



**Julián Martínez-Simancas**  
Secretary of the Board of Directors

Bilbao, 13 May 2021

**To the National Securities Market Commission**

**Subject: Other relevant information / Iberdrola, S.A.'s undertaking to subscribe 81.5 % of the USD 4,000 million share capital increase announced by Avangrid, Inc.**

Pursuant to article 227 of the restated text of the Securities Market Law approved by the Royal Legislative Decree 4/2015, of 23 October (*texto refundido de la Ley del Mercado de Valores aprobado por el Real Decreto Legislativo 4/2015, de 23 de octubre*) and related provisions, and following the notices of other relevant information dated 21 October 2020, with official registry numbers 5,107 and 5,115, we hereby inform you of Iberdrola, S.A.'s ("**Iberdrola**" or the "**Company**") undertaking to subscribe 81.5 % of the share capital increase for an amount of USD 4,000 million, equivalent to approximately EUR 3,286.77 million<sup>1</sup>, announced by Avangrid, Inc. ("**Avangrid**")<sup>2</sup> yesterday to finance its investment plan, fund the acquisition of PNM Resources, Inc., which is pending completion, and pay off the USD 3,000 million loan extended by Iberdrola to Avangrid in December 2020. The investment to be made by the Company will amount to USD 3,260 million, equivalent to approximately EUR 2,678.72 million<sup>1</sup>.

On the other hand, the remainder USD 740 million of Avangrid's share capital increase, , equivalent to approximately EUR 608.05 million<sup>1</sup>, will be subscribed by Qatar Investment Authority ("**QIA**"), the holder of a 8.71% of the share capital of Iberdrola.

Accordingly, Iberdrola will maintain its current 81.5 % stake in the share capital of Avangrid following such capital increase, whereas QIA will reach a direct shareholding close to 4 % in the share capital of Avangrid.

This information is provided to you for the appropriate purposes.

Secretary of the Board of Directors

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<sup>1</sup> Calculated based on a USD/EUR exchange rate on 11 May, 2021, as published by the European Central Bank, of 1 EUR per 1.2170 USD.

<sup>2</sup> Listed *subholding* company of the Iberdrola group for the United States of America.

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## IMPORTANT INFORMATION

This communication does not constitute an offer to purchase, sell or exchange or the solicitation of an offer to purchase, sell or exchange any securities. The shares of Iberdrola, S.A. may not be offered or sold in the United States of America except pursuant to an effective registration statement under the Securities Act or pursuant to a valid exemption from registration.

This communication contains forward-looking information and statements about Iberdrola, S.A. and Avangrid, Inc., including financial projections and estimates and their underlying assumptions, statements regarding plans, objectives and expectations with respect to future operations, capital expenditures, synergies, products and services, and statements regarding future performance. Forward-looking statements are statements that are not historical facts and are generally identified by the words “expects”, “anticipates”, “believes”, “intends”, “estimates” and similar expressions.

Although Iberdrola, S.A. believes that the expectations reflected in such forward-looking statements are reasonable, investors and holders of Iberdrola, S.A. and Avangrid, Inc. securities 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, S.A. and Avangrid, Inc., 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. These risks and uncertainties include those discussed or identified in the documents filed by Iberdrola, S.A. with the *Comisión Nacional del Mercado de Valores* and Avangrid, Inc. to the *Securities and Exchange Commission* and which are available to the public.

Forward-looking statements are not guarantees of future performance. They have not been reviewed by the auditors of Iberdrola, S.A. and Avangrid, Inc. You are cautioned not to place undue reliance on the forward-looking statements, which speak only as of the date they were made. All oral or written forward-looking statements hereby made or otherwise attributable to Iberdrola, S.A. and Avangrid, Inc. or any of its members, directors, officers, employees or any persons acting on its behalf are expressly qualified on its entirety by the cautionary statement above. All the forward-looking statements included herein are based on information available on the date hereof. Except as required by applicable law, neither Iberdrola, S.A. nor Avangrid, Inc. undertake any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

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