



Julián Martínez-Simancas
Secretary of the Board of Directors

Bilbao, 21 October 2020

To the National Securities Market Commission

Subject: Other relevant information / Acquisition of PNM Resources, Inc. by Avangrid, Inc.

Dear Sirs,

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, we hereby inform you that Avangrid, Inc. ("**Avangrid**"), a company 81.5% controlled by Iberdrola, S.A. ("**Iberdrola**") has announced the entry into a merger agreement with PNM Resources, Inc. ("**PNM**"), a company whose shares are listed on the New York stock exchange, whereby Avangrid agrees to acquire 100% of the share capital of PNM in exchange for a cash consideration to be paid to its shareholders of USD 50.3 per share (the "**Transaction**"). PNM's board of directors has unanimously approved the merger agreement and has recommended the Transaction to its shareholders.

Consequently, the aggregate consideration for the entire share capital of PNM amounts to approximately USD 4,317.5 million (equivalent to approximately EUR 3,663.5 million¹). Iberdrola has committed to provide sufficient funds to Avangrid for the payment of the consideration of the Transaction.

The completion of the Transaction is conditional on: (i) its approval by PNM's shareholders' meeting; (ii) certain mandatory regulatory authorizations being obtained from the federal and state authorities of the United States of America; and (iii) other conditions customary in transactions of this kind. Avangrid expects that the Transaction will be consummated within approximately 12 months.

PNM is an US electricity company domiciled in the State of New Mexico engaged in regulated businesses, mainly transportation, distribution and electricity generation in the States of New Mexico and Texas.

This information is provided to you for the appropriate purposes.

Secretary of the Board of Directors

¹ Calculated on the basis of the EUR/USD exchange rate as of 19 October 2020, which was 1.1785 USD per 1 EUR.

NOTICE: This document is a translation of a duly approved Spanish-language document, and is provided for informational purposes only. In the event of any discrepancy between the text of this translation and the text of the original Spanish-language document which this translation is intended to reflect, the text of the original Spanish-language document shall prevail.



Take care of the environment.
Printed in black and white and only if necessary.



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 Neoen S.A. 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. undertakes any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

NOTICE: This document is a translation of a duly approved Spanish-language document, and is provided for informational purposes only. In the event of any discrepancy between the text of this translation and the text of the original Spanish-language document which this translation is intended to reflect, the text of the original Spanish-language document shall prevail.



Take care of the environment.
Printed in black and white and only if necessary.