

## PRESS RELEASE

# Iberdrola steps up its commitment to Brazil with the acquisition of the Brasilia distributor for €400m.

Neoenergia, through its subsidiary Bahia Geração de Energia, has been declared the winner of the auction held this morning - in international competition - for the privatisation of the electricity distributor CEB Distribuição, following the presentation of an offer amounting to R\$2,515,000,000 (€399 m), for 100% of the company.

CEB-D is the electricity distributor for the Federal District of the country's capital, Brasilia, and supplies electricity to a population of 3 million. In 2019, the company had 1.1 million consumers and supplied a total of 6,577 GWh. The concession that CEB Distribuição owns runs until 2045, guaranteeing 25 years of regulated activity with stable and predictable incomes.

The acquisition of CEB-D represents yet another step in Neoenergia's expansion plan in the Brazilian energy sector and is in line with Iberdrola's investment focus, centring on regulated businesses and renewable energy with big growth potential in countries that offer legal and regulatory stability.

### Commitment to Brazil

Iberdrola, through its subsidiary Neoenergia, continues to step up its commitment to Brazil, where it already manages a 640,417km distribution network covering a population of 34 million. Neoenergia also has over 3,500 renewable megawatts (MW) in operation and provides electricity to 14.1 million customers.

The combination of Neoenergia and CEB-D will cover an area of over 840,800 km<sup>2</sup> and will serve 15.3 million customers - 7.7% more than the number managed hitherto by Iberdrola's Brazilian subsidiary. Neoenergia's Regulated Asset Base (RAB) would amount to 19.487 bn reales for 2019.



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The settlement of the auction, as well as the culmination of the acquisition of CEB-D shares through the execution of a share sales/purchase agreement, are subject to the Tender Committee's approval of the auction result, following approval from the Economic Defence Administration (CADE) and the consent of the National Energy Agency (ANEEL).

The acquisition of CEB-D shares is likewise subject to approval from Neoenergia's shareholders. The operation is expected to be finalised in the first quarter of 2021.

Iberdrola is forecasting investments of €75 bn in the run up to 2025 with a significant focus on distribution networks, an activity into which it will channel €27 bn.

### New corporate operations in 2020

This acquisition takes Iberdrola's new corporate operations for this year to nine, despite the challenges of COVID-19:

- In October, purchase agreement for the American company PNM Resources, worth €7 bn.
- In September, the group, chaired by Ignacio Galán, announced its foray into the Japanese market with the purchase of the developer Acacia Renewables, with a 3.3 GW portfolio of offshore projects.
- In September, the company announced the acquisition of a 400 MW capacity portfolio of wind power projects in Brazil.
- Acquisition of the Australian renewable energy firm Infigen Energy, following the launch of a friendly takeover bid in June. The operation allows Iberdrola to become one of the leading operators in the Australian market for renewable energy with 670 MW of wind power operational and a 1 GW portfolio of wind and solar projects at various stages of development.
- On 22 June, the company agreed a deal with Swedish company Svea Vind Offshore AB (SVO) for a 9 gigawatts (GW) majority holding in the future development of the largest offshore wind production portfolio in Sweden.



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- On 12 May, it announced the purchase of two onshore wind projects in Scotland totalling 165 MW of capacity, the development of which will involve an investment of some €190 m.
- On 6 May, Iberdrola reported the acquisition of the French company Aalto Power for just over €100 m. The company has 118 MW of onshore wind already operational and a portfolio of projects totalling 636 MW at various stages of development.
- On 9 March, Iberdrola took over 100% of the capital of the French Saint-Brieuc offshore wind farm.

