



Press Release

ERG enters the renewable energy market in the United States

Strategic partnership signed with Apex Clean Energy for the acquisition of a 317 MW portfolio of wind and solar assets in Iowa and Illinois

Genoa, 21 December 2023 – ERG announces the signing of a relevant agreement with Apex Clean Energy Holdings LLC (Apex), a leading independent American clean energy company, aimed at establishing a strategic partnership with the mission of managing an already in operation wind and solar project portfolio and potentially expanding it.

This agreement represents the first step of the Group in the overseas market involving the establishment of a US-based holding company that will include a wind farm and a solar plant, both recently started-up, for a total of 317 MW of installed capacity and an estimated production of around 1 TWh, besides a cooperation agreement in relation to new solar and onshore wind projects of about 1 GW under development in the United States. ERG will own a 75% stake of the holding and Apex the remaining 25%. Apex will continue the operational management of the assets.

The portfolio includes an operational 224.4 MW onshore wind farm in Iowa, which commenced operation in the first half of 2023, with an estimated annual production of more than 800 GWh, and an operational 92.4 MW photovoltaic plant in Illinois, which commenced operation in the second half 2022, with an estimated annual production of more than 150 GWh, equivalent to 387 kton of CO₂ avoided. Both assets are located in the Midcontinent Independent System Operator (MISO), the largest geographically and second-largest in installed capacity among U.S. electricity markets.

The two assets benefit from tax equity investments with market-leading counterparts and will be debt free at closing. Stable revenues are ensured through long-term power purchase agreements (PPA) with leading corporate counterparts.

The consideration for the acquisition of the 75% majority stake amounts to \$270 million. The transaction's closing is expected within the first half of 2024 and is subject, inter alia, to investment approval from certain U.S. and European authorities (including CFIUS, HSR Commission, DG-Comp) and the consent to the *change of control* from relevant third parties (including Tax Equity Investor and PPA counterparts).

Paolo Merli, CEO of ERG, commented: *“We proudly announce the entry of ERG in the US renewable market. A unique opportunity to continue growing our project portfolio, increasing geographical and technological diversification, with the acquisition of best-in-class operational assets and significant growth prospects through a cooperation agreement for about 1 GW under development. We have had the opportunity to appreciate Apex’s seriousness, know-how and excellent track record. We expect to present our strategy and growth targets in the U.S. to the financial community in the first half of next year with the 2024-28 industrial plan. This strategic partnership concludes a 2023 of significant changes and exceptional growth for ERG, now a pure and more international renewable player”.*

For the transaction Rothschild&Co served as financial advisor, White&Case as legal advisor, Ernst&Young as Accounting and Tax Advisor and Credit Agricole as Debt advisor.



This press release, issued on December 21 2023, is available to the public at Borsa Italiana S.p.A., on the authorised storage mechanism eMarket Storage (www.emarketstorage.com) and on the Company's website (www.erg.eu) in the "Media/Press Releases" section.

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