

Bilbao, 4 December 2020

To the National Securities Market Commission

Subject: Other relevant information / Award to Neoenergia group in public auction of 100 % of the share capital of the Brazilian company CEB Distribuição S.A.

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 Bahia Geração de Energia S.A., a wholly-owned subsidiary of Neoenergia S.A.¹ has acquired 100 % of the share capital of CEB Distribuição S.A. (“**CEB Distribuição**”), a Brazilian company, by means of public auction. The Brazilian *Governo do Distrito Federal* is the indirect holder of 80 % of CEB Distribuição’s share capital.

CEB Distribuição holds the electrical power distribution concession in the region of Brasilia, which covers approximately 5,800 square kilometres, and serves approximately 1.1 million clients through a distribution network of over 9,700 kilometres. This concession expires in 2045.

The privatisation process has been carried out through a public auction on the Brazilian stock exchange (B3 S.A. - Brasil, Bolsa, Balcão). The aggregate price for CEB Distribuição’s entire share capital will amount to BRL 2,515 million (equivalent to EUR 399 million²).

The acquisition is subject to obtaining the necessary regulatory authorisations from the Brazilian authorities, and to satisfaction of other customary conditions in this type of transactions. Neoenergia expects the acquisition to be consummated within the next 90 days approximately.

This information is provided to you for the appropriate purposes.

Secretary of the Board of Directors

¹ A company in which Iberdrola, S.A. holds a 51.04 % stake, which is consolidated by the Iberdrola group using the full integration method.

² Calculated on the basis of a EUR/BRL exchange rate on 3 December 2020 of BRL 6.3037 per EUR.

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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.

This communication contains forward-looking information and statements about Iberdrola, S.A. and Neoenergia S.A., including financial projections and estimates and their underlying assumptions, statements regarding plans, objectives and expectations with respect to future operations, capital expenditures, synergies, products and services, and statements regarding future performance. Forward-looking statements are statements that are not historical facts and are generally identified by the words “expects”, “anticipates”, “believes”, “intends”, “estimates” and similar expressions.

Although Iberdrola, S.A. believes that the expectations reflected in such forward-looking statements are reasonable, investors and holders of Iberdrola, S.A. and Neoenergia S.A. securities are cautioned that forward-looking information and statements are subject to various risks and uncertainties, many of which are difficult to predict and generally beyond the control of Iberdrola, S.A. and Neoenergia S.A., that could cause actual results and developments to differ materially from those expressed in, or implied or projected by, the forward-looking information and statements. These risks and uncertainties include those discussed or identified in the documents filed by Iberdrola, S.A. with the *Comisión Nacional del Mercado de Valores* and Neoenergia S.A. to the *Comissão de Valores Mobiliários* and which are available to the public.

Forward-looking statements are not guarantees of future performance. They have not been reviewed by the auditors of Iberdrola, S.A. and Neoenergia S.A. You are cautioned not to place undue reliance on the forward-looking statements, which speak only as of the date they were made. All oral or written forward-looking statements hereby made or otherwise attributable to Iberdrola, S.A. and Neoenergia S.A. or any of its members, directors, officers, employees or any persons acting on its behalf are expressly qualified on its entirety by the cautionary statement above. All the forward-looking statements included herein are based on information available on the date hereof. Except as required by applicable law, neither Iberdrola, S.A. nor Neoenergia S.A. undertake any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

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