

San Quirico and IFM Investors agree to form a strategic, long-term partnership to foster ERG's leading position in the renewables space

Milan, 16 June 2022 - San Quirico ("SQ") and IFM Investors (as manager of the IFM Net Zero Infrastructure Fund ("IFM NZIF")) (together, "IFM") are pleased to announce they will form a strategic, long-term partnership in respect of ERG S.p.A. ("ERG" or "The Company"). The family office of the Garrone-Mondini family and IFM NZIF signed a landmark agreement which will see IFM NZIF and its affiliates acquire an initial 35% interest in a new holding entity to be established and that will hold, in turn, c. 62.5% of ERG.

The investment by IFM NZIF and its affiliates is in excess of EUR 1 billion and includes an option for an additional EUR 500 million of capital to support ERG's growth along the lines of the strategic targets announced by the Company in March 2022. SQ will keep controlling ERG at the consummation of such transaction and so the transaction will not result in a public offer nor the delisting of the Company.

The partnership aims to consolidate the leading position of ERG as key player in the energy transition across Europe and will allow the Company to unlock further growth potential based on the ambitious decarbonisation targets being set by governments and institutions globally. SQ and IFM are strongly aligned on the strategic targets outlined in ERG's business plan presented in March 2022 and will support ERG's CEO and its wider management team to ensure these targets are delivered.

SQ and IFM share a highly complementary vision of a sustainable future for the energy industry with a similarly long-term approach to investing. Both SQ and IFM have a strong ESG ethos and are committed to ensuring ERG plays a pivotal role in the transition to a net zero economy. The partnership draws on SQ's deep expertise in renewable energy and IFM's own substantial experience in the sector as well as broader infrastructure industry.

Edoardo Garrone, Chair of SQ and ERG, said *"We are proud to announce a long-term partnership in ERG with IFM, one of the most reputable international fund managers, that embraces our ethical principles and strategic view to create sustainable value while fighting climate change. IFM will bring a wide international footprint that reaches far beyond Europe as well as its strong long-term financial support, to allow ERG to pursue faster, broader, and more diversified growth."*

Paolo Merli, CEO of ERG, said *"I'd like to welcome IFM among our shareholders. It is a great honour to me, and to my team, that such an outstanding institution has decided to invest in ERG as a company and as a group of professionals, with the clear long-term aim of making ERG stronger and more international. I believe IFM's like-mindedness, expertise and network may represent a significant opportunity for ERG at a time when we need to set the bar even higher than ever before."*

Kyle Mangini, Global Head of Infrastructure at IFM said *"IFM is excited to partner with SQ and ERG for our first direct investment in Italy. We consider ERG an outstanding renewables operator with a pioneering approach to the energy transition and strong growth potential on a global scale. This investment reflects our strategy of investing in sustainable infrastructure assets, where the returns generated help boost the retirement savings of millions of pension fund members."*

Completion of the transaction is subject to certain regulatory approvals and is targeted for Q3 2022.

SQ was advised by Rothschild & Co as sole financial advisor and Legance – Avvocati Associati as legal advisor. IFM was advised by Goldman Sachs as sole financial advisor, M&M Capital as strategic advisor and BonelliErede as legal advisor.

About SQ

San Quirico S.p.A. is the ultimate parent company of the San Quirico Group. It was established almost 30 years ago, and it is owned by the Garrone and Mondini families. SQ is the controlling shareholder of ERG S.p.A., one of largest independent green power producers in Europe, and owns 100% of SQ Invest S.p.A. that operates in financial investment markets, and the Fondazione Edoardo Garrone, as well as other minor assets and subsidiaries. SQ is headquartered in Genoa.

About IFM Investors

IFM Investors was established more than 25 years ago with the aim to protect and grow the long-term retirement savings of working people. Owned by a group of Australian pension funds, the organisation has EUR 122 billion under management as of 31 March 2022. Because IFM Investors is owned by industry pension funds, the interests of 500 like-minded investors worldwide are prioritized by focusing on assets that combine excellent long-term risk/reward characteristics with broad economic and social benefits to the community. As a signatory to The United Nations-supported Principles for Responsible Investment, IFM Investors actively engages on ESG issues with the companies in which IFM Investors invests with the aim of enhancing their net performance while minimising investment risk. Operating globally from offices in Melbourne, Sydney, London, Berlin, Zurich, Amsterdam, New York, Hong Kong, Seoul and Tokyo, IFM Investors manages investments across infrastructure, debt, listed equities and private equity assets. For more information, visit ifminvestors.com.

About ERG

The ERG Group, with generating facilities comprising roughly 3,000 MW of installed capacity is a major independent operator in the production of electricity from renewable sources such as wind (2,198MW), solar (311MW) and a high-efficiency, low environmental impact co-generative thermoelectric power plant (480MW). ERG is the leading onshore wind power operator in Italy and one of the top ten in Europe. Management of the industrial and commercial processes of the ERG Group is entrusted to the subsidiary ERG Power Generation S.p.A., which carries out: centralised Energy Management & Sales activities for all the generation technologies in which the ERG Group operates with the aim of securing production through long-term contracts and managing the hedging of merchant positions in line with the Group's risk policies; and Operation and Maintenance activities of its Italian wind farms and solar plants and part of the plants in France and Germany, as well as the Priolo CCGT plant. On 9 February 2022 the Group reached an agreement with Enel Produzione for the sale of the gas plant. The transaction is expected to be concluded in the third quarter of 2022.

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