



Press Release

ERG pursues growth in solar power by acquiring a 78.5% stake in two photovoltaic plants (51.4 MW)

Genoa, 11 January 2019 – ERG, through its subsidiary ERG Power Generation S.p.A., has signed an agreement with Soles Montalto GmbH, an investment fund managed by AREAM group - European Asset Manager in the renewables sector – to acquire 78.5% of Perseo S.r.l., 100% owner of Andromeda PV S.r.l., a company that manages two photovoltaic power facilities with an overall installed capacity of 51.4 MW. It has also been agreed that Soles Montalto GmbH will remain a minority quotaholder, based on a quotaholders' agreement granting ERG complete industrial control of the asset and its full consolidation.

The plants, located at Montalto di Castro (Lazio region), in 2017 recorded a total output of 95.9 Gwh, corresponding to around 50 kt of avoided CO2 emissions, and EBITDA of 31 million Euro. The facilities, equipped with Sun Power technology and monoaxial tracker, typically came on stream in the fourth quarter of 2010 and are eligible for *Secondo Conto Energia* incentives for a period of 20 years until 2030.

The transaction's enterprise value amounts to approximately 221 million Euro, reflecting the acquired quota's equity value of 96 million Euro and the net financial position of the Target company which, on 31.12.2018, was estimated at 125 million Euro.

The transaction closing, scheduled to take place in the first quarter of 2019, is subject to agreement to the change of control in Perseo S.r.l. on the part of the lending institutions.

Luca Bettonte, ERG's Chief Executive Officer, commented: **“This acquisition allows ERG to become one of the five leading photovoltaic operators in Italy, with over 140 MW of installed power and, at the same time, to achieve the plan objectives ahead of schedule with high quality assets. The operation will enhance our balancing of installed capacity, with an almost doubled contribution to EBITDA from the photovoltaic sector, in keeping with our technological diversification strategy, optimisation of our Energy Management portfolio and capitalisation of our industrial skills.”**

ERG has been assisted in this transaction by Rothschild (Financial and M&A advisor), DLA Piper (Legal advisor), Fichtner (Technical advisor) and Deloitte (Accounting & Tax advisor). AREAM has been assisted by Jones Day offices in Milan and Dusseldorf.

This press release, issued at 4.00 p.m.(CET) on 11 January 2019, 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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