

SHAREHOLDER'S BULLETIN

FIRST HALF

2022



**Net Profit increased 35.5 % to
€2,075 M, growing in all geographies
except Spain**



Chairman's key points



Ignacio Galán
Chairman & CEO of Iberdrola

In the first half of 2022, Iberdrola's Net Profit reached 2,075 million euros, 36% more than in 2021, driven by the increase in results in the rest of the geographies, which offset the 26% drop in net profit in Spain.



Sustainable shareholder remuneration in 2022

6.4% higher than in 2021

As part of the resolutions adopted at the 2022 General Shareholders' Meeting held last June, item 10 on the agenda was approved with 99.17% of votes in favour, corresponding to shareholder remuneration charged to the 2021 financial year and payment in 2022, with a minimum final dividend of €0.27 gross per share.

Finally, the Final Dividend, which will be paid in August, was set at €0.274 gross per share, 7.9% more than in 2021.

To this amount must be added the gross €0.170 per share distributed in February as an Interim Dividend as well as the gross €0.005 per share paid as an "**Involvement Dividend**", since the required condition of achieving the quorum of 70% of the share capital at the last meeting was met.

Therefore, the total shareholder remuneration paid in 2022 against 2021 results will therefore be €0.449 gross per share (+6.4% compared to that paid in 2021).

Interim dividend

(paid on February 1st 2022)

EUR 0.170 / share

Supplementary dividend

(to be paid on 2nd August)

EUR 0.274 /share

(or 1 share per 36 rights)

Engagement dividend

EUR 0.005/ share

2022 Shareholder remuneration

0.449 €/ share

Keeping the number of shares stable

Finally, the shareholders' meeting approved a new share redemption programme to meet the group's commitment to maintain the number of shares outstanding at around 6,240 million. This amortisation amounted to 197,563,000 shares and corresponded to 3.07% of the capital and took place on 8 July 2021.



Highlights of the period

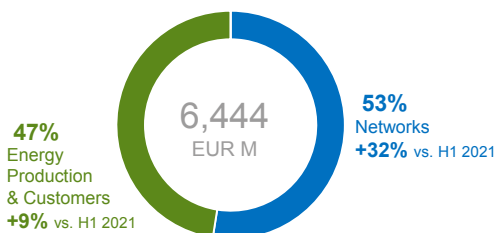
EBITDA increased to €6,444 million. (+18%)

EBITDA increased 18% to €6,444 million, driven by growth in all geographies except Spain, which was affected by the context of this first half year.

By business, EBITDA in the **Networks business** increased by 31.5% to €3,375.8 million, in all geographies due to the larger asset base and the increase in revenue driven by tariff reviews in the United States and Brazil, nevertheless in Spain fell by 24.4% as a result of a one-off negative impact related to a court decision and a regulatory order on certain assets in the business.

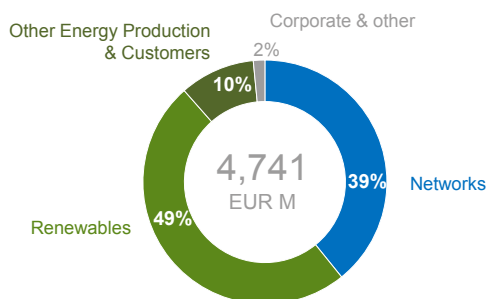
In turn, EBITDA of **Electricity Production and Customers business** increased by 8.6% to €3,054.1 million due to the higher installed capacity in the period, better wind resources in the United States and the United Kingdom, and affected by the lower production of renewable and nuclear energy in Spain and the high energy prices, which are not passed on to the end customer.

BREAKDOWN BY BUSINESS



Investments in Renewable Energies and Networks as a growth factor

H1 2022 GROSS INVESTMENTS BY BUSINESS



Gross investments continued to accelerate, reaching €4,741 million, of which 39% were allocated to Networks and 49% to Renewable Energies in all geographies.

In this regard, it is planned to continue to accelerate investments as growth vectors, mainly in Renewable Energies and Networks.

Regarding renewable energies, 3,400 MW have been in operation in the last twelve months, and we have more than 10,800 MW under construction or secured, mainly in areas with growing climate ambition such as the United States, the United Kingdom and the

European Union, of which 5,500 MW are offshore wind farms.

With regard to investments in Networks, another growth vector worth highlighting is the allocation of an auction of almost 2,000 kilometres of high-voltage lines in Brazil.



Solid financial position

Iberdrola maintains a solid financial position, a hallmark of the company, despite the increase in net debt mainly due to new investments and the evolution of the exchange rate (€1,863 million). Adjusted net financial debt at June 2022 reached €41,717 million, increasing by €5,136 million.

In turn, adjusted net leverage improved 1 p.p. to 40.7% from 41.6% recorded in June 2021.

In line with the policy of minimising financial risks, the Group continues to mitigate currency risk by financing international businesses in local currency (sterling, reais, dollars) or functional currency (dollars in the case of Mexico). Iberdrola's balance sheet is well positioned in the face of rising interest rates.

At present, the group's liquidity amounts to €25,000 M and covers 27 months of financing needs with an average life of the debt of 6 years.

Iberdrola remains the world's leading private group for issuing green bonds, with €43,000 million and €6,500 million of new ESG financing.

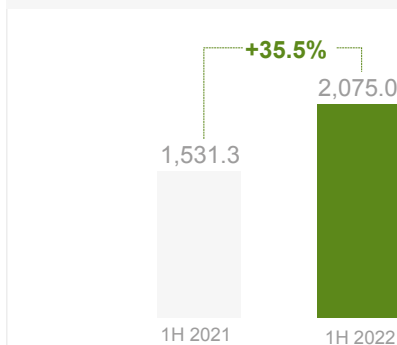
ADJUSTED CREDIT METRICS

	Jun 2021 ¹	Jun 2022
Adjusted Net Debt / EBITDA	3.4x	3.2x
FFO ² / Adjusted Net Debt	23.6%	24.7%
RCF / Adjusted Net Debt	21.2%	22.4%
Adjusted Leverage	41.6%	40.7%

- 1) Proforma including Infigen, Neoenergia Brasilia and Poland onshore in June 2021
2) June 2022 FFO includes collection of EUR 826 M on positive court rulings in Spain and positive one-off IFRS impact of storm costs wording change (EUR 340 Mn)

Net profit increased by 3.2%

NET PROFIT



Iberdrola's net profit for the first half of 2022 increased by 35.5% compared to the previous year to reach €2,075 million, mainly driven by the businesses in the United States (€596.7 million) and Brazil (€199.6 million) and despite the decrease in Spain (-26%).

Taxes amounted to €699.8 million, an improvement of 31.0%, mainly due to the extraordinary negative effect recorded in 2021 in deferred taxes due to the rate change from 19% to 25% approved in the UK (€479 million), leaving the effective rate at 22.1% compared to 36.7% in the previous year.

Outlook to 2022

The results of the first quarter, as well as the expected evolution for the following quarters, allow us to **reaffirm** our outlook for net profit for 2022 in the range of **€4,000 million to €4,200 million**.



Long-term outlook

On 17 June 2022 Iberdrola held its General Shareholders' Meeting in hybrid format. There, it received massive shareholder support for the Group's management. All the blocks of agreements received an average positive vote of 98%, demonstrating, once again, the confidence of shareholders and investors in the management of the company.

Iberdrola, the only Ibex 35 company to offer a dividend per share at the General Shareholders' Meeting 'involvement dividend'

In keeping with its aim of involving shareholders in the life of the company and for the first time in the Ibex, Iberdrola offered a dividend to be received by all shareholders if 70% of the share capital was reached at its General Shareholders' Meeting, a target it achieved by reaching a quorum of 72.13% of the share capital. This amount was paid a few days after the event.

Featured messages

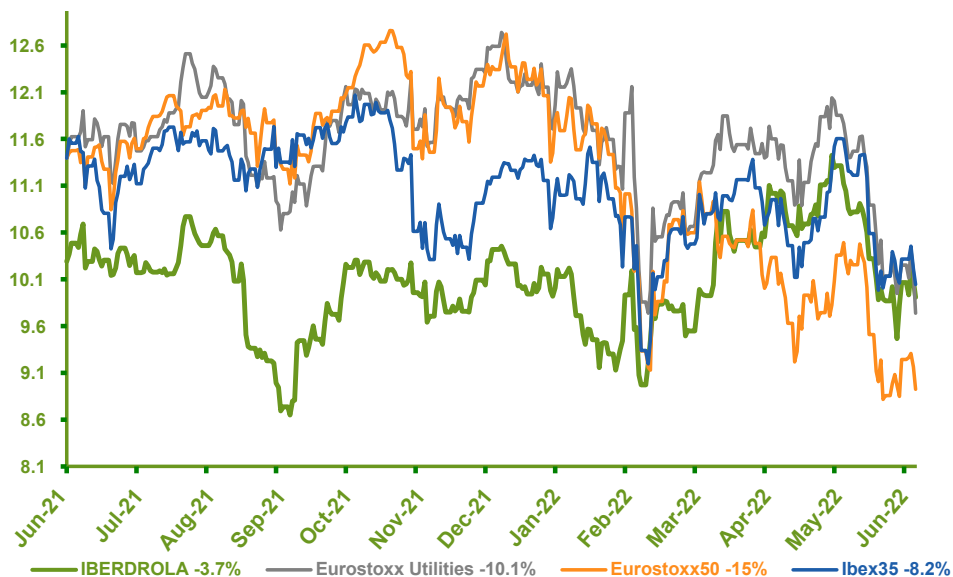
"We have grown sevenfold in the last 20 years to become Europe's largest electricity company by market capitalisation and one of the largest in the world." *Ignacio Galán*

During the General Shareholders' Meeting, the Chairman delivered a number of important messages to shareholders, including the following:

- **Highest dividend in the group's history:** a gross dividend of €0.44 per share will be paid with respect to 2021, plus an 'involvement dividend' of €0.005 gross per share
- **Leader in Europe:** Iberdrola has increased its size sevenfold in twenty years and is the largest electricity company in Europe in terms of market capitalisation and the fourth largest in the world
- **Tax contribution:** the group has paid €7,836 million into the public coffers of the countries where it operates - 5% more than the previous year, i.e. €361 million more. This figure is equivalent to 42% of its profit before corporate taxes, other taxes and Social Security contributions payable by the company
- **Stable and quality employment engine:** Iberdrola employs more than 400,000 people worldwide and has a workforce of around 40,000 professionals in 40 countries
- **Record investments:** The company has made record investments of €9,940 million in 2021, which is 3% more than the previous year. These investments have enabled the commissioning of nearly 3,500 MW of green power by 2021



IBERDROLA and the stock market



IBERDROLA share price

	H1 2022	H1 2021
Number of outstanding shares	6,437,563,000	6,418,156,000
Price at the end of the period	9.896	10.280
Average price of the period	10.136	11.097
Average daily volume	16,018,835	13,580,128
Maximum volume (04-22-2022 / 03-19-2021)	50,291,361	48,728,175
Minimum (05-17-2022 / 03-05-2021)	5,239,815	3,983,299
Dividends paid (€)	0.175	0.168
Gross interim (02-02-2022 / 02-08-2021) ⁽¹⁾	0.170	0.168
Engagement (06-20-2022 / -)	0.005	-
Dividend yield ⁽²⁾	4,33%	3,89%

(1) Purchase price of rights guaranteed by Iberdrola.

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

Securities Market Data

		H1 2022	H1 2021
Market capitalisation	EUR (million)	63,706	65,979
Earnings per share (6,437,563,000 shares at 30/06/22 and 6,418,156,000 shares at 30/06/21)	EUR	0.309	0.227
Net operating cash flow per share	EUR	0.86	0.67
P.E.R.	Times	14.85	20.87



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