

## **NATURGY ENERGY GROUP, S.A.**

NATURGY ENERGY GROUP, S.A. in compliance with the provisions of article 227 of the Securities Market Act, approved by Royal Legislative Decree 4/2015, of 23 October, hereby notifies the National Securities Market Commission of the following

### **DISCLOSURE OF OTHER RELEVANT INFORMATION**

#### **Naturgy launches Gemini project, which will create two major listed groups, to drive its transformation and leadership in the energy transition**

- The Board, at the proposal of the Management Committee, unanimously approved the Gemini Project to boost Naturgy's role in the energy transition and thus accelerate its Strategic Plan.
- Gemini will consist of the creation of two large energy groups, listed and with clearly differentiated business profiles. Both groups will have the same shareholding structure as today, with each of them ranking among the top twenty IBEX companies in terms of capitalisation.
- One company will bring together all the liberalised businesses with a focus on energy transition, and will include conventional generation, the development of renewable energies, the commercialisation of energy and associated services, the management of energy markets, and the development of new businesses, with a special focus on improving customer service.
- The other company will bring together all the businesses dedicated to the management of regulated energy distribution and transmission infrastructures, a fundamental pillar to ensure the correct development of the energy transition.
- The Board of Directors also approved today the convening of the Ordinary General Shareholders' Meeting on 15 March, as well as the adaptation of its composition to the new shareholder structure.

The Board of Directors of Naturgy, at the proposal of the Management Committee, unanimously decided last week to give the green light to launch the Gemini project, which consists of a profound reorganisation of the company and represents a new step in its transformation process. The project aims to respond to the important changes that are taking place in the energy sector and that will mark its future.

Géminis entails the split of Naturgy's current businesses into two large listed groups that will maintain the current shareholder composition and would be among the top twenty companies on the Ibex by market capitalisation. The two clearly differentiated business profiles will allow, among other things, to simplify and focus the management of each of these groups to accelerate the Strategic Plan, boosting growth and their contribution to the energy transition, adapting them to the reality of the sector.

## **Two energy national champions**

One of the two groups will manage in an integrated manner the liberalised businesses comprising: the development of renewable energies, the portfolio of energy customers and associated services, the conventional generation park that ensures energy supply, and the management of wholesale energy markets. With targets for 2025 of more than 25 GW of installed electricity generation capacity (14 GW in renewable generation and 11 GW in conventional generation), 11 million customers, and a diversified portfolio of 290TWh of gas procurements, this company will be a sector benchmark and will play a key role in shaping the industry.

The other group will bring together all businesses dedicated to the management of regulated energy distribution and transmission infrastructures. With a unique asset base of more than 155,000km of electricity networks and 135.000 km of gas networks and 16 million connection points, present in 6 countries, this company is set to play a key role in ensuring the development of the energy transition.

The Board of Directors has particularly valued the alignment of the Gemini project with the Strategic Plan and the new opportunities that are opening up for each of the two groups, especially the greater capacity for growth. The current moment for launching this project was also considered particularly suitable, taking into account the depth and scope of the changes in the sector, as well as the consolidation of the transformation process carried out to date by Naturgy, which allows this new and important step to be taken.

As for the timetable, the company expects to complete the analysis in a few months and thus be able to execute Gemini during the 2022 financial year, after submitting it for final approval by the General Shareholders' Meeting.

## **Changes in the Board of directors**

The Board of Directors has today approved the convening of the Ordinary General Meeting of Shareholders, as well as the adaptation of the composition of its governing bodies.

The Ordinary General Meeting will be held on 15 March at the company's headquarters. The agenda will include the approval of the accounts for the financial year 2021 and the management of the Board of Directors, the ratification of the co-opted directors and the final dividend for the financial year 2021.

The Board of Directors also decided to adapt its governing bodies to the new shareholder structure, respecting the legitimate right to proportional representation. Thus, following the resignation of two independent directors, the total number of directors remains at 12 members with the following distribution: Criteria, first shareholder of Naturgy with a 27%, which increases from two to three Board members, appoints D. Ramón Adell Ramón as a co-opted new proprietary director. Mr. Jaime Siles Fernández-Palacios is also co-opted as new proprietary director of IFM Global InfraCo, with a 12%. CVC and GIP, with a 21%, will maintain 2 Board members each.

The reorganisation of the Board's Committees was also agreed upon, as well as the appointment of Mrs. Helena Herrero Starkie as lead independent director. In addition, all committees will continue to be chaired by independent directors, and their size will be reduced in order to streamline their functioning.

The composition of the committees will now be as follows:

**Audit and control Committee**

Chairman:     Claudi Santiago Ponsa  
Members:     Pedro Sáinz de Baranda Riva  
                  Helena Herrero Starkie  
                  Ramón Adell Ramón  
                  Theatre Directorship Services Beta Sarl (represented by Jose Antonio Torre de  
                  Silva López de Letona)

**Remuneration, appointment and corporate governance Committee**

Chairman:     Pedro Sáinz de Baranda  
Members:     Claudi Santiago Ponsa  
                  Enrique Alcántara García-Irazoqui  
                  Rajaram Rao  
                  Rioja Sarl (represented by Javier de Jaime Guijarro)

**Sustainability Committee**

Chairman:     Helena Herrero Starkie  
Members:     Lucy Chadwick  
                  Isabel Estapé Tous  
                  Jaime Siles Fernández Palacios

**Madrid, 10 February 2022**

*Ramón Adell*

Abogado - Doctor en Ciencias Económicas y Empresariales  
Catedrático de Economía de la Empresa  
Académico Correspondiente de la Real Academia de Ciencias Económicas y Financieras

Barcelona, 8 de febrero de 2022

**NATURGY ENERGY GROUP, S.A.**

Avda. de América, 38  
28028 MADRID

A la atención de :

**D. Francisco Reynés Massanet, Presidente del Consejo de Administración**  
**D. Manuel García Cobaleda, Secretario del Consejo de Administración**

Estimado Presidente,

Es conocido que el porcentaje de "free float" de NATURGY se ha reducido en los últimos meses de manera sustancial, pasando de aproximadamente un 35% a un 20%. Por tanto, es en mi opinión obligado que la compañía, que siempre se ha guiado por el principio de representación proporcional, tome razón de esta circunstancia y adapte en consecuencia la composición del Consejo de Administración.

En un contexto donde los accionistas principales suman un 80% y el "free float" el 20% restante, parece razonable que el porcentaje de consejeros independientes se reduzca correlativamente desde el casi 42% actual hasta una cifra más cercana a dicho 20%. Para ello, es necesario que al menos dos consejeros independientes renuncien a sus posiciones.

Teniendo presente que el Consejo va a convocar la Junta de Accionistas en breve y que sólo restan unos meses para que se cumpla el plazo máximo de 12 años previsto en el artículo 529.12.4 de la Ley de Sociedades de Capital durante el cual puedo mantener mi condición de consejero independiente, es natural que yo sea uno de los consejeros independientes que presente su renuncia, lo que formalizo mediante la presente carta en la que, además, y en cumplimiento de la Recomendación 24 del Código de Buen Gobierno, te expongo las consideraciones que me llevan a renunciar a mi condición de miembro del Consejo de Administración con efectos del día 10 de febrero.

Recibe un fuerte abrazo.



Ramón Adell

Francisco Reynés  
Presidente del Consejo de administración  
Naturgy Energy Group S.A.  
c/c al Secretario del Consejo

8 de febrero de 2022

Querido Presidente,

Durante todo el pasado año se ha desarrollado un proceso de oferta sobre la compañía que ha determinado una reducción sustancial del free float de la compañía. Y recientemente el nuevo accionista ha solicitado formalmente su incorporación al Consejo de administración, hecho que se añade a la petición que se formuló hace un tiempo por Criteria para incrementar a tres sus consejeros dominicales como consecuencia de su aumento de participación.

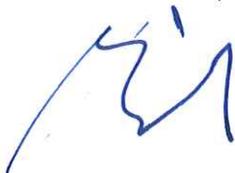
Nuestra compañía siempre ha sido respetuosa con el principio de representación proporcional que es además un derecho reconocido por la ley. Es por ello que todos los consejeros -y especialmente los consejeros independientes- debemos ser sensibles a ese derecho de todo accionista.

Igualmente considero que, siendo Presidente de la Comisión de Auditoría y control y habiéndolo sido también de la Comisión de Nombramientos y retribuciones en los años anteriores, es mi responsabilidad tomar la iniciativa para facilitar que el Consejo de administración pueda atender las peticiones recibidas que están amparadas por derechos legítimos.

Es por ello que, conforme a la Recomendación 24 del Código de Buen Gobierno de las Sociedades Cotizadas, te expongo de forma razonada mi intención de renunciar a mi condición de miembro del Consejo de Administración para el caso de que el próximo 10 de febrero el Consejo de administración considere aceptable la solicitud recibida del nuevo accionista, lo que pongo en tu conocimiento a los efectos oportunos.

He formado parte del Consejo de administración de Naturgy durante muchos años; para mi ha sido una magnífica experiencia y sabes que cuentas con mi amistad y mi afecto, igual que hasta ahora.

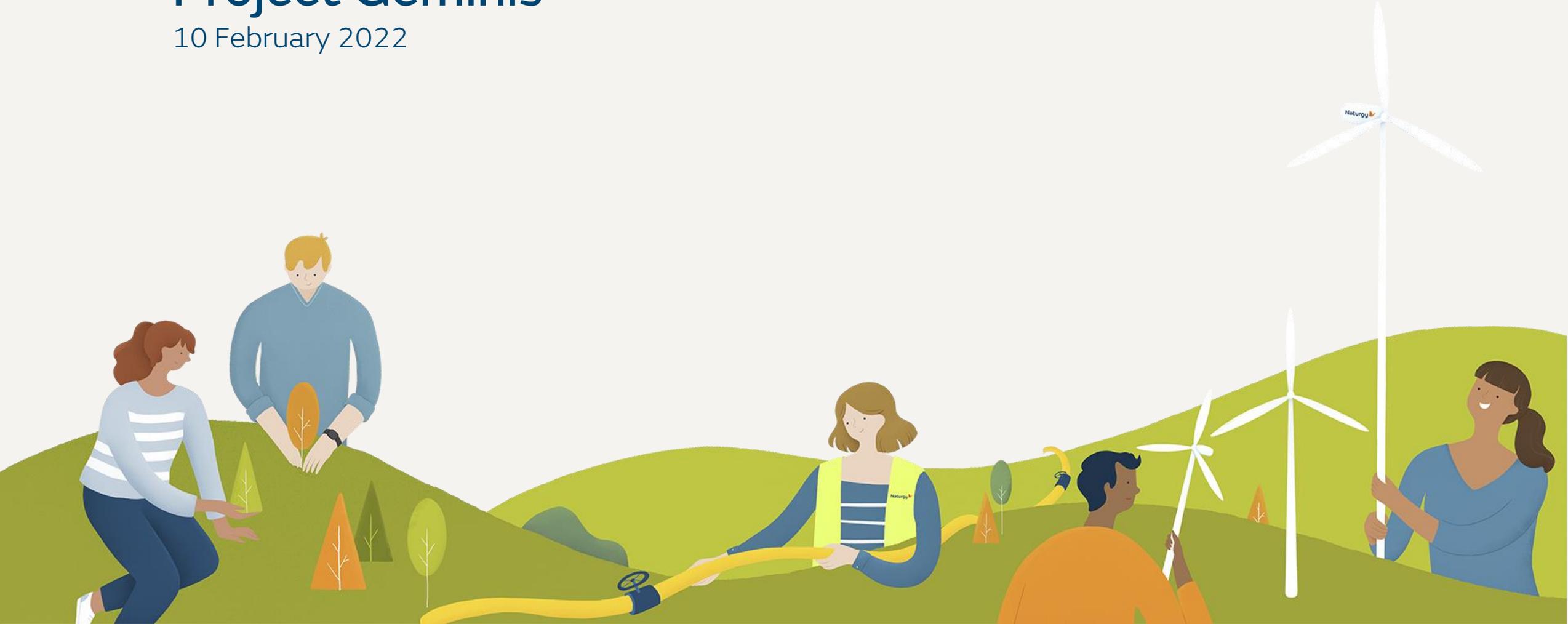
Recibe un fuerte abrazo,



Francisco Belil Creixell

# Project Geminis

10 February 2022



# Geminis: a new phase in the Company's transformation (i/ii)

## Simplicity

### > Demerger into two leading energy groups (Liberalized businesses and Networks businesses)

- More focused, attractive and sustainable equity stories
- Enhanced value creation potential in each company, facilitating growth opportunities, and increasing optionality
- Both companies will be listed with the same shareholder base

### > Pragmatic and efficient process

- Leaves room for further optimizations
- Limited execution risk and tax neutral for company and shareholders
- Company has now entered a detailed analysis phase which should be completed quickly with a view of executing the Project within 2022



- > 14GW renewable installed capacity by 2025
- > 11GW thermal generation capacity
- > 11m clients
- > 290TWh gas procurement contracts



- > 155k km electricity network
- > 135k km gas network
- > 16m connection points

**Profound sector changes call to move more decisively in Naturgy's transformation process started in 2018**

## Geminis: a new phase in the Company's transformation (ii/ii)

### Rationale

#### › Boosts the implementation of Naturgy's current Strategic Plan

- Adapting to the acceleration of industry trends and the energy transition plans in the past few months
- Intensifies unbundling efforts, increasing transparency and accountability
- Focused and scalable groups vs. traditional multi focused integrated utilities

#### › Increases growth potential

- Higher flexibility in MarketsCo to explore new projects
- Lower required cost of capital in NetworksCo
- Allows for broader M&A opportunities with a clearer strategic fit

#### › Optimizes leverage and dividends

- Improves debt allocation and cost
- Increases dividend sustainability
- Eliminates cross-subsidies

#### › Reinforces ESG credentials

- Differentiated paths to meet stringent ESG goals
- Increases transparency and accountability

#### › Motivates and empowers teams

- Revalues professional skills as a result of greater focus
- Enhances career development
- Improves clarity over value-creation path

*Dynamizes the future of both Groups, enhancing their attractiveness for employees, shareholders and regulators*

## Strong and attractive equity stories

### MarketsCo

- Renewables and New Businesses, Energy Management, Supply (liberalized)
- Focused on capturing energy transition opportunities
  - Renewables
  - New Businesses focused on innovation (renewable gases, hydrogen, distributed generation...)
  - Digitization as a driver for customer satisfaction and competitiveness
- Integrated approach leveraging presence in attractive geographies (Europe, Australia, US) with thermal generation providing back-up services
- Proactive management of gas procurement contracts to secure competitive advantages providing a higher risk/reward profile
- Investment grade target and flexibility for growth

### NetworksCo

- Regulated Gas & Power distribution networks
- Unique asset base serving as the backbone of energy transition efforts (electricity, renewable gases)
- Focused on best-in-class operations with proactive regulatory management
- Lower cost of capital increases growth optionality
- High and resilient cash flow generation allowing for a stable dividend policy
- Optimized balance sheet maintaining an investment grade and core investment plan

Two leading Energy Groups with compelling equity stories

## A win-win proposition

### Investors

- › Highlights Group value as a sum of two clearly differentiated parts, derisking both equity and debt
- › Enhances shareholder liquidity by broadening the potential investor base as separate listed entities
- › Increases optionalities for the companies and investors
- › Steps up long-term value creation potential for both groups
- › Execution plan designed to achieve tax neutrality for both the company and its shareholders

### Stakeholders

- › Reorganization creates two Spanish leading Energy Groups with a clear focus on customers and security of supply
- › Accelerates energy transition and better aligns the Groups with European energy plans
- › Increases focus on client service and satisfaction
- › Intensifies unbundling efforts, increasing transparency and accountability
- › Allows for a better allocation of risk perception
- › Opens increased opportunities for current Naturgy's employees and service providers

**Management proposal addresses the interests of the Company and its stakeholders**

## Disclaimer

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This document includes certain alternative performance measures (“APMs”), as defined in the Guidelines on Alternative Performance Measures issued by the European Securities and Markets Authority in October 2015. For further information about this matter please refer to this presentation and to the corporate website ([www.naturgy.com](http://www.naturgy.com)).

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CAPITAL MARKETS

Tel. 34 912 107 815

e-mail: [capitalmarkets@naturgy.com](mailto:capitalmarkets@naturgy.com)

website: [www.naturgy.com](http://www.naturgy.com)