



Press Release

ERG sells 100% equity stake in Brockaghboy Windfarm Ltd to Greencoat UK Wind PLC

Genoa, 8 March 2018 - ERG has completed the sale to Greencoat UK Wind PLC, a London Stock Exchange listed company specialising in investments in renewables, of a 100% equity interest in Brockaghboy Windfarm Ltd (“BWF”), an Northern Irish company owner of the 47.5 MW Brockaghboy wind farm constructed in Northern Ireland, in the county of Londonderry, by ERG and TCI Renewables.

The transaction’s enterprise value amounts to approximately 163 million pounds (corresponding to about 185 million Euro). The proceeds will be shared between ERG and TCI based on the Development Service Agreement (“DSA”) signed at the time ERG acquired the ready to build project from TCI in February 2016. The overall cash-in for ERG will amount to around 95 million pounds (108 million Euro) of which about 70 million pounds (79 million Euro) fully covers the investments made by ERG to acquire the project and build the wind farm.

The wind farm, construction of which commenced during the second quarter of 2016, came fully on stream at the end of 2017.

The sale transaction was governed by the DSA, according to which, upon completion of the wind farm’s joint construction and once satisfying the conditions for accrediting the project under the current incentive mechanism (NIRO), BWF could potentially be sold to a third party. The DSA also provided for ERG’s entitlement to submit to TCI a supplementary proposal with a view to maintaining permanent ownership; failing acceptance of this proposal and only in the case of higher offers from third parties being received and accepted, BWF was to be sold, with subsequent calculation and sharing of the capital gain based on the terms of the DSA.

Luca Bettonte, ERG’s Chief Executive Officer, commented: **“The decision to sell BWF was motivated by the attractive return on investment in view of both its rapid monetisation and, above all, the significant appreciation of the market for one of the latest wind farms to be accredited in connection with NIRO, Northern Ireland’s green certificates. The proceeds from the divestment will go towards financing the growth outlined in the 2018-2022 business plan approved today by the Board of Directors”**.

In this transaction, PKF Francis Clark performed the role of financial advisor and the firm Burges Salmon the role of legal advisor.

This press release, issued at 7.50 a.m.(CET) on 8 March 2018, 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:

Sabina Alzona Media Relations Manager - tel. + 39 010 2401804 mob. + 39 340 1091311 – email salzona@erg.eu

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

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

www.erg.it - [@ergnow](https://twitter.com/ergnow)