

Bilbao, 2 August 2024

To the National Securities Market Commission

Inside Information

Acquisition of an interest of approximately 88% of the share capital of the UK electricity distribution company "Electricity North West Limited"

Pursuant to article 17 of *Regulation (EU) No 596/2014 on market abuse* and article 226 of the *Law 6/2023 of 17 March on Securities Markets and Investment Services (Ley 6/2023, de 17 de marzo, de los Mercados de Valores y de los Servicios de Inversión)* and related provisions, the Company announces that, on this date, Iberdrola, S.A. ("**Iberdrola**" or the "**Company**") has subscribed with all the shareholders of "North West Electricity Networks (Jersey) Limited" ("**ENW Holding**") which indirectly holds 100% of the share capital of the UK electricity distribution company "Electricity North West Limited", certain contracts for the acquisition of 88% of the share capital of ENW Holding and, indirectly, of ENW (the "**Transaction**").

The Transaction has been structured through a purchase of shares representing approximately 85.6% of the share capital of ENW Holding and a cash capital increase in ENW Holding by virtue of which Iberdrola will acquire on the same date an additional interest of approximately 2.4% of the share capital of said company. Following completion of the Transaction, KDM Power Limited ("**KDM**"), a consortium led by the Japanese company Kansai Electric Power Co, ENW Holding's current shareholder, will retain a 12% interest in the share capital of ENW Holding.

Simultaneously to the execution of the share purchase agreement, Iberdrola and KDM have entered into the corresponding subscription and shareholders' agreement under terms customary in this type of transactions, the entry into force of which is conditional upon the effective consummation of the Transaction (jointly with the aforementioned purchase agreement, the "**Transaction Agreements**").

The valuation of 100% of ENW Holding for the purposes of the Transaction (including ENW Holding's consolidated net financial debt, as reported by it), taking 31 March 2024 as the reference date (*locked-box date*), amounts to a total of approximately GBP 4,208.4 million, equivalent to approximately EUR 4,990.3 million, and will result in an approximate total disbursement by the Company for the interest of 88% of the share capital of ENW Holding, as purchase price and disbursement of the capital increase contributions, subject to certain closing date adjustments customary in this type of transactions, of approximately GBP 2,134 million, equivalent to approximately EUR 2,530.5 million. These amounts have been calculated by applying a GBP/EUR exchange rate of 1.1858.

The completion of the Transaction is subject to obtaining approval from the Government of the United Kingdom under the National Security and Investment Act, within the terms provided for in the contractual documentation, within an initial period of three months from the date of signing of the Transaction Agreements (extendable successively by additional up to two-months periods at the request of any of the parties, provided that the period for obtaining said approval may not be extended by virtue of this extension right beyond a total of nine months from the date of signing of the Transaction Agreements). The Transaction will also be subject to review

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by the United Kingdom's Competition and Markets Authority pursuant to the regulations applicable to mergers of energy networks in the United Kingdom, without this preventing the completion of the Transaction.

The Transaction Agreements also provide for certain undertakings, representations and warranties of the sellers in favour of Iberdrola, in terms customary for this type of competitive process. Additionally, the Transaction Agreements provide for certain limitations to the liability of the sellers. To that end, Iberdrola has entered into, on the date hereof, a W&I insurance policy with an international insurance company of recognised solvency and reputation in the provision of insurance of this type of transactional risks.

The Transaction Agreements also establish the right of the Company to assign its contractual position to any directly or indirectly wholly-owned subsidiary, prior to the date of closing of the Transaction. In the event that the Company decides to exercise this assignment right, it will continue to act vis-à-vis the sellers as joint and several guarantor of the performance by the assignee company of its obligations under the Transaction Agreements.

The Transaction is aligned with the objectives of the 2024-2026 Strategic Plan of the Company and consolidates its position in the transportation and distribution energy market in the United Kingdom.

This information is disclosed for the appropriate purposes.

General secretary and secretary of the Board of Directors

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## IMPORTANT INFORMATION

This communication does not constitute an offer to purchase, sell or exchange or the solicitation of an offer to purchase, sell or exchange any securities. The shares of "Iberdrola, S.A." may not be offered or sold in the United States of America except pursuant to an effective registration statement under the Securities Act or pursuant to a valid exemption from registration.

This communication contains forward-looking information and statements about "Iberdrola, S.A.", including financial projections and estimates and their underlying assumptions, statements regarding plans, objectives and expectations with respect to future operations, capital expenditures, synergies, products and services, and statements regarding future performance. Forward-looking statements are statements that are not historical facts and are generally identified by the words "expects", "anticipates", "believes", "intends", "estimates" and similar expressions.

Although "Iberdrola, S.A." believes that the expectations reflected in such forward-looking statements are reasonable, investors and holders of "Iberdrola, S.A." securities are cautioned that forward-looking information and statements are subject to various risks and uncertainties, many of which are difficult to predict and generally beyond the control of "Iberdrola, S.A.", that could cause actual results and developments to differ materially from those expressed in, or implied or projected by, the forward-looking information and statements. These risks and uncertainties include those discussed or identified in the public documents sent by "Iberdrola, S.A." to the *Comisión Nacional del Mercado de Valores*.

Forward-looking statements are not guarantees of future performance. They have not been reviewed by the auditors of "Iberdrola, S.A." You are cautioned not to place undue reliance on the forward-looking statements, which speak only as of the date they were made. All oral or written forward-looking statements hereby made or otherwise attributable to "Iberdrola, S.A." or any of its members, directors, officers, employees or any persons acting on its behalf are expressly qualified on its entirety by the cautionary statement above. All the forward-looking statements included herein are based on information available to "Iberdrola, S.A." on the date hereof. Except as required by applicable law, "Iberdrola, S.A." does not undertake any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

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