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Iberdrola targets Japan as a new growth platform for renewables

- **Acquires local developer Acacia Renewables and enters joint venture with Macquarie's Green Investment Group (GIG) to develop its 3.3 GW offshore wind portfolio**
- **Access to a diversified portfolio: Acacia has two wind farms (1.2 GW) under development and four in the pipeline, strategically located in different areas of the country's southwest to access the auctions announced by the Japanese government**
- **The operation, which is aligned with the company's strategy, allows Iberdrola to advance in geographic diversification –Japan joins new markets such as Australia, Sweden and France– and to position itself in the early development stages in markets with strong potential**
- **In the offshore wind market, Iberdrola already operates projects in the UK and Germany, and is working on new developments in the UK, US, German and French markets and has a 15 GW pipeline**

Iberdrola is targeting the Japanese market as a new platform for growth in renewable energy, specifically in the field of offshore wind. The company has reached an agreement with Macquarie's Green Investment Group to acquire 100% of the local developer Acacia Renewables.

Acacia Renewables currently has two offshore wind farms under development, with a combined capacity of up to 1.2 GW, which could be operational by 2028. It also has four other projects in its pipeline, with a total capacity of 2.1 GW. Iberdrola will hold an equal share in the six projects alongside GIG, and the partners will develop the portfolio.

The operation is in line with the company's strategy, allowing Iberdrola to position itself in the early development stage of Japan's offshore wind market, which has strong growth potential. The deal gives Iberdrola access to a diversified project pipeline, located in different areas of the southwest of the country, in an optimal manner for the auctions announced by the Japanese government.

Iberdrola and GIG are committed to continuing efforts to build strong partnerships in Japan, bringing further Japanese companies into the projects.

Acacia has a team experienced in the management of renewable projects and in-depth knowledge of the market, as well as offices in the country; critical conditions for leading the future development of new projects in Japan on its own.

Market with strong growth potential and favourable investment environment

The acquisition of the local renewable developer opens up the opportunity for Iberdrola to enter the Japanese offshore wind market which is in its early stages and has strong growth potential over the coming decades, with a favourable investment environment.

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Installed offshore wind capacity in Japan is currently around 70 MW, but the country has deployed a strategy to decarbonise its energy mix and promote energy independence. Forecasts indicate that the market will reach 10 GW installed in 2030 and up to 37 GW in 2050*.

Diversification strategy adding projects to the portfolio

The acquisition of Acacia is in line with Iberdrola's strategy to consolidate its position as the world's largest renewable energy company by adding new projects to its portfolio, and joins other transactions carried out by the company in recent years in the offshore wind sector. Operations that have allowed the development of wind farms in the Baltic Sea (Wikingen, Baltic Eagle), the North Sea (East Anglia ONE), the Irish Sea (West of Duddon Sands), the Massachusetts coast (Vineyard Wind), the French coast (Saint Brieuc) and, more recently, access to 9 GW capacity in Sweden.

In the offshore wind sector, Iberdrola already operates wind farms in the UK and Germany, and the company is working on new developments in the UK, US, German and French markets and has a 15 GW pipeline.

With the acquisition of Japanese company Acacia, the company led by Ignacio Galán, has made its sixth corporate move of the year, despite the challenges posed by COVID-19. In addition to transactions in offshore wind power in France and Sweden, the company has also acquired the French renewable energy company Aalto Power, made agreements to develop 165 MW of onshore wind power in Scotland and, more recently, has taken ownership of Infigen, establishing a major presence in the Australian renewable energy market.

Accelerating investments to help green recovery

Iberdrola is confident that electrification will act as a lever for change in the post-COVID world and has therefore accelerated investment to help revitalise economic activity and job creation. This commitment to a green recovery has led it to commit record investments this year of €10 billion in renewable energy, smarter electricity networks and large-scale storage systems, with overall investments of €100 billion since 2001 worldwide.

Iberdrola operates 32.7 GW of renewables in the world and has a pipeline of over 58 GW of renewable projects.

*Source: Japan Wind Association

About Iberdrola

Iberdrola is a global energy leader, the number-one producer of wind power, and one of the world's biggest electricity utilities by market capitalisation. The group supplies energy to almost 100 million people in dozens of countries including Spain, the United Kingdom (ScottishPower), the United States (AVANGRID), Brazil (Neoenergia), Mexico, Australia (Infigen), Germany, Portugal, Italy and France. With a workforce of more than 35,000 and assets in excess of €122 billion, it achieved a turnover of €36.4 billion and a net profit of over €3.4 billion in 2019.

Iberdrola is leading the transition towards a sustainable energy model through its investments in renewable energy, smart grids, large-scale energy storage and digital transformation, to offer the most advanced products and services to its customers. Thanks to its commitment to clean energy, Iberdrola is one of the companies with



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the lowest emissions and an international benchmark for its contribution to sustainability and the fight against climate change.