

Iberdrola signs binding agreement to sell 55% of its Mexican business for US\$6 billion

- *The agreement is signed in accordance with the terms and the foreseen timetable*
- *Mexico grants permission for Iberdrola to obtain a generation permit for the Santiago wind farm*
- *The company has a renewables portfolio of 6,000 MW in the country to provide power to its private customers*

Iberdrola Mexico and Mexico Infrastructure Partners (MIP) signed a binding agreement whereby the trust led and managed by MIP acquires 55% of Iberdrola's gross operating profit (EBITDA) in the country, including the associated contracts and more than 410 related jobs. Iberdrola will keep 13 plants, all its activity with private customers and its portfolio of renewable projects to continue increasing its wind and solar assets in the country in the coming years.

Within the agreement, 99% corresponds to combined cycle gas plants and 87% to plants operating under the Independent Power Producer regime, contracted with the CFE. The operation has been carried out in accordance with the agreed terms and the foreseen timetable.

The combined cycle gas plants, operating under the Independent Power Producer regime contracted with the Federal Electricity Commission (CFE), are: Monterrey I and II (449 MW), Altamira III and IV (1,096 MW), Altamira V (1,155 MW), Escobedo (878 MW), La Laguna (537 MW), Tamazunchale I (1. 179 MW), Baja California (324MW), Topolobampo II (917 MW), and Topolobampo III (766 MW). Also included is the La Venta III (103 MW) wind farm. In total these contracted assets account for 87% of the total installed capacity to be divested.

The private gas combined cycle plants Monterrey III and IV (477 MW), Tamazunchale II (514 MW) and Enertek (144 MW) are additionally included in the agreement. The more than 400 employees of these facilities will also become part of the trust led and managed by MIP.

The agreed value of the sale is approximately \$6 billion. The transaction has the financial support of Mexico's National Infrastructure Fund (Fonadin) and other public financial entities linked to the Mexican government.

The company has a portfolio of 6,000 MW of renewable energy projects in the country to provide energy to its private customers.

Last April, the Chairman of Iberdrola, Ignacio Galán, and the President of the Mexican Government, Andrés Manuel López Obrador, announced the beginning of a new phase after the signing of an agreement of intent between subsidiaries of Iberdrola México and

México Infrastructure Partners ("MIP"), which has been finalized today. Both presidents pledged to advance the development of renewable energy in the country.

Recently, at the extraordinary session of Mexico's Energy Regulatory Commission (CRE), the body authorized Iberdrola's generation permit for the Santiago wind farm, as the only item on the agenda.

This wind farm is located in the state of Guanajuato and will have a capacity of 105 MW. The generation permit application was submitted to the regulator by the Spanish company on October 13, 2022.

The project was voted and approved unanimously in a brief session.

The Iberdrola Group, through the new investments it will make in Mexico, will reaffirm its leadership in the development of renewable energies in the country.