

Metrics & Targets continued

» Supporting a traditional player's shift from oil to renewables

For years, UniCredit has been supporting more virtuous clients operating in Oil & Gas sector to accompany their transition, helping them reconverting their operations toward activities in the energy sector that rely more on green sources.

For instance UniCredit is a core bank for ERG, with which we have a solid and long-standing relationship with a proven track record for both mergers and acquisitions (M&A) and financing solutions. UniCredit has been at ERG's side throughout its transition from being an oil company to a pure renewable player over the last few years.

We were at the side of ERG since its first Debt Capital Market (DCM) activity in 2017, when we acted as Joint Lead Manager of a €100m privately placed transaction whose proceeds were classified as "general corporate purposes" with specific reference to new investments in renewable energy infrastructure, energy efficiency and refinancing of investments in hydroelectric plants. Around two years later, ERG made its debut on the public bond market with a €500m inaugural Green bond offering, while in the following years the Company continued to adopt the green format, successfully placing additional Green Bonds. As of January 2024, the totality of ERG's outstanding bonds (€1.6bn) are labelled as Green, financing/refinancing eligible green projects under ERG's Green Bond Framework. In line with its status of pure renewable player, ERG is now recognised as an established green bond issuer by the DCM community. Having being involved in all the bond transactions, UniCredit can be considered as the partner of choice for ERG.

UniCredit is also one of the ERG Group core banks for project financing, having successfully supported several ERG projects since the beginning of its business development in the renewables sector (c.460 MW installed capacity in wind/PV sector).

We also supported ERG with other financing instruments, acting for instance as Additional Bookrunner and Mandated Lead Arranger (MLA) of a €600m sustainability-linked Revolving Credit Facility (RCF) that ERG entered into in 2022. The deal was structured around two sustainability KPIs:

- a sustainable environmental KPI based on renewable capacity and
- a sustainable social KPI based on work force's diversity

In the course of its transition journey, ERG has completed many M&A transactions in the renewable energy sector, with UniCredit acting as advisor for the majority of the deals carried out in the last 15 years. Among the most recent deals, in 2022 we acted as sole M&A advisor for ERG's acquisition of seven wind farms from EDP Renováveis, a transaction that allowed the company to further consolidate its position in the Italian wind market. That same year, UniCredit also supported ERG in the acquisition of MP solar, a Dutch solar photovoltaic platform with 18 plants situated across four Italian regions, thus supporting ERG's growth also in the Italian photovoltaic market.

Deals of the type performed with ERG allow us to further support renewables in the Power Generation sector.

