INVESTOR PRESENTATION

UniCredit European Energy & Utilities Credit Conference 2019

London November 20th 2019

ERG

EVOLVING ENERGIES

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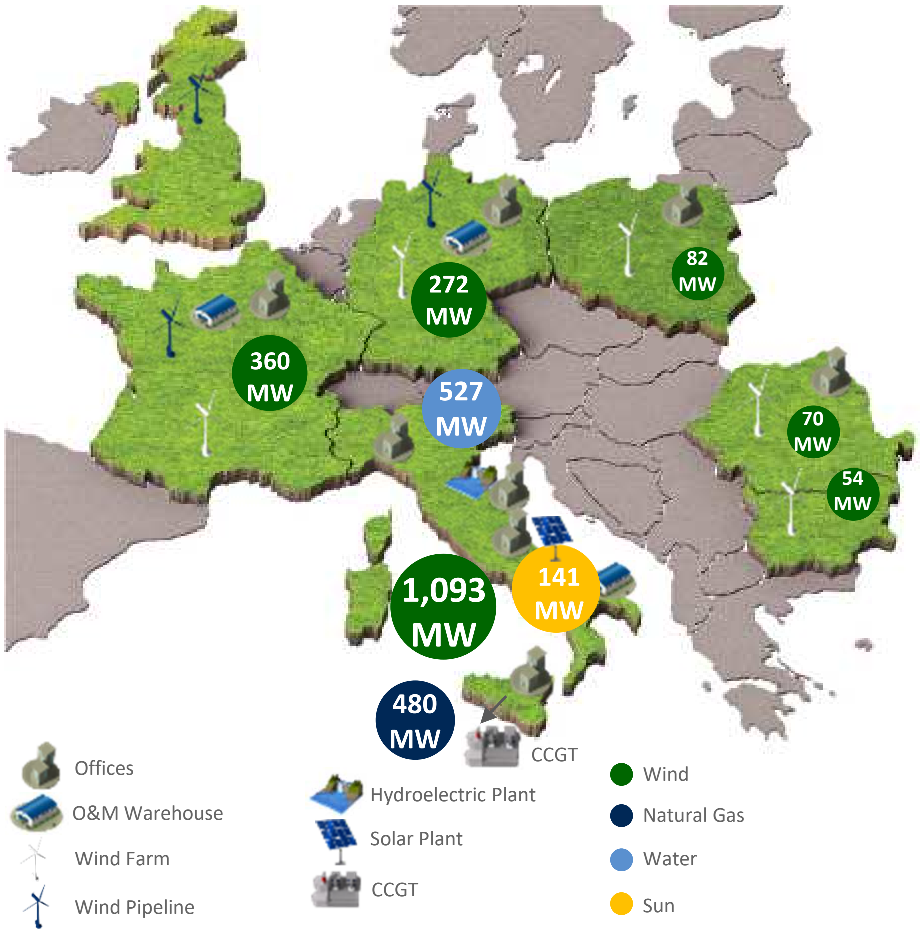
It should be noted that the financial information contained herein derived from the Company's financial statements has been subject to rounding. Accordingly, any discrepancies between data shown in these materials and the Company's published financial statements are solely due to the effect of rounding.

AGENDA

- ERG Group Overview
- Operating Segments
- Financial Results
- Debt Structure
- Rating and Green Bond
- Closing Remarks
- Annexes

ERG GROUP OVERVIEW

LEADING EUROPEAN IPP



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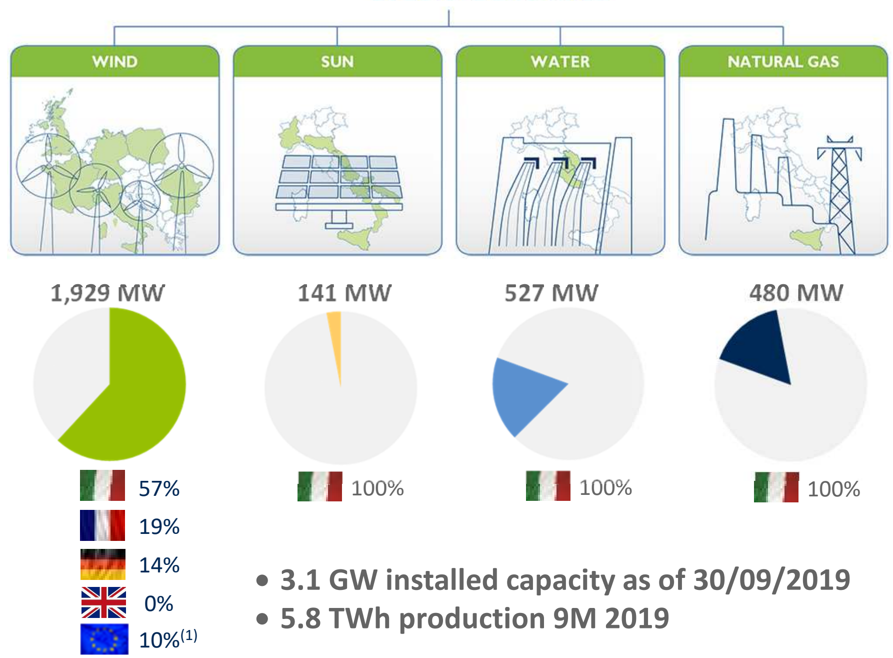


- 3.1 GW installed capacity as of 30/09/2019
- 5.8 TWh production 9M 2019

(1) It refers to Romania, Bulgaria and Poland

Financial Highlights FY 2018

€ 1,027m Revenues	€ 491m EBITDA Adjusted 47.8% EBITDA margin	€ 107m Net Result	€ 1,343m Net Debt 2.7x Net Debt / EBITDA	Market Cap € 2,480 m as of 31 Dec 2018

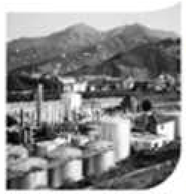
A LONG HISTORY…

1938

Edoardo Garrone founds ERG in Genoa.

1947

Production commences at the San Quirico refinery in Genoa.



1975

Production commences at the ISAB Refinery in Priolo.

1997

The ERG share is listed on the Stock Exchange.

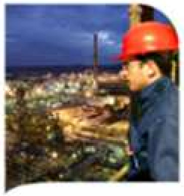
2000

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

2006

ERG enters the renewables sector with the acquisition of EnerTAD.

2008



ERG sells 49% of the ISAB Refinery to LUKOIL.

2010

ERG Power's combined cycle power plant (480 MW) fuelled by natural gas enters operation.

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

2013

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

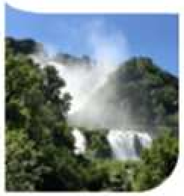
ERG transfers the ISAB refinery and completes its exit from refining.

2014

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

2015

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



ERG acquires 6 wind farms in France (64 MW) and construct 3 wind farms in Poland for a total of 82 MW.

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2016

ERG enters the wind market in the United Kingdom with a 47.5 MW project.

2017

ERG's growth in the wind sector continues: 48 MW in operation in Germany; 16 MW in operation in France.

2018

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

Definitive exit from Oil with the sale of TotalErg.

2019

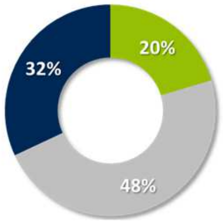
Solar: ERG closed the acquisition of Andromeda (51 MW) assets increasing its PV total capacity up to 141 MW.

Wind: ERG acquired 52 MW in France and 34 MW in Germany.

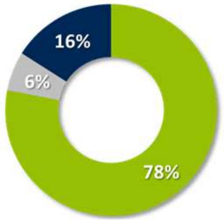
… BUT A RAPID TRANSFORMATION

Capital Employed

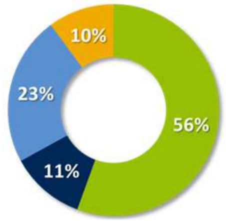
2008 (€2.2bn)



2014 (€2.1bn)

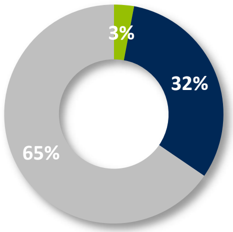


2018 (€3.2bn)

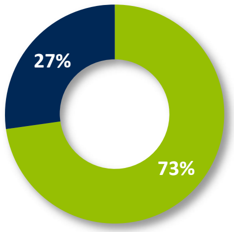


2008-2014-2018 EBITDA

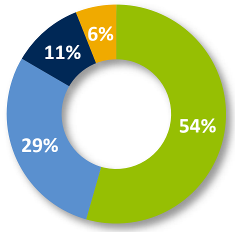
2008



2014



2018



Oil   Natural Gas   Hydro   Wind   Solar

CO_2 Avoided

2008

2014

2018

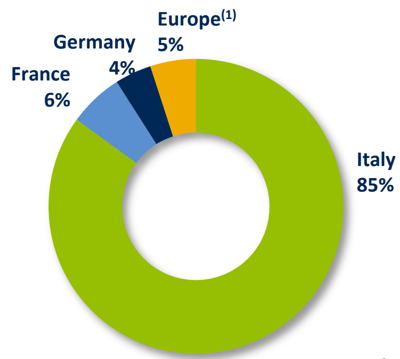
2008-2018

STEADY AND WELL BALANCED PROFITABILITY

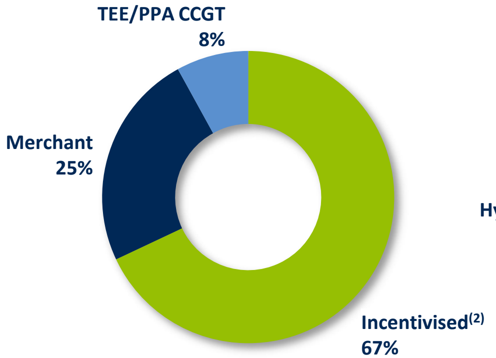
- **Close to 70% of EBITDA from incentives**
- **EBITDA well balanced** across different generation assets
- **Geographical and seasonal diversification**, allowing for complementarity of the different energy sources
- **Earnings stability** sustained also by priority of dispatchment and PPAs

EBITDA Breakdown FY18

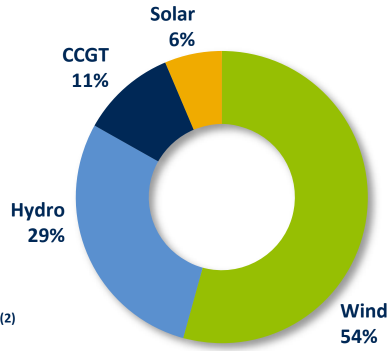
By geography

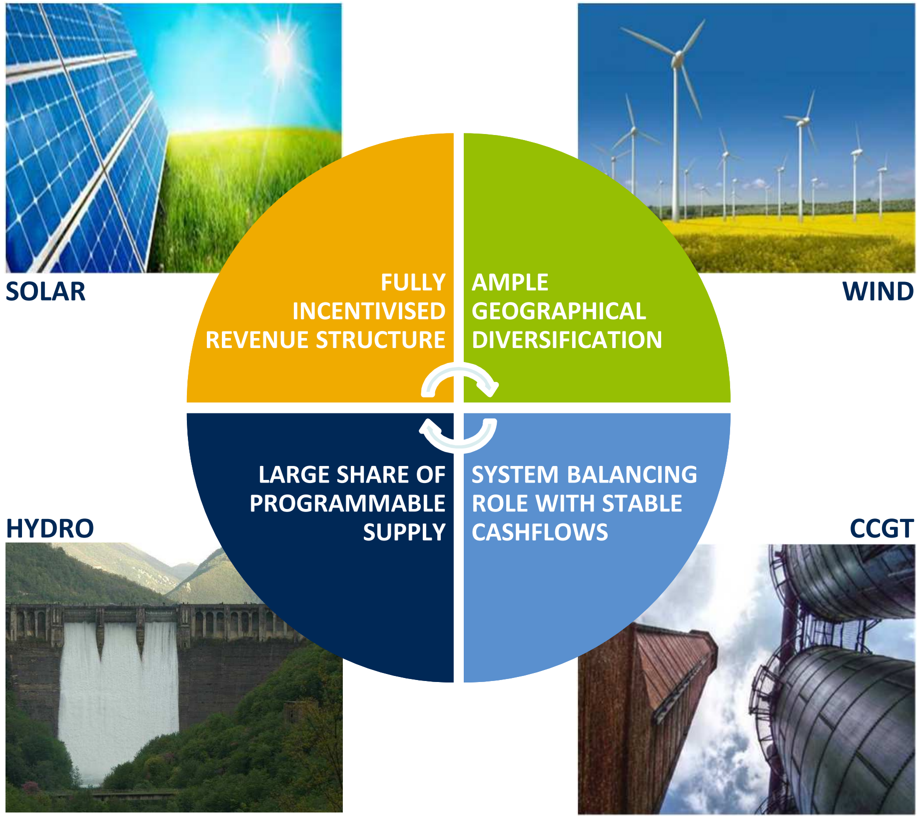


By incentive



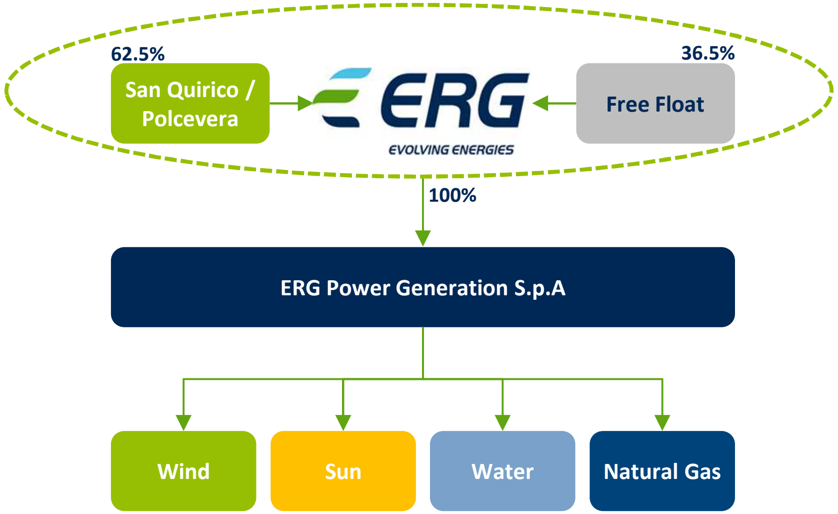
By business

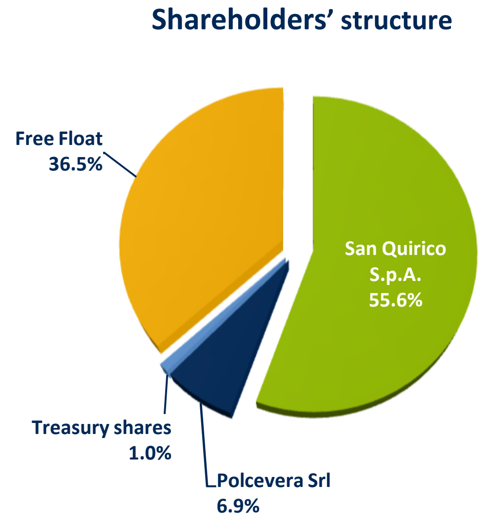




[1] It refers to UK, Romania, Bulgaria and Poland
[2] It includes wind EBITDA with incentive, Hydro EBITDA with incentive, 100% Solar EBITDA

BALANCED GROUP STRUCTURE
SERVING INTERESTS OF ALL STAKEHOLDERS





Fully independent and experienced management team paired with a constructive involvement by majority shareholder

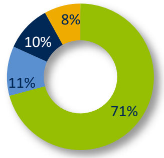
- San Quirico S.p.A. and Polcevera S.A. are **controlled by ERG founding family**
- **The Garrone family** holds key positions in ERG (Chairman and Executive Deputy Chairman) and **defines ERG long-term strategy along with the Top Management** through the Strategic Committee, whilst the Board of Directors is composed mainly (6 out of 12) of independent **directors** and it is fully committed to the interests of every stakeholder
- **The top management operates within a strict financial discipline**, while following a **strong risk management policy**

STABLE AND POSITIVE REGULATORY FRAMEWORK

EBITDA BREAKDOWN 2018

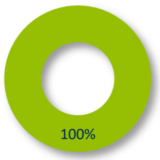
By geography

WIND



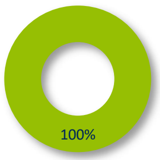
- Incentive-based system in all geographies
  - Average residual life of ~7y
  - Great majority of revenues coming from incentives
- Reblading and repowering to lengthen useful life of plants
- Priority of dispatchment

HYDRO



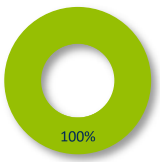
- Long-term concession (2029) with a sizeable Terminal Value at expiration/loss
- At least 40% of production benefitting from incentives expiring 2023-2025
- Programmable production able to catch higher prices

SOLAR



- Fully incentive-based system
  - Incentive average residual life till 2029
  - 100% of production benefitting from incentives
- Long-term and stable regulation on incentives
- Priority of dispatchment

CCGT



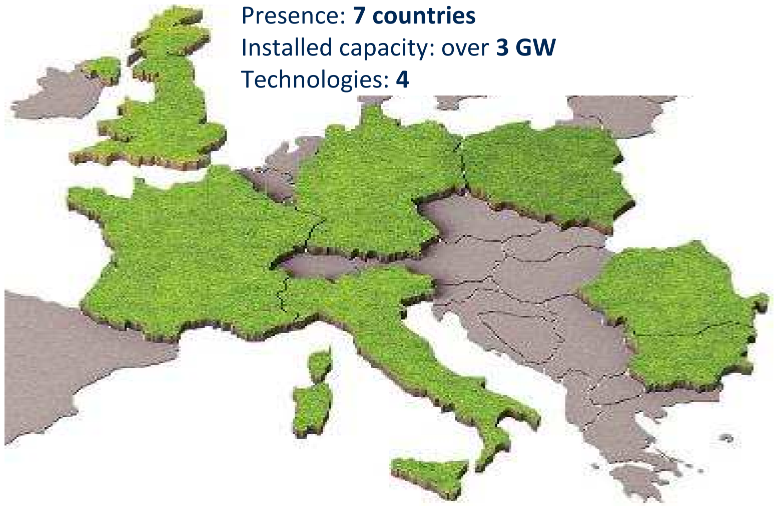
- Programmable production strategically balancing the Italian electricity network
- Margins boosted by incentives will exprire in June 2020[2] (white certificates for energy saving)
- Merchant revenues benefitting from higher average prices due to geographical location (Sicily)
- Long term PPA with reputable counterparties (LUKOIL, ENI)
- Programmable plant awarded 2022 capacity market auction

Europe[1] France Germany Italy

(1) It refers to UK, Romania, Bulgaria and Poland
(2) White Certificates eligibility renewal after 2020 under authorization process

SUSTAINABLE GROWTH STRATEGY

ERG Group current geographical presence



Presence: **7 countries**
Installed capacity: over **3 GW**
Technologies: **4**

Geographical presence

Business/ Technology: Wind | Sun | Water | Natural Gas | O&M and TCM

Country/Business attractiveness for ERG

Business/Technology		Reference Geographies			
Wind	Co-development & Greenfield	✔	✔	✔	✓
Wind	Repowering & Reblading	✓	✓		✔
Wind	M&A	✔	✔	✓	
Sun	M&A	✓	✓		✔
O&M and TCM	Focus on technical operating efficiency	✔	✔	✓	✔

Sustainable and flexible growth path focused on 3 main clusters and leveraging on low maintenance costs

GREENFIELD	REPOWERING	M&A
Creating the basis for a sustainable long term growth	Repowering & reblading as a way to better exploit asset base and extend its life	Opportunistic approach to consolidate leading positioning in core countries

ESG ACHIEVEMENTS AND RATINGS

1. ERG included in the ECPI Global Clean Energy Index
2. Achieved rating B from Carbon Disclosure Project
3. Ranked 16th worldwide in the Corporate Knights Global 100 Index
4. Obtained ESG rating Advanced from Vigeo
5. Achieved ESG rating A from MSCI
6. Signed 2 ESG Loans for €240mn
7. Issued inaugural IG 6-yr Green Bond for €500mn

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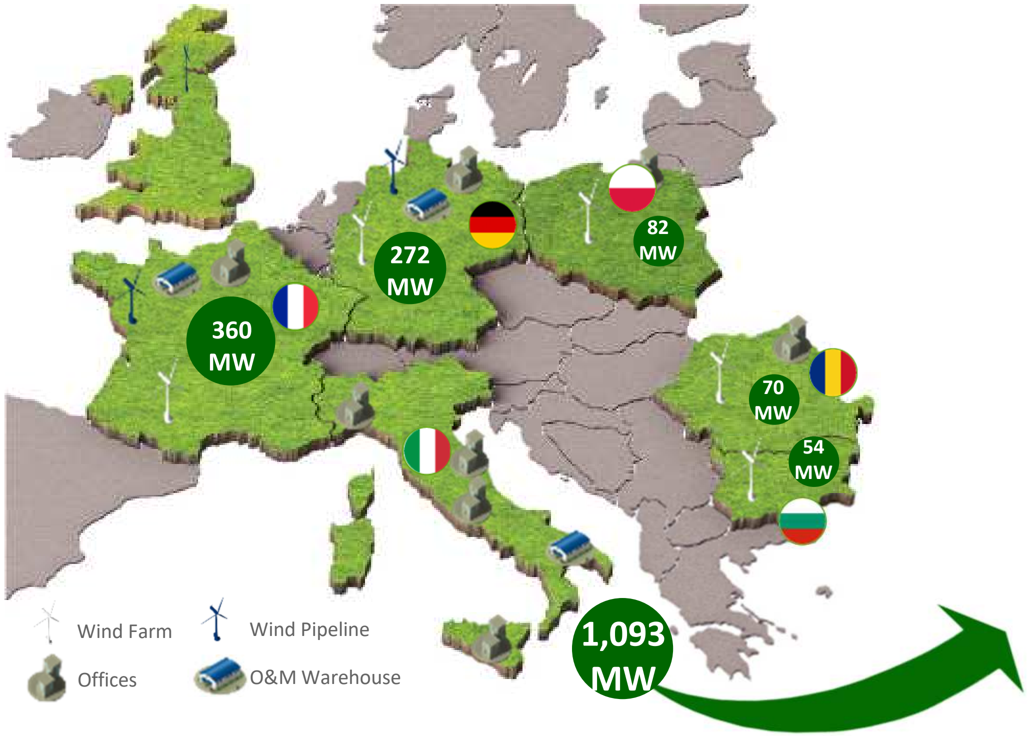
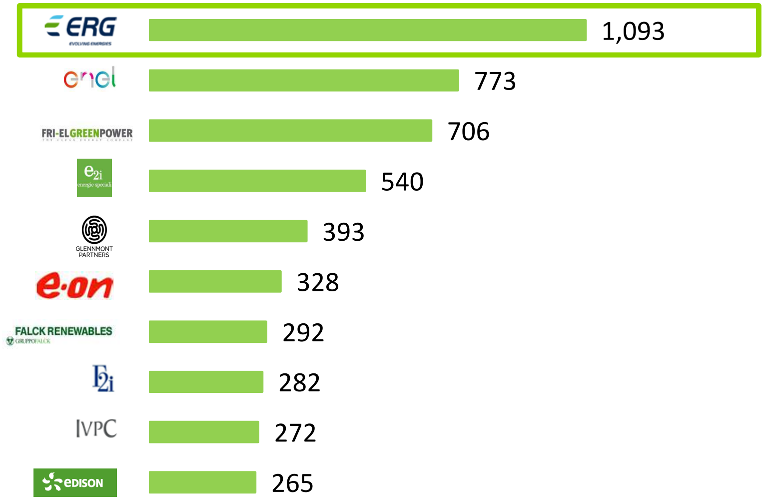
OPERATING SEGMENTS

WELL POSITIONED EUROPEAN WIND PORTFOLIO WITH A LEADING ROLE IN ITALY



Wind : #1 in on shore wind in Italy

Onshore Installed Capacity in Italy (MW) as of Nov 2019 [1]



Total installed capacity:
as of 30 September 1,929 MW

- Of which Italy: 1,093 MW (57%)
- 63% of Group's total installed capacity

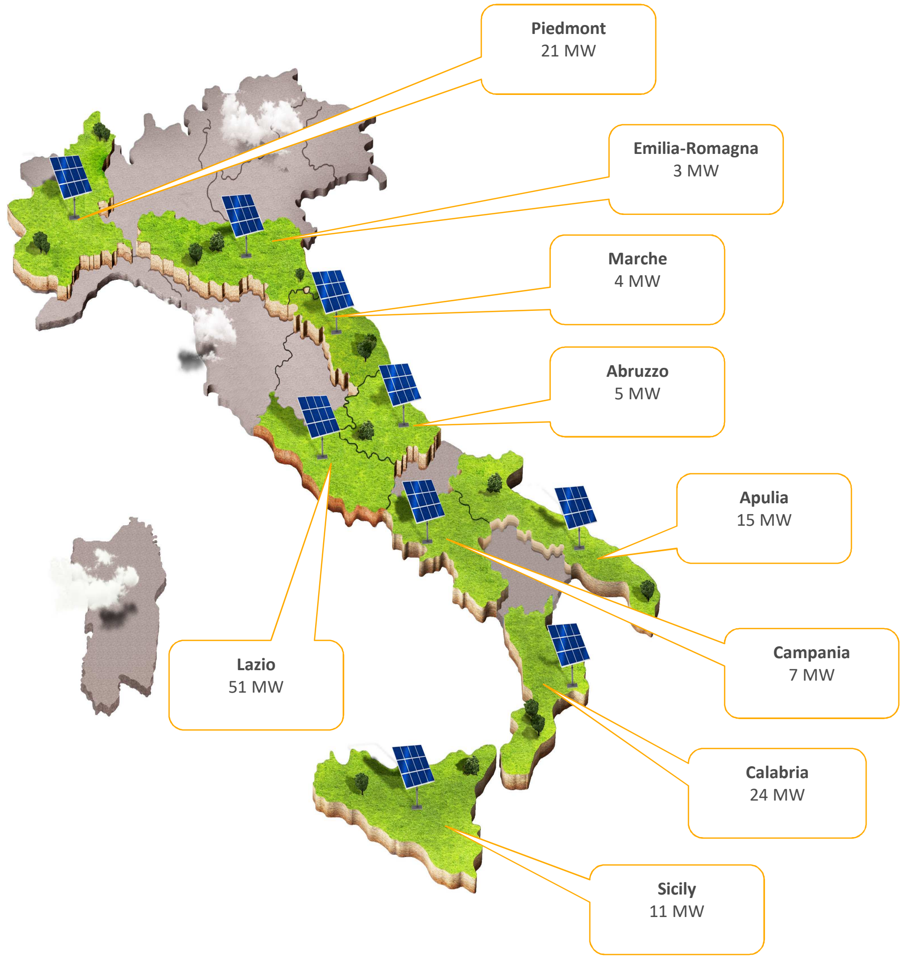
Total 9M 19 EBITDA:**€ 214 mn**
Total FY18 EBITDA: **€ 274mn**

(1) Source: 2019 ANEV (Italian Wind Energy Association) annual report and companies public available data

AMONGST THE TOP ITALIAN PLAYERS IN HYDRO

- **19** power plants
- **7** dams, **3** reservoirs and **1** pumping station
- **527 MW** total installed capacity
- **1.7 TWh** production 2018
- **0.9 TWh** production 9M 2019
- More than **100** people employed
- € **146m** 2018 EBITDA
- € **64m** 9M19 EBITDA

GROWING PLAYER IN THE SOLAR LANDSCAPE



- **141 MW** installed capacity
- **5 th player** in the Italian solar market
- **226 GWh** 2018 annual production output[1]
- **194 GWh** 9M 2019 production
- **124 kT** prevented CO_2 emissions
- **€ 32m** FY18 EBITDA
- **€ 63m** incl. Andromeda[2]
- **€ 56m** 9M19 EBITDA

[1] It includes ERG Solar plant 2018 production in 2018 (130 GWh) and Andromeda estimated production (96 Gwh) as per press release dated January 11th 2019 production
[2] It refers to pro-forma aggregated figures including Andromeda estimated 2018 EBITDA (€ 31m) as as per press release dated 11 January 2019 production

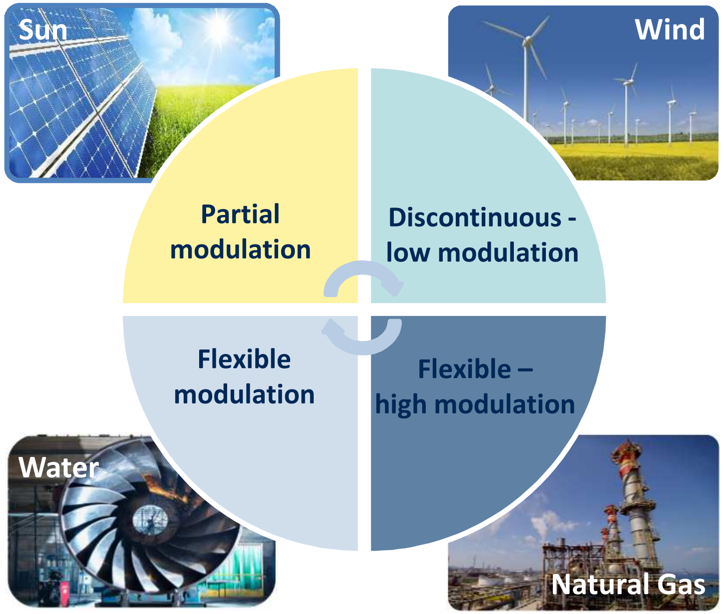
HIGH QUALITY CCGT ASSET OFFERING
STRONG CASHFLOW VISIBILITY

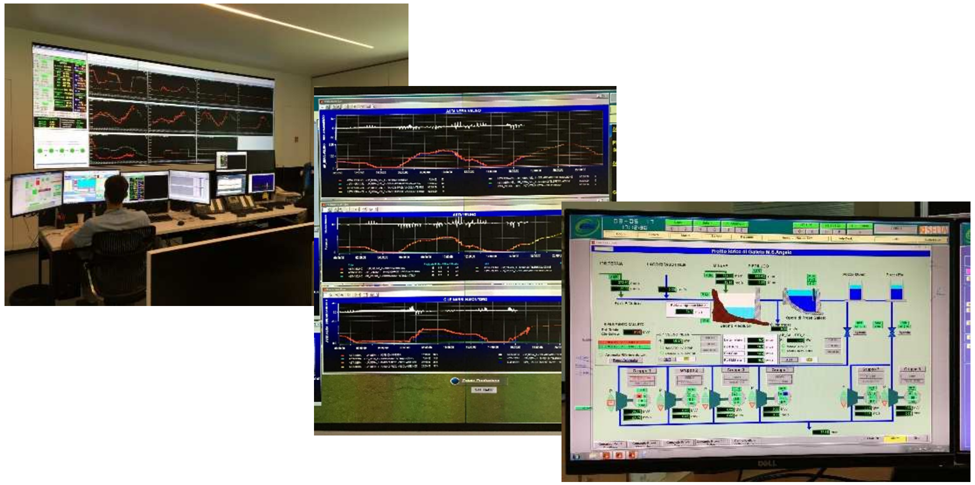
- € **53m** FY18 EBITDA
- € **59m** 9M 2019 EBITDA

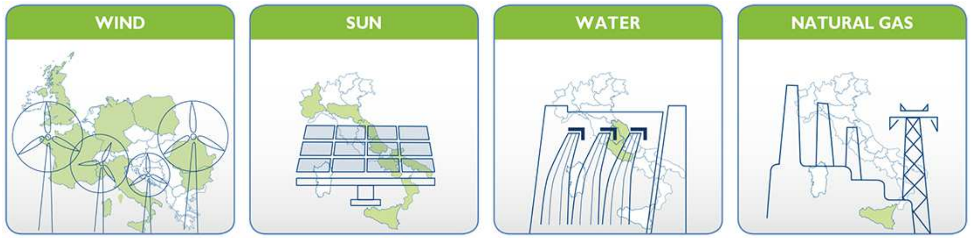
- The ERG Power Combined Cycle Gas Turbine (CCGT) plant, based in Sicily in the North industrial Priolo site, is fueled by natural gas and produces electricity and steam, with a production capacity of 480 MW.
- It is a cogeneration plant, meaning that it produces both the electricity and the heat used to power the industrial plants of the the multi-company production site of Priolo. The rest of the electricity it generates is fed into the national grid.
- The plant is a high-output co-generation plant, based on the most recent combined cycle technology using natural gas along with other ancillary plants, for the production of electricity.
- It is a programmable, flexible, and efficient energy source, which, like the hydroelectric plant, ensures production continuity and flexibility.
- On 7th November 2019, the CCGT production unit **won 340 MW Capacity Market Auction**[1] managed by Terna, with delivery in 2022. ERG will take part to 2023 capacity market tender scheduled on November 28th.
- Cash-flow are derived from four principal activities :
  - I. Long term Power Purchase Agreements with selected large industrial clients in the Priolo site
  - II. Merchant sales
  - III. Energy Efficiency certificates (White Certificates) [2]
  - **IV. RAB based remuneration for a local network grid owned by the plant since 2017 delivering c. €7M of annual EBITDA**
  - **V. Revenues from capacity market secured for 2022 equal to 11 M€**

[1] The Capacity Market awarded price is 33.000 €/MW/anno
[2] White Certificates are issued for ten years on the basis of the primary energy savings thanks to cogeneration status in compliance with CAR (“High yield cogeneration”) regulation

ENERGY MANAGEMENT AS A KEY SUCCESS FACTOR







Production 2018 : ≃7.5 TWh
9M 2019 Production: 5.8TWh
Total Energy Portfolio 9M 2019 including hedging & other sales: 11.2TWh

Generation output fully managed by ERG in the energy markets as factor

to stabilize profitability and cash flow also through power price hedging and PPAs

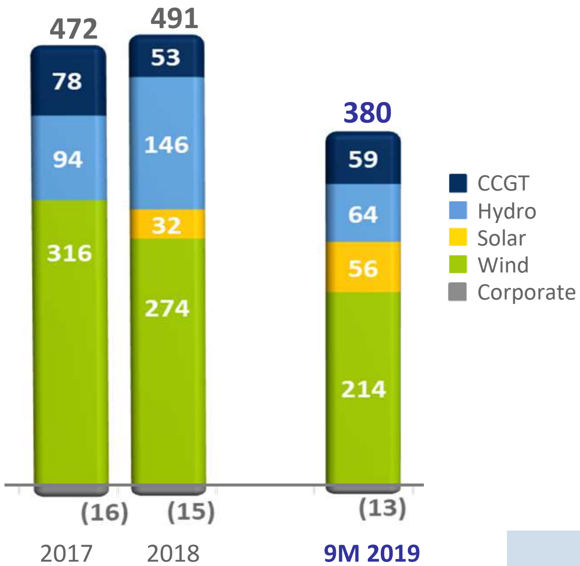
Enhancing revenues stability by signed 2 PPAs with ACEA Energia (1.5TWh over the next 3 years) paving the way for longer duration

Capacity Market in Italy: awarded 340MW of our CCGT. Secured €11mn of 2022 revenues

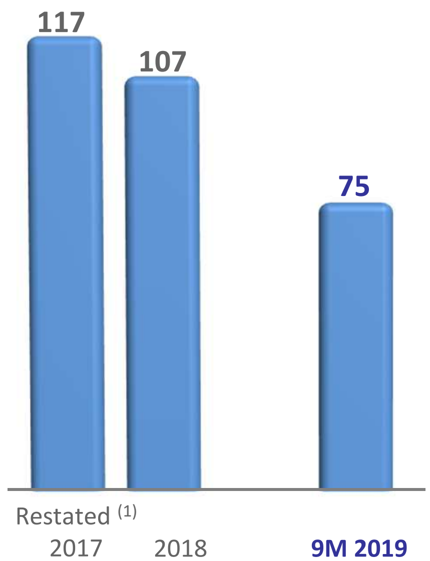
FINANCIAL RESULTS

HIGHLIGHTS: GROUP KEY FIGURES

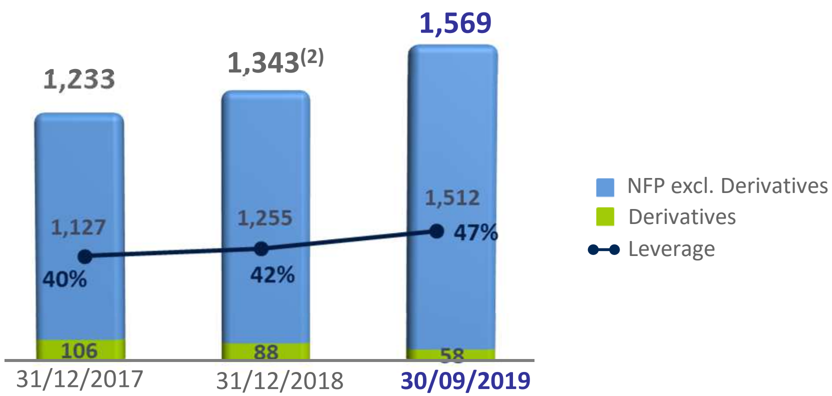
Adjusted EBITDA (€ mn)



Adjusted Net Profit (€ mn)



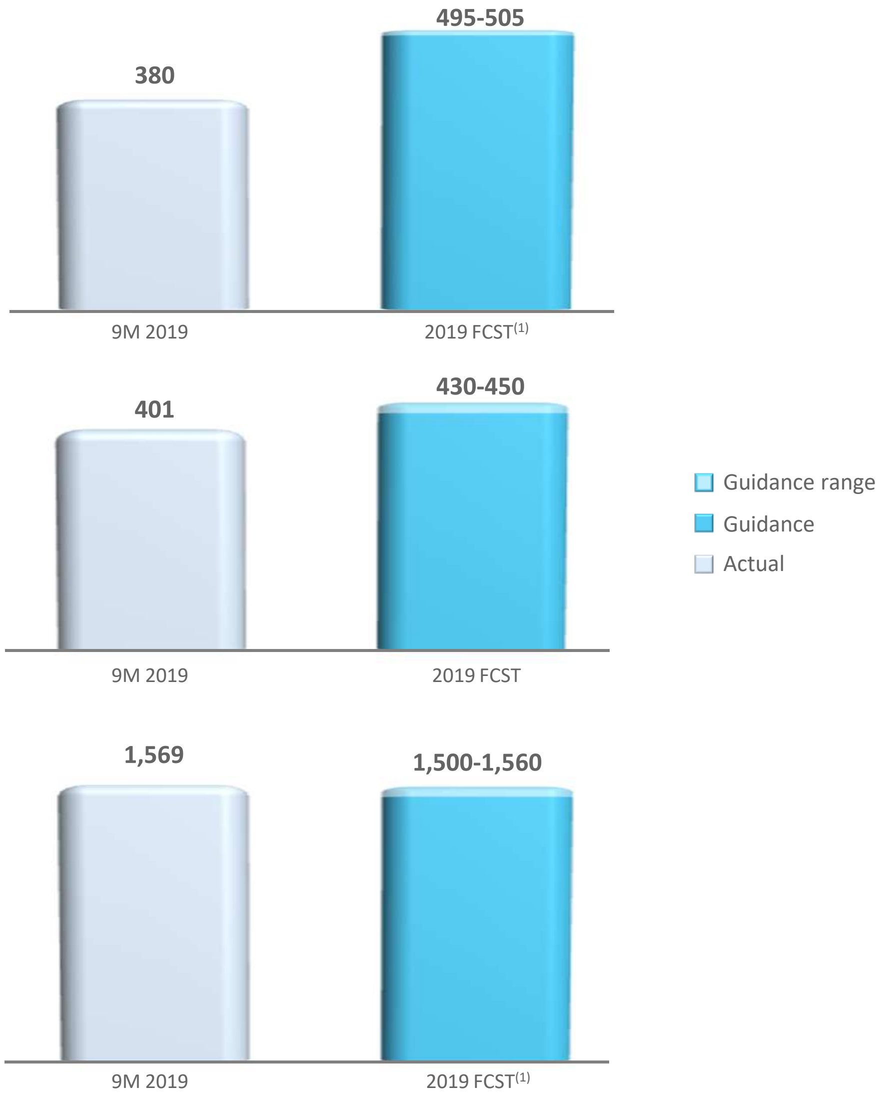
NFP (€ mn)



9M 2019: Scarcity of Wind and Hydro mitigated by growth and generation mix

(1) Net income restated for TotalErg de-consolidation
(2) It includes Vendor Loan to api for €36mn

2019 GUIDANCE



Adj. EBITDA:
✓ Guidance confirmed at €495-505mn

CAPEX:
✓ Guidance increased at €430-450mn

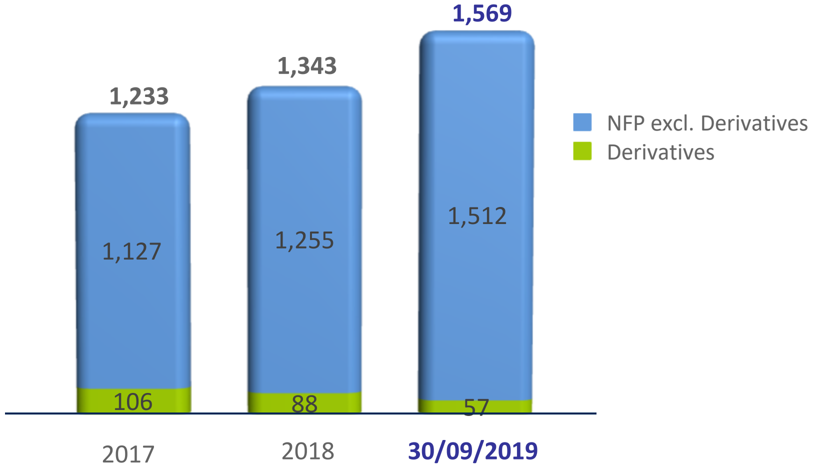
Adj. NFP:
✓ Guidance revised at €1.50-1.56bn

(1) 2019 Guidance does not include IFRS 16 effects

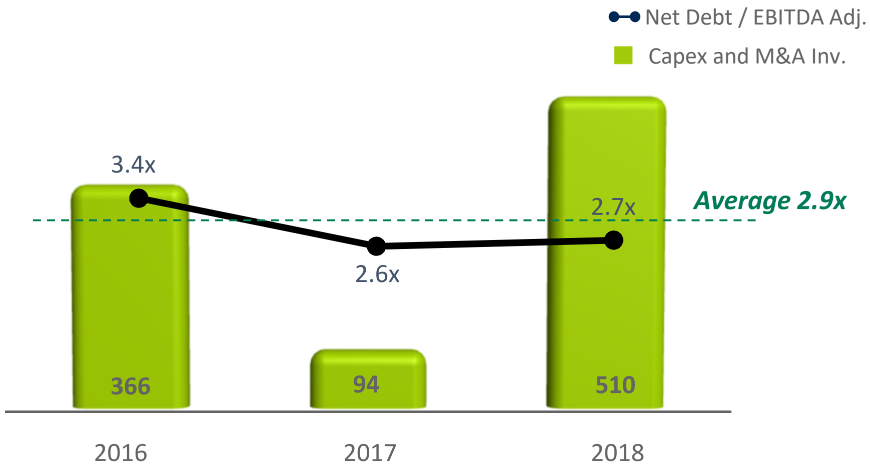
DEBT STRUCTURE

CONSERVATIVE FINANCIAL POLICY

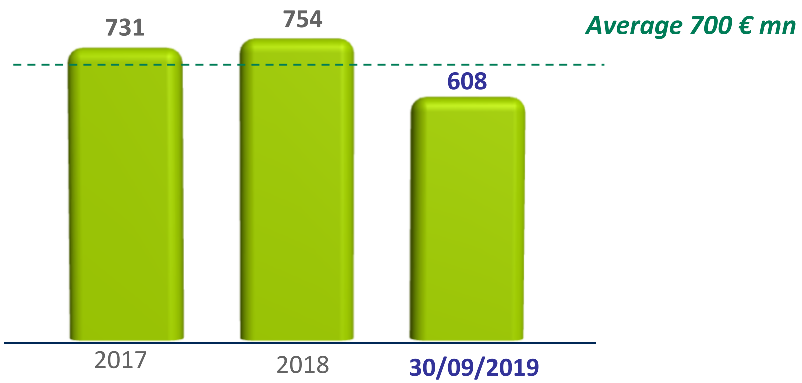
Net Debt Evolution (€ mn)



Net Debt/EBITDA Ratio and Capex Evolution



Liquidity Evolution (€ mn) [1]



Conservative financial policy focused on:

- consolidated Net debt / EBITDA to be **less than 3.0x**
- limited maintenance capex offering the flexibility to deleverage quickly when necessary (e.g. 2017)
- maintaining a solid liquidity profile with an average of €700m in the last three years

Prudent financial policy coupled with sizeable bulk of liquidity

[1] Liquidity is equal to the following components of the Net Financial Position: (i) short-term banking liabilities (ii) cash and cash equivalent

GROUP DEBT STRUCTURE

Figures as of 30/09/2019

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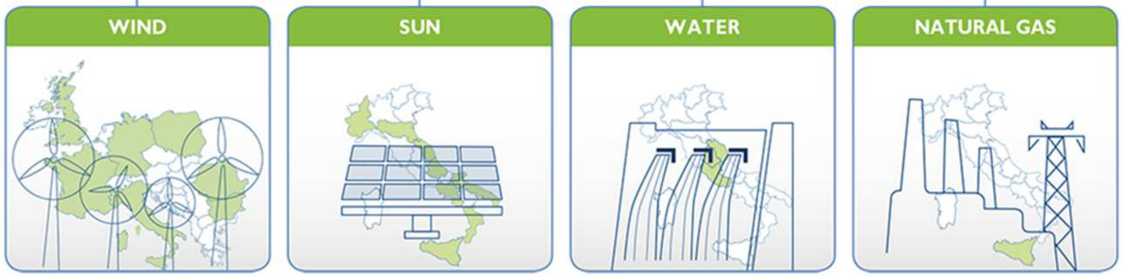
ERG Group
MLT Corporate Loan 686 € mn
MLT PF Loan 867 € mn
Bond 600 € mn

ERG S.p.A.[1]
MLT Corporate Loan 686 € mn
Bond 600 € mn



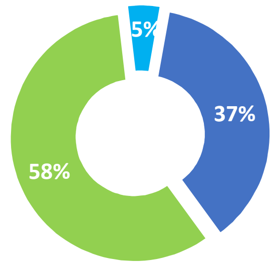
Wind SPVs
MLT PF 568 € mn

Solar SPVs
MLT PF 299 € mn

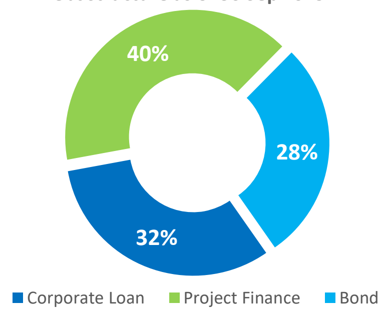
ERG Hydro Srl
MLT PF 0€ mn

ERG Power Srl
MLT PF 0€ mn

Debt structure as of 31 Dec 2018



Debt structure as of 30 Sep 2019



- Debt structure mainly composed of medium term loans with **92% fixed rate portion**

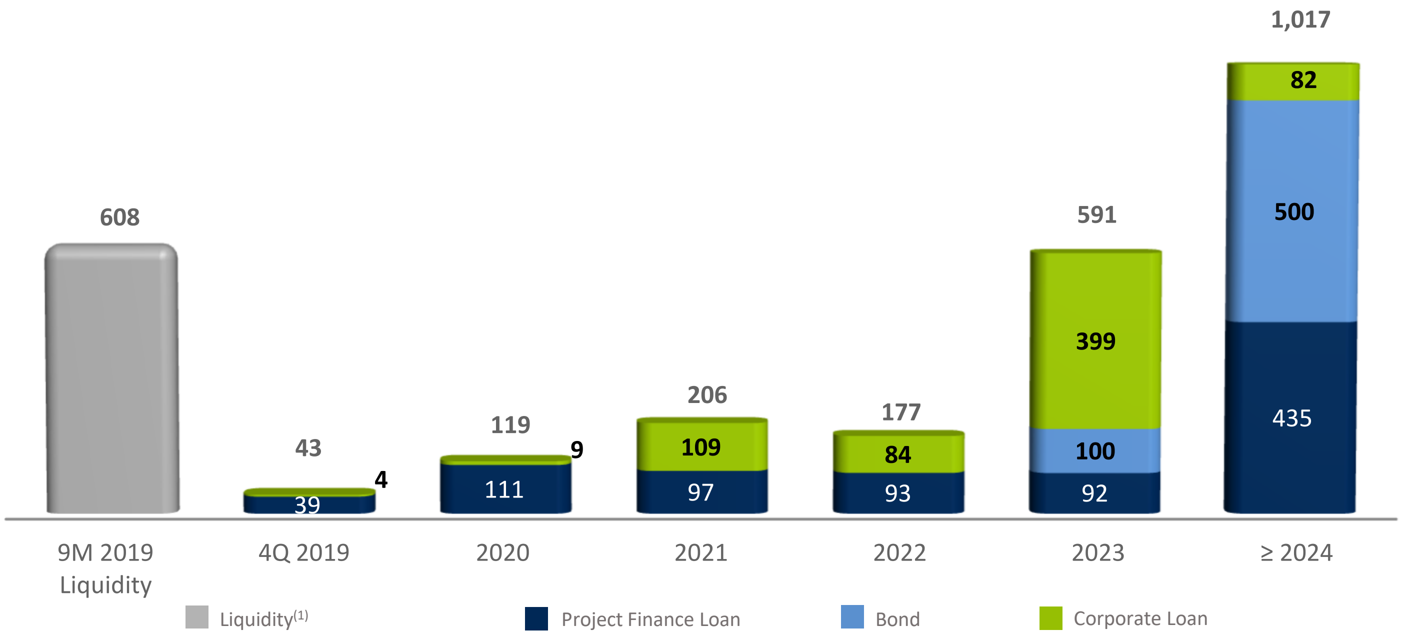
- **ERG's operating assets grant a steady flow of cash upstream to ERG S.p.A:**
  - **Hydro & natural gas assets fully unlevered** without any external financing constraints
  - **Wind & Solar SPVs financed by long term loans** with maturities consistent with incentive life and able to upstream a relevant amount of cash

New financial strategy completed: move from Project Financing to corporate/DCM financing

(1) ERG S.p.A. owns all the operating assets through ERG Power Generation S.p.A. an 100% owned operating subsidiary, free of debt and in cash pooling with ERG S.p.A.

GROUP DEBT MATURITIES

Figures as of 30/09/2019



- ERG has also nearly € 500mn of uncommitted credit lines available as of 30 September 2019
- The weighted average life of ERG's debt stands at 6 years as of 30 September 2019

High financial flexibility thanks to 2018-2019 liability management actions

(1) Liquidity is equal to the following components of the Net Financial Position: (i) short-term banking liabilities (ii) cash and cash equivalent

RATING AND GREEN BOND

RATING AGENCY VIEW

FitchRatings

Long-term Issuer Default Rating (IDR): BBB-

EMTN Programme Rating: BBB-

Expected Issue Rating: BBB-

Outlook: Stable

Last update: Affirmed 19 June 2019

Key Rating Drivers:

- Strategy Confirmed
- Plan Update in Line with Ratings
- Targeted M&A Mostly Executed
- Merchant Repowering
- Solid Pipeline in Greenfield
- Declining Medium-Term Incentives
- Solid 2018 Performance
- Progress in Centralising Funding Structure
- Sound Liquidity

Key Considerations:

- *"Fitch Ratings has affirmed Italian renewable generation company ERG S.p.A.'s Long-Term Issuer Default Rating (IDR) and senior unsecured rating at 'BBB-'. The Outlook on the IDR is Stable.*
- *"ERG's 'BBB-' IDR affirmation mainly reflects its robust business profile, with quasi-regulated activities representing around 70% of the consolidated EBITDA, predictable regulatory frameworks and a clean asset base"*
- *"The rating also takes into account ERG's growth ambition in the context of a clearly stated financial policy of up to 3.0x net debt/EBITDA"*
- *"Fitch expects that ERG's credit ratio will remain consistent with the ratings, even including additional external growth in 2021 and 2022"*
- *"The forecasts lead to an average funds from operations (FFO) adjusted net leverage of 3.3x and FFO fixed-charge coverage of 7.4x over 2019-2022, compared with negative guidelines of 3.5x and 4.0x, respectively."*

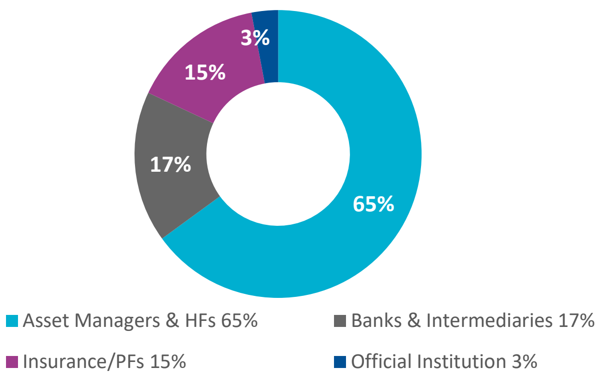
GREEN BOND 2019 KEY HIGHLIGHTS

Final Terms

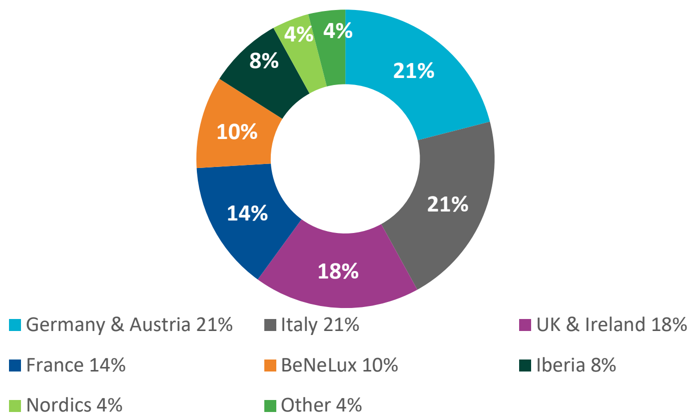
Issuer	**ERG S.p.A.**
ISIN	**XS1981060624**
Issuer / Issue Rating	**BBB- outlook stable (Fitch) / BBB- (Fitch)**
Format	**Senior Unsecured Notes under €1,000,000,000 Euro Medium Term Note Programme**
Maturity	**April 11th 2025**
Outstanding Amount	**Eur 500m**
Coupon / issue date	**1.875% Fixed/Annual – 1.933% YTM**
Listing	**Luxembourg Stock Exchange**
Use of Proceeds	**Financing or refinancing all or part of Eligible Green Projects as per Green Bond Framework**

Allocation breakdown

Investor type



Geographical split



GREEN BOND 2019 KEY FEATURES

- As a **leading European producer of electricity from renewable energy sources**, ERG believes that issuing Green Bonds is a key tool to support the achievement of its sustainable development targets and to contribute to address major climate changes challenges
- In line with **ERG's 2018-2022 sustainability commitment of consolidating the Group's leadership in the production of electricity from renewable sources**, ERG decided to set up this Green Bond Framework, under which ERG can issue Green Bonds to support renewable energy
- **ERG's Green Bond Framework is aligned with the Green Bond Principles in its 2018 edition, its four core components and its recommendation for External Review**

Use of Proceeds	Process for project valuation	Second Opinion
Management of Proceeds	Reporting	Post issuance external assurance

Green Project Category	Eligibility Criteria	ERG Sustainability Commitments	UN Sustainable Development Goals
Renewable energy	**Wind** • New projects expected to be acquired during the 24 months following the issuance of Green Bonds • Existing projects with a commercial operation date or acquisition date not prior to February 2016 for ERG inaugural transaction	• **GHG emission reduction** thanks to renewable energy production • **Contribute to reducing global warming emissions** by replacing carbon-intensive energy sources	7 AFFORDABLE AND CLEAN ENERGY Renewable energy produced Avoided CO_2 emissions
	Solar • New projects expected to be acquired during the 24 months following the issuance of Green Bonds • Existing projects with a commercial operation date or acquisition date that shall not exceed 24 months prior to the issuance of any Green Bonds		

Full allocation reporting expected in 1H 2020

CLOSING REMARKS

KEY CREDIT HIGHLIGHTS

ERG
EVOLVING ENERGIES

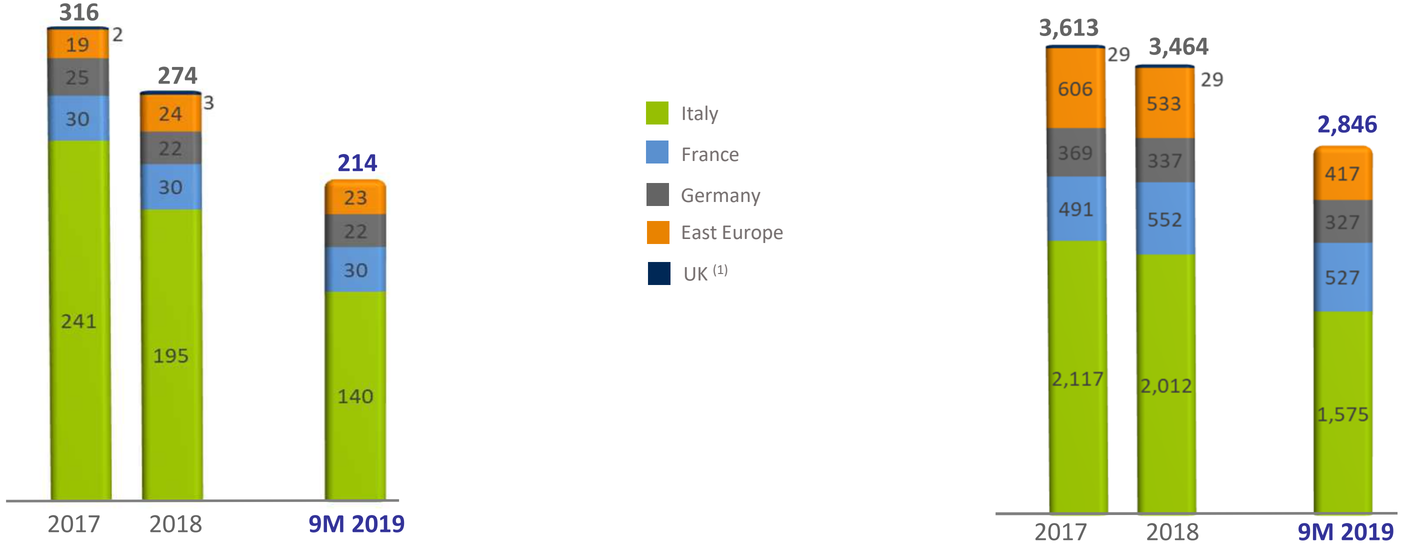
1. Unique European renewable player in the Investment Grade European arena with stable and sizeable operating cash generation and a well balanced generation portfolio
2. Robust business profile with quasi-regulated and contracted activities with 70%-80% contribution to Group EBITDA
3. Solid track record in delivery and achieving financial targets set over the past years
4. Business re-positioning performed over the last 10 years maintaining a solid financial structure
5. Best in class operational efficiency through asset management and O&M plant internalization
6. Financial strategy: move from project financing to corporate financing with DCM as key funding instrument maintaining a conservative financial policy
7. Stable and solid shareholder structure coupled with an experienced and proven top management

ANNEXES

RESULTS BY SECTOR (1/2)

Wind

Adjusted EBITDA (€ mn) | Volumes (GWh)



Solar

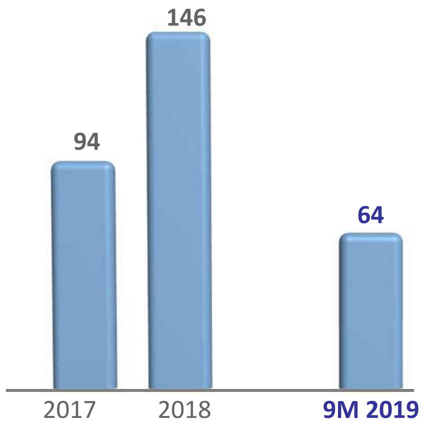
Adjusted EBITDA (€ mn) | Volumes (GWh)

(1) It refers to Brockaghboy wind farm disposed of on March 8, 2018
(2) 2018 figures refers to 90 MW installed capacity

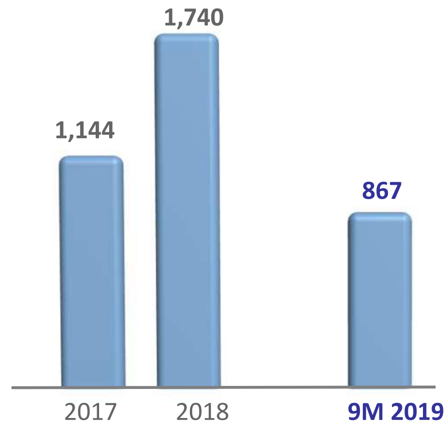
RESULTS BY SECTOR (2/2)

Hydro

Adjusted EBITDA (€ mn)

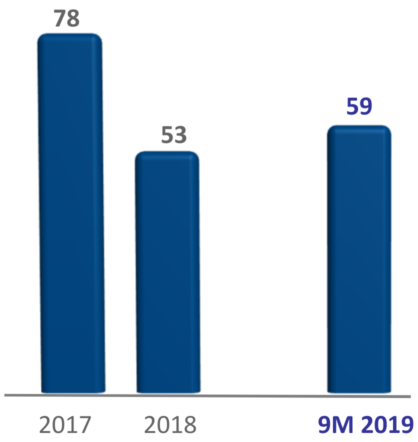


Volumes (GWh)

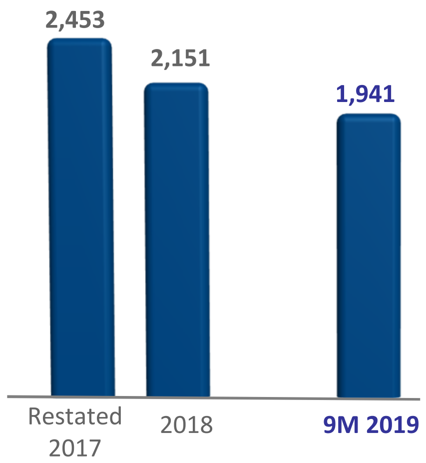


CCGT

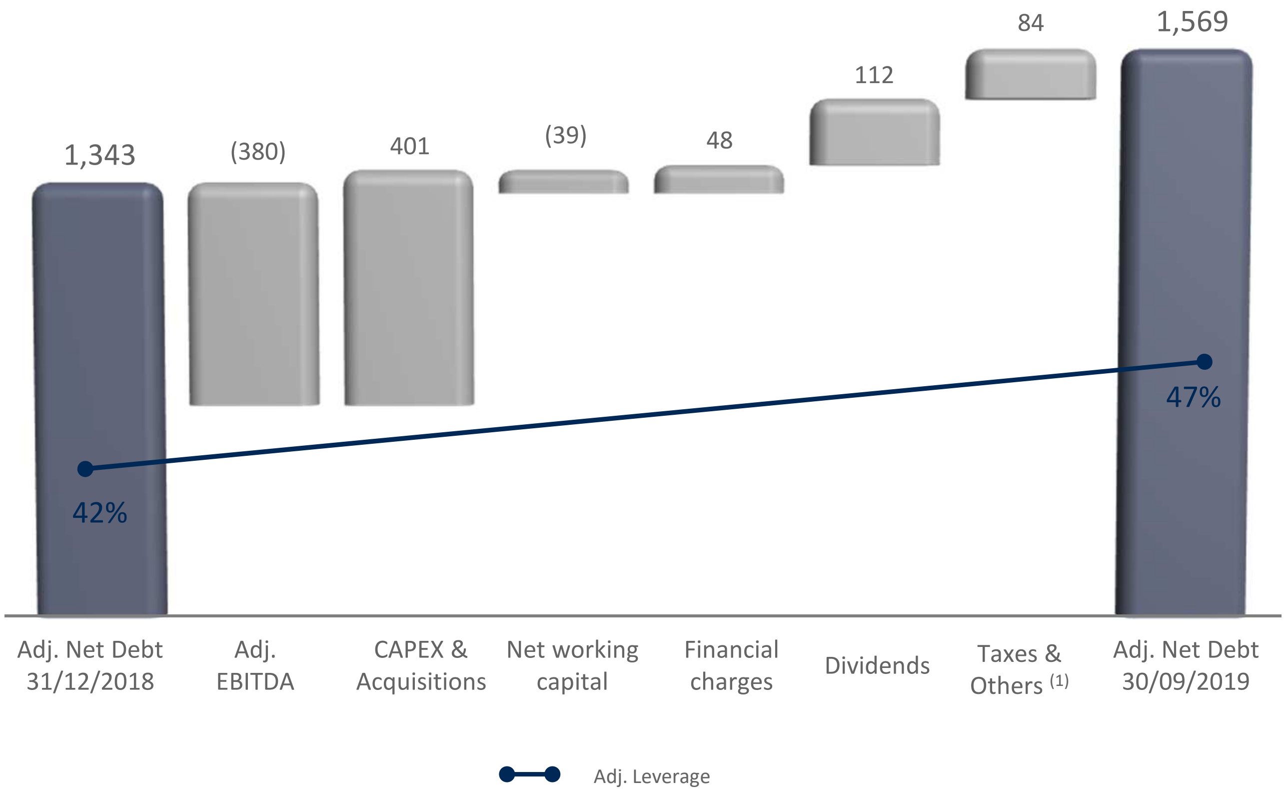
Adjusted EBITDA (€ mn)



Volumes (GWh)



9M 2019 CASH FLOW STATEMENT



(1) Other includes (i) €43mn as a non-cash item linked to the ERG Wind FV project financing write-off of and (ii) ERG Wind project financing IRS unwinding