



Shareholder's Bulletin

First half

Sustainable
Event



Committed to:
 **SDG**

Iberdrola invests 10,554 million euros in the last 12 months and increases its net profit by 21% to 2,521 million euros

Chairman's key points



Ignacio Galán

Chairman of Iberdrola

“We continue accelerating in the execution of our Strategic Plan, with investments of more than 10.5 billion euros in the last 12 months.

This set of results confirms our capacity to execute our plans ahead of estimates, even in the current challenging macro scenario.”

Shareholder remuneration in 2023

Iberdrola increases shareholder remuneration by 11.6%

As part of the resolutions adopted at the 2023 General Shareholders' Meeting held in April, two proposals of the Board were approved regarding shareholder remuneration:

- With 99.83% of votes in favour of item 8 on the agenda, corresponding to the “**engagement dividend**”, whereby shareholders entitled to participate in the Meeting received 0.005 euros gross per share, as more than the quorum of 70% of the share capital, a condition for obtaining this dividend, was reached.
- With 99.82% of votes in favour of item 9, relating to **shareholder remuneration** charged to the 2022 financial year and paid in the 2023 financial year, a minimum final dividend of 0.310 euros gross per share was set.

Finally, the **Complementary Dividend**, which will be paid in July, has been set at **0.316** euros gross per share, 15.3% more than in 2022, to which must be added the 0.180 euros gross per share distributed in January as an Interim Dividend and the 0.005 euros gross per share corresponding to the “engagement dividend”.

Therefore, the **total shareholder remuneration** charged to the 2022 results (paid in 2023) will be 0.501 euros **gross per share** (+11.6% compared to that paid in 2022).

Regarding the conditions of this new edition of “Iberdrola Flexible Remuneration”, the number of free allotment rights required to receive one new share was set at 37. This programme ends on 31 July, when the new shares are expected to start trading.

	Payment	EUR/Share
Interim dividend	Executed	0.180
Engagement dividend	Executed	0.005
Supplementary dividend	28 th July 2023	0.316
TOTAL SHAREHOLDER REMUNERATION		0.501

¹ Versus shareholder remuneration of EUR 0.449/share for 2021

Highlights of the period

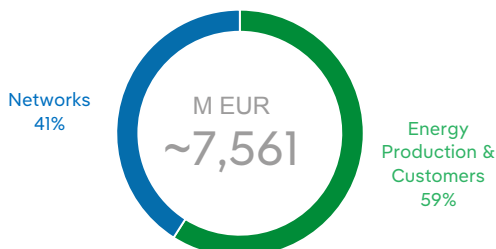
EBITDA increased by 17% to 7,560.70 million euros

EBITDA in the first half of 2023 was 17.3% higher than in the same period of 2022, due to improved results in the UK and Europe.

By businesses, EBITDA in the **Networks** business amounted to 3,127 million euros, due to the higher asset base (+10% year-on-year), annual tariff adjustments in the UK, Brazil and the U.S. as well as the regulatory frameworks in the United Kingdom and Brazil that protect against inflation.

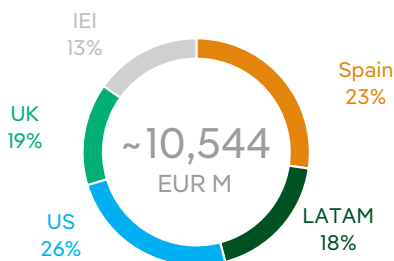
EBITDA of the **Power Generation and Customers** business increased by 46.0% to 4,458.3 million euros, thanks to the normalization of production and better prices of renewable energies in Europe and improved results in the UK due to higher sales and lower operating expenses.

EBITDA Breakdown by business



With an 8% increase in investments

GROSS INVESTMENTS BY GEOGRAPHY (last 12 months)



Investments reached 10,544 million euros in the last 12 months as a growth vector, 93% of these was invested in the networks and renewable energy businesses.

Of these investments, 4,555 million euros were carried out during the first half of 2023 and are mainly concentrated in networks (48%) and renewable business (43%).

In the networks business, most of the investments were made in the United States and Brazil, amounting to 811 million euros and 724 million euros, respectively.

Investments in the **Renewables** business were distributed in Spain, the United Kingdom and the U.S.

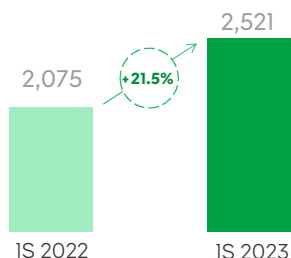
Net profit amounted to 2,521 million euros

Net profit increased by 21,5% to 2.520,7 million euros.

Mainly affected by non-recurring effects such as higher extraordinary taxes in Mexico (-140 million euros in 2023 due to a difference between the book value and the tax value of the companies in the transaction) and reorganization of renewable assets in the U.S. (+218 million euros in 2022 Equity method)

If we exclude these non-recurring effects, net income would have increased by 28.2%.

NET PROFIT



Improving cash generation and financial strength

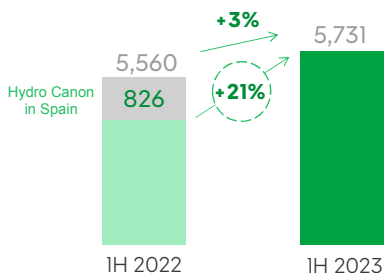
Cash flow generation improved by 3% to 5,731 million euros in the first half, excluding the recovery of the hydroelectric canon in 2022, the increase was 21%.

Thus, there was an improvement in the financial ratios, where the ratio of operating cash flow to net debt reached 24.9%.

The ongoing operations are expected to be settled before the end of the year for a total of more than 6,000 million euros, which will bring the expected net debt for the 2023 financial year to around 42,000 million euros.

As of today, liquidity amounts to 20,300 million euros, covering 21 months of financing needs, with an average maturity of close to 6 years.

OPERATING CASH FLOW (FFO)



Asset Rotation Plan to 2023

Significant progress has been made in the asset rotation plan:

ASSET	ASSET
Mexico Transaction	Mexico Infr. Partners
Strategic Alliance in Spain and Portugal	Norges Bank
Transmission Brazil	GIC
JV Onshore Spain	Mapfre
Hydro stake in Brazil	Eletrobras

At the same time, agreements have been signed with leading companies to co-invest in major projects; with CIP in Vinyard (U.S.), driving the electrification of the economy with offshore and onshore wind projects with Shell and mobility projects with BP.

Strategic Plan execution

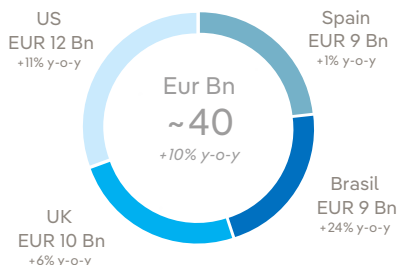
Networks Business

The Networks business has already reached an asset base of 40 million euros (+10%) and geographical diversification has improved.

During the second half of the year, further growth is expected thanks to the new tariffs under negotiation in this period in the U.S. and Brazil (pending Elektro's review in August).

In addition, an eastern transmission project has been submitted in the United Kingdom and transmission work in the U.S. has been authorized to proceed.

H1 2023 Asset Base by geography



Renewables business

Iberdrola has reached 41,250 MW of installed renewable energy capacity, of which 2,565 MW were installed in the last twelve months. Of these, 900 MW are offshore wind, 115 MW onshore wind and 1,550 MW of solar PV.

In addition, it has a pipeline of more than 7,000 MW under construction as planned and will involve an investment of 12 million euros. Of these, 80% will be installed in Spain (2,375 MW), the U.S. (1,650 MW) and the United Kingdom (1,625 MW).

Customers

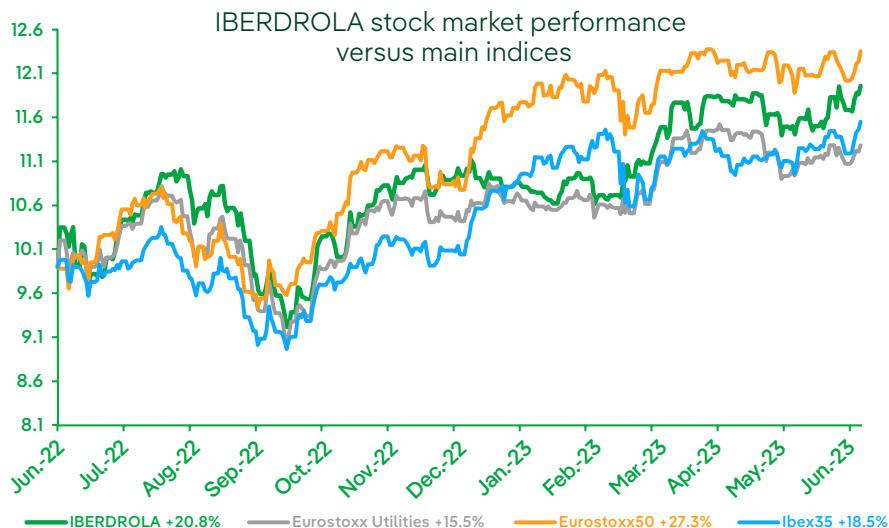
Long-term private contracts (PPAs) have already been signed for 135 TWH/year and other regulated mechanisms with an average term of 12 years (440 MWh with Vodafone, Baltic Eagle energy has been sold to Holcim and Stahl Holding Star ...) as well as with domestic customers.

Conclusion

We raised our net profit growth outlook for the second time this year, based on:

Very strong H1...		...with additional upsides in H2	
28% Growth in Net Profit (exc. non-cash exceptional item) Improving FFO & Financial Ratios Anticipating Targets	<ul style="list-style-type: none"> - Renewable recovery - Retail recovery in the UK and normalization in the EU - FFO +21% up to EUR 5,731M - FFO/Adjusted Net Debt at 24.9% - Asset Rotation Plan completed in just 3 months - 2025 Dividend floor reached 2 years ahead 	New Rate Cases in Networks <ul style="list-style-type: none"> - US: CMP, NY & CT. - Brazil: Coelba (April), Cosern (April) & Elektro (August) - Uncollectible recovery in USA, Brazil and UK 	Renewables <ul style="list-style-type: none"> - Production recovery - Higher installed capacity
		Sólido Balance <ul style="list-style-type: none"> - Cash inflows from asset rotation - Net Debt reduction 	

IBERDROLA and the stock market



Iberdrola's share

	H1 2023	H1 2022
Number of outstanding shares	6,446,364,000	6,437,563,000
Price at the end of the period	11.950	9.896
Average price of the period	11.259	10.136
Average daily volume	12,574,169	16,018,835
Maximum volume (21-04-2023 / 22-04-2022)	44,284,813	50,291,361
Minimum (08-05-2023 / 17-05-2022)	4,459,476	5,239,815
Dividends paid (€)	0.185	0.175
Gross interim (31-01-2023 / 02-02-2022) ⁽¹⁾	0.180	0.170
Engagement (03-05-2023 / 20-06-2022)	0.005	0.005
Dividend yield ⁽²⁾	3.84%	4.34%

(1) Purchase price of rights guaranteed by Iberdrola.

(2) Dividends paid in the last 12 months / period-end share price

Stock Market Data

		H1 2023	H1 2022
Market capitalisation	€ (million)	77,034	63,706
Earnings per share (6,446,364,000 shares at 30/06/2023 and 6,437,563,000 shares at 30/06/2022)	€	0.375	0.309
Net operating cash flow per share	€	0.89	0.86
P.E.R.	Times	16.65	14.85

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