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BROOKFIELD & GROK VENTURES PROPOSAL TO ACQUIRE 100% OF AGL

- 100% acquisition proposal avoids potentially value destructive demerger for AGL shareholders and enables a well-funded accelerated decarbonisation of Australia's energy sources
- Brookfield and Grok Ventures have submitted a non-binding indicative offer to acquire 100% of AGL by scheme of arrangement for consideration representing total value of A\$7.50 per share,¹ representing a circa 20% premium to the three-month VWAP of A\$6.36 per share
- The AGL Board has rejected a highly credible, fully funded alternative proposal which is in the best interests of AGL shareholders and delivers energy reliability and affordability

Brookfield and Grok Ventures, the private investment company of Mike and Annie Cannon-Brookes, ("the Consortium"), announces that it has submitted a non-binding indicative offer to AGL (ASX:AGL) to acquire 100% of its shares, via a Scheme of Arrangement for cash or scrip consideration ("Scheme Consideration") representing total value of A\$7.50 per AGL share, implying an equity value of A\$5.0 billion ("Consortium Proposal")^{2, 3}

The Consortium Proposal is fully funded and represents a circa 20% premium to the three-month volume weighted average price ("VWAP") of A\$6.36 per share.

The Consortium notes today's ASX statement from the AGL Board and is disappointed it has chosen to reject what the Consortium believes is a compelling alternative proposal for AGL shareholders, representing the best long-term outcome for AGL customers and all Australians through an accelerated transition to a decarbonised economy.

The Consortium intends to execute a transition plan that will require approximately A\$20 billion of capital to fund the transition of AGL's generation fleet consistent with the 1.5 degree target⁴, replacing 7 GW of capacity through a build-out of at least 8 GW of clean energy and storage, leveraging the Consortium's access to capital, renewables development capability and deep expertise in owning and operating high-quality infrastructure. It is intended AGL will be net zero by 2035.

The Consortium is committed to working with all stakeholders and regulators to ensure the transition is achievable. Serving the Company's customers will remain the primary focus, and as such, thermal capacity will not be taken out of the system until it has been replaced by renewables and storage to ensure network and pricing stability and reliability.

¹ Reduced by any dividends declared or paid to AGL shareholders prior to implementation of the proposed transaction.

² The Scheme Consideration will be reduced by any dividends declared or paid to AGL shareholders prior to implementation of the proposed transaction.

³ AGL shareholders would have an option to receive, at their election, the Scheme Consideration as scrip by electing to roll over up to 100% of their holding into equity in the acquiring vehicle (on a one for one basis), subject to a cap on the total scrip consideration of 20% of the acquiring vehicle ("Maximum Scrip Threshold"). If aggregate scrip elections received result in the Maximum Scrip Threshold being exceeded, scaleback arrangements will apply.

⁴ Consistent with AGL's FY21 TCFD report (Scenario D)

Brookfield Managing Partner and Asia Pacific CEO Stewart Upson said:

“It is the Consortium’s intent to facilitate and fund the transition of AGL’s thermal capacity in a way that prioritises customer power reliability and prices. We have a defined plan to significantly rationalise AGL’s most carbon-intensive thermal assets once we have replaced its capacity through the execution of a large-scale renewable build-out, supported by an identified project pipeline.”

“To have a material impact on net zero transition, investors need to do more than simply avoid carbon-intensive businesses and we need to be willing to tackle emissions head on. The proposed acquisition and AGL’s carbon-intensive profile is consistent with Brookfield’s strategy of investing in opportunities where we can generate a significant contribution to the transition. Brookfield also brings the capabilities of its global clean energy business to ensure a responsible and sustainable transition to renewables that will see increasingly clean power delivered at competitive prices to AGL’s customers. AGL’s accelerated transition is also expected to have a positive impact on Australia’s country-level emissions, delivering a win for all Australians as we move to a better economic and environmental future.”

Mike Cannon-Brookes, Grok Ventures, said:

“This proposal will mean cheaper, cleaner and more reliable energy for customers. It will create over 10,000 Australian jobs and ensure customers don’t bear the brunt of higher power prices – a likely scenario if the proposed demerger happens.”

“AGL accounts for over 8% of Australia’s emissions: - more than the current emissions of Australian domestic and international aviation combined, or every car on the road in Australia. As a country, it emits more than Sweden, Ireland or New Zealand. If successful, this will be one of the biggest decarbonisation projects in the world today and show Australia is capable of globally significant projects.”

Mark Carney, Vice Chair of Brookfield Asset Management and Head of Transition Investing, said:

“Energy transition will be one of the biggest investment opportunities of our lifetime. It is estimated that more than US\$150 trillion will need to be invested globally through 2050 to drive the decarbonisation of energy markets and our economy — that’s approximately US\$5 trillion every year.”

“The time to act is now. Investment firms such as Brookfield and Grok Ventures, with their access to capital and deep operating expertise and development capabilities in power markets and renewables, can make major contributions to businesses such as AGL to help them achieve their net-zero ambitions for the benefit of their shareholders, employees and the broader community.”

Strategic Rationale and Benefits versus Demerger Proposal

The Consortium believes that AGL’s demerger plans present significant risks for shareholders compared to its certain cash offer with the option for equity participation. The pressure to fund decommissioning and energy transition with reduced balance sheet capacity will undermine investor appetite and the financial viability of Accel Energy and, when added to significant one-off costs, diminish the potential benefits of any prospective demerger.

The Consortium is focused on delivering certainty of value to shareholders and the rapid decarbonisation of AGL’s portfolio while ensuring system security, stability and affordability. It proposes to work collaboratively with key stakeholders to drive sustainable market change

while creating regional economic development and employment, and is committed to the delivery of sustainable, affordable and reliable energy services for customers.

The Consortium is committed to implementing an accountability framework that governs the reporting and measurement of achievement against transparent milestones of the renewables investment program, providing a high level of confidence about reliability and affordability.

The Consortium remains optimistic that an agreement can be reached with the AGL Board, which can help deliver the rapid decarbonisation of AGL’s portfolio, lower-cost energy for consumers and significant emissions reduction for Australia.

Brookfield will invest via its Brookfield Global Transition Fund, which is in the final stages of raising approximately US\$15 billion and is the world’s largest fund focused on transition investments. The investment in AGL would be the largest investment from the fund to date, not only in terms of capital invested but also in terms of the expected renewables build out and carbon reduction.

The Consortium Proposal is subject to completion of confirmatory due diligence, shareholder and Board approval as well as regulatory approvals including from the Australian Competition & Consumer Commission (ACCC), and the Foreign Investment Review Board (FIRB) and entry into binding transaction documentation.

The Consortium has engaged Citi and Jarden as financial advisors.

-ENDS-

For further information:

Catherine Woods
Brookfield
+61 477 320 333

Jim Kelly | Jon Snowball
Domestique
+61 412 549 083 | +61 477 946 068

Lou Halloran
Grok Ventures
+61 407 044 727

About Brookfield

Brookfield is a leading global alternative asset manager with approximately US\$690 billion in assets under management across real estate, infrastructure, renewable power, private equity and credit. Brookfield owns and operates long-life assets and businesses, many of which form the backbone of the global economy. Utilising its global reach, access to large-scale capital and operational expertise, Brookfield offers a range of alternative investment products to investors around the world—including public and private pension plans, endowments and foundations, sovereign wealth funds, financial institutions, insurance companies and private wealth investors. Brookfield Asset Management is listed on the New York and Toronto stock exchanges under the symbol BAM and BAM.A, respectively. Brookfield Renewable Partners (“BEP”) is the renewable power and energy transition arm of Brookfield Asset Management. BEP operates one of the world’s largest renewable power and energy transition platforms, with approximately \$65 billion of AUM and approximately 3,000 operating employees. We are a global leader in decarbonization having established leading platforms around the world across five continents with a multi-technology portfolio consisting of more than 80GW of wind, solar, energy storage (including both pumped hydro and batteries), distributed generation and other transition asset classes. In each market in which we operate, we have strong operating businesses with full development, construction and operational capabilities. As a signatory to the Net Zero Asset Managers initiative, Brookfield is committed to the goal of achieving net-zero greenhouse gas emissions by 2050 or sooner—in line with the Paris Agreement—across all assets under management. In Australia, Brookfield has successfully built a significant operating platform with approximately 20,000 employees and assets under management in excess of A\$40 billion. Brookfield has grown this platform both organically and through the execution of sophisticated, large-scale public-to-private transactions such as AusNet

Services, Asciano, Aveo, Babcock & Brown Infrastructure, Healthscope, Multiplex and Thakral. Through these transactions, Brookfield has developed unparalleled experience in the Australian market.

About the Brookfield Global Transition Fund

The Brookfield Global Transition Fund, co-led by Mark Carney, Brookfield Vice Chair and Head of Transition Investing, and Connor Teskey, CEO of Brookfield Renewables, is Brookfield's inaugural fund focusing on investments that accelerate the global transition to a net-zero carbon economy, while delivering strong risk-adjusted returns to investors. The Fund targets investment opportunities relating to reducing greenhouse gas emissions and energy consumption, as well as increasing low-carbon energy capacity and supporting sustainable solutions. Consistent with its dual objectives of earning strong risk-adjusted returns and generating a measurable positive environmental change, the Fund will report to investors on both its financial and environmental impact performance.

About Grok Ventures

Grok Ventures is a private investment company of Mike and Annie Cannon-Brookes. Grok is driving some of the most ambitious technologies and global scale projects solving decarbonisation. The investment mandate is broad - spanning from early to growth stage start-ups and VC funds, small and large-scale infrastructure projects to listed equities. Grok invests for the long term to drive a step change in some of the hardest to abate sectors, including in energy, food, transportation and supply chains.

Cautionary Statement Regarding Forward-looking Statements

This communication does not constitute an offer to sell or the solicitation of an offer to buy any securities or a solicitation of any vote or approval, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities law of such jurisdiction. No securities regulatory authority has either approved or disapproved the contents of this communication.

This communication contains forward-looking statements and information within the meaning of applicable securities laws. Forward-looking statements may include estimates, plans, expectations, opinions, forecasts, projections, guidance or other statements that are not statements of fact. Forward-looking statements can be identified by the use of words such as "will", "believe", "may", "plan", "expected", "growth", "approximately", "intend", "potential", "can" or the negative version of these words or other variations or comparable of such words and phrases. Forward-looking statements in this communication include statements regarding the parties' future expectations, beliefs, plans, objectives, assumptions or future events or performance, including with respect to the transaction, the Consortium's transition and business plans for AGL, the development of additional renewable power and storage assets, the prospects and benefits of a privatized company and any other forward-looking statements or information in this news release. Although Brookfield believes that such forward-looking statements and information are based upon reasonable assumptions and expectations, no assurance is given that such expectations will prove to have been correct. The reader should not place undue reliance on forward-looking statements and information

as such statements and information involve known and unknown risks, uncertainties and other factors, including uncertainties as to whether the transaction is submitted to a shareholder vote, whether shareholders approve the transaction, whether the conditions to the transaction will be satisfied, including securing applicable regulatory approvals, the timing of the transaction, and the ability of the parties to realize the expected benefits of a privatization, which may cause the actual results, performance or achievements to differ materially from anticipated future results, performance or achievement expressed or implied by such forward-looking statements and information.

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