



Press Release

Fitch affirms ERG's BBB- rating and stable outlook

Genoa, 13 May 2022 - Fitch Ratings ("Fitch") has affirmed ERG S.p.A.'s Long Term Issuer Default Rating (IDR) at BBB-, with stable outlook, and senior unsecured rating at BBB-.

This affirmation reflects the resilience of our business model and the Group's "fully renewable" portfolio asset as well as its "quasi-regulated" business profile, with the aim that around 85-90% of Ebitda will be stabilised by tariffs determined through participation in governmental auctions or long-term Power Purchase Agreements (PPAs). The rating also takes into account ERG's new 2022-2026 Business Plan growth targets, based on a strong commitment to the renewable portfolio growth and to maintain its current Investment Grade rating.

In this context, consistently with the ERG's financial policy and the expected NFP/Ebitda ratio of approximately 4.0x over the Plan period, Fitch revised upwards, from 4.2x to 4.4x, the level of the "FFO Net leverage" indicator required to maintain the current rating level, in view of the asset rotation strategy of the Group, the acceleration of the geographical diversification process, the solidity of the "infrastructure" business model of the 2022-2026 Business Plan, the extension of the average life span of the incentives as well as the recent track record in the PPA market and the award of auctions in Italy for greenfield and repowering plants.

This press release, issued on 13 May 2022, is available to the public at the offices of Borsa Italiana S.p.A., on the eMarket Storage authorised storage mechanism (www.emarketstorage.com) and on the Company's website (www.erg.eu) in the section "Media/Press Releases".

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