Press Release

ERG places its fourth 500 million Euro Green Bond

Genoa, 26 June 2024 – ERG S.p.A. ("ERG") has completed the placement of a 6-year fixed-rate bond for 500,000,000 Euro, issued as part of its 3 billion-Euro program of medium-long term, non-convertible and unsubordinated notes (“Euro Medium Term Notes Programme” o “EMTN Programme”) (see PR dated 18/7/2023 and 21/06/2024).
The issue takes the form of a Green Bond and the proceeds will be allocated to wind, solar and battery storage projects located in Europe, the UK and the US on the basis of the eligibility criteria set forth by ERG’s new Green Bond Framework (see PR dated 21/06/2024).

The bond is exclusively addressed to Euromarket institutional investors. The issue was highly successful, with a request at peak of more than 5 times the amount of notes offered, from primary-standing investors from different geographies, and saw a significant participation of green and sustainable investors. Fitch Ratings is expected to assign a BBB- rating to the bond issue.

The bonds, which have a minimum denomination of 100,000 Euro, pay a gross annual coupon at a fixed rate of 4.125% and were placed at an issue price corresponding to 99.521% of nominal value. The settlement date has been set for July 3rd, 2024. As of that date, the bonds will be listed on the regulated market of the Luxembourg Stock Exchange.

In 2019 ERG, anticipating its future funding needs, entered into a forward-start hedge for an amount of 250 million Euro with a rate of 0.4%, significantly lower than current market conditions. Today issue will materially benefit from this pre-hedge, as it will draw its all-in cost down to circa 3% p.a.
Proceeds, pending to be allocated to Eligible Green Projects, will be temporarily held on short-term placements that have already been secured by ERG. The combination of this fixed liquidity remuneration and the pre-hedged all-in cost of the issuance will positively impact yearly results.

Michele Pedemonte, ERG Chief Financial Officer, commented: *“In a context of high volatility in Europe, the success registered today by this 6-year Green Bond witnesses the great confidence of internation investors in ERG, the only corporate tapping today’s EU bond market, after almost 3 years of nonattendance. Today's issue also benefits substantially from the ERG's financial strategy which adopted pre-hedge in advance at very competitive conditions. The proceeds raised with this issue will support the implementation of the 2024-2026 Business Plan based on a selective growth strategy "Value over Volume" in the renewables sector, while maintaining our financial structure robust, efficient, and consistent with our sustainability objectives."*

BNP Paribas, CaixaBank S.A., Crédit Agricole Corporate and Investment Bank, IMI-Intesa Sanpaolo, Mediobanca, Santander, Société Générale, and UniCredit acted as Joint Bookrunners. ERG has been assisted by the Law Firm Chiomenti, while the Bookrunners have been assisted by the Law Firm A&O Shearman. Crédit Agricole Corporate and Investment Bank acted as Green Structuring Agent.

The minutes of the meeting of the Board of Directors of ERG S.p.A, held on 21 June 2024, which, inter alia, authorised the issue of one or more medium/long-term non-convertible and non-subordinated bonds under the current EMTN Programme, is available to the public at the Company's registered office in Genoa, Via De Marini 1, on the Company's website (www. erg.eu) in the section "Investor Relations/debt/EMTN Programme 2023-2024", at Borsa Italiana S.p.A. (www.borsaitaliana.it) and on the authorised eMarket Storage mechanism (www.emarketstorage.com).

The supplement to the base prospectus of the EMTN Programme, approved by the Commission de Surveillance du Secteur Financier of Luxembourg (CSSF) in accordance with Regulation (EU) 2017/1129 ("Prospectus Regulation"), is available to the public on the Company's website (www.erg.eu) in the section "Investor Relations/debt/EMTN Programme 2023-2024".

The resolution relating to the bond issue will be made available to the public within the terms and according to the procedures provided for by applicable laws and regulations at the Company's registered office in Genoa, Via De Marini 1, on the Company's website (www.erg.eu), at Borsa Italiana S.p.A. (www.borsaitaliana.it) and on the authorised eMarket Storage mechanism (www.emarketstorage.com).

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This press release, issued on 26 June 2024, is available to the public at Borsa Italiana S.p.A. (www.borsaitaliana.it), on the authorised eMarket Storage mechanism (www.emarketstorage.com) and on the Company's website (www.erg.eu) in the "Media/Press Releases" section.

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