

Important Update

Iberdrola's \$0.89 offer for your Infigen securities now unconditional Accept now for accelerated payment of 5 business days

Dear Infigen Securityholder

We are pleased to provide you with this important update on the Offer from Iberdrola Renewables Australia Pty Limited (**Iberdrola Australia**), which is a wholly-owned subsidiary of Iberdrola, S.A., to acquire all of your stapled securities in Infigen at an Offer Price of A\$0.89 cash per Infigen Stapled Security.

The Offer has now been declared unconditional and delivers a compelling opportunity for Infigen Securityholders to realise immediate liquidity and certainty of value. The Offer Price represents attractive value relative to the levels at which Infigen Stapled Securities were trading prior to the UAC Energy Takeover Announcement on 3 June 2020 and the improved UAC Energy offer on 2 July 2020.

The Offer Price of \$0.89 represents a significant premium of:

- 50.8% to the undisturbed closing price of Infigen Stapled Securities on 2 June 2020;
- 60.9% to the 30-day VWAP of Infigen Stapled Securities up to and including 2 June 2020;^{1,2}
- 53.9% to the 90-day VWAP of Infigen Stapled Securities up to and including 2 June 2020;^{1,3} and
- 52.3% to the 12-month VWAP of Infigen Stapled Securities up to and including 2 June 2020.^{1,4}

In addition, Iberdrola Australia's Offer:

- is unconditional;
- has more favourable payment terms, T+5, comparing to T+10 in respect to the UAC Energy offer; and
- is unanimously recommended by Infigen's Directors, in the absence of a superior proposal.

The Offer represents a superior proposal to UAC Energy's unsolicited takeover bid as it represents a premium of 3.5% to UAC Energy's offer price⁵, it is unconditional, has been agreed in a friendly and collaborative manner with Infigen's Board and is supported by a Pre-Bid Purchase Agreement entered into with Infigen's largest shareholders, The Children's Investment Master Fund and Cliff Capital UK LP (**TCI Funds**) under which Iberdrola Australia has agreed to purchase 194,139,613 Infigen Stapled Securities (representing 20%) from the TCI Funds, subject to certain conditions.

The Infigen Directors have unanimously recommended that Infigen Securityholders accept the Offer, in the absence of a superior proposal. Furthermore, the Infigen Directors intend to accept **the Offer with respect to their Infigen Stapled Securities, in the absence of a superior proposal.**

¹ VWAP is calculated based on market value traded on ASX divided by market volume traded on ASX.

² VWAP of A\$0.553 calculated from 22 April 2020 to 2 June 2020 (inclusive).

³ VWAP of A\$0.578 calculated from 24 January 2020 to 2 June 2020 (inclusive).

⁴ VWAP of A\$0.584 calculated from 3 June 2019 to 2 June 2020 (inclusive).

⁵ As at 15 July 2020.

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Ignore UAC's misleading, incorrect and outdated statements

We understand UAC Energy Holdings Pty Ltd (**UAC**) sent a letter to all Infigen Securityholders, dated 29 June 2020 (**UAC Letter**), enclosing a copy of UAC's second supplementary bidder's statement, dated 29 June 2020 (**UAC Second Supplementary Bidder's Statement**), which included statements in relation to Iberdrola's offer that were misleading, incorrect and outdated at the time of dispatch.

In particular, **UAC's Second Supplementary Bidder's Statement included the following statements**, which by 9:43am on 29 June 2020 were **outdated, misleading and incorrect**:

Page (Section)	UAC incorrect statement	The Facts
page 1 (1 Key reasons why you should accept the Improved UAC Offer)	<i>"The Improved UAC Offer is clearly superior to the Iberdrola Offer..."</i>	Infigen's Board unanimously recommends security holders ACCEPT Iberdrola's HIGHER offer for your securities, in the absence of a superior proposal, and intend to ACCEPT Iberdrola's offer in respect of Infigen securities they own or control, in the absence of a superior proposal.
page 2 (2.1 Response to Infigen's target's statement)	The Improved UAC offer is at the same price as the Iberdrola Offer - A\$0.86 per Stapled Security;	Iberdrola's offer of \$0.89 per Infigen stapled security is HIGHER than the UAC Offer price a fact which was public knowledge at the time the UAC Letter was sent to you
page 2 (2.1 Response to Infigen's target's statement)	UAC's unconditional cash offer constitutes a superior proposal to Infigen Energy securityholders. It is at the same price as the Iberdrola Offer...	Infigen's Board unanimously recommends you accept Iberdrola's offer, in the absence of a superior proposal, for your securities which is HIGHER than UAC's offer

You should ignore the UAC letter and UAC Supplementary Bidder's Statement and check our offer website at www.iberdrola.com/infigen-offer for the latest information about the Iberdrola offer before acting on any information sent to you by UAC.

We encourage you to ACCEPT Iberdrola's unconditional offer of \$0.89 per Infigen stapled security. Payment will be sent to you within 5 Business Days.

Yours sincerely



César Calvo Hernáez
Director
Iberdrola Renewables Australia Pty Limited



Fernando Santamaría Mosquera
Director
Iberdrola Renewables Australia Pty Limited

About Iberdrola

Iberdrola, S.A. is a listed Spanish corporation (*sociedad anónima*) with a market capitalisation of €64.73 billion⁶ (A\$105.4 billion)⁷ which was incorporated in the Kingdom of Spain in 1901 and is the parent company of one of the world's currently leading private electricity groups in terms of market capitalisation, the number of customers it serves, and the number one producer of wind power.

Iberdrola Group primarily carries out activities in the electricity industry in the Kingdom of Spain, and has a significant presence in the United Kingdom, the United States of America, Mexico and Brazil (amongst others).

As at 31 March 2020, Iberdrola Group had global net assets of €47.170 billion (A\$77.135 billion)⁵ and for the year ending 31 March 2020 had revenue of €9.426 billion (A\$15.414 billion)⁵ and net profit of €1.257 billion (A\$2.056 billion)⁵.

Iberdrola Group already has a presence in the Australian renewables market through its Port Augusta REP hybrid wind-solar project. This presence, along with extensive discussions with the Infigen Board and management over many months has allowed Iberdrola Group to gain a good understanding of both the opportunities but also the challenges ahead for Infigen as the Australian renewables market continues to develop. That understanding provides the basis for the attractive premium Iberdrola Australia is offering to Infigen Securityholders.

Further information

Detailed information in respect of the Offer is set out in the Bidder's Statement. Iberdrola Australia encourages Infigen securityholders to read the entirety of the Bidder's Statement, as supplemented by the First, Second and Third Supplementary Bidder's Statements carefully and then accept the Offer as soon as possible.

To accept Iberdrola's superior Offer as recommended by the Infigen Board, Infigen securityholders should follow the instructions detailed on the Acceptance Form and in Iberdrola's Bidder's Statement.

Investor enquiries

If Infigen Securityholders have any questions, please contact the Iberdrola Australia Offer Information Line on 1800 830 977 (for callers within Australia) or +61 1800 830 977 (for callers outside Australia), or consult your financial, legal, taxation or other professional adviser. The Iberdrola Australia Offer Information Line will be open between 9:00 am and 5:00 pm (Sydney time) during the Offer Period. The offer is currently scheduled to close at 7.00pm (Sydney time) on 30 July 2020.

Investors may also visit www.iberdrola.com/infigen-offer for further information.

Media enquiries

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⁶ Market capitalisation data collected from Bloomberg on 23 June 2020.

⁷ Conversion based on an AUD/EUR exchange rate of 1.6353, being the last close price from Bloomberg on 19 June 2020.