Iberdrola increases investments to €7 billion (+6%) and its adjusted net profit to €2.688 billion (+5 %), driven by international markets
Chairman’s key points

“During the first nine months, the Group has shown solid operating performance in a very difficult context which, together with the additional capacity to install throughout 2021, the new tariff framework in the United States and Brazil and the consolidation of Neoenergía Brasilia, leads us to reaffirm the prospects for net profit and dividends foreseen for 2021.”

Ignacio Galán
Chairman & CEO of Iberdola

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Shareholder remuneration in 2021

Iberdrola increases shareholder remuneration by 5.5%.

On 26 October 2021, the Board of Directors of Iberdrola resolved to launch a new edition of the “Iberdrola Retribución Flexible” optional dividend system for the 2021 financial year.

For this purpose, the Board of Directors of the Company has set the gross amount of the Interim Dividend per share to at least 0.168 euros per share. The Final Dividend will be added to this amount, once it is approved at the General Shareholders’ Meeting, to be paid in 2022 as indicated in the following estimated schedule:

- **28, 29 and 30 December 2021 and 3 and 4 January 2022**: Days included in the calculation of the number of free allocation rights necessary to receive one new share and the gross amount of the Interim Dividend for the financial year 2021 to be distributed per share.
- **5 January 2022**: Notification of the number of free-of-charge allocation rights needed in order to receive a share and the amount of the gross Interim Dividend.
- **7 January 2022**: Last day on which Iberdrola shares are traded with the right to participate in the Iberdrola Flexible Remuneration system (last trading date).
- **10 January 2022**: Ex-dividend reference date (ex-date) as of which Iberdrola shares are traded without the right to participate in the “Iberdrola Retribución Flexible” system.
- **10 to 24 January 2022**: Common Choice Period and the trading period for free allocation rights.
- **11 January 2022**: Record date to determine the Company shareholders entitled to take part in the “Iberdrola Retribución Flexible” scheme.
- **1 February 2022**: Interim Dividend Payment to shareholders who have elected to receive cash through this option.
- **2 February 2022**: Expected date for the start of trading in the new shares.

The “Iberdrola Retribución Flexible” scheme allows shareholders to choose from among the following options when collecting their dividend (or to combine them, with the value of the remuneration to be received being equivalent across all options):

i. receive their remuneration in the form of fully paid-up new shares;

ii. sell all or part of their free allocation rights on the market;

iii. receive their remuneration in cash via the interim dividend payment.

In this regard, and to avoid shareholder dilution, during the last Shareholders’ Meeting the redemption of shares was approved, amounting to 178,156,000 shares and corresponding to 2.78% of the capital, which took place on 2 July 2021.
Highlights of the period

EBITDA grows by 11%

In the first nine months of 2021, Iberdrola’s EBITDA grew by 10.7% to reach €8.165 billion, driven by the United States and Brazil.

By businesses, the EBITDA of the Networks Business increases by 11.5% to €3.93 billion, due to the sound operational development in the United States thanks to the new tariff frameworks, and the improved results in Brazil motivated by tariff reviews, investments in transmission and the contribution of Neoenergia Brasilia.

The Renewables EBITDA grows by 70.9% to €3.04 billion, thanks to the contribution of new assets in operation and higher output, particularly in Spain and Brazil.

In the meantime, the Generation and Supply business EBITDA fell by 45% mainly due to an increase in spot prices as a consequence of the dynamic of the gas markets, which affected both Spain and the United Kingdom. After the recent measures adopted by the Spanish government, the impact of Royal Decree (RDL) 17/2021, which reduces the remuneration associated with increasing gas prices, is not expected to continue in the coming months.

Record investments of more than €7 billion (+6%)

Gross investments continue to accelerate, increasing by 6% and setting a new record of more than €7 billion (including €409 million of non-organic investments), of which 77% went to international markets, mainly the United States and Brazil.

Investments in Spain reached €1.6 billion, an increase of 21%.

Nearly 90% of the total investment was allocated to Renewables (€3.101 billion) and Networks (€3.185 billion) businesses, in line with the Group’s growth strategy.

Iberdrola has commissioned 3.8 GW of new renewable capacity in the last twelve months, increasing it by 11% to reach 37,400 MW installed around the world.

Investments in networks increase by 27% and show growth in all our markets. This trend will continue in the years to come, because new regulations are acknowledging that networks are a pivotal area of a fully decarbonised energy system.

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Solid financial position

Iberdrola’s operating cash flow at 30 September amounted to €6.412 billion, an increase of 7%. This positive trend and the debt management measures implemented led to a further improvement in our financial ratios, among which “FFO/adjusted net debt” increased by 140 basis points to 23.4%.

The Group has liquidity of close to €20 billion, covering 19 months of financing needs. In addition, Iberdrola consolidates its global leadership in green and sustainable financing, with €36 billion in circulation.

Adjusted net debt at September 2021 fell to €37.219 billion, while leverage improved to 41.7% from 45.5% in the same period of the previous year.

Adjusted net profit amounted to €2.688 billion

Iberdrola’s adjusted net profit in the first nine months of the year increased by 5% to €2.68 billion.

Reported net profit amounted to €2.40 billion, down 10%, after including the impact of the government-approved gas price reduction, as well as non-recurring tax items mainly due to the increase in UK corporation tax.

Sustainability Committed to creating value for customers, suppliers, employees and society as a whole

CUSTOMERS
- Benefiting customers with stable price contracts below current wholesale market prices (savings of EUR 2,000 M)
- Quality of service
- Wide portfolio of smart products and services

EMPLOYEES
- 5,000 new hires
- 99% of our employees have permanent contracts
- >50 hours of training
- “Escolas de Electricistas” in Brazil, promoting the role of women in the energy sector
- Diversity and inclusion initiatives

SUPPLIERS
- Over EUR 9,000 M purchases awarded in nine months of 2021 for a total of EUR 22 Bn since 2020
- 70% of Iberdrola’s 22,000 suppliers meet ESG criteria
- Supporting 400,000 jobs globally

SOCIETY
- Emissions in Europe of ~50 g/kWh in 9M2021
- Annual tax contribution of over EUR 7,500 M (EUR 3,400 M in Spain)
- EUR ~300 M invested in R&D&I last year
- Co-leading the “Reskilling 4 Europe” program involving 15,000 jobs in Spain
- International Volunteer Program (10,000 participants)
- Recognitions: Leading InfluenceMap ranking, member of Standard & Poor’s Global Clean Energy Index...
Growth platforms in key countries and new markets

The Group’s project portfolio amounts to 81,800 MW. Of these, 22,800 MW offshore wind; 17,700 MW onshore wind; 37,000 MW photovoltaic; 3,400 MW hydroelectric and 900 MW batteries.

Opportunities in new growth platforms, such as Poland, Sweden, Ireland, Japan, Korea, Taiwan and Australia, as well as others in core countries in Europe - the UK, Germany, France, Spain and Portugal, as well as the USA and Brazil.

Iberdrola is investing in benchmark projects around the world and in all technologies related to the energy transition. The main ongoing projects stand out due to the following technologies:

<table>
<thead>
<tr>
<th>ONSHORE (Key projects)</th>
<th>OFFSHORE WIND</th>
<th>HYDRO PUMP STORAGE</th>
<th>TRANSMISSION NETWORKS</th>
<th>GREEN HYDROGEN</th>
</tr>
</thead>
<tbody>
<tr>
<td>In the area of renewable generation:</td>
<td>Offshore wind energy is one of the Group’s main growth platforms. Iberdrola already operates 1,300 MW of this technology and is progressing with the construction of 2600 MW. This strategy will be driven by the auctions foreseen in the main markets where the company is already operating or taking a position.</td>
<td>In terms of large-scale energy storage, we are continuing to develop the 1,200-MW &quot;gigabattery&quot; at Tâmega (Portugal).</td>
<td>In terms of transmission grids, Iberdrola has more than 5,000 kilometres of lines under construction in 12 Brazilian states, representing a total investment of R$10 billion, and work has begun on the 230-kilometre NECEC interconnection between the United States and Canada. In addition, the Group is bidding for the construction and operation of a 1,500-kilometre electricity grid in Chile with other partners.</td>
<td>In addition, the Group has more than 60 green hydrogen projects in Spain, the United Kingdom, Portugal, Australia, the United States, Brazil, Mexico and Italy, which could mobilise investments of more than €3 billion in the coming years.</td>
</tr>
</tbody>
</table>

Business profile

Iberdrola’s profile offers considerable protection in the current context where high gas and oil prices, and the lack of raw materials, are generating inflationary pressures in all economies, as:

- ~70% of revenues from A-rated countries in USD, EUR and GBP
- ~96% of production in Spain and UK already sold for 2022
- Purchases for 2021-22 already hedged or closed, protecting from current supply-demand tensions and prices environment
- 45% of operating margin protected from inflation
- ~70% of debt at fixed rates
IBERDROLA and the stock market

IBERDROLA's share

<table>
<thead>
<tr>
<th></th>
<th>9M 2021</th>
<th>9M 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of outstanding shares</td>
<td>6,366,088,000</td>
<td>6,350,061,000</td>
</tr>
<tr>
<td>Price at the end of the period</td>
<td>8.684</td>
<td>10.510</td>
</tr>
<tr>
<td>Average price of the period</td>
<td>10.769</td>
<td>9.836</td>
</tr>
<tr>
<td>Average daily volume</td>
<td>12,812,832</td>
<td>18,921,114</td>
</tr>
<tr>
<td>Maximum volume (03-19-2021 / 03-20-2020)</td>
<td>48,728,175</td>
<td>73,587,123</td>
</tr>
<tr>
<td>Minimum (11-02-2021 / 06-01-2020)</td>
<td>3,983,299</td>
<td>5,591,843</td>
</tr>
<tr>
<td>Dividends paid (€)</td>
<td>0.4220</td>
<td>0.4050</td>
</tr>
<tr>
<td>Gross final (02-08-2021 / 02-05-2020) (1)</td>
<td>0.1680</td>
<td>0.1680</td>
</tr>
<tr>
<td>Gross interim (07-29-2021 / 08-01-2020) (1)</td>
<td>0.2540</td>
<td>0.2320</td>
</tr>
<tr>
<td>Shareholder's Meeting attendance bonus</td>
<td>0.0000</td>
<td>0.0050</td>
</tr>
<tr>
<td>Dividend yield (2)</td>
<td>4.86%</td>
<td>3.85%</td>
</tr>
</tbody>
</table>

(1) Purchase price of rights guaranteed by Iberdrola.
(2) Dividends paid in the last 12 months and attendance premium / period-end share price

Stock Market Data

<table>
<thead>
<tr>
<th></th>
<th>9M 2021</th>
<th>9M 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Market capitalisation</td>
<td>EUR (million)</td>
<td>55,283</td>
</tr>
<tr>
<td>Earnings per share</td>
<td>EUR</td>
<td>0.378</td>
</tr>
<tr>
<td>(6,366,088,000 shares at 30/09/21 and 6,350,061,000 shares at 30/09/20)</td>
<td>EUR</td>
<td>0.378</td>
</tr>
<tr>
<td>Net operating cash flow per share</td>
<td>EUR</td>
<td>1.36</td>
</tr>
<tr>
<td>P.E.R.</td>
<td>Times</td>
<td>22.96</td>
</tr>
</tbody>
</table>

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