

Santiago Martínez Garrido
General secretary and secretary of the Board of Directors

Bilbao, 2 August 2024

To the National Securities Market Commission

Inside Information

Acquisition of an interest of approximately 88% of the share capital of the UK electricity distribution company "Electricity North West Limited"

Pursuant to article 17 of *Regulation (EU) No 596/2014 on market abuse* and article 226 of the *Law 6/2023 of 17 March on Securities Markets and Investment Services (Ley 6/2023, de 17 de marzo, de los Mercados de Valores y de los Servicios de Inversión)* and related provisions, and following the inside information communication disclosed today, registered with the Spanish National Securities Markets Commission (Comisión Nacional del Mercado de Valores) with registration number 2364, attached is a document that has been prepared by Iberdrola, S.A. exclusively for use during the analysts presentation regarding Iberdrola, S.A.'s acquisition of a majority stake in North West Electricity Networks (Jersey) Limited.

This information is disclosed for the appropriate purposes.

General secretary and secretary of the Board of Directors

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Acquisition of Electricity North West

August 2, 2024

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Acquisition of 85.6% stake in ENW for GBP 1.7 Bn followed by a GBP 400 M capital increase to reach 88.0%. 100% Enterprise Value GBP 4.2 Bn with an implied EV/RAV March 2025 of 1.44x

Growth in electricity distribution regulated business increasing exposure to the UK (AA-rated country)

Becomes 2nd largest T&D company in the UK by RAV with EUR 14 Bn¹, but also the largest RAV of the group (33%) together with the US

Accretive on EPS from year 1 while creating value without considering efficiencies

No impact on rating, reaffirming IBE's full commitment to financial strength

Full control of ENW expected in H1 2025

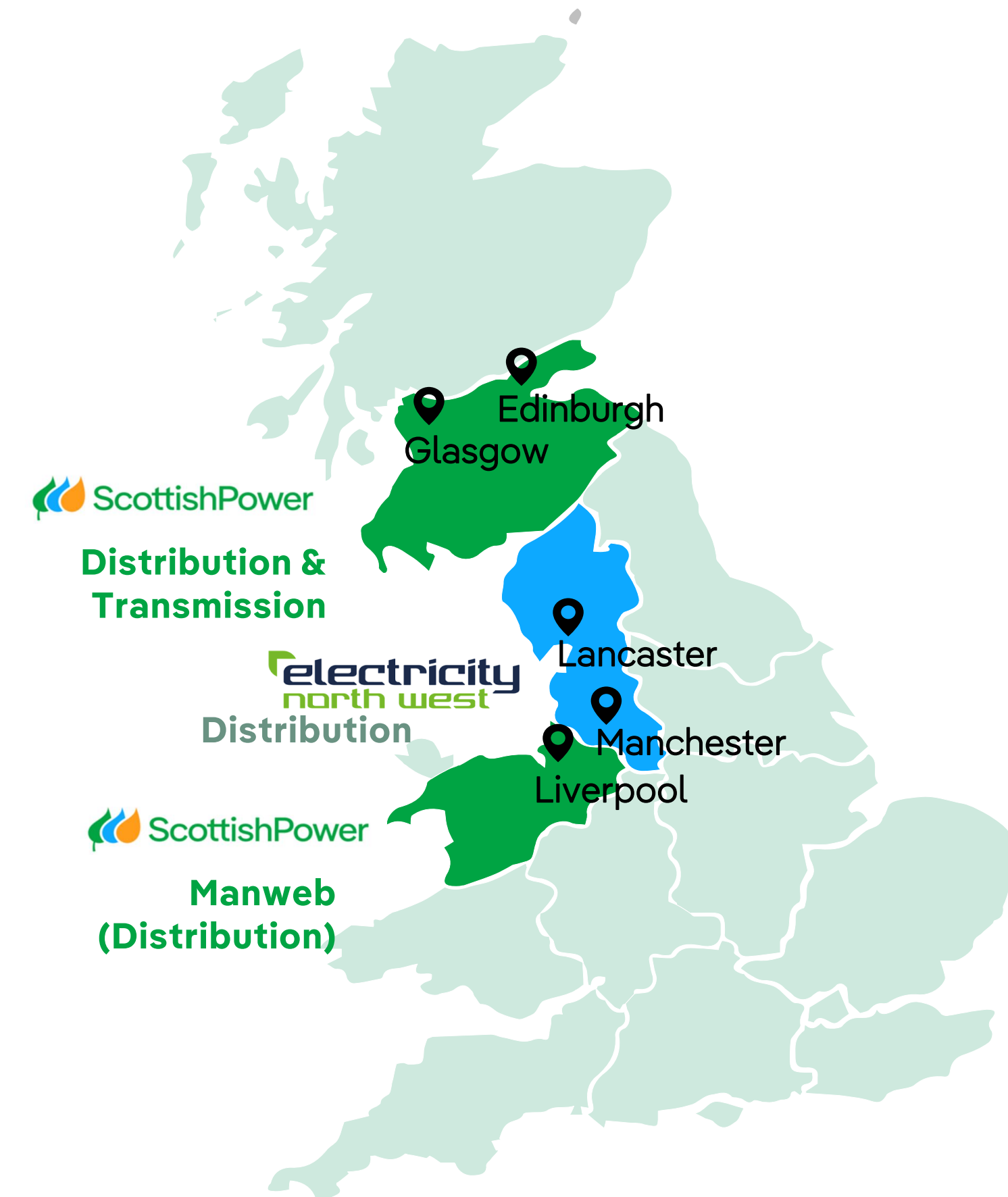
Notes:

1. FX: GBP/EUR: 1.19. Assumes H1 2024 RAV of EUR 10.8 Bn in UK and ENW RAV March 2025 of GBP 2.9 Bn according to RIIO-ED2 approved business plan.

Main data¹

	Operating
RAV²	GBP 2.9 Bn
Points of supply / clients	2.4 M / 5.0 M
Km of lines	12,800 Km Overhead
	47,300 Km Underground
	Financial
EBITDA³	GBP 400 M
Net income³	GBP 125 M
Net Debt⁴	GBP 2.2 Bn

Service territory

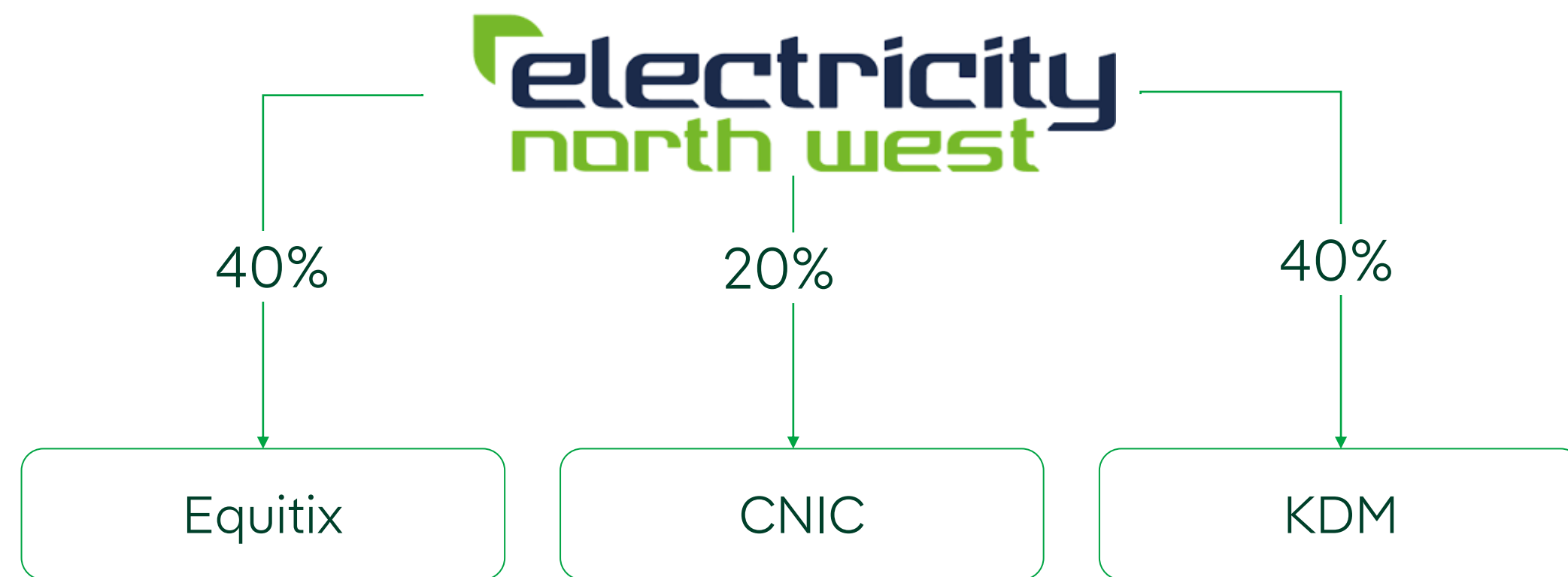


ENW is one of the 14 power distribution companies in UK, located between the two distribution regions of Scottish Power

Notes:

1. Data as of March 2024 otherwise stated.
2. ENW RAV March 2025 according to RIIO-ED2 approved business plan.
3. Estimate as of March 2025E
4. As reported by ENW as of March 2024 (corresponds to NWEN Jersey), pre-capital increase of GBP 400m, excludes fair market value of derivatives of GBP 323m

ENW Pre-transaction



ENW Post-transaction



1 Iberdrola acquires first an 85.6% stake in ENW for GBP 1.7 Bn

2 GBP 0.4 Bn capital increase to raise IBE stake another 2.4% to 88.0%

Post capital increase Iberdrola will retain an 88.0% stake in ENW

Regulated Business Profile



IBE expands distribution area with regulated profile adding low risk and predictable cashflows

Geographic fit



Business proximity and strategic alignment improving operating capabilities

Increased exposure to UK



Increases Iberdrola UK business contribution in a country with sovereign credit rating AA

Financial Strength



Full commitment to financial strength, maintaining IBE's rating and using the available headroom due to current solid ratios

Value creation



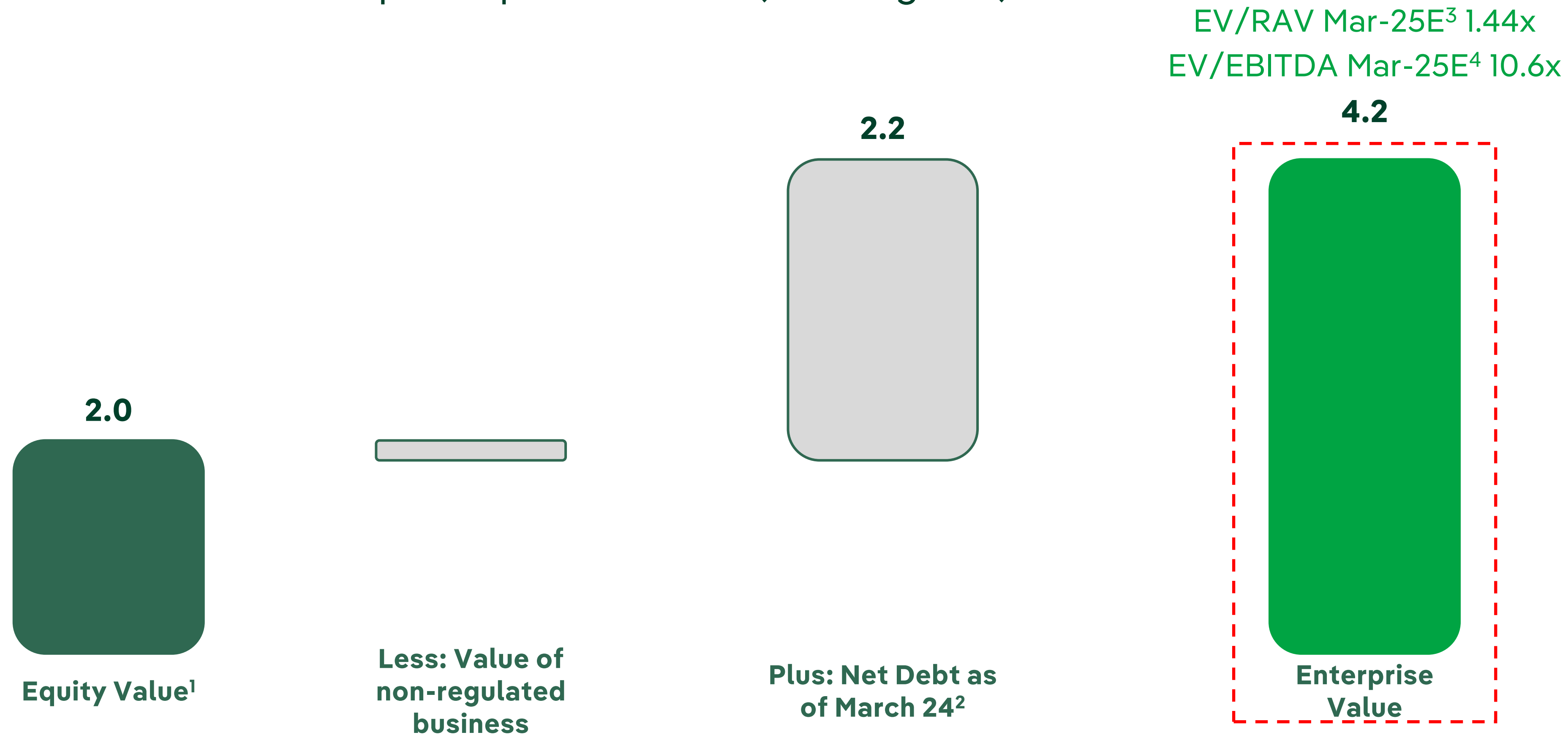
Positive contribution to EPS from year 1, while creating value with positive spread over WACC within IBE's investments thresholds

The transaction is fully aligned with Iberdrola's announced 2024-2026 strategic plan of increasing exposure to regulated electricity networks in its core markets

Implied valuation multiples (not considering any potential synergies)

Equity value and Net debt pre-capital increase (100% figures)

GBP Bn



100% Enterprise Value of GBP 4.2 Bn that implies a March 2025 EV/RAV multiple of 1.44 x

Notes:

1. 100%, pre-capital increase of GBP 400m
2. As reported by ENW as of March 2024 (corresponds to NWEN Jersey), pre-capital increase of GBP 400m, excludes fair market value of derivatives of GBP 323m
3. RAV March 2025 of GBP 2.9 Bn according to RIIO-ED2 approved business plan
4. EBITDA estimate of GBP 0.4 Bn as of March 2025

The integration accelerates the accomplishment of the 24-26 strategic plan



			 proforma ²
RAV¹	GBP 2.9 Bn	EUR 47.9 Bn	EUR c.51 Bn
EBITDA	GBP 400 M	EUR 14.4 Bn	EUR c.15 Bn
Net Debt	GBP 2.2 Bn	EUR 47.8 Bn	EUR c.53 Bn ³
FFO/Net Debt⁴	15.0%	19%-20%	FFO/Net debt transaction impact: -1.3%
Supply points	2.4 M	34.7 M	c.37 M

The combination, creates 2nd T&D company in the UK by regulatory asset base with EUR 14 Bn⁵

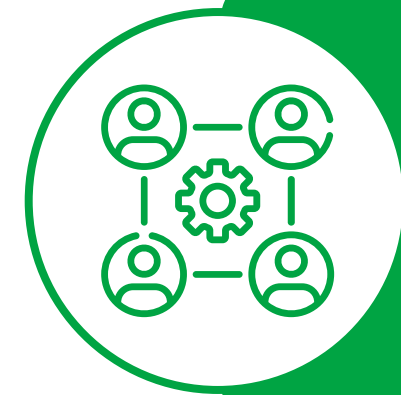
Notes: IBE data as of Dec 2023. ENW data as of Mar 2024 otherwise stated

1. Assumes 2025E RAV of Iberdrola and ENW RAV March 2025 according to RIIO-ED2 approved business plan.
2. Aggregate, non-calendarized figures
3. Includes transaction impacts
4. As of December 2025. ENW FFO / ND post-capital increase. IBE FFO / ND as per rating agencies criteria.
5. FX: GBP/EUR: 1.19. Assumes H1 2024 RAV of EUR 10.8 Bn in UK and ENW RAV March 2025 of GBP 2.9 Bn according to RIIO-ED2 approved business plan



Operational efficiencies

Operational efficiencies derived from adjacent location of network areas



Procurement efficiencies

Benefiting of higher procurement strength due to the integration with Iberdrola and higher bargaining power



Corporate and financial efficiencies

Improvement of corporate and financial costs and implementation of management best practices

“Best in class” approach, taking advantage of best practices of each company

Item	Expected Date
Transaction signing	2 August 2024
Request NS&I approval by the UK Secretary of State for Business, Energy and Industrial Strategy	September 2024
Submission of briefing paper under the ordinary merger regime and merger notice under the Special Energy Merger Regime before CMA	September 2024
Condition precedent fulfilment and transaction closing	Q4 2024
Acquisition of full control over ENW	Late Q1 2025 – Early Q2 2025

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