

Thanks to the increase in investments, which amounted to €4.74 billion in the first half of the year (+5%) and €10.2 billion over the past twelve months

Despite a 26% drop in Spain, Iberdrola's net profit reached €2.07 billion euros in June (+36%), thanks to the international business

"At Iberdrola, we continue to increase our investments to strengthen energy self-sufficiency and accelerate the green transition, reducing our dependence on fossil fuels. The projects we have underway in Spain and around the world are enabling us to generate economic activity and support 400,000 jobs with more than 19,000 suppliers," said Ignacio Galán, Chairman of Iberdrola.

- **Investment effort.** The company invested more than €4.74 billion in the first half of the year, up by 5%, bringing total investment to more than €10.2 billion over the past 12 months, 90% of which is focused on networks and renewables.
- **Drop in profit in Spain.** Net profit in Spain fell by 26%, including the effects of high energy prices that have not been passed on to customers with fixed rate contracts.
- **International diversification.** The company has managed to increase its overall net profit to €2.075 billion, up 36%, thanks mainly to the good performance in the United States, Brazil and the United Kingdom.
- **The group installed 3,400 MW of new renewable capacity over the past twelve months.** Of this capacity, 996 MW relates to wind, 1,241 MW solar photovoltaic, almost 1,000 MW hydroelectric storage and 116 MW of batteries. The company has a renewable project pipeline of around 95,000 MW, of which circa 10,800 MW are already under construction or secured with long-term contracts
- **Fiscal contribution.** Iberdrola allocated a total of €7.83 billion to taxes last year. Nearly half of this amount, €3.46 billion, corresponds to Spain.
- **Job creation:** The company has hired more than 2,100 employees in the first half of the year, exceeding 5,000 over the past 12 months.
- **Securing future growth:**
 - **Renewables:** The company was awarded 2,094 MW in the latest CfD auction in the United Kingdom: 1,372 MW offshore wind, 396 MW onshore wind and 326 MW solar photovoltaic. This will represent an investment of £3.7 billion (€4.4 billion).
 - **Networks:**
 - Accelerating growth in the United Kingdom, where the new distribution framework will involve £3.4 billion of investment between 2023 and 2028, for a total of around £6 billion, including transmission networks.
 - In Brazil, 2,000 km of new transmission lines were awarded in the last auction bringing the total of recently awarded projects to 8,000 km.
- **Increased shareholder remuneration.** The company has brought shareholder remuneration up by 6.4 %, to €0.449 per share, as approved at the Annual General Meeting held last month with a quorum of 72% and with shareholders supporting all items on the agenda with an average positive vote of 98%.

Committed to



Take care of the environment.
Print in black and white only if necessary.



IBERDROLA | EVENTO SOSTENIBLE

Press release

- **Cash flow** generated in the first half of the year amounted to €5.56 billion euros, 31% more than in the same period of the previous year.
- **Outlook.** Iberdrola maintains net profit expectation of between €4 billion and €4.2 billion for the year as a whole.
- Iberdrola will celebrate a new Investor Day in November 2022.

Social dividend

- **Suppliers and industry:** Iberdrola has closed orders for €8.2 billion in the first half of the year.
- **Equality:** Iberdrola promotes a fairer society, both within the company and in society as a whole. According to its Diversity and Inclusion Report, there is no salary gap in the company, employees of 79 nationalities of all races work at the company, and women now account for 34% of positions of responsibility.

A resilient model for the current macroeconomic context

- **No dependence on Russia:**
 - Iberdrola does not import Russian oil nor gas.
 - The group has a sustainable business model, based on renewables, grids and storage.
 - 90% of production in Europe comes from emission-free sources with total emissions of only 55 grams of CO₂ per kilowatt hour, much lower than the European average
- **Sound financial structure:**
 - The company has liquidity of €25 billion.
 - In the last 6 months alone, Iberdrola has signed more than €8 billion of financing on favourable terms, anticipating its financial needs for the year. Of this amount, 77% corresponds to ESG financing.
 - The company improved its cash flow to net debt credit ratio to around 25%. Debt in the first half stood at €41.71 billion, including an exchange rate effect of €1.86 billion.
 - 75 % of the debt is at fixed rates.

27/07/2022

Iberdrola continues to advance its role in the energy transition towards a more sustainable energy system that is less dependent on fossil fuels. Thanks to over €4.7 billion of investments in the first part of the year and its international business, and despite the drop in results in Spain, **consolidated net profit** grew to €2.075 billion in the first half of 2022, driven by the good performance of international businesses, as reported today to the Spanish National Securities Market Commission (CNMV).

Strong growth, mainly, in the United States, Brazil and the United Kingdom, as was the case in the previous quarter, offset the adverse result of Iberdrola Spain, where it recorded a 26% drop, including the effects of high energy prices which have not been passed on to customers with previously agreed fixed prices.

Operating cash flow generated in the first half of the year across the group amounted to €5.56 billion, an increase of 31% over the same period of the previous year.

Shareholders have obtained a remuneration from 2021 earnings of €0.449 per share, which is up by 6.4% from previous year. This was approved at the General Meeting held last month with a quorum of 72% where shareholders supported all the items on the agenda with an average favourable vote of 98%.

Committed to



Take care of the environment.
Print in black and white only if necessary.



IBERDROLA | EVENTO SOSTENIBLE | AENOR

Press release

Intense investment towards the energy transition

The company has invested €4.74 billion in the first half of 2022, up 5%, totaling more than €10.2 billion over the past 12 months. Of this amount, 90% was allocated to renewables and smart grids to accelerate the energy transition in the countries and regions where it is present.

The Chairman of Iberdrola, Ignacio Galán, said: "At Iberdrola, we continue to increase our investments to strengthen energy self-sufficiency and accelerate the green transition, reducing our dependence on fossil fuels. The projects we have underway in Spain and around the world are enabling us to generate economic activity and support 400,000 jobs at more than 19,000 suppliers."

As a result of the investments already made, the group has installed 3,400 MW of new renewable capacity in the past 12 months – 1,241 solar photovoltaic, 996 MW onshore wind, almost 1,000 MW of hydroelectric storage and 116 MW of batteries – while strengthening its renewable energy leadership by almost 39,000 MW of green capacity worldwide. It also has a project pipeline of 95,000 MW, of which 10,800 MW are under construction or secured under long-term contracts.

By country, Iberdrola has continued to promote its commitment to decarbonization in Spain, where it has allocated almost €1.1 billion of investment in the first half of the year, 23% of the total. It also invested €1.24 billion in the United States, €837 million in Brazil, €801 million in the United Kingdom, €153 million in Mexico and €619 million in the rest of the countries.

In recent months, the company has strengthened its strategic plan with several new projects. In renewables, the company has been awarded 2,094 MW in the United Kingdom - 1,372 MW offshore, 396 MW of onshore wind and 326 MW of photovoltaic-, which will represent an investment of £3.7 billion – €4.4 billion .

In networks, Iberdrola has accelerated growth in the United Kingdom, where the new distribution framework RIIO-ED2 will entail investments of £3.4 billion – about €4 billion – from next year to 2028, for a total of £6 billion – €7.1 billion – including investment in transmission networks. In addition, the company has been awarded 2,000 kilometers of new transmission lines in the latest auction held in Brazil, making a total of 8,000 km the transmission projects awarded over the past few years. These projects underpin the company's future growth, which will be described in greater detail at the next Capital Markets Day, to be held in November.

Commitment to society

In the current context, Iberdrola has once again demonstrated that growth is fully compatible with the generation of value for all its stakeholders.

The company advocates a fair tax contribution in all of the countries where it operates. In 2021, its global tax bill surpassed €7.83 billion, 5% more than the previous year, a €361 million increase. Nearly half of this amount, €3.46 billion, corresponds to Spain.

Iberdrola placed orders for €8.2 billion in the first half of the year with its more than 19,000 suppliers, thus giving visibility to a supply chain that generates 400,000 jobs worldwide. In addition, it has hired more than 2,100 people in the first six months of the year, exceeding 5,000 over the past 12 months.

All this work is carried out in a company that promotes a fairer society, both within the company and in society as a whole. According to its Diversity and Inclusion Report, there is no salary gap

Committed to



Take care of the environment.
Print in black and white only if necessary.

Press release

at Iberdrola, employees of 79 nationalities of all races work at the company, and women now account for 34% of positions of responsibility.

A context-resilient business model

The company has once again strengthened its balance sheet with more than €8 billion of financing over the past six months – 77% of which is ESG (environmental, social and governance) – on favorable terms. The group is thus anticipating its financing needs for the year as a whole. In fact, in recent weeks, the company has signed a new sustainable credit line with 24 financial institutions for €2.5 billion at an historically low rate and has closed a new loan of €550 million with the EIB.

The group has once again demonstrated its leadership in green and sustainable finance, with €43.8 billion available.

It also has liquidity of €25 billion, enabling it to continue operating for the next 27 months without recourse to the market.

The company improved its credit to net debt ratio to around 25%. Also, in an inflationary context, 75% of its debt is financed at a fixed rate and the group has managed to reduce its financing cost by 4 basis points to 2.86% at the end of June, excluding Neoenergia whose income is indexed to inflation.

The Chairman stressed that Iberdrola is prepared to face the current macroeconomic context, as it has a sustainable business model, based on renewables, networks and storage. 90% of its production in Europe is emission-free, totalling only 55 grams of CO₂ per kWh, much lower than its competitors' average. Furthermore, it has insisted that it is not dependent on Russian gas nor oil.

Performance during the first half and expectations for the second half of the year, allow Iberdrola to reaffirm its prospects of achieving a net profit of between €4 billion and €4.2 billion for the year as a whole.

IMPORTANT INFORMATION

This communication does not constitute an offer to buy, sell or exchange or the solicitation of an offer to buy, sell or exchange securities in the United States of America or in any other jurisdiction. IBERDROLA, S.A. shares may not be offered or sold in the United States of America except pursuant to an effective notice statement under the Securities Act of 1933, or pursuant to a valid exemption from the duty to give notice.

This communication includes certain Alternative Performance Measures ("MARs"), as defined in the Guidelines on Alternative Performance Measures published by the European Securities and Markets Authority on October 5, 2015 (ESMA/2015/1415en). MARs are measures of financial performance prepared from the financial information of Iberdrola, S.A. and its group companies but which are not defined or detailed in the applicable financial reporting framework. These MARs are used with the objective of contributing to a better understanding of the financial performance of Iberdrola, S.A. but should only be considered as additional information and in no case replace the financial information prepared in accordance with IFRS. Furthermore, the way in which Iberdrola, S.A. defines and calculates these MARs may differ from that of other entities that use similar measures and, therefore, they may not be comparable with each other. Finally, it should be noted that some of the MARs used in this communication have not been audited. For further information on these issues, including their definition or the reconciliation between the corresponding management indicators and the consolidated financial information prepared in accordance with IFRS, see the information available on the corporate website (<https://www.iberdrola.com>).

FORECASTS

This communication contains forward-looking information and statements about IBERDROLA, S.A. and AVANGRID, Inc. Such statements include financial projections and estimates with underlying assumptions, statements regarding plans, objectives, and expectations regarding future operations, investments, synergies, products and services, and statements regarding future results. Forward-looking statements are not historical facts and are generally identified by the use of terms such as "expects," "anticipates," "believes," "intends," "estimates" and similar expressions.

Committed to



Take care of the environment.
Print in black and white only if necessary.

Press release

In this regard, although IBERDROLA, S.A. believes that the expectations contained in such statements are reasonable, investors and holders of IBERDROLA, S.A. and AVANGRID, Inc. shares are cautioned that forward-looking information and statements are subject to risks and uncertainties, many of which are difficult to predict and are generally beyond the control of IBERDROLA, S.A. and AVANGRID, Inc, risks that could cause actual results and developments to differ materially from those expressed, implied or projected in the forward-looking information and statements. Such risks and uncertainties include those identified in public documents filed by IBERDROLA, S.A. with the Comisión Nacional del Mercado de Valores and by AVANGRID, Inc. with the Securities and Exchange Commission that are available to the public.

Forward-looking statements are not guarantees of future results and have not been reviewed by the auditors of IBERDROLA, S.A. and AVANGRID, Inc. It is recommended not to make decisions based on forward-looking statements that speak only as of the date on which they were made. All forward-looking statements or statements herein or issued by IBERDROLA, S.A., AVANGRID, Inc. or any of their directors, officers, employees or representatives are expressly qualified by the cautionary statements above. The forward-looking statements included in this document are based on information available as of the date of this communication. Except to the extent required by applicable law, IBERDROLA, S.A. undertakes no obligation to publicly update any forward-looking statements or revise any forward-looking information, even if new information is made public or new events occur.

Press release

Committed to



Take care of the environment.
Print in black and white only if necessary.



IBERDROLA | EVENTO SOSTENIBLE | AENOR