

The Group becomes the second largest electricity grid operator in the United Kingdom

Iberdrola closes the purchase of the British distributor ENW

- *The company reinforces its commitment to networks in countries with an A rating: the UK becomes Iberdrola's primary market in terms of regulated asset base value.*

Iberdrola has today closed the acquisition of 88% of Electricity North West (ENW) in the UK. The deal values 100% of the company, including debt, at approximately €5 billion.

This acquisition is part of Iberdrola's strategy to strengthen its network business in countries with strong ratings, such as the UK's AA credit rating. With this acquisition, the UK becomes the company's primary market in terms of network asset base value (€14 billion), followed by the US (€13.3 billion), as at the end of the first half of 2024.

Geographically, ENW is located in a prime area for Iberdrola, between the two existing ScottishPower networks license areas, in central and southern Scotland and Merseyside and North Wales.

ENW distributes electricity to almost five million people in the North West of England, in locations such as Manchester and the Lake District and has approximately 60,000 km of electricity distribution networks.

The acquisition accelerates Iberdrola's commitment to grow its electricity networks business, with the company now becoming the second largest electricity network operator in the UK. Iberdrola will now distribute electricity to around 12 million people in the UK, across a network which will span more than 170,000 kilometers. In addition, Iberdrola will employ more than 8,500 people in the country.

Iberdrola and a consortium of investors from Japan, led by Kansai, which will retain 12% of ENW's capital, have signed a shareholders' agreement to collaborate on a long-term basis.

The transaction is subject to review by the UK Competition and Markets Authority (CMA), according to the applicable regulations to this type of transactions.

A story of growth in the UK

Since the merger with ScottishPower in 2007, the UK has been a major investment destination for Iberdrola. Last week the company's executive chairman, Ignacio Galán,

announced Iberdrola's plans to double its investment in the UK, with £24 billion earmarked for networks and renewables between 2024 to 2028. ScottishPower is the only 100% green integrated utility in the UK.

Two-thirds of the investment planned by the company will be directed to the distribution and transmission networks. Transmission investments are set to increase under the regulatory framework from 2026 to 2031, known as RII0-T3, which will be approved next year. The investments will include, for example, the new Eastern Green Link 1 subsea interconnection.

The merger between ScottishPower and Iberdrola in 2007 was part of the company's long-term strategy to become a world leader in the global energy market. Since then, the company has had high growth and is the only vertically integrated energy company in the country.

ScottishPower is one of the largest investors in renewables in the country, owning and operating the transmission grid and distribution networks in south-central Scotland as well as the distribution network in Merseyside, North Wales and Cheshire.

The company has more than 111,400 km of installed power lines in the country and 40 onshore and 2 offshore wind farms in operation, with a renewable capacity of 3,000 MW, capable of supplying the equivalent of more than two million homes. This allows it to generate 100% of its energy free of emissions.

As part of its growth plans, Iberdrola is currently constructing the 1,400 MW East Anglia 3 offshore wind farm. The East Anglia 2 (960 MW) project recently secured a CfD contract and will see investment of around £4 billion (around €4.8 billion euros). This project will provide enough green energy to power the equivalent of close to one million homes. The company also continues to invest in new onshore wind, solar PV and battery projects.