



Press Release

Agreement for the sale of the Priolo Gargallo thermoelectric plant

Genoa, 29 June 2023 – Through its subsidiary ERG Power Generation SpA, ERG today signed an agreement with Achernar Assets AG, a Swiss investment holding company. This agreement concerns the sale of the entire share capital of ERG Power Srl, owner of the Combined Cycle cogeneration plant Gas Turbine (CCGT) with low environmental impact and high efficiency, powered by natural gas, in Priolo Gargallo (Syracuse). The plant has an installed capacity of 480 MW, with an average annual production of about 2.4 TWh of electricity and 1.2 million tonnes of steam. The plant's output mainly serves the Priolo industrial site through long-term contracts.

One hundred and forty-four people included in the scope of the divestment ensure the plant's operation. These include highly specialised plant operation technicians, energy management experts and dedicated staff. Thanks to a successful partnership with the trade unions and the buyer's serious willingness, agreements have been reached which maintain important protections clauses for the workers of the divested Company.

Achernar Assets AG operates primarily in the energy, medical technology, infrastructure and financial services sectors with funds under direct control with the mission of contributing to the development of the investing companies in the medium and long term (<https://www.achernarassets.com>). Historically active in the global aviation business, the Agusta family is one of Achernar's main shareholders.

The consideration in terms of Enterprise Value is equal to 191.5 million euros, including working capital items and tax credits totalling 88.5 million euros, expected to be cashed in between signing and closing. The agreement also includes earn-outs related to the performance of the business in 2024 and 2025, as well as some tax-related items totalling around 14 million euros, which would bring the total complex value to 205.5 million euros. The price, based on a Locked Box Date as of January 1, 2023, will be subject to adjustments at closing based on the mechanisms specified in the contract.

The transaction's closing, which is subject – *inter alia* – to the successful completion of the golden power procedure at the Italian Prime Minister's Office, is expected by the end of this year.

Paolo Merli, Chief Executive Officer of ERG, commented: *'The divestment of ERG Power allows us to complete our transformation to a business model entirely focused on wind and solar power generation: a crucial step towards achieving the 'net zero' target that the Group has committed to and set as part of the ESG plan.*

We are satisfied of the valuation of the plant in line with the Business Plan forecasts and the 2023 net debt guidance disclosed to the market. The strong interest, reliability and commitment shown by the buyer, who is intentioned to value the skills and know-how of the people employed in the Plant at their best for the company's future growth and development, have been for ERG a key evaluation aspect for guaranteeing the development of the plant, which is considered strategic for the future of the Sicilian industrial hub'.

Rothschild & Co. acted as financial advisors in the transaction, DLA Piper acted as legal advisor and Ernst & Young as accounting and tax advisor.

This press release, issued on 29 June 2023, is available to the public at Borsa Italiana SpA on the authorised eMarket Storage mechanism (www.emarketstorage.com) and the Company's website (www.erg.eu) in the 'Media/Press Releases' section.



ERG contacts:

Emanuela Delucchi Chief ESG, IR & Communication Officer – tel. + 39 10 2,401,806 – email: edelucchi@erg.eu - ir@erg.eu

Anna Cavallarin Head of External Communication - tel. + 39 10 2,401,804 cell. + 39 3,393,985,139 email: acavallarin@erg.eu

Matteo Bagnara Head of Investor Relations - tel. + 39 10 2,401,423 – email: ir@erg.eu
www.erg.eu - @ergnow