

## Iberdrola reopens the hybrid bond market with an issue of €700 million

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- *It has a coupon of 4.871%, resulting in the most competitive hybrid operation in the last 12 months*

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Iberdrola is reopening the hybrid bond market in Europe with a €700 million issue, as reported to the National Securities Market Commission (CNMV). The bond issued is perpetual, but has a repurchase option within 7 years. The coupon has been set at 4.871%. It ranks as the most competitive hybrid operation in the last 12 months.

The demand demonstrates fixed income investors interest in Iberdrola. It reached €3.4 billion, 4.8 times oversubscribed, and consists of more than 200 international investors, mainly from Europe and the United Kingdom. It is the first hybrid bond issue on the Euromarket for two months.

The demand and the coupon rate show investors' confidence in Iberdrola's fiscal strength, business outlook and growth plans. The operation refinances the €700 million issued in 2018, which will be repurchased shortly, keeping the company's hybrid volume stable at €8.25 billion. The funds obtained will be used to refinance the same revolving assets that were included in the operation in 2018.

The improvement in both interest rates and credit margins since the end of last year has allowed Iberdrola to benefit from better financial conditions than those available in H2 2023, when the market environment was more volatile. Iberdrola's flexibility to analyse evolving market conditions and refinance this operation in a more positive environment helped to ensure the successful placement.

Hybrid bonds count as 50% capital, in accordance with the methodology of the main rating agencies, so this operation contributes to maintaining the group's credit ratings. The last issuance of this type of debt by Iberdrola was in January 2023.

Eight top-tier international banks participated in the placement: JP Morgan, Barclays, Crédit Agricole, BBVA, Natwest, Deutsche Bank, Caixabank and Royal Bank of Canada, which facilitated access to investors.

### International Trust

Investor confidence in Iberdrola remains strong. At the end of December the company signed its largest credit line in history for €5.3 billion with 33 international banks. The transaction was completed at competitive rates for Iberdrola, with prices similar to those in 2019, and the operation was oversubscribed by more than 40%. It highlighted the banking world's strong

confidence in Iberdrola, Europe leading electricity company by market capitalisation and the second largest in the world.

In addition, yesterday Iberdrola expanded its partnership with the World Bank, securing a €300 million green loan for renewable projects in countries dependent on fossil fuels, such as coal, including Morocco, Poland and Vietnam.

### **Global leader in sustainable and green finance**

Iberdrola has established itself as a global benchmark in sustainable finance. The company was the first Spanish group to issue green bonds in 2014 and is now the world's leading private issuer of green bonds. The group currently has almost €20 billion of outstanding green bonds.

Iberdrola agreed its first green loan in 2016 for €500 million, thereafter focusing its strategy for loans and credit lines to be aligned with sustainability objectives.

This financial strategy strengthens Iberdrola's record €47 billion investment plan announced in November 2022, for the period 2023 through 2025. The plan aims to boost the decarbonisation of the economy and the move away from fossil fuels, with a strong commitment to smarter electricity grids and renewables. Iberdrola will update this plan in March 2024 at its next Capital Markets Day.