

Neoenergia launches bid to acquire 6.89% of its Brazilian subsidiary Cosern

- *Neoenergia now owns 93.11% of the capital and with this operation reaffirms its strategy to simplify the structure of its distributors in the country.*
- *The acquisition represents an estimated investment of 163 million Brazilian reais – around 30 million euros.*

Iberdrola's Brazilian subsidiary Neoenergia has launched a bid to acquire 6.89% of the capital of its subsidiary Neoenergia Cosern. As the company has informed the Brazilian Securities Commission (CVM, by its Brazilian acronym), the company intends to acquire both ordinary shares and Class A and Class B preferred shares. At present, Neoenergia already owns approximately 93.11% of the distributor's share capital.

This price represents an investment of 163 million Brazilian reais – around 30 million euros at the current exchange rate. The bid is for the acquisition of all outstanding shares, which amount to around 11.5 million shares. The company will pay 13.73 Brazilian reais per share for the ordinary shares and 15.10 Brazilian reais for the Class A and B preferred shares.

The deal, like the one announced in 2022 for its subsidiary Neoenergia Pernambuco, will help simplify the shareholding in Neoenergia's distribution companies, and is expected to close by the end of the year.

The offer, which has yet to receive regulatory approvals, is conditional on acceptance by at least two-thirds of the target shareholders.

Neoenergia Cosern was created in 1961 and was under the control of the State Government until 1997, when privatisation took place. Since then, it has maintained a continuous evolution in the quality of service offered to the inhabitants of the state of Rio Grande do Norte, always seeking to improve the relationship with its customers and contribute to the development of the state. The company is present in 167 municipalities in Potiguares, has a concession area of 53,000 square kilometres and serves 1.5 million customers (3.5 million inhabitants).