

## PRESS RELEASE

# AVANGRID, Iberdrola's controlled subsidiary in the U.S., has issued a capital increase of \$4,000 million

**Ignacio Galán, Chairman & CEO of Iberdrola and Chairman of AVANGRID said: "We welcome Qatar Investment Authority as a new shareholder of AVANGRID.**

**With this investment, QIA recognizes the opportunities for AVANGRID, driven primarily by its solid growth prospects, enhanced by the U.S.'s energy policy, with its focus on the development of power grid infrastructures and renewable energy, mainly offshore wind. The deal represents a new step in Iberdrola's long-term successful relationship with QIA, as it has supported the company as its largest shareholder since 2011. This transaction also reaffirms Iberdrola's commitment to the United States, which will be the main destination for our investments over the next decade."**

AVANGRID will issue an aggregate of \$4,000 million of common stock in a private placement transaction at \$51.40 per share, the closing price as of 11th May 2021. Iberdrola will subscribe \$3,260 million proportionally to its current 81.5% participation and Qatar Investment Authority ("QIA") will subscribe the additional \$740 million acquiring approximately 3.7% of AVANGRID common stock.

This transaction will reinforce the strategic partnership between Iberdrola and QIA.

Mansoor Al-Mahmoud, Chief Executive Officer of QIA said: "We are delighted to strengthen our strategic partnership with Iberdrola through our investment in AVANGRID. We share a common vision with Iberdrola for a low-carbon future. AVANGRID is a high-quality utility and a leader in renewables in the U.S. market, with strong growth potential. Our investment in AVANGRID is a further demonstration of QIA's strategy to increase the size of our U.S. portfolio, as well as our commitment to support decarbonisation through environmental and social impact investments."

Dennis V. Arriola, AVANGRID's CEO said: "The significant investments by Iberdrola and QIA demonstrate strong confidence in AVANGRID's strategy and will help fund our journey to becoming the leading sustainable energy company in the U.S."

A portion of the proceeds of this capital increase will fund AVANGRID's proposed merger with PNM Resources, Inc., and pay off the intra-group loan agreement with Iberdrola, which provided AVANGRID with an unsecured subordinated loan in an aggregate principal amount of \$3 billion.

A portion of the proceeds of this capital increase will also be contributed to fund AVANGRID's investment plan, financing its announced future growth with over \$20 billion of organic investments through 2025.

AVANGRID's investment plan will be focused on regulated and contracted investments that generate predictable earnings and growing cash flows in networks infrastructures. Projects will include the contracted transmission line NECEC and power grid modernization, as well as in renewable energy - mainly contributing to offshore wind development in the U.S., with projects such as Vineyard Wind and Park City Wind and investments in onshore wind and solar projects.

## PRESS RELEASE

### About AVANGRID

AVANGRID, Inc. (NYSE: AGR) aspires to be the leading sustainable energy company in the United States. Headquartered in Orange, CT with approximately \$38 billion in assets and operations in 24 U.S. states, AVANGRID has two primary lines of business: Avangrid Networks and Avangrid Renewables. Avangrid Networks owns and operates eight electric and natural gas utilities, serving more than 3.3 million customers in New York and New England. Avangrid Renewables owns and operates a portfolio of 7.5 GWs of renewable energy generation facilities across the United States.

AVANGRID employs approximately 7,000 people and has been recognized by Forbes and Just Capital as one of the 2021 JUST 100 companies – a list of America’s best corporate citizens – and was ranked number one within the utility sector for its commitment to the environment and the communities it serves. The company supports the U.N.’s Sustainable Development Goals and was named among the World’s Most Ethical Companies in 2021 for the third consecutive year by the Ethisphere Institute. For more information, visit [www.avangrid.com](http://www.avangrid.com).

### About Iberdrola

Iberdrola is a global energy leader, the number-one producer of wind power, and one of the world’s biggest electricity utilities by market capitalisation. 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, Germany, Portugal, Italy, France and Australia (Infigen). With a workforce of more than 37,000 and assets in excess of €123 billion, it achieved a turnover of €33.2 billion and a net profit of over €3.6 billion in 2020.

Iberdrola is leading the transition towards a sustainable energy model through its investments in 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 for its contribution to sustainability and the fight against climate change. For more information, visit [www.iberdrola.com](http://www.iberdrola.com)

### About Qatar Investment Authority

Qatar Investment Authority (“QIA”) is the sovereign wealth fund of the State of Qatar. QIA was founded in 2005 to invest and manage the state reserve funds. QIA is among the largest and most active sovereign wealth funds globally. QIA invests across a wide range of asset classes and regions as well as in partnership with leading institutions around the world to build a global and diversified investment portfolio with a long-term perspective that can deliver sustainable returns and contribute to the prosperity of the State of Qatar. For more information, visit [www.qia.qa](http://www.qia.qa)

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#### IMPORTANT INFORMATION

This document does not constitute an offer or invitation to purchase or subscribe shares, in accordance with the provisions of the Spanish Securities Market Law (Law 24/1988, of July 28, as amended and restated from time to time), and/or Royal Decree 1310/2005, of November 4, and its implementing regulations.

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## **PRESS RELEASE**

### **FORWARD-LOOKING STATEMENTS**

This communication contains forward-looking information and statements about Iberdrola, AVANGRID, QIA and PNM Resources and/or their subsidiary/ies. Forward-looking statements are statements that are not historical facts. These statements include financial projections and estimates and their underlying assumptions, statements regarding plans, objectives and expectations with respect to future operations, products and services, and statements regarding future performance. Forward-looking statements are generally identified by the words "expects," "anticipates," "believes," "intends," "estimates" and similar expressions. Although we believe that the expectations reflected in such forward-looking statements are reasonable, investors 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, AVANGRID, QIA and PNM Resources 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. Except as required by applicable law, Iberdrola, AVANGRID, QIA and PNM Resources do not undertake any obligation to update any forward-looking information or statements. The proposed transactions described in this release could be affected by, among other things, the occurrence of any event, change or other circumstances that could give rise to the termination of the underlying stock purchase agreement or merger agreement; failure to satisfy conditions required to complete the merger, including required regulatory approvals; risks that the proposed transactions disrupts current plans and operations; and the amount of costs, fees, expenses and charges related thereto.

### **Additional Information and Where to Find It**

INVESTORS AND SECURITYHOLDERS OF AVANGRID AND PNM ARE URGED TO READ THE FILINGS THAT THEY MAKE WITH THE SEC, WHICH BE AVAILABLE FREE OF CHARGE AT THE SEC'S WEBSITE AT [WWW.SEC.GOV](http://WWW.SEC.GOV). You may also read and copy any reports, statements and other information filed by AVANGRID and PNM Resources with the SEC at the SEC public reference room at 100 F Street N.E., Room 1580, Washington, D.C. 20549. Please call the SEC at (800) 732-0330 or visit the SEC's website for further information on its public reference room.