

ASX Announcement

7 February 2022

Acquisition Update from Brookfield

Enclosed is an acquisition update received from Brookfield.

This announcement was authorised for release by the Disclosure Committee of
AusNet Services Ltd.

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About AusNet

AusNet Services (AusNet) is a large, diversified energy network business in Victoria, Australia which owns and operates over A\$11 billion of regulated and contracted assets. It owns and operates three core regulated networks, as well as a significant portfolio of contracted energy infrastructure assets. AusNet services over 1.5 million customers across Victoria, Australia. For more information, please visit AusNet's website at www.ausnetservices.com.au.

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Update on Brookfield's acquisition of AusNet

- Brookfield Asset Management, Inc. (**Brookfield**) confirms that Australian Energy Holdings No 4 Pty Limited (**AEH**), a company controlled by Brookfield, will acquire 100% of AusNet Services Limited (**AusNet**) by way of a Scheme of Arrangement (**Scheme**).
- AusNet (Bloomberg ticker: ANVAU) is an Australian energy delivery services business, owning and operating more than A\$11 billion of electricity and gas network assets.
- Brookfield is a global alternative asset manager with approximately US\$650 billion of assets under management across real estate, infrastructure, renewable power, private equity and credit.
- Under the Scheme, AEH will acquire AusNet for a total consideration of c. A\$10.1 billion, comprised of an equity investment of c. A\$8.1 billion and an acquisition debt facility of c. A\$2 billion.
- The Scheme became effective on 4 February 2022 and is expected to be implemented on or around 16 February 2022.

About the Brookfield consortium

- Brookfield is acquiring AusNet alongside a group of experienced and well-capitalized infrastructure investors, being Sunsuper Superannuation Fund, an Australian multi-industry superannuation fund (**Sunsuper**); Alberta Investment Management Corporation, an institutional investment manager for pension, endowment and government funds in Alberta, Canada (**AIMCo**); the Investment Management Corporation of Ontario, an investment manager overseeing assets on behalf of public sector institutions in Ontario, Canada (**IMCO**); Healthcare of Ontario Pension Plan, a defined benefit pension plan for healthcare workers in Ontario, Canada (**HOOPP**); and Canada's Public Sector Pension Investment Board (**PSP Investments**).
- The consortium has established a clear framework for corporate governance and Board composition, including providing Brookfield with certain control and management rights in respect of the consortium's investment in AusNet.

Capital management and financing arrangements

Following implementation of the Scheme, all of AusNet's existing bank debt facilities, bonds and hedging arrangements are expected to be retained, in accordance with their terms. Brookfield also expects that AusNet's existing EUR and AUD denominated hybrid capital securities will remain outstanding, subject to their terms of issue.

Brookfield has arranged c. A\$2 billion of additional debt to partly fund the acquisition, and intends to arrange for the additional debt to be transferred to AusNet's existing borrowing structure following implementation of the Scheme on an equal ranking basis with the company's existing senior unsecured debt. This additional debt will be included in AusNet's capital structure for credit rating purposes, and is intended to be refinanced with longer-term debt in due course.

AusNet will adopt a capital management strategy with the overarching objective to maintain strong investment grade credit metrics and senior credit ratings consistent with Baa1 from Moody's and BBB+ from Standard & Poor's.

Together with AusNet management, Brookfield looks forward to engaging with AusNet's debt and hybrid investors following implementation of the Scheme.

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About Brookfield

Brookfield is a leading global alternative asset manager with approximately US\$650 billion of 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. Utilizing 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 NYSE and the TSX under the symbols BAM and BAM.A, respectively. For more information, please visit Brookfield's website at www.brookfield.com

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