



Julián Martínez-Simancas
Secretary of the Board of Directors

Bilbao, 4 February 2020

To the National Securities Market Commission

RE: Divestment in Siemens Gamesa Renewable Energy, S.A.

Dear Sirs,

Pursuant to article 17 of the *Market Abuse Regulation (EU) No 596/2014* and article 226 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 Iberdrola Participaciones, S.A. (Sociedad Unipersonal) ("**Iberdrola Participaciones**") –a company fully owned by Iberdrola, S.A. ("**Iberdrola**" or the "**Company**")– and Iberdrola have today entered into an agreement (the "**Agreement**") with Siemens Aktiengesellschaft ("**Siemens**" and, together with the Company and Iberdrola Participaciones, the "**Parties**") for the sale of the entire stake held by Iberdrola Participaciones in Siemens Gamesa Renewable Energy, S.A. ("**Siemens Gamesa**"), representing 8.07 % of its share capital.

The price for the transaction is EUR 1,099,545,760, which equals to EUR 20 per share in Siemens Gamesa and the sale and purchase will close tomorrow. This price is not subject to any future adjustment. The impact of this divestment on the consolidated results of the Iberdrola group for 2020 will be determined and reported in due course.

Taking into consideration that as a consequence of the Agreement Iberdrola Participaciones will no longer be a shareholder of Siemens Gamesa, the Parties have terminated the shareholders agreement (*pacto parasocial*) entered into by them on 17 June 2016 without any compensations or claims for either of the Parties or any of their respective affiliates. Accordingly, the proprietary director of Iberdrola will tender his resignation as director of Siemens Gamesa upon completion of the transaction.

In addition, (i) each of Iberdrola, Iberdrola Participaciones and Siemens have agreed to fully waive any claim or action against each other or any entity of their respective groups, and each of Iberdrola and Iberdrola Participaciones have undertaken to withdraw, render without effect and desist from all existing claims and proceedings initiated against Siemens Gamesa, and (ii) the Parties have reciprocally undertaken that, for a period of 24 months: (a) neither the Company nor any entity of its group will acquire financial instruments (including shares) in Siemens, Siemens Gamesa or any entity of their respective groups; and (b) neither Siemens nor any entity of its group will acquire financial instruments (including shares) in the Company or any entity of its group.

Finally, Iberdrola, Siemens and Siemens Gamesa have entered into a separate collaboration agreement for an initial period of six months to strengthen and expand their current commercial business relationships regarding certain areas on renewable energy and networks businesses, with a special focus on onshore and offshore wind generation, digital grid and load management.

This information is provided to you for the appropriate purposes.

Yours faithfully,

Secretary of the Board of Directors

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IMPORTANT INFORMATION

This communication does not constitute an offer to purchase, sell or exchange or the solicitation of an offer to purchase, sell or exchange any securities. The shares of Iberdrola, S.A. may not be offered or sold in the United States of America except pursuant to an effective registration statement under the Securities Act or pursuant to a valid exemption from registration.

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