



Julián Martínez-Simancas
Secretary of the Board of Directors

Bilbao, 7 June 2019

To the National Securities Market Commission

Subject: Announcement of registration of the initial public offering of shares of Neoenergia, S.A. in Brazil

Dear Sirs,

Pursuant to article 227 of the restated text of the Securities Market Law approved by the Royal Legislative Decree 4/2015, of 23 October (*texto refundido de la Ley del Mercado de Valores, aprobado por el Real Decreto Legislativo 4/2015, de 23 de octubre*) and related provisions, we hereby inform you that, yesterday, Neoenergia, S.A., ("**Neoenergia**"), company of which Iberdrola holds 52.45 % of its share capital via its subsidiary Iberdrola Energía, S.A. (*Sociedad Unipersonal*) ("**Iberdrola Energía**"), has published the announcement of the registration of the initial public offering of its shares (the "**Offer**") in accordance with Brazilian legislation (the "**Announcement**"). This milestone is part of the company's initial public offering process in Brazil, transaction which was disclosed by means of significant events dated 24 April 2019 (official registry number 277326) and 30 April 2019 (official registry number 277599).

Pursuant to the terms of the Announcement, Iberdrola Energía will maintain a stake of more than 50 % of the share capital of Neoenergia after the completion of the Offer. The non-binding indicative share price range in the Offer included in the Announcement is between 14.42 and 16.89 Brazilian reals, equivalent to approximately 3.32 and 3.89 euros per share, respectively¹.

In accordance with the Announcement, it is expected that the final price of the shares sold in the Offer will be determined on 27 June 2019 and that the shares of Neoenergia will commence trading on the "Novo Mercado" segment of the São Paulo Stock Exchange (B3 S.A. – Brasil, Bolsa, Balcão) on 1 July 2019. Finally, it is expected that the settlement of the Offer will take place on 2 July 2019.

This information is provided to you for the appropriate purposes.

Yours faithfully,

Secretary of the Board of Directors

¹ Calculated on the basis of the euro / Brazilian real exchange rate as of 5 June 2019, which was 0.2303 euros per 1 Brazilian real.

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