



Press Release

ERG Shareholders' Meeting approves the Financial Statements as at 31 December 2019 and resolves to pay a dividend of 0.75 euro per share.

Amendment approved to the Articles of Association to introduce the mechanism for increasing voting rights.

The Chief Executive Officer describes the measures and initiatives connected with the COVID-19 emergency.

- **At the first signs of emergency the company promptly took action, putting in place all necessary measures to ensure operational continuity in conditions of safety, observing the indications provided by the Competent Authorities and in agreement with the Trade Unions.**
- **Smartworking, ahead of the related legal provisions, was extended to all the Group's Italian and overseas offices, involving over 70% of the corporate population.**
- **Steps were taken with a view to reorganising Operation & Maintenance activities and production plant and control room work shifts, arranging the timely purchase of Individual Protection Devices and taking out COVID-19 health insurance cover in favour of all employees.**
- **During such a complex moment for the country, the company also allocated 2 million Euro to support the healthcare system in areas where its production sites operate.**
- **ERG's people also gave their support to a solidarity initiative, donating 2,300 hours of their work to the Civil Protection Department.**
- **For the first time, the Shareholders' Meeting was held exclusively using telecommunications systems and was attended by a number of shareholders representing 79.4% of share capital.**

Genoa, 21 April 2020 – The ERG S.p.A. Shareholders' Meeting, held today, approved the 2019 Annual Accounts, which report a net profit of Euro 11 million, and reviewed the Group's Consolidated Financial Statements as at 31 December 2019, which posted an adjusted¹ Group net result of Euro 104 million, together with the consolidated Non-Financial Declaration as at 31 December 2019.

The Shareholders' Meeting resolved to pay a dividend of 0.75 euro per share, which will be available for payment starting from 20 May 2020 (payment date), with an ex-dividend date (coupon no. 23) from 18 May 2020 (ex date) and record date of 19 May 2020. In this connection, in view of the evaluations hitherto made concerning the impact of the COVID-19 emergency, it is considered that

¹In order to facilitate the understanding of business performance, the revenues and financial results are indicated using the term "adjusted", therefore excluding special items

payment of the dividend does not affect the Group's financial stability in the short or medium term, or reduce its investment capacity, in terms of growth or development, also bearing in mind that the distribution policy adopted by the Group has always been based on the compatibility of dividend payment with financial soundness, from a perspective of sustainable long-term growth.

In the course of the Shareholders' Meeting, Chief Executive Officer Luca Bettonte provided an update on the measures introduced by the company to deal with the COVID-19 emergency, thanking first and foremost ERG's personnel for the professionalism and great sense of duty shown, yet again, during this crisis. Their contribution is allowing the Group to guarantee the continuation of such an essential service as the supply of electricity, which throughout this period is fundamental for the functioning of medical equipment and hospitals and for the millions of people operating in smartworking, who rely on technology to proceed with their everyday life.

At the first signs of emergency the company promptly took action, putting in place all measures to ensure operational continuity in conditions of safety. This was achieved both through the use of smartworking, extended to all the Group's Italian and overseas offices, involving over 70% of the corporate population, and by carefully managing the staff employed at the production sites, via the adoption of appropriate safety measures, the timely distribution of individual protection devices, the sanitisation of workplaces and the reorganisation of operational and logistic activities, observing the indications provided by the Competent Authorities and in agreement with the Trade Unions.

The Chief Executive Officer and Executive Deputy Chairman meet each day with Top Management to review the situation, so as to remain constantly informed and ready to re-evaluate priorities on a daily basis, in order to deal immediately with any possible needs that may emerge.

During this period there have been no reductions in staff and none have been planned. Moreover, the company has not made use of social safety nets or compulsory short-time working. On the other hand, 11 new hires entered the Group between March and April and COVID-19 health insurance cover was also taken out in favour of all employees.

Once again during these critical circumstances the solidarity of the company and its people has been readily demonstrated. ERG allocated 2 million euro to support the areas where its production sites are located that have been affected by the COVID-19 emergency, with a view to providing material support for the most urgently required healthcare facilities, in the conviction that with everyone's contribution it will be possible to accelerate the resolution of this severe situation. In addition to this initiative, on a proposal from the internal Social Partners, the Group's employees donated a total of 2,300 work hours, the corresponding amount being destined in favour of the Civil Protection Department. It should also be mentioned that San Quirico S.p.A., the Company's majority shareholder, allocated one million euro in favour of Genoa's front-line hospitals engaged in the healthcare emergency.

In brief, ERG's response to the COVID-19 emergency closely reflects its own business model, which has always been oriented towards the creation and sharing of sustainable value for shareholders, employees and the community in general.

As you know, the ongoing international healthcare crisis has led to a significant overall downturn in electricity demand as regards all the reference markets, due above all to the restrictions imposed to some parts of the production activities, by way of procedures that differ from country to country. In this situation electricity spot prices have posted major decreases in all the Group's countries of operation. However, both thanks to the significant impact of regulated remuneration systems on the Group's revenues and because a predominant part of RES-E output and the Clean Spark Spreads associated with thermoelectric power production were already covered by forward sales for the current year, in keeping with the Group's three-year hedging policies, to date the anticipated effects on the Group's results can be considered limited and for the moment do not suggest the need to modify the end-of-year economic and financial forecasts.

The Company therefore confirms its commitments in terms of the investment programme announced during presentation of the results at 31 December 2019. Any possible delays due to the slowdown of authorisation procedures and the scheduled construction works for the time being do not in substance imply any charge to investment forecasts.

At the time of reporting the first quarter results, also taking account of the latest developments in the epidemic and the material implementation of Phase 2, indications and the revisions, if any, concerning the 2020 guidance for the forecast end-of-year economic and financial results will be provided, as usual.

Other resolutions passed by the Shareholders' Meeting

The Shareholders' Meeting determined the fees payable to members of the Board of Directors, the Control and Risk Committee and the Nominations and Remuneration Committee for the year 2020, based on the proposals formulated in accordance with Article 126-*bis* of the Consolidated Finance Act by shareholder Polcevera S.r.l., owner of 10,380,060 shares corresponding to 6.9% of ERG S.p.A.'s share capital.

In accordance with Article 2357 of the Italian Civil Code, the Shareholders' Meeting – in order to optimise the equity structure with a view to maximising value creation for Shareholders, also in relation to the liquidity available, and in any case for any and all other purposes allowed by the applicable legislative and regulatory provisions in force - authorised the Board of Directors, for a period of 18 months starting from 21 April 2020, to purchase treasury shares up to a revolving limit (intending thereby the maximum number of treasury shares from time to time held in portfolio) of 30,064,000 (thirty million and sixty-four thousand) ERG ordinary shares having a nominal value of Euro 0.10 each, at a unitary price, including additional purchase charges, to be no more than 30% lower in minimum and no more than 10% higher in maximum with respect to the reference price recorded by the share during the stock exchange session on the day prior to each individual transaction.

Purchases must be carried out using distributable profits and available reserves as per the last approved financial statements, in compliance with Article 132 of the Consolidated Finance Act and in the manners set forth by Article 144-*bis*, paragraph 1.b) of the Issuers' Regulation, and namely *"on regulated markets or multilateral trading facilities in accordance with the operating procedures laid down in the rules for the organisation and management of such markets, which do not allow the direct matching of buy orders against predetermined sell orders"*.

The Shareholders' Meeting also authorised the Board of Directors, pursuant to Article 2357-*ter* of the Italian Civil Code, for a period of 18 months starting from 21 April 2020, to sell treasury shares, in one or more stages and adopting whatever procedures may seem appropriate in relation to the actual objectives to be pursued by way of such disposal, at a unitary price no more than 10% lower in minimum with respect to the reference price recorded by the share during the stock exchange session on the day prior to each individual sale.

The Shareholders' Meeting approved sections I and II of the Report on the policy regarding remuneration and fees paid, prepared in accordance with Article 123-*ter* of the Consolidated Finance Act.

The Extraordinary Shareholders' Meeting approved the amendment to Article 10 of the Articles of Association, with a view to introducing a mechanism to increase voting rights, as set forth and permitted by Article 127-*quinquies* of the Consolidated Finance Act, in keeping with the description given by shareholder San Quirico S.p.A. in its explanatory report, drawn up pursuant to Article 125-*ter*, paragraph 3 of the Consolidated Finance Act.

The Board of Directors will therefore be required to draw up a special list as set forth by Article 143-*quater* of the Issuers' Regulation, and adopt rules for the management thereof, with a view to regulating, inter alia, the procedures for registration, keeping and updating in accordance with

applicable legislative and regulatory provisions and best market practices, and in any case such as to ensure the timely exchange of information between shareholders, issuer and intermediaries.

Pursuant to Article 125-*quater*, paragraph 2 of the Consolidated Finance Act, the summary statement of voting will be made available on the Company's website (www.erg.eu), in the section "Corporate Governance/2020 Shareholders' Meeting" within five days of the date of the Shareholders' Meeting. This document will contain the number of shares represented at the Shareholders' Meeting and the number of shares for which votes have been cast, the percentage of share capital represented by these shares, the number of votes in favour or against the resolution and the number of abstentions.

The Meeting minutes will be made available to the public within the deadlines and according to the procedures laid down by current legislative and regulatory provisions at the Company's registered office at Via De Marini 1, Genoa, and on the Company's website (www.erg.eu) in the section "Corporate Governance/2020 Shareholders' Meeting", at the offices of Borsa Italiana S.p.A. and on the eMarket Storage authorised storage mechanism (www.emarketstorage.com).

This press release, issued at 1:00 p.m. (CEST) on 21 April 2020, 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".

Contacts:

Anna Cavallarin Media Relations Manager - tel. + 39 010 2401804 mob. + 39 3393985139
e-mail: acavallarin@erg.eu

Emanuela Delucchi IR Manager - tel. + 39 010 2401806 - e-mail: ir@erg.eu

Matteo Bagnara IR - tel. + 39 010 2401423 - e-mail: ir@erg.eu

www.erg.eu - @ergnow