

GIC and Iberdrola close strategic alliance to develop transmission networks in Brazil for 456 million euros

- *Both ANEEL and CADE give their approval to the alliance, which will allow Iberdrola to increase its business in the country*
 - *The company and the Singapore sovereign wealth fund join forces to make future investments in Brazilian electricity networks*
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Iberdrola and GIC, Singapore's sovereign fund, and one of the world's main institutional investors, have closed a strategic agreement to develop transmission networks in Brazil for 2.4 billion Brazilian reais (456 million euros).

The agreement, which was first announced in April, now has the approval of both the National Electrical Energy Agency (ANEEL) and the Administrative Council for Economic Defense (CADE).

Both companies will co-invest in the operational transmission assets (Jalapão, Santa Luzia, Dourados, Atibaia, Biguaçu, Sobral, Narendiba and Río Formoso), covering a total of 1,865 km of power lines, with an average concession term of 25 years. Iberdrola, through its subsidiary in Brazil, Neoenergia, will have a 50% stake in the company, valued at 1,200 million Brazilian reais (228 million euros).

In addition, Iberdrola and GIC have signed a framework agreement to jointly participate in future tenders for new electricity transmission assets in Brazil. With the closure of the agreement, Neoenergia will stop accounting for the debt consolidation of the operational assets, as outlined in the scope of the transaction.

GIC is a leading global investment firm established in 1981 to secure Singapore's financial future. As manager of Singapore's foreign exchange reserves, GIC takes a disciplined, long-term investment approach and is committed to investing in critical solutions to accelerate the energy transition.

This transaction is part of Iberdrola's non-essential asset rotation program, which has already been 100% fulfilled, to support Iberdrola's record investment plan of 47 billion euros.