

Italgas: completed the acquisition of a controlling stake of EGN (European Gas Network) and 100% of two other local operators

Milan, 3 December 2018 – Italgas completes the M&A transaction announced on last June 22nd, in line with the objectives of market consolidation through targeted acquisitions as indicated in the 2018-2024 Strategic Plan.

The transaction finalized consists in the acquisition from CPL Concordia of the following shareholdings:

- a 60% controlling stake in EGN ("European Gas Network"), which holds, directly and indirectly, 37 concessions for the natural gas distribution in Sicily, Calabria and Campania for a total of approximately 60,000 users;
- 100% of Fontenergia S.r.l., the gas operator in the Area 22 of the Sardinia region, with more than 7,000 users temporarily served by LPG;
- 100% of Naturgas S.r.l., operator of the natural gas distribution service in San Giuseppe Vesuviano (NA), with approximately 2,700 users served.

The valuation of the companies (enterprise value) has been established at €100 million for 100% of EGN and €16 million for 100% of Fontenergia and Naturgas. Therefore, in proportion to the acquired share and net of indebtedness, the price paid to CPL Concordia is equal to €43.5 million for 60% of the share capital of EGN and €2.5 million for 100% of the share capital of Fontenergia S.r.l. and Naturgas S.r.l.

The agreement for the acquisition of EGN also provides for put-and-call options on CPL Concordia's remaining 40% stake in EGN, exercisable starting from the sixth month after the closing date at a pre-determined price equal to 40% of EGN's valuation, less any dividends paid and/or losses not covered by the shareholders.