



ERG COMPANY OVERVIEW

IIC 2023 - Italian Investment Conference

25 May 2023

DISCLAIMER

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

AGENDA

- ❑ **ERG Today**
- ❑ **Recent Developments, 1Q 2023 Results and 2023 Guidance**
- ❑ **Abstract of ERG's updated 2022-2026 Business Plan**
- ❑ **2022-2026 Targets & Financial Strategy**
- ❑ **Management Profiles**



ERG TODAY

A LONG HISTORY...

Production commences at the San Quirico Refinery in Genoa.



1947



The ERG share is listed on the Stock Exchange.

1997



ERG enters the renewables sector with the acquisition of EnerTAD.

2006

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



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

2010

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



2014



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

2016

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



At the end of 2018, installed wind power totals 1,822MW. Definitive exit from Oil with the sale of TotalERG.

2018

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



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

2020

Wind: ERG acquires 172MW in Italy, and starts up about 230MW among France, Poland, U.K. and Sweden. At the end of 2022 installed wind power totals 2,599MW.



PV capacity at year-end amounts to 370MW, after acquisitions of 34MW in Italy and 25MW in Spain⁽³⁾.

2022

1938

Edoardo Garrone founds ERG in Genoa.



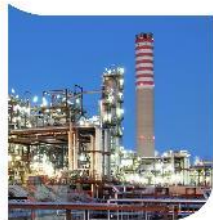
1975



Production commences at the ISAB Refinery in Priolo.

2000

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



2008



ERG sells 49% of the ISAB Refinery to LUKOIL.

2013

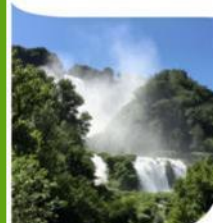
ERG becomes the leading wind operator in Italy with an installed capacity of 1,087MW and among the top ten in Europe (with a total of 1,340MW), and acquires a company for wind farm O&M activities.



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

2015

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



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

2017



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

2019

ERG closes the acquisition of Andromeda (51MW) assets, increasing its PV total capacity up to 141MW.



Wind: ERG acquires 52MW in France and 34MW in Germany. At year end, installed wind capacity in Europe is 1,929MW.

2021

Wind: ERG enters the Sweden market, and starts operation in U.K.. At year-end installed wind capacity in Europe is 2,198MW. On August 2, ERG signs an agreement with ENEL for the sale of ERG Hydro S.r.l.⁽¹⁾.



ERG enters the solar market in France (79MW) and Spain (92MW)⁽²⁾.

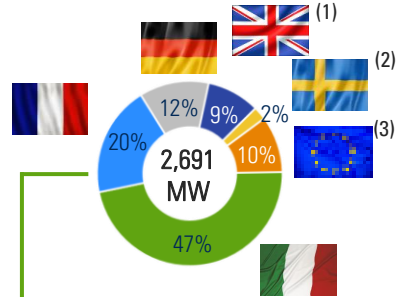
⁽¹⁾ The closing for the sale of the Hydro portfolio to Enel took place on January 3, 2022
⁽²⁾ The closing of the solar acquisition in Spain (92MW) took place on January 31, 2022
⁽³⁾ The closing of the solar acquisition in Spain (25MW) is expected during 1H 2023

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

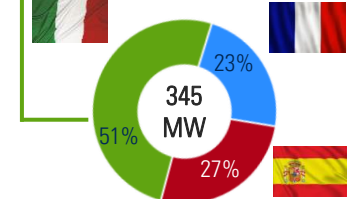
Total installed Capacity

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

Wind



Solar

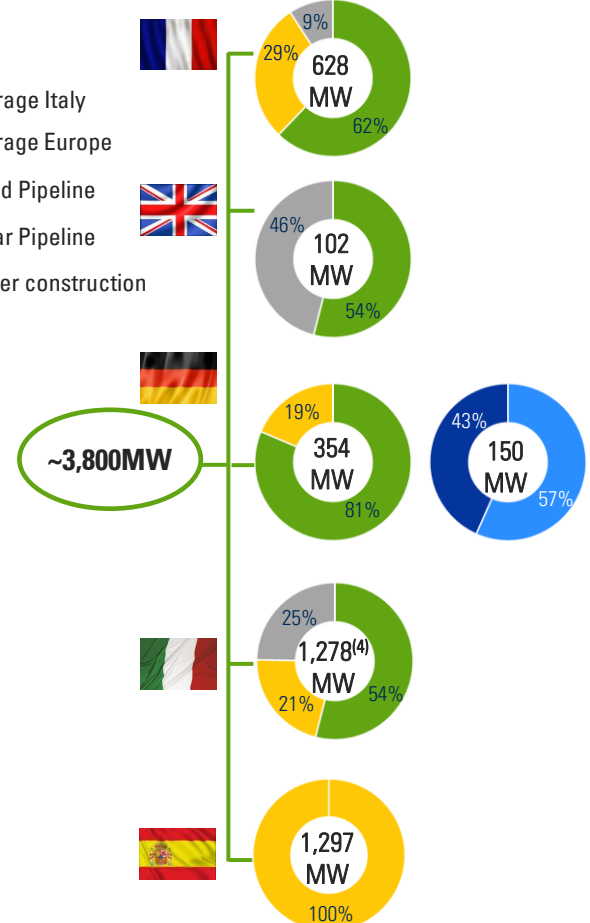


3,036MW



Wind, Solar & Storage Pipeline

- Storage Italy
- Storage Europe
- Wind Pipeline
- Solar Pipeline
- Under construction



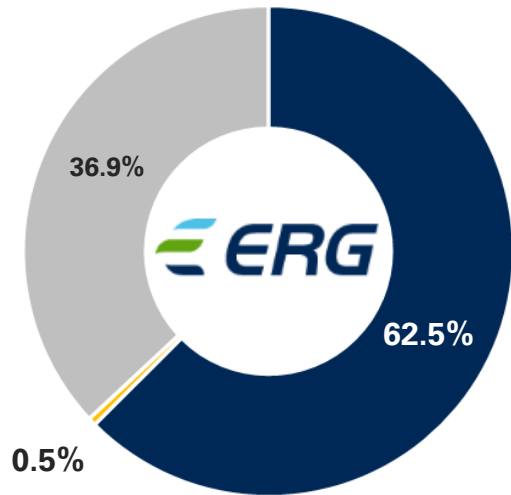
~3,800MW

(1) It includes Creag Riabhach wind farm (92MW, commissioned on January 12, 2023) and Sandy Knowe wind farm (86MW commissioned in two phases, respectively on October 13, 2022 and on December 16, 2022)
 (2) It refers to Furuby wind farm (62MW), entered into operation on November 25, 2022
 (3) It refers to Poland, Romania and Bulgaria
 (4) Repowering is on a gross basis

EVOLUTION IN ERG SHAREHOLDING STRUCTURE

①

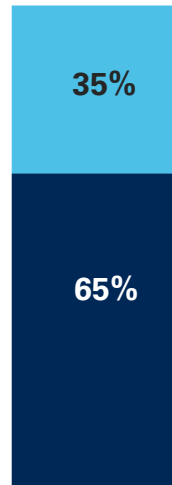
Before the deal with IFM Investors



- San Quirico S.p.A.
- Treasury shares
- Free Float

②

Creation of SQ Renewables

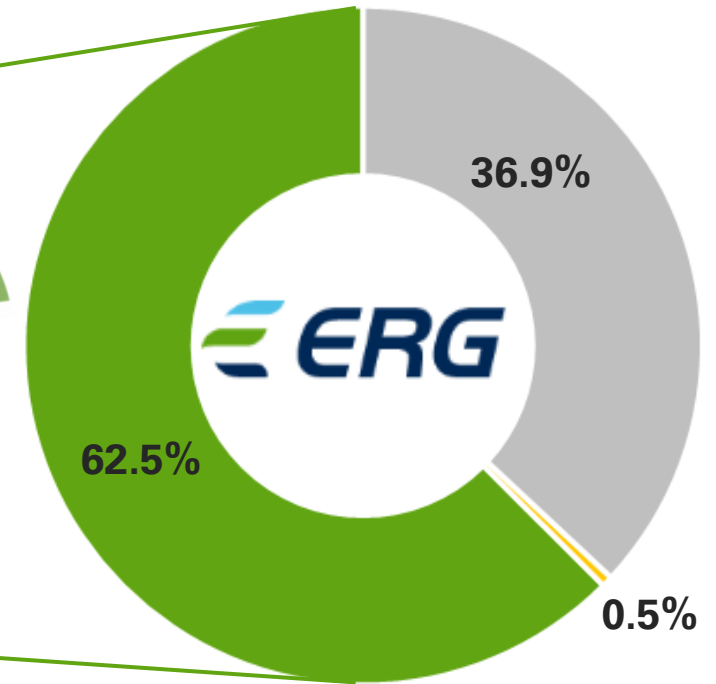


SQ Renewables S.p.A.

- San Quirico S.p.A.
- IFM Investors

③

Current Shareholders' Structure

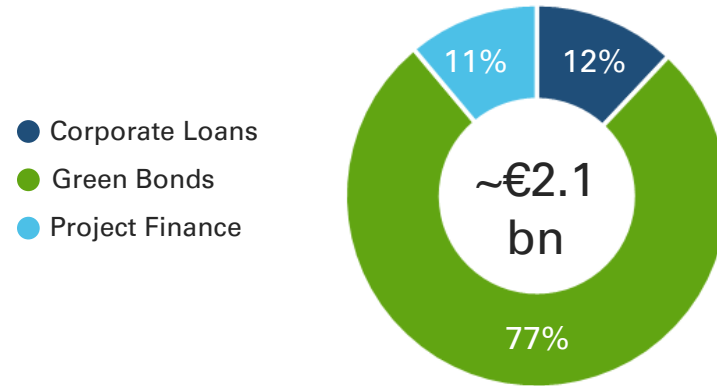


- SQ Renewables S.p.A.
- Treasury shares
- Free Float

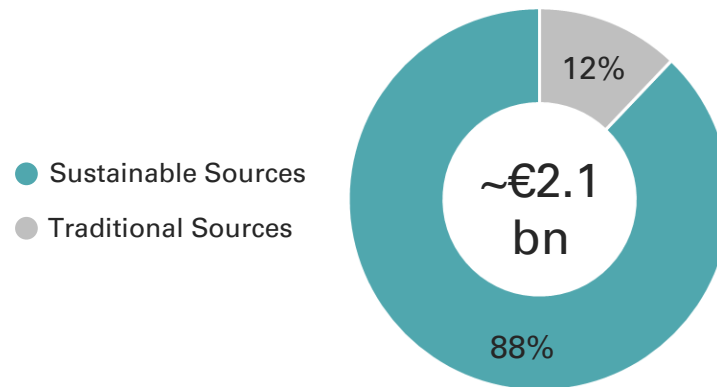
"ERG's 'BBB-' IDR affirmation reflects robust business profile, and a diversified and clean asset base..."

FINANCIAL STRUCTURE

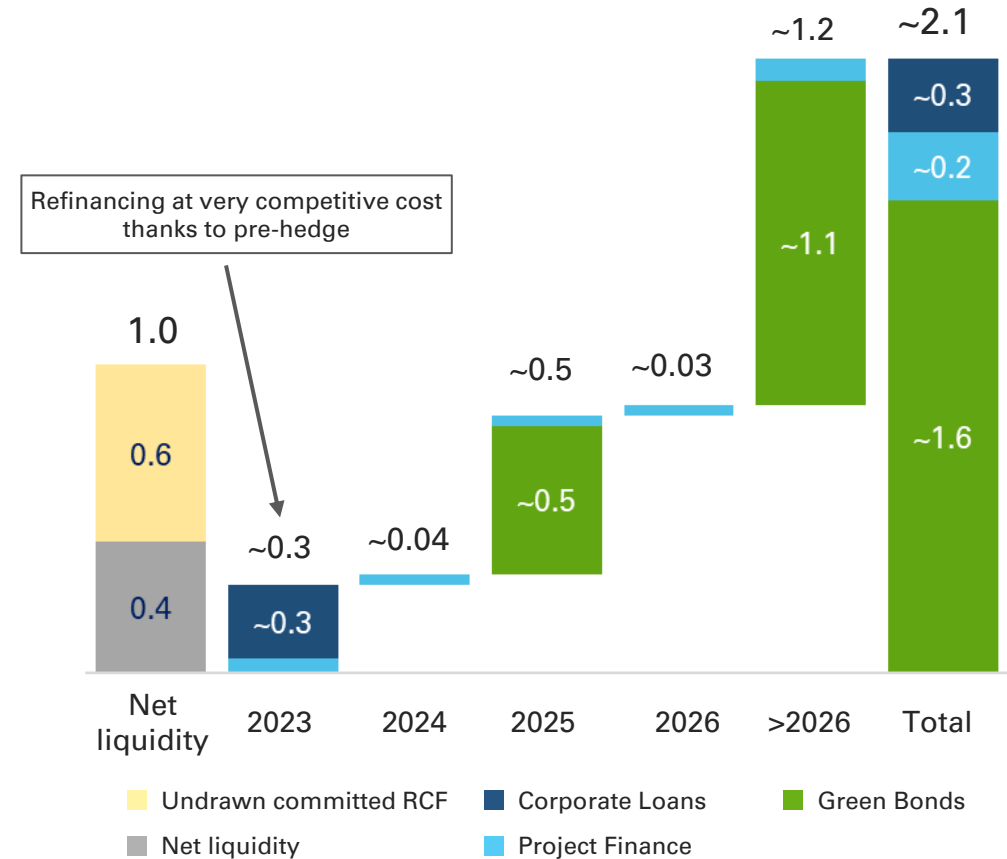
Gross debt at 31/12/2022



Sustainable vs Traditional Finance



Repayment Schedule based on stock as of December 2022 (€ bn)

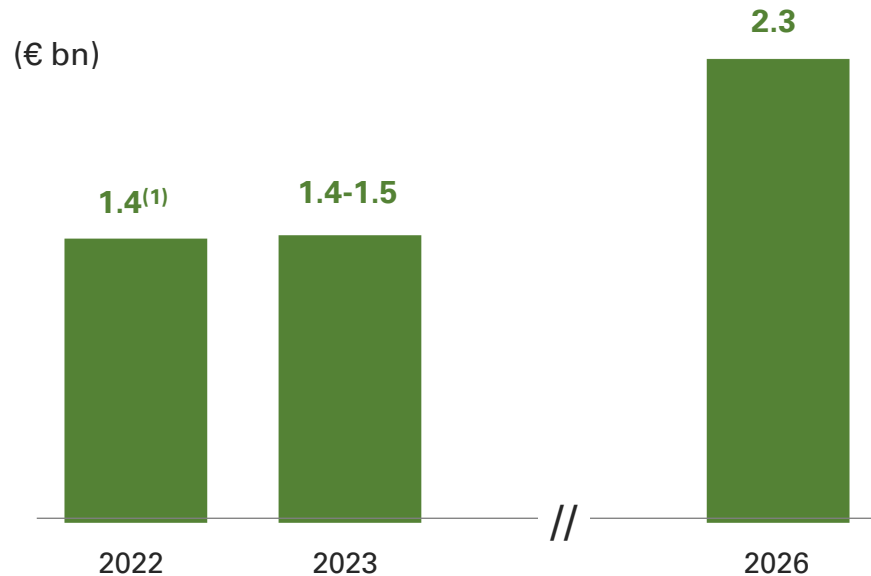


Solid balance sheet with limited refinancing needs until 2025

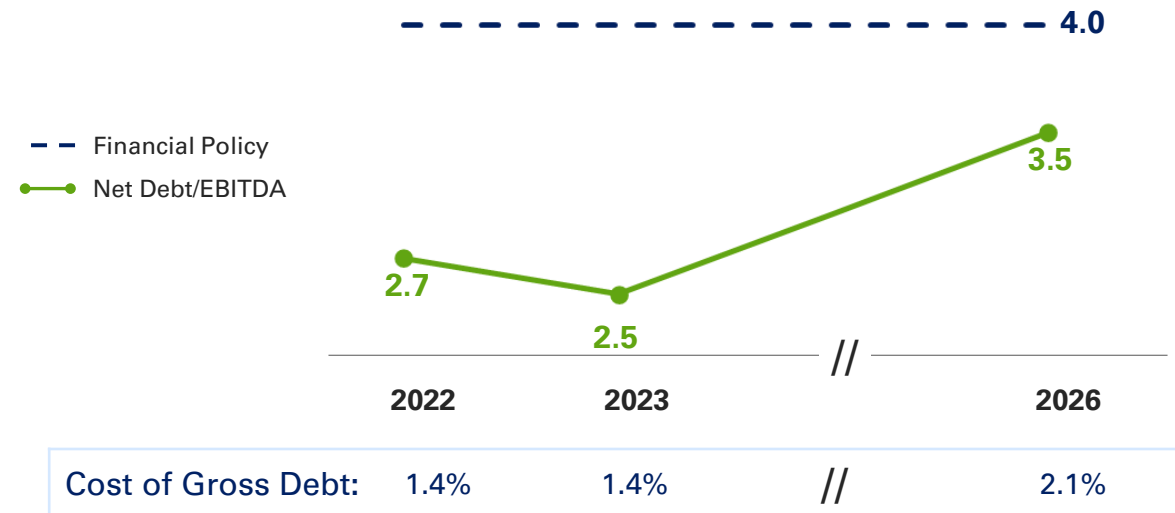
SOLID FINANCIAL PROFILE OVER BP HORIZON

Net debt & leverage over BP horizon

Net financial position



Leverage (NFP/EBITDA)



Further room for re-leverage maintaining an IG rating at a competitive cost

⁽¹⁾ It does not include €98mn NFP of Thermo business accounted under IFRS5

ERG AS A "TOP PERFORMER" IN THE MAIN ESG RATING

ESG Rating Company	Rating
	65/100 Advanced
	A
	A-
	72/100
	A-
	AAA
	14.3 Low Risk
	EE+
	10/87
	72 / 100
	ESG Vulnerability Score = Tier 1 ⁽¹⁾

- ✓ **MSCI** improved ERG's rating to "**AAA**", positioning ERG among TOP 18 global international Companies
- ✓ ERG included in **S&P Clean Energy Index**
- ✓ ERG entered the "**Corporate Knights Global 100 most sustainable corporations in the world**" and ranked 54th, the first among Italian companies included on the list
- ✓ **Sustainalytics** improved ERG's ESG rating from "Medium Risk" (20.7) to "Low Risk" (14.3), positioning ERG 5th among global Independent Power Producers
- ✓ ERG entered the **2022 A List of CDP**, thanks to its best practices for managing climate change and its efforts to reduce greenhouse gas emissions by developing renewable energies
- ✓ **Science Based Target initiative (SBTi)** approved ERG's emission reduction targets (well below 2° C); in 2022 we committed to Net Zero target
- ✓ ERG entered the **MIB ESG Index**, dedicated to the 40 most important listed Italian issuers performing the best practices in Sustainability
- ✓ The **Bloomberg Gender Equality Index (GEI)** improved ERG's score, allowing it to enter the first quarter of the ranking, thanks to its commitment to supporting gender equality
- ✓ ERG signed the **Women's Empowerment Principles** and entered the **United Nations Global Compact**
- ✓ ERG included in the **TOP 10** of the "**Integrated Governance Index 2022**", among the Italian best practices in terms of Corporate Governance

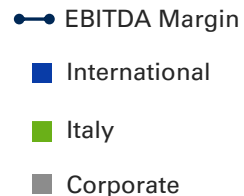
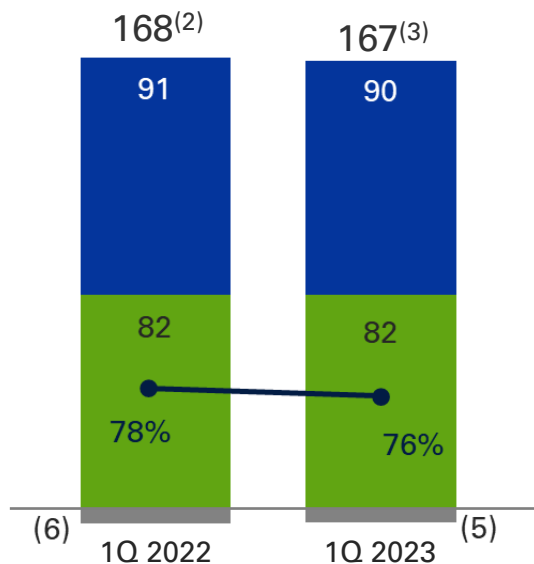
⁽¹⁾ With a score <10 [scale from 0 to 100] ERG is placed at the very top of the utility universe



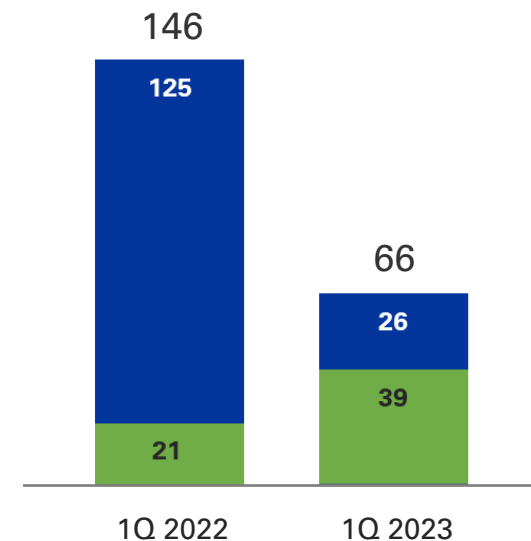
RECENT DEVELOPMENTS, 1Q 2023 RESULTS & 2023 GUIDANCE

HIGHLIGHTS: KEY FIGURES⁽¹⁾

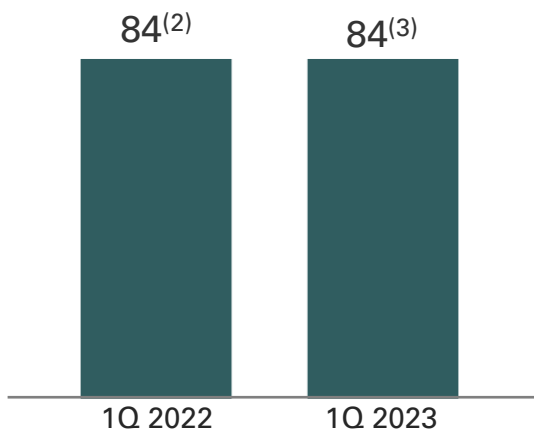
EBITDA (€ mn)



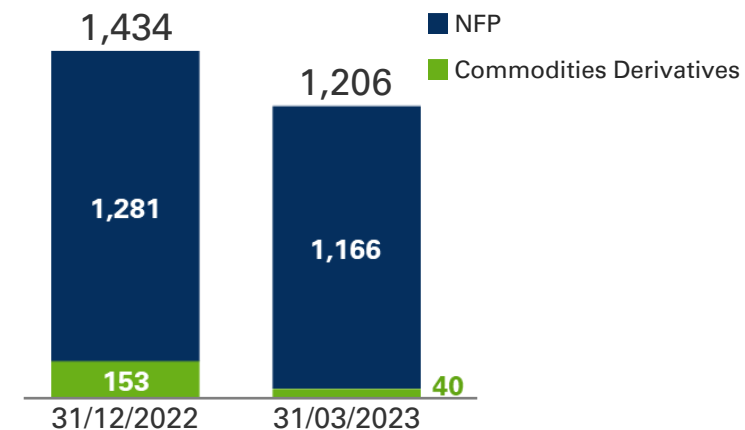
CAPEX (€ mn)



Net Profit (€ mn)



NFP (€ mn)



⁽¹⁾ Figures from continuing operations (excluding CCGT)

⁽²⁾ It refers to figures gross of clawback measures. EBITDA net of clawback measures = €165mn, Net Profit net of clawback measures = €67mn

⁽³⁾ It refers to figures gross of clawback measures. EBITDA net of clawback measures = €161mn, Net Profit net of clawback measures = €78mn

MAIN ACHIEVEMENTS IN THE PERIOD

Growth/financial Structure



Started up of the Creag Riabhach wind farm in Scotland for 92.4MW



Acquired a 149MWp solar power plant in Spain, the largest in the Group's renewable portfolio



Fitch affirms ERG's BBB- rating and stable outlook; financing for €330mn (broadly pre-hedged in 2019)

Revenue Securitization



Signed a 900GWh PPA in Italy with EssilorLuxottica



Amended PPA with TIM in Italy with higher volumes (+200GWh) and better economic conditions

ESG



Confirmed the positioning in the Bloomberg Gender Equality Index. Entered the first quartile



Sustainalytics assigned ERG a "Low Risk" rating compared to the "Medium Risk" (20.7) recorded last year



ERG included in the "Global 100 most sustainable corporations in the world" ranking by Corporate Knights

FURTHER ACCELERATION IN SOLAR IN SPAIN

Transaction Overview

Acquisition of a solar PV plant in Spain, located in Zamora's town of Toro (Castile and Leon region), in advanced phase of construction for a total installed capacity of **149MW**

Location



Rationale

- **Further step in growing RES asset base**
- **Boosting solar diversification**
- **Spain to become one of the main markets for ERG, reaching a solar PV capacity of 266MW, with 1GW of under development pipeline**
- **High quality technology** in terms of PV modules and inverters

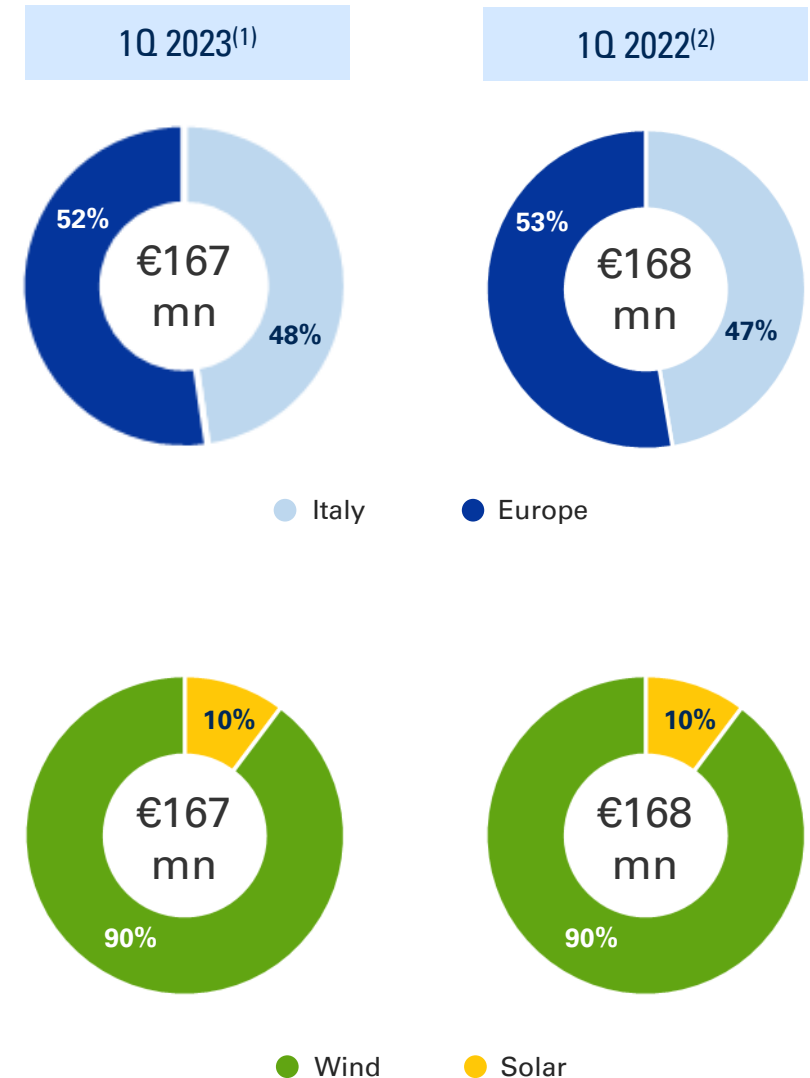


Solar PV Plant Overview

Total Capacity:	149MW
Energy Production:	280GWh (~22% load factor)
Enterprise Value:	€170mn
Solar Technology:	latest-generation bifacial panels and tracker system
COD:	End of 2023
Route to Market:	12 year Corporate PPA for 70% of production with a primary offtaker

A SNAPSHOT OF 1Q 2023 RESULTS: EBITDA

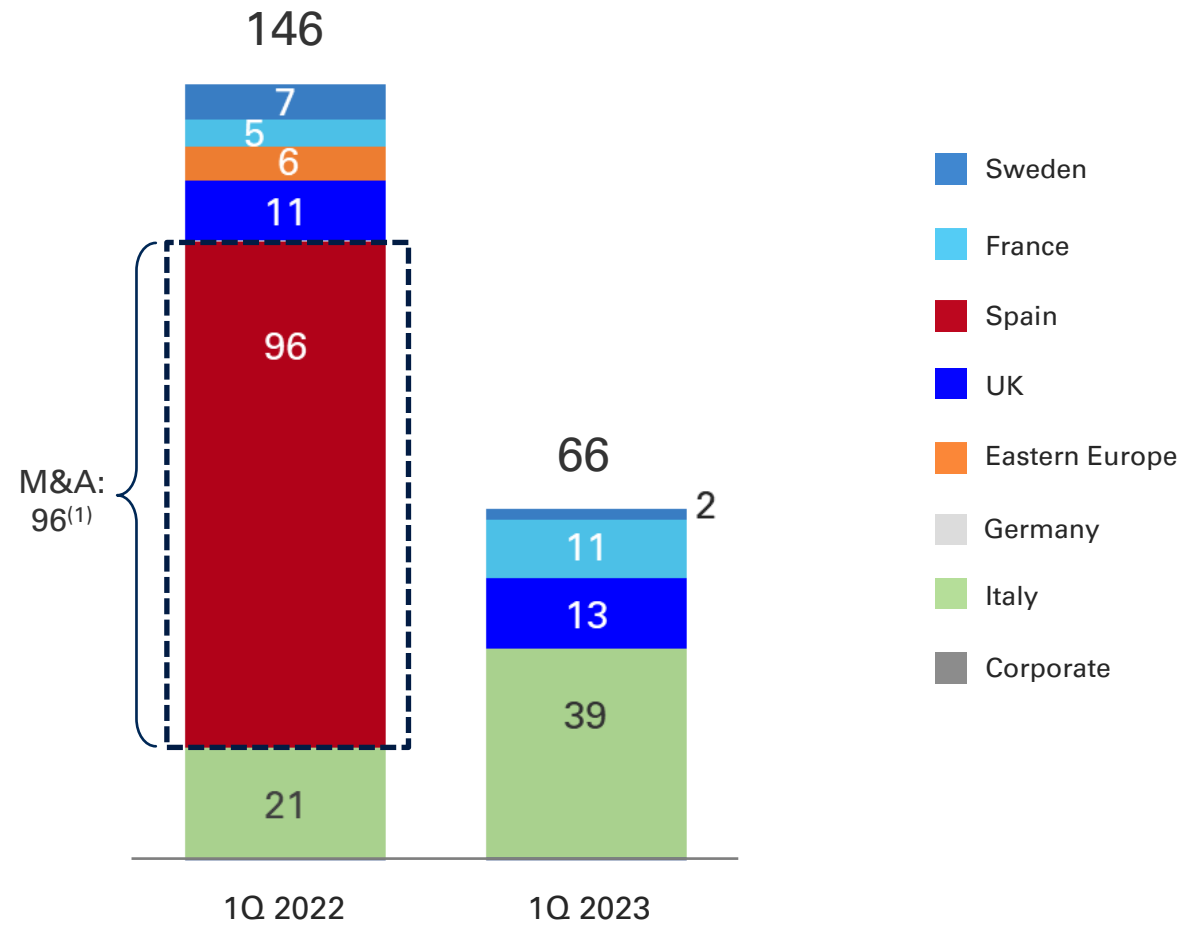
Adjusted EBITDA (€ mn):	1Q 2023	1Q 2022	Δ
Italy:	82	82	0
• Wind	69	69	0
• Solar	13	13	(0)
France:	29	18	10
• Wind	28	18	10
• Solar	1	1	(0)
Germany - Wind:	28	25	3
East Europe - Wind:	23	33	(10)
UK & Nordics - Wind:	8	11	(4)
Spain - Solar:	4	4	0
Corporate:	(5)	(6)	1
Total Adjusted EBITDA	167⁽¹⁾	168⁽²⁾	(0)
of which, Perimeter effect:	25	25	
• Wind	22	22	
• Solar	3	3	



(1) It refers to figures gross of clawback measures. EBITDA net of clawback measures = €161mn

(2) It refers to figures gross of clawback measures. EBITDA net of clawback measures = €165mn

INVESTMENTS



⁽¹⁾ M&A CAPEX related to the closing of Valentia Solar acquisition in Spain, which took place on January 31, 2022 for an amount of €96mn

ADJUSTED P&L

4Q 2022	Euro millions	1Q 2023 ⁽¹⁾	1Q 2022 ⁽²⁾
126	Adjusted EBITDA	167	168
(63)	Amortization and depreciation	(56)	(54)
64	Adjusted EBIT	111	114
(7)	Net financial income (expenses)	(3)	(6)
0	Net income (loss) from equity investments	(0)	0
57	Adjusted Results before taxes	108	107
(14)	Income taxes	(24)	(23)
43	Adjusted Results on continued operations	84	84
(1)	Adjusted Results on discontinued operations ⁽³⁾	(6)	0
42	Adjusted Results for the period	78	85
0	Minority interests	0	(0)
42	Adjusted Net Profit	78	84
24%	Tax Rate	22%	22%

Note: figures based on NO GAAP measures

(1) Figures gross of clawback measures. EBITDA net of clawback measures = €161mn, Net Profit net of clawback measures = €78mn

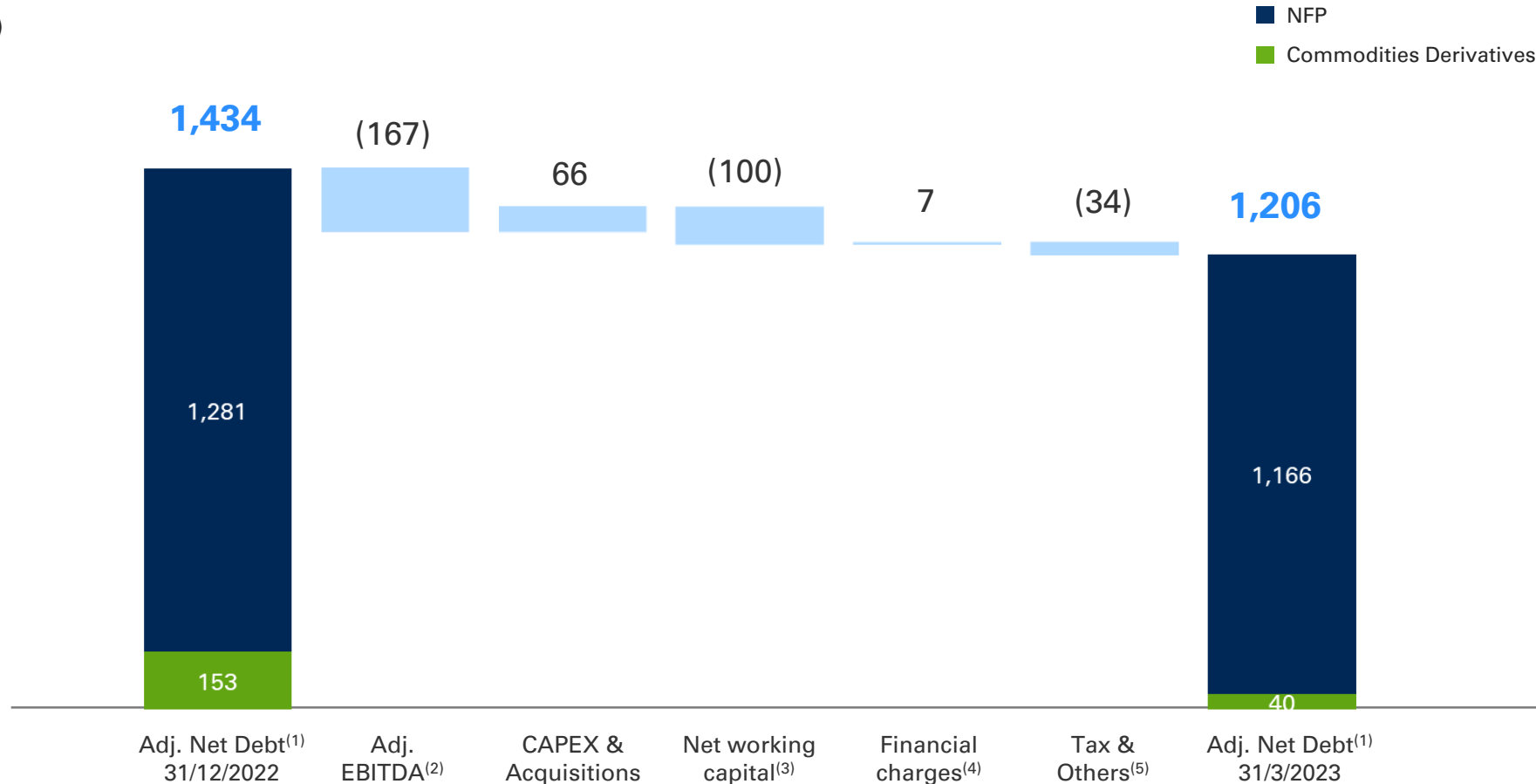
(2) Figures gross of clawback measures. EBITDA net of clawback measures = €165mn, Net Profit net of clawback measures = €67mn

(3) Figures refer to CCGT Results. 1Q 2022 results include depreciation of the period



1Q 2023 CASH FLOW STATEMENT

(€ mn)



(1) Figures from continuing operations

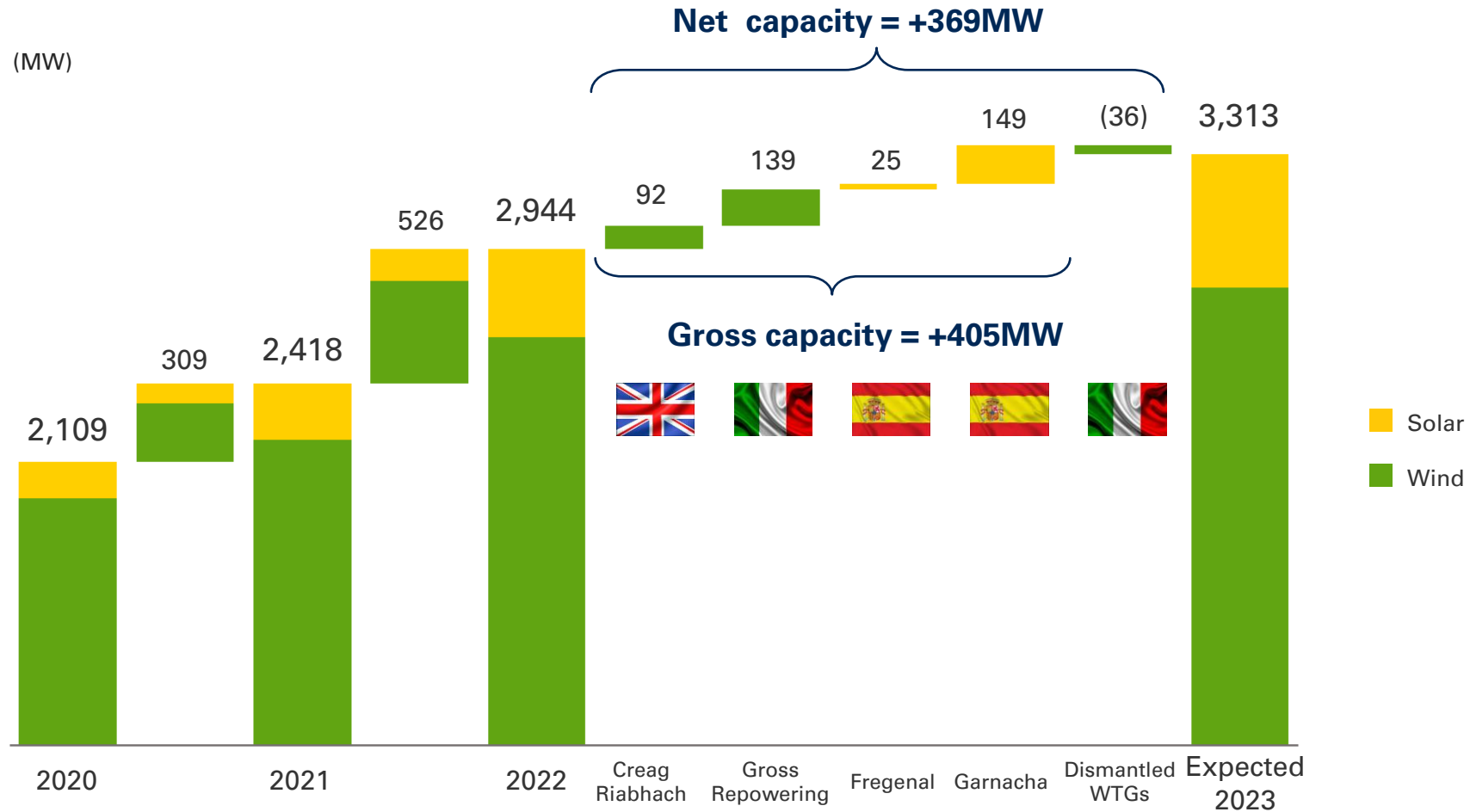
(2) Figure gross of clawback measures (EBITDA net of clawback measures = €161mn)

(3) Figure gross of clawback measures (Net working capital net of clawback measures = -€106mn). It also includes €7mn clawback measures and some financial impact of hedging operations done in the period (-€79mn).

(4) It includes prepayment fee for €4mn related to corporate financing

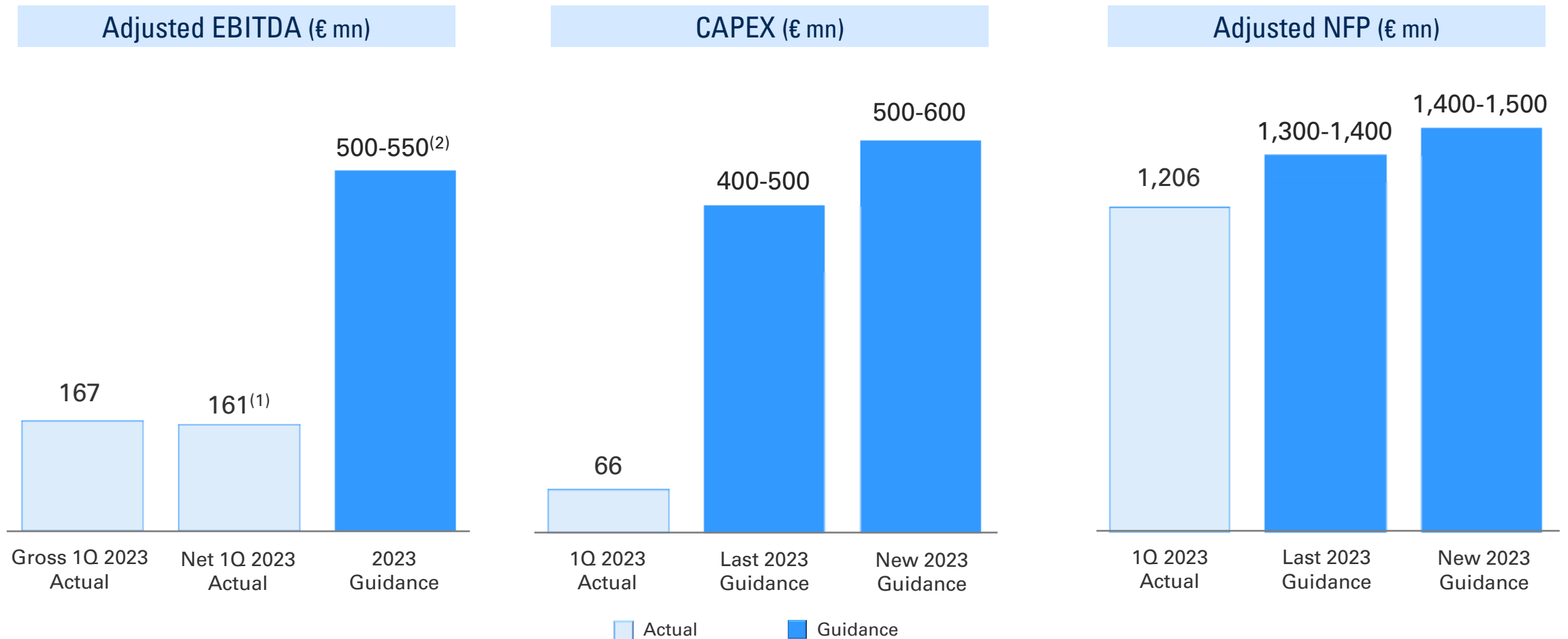
(5) It includes mainly -€40mn fair value futures, +€9mn fair value IRS, +€2mn tax cash-out, and -€5mn others

INSTALLED CAPACITY EVOLUTION



Keep delivering on our growth strategy

2023 GUIDANCE














EBITDA guidance confirmed, CAPEX and NFP up following acquisition in Spain

⁽¹⁾ It does not include clawback measures in 1Q 2023 for €7mn

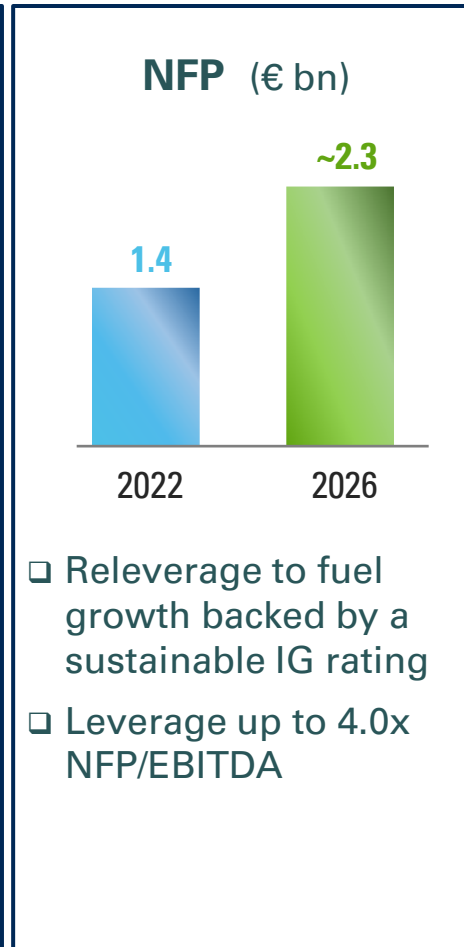
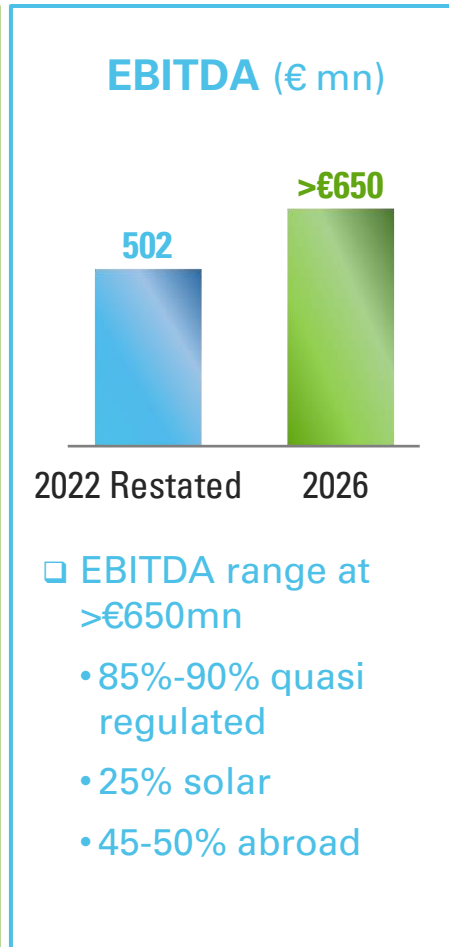
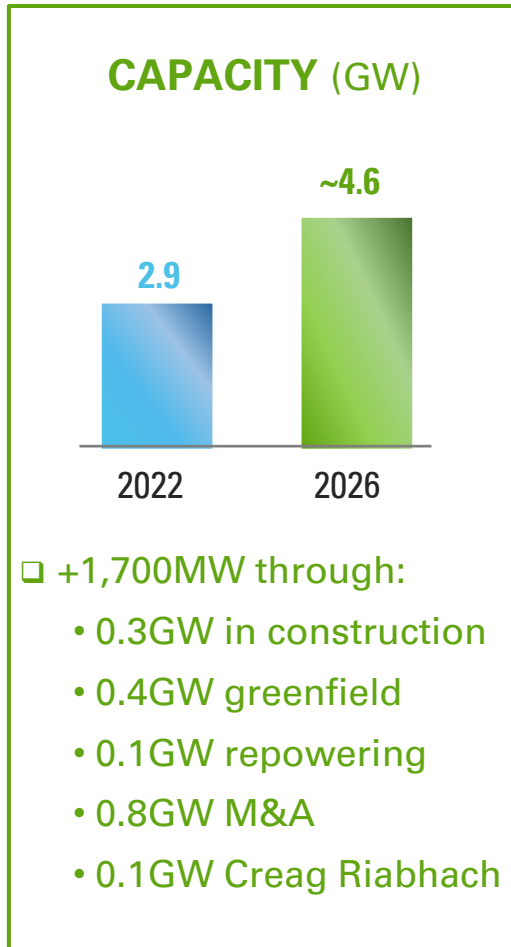
⁽²⁾ EBITDA guidance net of clawbacks. It does not include any contribution pro-tempore related to CCGT, which is consolidated on a reported basis in the discontinued operations from January 1, 2022

ABSTRACT OF ERG'S UPDATED 2022-2026 BP

ERG'S CONFIRMED TARGETS TO 2026

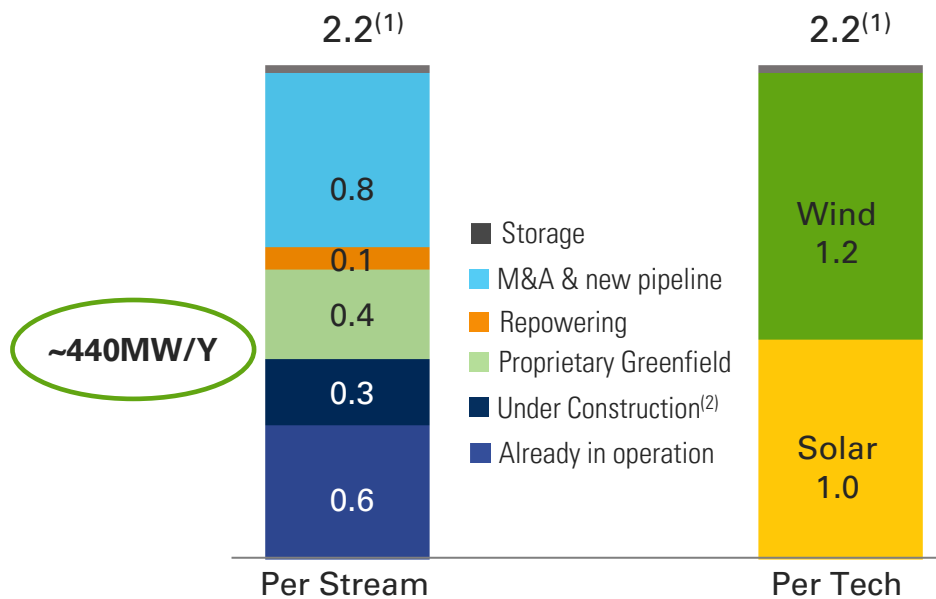
	ERG'S new targets to 2026	Vs. last year
 Growth in scale	+2.2GW in 2022-2026 (+526MW in 2022) 4.6GW installed Capacity in 2026 (5GW in 2027)	Confirmed
 Investments/EBITDA	€3.5bn 2022-2026; >€650mn @2026	↑ CAPEX, ↑ EBITDA
 Energy Sales/Mgmt	Confirmed target 85-90% regulated on total EBITDA; PPAs vs auction	Confirmed
 Geographical diversification	9 countries in 2022: Spain and Sweden in operation	Confirmed
 Solar as strategic pillar	~860MW of Solar PV (out of +2,200MW) ~25% of Solar on group capacity @2026-2027	+ 
 Innovation	Battery Storage; exploring floating offshore opportunities	Confirmed our commitment to new business lines
 Conventional is "legacy"	Relaunch of the CCGT disposal process	Asset Rotation confirmed
 Integration of ESG	Confirmed at the core of ERG's business model	↑ 
 Dividend Policy	1.0 € per share (+10% vs previous)	↑ +10%

2022-2026 BP UPDATED KEY TARGETS

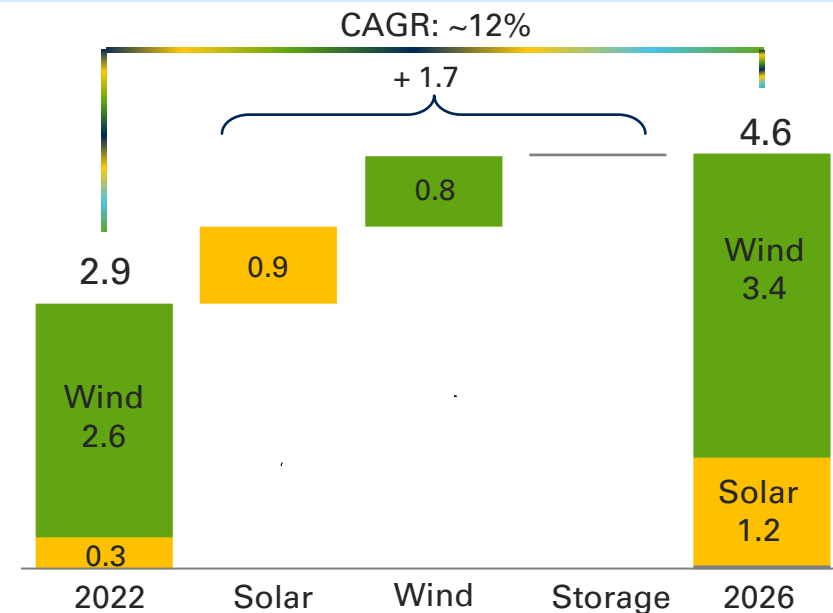


CONFIRMED 2026 TARGET OF 4.6GW OF INSTALLED CAPACITY

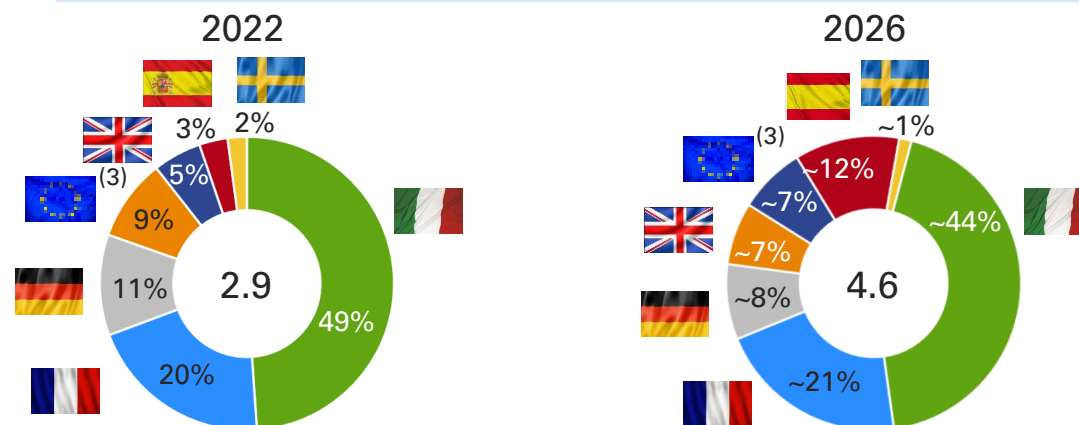
Cumulative RES additional installed Capacity 2022-2026 (GW)



Wind & Solar installed Capacity (GW)

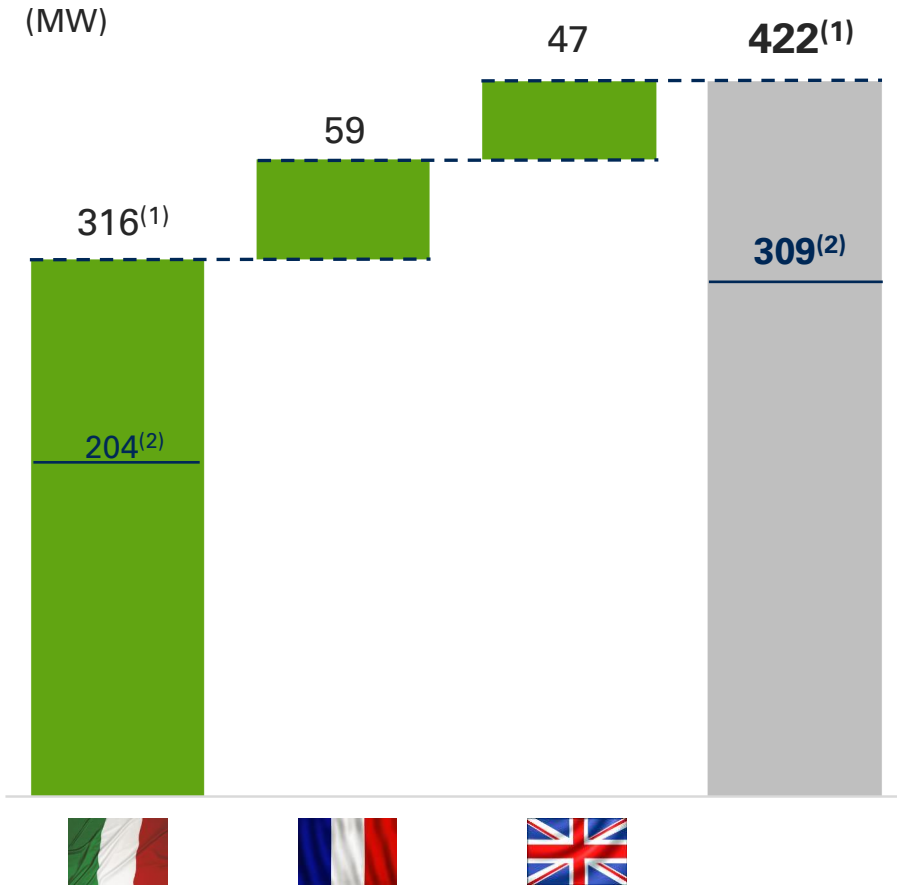


GW by geography



(1) It corresponds to a gross growth of 2.4GW
 (2) It includes about 160MW of Repowering under construction
 (3) It refers to Poland, Romania and Bulgaria

422MW IN CONSTRUCTION/RTB THUS GIVING VISIBILITY TO ERG'S PIPELINE

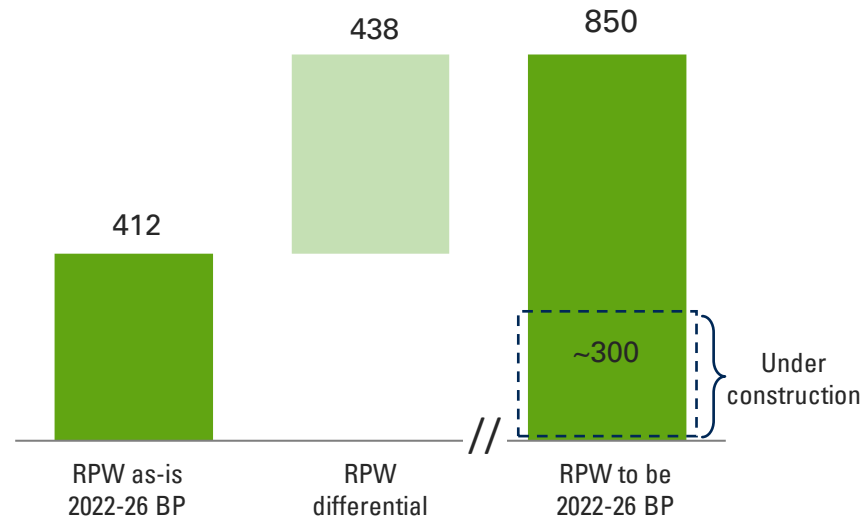


<p>Mineo-Militello-Vizzini</p> <p>101MW to be, 51MW Δ vs as-is</p> <p>COD: 2Q 2024 Producibility: 2,300 heq</p>	<p>Monreale-Partinico</p> <p>42MW to be, 26MW Δ vs as-is</p> <p>COD: 2Q 2023 Producibility: 2,200 heq</p>	<p>Camporeale</p> <p>50MW to be, 30MW Δ vs as-is</p> <p>COD: 2Q 2023 Producibility: 1,700 heq</p>
<p>Roccapalumba</p> <p>47MW</p> <p>COD: 4Q 2023 Producibility: 2,100 heq</p>	<p>Salemi-Castelvetrano</p> <p>76MW to be, 50MW Δ vs as-is</p> <p>COD: 4Q 2024 Producibility: 2,300 heq</p>	<p>Corlacky</p> <p>47MW</p> <p>RTB COD: 4Q 2025 Producibility: 3,760 heq</p>
<p>Bourgogne 1</p> <p>32MW</p> <p>COD: 4Q 2024 Producibility: 2,260 heq</p>	<p>Limousine 1</p> <p>9MW</p> <p>COD: 4Q 2024 Producibility: 2,170 heq</p>	<p>Picardie 1</p> <p>18MW</p> <p>RTB COD: 1Q 2025 Producibility: 2,670 heq</p>

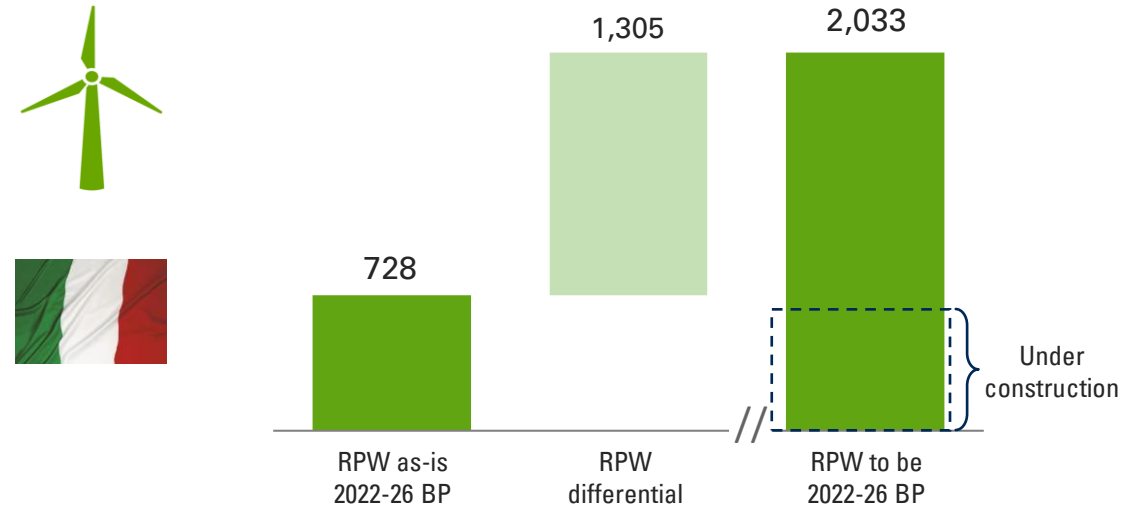
(1) Tot. MW under construction on absolute basis
(2) Tot. MW under construction on differential basis




OUR REPOWERING PROJECTS IN ITALY ARE GAINING VISIBILITY

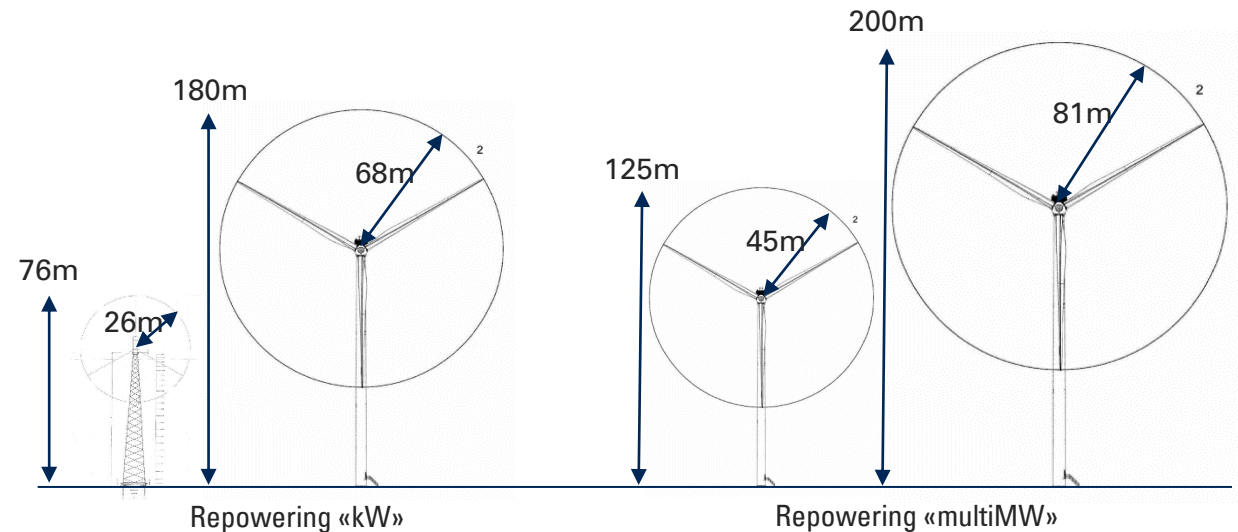
RPW: Capacity (MW)



RPW: Production (GWh)



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



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



PLANET



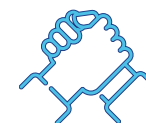
- Net Zero
- Circular Economy
- Energy Efficiency
- Biodiversity



PEOPLE



- ERG Academy for ERG people
- Diversity & Inclusion
- Health & Safety always
- Employees' well-being



ENGAGEMENT



- ERG Academy for Next Generation
- 1% for the Community
- Trust & Reputation
- Social Purpose for circular Solar



GOVERNANCE



- ESG objectives in MBO/LTI
- Enhancing Governance Model
- Tax Control Framework abroad
- Sustainable Procurement
- ESG Finance
- Cyber Security



2022-2026 ESG PLAN

(update 2023)

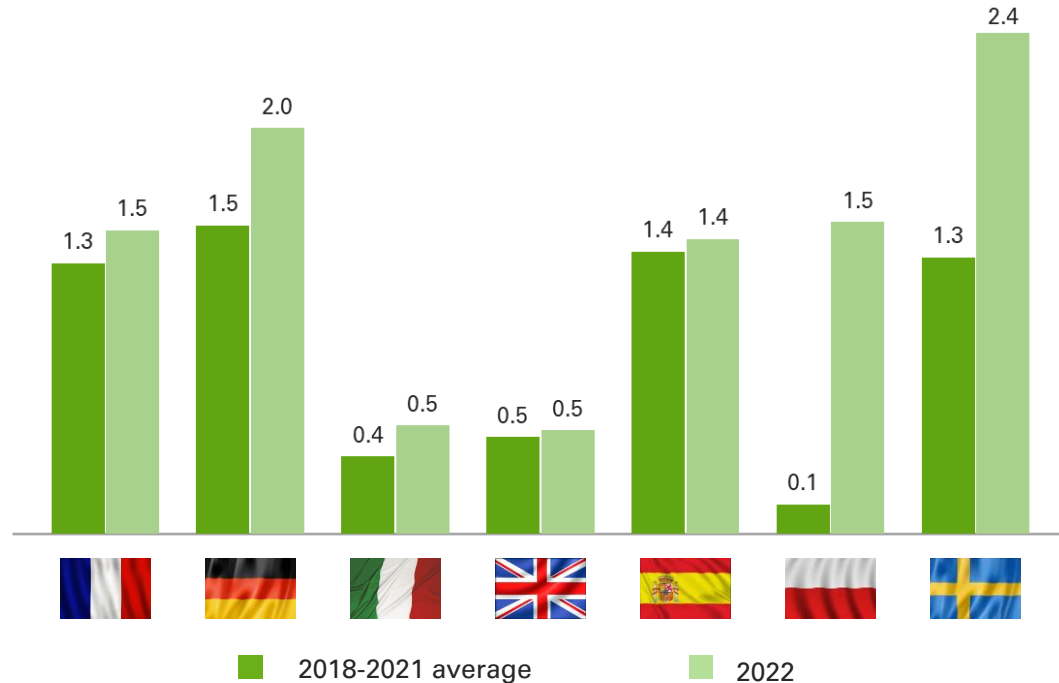
18 targets consistent with 14 out of 17 SDGs of United Nations

2022-2026 TARGETS & FINANCIAL STRATEGY

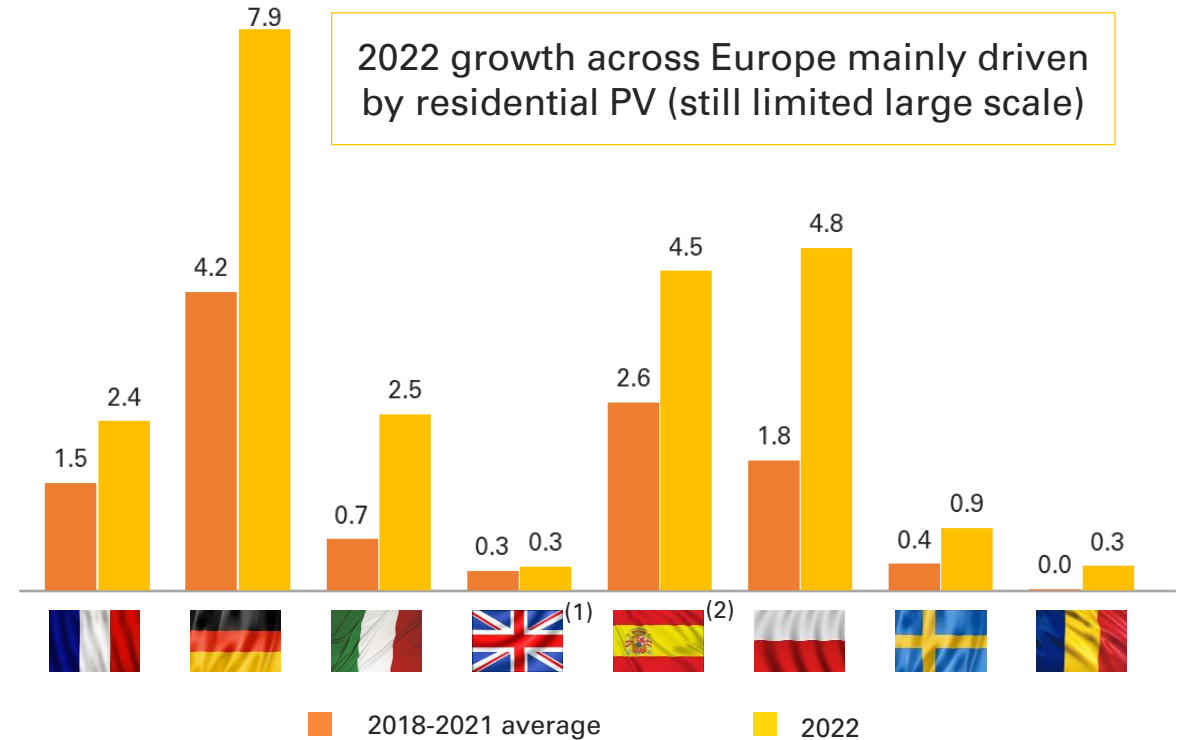
RENEWABLES IN 2022: CAPACITY INCREASED AT A SLOWER PACE THAN EXPECTED



Onshore wind annual installed capacity (GW)



PV annual installed capacity (GW)



Source: ERG on data from Windeurope (Sweden and UK: waiting for BEIS figures), SolarPower Europe (for PV data referred to Germany, Poland, Romania and Bulgaria), Terna, RED Electrica, Ministère de la Transition Ecologique, BEIS

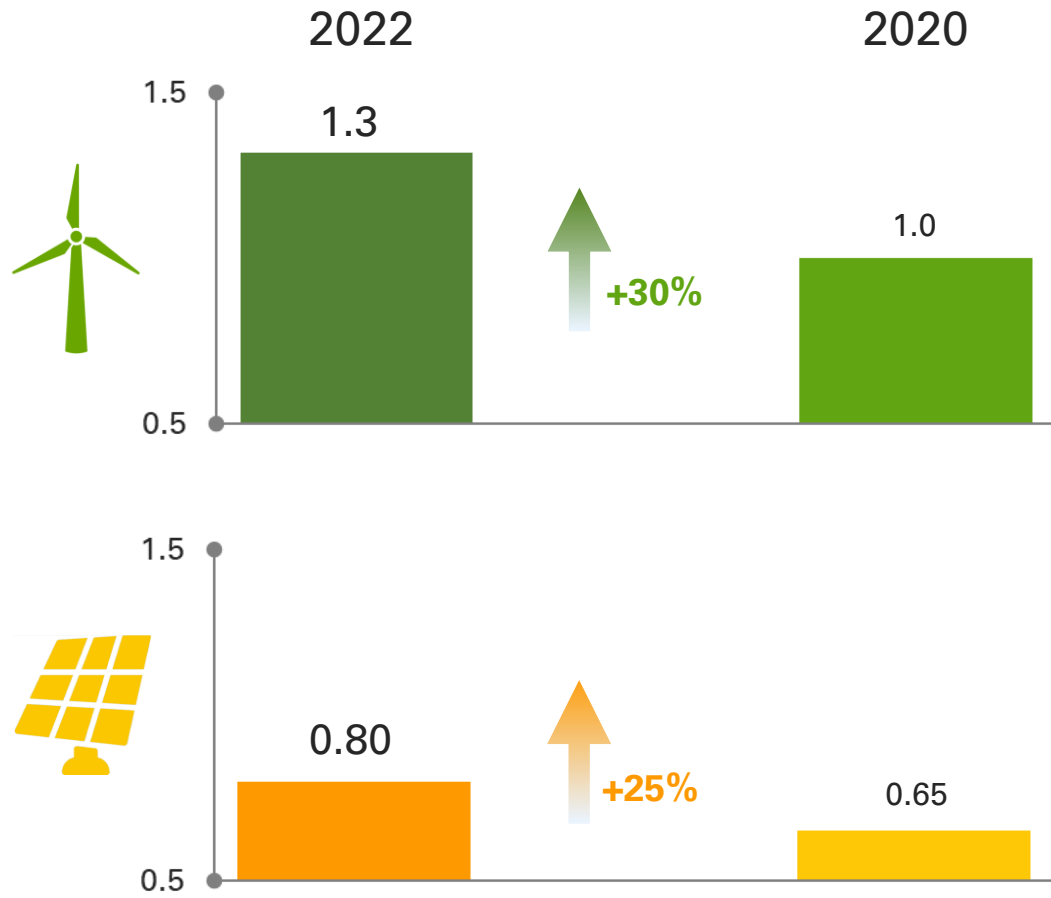
Permitting bottlenecks still causing delays in EU decarbonization process

⁽¹⁾ UK: data updated as at September 30, 2022

⁽²⁾ Spanish figures do not include self-consumption. According to SolarPower Europe preliminary figures, in 2022 4GW under self-consumption were installed (under verification) – spike vs. previous years

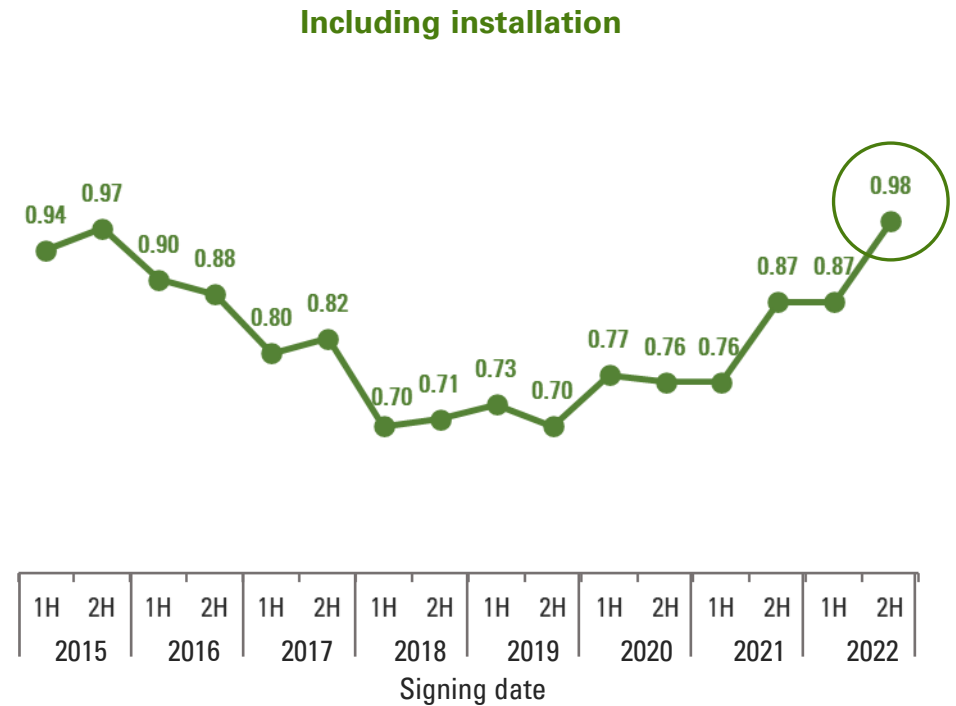
GREENINFLATION: A COMPLETELY DIFFERENT CONTEXT FOR SUPPLY CHAIN

Total CAPEX for Wind & Solar in Italy (€mn/MW)



Source: Elemens

Europe: onshore wind turbine prices (€mn/MW)



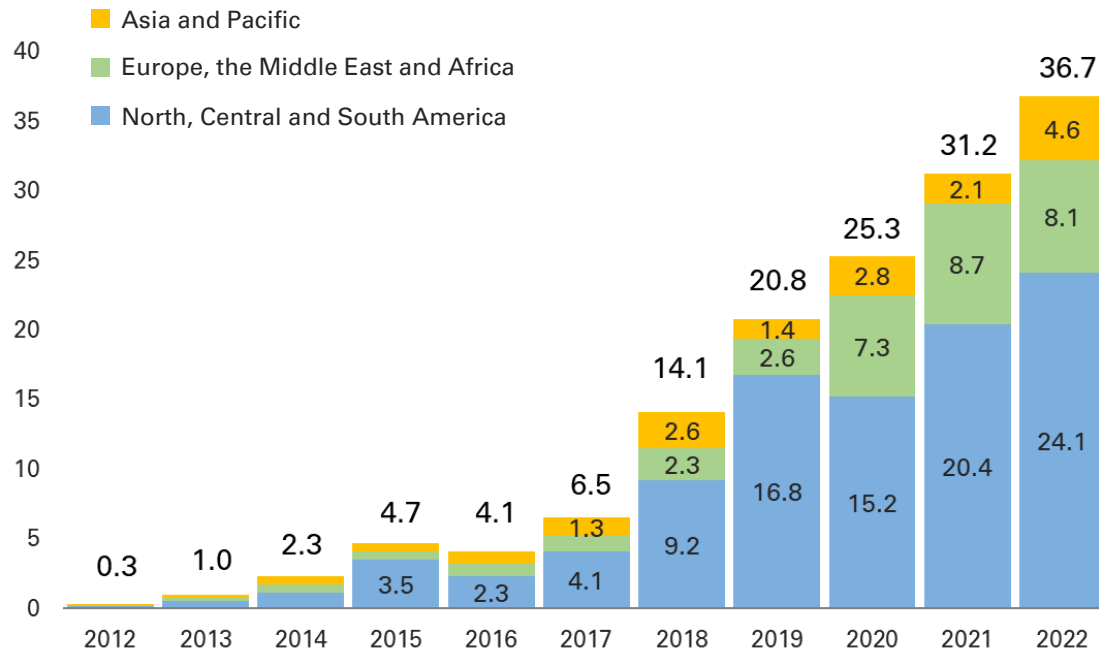
Source: BloombergNEF

Pression on supply chain to remain strong

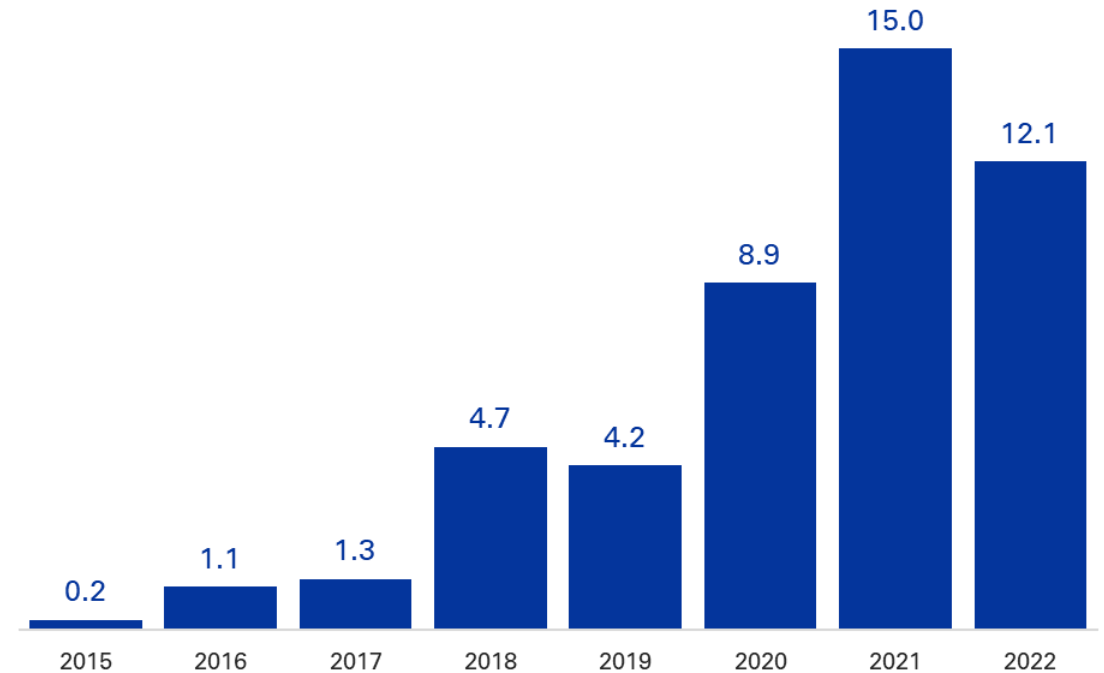
PPAs ARE GAINING GROUND AS ALTERNATIVE ROUTE TO MARKET

Corporate PPAs (GW) - global

Annual volume

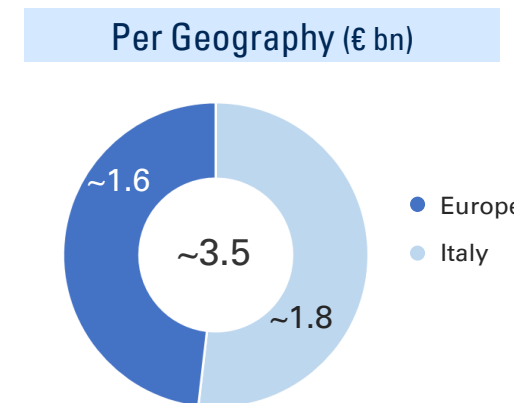
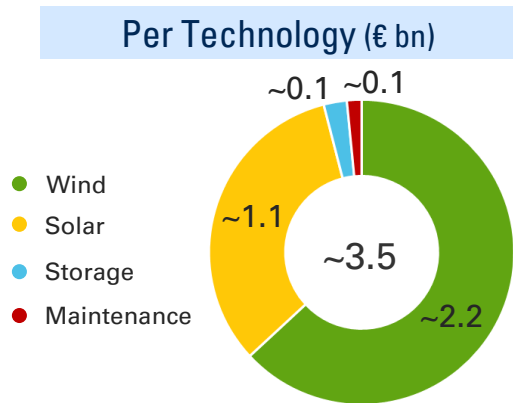
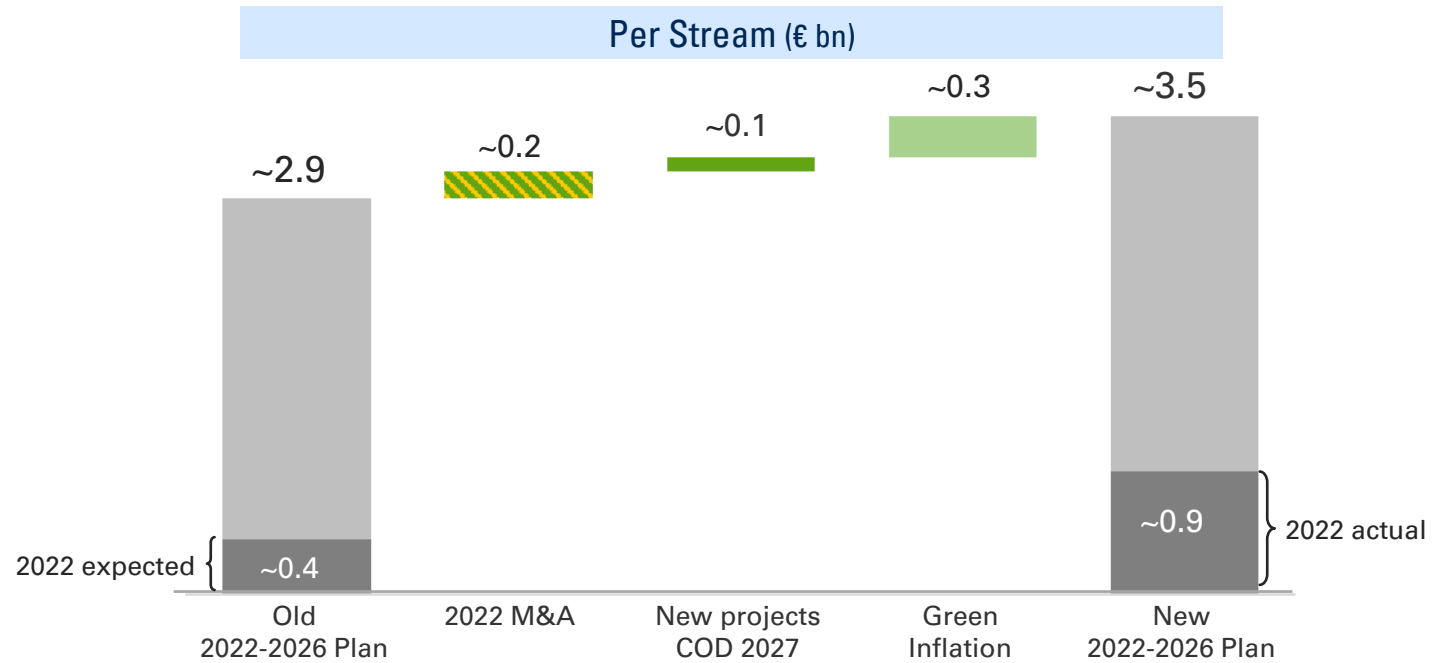


PPA in Europe (GW)



PPAs still growing although recent volatility and regulatory uncertainty slowed down negotiations in EU

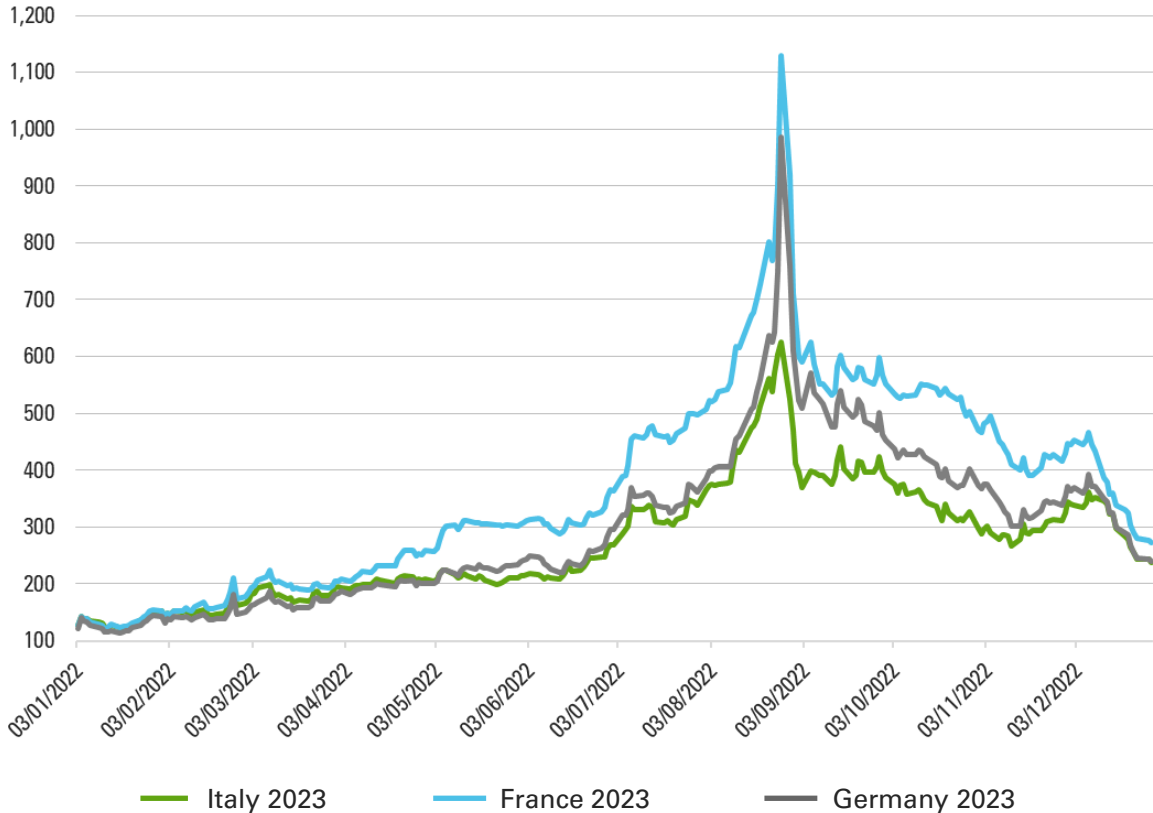
CAPEX EVOLUTION IN 2022-2026



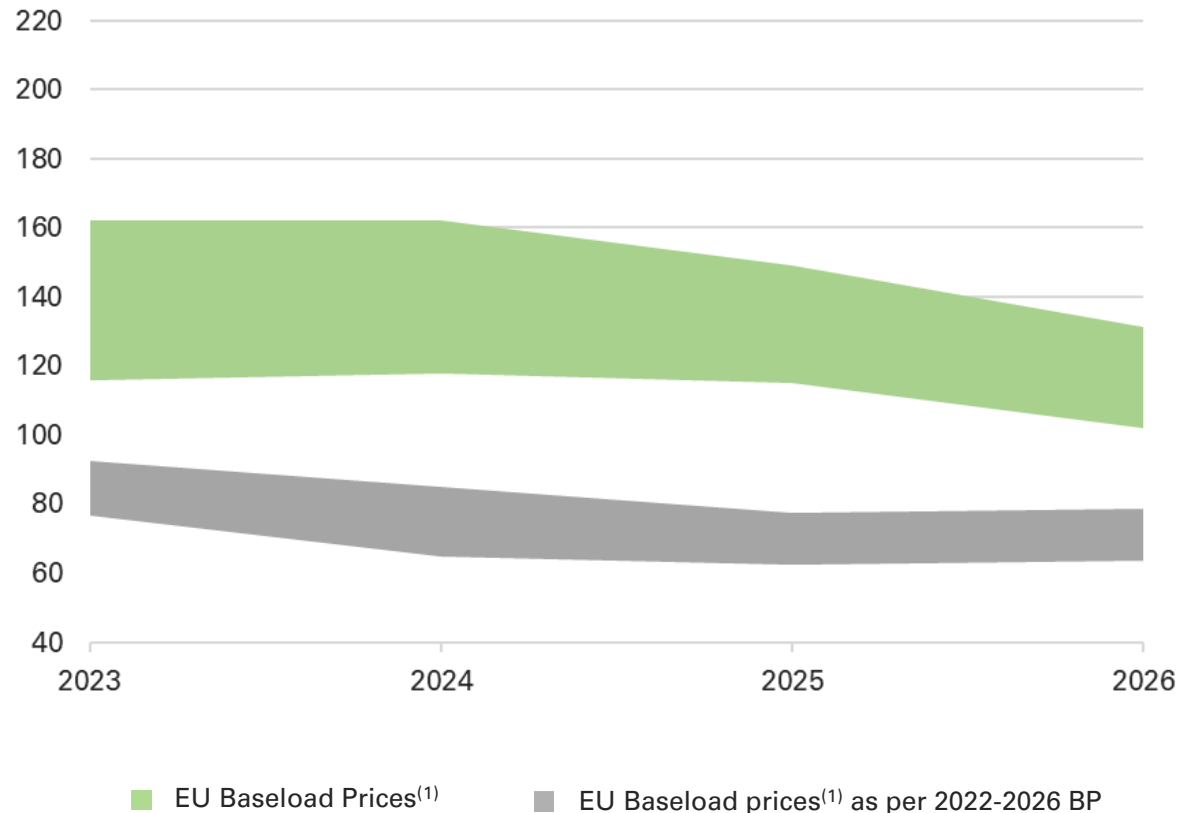
Increase due 50-50 by higher quality and cost overruns (though limited versus greeninflation)

EXTREME VOLATILITY IN NATURAL GAS AND ELECTRICITY PRICES

Electricity prices – 2023 daily fwd prices evolution (€/MWh)



EU Electricity baseload price scenario (€/MWh)



Higher prices and higher volatility

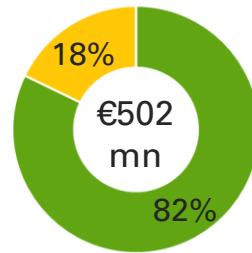
⁽¹⁾ It represents the range where expected prices in various ERG's reference countries fall. Sensitivity to prices is anyway limited by exposure to PPA, CfD mechanism and hedging

EBITDA EVOLUTION IN THE PLAN PERIOD

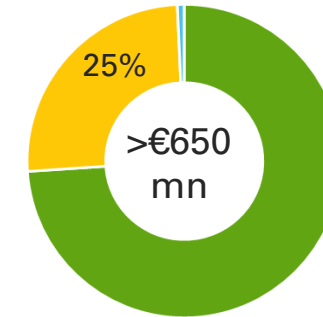
2022 net of clawback

2026

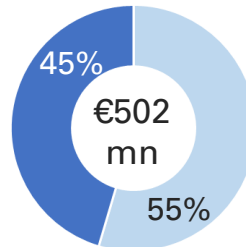
Technological diversification



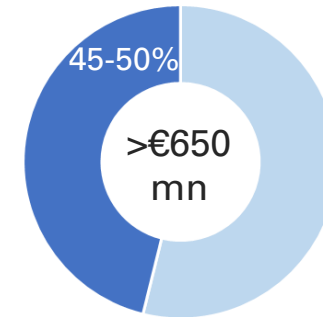
- Wind
- Solar
- Storage



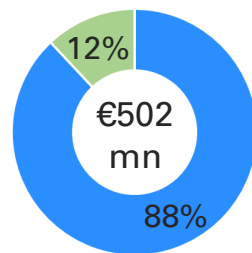
Geographical diversification



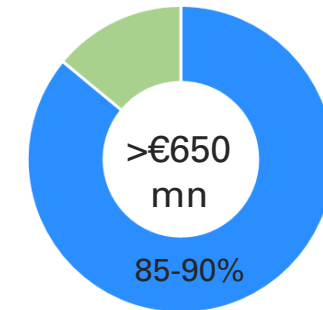
- Europe
- Italy



Revenue securitization



- Regulated
- Merchant



Stronger EBITDA to more than offset overruns

MANAGEMENT PROFILES

PAOLO MERLI – CHIEF EXECUTIVE OFFICER

Born in Milan on 24th June 1971, he graduated in Electrical Engineering from the University of Pavia in March 1996. After doing his national service at the Italian Red Cross, in June 1998 he was awarded an MBA in Finance from the Eni "Scuola Superiore Enrico Mattei".

Currently he is **Chief Executive Officer** of the ERG Group, which he joined in 2006 and where he has held various positions such as Corporate General Manager and Chief Financial Officer, with responsibility for Investor Relations & CSR, Group Administration, Finance, Planning, Control & Reporting, Group Risk Management & Corporate Finance, Procurement, Human Capital & ICT and Communication.



He is member of the Strategic Committee, a Board Director of ERG S.p.A. and ERG Power Generation S.p.A., beside being member of other internal committees such as Management Committee, ESG Committee, Investment Committee, Risk Committee and Human Capital Committee. From 2014 to April 2021 he was CFO and Manager Responsible for preparing the Company's financial reports.

Other positions held in the past:

From October 2015 to January 2018 he was a member of the Board of Directors of TotalErg S.p.A.

He previously worked for around 7 years as a financial analyst covering the European Energy and Motorways sectors at Intermonte, a leading brokerage firm owned by the Monte dei Paschi Banking Group. At Intermonte he was also a "specialist" in ERG stock when ERG joined the STAR segment.

From 1998 to 2000 he worked in the sales department at Snam S.p.A. (current Gas & Power division of Eni Group).

Outside of work, his biggest passion is sport, particularly cycling (racing and mountain biking), running and skiing (alpine and cross-country). Over ten participations in the Maratona dles Dolomites, the NY and Valencia marathons, and the climb up Monte Rosa are among his best experiences.

He is married, with two children.

MICHELE PEDEMONTE – CHIEF FINANCIAL OFFICER



Born in Genoa on 2nd March 1975, he graduated in Economics from the University of Genoa.

He joined the ERG Group in 2006 where he is currently **Chief Financial Officer** with the responsibility of Group Administration, Finance & Group Risk Management, Planning, Control & Reporting, and Procurement.

He is also Manager Responsible for preparing the Company's financial reports. Member of Management Committee, Investment Committee, Risk Committee, ESG Committee and Human Capital Committee, he is also Board Director of ERG Power Generation Spa. He is secretary of the Strategic Committee of the ERG Group.

Other positions held in the past:

He previously worked for 6 years in the investment banking for Andersen Corporate Finance, Meliorbanca and Centrobanca, as advisor in M&A, corporate and project finance deals.

Between 2000 and 2001 he worked for Marconi Communications as business development analyst.

Out of the office, his main passions are sport (running, ski and rugby), mountain and reading.

He is married with three children.

EMANUELA DELUCCHI – CHIEF ESG, IR & COMMUNICATION OFFICER



Born in Genoa on 18th December 1975, she graduated in Economics from the University of Genoa in March 1999.

She joined the ERG Group in February 2008 where she is currently **Chief ESG, IR & Communication Officer**, with the mission to develop and monitor the implementation of the ESG (Environment, Social and Governance) Plan and to ensure the development of integrated communication strategies and solutions to guarantee the extensive promotion of the Group with the financial community and all stakeholders, maximizing the value of its reputation and protect ERG's company image.

Other positions held in the past:

From June 2020 to April 2021 she was Head of IR and CSR, reporting directly to the Corporate General Manager & CFO, and from February 2011 to June 2020 she was Investor Relations Manager.

From February 2008 to January 2011 she was Head of IR and Planning & Control at ERG Renew.

She previously worked for 3 years as a financial analyst covering the Italian Utilities & Motorways sectors at Intermonte, a leading brokerage firm owned by the Monte dei Paschi Banking Group.

Prior to that she was a financial analyst covering European Utilities & Motorways sector at Lehman Brothers.

She is married, with three children.



We ARE #SDGs

CONTRIBUTORS

