

*Structured in two tranches, the coupon paid for both is the lowest ever achieved by the group for a hybrid: 1.45% for the first and 1.825% for the second*

## Iberdrola completes the largest green hybrid bond issue in history, for 2 billion euros

- In just one month, it has reached the target set when it presented its strategic plan last November, when it committed to issuing hybrid operations in 2021 amounting to 2 billion euros
- The funds raised will be used to finance the offshore wind farms of Saint Briec in France and Baltic Eagle in Germany as part of the group's 75-billion-euro investment plan for 2020-2025.
- With this transaction, for which demand exceeded 10 billion euros, the company's live green financing volume is in excess of 15 billion euros and Iberdrola has consolidated its position as the world's largest green bond issuing group

Today, Iberdrola launched the largest green hybrid bond issue in its history, amounting to 2 billion euros. The demand for and the terms of this operation, the group's fourth of its kind, 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.

The operation has been structured in two tranches, both perpetual, but with a repurchase date: after 6 years for the first tranche and 9 years for the second. Subsequently, it can repurchase either of them annually, on the coupon payment date.

The coupon has been set at 1.45% and 1.825%, respectively. Both are below the minimum coupon paid to date by the company in an operation of these characteristics (1.874% for the 5.5-year tranche issued last November). These conditions are highly advantageous as this is a subordinate instrument, for which the redemption and coupon payments depend on the issuer's decision.

The amount of 2 billion euros coincides with the needs established for 2021 for this type of financing by the Iberdrola investor plan. So, in just one month, the group will have already met its target in this regard for the current financial year, allowing 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 that this operation also contributes to maintaining the group's credit ratings.

The demand recorded demonstrates the market's huge interest, as it exceeded 10 billion euros, in other words, more than five times the initial offer. This was made possible by the participation of more than 380 qualified investors, from many nationalities. The placement has been carried out by Citi, BBVA, Bank of America, Goldman Sachs, Credit Suisse, Santander, Natixis and Natwest, among others.



The funds raised will be used to finance and refinance the offshore wind farms of [Saint Brieuc \(France\)](#), which will have an installed capacity of 496 MW, and [Baltic Eagle \(Germany\)](#), with a capacity of 476 MW.

These projects are part of the 75-billion-euro investment plan launched by Iberdrola for the period 2020-2025. Most of this amount will go to the growth of renewables, to double capacity to 60 GW by 2025, in addition to new smart grids and more storage capacity. This means that 80% of the plan will be for sustainable investments, according to European Union criteria.

### **Iberdrola reaffirms its global leadership in green finance**

With this new issue, the company chaired by Ignacio Galán continues to strengthen its leadership in sustainable financing, with more than 24 billion euros in active capital, of which more than 15 billion euros correspond to green financing and about 9 billion to credit lines subject to sustainability criteria. Today's operation makes it possible to affirm that Iberdrola is the world's largest green bond issuing group.

The projects to which the resources obtained with these types of placement are allocated are aligned with the United Nations Sustainable Development Goals (SDGs), on which Iberdrola focuses its efforts: Number 7 – Affordable and 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 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, Australia (Infigen), Germany, Portugal, Italy and France. With a workforce of more than 35,000 and assets in excess of €122 billion, it recorded a turnover of over €36.4 billion and a net profit slightly in excess of €3.4 billion in 2019.

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 in order to offer the most advanced products and services possible to customers. Committed to clean energy, Iberdrola is one of the companies with the lowest emissions and an international benchmark as a result of its contribution to the fight against climate change and to promoting sustainability.

