

IFM Investors welcomes Spanish Government's approval of Naturgy Offer

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5 August 2021

IFM Investors ("IFM"), the Australian pension fund owned manager, has welcomed the Spanish Government's approval of the voluntary partial tender offer for up to 220 million shares or 22.689% of Naturgy's share capital. The voluntary partial tender offer is being made by an investment vehicle of the IFM Global Infrastructure Fund ("IFM GIF") and will be paid entirely in cash.

IFM Investors Chief Executive David Neal said: "We welcome the decision of the Spanish Government, and we look forward to continuing to work closely with the CNMV on the final clearance of the offer and the prospectus." And added: "We believe this is positive news for Naturgy, its stakeholders, the future of the Spanish energy market, and for millions of workers that invest through their pension funds with IFM."

According to Neal: "The conditions of the Government's authorisation follow a very constructive institutional dialogue and are aligned with our plans for Naturgy, which include a commitment to support the development of an industrial plan for the company that will help make Naturgy a key player in the energy transition." And concluded: "We see Naturgy as a company whose strategic direction and position as a global, diversified company is firmly aligned with our core investment principles and objectives."

IFM Investors was established more than 25 years ago by a group of Australian pension funds, and was founded to protect and grow the retirement savings of working people. Owned by Australian pension funds, IFM manages money on behalf of pension funds and other like-minded institutional investors and their underlying beneficiaries worldwide. IFM is strongly committed to environmental sustainability, demonstrated by our commitment to reduce carbon emissions across our asset classes, targeting net zero by 2050.

Voluntary Partial Tender Offer

The Voluntary Partial Tender Offer ("the Offer") was announced on 26 January 2021 at an Offer price that represented a premium of approximately:

- 19.7% on the trading price of the Naturgy shares at the closing of the trading session immediately prior to the date of publication of the Offer announcement (EUR 19.22);
- 22.7% on the volume weighted average trading price of Naturgy's shares during the three-month term immediately prior to the date of publication of the Offer announcement (EUR 18.74); and
- 28.7% on the volume weighted average price of the Naturgy shares during the 6 months period prior to the date of publication of the Offer announcement (EUR 17.84).

IFM believes the Offer price represents a very attractive value proposition for Naturgy shareholders, particularly given that the share price performance of Naturgy's closest peers has been negative since the announcement of the Offer in January 2021, as reflected in the Eurostoxx Utilities performance, which has

dropped by four per cent. During this time, Naturgy has not suffered from the general underperformance of the sector, with Naturgy's share price being positively affected by the Offer and trading at levels close to the Offer price.

The next step in the process is the authorisation of the offer and the prospectus by the CNMV. IFM looks forward to continuing its engagement with CNMV and supporting that process.

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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 €108bn under management as of 30 June 2021. Because IFM is owned by industry pension funds, we prioritise the interests of more than 500 like-minded investors worldwide 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 actively engages on ESG issues with the companies in which it 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 manages investments across infrastructure, debt, listed equities and private equity assets. For more information, visit www.ifminvestors.com