

This is the largest binding agreement of its kind in Europe between an energy company and a data centre operator

Iberdrola and Echelon create a joint venture to develop data centres in Spain

- *Iberdrola, which will hold a 20% stake in the joint venture, will provide land connected to the electricity grid and supply electricity 24/7 to the centres*
- *Echelon, a leading operator of large-scale data centre infrastructure in Europe based in Ireland, will hold the remaining 80% and will take care of permits, design, marketing and day-to-day management of the joint venture*
- *The first project for this partnership will be a data centre with a 144 MW processing capacity, for which it has secured a 230 MW electricity connection.*
- *With this agreement, Iberdrola reinforces its strategy of providing access to secure, clean and competitive energy for tech companies and pushing for electrification*

Iberdrola and Echelon Data Centres, a leading owner and operator of large-scale data centre infrastructure in Europe, have announced a strategic joint venture to build and operate data centres in Spain. This is the largest binding agreement of its kind in Europe between an energy company and a developer of this type of technology infrastructure.

Under this agreement, Iberdrola will hold a 20% stake through its subsidiary CPD4Green and will be responsible for identifying and securing land with connection to the electricity grid where the centres will be developed. It will also supply electricity to the centres 24/7.

Echelon, a Dublin-based tech company owned by Starwood Capital Group, will own 80% of the company and will be in charge of the development, design, marketing and day-to-day management of the joint venture.

The first project this joint venture will carry out will be Madrid Sur, a 160,000 m² complex that will offer 144 megawatts (MW) of data processing and has already secured a 230 MW electricity connection. This centre, which will create around 1,500 jobs and is expected to be operational before 2030, will require 1 terawatt hour (TWh) of power, which will be supplied by a solar photovoltaic plant to be built on site, complemented by additional clean energy capacity from Iberdrola.

'This agreement reinforces Iberdrola's strategy of facilitating the development of data centres, which have become a key driver of growth in electricity demand. The joint venture signed with Echelon will allow us to leverage our portfolio of sites with access to electricity

connections and our ability to offer these infrastructures secure, clean and competitive energy 24 hours a day, 365 days a year', said David Mesonero Molina, Director of Corporate Development at Iberdrola.

David Smith, Director of Investments at Echelon Data Centres, said, 'Entering the data centre market in Spain has been a strategic objective for Echelon for several years. Spain offers significant benefits for our customers: access to large-scale renewable energy at some of the lowest prices in Europe and large construction and operating capacities. Our partner, Iberdrola, is a global energy leader and we are delighted to have this opportunity to partner with them to offer our customers the best data processing infrastructure.'

A business with high growth potential

Iberdrola already sells more than 11 TWh to tech companies and operators of these infrastructures worldwide, making it a leader in data centre electricity supply. Its subsidiary CPD4Green, dedicated to facilitating the development of data processing infrastructures, already has a portfolio of sites for 700 MW in Spain and has the potential for another 5,000 MW.

In recent years, Spain has established itself as the gateway for global data to the European continent. More than 70% of data traffic to Europe passes through Spain thanks to its fibre optic network, submarine connections, availability of clean and competitive energy and its electricity grid.

About Iberdrola

With a market capitalisation of more than €100B, Iberdrola is Europe's largest electricity company and one of the two largest worldwide. The Group serves more than 100 million people worldwide and has a workforce of more than 44,000 employees and assets exceeding €160B. In 2024, Iberdrola recorded revenues of almost €50B and a net profit of €5.6B. The company contributes nearly €10.3B in taxes in the countries where it operates and supports more than 500,000 jobs among its suppliers thanks to purchases that exceeded €18B in 2024.

Since 2001, Iberdrola has invested more than €175B in renewable energy, electricity grids and energy storage to contribute to the creation of an energy model based on electrification. The company has more than 57,000 megawatts (MW) of capacity worldwide, of which more than 45,000 MW are renewable.

About Echelon Data Centres

Founded in 2017 and headquartered in Dublin, Echelon Data Centres is a privately held developer, owner and operator of hyperscale data centre campuses in Europe with over 600 MW of capacity, either in operation or in planning, in Ireland and the United Kingdom. The company has a portfolio of over 2 GW in Tier 1 markets such as Dublin, London and Milan. Echelon is committed to sustainability, designs all its campuses to operate exclusively on renewable energy and actively supports national decarbonisation targets through innovative energy exchange initiatives. In 2024, Starwood Capital Group acquired 50% of the company through an investment of €850M, valuing the platform at approximately €2.5B and providing significant capital for its expansion.

About Starwood Capital Group

Starwood Capital Group is a private investment firm whose primary focus is on global real assets. Since its founding in 1991, Starwood Capital Group has raised approximately \$85B in capital and currently manages approximately \$115B in assets. Through a series of combined opportunity funds and Starwood Real Estate Income Trust, Inc. (SREIT), an unlisted real estate

investment trust, the firm has invested in virtually every category of real estate worldwide, shifting opportunistically among asset classes, geographies and positions in the capital structure as it perceives the evolution of the risk-reward relationship. Starwood Capital also manages **Starwood Property Trust** (NYSE: STWD), the largest commercial mortgage investment trust in the United States, which has successfully deployed more than \$104B in capital since its inception and manages a portfolio of more than \$26B in both debt and equity investments. Together with Starwood Property Trust, Starwood Capital manages more than \$5B in various private debt funds that invest globally.

Other Starwood Capital affiliates include: Highmark Residential, a property management company; Starwood Digital Ventures, a platform dedicated to the firm's data centre investment strategy; Starwood Hotels, a hotel brand management team; Essex Title, a title agent working with one or more insurers issuing title policies and/or providing support services; Starwood Oil & Gas, which seeks to capitalise conventional and unconventional assets in North America. You can find more information at: www.starwoodcapital.com; www.starwoodnav.reit; www.starwoodpropertytrust.com; www.starwoodhotels.com.