



ERG IR DAY

14 MAY 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 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

- ❑ **A Successful Journey** - Alessandro Garrone, EVP
- ❑ **2021-2025 Business Plan** - Paolo Merli, CEO:
 - ERG Today
 - Trends & Outlook
 - ERG Tomorrow
 - Moving towards an Infrastructural Business Model
 - 2021-2025 Targets
- ❑ **2021-2025 Financial Strategy** - Michele Pedemonte, CFO
- ❑ **With ESG in our DNA** - Emanuela Delucchi, Chief ESG, IR & Comm.
- ❑ **1Q 2021 Results** - Michele Pedemonte, CFO
- ❑ **2021 Guidance & Final Remarks** - Paolo Merli, CEO



A Successful Journey

Alessandro Garrone - EVP

OUR TRACK-RECORD IN ENERGY TRANSITION

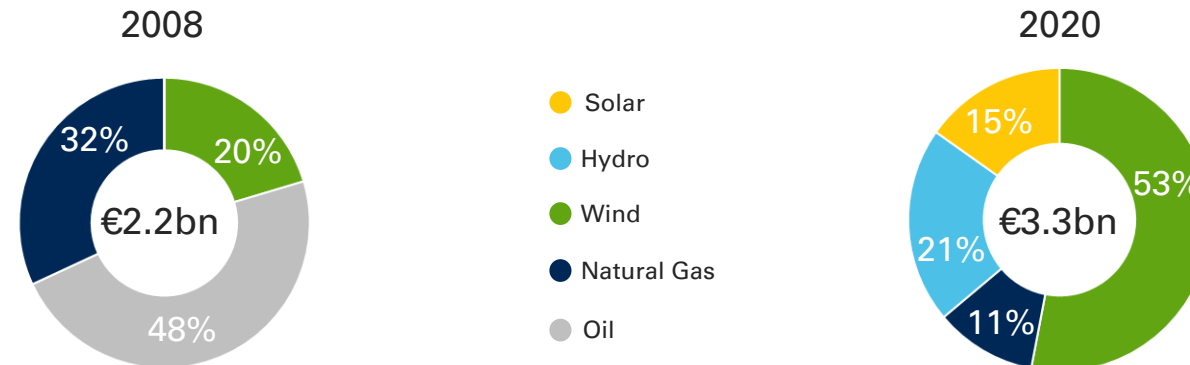
RES GROWTH

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



Capital Employed evolution

ENERGY TRANSITION



ACCESS TO DEBT CAPITAL MARKET

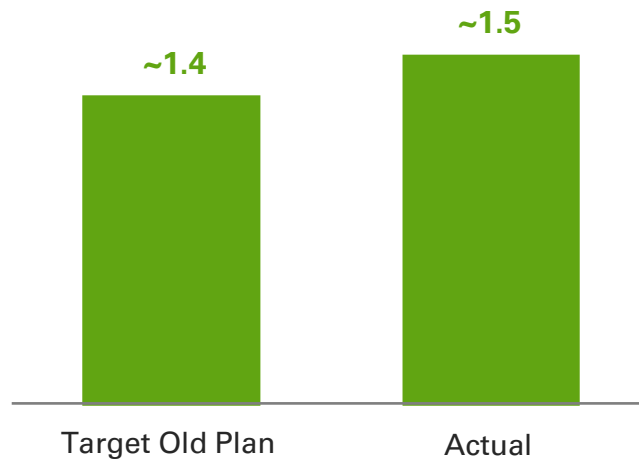
Main evolutions in 2018-2020:

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

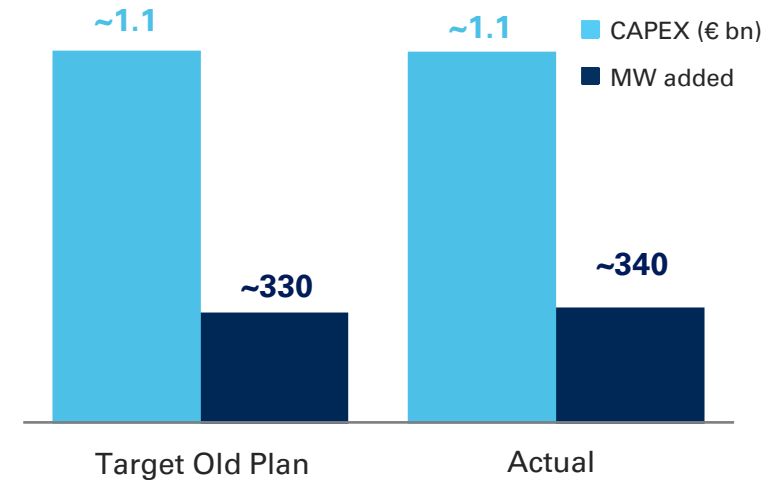


2018-2020: WE ACHIEVED WHAT WE SET OUT TO DO

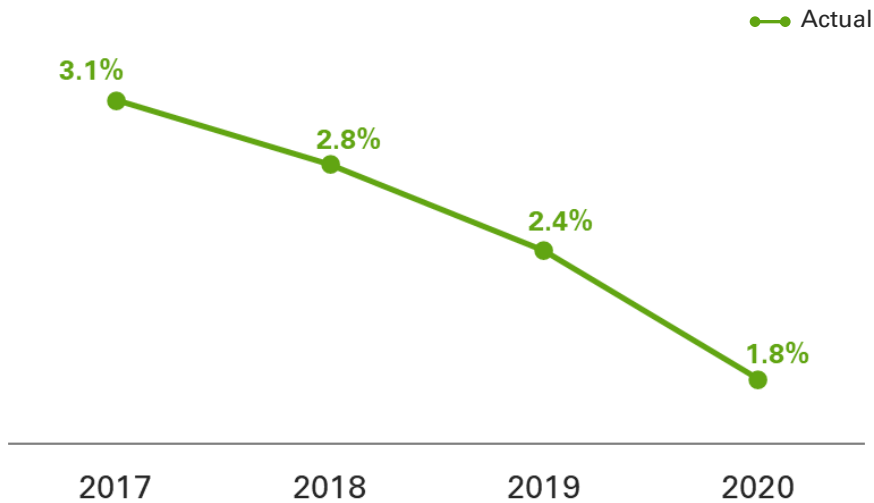
2018-2020 Adjusted EBITDA (€ bn)



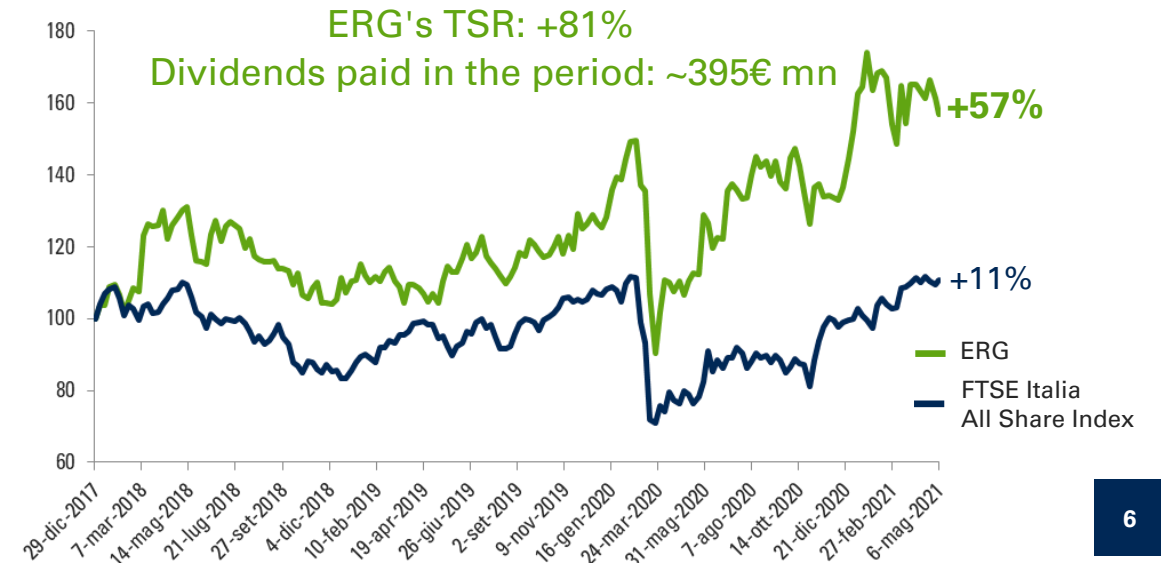
2018-2020 CAPEX (€ bn) and MW added



Cost of Gross Debt down 130bps (~40%)



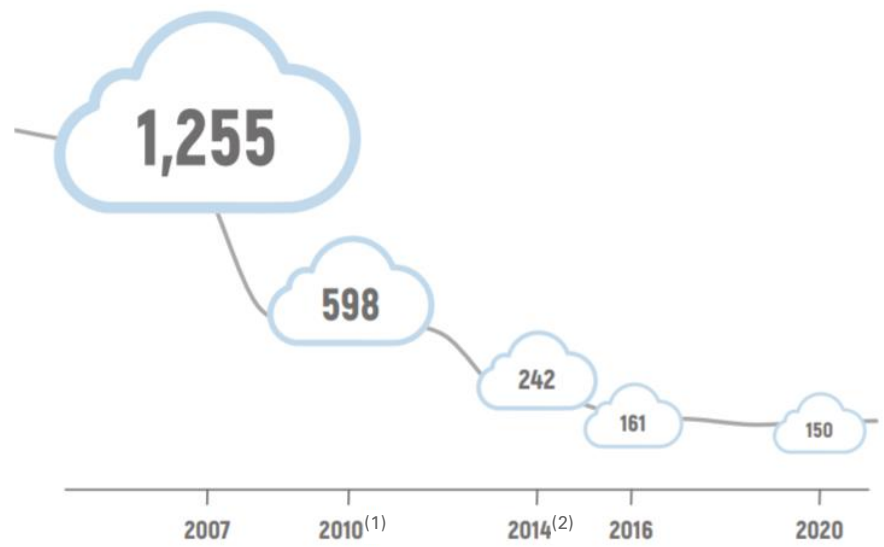
Performance: ERG vs. FTSE Italia All Share





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
	 Advanced
	
	74/100
	
	
	23.6 Medium Risk
	EE+
	
	
	ESG Vulnerability Score ⁽¹⁾ = Tier 1 ⁽²⁾

ERG included in S&P Global Clean Energy Index with a weight of 0.34%

⁽¹⁾ The score issued on 24 March 2021

⁽²⁾ With a score <10 [scale from 0 to 100] ERG is placed at the very top of the utility universe

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



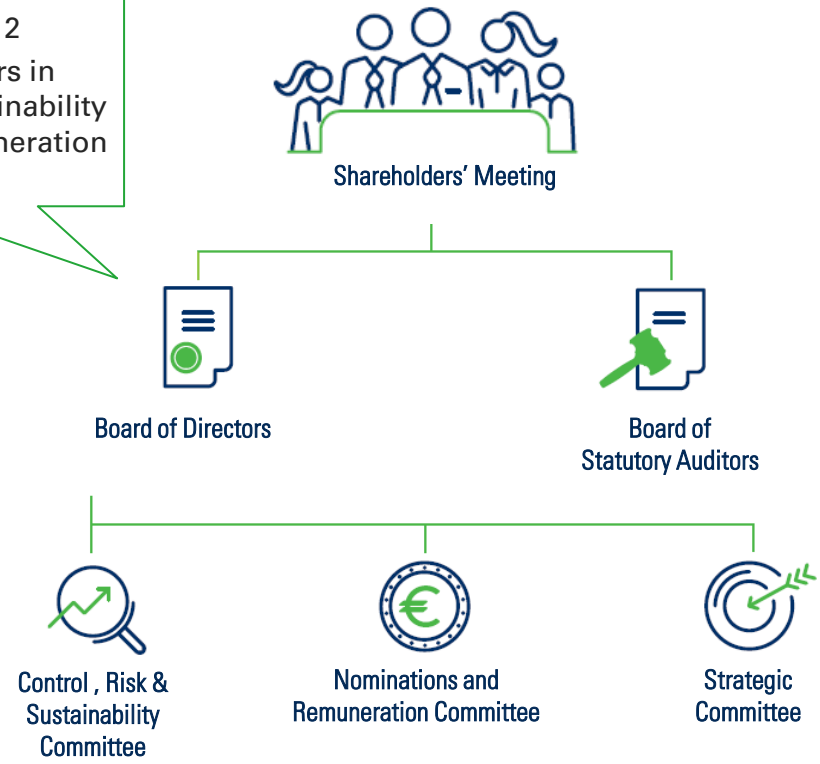
Strong commitment to ESG targets (included in both MBO and LTI schemes), at the core of ERG strategy

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

COMPOSED OF BOARD MEMBERS



COMPOSED OF MANAGERS



- **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**

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



Rewarding Policy:

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

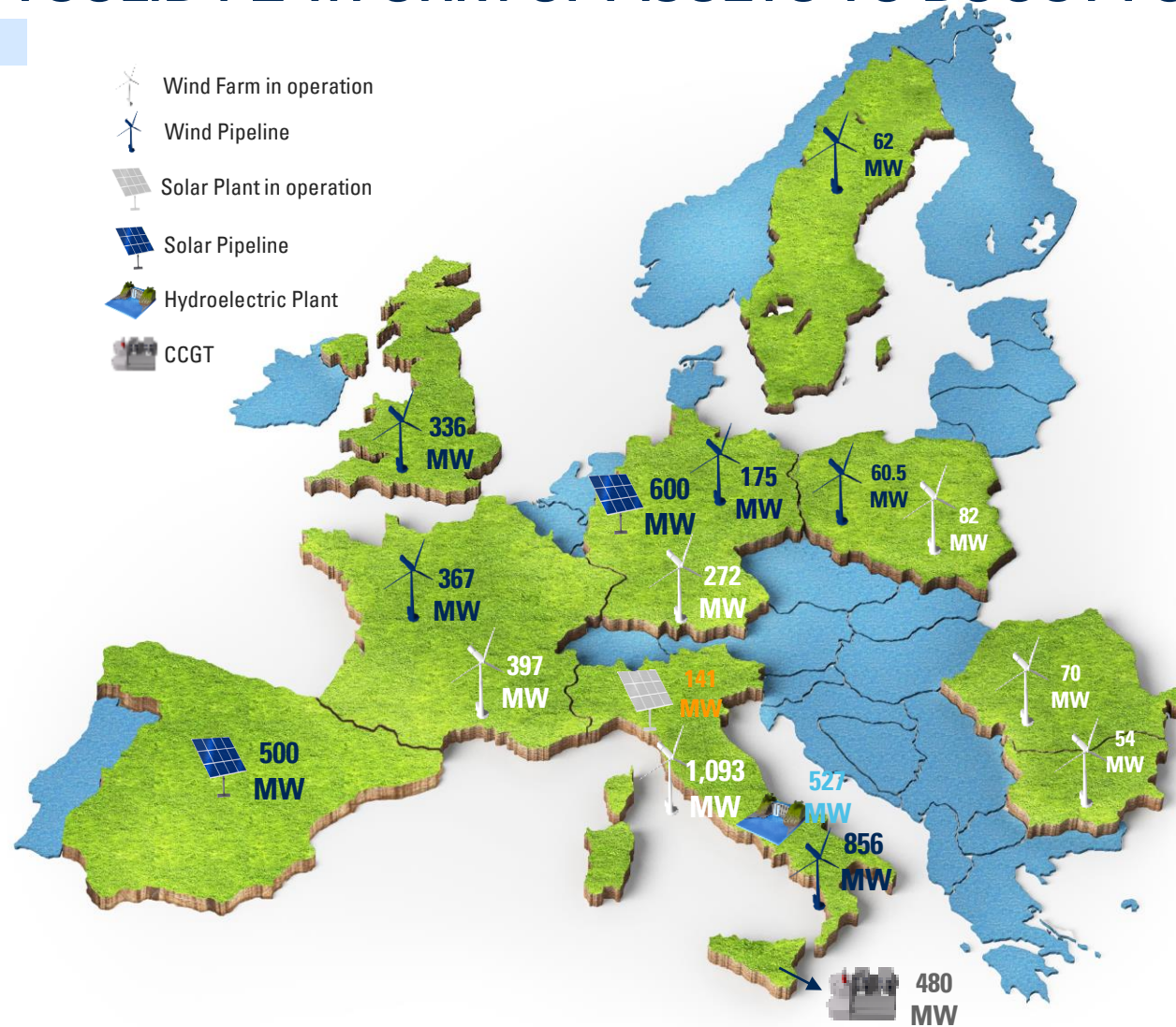
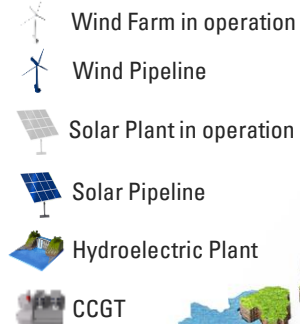
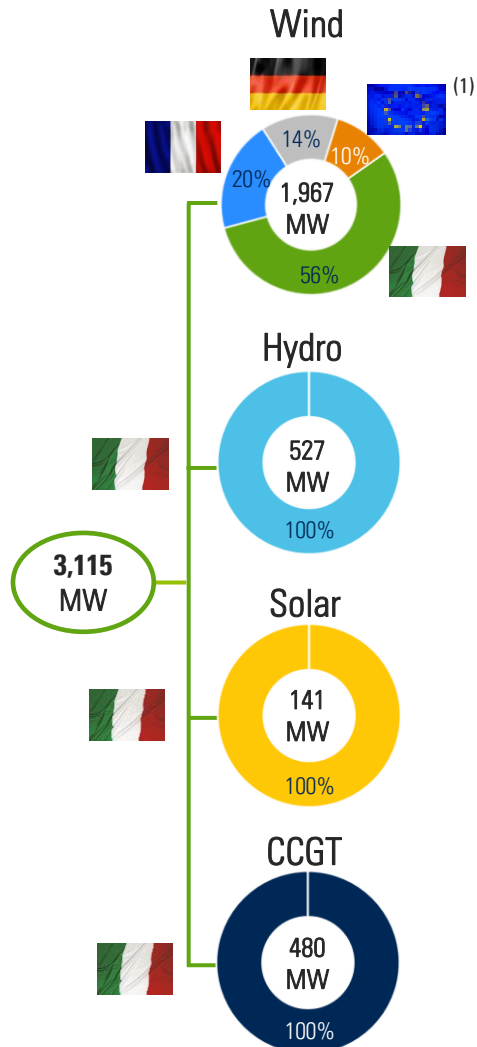


2021-2025 Business Plan

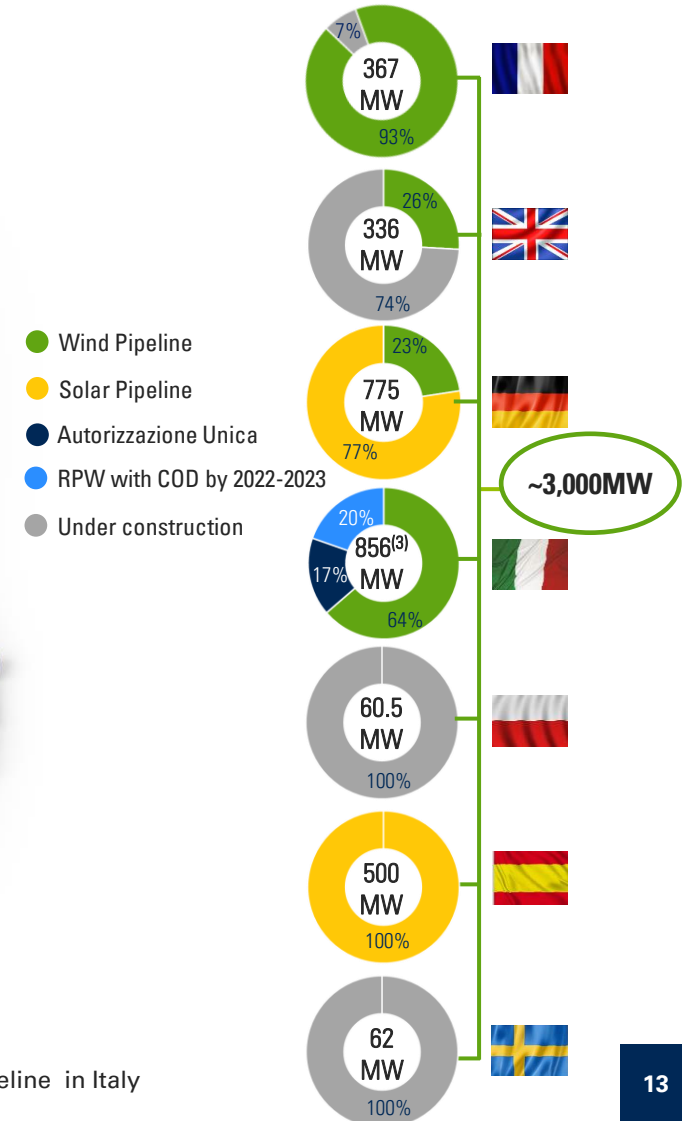
Paolo Merli - CEO

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

Total installed Capacity



Pipeline⁽²⁾



(1) It refers to Poland, Romania and Bulgaria

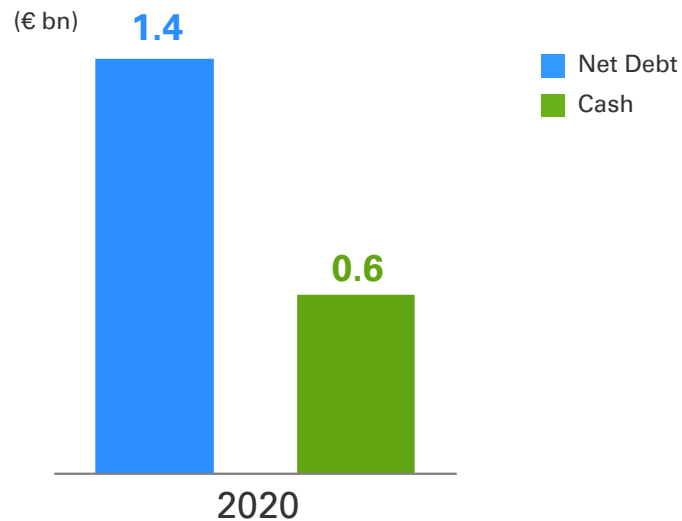
(2) Pipeline (~3,000MW) is on a gross basis and includes: ~400 MW in construction, repowering & greenfield pipeline in Italy and pipeline for solar & wind greenfield in EU

(3) Repowering is on a gross basis

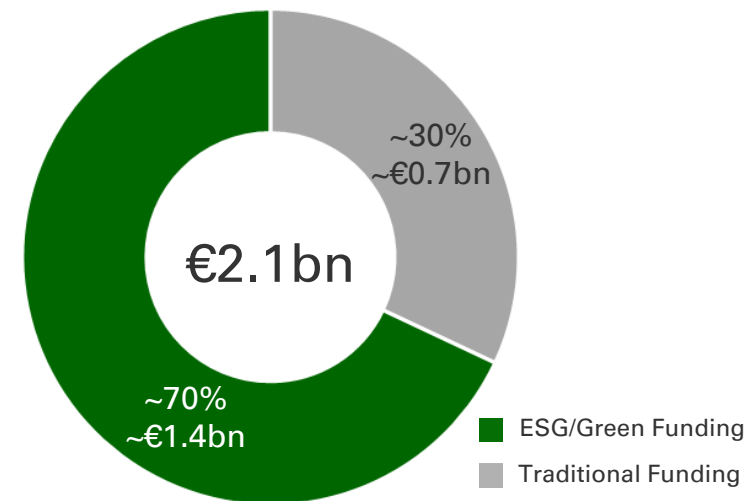


... WITH AN INVESTMENT GRADE CAPITAL STRUCTURE

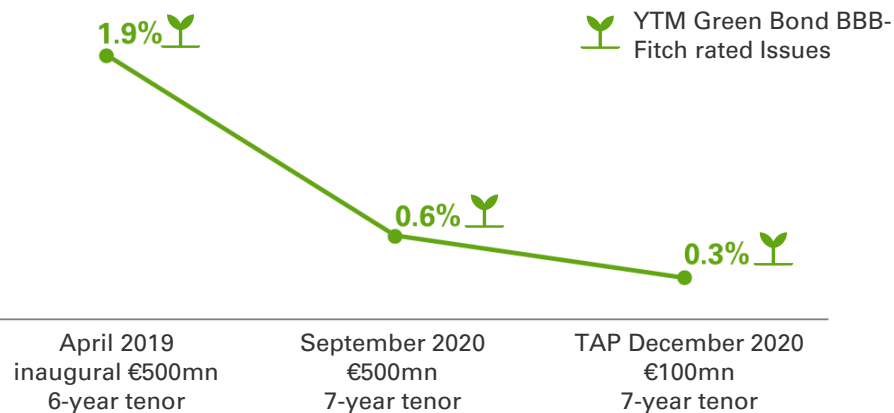
Hefty bulk of liquidity as fuel for growth



Capital structure aligned to ESG based business model



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



Financial & Dividend policy:

- Target Net Debt/EBITDA ~3.5x
- **Maintaining Investment Grade rating (BBB-)**
- Sustainable dividend (€0.75/sh)

Unique leading renewable player with financial firepower

Trends & Outlook

KEY TRENDS IN THE RENEWABLES MARKET



An unprecedented business environment for RES



Permitting and Grid Connections remain bottlenecks



Shrinking returns for RES consistent with maturity of the Industry

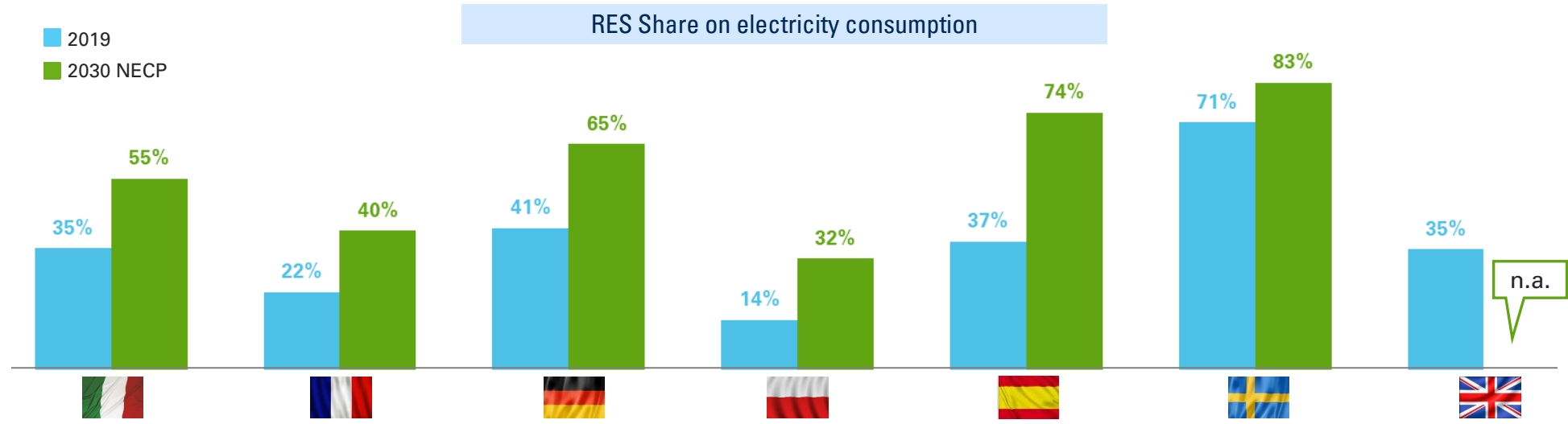


RES assets are shifting towards infrastructure (PPA/CFD)

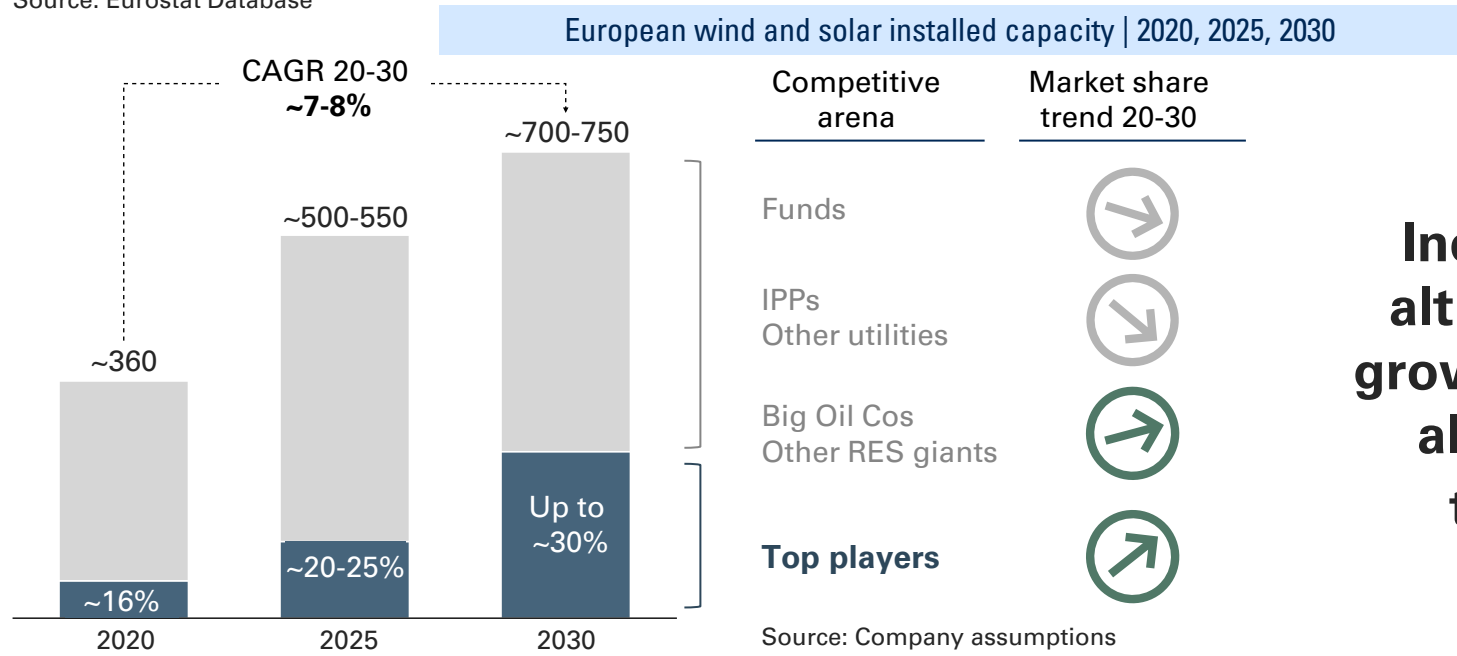


ESG has become a game changer

FUNDAMENTALS ARE THERE WITH AGGRESSIVE 2030 RES TARGET



Source: Eurostat Database



Increasing competition, although large projected growth and "local" context allows EU RES market to remain attractive

THE COMPLEXITY OF THE AUTHORIZATION PROCESS

When will 2030 targets be reached with the current permits release pace?

NECP: 2050 NECP: 2080
EU GD: 2070 EU GD: 2120



How long is the average permitting process?

4 years, 9 months 1 year, 5 months



How many Regions approved an Energy Plan updated to the new targets?

0 out of 20

How many projects which have applied in the last three years got the final authorization?

0% 3%



In April 2021: 3 ERG Projects

How many VIA has the "National VIA Committee" issued since the establishment (2017)?

4 out of 132 requests

4 ERG Projects

How many wind projects request a modification after the AU?

Around 60%

**In Italy, the authorization system shows structural hardship
ERG is the sole player which succeeded in obtaining authorization for 3 RPW projects in Sicily**

MOVING AWAY FROM “LEGACY” INCENTIVES: PROGRESSIVE MARKET “COMMODITIZATION”, INCREASING COMPETITION ON MONETIZATION

Phase	Legacy		Transitioning		Commoditizing
	Before 2015		2015-2025		Towards 2030
Market context	<p>Low cost-competitiveness of RES vs. conventional</p> <p>Incentive-driven market</p> <p>Steep learning curve on costs and efficiency</p>		<p>Approaching grid-parity and increasing spotlight on RES</p> <p>Higher competition on monetization (tech-specific auctions⁽²⁾)</p> <p>Continued cost reduction</p>		<p>Grid-parity achieved and total RES-centricity</p> <p>Technology neutral playing field on monetization (auctions/ PPAs)</p> <p>Cost maturity and progressive shift towards “infrastructural” business</p>
LCOE⁽¹⁾ (€/MWh)	~100 (wind)	~150 (solar)	~ 45-50 (wind)	~50-55 (solar)	~30-35 (wind & solar)
Price reference⁽¹⁾ (€/MWh)	~150-250		~55-65		approaching LCOE
IRR unlevered in Europe⁽³⁾	10+%		6-7%		<i>Down till</i> 4-5%


Towards a more “infrastructural” business

⁽¹⁾ Indicative price level based on internal analysis on public available data

⁽²⁾ Technology specific auctions where available;

⁽³⁾ Source: Bain, Wind Europe

STRONG VISIBILITY ON CFD AUCTIONS ON ERG CORE COUNTRY

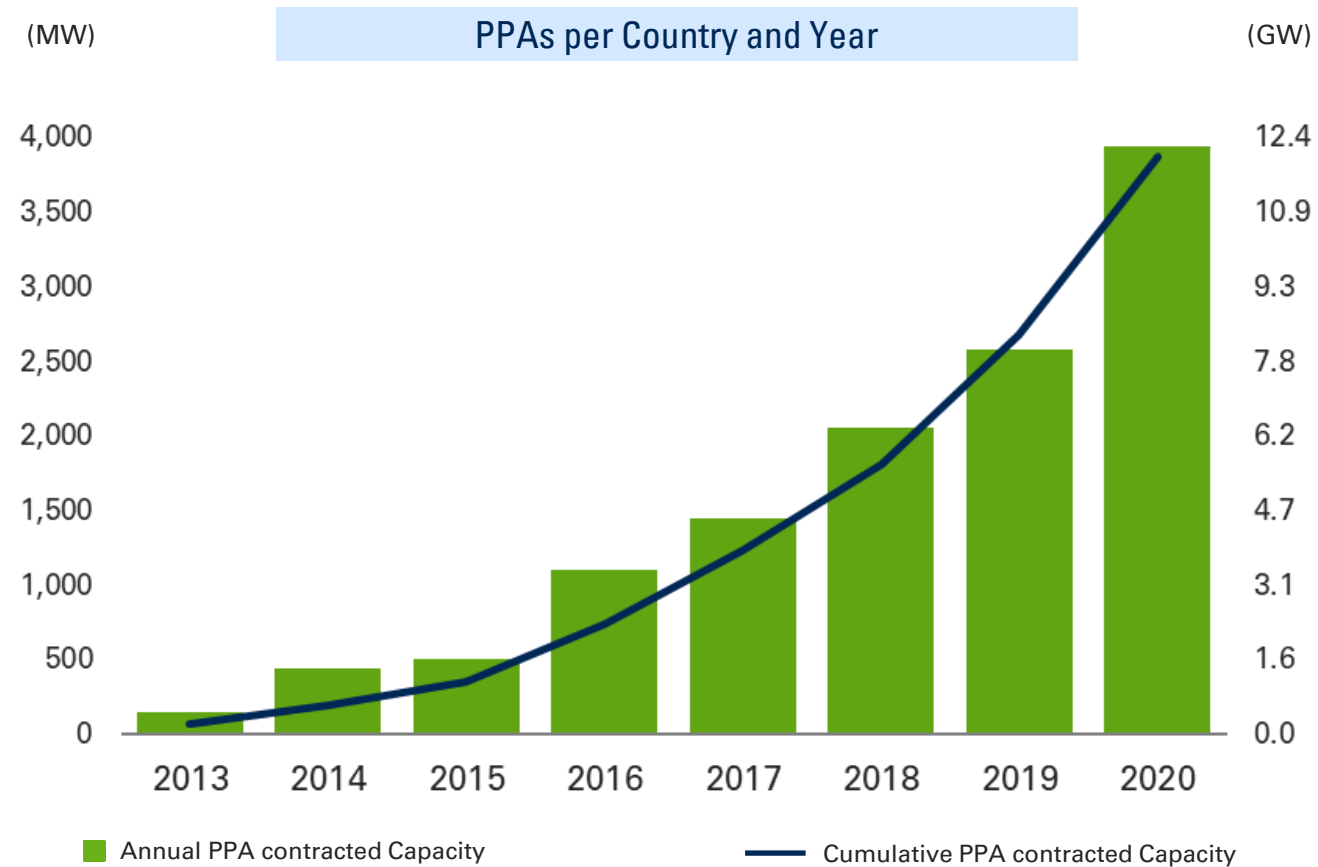
Country	Auctioned 2019-2020	Awr/Auct 2019-2020 (%)	Av Price (€/MWh)	Contract / Duration	Visibility
 ⁽¹⁾	2,400 MW	63%	63	CFD/20yrs	W/S 2021
	W: 1,880 MW S: 1,320 MW	W: 100% S: 100%	W: 64 S: 57	CFD/20yrs	W 2026 S 2024
	W: 7,076 MW S: 2,839 MW	W: 61% S: 100%	W: 61 S: 55	CFD/20yrs	W/S 2026
 ⁽¹⁾	160 TWh	75%	47	CFD/15yrs	W/S 2021
 ⁽²⁾	W+S: =3,000 MW W: ≥1,000 MW	100%	W: 25 S: 25	CFD/12yrs	W/S 2025

CFD/Auction may be included in the new Regulatory Framework in UK now under review

⁽¹⁾ Cluster >1MW

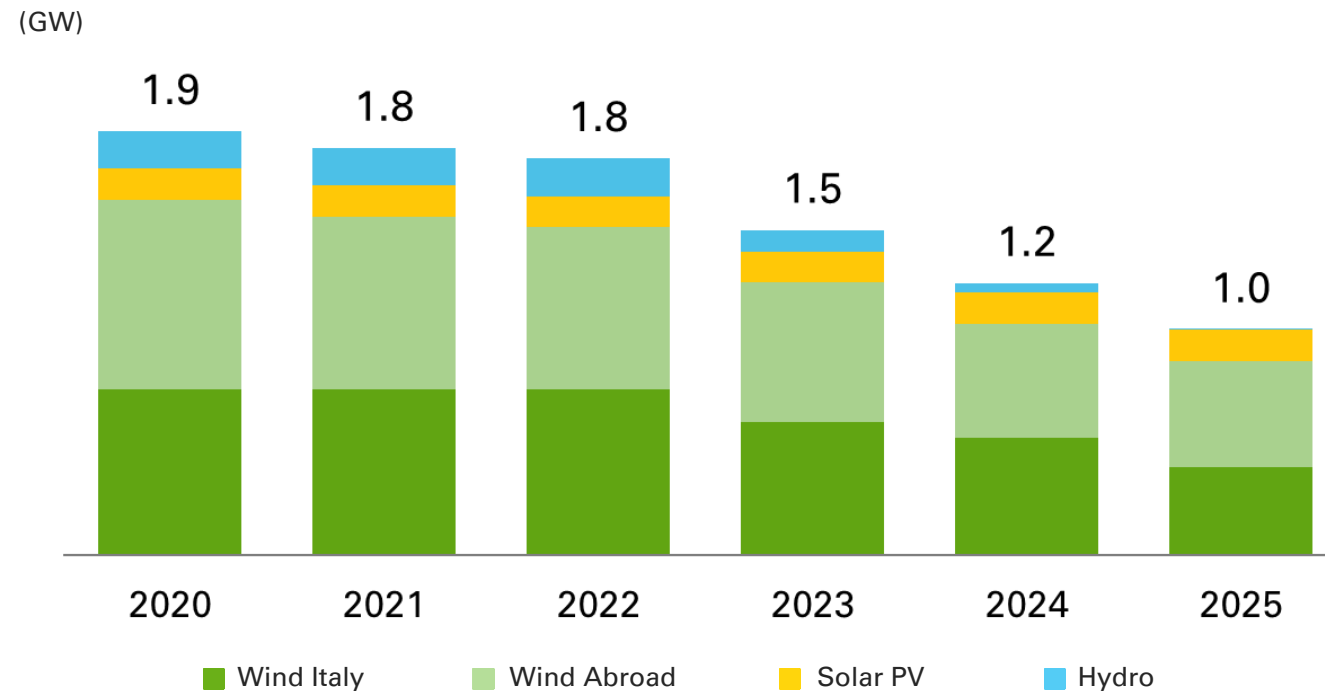
⁽²⁾ New auction scheme in effect from 2020

PPA MARKET IS GAINING GROUND ACROSS EUROPE



Towards a more “infrastructural” business
Corporate PPA are on the rise with a clear prevalence of Nordics and Spain

ERG RES INCENTIVIZED CAPACITY EVOLUTION OF CURRENT ASSET BASE








Progressive phase-out of incentives is part of our Energy Transition

ERG Tomorrow

ERG'S 2021-2025 BP MAIN OBJECTIVES

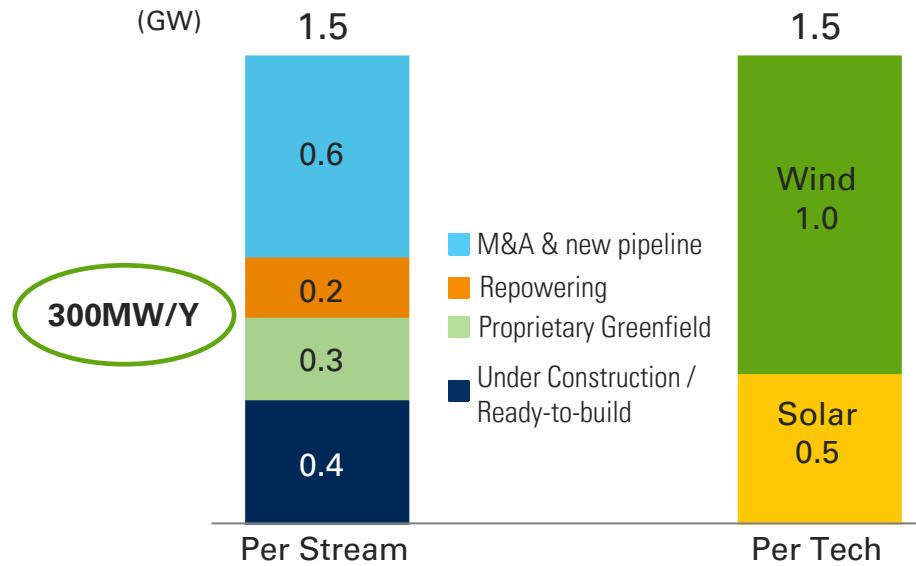
Key 2021-2025 Strategic Guidelines

ERG's 2021-2025 Targets

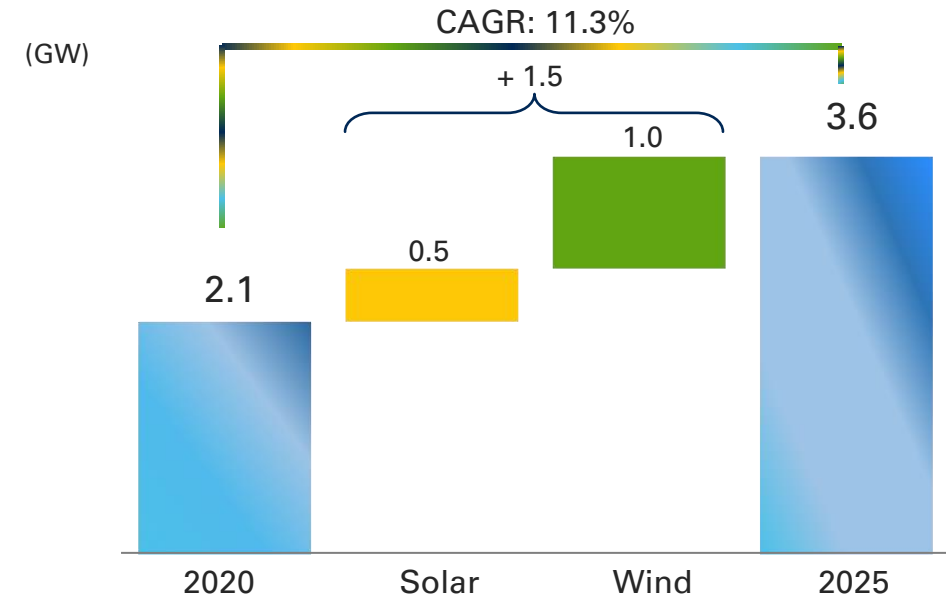
	Growth in scale	Setting high growth ambition RES portfolio	>	+1.5GW through RPW, Greenfield and M&A
	Energy Sales / Mgmt	Securing energy sales through PPA/CfD	>	80% regulated
	Geographical diversification	Positioning over multiple geographies	>	~10 countries (vs 7 @2020)
	Solar as strategic pillar	Wind 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

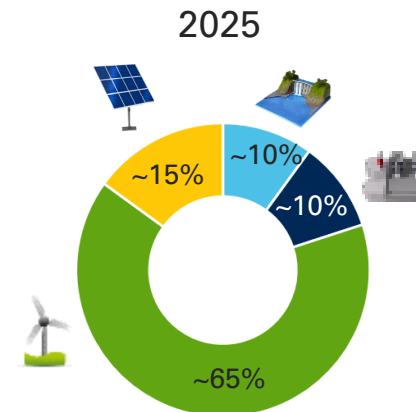
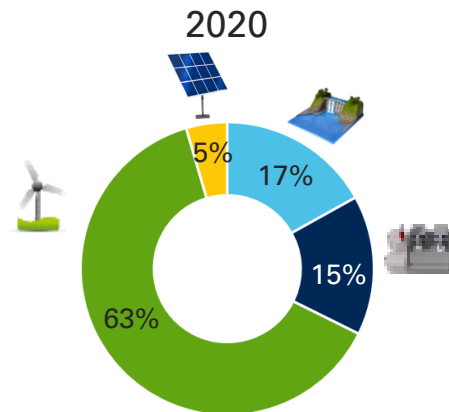
Cumulative RES additional installed Capacity 2021-2025



Wind & Solar installed Capacity

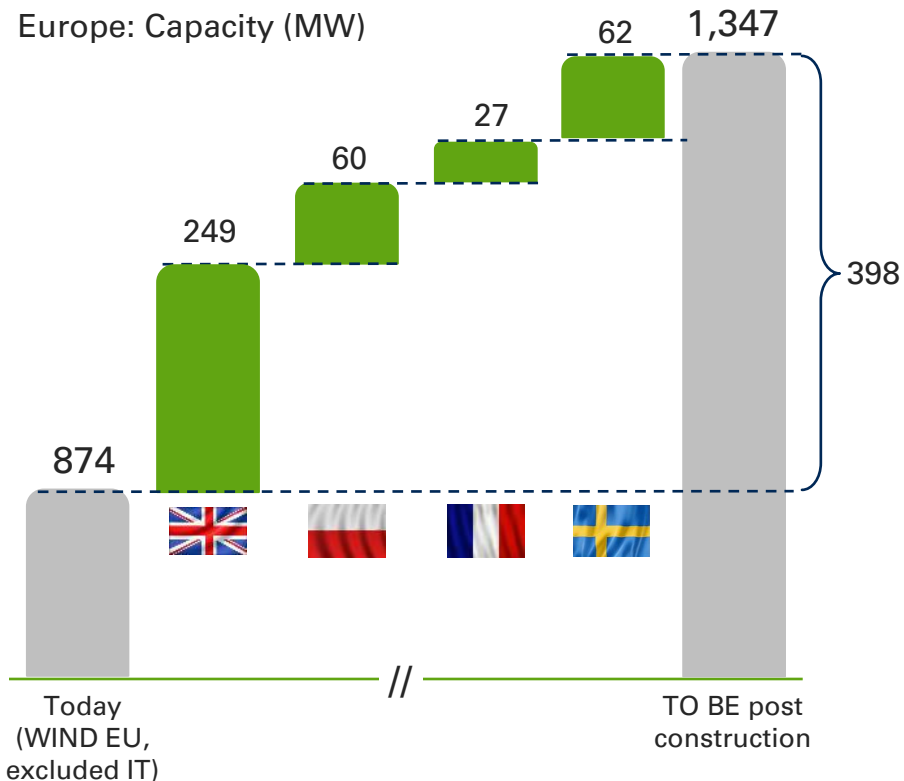


MW by business



~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 


Craiggorr

24MW 


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

Creag Riabhach

92MW 

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

Piotrkow

24.5MW 

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


Vaa2 ext.

7MW 


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

20 yr CfD auction awarded 

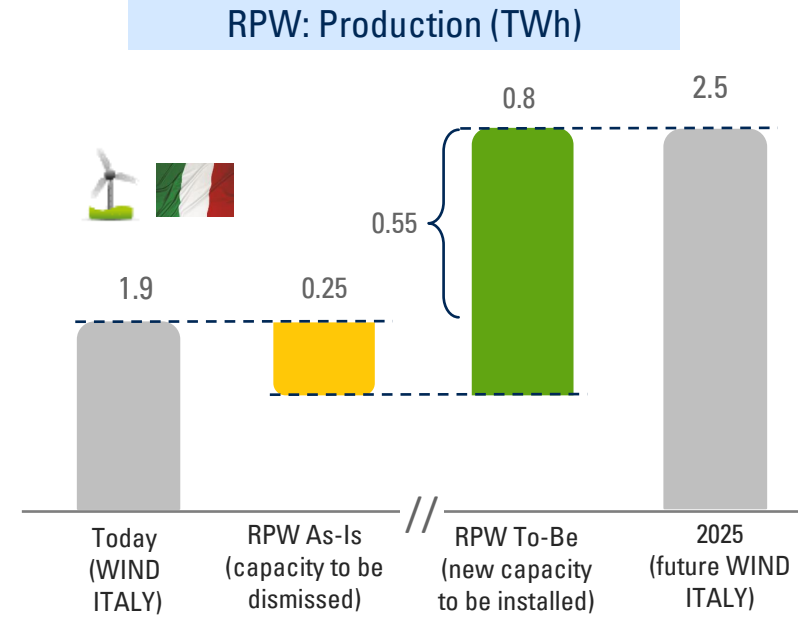
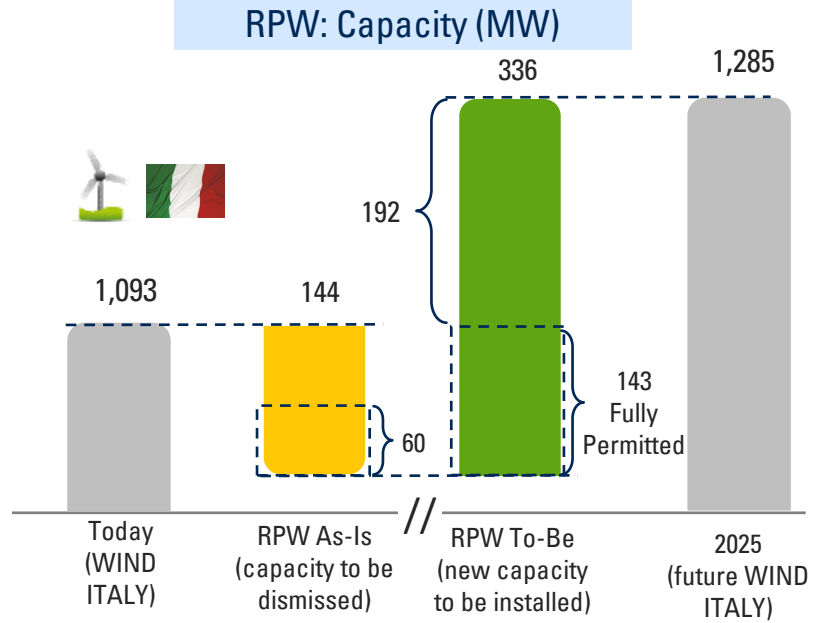
Erik




62MW 

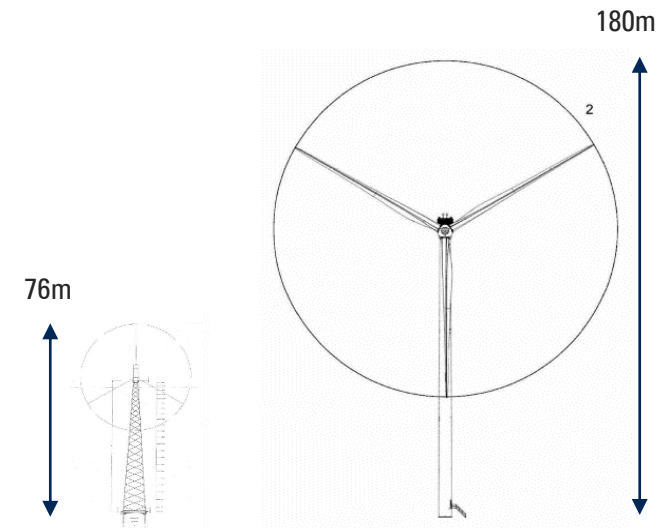
Construction to start in 1H 2021
COD: 4Q 2022
Producibility: 3,400 heq

10 yr PPA under negotiation 

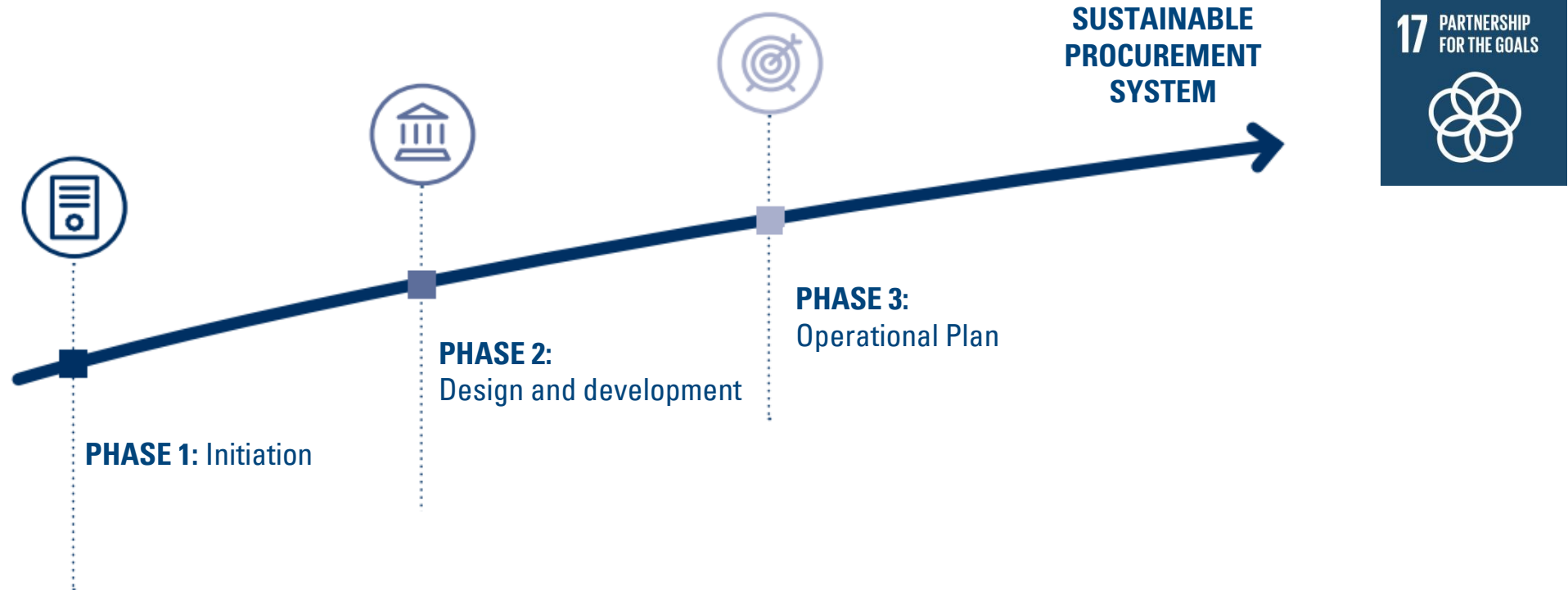
OUR REPOWERING PROJECTS IN ITALY ARE GAINING VISIBILITY



	N. WTG	→	0.5X
	MW	→	2.0X ÷ 2.5X
	PRODUCTION	→	3.0X ÷ 3.5X



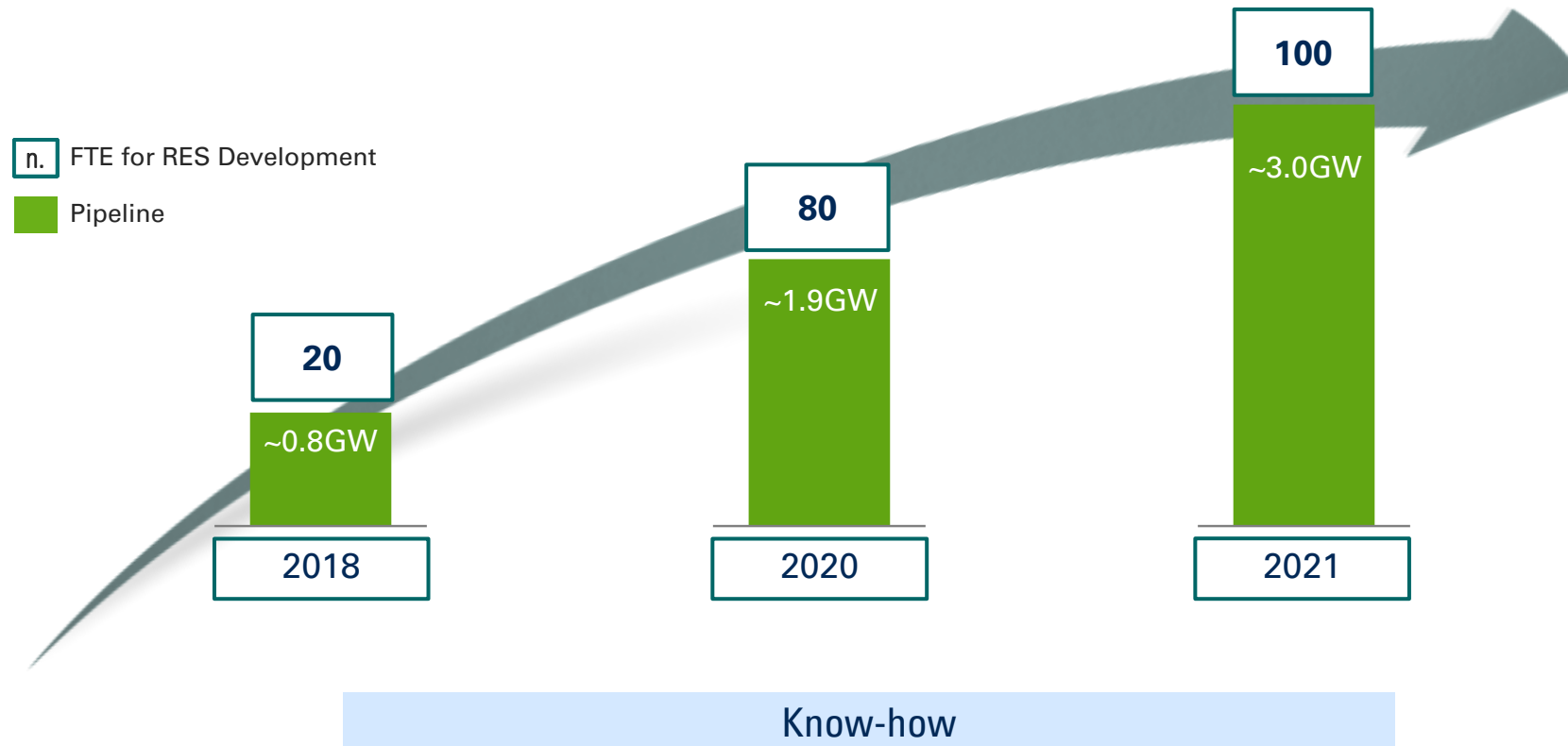
WTG SUPPLY FULLY SECURED FOR GREENFIELD AND REPOWERING PROJECTS



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



BUILDING-UP KNOW-HOW IN BUSINESS DEVELOPMENT CONSISTENTLY WITH A GROWING PIPELINE

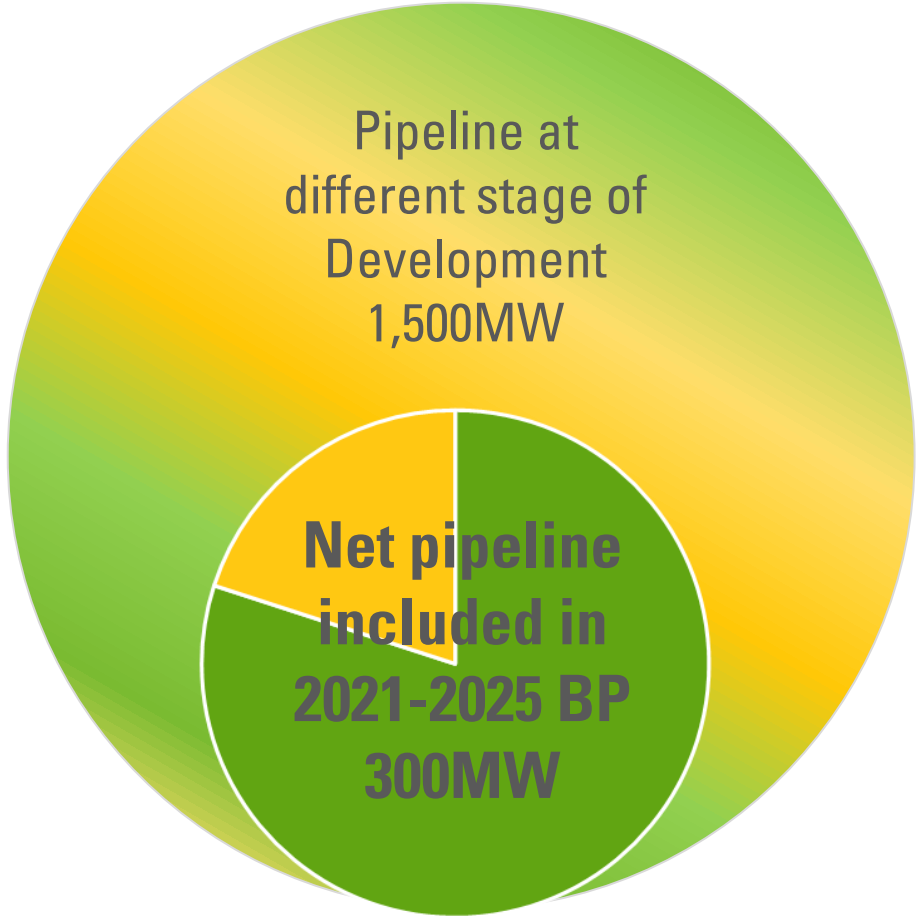
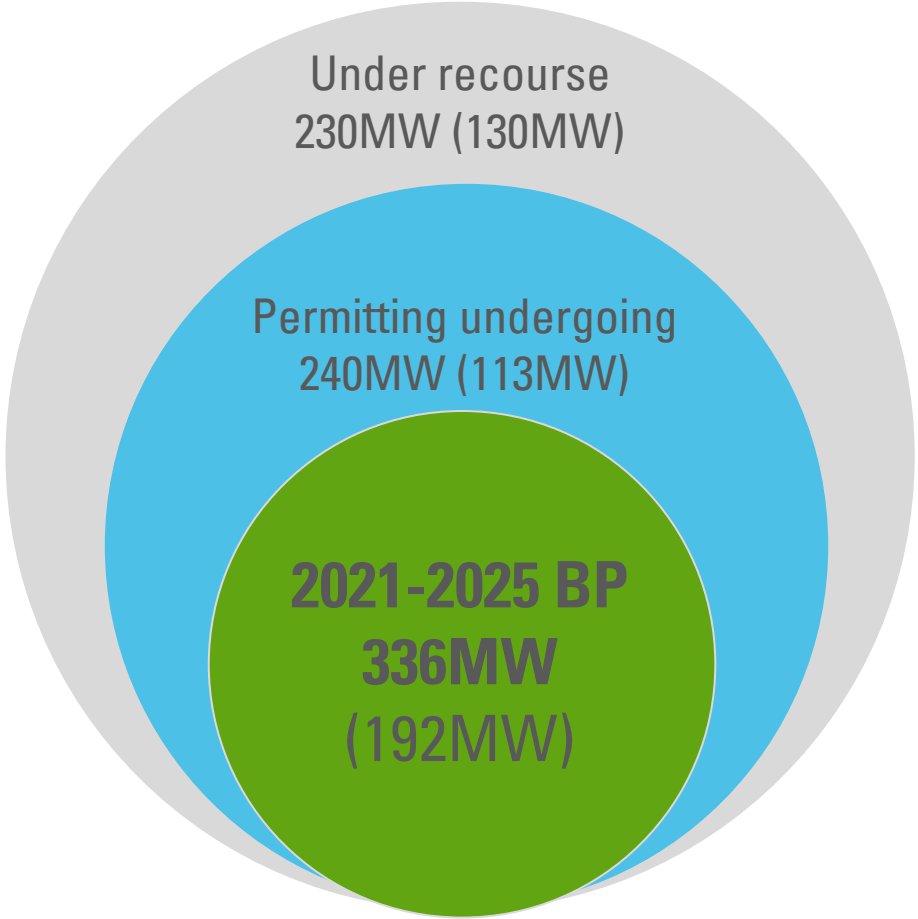


- Strengthening local teams in Key Countries
- Inclusion of new Engineering and Permitting skills for Solar development
- Co-development agreements in Germany and Spain in Solar expected to bring further know-how

POTENTIAL UPSIDE FROM PIPELINE IN CASE OF PERMITTING SIMPLIFICATION

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

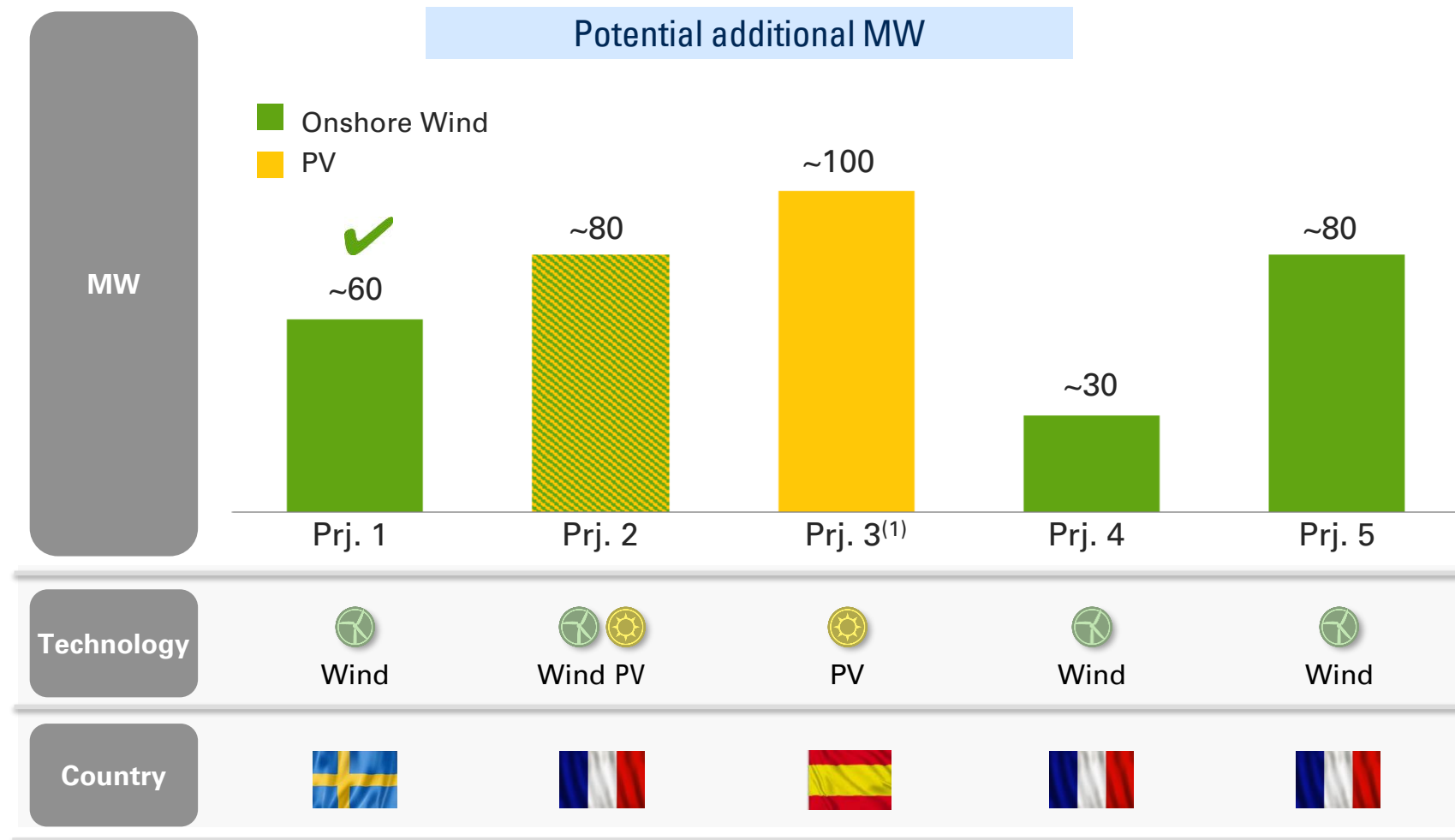
Wind & Solar Pipeline: 1,800MW



Leveraging on owned pipeline to boost our growth

⁽¹⁾ Net capacity of 440MW

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

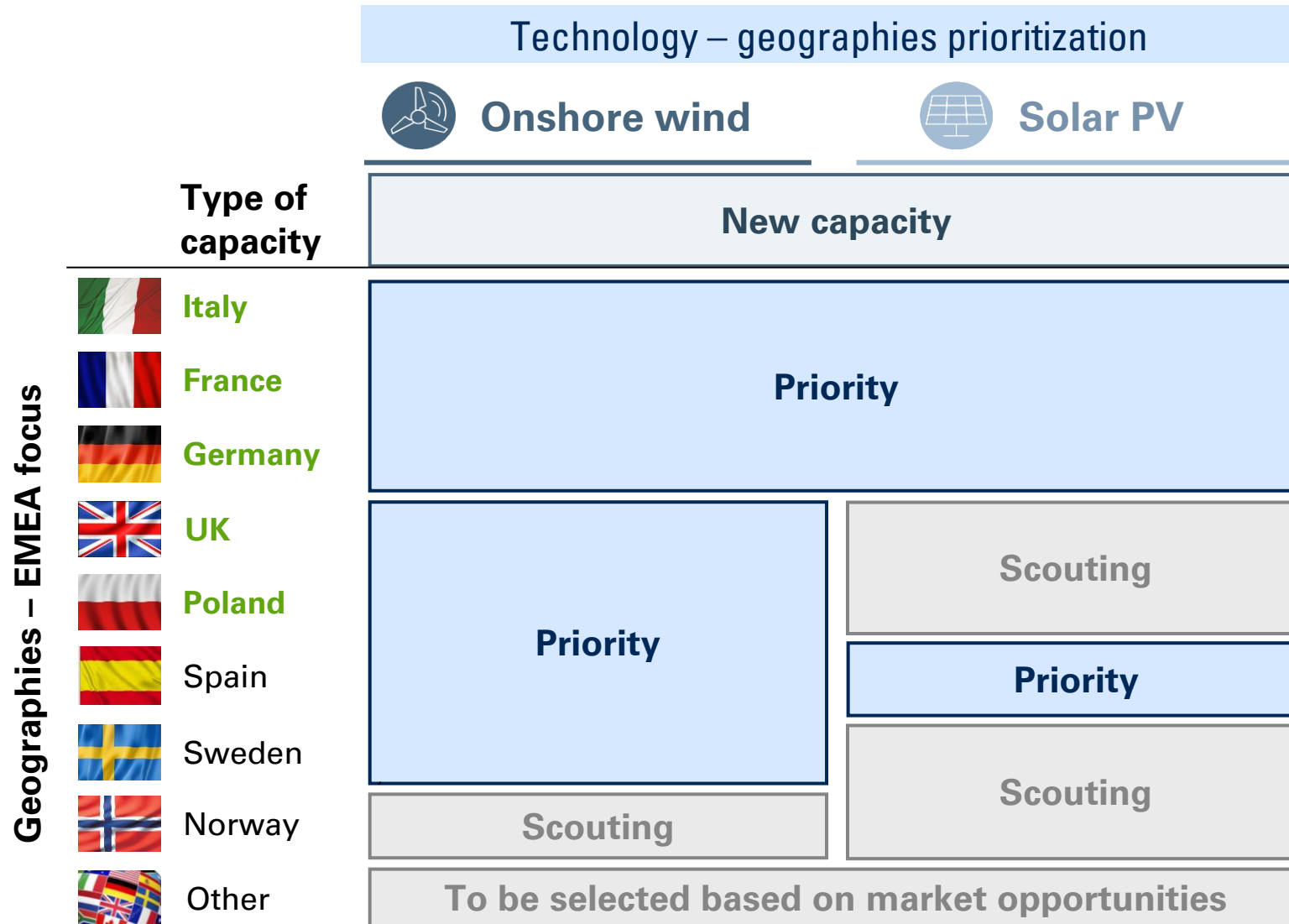


Our unique M&A expertise and reputation well recognized on the market⁽²⁾

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

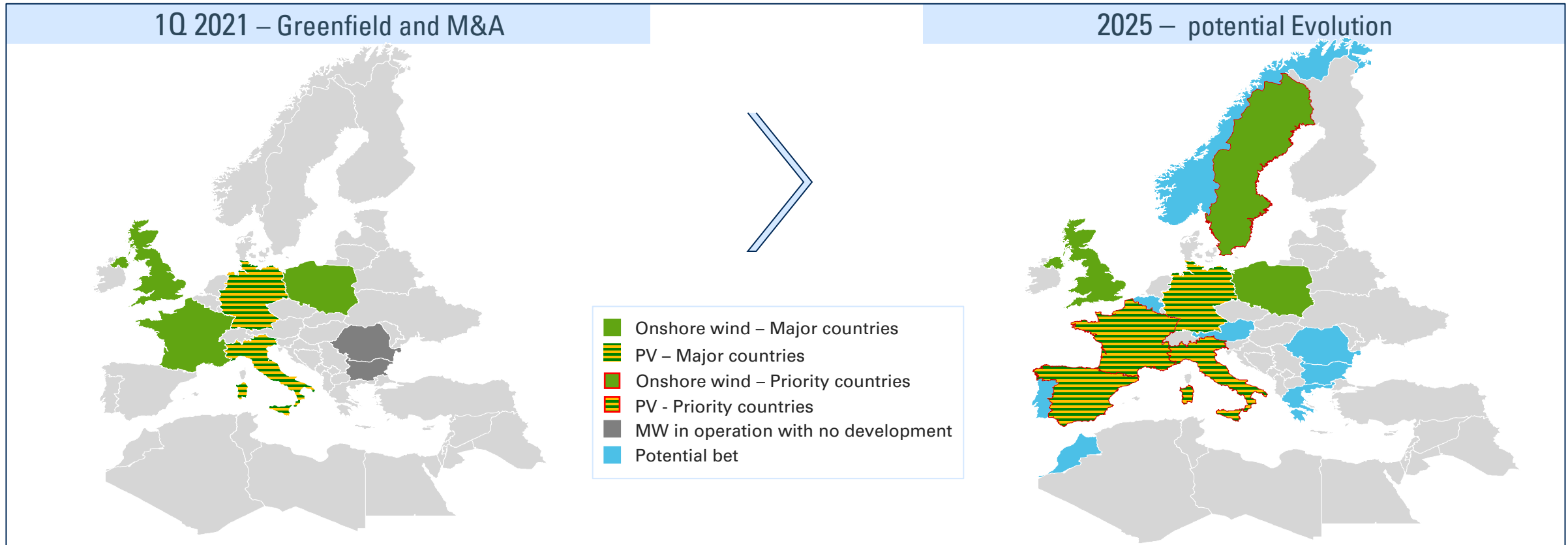
⁽²⁾ More than €10bn in terms of EV of executed transactions from 2008 to the present, both Sell and Buy Side

ENLARGING GEOGRAPHY AND TECHNOLOGY SCOPE WITH AN OPPORTUNISTIC APPROACH...



... through a proven and consolidated model to scale-up progressively insourcing core activities

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



RECENT DEVELOPMENTS: ENTRY IN THE NORDICS

Transaction Overview

Acquisition of Furukraft AB, SPV owning rights for 62MW under construction located in Sweden, region SE4.

Location & Nordic Regions



Rationale

- **Enter a new strategic European country**
- **Fully permitted project**
- **Experienced** partner, Bay.WA r.e., for wind farm co-construction
- **Innovative** and **high-performance** wind technology
- Among the European most **liquid PPA market**
- Among the **Nordics most attractive regions: SE4**

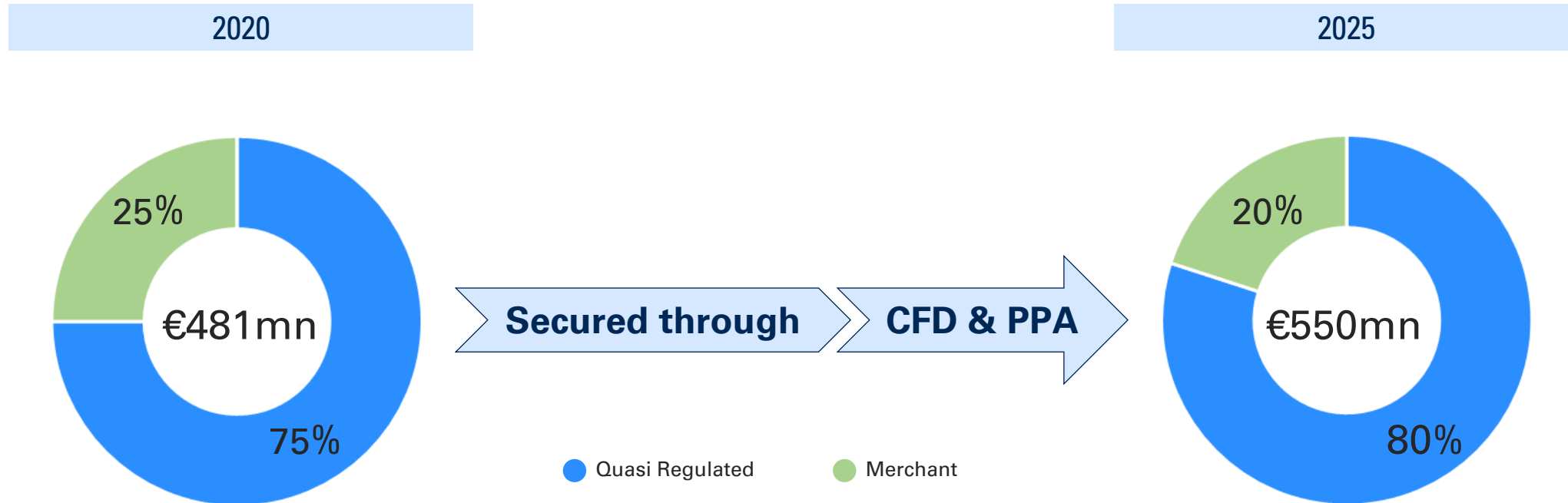


Wind Farm Overview

Total Capacity:	62MW
Energy Production:	209GWh (~40% load factor)
“Lump – sum” Enterprise Value:	~€100mn
Wind Technology:	<ul style="list-style-type: none"> • Siemens Gamesa SG-170 • WTG #: 10 • WTG Rated Power: 6.2MW
Expected COD:	End of 2022
Route to Market:	10 years – PPA (to be negotiated)

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

ERG PPA STRATEGY ALREADY IN PLACE

- PPA for newly built assets: 10-year tenor
- PPA for existing assets: 5-year tenor
- Strong rating counterparties
- Flexible pricing structures

Country & size	Plants & Capacity	Price range & structure	Tenor / start date	Industry and Rating Counterparty	Volume	Negotiation status
 Asset Based FiP expired	Wind Italy Portfolio 77 MW	Fixed/ Collar structure	10 years/ Jan'22		~340 GWh Baseload / Pay as Produced	Pricing defined Contract under negotiation
 Asset Based FiT expired	Bois Bigot/ Bois de l'Arche 21 MW	Fixed Price	5 years/ May-Sep'21		~45 GWh p.a. Pay as Produced	Contracts signed
 Asset Based FiT expired	Theta portfolio 55 MW	Fixed Price	5 years / Oct-Dec'21	Corporate / Utilities	~100 GWh p.a. Pay as Produced	Offers to be received
 Assets under construction	Evisagaran/ Craiggorr 70 MW	Fixed Price	10 years / Apr'22- Dec'22	Utilities	260 GWh Pay as Produced	Pricing defined Contract under negotiation
 Assets under construction	Sandy Knowe/ Creag Riabach 178 MW	Fixed Price	10 years / Apr'22- Dec'22	Utilities	520 GWh p.a. Baseload / Pay as Produced	Contract under negotiation / possible CFD auction

PPA strategy already in place to deliver in 2021 a sizeable PPA stream to secure approx. 400MW

WIND BEST PRACTICE EXAMPLES: LIFE TIME EXTENSION PLAN & REBLADING

Life Time 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

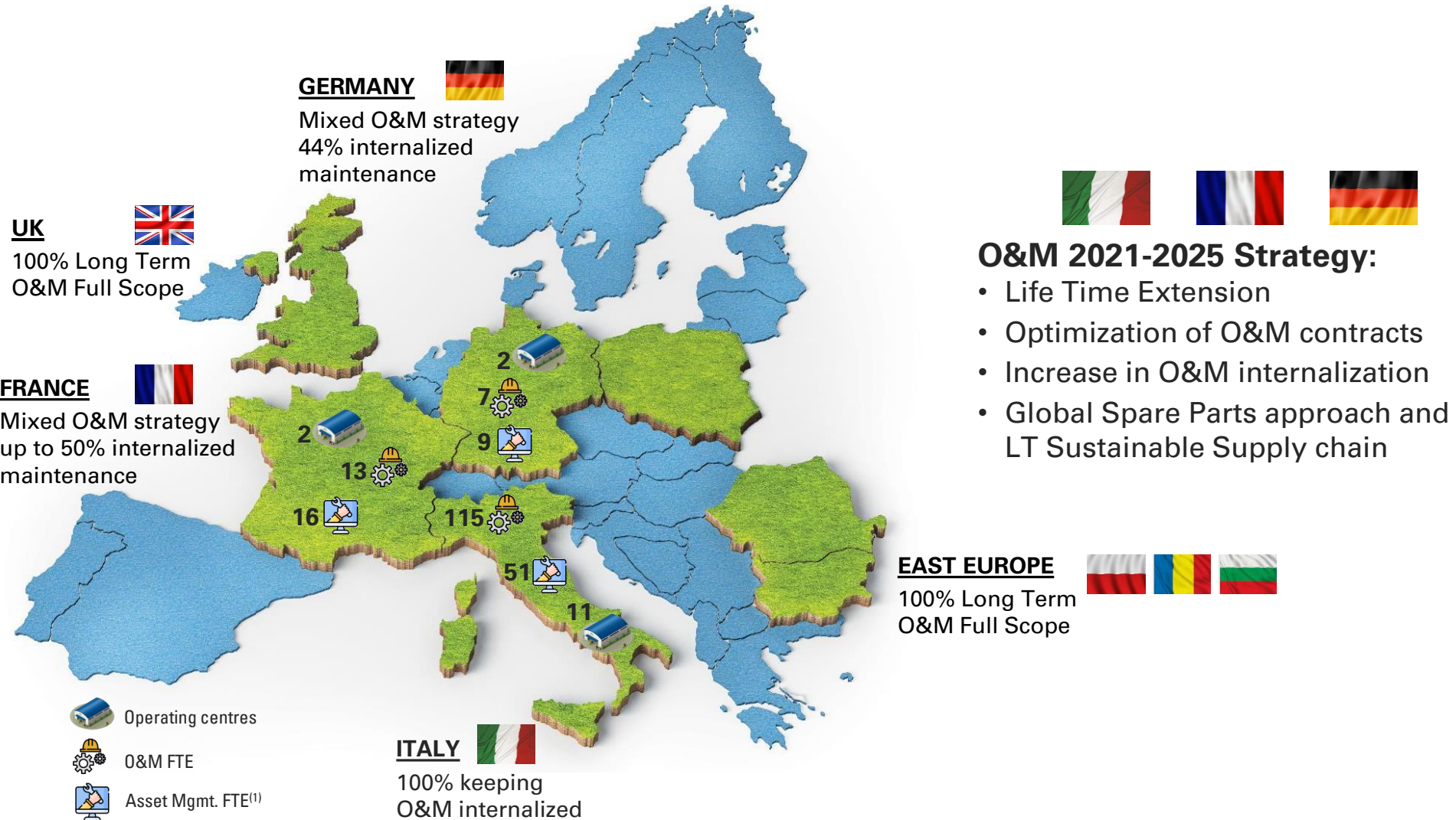
Dismantling consistent with ESG Strategy: >98% circular

-  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

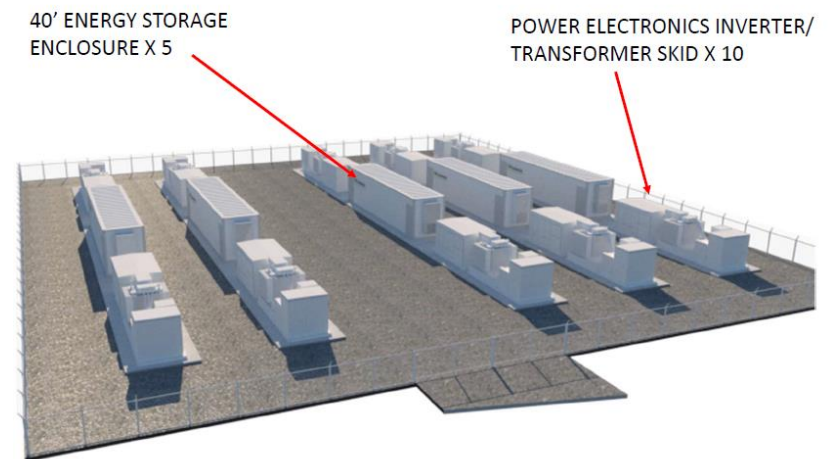
- ✓ Scouting of technologies for storage & Hydro

Storage

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

Hydrogen

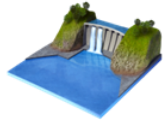
- ✓ Possible partnerships with off-takers and developers
- ✓ Green energy & site availability on ERG portfolio may bring opportunities and synergies



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)



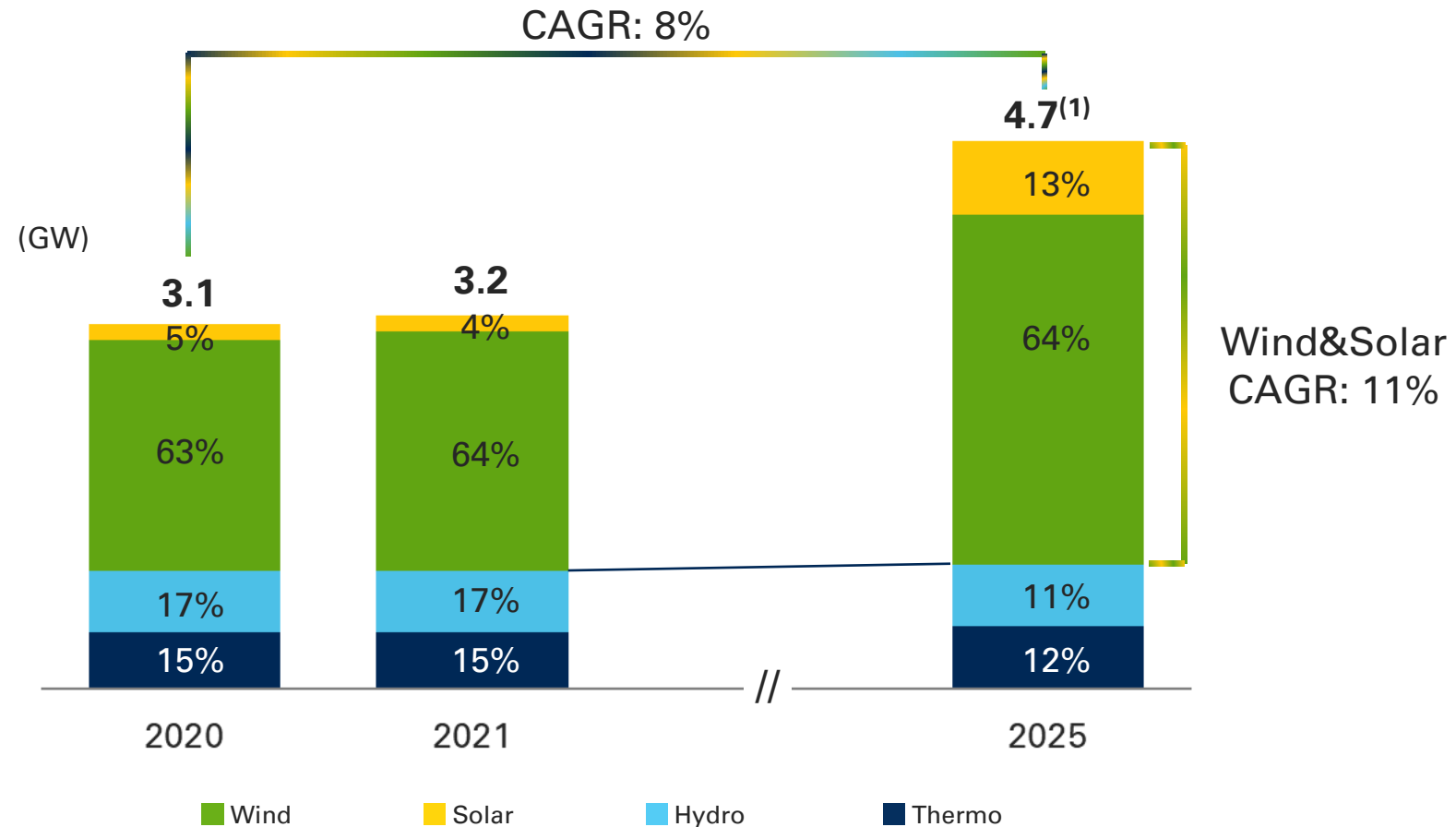
Development Projects in BP 2021-2025
 CAR Renewal for module 2⁽¹⁾
 A new OCGT (57MW)⁽²⁾ in ERG Power site with Permitting well advanced

⁽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

2021-2025 Targets

CAPACITY EVOLUTION IN 2021-2025

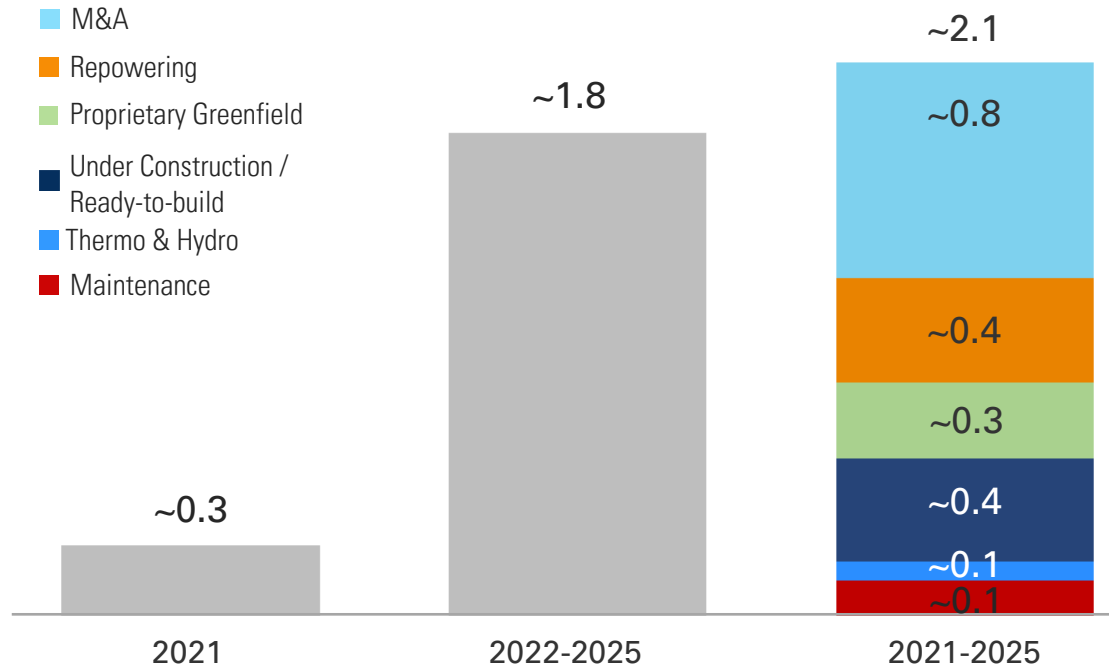


+1,500MW added to strengthen ERG RES portfolio

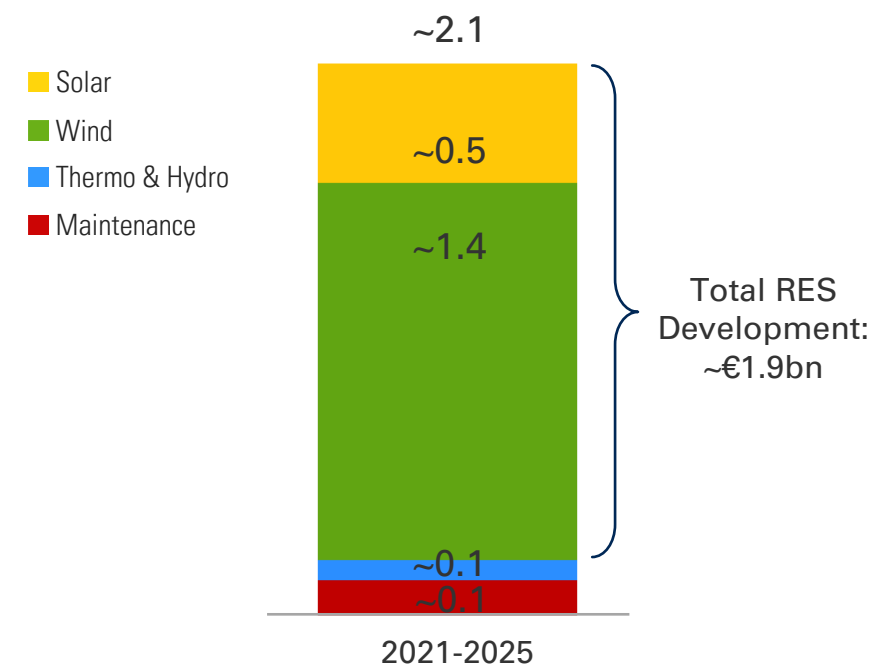
⁽¹⁾ 2025 Capacity Target includes 57MW of OCGT in ERG Power site

CAPEX EVOLUTION IN 2021-2025

Capex per Stream (€ bn)



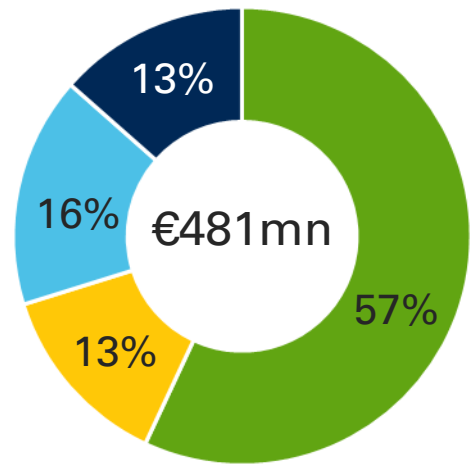
Capex per Technology (€ bn)



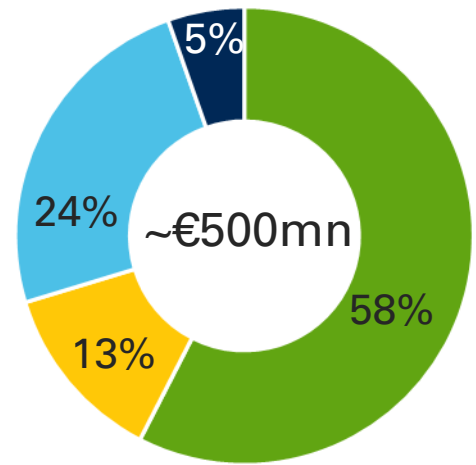
More than 70% of total CAPEX abroad to enhance geographical diversification

EBITDA EVOLUTION IN 2021-2025

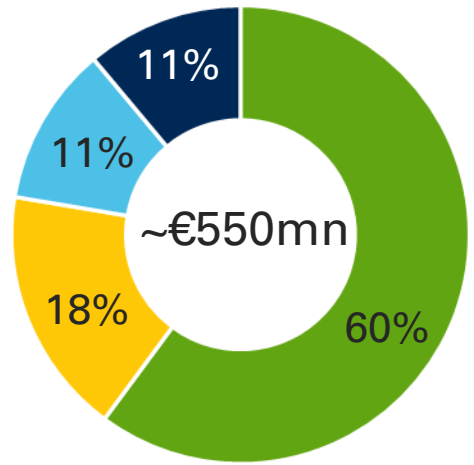
2020



2021



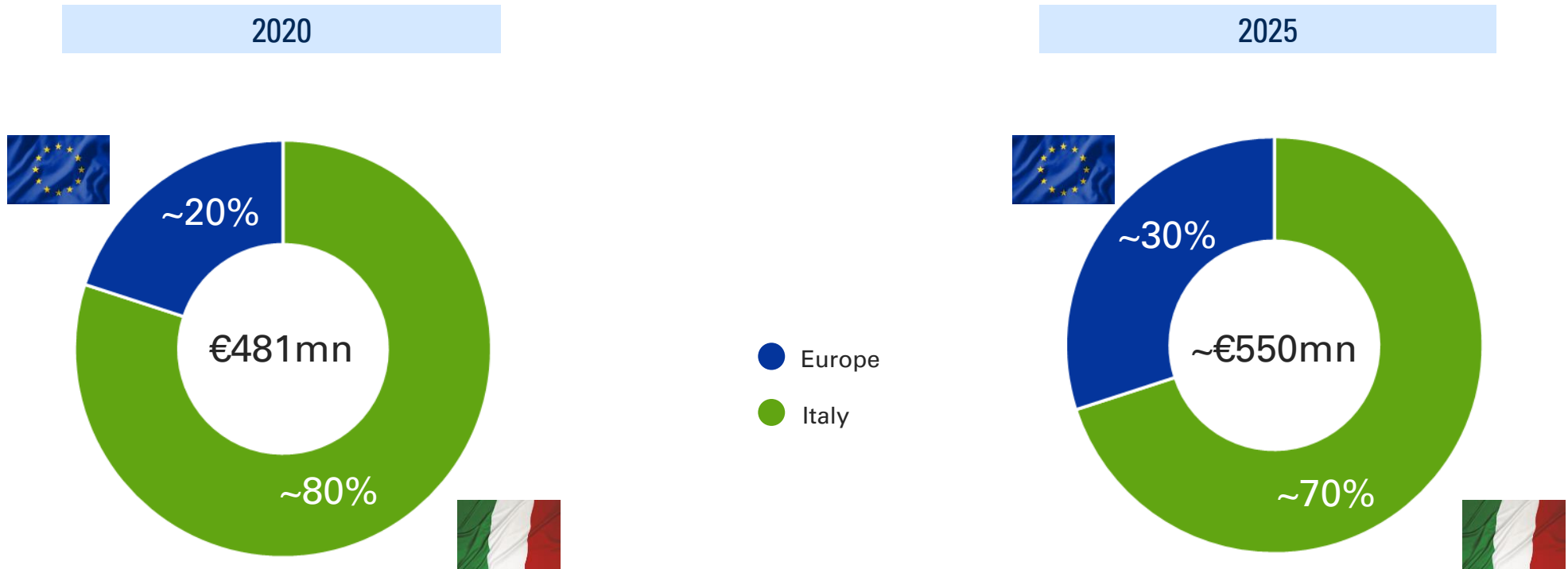
2025



● Wind
 ● Solar
 ● Hydro
 ● Thermo

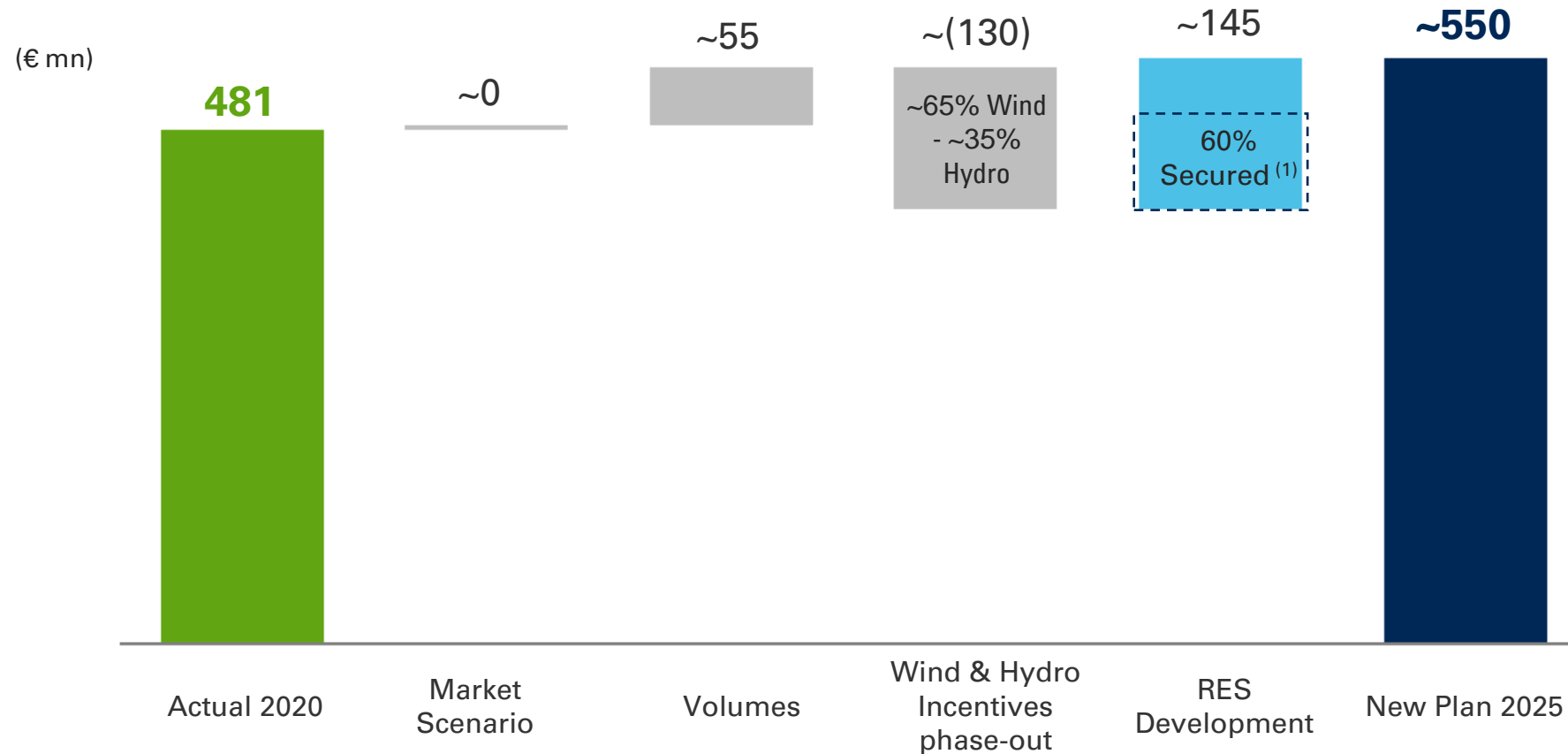
Increasing technological diversification

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

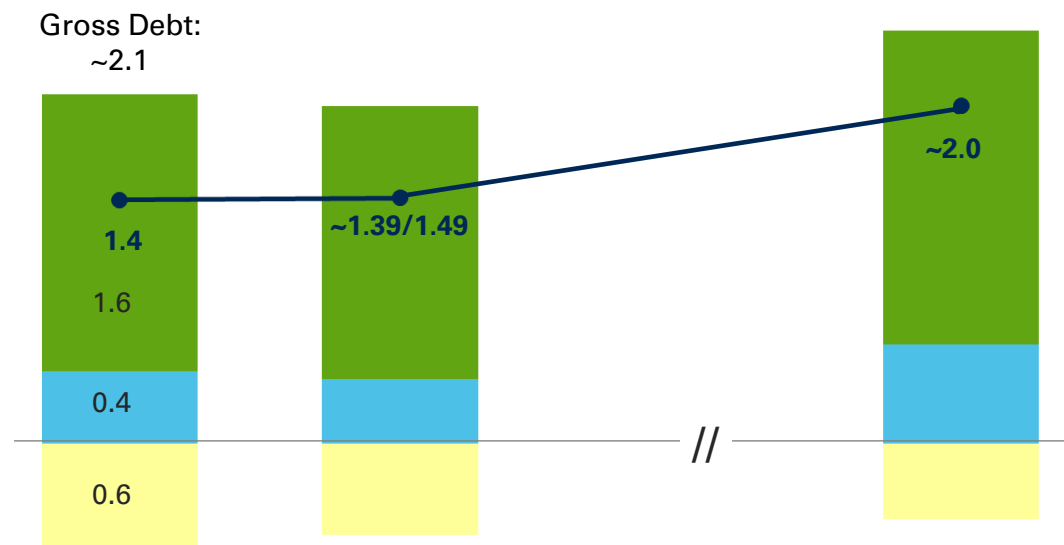
(1) Based on owned pipeline weighted for success rate

2021-2025 Financial Strategy

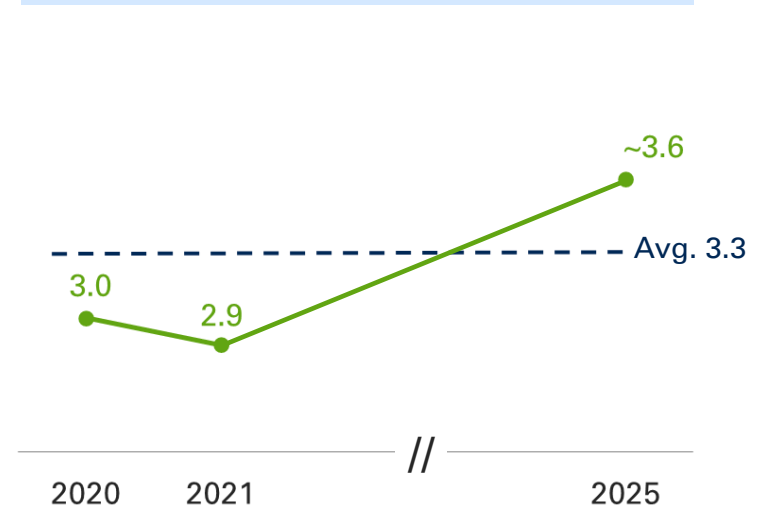
Michele Pedemonte - CFO

SOLID FINANCIAL PROFILE PRESERVED OVER 2021-2025 BP PERIOD

(€ bn)



Net Debt / EBITDA



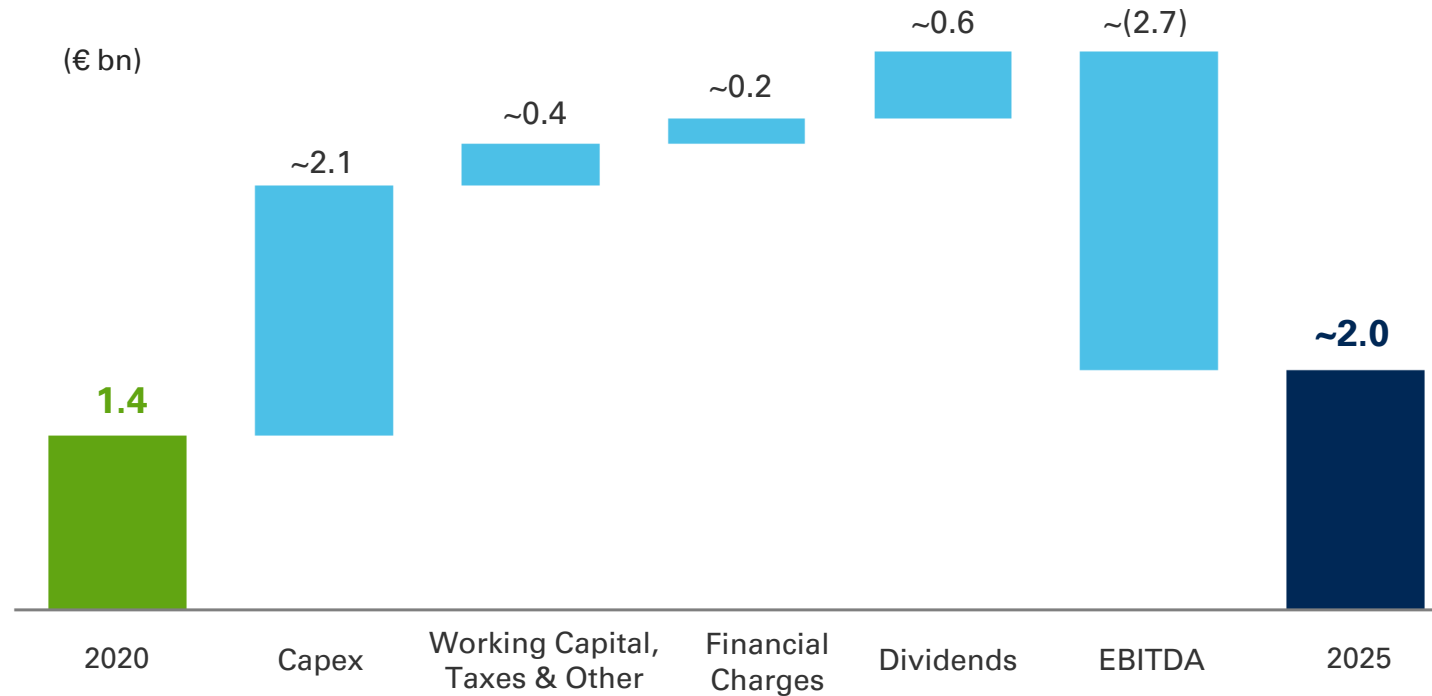
BP 2021-2025:	2020	2021	2025
Kd:	1.8% ⁽¹⁾	1.7%	1.5%

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

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

⁽¹⁾ Kd proforma post Liabilities Management

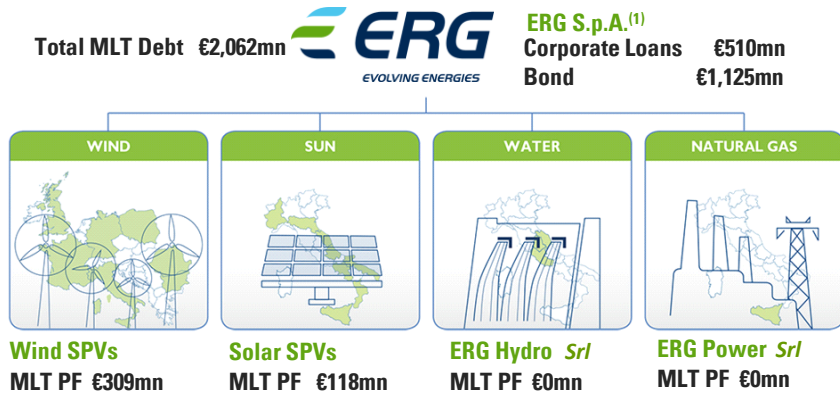
A RELEVERAGE TO BOOST RES PORTFOLIO



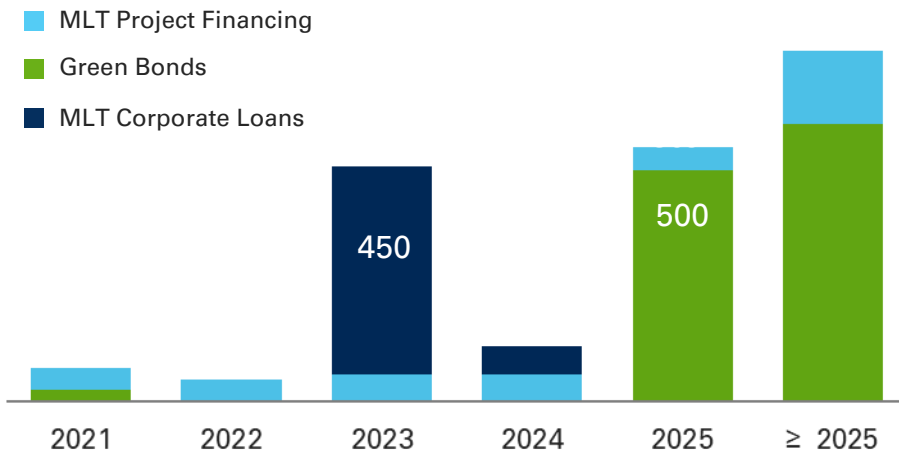
Sustainable leverage increase consistent with current investment grade rating

A ROBUST FINANCIAL STRUCTURE

Non programmable sources fully unlevered

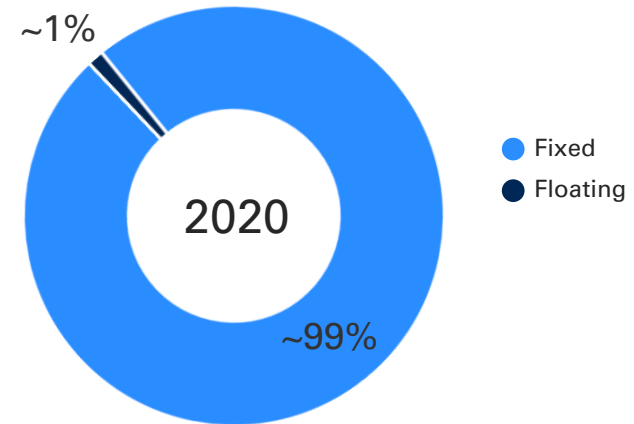


No refinancing needs until mid 2023

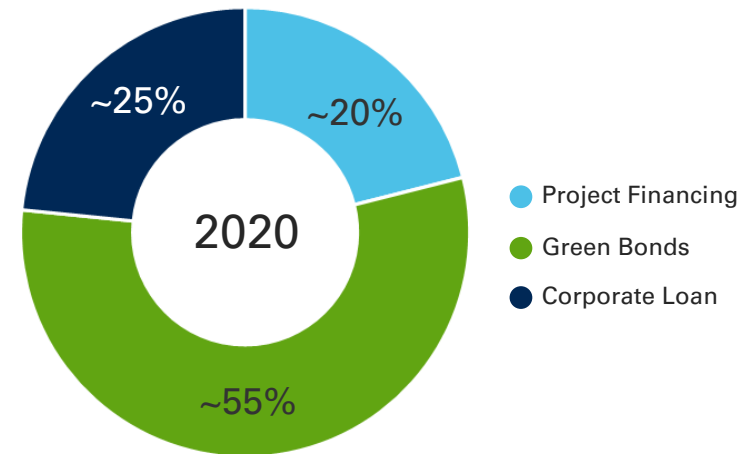


⁽¹⁾ ERG SpA owns operating subsidiaries via fully owned subholding ERG Power Generation (free of debt and in cash pooling with ERG S.p.A.)


Interest rate risk fully offset



Switch from PF to DCM funding completed



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

	Business Profile	Financial Policy	Expected ⁽¹⁾ Rating
<div style="border: 2px solid green; padding: 10px; text-align: center;">  <p>ASSET ROTATION</p> <p>towards Wind & Solar Assets</p> </div>	Target of quasi-regulated EBITDA up to 90%	from	
	Greener asset base	3.5x	
	Increased asset diversification	Up to	BBB- (stable outlook)
	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

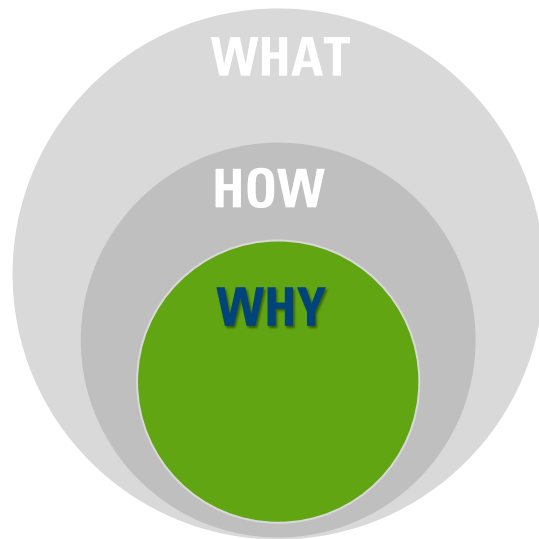
⁽¹⁾ Based on internal assessment



With ESG in our DNA

Emanuela Delucchi - Chief ESG, IR & Communication

ERG'S WHY



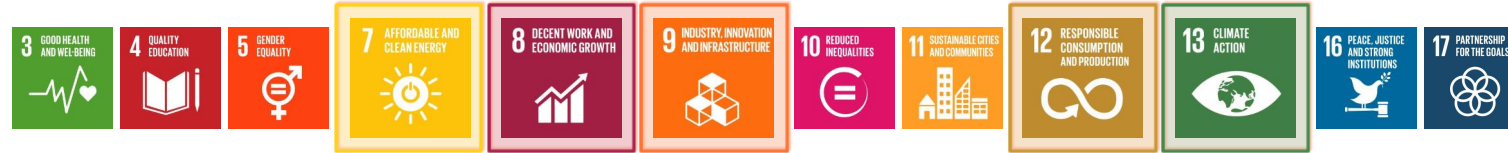
We are #GreenEnERGyMakers, one of the leading European producers of energy from renewable sources

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



ESG Pillars fully integrated in ERG Strategy

• Permitting & Local Communities



• Green financing



• Sustainable Procurement & Construction



• O&M; Route to market




• Circular Economy, Life Time Extension







2021-2025 ESG Plan

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

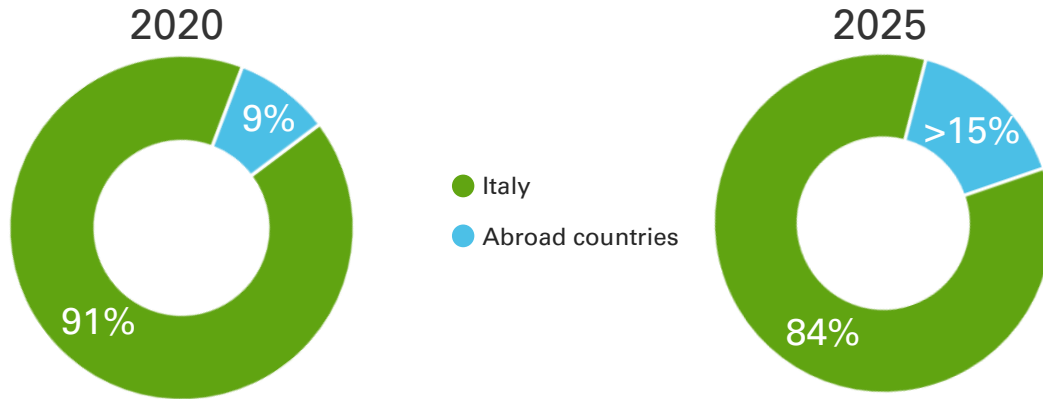
100% OF 2021-2025 BP CAPEX CONSISTENT WITH UN SDGs

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> <p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE } 3%</p> <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION } 6%</p> <p>7 AFFORDABLE AND CLEAN ENERGY</p> <p>13 CLIMATE ACTION</p> <p>91%</p>
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

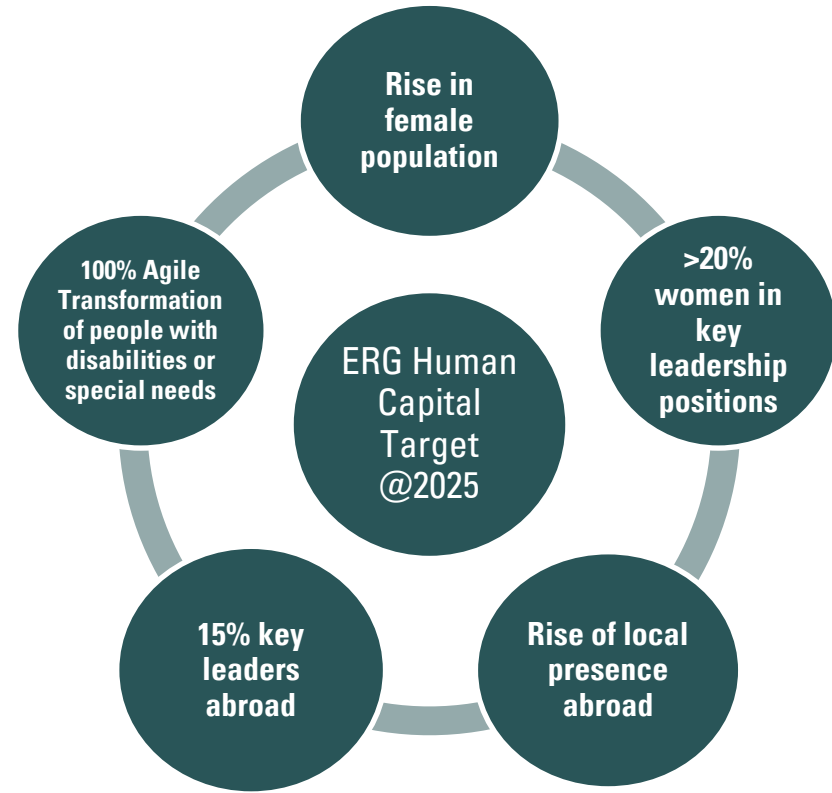
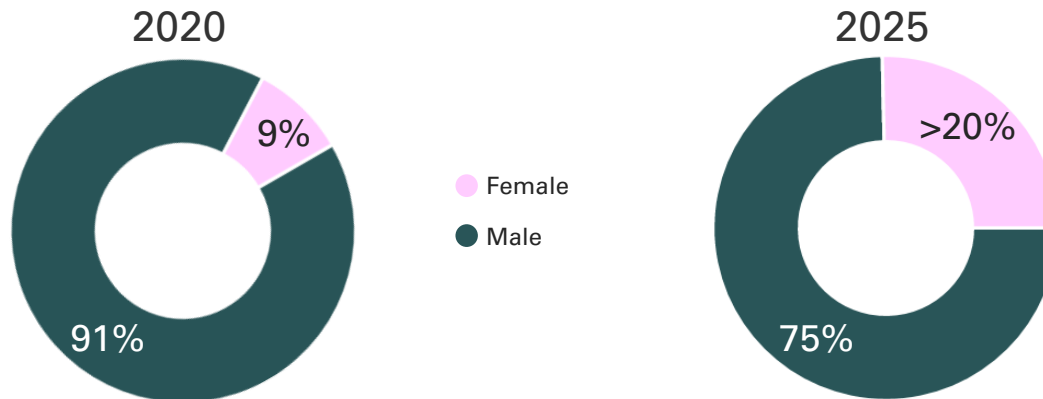
ENHANCING DIVERSITY IN AN INTERNATIONAL INDUSTRIAL GROUP

Key Leaders abroad



Women Key Leaders

Strengthening the female presence through +40% net female additions in 2021

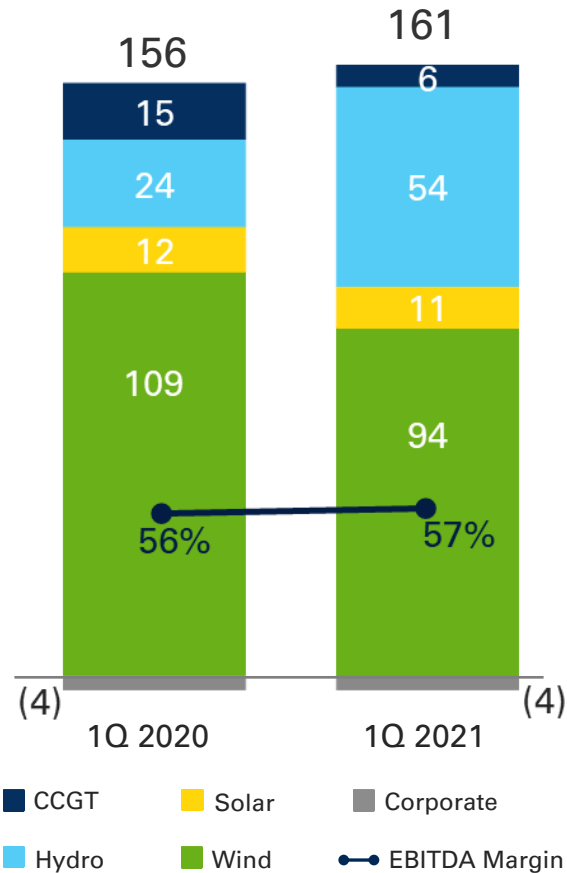


1Q 2021 Results

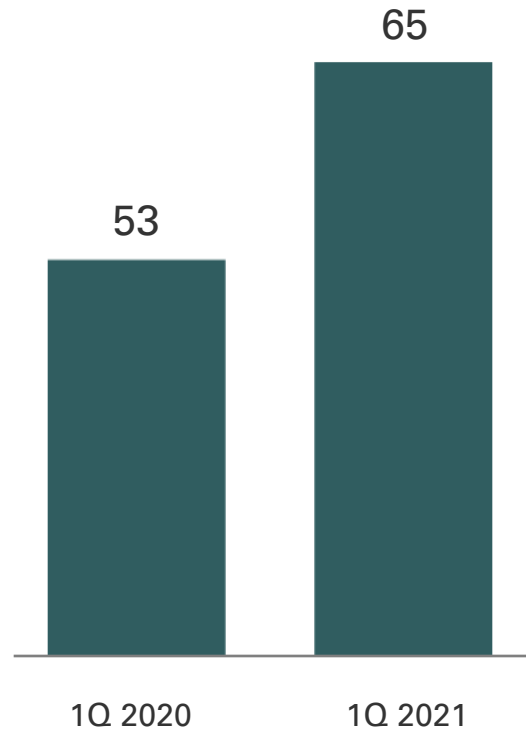
Michele Pedemonte - CFO

HIGHLIGHTS FIGURES

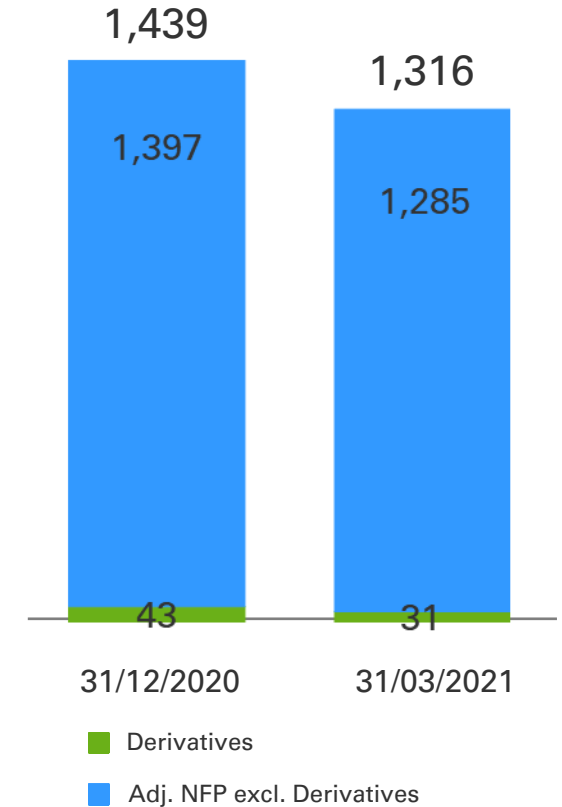
Adjusted EBITDA (€ mn)



Adjusted Net Profit (€ mn)

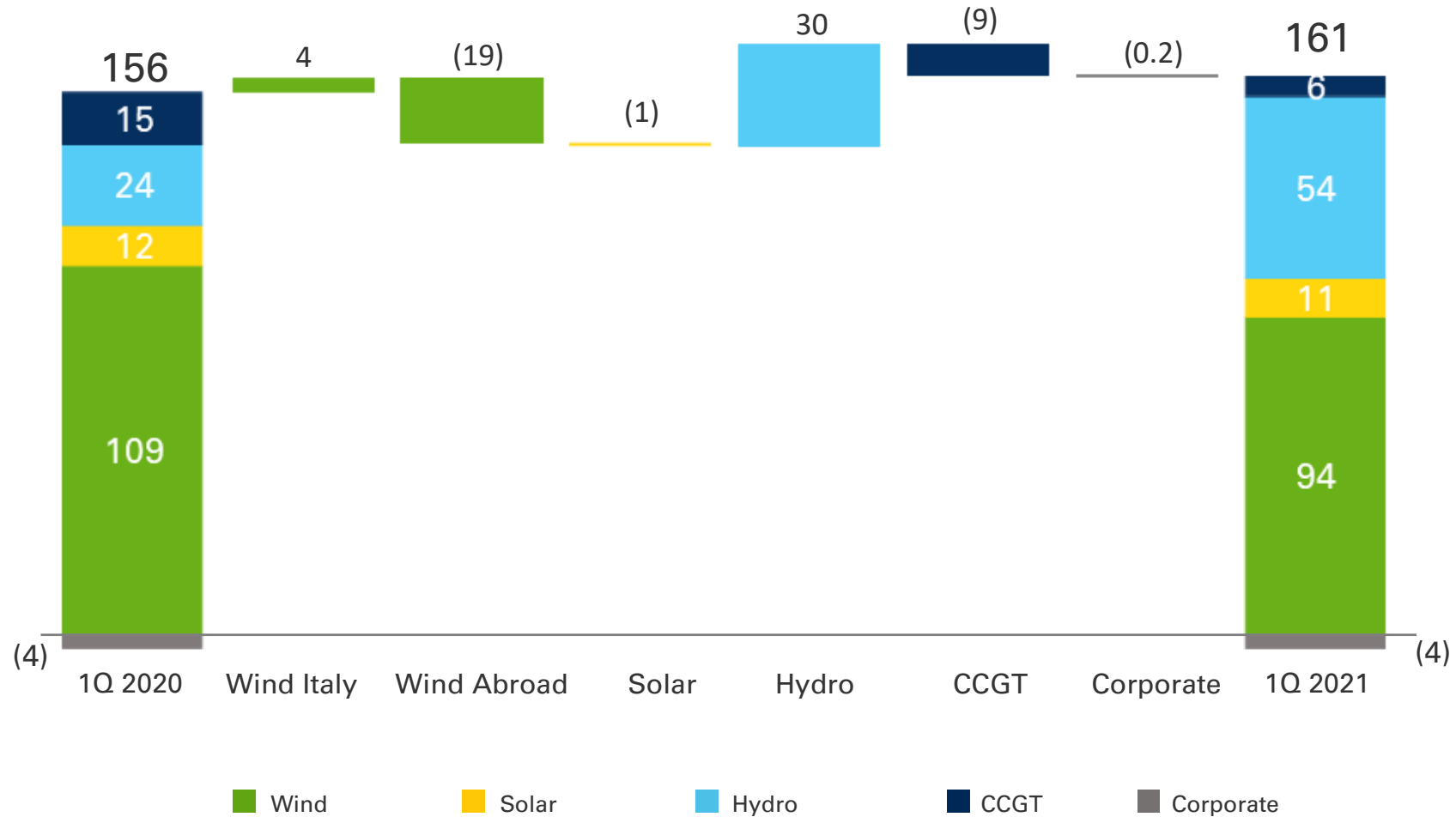


Adjusted NFP (€ mn)



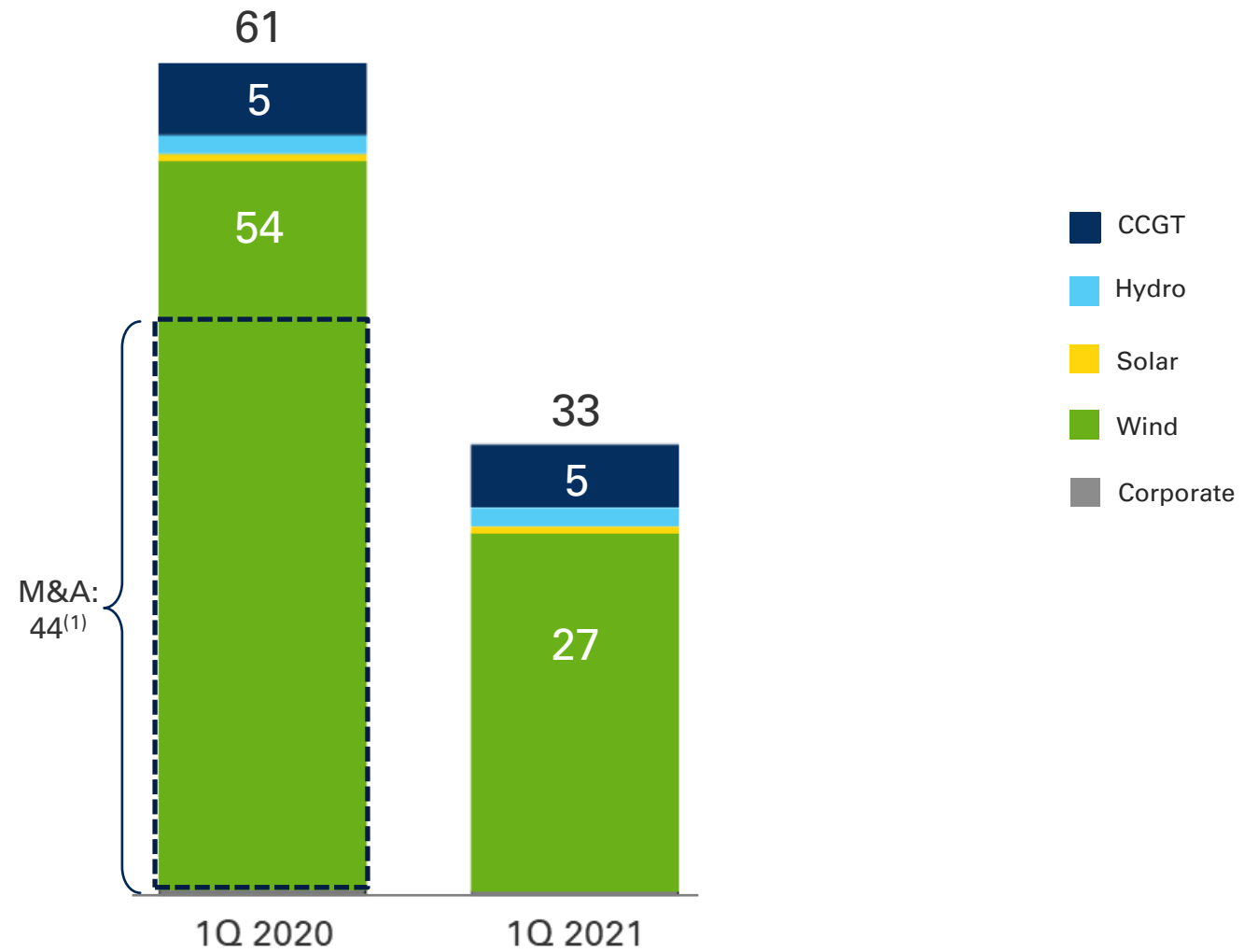
**Heavy rainfalls more than offset lower wind abroad and weaker CCGT
Bottom line up YoY thanks mainly to lower financial charges**

1Q 2021 GROUP EBITDA EVOLUTION



Weaker wind abroad, strong recovery in hydro volumes and weaker CCGT due to end of CAR2

INVESTMENTS



⁽¹⁾ 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

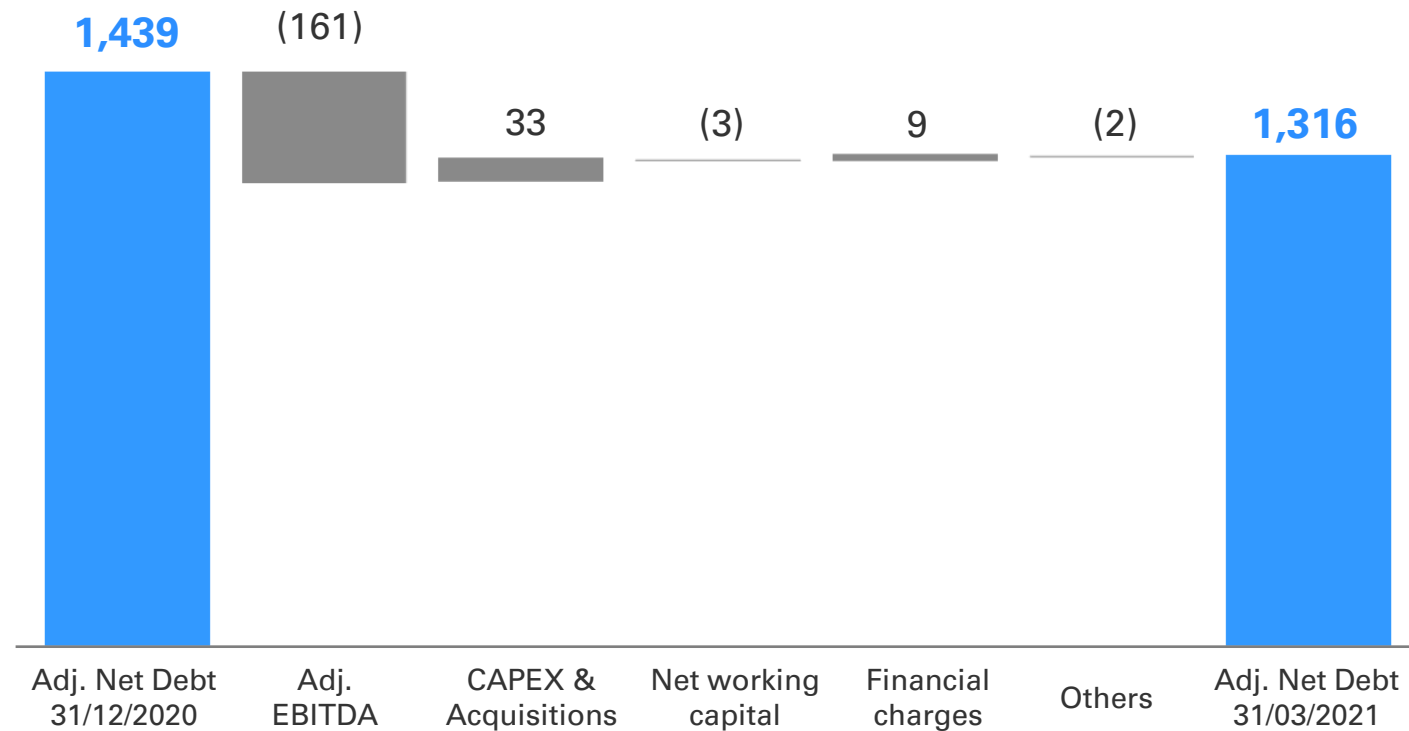
ADJUSTED P&L

4Q 2020	Euro millions	1Q 2021	1Q 2020
119	Adjusted EBITDA	161	156
(74)	<i>Amortization and depreciation</i>	(68)	(75)
45	Adjusted EBIT	93	81
(9)	<i>Net financial income (expenses)</i>	(8)	(13)
0	<i>Net income (loss) from equity investments</i>	0	0
36	Adjusted Results before taxes	85	68
(9)	<i>Income taxes</i>	(21)	(15)
27	Adjusted Results for the period	65	53
0	<i>Minority interests</i>	0	0
27	Adjusted Net Profit	65	53
25%	Tax Rate	24%	22%



Note: figures based on NO GAAP measures

1Q 2021 CASH FLOW STATEMENT

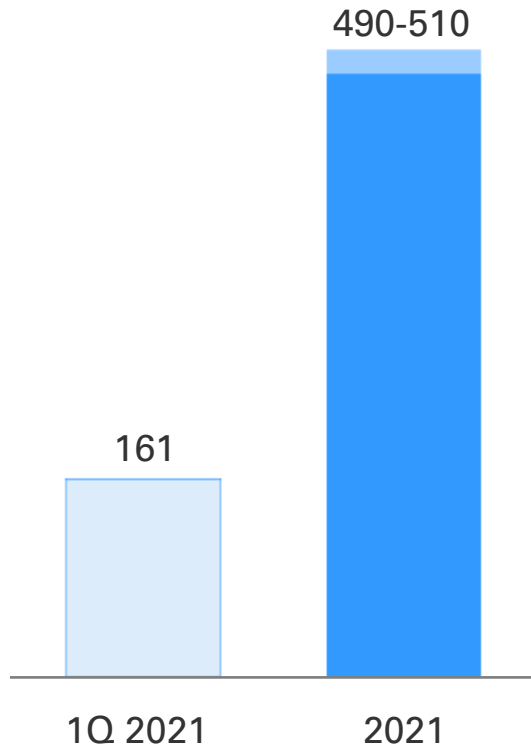


2021 Guidance & Final Remarks

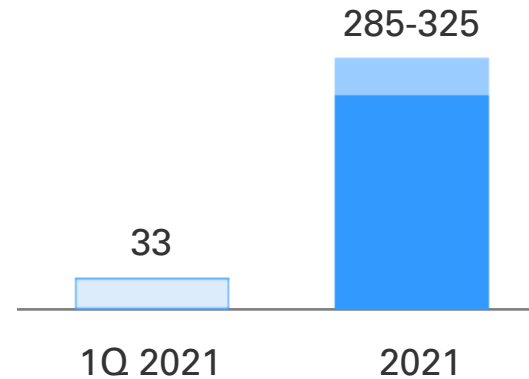
Paolo Merli - CEO

2021 GUIDANCE

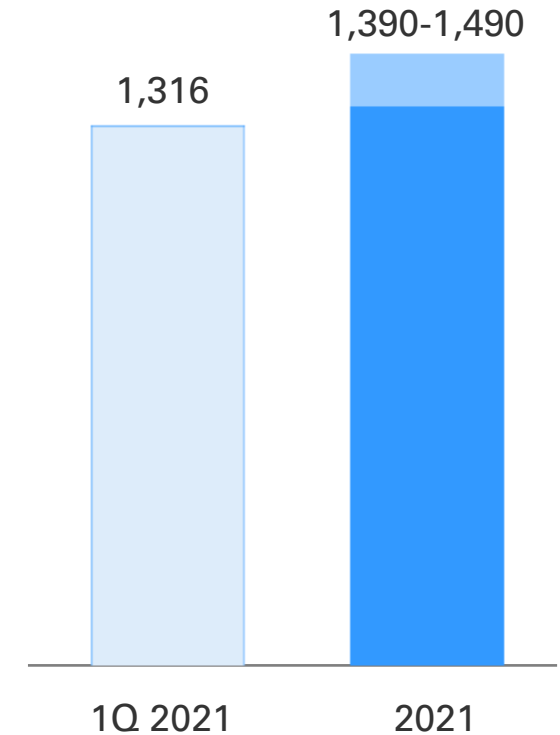
Adjusted EBITDA (€ mn)



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)

Year	Capacity (GW)
2020	3.1
2025	~4.7

- +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)

Year	EBITDA (€ mn)
2020	481
2025	~550

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

CAPEX (€ bn)

Category	Value (€ bn)
Other	~0.2
RES Development	~1.7
Total	~1.9

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

NFP (€ bn)

Year	NFP (€ bn)
2020	1.4
2025	~2.0

- 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

ESG 3

The logo features the letters 'ESG' in a large, dark blue, sans-serif font. The letter 'E' is solid dark blue. The letter 'S' is split into four quadrants: top-left is light blue with 'ENGAGEMENT' and a handshake icon; top-right is dark blue with 'GOVERNANCE' and a scales icon; bottom-left is dark teal with 'PEOPLE' and a group of people icon; bottom-right is green with 'PLANET' and a globe icon. The letter 'G' is solid dark blue. To the right of the 'S' is a large green number '3'.

ENGAGEMENT

GOVERNANCE

PEOPLE

PLANET

3