

**THIS ANNOUNCEMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. IF YOU ARE IN ANY DOUBT ABOUT THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT IMMEDIATELY YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER.**

**Madrileña Red de Gas Finance B.V.**

**(the “Issuer”)**

**and**

**Madrileña Red de Gas, S.A.U.**

**(the “Existing Guarantor”)**

**announce a Consent Solicitation in respect of the Issuer’s outstanding**

**€300,000,000 1.375 per cent. Notes due 2025 (ISIN: XS1596739364) irrevocably guaranteed by the Existing Guarantor (the “2025 Notes”)**

**€300,000,000 2.250 per cent. Notes due 2029 (ISIN: XS1596740453) irrevocably guaranteed by the Existing Guarantor (the “2029 Notes”)**

**€75,000,000 3.50 per cent. Notes due 2031 (ISIN: XS1369649170) irrevocably guaranteed by the Existing Guarantor (the “2031 Notes”)**

**(each, a “Series of Notes” and, together with the 2025 Notes and the 2029 Notes, the “Notes”)**

## **20 May 2024**

The Issuer and the Existing Guarantor have today announced the relevant consent solicitations (each, a “**Consent Solicitation**”, and, together, the “**Consent Solicitations**”) in respect of each Series of Notes.

The Issuer and the Existing Guarantor intend to seek consent of the Noteholders at the relevant meeting (the “**Meeting**”) to make certain amendments to the Conditions of the Notes and the replacement of the Deed of Guarantee in respect of each Series of Notes, as set forth in the consent solicitation memorandum dated 20 May 2024 (the “**Consent Solicitation Memorandum**”).

Capitalised terms used in this announcement have the same meaning ascribed to them in the Consent Solicitation Memorandum.

## **Background to the Proposals**

The Proposals are aimed at complying with recent regulatory developments that affect the Existing Guarantor and the debt structure of the group of companies to which both the Existing Guarantor and the Issuer belong (such group, headed by Elisandra Spain IV, S.L., the “**Group**”).

Consistent with the Group’s ongoing intention to remain fully compliant with applicable regulatory requirements, the Issuer and the Existing Guarantor are inviting Noteholders to participate in the Consent Solicitations with the objective of replacing the Existing Guarantor with Elisandra Spain V, S.L.U. (the “**New Guarantor**”), which is the Existing Guarantor’s parent company and sole shareholder, and making certain other changes to the Conditions of the Notes.

Subject to compliance with the Pari Passu Condition (as defined below), the Issuer expects no negative credit rating action by current credit rating agencies to occur as a result of the replacement of

the Existing Guarantor with the New Guarantor or the implementation of the proposed changes and the New Guarantor maintains strong shareholder commitment to an investment grade rating.

A credit rating is not a recommendation to buy, sell or hold the Notes and may be revised or withdrawn by the rating agency at any time.

The Issuer and the Existing Guarantor consider the Consent Solicitations to be the most efficient way to align the Group's capital structure with regulatory requirements. The Issuer and the Existing Guarantor consider the Consent Solicitations to be the most efficient way to align the Group's capital structure with regulatory requirements. Noteholders should note that the Group has discussed with Spain's National Commission for Markets and Competition (*Comisión Nacional de los Mercados y la Competencia* or "**CNMC**") a number of alternative options in addition to the Consent Solicitations, including corporate transactions such as a merger between the Existing Guarantor and the New Guarantor, and will further consider those other options if the Consent Solicitations are unsuccessful.

Noteholders should also note that the lenders under the Existing Guarantor's €225,000,000 Sustainability-Linked Term Facilities Agreement dated 3 August 2022 entered into between, among others, the Existing Guarantor and CaixaBank, S.A. as agent (the "**Bank Facility**") have agreed to implement changes to the Bank Facility to replace the Existing Guarantor by the New Guarantor as borrower under the Bank Facility and to make certain other changes to the terms of the Bank Facility (the "**Bank Facility Move-Up**"). The lenders' agreement to the Bank Facility Move-Up is conditional on the amendment and restatement of the Bank Facility (which is subject to satisfaction of customary conditions precedent) and the Consent Solicitations being approved.

In addition, the hedging counterparties under the hedging agreements entered into to hedge the interest rate risk of the Existing Guarantor arising from the Bank Facility (the "**Hedging Agreements**") have also agreed to the replacement of the Existing Guarantor by the New Guarantor as counterparty under the Hedging Agreements (the "**Hedging Agreements Move-Up**"). The hedging counterparties have agreed to the Hedging Agreements Move-Up, which is conditional on the Bank Facility Move-Up being implemented.

### Summary Table

<u>Series of Notes</u>	<u>ISIN / Common Code</u>	<u>Outstanding Principal Amount</u>	<u>Consent Fee*</u>
2025 Notes	XS1596739364 / 159673936	€300,000,000	0.25 per cent.
2029 Notes	XS1596740453 / 159674045	€300,000,000	0.25 per cent.
2031 Notes	XS1369649170 / 136964917	€75,000,000	0.25 per cent.

\*Consent Fee is payable over the principal amount of the relevant Notes in respect of which a valid Solicitation Instruction is received in advance of the Consent Fee Deadline voting in favour of the relevant Extraordinary Resolution

### Conditionality

If the Extraordinary Resolutions in respect of a Series of Notes are passed, the relevant Proposal approved by such Extraordinary Resolutions will only be implemented to the extent that (i) the Other Debt Restructuring is implemented, (ii) following such implementation all the payment obligations of the New Guarantor in respect of the guarantee of the relevant Series of Notes rank at least *pari passu* with (x) its payment obligations under its guarantee of each Series of Notes, (y) its payment obligations under the Bank Facility and the Hedging Agreements, and (z) the claims of any of its other unsecured and unsubordinated creditors (except for obligations mandatorily preferred by law

applying to companies generally), and (iii) the Existing Guarantor does not guarantee any Series of Notes (the “**Pari Passu Condition**”). Such implementation shall take place as soon as possible after the Pari Passu Condition can be complied with, and in any case no later than the date falling three months after the Final Meeting Date (the “**Longstop Date**”). As long as the Pari Passu Condition is not satisfied, the Issuer may, at its option and in its sole discretion, terminate the relevant Consent Solicitation at any time (including after any Extraordinary Resolution has been passed).

### **Proposal relating to the Notes**

The Issuer and the Existing Guarantor are seeking assents to the amendment of the Conditions and the replacement of the Deed of Guarantee to replace the Existing Guarantor with the New Guarantor in its capacity as guarantor under the Notes.

The key terms of the Proposal for each Series of Notes are summarised below:

- Amendment of Condition 1.(a) of the relevant Conditions (*Introduction – Programme*) to replace the Existing Guarantor with the New Guarantor;
- Amendment of the definition of “Material Subsidiary” to change the reference to MRG to the Guarantor.
- Amendment of the definition of “Subsidiary” to change the reference to MRG to the Guarantor.
- Amendment of Condition 5 (*Negative Pledge*) to rename it “Negative Pledge and Subsidiary Indebtedness” and to add a new covenant as paragraph (b) of such Condition 5 (*Negative Pledge*) to include certain restrictions on Indebtedness (as defined in the Conditions) of the Existing Guarantor.
- Amendment of Condition 11 (*Events of Default*) to include a new event of default as paragraph (n) to ensure that the New Guarantor maintains 100% ownership of all shares of the Existing Guarantor.
- The entry into by the New Guarantor of the New Deed of Guarantee.

The corresponding Meetings to consider and, if thought fit, pass the relevant Extraordinary Resolutions, will be held on 12 June 2024 at the times set out in the indicative timetable below. Each Meeting has been convened pursuant to the notices of meeting dated 20 May 2024 (the “**Notices of Meeting**”).

### **Consent Fee**

The Issuer will pay to each Noteholder an amount equal to 0.25 per cent. of the principal amount of the Notes in respect of which a valid Solicitation Instruction in favour of the relevant Extraordinary Resolution is received from the Noteholders by the Tabulation Agent in advance of the Consent Fee Deadline (the “**Consent Fee**”), in each case subject to (i) such Solicitation Instruction not being validly revoked (in the limited circumstances in which such revocation is permitted), (ii) the relevant Extraordinary Resolution being duly passed and (iii) the Issuer not having terminated the relevant Consent Solicitation in accordance with the provisions for such termination set out in “*Amendment and Termination*”. Where payable, the Issuer will pay the Consent Fee, in respect of the Notes that are the subject of such Solicitation Instructions no later than the tenth Business Day following the Final Meeting Date (the “**Payment Date**”).

To be eligible to receive the Consent Fee, each Noteholder who submits a Solicitation Instruction in favour of the relevant Extraordinary Resolution must not attend, or seek to attend, the relevant Meeting in person or make any other arrangements to be represented at the relevant Meeting (other than by way of their Solicitation Instruction(s)). Noteholders may choose to attend and vote at the relevant Meeting in person or to make other arrangements to be represented or to vote at the relevant Meeting in accordance with the provisions for meetings of Noteholders set out in the Meeting Provisions without submitting a Solicitation Instruction in favour of the relevant Extraordinary Resolution. However, such Noteholders will not be eligible to receive the Consent Fee, even if at the

relevant meeting such Noteholder votes in favour of the relevant Extraordinary Resolution or if other arrangements are made by the Consent Fee Deadline.

### **Expected timetable of events**

**The deadline for receipt by the Tabulation Agent of valid Solicitation Instructions for Noteholders to be eligible for the consent fee is 17:00 (CET) on 31 May 2024 (the “Consent Fee Deadline”). Noteholders that wish to be eligible to receive the Consent Fee, must make the necessary arrangements for the delivery to the Tabulation Agent by the relevant deadline above of a valid Solicitation Instruction in favour of the relevant Extraordinary Resolution.**

**The deadline for Noteholders to make any other arrangements to attend or be represented or to vote (including via Solicitation Instructions) at the relevant meeting (or submitting Solicitation Instructions after the Consent Fee Deadline) is 17:00 (CET) on 10 June 2024 (the “Final Consent Deadline”). However, Noteholders making such other arrangements will not be eligible to receive the Consent Fee.**

Noteholders are advised to check with any Clearing System, bank, securities broker or other intermediary through which they hold Notes when such Clearing System or intermediary would need to receive instructions from a Noteholder in order for that Noteholder to be able to participate in, or (in the limited circumstances in which revocation is permitted) revoke their instruction to participate in, the relevant Consent Solicitation and/or vote in respect of the relevant Proposal by the deadlines specified in the Consent Solicitation Memorandum.

In relation to the delivery or revocation of Solicitation Instructions or otherwise making arrangements for the giving of voting instructions, in each case through the Clearing Systems, Noteholders should note the particular practice and policy of the relevant Clearing System, including any earlier deadlines set by such Clearing System.

Subject to applicable laws, the applicable Meeting Provisions and the Consent Solicitation Memorandum, the Issuer may, at its option and in its sole discretion, at any time before the Final Voting Deadline (or, where there is an adjourned Meeting, 48 hours before the time set for any such adjourned Meeting), extend, re-open, amend or waive any condition of the relevant Consent Solicitation (other than the Pari Passu Condition and the terms of the relevant Extraordinary Resolution), or terminate the relevant Consent Solicitation.

The indicative timetable is as follows:

### **Event**

#### ***Announcement of each Consent Solicitation and each Proposal***

Announcement of each Consent Solicitation and each Proposal. 20 May 2024.

Each Notice published through the website of the Luxembourg Stock Exchange ([www.luxse.com](http://www.luxse.com)) and delivered to the Clearing Systems for communication to Direct Participants.

Documents referred to under “*General*” in the Notice available in electronic and hard copy formats from the Tabulation Agent and for collection or inspection at the specified office of the Fiscal Agent.

#### ***Consent Fee Deadline***

Deadline for receipt by the Tabulation Agent of valid Solicitation Instructions in favour of the relevant Extraordinary Resolution for Noteholders to be eligible for the Consent Fee.	17:00 (CET) on 31 May 2024, or any other extended deadline after that time that is established by the Issuer and the Existing Guarantor at their sole discretion in accordance with the Consent
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***Final Voting Deadline***

Deadline for making any other arrangements to attend or be represented or to vote (including via Solicitation Instructions) at the relevant Meeting. However, Noteholders making such other arrangements (or submitting Solicitation Instructions after the Consent Fee Deadline) will not be eligible to receive the Consent Fee.

17:00 (CET) on 10 June 2024.

***Meeting***

Meeting to be held at the Existing Guarantor's offices at Centro Empresarial Arco, C. de Virgilio, 2B, 28223 Pozuelo de Alarcón.

17:00 (CET) on 12 June 2024 in respect of the 2025 Notes, 17:15 (CET) on 12 June 2024 in respect of the 2029 Notes and 17:30 (CET) on 12 June 2024 in respect of the 2031 Notes.

***Announcement of results of the relevant Meeting***

Announcement of the results of the relevant Meeting.

Notice published through the website of the Luxembourg Stock Exchange ([www.luxse.com](http://www.luxse.com)) and delivered to the Clearing Systems for communication to Direct Participants.

As soon as reasonably practicable after the relevant Meeting.

***Execution and delivery of each Amendment Document***

If the relevant Extraordinary Resolution is passed at the relevant Meeting and the relevant Proposal is implemented (upon compliance with the Pari Passu Condition), execution and delivery of the relevant Amendments Documents.

As soon as reasonably practicable and, in any case, no later than the Longstop Date.

Announcement of implementation of the Proposal (upon compliance with the Pari Passu Condition), execution and delivery of the relevant Amendment Documents.

Each Notice published through the website of the Luxembourg Stock Exchange ([www.luxse.com](http://www.luxse.com)) and delivered to the Clearing Systems for communication to Direct Participants.

Upon execution and delivery of the relevant Amendment Documents, the amendments to the relevant Conditions and the Deed of Guarantee will become effective.

***Payment Date***

Where payable when the relevant Extraordinary Resolution is passed, payment of the Consent Fee as applicable, to the relevant Noteholders.

No later than the tenth Business Day following the date of the first Meeting, or, if any of the Meetings is adjourned, no later than the tenth Business Day following the Final Meeting.

*Noteholders are advised to check with any bank, securities broker or other intermediary through which they hold their Notes when such intermediary would need to receive instructions from a Noteholder in order for such Noteholder to participate in, or (in the limited circumstances in which revocation is permitted) to validly revoke their instruction to participate in, the relevant Consent Solicitation and/or vote in respect of the relevant Proposal before the deadlines specified above. The deadlines set by any such intermediary and each Clearing System for the submission and (where permitted) revocation of Solicitation Instructions will be earlier than the relevant deadlines above.*

**In the event the necessary quorum for each Extraordinary Resolution is not obtained at the relevant Meeting, such Meeting will be adjourned for a period being not less than 14 days nor more than 42 days.**

### **For further information**

A complete description of the procedures in relation to the Meetings, the terms of the Consent Solicitations and the text of the relevant Extraordinary Resolution, is set out in each Notice of Meeting and the Consent Solicitation Memorandum.

In addition, an investor presentation is available on the Issuer's website ([http://www.mrdgfinance.nl/document\\_centre.htm](http://www.mrdgfinance.nl/document_centre.htm)) and on the website of the Tabulation Agent (<https://deals.is.kroll.com/madrilena>).

Further details about the transaction can be obtained from:

#### *The Issuer*

#### **Madrileña Red de Gas Finance B.V.**

(Attention: Inés Zarauz Palma, Telephone: +34 606 582 840, Email: [izarauz@madrilena.es](mailto:izarauz@madrilena.es))

#### *The Structuring and Solicitation Agents*

#### **Banco Bilbao Vizcaya Argentaria, S.A.**

One Canada Square  
44th Floor  
E14 5AA, London  
United Kingdom

(Attention: Liability Management, Telephone:  
+44 (0) 207 397 6061, Email:  
[liabilitymanagement@bbva.com](mailto:liabilitymanagement@bbva.com))

#### **Banco Santander, S.A.**

Ciudad Grupo Santander  
Avenida de Cantabria, s/n  
Boadilla del Monte  
28660 Madrid,  
Spain

(Attention: Liability Management, Email:  
[LiabilityManagement@gruposantander.com](mailto:LiabilityManagement@gruposantander.com))

#### **CaixaBank, S.A.**

Paseo de la Castellana 189, 3rd Floor  
28046 Madrid  
Spain

(Attention: Debt Capital Markets, Telephone:  
+34 91 700 56 09/10, Email:  
[lst.originacion.rf@caixabank.com](mailto:lst.originacion.rf@caixabank.com))

#### *The Solicitation Agents*

#### **Banco de Sabadell, S.A.**

Isabel Colbrand 22, planta 2ª  
28050 Madrid  
Spain

(Attention: Sara Bengoa / José Ramón Espinosa,  
Telephone: +34 90 203 0255 (Ext. 32697 /  
28899, Email: [sbengoa@bancsabadell.com](mailto:sbengoa@bancsabadell.com);  
[espinosaj@bancsabadell.com](mailto:espinosaj@bancsabadell.com);  
[0901seguimientossindicados@bancsabadell.com](mailto:0901seguimientossindicados@bancsabadell.com))

#### **ICBC Standard Bank Plc**

20 Gresham Street  
London  
EC2V 7JE  
United Kingdom

(Attention: Head of Primary Markets, Telephone:  
+44 (0)20 3145 5000, Email:  
[DCM@icbsstandard.com](mailto:DCM@icbsstandard.com))

*The Tabulation Agent*

**Kroll Issuer Services Limited**

(Attention: David Shilson, Telephone: +44 20 7704 0880, Email: David.Shilson@kroll.com; mdrilena@is.kroll.com)

*The Fiscal Agent*

**Deutsche Bank AG, London Branch**

Corporate Trust EMEA

21 Moorfields, London, EC2Y 9DB

(Attention: Debt & Agency Services, Telephone: +44 207 545 8000, Email: DAS-EMEA@list.db.com)

Copies of the Consent Solicitation Memorandum and the relevant Notice of Meeting are available to eligible persons upon request from the Tabulation Agent free of charge.



**Disclaimer**

This announcement must be read in conjunction with the Consent Solicitation Memorandum. The Consent Solicitation Memorandum contains important information which should be read carefully before any decision is made with respect to the relevant Consent Solicitation. If any Noteholder is in any doubt as to the action it should take, it is recommended to seek its own financial advice, including as to any tax consequences, from its stockbroker, bank manager, solicitor, accountant, independent financial adviser authorised under the Financial Services and Markets Act 2000 (if in the United Kingdom) or other appropriately authorised financial adviser. Any individual or company whose Notes are held on its behalf by a broker, dealer, bank, custodian, trust company or other nominee must contact such entity if it wishes to participate in the relevant Consent Solicitation.

**Solicitation Agents**

The Solicitation Agents are acting exclusively for the Issuer, the Existing Guarantor and the New Guarantor and no one else in connection with the Consent Solicitations, the Proposals and the Extraordinary Resolutions and will not regard any other person (whether or not a recipient of the Consent Solicitation Memorandum) as a client. The Solicitation Agents will not be responsible to anyone other than the Issuer, the Existing Guarantor and the New Guarantor for providing the protections afforded to the clients of the Consent Solicitation Agents nor for providing advice in relation to any matters referred to therein. This announcement and the Consent Solicitation Memorandum has been prepared by the Issuer, the Existing Guarantor and the New Guarantor and is being provided to you, in addition to any other materials or information provided in connection with the Consent Solicitations, the Proposals or the Extraordinary Resolutions, by the Solicitation Agents on behalf of the Issuer, the Existing Guarantor and the New Guarantor. Neither the Solicitation Agents nor their affiliates (or their respective directors, employees, officers, consultants or agents) shall be responsible, liable or owe a duty of care to any recipient of this announcement, the Consent Solicitation Memorandum or any other materials or information provided to such recipient in connection with the Consent Solicitations, the Proposals or the Extraordinary Resolutions.

**Consent Solicitations and Distribution Restrictions**

The Consent Solicitation Memorandum does not constitute an invitation to participate in any Consent Solicitation in any jurisdiction in which, or to any person to whom, it is unlawful to make such invitation or for there to be such participation under applicable securities laws. The distribution of the Consent Solicitation Memorandum in certain jurisdictions may be restricted by law.

Persons into whose possession the Consent Solicitation Memorandum comes are required by each of the Issuer, the Existing Guarantor, the New Guarantor, the Solicitation Agents and the Tabulation Agent to inform themselves about, and to observe, any such restrictions.

Nothing in the Consent Solicitation Memorandum constitutes or contemplates an offer of, an offer to purchase or the solicitation of an offer to sell any security in any jurisdiction and participation in each Consent Solicitation by a Noteholder in any circumstances in which such participation is unlawful will not be accepted.