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Iberdrola is to issue green hybrid bonds for 750 million euros

- **It thus bring forward part of the requirement for this type of bond issue announced in its strategic plan -last November- when it committed to issuing a total of 1.5 billion euros during 2022**
- **The funds raised will be used to finance renewable energy facilities in Australia and Poland, as part of the group's €75 billion investment plan for the 2020-2025 period**
- **With this transaction, for which initial demand exceeded 10 billion euros, the company's live green financing volume now exceeds 15 billion euros enabling Iberdrola to cement its position as the world's largest green bond issuing group**

Today, Iberdrola fixed the terms and conditions for a new green hybrid bond, for a total of 750 million euros, and has notified the National Securities Market Commission (CNMV). The demand for and the terms of this operation once again demonstrate the confidence that the market and investors have in the soundness and solvency of the energy company's business and growth plans. This operation will also finance the group's renewable development as per its strategic plan, with projects in Australia and Poland.

The transaction is structured as a single tranche, perpetual, but with a buyback date at par in 6 years. Iberdrola may subsequently buy back the bond on a yearly basis, coinciding with the coupon payment date.

This has been set at 1.575 %. These conditions are extremely advantageous for a subordinated instrument.

To take advantage of good market conditions, the amount of 750 million euros will be brought forward to 2021, accounting for half of the needs for hybrids established in the strategic plan for next year, limiting the risks of interest rate hikes or a possible downturn in the credit markets. This will allow Iberdrola to continue to maintain its excellent financial health.

In addition, hybrid bonds count as 50 % capital according to the methodology used by the main rating agencies, so this operation also contributes to maintaining the group's credit ratings.

Despite market volatility, the demand registered shows that investors are very interested in fixed income from Iberdrola, up to three billion euros, which is four times the offer. This is possible thanks to the participation of almost 200 qualified international investors, mainly European. The placement was made by UniCredit, Barclays, Crédit Agricole, Deutsche Bank, HSBC, JP Morgan and Mizuho.

The proceeds will be used to finance and refinance renewable wind and solar farms in Australia and Poland with a combined installed capacity of 757 MW.

These projects are part of the 75-billion-euro investment plan launched by Iberdrola for the period 2020-2025. Of this amount, most of it will go to growth in renewables in order to double capacity to 60 GW by 2025, new smart grids and more storage capacity. This means 80 % of the plan would represent sustainable investments, according to EU criteria.



Iberdrola reaffirms its global leadership in green finance

Iberdrola continues to make progress with its sustainability strategy, based on the electrification of the economy and oriented towards the fight against climate change and the creation of wealth and employment in the communities in which it operates.

With this new issue, which coincides with the Climate Summit held in Glasgow between 31 October and 12 November 2021, of which Iberdrola is the main partner, the company chaired by Ignacio Galán continues to consolidate its leadership in sustainable financing, with more than 36.5 billion euros in live operations, of which more than 19.75 billion euros correspond to green finance and around 16.7 billion to credit lines, loans or commercial paper programmes subject to compliance with sustainability objectives. Today's operation will strengthen Iberdrola's position as the world's leading green bond issuer.

The projects to which the resources obtained from these placements are allocated are aligned with the United Nations Sustainable Development Goals (SDGs), towards which Iberdrola is working: Number 7, affordable, clean energy, and number 13, climate action.

The green nature of the issue and the application of the funds have been validated by Vigeo Eiris, a leading European expert in assessing practices and behaviours by companies and public corporations in the areas of environment, social responsibility and good governance.

About Iberdrola

[Iberdrola](#) is a global energy leader, the world's largest wind power producer and one of the largest electricity companies by market capitalisation in the world. The Group supplies energy to almost 100 million people in dozens of countries including Spain, the United Kingdom (ScottishPower), the United States (AVANGRID), Brazil (Neoenergia), Mexico, Australia (Infigen), Germany, Portugal, Italy and France. With a workforce of over 35,000 people and assets in excess of €122 billion, it had a turnover of slightly more than €36.4 billion and a net profit exceeding €3.4 billion in 2019.

Iberdrola is leading the transition towards a sustainable energy model through its investments into renewable energy, smart grids, large-scale energy storage and digital transformation, to offer the most advanced products and services to its customers. Thanks to its commitment to clean energy, Iberdrola is one of the companies with the lowest emissions and an international benchmark due to its contribution to the fight against climate change and to sustainability.



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Imprime en blanco y negro y sólo si es necesario.