



Press Release

ERG enters the solar power business: 100% stake acquired in ForVei (89 MW)

Genoa, 16 November 2017 – ERG, through its subsidiary ERG Power Generation S.p.A., has signed an agreement with VEI Green, an investment holding company controlled by PFH S.p.A., with the participation of leading Italian institutional investors, for the acquisition of a 100% stake in ForVei, the ninth largest photovoltaic operator in Italy.

ForVei, a joint venture between VEI Green and Foresight created in 2011, owns and manages 30 photovoltaic plants located in 8 regions across Northern and Southern Italy. These plants, which came on stream between 2010 and 2011, have an installed capacity of 89 MW and annual output of around 136 GWh, corresponding to approximately 77 kt of avoided CO₂ emissions. The entire installed capacity is eligible for incentives, with an average expiry date of 2030.

The transaction's enterprise value amounts to 336 million Euro; annual EBITDA for 2017 is expected to be around 35 million Euro. The assets are currently funded through non-recourse project financing for an amount of approximately 180 million Euro and lease agreements for an amount of about 60 million Euro. The closing, which is scheduled to take place by the end of January 2018, is subject to Antitrust approval of the transaction and acceptance on the part of the lending institutions.

Luca Bettonte, ERG's Chief Executive Officer, commented: **“Acquisition of this important 89 MW photovoltaic platform marks ERG's entry into the solar energy sector and constitutes a further significant piece of our technological diversification strategy. The notable size of the transaction will immediately enable us to enlarge and optimise our Energy Management portfolio, with high quality facilities geographically well located also in the market area of Northern Italy, and to capitalise on our industrial skills in asset management. Moreover, ERG's entry into the Italian photovoltaic sector is taking place in the presence of a still very fragmented market scenario that could offer additional possibilities for consolidation, allowing us to gain the know-how necessary to take part in the cross-border development of a strongly expanding sector.”**

ERG has been assisted in this transaction by Rothschild (financial and M&A advisor), BNPP (financial advisor), Fichtner (technical advisor), KPMG (accounting & tax advisor) and Paul Hastings (legal advisor). VEI Green and Foresight, on the other hand, have been assisted by Palladio Corporate Finance and Lazard (financial and M&A advisors), EOS (technical advisor) and Orrick (legal advisor).

This press release, issued at 7.45 a.m. (CET) on 16 November 2017, 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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