

Bilbao, 17 May 2024

To the National Securities Market Commission

Inside Information

Announcement of the merger agreement in relation to the acquisition of all of the shares of common stock of Avangrid not owned by Iberdrola

Pursuant to article 17 of Regulation (EU) No 596/2014 on market abuse and article 226 of the restated text of the Securities Market Act, approved by 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 inside information communications registered with the Spanish National Securities Markets Commission (*Comisión Nacional del Mercado de Valores*) with registration numbers 2,159 and 2,258, we hereby inform you that, Iberdrola, S.A. (“**Iberdrola**”), on the date hereof, has entered into a merger agreement (the “**Merger Agreement**”) with Avangrid, Inc (“**Avangrid**”) and Arizona Merger Sub, Inc., a wholly-owned subsidiary of Iberdrola (“**Merger Sub**”) by virtue of which Iberdrola will acquire all of the shares of common stock of Avangrid that are not already beneficially owned by Iberdrola, at a price of USD 35.75 in cash per share of common stock (the “**Transaction**”). After the merger of Merger Sub into Avangrid, Iberdrola will own 100% of the issued and outstanding share capital of Avangrid. Upon consummation of the Transaction, Avangrid will apply for the removal of Avangrid shares of common stock from listing on the New York Stock Exchange.

The aggregate consideration payable by Iberdrola to the owners of shares of common stock of Avangrid other than Iberdrola would amount to, approximately, USD 2,551 million, equivalent to approximately EUR 2,348 million (applying a EUR/USD exchange rate of 1.0866). No future adjustments will be made to the consideration offered in the event that Avangrid distributes dividends pursuant to its normal policy prior to completion of the Transaction. In this regard, under the terms of the Merger Agreement, Avangrid will continue to pay regular quarterly dividends not to exceed USD 0.440 per share through the closing of the Transaction, including a pro-rated dividend for any partial quarter prior to the closing of the Transaction. Additionally, in the context of the Transaction, each phantom stock and performance-based restricted stock unit award granted under the Company’s equity compensation plans will be cancelled and settled in exchange for a cash-settled award, in comparable terms, as to the amount, vesting calendar and payment, among others, after application, as applicable, of the corresponding adjustments to reflect the closing of the Transaction.

The Merger Agreement has been negotiated with the Unaffiliated Committee (constituted as a Special Committee for these purposes) of Avangrid, composed of independent and disinterested directors, which has unanimously recommended to the Board of Directors of Avangrid to execute the Merger Agreement. The execution of the Merger Agreement has taken place after the meeting of the Board of Directors of Avangrid convened to be held today at 19:00 CET, and has received the unanimous favorable vote of all the members of the Boards of Directors of both Avangrid and Iberdrola, in the latter case, following a favorable report from the Audit and Risk Supervision Committee. Notwithstanding the binding nature of the Merger Agreement, the consummation of the Transaction is subject to certain conditions precedent customary for transactions of this nature, including obtaining any required regulatory authorizations (in particular, by the Federal Energy Regulatory Commission, the Maine Public Utilities Commission and the New York Public Service Commission), and, the affirmative votes of (1) the holders of the majority of all outstanding shares of common stock of Avangrid, (2) the holders of a majority of all outstanding shares of common stock held by Avangrid’s shareholders other than

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Iberdrola, its subsidiaries, and their controlled affiliates and (3) the holders of a majority of the outstanding shares of Avangrid common stock other than Iberdrola, Merger Sub, their affiliates, any members of the board of Avangrid who are employees of Iberdrola or its affiliates, any officer of Avangrid and any family members, affiliates or associates of the foregoing.

Under the Merger Agreement, Avangrid has made and assumed representations, warranties and covenants customary in this kind of transactions, including, among others, covenants related to carrying out the actions necessary for the satisfaction of the conditions set out above.

The Merger Agreement sets out the right of Iberdrola and Avangrid to terminate the Merger Agreement if the Transaction is not consummated on or before June 30, 2025, subject to a one three-month extension, exercisable by either Iberdrola or Avangrid, in the event that the conditions to closing of the Transaction pending to be satisfied are exclusively those related to the authorizations by the regulatory authorities set out above. The foregoing without prejudice to other termination rights granted to each of Iberdrola and Avangrid, respectively, under the Merger Agreement.

The transaction is framed within Iberdrola's strategy to expand its footprint and investments in markets with a robust credit rating and high potential for investment in the networks business.

This information is provided to you for the appropriate purposes.

General secretary and secretary of the Board of Directors

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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.", 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." 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.", 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 public documents sent by "Iberdrola, S.A." to the *Comisión Nacional del Mercado de Valores*.

Forward-looking statements are not guarantees of future performance. They have not been reviewed by the auditors of "Iberdrola, S.A." 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." 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 to "Iberdrola, S.A." on the date hereof. Except as required by applicable law, "Iberdrola, S.A." does not 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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