



3Q AND 9M 2021 RESULTS

Paolo Merli - CEO

12 November 2021

DISCLAIMER

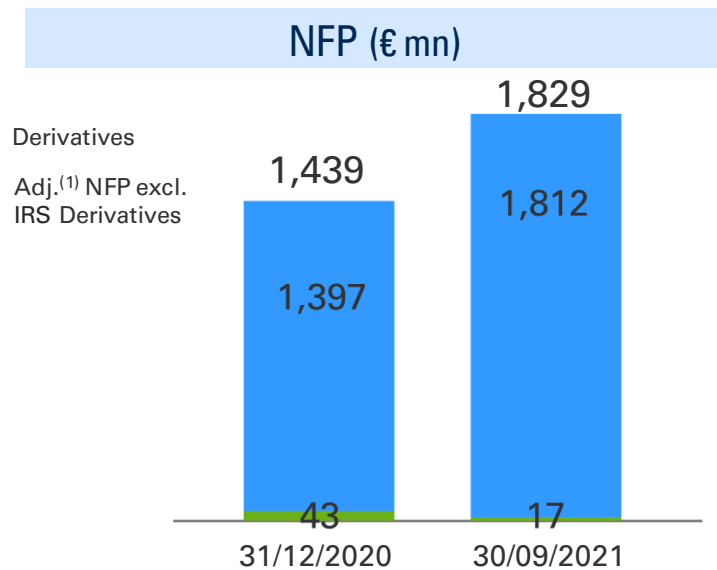
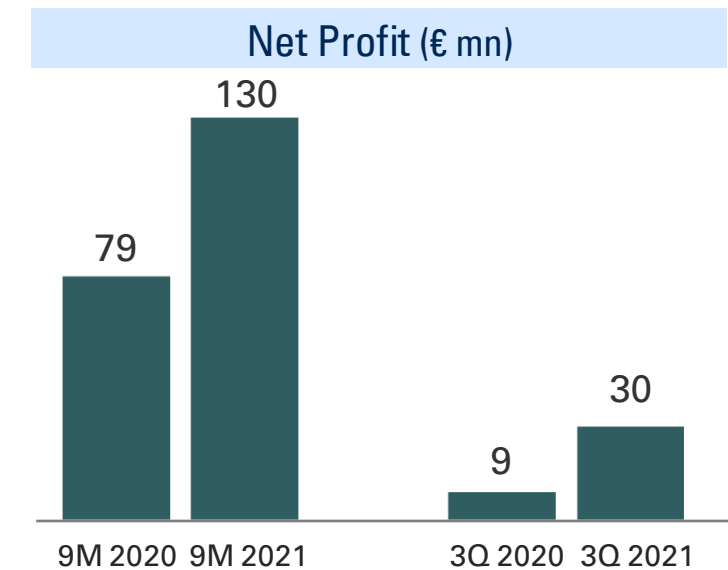
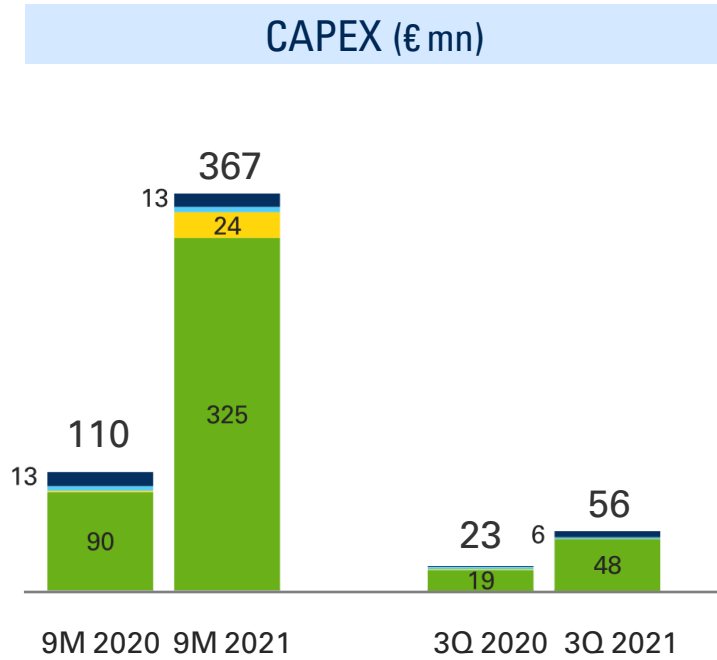
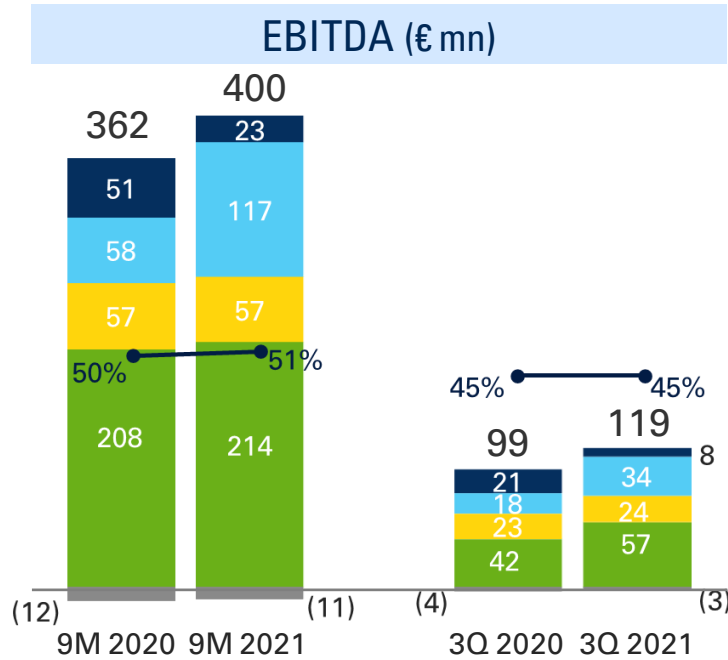
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AGENDA

- ❑ **3Q 2021 Highlights**
 - Key Figures
 - Recent Developments
- ❑ **Results Review**
 - Business Environment
 - 3Q 2021 Group EBITDA
 - Results by Segments
- ❑ **Key Financials**
 - Profit & Loss
 - Investments
 - Cash Flow Statement
- ❑ **2021 Guidance and Conclusions**
- ❑ **Appendix**



HIGHLIGHTS: KEY FIGURES



(1) Adjusted means net of special items and IFRS 16, IFRS9 plus IFRS 5 effects.

RECENT DEVELOPMENTS: ASSET ROTATION

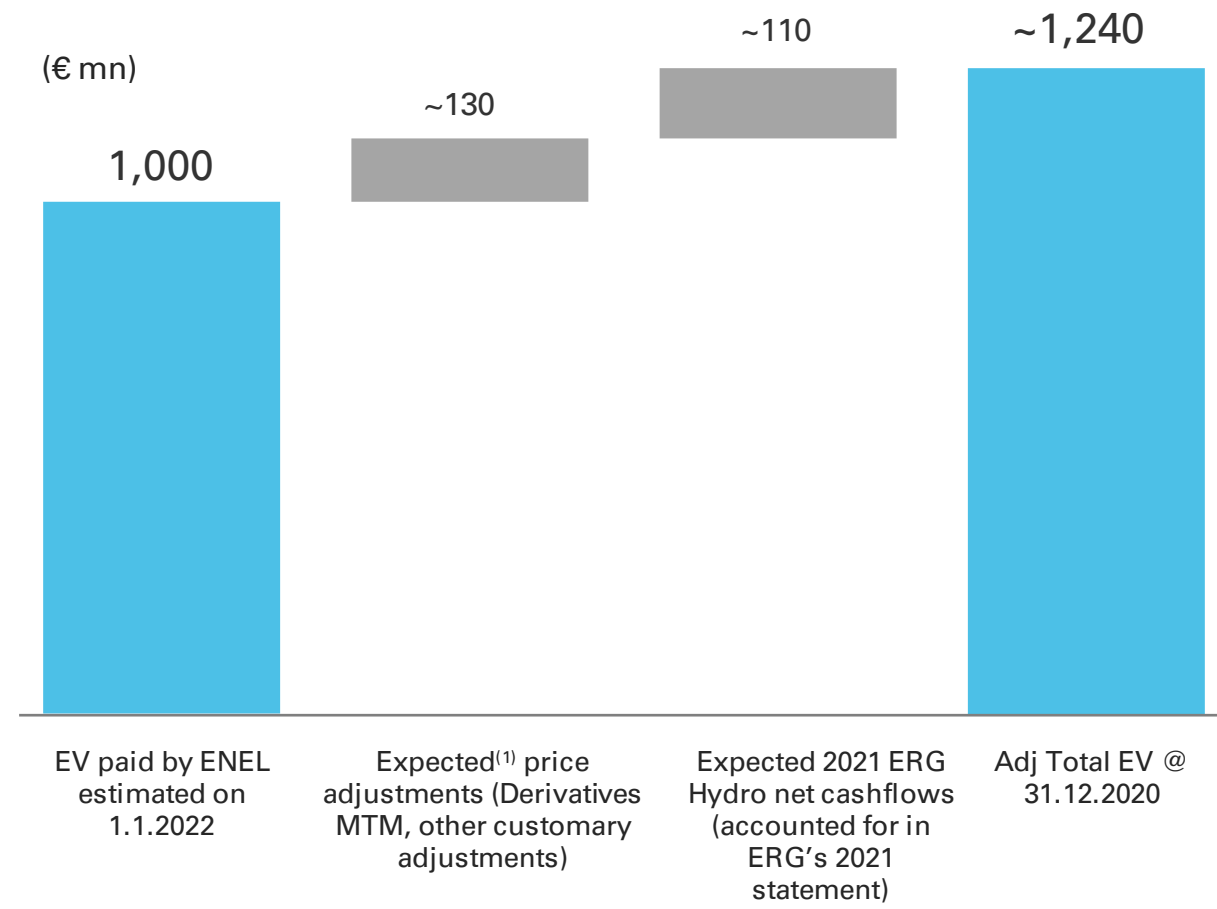
Key terms of ERG Hydro disposal

Agreement signed on August 2:

- Total EV: €1bn
- Total FTE involved: 114
- Positive agreement with Trade Union
- CPs satisfied: antitrust/golden power authorization

Strategic Rationale

- First step to achieve a pure RES W&S portfolio
- Anticipate cash flow to support scale growth in RES
- Lower portfolio merchant exposure
- Enhancing geographical diversification



⁽¹⁾ Based on internal estimates at 30/09/2021

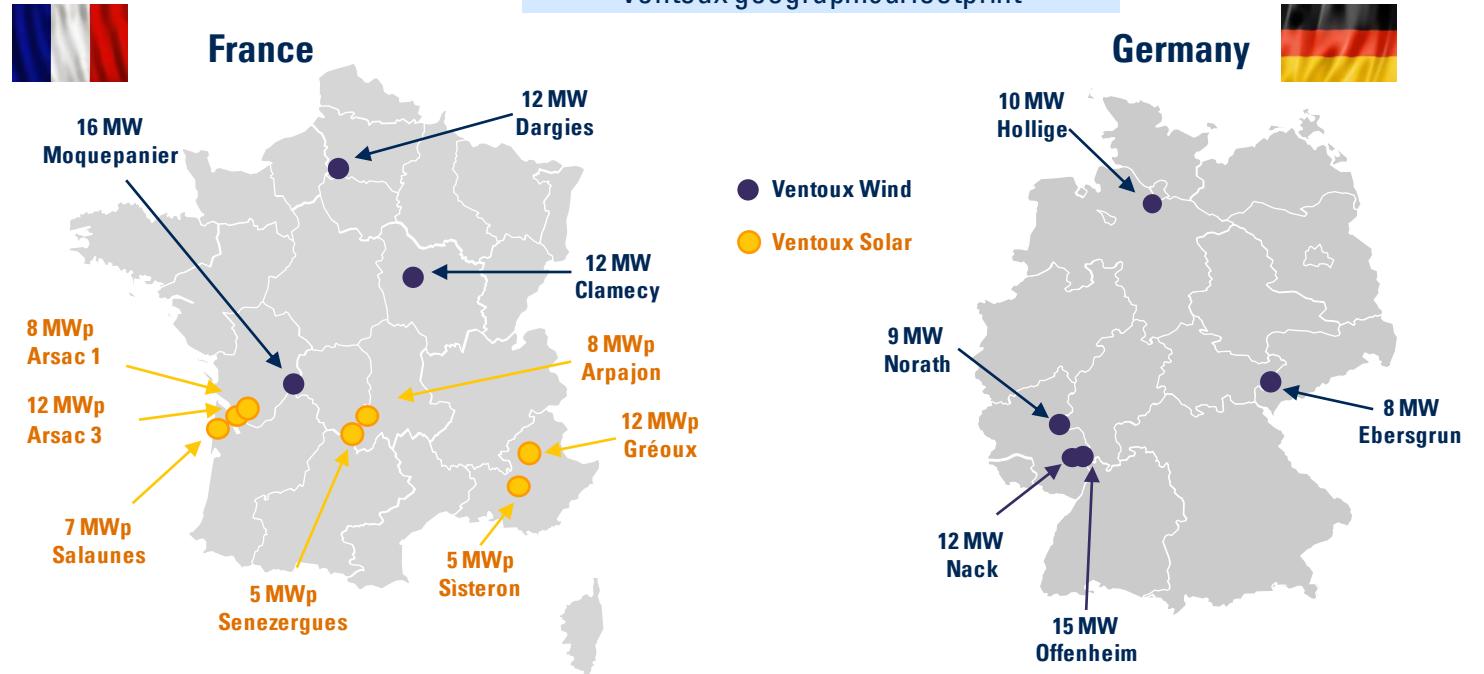
RECENT DEVELOPMENT: GROWING OUR RES PORTFOLIO

Overview of the deal

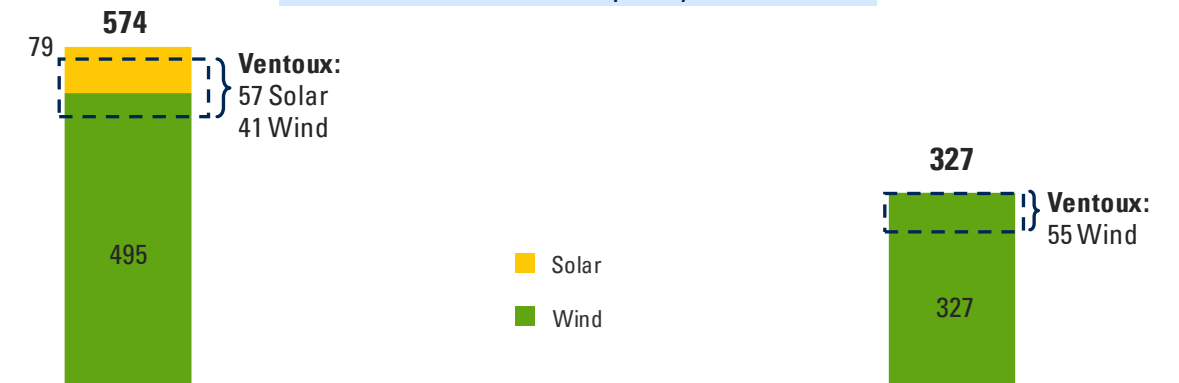
Agreement signed on October 1

- W&S Ptf in France and Germany for 152.4MW
- Total EV: €202mn
- 2020 EBITDA: €21mn
- France: 7 solar plants with a capacity 56.7MW
3 wind farms for a 40.6MW installed capacity
- Germany: 5 wind assets with a capacity of 55.1MW
- The plants came into operation between 2013 and 2015
- Tariff system with an average expiry date of 2032
- Estimated total annual production of 273GWh: ca. 2,100heq for wind assets and ca. 1,300 heq. for solar

Ventoux geographical footprint



Total installed capacity (MW)



OTHER RECENT DEVELOPMENTS



Energy Sales / Mgmt

Securing revenues:

- Signed a 5y PPA (pay as produced) with Engie, for 55MW in France
- 144MW of wind Italian repowering awarded with a 20y tariff over the 6th RES auction



Growth in scale

A big step forward in organic development in Italy:

- 2 fully authorized projects in Italy: 1 greenfield (46.7MW) and 1 repowering (50MW)
- Both projects totaling 100MW took part in the last auction held in October 2021



Integration of ESG

Important ESG recognition:

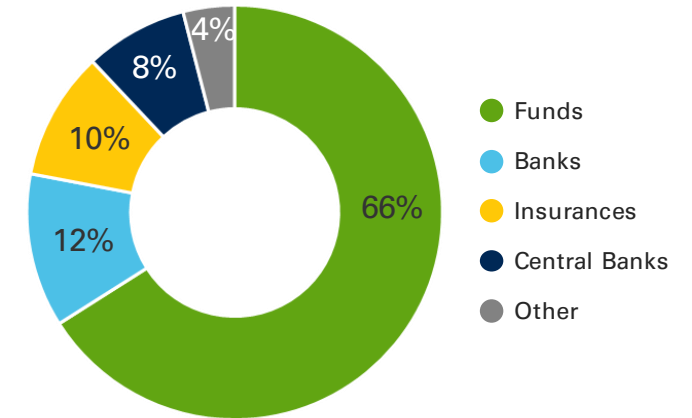
- ERG at the top of the ISS ESG "Electric Utilities" global ranking
- Science Based Target initiative approves emissions reduction targets
- ERG among the 40 blue-chips of the MIB ESG Index of Borsa Italiana

FIRST 10 YEARS GREEN BOND

Terms & Conditions

Issuer:	ERG S.p.A.
Format:	Senior Unsecured Green Notes
Issuer rating (Fitch):	BBB- (stable)
Expected issue rating (Fitch):	BBB-
Size:	€ 500m
Maturity (tenor):	15 th September 2031 (10 years)
Coupon:	0.875%
Reoffer yield:	0.901%

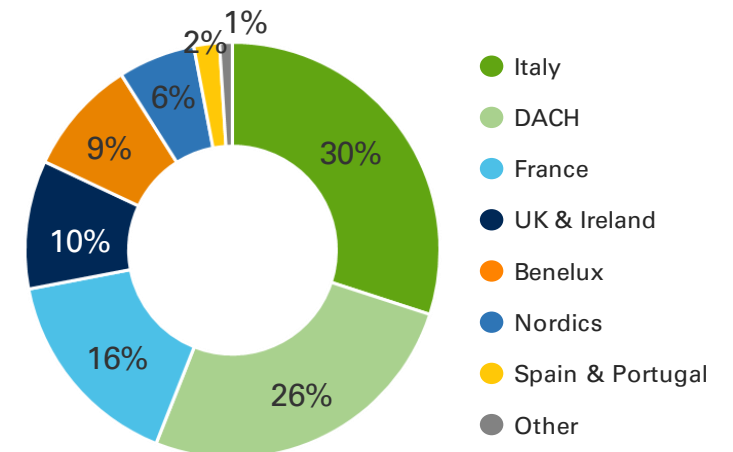
Breakdown for Investor type



Commentary

- On Wednesday 8th September, **ERG S.p.A. issued a new senior unsecured green bond for a € 500mn size and 10 years tenor.**
- Proceeds from the transaction will be used to **finance/refinance eligible green projects under ERG's Green Bond Framework**
- The bond has been carried out in the context of the € 3bn EMTN programme and represents **the first time that ERG approaches the market with such a long tenor**
- The **final spread was set at ms+87bps, i.e. the lowest spread ever paid on any of ERG's primary issuances**

Breakdown for Geography



Making group financial structure even more robust and efficient

RESULTS REVIEW

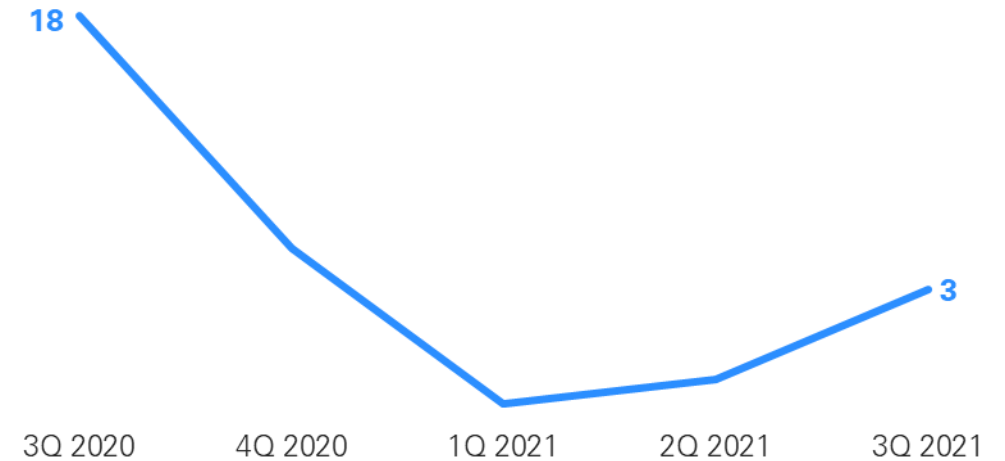
Michele Pedemonte - CFO

BUSINESS ENVIRONMENT

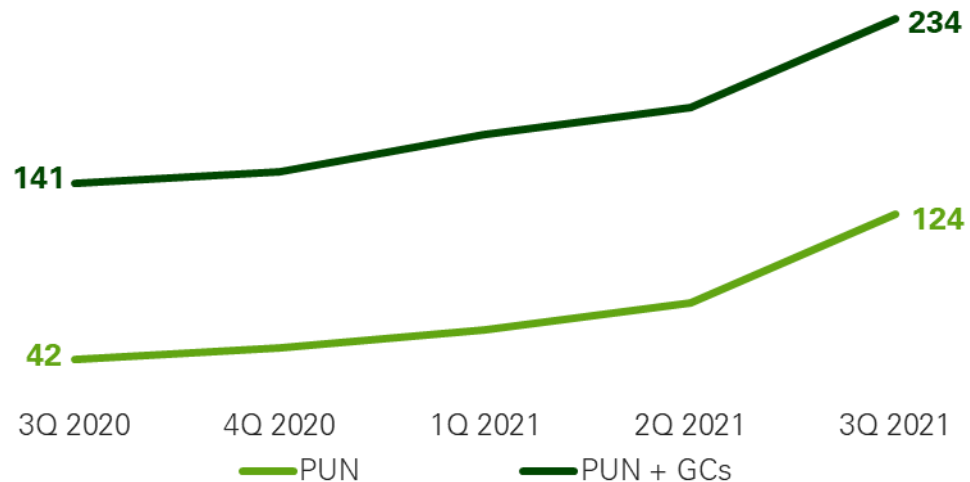
Italy: Electricity Production vs Demand (TWh)

	3Q 2020	3Q 2021	Delta %
Italian Electricity Demand	81	84	3%
Italian Electricity Production	75	72	-4%
<i>of which:</i>			
- Thermo	49	46	-6%
- Hydro	13	13	-2%
- Solar	8	8	-2%
- Wind	4	4	9%
- Other Sources	1	1	0%

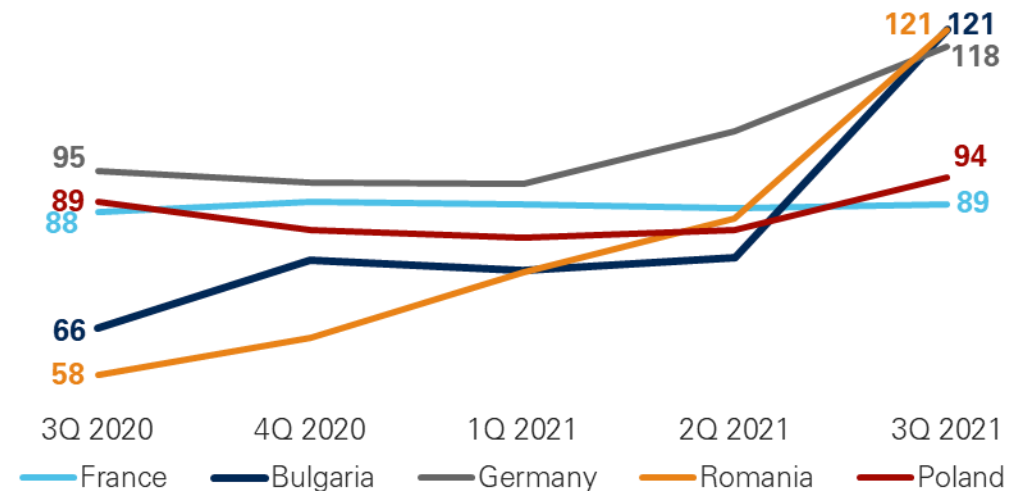
Clean Spark Spread Indicator (€/MWh)



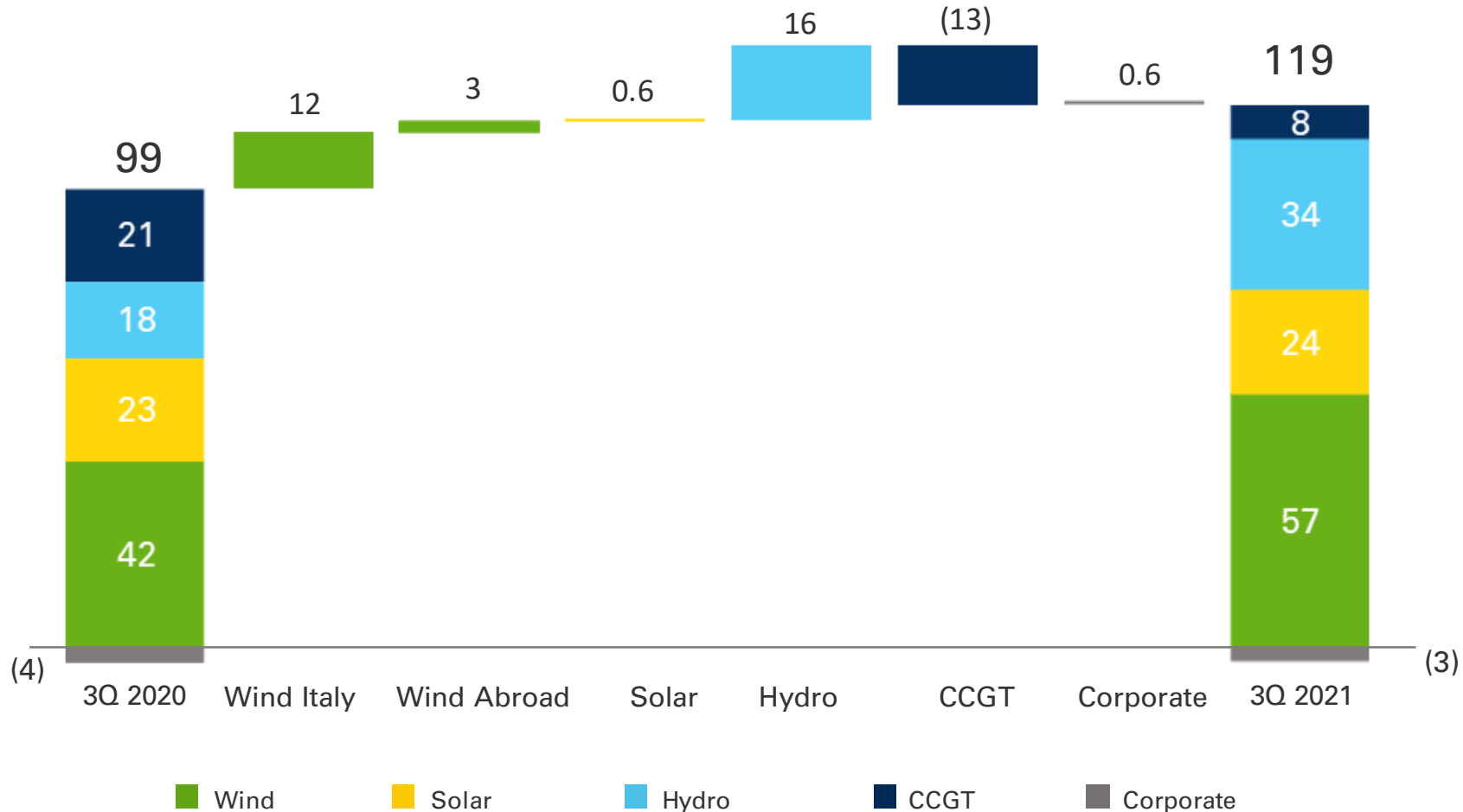
Electricity Prices in Italy (€/MWh)



All-in Wind Prices abroad (€/MWh)

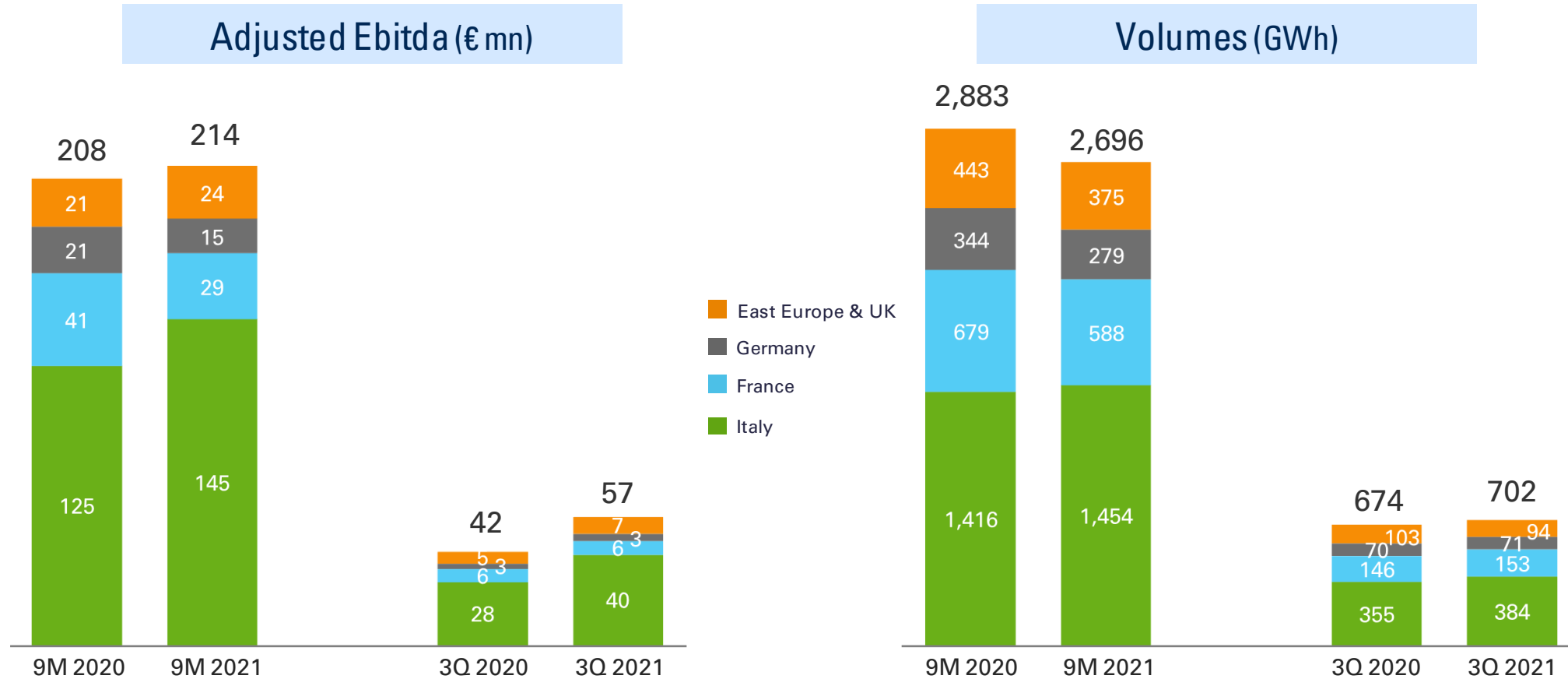


3Q 2021 GROUP EBITDA EVOLUTION



A generalized strong scenario, better Wind in Italy, consolidation of new assets abroad, strong recovery in Hydro volumes and weaker CCGT

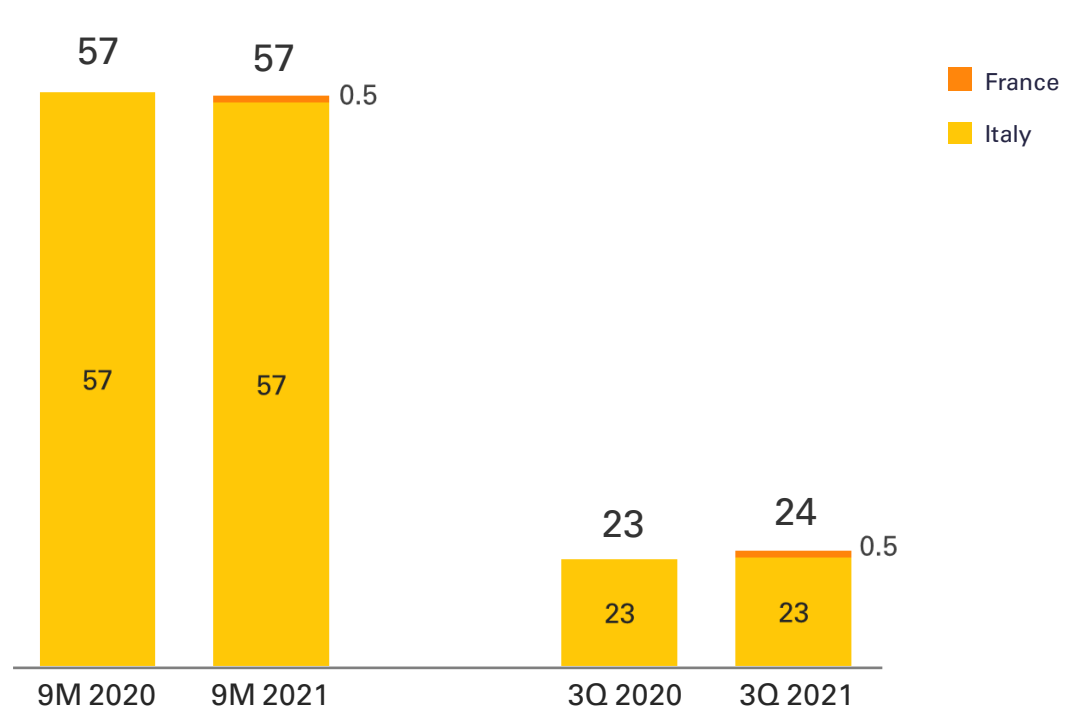
WIND RESULTS



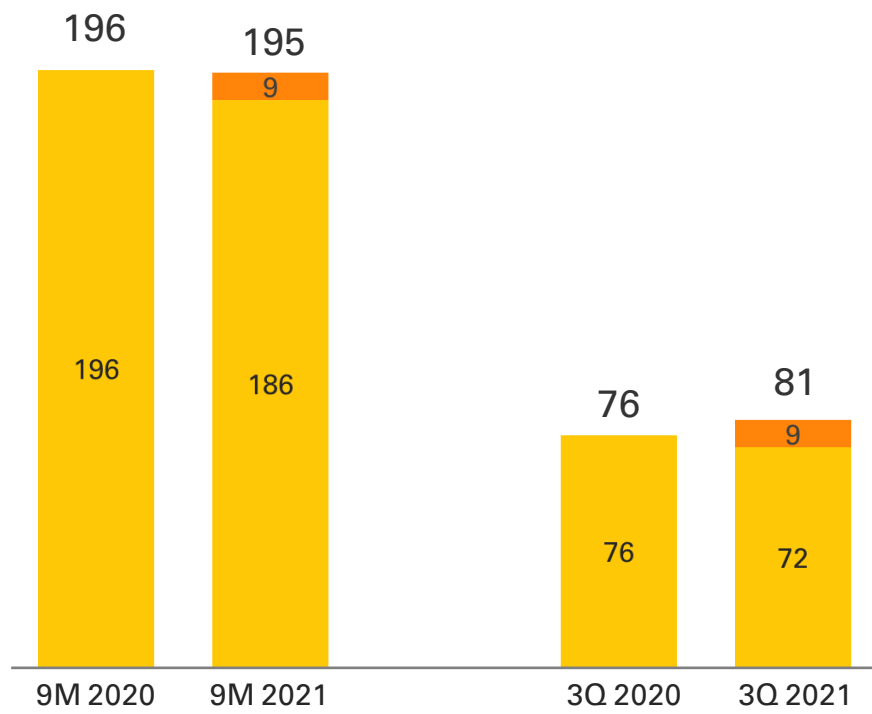
A generalized better scenario, rise in volumes in Italy and new acquisition in France

SOLAR RESULTS

Adjusted Ebitda (€ mn)



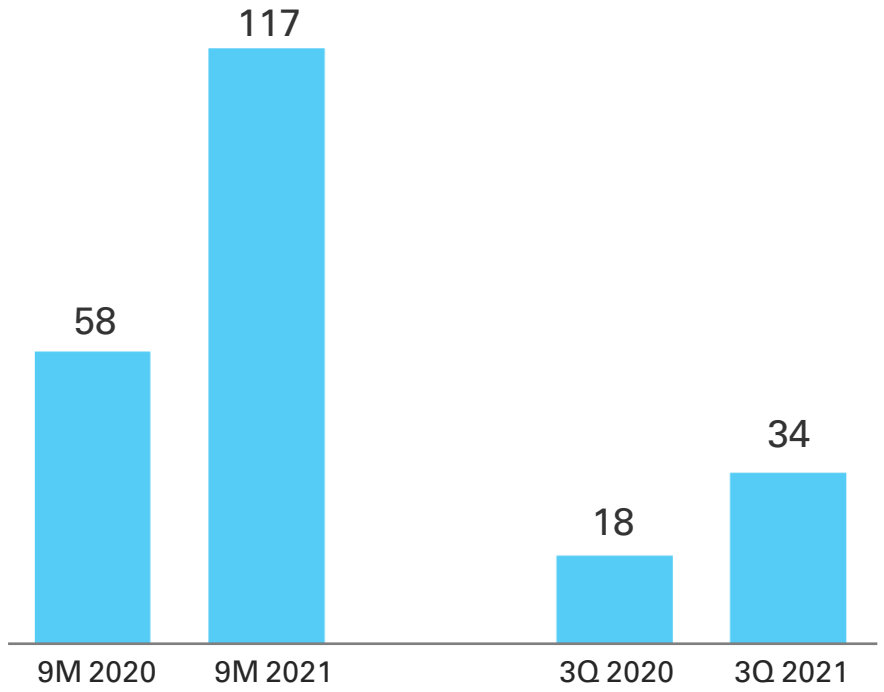
Volumes (GWh)



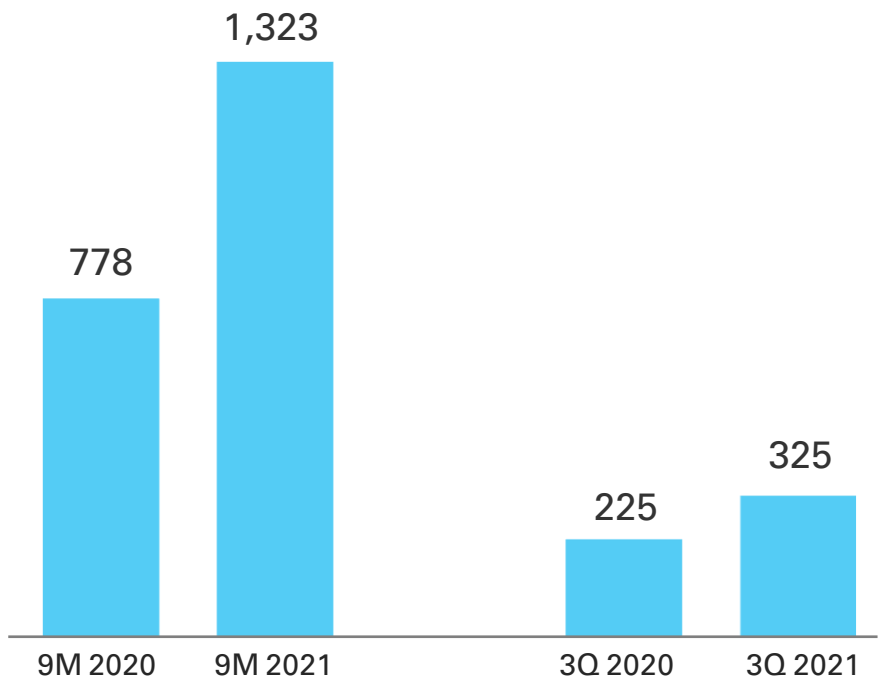
Better scenario, lower volumes in Italy offset by first solar contribution in France

HYDRO RESULTS

Adjusted Ebitda (€ mn)



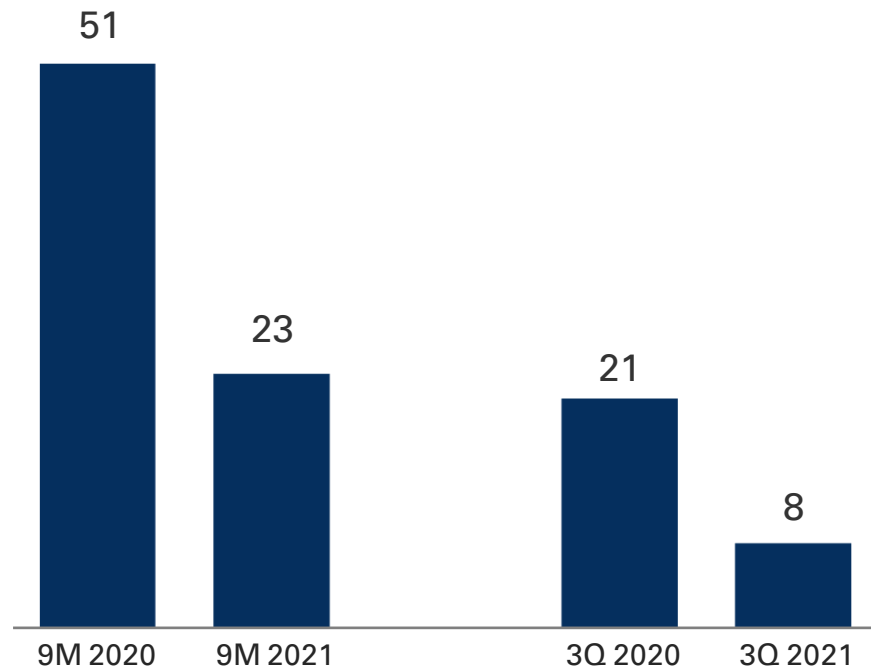
Volumes (GWh)



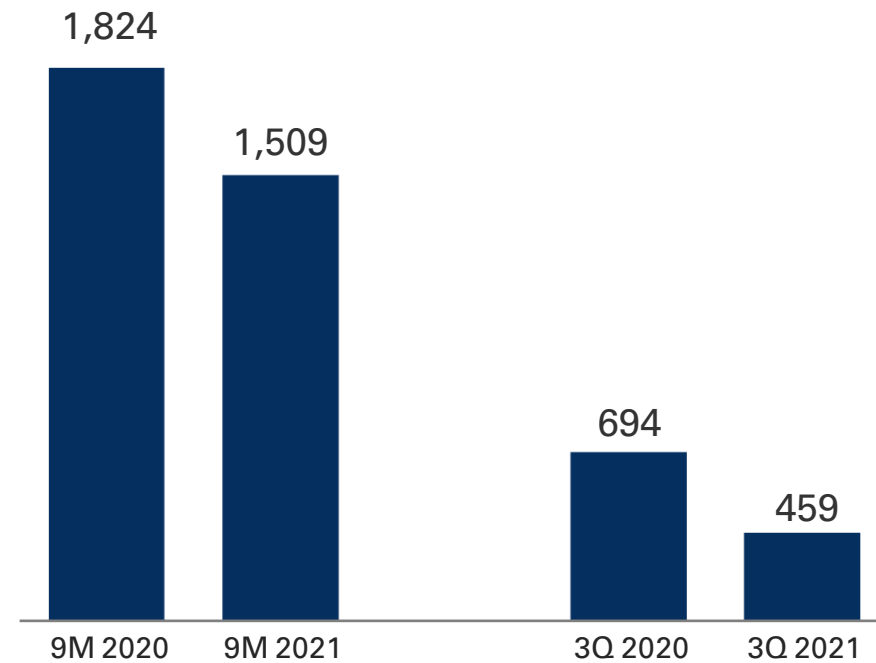
**Strong increase of Hydro volumes
EBITDA doubles YoY**

THERMO RESULTS

Adjusted Ebitda (€ mn)

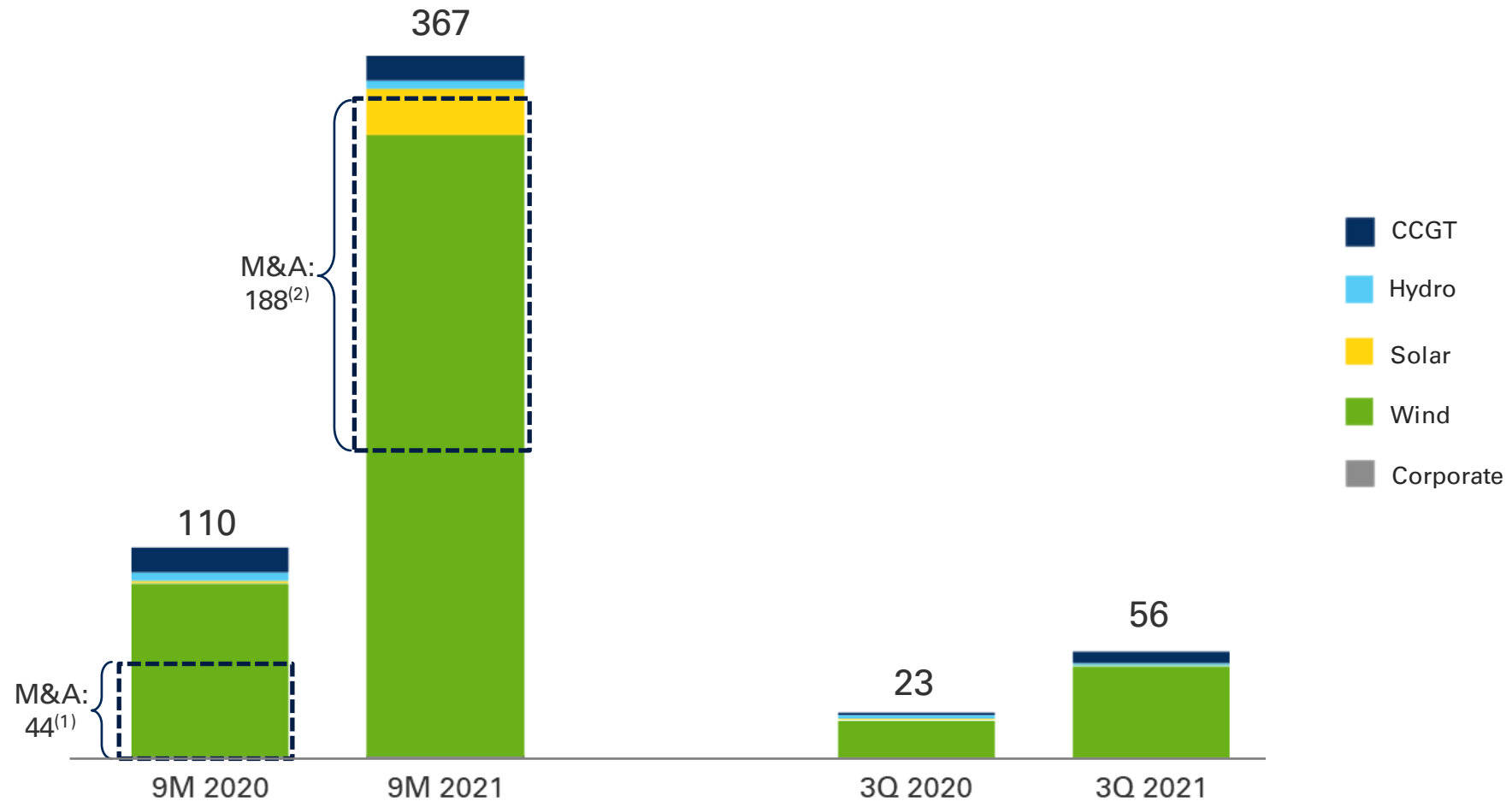


Volumes (GWh)



End of White Certificates and tough market conditions for CCGT

INVESTMENTS



Investments increase: M&A and constructions

⁽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

⁽²⁾ M&A CAPEX related to the closing of the recent Wind acquisition in Sweden (which took place on May 10, 2021 for an amount of €41mn), and of Joran Wind and Solar acquisition in France (which took place on June 24, 2021) amounting to €147mn

KEY FINANCIALS

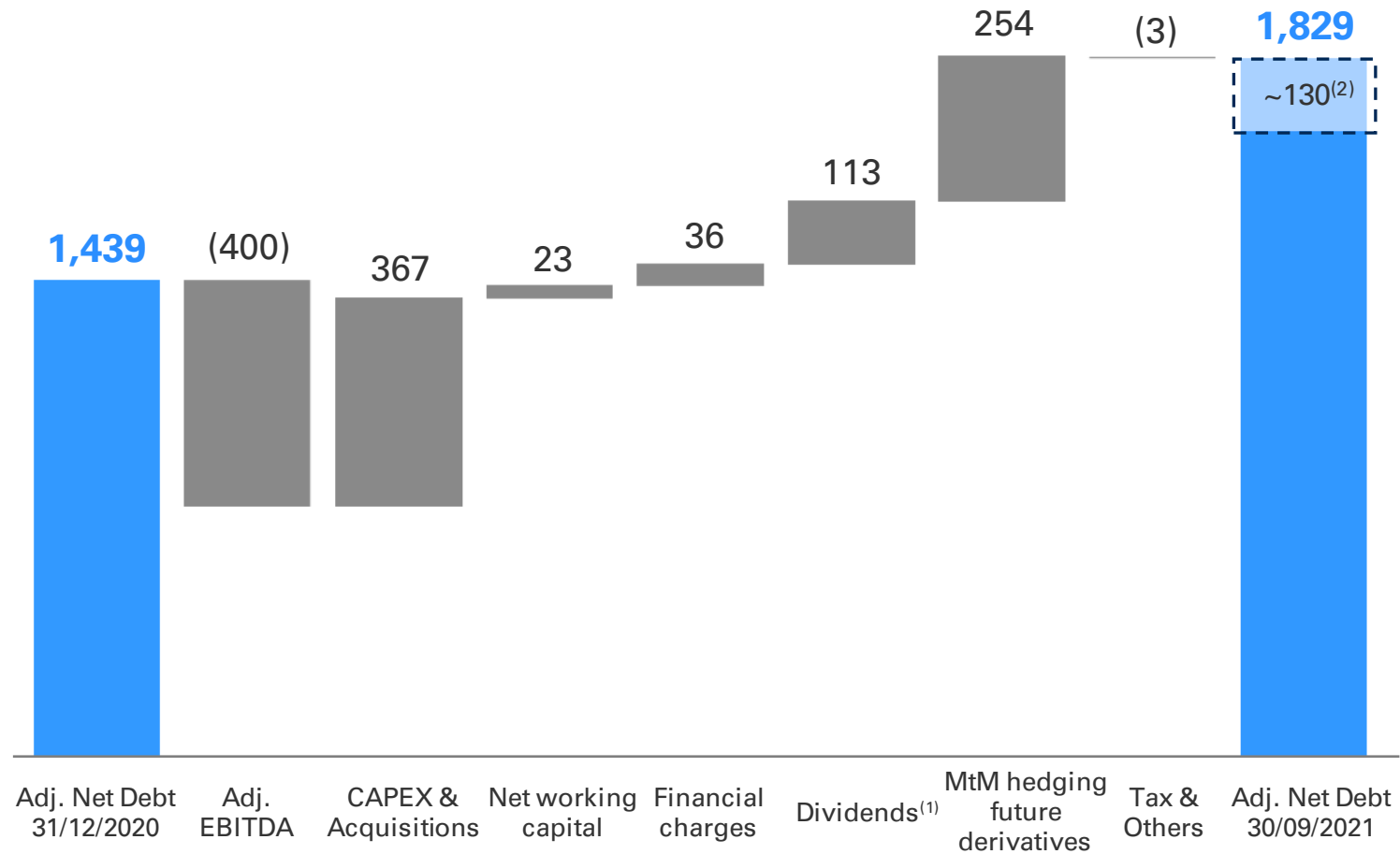
ADJUSTED P&L

9M 2021	9M 2020	Euro millions	3Q 2021	3Q 2020
400	362	Adjusted EBITDA	119	99
(204)	(224)	Amortization and depreciation	(69)	(74)
196	139	Adjusted EBIT	50	25
(23)	(38)	Net financial income (expenses)	(7)	(13)
0	0	Net income (loss) from equity investments	0	0
173	101	Adjusted Results before taxes	42	12
(42)	(20)	Income taxes	(11)	(3)
131	81	Adjusted Results for the period	31	10
(2)	(2)	Minority interests	(1)	(1)
130	79	Adjusted Net Profit	30	9
24%	20%	Tax Rate	26%	22%



Note: figures based on NO GAAP measures

9M 2021 CASH FLOW STATEMENT



⁽¹⁾ It includes €1mn of dividends to minorities

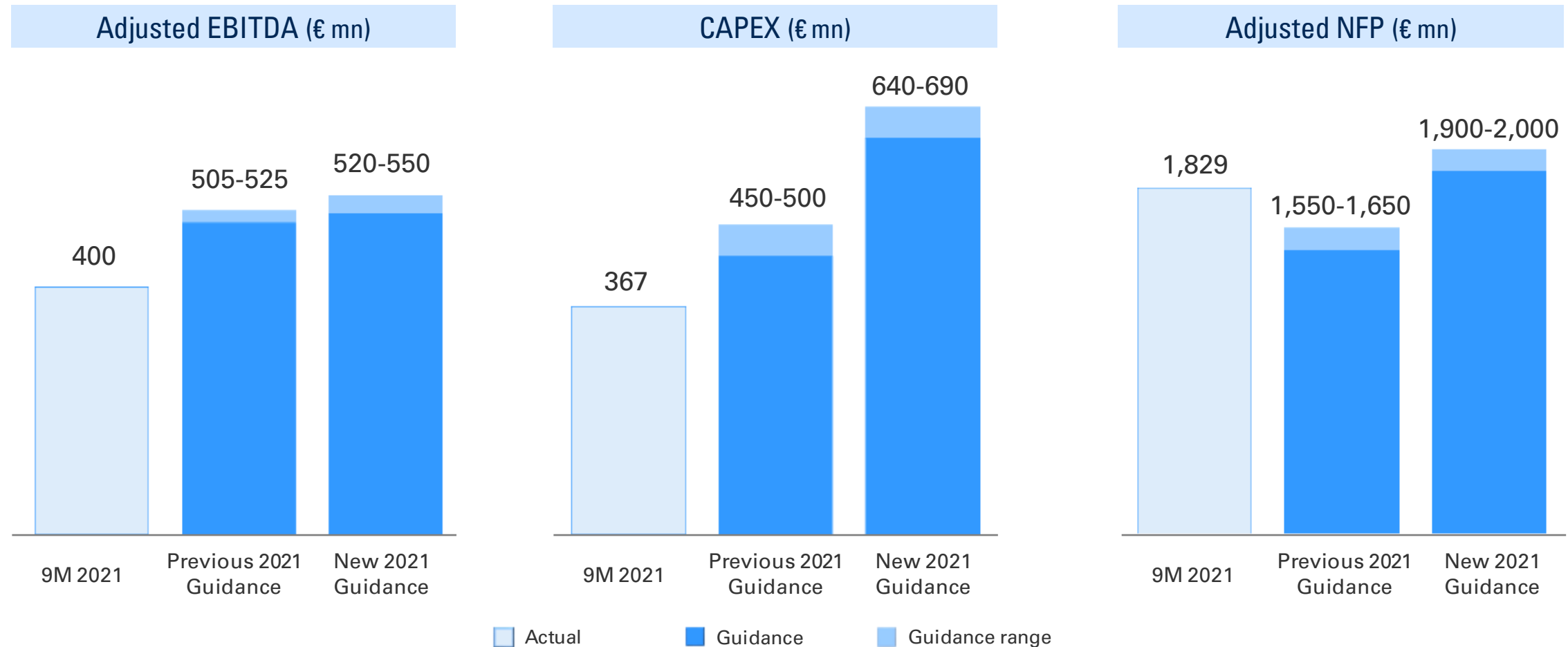
⁽²⁾ It refers to MtM future derivatives to be transferred to ENEL as a price adjustment



2021 GUIDANCE

Paolo Merli - CEO

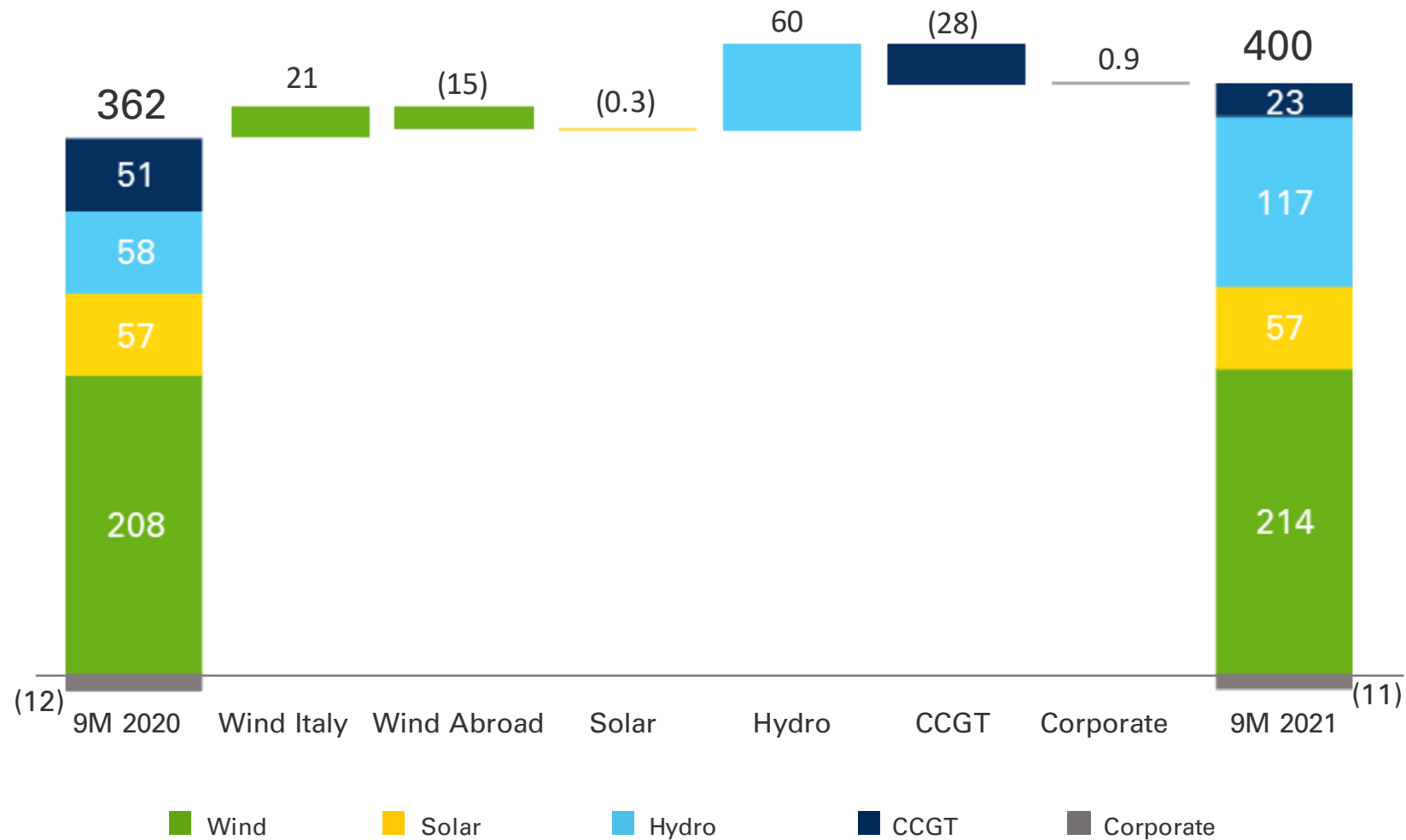
2021 GUIDANCE



Revised upwards to reflect stronger business environment and investments

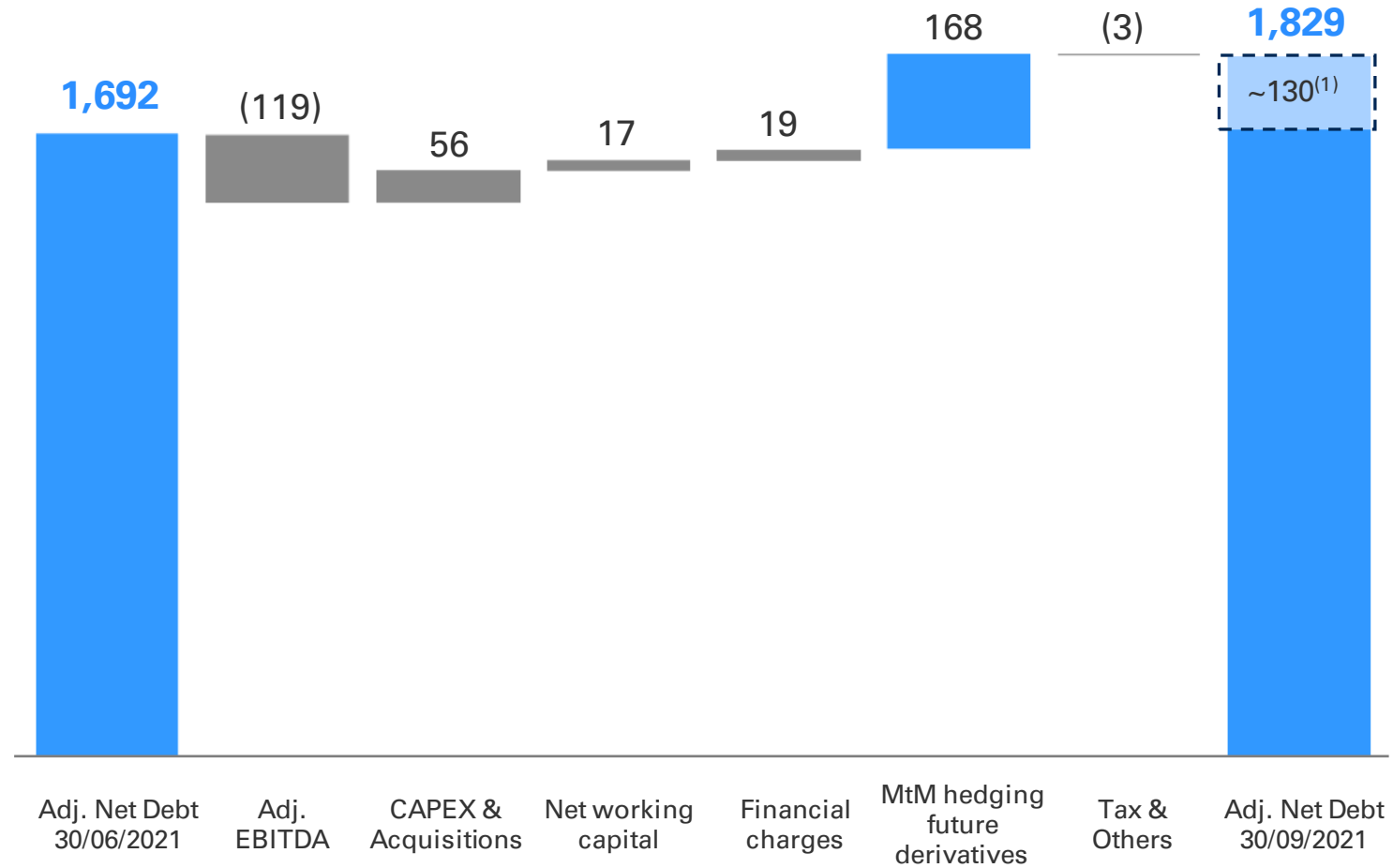
APPENDIX

9M 2021 GROUP EBITDA EVOLUTION



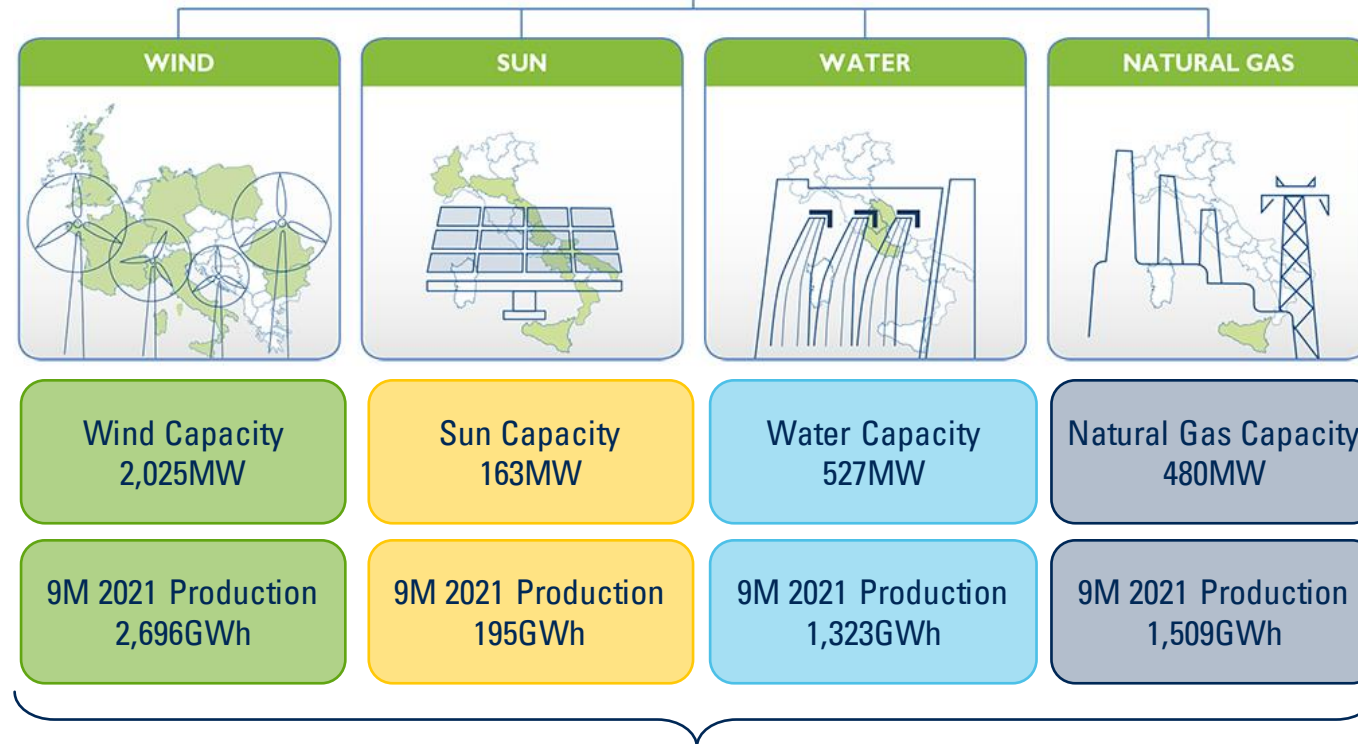
**Strong recovery in Hydro volumes and weaker CCGT
Wind abroad down vs extraordinary 9M 2020**

3Q 2021 CASH FLOW STATEMENT



⁽¹⁾ It refers to MtM future derivatives to be transferred to ENEL as a price adjustment

ENERGY PORTFOLIO



Total 9M 2021 Production: 5.7TWh

Total Energy Portfolio including hedging & other sales: 10.6TWh

WIND KEY FIGURES (1/2)

9M 2021	9M 2020		3Q 2021	3Q 2020
2,025	1,967	Installed capacity (end-period, MW)	2,025	1,967
		<i>of which:</i>		
1,093	1,093	- Italy	1,093	1,093
455	397	- France	455	397
272	272	- Germany	272	272
82	82	- Poland	82	82
70	70	- Romania	70	70
54	54	- Bulgaria	54	54
2,696	2,883	Electricity Production (GWh)	702	674
		<i>of which:</i>		
1,454	1,416	- Italy	384	355
588	679	- France	153	146
279	344	- Germany	71	70
142	179	- Poland	36	37
131	149	- Romania	32	40
102	114	- Bulgaria	26	26



WIND KEY FIGURES (2/2)

9M 2021	9M 2020	Euro millions	3Q 2021	3Q 2020
Unitary Revenues (€/MWh):				
128	120	- Italy	140	122
89	89	- France	89	88
102	97	- Germany	118	95
86	76	- Poland	94	89
91	54	- Romania	121	58
88	62	- Bulgaria	121	66
Adjusted EBITDA:				
145	125	- Italy	40	28
29	41	- France	6	6
15	21	- Germany	3	3
8	11	- Poland	2	2
10	6	- Romania	3	2
7	6	- Bulgaria	3	1
(2)	(1)	- UK	(1)	(0)
214	208	Total Adjusted EBITDA	57	42
(116)	(125)	Depreciation	(40)	(42)
98	83	Adjusted EBIT	17	0



SOLAR KEY FIGURES

9M 2021	9M 2020	Euro millions	3Q 2021	3Q 2020
		Unitary Revenues (€/MWh)		
334	315	- Italy	346	321
82	n.a.	- France	82	n.a.
195	196	Electricity Production (GWh)	81	76
57	57	Adjusted EBITDA	24	23
(31)	(31)	Depreciation	(10)	(10)
27	26	Adjusted EBIT	13	13



HYDRO KEY FIGURES

9M 2021	9M 2020	Euro millions	3Q 2021	3Q 2020
112	111	Unitary Revenues (€/MWh)	135	120
1,323	778	Electricity Production (GWh)	325	225
117	58	Adjusted EBITDA	34	18
(33)	(43)	Depreciation	(11)	(14)
85	15	Adjusted EBIT	23	3



THERMO KEY FIGURES

9M 2021	9M 2020	Euro millions	3Q 2021	3Q 2020
31	34	Unitary Revenues (€/MWh)	35	40
1,509	1,824	Electricity Production (GWh)	459	694
23	51	Adjusted EBITDA	8	21
(22)	(22)	Depreciation	(8)	(7)
0	29	Adjusted EBIT	(0)	13



INVESTMENTS

9M 2021	9M 2020	Euro millions	3Q 2021	3Q 2020
325 ⁽¹⁾	90 ⁽²⁾	Wind	48	19
24 ⁽³⁾	2	Solar	0	1
4	4	Hydro	1	2
13	13	CCGT	6	1
1	1	Corporate	0	0
367	110	Total	56	23



(1) M&A CAPEX related to the closing of the recent Wind acquisition in Sweden (which took place on May 10, 2021 for an amount of €41mn), and of Joran Wind acquisition in France (which took place on June 24, 2021) amounting to €124mn

(2) 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

(3) M&A CAPEX related to the closing of the recent Joran Solar acquisition in France (which took place on June 24, 2021) amounting to €23mn