

PRESS RELEASE

Capitalization reaches R\$19 billion, after closing the offer at R\$15.65 per share.

Neoenergia, a subsidiary of Iberdrola, debuts on the São Paulo Stock Exchange, Brazil's largest energy sector placement since 2000

- **Neoenergia becomes the main private electricity utility, active in the networks business, listed on the B3 of São Paulo**
- **Iberdrola maintains control of Neoenergia, with over 50% of its share capital, raising its bet on the Brazilian energy sector: with €6 billion investments for the period 2018-2022**

São Paulo. Today, Neoenergia, a subsidiary of Iberdrola, marked a new milestone in the group's history when it began trading in the Novo Mercado segment of the São Paulo B3 stock market (formerly Bovespa). This is the largest initial public offering (IPO) so far this year and the most relevant in Brazil's energy sector since 2000.

With a market capitalization of about R\$19 billion, Neoenergia becomes the main private electricity utility, active in the networks business, listed on the Novo Mercado.

The value of the offer amounted to R\$3.255 billion after the sale of 208,044,383 Neoenergia shares, representing 17.139% of its share capital, and after the final price was set at 15.65 Brazilian reais per share.

Neoenergia will continue to play an important role in Brazil's economic and social development in the coming years, responding to the growing demand for sustainable and reliable energy and generating wealth in the country, where it is present in 18 states and serves 34 million customers. The Iberdrola group, through its Brazilian subsidiary, plans to invest €6 billion in Brazil during the 2018-2022 period, as stated in its Strategic Outlook, presented in London in February.



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Neoenergia's new share capital structure

Following the success of the offer, the resulting share capital of Neoenergia is structured as follows: Iberdrola controls 50% + 1 share, Previ, with 32.9%, continues as a relevant, long-term shareholder, and the remaining 17.139%, being free float.



Brazil's energy leader

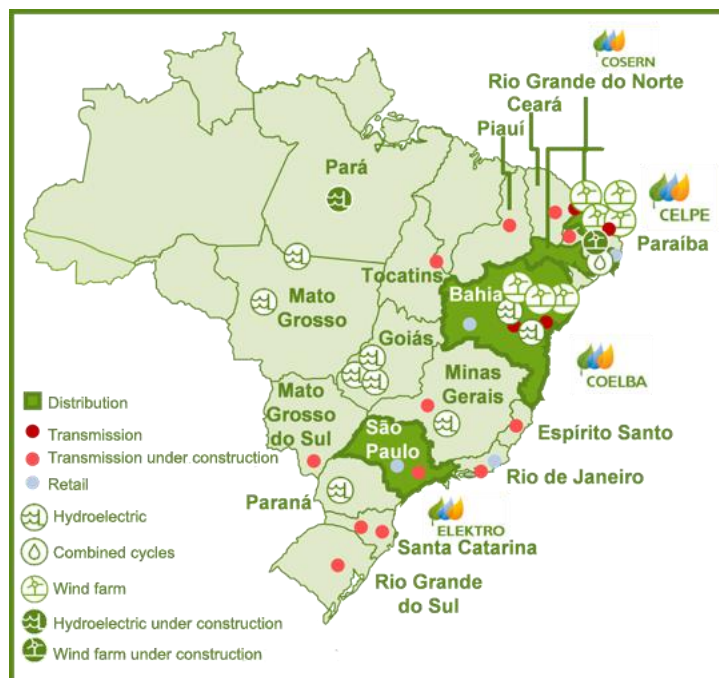
[Through Neoenergia](#), Iberdrola has become one of the two largest electricity companies in Brazil by number of customers, with 13.9 million supply points. The company focuses its activity on the generation, transmission, distribution and retail of electricity, in an area spanning 835,000 km².

Today, the company has a production capacity in the country of more than 3,700 megawatts (MW), of which almost 88% are renewables. If projects under construction are taken into account, capacity reaches 4,550 MW. Standing out among Iberdrola's clean generation facilities in Brazil, is the recently inaugurated hydroelectric plant of Baixo Iguaçu, with 350 MW output capacity.

In addition, the group has more than 600,000 kilometers of electric lines, operated by the four distribution companies integrated in Neoenergia: Cosern, Celpe, Coelba and Elektro.



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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 has businesses in numerous countries and supplies energy to over 100 million people in dozens of countries, mainly in Spain, United Kingdom (Scottish Power), USA (AVANGRID), Brazil (Neoenergia), Mexico, Germany, Portugal, Italy or France. With a workforce of 34,000 and assets in excess of €113bn, it achieved a turnover of €35bn and a net profit of €3bn in 2018.

Iberdrola is leading the transition towards a sustainable energy model through investments in renewable energy, smart grids, large-scale energy storage and digital transformation, offering the most advanced products and services to its customers. Thanks to its commitment to clean energy, Iberdrola is one of the companies with the lowest emissions and an international benchmark for its contribution to the fight against climate change and sustainability.

About Neoenergia

[Neoenergia](#) is one of Brazil and Latin America's largest energy groups, with businesses in 18 states of the country combining electricity generation, distribution, transmission, and retail activities. Neoenergia has more than 13.8 million supply points, served by its four companies:



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Coelba, Celpe, Cosern and Elektro. Their concession area covers nearly 840,000 km² and serves a population of more than 34 million people.

Neoenergia is a socially responsible company, fully engaged with the communities where it is present, placing people at the heart of its activity and creating value for its customers, shareholders, suppliers, partners, and for society at large. The company leads the ranking of the 100 most transparent companies published by the NGO Transparency International.

This press release is not a stock offering. Neoenergia shares have not been and will not be registered under the Securities Act of 1933 and may not be offered or sold in the United States without registration or an applicable exemption.

