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Takeover Proposal from UAC Energy: Infigen Energy Board recommends investors take no action

Infigen Energy Limited and Infigen Energy Trust (ASX: IFN) (together, 'Infigen' or the 'Company') notes the announcement by UAC Energy Holdings Pty Ltd ('UAC') under which UAC proposes to make a takeover bid for Infigen stapled securities at \$0.80 per stapled security (the 'Proposal').

Infigen's boards of directors ('Infigen Board') have conducted preliminary analysis of the Proposal – although we have not, as yet, received the bidder statement. While Infigen's detailed consideration and response to the Proposal will be set out in its target's statement, at this stage Infigen notes the following:

1. The timing of the Proposal is opportunistic, considering recent falls in Infigen's stapled security price and Australian energy prices since the global onset of COVID-19.
2. Infigen is a relatively unique business in the Australian renewable energy sector:
 - a. It is strategically positioned for long-term success in the renewable energy market. Since 2016, Infigen has transitioned its business from being an owner, operator and developer of wind farms to operating an integrated energy business that is able to 'firm' its renewable energy and sell energy directly to end users. Infigen is well placed to manage the risks and capture the opportunities that the transitioning Australian energy market presents and has been therefore described by industry analysts as the 'utility of the future'.
 - b. The renewable energy sector is positioned for long-term growth, given Australia's current reliance on coal-fired generation, the ageing profile of existing coal-fired power stations and the relatively favourable costs and risks of new generation from renewables compared to thermal alternatives. Infigen is well positioned to participate in this long-term growth.
 - c. It has the largest 'free float' of any ASX-listed renewable energy-focused company and is one of relatively few ways for public market investors to obtain exposure to the sector.
3. It is not clear that the Proposal is fully funded. The Proposal includes conditions relating to Infigen disclosing any change of control consequences in its debt facilities, which may indicate that UAC does not have sufficient funding in place to refinance Infigen's debt, should this be required.

4. The Proposal is highly conditional. It includes the following conditions:

- a. **FIRB Approval:** the Proposal is conditional on approval from the Australian Government as required under the Foreign Acquisitions and Takeovers Act. This condition cannot be waived by UAC. The Australian Government announced on 29 March 2020 temporary changes to foreign investment review board ('FIRB') approval processes. These changes include that FIRB will be working with applicants to extend timeframes for considering FIRB applications from 30 days to up to six months. Accordingly, there is a risk of an extended timeframe for the FIRB and Government considering the application from UAC which would result in the Proposal remaining conditional for at least that extended time frame;
- b. **Conduct of Business Conditions:** the Proposal is subject to other conditions which have no regard to how Infigen's business is conducted on a day-to-day basis, and may therefore be breached through Infigen conducting its normal business activities; and
- c. **Material Adverse Change Condition:** the Proposal is also subject to a 'material adverse change' condition which could be triggered if any event or circumstance, including those outside the control of Infigen, occurs which could adversely impact Infigen's net profit in any single year by as little as \$4 million.

5. It also includes, the following highly prescriptive conditions:

- a. **Change of Control and Disclosure Conditions:** the Proposal contains a number of change of control and disclosure conditions which under Infigen's existing contractual obligations will not be able to be satisfied without waivers or releases from the counterparties to those contracts. There is no certainty that any waivers or releases from Infigen's counterparties to these contractual relationships will be forthcoming. It may also not be in the interests of Infigen to disclose publicly provisions of its contracts with third parties. Therefore, these conditions may never be capable of being satisfied.

Potential Implications of the Conditions

The Infigen Board reiterates that it is considering its response to the Proposal. At this stage, Infigen's directors recommend that security holders **TAKE NO ACTION** in respect of the Proposal or any document received from UAC in relation to the Proposal until the Infigen Board makes a formal recommendation.

Ends

This release was authorised by the Chairman of the Board, Len Gill.

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About Infigen

Infigen is leading Australia to a clean future, today. Our strategy is to provide Australian businesses with firm supplies of reliable and competitively priced clean energy.

We generate renewable energy from our fleet of owned wind farms. We also source renewable energy from our portfolio of contracted assets. We manage intermittency risk with our fast start assets, enabling us to provide our customers with firm prices and firm volumes for renewable energy.

For more information, please visit: www.infigenenergy.com