

Up to now, the Group had a 53.5% stake in the company

Iberdrola, to reach 84% of Neoenergia's share capital in Brazil after the purchase of PREVI's stake for 1.88 billion euros

- *The price agreed for the 30.29% stake in Neoenergia will imply a cash consideration of 11.95 billion Brazilian reais*
- *The Group strengthens its investment focus on regulated Networks businesses*
- *Neoenergia is the first electricity distribution Group in Brazil by number of customers and provides service to 40 million Brazilians:*
 - *It has five distribution licenses in Bahia, Rio Grande do Norte, Pernambuco, Sao Paulo, Mato Grosso do Sul and Brasília with attractive regulatory frameworks*
 - *The company expects a strong increase in Network investments in the coming years due to increasing demand and electrification*

Iberdrola has reached an agreement to acquire the stake of Caixa de Previdência dos Funcionários do Banco do Brasil ("PREVI") in Neoenergia, reinforcing its position as majority stakeholder. The transaction contemplates the purchase of PREVI's 30,29% stake in Neoenergia, so that Iberdrola will control 84% of the company's share capital, approximately.

The price agreed, 32.5 Brazilian reais per share, will imply a cash consideration of 11.95 BRL billion – around 1.88 billion euros.

The transaction is subject to the applicable regulatory approvals and is expected to be closed in the next months.

Neoenergia supplies electricity to close to 40 million Brazilians through 5 distribution companies (in the states of Bahia, Rio Grande do Norte, Pernambuco, Sao Paulo, Mato Grosso do Sul and Brasília) and 18 transmission lines, making it the largest distribution Group in Brazil by number of customers. Neoenergia has more than 725,000 km of distribution lines and 8,000 km of transmission lines, as well as 3,800 MW of renewable generation, mainly hydroelectric.

In 2024, Neoenergia became the Brazilian company invested most in basic infrastructures across the country, more than 9.8 billion reais (1.5 billion euros), to expand, upgrade, maintain and automatize its networks.

In the coming years, the company faces strong growth prospects thanks to the expected increase in investments in regulated Networks with attractive regulatory frameworks.

The operating excellence of Neoenergia's distribution companies was recently reflected in the awards granted by ABRADÉE, the Brazilian Association of Distribution Companies, in which two of its subsidiaries (Neoenergia Cosern, in Rio Grande do Norte, and Neoenergia Elektro, in Sao Paulo and Matto Grosso do Sul) were ranked top 1 and 2 as "Best distribution company". In total, Neoenergia obtained 8 awards out of 12: 'Best company' in Brazil and in the North East region (obtained by Neoenergia Cosern, the Rio Grande do Norte distribution company); best distribution company in the South East, best Management Quality, best Innovation Management and best Operating Management (obtained by Neoenergia Elektro) and best Performance Evolution (to Neoenergia Brasilia, in recognition of the company's strong operating improvement following its integration in the Group in 2020).

With this transaction, Iberdrola takes a further step in its growth strategy based on electricity Networks businesses, with 1.4 million km of power lines in the US, the UK, Brazil and Spain.

About Iberdrola

With a market capitalisation of more than €100 bn, 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 €160 bn. In 2024, Iberdrola recorded revenues of almost €50 bn and a net profit of €5.6 bn. The company contributes nearly €10.3 bn in taxes in the countries where it operates and supports more than 500,000 jobs among its suppliers thanks to purchases that exceeded €18 bn in 2024.

Since 2001, Iberdrola has invested more than €175 bn in electricity networks, renewable energy, and energy storage to contribute to the creation of an energy model based on electrification.

The company has approximately 1.4 million km of electricity networks in the United States (states of New York, Connecticut, Maine, and Massachusetts), the United Kingdom (Scotland, England, and Wales), Brazil (the states of Bahia, Rio Grande do Norte, Pernambuco, Sao Paulo, and Mato Grosso do Sul, as well as Brasilia), and Spain, as well as 57,000 megawatts (MW) of capacity worldwide, of which more than 45,000 MW are renewable.