

Iberdrola agrees to sell businesses in Mexico for \$4.2 billion

- *The transaction is in line with expectations to invest €55 billion in its electricity transmission and distribution network subsidiaries, mainly in the US and the UK*
- *The transaction, combined with the recently executed capital increase, secures the resources to meet these investments*
- *The deal includes 15 power plants with 2.6 GW of capacity, the commercial activity and the portfolio of projects under development, which the buyer intends to put into operation in the future*
- *The agreement, subject to the usual approvals, implies a multiple of US\$1.6 million per MW of operating capacity*

Iberdrola has announced the sale of businesses in Mexico for \$4.2 billion (around €3.7 billion).

The operation responds to expectations of organic investment of €55 billion in transmission and distribution electricity networks in its subsidiaries in the US (Avangrid Networks), the UK (ScottishPower Energy Networks), Brazil (Neoenergia) and Spain (i-De), which will almost double its regulated asset base to €90 billion in the coming years.

This strategy has already led Iberdrola's British subsidiary, ScottishPower, to acquire the Electricity North West distribution company, which serves the northwest of England, just a year ago for €5 billion.

Together with the recently executed capital increase, operating cash flow and current liquidity, the transaction secures the resources to meet the Group's investment plans in the coming years.

The deal, which assumes a valuation multiple of \$1.6 million per operating MW, includes an installed capacity of 2.6 GW in operation -1,368 MW of combined cycle and cogeneration plants and 1,232 MW of wind and photovoltaic assets-, the commercial activity and the portfolio of generation projects, which the buyer intends to put into operation in the future in line with its expansion plans in the country and the frameworks created by the Government of Mexico to promote new generation. As these projects are completed, the buyer would make payments to Iberdrola in addition to the agreed \$4.2 billion.

The transaction is subject to obtaining the necessary regulatory approvals.

About Iberdrola

With a market capitalization of more than €100 billion, Iberdrola is the largest electricity company in Europe and one of the two largest in the world. The Group serves more than 100 million people worldwide and has a workforce of more than 44,000



employees and assets of more than €160 billion euros. In 2024, Iberdrola recorded revenues of almost €50 billion, a net profit of €5.6 billion. The company contributes nearly €10.3 billion in tax contributions in the countries in which it operates and supports more than 500,000 jobs at its suppliers thanks to purchases that exceeded €18 billion in 2024.

Since 2001, Iberdrola has invested more than €175 billion in electricity grids, renewable energies, and energy storage to contribute to the creation of an energy model based on electrification. The company has nearly 1.4 million km of electric grids in the US (states of New York, Connecticut, Maine and Massachusetts), the UK (Scotland, England and Wales), Brazil (states of Bahia, Rio Grande do Norte, Pernambuco, Sao Paulo and Mato Grosso do Sul, in addition to Brasilia) and Spain, as well as 57,000 megawatts (MW) of capacity worldwide, of which more than 45,000 MW are renewable.