

RESULTS PRESENTATION

July 27, 2022

FIRST HALF



IBERDROLA

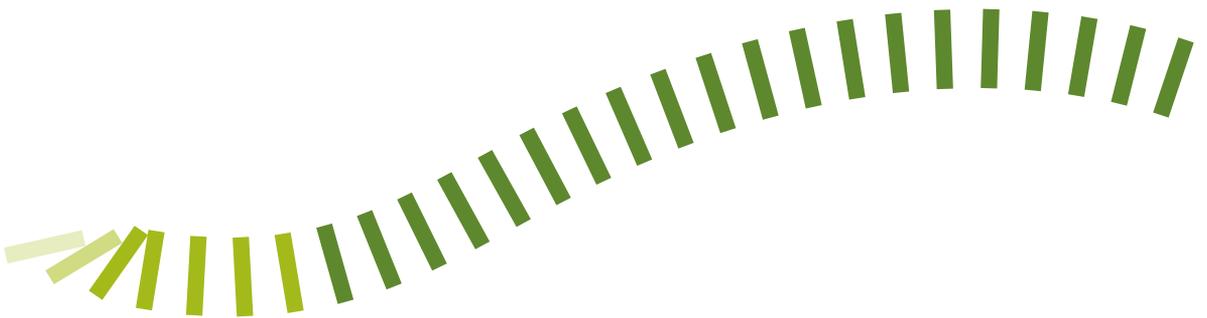
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Core business figures





Networks

RAB (Local currency)		December 2021	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)	H1 2022	H1 2021	vs. H1 2021
Spain	45,118	45,187	-0.2%
United Kingdom	15,919	16,315	-2.4%
United States	18,997	18,975	0.1%
Brazil	38,299	37,211	2.9%
Total	118,334	117,689	0.5%
GAS (GWh)			
United States	38,395	36,140	6.2%
Total	38,395	36,140	6.2%

Managed Supply Points

ELECTRICITY (Millions)	H1 2022	H1 2021	vs. H1 2021
Spain	11.32	11.25	0.6%
United Kingdom	3.55	3.54	0.2%
United States	2.31	2.29	0.7%
Brazil	15.88	15.57	2.0%
Total Electricity	33.06	32.66	1.2%
GAS (Millions)			
United States	1.03	1.03	0.3%
Total Gas	1.03	1.03	0.3%
TOTAL SUPPLY POINTS	34.09	33.69	1.2%

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

	H1 2022	H1 2021	vs. H1 2021
Net Production (GWh)⁽¹⁾	83,255	82,897	0.4%
Net owned production⁽¹⁾	63,929	66,377	-3.7%
Renewables ⁽¹⁾	40,446	41,061	-1.5%
Onshore	23,290	21,161	10.1%
Offshore	2,300	2,262	1.7%
Hydro	12,715	15,942	-20.2%
Minihydro	234	399	-41.2%
Solar	1,871	1,258	48.8%
Nuclear	11,505	11,574	-0.6%
Gas combined cycle	9,275	10,474	-11.4%
Cogeneration	2,704	3,268	-17.3%
Net production for third parties	19,326	16,520	17.0%
Renewables	111	110	0.7%
Onshore	111	110	0.7%
Gas combined cycle	19,215	16,410	17.1%
Installed Capacity (MW)⁽²⁾	59,522	55,859	6.6%
Net owned installed capacity⁽²⁾	52,376	48,713	7.5%
Renewables ⁽²⁾	38,722	35,573	8.9%
Onshore	19,683	18,847	4.4%
Offshore	1,258	1,258	-
Hydro	13,849	12,864	7.7%
Minihydro	272	302	-9.7%
Solar	3,448	2,207	56.2%
Batteries	198	82	141.5%
Nuclear	3,177	3,177	-
Gas combined cycle	9,292	8,778	5.9%
Cogeneration	1,185	1,185	-
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.)	13.59	13.45	1.0%
Gas customers (No mill.)	3.35	3.24	3.2%
Gas Supplies (GWh)	30,239	30,233	-
Gas Storage (bcm)	0.13	0.05	158.7%

(1) Including 36 GWh of production from fuel cells in H1 2022 and 40 GWh in H1 2021

(2) Including 13 MW installed capacity of fuel cells both in H1 2022 and H1 2021

Differences may arise due to rounding



Spain

	H1 2022	H1 2021	vs. H1 2021
Net Production (GWh)	27,467	31,417	-12.6%
Renewables	11,870	16,478	-28.0%
Onshore	5,995	6,230	-3.8%
Hydro	4,573	9,376	-51.2%
Minihydro	234	399	-41.2%
Solar	1,067	473	125.6%
Nuclear	11,505	11,574	-0.6%
Gas combined cycle	2,928	2,224	31.6%
Cogeneration	1,165	1,141	2.1%
Installed Capacity (MW)	28,591	26,937	6.1%
Renewables	19,372	17,718	9.3%
Onshore	6,160	6,269	-1.7%
Hydro	10,700	9,715	10.1%
Minihydro	272	302	-9.7%
Solar	2,221	1,429	55.4%
Batteries	19	3	533.3%
Nuclear	3,177	3,177	-
Gas combined cycle	5,695	5,695	-
Cogeneration	347	347	-
Electricity customers (No mill.)	10,72	10,72	-
Gas customers (No mill.)	1,41	1,41	-
Gas Supplies (GWh)	16.401	14.185	15.6%
Users	9.926	9.079	9.3%
Gas Combined Cycle	6.475	5.106	26.8%

Note: From January 1, 2022, the old Rest of the World marketing contracts are included in the marketing in Spain
Differences may arise due to rounding



United Kingdom

	H1 2022	H1 2021	vs. H1 2021
Net Production (GWh)	4,151	3,377	22,9%
Renewables	4,151	3,377	22,9%
Onshore	2,431	1,701	42,9%
Offshore	1,717	1,676	2,4%
Solar	4	-	N/A
Installed Capacity (MW)	3,008	2,948	2,0%
Renewables	3,008	2,948	2,0%
Onshore	1,986	1,986	-
Offshore	908	908	-
Solar	10	-	N/A
Batteries	104	54	92,6%
Electricity customers (No mill.)	2,87	2,73	5,1%
Gas customers (No mill.)	1,94	1,84	5,6%
Gas Supplies (GWh)	13,838	16,048	-13,8%
Gas Storage (bcm)	0,13	0,05	158,7%

Differences may arise due to rounding

USA

	H1 2022	H1 2021	vs. H1 2021
Net Production (GWh)⁽¹⁾	11,836	11,799	0.3%
Renewables ⁽¹⁾	11,052	10,466	5.6%
Onshore	10,809	10,223	5.7%
Hydro	89	71	25.3%
Solar	118	132	-10.1%
Gas combined cycle	1	4	-73.1%
Cogeneration	782	1,328	-41.1%
Installed Capacity (MW)⁽²⁾	9,352	8,856	5.6%
Renewables ⁽²⁾	8,512	8,016	6.2%
Onshore	8,007	7,754	3.3%
Hydro	118	118	-
Solar	372	130	187.5%
Gas combined cycle	204	204	-
Cogeneration	636	636	-

(1) Including 36 GWh of production from fuel cells in H1 2022 and 40 GWh in H1 2021

(2) Including 13 MW installed capacity of fuel cells both in H1 2022 and H1 2021

Differences may arise due to rounding



Mexico

	H1 2022	H1 2021	vs. H1 2021
Net Production (GWh)	27,887	25,573	9.0%
Net owned production	8,561	9,053	-5.4%
Renewables	1,504	1,375	9.4%
Onshore	827	727	13.8%
Solar	677	649	4.4%
Gas combined cycle	6,301	6,880	-8.4%
Cogeneration	756	798	-5.3%
Net production for third parties	19,326	16,520	17.0%
Renewables	111	110	0.7%
Onshore	111	110	0.7%
Gas combined cycle	19,215	16,410	17.1%
Installed Capacity (MW)	11,197	10,683	4.8%
Net owned installed capacity	4,051	3,537	14.5%
Renewables	1,232	1,232	-
Onshore	590	590	-
Solar	642	642	-
Gas combined cycle	2,617	2,103	24.4%
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

	BRAZIL	H1 2022	H1 2021	vs. H1 2021
Net Production (GWh)		9,461	8,658	9.3%
Renewables		9,447	7,313	29.2%
Onshore		1,394	817	70.5%
Hydro		8,053	6,495	24.0%
Solar		-	-	N/A
Gas combined cycle		14	1,345	-99.0%
Installed Capacity (MW)		4,759	4,218	12.8%
Renewables		4,201	3,685	14.0%
Onshore		1,171	654	78.9%
Hydro		3,031	3,031	-
Solar		25	-	N/A
Gas combined cycle		533	533	-

Differences may arise due to rounding

Rest of the world (ROW)

	H1 2022	H1 2021	vs. H1 2021
Net Production (GWh)	2,452	2,072	18.4%
Renewables	2,422	2,052	18.0%
Onshore	1,834	1,462	25.5%
Offshore	583	586	-0.5%
Solar	5	4	6.3%
Gas combined cycle	31	20	50.2%
Installed Capacity (MW)	2,614	2,217	17.9%
Renewables	2,371	1,974	20.1%
Onshore	1,770	1,593	11.1%
Offshore	350	350	-
Solar	177	6	N/A
Batteries	75	25	200.0%
Gas combined cycle	243	243	-

Differences may arise due to rounding



Stock 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
Price/Book value (capitalisation to NBV at the end of the period)	Times	1.45	1.80

Economic/Financial Data (*)

Income Statement		H1 2022	H1 2021
Revenues	EUR (million)	24,430.0	18,752.2
Gross Margin	EUR (million)	9,868.8	8,506.0
EBITDA	EUR (million)	6,443.9	5,443.6
EBIT	EUR (million)	3,922.3	3,241.5
Net Profit	EUR (million)	2,075.0	1,531.3
Net Operating Expenses / Gross Margin	%	25.2%	24.9%
Balance Sheet		Jun 2022	Dec 2021
Total Assets	EUR (million)	156,788	141,752
Equity	EUR (million)	60,539	56,126
Net Financial Debt	EUR (million)	41,995	36,710
Adjusted Net Financial Debt	EUR (million)	41,717	39,119
ROE	%	10.09	9.84
Financial Leverage (Net Financial Debt/(Debt Financial Debt + Equity))	%	41.0	41.2
Net Financial Debt / Equity	%	69.4	70.1

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

Others

Others		H1 2022	H1 2021
Gross Organic Investments	EUR (million)	4,741.0	4,500.5
Employees	Number	39,968	38,916

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 the first half of 2022, **Iberdrola Group's Net Profit rose 36%** to EUR 2,075 million, up 36% despite a 26% drop in Spain's contribution.
- **EBITDA increased by 18% to EUR 6,444 million**, displaying a positive trend in all geographies except Spain.
- **Gross investments in the first half amounted to EUR 4,741 million (+5.3%), reaching EUR 10,200 million in the last 12 months**, having installed 3,400 MW of renewable capacity in that period, with a further 7,100 MMW under construction.
- The company **maintains a solid financial profile**, with a good liquidity position (EUR 24,963 million), which covers 27 months of financing needs*.
- The changes in Iberdrola's main **reference currencies** had a positive impact of EUR 381 million on EBITDA and EUR 60 million on Net Profit, with the changes in average exchange rates as follows:
 - The pound sterling appreciated by 3.5% against the euro to reach 0.84.
 - The US dollar appreciated by 9.8% to reach 1.10 per euro.
 - The Brazilian real appreciated by 17.2% to 5.58 per euro.
- **Total own CO² emissions in the period decreased by 7.6%** compared to the first half of the previous year, reaching to 73 gr/kWh thanks to higher wind power production in the first half of the year and despite the drought in Spain.

Global environment and general considerations

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

- The Energy Balance of the peninsular system during the first half of 2022 shows an increase in combined

cycle (+86.9%), coal (+100%), solar (+32.7%) and nuclear (+3.4%) production compared to the same period of the previous year, offsetting the decrease in hydroelectric (-45%) and wind (-2.7%).

Electricity demand in Spain fell by 1.8% in the first half of 2022 compared to the same period in 2021, falling in labour- and temperature-adjusted terms by -2.7%.

The first half of 2022 closed with a producibility index of 0.5 and hydroelectric reserves at 39.6%, compared to a producibility index of 1.0 and reserves at 56.2% in the same period of 2021.

- In the **United Kingdom**, electricity demand fell by 3.0% in the first half of 2022 compared to the same period in 2021, while conventional gas demand fell by 9.9%.
- In **Avangrid's** management areas on the US East Coast, electricity demand has remained virtually flat (+0.1%) compared to the first half of 2021, while gas demand has increased by 6.2%.
- Electricity demand in **Neoenergia's** areas of activity in Brazil increased by 2.9% in the first half of the year, thanks to the incorporation of Neoenergia Brasilia since March 2021.

During the first half of 2022, international markets of raw materials performed as follows:

Average prices	H1 2022	H1 2021	vs H1 2021
Oil – USD/BBL	107.9	65.0	66%
NBP-P/th (gas)	184.9	57.5	222%
Henry Hub – USD/MMBtu (gas)	6.0	3.1	94%
TTF – EUR/MWh (gas)	99.6	21.9	356%
Coal – USD/tonne	266.1	77.7	242%
CO ₂ -EUR/tonne	83.5	44.0	90%

* Without PNM



Significant events for the Iberdrola Group

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

Million EUR	H1 2022 vs H1 2021	
GROSS MARGIN	9,868.8	+16.0%
EBITDA	6,443.9	+18.4%
EBIT	3,922.3	+21.0%
NET PROFIT	2,075.0	+35.5%

Consolidated EBITDA grew by 18.4% compared to the first half of 2021, reaching EUR 6,443.9 million, with a positive exchange rate impact of EUR 380.8 million, and with a positive evolution of all geographies except Spain, which, due to an adverse environment, has lost 18.6% in terms of EBITDA.

Net Operating Expenses increased by 17.6% to reach EUR 2,491.8 million, an increase of 10.2% on a currency neutral basis, as a result of the growth of the Group's businesses and the positive impact on Other Operating Income of the asset rotation in the second quarter of 2021, partially offset by the reversal of a pension provision in the United States Networks business, which has already been discussed in the first quarter results.

Taxes remained almost flat (-1.0%) compared to the first half of 2021, with performance varying by geography.

Amortisation, Depreciation and Provisions grew by 14.5% to reach EUR 2,521.6 million, with a negative impact of EUR 129 million from the exchange rate. Excluding this impact, depreciation and provisions increased by 8.6% due to the growth of the Group, the higher asset base of Networks and the growth in the Electricity Production and Customers Business in installed capacity, as well as the increase in the provisions item explained by extraordinary items in the United States and Brazil.

In the **Results of the Companies by Equity Method**, the positive EUR 218 million recorded in the first quarter of 2022 was partially offset by a write-down of EUR 60 million relating to a past project carried out by Iberdrola Ingeniería y Construcción in the United States.

Regarding **Taxes**, the tax rate in the first half stood at 22.1%, with the tax item in the first half of 2021 being affected by a negative extraordinary effect in the UK of EUR 479 million, while **Minority Interests** increased to EUR 392.5 million as a result of the higher contribution from the United States and Brazil.

As a result, **Net Profit reached EUR 2,075 million** (+35.5%) in the first half.

The key financial figures for the period are as follows:

- Net Adjusted Financial Debt* stood at EUR 41,717 million, an increase of 14%, EUR 5,136 million compared to June 2021 due to the strong investment effort in the period and the significant appreciation of currencies.
- Adjusted Funds From Operations totalled EUR 5,560 million in the last 6 months, up by 29.1% compared to the same period in the previous year. The collection at the beginning of the year of EUR 1,000 million for court rulings in 2021 has a positive impact.

Significant transactions

- Iberdrola, through its US subsidiary Avangrid, and Copenhagen Infrastructure Partners, have closed the agreement that was announced in September 2021 to reorganise the assets of Vineyard Wind, the company which is developing a number of offshore wind projects on the east coast of the United States, which is 50% owned by Avangrid and Copenhagen Infrastructure Partners. Under this agreement: (i) Vineyard Wind 1 (800 MW) will continue to be 50% owned by each of the two partners, and (ii) Avangrid will acquire 100% ownership of the rights to the

* Adjusted for treasury stock derivatives with physical settlement that, at the current date, are not expected to be executed (EUR 278 million in Jun-22 and EUR 129 million in Jun-21).



leased area OCS-A 0534, comprising the Park City Wind (804 MW) and Commonwealth Wind (1,232 MW) projects. 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. The closing of the aforementioned agreement allows for the revaluation of the assets that remain under Iberdrola's control, delivering a positive impact on Iberdrola's accounts of EUR 212 million, presented under the heading of Results of the Companies by Equity Method.

Anglia Hub, the offshore wind complex that Iberdrola is developing in the area that will have an installed capacity of 2,900 MW once completed.

- Iberdrola continues to pursue its strategy of expanding its global presence in renewable energies and ensuring growth in the medium and long term. On 17 January 2022, the company was awarded three seabed areas in Scotland where it will develop 7,000 MW of offshore wind energy, of which 2,000 MW (Machair Wind) will be 100% owned by Iberdrola, in the form of fixed offshore wind, while the remaining 5,000 MW (Marram Wind and Campion Wind), 50% owned by Shell, will be in the form of floating offshore wind.
- Iberdrola, through its subsidiary Neoenergia, won its largest electricity transmission line in the world in July at the most recent auction held in Brazil. Neoenergia was awarded 2 of the 13 lots tendered: the first covering 1,707 kilometres, the longest project on offer at the auction, between the states of Minas Gerais and São Paulo, and the second, covering 291 kilometres, in the state of Mato Grosso do Sul. According to the regulator, the investment for these projects will be BRL 5,500 million, around EUR 1,000 million.
- In July, Iberdrola's subsidiary in the United Kingdom, ScottishPower, was awarded CfD contracts for its large 1,400 MW East Anglia Three offshore wind project, five onshore wind projects with a combined capacity of 396 MW and ten solar PV sites with a total capacity of 326 MW. This decision represents a significant boost for the construction of the East Anglia Three offshore wind farm, one of the three offshore wind projects that form part of the East

Operational performance over 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

At the end of June 2022, the electrical energy distributed by the Group was 118,334 GWh, up 0.5% compared to the first half of 2021. A highlight is growth in Brazil thanks to the integration of Neoenergia Brasília from March 2021:

Energy Distributed

Electricity (GWh)	H1 2022	H1 2021	vs H1 2021
Spain	45,118	45,187	-0.2%
United Kingdom	15,919	16,315	-2.4%
United States	18,997	18,975	0.1%
Brazil	38,299	37,211	2.9%
Total	118,334	117,689	0.5%
GAS (GWh)			
United States	38,395	36,140	6.2%
Total	38,395	36,140	6.2%

Electricity and gas supply points increased by 1.2% compared to the previous year, thanks to organic growth in all geographies broken down as follows:

Supply points managed

ELECTRICITY (million)	H1 2022	H1 2021	vs H1 2021
Spain	11.30	11.23	0.7%
United Kingdom	3.55	3.54	0.2%
United States	2.31	2.29	0.7%
Brazil	15.79	15.48	2.0%
Total electricity	32.94	32.54	1.2%
GAS (million)			
United States	1.04	1.03	0.4%
Total gas	1.04	1.03	0.4%
TOTAL SUPPLY POINTS			
	33.98	33.57	1.2%

1.1. Spain — i-DE

At the end of the first half of 2022, the network business in Spain had 11.3 million supply points, while distributed energy reached 45,118 GWh, in line with the previous year. In May, i-DE continued to advance in its commitment to promote sustainability and contribute to the fight against climate change with the installation, for the first time in Spain, of a new technology free of fluorinated gases at the Merindades substation in Burgos.

1.2. United Kingdom – SPEN

At the end of June 2022, Scottish Power Energy Networks (SPEN) surpassed 3.5 million supply points. The volume of energy distributed at the end of June 2022 was 15,919 GWh, down -2.4% from the previous year.

Energy distributed (GWh)	H1 2022	H1 2021	%
Scottish Power Distribution (SPD)	8.703	8.858	-1.7%
Scottish Power Manweb (SPM)	7.216	7.457	-3.2%

Service quality indicators improved in both SPD and SPM with respect to 2021. Customer Minutes Lost (CML) was as follows:



CML (min.)	H1 2022	H1 2021
Scottish Power Distribution (SPD)	11.76	14.99
Scottish Power Manweb (SPM)	12.94	24.71

Pending regulatory verification.

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

CI (no. of interruptions)	H1 2022	H1 2021
Scottish Power Distribution (SPD)	15.56	19.92
Scottish Power Manweb (SPM)	12.89	18.78

Pending regulatory verification.

In February, the UK experienced the worst succession of rainstorms in decades with the passage of storms Dudley, Eunice and Franklin. The latter two storms recorded winds of more than 135 kilometres per hour. Despite the extreme conditions, the company's rapid response enabled it to mobilise all the necessary personnel to restore the electricity supply as quickly as possible, restoring 100% of the supply within 24 hours to a total of 42,000 customers.

SP Energy Networks was recently recognised by the UK regulator Ofgem for its speed and proactivity in its supply recovery efforts during the Arwen storm, which occurred in late 2021 and affected more than 200,000 customers.

In May, SP Energy Networks Transmission (SPT) was recognised by UK regulator Ofgem for exceeding its asset management targets. The company received a financial incentive of EUR 19 million (GBP 16 million) for its excellent performance during the initial RIIO T1 period, which ran from 1 April 2013 to 31 March 2021 for transmission network operators. The assessment was carried out according to the methodology established by Ofgem to assess the maintenance and management of the transmission infrastructure during RIIO T1.

Furthermore, SP Energy Networks successfully

completed the project to strengthen the Ayrshire and South West Scotland electricity network by extending and upgrading the Kilmarnock. The company has invested more than EUR 70 million (GBP 60 million).

1.3 United States – Avangrid

1.3.1 Electricity

At the end of June 2022, Avangrid Networks had around 2.3 million supply points. Electricity distributed throughout the year amounted to 18,997 GWh, in line with the previous year:

Energy distributed (GWh)	H1 2022	H1 2021	%
Central Maine Power (CMP)	4,874	4,865	0.2%
NY State Electric & Gas (NYSEG)	8,138	8,105	0.4%
Rochester Gas & Electric (RGE)	3,591	3,591	-
United Illuminating Company (UI)	2,395	2,415	-0.8%

The Customer Average Interruption Duration Index (CAIDI) was as follows:

CAIDI (hrs)	H1 2022	H1 2021
Central Maine Power (CMP)	1.62	1.85
NY State Electric & Gas (NYSEG)	1.99	2.24
Rochester Gas & Electric (RGE)	1.54	2.00

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

SAIDI (min.)	H1 2022	H1 2021
United Illuminating Company (UI)	18.12	18.59

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

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

SAIFI	H1 2022	H1 2021
Central Maine Power (CMP)	0.78	0.93
NY State Electric & Gas (NYSEG)	0.69	0.59
Rochester Gas & Electric (RGE)	0.41	0.44
United Illuminating Company (UI)	0.24	0.22



In early April, a series of heavy snowstorms impacted the CMP and NYSEG distribution areas, affecting more than 200,000 customers. Teams, having been readied in advance, were in action immediately as soon as the storm hit, clearing roads and any risk to the public. The supply recovery work lasted several days, with the aim of restoring service to all customers as soon as possible. The prestigious Edison Electric Institute (EEI) recognised NYSEG's hard work by presenting it with an award for its emergency operational response.

The EEI also recognised RG&E's efforts to restore service to more than 50,000 customers following the December 2021 windstorm.

1.3.2 Gas

Avangrid supplies gas through more than one million supply points. At the end of June 2022, 38,395 GWh of gas had been distributed, up 6.2% compared to the same period of the previous year, primarily due to the low temperatures experienced during the first quarter of 2022:

Energy distributed (GWh)	H1 2022	H1 2021	%
NY State Electric & Gas (NYSEG)	9,800	9,346	4.9%
Rochester Gas & Electric (RGE)	10,487	9,768	7.4%
Maine Natural Gas (MNG)	3,026	2,115	43.1%
Berkshire Gas (BGC)	1,753	1,711	2.5%
Connecticut Natural Gas (CNG)	6,722	6,664	0.9%
Southern Connecticut Gas (SCG)	6,607	6,537	1.1%

In April, Maine Natural Gas (MNG) was awarded the 2021 Safety Award by the American Gas Association (AGA) for having the lowest incident rate among companies in the industry.

1.4. Brazil – Neoenergia

At the end of June 2022, Neoenergia had almost 15.8 million supply points. The volume of electricity distributed during semester was 38,299 GWh, an increase of 2.9% compared to the previous year, including the energy distributed by Neoenergia

Brasília (from March 2021). Factoring out the effect of the incorporation of Brasília, the variation in demand compared to 2021 represents a decrease of 0.2%.

Energy distributed (GWh)	H1 2022	H1 2021	%
Elektro	10,124	10,023	1.0%
Coelba	12,630	12,576	0.4%
Cosern	3,150	3,273	-3.8%
Pernambuco	8,698	8,782	-1.0%
Brasília	3,698	2,557	44.6%

Discrepancies possible due to rounding.

Pernambuco's quality indicators were also affected by the heavy rains that hit the state at the end of May. Rainfall levels reached 600 litres per square metre, double the historical average level for the entire month of May, resulting in incidents for around 250,000 Neoenergia Pernambuco customers. Neoenergia deployed up to 2,000 of its own workers and contractors to repair the damage and restore service.

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

DEC (hours)	H1 2022	H1 2021
Neoenergia Elektro	3.65	3.72
Neoenergia Coelba	6.65	5.35
Neoenergia Cosern	4.66	3.95
Neoenergia Pernambuco	6.22	6.10
Neoenergia Brasília	2.84	3.96

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

FEC	H1 2022	H1 2021
Elektro	1.91	2.04
Coelba	2.66	2.51
Cosern	1.68	1.51
Pernambuco	2.33	2.84
Brasília	2.17	4.09



In May, ANEEL awarded Neoenergia Cosern and Neoenergia Elektro, through the Ombudsman Award, in recognition of their response to their customers' demands. Both companies have been awarded in the category of large distributors (with more than one million supply points). Neoenergia Cosern was recognised as the best distributor in Brazil in its category (Gold category), for the third time (after the 2018 and 2019 editions). Meanwhile, Neoenergia Elektro received its award in the Bronze category.

During the second quarter of the year, the transmission projects awarded in the auctions of the Brazilian regulator (ANEEL) continued to progress as planned. Specifically, in April, Neoenergia received the preliminary licence for a 359 km transmission line with a voltage of 500 kV, located in the state of Bahia. The project is one of the five sections of the Morro do Chapéu project, acquired in lot 2 of the auction held by ANEEL in December 2020. This preliminary licence, issued by the Bahia State Institute of Environment and Water Resources (Inema), recognises the viability of the construction.

The installation licence for the construction of the 500 kV transmission line in Guanabara, in the state of Rio de Janeiro, was also received in May. The section is part of lot 2 of the 2018 auction.

In late June, Neoenergia also participated in the auction held by ANEEL, winning lot 2 (the largest lot in the auction) and lot 11. Lot 2 includes the construction and commissioning of the 500 kV Nova Ponte 3 substation and 1,707 km of transmission lines in the states of Minas Gerais and São Paulo. These facilities will contribute to the expansion of transmission capacity in the northern region of Minas Gerais, with an estimated job creation of close to 10,000 direct jobs. Lot 11 corresponds to the construction and operation of 291 km of transmission lines and 300 MVA of transformation capacity. The objective of this lot is the integration of small hydroelectric power plants and the connection of distribution in the Paraíso region, in the state of Mato Grosso do Sul. These two projects are in addition to the 4,000 km of lines that Neoenergia already has under construction

and the additional 2,300 km in operation.

2. Electricity production and customers

At the end of the first half of 2022, Iberdrola's **installed capacity** grew by 6.6% compared to the end of June 2021 to reach 59,522 MW, with renewable capacity increasing by 8.9% in the last 12 months to 38,825 MW and emission free energy capacity reaching 70.6% (42,002 MW) of total capacity, compared to 69.6% at the end of June 2021:

MW	H1 2022	vs H1 2021
Capacity for own use (*)	52,376	7.5%
Renewables (*)	38,722	8.9%
Onshore wind	19,683	4.4%
Offshore wind	1,258	-
Hydroelectric	13,849	7.7%
Mini hydroelectric	272	-9.7%
Solar	3,448	56.2%
Batteries	198	141.5%
Nuclear	3,177	-
Gas combined cycle	9,292	5.9%
Cogeneration	1,185	-
Capacity for third parties	7,146	-
Renewables	103	-
Onshore wind	103	-
Gas combined cycle	7,043	-
Total (*)	59,522	6.6%

Discrepancies possible due to rounding

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

Net electricity production in the first half of 2022 was 83,255 GWh, 0.4% higher than in the same period of 2021, with 62.5% of the total being emission free (52,061 GWh):



GWh	H1 2022	vs H1 2021
Own production (*)	63,929	-3.7%
Renewables (*)	40,446	-1.5%
Onshore wind	23,290	10.1%
Offshore wind	2,300	1.7%
Hydroelectric	12,715	-20.2%
Mini hydroelectric	234	-41.2%
Solar	1,871	48.8%
Nuclear	11,505	-0.6%
Gas combined cycle	9,275	-11.4%
Cogeneration	2,704	-17.3%
Production for third parties	19,326	17.0%
Renewables	111	0.7%
Onshore wind	111	0.7%
Gas combined cycle	19,215	17.1%
Total (*)	83,255	0.4%

Discrepancies possible due to rounding.

(*) Includes 36 GWh of fuel cell production in H1 2022 and 40 GWh in H1 2021.

As of 30 June 2022, Iberdrola had 29.1 million contracts, 8.5% more than at the end of June 2021, broken down as follows:

Millions of contracts				vs June	
	Spain*	UK	Brazil	Total	2021
Electricity contracts	10.7	2.9	-	13.6	1%
Gas contracts	1.4	1.9	-	3.3	3%
Smart solutions	9.4	2.4(**)	0.3	12.2(**)	20%
Total	21.6	7.2	0.3	29.1	8%

Discrepancies possible due to rounding

(*) As of 1 January 2022, the old Rest of the World marketing contracts are included in the retail supply in Spain.

(**) Includes 2.0 million smart meters installed.

2.1 Spain

Renewable capacity and production

At the end of June, Iberdrola had installed **renewable capacity** in Spain of 19,373 MW (+9.3%), broken down as follows:

SPAIN	Installed MW Consolidated at EBITDA level	MW managed by investee companies (*)	Total
Onshore wind	5,902	258	6,160
Solar PV	2,221	-	2,221
Hydroelectric (**)	10,700	-	10,700
Mini-hydroelectric	270	2	272
Batteries	19	-	19
Total capacity	19,113	260	19,373

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** power, the commissioning of the El Puntal II wind farm (15 MW) in Málaga has been completed and the installation of the wind turbines of the Martín de la Jara wind farm (36 MW) in Seville has been completed, which will begin commissioning activities in the coming months. Work also continues on the Valdemoro wind farm (50 MW) in Burgos.

In **solar photovoltaic**, the Romeral (50 MW) and Olmedilla (50 MW) plants in Cuenca and the Puertollano (100 MW) plant in Ciudad Real have entered commercial operation, while the Revilla Vallejera (50 MW) plant in Burgos has completed commissioning.

In Cáceres, the Majada Alta (50 MW) and San Antonio (50 MW) plants will begin commissioning work in the coming months, while the Almaraz I (50 MW) photovoltaic plant, which has already completed module installation, and Almaraz II (30 MW), whose module assembly is proceeding according to plan, are still under construction. Both plants will be connected to the grid this year.



Also in Cáceres, work continues on the construction of four photovoltaic plants in the town of Alcántara, Tagus I to IV (200 MW in total), and the largest photovoltaic plant to date, Francisco Pizarro, with 590 MW.

During the second quarter, work also began on six photovoltaic plants, which will total 271 MW. These are the Villarino plant (50 MW) in Salamanca, the Guillena project (144 MW) in Seville, the Cespedera photovoltaic plant (27 MW) in Cádiz and Virgen de Areños III (50 MW) in Palencia.

In **battery** storage projects, the Abadiño (6 MW) plant in Bizkaia and the Puertollano (5 MW) plant in Ciudad Real are in the commissioning phase, while installation of the Urkilla (5 MW) plant in Álava has been completed and is expected to be commissioned in the next quarter.

In Portugal, at the Tâmega **hydroelectric** complex, both Daivõesx (118 MW) and Gouvães (880 MW) are expected to be fully operational by July 2022, while at the Alto Tâmega (160 MW), the concrete work continues on the dam, which is 87% complete, as well as on the power plant, which is 96% complete, with the electro mechanical assembly of the units expected to take place in September of this year.

The second quarter saw the divestment of two **mini hydro** plants, Vegacervera and Ambasaguas (2.4 MW) in León, as well as Josefina, San Miguel, Villabañez, Conchita, Valdestillas, Cabildo, Pesqueruela and Cardiel (9.05 MW) in Valladolid, which form part of a divestment agreement for a total of 28 MW that will be completed in the third quarter.

An agreement has also been reached to sell a package of 16 mini hydro plants (37 MW in total), the divestment of which is expected to be completed in the second half of the year.

For the remainder of the year, work is expected to begin on the photovoltaic projects of Ciudad Rodrigo (318 MW) in Salamanca, Fuentes (50 MW), Valbuena (50 MW) and Manantiales (30 MW) in Guadalajara, Cedillo (375 MW) in Cáceres, Peñarrubia (50 MW) in Murcia, as well as the wind farms of El Escudo (105

MW) in Cantabria and Buniel (104 MW) and Iglesias (94 MW) in Burgos.

Renewable production totalled 11,870 GWh (-28.0%), broken down as follows:

SPAIN	GWh Consolidated at EBITDA level	GWh managed by investee companies (*)	Total
Onshore wind	5,720	275	5,995
Solar PV	1,067	-	1,067
Hydroelectric	4,573	-	4,573
Mini-hydroelectric	230	4	234
Total production	11,591	279	11,870

Discrepancies possible due to rounding
(*) Includes the proportional GWh share

Changes in production consolidated at EBITDA level by technology were as follows with respect to the first semester of 2021:

- Onshore wind production in the semester reached 5,720 GWh, down 5.1%, mainly due to the lower wind resource.
- Hydroelectric production stood at 4,804 GWh, down 50.9% due to lower rainfall during the year.
- Solar photovoltaic production reached 1,067 GWh, up 125.6% as a result of the commissioning of new capacity.

Thermal capacity and production

The Iberdrola Group's **thermal capacity** in Spain at the end of June 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 the second quarter



of 2022 increased compared to the same period of the previous year, driven by the increase in combined cycle plants (+31.7%) and cogeneration (+2.1%), while nuclear generation remained unchanged (-0.6%).

SPAIN	GWh		Total
	Consolidated at EBITDA level	GWh Investee companies (*)	
Nuclear	11,505	-	11,505
Gas combined cycle	2,928	-	2,928
Cogeneration	1,042	122	1,165
Coal	-	-	-
Total production	15,476	122	15,598

Discrepancies possible due to rounding

(*) Includes the proportional GWh share

Retail supply

In terms of retail supply, the portfolio managed by Iberdrola in Spain(*) totalled 21.6 million contracts as of 30 June 2022, 9% more than in June 2021. The breakdown is as follows:

Thousands of contracts	Spain*
Electricity contracts	10,718
Gas contracts	1,409
Smart Solutions Contracts	9,435
Total	21,563

Discrepancies possible due to rounding

By market type, they break down as follows:

Thousands of contracts	Spain*	%
Free market	18,683	87%
Last resort market	2,880	13%
Total	21,563	100%

Iberdrola's electricity sales(*) during the first half of 2022 decreased by -8.8% as a result of lower Spot sales, broken down as follows:

	GWh
Liberalised market	32,443
Voluntary price for small consumers (PVPC) market	3,675
Other markets	10,205
Total Sales	46,323

Discrepancies possible due to rounding

With regard to gas(*), Iberdrola managed a balance during the first half of the year of 1.43 bcm, of which 0.02 bcm was sold in wholesale operations, 0.85 bcm was sold to end customers and 0.56 bcm was used for electricity production.

(*) As of 1 January 2022, both electricity sales and gas management from the Rest of the World are included in Spain. Electricity sales in plant busbars. Gas including shrinkage

2.2. United Kingdom

Renewable capacity and production

At the end of the first semester, Iberdrola had an installed renewable capacity in the United Kingdom of 3,008 MW (+2.0%).

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 **solar photovoltaic**, work continues on the Coldham hybrid project (9 MW) in England, which is expected to be installed and commissioned in the coming months and is expected to be operational before the end of the year.

In **battery** storage projects, the Gormans project (50 MW) has come into commercial operation and the Barnesmore project (3 MW), both in Ireland, continues to be commissioned. In Scotland, commissioning of the



Whitelee project (50 MW) has been completed and will enter commercial operation during the third quarter.

The renewable business is also currently developing **offshore wind** projects in the country, focusing on the East Anglia group of projects in the North Sea.

In this regard, the East Anglia 1 offshore wind farm, which continues to supply energy to the national grid and whose process of divestment of transmission assets is underway, will be joined by East Anglia 3, a 1,400 MW project, which has been awarded a contract for difference (CfD) in the latest UK CfD auction and is now proceeding to Final Investment Decision (FID), for which the HVDC offshore export cable contract has been awarded, with key onshore works commencing in the third quarter of 2022.

Lastly, on 31 March 2022, the UK Secretary of State for Business, Energy and Industrial Strategy authorised the development of the East Anglia 1 North and East Anglia 2 offshore wind projects, which are at an advanced stage of engineering and design.

Renewable production in the United Kingdom reached 4,151 GWh (+22.9%), broken down as follows:

UNITED KINGDOM	GWh Consolidated at EBITDA level	GWh managed by investee companies (*)	Total
Onshore wind	2,427	3	2,431
Offshore wind	1,717	-	1,717
Solar and batteries	4	-	4
Total production	4,148	3	4,151

Discrepancies possible due to rounding
(*) Includes the proportional GWh share

Changes in consolidated production at EBITDA level were as follows:

- Onshore wind production totalled 2,427 GWh, up 43.2% compared to the previous year, following the normalisation of the wind resource.
- Offshore wind production increased by 2.4% to 1,717 GWh.

Retail supply

As of 30 June 2022, the United Kingdom's managed contract portfolio exceeded 7.2 million contracts, up 6.5% year on year, and with the deployment of smart meters reaching a total of 2 million installed by the end of the first half of the year, broken down as follows:

Thousands of contracts	UK
Electricity contracts	2,871
Gas contracts	1,939
Smart Solutions contracts	0.388
Smart Meters	2,001
Total	7,199

Discrepancies possible due to rounding

Lastly, as of 30 June 2022, 9,919 GWh of electricity(*) and 13,838 GWh of gas(**) have been supplied to customers, 0.2% more and -13% less, respectively, compared to the same period in 2021.

* Sales in busbars
** Including shrinkage

2.3. United States – Avangrid

Renewable capacity and production

At the end of the second quarter, Iberdrola had an installed **renewable capacity** in the United States of 8,512 MW (+6.2%), broken down as follows:

United States	Installed MW Consolidated at EBITDA level	MW managed by investee companies (*)	Total
Onshore wind	7,771	236	8,007
Hydroelectric	118	-	118
Solar PV	361	12	372
Total Capacity	8,264 (**)	248	8,512 (**)

Discrepancies possible due to rounding
(*) Includes the proportional MW share
(**) Includes 13 MW of installed capacity from fuel cells

In **onshore wind**, the Golden Hills wind farm (201 MW) in Oregon entered commercial operation at the beginning of this quarter, while work continues on the Midland wind farm (105 MW) in Illinois, with half of its capacity already installed.

In **solar photovoltaic**, the Lund Hill (194 MW) project in



Washington State and the Montague (211 MW) project in Oregon continue to make progress and are expected to be commercially operational in the second half of the year. Also in Oregon, work continues on Bakeoven (80 MW) and Daybreak (189 MW), which will enter commercial operation next year.

In **offshore wind**, construction of Vineyard Wind 1 continues to progress on schedule, with the drilling of the export cable connection site completed and construction of the onshore substation continuing. Meanwhile, Park City Wind, Commonwealth Wind and Kitty Hawk Wind are currently in the process of obtaining consent from the federal government.

Renewable production in the United States in the first half of the year totalled 11,052 GWh (+5.6%), broken down as follows:

United States	GWh Consolidated at EBITDA level	GWh managed by investee companies (*)	Total
Onshore wind	10,490	319	10,809
Hydroelectric	89	-	89
Solar PV	104	14	118
Total production	10,719 (**)	333	11,052 (**)

Discrepancies possible due to rounding
 (*) Includes the proportional GWh share
 (**) Includes 36 MWh of production from fuel cells

Regarding the changes in production by technology consolidated at EBITDA level compared to the same period of the previous year:

- Onshore wind production totalled 10,490 GWh, up 5.7%.
- Production with solar photovoltaic technology stood at 104 GWh (+25.3%) due to the lower solar resource and despite the slight increase in average operating capacity.
- Hydroelectric production increased by 25.3% to 89 GWh.

2.4. Mexico

Renewable capacity and production

At the end of the second quarter, Iberdrola had an installed **renewable capacity** in Mexico of 1,335 MW, unchanged from the end of June 2021, 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 1,615 GWh (+8.7%), broken down as follows:

MEXICO	GWh Consolidated at EBITDA level	GWh managed by investee companies (*)	Total
Onshore wind	938	-	938
For own use	827	-	827
For third parties	111	-	111
Solar PV	677	-	677
Total production	1,615	-	1,615

Discrepancies possible due to rounding
 (*) Includes the proportional GWh share

Production changes at EBITDA level by technology at the end of the first half of the year were as follows:

- Onshore wind production totalled 938 GWh, up 12.1% due to a higher wind resource.
- Solar PV production increased by 4.4% with this technology (677 GWh) due to the greater photovoltaic resource.



Thermal capacity and production

In Mexico, installed **thermal capacity** as of 30 June 2022 was 9,862 MW, having increased by 514 MW due to the entry into production of Tamazunchale II at the beginning of May. Thermal production in the first half of the year reached 26,273 GWh, +9% higher than in the same period of the previous year:

MEXICO	MW	GWh
Gas combined cycle	9,660	25,517
For own use	2,617	6,301
For third parties	7,043	19,216
Cogeneration	202	756
Total	9,862	26,273

Discrepancies possible due to rounding.

Retail supply

Electricity sales in the first half of 2022 amounted to 28,988 GWh (+14% vs the same period of 2021), broken down as follows:

	GWh H1 2022
CFE	19,367
Private	9,621
Total sales	28,988

Discrepancies possible due to rounding

2.5. Brazil – Neoenergia

Renewable capacity and production

At the end of the second quarter, installed **renewable capacity** in Brazil amounted to 4,226 MW (+14.7%), broken down as follows:

BRAZIL	Installed MW Consolidated at EBITDA level	MW managed by investee companies (*)	Total
Onshore wind	1,171	-	1,171
Hydroelectric	836	2,194	3,031
Solar PV	25	-	25
Total capacity	2,032	2,194	4,226

Discrepancies possible due to rounding

(*) Includes the proportional MW share

In **onshore wind**, the Chafariz complex (472 MW) in the state of Paraíba now has 468 MW in commercial operation, with the construction of the only wind turbine pending to complete the project in progress. In addition, construction of the Oitis complex in the state of Piauí is on schedule and 34 wind turbines (187 MW) have already been installed and commissioning work has begun. The complex consists of 12 wind farms with a total of 566 MW.

In **solar photovoltaic** technology, also in the state of Paraíba, the assembly of Luzia II and III modules (149 MW) continues, which will be Iberdrola's first photovoltaic plants in the country and are expected to be commissioned in the second half of 2022.

Renewable production at the end of March totalled 9,447 GWh (+29.2%), broken down as follows:

BRAZIL	GWh Consolidated at EBITDA level	GWh managed by investee companies (*)	Total
Onshore wind	1,394	-	1,394
Hydroelectric	1,189	6,864	8,053
Total production	2,583	6,864	9,447

Discrepancies possible due to rounding

(*) Includes the proportional GWh share

Production changes consolidated at EBITDA level by technology were as follows:

- Onshore wind production reached 1,394 GWh, an increase of 70.5%, thanks to the contribution of the Chafariz wind farm complex, which was put into operation at the beginning of the year.
- With regard to hydroelectric production, the increase in hydroelectric resources increased production by 44.6% to 1,189 GWh.

Thermal capacity and production

In Brazil, thermal capacity as of 30 June 2022 remains at 533 MW, with 14 GWh having been produced with this technology so far this year:



BRAZIL	MW	GWh
Gas combined cycle	533	14
Total	533	14

Discrepancies possible due to rounding

Retail business

Electricity sales in the first half of 2022 increased compared to the same period in 2021 and stood at 8,186 GWh (+12.2% vs the end of June 2021), broken down as follows:

	2022
PPA	5,158
Liberalised market	2,889
Total sales	8,047

Discrepancies possible due to rounding

2.6. Rest of the world (RoW)

Renewable capacity and production

Installed renewable capacity in the Rest of the World totalled 2,371 MW, 20.1% more than in the same period of the previous year, broken down as follows:

Rest of the world (RoW)	MW
Onshore wind	1,770
Offshore wind	350
Solar	177
Batteries	75
TOTAL	2,371

Discrepancies possible due to rounding

At the Port Augusta **hybrid** project (317 MW of wind and solar PV technology) in Australia, commissioning work is underway and it is expected to enter commercial operation in the next few months.

In **solar photovoltaic** technology, the Montalto di Castro plant (23 MW) in Italy has entered commercial operation, while module assembly has been completed at the Conde plant (14 MW) in Portugal, where work is also continuing on the Algeruz II plant (27 MW). Meanwhile, in Australia, work continues on the Avonlie project (245 MW).

In **onshore wind**, work has begun on three wind farms in Greece, the Askio II (37 MW) and Askio III wind farms in Kozani, as well as the Rokani wind farm (18 MW) in Viotia. Also in Greece, the assembly of eight wind turbines that make up the Mikronoros wind farm (34 MW) has been completed and commissioning is being finalised for its entry into commercial operation. In Australia, work continues on the Flyers Creek wind farm (146 MW), with the installation of wind turbines expected to begin in the last quarter.

Installed capacity breaks down as follows by country:

Onshore wind and photovoltaic	MW
Australia	1,062
Greece	315
Hungary	158
France	118
Portugal	133
Poland	113
Romania	80
Cyprus	20
Italy	23
Total	2,021

Discrepancies possible due to rounding

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

- In **France**, work continues on the seabed at the **Saint Brieuc project (496 MW)**, having begun with the transfer and installation of the foundations of the turbines, the substation and the installation of both, a process that will continue until 2023, when the wind farm is expected to be commissioned.

Iberdrola is also participating in three offshore wind auctions in France: the auction of 1 GW off the coast of Normandy, which is currently in the bid preparation phase, the auction of 250 MW of floating offshore wind in Brittany, currently in the competitive process, as well as the auction of two areas of 250 MW of floating technology in the Mediterranean, where Iberdrola has been pre qualified to participate.



Successful tenderers for all three auctions are expected to be selected in 2023.

- In **Germany**, in the **Baltic Eagle** project (**476 MW**), the BSH (Federal Maritime and Hydrographic Agency) has received the construction permit for the wind farm. Manufacture of the substation is in its final phase for installation at the end of the year, and manufacturing work is progressing on the foundations (monopiles and transition pieces) for installation to begin in 2023.
- In **Sweden**, the Utposten 2 project is still underway, jointly developed by Svea Vind Offshore and Iberdrola. The project was approved by the municipal authorities and is pending completion of the administrative phase prior to obtaining the environmental permit, which is expected by the end of the year. The environmental permit has also been applied for the Gretas Klackar 1 project (1,632 MW), which is now entering the consultation phase with the authorities, while the Gretas Klackar 2 project is in the process of receiving approval from the municipal authorities, which is expected before the end of the year.
- In **Ireland**, work continues with DP Energy on site characterisation for the three selected projects: Clarus, Shelmalere and Inis, with a total maximum capacity of 2,600 MW.
- In **Poland**, applications for seafloor permits have been submitted together with SeaWind for the projects that will take part in the auctions to be held in the country from 2025, with the award process expected to be completed in 2022.
- In **Japan**, as expected, the outcome of the first auction is having a significant impact on the future development of offshore wind projects. Following the creation of the working group by the Ministry to adjust the rules of the tenders, the results of which will be published at the end of the summer of this year, some of the main lines have already been advanced, such as a change to the remuneration scheme from FIT (Feed in Tariff) to FIP (Feed in Premium), an assessment of compliance with deadlines, an increased assessment of the technical component in the scoring, a certain limitation on capacity in order

to encourage more than a single winner, as well as the centralisation of the project development from 2025 onwards. All these adjustments are causing a delay in the tender programme, which has allowed Iberdrola to make progress in the development and knowledge of its projects with its partners (both in Aomori with Cosmo and Hitachi, as well as in Saga and Satsuma with GIG), which are now expected in the second half of 2023, while increasing the volume of its portfolio with new projects, such as the Yuza project, for example.

- In **Taiwan**, in parallel to the progress in project development that Iberdrola Renewables Taiwan will present at the 2023 auction, talks are beginning in order to search for a partner to provide local knowledge and complement Iberdrola's experience and leadership in offshore wind technology.
- In **Australia**, a federal law has recently been passed that establishes the criteria for bidding on certain federal offshore areas. One of the first areas to be auctioned will be Gippsland, in waters east of Melbourne in the state of Victoria. Iberdrola has been analysing this market for some time and is identifying projects to participate in this auction, which is expected to take place at the end of 2022 or in the first half of 2023.
- In the **Philippines**, final talks are being held with potential partners to fulfil the agreement reached with Triconti ECC Renewables. When this third partner is brought on board, the speed of development of the five offshore wind projects under the Triconti agreement will increase.

Renewable production in the second quarter totalled 2,422 GWh, up 18.0% compared to the same period last year, broken down by technology as follows:

Rest of the world	GWh
Onshore wind	1,834
Offshore wind	583
Solar PV	5
Total production	2,422

Discrepancies possible due to rounding



By technology, onshore wind production increased (+25.5%) mainly due to new capacity additions, while offshore wind production remained flat (-0.5%).

3. Other Aspects

3.1 General Shareholders' Meeting 2022

The Iberdrola General Shareholders' Meeting held on 17 June 2022 was constituted with the attendance of a total of 4,643,719,859 shares (1,427,894,893 present and 3,215,824,966 represented), reaching a quorum of 72.13% of the share capital (22.18% present and 49.95% represented), six points higher than in 2021. All motions submitted by the Board of Directors were approved by the General Shareholders' Meeting with an average approval rate of 98%.

3.2. Shareholder remuneration in 2022

Among 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 paid in 2022, setting a minimum supplementary dividend of EUR 0.27 gross per share.

Lastly, the Supplementary Dividend, which will be paid in August, has been set at EUR 0.274 gross per share, 7.9% more than in 2021.

To this amount must be added the EUR 0.170 gross per share distributed in February as an Interim Dividend as well as the EUR 0.005 gross per share paid as a 'Participation Dividend', since the required condition of achieving the attendance quorum of 70% of the share capital at the last General Shareholders' Meeting was met.

Therefore, the total shareholder remuneration paid in 2022, charged to the 2021 results, will be EUR 0.449 gross per share (+6.4% vs the amount paid in 2021).

It is worth noting that the 'Iberdrola Retribución Flexible' scheme allows Iberdrola's shareholders to

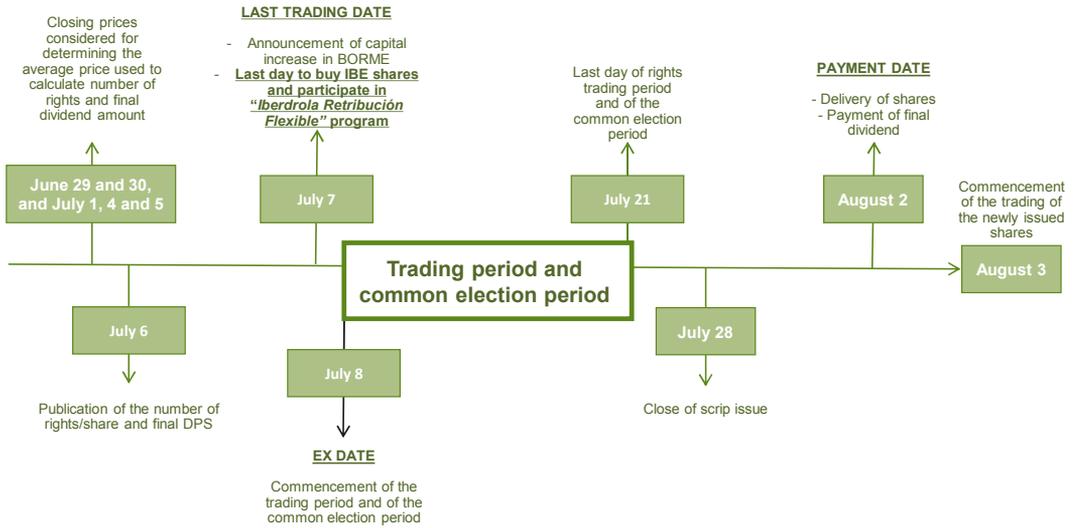
choose from among the following options to collect the dividend (or to combine them, with the value of the remuneration to be received being equivalent):

- 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 Supplementary Dividend.

Finally, the Shareholders' Meeting approved a new treasury share redemption programme in order to meet the group's commitment to maintain the number of shares in circulation at approximately 6,240 million. This redemption, which took place on 8 July 2021, amounted to 197,563,000 shares and corresponded to 3.07% of the capital.



“Iberdrola Retribución Flexible” program July 2022



Analysis of the consolidated profit and loss account





As a result of the current situation of the energy markets and the actual operation of these markets in the electricity production end customer relationship, the group's businesses are reported on a segmental basis between network activities (regulated) and energy production customer activities as a whole (including both renewable and conventional sources), in order to better show how these businesses perform.

The most notable figures of the results for the first half of 2022 are as follows:

Million EUR	H1 2022	H1 2021	%
NET REVENUE	24,430.0	18,752.2	+30.3
GROSS MARGIN	9,868.8	8,506.0	+16.0
EBITDA	6,443.9	5,443.6	+18.4
EBIT	3,922.3	3,241.5	+21.0
NET PROFIT	2,075.0	1,531.3	+35.5

EBITDA grew 18.4% in the first half of 2022 compared to the same period in 2021, driven by solid business performance in all geographies, except Spain, which, due to an adverse environment, fell 26% in Net Profit.

1. Gross margin

Gross Margin grew by 16.0% to EUR 9,868.8 million, driven by the Networks business in the US and Brazil. This performance is a result of the following:

- The Gross Margin of the **Networks** business increased by 24.8% compared to the first half of 2021 to EUR 5,062.9 million:
 - In Spain, it fell by 21.3% to EUR 788.0 million due to an extraordinary loss related to a court decision and but also to a regulatory order on certain assets (EUR -195 million) and positive re settlements from previous years booked in the first half of 2021 (EUR -22 million).
 - The United Kingdom increased its contribution by 6.6% to EUR 728.0 million, as a result of

a larger asset base in the distribution business resulting from investments.

- The contribution of the United States in the period increased by 49.7% to EUR 2,187.6 million, driven by the increase in the asset base thanks to higher investments and positive one-off linked to NY Order that allows to accrue certain regulatory assets: driving more stability in future revenues (EUR +443 million).
- Brazil's Gross Margin amounted to EUR 1,359.3 million (+49.1%) thanks to the positive effect of tariff adjustments and inflation at distributors (EUR +223 million) and to the contribution of Neoenergia Brazil.
- The Gross Margin of the **Electricity Production and Customers** business grew by 8.9% to EUR 4,823.2 million:
 - In Spain, it grew by 4.9% to EUR 2,256.5 million despite high market prices and due to the fixed price policy under which the Group operates.
 - Gross Margin in the United Kingdom increased by 2.7% to 945.1, flat in local currency terms, as the increase in supply costs, as a result of higher market prices, higher than those considered in the SVT tariffs, is offset by the bigger wind power production (+43.2%). Business recovery is in line with expectations, considering that the SVT tariff was increased in April and will be increased again in October..
 - The contribution made by the United States was EUR 537.7 million (+0.5%), affected by the extraordinary positive effect of the cold spell in Texas in the first quarter of 2021 (EUR 93 million). Operationally, production rose 5.2% thanks to the new renewable installed capacity (+496 MW) and the improvement in the wind power load factor during the period.
 - Brazil increased by 67.4% to EUR 201.4 million, mainly thanks to the better performance of the Termopernambuco combined cycle plant, which, due to the shutdowns caused



by gas supply restrictions so far this year, has purchased energy at lower prices in order to fulfil its contracts with distributors.

- Gross Margin in Mexico grew 23.3% to EUR 571.0 million thanks to the positive effect of the cold spell in the beginning of the year 2021 in Texas, as well as the higher wind power production due to the higher wind and solar PV load factor more than compensate the lower thermal production.
- The contribution to Gross Margin from the Rest of the World business increased by 30.7% to EUR 311.6 million thanks to higher contributions from wind power, both onshore and offshore, in all geographies.

2. Gross operating result - EBITDA

Consolidated EBITDA grew by 18.4% compared to the first half of 2021, reaching EUR 6,443.9 million.

In addition to the above mentioned evolution of the Gross Margin, Net Operating Expenses increased by 17.6% to EUR 2,491.8 million, impacted by the exchange rate (EUR -155.8 million), without which it would have increased by 10.2%, reflecting the growth of the Group's businesses, with the workforce growing by 4.6%, largely due to the acquisition of Neoenergia Distribuição Brasília in March 2021 and the positive impact on Other Operating Income of the asset rotation, which took place in the second quarter of 2021. These effects are partially offset by the reversal of a provision related to pensions in the Networks business in the United States, already mentioned in the first quarter results, which has a positive impact on Net Operating Expenses of EUR 73 million. Meanwhile, levies remained almost flat (-1.0%) compared to the first half of 2021, with performance varying by geography.

3. Net operating result - EBIT

EBIT increased by 21.0% compared to the first half of 2021, reaching EUR 3,922.3 million. Depreciation, amortisation charges and provisions rose by 14.5% to reach EUR 2,521.6 million, with a growth of 8.6% excluding exchange rate:

- Depreciation and Amortisation increased by 12.2% to EUR 2,242.3 million, driven by the Group's growth, due to the larger Networks asset base, higher capture costs and growth in the renewable business.
- Provisions amounted to EUR 279.3 million, an increase of 37.2%, driven by extraordinary items in the US and Brazil and by efficiencies.

4. Net finance income

Financial loss increased by EUR -444 million from the EUR -472 million reported in the second quarter of 2021 to EUR -916 million.

- The result from debt increased by EUR -291 million: EUR -84 million due to the appreciation of currencies against the euro, EUR -158 million due to the higher cost in Brazil and EUR -49 million due to a higher average balance.
- The result from derivatives and others decreased by EUR -153 million owing to the effect of exchange rate hedges and extraordinary effects in 2021.

Financial result	H1 2022	H1 2021	Dif.
Debt	-887	-596	-291
<i>By exchange rates</i>			-84
<i>By cost</i>			-158
<i>By average balance</i>			-49
Derivatives and others	-29	+124	-153
Total	-916	-472	-444

The cost of debt rose 103 basis points (from 3.38% to 4.41%) due to higher interest rates and inflation in



Brazil, the expense of which is offset by the operating profit of the distributors indexed to inflation. The cost excluding Brazil was down 4 basis points (from 2.90% to 2.86%).

5. Result of equity-accounted investees

Profit from Companies by Equity Method in the first half amounted to EUR 161.0 million compared to EUR –1.9 million in the first half of 2021, with an extraordinary positive impact as a result of the restructuring agreement reached with CIP on the offshore wind assets in the United States, partially offset by the write down of the Salem Harbour project at Iberdrola Engineering and Construction.

6. Profit in the period

Taxes amounted to EUR 699.8 million, an improvement of 31.0%, mainly due to the extraordinary negative effect recorded in 2021 in deferred taxes due to the change in rates from 19% to 25% approved in the United Kingdom (EUR 479 million), leaving the effective tax rate at 22.1% compared to 36.7% in the previous year. Finally, **Net Profit** reached EUR 2,075.0 million in the first half of the year, an increase of 35.5% from EUR 1,531.3 million in the first half of 2021.

Results by business





1. Networks Business

Key figures for the Networks Business are as follows:

(EUR million)	H1 2022	vs. H1 2021
Revenue	9,005.2	+31.5%
Gross margin	5,062.9	+24.8%
EBITDA	3,375.8	+31.5%
EBIT	2,228.2	+38.3%

EBITDA of the Networks business increased by 31.5% to EUR 3,375.8 million. Excluding the exchange rate impact, EBITDA of Networks grew by 20.8%.

1.1 SPAIN

(EUR million)	H1 2022	vs. H1 2021
Revenue	794.9	-20.8%
Gross margin	788.0	-21.3%
EBITDA	632.4	-24.4%
EBIT	316.9	-42.3%

a) Gross margin

The Gross Margin of the Networks Business in Spain decreased by 21.3% to EUR 788.0 million. This was mainly due to the extraordinary negative impact of a regulatory order concerning certain assets held by the business (EUR -195 million).

b) Operating profit / EBIT

EBITDA of this Business amounted to EUR 632.4 million, a decrease of 24.4%, with Net Operating Expenses decreasing by 7.9% to EUR 113.8 million due to the efficiency measures carried out in the previous year, together with the lower cost of external services due to the better weather conditions in 2022 compared to 2021.

EBIT of the Networks Business in Spain amounted to EUR 316.9 million (-42.3%), after deducting Amortisation, Depreciation and Provisions, which amounted to EUR 315.5 million (+10.0%) due to an

adjustment recorded in 2021 related to the useful life of the distribution assets.

1.2 UNITED KINGDOM

(EUR million)	H1 2022	vs. H1 2021	Local currency
Revenue	787.3	+10.8%	+7.1%
Gross margin	728.0	+6.6%	+3.0%
EBITDA	553.5	+8.1%	+4.5%
EBIT	353.2	+8.9%	+5.2%

a) Gross margin

The Gross Margin of the Networks business in the United Kingdom increased by 6.6% (+3.0% in local currency) to EUR 728.0 million, due to the growth of the asset base.

b) Operating profit / EBIT

EBITDA reached EUR 553.5 million (+8.1%; +4.5% in local currency), while Net Operating Expenses remained practically flat (+0.9%) and decreased by 2.5% in local currency.

Amortisation, Depreciation and Provisions amounted to EUR 200.4 million (+6.8%; +3.3% in local currency) due to the increase in the asset base, with EBIT amounting to EUR 353.2 million (+8.9%; +5.2% in local currency).

1.3 UNITED STATES

(EUR millions)	IFRS (EUR MILLION)		
	H1 2022	vs. H1 2021	Local currency
Revenue	3,365.4	+58.3%	+44.2%
Gross margin	2,187.6	+49.7%	+36.3%
EBITDA	1,150.3	+107.4%	+88.9%
EBIT	764.2	+206.0%	+178.6%

(EUR millions)	US GAAP (USD MILLION)	
	H1 2022	vs. H1 2021
Revenue	3,264.6	+24.1%
Gross margin	1,968.5	+9.02%
EBITDA	926.5	+14.5%
EBIT	490.7	+15.6%



a) Gross margin

Gross Margin increased by 49.7% to EUR 2,187.6 million, a growth of 36.3% in local currency. This was due to the extraordinary positive impact of the new wording as regards the recognition of regulatory assets in consolidated results, which decreased the differences between IFRS and US GAAP (EUR +443 million), and to the increase in the asset base owing to larger investments (EUR +104 million).

b) Operating profit / EBIT

EBITDA of the Networks business in the United States grew by 107.4% to EUR 1,150.3 million, after deducting Net Operating Expenses of EUR 646.1 million, which increased by 13.4% (+3.3% in local currency), having been impacted by higher operating costs due to pruning and storms, which in turn were partially offset by excess pensions provisions (EUR +72 million), which is accounted for in the IFRS but not in the US GAAP, and Taxes, which increased by 16.2% due to tax hikes.

EBIT increased by 206.0% to EUR 764.2 million (+178.6% in local currency), after deducting Amortisation, Depreciation and Provisions (up 26.7% due to the higher asset base).

1.4. BRAZIL

(EUR million)	H1 2022	vs. H1 2021	Local currency
Revenue	4,058.1	+35.0%	+15.2%
Gross margin	1,359.3	+49.1%	+27.3%
EBITDA	1,039.5	+56.3%	+33.4%
EBIT	793.9	+62.7%	+38.9%

a) Gross margin

Gross Margin increased by 49.1% in the six month period (+27.3% in local currency) to EUR 1,359.3 million, thanks to the positive effect of rate readjustments and inflation at distributors, as well as the contribution from Neoenergia Distribuição Brasília, after its integration in March 2021.

b) Operating profit / EBIT

Net Operating Expenses increased by 29.6% to EUR 316.0 million (+10.6% in local currency) as a result of increased activity, inflation and the consolidation of the Brasilia distribution company, with EBITDA amounting to EUR 1,039.5 million (+56.3% vs. the first half of the previous year).

For its part, EBIT grew by 62.7% to EUR 793.9 million (+38.9% in local currency), after deducting Amortisation, Depreciation and Provisions, which rose by 38.6% to EUR 245.6 million (+18.3% in local currency), primarily due to the higher asset base and the incorporation of Neoenergia Distribuição Brasília.

2. Electricity production and customers business

The key figures for the Electricity Production and Customers Business are as follows:

(EUR million)	H1 2022	vs. H1 2021
Revenue	15,858.5	+31.1%
Gross margin	4,823.2	+8.9%
EBITDA	3,054.1	+8.6%
EBIT	1,744.8	+6.9%

EBITDA of the Electricity Production and Customers business increased by 8.6% to EUR 3,054.1 million.

2.1 SPAIN

(EUR million)	H1 2022	vs. H1 2021
Revenue	9,404.0	+52.1%
Gross margin	2,256.5	+4.9%
EBITDA	1,411.4	+6.6%
EBIT	929.8	+5.6%

First, it should be noted that, on 1 January 2022, a new intercompany agreement was signed and entered into force, whereby the Group's Retailer



purchased all unregulated renewable production at a fixed price of EUR 66.24/MWh.

a) Gross margin

Gross Margin for the first half of 2022 was EUR 2,256.5 million (+4.9% compared to the same period of the previous year) in spite of high market prices and due to the fixed price policy under which the Group operates.

b) Operating profit / EBIT

EBITDA in the period increased by 6.6% to EUR 1,411.4 million, with an increase in Net Operating Expenses (+23.5%) due to the positive impact, in 2021, of the asset rotation plan and to the higher External Services costs relating to the brand.

Amortisation, Depreciation and Provisions increased by 8.7% to EUR 481.6 million, due to the entry into operation of the new photovoltaic plants and the higher acquisition costs in the commercial business.

As a result of the above, EBIT amounted to EUR 929.8 million, 5.6% higher than in the first half of 2021.

2.2 UNITED KINGDOM

(EUR million)	H1 2022	vs. H1 2021	Local currency
Revenue	3,290.8	+29.7%	+25.4%
Gross margin	945.1	+2.7%	-0.8%
EBITDA	525.2	+3.9%	+0.4%
EBIT	212.7	-10.7%	-13.7%

a) Gross margin

The Gross Margin of the business in the United Kingdom was EUR 945.1 million at the close of the first half of the year, 2.7% higher than in 2021. It was flat once the exchange rate impact (-0.8%) was deducted, while the greater contribution from wind assets, both onshore and offshore, was offset by higher supply costs, which are not yet reflected in SVTs, and the increased number of customers who switched from the fixed rate to the SVT. The

recovery of this business is expected to continue throughout the year, as an additional increase in SVTs is expected in October on top of the price rise seen in April.

b) Operating profit / EBIT:

Net Operating Expenses in the first half of the year increased by 5.7% compared to the same period in 2021, to EUR 369.6 million. This figure was also affected by the impact of the exchange rate, without which it increased by 2.2%, as a result of the rise in external services associated with the increase in production.

Taxes decreased by 23.5% (-26.0% in local currency) to EUR 50.3 million, due to lower expenditure in relation to the ECO scheme following fulfilment its objectives, resulting in an EBITDA of EUR 525.2 million (+3.9%; +0.4% in local currency).

The Amortisation, Depreciation and Provisions item in the semester was EUR 312.4 million (+17.0%), increasing by 13.1% in local currency due to increased acquisition costs, smart meters and higher insolvencies, with EBIT standing at EUR 212.7 million (-10.7%; -13.7% in local currency).

2.3 UNITED STATES

(EUR million)	H1 2022	vs. H1 2021	Local currency
Revenue	504.4	-22.3%	-29.3%
Gross margin	537.7	+0.5%	-8.5%
EBITDA	318.8	-14.1%	-21.8%
EBIT	44.4	-60.7%	-64.2%

a) Gross margin

The Gross Margin in the first half of 2022 was EUR 537.7 million (+0.5%; -8.5% in local currency), due to the impact of the Texas storm recorded in the first quarter of 2021 (EUR 93 million), which did not offset the higher production in 2022 (+5.2%), as a result of the increase in average operating capacity (+3.1%; +231 MW) and the higher wind load factor compared to the first half of 2021.



b) Operating profit / EBIT

Net Operating Expenses increased by 43.1% to EUR 163.7 million (+30.3% in local currency), mainly due to the larger workforce. Taxes increased by 11.7% to EUR 55.2 million, due to the impact of the exchange rate, without which Taxes would have remained practically flat. EBITDA amounted to EUR 318.8 million (-14.1%; -21.8% in local currency).

In addition, the contribution of the business to EBIT in the first half of the year amounted to EUR 44.4 million, after deducting Amortisation, Depreciation and Provisions (EUR 274.4 million), which increased by 6.2% with respect to the first half of 2021, having been affected by the impact of the exchange rate, without which they fell by 3.3% due to the provision recorded last year as a result of the Texas storm (which was later reversed). This was partially offset by the increase in Amortisations after the implementation of new capacity.

2.4 MEXICO

(EUR million)	H1 2022	vs. H1 2021	Local currency
Revenue	1,985.6	-11.5%	-19.4%
Gross margin	571.0	+23.3%	+12.3%
EBITDA	424.6	+22.6%	+11.6%
EBIT	309.1	+28.8%	+17.3%

a) Gross margin

In the first half of 2022, Gross Margin reached EUR 571.0 million (+23.3%; +12.3% in local currency). Most notable were the positive impact, in the comparison, of the cold snap in February of last year in Texas and the higher contribution from renewable assets, due to improved load factors. These impacts were partially offset by lower thermal production.

b) Operating profit / EBIT

EBITDA in the first half of the year increased by 22.6% compared to the same period in 2021 (+11.6% in local currency) and stood at EUR 424.6 million. This was despite the 25.8% increase of Net Operating Expenses due to the impact of the exchange rate,

with a rise of 14.6% in local currency, and to higher external services costs, as a result of the performance of the USPPI.

Amortisation, Depreciation and Provisions amounted to EUR 115.5 million, an 8.5% increase. This was due to the exchange rate, as the figure decreased slightly in local currency as compared to the first half of 2021 (-1.2%). As a result of all this, EBIT for the six month period was EUR 309.1 million, up 28.8% (+17.3% in local currency).

2.5 BRAZIL

(EUR million)	H1 2022	vs. H1 2021	Local currency
Revenue	319.5	+42.9%	+21.9%
Gross margin	201.4	+67.4%	+42.8%
EBITDA	167.7	+82.5%	+55.8%
EBIT	128.8	+99.0%	+69.9%

a) Gross margin

The Gross Margin was EUR 201.4 million (+67.4%), having been affected positively by the exchange rate since, in local currency, it increased by 42.8%. The increased Gross Margin is explained by higher onshore wind production, which in turn was due to the increase in the average operating capacity (+88.8%; +464.5 MW) after the Chafariz complex entered into service, and to the contribution from Termopernambuco. As it had to supply restriction, buy energy at lower prices to serve the current contract, which was also revised upwards in 2021.

b) Operating profit / EBIT

Net Operating Expenses in the six month period were EUR 33.0 million, in line with the same period of 2021 in local currency (-0.1%), with the increase due to the higher average operating capacity being offset by the lower operation and maintenance expenditure resulting from the shutdown of Termopernambuco in light of the lack of gas supply. As such, EBITDA increased by 82.5% to EUR 167.7 million (+55.8% in local currency).

Amortisation, Depreciation and Provisions increased to



EUR 38.9 million (+43.2%), up 22.2% in local currency, as a result of the Chafariz wind farm complex entering into service and the change in the useful life of Itapebi following the signing of the aforementioned hydrological risk agreement. As a result of all this, EBIT amounted to EUR 128.8 million (+99.0%; +69.9% in local currency).

the corporate areas, which are subsequently billed to the other companies, while the Other Businesses heading includes real estate activity, following the sale of the gas business in Canada at the end of 2021. The income statements of both divisions can be found in the *Income Statement Tables*.

2.6 Rest of the world (ROW)

(EUR million)	H1 2022	vs. H1 2021
Revenue	399.0	+52.5%
Gross margin	311.6	+30.7%
EBITDA	206.5	+19.9%
EBIT	119.3	+29.9%

a) Gross margin

The Gross Margin of the business in the Rest of the World grew to EUR 311.6 million (+30.7%), thanks to the greater contribution from onshore and offshore wind in most geographies, the standout contribution being that of Poland, whose capacity was incorporated in June 2021.

b) Operating profit / EBIT

EBITDA stood at EUR 206.5 million (+19.9%) after deducting the Net Operating Expenses, which increased by EUR 13.4 million to EUR -74.5 million in view of the expansion of the business, and the higher Taxes in Greece and Romania due to higher market prices.

In addition, Amortisation, Depreciation and Provisions increased by EUR 6.9 million, mainly due to the integration of the Polish wind farms in June 2021, resulting in the EBIT reaching EUR 119.3 million (+29.9%).

4. Corporate and other businesses

The Corporation heading includes the Group's overheads and the administrative costs of running

Balance sheet analysis





January – June 2022

	June 2022	vs Dec 2021
TOTAL ASSETS	156,788	+10.6%
TANGIBLE FIXED ASSETS	84,516	+5.7%
INTANGIBLE FIXED ASSETS	20,657	+3.8%
NON CURRENT FINANCIAL INVESTMENTS	10,253	+57.8%
EQUITY	60,539	+7.9%

As of 30 June 2022, Iberdrola's balance sheet showed total assets of EUR 156,788 million, up EUR 15,036 million compared to December 2021.

1. Fixed Assets

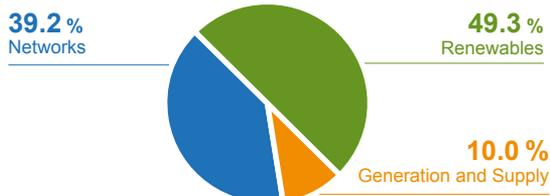
Total gross investments in the first half of 2022 amounted to EUR 4,741.0 million (+5.3%). The breakdown is as follows:

(EUR millions)	Jan June 2022	%
Networks business	1,857.7	39.2%
Spain	315.4	
United Kingdom	311.0	
United States	626.1	
Brazil	605.2	
Renewables business	2,337.7	49.3%
Spain	486.8	
United Kingdom	387.4	
United States	614.6	
Brazil	226.4	
Mexico	3.4	
RoW	619.1	
Generation and supply business	473.3	10.0%
Spain	240.9	
United Kingdom	81.5	
Mexico	147.8	
Brazil	3.1	
RoW	0.0	
Other businesses	2.9	0.1%
Corporation and adjustments	69.4	1.5%
Total gross investment	4,741.0	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 90% of gross investment made during the first half of 2022.

Investments by business

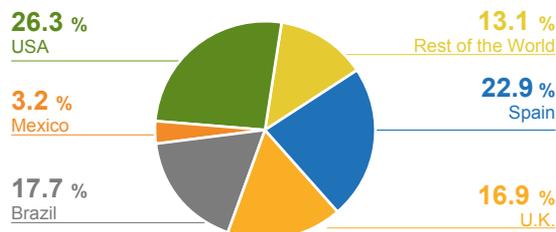
(January - June 2022)



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

Investments by geographical area

(January - June 2022)



Investment in the Renewables Business totalled EUR 2,337.7 million, equivalent to 49.3% of the total.

In the Networks Business section, most investments were made in the United States and Brazil, totalling EUR 626.1 million and EUR 605.4 million, respectively.

2. Working capital

Working capital increased by €243 million during the year, due to offsetting impacts. It decreases due to collections in the first half of the year, such as court rulings in Spain, and increases due to higher energy volumes in the period.



Current Assets	jun-22	dec-21	Var.
Assets held for sale	154	124	30
Nuclear fuel	250	267	(17)
Inventories	2,796	2,639	156
Trade and other receivables	10,381	8,183	2,198
Current Financial Investments	2,280	1,420	860
Derivatives financial instruments	4,349	2,411	1,937
Taxes Payables	1,973	2,773	(800)
TOTAL Current Assets*:	22,183	17,818	4,365

* Does not include cash or debt derivatives

Current Liabilities	jun-22	dec-21	Var.
Provisions	949	789	160
Derivatives financial instruments	3,298	1,588	1,709
Trade and other payables	10,851	9,780	1,071
Equity instruments with characteristics of financial liabilities	92	100	zzz(8)
Taxes Payables	2,621	1,432	1,189
TOTAL Current Liabilities **:	17,811	13,689	4,122

** Does not include financial debt or debt derivatives

Net Current Assets	4.373	4.130	243
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3. Share capital

Iberdrola's share capital totalled EUR 4,828 million as of 30 June 2022, represented by 6,437,563,000 shares, each with a par value of EUR 0.75 and all fully subscribed and paid.

4. Financial debt

Adjusted net financial debt as of June 2022 reached EUR 41,717 million, increasing by EUR 5,136 million from EUR 36,581 million as of June 2021.

Adjusted net leverage saw an improvement of 0.9%, up to 40.7% versus the 41.6% reported in June 2021.

The ratings issued by the rating agencies are as follows:

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 & Poors	BBB+ (22/04/2016)	Stable (22/04/2016)

* Date of last modification

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

	Jun 2022	Jun 2021
Euro	37.9%	43.5%
US dollar	28.8%	24.1%
British pound	14.7%	19.7%
Brazilian real and other currencies	18.6%	12.7%
Total	100.0%	100.0%

* Adjusted net debt including net investment hedging derivatives

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

	Jun 2022	Jun 2021
Fixed rate	88.4%	88.1%
Variable rate	11.6%	11.9%
Total	100.0%	100.0%

* Adjusted net debt excluding Neoenergia and including future funding hedging derivatives to date (EUR 3,963 million in Jun 22 and EUR 3,254 million in Jun 21).

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 (sterling pound, 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:



	Jun 2022	Jun 2021
Corporate	73.2%	75.0%
UK	5.2%	5.6%
US	17.8%	15.9%
Other	3.8%	3.5%
Total	100.0%	100.0%

* Gross debt including hybrids, excluding leases and Neoenergia (EUR 8,148 million in Jun 22 and EUR 5,083 million in Jun 21)

This debt* breaks down by financing source as follows:

Market	Jun 2022	Jun 2021
EUR bonds	23.5%	27.0%
USD bonds	19.9%	18.9%
GBP bonds	8.0%	7.7%
Other bonds	6.7%	4.8%
Commercial paper	8.5%	8.7%
Multilateral banking and development	14.1%	15.3%
Structured financing	0.3%	1.1%
Leases	5.6%	5.5%
Banking	13.4%	11%
Total	100.0%	100.0%

* Adjusted gross debt.

The new ESG financing signed up to date amounted to EUR 6,518 million. The breakdown by product is as follows:

Product (EUR million)	Green	Sustainable	Total
Senior bonds	1,300		1,300
Development and multilateral banks	1,745		1,745
Structured financing	253		253
Bank loans		720	720
Credit facilities		2,500	2,500
Total new ESG financing	3,298	3,220	6,518

This brings total ESG financing to EUR 43,807 million, including sustainable credit lines, the sustainable ECP programme and the new transactions signed up to date EUR 3,471 million. Iberdrola is the world's leading group

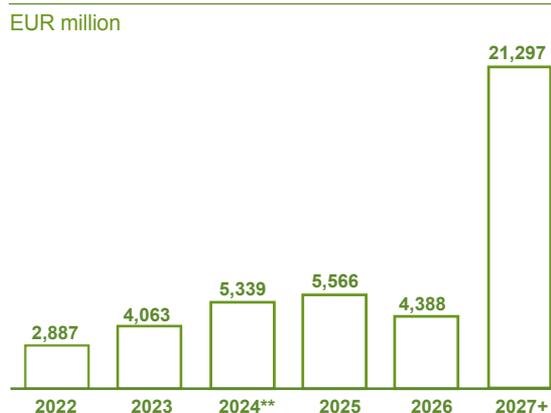
in green bonds issued.

Iberdrola has a strong liquidity position totalling EUR 24,963 million, including transactions signed after June 30th until today (EUR 4,079 million). 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 27 months of the Group's financial needs in the base case and 21 months in the risk scenario.

Liquidity	EUR million
Cash, cash equivalents and IFTs	4,052
Back up facilities	9,800
Credit facilities	6,265
Committed financing	4,846
Total	24,963

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

Maturity debt profile



* Adjusted financial debt excluding leases, short term debt and accounting adjustments. Commercial paper maturities are shown in 2027+.

** Includes: USD 400 million with 1-year extension option and USD 500 million with 1 or 2-year extension option



ADJUSTED NET FINANCIAL DEBT

Millions of euros	Jun 22	Jun 21
Loans and borrowings with credit institutions and bonds or other marketable securities	43,584	38,429
CSA derivative securities	93	-
Liability derivative instruments	1,139	652
Leases	2,541	2,197
Gross financial debt	47,357	41,278
Capitalised derivative instruments	1,013	742
Deposits securing the value of CSA derivatives	198	115
Non current financial investments	99	45
Current financial investments (between 3 and 12 months)	27	249
Cash and cash equivalents	4,025	3,417
Total cash assets	5,362	4,568
Net financial debt	41,995	36,710
Treasury stock derivatives with physical settlement which, at the current date, are not expected to be executed	278	129
Adjusted net financial debt	41,717	36,581

5. Financial ratios

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

	Jun 2022	Jun 2021
Adjusted equity*	60,817	51,380
Adjusted net financial debt *	41,717	36,581
Adjusted net leverage	40.7%	41.6%
Adjusted funds from operations (FFO)**/ Adjusted net financial debt*	24.7%	23.6%
Adjusted retained cash flow (RCF)/ Adjusted net financial debt*	22.4%	21.2%
Adjusted net financial debt*/Adjusted EBITDA***	3.18x	3.43x

(*) Adjusted for treasury stock derivatives with physical settlement that, at the current date, are not expected to be executed (EUR 278 million in Jun 22 and EUR 129 million in Jun 21).

(**) Adjusted for the "Exit Plan" carried out in the fourth quarter of 2021 for EUR 72.4 million and in the fourth quarter of 2020 (EUR 45 million). Both proforma of the new incorporations to the group and corrected for the net tax adjustment, the effect of the ruling for undue payment of the hydro canon and social bonus and the gas deduction of Royal Decree Law 17/2021.

(***) Adjusted for the "Exit Plan" carried out in the fourth quarter of 2021 for EUR 94.7 million and in the fourth quarter of 2020 (EUR 59.7 million). Both proforma of the new incorporations to the group and netted in 2021 of the effect of the rulings for undue payment of the hydro canon and social bonus and the deduction of gas and the ruling for the hydro electric fee from Royal Decree Law 17/2021.

6. Funds from operations

Funds from operations (FFO) in the last 12 months amounted to EUR 10,300 million, 19.4% more compared to the previous year.

	jun-22	jun-21	Change
Net profit attributed to the parent company (+)	4,428.5	3,265.7	1,162.8
Depreciation and amortisation charges and provisions (+)	4,982.3	4,432.6	549.7
Results of companies accounted for using the equity method (-)	88.8	-17.2	106.0
Gains/(losses) on non current assets (-)	-	-	-
Extraordinary corporate income tax (-)	-	-	-
Financial revision of provisions (+)	128.7	113.7	15.0
Minority interests (+)	637.2	448.4	188.8
Adjustment for tax deductible items (+)	-8.8	477.5	-486.3
Dividends on companies accounted for using the equity method (+)	59.6	51.9	7.7
Capital grants taken to profit or loss (-)	81.3	79.2	2.0
Other P&L impacts (-)	170.3	-209.2	379.5
Funds from operations (FFO)	10,227.7	8,518.6	1,709.2
Exit plan	72.4	45.0	27.4
Proforma new acquisitions	-	26.3	-26.3
Proforma goodwill amortisation 1 year	-	35.5	-35.5
Adjusted funds from operations (FFO)	10,300.1	8,625.4	1,674.8
Dividends* (-)	945	854.3	90.7
Retained Cash Flow (RCF) Adjusted	9,355.10	7,771.10	1,584.00

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



7. Financial transactions

New financing

The Iberdrola Group has signed EUR 8,487 million (including subsequent events) in new transactions from various sources of financing.

Product (EUR million)	Q1	Q2	Total
Senior bonds	1,628	1,031	2,659
Bank loans	307	889	1,196
Development and multilateral banks	1,088	791	1,879
Bank credit		2,500	2,500
Structured financing		253	253
Total new financing	3,023	5,564	8,487

Borrower	Transaction	Amount	Currency	Coupon	Maturity
First quarter					
UI (4)	Private green bond	150.0	USD	2.25%	Jan-32
Iberdrola Finanzas	Private bond	100.0	EUR	1%	Feb-37
Iberdrola Finanzas	Public green bond	1,000.0	EUR	1.375%	Mar-32
NYSEG	Tax exemption bond	67.0	USD	4%	Dec-28
Celpe (4)	Public bond (debenture)	470.0	BRL	CDI+1.55%	Apr-27
Coelba (4)	Public bond (debenture)	470.0	BRL	CDI+1.55%	Apr-27
Celpe (4)	Public bond (debenture)	330.0	BRL	CDI+1.68%	Apr-29
Coelba (4)	Public bond (debenture)	330.0	BRL	CDI+1.68%	Apr-29
Celpe (4)	Public infrastructure bond (debenture)	400.0	BRL	HICP+6.279%	Apr-32
Coelba (4)	Public infrastructure bond (debenture)	400.0	BRL	HICP+6.279%	Apr-32
Coelba (1)	Loan 4,131	19.8	USD		Feb-27
Neoenergia Itabapoana (1)	Loan 4,131	38.9	USD		Feb-23
Neoenergia Lagoa Dos Patos (1)	Loan 4,131	15.6	USD		Feb-23
Coelba (1)	Loan 4,131	42.2	USD		Oct-23
Neoenergia	Loan 4,131	550.0	BRL		Sep-23
Coelba (1)	Loan 4,131	41.6	USD		Mar-24
Coelba	Loan 4,131	94.4	BRL		Mar-24
Neoenergia Guanabara (2)(3)	BNDES loan	693.0	BRL		Apr-42
Second quarter					
Neoenergia Guanabara (1)	Loan 4,131	20.7	USD		May-23
Neoenergia Guanabara (1)	Loan 4,131	39.0	USD		Jul-23
Neoenergia Lagoa Dos Patos (1)	Loan 4,131	34.2	USD		Jul-23
Iberdrola Financiación (4)	Bilateral loan	30.0	EUR		Apr-27
Iberdrola Financiación	Sustainable bilateral loan	600.0	EUR		Jun-27
Iberdrola Financiación (3) (4) (2)	Green loan with EKF guarantee	1,000.0	EUR		Jul-31
Iberdrola Financiación (3) (4)	Green EIB loan	53.0	EUR		To be determined
Iberdrola Financiación (4) (3)	Green ICO loan	35.0	EUR		To be determined
Coelba (2)	Green IFC	550.0	BRL		To be determined
Avangrid Renewables	Green TEI	71.8	USD		Dec-32
Avangrid Renewables	Green TEI	199.0	USD		Dec-32



Borrower	Transaction	Amount	Currency	Coupon	Maturity
Subsequent events ⁽²⁾					
CMP(3)	Green mortgage backed bond	75.0	USD	4.37%	Dec-32
CMP(3)	Green mortgage backed bond	50.0	USD	4.76%	Dec-52
RG&E(3)	Mortgage backed bond	125.0	USD	4.86%	Dec-52
NYSEG(3)	Private bond	150.0	USD	4.62%	Dec-32
NYSEG(3)	Private bond	125.0	USD	4.96%	Dec-52
UI(3)	Private bond	50.0	USD	4.62%	Dec-32
Coelba	Commercial notes	190.0	BRL	CDI+1.39%	Jul-27
Coelba	Commercial notes	310.0	BRL	CDI+1.54%	Jul-29
Celpe	Green commercial notes	200.0	BRL	CDI+1.39%	Jul-27
Celpe	Green commercial notes	250.0	BRL	CDI+1.54%	Jul-29
CEB	Public green bond (debenture)	100.0	BRL	CDI+1.54%	Jul-27
CEB	Public green bond (debenture)	200.0	BRL	CDI+1.72%	Jul-29
Cosern	Public bond (debenture)	500.0	BRL	CDI+1.28%	Jul-27
Cosern	Public bond (debenture)	80.0	BRL	CDI+1.43%	Jul-29
Elektro	Public green bond (debenture)	104.0	BRL	CDI+1.28%	Jul-27
Elektro	Public green bond (debenture)	96.0	BRL	CDI+1.43%	Jul-29
Cosern	Public infrastructure bond (debenture)	220.0	BRL	HICP+6.623%	Jul-29
Elektro	Public infrastructure bond (debenture)	300.0	BRL	HICP+6.623%	Jul-29
Neoenergia Lagoa Dos Patos (1)	Loan 4131	18.7	USD		Jul-23
Iberdrola Financiación	Sustainable syndicated credit facility	2,500.0	EUR		Jul-27
Iberdrola Financiación(3)	Green EIB loan	550.0	EUR		To be determined
Iberdrola Financiación(6)	Sustainable bilateral loan	120.0	EUR		Jul-27
Neoenergia Vale Do Itajai (1)	Loan 4131	7,614	JPY		Jul-23

(1) Currency swaps arranged to the company's functional currency

(2) Transactions signed after 30.06.2022

(3) Funding planned to be available in 2022

(4) Included as a subsequent event in the previous quarter's prospectus

(5) Funding planned to be available in 2023

(6) 1-year extension option

(7) 1-year + 1 extension option

Extension of existing financing

Borrower	Transaction	Amount	Currency	Extension	Maturity
Iberdrola Financiación (4)	Bilateral credit facility	125.0	EUR	-	Oct-23
Iberdrola Financiación (4)	Sustainable syndicated credit facility	2,500.0	EUR	1 year	Apr-27
Iberdrola Financiación	Sustainable bilateral credit facility	16,000.0	JPY	1 year	Jun-27
Iberdrola Mexico	Syndicated green loan	400	USD	1 year	May-24
Iberdrola Financiación	Bilateral credit facility	125	EUR		Jun-24
Subsequent events ⁽²⁾					
Iberdrola Financiación	Bilateral loan	300	EUR		Jul-23



Second quarter transactions

The transactions entered into between the publication of the prospectus in the first quarter of 2022 and the date of this prospectus are described below.

Capital market

Commercial paper

In an environment in which inflations continue to surprise on the upside, central banks continue to tighten monetary policy to control inflation, a tightening that will weigh on economic activity and growth. Against this backdrop, interest rate volatility has been high. The ECP market remained tense, with investors preferring short maturities, given the uncertainty about the magnitude of the expected interest rate hikes. Despite this, Iberdrola has not suffered a significant decrease in the outstanding balance of its programme, from EUR 4,075 million at the end of March 2022 to EUR 3,871 million at the end of June 2022, with an average portfolio life of approximately three months.

Bonds

The Iberdrola Group closed 18 issues in July for a total amount equivalent to EUR 1,031 million:

- through its subsidiary in the United States, it agreed the price of six private issues for a total of USD 575 million with an average cost of 4.73% and maturities in December 2032 (USD 275 million) and December 2052 (USD 300 million). USD 250 million of the total amount are mortgage backed bonds, of which USD 125 million are green bonds and will be used to finance network investment projects.
- through its subsidiary Neoenergia, it made 12 issues for a total of BRL 2,550 million:
 - ten public (six bonds and four commercial notes) totalling BRL 2,030 million with an average equivalent cost of 1.44% over the CDI with maturities of 2027 (BRL 1,094 million) and 2029 (BRL 936 million). USD 950 million of this amount is green and will be used to finance a Smart Grids project.
 - two public infrastructure bonds for a total of BRL 520 million with a cost of HICP plus 6.623% and maturity in July 2029.

Banking market

The Iberdrola Group signed eight bank loans for a total equivalent of EUR 889 million:

- four Neoenergia loans under the terms of Decree 4131 for a total equivalent to BRL 570 million with an average term of one year.
- four bilateral loans totalling EUR 778 million, of which EUR 720 million are linked to sustainability indicators maturing in 2027 and with a 1-year extension option.

In July, Iberdrola also signed a new multi currency and sustainable credit line for EUR 2,500 million, linked to the company's water footprint through two sustainability indicators: the reduction in water consumption used in power generation and the rating assigned to Iberdrola by the independent agency CDP Water.

The Iberdrola Group also executed three extensions, two of credit lines and one of a bank loan:

- It executed in April the first extension option of the JPY 16,000 sustainable bilateral credit line with the possibility of exercising a second extension option for another six months. In May, it also exercised the second extension option of a EUR 125 million bilateral credit line.
- Also in May, it exercised the first extension option on the USD 400 million syndicated green loan from Mexico, with the contract providing for the possibility of extension for an additional year.

Lastly, in July it signed the renewal of a EUR 300 million bilateral loan agreement extending the maturity date to July 2023.

Development and multilateral banks

In June, through one of its distributors in Brazil, Iberdrola signed a BRL 550 million green & sustainability link loan with the World Bank's International Finance Corporation (IFC), which matures in November 2031.

Finally, Iberdrola signed a EUR 550 million green loan with the EIB in July, mainly to finance solar farms in Spain.



8. Credit ratings

	Moody's			Standard and Poor's			Fitch Ibc		
	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.r 2021
CMP	A2	Stable	February 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	October 2021	BBB+	Stable	Oct. 2021
UI	Baa1	Positive	Feb. 2022	A-	Stable	March 2022	A-	Stable	Oct. 2021
CNG	A2	Stable	July 2021	A-	Stable	March 2022	A-	Stable	Oct. 2021
SCG	A3	Stable	Dec.2021	A-	Stable	March 2022	A-	Stable	Oct. 2021
BGC	A3	Stable	Dec. 2021	A-	Stable	March 2022	A-	Stable	Oct. 2021
Scottish Power Ltd	Baa1	Stable	July 2022	BBB+	Stable	March 2022	BBB+	Stable	May 2021
Scottish Power UK Plc	Baa1	Stable	July 2022	BBB+	Stable	March 2022	BBB+	Stable	May 2021
Scottish Power Energy Networks Holdings Ltd				BBB+	Stable	March 2022			
SP Transmission plc	Baa1	Stable	July 2022	BBB+	Stable	March 2022			
SP Manweb plc	Baa1	Stable	July 2022	BBB+	Stable	March 2022			
SP Distribution plc	Baa1	Stable	July 2022	BBB+	Stable	March 2022			
ScottishPower Energy Management Ltd.	Baa1	Stable	July 2022	BBB+	Stable	March 2022			
ScottishPower Energy Retail Ltd.	Baa1	Stable	July 2022	BBB+	Stable	March 2022			
ScottishPower Renewables (WODS) Limited	Baa1	Stable	Sep. 2021						
Neoenergía				BB-	Stable	March 2022			
Elektro				BB-	Stable	March 2022			
Coelba				BB-	Stable	March 2022			
Celpe				BB-	Stable	March 2022			
Cosern				BB-	Stable	March 2022			
Neoenergía (national scale)				brAAA	Stable	March 2022			
Coelba (national scale)				brAAA	Stable	March 2022			
Celpe (national scale)				brAAA	Stable	March 2022			
Cosern (national scale)				brAAA	Stable	March 2022			
Elektro (national scale)				brAAA	Stable	March 2022			

(*) Guaranteed by Iberdrola S.A.

Date related to latest review

Financial Statements Tables





Balance Sheet June-2022 (Unaudited)

	EUR M		
ASSETS	Jun. 2022	Dec. 2021	Variation %
NON-CURRENT ASSETS	129,824	119,369	10,455
Intangible assets	20,657	19,909	748
Goodwill	8,380	8,312	68
Other intangible assets	12,277	11,596	681
Real Estate properties	309	310	0
Property, plant and equipment	84,516	79,981	4,535
Property, plant and equipment	72,688	70,919	1,769
Property, plant and equipment in the course of construction	11,828	9,062	2,766
Right of use	2,381	2,260	121
Non current financial investments	10,253	6,499	3,754
Investments accounted by equity method	1,138	1,058	80
Non-current financial assets	26	25	0
Other non-current financial assets	5,981	3,994	1,987
Derivative financial instruments	3,108	1,421	1,687
Non-current trade and other receivables	4,819	3,764	1,055
Tax receivables	729	729	-
Deferred tax assets	6,160	5,918	242
CURRENT ASSETS	26,964	22,384	4,580
Assets held for disposal	154	124	30
Nuclear fuel	250	267	-17
Inventories	2,796	2,639	156
Current trade and other receivables	12,354	10,956	1,398
Tax receivables	618	367	251
Other tax receivables	1,355	2,406	-1,051
Trade and other receivables	10,381	8,183	2,198
Current financial assets	7,385	4,364	3,021
Other current financial assets	2,506	1,533	973
Derivative financial instruments	4,879	2,831	2,048
Cash and cash equivalents	4,025	4,033	-8
TOTAL ASSETS	156,788	141,752	15,036



EUR M

EQUITY AND LIABILITIES	Jun. 2022	Dec. 2021	Variation
EQUITY:	60,539	56,126	4,413
Of shareholders of the parent	44,034	40,479	3,555
Share capital	4,828	4,775	54
Adjustments for changes in value	1,510	547	963
Other reserves	39,623	35,912	3,711
Treasury stock	-2,434	-1,860	-574
Translation differences	-1,568	-2,779	1,211
Interim dividend	0	0	0
Net profit of the period	2,075	3,885	-1,810
Of minority interests	8,256	7,397	858
Hybrids	8,250	8,250	-
NON-CURRENT LIABILITIES	67,052	61,273	5,779
Deferred income	1,281	1,261	19
Facilities transferred and financed by third parties	5,550	5,424	126
Provisions	5,056	5,330	-275
Provisions for pensions and similar obligations	1,078	1,592	-514
Other provisions	3,977	3,738	239
Non Current Financial payables	41,870	37,175	4,695
Financial Debt- Loans and other	33,139	31,180	1,959
Equity Instruments having the substance of a financial liability	631	525	107
Leases	2,355	2,252	102
Derivative financial instruments	3,666	1,673	1,993
Other financial liabilities	2,078	1,545	533
Other Non Current payables	480	418	62
Tax payables	315	300	15
Deferred tax liabilities	12,501	11,363	1,137
CURRENT LIABILITIES	29,197	24,353	4,844
Provisions	949	789	160
Provisions for pensions and similar obligations	29	27	3
Other provisions	919	762	157
Current financial payables	24,907	21,297	3,610
Financial Debt- Loans and other	10,445	9,984	462
Equity Instruments having the substance of a financial liability	92	100	-8
Derivative financial instruments	3,959	2,111	1,848
Leases	186	158	27
Trade payables	6,125	5,964	161
Other financial liabilities	4,100	2,980	1,120
Other current payables	3,341	2,268	1,073
Current tax liabilities and other tax payables	730	227	504
Other tax payables	1,891	1,205	686
Other current liabilities	720	836	-116
TOTAL EQUITY AND LIABILITIES	156,788	141,752	15,036


Profit and Loss *(Unaudited)*

	EUR M		
	JUN.-22	JUN.-21	%
REVENUES	24,430.0	18,752.2	30.3
PROCUREMENTS	(14,561.1)	(10,246.2)	42.1
GROSS MARGIN	9,868.8	8,506.0	16.0
NET OPERATING EXPENSES	(2,491.8)	(2,119.7)	17.6
Personnel	(1,587.6)	(1,449.1)	9.6
Capitalized personnel costs	376.3	340.2	10.6
External Services	(1,663.0)	(1,411.8)	17.8
Other Operating Income	382.5	401.0	(4.6)
LEVIES	(933.2)	(942.7)	(1.0)
EBITDA	6,443.9	5,443.6	18.4
AMORTISATIONS AND PROVISIONS	(2,521.6)	(2,202.1)	14.5
EBIT / Operating Profit	3,922.3	3,241.5	21.0
Financial Expenses	(1,522.7)	(1,047.6)	45.4
Financial Income	606.7	575.9	5.3
FINANCIAL RESULT	(916.0)	(471.7)	94.2
RESULTS OF COMPANIES CONSOLIDATED BY EQUITY METHOD	161.0	(1.9)	N/A
PBT	3,167.4	2,768.0	14.4
Corporate Tax	(699.8)	(1,014.6)	(31.0)
Minorities	(392.5)	(222.1)	76.7
NET PROFIT	2,075.0	1,531.3	35.5



Results by Business (Unaudited)

	EUR M			
H1 22	Networks	Electricity Production and Customers	Other businesses	Corporation and adjustments
Revenues	9,005.2	15,858.5	24.5	(458.3)
Procurements	(3,942.3)	(11,035.4)	(17.7)	434.2
GROSS MARGIN	5,062.9	4,823.2	6.8	(24.1)
NET OPERATING EXPENSES	(1,192.6)	(1,334.0)	(6.5)	41.2
Personnel	(853.6)	(506.9)	(5.0)	(222.1)
Capitalized personnel costs	279.1	92.3	-	4.9
External Services	(906.1)	(1,039.4)	(1.6)	284.1
Other Operating Income	288.0	120.1	0.1	(25.6)
LEVIES	(494.5)	(435.1)	(0.5)	(3.0)
EBITDA	3,375.8	3,054.1	(0.1)	14.1
Amortisation and Provisions	(1,147.6)	(1,309.3)	(4.5)	(60.3)
EBIT/Operating Profit	2,228.2	1,744.8	(4.6)	(46.2)
Financial Result	(438.5)	(223.1)	0.2	(254.5)
Results of companies consolidated by equity method	6.3	231.1	(76.3)	-
PBT	1,796.0	1,752.8	(80.8)	(300.7)
Corporate tax and minority shareholders	(702.7)	(505.9)	0.6	115.8
NET PROFIT	1,093.2	1,246.9	(80.2)	(184.9)

	EUR M			
H1 21*	Networks	Electricity Production and Customers	Other businesses	Corporation and adjustments
Revenues	6,845.8	12,094.6	130.3	(318.5)
Procurements	(2,788.7)	(7,666.9)	(88.3)	297.7
GROSS MARGIN	4,057.1	4,427.7	42.0	(20.8)
NET OPERATING EXPENSES	(1,052.7)	(1,109.3)	(8.2)	50.5
Personnel	(797.6)	(453.0)	(5.8)	(192.6)
Capitalized personnel costs	258.0	79.1	-	3.0
External Services	(737.1)	(934.8)	(2.3)	262.4
Other Operating Income	224.0	199.4	-	(22.4)
LEVIES	(436.5)	(504.9)	(0.7)	(0.6)
EBITDA	2,567.9	2,813.5	33.2	29.1
Amortisation and Provisions	(956.2)	(1,181.8)	(5.1)	(59.0)
EBIT/Operating Profit	1,611.7	1,631.7	28.1	(29.9)
Financial Result	(260.1)	(93.5)	33.2	(151.1)
Results of companies consolidated by equity method	7.8	(2.5)	(7.0)	(0.1)
PBT	1,359.3	1,535.6	54.2	(181.1)
Corporate tax and minority shareholders	(796.6)	(546.7)	(15.0)	121.7
NET PROFIT	562.8	988.8	39.2	(59.5)

(*) Re-expressed



Networks Business (Unaudited)

EUR M				
H1 22	SPAIN	UNITED KINGDOM	USA	BRAZIL
Revenues	794.9	787.3	3,365.4	4,058.1
Procurements	(6.9)	(59.3)	(1,177.7)	(2,698.8)
GROSS MARGIN	788.0	728.0	2,187.6	1,359.3
NET OPERATING EXPENSES	(113.8)	(116.7)	(646.1)	(316.0)
Personnel	(148.6)	(134.2)	(364.8)	(206.0)
Capitalized personnel costs	65.1	84.1	129.8	-
External Services	(134.8)	(96.2)	(487.4)	(187.6)
Other Operating Income	104.5	29.6	76.4	77.5
LEVIES	(41.9)	(57.8)	(391.2)	(3.7)
EBITDA	632.4	553.5	1,150.3	1,039.5
Amortisation and Provisions	(315.5)	(200.4)	(386.1)	(245.6)
EBIT/Operating Profit	316.9	353.2	764.2	793.9
Financial Result	(17.3)	(69.3)	(68.1)	(283.8)
Results of companies consolidated by equity method	1.2	-	5.1	-
PBT	300.7	283.9	701.2	510.2
Corporate tax and minority shareholders	(51.7)	(67.8)	(273.8)	(309.5)
NET PROFIT	249.0	216.1	427.4	200.6

EUR M				
H1 21	SPAIN	UNITED KINGDOM	USA	BRAZIL
Revenues	1,003.9	710.6	2,125.4	3,005.9
Procurements	(2.5)	(27.5)	(664.4)	(2,094.3)
GROSS MARGIN	1,001.4	683.0	1,461.0	911.6
NET OPERATING EXPENSES	(123.5)	(115.7)	(569.7)	(243.8)
Personnel	(150.4)	(127.7)	(366.6)	(152.9)
Capitalized personnel costs	69.1	76.8	112.1	-
External Services	(141.3)	(97.3)	(358.2)	(140.3)
Other Operating Income	99.0	32.5	43.0	49.4
LEVIES	(41.5)	(55.4)	(336.8)	(2.7)
EBITDA	836.3	511.9	554.5	665.1
Amortisation and Provisions	(286.7)	(187.5)	(304.8)	(177.1)
EBIT/Operating Profit	549.6	324.4	249.7	487.9
Financial Result	(30.0)	(59.9)	(60.0)	(110.2)
Results of companies consolidated by equity method	1.3	-	6.4	-
PBT	521.0	264.5	196.2	377.7
Corporate tax and minority shareholders	(106.9)	(372.1)	(82.0)	(235.6)
NET PROFIT	414.1	(107.6)	114.2	142.1



Electricity Production and Customers

EUR M

JUN-22	UNITED					
	SPAIN	KINGDOM	US	Mexico	Brazil	ROW *
Revenues	9,404.0	3,290.8	504.4	1,985.6	319.5	399.0
Procurements	(7,147.5)	(2,345.7)	33.3	(1,414.6)	(118.1)	(87.4)
GROSS MARGIN	2,256.5	945.1	537.7	571.0	201.4	311.6
NET OPERATING EXPENSES	(550.0)	(369.6)	(163.7)	(143.1)	(33.0)	(74.5)
Personnel	(229.7)	(87.4)	(106.8)	(30.1)	(16.7)	(36.3)
Capitalized personnel costs	28.8	13.9	16.8	4.8	1.8	17.9
External Services	(434.3)	(317.6)	(109.3)	(127.3)	(18.3)	(59.7)
Other Operating Income	85.2	21.4	35.6	9.5	0.2	3.5
LEVIES	(295.1)	(50.3)	(55.2)	(3.2)	(0.7)	(30.6)
EBITDA	1,411.4	525.2	318.8	424.6	167.7	206.5
Amortisation and Provisions	(481.6)	(312.4)	(274.4)	(115.5)	(38.9)	(87.2)
EBIT/Operating Profit	929.8	212.7	44.4	309.1	128.8	119.3
Financial Result	15.2	(27.7)	(41.8)	(110.4)	(40.1)	(18.3)
Results of companies consolidated by equity method	21.3	(0.2)	222.4	-	(0.1)	(12.4)
PBT	966.2	184.8	225.0	198.7	88.6	88.7
Corporate tax and minority shareholders	(261.5)	(83.2)	(50.7)	(28.3)	(50.7)	(31.2)
NET PROFIT	704.7	101.6	174.3	170.4	37.9	57.4

EUR M

JUN-21 (**)	UNITED					
	SPAIN	KINGDOM	US	Mexico	Brazil	ROW *
Revenues	6,181.7	2,537.1	649.1	2,242.7	223.6	261.6
Procurements	(4,031.3)	(1,616.5)	(114.1)	(1,779.7)	(103.3)	(23.3)
GROSS MARGIN	2,150.4	920.6	535.0	463.0	120.3	238.4
NET OPERATING EXPENSES	(445.3)	(349.6)	(114.4)	(113.7)	(28.2)	(61.1)
Personnel	(229.4)	(85.6)	(73.6)	(25.6)	(11.6)	(27.2)
Capitalized personnel costs	27.8	14.3	7.9	4.9	1.6	10.3
External Services	(412.2)	(296.7)	(83.7)	(104.5)	(18.2)	(46.1)
Other Operating Income	168.5	18.4	35.0	11.5	-	1.9
LEVIES	(381.6)	(65.7)	(49.5)	(2.8)	(0.2)	(5.1)
EBITDA	1,323.5	505.4	371.2	346.4	91.9	172.2
Amortisation and Provisions	(443.2)	(267.1)	(258.4)	(106.5)	(27.2)	(80.3)
EBIT/Operating Profit	880.3	238.2	112.8	239.9	64.7	91.9
Financial Result	26.5	(19.6)	(27.3)	(42.0)	(15.1)	(15.9)
Results of companies consolidated by equity method	3.2	0.5	(4.5)	-	(1.4)	(0.3)
PBT	910.0	219.1	81.0	197.9	48.2	75.7
Corporate tax and minority shareholders	(210.1)	(231.2)	(4.6)	(48.9)	(27.3)	(23.6)
NET PROFIT	699.9	(12.2)	76.4	149.0	20.9	52.1

(*) Rest of the world

(**) Re-expressed



Quarterly results (Unaudited)

	EUR M	
	JAN-MAR 2022	APR-JUN 2022
REVENUES	12,150.0	12,279.9
PROCUREMENTS	(7,464.6)	(7,096.5)
GROSS MARGIN	4,685.4	5,183.4
NET OPERATING EXPENSES	(1,151.3)	(1,340.5)
Personnel	(723.4)	(864.3)
In house work on fixed assets	175.9	200.4
External services	(780.7)	(882.3)
Other operating results	176.8	205.6
LEVIES	(583.2)	(350.0)
EBITDA	2,950.9	3,492.9
AMORTISATIONS & PROVISIONS	(1,203.9)	(1,317.7)
EBIT / OPERATING PROFIT	1,747.1	2,175.2
Financial expenses	(706.1)	(816.6)
Financial income	306.6	300.1
FINANCIAL RESULT	(399.5)	(516.5)
RESULTS FROM CO. CONSOLIDATED BY EQUITY METHOD	215.8	(54.8)
PBT	1,563.4	1,603.9
Corporate Tax	(311.5)	(388.3)
Minorities	(193.6)	(198.9)
NET PROFIT	1,058.3	1,016.8

	EUR M	
	JAN-MAR 2021	APR-JUN 2021
REVENUES	10,088.4	8,663.7
PROCUREMENTS	(5,484.3)	(4,761.9)
GROSS MARGIN	4,604.1	3,901.9
NET OPERATING EXPENSES	(1,048.7)	(1,071.0)
Personnel	(699.3)	(749.8)
In house work on fixed assets	158.2	182.0
External services	(669.0)	(742.8)
Other operating results	161.4	239.7
LEVIES	(741.3)	(201.4)
EBITDA	2,814.1	2,629.5
AMORTISATIONS & PROVISIONS	(1,101.4)	(1,100.7)
EBIT / OPERATING PROFIT	1,712.7	1,528.8
Financial expenses	(823.5)	(224.0)
Financial income	558.2	17.8
FINANCIAL RESULT	(265.4)	(206.3)
RESULTS FROM CO. CONSOLIDATED BY EQUITY METHOD	(3.9)	2.1
PBT	1,443.4	1,324.6
Corporate Tax	(282.4)	(732.1)
Minorities	(135.8)	(86.3)
NET PROFIT	1,025.2	506.2


Statement of origin and use of funds (Unaudited)

	H1 2022	H1 2021	Variation
Net Profit	2,075	1,531	544
Depreciation and amortisation charges and provisions (+)	2,522	2,202	320
Results of companies accounted for using the equity method (-)	(161)	2	(163)
Gains/(losses) on non-current assets (-)	-	-	-
Financial revision of provisions (+)	62	50	12
Minority interests (+)	392	222	170
Adjustment for tax deductible items (+)	36	516	(480)
Dividends on companies accounted for using the equity method (+)	21	10	11
Capital grants taken to profit or loss (-)	(42)	(41)	(1)
Other adjustments P&L (+)	655	(245)	900
FFO	5,560	4,245	1,315
Dividends Paid to Iberdrola shareholders	(385)	(266)	(119)
Total Cash Flow allocations:	(5,314)	(4,023)	(1,291)
<i>Gross Investments</i>	<i>(4,741)</i>	<i>(4,501)</i>	<i>(241)</i>
<i>Non core Divestments</i>	-	5	(5)
<i>Treasury stock</i>	<i>(573)</i>	<i>(1,527)</i>	955
<i>Issuance/ Hybrid</i>	-	2,000	(2,000)
Capital Increase	-	-	-
Transactions w/minorities	-	610	
Neoenergia Brasilia acquisition	-	(409)	409
Translation differences	(1,863)	(653)	(1,210)
Other variations	(597)	(943)	346
Increasing/Decreasing net debt	(2,598)	(1,439)	(1,159)

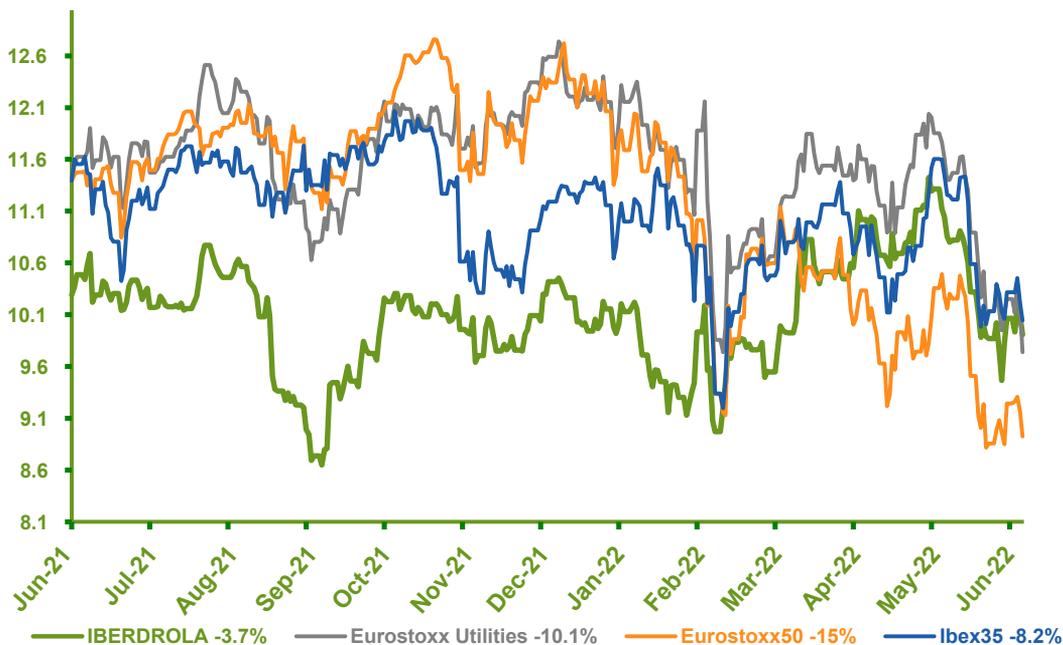
Differences may arise due to rounding

Stock market evolution





IBERDROLA stock performance vs. Indexes



IBERDROLA's share

	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.

Regulation





Regulation in the European Union

ACER Wholesale Market Design Assessment

On 29 April 2022, the Agency for the Cooperation of Energy Regulators (ACER) of the European Union published its final assessment of the wholesale electricity market design, in response to the European Council's request in October 2021.

Its main conclusion is that the European market works. Proof of this is that it is already producing significant benefits, estimated at EUR 34 billion per year, while the planned improvements in market integration could generate EUR 300 billion in additional benefits. Thus, it considers that:

- Measures to tackle the current crisis must not jeopardise either what has already been achieved or the future of the energy transition. It does not favour any specific intervention measures, although it argues that they should be adopted in a coordinated manner among all the Member States and that the focus should be on the source of the problem: gas.
- In any case, the current crisis has revealed some vulnerabilities in the design of the market, which can be strengthened with specific measures that do not lead to disruption.

REPower EU Communication

On 8 March 2022, the European Commission adopted the **REPower EU Communication COM(2022) 108 in response to the Ukrainian war crisis** with the aim of mitigating its effects on energy markets. The Commission analysed possible **tools and conditions for government interventions** in energy markets and in support of consumers, in light of the current exceptional situation. It also argues that it is necessary **to increase the EU's energy independence**, moving away from Russian gas and replacing it mostly with non-fossil fuel options.

A few days later, on 23 March 2022 and coinciding with the holding of an extraordinary **European Council**

on **24-25 March**, the Commission adopted three important documents:

- **Communication COM(2022) 138, on security of supply and affordable energy prices**, reviewing the possible ways of public intervention on the markets and its effects.
- **Communication 2022/C 131 I/01, establishing temporary and specific state aid measures** in the context of the current crisis in Ukraine.
- **Proposal to reform Regulation (EU) 2017/1938 on the security of gas supplies** to set **minimum stocks** for gas storage (80-90%) at the beginning of the winter season.

The European Council of 24 and 25 March issued the Commission with a number of mandates. On the one hand, to draw up a **plan to achieve independence from imports of Russian gas** and, on the other hand, **to analyse the options presented** in the above-mentioned Communication COM(2022) 138 and **to propose short- and long-term measures** to adapt the electricity market to the new realities of the current situation.

The Commission's response to these mandates came on 18 May 2022.

As regards the **core aspects of the plan to achieve independence from gas imports** from Russia, the Commission proposes, through Communication **COM(2022) 230 on the REPower EU Plan** and in addition to various policy proposals and other documents: to accelerate the energy transition and to join forces at the EU level to achieve a more resilient and integrated electricity system.

- More specifically, the plan has four main lines of action: (a) saving energy, (b) diversifying gas supplies, (c) replacing fossil fuels with renewables, and (d) identifying the investments and funds needed to make the plan viable.
- Because of their impact on the ground, the following concrete actions could be highlighted:
 - Mass deployment of solar PV on buildings in the coming years, as well as heat pumps.



- Deployment of renewable hydrogen in industry, supported mainly by more ambitious binding targets and Recovery Funds and Innovation Fund.
- Acceleration of administrative authorisation processes for renewable installations.

As regards **electricity market adaptation**, the Commission's proposals are incorporated into the Communication **COM(2022) 236 on Short-Term Energy Market Interventions and Long Term Improvements to the Electricity Market Design – a course for action**.

In this document, the Commission concludes, after consultation with stakeholders, that they prefer fiscal measures with a strong focus on supporting vulnerable residential consumers. **If action were to be taken, stakeholders would prefer the focus to be on the gas market rather than on electricity.**

Moreover, in order to **counteract the effects of high electricity prices in the short term**, the Commission recommends prioritising less interventionist measures. **If implemented, short-term interventions should be temporary and not extend beyond the next winter season – until 1 May 2023.** To this end, the Commission outlines possible short-term measures in the gas market (addressing the cause of the crisis) and in the electricity market, as well as preparedness for a Russian gas supply disruption.

Lastly, the Commission presents possible **long-term electricity market reform measures, taking into account the above-mentioned ACER market report** and maintaining the focus on consumer protection and ensuring compatibility with security of supply and energy transition.

Regulation in Spain

Royal Decree-Law 10/2022 of 13 May establishes, on a temporary basis until 31 May 2023, a **production cost adjustment arrangement** to reduce the price of electricity on the wholesale market, following its approval by the European Commission ('gas cap').

- **Gas, coal and cogeneration plants without regulated remuneration will receive a subsidy** for the difference between the gas price in MIBGAS and a reference price of EUR 40/MWh for the first six months which will increase by EUR 5/MWh per month up to EUR 70/MWh (average of EUR 48.8/MWh).

- **Financing of the measure:**

- **This will be financed from Iberian demand, exempting sales with fixed price hedges signed before 26 April 2022.**

It applies to contracts with spot indexed prices and to new contracts, renewals, price revisions and extensions after that date.

It also modifies the gas price reduction arrangement (Royal Decree Law 17/2021) for spot sales, adapting it to the new 'gas cap'.

It also includes a series of additional measures for the electricity sector:

- **Mandate to review the PVPC before 1 October 2022**, incorporating a basket of forward products (may be annually, quarterly and monthly) and spot products (daily and intraday). It may also incorporate the results of inframarginal auctions if they are called, authorising the participation of reference traders (COR) in these auctions.
- **Mandate to review the indexation of the regulated regime for renewables and cogeneration** to provide liquidity to the PVPC, indexing it to a basket between the spot and futures markets. For 2023 the weighting is set at: 75% spot, 15% annual futures and 10% quarterly. For 2024 and 2025 they indicate that the futures must weigh at least 50% and 75%, respectively.
- **Financing of the Social Bonus:** a mandate is established for the cost of financing to be recognised within a maximum period of six months for entities that carry out regulated activities.

Royal Decree-Law 11/2022 of 25 June: approves new measures to respond to the consequences of the war in Ukraine and to support the recovery of La Palma.



Tax measures:

- **The VAT rate on electricity is reduced to 5% from 1 July to 31 December 2022.** The reduction will be applied to all beneficiaries of the rates subsidy and to consumption with contracted power less than or equal to 10 kW, provided that the arithmetic average price of the wholesale electricity market corresponding to the month prior to the last day of the billing period has exceeded EUR 45 per MWh.
- **The temporary suspension of the Tax on Electricity Production (IVPEE) (7% tax) has been extended until 31 December 2022.** In order to guarantee the balance of the system, the electricity system will be compensated for the amount equivalent to the reduction in revenue in the full year.
- **The taxable base for calculating the IVPEE has been modified, with 7% being applied to the real income of power plants** (a criterion similar to that applied to the taxable base of the hydraulic levy), as opposed to valuation at pool price.
- **The reduced rate of the Special Tax on Electricity has been extended until 31 December 2022.** The current rate of 0.5% remains in place.

Price intervention measures:

- **The gas reduction arrangement** introduced by Royal Decree-Law 17/2021, as subsequently amended by Royal Decree-Law 6/2022, has been extended until 31 December 2022.

Renewable access and connection/processing:

- **Certain aspects of the simplified processing of renewable projects** regulated by Royal Decree-Law 6/2022 have been modified. In particular, **projects may only be located in areas of low sensitivity (previously low or moderate)** in order to be eligible.
- **The maximum deadline for holding grid capacity tenders** (which expired on 29 June) has been eliminated. In the event that no tenders are held,

capacity is not released until a resolution is issued by the SEE.

- **Failure to comply with the commitment undertaken in a capacity tender regarding the injection of energy will not result in permits expiring** (Royal Decree-Law 6/2022 established that it would).
- **For fair transition nodes, if the capacity calculation with new 2026 planning results in a different value, the higher capacity value resulting from the two will be assigned.**

Protecting the vulnerable:

- **The discounts applicable to the Social Bonus established in Royal Decree-Law 23/2021 (60%–70%),** already extended by Royal Decree-Law 6/2022, have been extended until 31 December.
- **The so-called ‘social shield’ measures, which include a ban on cutting off vulnerable consumers, have also been extended.**

Gas sector:

- **Measures to make natural gas supply contracts more flexible** will remain in place until the quotation of the daily product with next day delivery at the Virtual Balancing Point, published by the Iberian Gas Market (MIBGAS), remains below EUR 60/MWh for ten consecutive daily trading sessions and until 31 December 2022 at the latest.
- **In the gas last resort tariffs (TUR), the 15% limit has been maintained on the maximum increase in the cost of the raw material** in the next reviews on 1 October and 1 January 2023.
- **The maximum price of a cylinder of butane is capped at EUR 19.95.** The difference with respect to the real price according to update formulas will be recovered in future revisions.
- **Aid to gas-intensive companies has been extended by EUR 250 million** for other sectors not covered by Royal Decree-Law 10/2022.



Other measures

- **The cost of the state public transport pass has been reduced by 50% and 30% for regional public transport**, which may be extended by the Autonomous Regions.
- **The extraordinary and temporary reduction in the price of certain energy products and additives has been extended.**

Distribution Remuneration: Order TED/490/2022 of 31 May has been published, executing the Supreme Court ruling in relation to the declaration that Order IET/980/2016 of 10 June, which establishes the remuneration of electricity distribution companies for 2016, is detrimental to the public interest. The execution of the ruling in favour of Iberdrola on the base lambda coefficient for 2016, recognised by the National High Court, is still pending.

Regulation in the United Kingdom

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 every 6 months 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.

Following consultation, Ofgem decided in February 2022 to make adjustments to the price cap from April 2022 to March 2023 to account for additional costs, risks and uncertainties faced by suppliers in volatile wholesale markets. In February 2022 Ofgem also introduced a market stabilisation charge (MSC) to mitigate the impact on suppliers of a falling wholesale market; the MSC runs until 30 September 2022 and

Ofgem is consulting on extending it to March 2023. In May 2022, Ofgem consulted on a proposal to change the six-monthly cap to a quarterly cap with effect from 1 October 2022.

RIIO-ED2: The next five-year RIIO-ED2 distribution network price control will run from 1 April 2023 to 31 March 2028. Ofgem published draft determinations for RIIO-ED2 on 29 June 2022. Collectively, Ofgem's draft determinations reduced planned total expenditure ('Totex') in DNOs' business plans by 17% from £25.2 billion to £20.9 billion, with SP Energy Networks receiving the 2nd lowest reduction at 14%, resulting in Totex of £2.93 billion. Ofgem's approach to the cost of capital is unchanged from the transmission network price control (RIIO-T2); based on latest market indices, this gives a cost of equity of 4.75%. Ofgem is considering if reforms are required to prevent excessive returns due to high inflation. The Final Determination will be published by 31 December 2022.

Contracts for Difference: The UK Government has progressed with its fourth Contracts for Difference (CfD) Allocation Round ('AR4') to support renewable generation, including offshore and onshore wind power and solar photovoltaics. The Government has indicated that the target for this auction is to support up to double the renewable generation capacity secured in the last CfD auction held in 2019, i.e. around 12 GW of renewable generation. The auction bid window closed on 15 June, with the auction results being announced on 7 July 2022, resulting in the Iberdrola project called East Anglia 3, with a capacity of 1,400 MW, awarded a CfD.

The Government has also announced a move towards holding future CfD allocation rounds on an annual basis starting with the fifth Allocation Round which is due to open in March 2023.

Energy Bill: In May 2022 that it will be bringing forward an Energy Bill in the new Parliamentary session which commenced that month. It was announced that some of the key provisions in the Bill would be (i) to enable the extension of the retail price cap beyond 2023, (ii) to provide for a new obligation



to be placed on fossil fuel boiler manufacturers to scale up their production of heat pumps over time, (iii) to promote low carbon hydrogen production by facilitating the introduction of a new business support model, (iv) to establish a new independent Future System Operator, providing strategic oversight across electricity and gas systems during the Net Zero transition, and (v) to provide for the introduction of competition in onshore electricity networks.

Regulation in the USA

Infrastructure: The Biden administration is currently in the process of implementing the \$1.2T the Infrastructure Investment and Jobs Act, also known as the Bipartisan Infrastructure Law (BIL), which was signed into law on November 15, 2021.

In the first half of 2022, the U.S. Department of Energy (DOE) has advanced multiple BIL programs including: an \$8B funding to support the buildout of at least four clean regional hydrogen hub networks; a \$2.5B Transmission Facilitation Program (TFP) that enables DOE to purchase capacity on proposed transmission lines as an anchor tenant; and a \$2.5B formula grid resilience program that could fund grid hardening and modernization activities such as utility pole upkeep, undergrounding electrical equipment, relocating powerlines, and weatherization improvements.

Also, on 4/18, the White House issued a memorandum to federal agencies clarifying the Buy America requirements under the BIL. The guidance stipulates certain domestic requirements for materials used in any infrastructure projects or activities funded through the BIL.

Offshore wind: On 5/16, Interior announced a proposed sale notice for a California lease sale, the first offshore wind lease on the west coast. The sale will include three lease areas in Morro Bay (central California) and the Humboldt area (northern California), with the potential for 4.5GW over 370k acres.

On 4/27, BOEM announced it will publish two information requests and calls for nominations for leasing areas off the coasts of Oregon and the

Central Atlantic. The Central Atlantic Call requests information on six areas totalling 3.9 million acres, while the Oregon Call requests information on two areas totalling 1.16 million acres.

Tariffs: On 6/6, President Biden established a 24-month “bridge” freezing tariffs on solar modules and cells from Cambodia, Malaysia, Thailand, and Vietnam. The action was prompted by a Commerce Department investigation, initiated on 3/28, on the potential circumvention of Chinese solar tariffs for products from the above countries. The investigation will continue but no new tariffs will be imposed for the 24-month period regardless of the results of the investigation.

FERC: On 6/16, FERC unanimously approved a proposed rule aiming to speed the current process for connecting new electric generation facilities, mainly utility-scale wind and solar, to the grid. The proposal aims to address backlogs in the interconnection queues by improving interconnection procedures, providing greater certainty, and preventing undue discrimination against new generation.

On April 21, FERC approved (with a 4-1 vote) a proposed rulemaking on transmission planning and cost allocation. The proposal will require transmission system owners to conduct long-term planning (at least 20 years) that takes into account future energy generation mixes, especially renewables

NY – Implementation of CLCPA objectives

Between January and March 2022, NYSEG applied to the New York regulator (NYPSC) for approval of a USD 3,150 million investment to increase grid capacity by 4.8 GW in order to facilitate the connection of renewables from 2025 and contribute to meeting the objectives of the NY Climate Change Act (CLCPA).

ME – Withdrawal of 100 bp ROE adjustment

In February 2022 the Maine regulator (MPUC) withdrew the -100bp ROE adjustment to CMP after verifying that the company had met quality of care and customer service targets.



CT – Innovative Energy Solutions Program

In April 2022 the Connecticut regulator (PURA) announced the launch of the Innovative Energy Solutions (IES) Program, which will allocate USD 89.6 million in 2023-26 to undertake projects that serve to modernise the grid and develop innovative products and services for customers.

ME – New service standards

In May 2022, a new law was passed to guarantee the quality of service provided by utility companies. This law requires the development of new metrics to monitor grid reliability, the quality offered to customers and the connection of distributed generation. It also establishes that the fines imposed for non compliance with these standards will be allocated to vulnerable customers.

NY – Bill credits

In June 2022, the governor of NY announced the approval of a plan to reduce the delinquency of vulnerable customers, after the debt that this type of customer has with utilities increased considerably during the COVID pandemic. With regard to the electricity distribution sector, the total amount owed to companies in NY amounts to USD 590 million (USD 50 million corresponds to NYSEG and RGE). Among the measures adopted, it is worth highlighting the approval of an allocation of USD 250 million in the state's general budget to finance part of this debt (USD 16 million for NYSEG and RGE). The plan also authorises the companies to recover the remaining amounts through a surcharge on the bills over the next few years.

Regulation in Mexico

CRE sanction against Central Dulces Nombres:

On 25 May 2022, the Energy Regulatory Commission (CRE) approved Resolution RES/466/2022, by which it imposed on Iberdrola Energía Monterrey, S.A. de C.V. an administrative sanction of MXN 9,145 million, approximately USD 467 million, as holder of self supply permit E/205/AUT/2002, linked to Central Dulces Nombres, in Monterrey, Mexico. The CRE

issued the sanction on the grounds that Iberdrola sold energy to its self supply partners. Iberdrola Mexico challenged this measure through an amparo lawsuit, obtaining from the competent judge precautionary measures that prevent the application of the sanction, until the merits of the case are resolved.

Regulation in Brazil

Neoenergia Coelba, Neoenergia Cosern and Neoenergia Pernambuco tariff adjustments

On 20 April, ANEEL (Brazilian Electricity Regulatory Agency) published Homologatory Resolutions 3,024/2022 and 3,025/2022, concerning the 2022 Annual Tariff Adjustments for Neoenergia Coelba and Neoenergia Cosern, respectively. These adjustments came into effect on 22 April, with an average effect of 21.13% for Neoenergia Coelba consumers (20.54% for high and medium voltage and 21.35% for low voltage) and 20.36% for Neoenergia Cosern consumers (19.75% for high and medium voltage and 20.55% for low voltage).

As for Neoenergia Pernambuco's 2022 Annual Tariff Adjustment, ANEEL published Homologatory Resolution No. 3,032/2022 on 27 April. The adjustment came into effect on 29 April, with an average effect of 18.98% for consumers (19.01% for high and medium voltage and 18.97% for low voltage).

Result of transmission auction no. 01/2022

Transmission auction no. 01/2022 took place on 30 June, with 13 lots and an average discount of 46.16%. Neoenergia bought two lots: lot 2, the largest of the auction, relating to the deployment of substations and transmission lines in the states of Minas Gerais and São Paulo, with a bid of BRL 360 million (50% discount), an estimated investment of BRL 4.94 billion and an execution period of 60 months; and lot 11, relating to the deployment of substations and transmission lines in the state of Mato Grosso do Sul, with a bid of BRL 38.2 million (discount of 45.74%), estimated investment of BRL 500 million and execution period of 48 months.

Sustainability Performance - ESG

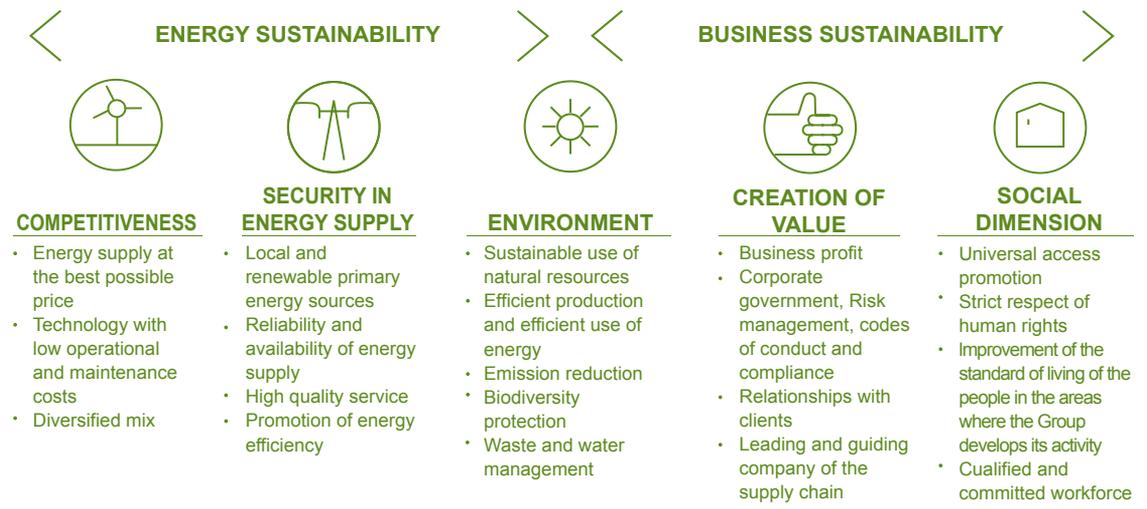




Iberdrola's contribution to sustainable development is reflected in sustainable corporate responsibility practices that meet the needs and expectations of its stakeholders.

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:





ESG initiatives in the period

ESG initiatives in the period	H1 2022	Related SDGs
A global energy leader	<i><u>For you, for the planet</u></i>	 
Climate action report	<i><u>Global leader in climate action</u></i>	 
Green hydrogen production	<i><u>World Economic Forum: Davos</u></i>	 
Biodiversity restoration	<i><u>Biodiversity Plan 2030</u></i>	
Rational use of water	<i><u>Utility with best water productivity</u></i>	
Sustainable mobility plan	<i><u>Leading the transition to sustainable mobility</u></i>	 
Access to energy	<i><u>Electricity for all</u></i>	 
Training and employment	<i><u>Master's scholarships, impacts and talent retention</u></i>	 
Training excellence	<i><u>Research commitment</u></i>	   
Good health and well being	<i><u>Occupational health and safety</u></i>	 
Diversity and equality	<i><u>Diversity and Inclusion Report 2021</u></i>	 
Vulnerable customers	<i><u>Support for vulnerable customers</u></i>	 
Community action: volunteering	<i><u>Iberdrola, standing with the victims of Ukraine</u></i>	   
Social contribution: foundations	<i><u>Social projects and awareness raising</u></i>	    



1. Sustainability Indicators

Financial Indicators	H1 2022	H1 2021
Contribution to GDP (Gross Margin) (*)	0.42%	0.59%
Contribution to GDP (Net Revenues) (*)	1.69%	1.15%
Net profit (EUR million)	2,075.0	1,531.3
Dividend yield (%)(**)	4.33%	3.89%
Sustainability Indicators	H1 2022	H1 2021
Own CO ₂ emissions over the period (gCO ₂ /kWh): Total	73	79
CO ₂ emissions over the period (gCO ₂ /kWh): Europe	55	44
CO ₂ emissions over the period (gCO ₂ /kWh): Spain	65	50
CO ₂ emissions over the period (gCO ₂ /kWh): UK	-	-
CO ₂ emissions over the period (gCO ₂ /kWh): US	27	47
CO ₂ emissions over the period (gCO ₂ /kWh): Brazil	-	45
Own CO ₂ emissions over the period (gCO ₂ /kWh): Mexico	295	303
CO ₂ emissions over the period (gCO ₂ /kWh): RoW	7	5
Ratio own emission-free production to total production: Total (%)	81%	79%
Ratio emission-free production to total production: Europe (%)	88%	91%
Ratio emission-free production to total production: Spain (%)	85%	89%
Ratio emission-free production to total production: UK (%)	100%	100%
Ratio emission-free production to total production: US (%)	93%	89%
Ratio emission-free production to total production: Brasil (%)	100%	84%
Ratio own emission-free production to total production: Mexico (%)	18%	15%
Ratio emission-free production to total production: RoW (%)	99%	99%
Ratio of own emission-free installed capacity: Total (%)	80%	80%
Ratio of emission-free installed capacity: Europe (%)	82%	81%
Ratio of emission-free installed capacity: Spain (%)	79%	78%
Ratio of emission-free installed capacity: UK (%)	100%	100%
Ratio of emission-free installed capacity: US (%)	91%	91%
Ratio of emission-free installed capacity: Brasil (%)	89%	87%
Ratio of own emission-free installed capacity: México (%)	30%	35%
Ratio of emission-free installed capacity: RoW (%)	91%	89%

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 1Q 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:

Fight against climate change

Ignacio Galán advocates a stable framework for renewable energy in Davos

The Chairman of Iberdrola has argued for urgent action and a stable framework for renewable energy in Davos. Iberdrola's chairman, who has been present at the World Economic Forum for more than 15 years, insisted in his speech on the *Shaping the Integrated Energy Future* panel that the energy transition towards an electrified economy using green energy must be accelerated as a matter of urgency, which will require a massive development of renewable energy, greater investment in smart grids, an increase in storage and an acceleration in green hydrogen development for sectors that are difficult to electrify.

Iberdrola, the company with the lowest emissions in the Spanish energy sector

Iberdrola ranks first among the energy companies with the lowest number of emissions in Spain. This is according to the study *Análisis de las emisiones de GEI de la economía española y propuestas para su descarbonización* (Analysis of GHG emissions of the Spanish economy and proposals for their decarbonisation), carried out by the non-profit organisations Talento para la Sostenibilidad and the Observatorio Sostenibilidad. Specifically, the company has reduced emissions by 62% since 2008. Iberdrola has established itself as the world's leading wind energy company, with more than 15,000 wind turbines in operation at 415 sites in 14 different countries.

Inauguration of the green hydrogen plant in Puertollano (Ciudad Real)

In the field of green hydrogen, the inauguration of the largest facility of this type for industrial use in Europe,

equalling the largest plant currently in operation in the world, deserves special attention. With a total investment of EUR 150 million, which includes both the green hydrogen facilities and a dedicated photovoltaic plant, the Puertollano plant will be able to produce up to 3,000 tonnes of green hydrogen per year and avoid the emission of 78,000 tonnes of CO₂ per year.

According to a report by the British consultancy *Rethink Energy*, green hydrogen will become competitive in 2024, much sooner than expected. The cost will fall from the current price of USD 3.70/kg to just over USD 1/kg by 2035, falling again to USD 0.75/kg by 2050.

Biodiversity

Iberdrola, in its commitment to the conservation of biodiversity and ecosystems, has launched a new challenge to help ensure that the supply of clean and sustainable competitive energy is compatible with the balance of the environment and the preservation of biodiversity in 2030. The challenge is to support zero-emission agriculture and livestock farming with energy efficient solutions, self-consumption and sustainable mobility, as well as other solutions to promote biodiversity, CO₂ capture, the circular economy and the promotion of new zero-emission fertilisers.

Circular economy

Iberdrola, through its PERSEO programme and FCC Ámbito, a subsidiary of FCC Servicios Medio Ambiente, have launched Energy LOOP to take the lead in the recycling of renewable facility components, one of the biggest medium- and long-term challenges in the sector. This initiative will also contribute to the energy transition and boost the circular economy in Spain. The initial objective will be the recovery of wind turbine blade components – mostly glass and carbon fibres and resins – and their reuse in sectors such as energy, aerospace, automotive, textile, chemical and construction.



S Social

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

Iberdrola is committed to helping Ukraine

The company has sent electrical material to the country that has been invaded by Russia, which it had requested through European organisations. The material consists of generators and electrical components. To date, Iberdrola has also sent more than 8 tonnes of humanitarian material to Ukraine, which was donated by its employees through its corporate volunteer network in Spain. Among the basic necessities provided are first aid, orthopaedic, hygiene and sanitary products, as well as shelter, food, warm clothing and blankets. An initial batch of 20 generators was also sent to maintain the operation of vital services such as hospitals, shelters and water treatment plants.

Employment and well-being

As a driver of social transformation, Iberdrola has made a commitment to hire close to 20,000 new employees in the 2020-2025 period. The energy company directly and indirectly employs more than 400,000 people worldwide. It has also proposed to maintain or even increase the hours of training per employee, currently 58 per year, four times the European average.

Training and research

Iberdrola has reinforced its commitment to using research as a tool to promote knowledge and innovation and contribute to the consolidation of a more sustainable development model. Through Iberdrola Foundation Spain and in collaboration with the European Commission's Research Executive Agency (REA), it will promote the international post-doctoral research programme Energy for Future

(E4F), which will launch its first call for applications on 1 July 2021. Iberdrola has recently launched its International Graduate Programme with the aim of attracting and incorporating young talent and anticipating future needs arising from its ambitious growth plan. This initiative is aimed at recent graduates or people with less than two years of experience.

Diversity and inclusion

On the occasion of International Women in Engineering Day, Iberdrola has highlighted the need to promote the presence of women in careers related to science, technology, engineering and mathematics (STEM). For this reason, the company is developing initiatives in these areas in all of the countries in which it operates. The aim is to move towards a true equality of opportunity. Through these projects and plans, the company aims to become a leading example for girls who will be the scientists, engineers and researchers of the future.

In addition, Iberdrola also celebrated Diversity Week in May, with the aim of raising awareness of diversity and inclusion issues through activities that will promote information, dialogue and reflection to achieve greater inclusion and equality.

Iberdrola has also demonstrated its commitment to gender equality through sport by presenting the 16 new National Federations that have joined the collaboration agreement that the company has been developing since 2016, bringing the total number to 32. Before this increase, approximately 600,000 female athletes already benefitted from this arrangement. Following the expansion, the electricity company now has more than 100 competitions with Iberdrola's naming rights, among which there are 32 different leagues, all of them in the top category.

Access to energy for vulnerable groups

Through the Luces de Esperana (**Lights of Hope**) initiative, Iberdrola Mexico has already brought electricity to more than 340 homes that lacked a



power supply, 200 of which are in the state of Oaxaca and another 148 in San Luis Potosí, in addition to two health centres and a community centre. The initiative, which was recognised in 2021 as a best practice in corporate social responsibility by Mexican and Latin American institutions, continues to transform lives and reap success. This initiative is part of the Electricity for All **programme**, Iberdrola's response to the international community's call to extend universal access to modern forms of energy, with environmentally sustainable, economically viable and socially inclusive models.

Community impact: volunteering

The corporate volunteer network in Spain continued to support Ukraine through the distribution of solidarity menus to displaced persons in Spain, collaborating in the Food Trucks that World Central Kitchen has set up in Madrid, Málaga and Barcelona.

Actions were also carried out on World Environment Day and World Oceans Day.

Furthermore, during Diversity Week, volunteer actions were carried out in relation to generational, functional, cultural and gender diversity, such as telephone support for the elderly, creative and leisure workshops for people with disabilities, as well as employment workshops for refugees and women at risk of severe exclusion.

The company has created the **My Social Footprint** initiative to track the impact of the Group's volunteers on society and their contribution to attaining the SDGs. Each volunteer can find out the hours dedicated to the achievement of each of the SDGs and a ranking has been set up to encourage and reward participation in the achievement of the SDGs, giving a financial amount to the social projects chosen by the volunteers who invest the most hours in corporate volunteering actions.

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:** aimed at young people to support their studies, technical training or languages and opportunities for those with disabilities and/or fewer resources.
- **Biodiversity and climate change:** In this work stream, we collaborate with public institutions and bodies devoted to protecting the environment.
- **Art and culture:** collaboration with 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:** alliances 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:

- **14 paralympic scholarships.**
- **Chair of STEM Women Sustainability Mobility**, with the collaboration of EMT and the Comillas Pontifical University.
- **Energy for Future Research Aid Programme** promotes research projects focusing on technologies associated with the energy transition and green transformation.
- **'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.
- **Two socio-occupational insertion programmes co-financed by the Regional Ministry of Castilla La Mancha (European Social Fund): Inspira II project** in the region of La Sagra (Illescas, Ugena and Seseña) with the collaboration of Save the Children; and the **Reactiva project** in Puertollano with the collaboration of Ayuda en Acción.



- **Collaboration with SEO/BirdLife** for the study of the migratory routes of the black kite, black-bellied sandgrouse and hobby in 2022.
 - Inauguration of the Almagro and Villatobas training camps (Toledo).
 - Agreement to partner with the **MIGRES Foundation** on a project to reintroduce ospreys into the Valencian Community.
 - Publication of the monograph of the red kite, collecting data from 138 specimens tagged with GPS between 2009 and 2020 in order to learn about their migratory routes.
 - **Illuminations in progress:** CESEDEN façade, Canal de Castilla Locks in Frómista, Ntra Sra de la Antigua Church (Monforte de Lemos), San Hipólito Church in Palencia (Támara de Campos) and Capitanía General in Seville.
 - **Inauguration of the Old Bridge in Talavera de la Reina.**
 - **Illuminations pending inauguration in 2022:** Cathedral of Sigüenza (26 July).
 - **Atlantic Romanesque works** in the churches of San Vicente and San Juan de Puerta Nueva.
 - **Inauguration of the altarpiece of the Cathedral of Cuenca.**
 - **‘Un patrimonio de todos’ (Everyone’s heritage) exhibition**, organised by the government of Castilla-La Mancha.
 - **Travelling exhibition ‘El Prado en las Calles’ (El Prado in the Streets) in Extremadura.**
 - Signing of an agreement for the touring exhibition ‘El Prado en las Calles’ in Andalusia.
 - **Restoration of the Boil family tomb in the former Capitanía General of Valencia.**
 - **Inauguration of the exhibition ‘Sorolla, en negro’** at the Sorolla Museum from 11 July.
 - **Signing of an agreement with the Integra Foundation** to promote the development of employment skills and access to opportunities for female victims of gender-based violence.
 - **Donation of EUR 1 million for the victims of the war in Ukraine:** EUR 500,000 to UNHCR. And EUR 500,000 to the Red Cross.
- ScottishPower Foundation in the UK:**
- **Industrial Cadets Bronze and Our Green Garden Project:** an environmental challenge based on gardening to inspire young people towards a future based on STEM and the environment.
 - **Generation Science 2022:** a project to help improve primary science education for children in Scotland’s most disadvantaged areas.
 - **Fife Living Water:** a project to restore the Cowdenbeath wetland and create a freshwater habitat at Swan Pond.
 - **Wasted space, an Urban Transformation:** a volunteer programme to take action to boost biodiversity and transform community spaces for wildlife.
 - **Pollinators along the Tweed:** a project to protect endangered pollinating insects such as bees and butterflies in the Tweed catchment.
 - **Seagrass Restoration Cooperative:** a pilot project for an innovative and holistic process to enable large-scale restoration of the UK’s seagrass meadows.
 - **Inspire Disability Arts:** a project to establish equal access to the performing arts for people with learning disabilities in Scotland, creating a tiered structure from primary school through to vocational training and employment.
 - **Scotland’s Tapes Go Digital:** a project to digitise the collection of cultural heritage audio and video tapes from the 1950s to the 2000s.
 - **Linkage Sensory Outreach Project:** a bus that will visit 12 schools in Greater Lincolnshire to provide a sensory resource for children with special educational needs.
 - **Green Shoots:** transformational opportunities for disadvantaged young people to engage in positive activities in nature.
 - **Headway:** a project to support brain injury survivors



to reduce isolation and increase education and understanding within communities.

- **Freeing Up Ethical Enterprise Training – NEETs and Not Just Us:** creating *free* access to training resources for ethical entrepreneurs to be piloted with uneducated and unemployed young people in the Greater Manchester area.

Avangrid Foundation in the United States:

- **Henry Ford Museum:** an alliance of organisations that teach students world problem solving and creative thinking skills through education about inventions and entrepreneurial activities.
- **Kennebec Valley Community College:** a one-year programme covering topics such as electrical theory, line construction, rigging, tree trimming and utility metering.
- **Avangrid Foundation/Central Maine Power Lineworker Technology Programs Scholarships:** a scholarship programme for women and other under-represented communities.
- **National Fish & Wildlife Foundation (NFWF) – Avangrid Foundation Partnership:** grant programmes for habitat conservation projects.
- **Curiosity Camps at the Rochester Museum & Science Center:** a summer camp programme for children of all ages to empower them and increase their interest in the areas of science, technology, engineering and mathematics (STEM).
- **Gulf of Maine Research (year 3):** a five-year collaboration that aims to advance research objectives related to ocean science, fisheries management and business and community resilience.
- **Habitat for Humanity National Partnership (Year 4):** a programme to address neighbourhood stabilisation and housing shortages for low-income people.
- **Energised for Good – Employee Giving – Match:** employee contributions to a variety of community organisations to promote the common good.
- **Restoration grants at Yale Museum of Natural**

History: grants for the restoration of the Yale Museum of Natural History’s iconic North American dioramas.

- **Collaboration with American Red Cross:** institutional pre-investment in disaster recovery, resilience and preparedness in communities served by AVANGRID.

Iberdrola Mexico Foundation:

- **Impulso STEM:** 37 grants awarded between the first and second call for applications.
- **Altamira Scholarships:** support for low-income students with educational excellence at the Instituto Tecnológico de Monterrey Tampico Campus.
- **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.
- **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 of flora and fauna in the mangrove ecosystem, and increase their numbers, 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. In the third phase, 101 homes have been electrified in four municipalities of the Huatesca Potosina region.
- **Construir para educar (Build to Educate):** rebuilding schools struck by the earthquakes in Oaxaca. Two schools are currently under reconstruction.
- **Urology Brigades in the south and south-east of Mexico:** enhancing the well-being of Oaxacan women suffering from complex urological problems. In June, the second call for applications for advanced urological specialisation fellowships



in Spain was launched for Mexican doctors and nurses in the state of Oaxaca.

Neoenergia Institute in Brazil:

- **‘Balcão de Ideias e Práticas Educativas’ Project:** school management for integral development and early childhood learning and development.
- **Flyways Brazil:** conservation of endangered wader bird species in Brazil.
- **Coralizar Project:** with WWF-Brazil, conducting research on coral restoration.
- **Green Impact:** a socio-environmental acceleration programme for organisations to structure their management processes, innovate and increase their socio-environmental impact.
- Call for the **Transforming Energy in Culture** competition in Coelba to support projects for the inclusion of children and young people at social risk and reduce inequalities.
- **Central de Editais do Instituto Neoenergia:** projects through the Energy Transformation in Culture Call for Proposals.
- **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.
- **Caravana Energía Que Transforma (Energy That Transforms Caravan):** a project to expand fundraising opportunities, optimising actions and impacting income generation.
- Key **lighting** projects include the interior lighting of the Guarany de Triunfo cultural theatre and cinema (Pernambuco state) to safeguard the historical heritage and raise awareness of its importance.
- **Programa de Impactô Social (Social Impact Acceleration Programme) 2022:** a social acceleration project for organisations to structure their management processes, innovate and increase the social impact generated.

- **Programa de Aceleração Impactô Mulheres (Women’s Impact Acceleration Programme):** an acceleration programme for NGOs and social impact businesses to expand their positive impacts on society.
- **Territórios Saudáveis (Healthy Areas):** distribution of food to people at risk of social exclusion in different territories of Brazil.
- **Redes de Territórios pela Infância (Networks of Territories for Children):** a project to strengthen territorial networks of civil society organisations and local public facilities that act in the care of minors in order to expand and strengthen processes of social inclusion and comprehensive development.
- **Mentes Brilhantes (Brilliant Minds):** developing socio-emotional skills in children and teenagers with after-school activities and help with their training.
- **Educando pelo Esporte (Educating through Sport):** a project promoted through the São Paulo Sports Incentive Law to develop socio-emotional skills through the practice of sports.
- **GIFE – Grupo de Institutos y Fundaciones Empresariales:** participation in the association of social investors in Brazil, a network of differentiated relationships, with space for articulation, dialogue and exchange of experiences among partners.

G Governance

Governance and sustainability system

Iberdrola continuously updates its Governance and Sustainability System to ensure its ongoing suitability and adaptation to the facts and circumstances that so require, as well as to incorporate best practices in this area.

To this end, on 22 February 2022, Iberdrola’s Board of Directors agreed to a reform in order to introduce improvements in its three vectors: environment, social commitment and good governance (‘ESG’), including,



among others, the following:

- updating risk policies;
- strengthening the company's commitment to the emotional, psychological and social well being of people and to the protection of animals as 'living beings endowed with sensitivity';
- promoting the use of advanced technologies in the processes of the General Shareholders' Meeting, in line with the company's leadership in digital transformation, ensuring, at all times, that its relationship is not affected in cases of difficulties in the use of new technologies;
- strengthening the monitoring of compliance with human rights commitments;
- and clarifying the evaluation process of the Compliance Director.

Furthermore, at its meeting held on 26 April 2022, the Board of Directors approved a new reform of the Governance and Sustainability System in order to:

- stress Iberdrola's commitment to actively contribute to achieving climate goals, replacing the term 'fight against climate change' for such purposes with the broader concept of 'climate action';
- and modify the *Equality, Diversity* and Inclusion Policy to reinforce the principles of action in equal opportunity and gender equality, including, in particular, a mention of the guarantee of fair wages and the protection of adoption and pre adoption processes.

Subsequently, on 10 May 2022, the Board of Directors of the company resolved, on the one hand, to submit to the General Shareholders' Meeting the proposal to amend the *By laws* and the *Regulations of the General Shareholders' Meeting*, in the terms published in the documentation made available in connection with the call to the Meeting, and, on the other hand, to amend the Governance and Sustainability System in order to, among other matters:

- contemplate the possibility of using more efficient economic incentive formulas, for the benefit of all

shareholders, to maximise participation at General Shareholders' Meetings, including, in particular, the engagement dividend;

- update the contents of the *Corporate Tax Policy* to strengthen Iberdrola's commitment to fiscal transparency with its stakeholders;
- and approve the new Policy for the *Responsible Use of Artificial Intelligence Tools and Algorithms*, to determine the principles that should govern the design, development and application of artificial intelligence tools and algorithms.

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

The highlights during the second quarter of 2022 were as follows:

- On 13 April 2022 IBERDROLA submitted the energy balance sheet for the first quarter of financial year 2022.
- On 27 April 2022, the company published the presentation of results for the first quarter of financial year 2022.
- On that same date, the company communicated the estimated schedule corresponding to the first edition of the 'Iberdrola Retribución Flexible' optional dividend scheme for the financial year 2022.
- On 10 May 2022, the resolution of the Board of Directors to call the 2022 General Shareholders' Meeting and its corresponding agenda was reported.
- On the same day, the launch of a share buyback programme of treasury shares was reported, in accordance with the authorisation granted by the General Shareholders' Meeting held on 13 April 2018. Until 10 June 2022, the end date of this period, periodic information was provided on the transactions carried out, which resulted in the acquisition of a total



of 9,661,016 treasury shares, representing 0.1501% of the company's share capital.

- On 13 May, the announcement of the call to the General Shareholders' Meeting was published, as well as the documentation made available to the shareholders.
- On 17 June 2022, the company communicated the resolutions of the General Shareholders' Meeting, as well as the terms and conditions of the first edition of the 'Iberdrola Retribución Flexible' optional dividend scheme for the financial year 2022, approved by the Board of Directors on that date.

Subsequently, on 6 July 2022, the addendum to the prospectus of the aforementioned terms and conditions was published.

On 1 July 2022, the execution of the share capital reduction through the redemption of treasury shares, approved by the General Shareholders' Meeting of the company at its meeting held on 17 June 2022, was reported.

The share capital after this reduction totalled EUR 4,680,000,000, corresponding to 6,240,000,000 common shares, each of a nominal value of EUR 0.75.

On 6 July 2022, it was reported that the public deed of share capital reduction had been placed on record with the Bizkaia Companies Register.

General Shareholders' Meeting

The General Shareholders' Meeting was held on 17 June 2022, at second call, with a quorum of 72.13% of the share capital (22.18% present and 49.95% represented), with each and every one of the proposed resolutions included on the agenda being approved:

Resolutions relating to management results and auditing of accounts:

1. Annual financial statements for 2021.
2. Directors' reports for 2021.
3. Statement of non financial information for 2021.
4. Corporate management and performance of the

Board of Directors in 2021.

5. Re election of KPMG Auditores, S.L. as statutory auditor.

Resolutions relating to the Governance and Sustainability System:

6. Modification of the Preamble and Article 7 of the *By laws* to consolidate Iberdrola's commitment to its purpose and values and to the generation of the social dividend.
7. Modification of Article 16 of the *By laws* in order to include the participation dividend.
8. Modification of Article 11 of the *Regulations of the General Shareholders' Meeting* to include the participation dividend.

Resolutions relating to remuneration:

9. Participation dividend: approval and payment.
10. Implementation of the 2021 result and dividend: approval and supplementary payment to be carried out within the framework of the 'Iberdrola Retribución Flexible' optional dividend scheme.
11. First scrip issue for a maximum reference market value of EUR 1,880 million to implement the 'Iberdrola Retribución Flexible' optional dividend scheme.
12. Second scrip issue for a maximum reference market value of EUR 1,350 million to implement the 'Iberdrola Retribución Flexible' optional dividend scheme.
13. Capital reduction through the redemption of a maximum of 197,563,000 treasury shares (3.069% of the share capital).
14. *Annual Director Remuneration Report 2021*: consultative vote.

Resolutions regarding the Board of Directors:

15. Re election of Mr Anthony L. Gardner as an independent director.
16. Ratification and re election of Ms María Ángeles Alcalá Díaz as an independent director.
17. Ratification and re election of Ms Isabel García



Tejerina as an independent director.

18. Setting the number of members of the Board of Directors at fourteen.

Resolutions relating to authorisation and vesting of powers:

19. Authorisation to acquire treasury shares.
20. Delegation of powers to formalise and to convert the resolutions adopted into a public instrument.

Board of Directors

The Board of Directors of IBERDROLA, at its meeting held on 22 February 2022, at the proposal of the Appointments Committee, resolved to appoint Mr Ángel Jesús Acebes Paniagua as the new chairman of the aforementioned committee, replacing Ms María Helena Antolín Raynaud, as of 26 March 2022, in view of the reclassification of the latter as an external director on this date, due to having completed the term of 12 years of continuous exercise of the position of independent director of the company.

At its meeting held on 17 June 2022, the Board of Directors of the company also approved, following a report from the Appointments Committee, the re election of Mr Anthony L. Gardner as a member of the Executive 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 made considerable efforts in the 2022 financial year to ensure that institutional investors and financial analysts were kept fully informed of its business and activities. Thus, in the *Statement of Non Financial Information – Sustainability Report*, 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* (TFCD) 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

Iberdrola is collaborating with the justice system to establish the facts relating to the contracting of the company Cenyt by certain companies of the group, in order to determine any liability or responsibility that may arise and to defend its own good name and reputation.

The corresponding judicial proceedings are being held before Central Instruction Court 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. (Sociedad Unipersonal), meanwhile, is under investigation. Three former executives of Iberdrola, S.A., who, among others, have now left the company, carried out tasks related to security and budgetary and accounting management, are also under investigation.

The review and analysis of internal processes carried out with the assistance of independent experts, and in accordance with the Group's corporate governance and sustainability and compliance system, revealed no violation of the systems of internal control, the Code of Ethics or any other rules or procedures. Therefore, the impact that these events would have on Iberdrola, S.A. or for the companies within its group, if any, would be limited to the reputational sphere.



Notifications sent to Spanish stock market commission (CNMV) from April to June 2022		
Date	Event	Register nº
08/04/2022	Reporting by the Company of the announcement of the presentation of results for first quarter of 2022.	15516
13/04/2022	Reporting by the Company of its energy production figures for the first quarter of 2022.	15615
27/04/2022	Results for the first quarter of 2022.	15789
27/04/2022	Presentation of results for the first quarter of 2022.	15791
27/04/2022	Estimated calendar of the first edition of the "Iberdrola Retribución Flexible" optional dividend system corresponding to the fiscal year 2022.	15795
10/05/2022	Launching of the share buyback programme of Iberdrola, S.A. in respect of a maximum of 0.233 % of the share capital for their redemption.	16203
10/05/2022	Call to the General Shareholders' Meeting (agenda).	16204
11/05/2022	Reporting by the Company of the Regulations of the Board of Directors	16224
13/05/2022	Publication of the announcement of the call to the General Shareholders' Meeting and documentation that will be made available to the shareholders.	16278
13/05/2022	Reporting by the Company of the Regulations of the Board of Directors.	16293
20/05/2022	Transactions carried out by Iberdrola, S.A. under its share buyback programme between 11 and 19 May 2022.	16366
31/05/2022	Transactions carried out by Iberdrola, S.A. under its share buyback programme between 20 and 30 May 2022.	16560
09/06/2022	Transactions carried out by Iberdrola, S.A. under its share buyback programme between 31 May and 8 June 2022.	16713
13/06/2022	Transactions carried out by Iberdrola, S.A. under its share buyback programme between 9 and 10 June 2022. Termination of the programme.	16761
17/06/2022	Resolutions passed by the General Shareholders' Meeting and by the Board of Directors held on 17 June 2022.	16888
17/06/2022	Terms and conditions of the first edition of the "Iberdrola Retribución Flexible" optional dividend system corresponding to the fiscal year 2022.	16890
28/06/2022	Reporting by the Company of the Regulations for the General Shareholders' Meeting.	17039



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

	Ranking
Dow Jones Sustainability World Index 2021	Selected in the utility sector. Iberdrola member in all editions
Sustainability Yearbook 2022 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 2022	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
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 2022 GLOBAL 2000: World's Largest Public Companies
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 2021 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.

- **Iberdrola and AVANGRID included once again among the most ethical companies in the world**

Iberdrola and AVANGRID have once again been included in the list of the World's Most Ethical Companies drawn up by the Ethisphere Institute, a leader in defining international standards in corporate ethics. This is the ninth consecutive year that Iberdrola has received this recognition, the only Spanish company in this ranking and one of the ten companies included in the Energy and Utilities category, in which AVANGRID is also included for the fourth time.

- **Iberdrola selected as the most transparent company of the Ibex 35**

Iberdrola has been selected as the most transparent company in the Ibex 35 index by Transparency International. The institution has presented the conclusions of the Corporate Transparency Index on Integrity, Compliance and Human Rights of the Ibex 35 companies, with the support of the Ministry of Foreign Affairs, European Union and Cooperation and the Association of Compliance Professionals.

- **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 business activities. The classification measures the thoroughness of the disclosure, awareness and management of environmental risks, as well as best practices associated with the environment, such as setting ambitious and significant targets.

- **Iberdrola, the energy company with the most talent**

Iberdrola is the energy company with the greatest ability to attract and retain talent, according to the Merco Talento España ranking. This top position puts it ahead of Repsol, Naturgy, Cepsa, Endesa and Red Eléctrica. The ranking, now in its 16th edition, evaluates 100 companies and includes the results for 2021. Iberdrola was ranked among the top four companies out of all the sectors included in the analysis.

- **Included in the Bloomberg Gender Equality Index for the fifth 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.

- **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 action 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 in working standards, human rights, health and safety, biodiversity, climate change, water and customer responsibilities and social aspects of the supply chain.

- **Iberdrola receives the DEC Award for 'Best Customer Journey' in Spain**

The 'Asociación para el Desarrollo de la Experiencia del Cliente' (Association for the Development of Customer Experience) (DEC) has awarded Iberdrola Clientes with the Best Customer Journey Award, in its ninth edition. This award from DEC, a benchmark institution in Spain in Customer Experience that brings together more than 150 large member companies, reaffirms Iberdrola's vision of placing the customer at the centre of the organisation. The judges assessed aspects of Iberdrola such as its ability to provide clear and predictive information, including a breakdown of customers' electricity consumption in the home, its offer of personalised advisory services and its digitalisation capabilities, which include real time resolution of queries.

- **ScottishPower awarded for promoting diversity in large companies**

ScottishPower has been recognised by the Scottish government agency, Skills Development Scotland, for promoting diversity in large companies. The award is part of the Scottish Apprenticeship Awards,

which recognise the trajectory and dedication of apprentices and trainees, as well as the efforts and commitment of employers and professionals who support professional training. The company is committed to promoting the presence of women in the organisation and in the energy field, as well as addressing generational diversity, new professional qualification needs and learning differences in a changing industry.

- **Iberdrola Mexico receives the responsible company certificate for the tenth time in a row**

With this new recognition, Iberdrola Mexico has now been certified as a Socially Responsible Company (SRC) for ten consecutive years. The company received the award from the Centro Mexicano para la Filantropía A.C. (the Mexican Centre for Philanthropy – CEMEFI) and the Alianza por la Responsabilidad Social Empresarial (Alliance for Corporate Social Responsibility – AliaRSE). The distinctive SRC award is based on a process that has been documented and verified by the company, which has also recognised the Luces de Esperanza (Lights of Hope) project as a Best Practice in Corporate Social Responsibility 2021.

- **AECA recognises Iberdrola for its corporate transparency and its Integrated Report**

The Asociación Española de Contabilidad y Administración de Empresas (Spanish Association of Accounting and Business Administration – AECA) has recognised Iberdrola for its Business Transparency in the Ibx 35 category, highlighting the quality, accessibility, usability, content and visibility of the information disseminated by the award winning companies in the 21st edition of the awards, in particular through their corporate websites in the general, financial, corporate governance, environmental and social areas. The company also received an honourable mention for Best Integrated Report. AECA's purpose is to recognise the efforts and performance of Spanish companies in terms of information transparency in response to the demands made by economic and social agents, with respect to corporate reliability in accountability.

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

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