

Results Presentation

2021

February 23, 2022



IBERDROLA

| SUSTAINABLE
EVENT



Committed to:



Legal Notice

DISCLAIMER

This document has been prepared by Iberdrola, S.A. exclusively for use during the presentation of financial results of the 2021 fiscal year. As a consequence thereof, this document may not be disclosed or published, nor used by any other person or entity, for any other reason without the express and prior written consent of Iberdrola, S.A. Iberdrola, S.A. does not assume liability for this document if it is used with a purpose other than the above.

Except for the financial information included in this document (which has been extracted from the annual financial statements of Iberdrola, S.A. corresponding to the fiscal year ended on 31 December 2021, as audited by KPMG Auditores, S.L.), the information and any opinions or statements made in this document have not been verified by independent third parties; therefore, no express or implied warranty is made as to the impartiality, accuracy, completeness or correctness of the information or the opinions or statements expressed herein.

Neither Iberdrola, S.A. nor its subsidiaries or other companies of the Iberdrola Group or its affiliates assume liability of any kind, whether for negligence or any other reason, for any damage or loss arising from any use of this document or its contents.

Neither this document nor any part of it constitutes a contract, nor may it be used for incorporation into or construction of any contract or agreement.

Information in this document about the price at which securities issued by Iberdrola, S.A. have been bought or sold in the past or about the yield on securities issued by Iberdrola, S.A. cannot be relied upon as a guide to future performance.

IMPORTANT INFORMATION

This document does not constitute an offer or invitation to purchase or subscribe shares, in accordance with the provisions of (i) the restated text of the Securities Market Law approved by Royal Legislative Decree 4/2015, of 23 October; (ii) Regulation (EU) 2017/1129 of the European Parliament and of the Council, of 14 June 2017, on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC; (iii) Royal Decree-Law 5/2005, of 11 March; (iv) Royal Decree 1310/2005, of 4 November; and (v) their implementing regulations.

In addition, this document does not constitute an offer of purchase, sale or exchange, nor a request for an offer of purchase, sale or exchange of securities, nor a request for any vote or approval in any other jurisdiction.

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 of 1933 or pursuant to a valid exemption from registration. The shares of Iberdrola, S.A. may not be offered or sold in Brazil except under the registration of Iberdrola, S.A. as a foreign issuer of listed securities, and a registration of a public offering of depositary receipts of its shares, pursuant to the Capital Markets Act of 1976 (Federal Law No. 6,385 of December 7, 1976, as further amended), or pursuant to a valid exemption from registration of the offering.

This document and the information presented herein was prepared by Iberdrola, S.A. solely with respect to the consolidated financial results of Iberdrola, S.A. and was prepared and is presented in accordance with the International Financial Reporting Standards ("IFRS").

In addition to the financial information prepared under IFRS, this presentation includes certain alternative performance measures ("APMs") for the purposes of Commission Delegated Regulation (EU) 2019/979, of March 14, 2019 and as defined in the *Guidelines on Alternative Performance Measures* issued by the European Securities and Markets Authority on 5 October 2015 (ESMA/2015/1415es). The APMs are performance measures that have been calculated using the financial information from Iberdrola, S.A. and the companies within its group, but that are not defined or detailed in the applicable financial information framework. These APMs are being used to allow for a better understanding of the financial performance of Iberdrola, S.A. but should be considered only as additional information and in no case as a substitute of the financial information prepared under IFRS. Moreover, the way Iberdrola, S.A. defines and calculates these APMs may differ from the way these are calculated by other companies that use similar measures, and therefore they may not be comparable. Finally, please consider that certain of the APMs used in this presentation have not been audited. Please refer to this presentation and to the corporate website (www.iberdrola.com) for further details of these matters, including their definition or a reconciliation between any applicable management indicators and the financial data presented in the consolidated financial statements prepared under IFRS.

This document does not contain, and the information presented herein does not constitute, an earnings release or statement of earnings of Avangrid, Inc. ("Avangrid") or Avangrid's financial results. Neither Avangrid nor its subsidiaries assume responsibility for the information presented herein, which was not prepared and is not presented in accordance with United States Generally Accepted Accounting Principles ("U.S. GAAP"), which differs from IFRS in a number of significant respects. IFRS financial results are not indicative of U.S. GAAP financial results and should not be used as an alternative to, or a basis for anticipating or estimating, Avangrid's financial results. For information regarding Avangrid's financial results for the 2021 fiscal year, please see the press release Avangrid issued on February 23, 2022, which is available on its investor relations website at www.avangrid.com and the Securities and Exchange Commission ("SEC") website at www.sec.gov.

Likewise, this document does not contain, and the information presented herein does not constitute, an earnings release or statement of earnings of Neoenergia S.A. ("Neoenergia") or Neoenergia's financial results. Neither Neoenergia nor its subsidiaries assume responsibility for the information presented herein. For information regarding Neoenergia's financial results for the 2021 fiscal year, please see the press release Neoenergia issued on February 17, 2022, which is available on its investor relations website at ri.neoenergia.com and the Brazilian *Comissão de Valores Mobiliários* ("CVM") website at www.cvm.gov.br.

FORWARD-LOOKING STATEMENTS

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. shares 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 documents sent by Iberdrola, S.A. to the Spanish *Comisión Nacional del Mercado de Valores*, which are accessible to the public.

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 subsequent oral or written forward-looking statements attributable to Iberdrola, S.A. or any of its members, directors, officers, employees or any persons acting on its behalf are expressly qualified in their entirety by the cautionary statement above. All 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.

| | |
|--|-----------|
| 1. Legal Notice | 1 |
| 2. Core business figures | 4 |
| 3. Highlights for the period | 12 |
| 4. Operational performance of the period | 17 |
| 5. Analysis of the consolidated profit and loss account | 33 |
| 6. Results by business | 38 |
| 7. Balance sheet analysis | 46 |
| 8. Financial Statements Tables | 58 |
| Balance Sheet Dec-2021 (<i>Unaudited</i>) | 59 |
| Profit and Loss (<i>Unaudited</i>) | 61 |
| Results by Business (<i>Unaudited</i>) | 62 |
| Networks Business (<i>Unaudited</i>) | 63 |
| Electricity Production and Customers (<i>Unaudited</i>) | 64 |
| Quarterly Results (<i>Unaudited</i>) | 65 |
| Statement of origin and use of funds (<i>Unaudited</i>) | 66 |
| 9. Stock market evolution | 67 |
| 10. Regulation | 69 |
| 11. Sustainability Performance - ESG | 76 |
| 12. Glossary of terms | 96 |

Core business figures

Networks

| RAB (Local currency) | | As of December 2021 | As of December 2020 |
|----------------------|---------------|---------------------|---------------------|
| Spain | (EUR billion) | 9.29 | 9.27 |
| United Kingdom | (GBP billion) | 7.14 | 6.87 |
| United States | (USD billion) | 11.87 | 10.86 |
| Brazil | (BRL billion) | 25.95 | 22.36 |

Distributed Electricity

| ELECTRICITY (GWh) | 2021 | 2020 | vs. 2020 |
|-------------------|----------------|----------------|-------------|
| Spain | 90,962 | 88,361 | 2.9% |
| United Kingdom | 32,221 | 31,738 | 1.5% |
| United States | 38,756 | 38,012 | 2.0% |
| Brazil | 75,813 | 66,860 | 13.4% |
| Total | 237,752 | 224,971 | 5.7% |
| GAS (GWh) | | | |
| United States | 61,365 | 59,134 | 3.8% |
| Total | 61,365 | 59,134 | 3.8% |

Managed Supply Points

| ELECTRICITY (Millions) | 2021 | 2020 | vs. 2020 |
|----------------------------|--------------|--------------|-------------|
| Spain | 11.28 | 11.21 | 0.7% |
| United Kingdom | 3.55 | 3.54 | 0.2% |
| United States | 2.30 | 2.27 | 1.4% |
| Brazil | 15.74 | 14.28 | 10.2% |
| Total Electricity | 32.87 | 31.29 | 5.0% |
| GAS (Millions) | | | |
| United States | 1.03 | 1.02 | 0.7% |
| Total Gas | 1.03 | 1.02 | 0.7% |
| TOTAL SUPPLY POINTS | 33.90 | 32.32 | 4.9% |

Note: In terms of operational data, IFRS11 do not apply (see details under Operational Performance for the period)
Differences may arise due to rounding

Generation Business and Customers

Total Group

| | 2021 | 2020 | vs. 2020 |
|--|----------------|----------------|---------------|
| Net Production (GWh) ⁽¹⁾ | 164,266 | 162,790 | 0.9% |
| Net owned production ⁽¹⁾ | 129,331 | 123,421 | 4.8% |
| Renewables ⁽¹⁾ | 73,719 | 67,844 | 8.7% |
| Onshore | 41,343 | 39,183 | 5.5% |
| Offshore | 4,617 | 4,380 | 5.4% |
| Hydro | 24,374 | 22,032 | 10.6% |
| Minihydro | 630 | 682 | -7.5% |
| Solar | 2,671 | 1,494 | 78.8% |
| Nuclear | 23,193 | 24,316 | -4.6% |
| Gas combined cycle | 25,259 | 24,473 | 3.2% |
| Cogeneration | 7,159 | 6,550 | 9.3% |
| Net production for third parties | 34,935 | 39,369 | -11.3% |
| Renewables | 231 | 218 | 5.9% |
| Onshore | 231 | 218 | 5.9% |
| Gas combined cycle | 34,704 | 39,151 | -11.4% |
| Installed capacity (MW) ⁽²⁾ | 58,320 | 55,111 | 5.8% |
| Net owned installed capacity ⁽²⁾ | 51,174 | 47,965 | 6.7% |
| Renewables ⁽²⁾ | 38,035 | 34,820 | 9.2% |
| Onshore | 19,376 | 18,471 | 4.9% |
| Offshore | 1,258 | 1,258 | - |
| Hydro | 13,849 | 12,864 | 7.7% |
| Minihydro | 285 | 303 | -6.0% |
| Solar | 3,060 | 1,878 | 62.9% |
| Batteries | 193 | 31 | N/A |
| Nuclear | 3,177 | 3,177 | - |
| Gas combined cycle | 8,777 | 8,777 | - |
| Cogeneration | 1,185 | 1,191 | -0.5% |
| Net installed capacity for third parties | 7,146 | 7,146 | - |
| Renewables | 103 | 103 | - |
| Onshore | 103 | 103 | - |
| Gas combined cycle | 7,043 | 7,043 | - |
| Electricity customers (No mill.) | 12.83 | 12.84 | -0.1% |
| Gas customers (No mill.) | 3.07 | 3.01 | 2.1% |
| Gas Supplies (GWh) | 57,525 | 55,302 | 4.0% |
| Gas Storage (bcm) | 0.13 | 0.13 | 0.6% |

(1) Including 83 GWh of production from fuel cells in 2021 and 73GWh in 2020

(2) Including 13 MW installed capacity of fuel cells both in 2021 and 2020

Note: Iberdrola Group has closed all its coal capacity in Spain by 2020. Differences may arise due to rounding

Spain

| | 2021 | 2020 | vs. 2020 |
|---|---------------|---------------|--------------|
| Net Production (GWh) | 60,968 | 59,851 | 1.9% |
| Renewables | 28,420 | 25,919 | 9.7% |
| Onshore | 11,937 | 11,617 | 2.7% |
| Hydro | 14,620 | 13,111 | 11.5% |
| Minihydro | 630 | 682 | -7.5% |
| Solar | 1,233 | 509 | 142.3% |
| Nuclear | 23,193 | 24,316 | -4.6% |
| Gas combined cycle | 7,023 | 7,213 | -2.6% |
| Cogeneration | 2,331 | 2,166 | 7.7% |
| Installed Capacity (MW) | 28,427 | 26,635 | 6.7% |
| Renewables | 19,210 | 17,411 | 10.3% |
| Onshore | 6,124 | 6,292 | -2.7% |
| Hydro | 10,700 | 9,715 | 10.1% |
| Minihydro | 285 | 303 | -6.0% |
| Solar | 2,086 | 1,100 | 89.6% |
| Batteries | 14 | - | N/A |
| Nuclear | 3,177 | 3,177 | - |
| Gas combined cycle | 5,695 | 5,695 | - |
| Cogeneration | 347 | 353 | -1.8% |
| Electricity customers (No mill.) | 9.99 | 10.01 | -0.3% |
| Gas customers (No mill.) | 1.15 | 1.10 | 4.8% |
| Gas Supplies (GWh) | 31,431 | 30,877 | 1.8% |
| Users | 15,361 | 14,585 | 5.3% |
| Gas combined cycle | 16,070 | 16,292 | -1.4% |

Differences may arise due to rounding

United Kingdom

| | 12M 2021 | 12M 2020 | vs. 2020 |
|---|---------------|---------------|-------------|
| Net Production (GWh) | 6,717 | 6,677 | 0.6% |
| Renewables | 6,717 | 6,677 | 0.6% |
| Onshore | 3,284 | 3,581 | -8.3% |
| Offshore | 3,433 | 3,097 | 10.9% |
| Solar | - | - | N/A |
| Installed Capacity (MW) | 3,008 | 2,864 | 5.0% |
| Renewables | 3,008 | 2,864 | 5.0% |
| Onshore | 1,986 | 1,950 | 1.9% |
| Offshore | 908 | 908 | - |
| Solar | 10 | - | N/A |
| Batteries | 104 | 6 | 1633.3% |
| Electricity customers (No mill.) | 2.84 | 2.83 | 0.6% |
| Gas customers (No mill.) | 1.92 | 1.91 | 0.6% |
| Gas Supplies (GWh) | 26,094 | 24,425 | 6.8% |
| Gas Storage (bcm) | 0.13 | 0.13 | 0.6% |

Differences may arise due to rounding

USA

| | 12M 2021 | 12M 2020 | vs. 2020 |
|---|---------------|---------------|-------------|
| Net Production (GWh) ⁽¹⁾ | 22,591 | 22,120 | 2.1% |
| Renewables ⁽¹⁾ | 19,400 | 19,369 | 0.2% |
| Onshore | 18,943 | 18,930 | 0.1% |
| Hydro | 132 | 118 | 12.2% |
| Solar | 242 | 248 | -2.4% |
| Gas combined cycle | 7 | 6 | 17.0% |
| Cogeneration | 3,184 | 2,745 | 16.0% |
| Installed Capacity (MW) ⁽²⁾ | 9,149 | 8,822 | 3.7% |
| Renewables ⁽²⁾ | 8,309 | 7,982 | 4.1% |
| Onshore | 7,945 | 7,721 | 2.9% |
| Hydro | 118 | 118 | - |
| Solar | 232 | 130 | 79.3% |
| Gas combined cycle | 204 | 204 | - |
| Cogeneration | 636 | 636 | - |

(1) Including 83 GWh of production from fuel cells in 2021 and 73GWh in 2020

(2) Including 13 MW installed capacity of fuel cells both in 2021 and 2020

Differences may arise due to rounding

Mexico

| | 12M 2021 | 12M 2020 | vs. 2020 |
|---|---------------|---------------|---------------|
| Net Production (GWh) | 54,296 | 57,522 | -5.6% |
| Net owned production | 19,361 | 18,153 | 6.7% |
| Renewables | 2,716 | 1,658 | 63.8% |
| Onshore | 1,528 | 929 | 64.5% |
| Solar | 1,188 | 729 | 62.9% |
| Gas combined cycle | 15,001 | 14,855 | 1.0% |
| Cogeneration | 1,644 | 1,640 | 0.2% |
| Net production for third parties | 34,935 | 39,369 | -11.3% |
| Renewables | 231 | 218 | 5.9% |
| Onshore | 231 | 218 | 5.9% |
| Gas combined cycle | 34,704 | 39,151 | -11.4% |
| Installed Capacity (MW) | 10,683 | 10,673 | 0.1% |
| Net owned installed capacity | 3,537 | 3,527 | 0.3% |
| Renewables | 1,232 | 1,222 | 0.9% |
| Onshore | 590 | 579 | 1.8% |
| Solar | 642 | 642 | - |
| Gas combined cycle | 2,103 | 2,103 | - |
| Cogeneration | 202 | 202 | - |
| Net installed capacity for third parties | 7,146 | 7,146 | - |
| Renewables | 103 | 103 | - |
| Onshore | 103 | 103 | - |
| Gas combined cycle | 7,043 | 7,043 | - |

Differences may arise due to rounding

Brazil

| | 12M 2021 | 12M 2020 | vs. 2020 |
|--------------------------------|---------------|---------------|--------------|
| Net Production (GWh) | 15,129 | 13,070 | 15.8% |
| Renewables | 11,935 | 10,681 | 11.7% |
| Onshore | 2,313 | 1,878 | 23.2% |
| Hydro | 9,622 | 8,803 | 9.3% |
| Gas combined cycle | 3,194 | 2,389 | 33.7% |
| Installed Capacity (MW) | 4,547 | 4,079 | 11.5% |
| Renewables | 4,014 | 3,546 | 13.2% |
| Onshore | 984 | 516 | 90.7% |
| Hydro | 3,031 | 3,031 | - |
| Gas combined cycle | 533 | 533 | - |

Differences may arise due to rounding

Iberdrola Energía Internacional (IEI)

| | 12M 2021 | 12M 2020 | vs. 2020 |
|---|--------------|--------------|--------------|
| Net Production (GWh) | 4,565 | 3,550 | 28.6% |
| Renewables | 4,531 | 3,540 | 28.0% |
| Onshore | 3,339 | 2,249 | 48.5% |
| Offshore | 1,184 | 1,283 | -7.7% |
| Solar | 8 | 8 | 1.0% |
| Gas combined cycle | 34 | 10 | 251.9% |
| Installed Capacity (MW) | 2,505 | 2,038 | 23.0% |
| Renewables | 2,262 | 1,795 | 26.1% |
| Onshore | 1,749 | 1,414 | 23.7% |
| Offshore | 350 | 350 | - |
| Solar | 89 | 6 | N/A |
| Batteries | 75 | 25 | 200.0% |
| Gas combined cycle | 243 | 243 | - |
| Electricity customers (No mill,) | 0.78 | 0.73 | 7.2% |
| Gas customers (No mill,) | 0.29 | 0.26 | 9.0% |
| Gas Supplies (GWh) | 1,870 | 1,401 | 33.5% |

Differences may arise due to rounding

Stock Market Data

| | | Dec. 2021 | Dec. 2020 |
|---|---------------|-----------|-----------|
| Market capitalisation | EUR (million) | 66,271 | 74,296 |
| Earnings per share (6,366,088,000 shares at 30/12/21 and 6,350,061,000 shares at 31/12/20) | EUR | 0.584 | 0.552 |
| Net operating cash flow per share | EUR | 1.41 | 1.30 |
| P.E.R. | Times | 17.81 | 21.18 |
| Price/Book value (capitalisation to NBV at the end of the period) | Times | 1.64 | 2.10 |

Economic/Financial Data (*)

| Income Statement | | 2021 | 2020 |
|---|----------------|-----------|-----------|
| Revenues | EUR (million) | 39,113.5 | 33,145.1 |
| Gross Margin | EUR (million) | 17,061.7 | 16,145.1 |
| EBITDA | EUR (million) | 12,005.7 | 10,038.2 |
| EBIT | EUR (million) | 7,342.8 | 5,564.3 |
| Net Profit | EUR (million) | 3,884.8 | 3,610.7 |
| Net Operating Expenses / Gross Margin | % | 24.8% | 26.5% |
| Balance Sheet | | Dec. 2021 | Dec. 2020 |
| Total Assets | EUR (million) | 141,752 | 122,518 |
| Equity | EUR (million) | 56,126 | 47,219 |
| Net Financial Debt | EUR (million) | 39,360 | 35,925 |
| Adjusted Net Financial Debt | EUR (million) | 39,119 | 35,142 |
| ROE | % | 8.62 | 9.69 |
| Financial Leverage (Net Financial Debt/(Debt Financial Debt + Equity) | % | 41.2 | 43.2 |
| Net Financial Debt / Equity | % | 70.1 | 72.4 |

(*) Financial terms are defined in the "Glossary"

Others

| | | 2021 | 2020 |
|----------------------------|---------------|---------|---------|
| Gross Organic Investments* | EUR (million) | 9,531.4 | 9,245.9 |
| Employees | Number | 39,789 | 36,915 |

* Including the purchase of Neoenenergia Brasilia (CEB-D) for €409 million, the figure rises to Eur 9,940.4million.

Iberdrola's Credit Rating

| Agency | Rating(*) | Outlook(*) |
|-------------------|-------------------|---------------------|
| Moody's | Baa1 (15/06/2012) | Stable (14/03/2018) |
| Fitch IBCA | BBB+ (02/08/2012) | Stable (25/03/2014) |
| Standard & Poor's | BBB+ (22/04/2016) | Stable (22/04/2016) |

* Date of last modification

Highlights for the period

- In 2021, the Iberdrola Group achieved an **Adjusted Net Profit**, excluding tax and efficiency measures carried out in the fourth quarter, **of EUR 3,705 million, in line with the expectations published by the company at the beginning of 2021.**
- **Gross investments continue to accelerate, reaching a record figure of almost EUR 10,000 million (EUR 9,941 million)** (including EUR 409 million for non-organic investments), mainly thanks to the renewables business, which represents 43.9% of the total, with 3,500 MW commissioned and 7,800 MW already under construction, and thanks to the networks business, which represents 40.5% of the total, growing the asset base by 6%.
- **Financial robustness** was maintained, with a Funds From Operations (FFO) to Net Debt ratio reaching 23.0%.
- The evolution of Iberdrola's main **reference currencies** had an impact on EBITDA of EUR 169 million, being the evolution of the average exchange rates is as follows:
 - The British pound appreciated 3.5% to 0.86 per euro.
 - The dollar has depreciated 3.5% to 1.18 per euro.
 - The Brazilian real depreciated by 7.6% to 6.38 per euro.
- The **company's total own CO2 emissions in the period decreased by 2.0%** compared to last year, down to 96 g/KWh.

Global environment and general considerations

As regards the performance of **electricity demand and output** for the period, highlights for the company's main business areas include:

- The energy production figures for the Spanish mainland system for 2021 are characterised by an increase in wind production (+10.0%), solar production (+29.3%) and carbon production (+3.0%) compared to the previous year, as well as a drop in hydroelectric production (-3.4%), combined cycles (-2.0%) and nuclear production (-3.1%).

In 2021, demand will increase by +2.4% with respect to the previous year, maintaining in terms adjusted for labor and temperature.

Year 2021 closed with a producibility index of 0.9 and hydroelectric reserves at 50.8%, compared to an index of 1.0 and reserves at 51.0% for the same period of 2020.

- In the United Kingdom, electricity demand grew by 2.2% in 2021 compared to the same period in 2020. Demand for conventional gas rose by +2.0% in 2021 compared to 2020.
- In **Avangrid's** management areas on the East Coast of the United States, electricity demand was up 2.0% compared to 2020, while gas demand increased by 3.8%.
- Electricity demand across **Neoenergia's** management areas in Brazil increased by 13.4% in 2020.

In 2021, **international commodities markets** evolved as follows:

| Average prices | 12M 2021 | 12M 2020 | 2021 vs 2020 |
|------------------------------|-------------|-------------|-----------------|
| Oil — \$/BBL | 70.9 | 41.8 | 70% |
| Coal — \$/ton | 116.8 | 51.4 | 127% |
| CO2 — EUR/ton | 53.1 | 24.8 | 114% |
| NBP — p/th (gas) | 118.3 | 25.4 | 366% |
| Henry Hub — USD/MM-Btu (gas) | 3.8 | 2.0 | 90% |
| TTF — EUR/MWh (gas) | 39.7 | 9.5 | 317% |

Significant events for the Iberdrola Group

- In 2021, the Iberdrola Group redefined the format of its income statement, eliminating the section “Gains/(losses) on non-current assets”.

The items comprising this entry are now classified as follows:

- (Gains)/losses on disposal of fixed assets and on loss of control of consolidated holdings are presented under the section “Other operating results”, forming part of EBITDA.
- Profit (loss) sharing and results from significant loss of influence of equity holdings are presented under the heading “Results of companies accounted for using the equity method”.

In accordance with regulations, the previous accounting criteria have been applied retroactively to 2020, with an effect of EUR 28 million in EBITDA as of the close of 2020 (which was re-stated for comparative purposes).

Iberdrola has used the format required in the periodic public information submitted in accordance with Spanish stock market commission (CNMV) Circular 3/2018, since to date a reconciliation of EBIT was required between the format historically used by the Group and that required in the circular.

It also takes the view that the new criterion provides information that is more useful and consistent with general market practices.

In addition, draft amendments to IAS 1 (IASB ED/2019/7 General Presentation and Disclosures) have been used so that, if approved, any changes to the presentation of financial statements are minor.

Before describing the changes in the Profit and Loss Account in the period, due to their impact on the adjusted figures included therein, it is necessary to highlight three non-recurring effects recorded in the year at net profit level:

- Net effect of court rulings and legal measures in Spain during the year (EUR 800 million).
- Increase of the corporate tax rate in the United Kingdom from 19% to 25%, effective 1 April 2023. This modification involved recalculating the Group's deferred taxes and represented a negative impact of EUR 455 million.
- The implementation of efficiency measures, with an impact of EUR 166 million, which will allow for the optimisation of future results.

The main items in the **Profit and Loss Account** were as follows:

| EUR million | 2021 | vs 2020 |
|--------------------------------|----------|---------|
| GROSS MARGIN | 17,061.7 | +5.7 |
| EBITDA | 12,005.7 | +19.6 |
| ADJUSTED EBITDA ⁽¹⁾ | 11,187.4 | +11.4 |
| EBIT | 7,342.8 | +32.0 |
| NET PROFIT | 3,884.8 | +7.6 |

(1) Adjusted EBITDA 2021 excludes efficiency measures implemented to optimize future results (-94.7 M Eur) and court rulings and legal measures in Spain (+912.9 M Eur).

Consolidated **EBITDA** grew by 19.6% to EUR 12,005.7 million. The evolution of this magnitude is affected by a series of court rulings and legal measures in Spain, resulting in a net positive effect of EUR 912.9 million. In addition, the Group has decided

to implement a series of efficiency measures, for a total amount of EUR 94.7 million, which will allow the optimization of future results. Excluding these three effects, **adjusted EBITDA** grew by 11.4%.

From an operational point of view, positive factors included the larger contribution of network assets in the United States and Brazil, increased renewable installed capacity and the increase in renewable production in Spain at higher prices. On the negative side, of particular note is the business in the United Kingdom, with lower margins due to the need to purchase energy in the spot market at high prices as a result of low wind power production, lower than expected, the higher demand due to lower temperature and because the last resort tariff was artificially low; and in Mexico, temporarily affected by a surge in gas costs as a result of the cold wave that hit the US state of Texas in February, an impact that will see recovery over the next few months as electricity rates incorporate these fuel prices into their calculation.

Net Operating Expenses decreased by 1.4% as the Group's growth, increased staffing and efficiency plans more than offset by the positive impact of the exchange rate (EUR 86 million) and the turnover of assets in Spain (EUR 230 million). Excluding the devaluation of currencies, net operating expenses grew by 0.6% as a result of the increase in the Group's activity, which includes the consolidation of the companies in Australia, France and Brazil.

Taxes decreased by 54.5% due to the impact of the non-recurring court rulings in Spain between 2013 and 2020 (EUR 951 million).

Depreciation and Amortisation Charges and Provisions grew by 4.2% due to the increase in group activity and despite the fact that, as collections have improved, the number of default provisions caused by COVID-19 has reduced compared to the same period last year.

Adjusted Net Profit reached EUR 3,705 million, in line with the expectations published by the Company at the beginning of 2021. This item excludes certain

recognised extraordinary impacts: the net effect of court rulings and regulatory measures in Spain (+EUR 800 million), deferred taxes in the United Kingdom (EUR -455 million), and the non-recurring supply and efficiency plans implemented by the company in the last quarter of the year (EUR -166 million).

The **reported Net Profit** is EUR 3,885 million, an increase of 8% compared to that obtained in 2020.

The key financial figures for the period are as follows:

- The Adjusted Net Financial Debt* stands at EUR 39,119 million, which is an increase of EUR 3,977 million in comparison with December 2020 and is due to the significant investment effort during the period, the appreciation of the currencies and the increase in working capital due to the regulatory changes in Spain, partially offset by the issuance of hybrids.
- Adjusted Funds From Operations totalled EUR 8,913.6 million, up by 8.6% compared to the same period in the previous year.

Finally, **gross investment** grew by 7.5%, reaching almost **EUR 10,000 million** (including EUR 409 million in inorganic investments). Nearly 85% of this investment was concentrated in the Networks Business and in renewable generation activities.

* Adjusted for treasury stock derivatives with physical settlement that, at the current date, are not expected to be executed (EUR 241 million in Dec 2021 and EUR 784 million in Dec 2020).

Other significant operations

In recent months, a series of operations have been concluded within the framework of the “Greenfield M&A” strategy being carried out by the Iberdrola Group as a complement to the organic investment plan, with a view to expanding its global presence in renewable energies and ensuring growth in the medium and long term. Specifically, the following operations have taken place in 2021:

- On 5 February 2021, an agreement was announced with **DP Energy** to acquire a majority stake in offshore wind projects on the east, west and south coasts of **Ireland**, projects which will be eligible for the next offshore wind capacity auctions in the country, which will take place between 2025 and 2030.
- On 17 March 2021, Iberdrola reached an agreement with the **Japanese renewable energy developer Cosmo Eco Power** (a subsidiary of Cosmo Energy Holdings Co. Ltd.) and the engineering firm Hitz for the joint development of the Seihoku-oki offshore wind project (600 MW) in Aomori prefecture, in the north-west of the country. This project will participate in round 2 of the auction planned by the Japanese government for in the first half of 2023. The operation comes six months after the acquisition of 100% of the Japanese developer Acacia Renewables, with an offshore wind portfolio of 3,300 MW in the south of the country.
- On 29 March, Iberdrola reached an agreement with **CEE Equity Partner** for the acquisition of new renewable capacity in **Poland**, with three wind farms totalling 163 megawatts (MW) in capacity, the production of which is essentially associated with ten-year power purchase agreements (PPAs). Two of the projects—with a capacity of 112.5 MW—were already in operation, while the third—with a capacity of 50 MW—was confirmed when it was awarded at the auction held last June. The agreement strengthens the company’s commitment to this growing market, where it already has a privileged position to lead its decarbonisation process, after acquiring 70% of the developer Sea Wind, which has a portfolio of seven offshore projects, with a potential capacity of up to 7,300 MW.
- On 30 March 2021, **Iberdrola and MAPFRE signed a strategic alliance to jointly invest in renewable energy in Spain**. The vehicle is 80% owned by MAPFRE, while Iberdrola will hold 20% and will also be responsible for developing, constructing and maintaining the wind farms with the aim of incorporating green projects to total 1,000 MW. The company has already reached a total of 295 MW in wind and solar photovoltaic capacity and is still jointly studying the possibility of adding more MWs.
- On 21 September, through the American subsidiary Avangrid, Iberdrola reached an agreement with Copenhagen Infrastructure Partners to reorganise the assets of Vineyard Wind, the joint venture held 50% by the Avangrid Group and 50% by Copenhagen Infrastructure Partners for developing certain offshore wind projects on the East Coast of the United States of America. Vineyard Wind (800 MW) will continue to be held by the two partners, each with a 50% share; (ii) Avangrid will acquire 100% ownership of the rights over leased area OCS-A 0534, which includes projects Park City Wind (804 MW) and Commonwealth Wind (1,232 MW), awarded retrospectively as indicated below. For its part, Copenhagen Infrastructure Partners will acquire 100% ownership of the rights over leased area OCS-A 0522, which has project development potential of approximately 2,500 MW. Avangrid Renewables will pay a net fee of approximately USD 167.5 million when the operation completes.
- On November 3, Iberdrola, TotalEnergies and Norsk Havvind announced the creation of a consortium to bid for the Norwegian authorities’ tender to develop floating and fixed-bottom wind projects in the country. They will jointly compete for a cumulative capacity of 4.5 GW at two offshore sites in southern Norway.
- On December 17, Iberdrola, through its subsidiary Avangrid, was awarded in the US the construction of Commonwealth Wind, a 1,232 MW offshore wind farm in the state of Massachusetts.

Operational performance of the period

1. Energy distributed and supply points

The Group's Regulatory Asset Base (RAB) came to EUR 31,700 million at the end of 2021, up 6% compared to the end of 2020 at a constant exchange rate:

| RAB (local currency) | | Dec. 2021 | Dec. 2020 |
|-------------------------|---------------|-----------|-----------|
| Spain | (EUR billion) | 9.29 | 9.27 |
| United Kingdom | (GBP billion) | 7.14 | 6.87 |
| United States | (USD billion) | 11.87 | 10.86 |
| Brazil | (BRL billion) | 25.95 | 22.36 |

Estimated 2021 close

At the close of 2021 the electrical energy distributed by the Group totalled 237,752 GWh, up 5.7% compared to 2020. A highlight is growth in Brazil thanks to the integration of Neoenergia Brasília from March 2021:

Distributed Energy

| Electricity (GWh) | 2021 | 2020 | vs 2020 |
|-------------------|----------------|----------------|-------------|
| Spain | 90,962 | 88,361 | 2.9% |
| United Kingdom | 32,221 | 31,738 | 1.5% |
| United States | 38,756 | 38,012 | 2.0% |
| Brazil | 75,813 | 66,860 | 13.4% |
| Total | 237,752 | 224,971 | 5.7% |
| GAS (GWh) | | | |
| United States | 61,365 | 59,134 | 3.8% |
| Total | 61,365 | 59,134 | 3.8% |

The number of gas and electricity supply points increased by 4.9% compared to the previous year, thanks to organic growth in all geographies and the incorporation of Neoenergia Brasília, which contributed 1.1 million supply points in the capital of Brazil broken down as follows:

Supply points managed

| ELECTRICITY (million) | 2021 | 2020 | vs 2020 |
|--------------------------|--------------|--------------|-------------|
| Spain | 11.28 | 11.21 | 0.7% |
| United Kingdom | 3.55 | 3.54 | 0.2% |
| United States | 2.30 | 2.27 | 1.4% |
| Brazil | 15.74 | 14.28 | 10.2% |
| Total electricity | 32.87 | 31.29 | 5.0% |
| GAS (million) | | | |
| United States | 1.03 | 1.02 | 0.7% |
| Total gas | 1.03 | 1.02 | 0.7% |
| TOTAL SUPPLY POINTS | 33.90 | 32.32 | 4.9% |

1.1. Spain — i-DE

At the end of 2021, the networks business in Spain has some 11.3 million supply points, while distributed energy has reached 90,962 GWh. This figure represents an increase of 2.9% compared to the previous year.

The table shows the change in the regulatory SAIDI (System Average Interruption Duration Index) and the SAIFI (System Average Interruption Frequency Index) for medium voltage supply:

| i-DE | 2021 | 2020 |
|-------------------------------|------|------|
| Regulatory SAIDI (min.) | <39 | 42 |
| Regulatory SAIFI (no. inter.) | <0.9 | 0.9 |

Note: commercially sensitive information

The i-DE network was heavily affected in January by Storm Filomena, an unprecedented snowstorm, that affected a total of 270,000 customers across the entire peninsula. In this context, i-DE managed to restore service to 70% of affected customers in fewer than 30 minutes thanks to the degree of network automation and the development of automatic supply restoration.

In September, the cold drop led to heavy storms and flooding. It affected a total of 120,000 customers in

central and eastern Spain. Supply to 75% of affected customers was restored in fewer than 30 minutes, thanks again to the capabilities of the i-DE intelligent network that was launched in the last few years.

In 2021, significant agreements have been reached. First, Iberdrola and the European Investment Bank (EIB) signed a green loan of EUR 550 million to support the development, modernisation and digitisation of the Company's electricity distribution grids. This agreement adds further value to the network investment plan that i-DE will implement between 2021 and 2023 totalling EUR 1,472 million, the aim of which is to improve the reliability, efficiency and safety of renewable and sustainable electricity distribution.

Iberdrola also announced that it will lead the development of the first Mediterranean corridor for fully electric heavy road transport. This project, which will be developed in eastern Spain and span more than 450 kilometres, will involve i-DE, since it will require the development of a smart electricity grid infrastructure to bring power to the ultra-rapid charging infrastructure, ensuring maximum efficiency.

In September, the new Global Smart Grids Innovation Hub—the Company's pioneering grid innovation centre—was inaugurated to become a reference for grid innovation and will act as a driving platform for R&D&I and local and international talent. In this space, promoted by Iberdrola and the Provincial Council of Bizkaia, and located in the headquarters of Larraskitu, more than 50 companies, technology centres and universities are already working on 120 projects worth EUR 110 million.

Royal Decree 1125/2021, which regulates the granting of subsidies from European funds to distribution companies, was published in December. It represents a total of EUR 525 million from 2021-2023, of which approximately 34% corresponds to i-DE. These amounts shall subsidise 50% of the investments submitted for digitising and automating the networks and reinforcements required for >250 kW charging points. The subsidised amount will enable investment to be increased above the current limit (0.14% of GDP).

Finally, in December, i-DE received the AENOR ISO 9001 Quality Management System certification, one of the most widely recognised in terms of quality in the world. i-DE has been receiving the quality certificate for 20 years. On this occasion, unlike previous years in which the certification of specific processes had been received, the certification was extended to the entire i-DE activity: planning, development, operation and customer services of the distribution grid. This is the third certification that i-DE has with AENOR together with ISO 14001 for Environmental Management and ISO 10002 for Claims and Complaints Management.

1.2. United Kingdom – SPEN

At year-end 2021, Scottish Power Energy Networks (SPEN) surpassed 3.5 million supply points. The volume of energy distributed during the year totalled 32,221 GWh, up 1.3% compared to the previous year.

| Energy distributed (GWh) | 2021 | 2020 | % |
|-----------------------------------|--------|--------|------|
| Scottish Power Distribution (SPD) | 17,462 | 17,121 | 2.0% |
| Scottish Power Manweb (SPM) | 14,759 | 14,617 | 1.0% |

Regarding quality of service indicators, SPD indicators improved compared to 2020. SPM was affected in early 2020 by the impact of storm Christoph, with heavy snow and rain. Customer Minutes Lost (CML) was as follows:

| CML (min.) | 2021 | 2020 |
|-----------------------------------|-------|-------|
| Scottish Power Distribution (SPD) | 28.91 | 30.46 |
| Scottish Power Manweb (SPM) | 40.77 | 32.99 |

The number of consumers affected by interruptions per 100 customers (Customer Interruptions, CI) was as follows:

| CI (no. of interruptions) | 2021 | 2020 |
|-----------------------------------|-------|-------|
| Scottish Power Distribution (SPD) | 39.79 | 41.04 |
| Scottish Power Manweb (SPM) | 34.32 | 30.72 |

Both the SPM and SPD networks were affected by the storms that hit the country. In particular, storm Arwen, which took place in late November, affected more than 200,000 customers on the SPM network. The storm was classified by Ofgem as a “Severe Weather Exceptional Event”.

ScottishPower Energy Networks presented to Ofgem its 2023-2028 network investment plan within the framework of the RIIO-ED2 regulatory cycle. The company will invest GBP 3,200 million (EUR 3,700 million) over five years to continue driving the UK’s energy and digital transformation in its transition to a carbon-free, electrified economy.

The objectives of SP Energy Networks’ investment plan include: developing a Net Zero-ready network; continuing to adapt the infrastructure to make it more resilient and reliable by using innovative, flexible and efficient solutions; supporting customers and communities in which the company operates through the provision of improved services tailored to their needs; and readying the business for a digital and sustainable future through the incorporation of new digital approaches, innovation and process redesign.

With the aim of reviving economic activity following COVID-19 restrictions by driving investment in decarbonisation, the British government and Ofgem asked distributors to identify sites where the lack of distribution grid capacity was limiting the development and adoption of low-carbon technologies. Ofgem made GBP 300 million available to distributors to execute additional Green Recovery projects in the time that remains of the RIIO-ED1 regulatory cycle (until March 2023), in recognition of the recovery of these funds through the tariff. SPEN received approval for 40 of the projects it submitted for a total of GBP 64.7 million (GBP 34.7 million in SPD and GBP 30.0 million in SPM). These projects involve investments in the network to allow for the deployment of electrical vehicle charging points, the installation of heat pumps, the connection of larger volumes of distributed renewable output and also the adaptation of home supply connections.

In November, Ofgem expressed support for initial proposals for the development of the first two sub-sea

high-voltage direct current cables in the Eastern HVDC link project, the large underwater energy super-highway between Scotland and North East England. Ofgem recognised the crucial role both links would play in boosting renewable energies and in the UK’s climate change goals. Following Ofgem’s support for the development of Eastern Link, SP Energy Networks presented the Final Needs Case at the end of the year. Ofgem is expected to make its final decision on the project in 2024.

Furthermore, the investigation carried out by Ofgem on the delay of the Western Link project concluded with the agreement reached with National Grid Electricity Transmission and Scottish Power Transmission, confirming that none of these companies would have caused or aggravated the delay. The investigation noted that the root causes of the two-year delay were attributable to supply chain problems, manufacturing, cable installation and commissioning testing. Ofgem also recognises that consumers have benefited to the tune of GBP 100 million due to the project’s financial management and contract management strategy.

1.3 United States – Avangrid

1.3.1 Electricity

At the close of 2021, Avangrid Networks had around 2.3 million electricity supply points. The electricity distributed over the year came to 38,756 GWh, up 2% year on year.

| Energy distributed (GWh) | 2021 | 2020 | % |
|----------------------------------|--------|--------|------|
| Central Maine Power (CMP) | 9,900 | 9,590 | 3.2% |
| NY State Electric & Gas (NYSEG) | 16,310 | 16,056 | 1.6% |
| Rochester Gas & Electric (RGE) | 7,444 | 7,327 | 1.6% |
| United Illuminating Company (UI) | 5,103 | 5,039 | 1.3% |

During 2021, Avangrid’s distribution area was battered by several storms that affected its Customer Average Interruption Duration Index (CAIDI), especially among New York state distributors.

The CAIDI was as follows during the period:

| CAIDI (hrs) | 2021 | 2020 |
|---------------------------------|------|------|
| Central Maine Power (CMP) | 1.81 | 1.85 |
| NY State Electric & Gas (NYSEG) | 2.02 | 1.98 |
| Rochester Gas & Electric (RGE) | 1.81 | 1.79 |

The System Average Interruption Duration Index (SAIDI) for UI was as follows:

| SAIDI (min.) | 2021 | 2020 |
|----------------------------------|-------|-------|
| United Illuminating Company (UI) | 39.61 | 45.36 |

The regulatory indicator applied in Connecticut (UI) is the SAIDI

The System Average Interruption Frequency Index (SAIFI) was as follows:

| SAIFI | 2021 | 2020 |
|----------------------------------|------|------|
| Central Maine Power (CMP) | 2.02 | 2.03 |
| NY State Electric & Gas (NYSEG) | 1.46 | 1.38 |
| Rochester Gas & Electric (RGE) | 1.13 | 0.89 |
| United Illuminating Company (UI) | 0.46 | 0.56 |

Throughout 2021, AVANGRID's distributors received several awards: NYSEG won the New York State Platinum Engineering Award in the Energy category for its reconstruction of the electric cable under Seneca Lake, given by the New York Council of Engineering Companies to the year's leading initiatives for innovation, complexity and overall value to society. UI, NYSEG and CMP each won the prestigious Emergency Response Award for their response in the face of the storms that hit certain areas of the country in late 2019 and 2020. This award, given out each year by the Edison Electrical Institute (EEI), is given to electric utility companies that excel in their efforts to quickly restore service after a storm or natural disaster.

In July, AVANGRID, through its distributors, joined the Electric Highway Coalition; an initiative that aims to expand the network of electric vehicle charging points on US highways. The company will help construct

the charging infrastructure in its service areas, with the aim of installing more than 400 fast direct current charging points from the Atlantic coast to the Gulf regions, through the South and Midwest.

1.3.2 Gas

Avangrid supplies gas through more than 1 million supply points. At the close of 2021, 61,365 GWh of gas had been distributed, up 3.8% compared to the same period of the previous year, primarily due to the lower temperatures experienced during the first quarter of 2021:

| Energy distributed (GWh) | 2021 | 2020 | % |
|---------------------------------|--------|--------|-------|
| NY State Electric & Gas (NYSEG) | 15,576 | 15,500 | 0.5% |
| Rochester Gas & Electric (RGE) | 16,183 | 16,448 | -1.6% |
| Maine Natural Gas (MNG) | 4,660 | 2,863 | 62.8% |
| Berkshire Gas (BGC) | 2,933 | 2,864 | 2.4% |
| Connecticut Natural Gas (CNG) | 11,153 | 10,960 | 1.8% |
| Southern Connecticut Gas (SCG) | 10,859 | 10,499 | 3.4% |

1.4. Brazil – Neoenergia

At the end of 2021, Neoenergia had a total of 15.7 million supply points. The volume of electricity distributed during the year was 75,814 GWh, representing growth of 13.4% compared to the previous year, including Neoenergia Brasília's distributed energy. Factoring out the effect of the incorporation of Brasília, in March 2021, the variation in demand compared to 2020 represented an increase of 3.71%.

| Energy distributed (GWh) | 2021 | 2020 | % |
|--------------------------|--------|--------|------|
| Elektro | 20,077 | 19,150 | 4.8% |
| Coelba | 24,948 | 24,127 | 3.4% |
| Cosern | 6,686 | 6,349 | 5.3% |
| Pernambuco | 17,628 | 17,233 | 2.3% |
| Brasília | 6,475 | - | - |

Discrepancies possible due to rounding

Efforts to improve supply quality have resulted in improvements compared to 2020 for all distributors in the north east and Elektro.

The customer average interruption duration (*duração equivalente de interrupção por unidade consumidora* — DEC) was as follows:

| DEC (hours) | 2021 | 2020 |
|-------------|-------|-------|
| Elektro | 7.38 | 7.57 |
| Coelba | 11.40 | 12.45 |
| Cosern | 6.79 | 9.24 |
| Pernambuco | 12.03 | 12.68 |
| Brasília | 8.91 | 8.45 |

The average number of interruptions per customer (*frequência equivalente de interrupção por unidade consumidora* — FEC) was as follows:

| FEC | 2021 | 2020 |
|------------|------|------|
| Elektro | 4.21 | 4.49 |
| Coelba | 5.16 | 5.54 |
| Cosern | 2.80 | 3.85 |
| Pernambuco | 5.76 | 5.40 |
| Brasília | 7.05 | 6.20 |

In March, Neoenergia took over the operation of Companhia Energética de Brasília (CEB-D), which distributes energy to 1.1 million customers in the Federal District of the country's capital, Brasília. Neoenergia completed the process of integrating CEB-D during the second quarter of the year to become Neoenergia Distribuição Brasília. In its first 100 days of operation, Neoenergia Distribuição Brasília already achieved concrete results and made significant progress, both in operational improvements and in various actions and investments, which make this integration a success story.

In August, Neoenergia unified its brand by changing the name of its five distributors: Neoenergia Coelba, Neoenergia Cosern, Neoenergia Elektro, Neoenergia Pernambuco and Neoenergia Brasília.

This is a further step in building a management model based on modernisation, technological innovation, sustainability and service quality.

In addition, Neoenergia was awarded with the following honours in 2021:

- In June, Cosern was awarded more than a million supply points, thanks to its response to customer demand in the category of large distributors. The award, called the Ombudsman Award, is granted each year by the Agência Nacional de Energia Elétrica (ANEEL — Brazilian Electricity Regulatory Agency).
- In August, Neoenergia Distribuição Brasília was the winner in the Midwest category of the 2020 Aneel Quality Award – Aneel Consumer Satisfaction Index. The award assesses the level of consumer satisfaction, quality of power supply and services provided, customer service and trust.
- In September, Neoenergia's distributors received the 2021 Abradee Award in recognition of their operational performance, which is among the best in the country. In addition, Neoenergia was awarded silver at the Premio Cliente SA 2021 awards in the "Leader in Customer Management Project" category of digital excellence.
- In December, Neoenergia received the Empresa Pro-Ética seal for the fourth time in a row. In this edition, the distributors Neoenergia Coelba, Neoenergia Pernambuco, Neoenergia Elektro and Neoenergia Cosern—who were also included under the brand—came together, a further example of energy's efficient anti-bribery management system. This recognition is granted by the Comptroller General of the Federation (CGU), the federal government body responsible for the defence of public heritage, transparency and the fight against corruption with the aim of promoting more integrated, ethical and transparent corporate environments in Brazil.

Finally, Neoenergia participated in the auction organised by Brazil's regulator ANEEL in December

2021, winning lot four of BRL 661 million worth of investment in Minas Gerais state. This facility will provide greater reliability and operational flexibility in critical high energy import scenarios from the south east region, as well as guaranteeing voltage control in the São Paulo high and medium voltage system. Through its participation in auctions, since 2017, Neoenergia has been awarded a total of 13 projects, five of which are already in operation and progress is being made in terms of obtaining licences and construction of the other projects. These projects will involve the expansion of the transmission network by more than 6,000 km.

2. Electricity production and customers

By the end of 2021, Iberdrola's **installed capacity** will grow by 5.8% compared to the end of 2020, reaching 58,320 MW, with 70.8% of the total (41,315 MW) coming from emission-free sources, compared to 69.1% in 2020:

| MW | 2021 | vs 2020 |
|-----------------------------------|---------------|-------------|
| Capacity for own use (*) | 51,174 | 6.7% |
| Renewables (*) | 38,035 | 9.2% |
| Onshore wind | 19,376 | 4.9% |
| Offshore wind | 1,258 | - |
| Hydroelectric | 13,849 | 7.7% |
| Mini-hydroelectric | 285 | -6.0% |
| Solar | 3,060 | 62.9% |
| Batteries | 193 | N/A |
| Nuclear | 3,177 | - |
| Gas combined cycle | 8,777 | - |
| Cogeneration | 1,185 | -0.5% |
| Capacity for third parties | 7,146 | - |
| Renewables | 103 | - |
| Onshore wind | 103 | - |
| Gas combined cycle | 7,043 | - |
| Total (*) | 58,320 | 5.8% |

Discrepancies possible due to rounding

(*) Includes 13 MW of installed capacity from fuel cells

Net electricity production in 2021 amounted to 162,266 GWh, up 0.9% from the figure recorded in 2020, with 59.1% of this total being emission-free (91,143 GWh) compared to 56.7% the previous year:

| GWh | 2021 | vs. 2020 |
|-------------------------------------|----------------|---------------|
| Own production (*) | 129,331 | 4.8% |
| Renewables (*) | 73,719 | 8.7% |
| Onshore wind | 41,343 | 5.5% |
| Offshore wind | 4,617 | 5.4% |
| Hydroelectric | 24,374 | 10.6% |
| Mini-hydroelectric | 630 | -7.5% |
| Solar | 2,671 | 78.8% |
| Nuclear | 23,193 | -4.6% |
| Gas combined cycle | 25,259 | 3.2% |
| Cogeneration | 7,159 | 9.3% |
| Production for third parties | 34,935 | -11.3% |
| Renewables | 231 | 5.9% |
| Onshore wind | 231 | 5.9% |
| Gas combined cycle | 34,704 | -11.4% |
| Total (*) | 164,266 | 0.9% |

Discrepancies possible due to rounding

(*) Includes 83 GWh of production from fuel cells in 2021 and 73 GWh in 2020

As at 31 December 2021, Iberdrola had 28.1 million contracts, 7.2% more than at the end of December 2020, broken down as follows:

| | Spain | UK | Brazil | IEI | Total | vs 2020 |
|-----------------------|-------------|------------|------------|------------|-------------|-------------|
| Electricity contracts | 10.0 | 2.8 | - | 0.8 | 13.6 | 0.2% |
| Gas contracts | 1.1 | 1.9 | - | 0.3 | 3.4 | 2.7% |
| Smart solutions | 7.8 | 2.2(*) | 0.3 | 0.8 | 11.1 | 19.1% |
| Total | 18.9 | 7.0 | 0.3 | 1.9 | 28.1 | 7.2% |

Discrepancies possible due to rounding.

(*) Includes 1.86 million smart meters installed

2.1 Spain

Renewable capacity and production

At year-end, Iberdrola had an installed **renewable capacity** in Spain of 19,210 MW (+10.3%), broken down as follows:

| SPAIN | Installed MW Consolidated at EBITDA level | MW managed by investee companies (*) | Total |
|-----------------------|---|--------------------------------------|---------------|
| Onshore wind | 5,866 | 258 | 6,124 |
| Solar PV | 2,086 | - | 2,086 |
| Hydroelectric (**) | 10,700 | - | 10,700 |
| Mini-hydroelectric | 283 | 2 | 285 |
| Batteries | 14 | - | 14 |
| Total capacity | 18,950 | 260 | 19,210 |

Discrepancies possible due to rounding.

(*) Includes the proportional MW share

(**) Includes 998 MW of installed capacity at the Gouvães and Daivões facility in Portugal.

In **onshore wind**, the El Puntal II wind farm (15 MW) in Málaga was completed during the fourth quarter of 2021 and work continues at the Martín de la Jara park (36 MW) in Seville.

In **photovoltaic solar**, the installation of modules at the Puertollano plant (100 MW) in Ciudad Real has been completed, while the installation of modules continues at Francisco Pizarro (590 MW), in Cáceres, which closed the year with 517 MW installed. In the province of Cuenca, the first 2 MW of the Revilla-Vallejera project (50 MW) have been installed. Commissioning at the Olmedilla (50 MW) and Romeral (50 MW) plants continues and the commercial operation of Campo Arañuelo III (40 MW) has been achieved.

Regarding **battery storage projects**, work has been completed on the installation of the Abadiño battery (6 MW) in Bizkaia.

In addition, more than 1 GW of capacity is in the start-up works stage, including the Ciudad Rodrigo photovoltaic plant (318 MW) in Salamanca, the Revilla-Vallejera (50 MW) and Almaraz 1 and 2 (80 MW)

photovoltaic plants and the Buniel (115 MW) and Iglesias (94 MW) wind farms, in Burgos.

In Portugal, work is also continuing on the Tâmega hydroelectric complex, with Daivões (118 MW) and Gouvães (880 MW) expected to become fully operational during the first half of 2022. Once the system operator (REN) energises the evacuation lines to the national transmission network at the end of January, at which time each of the three Daivões groups and four Gouvães groups will enter into operation. In the Alto Tâmega (160 MW) operation, progress regarding the concreting of the dam is at close to 60%, while in the plant, the concreting process is already at more than 75%.

Renewable production totalled 28,420 GWh (+9.7%), broken down as follows:

| SPAIN | GWh Consolidated at EBITDA level | GWh managed by investee companies (*) | Total |
|-------------------------|----------------------------------|---------------------------------------|---------------|
| Onshore wind | 11,501 | 436 | 11,937 |
| Solar PV | 1,233 | - | 1,233 |
| Hydroelectric | 14,620 | - | 14,620 |
| Mini-hydroelectric | 624 | 6 | 630 |
| Total production | 27,978 | 442 | 28,420 |

Discrepancies possible due to rounding.

(*) Includes the proportional GWh share

Changes in production consolidated at EBITDA level by technology are as follows:

- Onshore wind production in the year totalled 11,501 GWh, up 2.2% from 2020, mainly due to the commissioning of new facilities, by increasing the average operating capacity by 146 MW.
- Hydroelectric production was up 11.5% to 14,620 GWh, while production at mini-hydroelectric plants decreased 7.3% to 624 GWh.
- Photovoltaic solar production totalled 1,233 GWh, up 143% from 2020 mainly due to the commissioning of new facilities, as there was an increase of 474 MW in average operating capacity in 2021.

Thermal capacity and production

At 31 December 2021, Iberdrola Group's **thermal capacity** in Spain totalled 9,218 MW, broken down as follows:

| SPAIN | MW Consolidated installed | MW Investee companies (*) | Total |
|-----------------------|---------------------------------|---------------------------------|--------------|
| Nuclear | 3,177 | - | 3,177 |
| Gas combined cycle | 5,695 | - | 5,695 |
| Cogeneration | 296 | 51 | 347 |
| Total Capacity | 9,167 | 51 | 9,218 |

Discrepancies possible due to rounding.

(*) Includes the proportional MW share

Iberdrola's **thermal production** in 2021 decreased compared to the same period last year, since the increase in cogeneration (+8%) did not compensate for the decrease in combined cycle production (-3%) and nuclear generation (-5%).

| SPAIN | GWh Consolidated at EBITDA level | GWh Investee companies (*) | Total |
|-----------------------------|---|----------------------------------|---------------|
| Nuclear | 23,193 | - | 23,193 |
| Gas combined cycle | 7,023 | - | 7,023 |
| Cogeneration | 1,992 | 340 | 2,331 |
| Total production | 32,208 | 340 | 32,548 |

Discrepancies possible due to rounding.

(*) Includes the proportional GWh share

Retail supply

As regards retail supply, the portfolio managed by Iberdrola in Spain totalled 18.9 million contracts at 31 December 2021, up 9% compared to December 2020. The breakdown is as follows:

| Thousands of contracts | Spain |
|---------------------------|---------------|
| Electricity contracts | 9,985 |
| Gas contracts | 1,150 |
| Smart Solutions Contracts | 7,796 |
| Total | 18,931 |

Discrepancies possible due to rounding

By market type, they break down as follows:

| Thousands of contracts | Spain | % |
|------------------------|---------------|-------------|
| Liberalised market | 15,747 | 83.2% |
| Last resort market | 3,184 | 16.8% |
| Total | 18,931 | 100% |

Discrepancies possible due to rounding

Iberdrola's electricity sales* in 2021 decreased 7.9%, broken down as follows:

| 2021 | GWh Spain |
|---|---------------|
| Liberalised market | 50,594 |
| Voluntary price for small consumers (PVPC) market | 8,537 |
| Other markets | 28,350 |
| Total Sales | 87,481 |

Discrepancies possible due to rounding

With regard to gas**, in 2021 Iberdrola managed a total gas production of 2.80 bcm, of which 0.09 bcm were sold in wholesale transactions, 1.32 bcm were sold to end customers and 1.38 bcm went towards electricity production.

2.2. United Kingdom

Renewable capacity and production

At the end of the 2021, Iberdrola had a **renewable installed capacity** in the United Kingdom of 3,008 MW (+5.0%).

*Sales in busbars

**Including shrinkage

| UNITED KINGDOM | Installed MW Consolidated at EBITDA level | MW managed by investee companies (*) | Total |
|-----------------------|---|--------------------------------------|--------------|
| Onshore wind | 1,971 | 15 | 1,986 |
| Offshore wind | 908 | - | 908 |
| Solar PV | 10 | - | 10 |
| Batteries | 104 | - | 104 |
| Total capacity | 2,993 | 15 | 3,008 |

Discrepancies possible due to rounding.

(*) Includes the proportional MW share

In **photovoltaic solar**, the installation of the Carland Cross hybrid project (10 MW) has been completed and work is continuing on the hybrid project to be located in the operational wind farms of Coldham (9 MW), all in England.

Battery storage projects continue with the commissioning of the Gormans (50 MW) project in Ireland and the Whitelee (50MW) project in Scotland.

In addition, the renewable business in the UK is currently developing **offshore wind projects** in the country, focusing on the East Anglia North Sea project group, of which the following stand out:

- The **East Anglia 1 (714 MW)** continues fully operative, and continues the process of divestment of transmission assets.
- East Anglia 1 North, East Anglia 2 and East Anglia 3 are being developed simultaneously as **East Anglia Hub (3,100 MW)**, with the following development:
 - East Anglia 3 (1,400 MW) will participate in the next CfD auction this year, having received the relevant permits.
 - The permit application assessment period for East Anglia 1 North and East Anglia 2 has concluded, and final decisions are expected to be made by March 31, 2022.
 - Key contracted engineering, design and network work continued during the fourth quarter, while marine and onshore site investigation work has now been completed. In terms of suppliers, bids have been received for the supply of foundations,

inter-turbine cabling and turbine transportation and installation, and the contract for the high-voltage export cable has been awarded.

Renewable production in the United Kingdom came to 6,717 GWh (+0.6%), with the following breakdown:

| UNITED KINGDOM | GWh Consolidated at EBITDA level | GWh managed by investee companies (*) | Total |
|-------------------------|----------------------------------|---------------------------------------|--------------|
| Onshore wind | 3,275 | 9 | 3,284 |
| Offshore wind | 3,433 | - | 3,433 |
| Total production | 6,709 | 9 | 6,717 |

Discrepancies possible due to rounding.

(*) Includes the proportional GWh share

Consolidated production at EBITDA level was as follows:

- Onshore wind production totalled 3,275 GWh, down 8.2% compared to the previous year mainly due to lower wind resource in the period.
- Offshore wind production increased 10.9% to 3,433 GWh thanks to the contribution of East Anglia 1.

Retail supply

As at 31 December 2021, the UK-managed contract portfolio exceeded 6.9 million (+3%) compared to the same period the previous year, with the following breakdown:

| Thousands of contracts | UK |
|---------------------------|--------------|
| Electricity contracts | 2,844 |
| Gas contracts | 1,923 |
| Smart Solutions contracts | 363 |
| Smart Meters | 1,859 |
| Total | 6,990 |

Discrepancies possible due to rounding

In addition, at the end of 31 December 2021, 19,383 GWh of electricity and 26,094 GWh of gas were supplied to customers, 4.6%* and 6.8%** more than at 31 December 2020, respectively.

*Sales in busbars

**Including shrinkage

2.3. United States – Avangrid

Renewable capacity and production

At year-end, Iberdrola had an installed **renewable capacity** in the United States of 8,309 MW (+4.1%), broken down as follows:

| United States | Installed MW Consolidated at EBITDA level | MW managed by investee companies (*) | Total |
|----------------------------|---|--------------------------------------|--------------|
| Onshore wind | 7,708 | 236 | 7,945 |
| Hydroelectric | 118 | - | 118 |
| Solar PV | 220 | 12 | 232 |
| Total Capacity (**) | 8,061 | 248 | 8,309 |

Discrepancies possible due to rounding.

(*) Includes the proportional MW share

(**) Includes 13 MW of installed fuel cell capacity

In **onshore wind**, the installation of wind turbines continues at Golden Hills (201 MW), in Oregon, having ended the year with 190 MW of installed capacity, as well as works at Midland Park (105 MW), in Illinois.

In **photovoltaic solar**, the installation of modules at the Lund Hill plant (194 MW) in Washington state continues, which has completed the year with 103 MW of installed capacity. Furthermore, work continues at the Montague (211 MW), Bakeoven (269 MW) and Daybreak (189 MW) plants, in Oregon.

At the end of 2021, there were great achievements in offshore wind technology in the United States, as the land construction of **Vineyard Wind 1 (800 MW)**, the country's first commercial-scale offshore wind project, was started, and the State of Massachusetts announced the selection of the **Commonwealth Wind (1,232 MW)** offshore wind project. The proposal includes the construction of a cable factory, the development of a second offshore wind port in Massachusetts, as well as other economic development initiatives, the creation of local employment and environmental commitments. Meanwhile, **Park City Wind (804 MW)** and **Kitty Hawk Offshore Wind (800 MW)** made progress in the study process on their way to becoming fully authorised projects.

In addition, the company will explore new growth opportunities in the face of the announcement last October and by the United States' Bureau of Ocean Energy Management (BOEM) of a lease area plan. This plan supports President Biden's goal of deploying 30 GW of offshore wind power by 2030 and has the New York Bight area, one of the most sought-after lease areas on the east coast, to be auctioned in the first quarter of 2022, followed by Carolina Long Bay in the second quarter of 2022 and California in the third quarter. Other lease areas under study and expected to be auctioned are the Gulf of Mexico (fourth quarter 2022), Central Atlantic (second quarter 2023), Oregon (third quarter 2023) and the Gulf of Maine (third quarter 2024).

Renewable production in the United States totalled 19,400 GWh (+0.2%), broken down as follows:

| United States | GWh Consolidated at EBITDA level | GWh managed by investee companies (*) | Total |
|------------------------------|----------------------------------|---------------------------------------|---------------|
| Onshore wind | 18,399 | 544 | 18,943 |
| Hydroelectric | 132 | - | 132 |
| Solar PV | 216 | 26 | 242 |
| Fuel cells | 83 | - | 83 |
| Total production (**) | 18,830 | 570 | 19,400 |

Discrepancies possible due to rounding.

(*) Includes the proportional GWh share

(**) Includes 83 MW of installed capacity of fuel cells.

Production by technology consolidated at EBITDA level was as follows:

- Onshore wind production came to 18,399 GWh, down 0.1% compared to 2020 due to less wind over the period.
- Photovoltaic solar technology production stood at 216 GWh (-2.3%) due to the lower load factor during the year.
- Hydroelectric production reached 132 GWh, up 12.2% on the same period in 2020.

2.4. Mexico

Renewable capacity and production

At the end of the year, Iberdrola had an installed **renewable capacity** in Mexico of 1,335 MW (+0.8%), broken down as follows:

| MEXICO | Installed MW Consolidated at EBITDA level | MW managed by investee companies (*) | Total |
|-----------------------|---|--------------------------------------|--------------|
| Onshore wind | 693 | - | 693 |
| For own use | 590 | - | 590 |
| For third parties | 103 | - | 103 |
| Solar PV | 642 | - | 642 |
| Total Capacity | 1,335 | - | 1,335 |

Discrepancies possible due to rounding.

(*) Includes the proportional MW share

Renewable production generated in the period came to 2,947 GWh (+57.1%), broken down as follows:

| MEXICO | GWh Consolidated at EBITDA level | GWh managed by investee companies (*) | Total |
|-------------------------|----------------------------------|---------------------------------------|--------------|
| Onshore wind | 1,759 | - | 1,759 |
| For own use | 1,528 | - | 1,528 |
| For third parties | 231 | - | 231 |
| Solar PV | 1,188 | - | 1,188 |
| Total production | 2,947 | - | 2,947 |

Discrepancies possible due to rounding.

(*) Includes the proportional GWh share

Production at EBITDA level by technology was as follows at the end of the year:

- Onshore wind production came to 1,759 GWh, up 53.4% on 2020, due to the coming on stream of the Pier and Santiago wind farms.
- Solar energy production totalled 1,188 GWh, 62.9% more than in 2020, following the commissioning of the Cuyoaco solar PV plant.

Thermal capacity and production

In Mexico, **thermal capacity** at 31 December 2021 stood at 9,348 MW, in line with last year's figure. Thermal production in 2021 totalled 51,349 GWh – 8% lower than in the previous year.

| MEXICO | MW | GWh |
|--------------------|--------------|---------------|
| Gas combined cycle | 9,146 | 49,705 |
| For own use | 2,103 | 15,001 |
| For third parties | 7,043 | 34,704 |
| Cogeneration | 202 | 1,644 |
| Total | 9,348 | 51,349 |

Discrepancies possible due to rounding.

Retail supply

Electricity sales in 2021 totalled 55,046 GWh (+2.9% vs. 2020), broken down as follows:

| | GWh |
|--------------------|---------------|
| CFE | 34,903 |
| Private | 20,143 |
| Total sales | 55,046 |

Discrepancies possible due to rounding

2.5. Brazil – Neoenergia

Renewable capacity and production

At the end of 2021, Iberdrola's installed **renewable capacity** in Brazil totalled 4,014 MW (+13.2%), broken down as follows:

| BRAZIL | Installed MW Consolidated at EBITDA level | MW managed by investee companies (*) | Total |
|-----------------------|---|--------------------------------------|--------------|
| Onshore wind | 984 | - | 984 |
| Hydroelectric | 836 | 2,194 | 3,031 |
| Total Capacity | 1,820 | 2,194 | 4,014 |

Discrepancies possible due to rounding.

(*) Includes the proportional MW share

Onshore wind projects continue at the Chafariz complex in Paraiba state, consisting of a total of 15

wind projects with a total capacity of 472 MW, having closed the year with 468 MW installed and leaving only 3 MW of the Chafariz 3 project pending, meaning that the park has already started to partially produce.

In addition, the construction of the Oitis complex, consisting of 12 wind farms for a total of 566 MW, continues in the state of Piauí, where work will be completed in the second half of 2022.

Turning to **photovoltaic solar** technology, construction has begun on Luzia II and III (149 MW) in the state of Paraíba, with commissioning expected in the second half of 2022.

Renewable production at the end of 2021 totalled 11,935 GWh (+11.7%), broken down as follows:

| BRAZIL | GWh Consolidated at EBITDA level | GWh managed by investee companies (*) | Total |
|-------------------------|----------------------------------|---------------------------------------|---------------|
| Onshore wind | 2,313 | - | 2,313 |
| Hydroelectric | 1,867 | 7,755 | 9,622 |
| Total production | 4,180 | 7,755 | 11,935 |

Discrepancies possible due to rounding

(*) Includes the proportional GWh share

Production consolidated at EBITDA level by technology was as follows during the period:

- Onshore wind production totalled 2,313 GWh, up 23.2% from 2020, due to the higher wind resource recorded during the year and the partial commissioning of the Chafariz complex.
- Hydroelectric production reached 1,867 GWh, below the figure recorded in 2020 (-8.6%).

Thermal capacity and production

In Brazil, thermal capacity at 31 December 2021 remained at 533 MW, while thermal production during the period totalled 3,194 GWh (+34% vs. 2020).

| BRAZIL | MW | GWh |
|--------------------|------------|--------------|
| Gas combined cycle | 533 | 3,194 |
| Total | 533 | 3,194 |

Retail supply

Electricity sales in 2021 remained stable compared to the same period in 2020 and totalled 14,828 GWh (+0.46% vs. December 2020), broken down as follows:

| | 2021 |
|--------------------|---------------|
| PPA | 10,381 |
| Liberalised market | 4,447 |
| Total sales | 14,828 |

Discrepancies possible due to rounding

2.6. Iberdrola Energía Internacional (IEI)*

Renewable capacity and production

Iberdrola Energía Internacional installed **renewable capacity** stood at 2,262 MW, up 26.1% from December 2020, with the following breakdown:

| Iberdrola Energía Internacional (IEI) | MW |
|---------------------------------------|--------------|
| Onshore wind | 1,749 |
| Offshore wind | 350 |
| Solar | 89 |
| Batteries | 75 |
| TOTAL | 2,262 |

Discrepancies possible due to rounding

In **photovoltaic solar** technology, construction continues at Port Augusta, Australia, of a 317 MW hybrid wind and PV solar technology project, which will be one of the largest hybrid renewable energy plants in the southern hemisphere with 54 MW of the 106.9 MW photovoltaic solar plants having already been installed. Meanwhile, in **wind energy**, all the wind turbines of this hybrid project (210 MW) have been installed, with the first GWh having already been exported in December.

In addition, work is continuing at the Mikronoros wind farm (33.6 MW) in Greece, which has finished the year with 13 MW installed.

Installed capacity breaks down as follows by country:

* Formerly Rest of World

| | MW |
|--------------|--------------|
| Australia | 880 |
| Greece | 288 |
| Hungary | 158 |
| France | 118 |
| Portugal | 92 |
| Poland | 113 |
| Romania | 80 |
| Cyprus | 20 |
| Total | 1,749 |

Discrepancies possible due to rounding

Also in Australia and following the acquisition of Infigen, Iberdrola has completed the 50 MW **Wallgrove storage project**, which went into commercial operation in December and works have begun on the Avonlie project (245.5 MW).

In Italy, 19.8 MW have been installed at the Montalto di Castro plant (23.4 MW) and in Portugal, the first 9.4 MW of the Algeruz 2 plant (27.4 MW) have been installed.

The development of **offshore wind projects** also continues:

- In **France**, at the **Saint Brieuc (496 MW)** project, work continues at sea for the installation of foundations, which will run until the end of October, while the first campaign to open underwater trenches to bury the cables between turbines has been successfully completed. Iberdrola is also taking part in the auction for 1 GW of fixed-foundation offshore wind capacity off the Normandy coast. Competitive dialogue is under way, and recently 250 MW of floating offshore wind capacity in Brittany was pre-qualified for auction. Competitive bidding is now beginning. Both auctions will be awarded in 2022.
- In **Germany**, the main supply contracts for the **Baltic Eagle project (476 MW)** have been agreed. Manufacture of the foundations will begin in October while the manufacture of the offshore substation progresses with a view to it being installed in mid-2022.

- In **Japan**, Iberdrola Renewables Japan K.K. continues to work alongside its partners, Hitachi Zosen and Cosmo EcoPower, to submit the best bid for the Aomori project, which is expected to be auctioned off in the first half of 2023. It also continues to develop the project portfolio with its partner Macquarie's Green Investment Group (GIG), paying special attention to the Saga project, whose areas have been designated as a candidate for the forthcoming rounds of auctions, as well as with the analysis for the entry of other projects. The results of the first auction, which were published at the end of December last year, will undoubtedly have a major impact on the future of Japan's auctions.
- In **Sweden**, the Utposten 2 project, which is being developed by Svea Vind Offshore together with Iberdrola, was publicly announced at the end of July, and is pending approval by the authorities once the oral hearings end and administrative procedures are finalised. Meanwhile, work continues on the other projects in the portfolio.
- In **Ireland**, site characterisation campaigns continue for the three projects in progress in collaboration with our partner DP Energy: Clarus, Shelmalere and Inis, with a total maximum capacity of 3,000 MW.
- In **Poland**, the company Iberdrola Renewables Polska has now been incorporated. We continue to work with our partner SeaWind on the completion of land use permit applications for projects that will be included in the auctions to be held from financial year 2025.
- In **Taiwan**, progress is still being made in the environmental impact studies, and geotechnical studies and the resource campaign have just been contracted at two sites, a necessary prerequisite for Iberdrola Renewables Taiwan to be able to bid in the offshore wind auctions next year.

Renewable production reached a total of 4,531 GWh at the close of 2021, up 28.0% from the close of 2020, with the following breakdown by technology:

| Iberdrola Energía Internacional (IEI) | GWh |
|--|--------------|
| Onshore wind | 3,339 |
| Offshore wind | 1,184 |
| Solar PV | 8 |
| Total production | 4,531 |

Discrepancies possible due to rounding

By technology, onshore wind production increased (+48.5%) mainly due to additional capacity following acquisitions in Australia, France and Poland, and decreases with offshore wind (-7.7%), due to the lower wind resource recorded in the year. Photovoltaic solar production increased by 1.0% to 8.5 GWh up from the figure recorded in 2020.

Retail supply

As regards retail supply, at 31 December 2021, the portfolio managed by Iberdrola in Portugal, France, Italy, Germany and Ireland totalled 1.9 million contracts, up 5% compared to the close of December 2020. The breakdown is as follows:

| Thousands of contracts | IEI* |
|-------------------------------|--------------|
| Electricity contracts | 778 |
| Gas contracts | 288 |
| Smart Solutions contracts | 816 |
| Total | 1,882 |

Sales at the international division were up 2.7% in 2021 compared to the previous year. While electricity sales* dropped to 10,230 GWh (-1.4%), gas sales** increased to 1,870 GWh (+33.5%). This is geographically broken down as follows:

| | 12M 2021 | 12M 2020 |
|---------------------|-----------------|-----------------|
| Electricity* | 10,230 | 10,375 |
| Portugal | 6,084 | 7,370 |
| France | 1,313 | 829 |
| Germany | 869 | 776 |
| Italy | 1,733 | 1,319 |
| Ireland | 112 | 81 |
| United States | 118 | 1 |
| Gas** | 1,870 | 1,401 |
| Portugal | 192 | 166 |
| France | 801 | 475 |
| Italy | 715 | 659 |
| Ireland | 161 | 100 |
| Total sales | 12,099 | 11,776 |

* Sales in busbars

** Including shrinkage

3. Other Aspects

3.1 Shareholder remuneration

As part of the “Iberdrola Retribución Flexible” optional dividend scheme, at the beginning of February 2022, Iberdrola paid the Interim Dividend for the 2021 financial year, which amounted to EUR 0.170 per share, with shareholders holding 67.4% of Iberdrola’s share capital opting to receive new shares.

In addition, Iberdrola will propose at the next General Shareholders’ Meeting a 4.8% increase in annual remuneration for the financial year 2021, amounting to EUR 0.44 gross per share. Thus, provided it is approved by the General Shareholders’ Meeting, the amount of EUR 0.270 gross per share as a final dividend to be paid in July 2022 will be added to the interim dividend paid in February.

The “Iberdrola Retribución Flexible” dividend scheme allows shareholders to choose from various 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 in the market; or
- iii. receive their remuneration in cash via the final dividend payment.

Analysis of the consolidated profit and loss account

As a consequence of the current situation of the energy markets and the actual operation of these markets in the electricity production- final customer relationship, the Group's businesses are reported with a differentiation between network activities (regulated) and energy production-customer activities as a whole (both with renewable and conventional sources), in order to better reflect the evolution of these businesses.

The most notable figures for 2021 are as follows:

| EUR millions | 2021 | 2020 | % |
|---------------------|----------|----------|-------|
| NET REVENUE | 39,113.5 | 33,145.1 | +18.0 |
| GROSS MARGIN | 17,061.7 | 16,145.1 | +5.7 |
| EBITDA | 12,005.7 | 10,038.2 | +19.6 |
| EBIT | 7,342.8 | 5,564.3 | +32.0 |
| REPORTED NET PROFIT | 3,884.8 | 3,610.7 | +7.6 |

The EBITDA reported in 2021 increased by 19.6% compared to 2020, with growth in both the Networks and Electricity Production and Customers business.

The **Networks** business turned in a strong operating performance in all countries thanks to the regulatory frameworks in force and increased investments, despite the negative impacts of the exchange rate effect (EUR -129 million) and COVID-19 on demand (EUR -54 million).

The **Electricity Production and Customers** business was driven by the increase in renewable installed capacity of 10% to 38,035 MW, which has led to an increase in production of 9.2%, 38,138 MW with a significant contribution from offshore technology due to the entry into operation of East Anglia 1 despite the weak wind resource in the United Kingdom. In addition, there has been registered an extraordinarily positive impact on the tax line due to positive court rulings in Spain. The rotation of assets in Spain continues, reaching 295 MW of both wind and solar photovoltaic power thanks to the joint venture created with MAPFRE and we are jointly studying

the possibility of adding more. On the negative side, the higher cost of procurements due to higher energy prices had an impact, along with the maintenance of contracts that were closed with customers at a fixed price in Spain and the United Kingdom and the effect of the cold snaps in the first quarter of 2021 that influenced the Spain, Mexico and IEI businesses. The overall impact of COVID-19 on EBITDA totalled EUR 105 million as a result of lower demand.

1. Gross margin

Gross Margin grew by 5.7% to EUR 17,061.7 million, with a negative exchange rate effect of EUR 267 million. Excluding this impact, this item grew by 7.3%.

This performance is a result of the following:

- **The Networks Business** saw an 8.6% increase versus 2020 to reach EUR 8,273.1 million.
 - In Spain, it grew by 0.9% to EUR 1,980.8 million, due to the fact that the lower remuneration in effect since 2021 at 5.58% (EUR -29 million) was offset by income from new investments, (EUR +18 million).
 - The United Kingdom increased its contribution by 6.1% to EUR 1,381.4 million, as a result of a larger asset base in the distribution business resulting from investments.
 - The contribution made by the United States over the period rose by 4.9% to EUR 2,911.2 million, affected by the exchange rate effect, since it grew by 8.7% in local currency thanks to the new rate cases in force, which include the rate recognition of new investments and compensation of regulatory assets and liabilities from previous years (EUR 216 million for both effects). The exchange rate had a negative impact of EUR 105.6 million.
 - Brazil's Gross Margin stood at EUR 1,999.6 million (+27.0%), thanks to the positive effect of rate readjustments and inflation at distributors (EUR 391 million) and the increased contribution made by transmission assets (EUR 92 million), together with the consolidation of Neoenergia

Distribuição Brasília, which has contributed EUR 67 million since the beginning of March. The exchange rate had a negative impact of EUR 163.7 million.

• **The Electricity Production and Customers**

Business increased by 3.0% and its Gross Margin stood at EUR 8,806.5 million:

- In Spain, it grew to EUR 4,405.3 million (+6.7%) thanks to higher renewable production (+9.5%), driven by the higher hydroelectric generation and the increase in the average operating capacity, mainly solar (+474 MW), effects that were offset by lower thermal production (-4.8%), together with an increase in procurement costs, mainly the result of the evolution of gas and CO2 prices, while the majority of sales prices were already fixed.
- Gross margin in the United Kingdom stood at EUR 1,502.9 million (-14.3%), due to higher procurement costs as a result of higher market prices and greater purchasing volume, as a result of the lower wind production, bigger demand due to weather conditions and by having to accept customers on the SVT tariff, the price of which is lower than the provisioning price. These effects were offset by the increase in offshore (+10.9%) thanks to the coming on stream of East Anglia 1 in April last year.
- The contribution made by the United States rose to EUR 1,003.9 million (+12.4%), positively impacted by the effect of the storm in Texas in the first quarter of the year. The growth in renewable installed capacity (+327 MW) was offset by a lower load factor compared to last year (-1.2%). The exchange rate had a negative impact of EUR 36.4 million.
- Brazil stood at EUR 315.5 million (+34.9%), affected by the exchange rate, since in local currency it increased by 45.9%, with a positive impact due to the agreement reached with the regulator to extend hydroelectric concessions to recover costs incurred in previous years, the improvement of the wind resource (+2.4%) and

the good performance of the Termopernambuco combined cycle due to the drought in the country.

- The Gross Margin in Mexico decreased by 0.4% to EUR 1,029.6 million, mainly due to the impact of the cold nap that took place in Texas in February this year. It affected the supply and prices of gas at some of the combined cycle plants in Mexico (net impact on results of EUR 58 million) along with the increase in the cost of tariffs and the non-increase in rates. These impacts were offset by the increase in average renewable operating capacity (+477 MW), following the coming on stream of the Santiago (105 MW) and PIER (220 MW) wind farms and the Cuyoaco (274 MW) solar plant. The exchange rate, on the other hand, had a negative impact of EUR 37.4 million.
- Iberdrola Energía Internacional's (IEI) Gross Margin stood at EUR 549.1 million (+8.8%), thanks to contributions from Australia, France and Poland, partially offset by lower production in Germany (-7.7%) due to the low wind resource during the year and lower margins in the supply activity affected by the cold snaps in the first quarter, development costs and higher procurement costs.
- The contribution of **Other Businesses** totalled EUR 25.3 million.

2. Gross operating result - EBITDA

Consolidated EBITDA rose by 19.6% versus 2020, standing at EUR 12,005.7 million.

To the aforementioned evolution of the Gross Margin, we must add a Net Operating Expense that decreased by 1.4% to EUR 4,227.4 million, since the contribution of new businesses such as Neoenergia Distribuição Brasília, Infigen (Australia) and Aalto Power (France), the growth in the workforce and the efficiency plans are more than offset by the impact of the exchange rate and the contribution to Other

Operating Results of the addition of new renewable capacity to the joint venture with MAPFRE. As mentioned earlier, since the first quarter of 2021, Net External Services includes, within Other Operating Results, profits or losses from the loss of control of consolidated holdings having recorded EUR +230 million due to asset rotation including the inclusion during the year of a further 295 MW in renewable energy into the company set up with MAPFRE in Spain although the possibility of adding more capacity is still under joint consideration.

The Tax item decreased by 54.5% to EUR 828.6 million mainly due to the extraordinarily positive effect of court rulings in Spain.

Adjusted EBITDA 2021, which excludes efficiency measures implemented to optimize future results (-94.7 M €) and court rulings and legal measures in Spain (+912.9 M €) grows by 11.4% to 11,187.4 M € compared to 2020.

3. Net operating result - EBIT

EBIT was EUR 7,342.8 million, up 32.0% compared with 2020.

Depreciation and amortisation charges and provisions grew 4.2% to EUR 4,662.9 million, as the Group's increase in activity partially offset by the impact from foreign currencies. Excluding the exchange rate, this item increased by 5.3%.

- The Depreciation and Amortisation item increased by 5.6% to EUR 4,196.2 million and increased by 6.7% if we exclude the exchange rate effect, due to a higher asset base and an increase in Group activity (EUR 275 million).
- Provisions came to EUR 466.7 million, down EUR 32.9 million (-6.6%), due to the improvement in non-performing loans, which was driven in 2020 by COVID-19.

4. Financial result

The financial result increased by EUR -12 million over the EUR -991 million reported at the end of 2020, to EUR -1,003 million.

- The cost of debt rose by EUR -136 million: EUR -155 million due to the increase in cost partially offset by EUR +19 million due to a lower average balance of EUR 586 million.
- Income from derivatives and others rose by EUR +124 million mainly due to the collection of default interest and the listing at market value of shares (Wallbox), partially offset by the worst result of the exchange rate hedges.

| Financial result | 2021 | 2020 | Dif. |
|-----------------------------|---------------|-------------|------------|
| Debt | -1,312 | -1,175 | -136 |
| <i>By cost</i> | | | -155 |
| <i>By average balance *</i> | | | +19 |
| Derivatives and others | 309 | 184 | +124 |
| Total | -1,003 | -991 | -12 |

* The average balance dropped from EUR 36,985 million to EUR 36,399 million

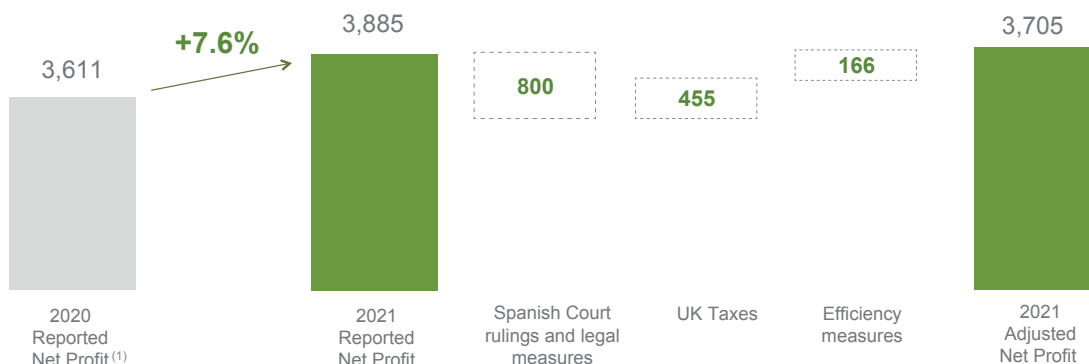
The cost of debt rose by 42 basis points (from 3.18% to 3.60%), due to rising inflation in Brazil, which was more than offset by the operating profit earned by the distributors, which is also indexed to inflation. Without Brazil, the cost was down by 4 basis points (from 2.93% to 2.89%).

5. Results of companies accounted for using the equity method

Results of Companies accounted for using the equity method was EUR 74.1 million compared to EUR +460.6 million in 2020 after the sale of the stake in Siemens-Gamesa last year. As mentioned above in the section Operating highlights, as of this year and taking into account both the format required in the periodic public information submitted in accordance with Spanish stock market commission (CNMV) circular 3/2018 and the draft of amendments to IAS 1, the format of the income statement has been modified by eliminating the heading "Income from non-current assets". Profit (loss) sharing and results from significant loss of influence of equity holdings are presented under the heading "Results of companies accounted for using the equity method". According to the regulations, the previous accounting criterion has been applied retroactively to 2020, having an impact of Eur 28 M.

Net Profit / Group

Adjusted Net Profit up 7.6%, to EUR 3,885 M ...



... and Adjusted Net Profit achieving guidance, at EUR 3,705 M

(1) 2020 adjustments: COVID impact (EUR -238 M), Siemens Gamesa (EUR +485 M), net tax impacts and efficiency measures (EUR +36 M).

(2) 2021 adjustments: COVID impact (EUR -162 M), 2013-2020 Spanish levy reversal (EUR +829 M), UK deferred taxes (EUR -455 M), gas clawback (EUR -29 M) and efficiency measures (EUR 141 M).

6. Profit in the period

Taxes totalled EUR 1,914.0 million (an increase of 76.8%) due to the extraordinarily negative impact of EUR 455 million on deferred tax following the rate change approved in the United Kingdom from 19% to 25% effective from April 2023. Minority interests grew by 37.1% to EUR 466.8 million, due to improved results in the United States, Brazil and the East Anglia 1 offshore wind farm.

Finally, **reported net profit** stood at EUR 3,884.8 million, with an increase of 7.6% from EUR 3,610.7 million. **Adjusted net profit** in 2021 grew by 17.2% and stood at EUR 3,705.2 million and excludes the impact of deferred taxes in the United Kingdom (-455 million euros), and efficiency measures and non-recurring provisions (-166 million euros) and of court rulings and regulatory measures in Spain (+800 million euros).

Results by business

As a consequence of the current situation of the energy markets and the actual operation of these markets in the electricity production- final customer relationship, the Group's businesses are reported with a differentiation between network activities (regulated) and energy production-customer activities as a whole (both with renewable and conventional sources), in order to better reflect the evolution of these businesses.

1. Networks Business

Key figures for the Networks Business are as follows:

| (EUR millions) | 2021 | vs 2020 |
|----------------|----------|---------|
| Revenue | 14,887.4 | +15.4% |
| Gross margin | 8,273.1 | +8.6% |
| EBITDA | 5,394.4 | +12.8% |
| EBIT | 3,361.6 | +16.7% |

The EBITDA of the Networks Business increased by 12.8% to EUR 5,394.4 million, thanks to the good operating performance of the business in all locations as a result of the investments made and the rate cases in force, despite the negative impacts in terms of both the exchange rate, which had a negative impact of EUR 129 million, and demand as a result of COVID-19 (EUR -49 million). Excluding both effects, Networks EBITDA grew by 14.5%.

1.1 SPAIN

| (EUR millions) | 2021 | vs 2020 |
|----------------|---------|---------|
| Revenue | 1,985.8 | +1.1% |
| Gross margin | 1,980.8 | +0.9% |
| EBITDA | 1,632.0 | +1.1% |
| EBIT | 1,024.6 | -2.3% |

a) Gross margin

The Gross Margin of the Networks Business in Spain increased by 0.9% to EUR 1,980.8 million, due to the

lower remuneration set from 2021 at 5.58% (EUR -29 million), offset by net revenues from new investments, as well as the recalculation of quality incentives and operating expenses from previous years (EUR +18 million).

b) Operating profit / EBIT

EBITDA for this Business reached EUR 1,632.0 million, which represents an increase of 1.1%, with Net Operating Expenses that increased by 4.1% and stands at EUR 272.1 million, due to the efficiency measures implemented during this financial year, along with a higher cost of external services.

EBIT for the Networks Business in Spain totalled EUR 1,024.6 million (-2.3%). Depreciation and amortisation charges and provisions totalled EUR 607.4 million (+7.4%) due to the new investments made.

1.2 UNITED KINGDOM

| (EUR millions) | 2021 | vs 2020 | Local currency |
|----------------|---------|---------|----------------|
| Revenue | 1,433.5 | +5.3% | +1.7% |
| Gross margin | 1,381.4 | +6.1% | +2.5% |
| EBITDA | 1,052.8 | +5.2% | +1.6% |
| EBIT | 657.3 | +1.9% | -1.5% |

a) Gross margin

The Gross Margin of the Networks Business in the UK increased by 6.1% (+2.5% in local currency), and stands at EUR 1,381.4 million, due to the growth of the asset base as a result of the investments made and with improved demand that was affected by COVID-19 last year.

b) Operating profit / EBIT

EBITDA totalled EUR 1,052.8 million (+5.2%, +1.6% in local currency). Net Operating Expenses increased by EUR 23 million (+11.9%, +8.1% in local currency) to EUR 216.5 million as a result, inter alia, of higher spending on external services (EUR -31 million).

Depreciation and amortisation charges and provisions amounted to EUR 395.5 million (+11.1%; +7.4% in local currency) due to the increase in the asset base and affected by insolvencies due to the bankruptcy

of suppliers, the impact of which will recover in the future. EBIT amounted to EUR 657.3 million (+1.9%, -1.5% in local currency).

1.3 UNITED STATES

| | IFRS (EUR millions) | | Local currency |
|--------------|---------------------|---------|----------------|
| | 2021 | vs 2020 | |
| Revenue | 4,535.4 | +11.2% | +15.3% |
| Gross margin | 2,911.2 | +4.9% | +8.7% |
| EBITDA | 1,250.5 | +14.8% | +19.0% |
| EBIT | 599.6 | +22.8% | +27.2% |

| | US GAAP (USD MILLION) | |
|--------------|-----------------------|---------|
| | 2021 | vs 2020 |
| Revenue | 5,543.3 | +10.8% |
| Gross margin | 3,444.0 | -2.1% |
| EBITDA | 1,573.8 | +5.4% |
| EBIT | 799.8 | +6.8% |

a) Gross margin

The Gross Margin increased by 4.9% to EUR 2,911.2 million, affected by the devaluation of the dollar, since in local currency it increased by 8.7% thanks to the new regulatory frameworks in force that include the rate recognition of the new investments and the recognition of costs from previous years in IFRS.

b) Operating profit / EBIT

EBITDA of the Networks Business in the United States grew by 14.8% to EUR 1,250.5 million, after deducting Net Operating Expenses of EUR 1,181.2 million, which were down 1.5% due to the devaluation of the US dollar, as in local currency it grew by 2.0% following the increase in the workforce as a result of increased activity and higher costs some of which will be recovered in the future under IFRS.

EBIT amounted to EUR 599.6 million (+22.8%; +27.2% in local currency), after deducting depreciation

and amortisation charges and provisions, which increased by 8.4% because of higher amortisation due to higher investment.

1.4. BRAZIL

| (EUR millions) | 2021 | vs 2020 | Local currency |
|----------------|---------|---------|----------------|
| Revenue | 6,933.1 | +26.2% | +36.5% |
| Gross margin | 1,999.6 | +27.0% | +37.4% |
| EBITDA | 1,459.1 | +35.2% | +46.3% |
| EBIT | 1,080.1 | +54.7% | +67.4% |

a) Gross margin

The Gross Margin increased by 27.0% (37.4% in local currency) to EUR 1,999.6 million at the end of December, thanks to the positive effect of rate adjustments and inflation at distributors (EUR 391 million) and the higher contribution from transmission assets (EUR 92 million), together with the consolidation of Neoenergia Distribuição Brasília, which contributed EUR 67 million since the beginning of March. The effect of the exchange rate deducted EUR 163.7 million.

b) Operating profit / EBIT

The area's EBITDA increased by 35.2% to EUR 1,459.1 million, with the exchange rate effect having a heavily negative impact (EUR -119.4 million), seeing as though EBITDA grew by 46.3% in local currency. Net Operating Expenses increased by 9.1% to EUR 537.3 million, although, without the exchange rate effect, it grew by 18.1% as a result of the increased activity consolidation of the Brasília distributor.

Depreciation and amortisation charges and provisions decreased slightly by -0.5% to EUR 379.0 million, also affected by the real's depreciation, and increased in local currency (7.7%) as the improvement in non-performing loans due to the lower impact of COVID-19 was offset by the increase in amortisation due to the larger asset base. EBIT grew by 54.7% to EUR 1,080.1 million (+67.4% in local currency).

2. Electricity production and customers business

The key figures for the Production and Marketing business are as follows:

| (EUR millions) | 2021 | vs 2020 |
|----------------|----------|---------|
| Revenue | 24,822.2 | +20.3% |
| Gross margin | 8,806.5 | +3.0% |
| EBITDA | 6,422.9 | +24.2% |
| EBIT | 3,912.8 | +43.4% |

The EBITDA of the Electricity Production and Customers increased by 24.2% to EUR 6,422.9 million, mainly due to the increase in renewable production and the positive impact of the storm in Texas in the United States, and despite the lower contribution of the United Kingdom and Mexico, due to the lower margins in the United Kingdom, and the negative impact of the storm in Texas in Mexico. The positive effect of court rulings in Spain is noteworthy.

2.1 SPAIN

The income statement of the Electricity Generation and Customers business in Spain is presented excluding the impact of court rulings and regulatory measures.

| (EUR millions) | 2021 | vs 2020 |
|------------------|----------|---------|
| Revenue | 13,506.7 | +25.5% |
| Gross margin | 4,405.3 | +6.7% |
| EBITDA adjusted* | 2,744.5 | +25.6% |
| EBIT adjusted* | 1,942.8 | +46.0% |

* Excludes the non-recurring effect of court rulings and regulatory measures in Spain, EUR 912.9 million at EBITDA and EBIT level.

a) Gross margin

The Gross Margin grew by 6.7% to EUR 4,405.3 million, with the following main reasons:

- Renewable production increased at the expense of the reduction in thermal production as, while hydroelectric generation (+10.6%), wind generation (+2.2%) and solar generation (142.3%) increased, the latter thanks to the increase in average operating capacity (+146 MW and +474 MW, respectively), thermal production decreased 4.1% from last year to 32,548 GWh, due to the reduction in nuclear production (-4.5%) and combined cycles production (-2.7%).

b) Operating profit / EBIT

Adjusted EBITDA increased and stood at EUR 2,744.5 million, since, to the aforementioned evolution of the Gross Margin, we must add the reduction in Net Operating Expenses, which decreased by 19.5% due to the increase in Other Operating Results due to the contribution of the rotation of assets and despite the higher activity costs.

Taxes, on the other hand, decreased by 5.8% thanks to the exemption from the 7% tax on the value of production from July 1, 2021.

Reported EBITDA for the business amounted to EUR 3,657.4 million.

Depreciation and amortisation charges and provisions decreased by 6.1% to EUR 801.7 million, due to the closure of the coal-fired plants in 2020 and the extension of the useful life from 25 to 30 years in wind turbines of less than 1 MW and photovoltaic installations, partly offset by the entry into service of the new wind farms and photovoltaic solar installations. EUR 22.6 million of provisions were also recorded, attributable to COVID-19-related defaults.

As a result of the above, EBIT stands at EUR 1,942.8 million.

2.2 UNITED KINGDOM

| (EUR millions) | 2021 | vs 2020 | Local currency |
|----------------|---------|---------|----------------|
| Revenue | 4,908.5 | 7.7% | +4.1% |
| Gross margin | 1,502.9 | -14.3% | -17.2% |
| EBITDA | 687.3 | -31.8% | -34.1% |
| EBIT | 92.3 | -79.5% | -80.2% |

a) Gross margin

The gross margin of the business in the United Kingdom stood at EUR 1,502.9 million at year-end, a decrease of 14.3% (-17.2% in local currency) as a result of the fall in onshore wind production (-8.2%), due to the lower resource compared to 2020 and the lower margins in the commercial segment, because we bought energy at high prices on the market in the face of lower own production. This effect was partially offset by higher offshore wind production (+10.9%) thanks to the commissioning of East Anglia 1, which came on stream in April 2020 and the higher volume of gas sold, due to cooler weather in 2021 than in 2020.

b) Operating profit / EBIT:

Net Operating Expenses increased by 12.0% compared to 2020, to EUR 688.6 million, mainly due to the coming on stream of East Anglia 1 and the higher cost associated with the greater number of smart meters, in addition to some extraordinary effects recorded in 2020.

Taxes decreased by 4.0%, to EUR 127.0 million, due to the suspension of the Warm Home Discount between April and June 2021, so EBITDA stood at EUR 687.3 million (-31.8%; -34.1% in local currency).

On the other hand, depreciation and amortisation charges and provisions increased by 6.7% mainly due to the coming on stream of East Anglia 1, offset by the reduction in provisions for bad debts associated with COVID compared with the same period last year. They went from EUR 65 million in 2020 to EUR 16 million in 2021, leaving EBIT at EUR 92.3 million (-79.5%; -80.2% in local currency).

2.3 UNITED STATES

| (EUR million) | 2021 | vs 2020 | Local currency |
|---------------|---------|---------|----------------|
| Revenue | 1,216.6 | 9.1% | +13.0% |
| Gross margin | 1,003.9 | 12.4% | +16.5% |
| EBITDA | 719.4 | 20.6% | +24.9% |
| EBIT | 181.8 | N/A | N/A |

a) Gross margin

The Gross Margin increased by 12.4% to EUR 1,003.9 million, mainly due to the effect of the storm in Texas, where the Group's wind farms did not suffer outages and obtained a higher than usual production quota, being able to meet the contracted energy delivery and even selling surpluses on the market. The growth in average operating capacity (+320 MW) is offset by a lower average load factor during the year (-1.2 p.p). The exchange rate had a negative impact of EUR 36.4 million.

b) Operating profit / EBIT

Net Operating Expenses were down 4.0% to EUR 232.1 million (+1.8% in local currency). Taxes fell 3.9% to EUR 52.4 million, also affected by the exchange rate impact, as excluding this impact it would be almost flat, with EBITDA standing at EUR 719.4 million (+20.6%; +24.9% in local currency).

EBIT, on the other hand, grew to EUR 181.8 million from EUR 32.0 million in 2020 after deducting depreciation and amortisation charges and provisions, which fell by 4.8% to EUR 537.7 million (-1.3% in local currency) due to certain provisions booked in 2020 but not reflected in the current year.

2.4 MEXICO

| (EUR million) | 2021 | vs 2020 | Local currency |
|---------------|---------|---------|----------------|
| Revenue | 3,489.4 | 29.5% | +34.2% |
| Gross margin | 1,029.6 | -0.4% | +3.2% |
| EBITDA | 778.7 | -11.8% | -8.6% |
| EBIT | 549.8 | -19.9% | -16.9% |

a) Gross margin

In Mexico, the Gross Margin in 2021 stood at EUR 1,029.6 million (-0.4%, +3.2% in local currency). This drop was mainly due to the impact of the cold snap in Texas in February this year, which affected gas supply and prices at some of the combined cycle plants in Mexico with a net impact on results of EUR -57 million and the increase in transport rates, (EUR -21 million). Furthermore, it should be noted that the impact of the higher cost of gas has not yet had an effect on electricity rates, as they are frozen pending a judicial appeal. These effects were partially offset by the increase in renewable production (+57.1%), as a result of the higher average operating capacity (+477 MW, +56.2%) following the commissioning of the Pier (220 MW) and Santiago (105 MW) wind farms and the Cuyoaco photovoltaic plant (274 MW).

b) Operating profit / EBIT

EBITDA decreased by 11.8% from 2020 (-8.6% in local currency) and stood at EUR 778.7 million, despite the evolution of Net Operating Expenses, which increased by 67.8% mainly due to the extraordinarily positive results of 2020 associated with the collection of insurance due the breakdown at the Monterrey plant and the commissioning of the new renewable generation plants.

Depreciation and amortisation charges and provisions increased to EUR 229.0 million (+16.2%, +20.4% in local currency) due to the coming on stream of the new renewable power plant and partially offset by the extension of the useful life from 25 to 30 years in turbines of less than 1 MW. In addition, EUR 17.8

million of write-offs were included, so EBIT fell by 19.9% to EUR 549.8 million.

2.5 BRAZIL

| (EUR million) | 2021 | vs 2020 | Local currency |
|---------------|-------|---------|----------------|
| Revenue | 541.1 | 12.0% | +21,1% |
| Gross margin | 315.5 | 34.9% | +45,9% |
| EBITDA | 251.2 | 47.4% | +59,5% |
| EBIT | 192.2 | 78.9% | +93,6% |

a) Gross margin

The Gross Margin stood at EUR 315.5 million (+34.9%) affected by the fx, as in local currency, it increased by 45.9% thanks to the positive impact of the new agreement on the concessions of hydroelectric plants to recover costs from previous years, in addition to the greater onshore wind resource (+2.4%), the increase in the rates of the Termopernambuco PPA contract and the improvement of the Commercial business.

b) Operating profit / EBIT

Net Operating Expenses increased by 1.3% to EUR 63.6 million (+9.5% in local currency), due to the higher costs arising from the operation and maintenance of Termopernambuco. Therefore, EBITDA grew by 47.4% to EUR 251.2 million, +59.5% in local currency.

On the other hand, depreciation and amortisation charges and provisions decreased to EUR 59.0 million (-6.3%), increasing by 1.4% in local currency due to the installation of the new wind turbines that came on stream. As a result of all this, EBIT amounted to EUR 192.2 million (+78.9%, +93.6% in local currency).

2.6 IBERDROLA ENERGÍA INTERNACIONAL (IEI)

| (EUR million) | 2021 | vs 2020 |
|---------------|---------|---------|
| Revenue | 2,160.3 | +31.0% |
| Gross margin | 549.1 | +8.8% |
| EBITDA | 326.6 | -2.2% |
| EBIT | 38.0 | -69.6% |

a) Gross margin

The Gross Margin of the business at Iberdrola Energía Internacional grew to EUR 549.1 million (+8.8%), due to the contributions of Infigen in Australia, Aalto Power in France and Poland, which offset the lower production at Wikinger in Germany and the negative impact of the cold snaps that took place in the first quarter of the year and the drop in margins in the commercial business.

b) Operating profit / EBIT

EBITDA amounted to EUR 326.6 million (-2.2%) after deducting Net Operating Expenses, which increased by EUR 50.2 million to EUR 210.3 million, due to higher development expenses in view of the expansion of the renewable and supply business.

The consolidation of new businesses and the higher depreciation of the acquisition costs also increased the depreciation and amortisation charges and provisions to EUR 288.6 million (+38.3%), with EBIT standing at EUR 38.0 million (-69.6%).

3. Other businesses

Other Businesses include at the end of 2021, the real estate activity and the gas business in Canada (sold before the end of the year).

| (EUR millions) | 2021 | vs 2020 |
|----------------|------|---------|
| Revenue | 59.6 | 106.8 |
| Gross margin | 25.3 | 15.9 |
| EBITDA | 37.0 | (0.4) |
| EBIT | 27.0 | (11.0) |

a) Gross margin

The Gross Margin grew to EUR 25.3 million, due to an increase in volume at the real estate business.

b) Operating profit/EBIT

The contribution to EBITDA in 2021 grew to EUR 37.0 million from null contribution of 2020. Depreciation and amortisation charges and provisions were down EUR 0.6 million compared to the previous year, resulting in EBIT of EUR 27.0 million.

4. Corporation

The Corporation heading includes the Group's overheads and the administrative costs of running the corporate areas, which are subsequently billed to the other companies.

At year-end, the Corporation showed a positive EBITDA contribution of EUR 148.6 million, an increase from the EUR 80.0 million recorded in 2020, mainly due to the impact of the index change for the updating of pensions for UK (from the RPI to the CPI).

Balance sheet analysis

January–December 2021

| | Dec 2021 | vs Dec 2020 |
|-----------------------------------|----------|-------------|
| TOTAL ASSETS | 141,752 | +15.7% |
| TANGIBLE FIXED ASSETS | 79,981 | +11.4% |
| INTANGIBLE FIXED ASSETS | 19,909 | +9.3% |
| NON-CURRENT FINANCIAL INVESTMENTS | 6,499 | +19.0% |
| EQUITY | 56,126 | +18.9% |

At 31 December 2021, Iberdrola's balance sheet showed total assets of EUR 141,752 million, up EUR 19,234 million versus December 2020.

1. Fixed Assets

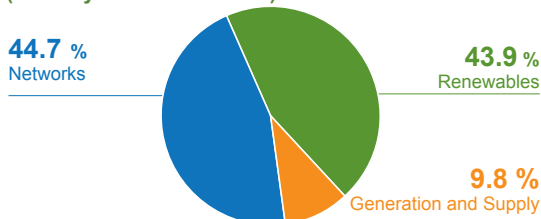
Total gross investments in 2021 amounted to EUR 9,940.6 million (+7.5%). The breakdown is as follows:

| (EUR millions) | Jan-Dec 2021 | % |
|---------------------------------------|----------------|---------------|
| Organic investments | | |
| Networks business | 4,029.6 | 40.5% |
| Spain | 657.3 | |
| United Kingdom | 627.0 | |
| United States | 1,777.1 | |
| Brazil | 968.2 | |
| Renewables business | 4,368.3 | 43.9% |
| Spain | 1,156.8 | |
| United Kingdom | 254.8 | |
| United States | 954.6 | |
| Brazil | 491.4 | |
| Mexico | 25.1 | |
| Iberdrola Energía Internacional (IEI) | 1,485.6 | |
| Generation and Supply business | 969.8 | 9.8% |
| Spain | 457.5 | |
| United Kingdom | 199.6 | |
| Mexico | 219.4 | |
| Brazil | 13.2 | |
| Iberdrola Energía Internacional (IEI) | 80.0 | |
| Other businesses | 10.5 | 0.1% |
| Corporation and adjustments | 153.2 | 1.5% |
| Inorganic investment | 409.0 | 4.1% |
| Total gross investment | 9,940.4 | 100.0% |

Investments during the period focused on the Networks and Renewables Business, in line with the Group's strategy. These two businesses account for approximately 88.6% of gross investments in 2021.

Investments by business

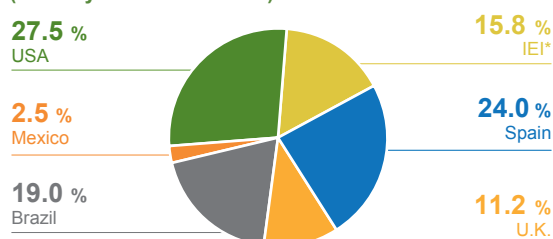
(January - December 2021)



The following figure shows the geographical distribution of investments over the period:

Investments by geographical area

(January - December 2021)



(*) Iberdrola Energía Internacional

Investment in the Renewables business totalled EUR 4,368.3 million, equivalent to 43.9% of the total.

In the Networks Business section, most investments were made in the United States and Brazil, totalling EUR 1,777.1 million and EUR 1,377.2 million, respectively.

2. Share capital

Iberdrola's share capital totalled EUR 4,775 million at 31 December 2021, represented by 6,366,088,000 shares, each with a par value of EUR 0.75 and all fully subscribed and paid.

3. Financial debt

Adjusted net financial debt at December 2021 reached EUR 39,119 million, up EUR 3,977 million from EUR 35,142 million at December 2020.

The adjusted net leverage saw an improvement of 1.3%, up to 41.0% versus the 42.3% reported in December 2020:

The ratings issued by the rating agencies are as follows

| Agency | Rating(*) | Outlook(*) |
|------------------|----------------------|------------------------|
| Moody's | Baa1 (15/06/2012) | Stable (14/03/2018) |
| Fitch IBCA | BBB+ (02/08/2012) | Stable (25/03/2014) |
| Standard & Poors | BBB+ (22/04/2016) | Stable (22/04/2016) |

* Date of last modification

The financial debt structure can be broken down by currency* and interest rate** as follows:

| | Dec 2021 | Dec 2020 |
|-------------------------------------|-------------|-------------|
| Euro | 42.7% | 46.2% |
| US dollar | 25.7% | 23.9% |
| British pound | 18.1% | 19.9% |
| Brazilian real and other currencies | 13.5% | 10.0% |
| Total | 100% | 100% |
| Fixed rate | 68.1% | 70.8% |
| Variable rate | 31.9% | 29.2% |
| Total | 100% | 100% |

* Adjusted net debt including derivatives on net investment.

** Adjusted net debt. Including derivatives hedging future borrowing rates to date (Dec 2021: EUR 4,672 million; Dec 2020: EUR 2,820 million), net fixed rate debt would rise to 80.1% (Dec 2021) and 78.8% (Dec 2020).

In accordance with the policy of minimising financial risks, the Group continues to mitigate exchange rate

risk by financing the international businesses in local currencies (pound sterling, Brazilian real, US dollar etc.) or in their functional currencies (US dollar in the case of Mexico). Interest rate risk is mitigated by issuing debt at fixed rates and through derivatives and hedging of future borrowing rates.

Debt structure* by country is as follows:

| | Dec 2021 | Dec 2020 |
|--------------|---------------|---------------|
| Corporate | 71.4% | 70.9% |
| UK | 5.9% | 6.8% |
| US | 18.9% | 18.3% |
| Mexico | 2.4% | 2.4% |
| Other | 1.5% | 1.7% |
| Total | 100.0% | 100.0% |

* Gross debt including 50% hybrid and excluding leases and Neoenenergia (EUR 6,035 million at Dec 2021 and EUR 4,143 million at Dec 2020).

This debt* breaks down by financing source as follows:

| | Dec 2021 | Dec 2020 |
|----------------------------|---------------|---------------|
| Euro bonds market | 26.2% | 31.1% |
| Dollar bonds market | 19.2% | 18.5% |
| British pound bonds market | 7.1% | 8.1% |
| Other capital markets | 5.0% | 4.0% |
| Commercial paper | 8.3% | 7.7% |
| Multilateral | 15.2% | 15.6% |
| Structured financing | 1.2% | 1.1% |
| Leases | 5.6% | 5.3% |
| Bank financing | 12.2% | 8.6% |
| Total | 100.0% | 100.0% |

* Adjusted gross debt.

ESG financing signed in the year amounted to EUR 15,904 million, including EUR 5,000 million from the Euromarket Commercial Paper (ECP) framework program, which has been updated this year by introducing the sustainable component and increasing the maximum outstanding limit from the previous EUR 3,000 million. The breakdown by product is as follows.

| Product (M EUR) | Green | Sustainable | Total |
|-------------------------------------|--------------|--------------|---------------|
| Hybrid Bonds | 2,750 | | 2,750 |
| Senior Bonds | 860 | | 860 |
| Commercial paper | | 5,000 | 5,000 |
| Bank Loans | | 250 | 250 |
| Bank credits | | 3,574 | 3,574 |
| Multilateral development banks | 806 | | 806 |
| Project Finance | 2,664 | | 2,664 |
| Total nueva financiación ESG | 7,080 | 8,824 | 15,904 |

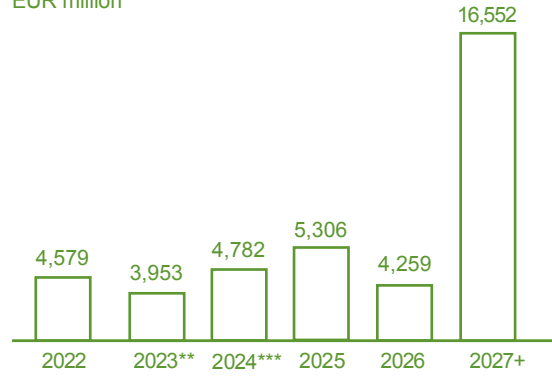
Iberdrola has a robust liquidity position totalling EUR 19,521 million, including subsequent events. This liquidity comes mainly from syndicated credit facilities arranged with partner banks, undrawn loans arranged with multilateral credit institutions and development banks (EIB, ICO, BNDES), along with cash, cash equivalents and IFTs. These liquidity arrangements have been reached across all the main markets in which the Iberdrola Group operates (Europe, the United States and Brazil), in both the banking and capital markets. This liquidity is enough to cover 24 months of the Group's financial needs in the base case and 16 months in the risk scenario.

| Liquidity | EUR million |
|---------------------------------|---------------|
| Cash, cash equivalents and IFTs | 4,161 |
| Back-up facilities | 9,800 |
| Credit facilities | 3,905 |
| Committed financing | 1,655 |
| Total | 19,521 |

Iberdrola has a comfortable debt maturity profile*, with an average term of around six years, as shown in the table below.

Maturity debt profile

EUR million



* Adjusted financial debt excluding leases, short-term debt and accounting adjustments; commercial paper falls due in or after 2027.

** Includes USD 400 million with extension option for one or two years.

*** Includes USD 500 million with extension option for one or two years

ADJUSTED NET FINANCIAL DEBT

| Millions of euros | Dec 2021 | Dec 2020 |
|---|---------------|---------------|
| Loans and borrowings with credit institutions and bonds or other marketable securities | 41,163 | 38,037 |
| Liability derivative instruments | 760 | 592 |
| Leases | 2,411 | 2,058 |
| Gross financial debt | 44,334 | 40,687 |
| Non-current financial investments | 65 | - |
| Capitalised derivative instruments | 763 | 1,037 |
| Deposits securing the value of CSA derivatives | 101 | 50 |
| Current financial investments (between 3 and 12 months) | 12 | 247 |
| Cash and cash equivalents | 4,033 | 3,427 |
| Total cash assets | 4,974 | 4,761 |
| Net financial debt | 39,360 | 35,926 |
| Treasury stock derivatives with physical settlement which, at the current date, are not expected to be executed | 241 | 784 |
| Adjusted net financial debt | 39,119 | 35,142 |

4. Financial ratios

Lastly, the movement in **financial ratios and leverage** was as follows:

| | Dec 2021 | Dec 2020 |
|---|---------------|---------------|
| Adjusted equity* | 56,367 | 48,002 |
| Adjusted net financial debt* | 39,119 | 35,141 |
| Adjusted net leverage | 41.0% | 42.3% |
| Adjusted funds from operations (FFO)**/Adjusted net financial debt* | 23.0% | 23.6% |
| Adjusted retained cash flow (RCF)/Adjusted net financial debt* | 20.6% | 21.4% |
| Adjusted net financial debt*/Adjusted EBITDA*** | 3.2x | 3.5x |

- (*) Adjusted for treasury stock derivatives with physical settlement that, at the current date, are not expected to be executed (EUR 241 million in Dec 2021 and EUR 784 million in Dec 2020).
- (**) Adjusted at Dec 2021 on account of the "Exit Plan" carried out in the fourth quarter of 2021 for EUR 72.4 million and at Dec 2020 on account of the plan carried out in the fourth quarter of 2020 (EUR 45 million). Both proforma of the new additions to the group and corrected for the net tax adjustment and for the effect of court rulings and regulatory measures in Spain
- (***) Adjusted at Dec 2021 on account of the "Exit Plan" carried out in the fourth quarter of 2021 for EUR 94.7 million and at Dec 2020 on account of the plan carried out in the fourth quarter of 2020 (EUR 59.7 million). Both proforma of the new additions to the group and netted, in 2021, for the effect of court rulings and regulatory measures in Spain.

5. Working capital

Working capital increased by 3,086 Eur M due to temporary effects, most of which will be recovered in 2022. The most significant variations include the reversal of the Spanish Court rulings and legal measures, the collection of court rulings which (1,106 Eur M) was made in January 2022, as well as the balances of input VAT, guarantees and trade debtors arising from legal changes in Spain high spot market prices, which will be regularized in 2022.

| CURRENT ASSETS | Dic 21 | Dic 20 | Variation |
|-----------------------------------|---------------|---------------|--------------|
| Assets held for sale | 124 | - | 124 |
| Nuclear fuel | 267 | 260 | 8 |
| Inventories | 2,639 | 2,443 | 196 |
| Trade and other receivables | 8,183 | 6,478 | 1,705 |
| Current Financial Investments | 1,420 | 281 | 1,139 |
| Derivatives financial instruments | 2,411 | 324 | 2,088 |
| Taxes Payables | 2,773 | 1,187 | 1,586 |
| TOTAL CURRENT ASSETS*: | 17,818 | 10,971 | 6,847 |

* Does not include cash or debt derivatives assets

| CURRENT LIABILITIES | Dic 21 | Dic 20 | Variation |
|--|---------------|--------------|--------------|
| Provisions | 789 | 579 | 209 |
| Derivatives financial instruments | 1,588 | 129 | 1,460 |
| Trade and other payables | 9,780 | 7,759 | 2,021 |
| Equity instruments with characteristics of financial liabilities | 100 | 57 | 43 |
| Taxes Payables | 1,432 | 1,404 | 28 |
| TOTAL Current Liabilities **:: | 13,689 | 9,928 | 3,761 |

**Does not include financial debt or debt derivatives liabilities

| | | | |
|---------------------------|--------------|--------------|--------------|
| NET CURRENT ASSETS | 4,130 | 1,043 | 3,086 |
|---------------------------|--------------|--------------|--------------|

6. Funds from operations

Funds from Operations (FFO) amounted to EUR 8,913,6 million in 2021, up 8.6% versus in 2020.

| | Dec 21 | Dec 20 | Change |
|--|----------------|----------------|--------------|
| Net profit attributed (+) | 3,884.8 | 3,610.7 | 274.1 |
| Depreciation and amortisation charges and provisions (-) | 4,662.9 | 4,473.9 | 189.0 |
| Results of companies accounted for using the equity method (-) | 74.1 | -460.6 | 534.6 |
| Gains/(losses) on non-current assets (-) | - | - | - |
| Extraordinary corporate income tax (-) | - | - | - |
| Discount to present value of provisions (-) | 116.0 | 130.2 | -14.2 |
| Minorities (-) | 466.8 | 340.6 | 126.2 |
| Adjustment for tax deductible items (-) | 470.9 | 137.2 | 333.8 |
| Dividends on companies accounted for using the equity method (+) | 48.7 | 56.6 | -8.0 |
| Capital grants taken to profit or loss (+) | -81.0 | -78.2 | -2.7 |
| Other P&L adjustments (+) | -729.7 | - | -729.7 |
| Funds from operations (FFO) | 8,913.6 | 8,210.4 | 703.2 |
| Exit plan | 72.4 | 45.0 | 27.4 |
| Proforma new acquisitions | 7.3 | 36.5 | -29.2 |
| Adjusted funds from operations (FFO) | 8,993.2 | 8,291.9 | 701.3 |
| Dividends* | -953.7 | -786.7 | -203.4 |
| Adjusted retained cash flow (RCF) | 8,039.5 | 7,505.2 | 499.5 |

* Cash dividends + Dividends paid to minority interests + Hybrid issue interest

7. Financial transactions

New financing

The Iberdrola Group has signed new transactions worth EUR 16,412 (including subsequent events) million from various financing sources

| Product (EUR million) | Q1 | Q2 | Q3 | Q4 | Total |
|--------------------------------|--------------|--------------|--------------|--------------|---------------|
| Hybrid Bonds | 2,000 | | | 750 | 2,750 |
| Senior bonds | 563 | 109 | 1,001 | 639 | 2,312 |
| Commercial paper* | 2,000 | | | | 2,000 |
| Bank loans | 303 | 632 | 63 | 353 | 1,351 |
| Bank credits | 2,625 | 248 | 203 | 1,029 | 4,105 |
| Multilateral development banks | 100 | 126 | 550 | 454 | 1,230 |
| Structured financing | | | 2,190 | 474 | 2,664 |
| Total new financing | 7,591 | 1,113 | 4,006 | 3,699 | 16,412 |

* Extension of ECP program limit up to EUR 5,000 M

| Borrower | Transaction | Amount | Currency | Coupon | Maturity |
|---|--|----------|----------|---------------|-----------|
| First quarter | | | | | |
| Neoenergia | Public bond (debenture) | 2,000.0 | BRL | CDI+1.46% | Aug-22 |
| Iberdrola International | Public hybrid green bond | 1,000.0 | EUR | 1.450% | Perpetual |
| Iberdrola International | Public hybrid green bond | 1,000.0 | EUR | 1.825% | Perpetual |
| Neoenergia | Loan 4,131 | 500.0 | BRL | | Mar-22 |
| Coelba (1) | Loan 4,131 | 3,884.0 | JPY | | Jan-22 |
| Coelba (1) | Loan 4,131 | 36.8 | USD | | Feb-24 |
| Elektro | Loan 4,131 | 200.0 | BRL | | Mar-26 |
| Neoenergia Distribuição Brasília | Loan 4,131 | 200.0 | BRL | | Mar-26 |
| Iberdrola Financiación | Bilateral loan | 50.0 | EUR | | Feb-28 |
| Iberdrola Financiación | Bilateral loan | 50.0 | EUR | | Mar-28 |
| Iberdrola Financiación (2) | Bilateral credit facility | 125.0 | EUR | | Oct-22 |
| Iberdrola Financiación | EIB loan | 100.0 | EUR | | Jul-28 |
| Second quarter | | | | | |
| Elektro | Public bond (debenture) | 405.0 | BRL | CDI+1.60% | May-26 |
| Elektro | Public bond (debenture) | 295.0 | BRL | CDI+1.79% | May-28 |
| Iberdrola Finanzas ⁽⁶⁾ | Private bond | 250.0 | EUR | EUR+0.65% (3) | Apr-23 |
| Neoenergia Distribuição Brasília ⁽¹⁾ | Loan 4,131 | 35.6 | USD | | Apr-26 |
| Neoenergia Guanabara | Loan 4,131 | 200.0 | BRL | | Jun-22 |
| Neoenergia Lagoa Dos Patos ⁽¹⁾ | Loan 4,131 | 31.3 | USD | | Jun-22 |
| Neoenergia Vale Do Itajaí ⁽¹⁾ | Loan 4,131 | 13.1 | USD | | Jun-22 |
| Celpe ⁽¹⁾ | Loan 4,131 | 39.1 | USD | | Jun-26 |
| Neoenergia Guanabara ⁽¹⁾ | Loan 4,131 | 14.8 | USD | | Jul-22 |
| Neoenergia Vale Do Itajaí ⁽¹⁾ | Loan 4,131 | 60.2 | USD | | Jul-22 |
| Energías Renovables Ibermap | Bilateral loan | 96.0 | EUR | | Dec-21 |
| Iberdrola Financiación | Bilateral loan | 100.0 | EUR | | Jun-26 |
| Iberdrola Financiación ^{(2) (6)} | Sustainable syndicated credit facility | 2,500.0 | EUR | | Apr-26 |
| Iberdrola Financiación ⁽²⁾ | Sustainable bilateral credit facility | 16,000.0 | JPY | | Jun-26 |
| Iberdrola Financiación(2) | Bilateral credit facility | 125.0 | EUR | | Jan-23 |
| Coelba ⁽¹⁾ | Development bank loan | 9,900.0 | JPY | | Mar-31 |
| Coelba ⁽¹⁾ | Development bank loan | 5,053.0 | JPY | | Mar-26 |
| Third quarter | | | | | |
| Neoenergia Distribuição Brasília | Public bond (debenture) | 300.0 | BRL | CDI+1.60% | Aug-28 |
| Elektro | Green promissory notes | 500.0 | BRL | CDI+1.58% | Aug-26 |
| RG&E | Private bond | 125.0 | USD | 2.100% | Dec-31 |
| RG&E | Private green bond | 125.0 | USD | 2.910% | Dec-51 |
| CMP) | Private bond | 200.0 | USD | 2.050% | Dec-31 |
| SCG | Private bond | 40.0 | USD | 2.050% | Dec-31 |

| Borrower | Transaction | Amount | Currency | Coupon | Maturity |
|-------------------------------------|--|---------|----------|------------|-----------|
| UI | Private green bond | 150.0 | USD | 2.250% | Jan-32 |
| NYSEG | Public green bond | 350.0 | USD | 2.150% | Oct-31 |
| Celpe (1) | Loan 4,131 | 38.0 | USD | | Aug-26 |
| Coelba (1) | Loan 4,131 | 38.4 | USD | | Sep-26 |
| Celpe | Bilateral credit facility | 200.0 | BRL | | Aug-24 |
| Coelba | Bilateral credit facility | 300.0 | BRL | | Aug-24 |
| Cosern | Bilateral credit facility | 100.0 | BRL | | Aug-24 |
| Elektro | Bilateral credit facility | 200.0 | BRL | | Aug-24 |
| Neoenergia Distribuição Brasília | Bilateral credit facility | 200.0 | BRL | | Aug-24 |
| Neoenergia | Bilateral credit facility | 300.0 | BRL | | Aug-24 |
| Iberdrola Financiación (6) | Sustainable bilateral loan | 250.0 | EUR | | Jul-26 |
| Iberdrola Financiación (6) | Green ICO loan | 6.0 | EUR | | Jul-30 |
| Iberdrola Financiación (4) | Green EIB loan | 550.0 | EUR | | 15 years |
| Avangrid Renewables | Green TEI | 130.9 | USD | | Sep-31 |
| Vineyard Wind 1 LLC | Green project finance | 2,344.0 | USD | | - |
| Fourth quarter | | | | | |
| Coelba | Public green bond (debenture) | 160.0 | BRL | CDI+1.34% | Oct-26 |
| Coelba | Public green bond (debenture) | 320.0 | BRL | CDI+1.49% | Oct-28 |
| Coelba | Green public infrastructure bond (debenture) | 320.0 | BRL | IPCA+5.82% | Oct-31 |
| Coelba | Public green bond (debenture) | 266.0 | BRL | CDI+1.34% | Dec-26 |
| Coelba | Public bond (debenture) | 534.0 | BRL | CDI+1.49% | Dec-28 |
| Celpe | Public bond (debenture) | 100.0 | BRL | CDI+1.39% | Oct-26 |
| Celpe | Public bond (debenture) | 200.0 | BRL | CDI+1.54% | Oct-28 |
| Celpe | Green public infrastructure bond (debenture) | 200.0 | BRL | IPCA+5.88% | Oct-31 |
| Celpe | Public bond (debenture) | 166.7 | BRL | CDI+1.39% | Dec-26 |
| Celpe | Public bond (debenture) | 333.3 | BRL | CDI+1.54% | Dec-28 |
| Elektro | Public bond (debenture) | 130.0 | BRL | CDI+1.29% | Oct-26 |
| Elektro | Public bond (debenture) | 260.0 | BRL | CDI+1.44% | Oct-28 |
| Elektro | Public infrastructure bond (debenture) | 260.0 | BRL | IPCA+5.77% | Oct-31 |
| Cosern | Public green bond (debenture) | 66.7 | BRL | CDI+1.29% | Dec-26 |
| Cosern | Public green bond (debenture) | 133.3 | BRL | CDI+1.44% | Dec-28 |
| Iberdrola Finanzas | Public hybrid green bond | 750.0 | EUR | 1.575% | Perpetual |
| Coelba(1) | Loan 4131 | 17.7 | USD | | Dec-26 |
| Celpe(1) | Loan 4131 | 17.7 | USD | | Dec-26 |
| Elektro(1) | Loan 4131 | 35.2 | USD | | Jan-27 |
| Neoenergia Distribuição Brasília(1) | Loan 4131 | 53.1 | USD | | Dec-26 |
| Iberdrola Financiación | Bilateral loan | 100.0 | EUR | | Nov-23 |
| Iberdrola | Syndicated loan | 127.0 | EUR | | Dec-27 |
| Coelba | Bilateral credit facility | 200.0 | BRL | | Dec-24 |
| Cosern | Bilateral credit facility | 100.0 | BRL | | Dec-24 |
| Elektro | Bilateral credit facility | 200.0 | BRL | | Dec-24 |
| Avangrid(2) | Sustainable syndicated credit facility | 1,075.0 | USD | | Nov-26 |
| Iberdrola Financiación (4) | Green EIB loan | 50.0 | EUR | | Dec-38 |
| Neoenergia (4) | Green EIB loan | 200.0 | EUR | | Dec-34 |
| Neoenergia Vale Do Itajai (4) | BNDES loan | 1,305.0 | BRL | | Dec-45 |
| Avangrid Renewables | Green TEI | 199.3 | USD | | Nov-31 |
| Alto de Layna wind farms | Green project finance | 106.0 | EUR | | Dec-32 |
| Energías Renovables Ibermap | Green project finance | 192.0 | EUR | | Jun-35 |
| Subsequent events (7) | | | | | |
| Iberdrola Finanzas | Private bond | 100.0 | BRL | 1.00% | Feb-37 |
| Coelba | Loan 4131 | 19.8 | USD | | Feb-27 |

- (1) Currency swaps arranged to the company's functional currency.
 (2) With extension option.
 (3) The coupon amounts to Euribor 3M + 65 bp because the fixed price is 100.916%.
 (4) Financing planned to be drawn down between 2022-2024. Maximum maturity possible if the amortisable option is chosen.

- (5) Extension of the ECP programme limit to EUR 5,000 million and incorporation of the sustainable seal.
 (6) Transactions included in the previous quarter's prospectus as a subsequent event.
 (7) Transactions signed after 31/12/2021.

Extension of existing financing

| Borrower | Transaction | Amount | Currency | Extension* | Maturity |
|------------------------|--|--------|----------|------------|----------|
| Iberdrola Financiación | Sustainable syndicated credit facility | 1,500 | EUR | - | Mar-26 |
| Iberdrola Financiación | Bilateral credit facility | 125 | EUR | - | Oct-23 |
| Iberdrola Financiación | Bilateral credit facility | 125 | EUR | 6 months | Jul-23 |

* Remaining maturity extension option

Fourth quarter transactions

The transactions formalised from the date of publication of the third-quarter prospectus to the date of the current prospectus are described below.

Capital market

Commercial paper

The commercial paper markets remained stable throughout the fourth quarter, with an average ECP balance of EUR 3,600 million and competitive issuance levels across all terms. The programme ended the year with an outstanding balance of EUR 3,553 million and a half-life of approximately four months.

Bonds

The Iberdrola Group concluded 12 bond issuances during the fourth quarter through its subsidiary in Brazil, with a total equivalent to EUR 539 million:

- Nine public bonds totalling BRL 2,670 million with an average cost equivalent to 1.44% above the CDI with maturities in 2026 (BRL 889 million) and 2051 (BRL 1,781 million), with BRL 946 million of this being green.
- Three public infrastructure bonds for a total of BRL 780 million, with an average cost equivalent to the IPCA plus 5.82% and maturity in October 2031, of which BRL 520 million is green.

The green bonds will be used to finance various distribution projects in Brazil.

Iberdrola also made two issuances:

- In November, it issued a hybrid green bond worth EUR 750 million, with a coupon of 1.575%, to finance renewable projects in Australia and Poland.

- In January, it concluded a private placement worth EUR 100 million, with a coupon of 1% and maturity in February 2037.

Banking market

The Iberdrola Group signed six bank loans for a total equivalent to EUR 336 million:

- Four Neoenergia loans under the terms of Decree 4131 for a total equivalent to BRL 700 million with an average term of approximately five years.
- Two Iberdrola loans for a total of EUR 227 million: one bilateral loan with maturity in November 2023 and a syndicated loan with maturity in December 2027

In addition, in December, Neoenergia signed three bilateral credit lines for a total of BRL 500 million with maturity in December 2024, in order to enable more efficient management of the Group's cash and liquidity.

Finally, the Iberdrola Group granted two credit line extensions in November and a third in February 2022:

- Avangrid increased the limit of its sustainable syndicated line by USD 1,075 million to USD 3,575 million, and postponed its maturity until November 2026 with a 1+1-year extension option.
- Iberdrola extended its new EUR 125 million bilateral line of credit, arranged in the second quarter, by six months, with the option of extending the contract again for a further six months.
- In February 2022, Iberdrola triggered the second six-month extension option for the new EUR 125 million bilateral line of credit arranged in the first quarter.

Development and multilateral banks

The Iberdrola Group signed the following with the EIB in December:

- A green loan worth EUR 200 million for the financing of various land-based wind energy and photovoltaic projects in Brazil.
- A EUR 50 million extension to the green loan worth EUR 550 million arranged in July to finance the new distribution investment programme in Spain from 2021 to 2023.

In addition, in December, Neoenergia signed a loan with the BNDES (*banco nacional do desenvolvimento* — Brazilian national development bank) worth EUR 1,305 million with maturity in December 2035.

Structured financing

In the fourth quarter, the Iberdrola Group signed two green project finance loans totalling EUR 298 million to finance various onshore wind farms in Spain with maturities in December 2032 and June 2035.

Finally, in November, Avangrid arranged financing for Aeolus VIII of USD 199 million in the form of tax equity investment to monetise the tax credits from various wind farms.

8. Credit ratings

| | Moody's | | | Standard and Poor's | | | Fitch Ibca | | |
|---|---------|----------|-----------|---------------------|---------|------------|------------|----------|-----------|
| | Rating | Outlook | Date | Rating | Outlook | Date | Rating | Outlook | Date |
| Iberdrola S.A. | Baa1 | Stable | June 2021 | BBB+ | Stable | Oct. 2021 | BBB+ | Stable | May 2021 |
| Iberdrola Finance Ireland Ltd.(*) | Baa1 | Stable | June 2021 | BBB+ | Stable | Oct. 2021 | BBB+ | Stable | May 2021 |
| Iberdrola Finanzas S.A.U.(*) | Baa1 | Stable | June 2021 | BBB+ | Stable | Oct. 2021 | BBB+ | Stable | May 2021 |
| Iberdrola International B.V.(*) | Baa1 | Stable | June 2021 | BBB+ | Stable | Oct. 2021 | BBB+ | Stable | May 2021 |
| Avangrid | Baa2 | Stable | July 2021 | BBB+ | Stable | March 2021 | BBB+ | Negative | Oct. 2021 |
| CMP | A2 | Stable | Feb. 2022 | A | Stable | Sep. 2021 | BBB+ | Stable | Oct. 2021 |
| NYSEG | Baa1 | Stable | July 2021 | A- | Stable | Oct. 2021 | BBB+ | Stable | Oct. 2021 |
| RG&E | Baa1 | Stable | July 2021 | A- | Stable | Oct. 2021 | BBB+ | Stable | Oct. 2021 |
| UI | Baa1 | Positive | Feb. 2022 | A- | Stable | March 2021 | A- | Stable | Oct. 2021 |
| CNG | A2 | Stable | July 2021 | A- | Stable | March 2021 | A- | Stable | Oct. 2021 |
| SCG | A3 | Stable | Dec. 2021 | A- | Stable | March 2021 | A- | Stable | Oct. 2021 |
| BGC | A3 | Stable | Dec. 2021 | A- | Stable | March 2021 | A- | Stable | Oct. 2021 |
| Scottish Power Ltd | Baa1 | Stable | July 2021 | BBB+ | Stable | Dec. 2020 | BBB+ | Stable | May 2021 |
| Scottish Power UK Plc | Baa1 | Stable | July 2021 | BBB+ | Stable | Dec. 2020 | BBB+ | Stable | May 2021 |
| Scottish Power Energy Networks Holdings Ltd | | | | BBB+ | Stable | Dec. 2020 | | | |
| SP Transmission plc | Baa1 | Stable | July 2021 | BBB+ | Stable | Dec. 2020 | | | |
| SP Manweb plc | Baa1 | Stable | July 2021 | BBB+ | Stable | Dec. 2020 | | | |
| SP Distribution plc | Baa1 | Stable | July 2021 | BBB+ | Stable | Dec. 2020 | | | |
| ScottishPower Energy Management Ltd. | Baa1 | Stable | July 2021 | BBB+ | Stable | Dec. 2020 | | | |
| ScottishPower Energy Retail Ltd. | Baa1 | Stable | July 2021 | BBB+ | Stable | Dec. 2020 | | | |
| ScottishPower Renewables (WODS) Limited | Baa1 | Stable | Sep. 2021 | | | | | | |
| Neoenenergía | | | | BB- | Stable | March 2021 | | | |
| Elektro | | | | BB- | Stable | March 2021 | | | |
| Coelba | | | | BB- | Stable | March 2021 | | | |
| Celpe | | | | BB- | Stable | March 2021 | | | |
| Cosern | | | | BB- | Stable | March 2021 | | | |
| Neoenenergía (national scale) | | | | brAAA | Stable | March 2021 | | | |
| Coelba (national scale) | | | | brAAA | Stable | March 2021 | | | |
| Celpe (national scale) | | | | brAAA | Stable | March 2021 | | | |
| Cosern (national scale) | | | | brAAA | Stable | March 2021 | | | |
| Elektro (national scale) | | | | brAAA | Stable | March 2021 | | | |

(*) Guaranteed by Iberdrola S.A.
Date related to latest review

Financial Statements Tables

Balance Sheet Dec-2021 *(Unaudited)*

EUR M

| ASSETS | December 2021 | December 2020 | Variation |
|---|----------------|----------------|---------------|
| NON-CURRENT ASSETS | 119,369 | 107,546 | 11,822 |
| Intangible assets | 19,909 | 18,222 | 1,686 |
| Goodwill | 8,312 | 7,613 | 699 |
| Other intangible assets | 11,596 | 10,609 | 987 |
| Real Estate properties | 310 | 301 | 8 |
| Property, plant and equipment | 79,981 | 71,779 | 8,202 |
| Property, plant and equipment | 70,919 | 64,879 | 6,040 |
| Property, plant and equipment in the course of construction | 9,062 | 6,900 | 2,162 |
| Right of use | 2,260 | 1,974 | 286 |
| Non current financial investments | 6,499 | 5,461 | 1,038 |
| Investments accounted by equity method | 1,058 | 1,145 | -87 |
| Non-current financial assets | 25 | 38 | -12 |
| Other non-current financial assets | 3,994 | 2,909 | 1,085 |
| Derivative financial instruments | 1,421 | 1,369 | 52 |
| Non-current trade and other receivables | 3,764 | 3,161 | 603 |
| Tax receivables | 729 | 666 | 63 |
| Deferred tax assets | 5,918 | 5,982 | -64 |
| CURRENT ASSETS | 22,384 | 14,972 | 7,411 |
| Assets held for disposal | 124 | - | 124 |
| Nuclear fuel | 267 | 260 | 8 |
| Inventories | 2,639 | 2,443 | 196 |
| Current trade and other receivables | 10,956 | 7,664 | 3,291 |
| Tax receivables | 367 | 564 | -197 |
| Other tax receivables | 2,406 | 623 | 1,784 |
| Trade and other receivables | 8,183 | 6,478 | 1,705 |
| Current financial assets | 4,364 | 1,178 | 3,186 |
| Other current financial assets | 1,533 | 578 | 955 |
| Derivative financial instruments | 2,831 | 601 | 2,230 |
| Cash and cash equivalents | 4,033 | 3,427 | 606 |
| TOTAL ASSETS | 141,752 | 122,518 | 19,234 |

EUR M

| EQUITY AND LIABILITIES | December 2021 | December 2020 | Variation |
|--|----------------------|----------------------|------------------|
| EQUITY: | 56,126 | 47,219 | 8,907 |
| Of shareholders of the parent | 40,479 | 35,413 | 5,066 |
| Share capital | 4,775 | 4,763 | 12 |
| Adjustments for changes in value | 547 | -242 | 789 |
| Other reserves | 35,912 | 34,421 | 1,491 |
| Treasury stock | -1,860 | -1,985 | 125 |
| Translation differences | -2,779 | -5,154 | 2,375 |
| Net profit of the period | 3,885 | 3,611 | 274 |
| Of minority interests | 7,397 | 6,306 | 1,091 |
| Hybrids | 8,250 | 5,500 | 2,750 |
| NON-CURRENT LIABILITIES | 61,273 | 57,369 | 4,538 |
| Deferred income | 1,261 | 1,240 | 21 |
| Facilities transferred and financed by third parties | 5,424 | 5,043 | 381 |
| Provisions | 5,330 | 5,836 | -506 |
| Provisions for pensions and similar obligations | 1,592 | 2,318 | -725 |
| Other provisions | 3,738 | 3,518 | 220 |
| Non Current Financial payables | 37,318 | 35,096 | 2,857 |
| Financial Debt- Loans and other | 31,180 | 30,335 | 845 |
| Equity Instruments having the substance of a financial liability | 525 | 334 | 191 |
| Derivative financial instruments | 1,673 | 991 | 1,317 |
| Leases | 2,253 | 1,927 | 326 |
| Other financial liabilities | 1,688 | 1,510 | 179 |
| Other non-current payables | 275 | 262 | 14 |
| Tax payables | 300 | 285 | 14 |
| Deferred tax liabilities | 11,363 | 9,607 | 1,757 |
| CURRENT LIABILITIES | 24,353 | 17,930 | 5,789 |
| Provisions | 789 | 579 | 209 |
| Provisions for pensions and similar obligations | 27 | 23 | 4 |
| Other provisions | 762 | 557 | 205 |
| Current financial payables | 21,297 | 15,469 | 5,194 |
| Financial Debt- Loans and other | 9,984 | 7,703 | 2,281 |
| Equity Instruments having the substance of a financial liability | 100 | 57 | 43 |
| Derivative financial instruments | 2,111 | 297 | 1,814 |
| Leases | 158 | 131 | 27 |
| Trade payables | 5,964 | 5,137 | 827 |
| Other financial liabilities | 2,980 | 2,144 | 835 |
| Other current payables | 2,268 | 1,882 | 386 |
| Current tax liabilities and other tax payables | 227 | 178 | 49 |
| Other tax payables | 1,205 | 1,226 | -21 |
| Other current liabilities | 836 | 478 | 358 |
| TOTAL EQUITY AND LIABILITIES | 141,752 | 122,518 | 19,234 |

Profit and Loss *(Unaudited)*

| | EUR M | | |
|---|------------------|------------------|----------------|
| | Dec 2021 | Dec 2020 (*) | % |
| REVENUES | 39,113.5 | 33,145.1 | 18.0 |
| PROCUREMENTS | (22,051.7) | (17,000.0) | 29.7 |
| GROSS MARGIN | 17,061.7 | 16,145.1 | 5.7 |
| NET OPERATING EXPENSES | (4,227.4) | (4,286.0) | (1.4) |
| Personnel | (3,002.3) | (2,809.7) | 6.9 |
| Capitalized personnel costs | 716.0 | 660.7 | 8.4 |
| External Services | (2,935.7) | (2,841.2) | 3.3 |
| Other Operating Income | 994.6 | 704.2 | 41.2 |
| LEVIES | (828.6) | (1,820.9) | (54.5) |
| EBITDA | 12,005.7 | 10,038.2 | 19.6 |
| AMORTISATIONS AND PROVISIONS | (4,662.9) | (4,473.9) | 4.2 |
| EBIT / Operating Profit | 7,342.8 | 5,564.3 | 32.0 |
| Financial Expenses | (2,268.0) | (2,029.5) | 11.8 |
| Financial Income | 1,264.8 | 1,038.5 | 21.8 |
| FINANCIAL RESULT | (1,003.2) | (991.0) | 1.2 |
| RESULTS OF COMPANIES CONSOLIDATED BY EQUITY METHOD | (74.1) | 460.6 | (116.1) |
| PBT | 6,265.6 | 5,033.9 | 24.5 |
| Corporate Tax | (1,914.0) | (1,082.6) | 76.8 |
| Minorities | (466.8) | (340.6) | 37.1 |
| NET PROFIT | 3,884.8 | 3,610.7 | 7.6 |

(*) *Restated*

Results by Business (Unaudited)

EUR M

| 2021 | Networks | Electricity Production and Customers | Other businesses | Corporation and adjustments |
|--|------------------|--|---------------------|--------------------------------|
| Revenues | 14,887.4 | 24,888.2 | 59.6 | (721.7) |
| Procurements | (6,614.3) | (16,081.7) | (34.3) | 678.6 |
| GROSS MARGIN | 8,273.1 | 8,806.5 | 25.3 | (-43.1) |
| NET OPERATING EXPENSES | (2,207.2) | (2,226.9) | 12.4 | 194.3 |
| Personnel | (1,700.0) | (957.5) | (13.3) | (331.6) |
| Capitalized personnel costs | 531.4 | 176.3 | - | 8.2 |
| External Services | (1,513.5) | (1,946.1) | (5.3) | 529.2 |
| Other Operating Income | 474.9 | 500.3 | 31.0 | (11.5) |
| LEVIES | (671.5) | (156.8) | (0.7) | 0.4 |
| EBITDA | 5,394.4 | 6,422.9 | 37.0 | 151.5 |
| Amortisation and Provisions | (2,032.8) | (2,510.1) | (10.0) | (110.1) |
| EBIT/Operating Profit | 3,361.6 | 3,912.8 | 27.0 | 41.4 |
| Financial Result | (589.9) | (135.2) | 48.3 | (326.2) |
| Results of companies consolidated by equity method | 13.0 | (56.5) | (28.6) | (1.9) |
| PBT | 2,784.6 | 3,721.0 | 46.6 | (286.7) |
| Corporate tax and minority shareholders | (1,318.6) | (1,242.7) | (13.8) | 194.3 |
| NET PROFIT | 1,466.0 | 2,478.3 | 32.8 | (92.4) |

EUR M

| 2020 (*) | Networks | Electricity Production and Customers | Other businesses | Corporation and adjustments |
|--|------------------|--|---------------------|--------------------------------|
| Revenues | 12,899.9 | 20,691.6 | 106.8 | (553.3) |
| Procurements | (5,284.5) | (12,141.3) | (90.9) | 516.7 |
| GROSS MARGIN | 7,615.4 | 8,550.4 | 15.9 | (-36.6) |
| NET OPERATING EXPENSES | (2,147.0) | (2,207.9) | (15.2) | 84.1 |
| Personnel | (1,601.6) | (851.0) | (11.9) | (345.3) |
| Capitalized personnel costs | 486.0 | 169.7 | - | 5.0 |
| External Services | (1,463.8) | (1,841.7) | (4.6) | 468.9 |
| Other Operating Income | 432.4 | 315.1 | 1.3 | (44.6) |
| LEVIES | (685.4) | (1,169.8) | (1.1) | 35.4 |
| EBITDA | 4,783.0 | 5,172.7 | (0.4) | 82.9 |
| Amortisation and Provisions | (1,902.9) | (2,444.3) | (10.6) | (116.1) |
| EBIT/Operating Profit | 2,880.1 | 2,728.4 | (11.0) | (33.1) |
| Financial Result | (471.1) | (271.0) | (0.8) | (248.2) |
| Results of companies consolidated by equity method | 13.8 | (18.5) | 469.5 | (4.2) |
| PBT | 2,422.9 | 2,438.9 | 457.7 | (285.5) |
| Corporate tax and minority shareholders | (860.8) | (786.9) | 23.7 | 200.8 |
| NET PROFIT | 1,562.0 | 1,651.9 | 481.5 | (84.7) |

(*) Restated

Networks Business (Unaudited)

EUR M

| 2021 | SPAIN | UNITED KINGDOM | USA | BRAZIL |
|--|----------------|----------------|----------------|----------------|
| Revenues | 1,985.8 | 1,433.5 | 4,535.4 | 6,933.1 |
| Procurements | (5.0) | (52.0) | (1,624.2) | (4,933.5) |
| GROSS MARGIN | 1,980.8 | 1,381.4 | 2,911.2 | 1,999.6 |
| NET OPERATING EXPENSES | (272.1) | (216.5) | (1,181.2) | (537.3) |
| Personnel | (326.4) | (253.2) | (781.3) | (339.1) |
| Capitalized personnel costs | 138.3 | 162.2 | 231.0 | - |
| External Services | (278.1) | (196.9) | (735.0) | (303.8) |
| Other Operating Income | 194.1 | 71.3 | 104.1 | 105.6 |
| LEVIES | (76.7) | (112.1) | (479.5) | (3.2) |
| EBITDA | 1,632.0 | 1,052.8 | 1,250.5 | 1,459.1 |
| Amortisation and Provisions | (607.4) | (395.5) | (650.9) | (379.0) |
| EBIT/Operating Profit | 1,024.6 | 657.3 | 599.6 | 1,080.1 |
| Financial Result | (59.8) | (116.4) | (116.4) | (297.3) |
| Results of companies consolidated by equity method | 2.3 | - | 10.7 | - |
| PBT | 967.1 | 540.8 | 493.9 | 782.8 |
| Corporate tax and minority shareholders | (197.9) | (430.9) | (208.5) | (481.2) |
| NET PROFIT | 769.2 | 109.9 | 285.4 | 301.6 |

EUR M

| 2020 (*) | SPAIN | UNITED KINGDOM | USA | BRAZIL |
|--|----------------|----------------|----------------|----------------|
| Revenues | 1,965.1 | 1,361.9 | 4,077.5 | 5,495.5 |
| Procurements | (1.2) | (59.6) | (1,302.9) | (3,920.7) |
| GROSS MARGIN | 1,963.9 | 1,302.3 | 2,774.6 | 1,574.8 |
| NET OPERATING EXPENSES | (261.5) | (193.5) | (1,199.7) | (492.4) |
| Personnel | (316.5) | (237.4) | (764.6) | (283.1) |
| Capitalized personnel costs | 123.4 | 148.1 | 214.5 | - |
| External Services | (265.8) | (165.7) | (736.6) | (296.1) |
| Other Operating Income | 197.4 | 61.5 | 86.9 | 86.7 |
| LEVIES | (88.0) | (108.0) | (486.0) | (3.3) |
| EBITDA | 1,614.4 | 1,000.8 | 1,088.8 | 1,079.0 |
| Amortisation and Provisions | (565.6) | (355.9) | (600.6) | (380.8) |
| EBIT/Operating Profit | 1,048.8 | 644.8 | 488.3 | 698.2 |
| Financial Result | (64.8) | (133.0) | (128.6) | (144.7) |
| Results of companies consolidated by equity method | 2.9 | - | 10.9 | - |
| PBT | 986.9 | 511.8 | 370.6 | 553.5 |
| Corporate tax and minority shareholders | (181.9) | (200.1) | (141.6) | (337.2) |
| NET PROFIT | 805.0 | 311.7 | 229.0 | 216.3 |

(*) Restated

Electricity Production and Customers (Unaudited)

EUR M

| 2021 | SPAIN | UNITED KINGDOM | US | MEXICO | BRAZIL | Iberdrola Energía Internacional (IEI) | Adjustments* |
|--|----------------|----------------|----------------|----------------|---------------|---------------------------------------|----------------|
| Revenues | 13,506.7 | 4,908.5 | 1,216.6 | 3,489.4 | 541.1 | 2,160.3 | - |
| Procurements | (9,101.3) | (3,405.6) | (212.7) | (2,459.8) | (225.6) | (1,611.2) | - |
| GROSS MARGIN | 4,405.3 | 1,502.9 | 1,003.9 | 1,029.6 | 315.5 | 549.1 | - |
| NET OPERATING EXPENSES | (787.0) | (688.6) | (232.1) | (247.3) | (63.6) | (210.3) | - |
| Personnel | (460.0) | (182.4) | (154.2) | (54.4) | (25.3) | (81.2) | - |
| Capitalized personnel costs | 65.6 | 27.9 | 14.7 | 14.5 | 3.2 | 27.5 | - |
| External Services | (805.0) | (584.9) | (169.6) | (221.9) | (44.7) | (192.2) | - |
| Other Operating Income | 412.4 | 50.8 | 77.0 | 14.5 | 3.1 | 35.5 | - |
| LEVIES | (873.9) | (127.0) | (52.4) | (3.5) | (0.7) | (12.2) | 912.9 |
| EBITDA | 2,744.5 | 687.3 | 719.4 | 778.7 | 251.2 | 326.6 | 912.9 |
| Amortisation and Provisions | (801.7) | (595.0) | (537.7) | (229.0) | (59.0) | (288.6) | - |
| EBIT/Operating Profit | 1,942.8 | 92.3 | 181.8 | 549.8 | 192.2 | 38.0 | 912.9 |
| Financial Result | (60.2) | (43.0) | (60.9) | (58.5) | (36.1) | (31.1) | 154.5 |
| Results of companies consolidated by equity method | 20.0 | - | (4.3) | - | (68.4) | (3.8) | 0.1 |
| PBT | 1,902.6 | 49.2 | 116.6 | 491.3 | 87.7 | 3.1 | 1,067.5 |
| Corporate tax and minority shareholders | (449.8) | (267.5) | (64.5) | (146.4) | (57.5) | 10.7 | (266.9) |
| NET PROFIT | 1,452.8 | (218.3) | 52.1 | 344.9 | 30.2 | 13.7 | 800.6 |

EUR M

| 2020 (*) | SPAIN | UNITED KINGDOM | USA | MEXICO | BRAZIL | Iberdrola Energía Internacional (IEI) | Adjustments* |
|--|----------------|----------------|----------------|----------------|---------------|---------------------------------------|--------------|
| Revenues | 10,765.4 | 4,556.8 | 1,115.5 | 2,694.1 | 483.3 | 1,649.4 | - |
| Procurements | (6,635.1) | (2,802.1) | (222.4) | (1,660.4) | (249.4) | (1,144.7) | - |
| GROSS MARGIN | 4,130.3 | 1,754.7 | 893.1 | 1,033.7 | 233.9 | 504.7 | - |
| NET OPERATING EXPENSES | (977.3) | (614.7) | (241.8) | (147.4) | (62.9) | (160.1) | - |
| Personnel | (431.2) | (142.5) | (150.6) | (44.3) | (24.9) | (57.4) | - |
| Capitalized personnel costs | 49.3 | 21.4 | 18.1 | 31.9 | 2.5 | 15.3 | - |
| External Services | (802.8) | (521.1) | (185.4) | (195.3) | (40.5) | (154.7) | - |
| Other Operating Income | 207.4 | 27.5 | 76.2 | 60.3 | 0.1 | 36.7 | - |
| LEVIES | (968.3) | (132.2) | (54.5) | (3.3) | (0.7) | (10.7) | - |
| EBITDA | 2,184.7 | 1,007.8 | 596.8 | 883.0 | 170.4 | 333.9 | - |
| Amortisation and Provisions | (854.3) | (557.5) | (564.8) | (197.1) | (63.0) | (208.7) | - |
| EBIT/Operating Profit | 1,330.5 | 450.2 | 32.0 | 685.9 | 107.4 | 125.2 | - |
| Financial Result | (73.2) | (10.8) | (62.0) | (58.0) | (37.6) | (29.3) | - |
| Results of companies consolidated by equity method | 4.2 | 1.4 | (10.8) | - | (13.4) | - | - |
| PBT | 1,261.5 | 440.8 | (40.8) | 627.9 | 56.4 | 95.9 | - |
| Corporate tax and minority shareholders | (314.3) | (200.2) | 32.5 | (224.4) | (29.4) | (51.8) | - |
| NET PROFIT | 947.2 | 240.6 | (8.3) | 403.5 | 27.0 | 44.1 | - |

* Court rulings and legal measures impacts in Spain

Quarterly Results (Unaudited)

Eur M

| | JAN-MAR 2021 | APR-JUN 2021 | JUL-SEPT 2021 | OCT-DEC 2021 |
|--|------------------|------------------|------------------|--------------------|
| Revenues | 10,088.4 | 8,663.7 | 9,247.6 | 11,113.7 |
| Procurements | (5,484.3) | (4,761.9) | (5,167.7) | (6,637.8) |
| GROSS MARGIN | 4,604.1 | 3,901.9 | 4,079.9 | 4,475.8 |
| NET OPERATING EXPENSES | (1,048.7) | (1,071.0) | (1,033.7) | (1,074.0) |
| Personnel | (699.3) | (749.8) | (746.5) | (806.8) |
| Capitalized personnel costs | 158.2 | 182.0 | 175.5 | 200.3 |
| External Services | (669.0) | (742.8) | (719.8) | (804.1) |
| Other Operating Income | 161.4 | 239.7 | 257.0 | 336.6 |
| LEVIES | (741.3) | (201.4) | (324.9) | 438.9 |
| EBITDA | 2,814.1 | 2,629.5 | 2,721.3 | 3,840.8 |
| Amortisation and Provisions | (1,101.4) | (1,100.7) | (1,181.7) | (1,279.0) |
| EBIT/Operating Profit | 1,712.7 | 1,528.8 | 1,539.6 | 2,561.7 |
| Financial Result | (265.4) | (206.3) | (224.4) | (307.1) |
| Results of companies consolidated by equity method | (3.9) | 2.1 | 6.9 | (79.1) |
| PBT | 1,443.4 | 1,324.6 | 1,322.0 | 2,175.5 |
| Corporate Tax | (282.4) | (732.1) | (309.5) | (590.0) |
| Minorities | (135.8) | (86.3) | (135.6) | (109.0) |
| NET PROFIT | 1,025.2 | 506.2 | 876.9 | 1,476.5 |
| | JAN-MAR 2020 | APR-JUN 2020 | JUL-SEPT 2020 | OCT-DEC 2020 |
| Revenues | 9,425.9 | 7,041.4 | 7,780.6 | (24,248.0) |
| Procurements | (4,881.2) | (3,535.9) | (3,989.6) | 12,406.7 |
| GROSS MARGIN | 4,544.8 | 3,505.5 | 3,791.0 | (-11,841.3) |
| NET OPERATING EXPENSES | (1,046.8) | (1,007.0) | (1,017.0) | 3,070.8 |
| Personnel | (730.0) | (688.0) | (688.9) | 2,106.9 |
| Capitalized personnel costs | 172.3 | 174.2 | 164.7 | -511.2 |
| External Services | (673.8) | (690.1) | (663.8) | 2,027.7 |
| Other Operating Income | 184.7 | 196.9 | 170.9 | -552.6 |
| LEVIES | (726.5) | (331.2) | (337.5) | 1,395.2 |
| EBITDA | 2,771.5 | 2,167.3 | 2,436.5 | (7,375.4) |
| Amortisation and Provisions | (1,108.0) | (1,135.4) | (1,113.9) | 3,357.3 |
| EBIT/Operating Profit | 1,663.5 | 1,032.0 | 1,322.6 | (4,018.1) |
| Financial Result | (180.3) | (219.9) | (240.6) | 640.8 |
| Results of companies consolidated by equity method | 485.7 | (9.9) | (10.6) | (465.2) |
| PBT | 1,968.9 | 802.2 | 1,071.5 | (3,842.6) |
| Corporate Tax | (624.5) | (155.8) | (174.1) | 954.5 |
| Minorities | (71.6) | (42.7) | (92.8) | 207.1 |
| NET PROFIT | 1,272.7 | 603.6 | 804.6 | (2,681.0) |

Statement of origin and use of funds (Unaudited)

| | 2021 | 2020 | Variation |
|--|----------------|----------------|----------------|
| Net Profit | 3,885 | 3,611 | 274 |
| Depreciation and amortisation charges and provisions (+) | 4,663 | 4,474 | 189 |
| Results of companies accounted for using the equity method (-) | 74 | (461) | 535 |
| Gains/(losses) on non-current assets (-) | - | - | - |
| Financial revision of provisions (+) | 116 | 130 | (14) |
| Minority interests (+) | 467 | 341 | 126 |
| Adjustment for tax deductible items (+) | 542 | 137 | 405 |
| Dividends on companies accounted for using the equity method (+) | 49 | 57 | (8) |
| Capital grants taken to profit or loss (-) | (81) | (78) | (3) |
| Other adjustments P&L (+) | (801) | - | (801) |
| FFO | 8,914 | 8,210 | 703 |
| Dividends Paid to Iberdrola shareholders | (570) | (563) | (7) |
| Total Cash Flow allocations: | (8,956) | (7,238) | (1,718) |
| <i>Gross Investments</i> | <i>(9,531)</i> | <i>(9,246)</i> | <i>(286)</i> |
| <i>Non core Divestments</i> | <i>133</i> | <i>1,321</i> | <i>(1,188)</i> |
| <i>Treasury stock</i> | <i>(2,308)</i> | <i>(2,313)</i> | <i>5</i> |
| <i>Issuance/ Hybrid</i> | <i>2,750</i> | <i>3,000</i> | <i>(250)</i> |
| Capital Increase | 521 | - | 521 |
| Neoenergia Brasilia acquisition | (409) | - | (409) |
| Translation differences | (1,330) | 2,476 | (3,806) |
| Other variations | (2,146) | (492) | (1,655) |
| Increasing/Decreasing net debt | (3,977) | 2,394 | (6,371) |

Differences may arise due to rounding

Stock market evolution

IBERDROLA stock performance vs. Indexes



IBERDROLA's share

| | 2021 | 2020 |
|--|---------------|---------------|
| Number of outstanding shares | 6,366,088,000 | 6,350,061,000 |
| Price at the end of the period | 10.410 | 11.700 |
| Average price of the period | 10.507 | 10.106 |
| Average daily volume | 13,241,383 | 17,868,633 |
| Maximum volume (03-19-2021 / 03-20-2020) | 56,338,346 | 73,587,123 |
| Minimum (11-02-2021 / 06-01-2020) | 3,983,299 | 1,247,598 |
| Dividends paid (€) ⁽¹⁾ | 0.422 | 0.405 |
| Gross final (02-08-2021 / 02-05-2020) ⁽²⁾ | 0.168 | 0.168 |
| Gross interim (07-29-2021 / 08-01-2019) ⁽²⁾ | 0.254 | 0.232 |
| Shareholder's Meeting attendance bonus | - | 0.005 |
| Dividend yield ⁽³⁾ | 4.05% | 3.46% |

(1) Dividends paid in the last 12 months.

(2) Purchase price of rights guaranteed by Iberdrola.

(3) Dividends paid in the last 12 months and attendance bonus / period-end share price.

Regulation

A In the fourth quarter of 2021 a set of provisions was approved affecting the energy sector. This section sets out the most significant of these.

Regulation in the European Union

Publication of the First Delegated Act on Taxonomy

Having been examined by the Council and Parliament, the European Commission published in the OJEU of 9/12/2021 **Delegated Regulation (EU) 2021/2139** on taxonomy of climate change mitigation and adaptation objectives.

This standard is the first development of the Taxonomy Regulation. Note that said regulation provides for the creation of a **classification system of sustainable activities based on the significant contribution to one of the EU's six environmental objectives** (climate change mitigation, climate change adaptation, air quality, protecting aquatic environments, circular economy and biodiversity), **without negatively impacting any** of the other objectives ("Do No Significant Harm" principle [DNSH]).

The inclusion of gas (as transitional technology) and **nuclear in the taxonomy will be subject to a supplementary standard**. The Commission put this proposal forward to a restricted consultation process (countries and "sustainable finance platform" expert) on 31/12/2021. It has been approved on the 02/02/2022.

Delivering the European Green Deal package of legislation

On 14 July 2021 and 15 December 2021, the European Commission published a package of legislation that details its regulatory proposal to **reduce emissions by 55% by 2030 vs. 1990 levels under the terms established in the "European Climate Law"**. The standards will be negotiated over the next two years, with their proposals focusing on the following aspects:

- Market rules on **CO₂ emission allowances to reduce emissions by 61%** vs. 2005 levels in the so-called "EU-ETS sectors", now including **maritime transport, land transport and construction**.
- **Increasing the renewable target to 40%** by 2030.
- Better energy efficiency with **primary and final energy savings targets of 39% and 36%** by 2030, respectively, vs. business-as-usual scenario.
- **Decarbonisation of the stock of buildings by 2050** (2030 for new ones); **prohibition of financial incentives for the installation of gas boilers** from 2027.
- **Energy taxes** based on the "polluter pays" principle.
- **Further development of recharging infrastructure for clean vehicles in cities, major road networks, ports and airports**.
- 100 percent of new cars and vans to be **zero emission by 2035**.
- **Gas and hydrogen** regulation and directive:
 - **Harmonisation of the retail gas market** with the "Clean Energy Package" for electricity;
 - Demanding that "low carbon" gases reduce emissions by 70% vs. reference fossil fuels;
 - Facilitating access to the gas system for renewable and "low carbon" gases;
 - New standards for the hydrogen market
- **With a view to net zero emissions by 2050, promoting CO₂ absorption** and replacing fossil CO₂ that feeds industrial processes with CO₂ from biomass, waste or the atmosphere.

Regulation in Spain

RD-Law 23/2021 on Consumer protection and transparency in markets and RD-Law 21/2021

Social shield: RD-Law 21/2021, of 26 October, was published in Spain's Official State Gazette (BOE). This extends social protection measures to address situations of social and economic vulnerability. RD-Law 23/2021, of 26 October, was also published, concerning urgent energy measures for consumer

protection and introducing transparency in the wholesale and retail markets for electricity and natural gas. These new pieces of legislation include various measures:

- **Measures to lower electricity bills:** RDL 23/2021 reviews the scope of application of the gas price reduction from RDL 17/2021, making energy from non-emitting facilities contracted on a fixed-price basis exempt from reductions.
- **Consumer protection measures:** In RDL 21/2021, social tariff discounts on electricity have been temporarily increased from 40 to 70% for extremely vulnerable consumers and from 25 to 60% for vulnerable consumers, initially until 28 February. This measure was extended until 30 April 2022 in RDL 29/2021.

RD-Law 27/2021 on Economic recovery measures: Royal Decree-Law 27/2021, of 23 November, extending certain economic measures to support recovery, has been published in the BOE. This new legislation includes various measures:

- i Oil operator exclusivity clauses regarding the installation of EV charging points at their franchised service stations are prohibited.
- ii The gas system is included as a guarantor to recover any deficits that may arise for the reference retailers (CORs) as a result of the restriction on raising the last resort gas tariff.
- iii The coverage by the reference retailers (CORs) of essential natural gas supplies has been extended.
- iv The suspension of the foreign investment liberalisation regime has been extended until 31 December 2022.

RDL 29/2021 Mobility, self-consumption and tax reduction measures: RDL 29/2021 has been published in the BOE. This adopts urgent measures in the energy field for the promotion of electric mobility, self-consumption and the deployment of renewable energies. This new legislation includes various measures:

- i. Extension of the measures to reduce electricity bills during the early part of 2022.

- VAT at 10% and IEE (Special tax on electricity) at 0.5% until 30 April. The generation tax remains suspended during the first quarter.
- Social tariff discounts of 60% for vulnerable customers and 70% for extremely vulnerable customers are extended until 30 April.
- Measures to promote the fulfilment of renewable objectives.
- Measures to encourage the installation of recharging infrastructure for electric vehicles.
- Measures to promote self-consumption.

Resolution tolls T & D 2022: The CNMC resolution establishing transport and distribution tolls for 2022 has been published in the BOE. (CNMC resolution of 16 December 2021 establishing the values of tolls for access to the applicable electricity transport and distribution networks from 1 January 2022.)

- The calculation of tolls is based on an estimate of network costs, as the resolution to set the 2022 rate has not yet been published.
- Toll prices **have been reduced by an average of -4.5%** compared to current prices, taking into account a reduction in transport pay (-13%) and maintenance of distribution (+0.5%).

Order of charges 2022: The Order publishes the values of charges, without information on expected costs and revenues. (Order TED/1484/2021, of 28 December, establishing the prices of the charges for the applicable electricity system from 1 January 2022 and establishing various regulated costs for the electricity system for the 2022 financial year.)

- **Current charges are increased from 1 January to a level 31% below the pre-RDL 17/2021 charges** (which reduced them by 96%). This increase in current charges increases the average voluntary price for small consumers (PVPC) bill by 10%.

Loss incentive parameters: The CNMC resolution of 30 November 2021, establishing an incentive for distribution losses for the second period 2022-2025, has been published. The incentive calculation methodology is a "sum 0" system. (CNMC resolution of 30 November 2021, establishing the adjustment

of the incentive to reduce losses provided for in the DA.8 of Circular 6/2019, of 5 December, establishing the methodology for calculating the remuneration of electricity distribution activities.)

- i. Rewards agents below the required industry averages and penalises those above.
- ii. There is an area-based coefficient, which weights the type of network in each area (urban, semi-urban or rural).
- iii. An adaptation coefficient is established, as well as limits on penalties/increasing annual bonuses.

Major and dominant operators: The lists of major and dominant operators in electricity and gas that the CNMC has approved by Resolution have been published in the BOE. IBERDROLA remains the dominant operator in electricity and a major operator in electricity and gas. (CNMC Resolution of 16 December 2021).

Roadmap for offshore wind development: This sets the target of reaching between 1 and 3 GW of floating offshore wind by 2030. To achieve this, a minimum first allocation of EUR 200 million will be made available until 2023 for R&D, and the needs of the port infrastructure will be assessed, where EUR 500 million to EUR 1,000 million will have to be invested to meet the new logistical needs. In addition, the objectives, lines of action and measures for the development of offshore wind are defined.

Self-consumption roadmap: Identifying challenges and opportunities, and establishing measures to ensure mass deployment in Spain. The forecast is to reach 9 GW of self-consumption installed capacity by 2030 (14 GW in a high penetration scenario), from the current ~2.5 GW.

Regulation in the UK

Applicable tariff cap: As required under the Domestic Gas and Electricity (Tariff Cap) Act 2018, Ofgem (Office of Gas and Electricity Markets) implemented a new price cap for default tariffs, including Standard Variable Tariffs (SVTs), on 1 January 2019. The tariff cap is adjusted on 1 April and 1 October each year

and can be extended annually until 2023. Ofgem must publish a review of market conditions each year to assess whether the cap should be extended for a further year and provide a recommendation to the Secretary of State for BEIS. In October 2021, Ofgem's recommendation was accepted and the current cap price was extended for a year to the end of 2022. The UK Government announced in July 2021 that it intends to legislate to allow the cap to be extended past the end of 2023. Ofgem has consulted, and continues to consult, on the price cap methodology for future periods including for the smart meter allowance and COVID-19-related costs. In November 2021, Ofgem consulted on whether there is a case for short-term adjustments to the price cap to better reflect the costs, risks and uncertainties faced by suppliers in volatile wholesale markets, with a view to implementing changes from April 2022 if appropriate. In mid-December 2021, Ofgem issued consultations on how the current design and operation of the price cap might evolve from October 2022, given the increased volatility of energy prices, and on temporary options ahead of October 2022 to mitigate the impact of a falling wholesale market.

RIIO-T2: During 2021, ScottishPower Energy Networks (SPEN) transitioned to the first year of the five-year RIIO-T2 transmission network price control which runs from 1 April 2021 to 31 March 2026. In October 2021, the Competition and Markets Authority (CMA) published its final determination on the RIIO-T2 appeals made by SPT, National Grid Electricity Transmission and SSEN Transmission, among others. We welcomed the CMA's findings supporting a number of the areas we appealed on but we were disappointed that the CMA did not uphold our case on the cost of equity, given the international competition for investment to deliver net zero.

RIIO-ED2: The next five-year RIIO-ED2 distribution network price control will run from 1 April 2023 to 31 March 2028. SPEN has been working hard to ensure that the price control is set in a way which readies the UK for an electric future. Our final business plan was submitted to Ofgem in December 2021. Over ED2 we have proposed to spend GBP 3.3 billion to

make sure that we can enable the path to net zero. We now await Ofgem's draft determination which will be published in summer 2022.

Carbon pricing: in the UK Government's Autumn Budget it was announced that the current value of the Carbon Price Support Tax (GBP 18 per tCO₂) would be extended until 2023/2024.

Contracts for Difference: The Government proceeded with its plans to hold the next Contracts for Difference auction at the end of 2021 to support renewable generation, including offshore and onshore wind power and solar photovoltaics. The eligibility window for the auction opened on 13 December 2021 running up to 14 January 2022. The Government has indicated that the target for this auction is to support up to double the renewable generation capacity secured in the last Contracts for Difference auction held in 2019, i.e. around 12 GW of renewable generation. Meanwhile, to support the growth of the UK offshore wind sector, the Government has taken forward public investment through a GBP 160 million fund to support the development of offshore wind ports and manufacturing infrastructure. Indeed, the Government announced at the Autumn Spending Review that this fund would be scaled up in future years with a total budget of over GBP 300 million.

Regulation in the USA

Executive Branch: On December 8, President Biden issued an Executive Order requiring the federal government to reach net-zero emissions by 2050. The order directs federal agencies to take multiple steps to achieve this goal including procuring carbon-free electricity by 2030, acquiring zero-emissions vehicles by 2035, and achieving net-zero emissions buildings by 2045.

Congress: On November 5, Congress passed the Infrastructure Investment and Jobs Act, commonly referred to as the Bipartisan Infrastructure Framework (BIF). The BIF is a \$1,200 b spending program over the 2022-2030 horizon, with \$74 b earmarked for energy infrastructure. Some of the most relevant initiatives are:

- Road transport emissions reduction programs (\$18b) aimed at renewing bus fleets and deploying refueling infrastructures with low-emission fuels (electricity, hydrogen or gas).
- Grid improvement programs focused on resilience and smart grids (\$14b).
- Federal Columbia River Power System renewal and upgrade program (\$10b).
- Hydrogen promotion programs (\$9b).
- Nuclear energy support programs (\$8.5b).
- Energy efficiency programs (\$4.8M).
- Port/ferry electrification program (\$2.5b).

The bill also includes provisions supporting the authorization of transmission lines that are deemed to be in the national interest. Federal agencies will begin implementing the legislation in 2022 and federal funding will be spread over the next five years.

In December, Congress passed the Uyghur Forced Labor Prevention Act. The legislation prohibits all imports of goods from China's Xinjiang Uyghur Autonomous Region, including solar products, unless U.S. Customs and Border Protection determines they were not produced with forced labor.

Throughout Q4, Congress worked on the Build Back Better Act. In November, the House passed a \$2T version of the package, including over \$500b for climate and clean energy. While the package stalled in the Senate, Congress is expected to continue work on climate and other provisions in 2022. The measure could include support for climate and clean energy, including long term tax credits for renewable energy deployment.

Offshore wind energy: On October 13, Interior Secretary Deb Haaland announced plans for the Bureau of Ocean Energy Management (BOEM) to hold up to seven offshore wind lease sales by 2025. The lease areas include the Gulf of Maine, New York Bight, Central Atlantic, the Carolinas, Gulf of Mexico, California, and Oregon.

Solar Tariffs: In November, the U.S. Court of International Trade reinstated the exclusion of bifacial

solar modules. The action reverses the Trump-era decision to impose tariffs (18%) on bifacial solar panels. In January 2022, the Biden administration appealed the court's ruling. Separately, the U.S. International Trade Commission is considering a petition to extend solar tariffs for single and bifacial tariffs for an additional four years. Any recommendation will need to be accepted by President Biden.

FERC: In November, the Senate confirmed Willie Phillips as a commissioner bringing FERC to a full complement with a 3 – 2 Democrat to Republican appointee majority. The new majority could lean the Commission toward facilitating transmission needs for increased clean energy deployment.

ME - Customer service metrics and 100-bp ROE adjustment: In September, CMP met its customer service quality targets over 18 months: more than 80% of calls answered in 30 seconds, call abandonment rate below 7%, percentage of estimated bills below 1% and bill error rate below 0.4%. The regulator, MPUC, was formally requested to remove the 100-bp ROE adjustment, thus restoring the ROE of 9.25% for CMP-D with effect from 1 September.

NY - Implementation of CLCPA objectives: In September, the Public Service Commission (PSC) of New York issued an order relating to the implementation of the Accelerated Renewable Energy Growth and Community Benefit Act to comply with the objectives of the Climate Leadership and Community Protection Act (CLCPA). This Order regulates two aspects:

- It directs utilities to consult with the corresponding agents in each case (LIPA, DSP Staff, NYISO etc.) on different issues related to the realisation of future investments.
- It directs utilities to update (before February 2022) their capacity maps based on the methodology recently published by PSC staff.

Regulation in Mexico

Increase in electricity transport charges: In May 2020, the Energy Regulatory Commission (CRE) approved the increase in rates for transporting electricity (transport tolls) for renewable technologies and efficient cogeneration. A first-instance resolution of the petition for injunctive relief filed by Iberdrola Mexico is still pending. In the meantime, we are protected by the precautionary measure granted by the courts not to pay the new increased rates.

Increase in conventional transport charges: In May 2020, the CRE approved the increase in rates for transporting electricity (transport tolls) for conventional technology (combined cycles). A request for injunctive relief was filed. This was dismissed in the first instance and appealed in the second instance, and the outcome is pending. Since June 2020, the new increased rates are being paid.

Reform to amend the Law on the Electrical Industry: In March 2021, a reform to the Law on the Electrical Industry (LIE) was published. This has been suspended due to the judicial proceedings brought by individuals against them and the granting of precautionary measures by the courts, because the proposed amendments distort free competition and slow the growth of renewable energies.

Mechanism for correcting payment of the Revenue Sufficiency Guarantee: In July 2021, the CRE issued an agreement regarding the payment of Revenue Sufficiency Guarantee to generators affected by the increase in natural gas prices caused by the polar vortex in Texas in February 2021. Iberdrola Mexico's generation plants recovered the variable cost that they incurred as a result of high natural gas prices.

Constitutional reform within the electricity sector: On 30 September 2021, the Executive sent to Congress an initiative to reform the Political Constitution on electricity with the fundamental aim of making the CFE the only company that can sell energy to the end customer (sales monopoly), reducing the role of private companies to mere energy suppliers to CFE (purchasing monopoly), as well as eliminating

the regulator (CRE) and incorporating the system operator (CENACE) into the CFE. There is no fixed date for negotiating this initiative in the Chamber of Deputies and the Senate, but it could be from the second quarter of 2022.

Regulation in Brazil

Periodic review of Neoenergia Brasília's rates:

On 21 October, ANEEL approved a rates review for Neoenergia Brasília, with an average increase for consumers of 11.10% and a Parcel B of BRL 553 million. The most representative parts of the rates review were industry charges and energy acquisition, the latter particularly impacted by bilateral energy purchase contracts, updated by the IGP-M and affected by the exchange rate.

Provisional measure no. 1,078: Provisional measure no. 1,078 was published on 13 December. This authorises the structuring of credit operations to cover distributors' additional costs arising from the water crisis, in order to mitigate the impacts of this increase on the end consumer. The measure envisages that

these credit operations will be paid off over time by a specific tariff charge, the resources from which will be allocated to the Energy Development Account (CDE). This will make it possible to reduce short-term tariff adjustments while ensuring that the balance of concession agreements is maintained. Authorisation is also expected for the Electricity Sector Monitoring Committee (CMSE) to establish new rate bands, such as the current "Water Scarcity Band", to cover the extraordinary costs arising from the water shortage situation. This special rate band does not apply to consumers registered for the Social Electricity Tariff (TSEE).

Transmission auction 2/2021: The 2nd Transmission Auction of 2021 was held on 17 December, offering Neoenergia in five lots in the states of Amapá, Bahia, Minas Gerais, Paraná and São Paulo. Lot 4, located in the state of Minas Gerais, was won with a bid of BRL 37.1 million and a discount of 58.63%, compared to an Annual Allowable Revenue (RAP) of BRL 89.7 million. The estimated investment is around BRL 661 million.






Sustainability Performance - ESG



Iberdrola's contribution to sustainable development is reflected in several corporate responsibility practices that meet the needs and expectations of its stakeholders.

In this section, the Company describes its performance in the non-financial environmental, social and governance areas that drive the sustainability of its operations, achievement of the social dividend and contribution to the United Nations Sustainable Development Goals.

Sustainability Policy:

| ENERGY SUSTAINABILITY | | | BUSINESS SUSTAINABILITY | |
|--|---|---|--|---|
|  |  |  |  |  |
| COMPETITIVENESS | SECURITY IN ENERGY SUPPLY | ENVIRONMENT | CREATION OF VALUE | SOCIAL DIMENSION |
| <ul style="list-style-type: none"> • Energy supply at the best possible price • Technology with low operational and maintenance costs • Diversified mix | <ul style="list-style-type: none"> • Local and renewable primary energy sources • Reliability and availability of energy supply • High quality service • Promotion of energy efficiency | <ul style="list-style-type: none"> • Sustainable use of natural resources • Efficient production and efficient use of energy • Emission reduction • Biodiversity protection • Waste and water management | <ul style="list-style-type: none"> • Business profit • Corporate government, Risk management, codes of conduct and compliance • Relationships with clients • Leading and guiding company of the supply chain | <ul style="list-style-type: none"> • Universal access promotion • Strict respect of human rights • Improvement of the standard of living of the people in the areas where the Group develops its activity • Qualified and committed workforce |

ESG initiatives in the period

| ESG initiatives in the period | FY 2021 | Related SDGs |
|-------------------------------|--|--|
| Climate Summit | <u>COP26: United Nations Conference</u> |   |
| Fight against climate change | <u>Global leader in climate action</u> |   |
| Green Hydrogen Production | <u>Green hydrogen, the key to decarbonisation</u> |   |
| Biodiversity Restoration | <u>Trees programme</u> |  |
| Reducing effects on birds | <u>Protection of biodiversity</u> |  |
| Rational use of water | <u>Utility with best water productivity</u> |  |
| Sustainable Mobility Plan | <u>Rollout of charging points</u> |   |
| COVID response: balance | <u>Social responsibility model</u> |   |
| Access to energy | <u>Electricity for all</u> |   |
| Training and employment | <u>Master's scholarships, impacts and talent retention</u> |   |
| Training excellence | <u>Research commitment</u> |     |
| Good Health and Well-being | <u>Occupational health and safety</u> |   |
| Equality and diversity | <u>Diversity and Inclusion Report</u> |   |
| Vulnerable customers | <u>Support for vulnerable customers</u> |   |
| Action in the community | <u>Volunteering initiatives</u> |    |
| Social contribution | <u>Foundation actions</u> |      |

1. Sustainability Indicators

| Financial Indicators | 4Q 2021 | 4Q 2020 |
|--|---------|---------|
| Contribution to GDP (Gross Margin) (*) | 0.56% | 0.55% |
| Contribution to GDP (Net Revenues) (*) | 1.46% | 1.05% |
| Net profit (EUR million) | 1,476.5 | 929.8 |
| Dividend yield (%)(**) | 4.05% | 3.46% |
| Sustainability Indicators | 2021 | 2020 |
| Own CO2 emissions over the period (gCO2 /kWh): Total | 96 | 98 |
| CO2 emissions over the period (gCO2 /kWh): Europe | 60 | 64 |
| CO2 emissions over the period (gCO2 /kWh): Spain | 69 | 73 |
| CO2 emissions over the period (gCO2 /kWh): UK | - | - |
| CO2 emissions over the period (gCO2 /kWh): US | 58 | 51 |
| CO2 emissions over the period (gCO2 /kWh): Brazil | 61 | 53 |
| Own CO2 emissions over the period (gCO2 /kWh): Mexico | 307 | 324 |
| CO2 emissions over the period (gCO2 /kWh): IEI | 4 | 0 |
| Ratio own emission-free production to total production: Total (%) | 75% | 75% |
| Ratio emission-free production to total production: Europe (%) | 87% | 86% |
| Ratio emission-free production to total production: Spain (%) | 85% | 84% |
| Ratio emission-free production to total production: UK (%) | 100% | 100% |
| Ratio emission-free production to total production: US (%) | 86% | 88% |
| Ratio emission-free production to total production: Brasil (%) | 79% | 82% |
| Ratio own emission-free production to total production: Mexico (%) | 14% | 9% |
| Ratio emission-free production to total production: IEI (%) | 99% | 100% |
| Ratio of own emission-free installed capacity: Total (%) | 81% | 79% |
| Ratio of emission-free installed capacity: Europe (%) | 82% | 80% |
| Ratio of emission-free installed capacity: Spain (%) | 79% | 77% |
| Ratio of emission-free installed capacity: UK (%) | 100% | 100% |
| Ratio of emission-free installed capacity: US (%) | 91% | 90% |
| Ratio of emission-free installed capacity: Brasil (%) | 88% | 87% |
| Ratio of own emission-free installed capacity: México (%) | 35% | 35% |
| Ratio of emission-free installed capacity: IEI (%) | 90% | 88% |

Note: Third-party installed capacity and production not included

(*) Source: Iberdrola Results and National Quarterly Accounting for Spain — INE (Base 2010, Latest published figures for 4Q 2021)

(**) Dividends paid in the last 12 months and attendance bonus/share price at end of the period

E Environmental

Environmental highlights during this period are as follows:

COP26: Iberdrola at the 2021 Climate Summit

The United Nations Climate Change Conference was held in Glasgow from 31 October to 12 November 2021, bringing together representatives of some 200 governments with the aim of accelerating climate action to comply with the Paris Agreement. The Iberdrola Group actively participated in this event, showing its commitment to a sustainable energy model and generating opportunities. COP26 emphasised the urgency and opportunities to move towards a carbon-neutral economy and called for transparency and rigour in climate action plans by both governments and businesses. This gave rise to the Glasgow Climate Pact, a document containing the political action guidelines agreed between all countries.

As the main partner of the Glasgow Summit—through its UK subsidiary, ScottishPower—Iberdrola was part of several initiatives, forums and high-level meetings with the British Government, the United Nations International Energy Agency and the European Climate Foundation, among others, maintaining leadership at the institutional, business and academic levels.

In total, Iberdrola organised more than 100 events with international and local institutions—more than half at ScottishPower headquarters—such as the energy transition meeting held in collaboration with the British government and the Electric Mobility Revolution event, in partnership with the World Business Council for Sustainable Development (WBCSD).

As a main partner of COP26, the Company has driven climate action to increase ambition and accelerate the measures needed to move towards a safer climate for all. In addition, it has contributed to raising public awareness of the importance and urgency of this

challenge and how the need for a sustainable and fairer future should be at the centre of the recovery of the global economy.

Fight against climate change

In the area of green hydrogen, as part of the development of innovative projects that contribute to climate change, Iberdrola's agreement with more than 150 small and medium-sized enterprises stands out. The agreement includes a portfolio of 90 projects related to innovation in renewable energy, including storage and green hydrogen following the guidelines set by the Strategic Project for the Economic Transformation and Recovery (PERTE) for Renewable Energies, Renewable Hydrogen and Storage (ERHA) presented today by the Government. The projects may involve an investment of around EUR 15,000 million in floating offshore wind capacity, floating photovoltaic capacity, storage and green hydrogen to produce fertilisers, industrial processes, heavy transport and large-scale electrolyser manufacturing.

Last December, through its subsidiary Avangrid, Iberdrola was awarded the energy supply to the future Commonwealth Wind Park, the third offshore wind tender in Massachusetts. The 1,232 megawatt project, New England's largest offshore wind project to date, will create the equivalent of 11,000 full-time jobs over the life of the project and generate enough energy to supply 750,000 homes.

In Spain, the province of Cáceres has become one of the epicentres of solar energy with the implementation of several Iberdrola projects. The Arenales photovoltaic plant has a capacity of 150 MW, in addition to the 80 MW added to the two Almaraz plants. More than 700 jobs have been created and will be created during construction alone. Within the global commitment to reduce emissions and combat climate change, these plants will prevent more than 55,500 tonnes of CO₂ from being released into the atmosphere each year.

In Poland, one of the Company's new growth markets, Iberdrola awarded Vestas with a new turbine supply

and installation contract for the Korytnica II wind farm and is making progress in its commitment to renewable energy, The 50,4 megawatt (MW) project, located in the province of Mazowieckie, north-east of Warsaw, will consist of 14 V126-3,45 MW turbines, whose capacity has been extended to 3,6 MW, and a hub height of 132 metres.

Sustainable use of water resources and transition to a circular economy

Iberdrola has negotiated the **first energy sector loan in Europe linked to the reduction of water consumption**: a EUR 250 million financing operation over five years. The deal, signed last August, includes an incentive linked to the achievement of circular economy objectives: Iberdrola undertakes to progressively reduce its water use to not exceed the threshold of 420 m³/GWh by 2025. If met, Intesa Sanpaolo will apply a discount to the loan, if not, the cost of financing will increase. The circular loan with Iberdrola is the largest operation in Spain under the EUR 6,000 million Circular Economy programme launched by Intesa Sanpaolo as part of its 2018-2021 Business Plan.

Biodiversity

Iberdrola's objective in this area is **to achieve a "zero net loss" of biodiversity by 2030**, committing, whenever possible, to a positive net impact on new infrastructure developments, where all projects come with a comprehensive environmental plan to minimise the effect on flora and fauna, Iberdrola's "Arboles" programme, which includes planting more than 20 million trees by 2030, capturing approximately 6 million tonnes of CO₂ in 30 years, is one of the highlights.

Finally, the Company has acquired a stake in CO₂ Revolution, a company leading the way in the use of drones and smart seeds for reforestation. The acquisition was completed through Iberdrola's International Start-Ups-PERSEO Programme, through which it has been identifying and promoting energy-related technologies of the future for just over a decade.

S Social

As part of our commitment to the community, numerous initiatives have been launched in areas such as sport, education, the supply chain, cooperation and support for the most disadvantaged segments of society:

ESG criteria in the supply chain

The Group has set a target for at least 70% of Iberdrola's major suppliers (estimated to total more than 1,000 worldwide) to be subject to ESG policies and standards by 2022. The Company has therefore created a model – validated by a third party – and a digital platform, developed by Spanish scale-up **GoSupply**, that the Company's suppliers can use to self-evaluate their performance in this field.

Turning to human rights in the supply chain, Iberdrola Group companies have reacted to the risk of Uyghur forced labour in the manufacturing of solar panels in the Chinese province of **Xinjiang** by demanding their suppliers strictly comply with the commitments entered into regarding their employment practices.

Graduate: A commitment to international talent

During the last quarter of 2021, Iberdrola launched the first edition of the Graduate Programme in Spain, involving the selection and development of international talent with the hiring of more than 130 recently graduated professionals.

Through this initiative, the Company aims to train young talents to help in their international development and, therefore, respond to the future needs of the Iberdrola Group.

The graduates, who have studied at well-known universities, such as the Comillas Pontifical University, the University of the Basque Country and the Valencia Polytechnic University, among others, will join the Iberdrola Group's different areas and businesses in the Company's offices in Madrid, Bilbao and Valencia.

Access to energy for vulnerable groups

The *Electricity for All* programme is Iberdrola's response to the international community's call to extend universal access to modern forms of energy through environmentally sustainable, economically acceptable and socially inclusive models. **Under this programme, the Group aims to use environmentally sustainable forms of energy to provide electricity to 16 million vulnerable people without access to this resource in emerging or developing countries by the year 2030. So far,** the Company has helped 8,2 million people benefit from access to electricity, mainly in Latin American and African countries.

Diversity and equality

On 30 November, Ignacio Galán presented the six awards that will be used to finance the winning projects of each of the categories in which the **Iberdrola SuperA Prizes** are divided. This is an initiative that is in its second edition and that is part of the Company's commitment to promoting gender equality and, in particular, to promoting the excellence of women in sports. In 2020, the Company launched the Iberdrola SuperA Awards with the aim of recognising and giving visibility to **the best initiatives launched in Spain in favour of the equality and the empowerment of women** through sport.

Iberdrola is among the 10 best companies in the world when it comes to the integration of women. This was the conclusion of the **World's Top Female Friendly Companies 2021** study, in which Forbes teamed up with the market research company Statista to identify companies who are leading the way when it comes to supporting women in and out of the workplace. Gender equality is one of the commitments Iberdrola has made in its employment policy and, through various initiatives, it adheres to this agreement in four areas of its management, in the fields of recruitment and selection, as well as in salary conditions, training, and professional development and communication.

Community impact: volunteering

Iberdrola's Corporate Volunteering Programme has been recognised by the United Nations, as it is included in the Transforming Lives and Communities report, published by IMPACT2030 in collaboration with the United Nations Office for Cooperation.

This report recognises Iberdrola's Corporate Volunteering Programme as a pioneering practice to harness the skills, passion and experience of its employees in working towards the Sustainable Development Goals (SDGs).

Notably, Iberdrola is the only Spanish company and the only energy company from among the 19 companies selected in the report published on the occasion of the Global Goals Week 2021.

Iberdrola has responded to individuals **affected by the La Palma volcano**, collaborating in different crowdfunding campaigns with the Red Cross, together with the collective cooperation platform for employees of the Iberdrola Group, where they can choose the contributions they want to make to any causes that interest them. And it has also participated in campaigns to protect children, with Save the Children and Ayuda en Acción, and for rare diseases, with Prader Willi, through the COOP.

Iberdrola brought together more than **5,000 employees** – 25% more than in 2020 – during the **International Volunteers Week**, across a total of 64 solidarity initiatives, which has been run in a dozen countries where it operates, including Spain, the United States, Mexico, Brazil, the United Kingdom, Australia, Belgium, France, Germany, Greece, Italy and Portugal.

The Company has launched the **"My Social Footprint"** initiative to measure the impact on society and contribution to achieving the SDGs of the Group's volunteers. Each volunteer can therefore see how many hours are dedicated to achieving each of the SDGs, as well as the number of people who have benefited thanks to their help, how many actions they have been involved in and how they are contributing.

Volunteering at Iberdrola has continued through projects to train and improve the employability of young people at risk of exclusion, thus **helping thousands of people from the most disadvantaged segments** (refugees, women who are victims of gender-based violence and/or at risk of severe exclusion). The projects are also helping women to return to work after taking an extended break in their careers for maternity leave or to care for family members.

Meanwhile, the Company continues to **carry out actions to care for the environment** such as reforestation, clean-ups, recycling workshops and other awareness-raising activities, and to **promote diversity and inclusion**, while also responding to the food emergency through various global initiatives such as Operation Kilo.

Finally, a highlight in the last quarter includes **Operación Navidad**, where volunteer activities were carried out to help the most vulnerable people enjoy this period of the year from both an emotional and assistance point of view.

Foundations

The Iberdrola Group's foundations embody the Company's commitment to the development of the countries in which it operates and support for those most at risk, focusing its efforts on four work areas:

- **Training and research:** This work stream focuses on young students, by supporting their degree, technical training or language studies and offering opportunities to those who have disabilities and/or limited resources.
- **Biodiversity and climate change:** In this work stream, we collaborate with public institutions and bodies devoted to protecting the environment.
- **Art and culture:** In this field, the Company works alongside cultural bodies, renowned museums, public institutions and religious bodies in order to promote culture and restore and conserve artistic heritage, thereby driving local development.
- **Social action:** This work stream has entailed collaborations with NGOs, foundations and development

agencies to promote social projects aimed at more vulnerable people.

The most significant initiatives over the period in each one of the foundations are as follows.

Iberdrola Foundation Spain:

- **3 national scholarships and 1 international scholarship** for restoration and conservation at the Prado Museum, and two for the Museum of Fine Arts in Bilbao.
- **2 Fulbright scholarships.**
- **11 Paralympic scholarships.**
- **10 Carolina Foundation scholarships.**
- **12 engineering scholarships at the ICAI.**
- **Chair of STEM Women Sustainability Mobility**, with the collaboration of EMT and the Comillas Pontifical University.
- **Energy for Future Research Aid Programme:** to support research projects focusing on technologies associated with the energy transition and green transformation over the next five years.
- **“Empieza por Educar” (Start with Education) Programme, STEM Scholarships – Vocational Training:** to enable five STEM talents to immerse themselves in the world of education by becoming a teacher for two years on basic or intermediate vocational training courses.
- **Programme to help young people integrate into society and the labour market in partnership with Save the Children:** an educational programme on the green economy for young people at risk of exclusion.
- **Two social and occupational programmes co-financed by the Regional Government Department of Castilla La Mancha (the programmes will begin in 2022):**
 - **Inspira II Project** in the Region of La Sagra (Illescas, Ugena and Seseña) with the collaboration of Save the Children.
 - **Reactiva Project** in Puertollano with the collaboration of Ayuda en Acción.

- Collaboration with **SEO/BirdLife** on the **MIGRA Project**, aimed at studying the migratory patterns of birds.
- The **campaign to rescue steppe birds in Extremadura**.
- **Reforestation of the Albacete military training area** in Chinchilla has been completed and contracts have been signed to reforest the **Almagro and Villatobas military training areas** (Toledo), Work will start in January 2022.
- **“Expansión de Abies Pinsapo en la Reserva de la Biosfera de Grazalema” (Expansion of Abies Pinsapo in the Grazalema Biosphere Reserve)**: the first reforestation day has been held at the Biosphere Reserve.
- **The climate change and birds of prey conservation project**, through research into vaccine prophylaxis, in collaboration with the Aquila Foundation.
- Collaboration with the **Rey Jaime I Awards** as a member of the Environmental Protection Award, one of the six award categories.
- Agreement to partner with the **MIGRES Foundation** on a project to reintroduce ospreys in the Valencian Community.
- Agreement with **the Madrid City Council** for the recovery of the impact caused by the meteorological phenomenon “Filomena” (reforestation).
- **Lighting** of the façade of the CESEDEN, Sigüenza Cathedral, the Puente Viejo old bridge of Talavera and the Prado Museum, as well as **Salamanca’s Old Cathedral**.
- **Agreements have been signed for upcoming lightings**: The Church of Colegio Monforte de Lemos, the Capitanía General in Seville and the Church of Támara de Campos.
- **Inauguration** of Santiago de Compostela Cathedral, the Plaza Mayor of Sigüenza and the Carrascal Church of Velambélez.
- **“Un patrimonio de todos” (Everyone’s heritage) exhibition**, organised by the government of Cas-

tilla-La Mancha, The Iberdrola Foundation Spain is the sole sponsor.

- **A travelling exhibition “El Prado en las Calles” through Castilla y León**.
- **Restoration of the San Antonio de Padua Altarpiece, Villarmentero de Campos, Parish Church of Ceclavín and the Muga Chapel, which is part of the Atlantic Romanesque Plan**.
- **The “Tàpies en Zabalaga” exhibition at the Chillida Leku Museum**, which the museum will host from 10 June 2021 to 10 January 2022.
- The **2022 Social Programme** is now closed, Thirty-five selected projects benefiting more than 40,000 people, Of all the projects, 40% are aimed at preventing situations of poverty and social exclusion, prioritising the fight against child poverty; 10% address improving health and well-being; another 38% address the social inclusion of individuals with disabilities and the remaining 12% address support for women.

ScottishPower Foundation in the UK:

- **ScottishPower Foundation Planetarium Community Pass**: significantly ramping up deployment of the Dynamic Earth Planetarium project in its second year.
- **Affinity Coaching and Counselling**: Affinity will offer a counselling and guidance service for autistic people and their families throughout Scotland.
- **Tools for Transition**: support and advocacy for children with spina bifida/hydrocephalus.
- **Figurenotes – Everyone can play!**: inclusive project to transform music education in Scotland.
- **Restoration Forth**: multi-year project with the WWF (World Wildlife Fund) to restore and sustainably manage seagrass and oyster habitats.
- **Sustainable Futures**: raising awareness among children and young people of the fight against climate change.
- **A River for All**: creating a path to facilitate public access to previously inaccessible forests and rivers.

- **Connecting the UK on Climate Change:** Sharing the MockCOP model nationally: young people come together to start their own projects for change in schools and communities.
- **Action for Nature in Ayrshire:** activities to boost biodiversity.
- **Heritage Horizons:** this project will offer the most vulnerable young people in the Argyll and Bute areas the possibility of collaborating with museums and heritage centres.
- **The Dundee Dome Experience:** a spectacular new gallery at Discovery Point Museum.
- **Finding Your Feet:** this programme aims to improve the emotional well-being of amputees in Scotland.
- **Disabled Entrepreneurs Business Start-up Service (DEBSS):** enhancing the occupational skills of 75 people with disabilities living in Bournemouth, Christchurch and Poole.
- **Street League:** this project works with underperforming secondary schools in six regions of Scotland, involving more than 700 young people.
- **M.E. Advocacy Service:** to empower young people and adults with self-advocacy skills to make informed choices and increase their self-worth and well-being.
- **Edward's Trust Reaching Out:** support for 5-16 year-olds who have lost a close loved one (parents, siblings, grandparents, etc.).
- **Using creativity to inspire access to sustainable employment:** financial assistance to help people who are homeless or at risk of exclusion be less isolated and access different types of training and employment.
- **Blue Hub Capital – Working Communities Challenge:** collaboration between the public, private and non-profit sectors to make an impact on sustainable development.
- **Power the Future Programs at the Ithaca Science Center:** to extend the reach of the Ithaca project.
- **Vital Recovery Actions for California Condors** for the recovery and reintroduction of condors.
- **Climate Change Education Programming:** a programme for the Oregon Science Museum to undertake educational initiatives and provide easier access for rural students.
- **Advancing Ocean-Climate Research: Strengthening community capacity for science-based decision making (Year 3):** year three of a five-year partnership with the Gulf of Maine Research Institute (GMRI).
- **Hancock Shaker Village – Outdoor Trail Initiative:** funding for trail upkeep to ensure a safe space.
- **Playwright Mentoring Project (PMP):** a six-month intensive out-of-school initiative that uses theatre tools to teach new skills.
- **AVANGRID Foundation Employee Giving Program:** encouraging employees to give back to organisations that are meaningful to them in their communities and across the country.
- **Camp Sunshine Pumpkin Festival:** camp offering recreational activities, support and happiness to children with potentially terminal illnesses and their families.
- **Employer Resources Network (ENR) – Rochester – Growth & Expansion:** resources for staff whose personal circumstances may affect their work.
- **Social Call – Reconciliation & Recovery (2021):** supporting the Black Resilience Fund, which provides paperwork-free direct financial assistance to black Portlanders.
- **Cool Sweep Community Cooling & Public Safety Program (Rochester):** opening places where people can cool down during days of extreme heat.

Avangrid Foundation in the United States:

- **Binghamton University Foundation – Senior Capstone Projects (New York):** supporting energy and environmental projects at the Watson School of Engineering.
- **Henry Ford Museum – Invention Convention Worldwide (National):** ICW is a coalition of affiliates that teaches students real-world problem-solving and creative thinking skills.

- **Advancing JMG's Reach (2019-2023); strengthening JMG's financial position and sustainability:** a partnership to ensure that all Maine students graduate and pursue meaningful careers.
- **General Operating Funds in Support of Emergency Refugee Resettlement (Connecticut – Afghan Crisis):** supporting the resettlement of Afghans at the national level and providing them with the help they need to rebuild their lives in the country.
- **SMART Schools Reading Support:** a programme to boost literacy by providing support for early reading.

Iberdrola Foundation Mexico:

- **STEM Impulse:** One hundred scholarships will be awarded to young underprivileged Oaxacan people.
- **Altamira scholarships:** contributing towards the academic readiness of high-performing young people who require financial support.
- **Young People Building the Future:** a programme led by the Ministry of Labour and Social Welfare (STPS) to provide work-related training opportunities for young people.
- **Support for the development of young Mexicans:** support for research students from the Institute of Renewable Energies at the Autonomous University of Mexico (UNAM).
- **Fernández Canyon Conservation:** state park conservation programme to protect its thousand-year-old Sabino forest ecosystem.
- **Mangrove conservation:** the goal is to ensure the survival, and foster the growth of flora and fauna in the mangrove ecosystem through constant monitoring.
- **Feline protection:** guaranteeing the survival of jaguars, jaguarundis, ocelots and bobtail cats that inhabit the region.
- **Luces de esperanza (Lights of Hope):** to increase electrification in rural communities without access to electricity.
- **Energy education:** students, teachers and parents attend workshops so that children have a space where they can learn.

- **Construir para educar (Build to Educate):** rebuilding schools struck by the earthquakes in Oaxaca.
- **Urology Brigades in the south and southeast of Mexico:** enhancing the well-being of Oaxacan women suffering from complex urological problems.
- **Educational infrastructure:** construction and fitting out of spaces for learning.
- **Dulces Nombres baseball and football field:** improvements to the condition of the Dulces Nombres baseball and football field through the installation of an irrigation system.
- **Health houses in Altamira:** extending medical coverage to families in the most remote areas of the municipality and those living in precarious conditions.
- **Civil Protection Ensenada:** contributing to the development of Civil Protection in the area,
- **Down Laguna Foundation:** donation for support of the annual calendars.

Neoenergia Institute in Brazil:

- **Project “Balcão de Ideias e Práticas Educativas”:** school management for integral development and early childhood learning and development.
- **Flyways Brasil:** conservation of wading birds, focusing on priority sites and threatened species in Brazil.
- **Proyecto Coralizar (Coralise Project):** in collaboration with WWF-Brazil, which continues to pursue research on the methodology of coral restoration.
- **Key lighting projects** include the Guarany de Triunfo cultural theatre and cinema (Pernambuco state) to safeguard the historical heritage and raise awareness of its importance.
- **Call for the Transformando Energia em Cultura (Transforming Energy in Culture)** competition in Coelba to support projects for the inclusion of children and young people at social risk and reduce inequalities.
- **Launch of the Inspire Award:** focusing on art and culture initiatives in marginalised communities led by women in Rio de Janeiro and Pernambuco.

- **Cultural and Artistic Offices – OCA:** empowering socially vulnerable young people aged between 16 and 24.
- **Resgatando a História (Recovering History):** an initiative to arouse the interest of the private sector in supporting projects to recover Brazil's historical and artistic heritage.
- **Impactô (Impact):** helping 16 NGOs and social impact companies in Rio and São Paulo.
- **PLIS (Social Impact Leaders Programme):** provides training on the social ecosystem and areas relevant to the development of ideas or impactful projects.
- **Territórios Saudáveis (Healthy Areas):** distribution of more food to people at risk of social exclusion in different territories of Brazil.
- **São João e Boas Energias:** donation of food baskets in the State of Peralba (Rio Grande do Norte).
- **Mentes Brilhantes (Brilliant Minds):** developing socio-emotional skills in children and teenagers with after-school activities and help with their training.
- **Programa SER (SER Programme):** workshops on entrepreneurship and financial education in the communities of Latadinha, Redinha de Cima e de Baixo, Umbuzeiro Doce, Saco dos Goitis and Serra do Talhado.

G Governance

Governance and sustainability system

IBERDROLA continually updates its Governance and Sustainability System. Generally recognised good governance recommendations in international markets have been taken into account when drawing up these documents.

Internal rules and regulations are drawn up, revised and enhanced in line with the strategy that the Company and the companies belonging to the IBERDROLA Group have now been following for years.

On 23 February 2021, IBERDROLA's Board of Directors agreed to reform its Governance and Sustainability System to: (i) adapt the *Regulations of the Board of Directors* – the amendment of which was reported to the Spanish stock market commission (CNMV) as a disclosure of other material information – so that each board committee can submit for the Board's approval the comprehensive report on their work during the previous financial year within the first six months of the year; (ii) review risk policies; and (iii) introduce other technical improvements.

Subsequently, on 19 April 2021, the Company's Board of Directors approved a new version to: (i) revise the preamble to the second book titled *Purpose and values of the Iberdrola Group*; (ii) amend the *Regulations of the Compliance Unit* to regulate market research; (iii) revise corporate policies to ensure that their content is organised following a standard structure; (iv) unify the *Diversity and Inclusion Policy* and the *Equal Opportunities and Reconciliation Policy* in the new *Equality, Diversity and Inclusion Policy*; (v) change the name of the *Climate Change Policy* to *Climate Action Policy* and include a new line of action based on the drawing up of a climate action plan; and (vi) change the name of the *Recruitment and Selection Policy* to the *Selection and Hiring Policy*.

On 11 May 2021, the Company's Board of Directors approved a new reform to: (i) update the preamble to the Corporate Governance and Sustainability System and the preambles to the third environment and climate change book, fourth social commitment book and fifth corporate governance book; (ii) revise the *Code of Ethics* to adjust the categories for classifying non-public information; and (iii) revise the *General Sustainable Development Policy* and *Stakeholder Engagement Policy* to adjust their content to a standard structure.

On 17 June 2021 the Board of Directors also approved a reform of the Governance and Sustainability System, conditional upon the approval of certain resolutions by the General Shareholders' Meeting to: (i) amend the *Regulations of the Board of Directors* –

the amendment of which was reported to the Spanish stock market commission (CNMV) as a disclosure of other material information – pursuant to the reform of the *Spanish Corporate Enterprises Act* and in line with the proposed amendment of the *By-laws*, submitted for approval by the General Shareholders' Meeting; (ii) reform the regulations of the advisory committees to update the powers conferred on each committee; and (iii) update the *Shareholder Engagement Policy*, *Policy on Communication and Contact with Shareholders*, *Institutional Investors and Proxy Advisors*, and the *Policy for the Definition and Coordination of the Iberdrola Group and Foundations of Corporate Organisation*, in line with the reform of the *Regulations of the Board of Directors*.

On 16 December 2021, the Board of Directors of the Company approved a reform in order to: (i) strengthen the transparency of foundation-based entities linked to the Company group and give visibility to the Iberdrola Group's Foundations Committee; (ii) update the *Brand Policy* to align its content with the new invoicing model for intra-group services; (iii) incorporate certain technical adjustments as a result of the appointments of the Iberdrola Group's second vice-president of the Board of Directors and the non-board member Business CEO; (iv) amend the *Internal rules of conduct in the securities markets* to remove the restriction of operating on affected securities within 30 days prior to the publication of the quarterly results and clarify the method of calculating the threshold that determines being subject to the obligation to report personal transactions on affected securities; and (v) include other technical improvements, including the amendment of the *Regulations of the Board of Directors* - the amendment of which was reported to the Spanish stock market commission (CNMV) as a disclosure of other material information.

All documents that comprise the Governance and Sustainability System are published (in their full or summarised version) in both Spanish and English on the corporate website (www.iberdrola.com), which also offers the option of downloading them onto an e-book reader or any other mobile device.

Material information reported to the CNMV

Highlights during the fourth quarter of 2021 were as follows:

- On 27 October 2021, the Company submitted its results for the first nine months of 2021 to the CNMV.
- On 27 October 2021, IBERDROLA reported the agreements adopted by the Board of Directors, upon the recommendation of the chairman and chief executive officer and following a favourable report by the Appointments Committee, with regard to the composition of the senior management:
 - i. appointment of Mr Armando Martínez Martínez as new non-board member Business CEO of the Iberdrola Group, effective 1 November 2021; and
 - ii. appointment of Ms Elena León Muñoz as director of the networks business of the Iberdrola Group, replacing Mr Armando Martínez Martínez, and with effect from 1 November 2021, at which time Ms León Muñoz becomes part of the Company's senior management.
- On 27 October 2021, the Company reported the terms and conditions as part of the second round of the "Iberdrola Retribución Flexible" optional dividend scheme for the 2021 financial year. On 16 December 2021, it reported ratification of the agreement on the distribution of an interim dividend. In addition, on 31 January 2022, the addendum to the prospectus containing the terms and conditions of the scheme was reported.

On 31 January 2022, IBERDROLA completed the second round of scrip issue approved by the General Shareholders' Meeting of 18 June 2021, as well as the distribution of the final dividend for financial year 2021, all as part of the second round of the "Iberdrola Retribución Flexible" optional dividend scheme. This was filed with the Bizkaia Companies Register on 31 January 2022.

The share capital of Iberdrola, S.A, after this scrip issue totals EUR 4,828,172,250.00, corresponding to 6,437,563,000 common shares, each of a nominal value of EUR 0.75.

- On 10 December 2021, the Company informed the CNMV of the communication from Avangrid, Inc, to the Securities Exchange Commission of the New Mexico Public Regulation Commission resolution, dated 9 December 2021, rejecting the amended stipulated agreement signed between Avangrid, PNM Resources, Inc., some of its subsidiaries and certain third parties submitted in the framework of the procedure for the authorisation of the merger between PNM and Avangrid.

On 4 January 2022, Avangrid, Inc, reported to the Securities Exchange Commission the agreement reached with PNM Resources, Inc, to extend the maturity of the merger agreement signed by the two companies until 20 April 2023, which may be extended at the agreement of both parties under certain circumstances for an additional period of three months.

- On 16 December 2021, the Company notified the CNMV of the resolution carried by the Board of Directors to offer Iberdrola Group employees in Spain the voluntary option of receiving, in full or in part, their annual variable compensation corresponding to financial year 2021 in Iberdrola shares. This allocation of shares to staff forms part of the Company's general remuneration policy.
- On 21 December 2021, the Company published the financial calendar for 2022.

General Shareholders' Meeting

The Board of Directors of Iberdrola, at its meeting of 11 May 2021, agreed to convene the General Shareholders' Meeting to be held at first call on 17 June 2021, or at second call on 18 June 2021.

The announcement of the call to the General Shareholders' Meeting was published by the Company on its corporate website (www.iberdrola.com) and also in the Official Gazette of the Companies Registry and on the CNMV's website on 14 May 2021.

On 18 June 2021, the Company's General Shareholders' Meeting was held at second call, with a quorum of 65,83% of share capital (6,46% present and 59,37% represented). All the motions included on the meeting agenda were approved at the meeting, as shown below:

Resolutions relating to management performance

1. Annual financial statements for 2020.
2. Directors' reports for 2020.
3. Statement of non-financial information for 2020.
4. Corporate management and performance of the Board of Directors in 2020.

Resolutions regarding the governance and sustainability system and the climate action plan

5. Amendment of the Preamble and of Articles 1, 4, 8, 9, 12, 14, 15, 17, 19, 21, 23, 24, 27, 30, 31, 32, 33, 35, 36, 37, 38, 42, 43, 44, 45, 46, 47 and 49 of the *By-Laws* to update the name of the Governance and Sustainability System and introduce other technical improvements.
6. Amendment of Article 10 of the *By-Laws* in order to reflect the amount of share capital resulting from the capital reduction through the redemption of a maximum of 178,156,000 own shares (2,776% of share capital),
7. Amendment of Articles 12, 17, 28, 33, 39, 40 and 41 of the *By-Laws* to adapt the wording to the new regulations there to foster long-term shareholder engagement,
8. Amendment of Articles 18, 19, 20, 22, 23, 24, 26 and 27 of the *By-Laws* to regulate remote attendance at the General Shareholders' Meeting,
9. Amendment of Article 32 of the *By-Laws* to include the approval of a climate action plan into the statutory regulation,
10. Amendment of Articles 35 and 36 of the *By-Laws* to update the rules on how meetings of the Board of Directors and of its committees may be held,
11. Amendment of Articles 53 and 54 of the *By-Laws* and inclusion of six new articles numbered from 55 to 60, reorganising the chapters of Title V, to establish the regulations for the drafting, verification and approval of the annual financial and non-financial information,
12. Amendment of Articles 55 and 56 of the *By-Laws*, which will become Articles 61 and 62, to introduce

technical improvements and group them within a new Title VI,

13. Amendment of Articles 4, 6, 7, 8, 9, 19, 20, 28, 29, 30, 38, 39, 40 and 41 of the *Regulations of the General Shareholders' Meeting* in order to update the name of the Governance and Sustainability System and to introduce other technical improvements,
14. Amendment of Articles 9 and 20 of the *Regulations of the General Shareholders' Meeting* to adapt the wording to the new regulations there to foster long-term shareholder engagement,
15. Amendment of Articles 11, 14, 18, 19, 21, 22, 23, 24, 25, 26, 29, 31, 33, 34, 35, 36, 40 and 43 of the *Regulations of the General Shareholders' Meeting* and inclusion of a new Article 37 to establish the rules for remote attendance and numbering of the articles,
16. *Director Remuneration Policy*

Resolutions relating to shareholder remuneration

17. Allocation of earnings and distribution of the 2020 dividend, in relation to which the final dividend will be paid within the framework of the "Iberdrola Retribución Flexible" optional dividend scheme.
18. First scrip issue for a maximum reference market value of EUR 1,725 million, under the terms of the "Iberdrola Retribución Flexible" optional dividend scheme.
19. Second scrip issue for a maximum reference market value of EUR 1,250 million, under the terms of the "Iberdrola Retribución Flexible" optional dividend scheme.

Resolutions regarding the Board of Directors

20. Re-election of Mr Juan Manuel González Serna as independent director.
21. Re-election of Mr Francisco Martínez Córcoles as executive director.
22. Ratification and re-election of Mr Ángel Jesús Acebes Paniagua as independent director.
23. Setting the number of members of the Board of Directors at 14.

Resolutions on authorisations and vesting of powers

24. Authorisation to issue simple long- or short-term bonds and other fixed-income securities, not exchangeable for or convertible into shares, with a limit of EUR 6,000 million for promissory notes and EUR 30,000 million for other fixed-income securities, as well as to guarantee issues carried out by subsidiaries.
25. Delegation of powers to formalise and to convert the resolutions adopted into a public instrument.

Advisory voting

26. *Annual Director Remuneration Report for 2020.*
27. *Climate Action Policy.*

Board of Directors

At its meeting on 29 June 2021, the Board of Directors adopted, among others, the following resolutions:

- i. re-election, upon the recommendation of the Appointments Committee, of Mr Juan Manuel González Serna as lead director of the Company, with the responsibilities attributed to that post in the *By-Laws* and the *Regulations of the Board of Directors*; and
- ii. re-election, upon the recommendation of the chairman and the chief executive officer and following a favourable report by the Appointments Committee, of directors Mr Juan Manuel González Serna and Mr Ángel Jesús Acebes Paniagua as members of the Executive Committee

On 6 August 2021, Mr José Walfredo Fernández tendered his resignation as a board member and as a member of the Company's Audit and Risk Oversight Committee, Mr Fernández stated that the sole reason for his resignation was his appointment as the Under Secretary of State (Economic Growth, Energy and the Environment) of the United States of America – a position incompatible with his seat on the Company's Board of Directors.

On 26 October 2021, the Board of Directors adopted the following resolutions concerning the composition of the Board of Directors and its committees:

- i. the appointment, upon the recommendation of the chairman and chief executive officer and following a favourable report by the Appointments Committee, of the director Mr Anthony Luzzatto Gardner as the second vice-chairman of the Board of Directors, with Mr Juan Manuel González Serna taking the position of first vice-chairman of the Board of Directors;
- ii. the appointment of Ms María Ángeles Alcalá Díaz as independent director by way of co-option and, upon a recommendation of the Appointments Committee, to fill the vacancy caused by the resignation of Mr José Walfredo Fernández and for the period remaining until the Company's General Shareholders' Meeting;
- iii. the appointment, upon the recommendation of the Appointments Committee, of Ms María Ángeles Alcalá Díaz as a member of the Audit and Risk Supervision Committee for a term of four years;
- iv. acknowledgement of the resignation tendered by Ms Samantha Barber, with effect from the end of the meeting, from her posts as director of the Company and member of its Executive and Sustainable Development Committees, related to forthcoming professional commitments that are incompatible with the position of director of the Company;
- v. the appointment, upon a recommendation of the chairman and chief executive officer and following a favourable report by the Appointments Committee, of Mr Anthony Luzzatto Gardner as a member of the Executive Committee; and
- vi. the re-qualification, upon the recommendation of the Appointments Committee, of the executive director Mr Francisco Martínez Córcoles as another external director, with effect from 1 November 2021.

Lastly, the Board of Directors of IBERDROLA, at its meeting held on 16 December 2021, adopted the following resolutions concerning the composition of the Board of Directors and its committees:

- i. the appointment of Ms Isabel García Tejerina as independent director by way of co-option and, upon a recommendation of the Appointments Committee, to fill the vacancy caused by the resignation of Ms Samantha Barber and for the period remaining until the Company's General Shareholders' Meeting; and
- ii. the appointment of Ms García Tejerina as a member of the Sustainable Development Committee, upon the recommendation of the Appointments Committee,

Information transparency

One of the core principles underlying Iberdrola's corporate governance practices is to ensure maximum transparency in the financial and non-financial information disclosed to shareholders, investors and markets.

The Company continued to work hard in the 2021 financial year to ensure that institutional investors and financial analysts were kept fully informed of its business and activities. Thus, in the 2020 Sustainability Report, published in the first quarter of 2021, Iberdrola has reported on the progress made in each of the four thematic areas around which the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) are structured. Specifically, the potential financial impact of two scenarios in the 2030 horizon has been analysed.

Information on the existence of instances of corruption during the year

The Iberdrola group is collaborating with the Administration of Justice in the clarification of the circumstances related to the contracting of the company Cenyt, in order to make effective the responsibilities that, if applicable, may arise, as well as to defend its good name and reputation.

The corresponding legal proceedings are being conducted before the Central Court of Instruction No. 6. Iberdrola, S.A. has been named as an injured party in these proceedings. The parent company of the businesses Iberdrola Renovables Energía, S.A.U.,

for its part, has the status of investigated party. The Chairman and CEO, an external director, two executives and five former executives of Iberdrola, S.A., among other individuals and entities, also have this status.

From the review and analysis of the internal processes, which have been carried out with the

help of independent experts and in accordance with the Group's Governance and Sustainability and Compliance System, no violation of the internal control systems, the Code of Ethics or any other rules or procedures has been revealed. Therefore, the impact of these events for Iberdrola, S.A. or for the companies of its group would be limited to the area of reputation.

Significant Events

| Notifications sent to the Spanish stock market commission (CNMV) from October to December 2021 | | |
|--|--|------------------|
| Date | Event | Registration no. |
| 13/10/2021 | The Company notifies the announcement for submitting results for the nine months of 2021. | 12140 |
| 15/10/2021 | The Company reports its energy production figures for the nine months of 2021. | 12213 |
| 27/10/2021 | Notification on the composition of the Board of Directors, its committees and senior management. | 12383 |
| 27/10/2021 | The Company makes public the results for the nine months of the 2021 financial year. | 12384 |
| 27/10/2021 | Earnings presentation for the nine months of 2021. | 12385 |
| 27/10/2021 | Terms and conditions as part of the second round of the "Iberdrola Retribución Flexible" optional dividend scheme for the 2021 financial year. | 12386 |
| 09/11/2021 | Issuance of subordinated perpetual debentures by Iberdrola Finanzas, S.A. (Sociedad Unipersonal), with the subordinated guarantee of Iberdrola, S.A., for EUR 750 million. | 12679 |
| 10/12/2021 | Resolution of the New Mexico Public Regulation Commission rejecting the amended stipulated agreement signed, among others, by Avangrid, Inc. and PNM Resources, Inc. submitted in the procedure for the authorisation of the merger. | 13108 |
| 16/12/2021 | Appointment of an independent director by way of co-option and as member of the Sustainable Development Committee. | 13220 |
| 16/12/2021 | Ratification of the agreement for distribution of an interim dividend for the 2021 financial year as part of the second round of the "Iberdrola Retribución Flexible" optional dividend scheme of 2021. | 13221 |
| 16/12/2021 | Offering of Iberdrola shares to staff of Iberdrola Group in Spain as part of the annual variable compensation for financial year 2021. | 13222 |
| 21/12/2021 | The Company publishes the financial calendar for 2022. | 13293 |
| 30/12/2021 | The Company submits the Regulations of the Board of Directors. | 13430 |

Iberdrola's place in sustainability, reputation and corporate governance indexes and rankings

| Sustainability | |
|--|--|
| | Rating/Ranking |
| Dow Jones Sustainability World Index 2021 | Selected in the utility sector. Iberdrola member in all editions |
| Sustainability Yearbook 2021 S&P Global | Classified as "Silver Class" in the electricity sector. |
| MSCI Global Sustainability Index Series | Iberdrola selected AAA |
| CDP Climate Change 2021 | A |
| CDP Supplier Engagement Leader 2020 | Iberdrola Selected |
| Global 100 | Iberdrola Selected |
| Sustainalytics | Iberdrola among the utilities with the lowest risk |
| ISS-ESG | Iberdrola selected as Prime |
| FTSE4Good | Selected in the index since 2009 |
| Bloomberg Gender Equality Index 2021 | Iberdrola member in all editions |
| V.E-Euronext Vigeo indices: World 120, Eurozone 120 & Europe 120 | Iberdrola selected |
| EcoVadis | Gold EcoVadis Medal. Iberdrola among companies with best performance |
| 2021 World's Most Ethical Company | Iberdrola selected. Only Spanish utility |
| ECPI | Iberdrola lected in several Sustainability Indices |
| STOXX | Iberdrola selected in STOXX Global ESG Leaders and in several Sustainability indices |
| Influence Map | Iberdrola First company in the Climate Policy Engagement ranking |
| MERCO 2021 | mercoEmpresas: Leader among Spanish utilities: energy, gas, and water industry |
| Standar Ethics | Iberdrola included in the SE European Utilities Index |
| Energy Intelligence | Iberdrola as the second utility worldwide in the EI Green Utilities Report 2021 |
| Forbes | Iberdrola selected in Forbes 2021 GLOBAL 2000: World's Largest Public Companies 2000 |
| WBA Electric Utilities Benchmark | Iberdrola among the 5 of the most influential Electric utilities of the world |
| Brand Finance | Iberdrola among the 500 most valuable brands globally |
| WDi | Iberdrola 2020 disclosure score above the average |
| OpenODS Index | Iberdrola Ranked first in the 2021 edition |
| Fortune Global 500 | Iberdrola selected |

Recognition of Good ESG Performance

- **The only European utilities company to appear in all 22 editions of the Dow Jones Index**

Iberdrola has once again been included in the Dow Jones Sustainability Index (DJSI), making it the only European utilities company to have been included in the selection throughout its 22 editions. This is reflected in the annual update published by the S&P Dow Jones Indices and RobecoSAM, who are responsible for its production. This demonstrates the group's commitment to the highest environmental, social and corporate governance standards, since, from an initial group of around 10,000 companies, only 10% of those listed with the best sustainability indices were eventually selected.

- **CDP: Highest score on the most prestigious climate change indicator**

The Iberdrola Group has been included in CDP's A List 2021, which recognises Iberdrola as a leading company in managing and measuring the climate and environmental impacts of its activity. The classification measures the thoroughness of the disclosure, awareness and management of environmental risks, and best practices associated with the environment, such as setting ambitious and significant targets.

- **Included in the Bloomberg Gender Equality Index for the 5th consecutive year**

Iberdrola remains a benchmark for equal opportunities, and this is demonstrated by its inclusion, for the fifth consecutive year, in the Bloomberg Gender Equality Index (GEI), which recently released the results of its 2021 edition. The Group has improved its score from the previous year, thanks to its informative transparency of the indicators required by the index and its increase in the scores related to an inclusive culture and women's leadership.

- **ScottishPower, 'gold star' for its actions in favour of the most vulnerable groups**

ScottishPower has obtained the 'gold star' for its actions in favour of the most vulnerable groups in the UK. ScottishPower's numerous vulnerability activities include its prepaid bonus programme, which provides financial support to customers at risk of disconnection, and its sophisticated telephone routing system, which uses flags to automatically direct vulnerable customers to specialised teams that can provide expert assistance to those who need it most.

- **Iberdrola leader in ESG Credit Indicator according to Standard & Poor's**

Iberdrola obtained the best score among all companies globally, tied only by Nextera and Orsted. In addition, the company remains in the top 10 of the Global Clean Energy Index of the rating agency Standard & Poor's (S&P), considered the main reference in sustainability. In fact, this index is used by numerous funds to make up their investment portfolios.

- **Best company in the OpenODS index for the second year running**

Iberdrola has been awarded for its commitment to achieving the Sustainable Development Goals (SDGs). The Company has been selected as the OpenODS Index's reference company. The OpenODS Index is the first rating and transparency platform to be set up in the area of fulfilling sustainable development goals. It ranks first among a total of 35 Spanish companies in the Spanish Ibex 35 index, with the highest score in all of the three implementation phases of the 2030 Agenda of the OpenODS system: alignment, localisation, and implementation and monitoring. Iberdrola is advocating for a transition to a new socio-economic model that is climate neutral, resilient, sustainable and inclusive. That's why, and in line with its activity, the Group focuses mainly on SDG 7 (affordable, clean energy) and SDG 13 (climate action).

- **Corporate Social Responsibility Best Practices Award 2021**

Iberdrola Mexico has received the 2021 Best Practices in Corporate Social Responsibility award

from the *Centro Mexicano para la Filantropía* (Mexican Center for Philanthropy) (Cemefi) and the *Alianza por la Responsabilidad Social Empresarial en México* (Alliance for Corporate Social Responsibility in Mexico) (AliaRse), The aim of this award is to recognise companies that are implementing initiatives and programmes that contribute to the social, economic and environmental sustainability of their stakeholders, They contribute to spreading a new culture of socially responsible businesses and inspire more companies to adopt and develop similar strategies that strengthen the culture of Corporate Social Responsibility, especially in education, The Company has been awarded this award for two of its initiatives: Luces de Esperanza and Impulso STEM.

- **The only Spanish enterprise recognised as a leading company by the UN Global Compact**

Iberdrola has been recognised as one of the member companies of the Global Compact LEAD for its ongoing commitment to the UN Global Compact and the 10 principles for driving responsible business activity, The Company features on this select ranking, which represents 18 sectors of industry across all regions of the world, for five years in a row and is the only Spanish company to do so, Iberdrola has been selected as one of the organisations most focused on promoting a model of sustainable development and has formed part of the climate ambition and sustainable financing platforms – two areas where it has demonstrated its leadership.

- **Iberdrola ranked on the FTSE4Good index since 2009**

For another year, Iberdrola has been included in the prestigious international index FTSE4Good, designed to facilitate investment into the most sustainable companies in the world in terms of their ESG performance, The Company has succeeded in meeting the requirements included in 204 indicators, which include environmental conservation, social commitment and good

corporate governance, Iberdrola's inclusion in the FTSE4Good index reaffirms its success when it comes to work standards, human rights, health and safety, biodiversity, climate change, water and customer responsibilities and social aspects of the supplier chain.

- **Iberdrola the only Spanish company to make the ranking of the world's best 100 integrated reports**

The Iberdrola Group has been awarded the Platinum Award for its Integrated Report, as part of the 2020 Vision Awards hosted by the League of American Communications Professionals (LACP), This organisation assessed nearly 1,000 annual reports from different companies in more than a dozen countries around the world.

- **Iberdrola's Investor Relations team the best among European utilities according to IR Magazine**

The prestigious publication, IR Magazine, has selected Iberdrola's Investor Relations division as the best among all European utilities, handing it the IR Magazine Awards Europe in its sector ahead of Iberdrola's most direct competitors, These awards acknowledge the professionalism, transparency and attention paid to the financial community by the listed companies operating across the continent.

Glossary of terms

| Alternative Performance Measures | Definition |
|--|--|
| Market capitalisation | Number of shares at the close of the period x price at the close of the period |
| Earnings per share | Net profit for the quarter / number of shares at the close of the period |
| PER | Price at the close of the period / Earnings per share for the last four quarters |
| Price / Book value | Market capitalisation / Equity of the parent company |
| Dividend yield (%) | Dividends paid in the last 12 months and attendance bonus / price at close of the period |
| Gross Margin | Net Revenue - Procurements |
| Net Operating Expenses | Personnel expense - Capitalized personnel expense + External services - Other Operating Income |
| Net Operating Expenses / Gross Margin | Net Operating Expenses / Gross Margin |
| Net Personnel Expense | Personnel Expense - Capitalized Personnel Expense |
| Net External Services | External Services - Other Operating Income |
| Gross Operating Profit (EBITDA) | Operating Profit + Depreciations, Amortisations and Provisions |
| Adjusted Gross Operating Profit (EBITDA) | Gross Operating Profit (EBITDA) adjusted by provisions for efficiency plans |
| Net Operating Profit (EBIT) | Operating Profit |
| Financial Result | Financial Revenue - Financial Expenses |
| Income from Non-Current Assets | Benefits from sale of non-current assets - Losses from sale of non-current assets |
| ROE | Net Profit of the four last quarters / Equity (average) |
| Financial leverage | Net Financial Debt/(Net Financial Debt + Equity) |
| Adjusted Equity | Shareholders' Equity adjusted by the market value of the accumulators |
| Gross Financial Debt | Financial Debt (loans and other) Liability derivative debt instruments |
| Net Financial Debt | Gross Financial Debt – Asset derivative debt instruments - Other short-term credits(*) - Cash and other cash equivalents |
| Adjusted Net Financial Debt | Net financial debt adjusted for derivatives on treasury stock with physical settlement that at this date are not considered to be executed |
| Net Financial Debt / Equity | Net Financial Debt / Equity |
| Net Financial Debt / EBITDA | Net Financial Debt / EBITDA for the last four quarters |
| Funds from Operations (FFO) | See section 'Funds From Operations' in the report |

(*) Included in the Balance Sheet in "Other current financial assets"

| Alternative Performance Measures | Definition |
|--|---|
| Adjusted Funds from Operations (Adjusted FFO) | Funds from Operations adjusted by provisions for efficiency plans |
| Funds From Operations (FFO) / Net Financial Debt | FFO for the last four quarters / Net Financial Debt |
| Net Operating Cash Flow per Share | FFO for the quarter / Number of shares at close of the period |
| Retained Cash Flow (RCF) / Net Financial Debt | RCF for the last four quarters / Net Financial Debt |

Download the Iberdrola Investor:



IBERDROLA, S.A.
Investor relations
Phone: 00 34 91 784 2804
investor.relations@iberdrola.es

www.iberdrola.com