



ERG S.p.A.
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Operator:

Good morning. This is the Chorus Call conference operator. Welcome and thank you for joining the ERG FY 2025 Results & Strategic Guidelines conference call. As a reminder, all participants are in listen-only mode. After the presentation, there will be an opportunity to ask questions. At this time, I would like to turn the conference over to Mr. Paolo Merli, CEO of ERG. Please go ahead, sir.

Paolo Merli:

Good morning, everybody and welcome to our webcast.

Here is the agenda for today.

I will begin with an overview of the results and milestones achieved in 2025. I would then like to provide the Financial Community with the main strategic guidelines we are working on.

Here with me, as usual, is Michele, our CFO, and Emanuela, Chief ESG, IR & Communication Officer, who will elaborate on the topics as per the agenda.

Let me start by briefly outlining the context we are operating on, as per **page no. 5**.

It is a rather uncertain and rapidly evolving business environment, with gas price volatility amplified by geopolitical tensions. The Energy Bill in Italy, which has begun the parliamentary process, should be passed into law by mid-April: therefore, it will take some time before we see in what form it will ultimately be approved: in particular, I am referring to the ETS clause, which is subject to the approval of the European Commission.

In this scenario, our strategic direction is clear: we will push even further on wind repowering and on organic Battery Storage System development. In other words, if I may say, we are prioritizing organic developments over acquisitions.

Looking ahead to 2026, our goals are clear, and there are three main goals in our head:

- 1) we intend to proceed with the construction of 230MW currently underway, some of which will be operational this year
- 2) we are also working hard to finalize the development of approximately 700MW - equally split between wind repowering and BESS -some of which have already been fully authorized, with the goal of making these projects eligible for auction or PPA by the end of the year, and
- 3) the third priority in 2026 is about the definition of the geographic scope on which our next five-year Industrial Business Plan will be based.

In fact, we aim to present the new Business Plan by the end of this year or the beginning of next year, ahead also of the new Board of Directors' term at the 2027 Annual General Meeting.

Today we want to offer a clear and transparent vision of the strategic lines, approved yesterday by our Board of Directors, on which the new Business Plan will be based.

But let us start with our economic results in 2025, as shown on **page no. 7**. Looking at highlights for the year, EBITDA closed at €540mn, slightly higher year-on-year but at the bottom of our guidance range. The economic contribution from new assets - which was in excess of €60mn - was unfortunately largely offset by lower volumes, due to an extraordinary lack of wind across our European markets. I will comment on Wind in the next chart.

In 2025 we invested €235mn, less than half the amount in 2024 that - I remind you - was characterized by the acquisition of the US portfolio. In 2025, around 30% CAPEX came through M&A (and I am referring to the acquisition of a wind farm in the UK), while the remaining 70% was allocated to organic developments.

Adjusted Net Profit in 2025 closed at €155mn, down 11% YoY, mainly due to higher depreciation linked to new assets, together with higher financial charges.

Net Financial Position at the end of 2025 was €1,882mn, +5% higher compared with the end of 2024 but bang in line with our guidance.

Based on these results, the Board of Directors will propose a dividend of €1 per share at the Annual General Meeting, in line with our dividend policy.

I am now on **page no. 8**, commenting on the particular wind conditions we had in 2025. Let us face it: 2025 was a rather disappointing year for wind availability across Europe. Unfortunately, the last two months - I mean November and December, November when we announced the reaffirmation of the guidance, and typically they are the windiest months of the year - were no different. According to a report by Terna (the Italian TSO), wind production in Italy dropped by almost 50% YoY in December. The two maps clearly show how unusual this situation was, with a prevalence of blue and dark-blue areas, which indicate a wind speed below - or well below - the historical average.

The long-term historical analysis - I am referring to the graph below on the left side - reinforces how exceptional this year was. The chart in fact represents the average wind deviation compared with a historical baseline, and 2025 ranks among the weakest years on record.

Nevertheless, the very same analysis of wind data - and we gave you all the transparency on it - led us to a couple of conclusions:

- first: wind speeds have always been erratic, and historical data show that this type of event has always occurred. It is true - and this is a point of great attention for us - that this is the fifth consecutive year with lower-than-average wind speeds, but the graph clearly shows that this has occurred in the past. This is public satellite data, a fact, so everyone can form their own opinion and draw their own conclusions
- second: in this specific situation, geographic diversification across Europe proved less effective, because the wind drought was well distributed all over the continent.

So, while this is not an unprecedented phenomenon, it clearly had a very significant impact on our full-year results.

So, let us move onto **page no. 9**. During 2025 we kept delivering on our strategy. On Growth, we added around 150MW of new capacity since January 2025. We have opened construction sites for another 230MW currently under construction. We made progress in developing our pipeline: in particular, we refocused all our efforts towards wind repowering and Battery Storage System.

On Route-to-Market, 2025 was a solid year: we signed 8 PPAs with tier-1 off-takers, both corporates and utilities, totaling 8.7TWh along the entire period of duration of these contracts. We secured three auctions for 40MW of new wind capacity in Germany. In Italy, we were awarded two repowering projects (a total of 141MW) in the last FERX auction.

On Finance, our discipline remains a key strength: we confirmed a €1 DPS, and at the beginning of 2025 we completed a 1.1mn share buyback. Fitch (the rating agency) reaffirmed our BBB- rating with Stable outlook. And we drew our first European Investment Bank corporate loan, further diversifying our funding sources.

Finally, on ESG, our leadership is well recognized: we ranked Tier-1, A-list, and top performer across major ESG indices.

Overall, we are advancing our strategy, I think with discipline and sustainability.

Among the main recent achievements, let me mention these two transactions - I am commenting on **page no. 10** - because they are a quite clear example of what we mean by geographical re-focus.

With this move we exited a “non-core” country (Sweden), and we acquired 73MW of operating assets in Northern England under the ROC scheme, with attractive repowering potential. We have strengthened our positioning in the UK, which is now our third-largest market, with over 400MW of installed capacity.

So, this is exactly how we intend to shape our strategy going forward: we are consolidating in markets where we have scale and industrial presence, and reducing exposure to those markets with fewer possibilities for further growth.

This is an area we intend to work on more during 2026.

So, let me now talk about the strategic guidelines that were approved yesterday by our Board of Directors.

I am on **page no. 12**: here is just a snapshot of ERG asset portfolio. It is a chart you are familiar with, updated to today. A solid, international renewable platform with around

4GW of installed capacity and a diversified European pipeline of about 5GW, focused on wind repowering and BESS, which are the technologies that will drive our next phase of growth.

In 2026, we will focus on the first two histograms of the pipeline, the ones highlighted.

On top of the European pipeline, we can still count on a Preferential Rights Agreement with APEX in the US. Partly due to the context in the US, which makes us a little more cautious, this agreement has not brought any concrete results yet, but we are continuing to work with them to identify the right opportunity.

I do not think there is much to add on this chart other than to say it is a starting point to work from.

Now on **page no. 13**: I think this is a key chart in our presentation. Let me walk you through the four strategic pillars at the core of our strategy going forward.

- 1) Performance Excellence. Maximizing availability of our assets through predictive O&M and digitalization: this remains the backbone of our industrial model. In recent years, and continuing today, we have invested in the digitalization of our portfolio. We are evaluating also how artificial intelligence can support the management and maintenance of our facilities.
- 2) Organic Development. Our focus is clear: wind repowering to rejuvenate the fleet and secure long-term revenue visibility, and Battery Storage System as a new strategic stream to capture market volatility and support system flexibility.
- 3) Asset Rotation and Geographic Repositioning. In 2026 we will explore any opportunity that could come from leveraging this pillar, which could range from exiting a country to selling a single asset, or even a selective build-and-sell approach. It could be also a way to fund projects in our pipeline, while keeping a solid balance sheet. We do not know the end game yet, but we will be working on it during 2026.
- 4) Route-to-Market. We confirm our commitment to have an 85-90% quasi regulated profile, with CFDs and PPAs as our preferred route-to-market options, together with an evolution of energy management models to extract value from flexibility.

These are the four pillars our next Business Plan will be built on. And now I will elaborate a little bit on each of them.

Operational excellence remains a key value driver for ERG: I am on **page no. 14**.

The good news is that in 2025 performance in this area was positive, with increased availability across our entire portfolio, confirming the effectiveness of our industrial approach. Over the course of the year, we worked to promote digitalization, as I said.

We created a technical task force to manage actions aimed at mitigating the effects of fleet aging, and we introduced greater digitalization across all Operation & Maintenance processes.

We can now basically monitor each asset in real time from our centralized control room, no matter where they are located, and thus minimize intervention times and their effectiveness.

OK, let us move onto **page no. 15**. I am talking about the organic pipeline.

After a period of strong growth (we added roughly 1.9 GW over the last five years), we now want to grow more selectively by extracting value from projects developed in-house: we have around 230MW already under construction, mostly repowering projects with route-to-market secured and CAPEX fully committed for about €300mn.

We are also working hard on about 700MW - 50:50 split between wind repowering and BESS projects - and we expect all of them to be ready to take part to the next auction rounds, with a potential COD (Commercial Operating Date) by 2028. We expect to take FID (Final Investments Decision) by the end of 2026, and the overall expected CAPEX to cover the construction is in the region of about €700mn, which is a mixture, an average between €0.7mn per MW for BESS, or even less, and €1.4-1.5mn per MW for wind.

So, we can rely on 1GW of highly visible projects, to be potentially in operation by the end of 2028: it is not said that we are going to construct all of them, because it depends also on the associated returns, but part of these 700MW for sure will be included in our next five-year Business Plan.

Page no. 16: here you have just a list of the 230MW, so you can have a clear idea of the projects that are currently under construction.

Importantly, all these assets have already been secured with a long-term tariff, either a CFD awarded at auction, or a PPA negotiated with a private off-taker.

Moving onto **page no. 17**, here you find more details on our repowering pipeline, which continues to grow, as we extend screening and feasibility analysis to all our assets. The goal is twofold: to rejuvenate our fleet, while ensuring the Route-to-Market for these new productions.

Looking at the table at the top left of the slide, I think you are familiar with the numbers that repowering can help achieve: reducing the number of turbines, while increasing installed capacity and even more production, which is ultimately what we are aiming for. You will likely recall larger numbers: I mean, up to 2-3 times the capacity, and over 3 times the production. This is because the current pipeline also includes multi-MW turbines, as shown in the picture below, whereas the initial development phase of the pipeline - and I mean also the current MWs under construction - consisted only of KW turbines (so WTGs equipped with turbines below 1MW per tower), so the gap with new technologies was greater.

Here you can find more details on the current status of our pipeline. A total pipeline of 1,600MW to be, compared with the existing assets of 890MW, so an increase by more

than 700MW. Looking at the most advanced, on top of the 200MW under construction, 285MW are already fully permitted, and they are mainly wind repowering in Italy, most of them still KW.

As I said, we may not build them all. In line with our “Value over Volume” strategy, projects will be pursued only when returns are consistent with our target.

Page no. 18: BESS again is becoming a new and essential stream of growth for ERG. We have our first asset in operation in Vicari - and we are learning from managing it - and we can count on a solid European pipeline of roughly 1.5GW of storage projects under development, mainly in Italy, Spain as a second country and then and UK. Roughly 300MW (particularly in Italy) are already at a quite advanced stage of permitting.

Storage in our view is crucial, as it adds flexibility. We are studying a multitude of RTM options - I mean ranging from MACSE auctions, capacity market, tolling and even merchant - and we will assess the proper choice to maximize profitability.

Our objective for 2026 is to define a sustainable Route-to -Market to finalize our BESS developments.

This is without doubt an area we intend to focus heavily on, from now onwards.

Let us move onto **page no. 19**, where we give you more color on what we expect from asset rotation and geo refocus.

First of all, we expect 2026 to be crucial to define the geographical scope of our long-term plan and to be pursued through asset rotation. Asset rotation could also become a source to finance, as said, our main developments: wind repowering, rejuvenating our asset base, and BESS, to add flexibility to the portfolio.

I know there will be some key questions, or at least I expect some key questions to come from you later on: where will ERG grow? What is the final geographic scope of ERG's asset portfolio in the future? Is the United States part of it, or could it be sold in the future? Which countries will ERG divest from, and which will it invest in?

Honestly, we do not know all the answers yet, which is why we said we want to present a comprehensive Business Plan later. We need time to evaluate all options and find the best one to maximize value creation and the long-term sustainability of our industrial business model. I am confident that asset rotation could help rebalance our geographic footprint and free up financial resources to support our organic developments. But we are only willing to pursue it under the right conditions. That must be very clear: we are not forced, we are not obliged: we just will do it if there are value creation and convenience to do it.

That is why we need more time: to assess its potential. We will also explore an opportunistic build-and-sell approach, leveraging our industrial track record, that said we built approximately 900MW internally in recent years.

Last but not least - I am on **page no. 20** - the fourth pillar: the route-to-market.

In a time of high volatility and uncertainty, we think it is becoming particularly important to secure the route-to-market for our energy. In this respect our track record speaks for itself: over the last four years we have signed several major PPAs with tier-1 corporates, tech companies and utilities. As of today, about 40% of our entire portfolio is covered by long-term PPA.

Our PPA portfolio is made up of contracts for various durations, ranging from short term (5 years) particularly for old assets, to up to 20 years, for brand new assets.

We have been able to attract large corporates and utilities, we think thanks to a value proposition to cover their needs to improve their carbon footprint. In a scenario of expected growing power demand over the next decades driven by datacenters, AI, Cryptocurrencies and all manners of new and energy intensive technologies, we believe - based on our track record - that we are very well positioned to capture this coming opportunity.

As mentioned, 2026 will be a very important year. So, I will conclude this first part by saying that we need to roll up our sleeves and continue to work hard in the coming months to develop a successful plan that is going to be presented - as I said - later this year or early next year. I am confident we have everything we need to do so.

And now I will leave the floor to Emanuela for her comments on our ESG strategy.

Emanuela Delucchi:

Thanks Paolo and good morning, everybody.

I am commenting on **page no. 22**.

We still believe ESG is important as long as we look at substance over form. ERG considers sustainability a strategic lever for growth and long-term value creation, rather than simply a compliance requirement.

In an increasingly complex global environment, ERG reaffirms its commitment to credible decarbonization pathways to advance the green transition. We continue sharing value building partnerships with local communities and through initiatives like the ERG Academy, engaging the next generation in the energy transition.

Safety is of course a top priority, and we have clear DEI&B goals to strengthen engagement and belonging across the organization.

At the same time, we are enhancing our governance model to ensure integrity and transparency, and we are working with our supply chain to promote decarbonization, human rights and DEI.

In a few words, ESG is not a separate track: it is how we run the company.

As you can see on **page no. 23**, although decarbonization seems to have lost popularity, we not only confirm our Net Zero target in 2040, but we can also proudly say that we achieved 90% emissions target reduction two years in advance, so now: in 2026.

The strength of this approach is reflected in the recognition we continue to receive from leading ESG rating agencies, including Top 5 positioning in the S&P Corporate Sustainability Assessment, inclusion in the S&P Global Sustainability Yearbook 2026, in the A-List of CDP, and the first place globally in the Global 100 ranking by Corporate Knights.

And now over to Michele for his comments on Financial Strategy and on FY and 4Q 2025 Results.

Michele Pedemonte:

Thank you, Emanuela.

Commenting on **page no. 25**, the phasing-out of the incentives affects the oldest part of our portfolio and it relates mainly to Italy, where in 2026 we expect 0.2TWh less of production with GRIN incentive in comparison with 2025 budget figures. Obviously, this is already factored in our 2026 guidance.

We are managing the otherwise increasing merchant exposure through the repowering of our assets and securing PPAs also for older assets. More precisely:

- in 2025 we took the final investment decision for the construction of 141MW of wind repowering, secured thanks to a 20 years CFD. The Green Certificate of these assets expired some years ago
- in the same period, we secured 5-10 years PPAs with Ferrovie dello Stato, Plenitude, Engie and Duferco to cover 180MW of assets, whose incentives expired in last years.

So, a securization strategy that delivers results.

As you can see in the right part of the chart, most of our 2026 production is hedged through Green certificates, long-term PPA, CFD and short-term hedging.

Only a limited portion of our production is still exposed to merchant volatility: that is unavoidable, considering the nature of our sources (Wind and Solar), and it can deliver some positive effects in case of sustained market prices.

Credit-wise, as you can see on **page no. 26**, our debt structure remains as solid and competitive as before, as we have significantly mitigated the impact of the 2025 refinancing by pre-hedging the 2024 issuance. As a result, the average cost of our liabilities remains the lowest among power producers, and it is almost entirely hedged.

We remain solid Investment Grade, as confirmed by Fitch, and at the beginning of 2026 we exploited the very favorable credit conditions by shifting maturities on more than €400mn corporate loans beyond 2030, while also improving their commercial terms, most notably by drawing the €243mn long-term European Investment Bank financing.

Our liquidity position remains comfortable with basically no maturity in 2026, and it is further strengthened by a fully undrawn €600mn Revolving Credit Facilities, maturing at the end of 2028 (with option to extend to end of 2029).

Now I look at the last quarter of 2025 Results, as per **page no. 27**.

In the fourth quarter of the year, EBITDA reached €147mn, slightly higher than 4Q24 mainly thanks to perimeter effect (8€mn) linked to newly acquired assets and organic development. Overall production is substantially aligned with a 4Q24 that already reflected windiness significantly below historical average. The quarter was also influenced by a widespread reduction in energy market prices.

- In Italy, EBITDA reached €73mn: a decrease of €14mn YoY, primarily driven by lower captured prices due to lower short-term hedging and lower windiness, partly offset by perimeter effect both in Wind and Solar.
- In France the EBITDA is €22mn, higher than last year, supported by better wind conditions and perimeter growth, partially offset by lower captured prices.
- In Germany the EBITDA is €9mn, slightly lower than previous year, mainly due to a weak production
- In East Europe the EBITDA is €15mn, aligned with previous year, driven by lower wind resources offset by higher captured prices
- In the UK & Nordics the EBITDA is higher than 4Q24 thanks to the perimeter effect, coming from the plant entered in operation in September in Northern Ireland, and the acquisition made at the beginning of 2025 in Scotland. These adjusted figures include the contribution of the Swedish wind farm recently disposed for €1mn in the quarter.
- In Spain the EBITDA is lower than last year, impacted by reduced production and lower captured prices.
- In the US the EBITDA is €13mn, aligned with previous year.

In 2025 the EBITDA is €540mn, higher than previous year by €5mn, mainly driven by perimeter effect, partly offset by the extraordinary low wind condition in Europe and the lower captured prices, mainly in Italy and Spain.

A comment now on the investments: see on **page no. 28**.

In 4Q25 we invested €70mn, mainly due to new repowering projects in Italy and Germany, and the ongoing construction activities in Germany and UK. In particular, we spent organic CAPEX for €34mn in Italy for the beginning of activities on two repowering

wind farms, and €17mn in Germany for the construction of our greenfield and repowering projects.

In 2025 investments amount to €235mn (of which €72mn for the acquisition in the UK), vs €553mn of 2024, which included M&A for a total amount of €319mn.

As far as Adjusted P&L (on **page no. 29**), in 4Q 2025:

- Amortization and depreciation are €70mn, aligned with 4Q last year, due to perimeter effect offset by the end of useful life of some older plants' components
- Net Financial charges are at €13mn, vs. €9mn in 4Q24: financial charges versus banks and bondholders net of liquidity remuneration stand to €9mn (+€5mn) due to perimeter effect and lower remuneration on cash. The complement to €13mn (€5mn) are non-cash accounting items, such as effects coming from Tax Equity partnership and figurative lease interest expenses according to IFRS 16
- Tax rate in the quarter is 26%
- The adjusted Net profit of the quarter amounts to €46mn, aligned with last year, mainly driven by net financial charges net of fiscal effect
- The adjusted Net profit of 2025 amounts to €155mn.

The reported net Profit for the year is €65mn. This result includes €46mn of impairment test on solar plants in Spain, €26mn of write-down on the Swedish asset sold in January, and €16mn of write-down on assets that will be dismantled for repowering in Italy.

And finally, on **page no. 30** let us take a look at the Cash Flow Statement and the Net Financial Position.

The Net Financial Debt in 2025 is €1.9bn, +€89mn versus the end of 2024. The cash generation from EBITDA is offset by investments of the period, dividends payment and the change in Net Working Capital, affected by ordinary dynamics also due to payables for investments.

Thank you for your time and the attention, now I leave the floor to Paolo for his final comments.

Paolo Merli:

Thank you, Michele. Let me conclude by looking at guidance for 2026, as per **page no. 32**.

EBITDA: we expect it to be in the €520–590mn range. We expect better wind conditions, more in line with the historical average. January and February were in line; March unfortunately was well below. We nevertheless expect larger production to more than compensate for the phase-out of incentives and a more conservative price scenario, also including short-term hedging at lower levels compared with the previous year. Some upsides of course could come from the current spikes in energy prices that are not

factored in our scenario, but please consider our exposure to merchant power is limited as regards 2026.

As usual, the midpoint of this range represents our best estimate at the moment. We are fully aware that this may fall short of consensus expectations and our guidance provided last year. The gap is mainly due to three factors:

- 1) a lower captured sales price, particularly in some countries such as Spain and France and, to a lesser extent, in Germany. This item is worth around €30mn, compared with the previous scenario. It is not just the captured prices, but it is also a bit lower value for incentive in Italy (which came out from a mathematical formula), and the much lower value and price for origin certificates. All in all, the downward revision of scenario accounts for around €30mn in this bridge
- 2) fewer MW installed, including the sale in Sweden (that was not factored in before), and
- 3) the third factor: a greater number of repowering projects in the decommissioning phase in 2026, representing approximately €10mn less EBITDA than our previous forecast. So, I mean, in the old indication for EBITDA all these repowering projects were not factored in. And when you have a repowering project, first of all you have to shut down the plant and dismantle the old turbines before erecting the new ones. This is an impact that was not factored in the previous plan.

CAPEX is expected within the range of €330-380mn, including the recent acquisition in the UK and the investments associated with the assets currently under construction.

Finally, at year-end we forecast Net Financial Position within a range of €1.95-2.05bn, including of course the above CAPEX and an ordinary dividend at €1/share.

We are now ready to take your questions.

Questions & Answers

Operator:

Thank you. This is the Chorus Call conference operator. We will now begin the question-and-answer session.

The first question is from Beatrice Gianola of Mediobanca.

Beatrice Gianola:

Yes, good morning and thank you for the presentation. Actually, I have some questions. The first one is on the European power price outlook: in recent months, there have been several discussions at European level regarding the ETS mechanism, and more generally a political debate on potential measures to contain energy prices. So, in light of the guidance you provided for 2026, could you share with us what price evolution scenario

you are currently incorporating into your assumptions compared to your last Business Plan? And then looking further ahead - for example, towards 2030 - how do you expect the European energy price environment to evolve? That would be my first question.

The second one is on the outlook beyond 2026: you have provided some indications for this year. It would be helpful to understand your thinking for 2027, maybe on the EBITDA or just even qualitatively, let us say. Do you expect some of the drivers influencing 2026 to be somehow absorbed in 2027? Or do you anticipate that some of these dynamics may persist beyond this year?

And then the third and last one is on the governance structure and growth opportunities: recently, some articles have circulated regarding a possible change in the Company's governance structure. The question is not whether you think this will happen, but rather whether you believe the current governance structure allows the Company to fully size growth opportunities. In particular, where do you see the main expansion opportunities, primarily domestically in Italy or abroad? And, if abroad, which geography do you currently consider most attractive? Thank you very much.

Paolo Merli:

Okay Beatrice, thank you for your questions. So let me start in order. I would say the ETS evolution and outlook is really a million-dollar question in the sense that it is a fully regulated market. It depends on several mechanisms that have been set in Europe, like the reserve adjustment mechanism, or the fee allowances. So, based on the current market framework, we should have expected a growing price for ETS, because over time the constraints for emitters are growing, and then in this kind of market, with these kinds of rules, every price scenerist was expecting this price to go up. But the discussion is open now in Europe next week at the European Parliament they will open this kind of discussion about the mechanism, because on the one hand there are consumers that are putting pressures to stop the mechanism, and then reducing the charges associated to ETS; and, on the other hand, there are producers like us that are pushing to keep the ETS mechanism as it is.

In fact - yesterday, I think - 100 companies mainly involved in renewable generation (but not just that) sent a letter to the European Commission in order to say "hey guys, let us keep this ETS system, because it has worked very well". In fact, if you look at the emissions in Europe, they have been declining hugely over time. But let me try to give you a more pragmatical answer: you know the Energy Decree that has been issued by the Italian Government and is still now under the journey of being converted into law. There is an article - the Article 6, which is the most controversial - that basically is trying to artificially lower the cost of producing energy from gas by reimbursing some elements, some costs and charges to gas producers... I mean, energy producers from gas. And one of these components is ETS. But this clause is subject to the approval of the European Commission. And - that is my personal view - this clause was put in the Energy

Decree just to open a discussion, because I suppose the European Commission cannot accept this clause, because it is going down exactly the opposite way any European policy is going towards. So, let us see what is going on. This is one of the reasons we postponed the presentation of a full comprehensive Business Plan, because we need to understand how the Regulatory and then the price scenario is going to pan out because of all these points of discussion. In our short-term scenario, I mean 2026 and 2027, we still expect ETS to be a contributor of the electricity price, but we are not assuming a price that is skyrocketing, because the energy prices we are factoring in our 2026 and 2027 numbers are basically in line with the current forward for electricity.

Let me even say that we are now conservative because over the last few weeks, because of the Iran situation, we have seen spikes in the TTF gas price in the Netherlands. Now it is trading above €50 per thermal MWh, so that has pushed the forward also for electricity up quite substantially, and this is not factored in our guidance, neither in our guidance nor in our projections going forward. So, I hope to have answered your questions. For sure, we will see next week if the President of the European Commission, Ursula von der Leyen, is going to open a table to discuss this ETS. But we are quite confident that ETS will remain there: probably they will soften just some mechanisms in order to lower the price a little bit, compared to the expectations of all the stakeholders.

2027: please, we do not want to give an indication because, as said, in 2026 we will be working a lot on defining the geographical scope for the future and in the long term. So, we will assess any opportunities that can create value in reshaping our geographical footprint. It is very difficult: I do not want to give a number, because we are still working on the geographical portfolio going forward. So, for instance I transparently said: is the US there, or should we reinvest even further in the US, or should we take into consideration selling the portfolio? My premise is we are very satisfied with the performance of the US portfolio: the relationship with Apex, which is our partner in the US, is very good. We became a little bit more cautious because with Trump Administration there is a little bit hostile environment, at least in the narrative. But, on the other hand, we are positive about the fundamentals, because there the electricity demand is growing, and the electrification is growing more than in Europe. It is a real market not influenced by CFD awarded in auctions, because it is all based on PPA: so, it is a market that is still very interesting for us. And 2026 will be spent to understand if there are real opportunities to increase our positioning in the US.

So, your third question is basically the same: where does ERG want to invest? But I repeat for sure there are some markets like Italy (that is evergreen for us, for sure, because we have strong industrial positioning), France, UK... but I repeat: we will be very flexible in deciding the long-term geographical scope, also based on tactical and opportunistic opportunities.

So, Beatrice, I hope I have answered your questions. Ah, you asked also about the rumors and the governance of ERG: I think the governance of ERG is a recognized excellence also in all the ratings. But when it comes to rumors, for our policy we are not commenting on any rumors. But in this case, let me say that ERG and its management are currently not involved in any discussion regarding a merger or business combination, or whatever. So, we are not the company to which ask this question, as you may understand.

Beatrice Gianola:

Thank you very much. Very helpful.

Paolo Merli:

You are welcome.

Operator:

The next question is from Roberto Letizia of Equita.

Roberto Letizia:

Yes, good morning. Thanks for taking my questions. The first one is on 2026 numbers and specifically for the US: I know you just said the US is a pending decision, but that is - I guess - beyond 2026. I am just wondering if you can clarify whether the guidance for 2026 is based on the same perimeter of US assets. Thus, meaning that so far you are not including additions from M&A or new assets in that geographical area?

The second one is on 2025 results: I see that actually net income includes lot of non-recurring items. So particularly, the reported net income is much lower because of the write-down of assets, but the adjusted net income also includes the €27mn contribution from the assets held for sales. And I need here some clarification on how we should read the underlying net income for 2027. So, should we exclude, as a base for 2027 accountancy, those €27mn, or are these not going to be then finally excluded in 2026? So, can you please clarify how we should read this contribution in 2026 rather than in 2025 figures?

Then you introduced on the strategic guidelines this idea of asset rotation and build-and-sell opportunity, if it comes: can you just say to us, from a qualitative perspective, if this means that potentially you are growing more, but then the net effect will be unchanged because you are going to sustain potential higher new additions through also the asset rotation? Can you qualitatively just indicate this for us?

And then two very, very quick questions. The BESS contribution is becoming very, very strong: can you help us just to understand what is the order of magnitude - or a range maybe - of EBITDA contribution per megawatt? Just as a market reference, if you want

not to be too much precise on ERG's specific figures. And then, what is the total amount? You just mentioned qualitatively, but can you tell us how much of the production is still open in 2026 and 2027, because forward curves are increasing also for next year, which is a positive on the open position. Thanks a lot.

Paolo Merli:

Okay, Roberto, I will try to answer the list of questions. So, the first one: I confirm you that the guidance for 2026 is based exactly on the same perimeter of assets in the US, and basically, it is based on the current assets, not including any M&A. I mean, not only in US, but any M&A. And for sure, a couple of points: we know and we acknowledge the guidance is lower than the consensus, and also lower versus the indication we gave ourselves, honestly. And please consider that the guidance for 2026 includes also some one-off effects. One is associated with the fact that we have several projects, several wind repowering projects that are in the dismantling phase. And that was not included in our previous indication, because at that time we did not know exactly if we were going to invest in Greenfield, M&A or repowering.

Now, we are more oriented towards repowering because repowering is a way to, on the one hand, rejuvenate the fleet and - on the other hand - secure with 20 years' CFD or PPA the value of production over a long period of time. So, the fact that we right now have roughly 120MW that are going to be dismantled soon and for a downtime in the area of 6-8 months – that is usually the downtime expected when you repower a wind farm – means that we should have an impact in 2026 EBITDA of around €10mn or even more, because of 120MW in Italy, in France, in Germany, right now we have projects of repowering, but there is a list in a chart in the presentation saying that, if you apply the simple rule of thumb multiplying by 2 (because we know assuming 2,000 equivalent hours per year) and then divide it by 2 (because more or less the downtime is 6 months), you arrive to 100-120GWh lost one-off for this effect and this is value roughly €10mn.

About the write-downs: yes, you are right, there is a write-down of €46mn in Spain, which is very much related to the current business environments, not at all related to the performance of the assets, because the assets are performing quite well, but it is a matter of captured prices in the wholesale market in Spain. We have some PPAs covering assets, but they got a floor, and this floor is not in line with the price expectations we had at the time of the acquisition or the construction of these plants. This write-down has been included all in the 2025 reported net profit, and the very same is for the €26mn in Sweden, because the asset has already been sold, and this write-down - which is a non-cash item - has already been accounted in the 2025 reported net profit, so no effects in 2026 P&L.

About BESS: you know, we are not in the position to provide any guidance on this because, for the time being, we have just got a small plant (13MW in Sicily), but the objective going forward is to push on this revenue stream. For the time being, as I said,

we have 1.5GW of pipeline, but let me say the objective for 2026 is to get at least 300-350MW at a ready-to-build status, which means to participate to MACSE auction, or because we are studying other route-to-market for this kind of asset, or a tolling agreement or even merchant, because they are very flexible and you can manage this kind of asset as a compensatory and complementary asset with the RES, the traditional Wind and Solar assets you have in the portfolio.

So, depending on which route-to-market you pick, you have different returns, different multiples, different EBITDA contribution. Let me say: MACSE, at least according to the outcome of the last auction, is yielding the lower return because it is a fully regulated business model. We are now more oriented towards something in between, because we can also have a business model that is partly secured through capacity market or through tolling agreement, and part left merchant. In this case, we are looking at high single-digit unlevered returns. In this case - given the useful technical life of these plants is lower than a traditional wind or solar - you can assume an EBITDA multiple much lower even when the plant is at the beginning of its life. So, the contribution in terms of CAPEX per EBITDA, per million euro invested in BESS should be higher than for Wind or Solar. But give us time to perfect our Business Plan and later this year or early next year, when we will present a comprehensive Business Plan, we will give more details on it.

About the open production, maybe Michele is more precise.

Michele Pedemonte:

For 2026, we have an open production of 1.8TWh spread all over the various countries. As you can imagine, the large majority of this open production is in Italy. At current market price, we can consider substantially open also the production that is covered by one-way CFD, because at certain moment, their current market price is above the floor of this one-way CFD, and the total amount for 2026 of this volume is around 0.7TWh for 2026 again. As you can imagine, figures increase for 2027, because we have 2.6TWh of merchant exposure in 2027.

Operator:

The next question is from Emanuele Oggioni of Kepler.

Emanuele Oggioni:

Good morning, everybody. Thank you for taking my questions as well. The first one: I struggle to basically understand the effect, the negative bridge compared with your old targets on 2026 EBITDA as regards the power price scenario... the power price impact you mentioned before in Spain or Germany, for example, is weaker than expected 1 or 2 years ago. But overall, if you consider the other countries and Italy, compared with 1 or 2 years ago, overall, the spot and the forward prices have increased versus 1 or 2 years

ago, even before the war against Iran, so even before this short-term movement. And in the meanwhile, it is true that the formula, the “T plus 1” formula, if you have a higher price the year before, you get a lower incentive the year after. But in the meanwhile, in 2025, you should have hedged or should have had the opportunity to partially hedge at higher level for 2026 onwards. So, it is a bit difficult for me to understand all these moving parts. So, this is the first question, basically.

The second one is at a higher level considering that you are now prioritizing the organic development rather than acquisitions and, in the meanwhile, you are saying that you are in a new model of asset rotation, asset rotation could become more structural, *et cetera*. So, I wonder why now you are basically changing the historical strategy, considering that your leverage is still far lower than your peers (so you are not in a hurry to sell assets to finance the growth), or why you have the intention to reshape in geographical terms your portfolio.

Also, considering that, compared with other companies, you are still in a buyer mood, it is a buyer's market for brownfield assets, *et cetera*. So, it seems that also for you it could be still interesting to buy brownfield assets on the market. Thank you.

Paolo Merli:

Emanuele, thank you for your question. So, I try to explain a little bit with more details: there is a bridge with the guidance, because it is really important. So compared to the previous indication, there is roughly €50mn, more or less. If you take the midpoint of our guidance as our best estimate right now for EBITDA. Let me say, first of all, I said the price scenario all in all was about €30mn. Yes, you are right: the expected national price in Italy for 2026 is not lower than it used to be one year ago, but we are an international platform. So, when saying €30mn compared to the previous scenario, we are basically referring to other countries, such as Spain, where the captured price is very, very low right now. All the scenarists are expecting a recovery in the medium/long-term because of a boom in demand coming from datacenters. But right now, the market is really under stress.

And there we have, yes, a little bit of protection from our PPAs, but they got a floor. So, part of the upside based on the forward that we had 1 year or 1.5 year ago is not there anymore. This is true in Spain. This is true in France, because in France, if you look at the prices now, they are much lower than they used to be 1 year and 1.5 year ago. And this is the same in Eastern Europe. So, there are several markets on top of Italy. As far as Italy, it is right what you are saying: you correctly said that the value of the incentive is a bit lower. This is another item we have to consider, because it stems from a mathematical formula based on the actual price in 2025, because it is inversely proportional to it and, being it higher, then it results in a lower green incentive value in 2026. But also consider that part of the revenues for a renewable company is also associated with origin certificates, which means basically the price consumers or off-

takers are ready to pay for having energy that is produced from green assets. And the origin certificate is in a European market. And the value of origin certificates collapsed from 2-3€/MWh to less than 1€/MWh, and this is affecting all the production of a renewable company.

So, all-in-all, these effects account for roughly €30mn compared with the previous scenario. But I stimulate you to take any scenarist I know - I mean, Baringa, AFRY, Aurora or whatever - and compare the last release of price scenario (in the countries where we are present) to the scenario they issued one year ago: you will see the gap, and the revision is for sure downward. That is the first moving part.

The second I have already explained: the repowering projects that are right now under the dismantling phase. This is basically worth roughly €10mn. This is totally one-off, because next year when they enter into operation, they will start generating revenues. So, this is one-off, let me say. Sweden was not included in our previous guidance, while the acquisition in UK that we made in January was already included in our unknown megawatts. Because, if you look at the indications we gave one year ago, they were based on a number of installed megawatts higher than the current one. I mean, very similar, net of Sweden, but Sweden is not there anymore, because we decided to exit that country. And this item is worth roughly €6mn.

Last but not least, maybe on this I was not clear enough, probably I did not say it in my speech, but we also factored in the production year to date, let us say yesterday. And while January and February were in line with our estimates, over the last 3 weeks - you are in Italy, so just look outside the window - there has been a wind drought over the last 3 weeks, and we lost roughly 150GWh compared with our analysis. So, we factored this item in our guidance for an impact of roughly €10mn. So, this is already factored in our guidance, and we did not cautiously assume any recovery going forward of this effect registered over the last three weeks. It can be taken as a cautious stance, but after the experience of 2025, we prefer this. So, Emanuele, I hope to have given a little bit more color on...

Emanuele Oggioni:

Thank you. Thank you for the detailed answers.

Paolo Merli:

Okay. Thank you. That was important.

And maybe there were other questions from Emanuele. The organic... yes, I confirm: we are now more oriented towards developing organic projects. It is not just a matter of organic versus M&A. It is a matter that through organic, and in particular repowering, we can rejuvenate our fleet and secure it for a long period of time. Please consider that all

the assets we have currently under construction, they all got a tariff - either a CFD or PPA - securing the production and the value of the production for the next 20 years. And this is the model we are looking at, also when developing other projects in our pipeline.

Asset rotation: why does asset rotation now enter into our business model? But even last year we said asset rotation will be part of it, but we had to study. We then did our exercise, we did our homework, let us say. And now we believe that reshaping our portfolio, maybe having a stronger presence in some countries, maybe exiting countries where we have just one asset, can provide for a more robust business model. But again, we do not know the end game yet, because we are assessing with flexibility all the opportunities that can help us create value. So, we hope to be, by the end of the year, in a position to be more precise on the geographical scope going forward. Maybe...

Emanuele Oggioni:

Thank you.

Michele Pedemonte:

Maybe just... you are right, our leverage is below our peers, and you are right that we are not in a hurry to sell to defend our rating or something like that. But at the same time, we have a financial discipline to be maintained. We have an Investment Grade rating that we want to maintain. And so, we will continue to manage our growth consistently also with our financial discipline.

Emanuele Oggioni:

Thank you. Thank you, all.

Operator:

The next question, gentlemen, is from Davide Candela of Intesa Sanpaolo.

Davide Candela:

Hi, good morning. Thank you for taking my question and for the presentation. Actually, I have one that is quite high level, and perhaps a bit provocative. It refers to what you said, what you answered first with regards to the ETS mechanism. So, it is true ETS helped the emissions to go down over the years, but in the end, it looks like it has been burdening the industrial backbone of Europe with regards to the cost related to that transfer to the final energy prices. Do you see a scenario in which, if not a deep change in the ETS, but in the end, there could be an open discussion with regards to decoupling at least the renewable power prices for the formation of the final power prices from the gas and CO₂ components? Because I would say, at the end of the day, renewables are the ones that are truly benefiting from the higher gas and higher CO₂ cost, because they are not sustaining it. So, can you maybe elaborate on this, and what is your view on that, apart from the impact that you could see on ERG or in general? Thank you.

Paolo Merli:

Okay, Davide, it is a quite complex question, because it involves many factors that are at the base of the price formation in the markets. I repeat: ETS is something Europe is going to discuss. I do not think - that is our view - ETS is a system we can accept to be eliminated, Europe can accept it to be eliminated, because an ETS mechanism is also in some states in US, in China, in Korea, in other parts of the world, but for sure the cost of ETS in Europe is stronger than in other geographies. This is because Europe was super-committed in increasing the renewable presence in the portfolio, also because we cannot rely on our own reserves of gas or oil: we are more dependent on gas imports than all these geographies that I have mentioned. So, our outlook: you know the ETS market is a very complex and very super-regulated, and there are at least 3 elements in the ETS market that in the end are creating the price. One is the Market Stability Reserve: it is a kind of mechanism that absorbs or releases allowances, depending if the market is long or short. Then there is the Free Allowances: I mean basically, it is a kind of shield for some companies. And there is also the so-called obliged quota: so, how much does every industrial segment have to pay for their emissions.

By leveraging on these 3 elements, Europe can for sure modulate and adapt the price of ETS. In fact, if you look at the forward market for ETS, it is expected to remain in the region of €70-80 per ton. While if you take all the price scenarios issued by the big names - I mean, AFRY, Baringa, Aurora, you know the most famous ones - they are all pointing at €120-130-140 per ton in 2030. Why? Because this value of CO₂ (I mean, €130-140 per ton), is the one that should trigger the switch from gas to hydrogen, or to other form of energy, substituting the gas - I mean a fossil fuel - with a zero-carbon fuel.

So, the question in the end is: are we still looking at becoming Net Zero or not? That is the point. I do not know the answer. I hope so, but I do not know the answer. So, let us see what is going on, but I am quite confident... maybe I am wrong, but I am quite confident the Article 6 proposed in the Energy Decree by the Italian Government is not acceptable for Europe. And, being subject to its approval, we do not expect it to be implemented as it has been proposed.

Davide Candela:

Thank you.

Paolo Merli:

You are welcome.

Operator:

The final question is a follow-up from Roberto Letizia from Equita.

Roberto Letizia:

Yes, very quickly: I just want to know if the write-down of €26mn is generating any benefits on D&A this year, and how much? Thanks a lot.

Michele Pedemonte:

No. The €26mn on Sweden? No, no effect.

Roberto Letizia:

I mean, all the write-downs. So, no benefit on the D&A.

Michele Pedemonte:

No. For the €46mn regarding Spain, we have a very limited benefit on depreciation, because part of it is goodwill and the other part is not goodwill, and so, we have a limited benefit also on depreciation in 2026 from this.

Roberto Letizia:

Alright. Thanks a lot.

Operator:

Mr. Merli, there are no more questions registered at this time.

Paolo Merli:

Okay. Thank you very much to all for listening, and we will see you and catch up in May, probably with the first quarter results. Thank you very much.