



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

NATURGY ENERGY GROUP, S.A. (formerly called GAS NATURAL SDG, S.A.), in compliance with the provisions of article 228 of the consolidated text of Act 24/1988, of 28 July, on the Securities Market, and as a complement to the regulatory information nr. 267283 of June 28th 2018 relating to the Strategic plan of the Company, hereby notifies the National Securities Market Commission of the following

### **REGULATORY INFORMATION**

#### **Presentation of the Strategic plan**

In the 2018-2022 Strategic plan that was made public on June 28th, within the Simplicity and accountability section (page 16), it was informed that such plan would entail an impairment of certain assets in an approximate amount of 4.900 M€. The new plan supposes a new organizational model and new macro and market assumptions, that according to NIC 36, require an asset valuation review of certain assets which could be subject to potential impairments, ahead of the ordinary review at year-end.

Taking advantage of the limited review on the first half results as at June 30th 2018 to be conducted by external auditor, the company has decided to account for the impairment within this period, and has also considered necessary to report to the market such impairment and its approximate amount, with a spirit of greater transparency.

The total estimated impairment amounts to approximately 4.900 M€, of which 3.700 M€ would correspond to conventional generation assets in Spain, according to page 16 of the released strategic plan, whereas the rest refers primarily to assets outside of Spain. The main reasons relate to, on the one hand, a new organizational and managerial model in the context of the new strategic plan 2018-2022, which entails the creation of new cash generation units differing from the existing ones. On the other hand, the reassessment of cash flows based on the new hypothesis of the aforementioned plan which, among others, were reflected on pages 56 and 57 of the plan.



The detailed origins, reasons and precise amounts verified by the external auditor will be published on a specific note as part of the first half accounts to be published on July 25th

Madrid, July 18th, 2018