

The most important event of the year had a quorum of 72.13%, six points higher than in 2021

Iberdrola's General Shareholders' Meeting backs Ignacio Galán's management by 98%

- **Massive support from shareholders for the Group's management.** All the blocks of resolutions, which include the 20 proposals included in the agenda, received a positive vote of 98% on average, demonstrating, once again, the confidence of investors in the management of the company's management. This year, the Meeting recorded a significant increase in the participation of institutional, national and international investors.

RELEVANT MESSAGES TO SHAREHOLDERS

- **Highest dividend in the history of the group:** a gross dividend of 0.44 euros per share will be paid in 2021, plus an attendance dividend of 0.005 euros gross per share
- **Leader in Europe:** it has increased its size sevenfold in twenty years, becoming the largest electricity company in Europe by market capitalisation and the fourth largest in the world
- **Tax contribution:** the group has paid 7,836 million euros into the public coffers of the countries where it operates - 5% more than the previous year, i.e. 361 million euros more. This figure is equivalent to 42% of its profit before corporate taxes, other taxes and social security payable by the company
- **Driver of stable and quality employment:** the company generates employment for more than 400,000 people worldwide and has made 5,600 hires in 2021, provides more than 50 hours of training per employee per year and has a workforce of nearly 40,000 professionals in 40 countries
- **Record investments:** The company has made record investments of 9.94 billion euros in 2021, which is 3% more than the previous year. These investments have enabled the commissioning of nearly 3,500 MW of green power in 2021
- **Commitment to society:** The company has more than 100 measures for work-life balance and flexibility so that men and women can contribute equally to family life
- **Support for Ukrainian society.** The President sent a message of solidarity to the people of Ukraine and his wish that the invasion would end as soon as possible and that freedom and peace would be restored in Ukraine.

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The Chairman of Iberdrola, Ignacio Galán, today addressed the more than 600,000 shareholders of the Company at the General Shareholders' Meeting, which was once again held in person. During his speech from the Iberdrola Tower in Bilbao, he reaffirmed the company's investment commitment to contribute to accelerating the energy transition: "Investments, which have reached 9,940 million euros, have allowed us to grow at a higher rate

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than expected, confirming the success of our sustainable model aimed at consolidating an emission-free and energy-independent economy", the Chairman assured his shareholders.

The quorum was 72.13% of the share capital, which represents a significant increase in the participation of institutional, national and international investors, 6 points more than in 2021. All the blocks of resolutions included in the agenda were supported with an average affirmative vote of 98%, distributed as follows:

- ✓ Group 1 (management results and auditing of accounts): 98.52%.
- ✓ Group 2 (governance and sustainability system): 99.93%.
- ✓ Group 3 (remuneration): 95.78%.
- ✓ Group 4 (Board of Directors): 99.10%.
- ✓ Group 5 (authorisations and delegation of powers): 97.85%.

Strong performance and growth prospects

The consequence of this investment effect and the pace of its activity has been passed on to results and shareholder remuneration. In fact, sales reached 39,114 million euros, an increase of 18% compared to 2020, and the group's operating profit stood at 12,006 million euros, 19% higher than the previous year. In addition, net profit climbed to €3,855 million, up 8% compared to 2020.

"It is these excellent results, achieved through the effort, dedication and success of all the professionals who make up Iberdrola, which allow us to be proud of the company that we are today", he said.

Since the arrival of Ignacio Galán, the company has gone from being a local electricity company to consolidating its position as Europe's leading electricity company, increasing its size sevenfold in the last twenty years. In addition, the company has managed to multiply its operating profit by almost six times, its net profit by more than four times and its assets by seven times, to more than 141,000 million euros.

In relation to the current context, the chairman highlighted Iberdrola's "clear advantages" due to its pioneering work in renewables, green financing and its expansion in stable and attractive markets.

In addition, Ignacio Galán stated that one of "the main novelties that we are bringing to this Meeting for approval is the reform of the Articles of Association and the Regulations of the Meeting to consolidate Iberdrola's commitment to its Purpose and Values and to its social dividend".

Iberdrola's Chairman also referred to the future: "We maintain our profit forecasts for this year, of between 4,000 and 4,200 million euros".

During the presentation, the chairman insisted that Iberdrola has a resilient business model in the current market context: it is highly diversified - 70% of gross margin comes from the international area -, has a solid financial structure - 80% of debt is fixed-rate and long term, with an average of more than 6 years - and purchases with closed or assured prices for 2022, thus avoiding the current tensions in raw materials.

The company's activity is clearly less sensitive than others to cycles due to the stability of electricity consumption, and demand is expected to continue to grow thanks to electrification. Moreover, Iberdrola is very diversified geographically: one third of the business is in euros, one

third in dollars and 20% in pounds sterling. Most of the revenues are protected from inflation by contracts, especially in the regulated part.

Chairman Ignacio Galán explained how the rise in gas prices is negatively affecting the company, as it has fixed price contracts in place for this year, and the rise will not be passed on to customers.

During his speech, Ignacio Galán pointed out that Iberdrola has been a pioneer in equality for many years. The company has more than 100 measures for work-life balance and flexibility so that men and women can contribute equally to family life, with employees of 79 nationalities, making it one of the top 10 companies in the world for integration. In this chapter, he highlighted the contribution to women's sport. Two out of every three federated women are supported by Iberdrola.

Attractive shareholder remuneration

In this context, the General Meeting of Shareholders - at the proposal of its Board - has approved a final dividend of 0.27 euros per share, to be paid in August. This, added to the interim dividend already distributed (EUR 0.17 gross per share), represents a total remuneration of EUR 0.44 per share, 5% higher than that distributed a year earlier.

The General Meeting of Shareholders has approved a new programme to buy back own shares in order to reduce the share capital. The objective is to meet the group's commitment to keep the number of outstanding shares stable, on which earnings per share are calculated, at around 6,240 million.

To this end, Iberdrola will redeem a maximum of 197,563,000 of its own shares, representing 3.069% of the company's current share capital, including those acquired through the buyback programme.

In addition, the shareholders' meeting also approved the participation dividend, which consists of the payment of 0.5 euro cents per share to shareholders - 1 euro for every 200 shares - to shareholders entitled to attend the General Meeting because the quorum of 70 per cent of the share capital has been reached.

Shareholders also voted in favour of the proposals for the re-election of Anthony Gardner and the ratification and re-election of María Ángeles Alcalá Díaz and Isabel García Tejerina as independent directors. Following their appointment, 71% of the directors are independent and 43% are women.

During the meeting, the Chairman wished to show his support for the Ukrainian company. Galán sent a message of solidarity to the people of Ukraine and his wish for the invasion to end as soon as possible and for freedom and peace to be restored in that country.

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