ENEL SIGNS AN AGREEMENT WITH ERG TO ACQUIRE 527 MW OF HYDRO PLANTS

- *The agreement signed envisages the acquisition by Enel Produzione S.p.A. of the entire share capital of ERG Hydro S.r.l., which owns a portfolio of hydro plants for an installed capacity of 527 MW at a consideration of 1,039 million euros, for an enterprise value of 1,000 million euros*
- *Following completion of the transaction, the Enel Group will reach approximately 13 GW of installed hydro capacity in Italy, for a total renewable capacity (including geothermal, wind and photovoltaic) of around 14.5 GW*

Rome, August 2nd, 2021 - Enel S.p.A. announces that its subsidiary Enel Produzione S.p.A. has signed with ERG Power Generation S.p.A. (a wholly owned subsidiary of ERG S.p.A.), an agreement for the acquisition of the entire share capital of ERG Hydro S.r.l., owned by ERG Power Generation S.p.A. The agreement provides for recognition of a consideration amounting to 1,039 million euros, for an enterprise value of 1,000 million euros, and a subsequent price adjustment mechanism at closing, mainly based on the changes of the net working capital and net financial position of ERG Hydro S.r.l.

Commenting on the transaction, **Salvatore Bernabei**, CEO of Enel Green Power and Head of Enel's Global Power Generation business line, said: "*By acquiring these strategic assets we are consolidating our role as a leader in the energy transition in Italy, and we are taking an important step towards the achievement of the Group's decarbonization targets.*"

The portfolio of plants owned by ERG Hydro S.r.l. consists of 19 hydro plants, 7 micro hydro plants (4 of which are currently under development), 7 large dams and 4 reservoirs located in Umbria, Lazio and Marche. The plants have an installed capacity of 527 MW and an average annual production of about 1.5 TWh. Furthermore, the scope of the transaction includes 114 staff members who are currently in charge of operating the plants.

In line with the Group's current Strategic Plan, the transaction contributes to increasing Enel's installed renewable capacity in Italy. Following completion of the transaction, the Enel Group will indeed reach approximately 13 GW of installed hydro capacity in Italy, for a total renewable capacity, including geothermal, wind and photovoltaic, of around 14.5 GW.

The transaction is expected to be completed at the beginning of 2022 and is subject to the fulfilment of certain conditions precedent in line with normal market practice for this type of transaction, including the the positive clearance from the competent Antitrust Authority and the successful completion of the golden power procedure with the Presidency of the Italian Council of Ministers.

The consideration provided for the acquisition of the entire share capital of ERG Hydro S.r.l. will be financed by cash flows from current operations and existing debt capacity.

Enel is a multinational power company and a leading integrated player in the global power and renewables markets, as well as a main gas operator in the retail market. It is the largest European utility by ordinary EBITDA, and is present in over 30 countries worldwide, producing energy with around 89 GW of installed capacity. Enel distributes electricity through a network of over 2.2 million kilometers, and with around 75 million end users is the 1st network operator globally[1]. Enel Green Power is the world's largest renewable private player, with around 50 GW of wind, solar, geothermal and hydropower plants installed in Europe, the Americas, Africa, Asia, and Oceania. Enel X, Enel's global advanced energy services business line, is the worldwide demand response leader, with a total capacity of around 7.4 GW managed globally; the company has installed 137 MW of storage capacity as well as, in the electric mobility sector, about 232,000 EV charging points[2] around the globe.

[1] Publicly owned operators not included.
[2] Public and private charging points. It includes interoperability points.