

For Immediate Release

Contacts:

Analysts: Alvaro Ortega, Alvaro.Ortega@Avangrid.com, 207-629-7412

Media: Leo Rosales, Leo.Rosales@Avangrid.com, 518-419-2401

AVANGRID REPORTS FIRST QUARTER 2023 FINANCIAL RESULTS

- *Received a key, positive court ruling in Maine for the New England Clean Energy Connect transmission project*
- *Extended PNM Resources merger agreement through July 20, 2023*
- *Received approval for NY CLCPA Phase 2 transmission investments of \$2.25 billion, bringing the total transmission opportunities in NY beyond 2025 to over \$3 billion*
- *Executed 524 MW of solar PPAs*
- *Signed MoU with Navajo Tribal Utility Authority to develop up to 1 GW of green energy projects*
- *Progressing on settlement negotiations in New York and Maine rate cases*

Orange, CT – April 25, 2023 - Today AVANGRID, Inc. (NYSE: AGR), a leading sustainable energy company, and a member of the group of companies controlled by IBERDROLA, S.A., reported consolidated U.S. GAAP net income of \$245 million, or \$0.63 per share, compared to \$445 million, or \$1.15 per share, for the first quarter ended March 31, 2022. Results for the first quarter of 2023 did not include the gain from the restructuring of the Company's New England offshore wind lease partnership agreement of \$181 million that was included in the results for the first quarter of 2022.

"We continued to advance our operational and strategic objectives in the first quarter," said Pedro Azagra, chief executive officer of AVANGRID. "We are committed to operational excellence, executing on our priorities and creating long-term value for our customers and shareholders. Over the last months we have received a positive court ruling on our NECEC transmission project, approval of \$2.25 billion in clean energy transmission investments, placed new renewables capacity in operation, extended our merger agreement with PNM Resources, and entered into a new partnership with the Navajo Tribal Utility Authority, ensuring that AVANGRID leads the transition to a clean energy future."

On a non-U.S. GAAP adjusted basis, consolidated net income for the first quarter ended March 31, 2023 was \$248 million, or \$0.64 per share, compared to \$450 million, or \$1.16 per share, for the first quarter ended March 31, 2022.

Networks

Networks earnings for the first quarter 2023 were \$195 million, or \$0.51 per share, compared to \$252 million, or \$0.65 per share, for the same period in 2022. Networks results for the first quarter mainly benefited from the execution of rate plans and a positive arrearages order in New York which were offset by increased depreciation expense, business expenses, uncollectibles, taxes and finance costs.

Renewables

Renewables earnings for the first quarter 2023 were \$49 million, or \$0.13 per share, compared to \$208 million, or \$0.54 per share, for the same period in 2022. Results for the first quarter of 2022 include the gain from the restructuring of the Company's New England offshore wind lease partnership agreement of \$181 million after-tax. Renewables results for the first quarter of 2023 benefited from favorable thermal and asset management and increased production and production tax credits, which were partially offset by increased depreciation and business expenses.

Non-U.S. GAAP adjusted earnings and adjusted earnings per share exclude mark-to-market adjustments in the Renewables segment and COVID-19 impacts. For additional information, see "Use of Non-U.S. GAAP Financial Measures" and "Reconciliation of Non-U.S. GAAP Financial Measures" at the end of this release.

Earnings Webcast

AVANGRID will webcast an audio-only financial presentation in conjunction with releasing first quarter earnings tomorrow, Wednesday, April 26, 2023, beginning at 10:00 A.M. Eastern time. The listen-only webcast will feature a presentation from members of the executive team followed by a question and answer session. The webcast can be accessed through the Investor Relations section of [AVANGRID's website](#). A replay will be available for 90 days in the Investors section of the AVANGRID website.

###

About AVANGRID: AVANGRID, Inc. (NYSE: AGR) aspires to be the leading sustainable energy company in the United States. Headquartered in Orange, CT with approximately \$41 billion in assets and operations in 24 U.S. states, AVANGRID has two primary lines of business: networks and renewables. Through its networks business, AVANGRID owns and operates eight electric and natural gas utilities, serving more than 3.3 million customers in New York and New England. Through its renewables business, AVANGRID owns and operates a portfolio of renewable energy generation facilities across the United States. AVANGRID employs more than 7,500 people and has been recognized by JUST Capital in 2021, 2022 and 2023 as one of the JUST 100 companies – a ranking of America’s best corporate citizens. In 2023, AVANGRID ranked first within the utility sector for its commitment to the environment. The company supports the U.N.’s Sustainable Development Goals and was named among the World’s Most Ethical Companies in 2023 for the fifth consecutive year by the Ethisphere Institute. AVANGRID is a member of the group of companies controlled by Iberdrola, S.A. For more information, visit www.avangrid.com.



Forward Looking Statements

Certain statements in this release may relate to our future business and financial performance and future events or developments involving us and our subsidiaries that are not purely historical and may constitute “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements may be identified by the use of forward-looking terms such as “may,” “will,” “should,” “would,” “could,” “can,” “expect(s),” “believe(s),” “anticipate(s),” “intend(s),” “plan(s),” “estimate(s),” “project(s),” “assume(s),” “guide(s),” “target(s),” “forecast(s),” “are (is) confident that” and “seek(s)” or the negative of such terms or other variations on such terms or comparable terminology. Such forward-looking statements include, but are not limited to, statements about our plans, objectives and intentions, outlooks or expectations for earnings, revenues, expenses or other future financial or business performance, strategies or expectations, or the impact of legal or regulatory matters on business, results of operations or financial condition of the business and other statements that are not historical facts. Such statements are based upon the current reasonable beliefs, expectations, and assumptions of our management and are subject to significant risks and uncertainties that could cause actual outcomes and results to differ materially. Important factors are discussed and should be reviewed in our Form 10-K and other subsequent filings with the SEC. Specifically, forward-looking statements include, without limitation:

- the future financial performance, anticipated liquidity and capital expenditures;
- actions or inactions of local, state or federal regulatory agencies;
- the ability to recruit and retain a highly qualified and diverse workforce in the competitive labor market;
- changes in amount, timing or ability to complete capital projects;
- adverse developments in general market, business, economic, labor, regulatory and political conditions including, without limitation, the impacts of inflation, deflation, supply-chain interruptions and changing prices and labor costs, including the Department of Commerce’s anti-circumvention petition that could adversely impact renewable solar energy projects;
- the impacts of climate change, fluctuations in weather patterns and extreme weather events;
- technological developments;
- the impact of extraordinary external events, such as any cyber breaches or other incidents, grid disturbances, acts of war or terrorism, civil or social unrest, natural disasters, pandemic health events or other similar occurrences, including the ongoing geopolitical conflict with Russia and Ukraine;
- the impact of any change to applicable laws and regulations, including those subject to referendums and legal challenges, affecting the ownership and operations of electric and gas utilities and renewable energy generation facilities, respectively, including, without limitation, those relating to the environment and climate change, taxes, price controls, regulatory approval and permitting;
- our ability to close the proposed Merger (as defined in “Note 1 - Background and Nature of Operations” to the accompanying unaudited condensed consolidated financial statements under Part I, Item 1 of this report), the anticipated timing and terms of the proposed Merger, our ability to realize the anticipated benefits of the proposed Merger and our ability to manage the risks of the proposed Merger;
- its impact on business and economic conditions, including but not limited to impacts from consumer payment behavior and supply chain delays, and the pace of recovery from the pandemic;
- the implementation of changes in accounting standards;
- adverse publicity or other reputational harm; and

- other presently unknown unforeseen factors.

Should one or more of these risks or uncertainties materialize, or should any of the underlying assumptions prove incorrect, actual results may vary in material respects from those expressed or implied by these forward-looking statements. You should not place undue reliance on these forward-looking statements. We do not undertake any obligation to update or revise any forward-looking statements to reflect events or circumstances after the date of this report, whether as a result of new information, future events or otherwise, except as may be required under applicable securities laws. Other risk factors are detailed from time to time in our reports filed with the SEC, and we encourage you to consult such disclosures.

Use of Non-U.S. GAAP Financial Measures

To supplement our consolidated financial statements presented in accordance with U.S. GAAP, we consider adjusted net income and adjusted earnings per share, adjusted EBITDA and adjusted EBITDA with Tax Credits as financial measures that are not prepared in accordance with U.S. GAAP. The non-GAAP financial measures we use are specific to AVANGRID and the non-GAAP financial measures of other companies may not be calculated in the same manner. We use these non-GAAP financial measures, in addition to U.S. GAAP measures, to establish operating budgets and operational goals to manage and monitor our business, evaluate our operating and financial performance and to compare such performance to prior periods and to the performance of our competitors. We believe that presenting such non-GAAP financial measures is useful because such measures can be used to analyze and compare profitability between companies and industries by eliminating the impact of certain non-cash charges. In addition, we present non-GAAP financial measures because we believe that they and other similar measures are widely used by certain investors, securities analysts and other interested parties as supplemental measures of performance.

We define adjusted net income as net income adjusted to exclude mark-to-market earnings from changes in the fair value of derivative instruments used by AVANGRID to economically hedge market price fluctuations in related underlying physical transactions for the purchase and sale of electricity and costs incurred in connection with the COVID-19 pandemic. We believe adjusted net income is more useful in understanding and evaluating actual and projected financial performance and contribution of AVANGRID core lines of business and to more fully compare and explain our results. The most directly comparable U.S. GAAP measure to adjusted net income is net income. We also define adjusted earnings per share, or adjusted EPS, as adjusted net income converted to an earnings per share amount.

We define adjusted EBITDA as adjusted net income adjusted to fully exclude the effects of net (loss) income attributable to noncontrolling interests, income tax expense (benefit), depreciation and amortization, interest expense, net of capitalization, other (income) expense and (earnings) losses from equity method investments. We further define adjusted EBITDA with tax credits as adjusted EBITDA adding back the pre-tax effect of retained Production Tax Credits (PTCs) and Investment Tax Credits (ITCs) and PTCs allocated to tax equity investors. The most directly comparable U.S. GAAP measure to adjusted EBITDA and adjusted EBITDA with tax credits is net income.

The use of non-GAAP financial measures is not intended to be considered in isolation or as a substitute for, or superior to, AVANGRID's U.S. GAAP financial information, and investors are cautioned that the non-GAAP financial measures are limited in their usefulness, may be unique to AVANGRID, and should be considered only as a supplement to AVANGRID's U.S. GAAP financial measures. The non-GAAP financial measures may not be comparable to other similarly titled measures of other companies and have limitations as analytical tools.

Non-GAAP financial measures are not primary measurements of our performance under U.S. GAAP and should not be considered as alternatives to operating income, net income or any other performance measures determined in accordance with U.S. GAAP.

Investors and others should note that AVANGRID routinely posts important information on its website and considers the Investor Relations section, www.avangrid.com/wps/portal/avangrid/Investors, a channel of distribution.

Avangrid, Inc.
Condensed Consolidated Statements of Income
(In Millions except per share amounts)
(Unaudited)

(\$M)	Three Months Ended March 31,	
	2023	2022
Operating Revenues	\$ 2,466	\$ 2,133
Operating Expenses		
Purchased power, natural gas and fuel used	977	741
Operations and maintenance	761	651
Depreciation and amortization	280	261
Taxes other than income taxes	183	178
Total Operating Expenses	2,201	1,831
Operating Income	265	302
Other Income and (Expense)		
Other income	25	11
Earnings (losses) from equity method investments	2	253
Interest expense, net of capitalization	(95)	(71)
Income Before Income Tax	197	495
Income tax (benefit) expense	(18)	68
Net Income	215	427
Net loss attributable to noncontrolling interests	30	18
Net Income Attributable to Avangrid, Inc.	\$ 245	\$ 445
Earnings per Common Share, Basic:	\$ 0.63	\$ 1.15
Earnings per Common Share, Diluted:	\$ 0.63	\$ 1.15
Weighted-average # of Common Shares Outstanding (M):		
Basic	386.7	386.7
Diluted	387.1	387.1

Amounts may not add due to rounding

Avangrid, Inc.
Reconciliation of Non-U.S. GAAP Adjusted Net Income (Loss) - \$M
(Unaudited)

	Three Months ended March 31,		
	2023	2022	'23 vs '22
Networks	\$ 195	\$ 252	\$ (56)
Renewables	49	208	(160)
Corporate*	1	(15)	16
GAAP Net Income	\$ 245	\$ 445	\$ (200)
Adjustments:			
Mark-to-market earnings - Renewables	4	3	1
Impact of COVID-19	-	2	(2)
Income tax impact of adjustments**	(1)	(2)	1
Adjusted Net Income	\$ 248	\$ 450	\$ (202)

* Includes Corporate and other non-regulated entities as well as intersegment eliminations

** 2023: Income tax impact of adjustments: \$(1)M from mark-to-market (MtM) earnings - Renewables for the three months ended March 31, 2023.

** 2022: Income tax impact of adjustments: (\$0.8)M from mark-to-market (MtM) earnings - Renewables and (\$0.7)M from impact of COVID-19 - Networks for the three months ended March 31, 2022.

Non-U.S. GAAP Adjusted Net Income (Loss) - \$M

	Three Months ended March 31,		
	Adjusted 2023	Adjusted 2022	Adjusted '23 vs '22
Networks	\$ 195	\$ 254	\$ (58)
Renewables	51	211	(159)
Corporate*	1	(15)	16
Adjusted Net Income	\$ 248	\$ 450	\$ (202)

* Includes Corporate and other non-regulated entities as well as intersegment eliminations

Avangrid, Inc.
Reconciliation of Non-U.S. GAAP Adjusted Earnings (Loss) Per Share (EPS)
(Unaudited)

	Three Months ended March 31,		
	2023	2022	'23 vs '22
Networks	\$ 0.51	\$ 0.65	\$ (0.15)
Renewables	0.13	0.54	(0.41)
Corporate*	0.00	(0.04)	0.04
GAAP Earnings Per Share	\$ 0.63	\$ 1.15	\$ (0.52)
Adjustments:			
Mark-to-market earnings - Renewables	0.01	0.01	0.00
Impact of COVID-19	-	0.01	(0.01)
Income tax impact of adjustments**	(0.00)	(0.00)	0.00
Adjusted Earnings Per Share	\$ 0.64	\$ 1.16	\$ (0.52)

Weighted-avg # of Shares (M): 386.7 386.7

Amounts may not add due to rounding

* Includes Corporate and other non-regulated entities as well as intersegment eliminations

** 2023: EPS Income tax impact of adjustments: \$0 from mark-to-market (MtM) earnings - Renewables for the three months ended March 31, 2023.

** 2022: EPS Income tax impact of adjustments: \$0 from mark-to-market (MtM) earnings - Renewables, \$0 from impact of COVID-19 - Networks for the three months ended March 31, 2022.

Non-U.S. GAAP Adjusted Earnings (Loss) Per Share

	Three Months ended March 31,		
	Adjusted 2023	Adjusted 2022	Adjusted '23 vs '22
Networks	\$ 0.51	\$ 0.66	\$ (0.15)
Renewables	0.13	0.54	(0.41)
Corporate*	0.00	(0.04)	0.04
Adjusted Earnings Per Share	\$ 0.64	\$ 1.16	\$ (0.52)

Weighted-avg # of Shares (M): 386.7 386.7

Amounts may not add due to rounding

* Includes Corporate and other non-regulated entities as well as intersegment eliminations