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10 August 2020

By electronic lodgement

Company Announcements
ASX Limited
Exchange Centre
20 Bridge Street
Sydney NSW 2000

Dear Sir/Madam

Takeover bid by Iberdrola Renewables Australia Pty Limited for Infigen Energy Limited and Infigen Energy Trust (ASX: IFN): Fourth Supplementary Target's Statement

We act for Infigen Energy Limited ACN 105 051 616 (**IEL**) and Infigen Energy RE Limited ACN 113 813 997 (**IERL**) as responsible entity of the Infigen Energy Trust ARSN 116 244 118 (**IET**) (ASX:IFN) (together, **Infigen**) in relation to the off-market takeover bid by Iberdrola Renewables Australia Pty Limited ACN 628 620 815 (**Iberdrola**) under Chapter 6 of the *Corporations Act 2001* (Cth) (**Corporations Act**) for all the stapled securities in IEL and IET.

We attach for release by the Australian Securities Exchange, in accordance with subsection 647(3)(b) of the Corporations Act, a copy of Infigen's fourth supplementary target's statement dated 10 August 2020 (**Fourth Supplementary Target's Statement**).

A copy of the Fourth Supplementary Target's Statement has been served on Iberdrola and lodged with the Australian Securities and Investments Commission. Infigen will send the Fourth Supplementary Target's Statement to each holder of IEL and IET stapled securities on the register at 10.00am (Sydney time) on Monday, 10 August 2020 (except for Iberdrola).

This release has been authorised by the board of directors of IEL and the board of directors of IERL as responsible entity for IET.

Yours faithfully
Gilbert + Tobin

A handwritten signature in blue ink, appearing to read 'John Williamson-Noble'.

John Williamson-Noble
Partner
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A handwritten signature in blue ink, appearing to read 'Tim Gordon'.

Tim Gordon
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Fourth Supplementary Target's Statement relating to the Iberdrola Offer

Infigen Energy Limited (ABN 39 105 051 616) (**IEL**) and Infigen Energy RE Limited (ABN 61 113 813 997) (**IERL**) in its capacity as responsible entity for the Infigen Energy Trust (ARSN 116 244 118) (**IET**).

THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt about what to do, you should contact your broker or your legal, financial or other professional adviser as soon as possible.

This Fourth Supplementary Target's Statement has been issued in response to the off-market takeover bid made by Iberdrola Renewables Australia Pty Limited (ACN 628 620 815) (**Iberdrola Australia**) to purchase all of the Infigen Stapled Securities.

THE INFIGEN DIRECTORS **UNANIMOUSLY RECOMMEND** THAT YOU

ACCEPT

THE OFFER FROM Iberdrola Australia, in the absence of a Superior Proposal

Infigen Security Holders can call the **Infigen Security Holder Information Line** on **1300 540 303** (for calls made from within Australia) or **+61 2 8022 7955** (for calls made from outside Australia) on Monday to Friday between 9:00 am and 5:00 pm (Sydney, Australia time) if they require assistance.

Financial Advisers



LAZARD

Legal Adviser



Fourth Supplementary Target's Statement relating to the Iberdrola Offer

The Infigen Directors unanimously recommend that Infigen Security Holders **ACCEPT** the Iberdrola Offer, in the absence of a Superior Proposal.

1. Important information

This document is a supplementary target's statement under section 644 of the *Corporations Act 2001* (Cth). It is the fourth supplementary target's statement (**Fourth Supplementary Target's Statement**) issued by Infigen Energy Limited (ABN 39 105 051 616) and Infigen Energy RE Limited (ABN 61 113 813 997) in its capacity as responsible entity for the Infigen Energy Trust (ARSN 116 244 118) in relation to the off-market takeover bid by Iberdrola Renewables Australia Pty Limited (ACN 628 620 815) for all the Infigen Stapled Securities on the terms set out in its bidder's statement dated 24 June 2020 (**Iberdrola Bidder's Statement**), as supplemented by Iberdrola Australia's first supplementary bidder's statement dated 30 June 2020, Iberdrola Australia's second supplementary bidder's statement dated 7 July 2020, Iberdrola Australia's third supplementary bidder's statement dated 16 July 2020, Iberdrola Australia's fourth supplementary bidder's statement dated 20 July 2020, Iberdrola Australia's fifth supplementary bidder's statement dated 22 July 2020 and Iberdrola Australia's sixth supplementary bidder's statement dated 24 July 2020 (**Iberdrola Sixth Supplementary Bidder's Statement**).

This Fourth Supplementary Target's Statement supplements, and should be read together with, Infigen's target's statement relating to the Iberdrola Offer dated and lodged with ASIC on 3 July 2020 (**Original Target's Statement**), Infigen's first supplementary target's statement relating to the Iberdrola Offer dated and lodged with ASIC on 7 July 2020 (**Iberdrola First Supplementary Target's Statement**), Infigen's second supplementary target's statement relating to the Iberdrola Offer dated and lodged with ASIC on 17 July 2020 (**Iberdrola Second Supplementary Target's Statement**) and Infigen's third supplementary target's statement relating to the Iberdrola Offer dated and lodged with ASIC on 27 July 2020 (**Iberdrola Third Supplementary Target's Statement**). Unless the context otherwise requires, terms defined in the Original Target's Statement, the Iberdrola First Supplementary Target's Statement, the Iberdrola Second Supplementary Target's Statement or the Iberdrola Third Supplementary Target's Statement have the same meaning when used in this Fourth Supplementary Target's Statement. If there is any inconsistency between this Fourth Supplementary Target's Statement and the Original Target's Statement, the Iberdrola First Supplementary Target's Statement, the Iberdrola Second Supplementary Target's Statement or the Iberdrola Third Supplementary Target's Statement, this Fourth Supplementary Target's Statement will prevail to the extent of the inconsistency.

This Fourth Supplementary Target's Statement is dated 10 August 2020 and was lodged with ASIC and released to the ASX on that date. None of ASIC, the ASX or any of their respective officers take any responsibility for the content of this Fourth Supplementary Target's Statement.

This Fourth Supplementary Target's Statement is an important document and requires your immediate attention. Please consult your legal, financial or other professional adviser as soon as possible if you do not fully understand the content of this Fourth Supplementary Target's Statement.

Infigen Security Holders can **ACCEPT** the Iberdrola Offer by following the instructions in the Iberdrola Bidder's Statement, the Original Target's Statement and the Iberdrola Sixth Supplementary Bidder's Statement.

Infigen Security Holders can call the **Infigen Security Holder Information Line** on **1300 540 303** (for calls made from within Australia) or **+61 2 8022 7955** (for calls made from outside Australia) on Monday to Friday between 9:00 am and 5:00 pm (Sydney, Australia time) if they require assistance.

2. Iberdrola Australia's voting power in Infigen is more than 50.0% and Further Extended Iberdrola Offer Period

On Thursday, 6 August 2020, Iberdrola Australia provided to Infigen and released to the ASX:

- (a) a notice given under section 671B of the Corporations Act (Form 604 – Notice of change of interests of substantial holder) (**Change of Substantial Holder Notice**) in respect of Infigen noting that Iberdrola Australia's voting power in Infigen had increased to 52.75% as a result of acceptances by Infigen Security Holders into the Iberdrola Offer and on-market purchases of Infigen Stapled Securities; and
- (b) a notice given under section 624(2) of the Corporations Act¹ noting that, as a result of Iberdrola Australia's voting power in Infigen increasing to more than 50.0% within the last 7 days of the Extended Iberdrola Offer Period, the period of the Iberdrola Offer had been automatically extended by a further 14 days from Wednesday, 5 August 2020, to 7:00 pm (Sydney, Australia time) on Wednesday, 19 August 2020 (unless further extended in accordance with the Corporations Act) (**Further Extended Iberdrola Offer Period**).

On Monday, 10 August 2020, Iberdrola Australia provided to Infigen and released to the ASX, a Change of Substantial Holder Notice in respect of Infigen noting that Iberdrola Australia's voting power in Infigen had further increased to 61.29% as a result of acceptances by Infigen Security Holders into the Iberdrola Offer and on-market purchases of Infigen Stapled Securities.

Iberdrola Australia now has effective control of Infigen and is also entitled to appoint a majority of the directors to the Infigen Board (subject to there being at least two independent directors on the Infigen Board until Iberdrola Australia acquires all of the Infigen Stapled Securities) pursuant to the terms of the Bid Implementation Agreement.

As at the date of this Fourth Supplementary Target's Statement, Infigen has not received notification from Iberdrola Australia of its nominees to the Infigen Board, however, on receipt of the nominations, Infigen must:

- (a) take all actions necessary to cause the appointment of the nominees of Iberdrola Australia to the Infigen Board; and
- (b) procure that the Infigen Directors nominated by Iberdrola Australia, resign and release Infigen from any claims they may have against Infigen.

The Iberdrola Offer is now scheduled to close at 7.00 pm (Sydney, Australia time) on Wednesday, 19 August 2020 (unless further extended in accordance with the Corporations Act).

¹ As modified by ASIC Class Order [CO 13/521].

3. Infigen Directors' recommendation

The Infigen Directors unanimously recommend that Infigen Security Holders **ACCEPT** the Iberdrola Offer, in the absence of a Superior Proposal. Each Infigen Director who owned or controlled or otherwise had a relevant interest in Infigen Stapled Securities which were the subject of the Iberdrola Offer have accepted the Iberdrola Offer, or procured acceptance of the Iberdrola Offer, in respect of these Infigen Stapled Securities.

The Infigen Directors reiterate that the Iberdrola Offer is a compelling opportunity to realise certain value for your investment at a significant premium to the historical undisturbed trading prices of Infigen Stapled Securities and removes your exposure to the risks and uncertainties associated with a continued investment in Infigen.

The Infigen Directors **strongly urge** Infigen Security Holders to **ACCEPT** the Iberdrola Offer without delay, to ensure that your acceptance under the Iberdrola Offer is received and processed before 7.00 pm (Sydney, Australia time) on Wednesday, 19 August 2020.

4. Reasons to **ACCEPT** the Iberdrola Offer

In making the recommendation above, the Infigen Directors wish to emphasise the following potentially adverse consequences faced by Infigen Security Holders who do not accept the Iberdrola Offer now that Iberdrola Australia has acquired effective control of greater than 50.0% of Infigen Stapled Securities but less than 90.0%:

1. Iberdrola Australia now has effective control of Infigen and the Infigen Group strategy

Iberdrola Australia is now in a position to cast the majority of votes at a general meeting of Infigen Security Holders, allowing it to control the composition of the Infigen Board, control the strategic direction of the Infigen Group and determine Infigen's distribution and capital allocation policies.

Iberdrola Australia is also now entitled to appoint a majority of the directors to the Infigen Board under the terms of the Bid Implementation Agreement. As set out above, Infigen will take all action necessary to procure the appointment of Iberdrola Australia's nominees to the Infigen Board on receipt of notification from Iberdrola Australia of its nominees to the Infigen Board.

Infigen Security Holders should also be aware that UAC currently holds 19.94% of the Infigen Stapled Securities and it is expected that UAC will remain as a strategic investor in Infigen. Therefore, the voting power in Infigen is heavily concentrated between two substantial strategic Infigen Security Holders, whose interest in the outcome of decisions put to a vote at general meetings of Infigen Security Holders may not be aligned to your interest and your ability to influence the outcome of these decisions is very limited because of the concentration of voting power in Infigen.

2. The price of Infigen Stapled Securities will likely fall after the Further Extended Iberdrola Offer Period

While there are many factors that influence the market price of Infigen Stapled Securities, the Infigen Directors believe that the market price of Infigen Stapled Securities is likely to fall below the Increased Iberdrola Offer Price of \$0.92 per Infigen Stapled Security following the close of the Iberdrola Offer, given the meaningful premium of the Iberdrola Offer relative to the trading

price of Infigen Stapled Securities prior to the announcement of the UAC Offer, on the basis that Iberdrola Australia has now acquired a controlling interest in Infigen.

3. The liquidity of Infigen Stapled Securities is likely to be substantially reduced which could reduce the value of your Infigen Stapled Securities and may make it more difficult to sell your Infigen Stapled Securities in the future

Now that Iberdrola Australia has obtained effective control of Infigen, the liquidity of Infigen Stapled Securities is likely to be substantially reduced. This is also compounded by UAC currently holding 19.94% of the Infigen Stapled Securities. As a result, the number of Infigen Stapled Securities traded on the ASX in the future could decline significantly relative to historical trading volumes, thereby potentially lessening the value of the Infigen Stapled Securities held by Infigen Security Holders who do not accept the Iberdrola Offer and making it more difficult to sell those Infigen Stapled Securities in the future.

In addition, research analysts may cease coverage of Infigen, reducing the information available to Infigen Security Holders and Infigen may also be removed from a number of key indices due to limited free float or liquidity. This would result in index investors no longer investing in Infigen Stapled Securities.

Further, in accordance with the Corporations Act, each of the two substantial strategic Infigen Security Holders, Iberdrola Australia and UAC, could acquire an additional 3.0% of the Infigen Stapled Securities each six months which would compound the concentration of voting power in Infigen.

4. Iberdrola Australia intends to cause a review as to whether Infigen should be removed from the official list of the ASX

Iberdrola Australia has stated that it intends to cause the Infigen Directors to review whether Infigen should remain listed on the ASX or be removed from the official list of the ASX if the number of Infigen Security Holders no longer justifies listing on the ASX or the benefits of continuing to remain listed on the ASX cease to outweigh the costs of listing on the ASX.

Accordingly, Infigen Security Holders should note the potential for Infigen to be delisted and consequently that Infigen Stapled Securities will not be able to be traded on the ASX.

If Infigen is delisted from the ASX, Infigen Security Holders who do not accept the Iberdrola Offer will hold stapled securities in an unlisted entity for which there may be no liquid market for sale of those securities (as the business would not be listed on a securities exchange), unless either Infigen or Iberdrola Australia provides an alternative mechanism for Infigen Security Holders to sell their Infigen Stapled Securities, before or after any delisting (for example, a new takeover offer, a share buy-back or the introduction of an over-the-counter trading facility).

5. Risks associated with holding Infigen Stapled Securities

If you do not accept the Iberdrola Offer, you will continue to be exposed to risks inherent in the Infigen Group's business and the potential impact of these risks on both the price of Infigen Stapled Securities and the fundamental value of the business.

As outlined in Infigen's fourth quarter activity report for FY20 released on Monday, 3 August 2020, lower electricity prices resulting from the declines in domestic economic activity from the COVID-19 pandemic and fuel prices are having a material impact on Infigen's short-term earnings outlook. Infigen expects EBITDA and net revenue for FY21 will be materially lower than FY20. In light of this, and the likely requirement for additional capital for future growth investments, the Infigen Board announced an indefinite suspension of distributions. Iberdrola Australia may also choose to raise additional equity to meet the future capital requirements of

the Infigen Group. An equity raising may require Infigen Security Holders to contribute additional funding or have their investment in Infigen diluted.

Continuing as an Infigen Security Holder will result in an exposure to these economic and financial risks. More detail in relation to the risks associated with continuing to hold an investment in Infigen Stapled Securities are set out in section 8.4 of the Original Target's Statement and the risks associated with being a minority Infigen Security Holder are set out in section 5.8 and section 8.3 of the Original Target's Statement.

The Infigen Directors also reiterate the following reasons why the Iberdrola Offer provides Infigen Security Holders with a compelling balance of certainty and value to realise their investment in Infigen:

- (a) the Iberdrola Offer provides Infigen Security Holders with the opportunity to realise \$0.92 per Infigen Stapled Security, which is a significant premium to the historical trading price of Infigen Stapled Securities of:
 - (i) 55.9% to the closing price of \$0.59 per Infigen Stapled Security on the Last Undisturbed Trading Date;
 - (ii) 64.9% to the one-month VWAP to the Last Undisturbed Trading Date of \$0.56 per Infigen Stapled Security;
 - (iii) 81.6% to the three-month VWAP to the Last Undisturbed Trading Date of \$0.51 per Infigen Stapled Security;
 - (iv) 55.8% to the six-month VWAP to the Last Undisturbed Trading Date of \$0.59 per Infigen Stapled Security; and
 - (v) 36.9% to the average (mean) broker analyst price target on the Last Undisturbed Trading Date of \$0.67 per Infigen Stapled Security;
- (b) no superior proposal has been presented to Infigen since the date of the Iberdrola Third Supplementary Target's Statement and, with Iberdrola Australia's voting power in Infigen now exceeding 50.0% and UAC having voting power of 19.94% in Infigen, it is not expected that a superior proposal will emerge before the close of the Iberdrola Offer;
- (c) the Iberdrola Offer has been declared **UNCONDITIONAL**, which provides Infigen Security Holders certainty that they will realise the Increased Iberdrola Offer Price for each Infigen Stapled Security they hold if they accept the Iberdrola Offer; and
- (d) Infigen Security Holders who have or do accept the Iberdrola Offer will be dispatched their Increased Offer Consideration of \$0.92 per Infigen Stapled Security within 5 Business Days after a valid acceptance is or has been received by Iberdrola Australia.
- (e) if you accept the Iberdrola Offer, you will not incur brokerage fees which you may otherwise incur if you sell your Infigen Stapled Securities on market (although beneficial owners that hold their Infigen Stapled Securities through a bank, nominee or custodian

should confirm that they will not be charged transaction or services fees in connection with acceptance of the Iberdrola Offer).

5. Consents

The following parties have given, and have not withdrawn before the lodgement of this Fourth Supplementary Target's Statement with ASIC, their written consent to be named in this Fourth Supplementary Target's Statement in the form and context in which they are so named:

- (a) Gilbert + Tobin, to being named in this Fourth Supplementary Target's Statement as legal adviser to Infigen;
- (b) Goldman Sachs, to being named in this Fourth Supplementary Target's Statement as financial adviser to Infigen; and
- (c) Lazard, to being named in this Fourth Supplementary Target's Statement as financial adviser to Infigen.

None of these persons have caused or authorised the issue of this Fourth Supplementary Target's Statement, nor makes or purports to make any statement in this Fourth Supplementary Target's Statement or any statement on which a statement in this Fourth Supplementary Target's Statement is based or takes any responsibility for any part of this Fourth Supplementary Target's Statement, other than any reference to its name.

Each of the Infigen Directors has given and not withdrawn before the lodgement of this Fourth Supplementary Target's Statement with ASIC their consent to:

- (a) be named in this Fourth Supplementary Target's Statement in the form and context in which they are named; and
- (b) statements attributable to them being included in this Fourth Supplementary Target's Statement in the form and context in which they appear.

As permitted by ASIC Class Order 13/521, this Fourth Supplementary Target's Statement may include or be accompanied by statements which are made in documents lodged with ASIC or ASX. Pursuant to ASIC Class Order 13/521, provided this Fourth Supplementary Target's Statement fairly represents such statements, the consent of the parties making those statements is not required for, and those parties have not consented to, the inclusion of such statements in this Fourth Supplementary Target's Statement. Infigen Security Holders may, during the Further Extended Iberdrola Offer Period, obtain a copy of the documents (free of charge) in which the aforementioned statements appear (or in which statements based on those statements appear, as the case may be), or the relevant part(s) of any of those documents, by contacting the Infigen Security Holder Information Line 1300 540 303 (for calls made from within Australia) or +61 2 8022 7955 (for calls made from outside Australia), on Monday to Friday between 9.00 am and 5.00 pm (Sydney, Australia time).

6. Approval of this Fourth Supplementary Target's Statement

This Fourth Supplementary Target's Statement has been approved by a resolution passed by the Infigen Directors. Signed for and on behalf of IEL and IERL in its capacity as the responsible entity for the IET:

Date 10 August 2020

Signed for and on behalf of Infigen Energy Limited
By:



Director

Print name L. F. Gill

Date 10 August 2020

Signed for and on behalf of Infigen Energy RE Limited in its capacity as
responsible entity for the Infigen Energy Trust
By:



Director

Print name L. F. Gill