

SHAREHOLDER'S BULLETIN

NINE MONTHS

2022



**Iberdrola reaffirms the Net Profit
target for 2022 in 4 - 4.2 billion.**

**And will pay an interim dividend of
€0.180/share (+5.9%)**



Chairman's key points



Ignacio Galán
Chairman & CEO of Iberdrola

We continue to contribute to a more self-sufficient, sustainable and competitive energy system. Accelerating investments in electrification will allow us to be less dependent on volatile oil and gas prices and generate more growth and jobs, as these results show



Sustainable shareholder remuneration in 2022

5.9% higher than in 2022

On 25 October 2022, Iberdrola's Board of Directors resolved to launch a new edition of the "Iberdrola Remuneración Flexible" optional dividend scheme for the 2022 financial year.

For this purpose, the Company's Board of Directors has set the gross amount of the interim dividend per share to at least €0.180.

Thanks to the results derived from Iberdrola's business model, the interim dividend charged to the accounts for 2022 and payable in 2023 represents a 5.9% increase compared to the previous year.

The 2023 "Iberdrola Remuneración Flexible" Calendar Programme

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- ✓ **27, 28, 29 and 30 December 2022 and 3 January 2023:** Days that count towards fixing the number of free allocation rights.
 - ✓ **4 January 2023:** Notification of the number of free allocation rights required to receive one share.
 - ✓ **5 January 2023:** Last day on which Iberdrola shares are traded with the right to participate in the Iberdrola Flexible Remuneration scheme.
 - ✓ **6 to 21 January 2023:** Election and trading period for free allocation rights.
 - ✓ **31 January 2023:** Interim Dividend Payment to shareholders who have elected to receive cash through this option.
 - ✓ **1 February 2023:** Expected date for the start of trading in the new shares.
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The "Iberdrola Remuneración Flexible" scheme allows shareholders to choose from among the following options when collecting their dividend (or to combine them, with the value of the remuneration to be received being equivalent across all options):

- A. receiving their remuneration through the delivery of new fully paid-up shares;
- B. transferring all or part of their free allocation rights on the market;
- C. receiving their remuneration in cash through payment of the Interim Dividend.

Avoiding shareholder dilution

In order to meet the group's commitment to maintain the number of outstanding shares at around 6.24 billion, a new share redemption programme was approved at the last Shareholders' Meeting.



Highlights of the period

EBITDA reached €9,529 million

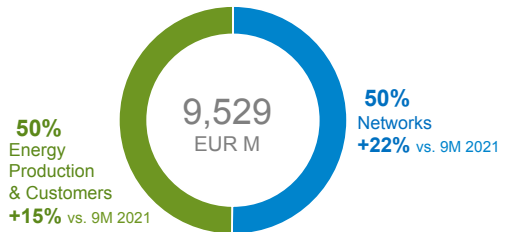
EBITDA increased 17% to €9,529 million, driven by growth in all geographies except Spain, as well as the positive impact of the exchange rate for the US dollar and the Brazilian Real, thanks to the group's geographical diversification.

By businesses, the EBITDA in the **Networks** business increased by 21.5% to € 4,777.6 million in all geographic areas, due to the larger asset base and the increase in revenue driven by the tariff reviews (in the United States and Brazil),

however, in Spain, it decreased by 16.9%, as a result of an extraordinary negative impact related to a court decision and a regulatory order on certain assets of the business.

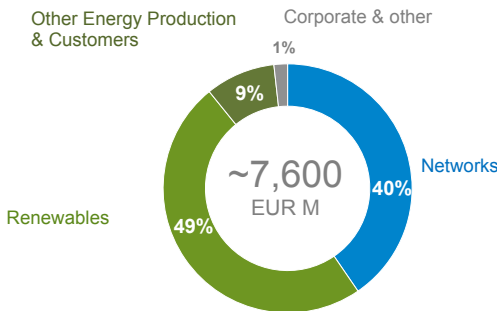
Meanwhile, the EBITDA in the **Power Generation and Customers business** increased by 15.1% to €4,750.6 million due to the 2,000 MW of new capacity installed in the last twelve months, which offset the decline in renewable energy production in Spain (due to very low hydro production and moderate wind factors) and the adverse evolution of energy margins caused by the dynamics of the gas markets, which affects both Spain and the United Kingdom.

EBITDA: BREAKDOWN BY BUSINESS



Investment of €10.5 billion in the last 12 months

9M 2022 GROSS INVESTMENTS BY BUSINESS



Gross investment amounted to €7.6 billion, of which 40% was allocated to Networks and 49% to Renewable Energy, as the pillars of growth.

Half of the investments were in renewable energy, mainly offshore wind projects in the United Kingdom, USA, France and Germany, as well as new wind and solar installations in Spain, the USA and Australia.

In turn, investments in Networks increased by 10%, raising their contribution to the Group's total investment to 40%. 70% of these have been in Brazil.

Thus, €10.5 billion has been invested in the last twelve months.



Financial Health

Iberdrola maintains strong credit ratios thanks to cash flow that more than offset the increase in debt due to new investments. Thus, the ratio of cash flow to adjusted net debt improved to 24.3%.

In line with the policy of minimising exposure to market volatility, the Group continues to mitigate risk and keep Iberdrola's balance sheet well positioned against rising interest rates, with 75% of debt at a fixed rate and an average maturity of 6 years.

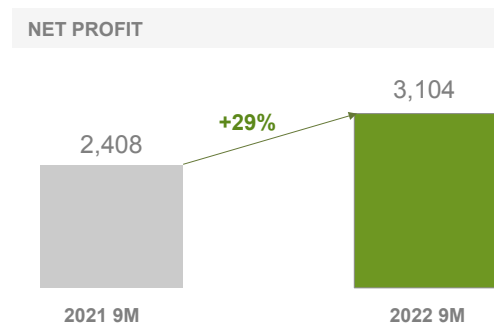
At present, the group's liquidity amounts to €25 billion, covering 27 months of financing needs.

ADJUSTED CREDIT METRICS

	Sep 2022	Sep 2021 ¹
Adjusted Net Debt / EBITDA	3.3x	3.4x
FFO ² / Adjusted Net Debt	24.3%	23.4%
RCF / Adjusted Net Debt	21.9%	21.0%
Adjusted Leverage	41.4%	41.7%

- (1) Proforma including Neoenergia Brasilia and Poland onshore in September 2021
- (2) September 2022 FFO includes collection of EUR 826 M on positive court rulings in Spain and positive one-off linked to NY Order that allows to accrue certain regulatory assets (EUR 340 M)

Net profit amounted to €3,104 million



Iberdrola's net profit for the nine months of 2022 increased 29% to €3,104 million compared to the previous year thanks to operating performance and other non-recurring impacts.

Operating cash flow amounted to €8.2 billion (+28%).

Outlook to 2022

REAFFIRMING OUR NET PROFIT OUTLOOK FOR 2022 (EUR 4.0 - 4.2 BN)

ADDITIONAL GROWTH...

... MINIMIZING RISKS



- ~2,500 MW of additional renewable capacity
- Normalized renewable resource in Q4, only partially offsetting YTD dynamics
- Impact of regulatory measures

- All production for Q4 already sold
- Supplies closed with prices secured
- Business model minimizing impacts of market volatility



- EUR ~4,600 M of network investments

- Stable tariff frameworks protecting from macro impacts (demand, inflation)



- Operating efficiency
- FX impact driven by geographic diversification

- ~75% of debt at fixed rate
- Strong liquidity position (27 months)



IBERDROLA: Key factors to a resilient business

In a global context in which raw material prices have increased, as well as inflation and interest rates, which affect the growth of the economy, Iberdrola, thanks to its business model, is managing to cushion the aforementioned adverse effects.

Thus we can say that the key to Iberdrola's business model lies in:

- A well-balanced geographical diversification resulting in a positive exchange rate impact.
- Growth based on Networks and Renewable Energies with regulatory frameworks or contracts that provide protection against any negative developments in demand or inflation.
- A good coordination between generation and marketing, where 90% of production is already sold by 2023, and approximately 70% by 2024 and 50% by 2025.
- It is a business model not based on speculative gas or energy trading where only 14% of total European production is produced with gas.
- Securing supplies, for our investments at locked-in or hedged prices by 2022 and the vast majority by 2023.

Proactively contributing to mitigating the current crisis

In recent months, Iberdrola has adopted measures aimed at reducing the impact of the crisis on families and industries, thus demonstrating its commitment to society.

Thus, the following measures, among others, have been taken:

1. Keeping prices stable for our customers based on our zero-emission generation fleet at well below market prices.
2. Supporting vulnerable customers through the Subsidised Rate paid by electricity companies.
3. Promoting energy efficiency and savings, maximising the availability of renewable plants and accelerating investments in renewable energies and networks to reduce dependence on fossil fuels.
4. Generating employment with more than 4,700 new hires in the last twelve months.
5. Contributing €7.8 billion in taxes in the last twelve months.

Committed to and driving sustainable solutions over time

Iberdrola has played an active role in discussions with the authorities to find a European course of action in consensus with public and private stakeholders.

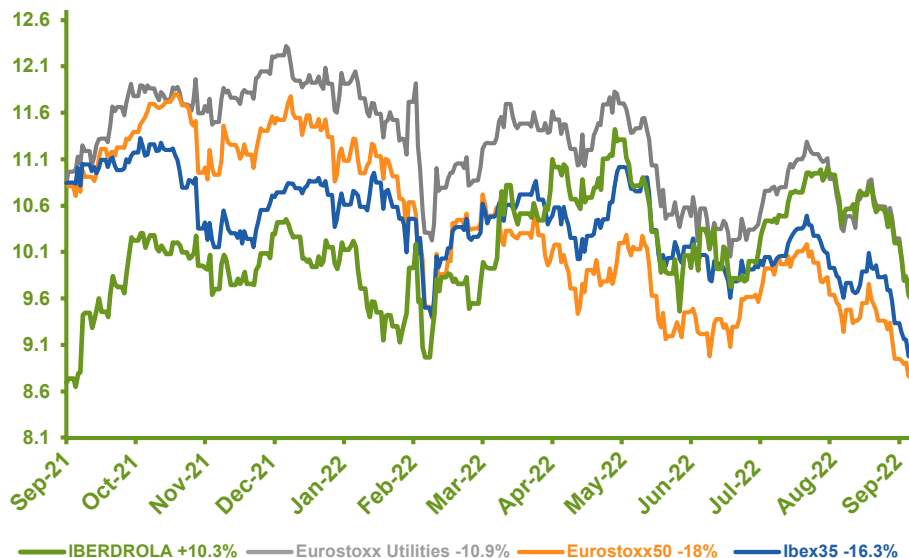
Iberdrola supports a lasting solution to the crisis, with short- and long-term effects, for which it considers it necessary to advance in the energy transition through the electrification of the economy by boosting investment in networks and renewable energies to reduce dependence on coal and natural gas and achieve European energy independence.

It also pushes for a unified European energy policy that provides regulatory stability and clear frameworks, essential for mobilising private investment. In this way Iberdrola advocates unifying policies with integrated markets and tax systems, more interconnections, common administrative processes and incentives in the EU.

Regarding taxation, Iberdrola considers that this should be directed towards supporting vulnerable customers and preserving the economic and productive activity of the industry.



IBERDROLA and the stock market



IBERDROLA share price

	9M 2022	9M 2021
Number of shares outstanding	6,362,094,000	6,366,088,000
Share price at close of period	9.582	8.684
Average share price for the period	10.198	10.769
Average daily trading volume	14,415,775	12,812,832
Maximum trading volume (22-04-2022 / 19-03-2021)	50,291,361	48,728,175
Minimum trading volume (17-05-2022 - 03-05-2021)	5,239,815	3,983,299
Dividends paid (€)	0.4490	0.4220
Gross interim dividend (02-02-2022/ 08-02-2021) ⁽¹⁾	0.1700	0.1680
Gross supplementary dividend (29-07-2022 / 29-07-2021) ⁽¹⁾	0.2740	0.2540
Engagement dividend (20-06-2022 / n.a.)	0.0050	0.0000
Dividend yield ⁽²⁾	4.68%	4.85%

(1) Iberdrola-guaranteed rights purchase price.

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

Securities Market Data

	9M 2022	9M 2021	
Market capitalisation	€B	60,962	55,283
Earnings per share (6,362,094,000 shares to 30/09/2022 and 6,366,088,000 shares to 30/09/2021)	€	0.464	0.359
Funds generated from operations adjusted per share	€	1.28	1.00
P.E.R.	Times	13.89	17.35



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