

NATURGY ENERGY GROUP, S.A.

NATURGY ENERGY GROUP, S.A. (the “Company” or “Naturgy”) in compliance with the provisions of Article 17 of Regulation (EU) 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse and Article 226 of the Securities Market Act, approved by Royal Legislative Decree 4/2015, of 23 October hereby notifies the following

PRIVILEGED INFORMATION

Naturgy, ENI and The Arab Republic of Egypt have reached a new agreement to amicably resolve the disputes affecting Union Fenosa Gas (UFG), the 50%/50% partnership between Naturgy and ENI. The parties have signed the relevant agreements and intend to execute the transaction during the first months of 2021, once customary conditions precedent are met, including the restart of operations in Damietta planned in the first quarter of 2021.

The new agreement, approved by the Egyptian Council of ministers, is aligned with the former agreement reached in February 2020 (terminated in April due to certain conditions precedent not being met) and values UFG (100%) at a total consideration of up to US\$1.5bn, depending on the energy scenario, of which US\$1.2bn relate to its Egyptian assets (including the outstanding legal proceedings), and the remaining US\$0.3bn for the assets outside of Egypt.

Naturgy will receive a series of cash payments adding up to approximately US\$0.6bn, as well as most of the assets outside of Egypt, excluding UFG’s commercial activities in Spain.

The completion of the transaction will result in Naturgy’s departure from Egypt and the end of its joint-venture with ENI. It will also release Naturgy from its c.3.5bcm annual gas procurement contract to supply its CCGTs in Spain which was due to end in 2029. This is an important step to reduce the company’s exposure to gas procurement contracts, and solves a complex situation which had lingered since 2012, consuming significant time and resources.

With this agreement Naturgy demonstrates its ability to simplify and derisk its business positioning, with a view to allocate its capital and resources to those businesses which maximise long term value creation for its stakeholders.

Madrid, December 01, 2020