

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 as a follow up to the Regulatory information issued on October 15th 2019 (n. 282577) the National Securities Market Commission of the following

DISCLOSURE OF OTHER RELEVANT INFORMATION

On 15 October, Naturgy reached an agreement to acquire a 34.05% stake in Medgaz from CEPSA Holding LLC, a wholly owned subsidiary of Mubadala for €445m, through a special purpose vehicle (SPV) which will be funded with a c. €260m non-recourse loan to optimize its capital structure.

At the time, it was mentioned that the SPV could be opened to a financial partner, and in that regard Naturgy has signed an agreement with BlackRock's Global Energy & Power Infrastructure Fund (GEPIF) in which, at Naturgy's option, GEPIF would acquire a 50% stake in the SPV at the same price at which the Medgaz stake was purchased from Mubadala. The option can be exercised upon the closing of the transaction with Mubadala, once it has received the authorization from the relevant authorities, expected within the next few weeks.

Should the option be exercised, Naturgy and GEPIF will co-control the SPV which owns a 49% stake in Medgaz (after the acquisition of the 34.05% stake of Mubadala and the contribution of Naturgy's 14.95% participation at the same price) and the overall transaction will require no cash to be contributed by Naturgy.

This transaction is consistent with Naturgy's 2018-2022 Strategic Plan, focusing on value-accretive investments, with stable and predictable cash flows as evidenced by the fact that 100% of the pipeline capacity is already contracted via send or pay agreements in EUR until 2031, with solid and reliable counterparties.

Madrid, March 5, 2020