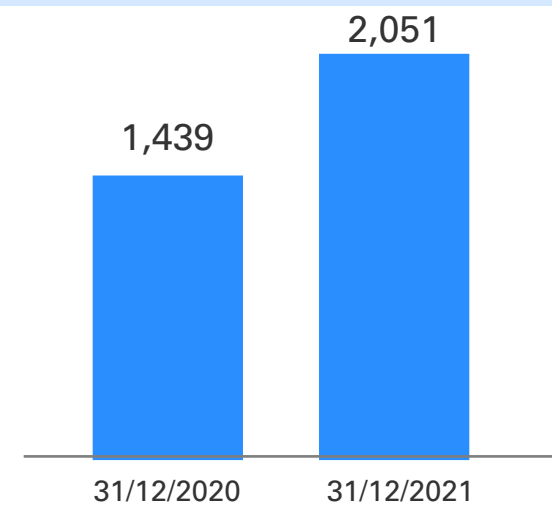
CAPEX (€ mn)



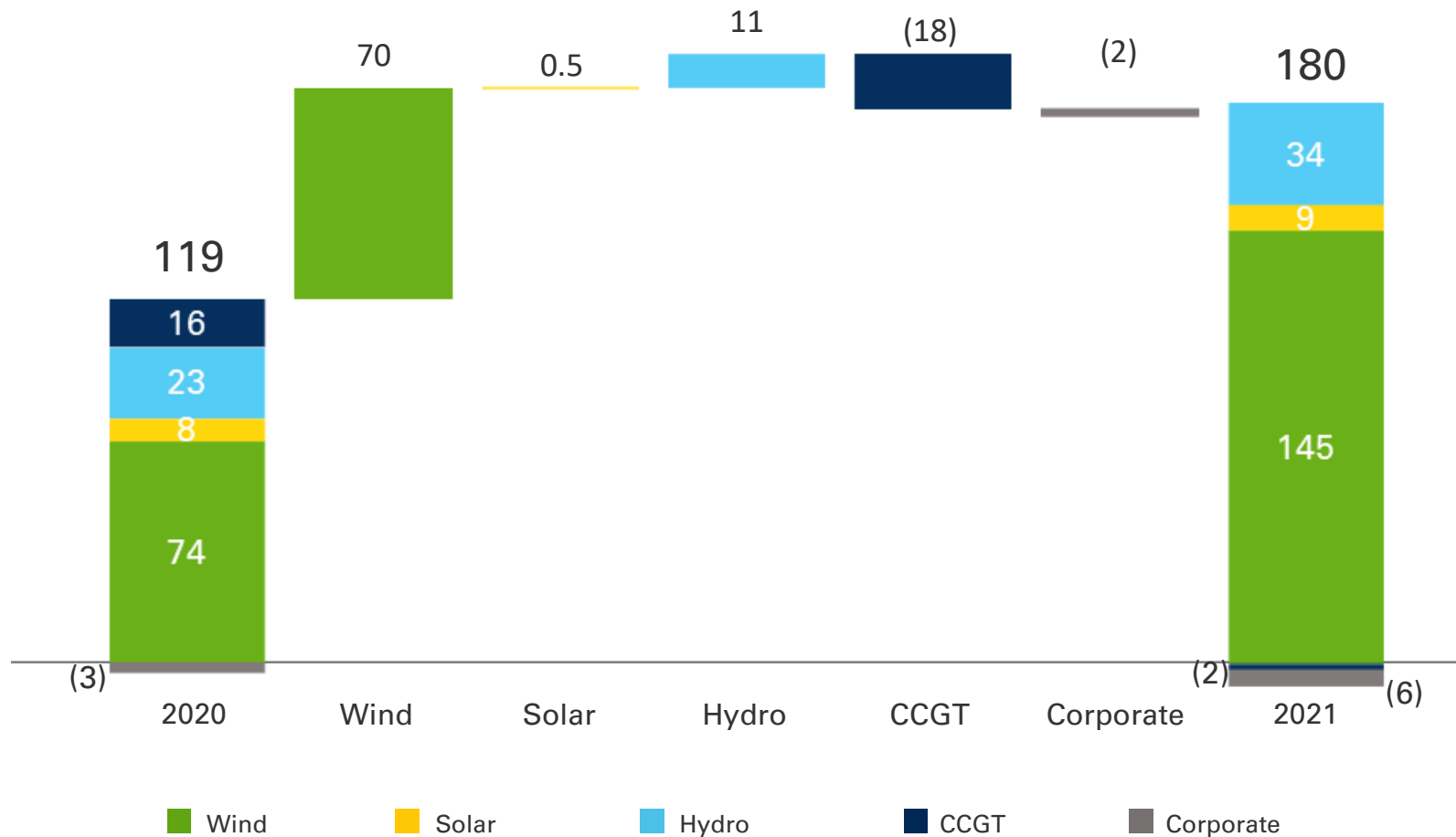
Net Profit (€ mn)



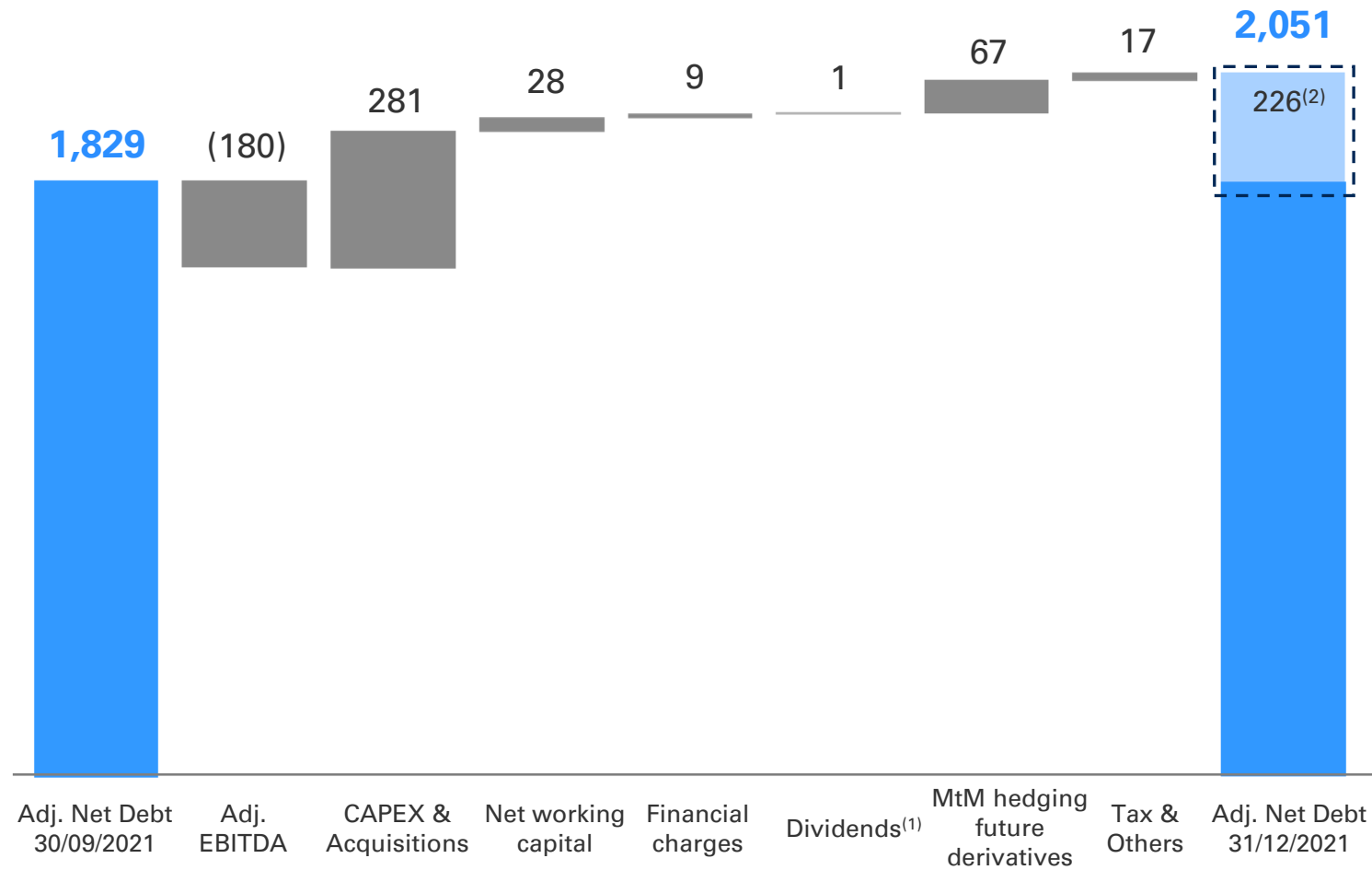
NFP (€ mn)



# 4Q 2021 GROUP EBITDA EVOLUTION



# 4Q 2021 CASH FLOW STATEMENT



<sup>(1)</sup> It includes €1mn of dividends to minorities

<sup>(2)</sup> It refers to MtM future derivatives transferred to ENEL as a price adjustment for the hydro disposal

# WIND KEY FIGURES (1/2)

2021	2020		4Q 2021	4Q 2020
2,198	1,967	Installed capacity (end-period, MW)	2,198	1,967
		<i>of which:</i>		
1,093	1,093	- Italy	1,093	1,093
502	397	- France	502	397
327	272	- Germany	327	272
70	n.a.	- UK	70	n.a.
82	82	- Poland	82	82
70	70	- Romania	70	70
54	54	- Bulgaria	54	54
3,917	3,911	Electricity Production (GWh)	1,221	1,029
		<i>of which:</i>		
2,078	1,902	- Italy	625	486
865	952	- France	277	273
428	470	- Germany	149	126
216	244	- Poland	74	64
181	193	- Romania	51	43
148	150	- Bulgaria	46	36



# WIND KEY FIGURES (2/2)

2021	2020	Euro millions	4Q 2021	4Q 2020
Unitary Revenues (€/MWh):				
149	119	- Italy	198	115
88	89	- France	86	89
112	96	- Germany	130	93
101	78	- Poland	130	84
135	56	- Romania	247	65
128	66	- Bulgaria	215	79
Adjusted EBITDA:				
243	165	- Italy	98	41
44	58	- France	14	16
28	28	- Germany	13	8
16	15	- Poland	8	4
21	8	- Romania	11	2
8	9	- Bulgaria	1	4
(2)	(1)	- UK	(1)	(0)
358	282	Total Adjusted EBITDA	145	74
(155)	(165)	Depreciation	(40)	(40)
203	118	Adjusted EBIT	105	35





# SOLAR KEY FIGURES

2021	2020	Euro millions	4Q 2021	4Q 2020
		Unitary Revenues (€/MWh)		
335	315	- Italy	339	318
90	n.a.	- France	95	n.a.
240	228	Electricity Production (GWh)	45	32
66	66	Adjusted EBITDA	9	8
(42)	(42)	Depreciation	(12)	(11)
24	23	Adjusted EBIT	(3)	(3)





# HYDRO KEY FIGURES

2021	2020	Euro millions	4Q 2021	4Q 2020
118	109	Unitary Revenues (€/MWh)	147	103
1,637	1,097	Electricity Production (GWh)	314	319
151	81	Adjusted EBITDA	34	23
(44)	(57)	Depreciation	(11)	(14)
108	24	Adjusted EBIT	23	9

# THERMO KEY FIGURES

2021	2020	Euro millions	4Q 2021	4Q 2020
30	35	Unitary Revenues (€/MWh)	27	39
1,869	2,441	Electricity Production (GWh)	360	617
21	67	Adjusted EBITDA	(2)	16
(31)	(30)	Depreciation	(9)	(8)
(10)	37	Adjusted EBIT	(11)	9

# INVESTMENTS

2021	2020	Euro millions	4Q 2021	4Q 2020
538 <sup>(1)</sup>	127 <sup>(2)</sup>	Wind	213	37
76 <sup>(3)</sup>	2	Solar	52	1
7	6	Hydro	2	2
25	18	CCGT	12	6
2	2	Corporate	1	1
648	156	Total	281	46



<sup>(1)</sup> M&A CAPEX related to the closing of the Wind acquisition in Sweden (closing on May 10, 2021 for an amount of €41mn), of Joran Wind acquisition in France (closing on June 24, 2021, for an amount of €123mn) and of Ventoux Wind acquisition in Germany and France (closing on October 1 and 28, 2021 for a total amount of €150mn)

<sup>(2)</sup> M&A CAPEX related to the closing of Trinity acquisition (which took place on February 24, 2020 for an amount of €42mn), and of Laszki acquisition (which took place on March 5, 2020) amounting to €2mn

<sup>(3)</sup> M&A CAPEX related to the closing of Ventoux Solar acquisition in France (closing on October 28, 2021, for an amount of €51mn), and of Joran Solar acquisition in France (closing on June 24, 2021, for an amount of €23mn)

# 2022-2026 ESG - NEW PLAN



## PLANET



### 2026 Targets

- 1. Net Zero:**
  - Scope 1 after Asset Rotation
  - Scope 2 @2025
  - Scope 3 @2040
- 2. Circular Economy:**
  - ≥ 98% Circular Wind
  - ≥ 90% Circular Solar
  - Social purposes for circular solar
- 3. Energy Efficiency:**
  - Wind Reblading (+72 GWh)
  - Solar Revamping (+59 GWh)
- 4. Biodiversity:**
  - Biodiversity assessment for 100% of RES organic projects



## ENGAGEMENT



### 2026 Targets

- 5. ERG Academy for Next Generation:**
  - 20,000 students involved
- 6. 1% for the Community:**
  - >1% revenues for social developments of local communities
- 7. Trust & Reputation:**
  - Top performer in main ESG Ratings



## PEOPLE



### 2026 Targets

- 8. ERG Academy for our People:**
  - 80% people with individual development plan
  - 100% people involved in learning activities
- 9. Diversity & Inclusion:**
  - ≥ 20% women amongst the key leader (manager and senior manager)
  - ≥ 20% key leaders abroad
  - D&I Certification
  - ≥ 25% women in the workforce
- 10. Employees' well-being**
  - Flexible benefit Plan
  - Solidarity holidays at Group level
  - Smart Working post Pandemic
- 11. Health & Safety, always:**
  - No fatalities, FI<4



## GOVERNANCE



### 2026 Targets

- 12. Sustainability Incentives:**
  - 100% incentives plan integrated with ESG objectives
- 13. Enhancing Governance Model:**
  - BoD Independence & Diversity
- 14. Tax Control Framework:**
  - Tax Control Framework abroad (FR@2023, DE@2024)
- 15. Sustainable Procurement:**
  - +10 pts in average strategic suppliers scoring
- 16. ESG Finance:**
  - ≥ 90% of Green Funding