

RESULTS PRESENTATION

NINE MONTHS

October 26, 2022



IBERDROLA

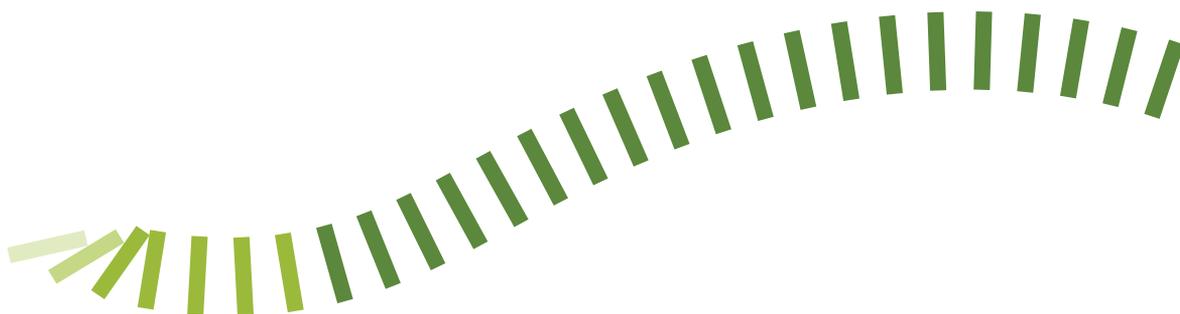
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Core business figures





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)	9M 2022	9M 2021	vs. 9M 2021
Spain	68,462	68,464	0.0%
United Kingdom	22,781	23,587	-3.4%
United States	29,454	29,341	0.4%
Brazil	56,759	56,105	1.2%
Total	177,456	177,497	0.0%
GAS (GWh)			
United States	46,679	43,717	6.8%
Total	46,679	43,717	6.8%

Differences may arise due to rounding

Managed Supply Points

ELECTRICITY (Millions)	9M 2022	9M 2021	vs. 9M 2021
Spain	11.34	11.26	0.7%
United Kingdom	3.55	3.54	0.2%
United States	2.31	2.29	0.7%
Brazil	15.96	15.66	1.9%
Total Electricity	33.16	32.76	1.2%
GAS (Millions)			
United States	1.04	1.03	0.9%
Total Gas	1.04	1.03	0.9%
TOTAL SUPPLY POINTS	34.19	33.79	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

	9M 2022	9M 2021	vs. 2021
Net Production (GWh)⁽¹⁾	122,010	122,799	-0.6%
Net owned production⁽¹⁾	93,006	96,391	-3.5%
Renewables ⁽¹⁾	55,354	55,137	0.4%
Onshore	33,184	29,617	12.0%
Offshore	3,058	3,073	-0.5%
Hydro	15,717	19,759	-20.5%
Minihydro	364	542	-32.8%
Solar	2,976	2,086	42.7%
Nuclear	18,009	18,024	-0.1%
Gas combined cycle	15,548	17,992	-13.6%
Cogeneration	4,094	5,238	-21.8%
Net production for third parties	29,003	26,408	9.8%
Renewables	149	150	-0.8%
Onshore	149	150	-0.8%
Gas combined cycle	28,854	26,257	9.9%
Installed Capacity (MW)⁽²⁾	59,964	57,662	4.0%
Net owned installed capacity⁽²⁾	52,818	50,516	4.6%
Renewables ⁽²⁾	39,165	37,378	4.8%
Onshore	19,869	19,032	4.4%
Offshore	1,258	1,258	-
Hydro	13,849	13,744	0.8%
Minihydro	255	296	-13.9%
Solar	3,723	2,897	28.5%
Batteries	198	137	44.5%
Nuclear	3,177	3,177	-
Gas combined cycle	9,291	8,777	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.)	13.70	13.43	2.0%
Gas customers (No mill.)	3.29	3.25	1.3%
Gas Supplies (GWh)	39,453	39,895	-1.1%
Gas Storage (bcm)	0.13	0.13	-2.2%

(1) Including 55 GWh of production from fuel cells in 9M 2022 and 61 GWh in 9M 2021

(2) Including 13 MW installed capacity of fuel cells both in 9M 2022 and 9M 2021

Differences may arise due to rounding



Spain

	9M 2022	9M 2021	vs. 2021
Net Production (GWh)	41,803	46,565	-10.2%
Renewables	16,919	22,335	-24.2%
Onshore	8,357	8,429	-0.8%
Hydro	6,474	12,431	-47.9%
Minihydro	364	542	-32.8%
Solar	1,724	934	84.7%
Nuclear	18,009	18,024	-0.1%
Gas combined cycle	5,277	4,479	17.8%
Cogeneration	1,597	1,728	-7.5%
Installed Capacity (MW)	28,657	28,278	1.3%
Renewables	19,439	19,060	2.0%
Onshore	6,160	6,134	0.4%
Hydro	10,700	10,595	1.0%
Minihydro	255	296	-13.9%
Solar	2,305	2,028	13.7%
Batteries	19	8	137.5%
Nuclear	3,177	3,177	-
Gas combined cycle	5,695	5,695	-
Cogeneration	347	347	-
Electricity customers (No mill.)	10.84	10.71	1.2%
Gas customers (No mill.)	1.36	1.42	-4.2%
Gas Supplies (GWh)	23,759	22,028	7.9%
Users	12,071	11,831	2.0%
Gas Combined Cycle	11,688	10,196	14.6%

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

	9M 2022	9M 2021	vs. 2021
Net Production (GWh)	5,384	4,354	23.7%
Renewables	5,384	4,354	23.7%
Onshore	3,122	2,093	49.2%
Offshore	2,256	2,261	-0.3%
Solar	7	0	N/A
Installed Capacity (MW)	3,008	3,002	0.2%
Renewables	3,008	3,002	0.2%
Onshore	1,986	1,986	-
Offshore	908	908	-
Solar	10	4	149.5%
Batteries	104	104	-
Electricity customers (No mill.)	2.86	2.72	5.2%
Gas customers (No mill.)	1.93	1.83	5.6%
Gas Supplies (GWh)	15,694	17,867	-12.2%
Gas Storage (bcm)	0.13	0.13	-2.2%

Differences may arise due to rounding

USA

	9M 2022	9M 2021	vs. 2021
Net Production (GWh)⁽¹⁾	16,668	16,692	-0,1%
Renewables ⁽¹⁾	15,190	14,387	5,6%
Onshore	14,782	14,018	5,5%
Hydro	121	98	23,6%
Solar	232	211	10,1%
Gas combined cycle	4	7	-36,4%
Cogeneration	1,474	2,298	-35,8%
Installed Capacity (MW)⁽²⁾	9,454	8,929	5,9%
Renewables ⁽²⁾	8,613	8,089	6,5%
Onshore	8,061	7,766	3,8%
Hydro	118	118	-
Solar	420	191	119,8%
Gas combined cycle	204	204	-
Cogeneration	636	636	-

(1) Including 55 GWh of production from fuel cells in 9M 2022 and 61 GWh in 9M 2021

(2) Including 13 MW installed capacity of fuel cells both in 9M 2022 and 9M 2021

Differences may arise due to rounding



Mexico

	9M 2022	9M 2021	vs. 2021
Net Production (GWh)	42,480	40,671	4.4%
Net owned production	13,476	14,263	-5.5%
Renewables	2,256	2,057	9.7%
Onshore	1,295	1,122	15.4%
Solar	961	935	2.8%
Gas combined cycle	10,198	10,994	-7.2%
Cogeneration	1,023	1,213	-15.7%
Net production for third parties	29,003	26,408	9.8%
Renewables	149	150	-0.8%
Onshore	149	150	-0.8%
Gas combined cycle	28,854	26,257	9.9%
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

	9M 2022	9M 2021	vs. 2021
Net Production (GWh)	12,024	11,280	6.6%
Renewables	11,982	8,800	36.2%
Onshore	2,860	1,569	82.2%
Hydro	9,123	7,230	26.2%
Solar	28	0	N/A
Gas combined cycle	14	2,480	-99.4%
Installed Capacity (MW)	4,944	4,384	12.8%
Renewables	4,304	3,851	11.7%
Onshore	1,273	821	55.1%
Hydro	3,031	3,031	-
Solar	108	0	N/A
Gas combined cycle	533	533	-

Differences may arise due to rounding

Rest of the world (ROW)

	9M 2022	9M 2021	vs. 2021
Net Production (GWh)	3,651	3,237	12.8%
Renewables	3,595	3,205	12.2%
Onshore	2,769	2,386	16.0%
Offshore	803	812	-1.1%
Solar	24	7	236.4%
Gas combined cycle	55	32	75.9%
Installed Capacity (MW)	2,704	2,385	13.4%
Renewables	2,461	2,142	14.9%
Onshore	1,799	1,736	3.6%
Offshore	350	350	-
Solar	237	31	657.3%
Batteries	75	25	200.0%
Gas combined cycle	243	243	-

Differences may arise due to rounding



Stock Market Data

		9M 2022	9M 2021
Market capitalisation	EUR (million)	60,962	55,283
Earnings per share 6,362,094,000 shares at 30/09/22 and 6,366,088,000 shares at 30/09/21)	EUR	0.464	0.359
Net operating cash flow per share	EUR	1.28	1.00
P.E.R.	Times	13.89	17.35
Price/Book value (capitalisation to NBV at the end of the period)	Times	1.34	1.48

Economic/Financial Data (*)

Income Statement		9M 2022	9M 2021
Revenues	EUR (million)	37,903.3	27,999.8
Gross Margin	EUR (million)	14,655.9	12,585.9
EBITDA	EUR (million)	9,529.1	8,164.9
EBIT	EUR (million)	5,663.4	4,781.1
Net Profit	EUR (million)	3,103.6	2,408.2
Net Operating Expenses / Gross Margin	%	25.9%	25.1%
Balance Sheet		Sep 2022	Dec 2021
Total Assets	EUR (million)	171.011	141.752
Equity	EUR (million)	62.325	56.126
Net Financial Debt	EUR (million)	44.686	39.360
Adjusted Net Financial Debt	EUR (million)	44.293	39.119
ROE	%	10,26	9,84
Ajusted Financial Leverage (Net Ajusted Financial Debt/(Ajusted Financial Debt + Ajusted Equity))	%	41,4	41,7
Net Financial Debt / Equity	%	71,7%	70,1%

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

Others

Others		9M 2022	9M 2021
Gross Organic Investments	EUR (million)	7.567,5	6.627,3
Employees	Number	40.543	39.569

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

Highlights for the period





- In the first nine months of 2022, the **Iberdrola Group's Net profit stood at EUR 3,104 million**, (+29%) despite a 14% drop in the results from Spain.
- **EBITDA increased by 17% to EUR 9,529 million**, displaying a positive trend in all geographies except Spain once again.
- **FFO** amounted to **EUR 8,204 million, up 28%** compared to the first nine months of 2021.
- **Organic gross investment in the period stood at EUR 7,568 million (+14.2%)**, 40% in Networks and 49% in Renewable generation.
- The company **maintains a solid financial profile**, with a good liquidity position (around EUR 24,000 million), which covers 27 months of financing needs, with an FFO ratio over Net Debt of 24.3%.
- The changes in Iberdrola's main **reference currencies** had a positive impact of EUR 568 million on EBITDA and EUR 66 million on Net Profit, with the changes in average exchange rates as follows:
 - The pound sterling appreciated by 2.2% against the euro to reach 0.85.
 - The US dollar appreciated by 12.3% against the euro to reach 1.07.
 - The Brazilian real appreciated by 16.7% against the euro to stand at 5.46.
- **Total own CO2 emissions in the period decreased by 12%** compared to the first nine months of last year, reaching 81 gr/kWh thanks to higher wind power production in the period and despite the drought in Spain.
- The energy balance of the Spanish peninsular system during the first nine months of 2022 shows an increase in combined cycle (+97%), coal (+102%), solar (+30%), wind (+2%) and nuclear (+2%) production compared to the same period of the previous year, while there was a drop in hydroelectric production (-47%).
In the period, demand fell 1.4% compared to the first nine months of the previous year or 2.8% when adjusted for working days and temperature.
The third quarter of 2022 closed with a producibility index of 0.5 and hydroelectric reserves at 26.3%, compared to a producibility index of 1.0 and reserves at 34.1% at the close of the same period of 2021, as a consequence of the drought in the country since the end of last year.
- In the United Kingdom, electricity demand fell 3.3% in the first nine months of 2022 compared to the same period of the previous year, while gas demand fell 8.7% in the same period.
- In **Avangrid's** management areas on the East Coast of the United States, electricity demand increased slightly (+0.4%) against the first nine months of 2021, while gas demand increased 6.8%.
- Electricity demand in the areas of activity in **Neo-energia** in Brazil increased by 1.2% in the first nine months of 2022 compared to the same period of the past year.

During the first nine months of 2022, international commodity markets have evolved as follows:

Average prices	9M 2022	9M 2021	vs 9M 2021
Oil – USD/BBL	105.5	67.9	55%
NBP-P/th (gas)	219.9	79.2	178%
Henry Hub – USD/MMBtu (gas)	6.6	3.5	89%
TTF – EUR/MWh (gas)	133.1	31.2	326%
Coal – USD/tonne	293.5	102.3	187%
CO ₂ -EUR/tonne	82.3	48.5	70%

Global environment and general considerations

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



Significant events for the Iberdrola Group

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

Million EUR	9M 2022 vs 9M 2021	
GROSS MARGIN	14,655.9	+16.4
EBITDA	9,529.1	+16.7
EBIT	5,663.4	+18.5
NET PROFIT	3,103.6	+28.9

Consolidated EBITDA grew 16.7% compared to the first nine months of 2021, reaching EUR 9,529.1 million, with a positive impact on the exchange rate of EUR 568.2 million (9.7% in local currency) and with a positive evolution in all territories except Spain, which, due to an adverse environment, lost 9.8% in this item.

Net Operating Expenses increased 20.2% at EUR 3,791.4 million, with a year-on-year variation of 7%, excluding the effect of the exchange rate and the non-recurring effect of the positive impact on the “Other Operating Income” of the asset rotation in the first nine months of 2021.

Levies were up 5.4% compared to the first nine months of 2021, although they remained flat in local currency (+0.8%), with performance varying by geography.

Amortisation, Depreciation and Provisions grew by 14.2% to reach EUR 3,865.7 million, with a negative impact of EUR 216.0 million from the exchange rate. Amortisations increased 5.9% excluding the exchange rate effect, as a consequence of the Group’s growth, the larger asset base in the Networks and the growth in renewable capacity in the Electricity Production business, in addition to greater investment in acquisition costs. The follow-up ratios of the Provisions due to defaults improved despite the adverse economic environment, as there was a decrease of 12% in the

default provision ratio compared to billing and 11% on expired debt on billing.

In the **Results of the Companies by Equity Method**, the positive EUR 225 million related to the reorganisation of offshore wind assets was partially offset by a writedown 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 nine months stood at 17.7%, affected by the extraordinary negative effect in the United Kingdom of EUR 471 million and two non-recurring effects related to the reorganisation of the offshore wind assets with CIP in the United States, as well as the acquisition of Neoenergia Brasília in 2021.

As a result, **Net Profit reached EUR 3,104 million** (+28.9%) in the period.

The key financial figures for the period are as follows:

- Net Adjusted Financial Debt* stood at EUR 44,293 million, an increase of 19%, EUR 7,075 million compared to September 2021, due to the investment effort in the period and the significant appreciation of currencies and the increase in working capital.
- Adjusted Funds From Operations in the last 12 months totalled EUR 10,777 million, up by 23.6% compared to the same period in the previous year, reaching 8,204 million in the first nine months of 2022, an increase of 27.9% compared to the first nine months of 2021.

(*) Adjusted for treasury stock derivatives with physical settlement which, at the current date, are not expected to be executed (EUR 392 million in Sep 2022 and EUR 4 million in Sep 2021)

Significant transactions

- 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 two 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 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.
- In September 2022, Iberdrola reached an agreement with Energy Infrastructure Partners (EIP) for the sale of EUR 700 million of 49% of its offshore wind farm in German waters in the Baltic Sea (Wikinger).
- Finally, at the end of the quarter, on October 3, 2022, Iberdrola, through its subsidiary in Brazil, Neoenergia, carried out a voluntary takeover bid for the minority shareholders of Neoenergia Celpe, a distributor in the Pernambuco region, acquiring 9.13% of the share capital of the distributor for a total amount of approximately R\$ 287 million.

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 September 2022, the electricity distributed by the Group stood at 177,456 GWh, in line with 2021. A highlight is growth in Brazil thanks to the integration of Neoenergia Brasília from March 2021:

Energy Distributed

Electricity (GWh)	9M 2022	9M 2021	vs 9M 2021
Spain	68,462	68,464	0.0%
United Kingdom	22,781	23,587	-3.4%
United States	29,454	29,341	0.4%
Brazil	56,759	56,105	1.2%
Total	177,456	177,497	0.0%
GAS (GWh)			
United States	46,679	43,717	6.8%
Total	46,679	43,717	6.8%

Electricity and gas supply points increased by 1.2% compared to the previous year amounting to over 34 million, thanks to organic growth in all geographies broken down as follows:

Supply points managed

ELECTRICITY (million)	9M 2022	9M 2021	vs 9M 2021
Spain	11.34	11.26	0.7%
United Kingdom	3.55	3.54	0.2%
United States	2.31	2.29	0.7%
Brazil	15.96	15.66	1.9%
Total electricity	33.16	32.76	1.2%
GAS (million)			
United States	1.04	1.03	0.9%
Total gas	1.04	1.03	0.9%
TOTAL SUPPLY POINTS			
	34.19	33.79	1.2%

1.1. Spain — i-DE

At the end of the third quarter of 2022, the network business in Spain had 11.3 million supply points, while distributed energy reached 68,462 GWh, in line with the previous year.

The table shows the commitment to improve the regulatory SAIDI (System Average Interruption Duration Index) and SAIFI (System Average Interruption Frequency Index), although the exact figure is not published due to its commercially sensitive nature:

i-DE	9M 2022	9M 2021
Regulatory SAIDI (min.)	<34.3	34.3
Regulatory SAIFI (no. inter.)	<0.77	0.77

Thanks to the investments made by i DE in new electricity infrastructure, the maintenance and renewal of existing infrastructure, as well as its ambitious plan to digitise its electricity networks, the company continues to improve its quality level in 2022.

With the aim of continuing to advance the energy transition toward a more sustainable model based on clean sources, i DE carried out the redesign of the process of access and connection to the network, bringing more than 2,000 new generation plants to



the network, with a combined installed capacity equivalent to the energy consumed by two million households. These facilities will prevent the emission of 3.6 million tonnes of CO2 per year. By speeding up the connection to the network of new renewable plants, i DE also contributes to progress toward energy independence.

At the end of September, Iberdrola surpassed the figure of 70,000 self consumption facilities connected to its network after beating its record of additions in the same month in August with more than 6,100 new self consumers that have brought to the system a total of 63 new MW of green generation fully integrated in the low and medium voltage networks. Together, the self consumption facilities connected to the i DE network total more than 900 MW of power, the equivalent of the capacity of two large combined cycle generation plants which, thanks to self consumption, can be replaced by sustainable and indigenous sources. The company facilitates access to self consumption throughout the Spanish territory. By number of connections, the Valencian Community stands out with more than 28,000 facilities in the network. It's followed by Madrid and the Murcia Region, with around 20,000 and 9,000 connected facilities, respectively.

1.2. United Kingdom – SPEN

At the end of September 2022, ScottishPower Energy Networks (SPEN) surpassed 3.5 million supply points. The volume of energy distributed at the end of September 2022 was 22,781 GWh, down 3.4% from the same period last year.

Energy distributed (GWh)	9M 2022	9M 2021	%
ScottishPower Distribution (SPD)	12,386	12,714	-2.6%
ScottishPower Manweb (SPM)	10,395	10,873	-4.4%

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

CML (min.)	9M 2022	9M 2021
ScottishPower Distribution (SPD)	18.61	22.20
ScottishPower Manweb (SPM)	20.75	33.16

Pending regulatory verification.

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

CI (no. of interruptions)	9M 2022	9M 2021
Scottish Power Distribution (SPD)	27.95	31.34
Scottish Power Manweb (SPM)	21.28	27.76

In July, SP Energy Networks received a decision from Ofgem on the Eastern HVDC Link Project, the large underwater energy super highway between Scotland and the north east of England. Ofgem acknowledged that there is sufficient evidence to confirm the need to carry out the transmission project, taking into account the momentum for renewable energy and the UK's climate change targets. Approval of the planning permits is expected during the first half of 2023.

In September, SP Energy Networks successfully led the first power demand flexibility shift trial in the UK. Conducted in the Dumfries & Galloway and Ayrshire regions of Scotland, the test showed that participating households can save on their energy consumption by adapting to timeslots where renewable energy is most abundant, while helping to balance network demand in their local community.

SP Energy Networks was awarded the Science Based Targets (SBTi) label, becoming the first major network operator in the UK to achieve this. This initiative, which promotes the establishment of science based emission reduction targets in the private sector, is the result of the collaboration between the Carbon Disclosure Project (CDP), the United Nations Global Compact, the World Resources Institute (WRI) and the World Wildlife Fund (WWF). This recognition confirms that the goals defined by SP Energy Networks are in line with the measures that science considers necessary to limit global warming to 1.5°C.



Similarly, SP Energy Networks received, for the sixth consecutive year, the Planet Mark certification for its commitment to reducing its carbon footprint. This seal of sustainability is awarded annually to those companies that demonstrate continuous improvement in reducing their emissions and carrying out specific actions to limit their carbon footprint.

1.3 United States – Avangrid

1.3.1 Electricity

At the end of September 2022, Avangrid Networks had around 2.3 million electricity supply points. Electricity distributed throughout the year amounted to 29,454 GWh, in line with the previous year:

Energy distributed (GWh)	9M 2022	9M 2021	%
Central Maine Power (CMP)	7,440	7,442	0.0%
NY State Electric & Gas (NYSEG)	12,415	12,325	0.7%
Rochester Gas & Electric (RGE)	5,658	5,653	0.1%
United Illuminating Company (UI)	3,942	3,922	0.5%

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

CAIDI (hrs)	9M 2022	9M 2021
Central Maine Power (CMP)	1.64	1.81
NY State Electric & Gas (NYSEG)	1.92	2.12
Rochester Gas & Electric (RGE)	1.62	2.02

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

SAIDI (min.)	9M 2022	9M 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	9M 2022	9M 2021
Central Maine Power (CMP)	1.39	1.50
NY State Electric & Gas (NYSEG)	1.17	1.13
Rochester Gas & Electric (RGE)	0.64	0.77
United Illuminating Company (UI)	0.34	0.36

Throughout this quarter, NYSEG’s distribution area has been impacted by several storms that affected its average disruption indicators. In particular, during July, New York State was hit by heavy thunderstorms, affecting more than 80,000 NYSEG customers, with wind gusts in excess of 65mph. The network responded appropriately and the recovery of the supply was carried out as planned, with most customers having their supply restored on the same day.

In July, Avangrid Networks renewed for three years AENOR’S ISO 45001:2018 certification, the seal of excellence in environmental, health and safety. This certification promotes a proactive approach to security based on addressing risks before they materialise. The objectives include the creation of safe and healthy work spaces, the establishment of an effective management system, the reduction of occupational health and safety risks in general, the continuous improvement of processes and competencies, and the involvement, consultation and motivation of employees.

1.3.2 Gas

Avangrid supplies gas through more than one million supply points. At the end of September 2022, 46,679 GWh of gas had been distributed, up 6.8% 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)	9M 2022	9M 2021	%
NY State Electric & Gas (NYSEG)	11,523	11,058	4.2%
Rochester Gas & Electric (RGE)	12,319	11,588	6.3%
Maine Natural Gas (MNG)	4,811	3,193	50.7%
Berkshire Gas (BGC)	2,131	2,080	2.5%
Connecticut Natural Gas (CNG)	7,948	7,933	0.2%
Southern Connecticut Gas (SCG)	7,946	7,865	1.0%

1.4. Brazil – Neoenergia

At the end of September 2022, Neoenergia had a total of 15.9 million supply points. The volume of electricity distributed during the first nine months of 2022 was 56,759 GWh, an increase of 1.2% compared to the same period of the previous year, including the energy distributed by Neoenergia Brasília (from March 2021).

Energy distributed (GWh)	9M 2022	9M 2021	%
Elektro	15,046	14,998	0.3%
Coelba	18,765	18,699	0.4%
Cosern	4,673	4,915	-4.9%
Pernambuco	12,683	12,950	-2.1%
Brasilia	5,591	4,543	23.1%

Efforts to improve the quality of supply have enabled it to be increased compared to 2021 in Elektro and Brasília, and all distributors comply with regulatory requirements in this area.

In early July, the Neoenergia Cosern concession area suffered heavy rainfall. At least 16 municipalities declared a “public disaster” situation, including Natal, Parnamirim, Macaíba, São Gonçalo do Amarante, Ceará Mirim, Touros and Extremoz.

Pernambuco’s quality indicators were also affected by the heavy rains that hit the state in July.

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

DEC (hours)	9M 2022	9M 2021
Elektro	5.00	5.19
Coelba	8.69	7.48
Cosern	6.33	5.39
Pernambuco	9.21	8.93
Brasília	4.62	5.61

Variations may occur after regulatory reviews

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

FEC	9M 2022	9M 2021
Elektro	2.74	3.04
Coelba	3.74	3.61
Cosern	2.4	2.21
Pernambuco	3.46	4.36
Brasília	3.64	5.30

Variations may occur after regulatory reviews

In August, Neoenergia Cosern received the 2022 Abradee award for the best operating management distributor in Brazil, an award given by the Brazilian Association of Electric Power Distributors (Associação Brasileira de Distribuidores de Energia Elétrica or Abradee) among companies with more than 500,000 consumers. The company has also ranked second among the best valued companies in the country and the Northeast region, as well as in the economic financial management category and third in customer evaluation. With this, there are already four top level national awards received this year by Neoenergia distributor, whose concession area corresponds to the state of Rio Grande do Norte.

In September, The National Congress of Company Client Relations, CONAREC (Congresso Nacional das Relações Empresa Cliente) awarded Neoenergia the prize with the same name in the Energy and Public Services category, recognising the efforts made in the area of digitisation and improvement of the consumer experience. Neoenergia has achieved



a high degree of digitisation thanks to its Digital Connection programme. Considered one of Brazil's most important research and development projects, it has the backing of the regulator, the Brazilian Electricity Regulatory Agency (Agência Nacional de Energia Elétrica or ANEEL). The initiative is based around three pillars: the modernisation of the so called consumer journey, the integrated development of digital solutions and digital inclusion.

2. Electricity production and customers

At the end of the first nine months of 2022, Iberdrola's **installed capacity** grew by 4.0% compared to the end of September 2021 to reach 59,964 MW and emissions free energy capacity reaching 70.8% (42,445 MW) of total capacity, compared to 70.5% at the end of September 2021:

MW	9M 2022	vs 9M 2021
Own capacity (*)	52,818	4.6%
Renewables (*)	39,165	4.8%
Onshore wind	19,869	4.4%
Offshore wind	1,258	-
Hydroelectric (including MH)	14,104	0.5%
Solar	3,723	28.5%
Batteries	198	44.5%
Nuclear	3,177	-
Gas combined cycle	9,291	5.9%
Cogeneration	1,185	-
Capacity for third parties	7,146	-
Renewables	103	-
Onshore wind	103	-
Gas combined cycle	7,043	-
Total (*)	59,964	4.0%

Discrepancies possible due to rounding

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

Net electricity production in the first nine months of 2022 stood at 122,010 GWh, practically in line with the figure recorded in the same period in 2021, with 60.3% of the total being emissions free (73,513 GWh) compared to 59.7% at the end of the first nine months of 2021:



GWh	9M 2022	vs 9M 2021
Own production (*)	93,006	-3.5%
Renewables (*)	55,354	0.4%
Onshore wind	33,184	12.0%
Offshore wind	3,058	-0.5%
Hydroelectric (including MH)	16,081	-20.8%
Solar	2,976	42.7%
Nuclear	18,009	-0.1%
Gas combined cycle	15,548	-13.6%
Cogeneration	4,094	-21.8%
Production for third parties	29,003	9.8%
Renewables	149	-0.8%
Onshore wind	149	-0.8%
Gas combined cycle	28,854	9.9%
Total (*)	122,010	-0.6%

Discrepancies possible due to rounding.

(*) Includes 55 GWh of fuel cell production in 9 Months 2022 and 61 GWh in 9M 2021.

As at 30 September 2022, Iberdrola had 29.7 million contracts, 8.6% more than at the end of September 2021, broken down as follows:

Millions of contracts				vs June	
	Spain(*)	UK	Brazil	Total	2021
Electricity contracts	10.8	2.9	0.0	13.7	2%
Gas contracts	1.4	1.9	-	3.3	1%
Smart solutions	9.9	2.4(**)	0.4	12.7(**)	20%
Total	22.1	7.2	0.4	29.7	8.6%

Discrepancies possible due to rounding

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

(**) Includes 2.1 million smart meters installed.

2.1 Spain

Renewable capacity and production

At the end of September, Iberdrola had installed **renewable capacity** in Spain of 19,439 MW (+2.0%), 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	2,305	-	2,305
Hydroelectric (**)	10,700	-	10,700
Mini-hydroelectric	254	1	255
Batteries	19	-	19
Total capacity	19,181	259	19,439

Discrepancies possible due to rounding

(*) Includes the proportional MW share.

(**) Includes 998 MW of installed capacity at the Gouvães and Daivões facility in Portugal.

Construction of the Buniel wind farm (104 MW) has begun in the realm of **onshore wind** and work is continuing on the foundations of the wind turbines at the Valdemoro wind farm (50 MW) in Burgos. In Andalusia, construction of the evacuation line for the Martín de la Jara park (36 MW) in Seville continues, while in the province of Málaga, the El Puntal II wind farm (15 MW) has entered into commercial operation.

On the other hand, in **solar photovoltaics**, the Revilla Vallejera plant (50 MW) in Burgos has entered into commercial operation and production has started at the Francisco Pizarro photovoltaic plant (554 MW) in Cáceres.

Also in Cáceres, the commissioning work is progressing on the Majada Alta (50 MW) and San Antonio (50 MW) plants and on the Almaraz I (50 MW) and Almaraz II (30 MW) photovoltaic plants, where the installation of photovoltaic modules has been completed. While in the town of Alcántara, work continues on the construction of the four photovoltaic plants, Tagus I to IV (200 MW in total), where the installation of photovoltaic modules has begun.



In addition, work is continuing on the Guillena (144 MW) projects in Seville, Cespedera (27 MW) in Cádiz, Virgen de Areños III (50 MW) in Palencia and Villarino (50 MW) in Salamanca, in which the mechanical assembly has been completed with the installation of all the modules.

Finally, in the third quarter, work began on three photovoltaic plants, totalling 87 MW. These are the Manantiales I (30 MW) and Valbuena (50 MW) plants in Guadalajara, and Llanos Pelaos 3 (7 MW) in Gran Canaria.

In the case of **battery** storage projects, the Puertollano plant (5 MW) in Ciudad Real has entered into commercial operation and the Urkilla (5 MW) plants in Álava and Abadiño (6 MW) are expected to be commissioned next quarter in Bizkaia.

In Portugal, in the Tâmega **hydroelectric** complex, once the commissioning of Gouvães (880 MW) and two groups in Daivões (118 MW) commences, the last Daivões group is scheduled to be commissioned before the end of the year, while at the Alto Tâmega (160 MW) facility, the concrete construction of the dam—which is 98% complete—and of the plant, which is 97% complete, continues, with the start of the electromechanical assembly of the groups in the last quarter of 2022 pending.

In the third quarter, there was a divestment in this same technology in six **mini hydraulic** power stations: Alloz, Artiagiaga, Mañeru and Recajo (16.2 MW) in Navarra and Soto Albúrez and Torrecilla II (1.5 MW) in Palencia.

In the last quarter of the year, work is expected to begin on the Ciudad Rodrigo projects (318 MW) in Salamanca, the photovoltaic plants of Fuentes (50 MW) in Guadalajara, Salinas I to III (149 MW) in Cuenca, and the wind farms of El Escudo (105 MW) in Cantabria and Iglesias (94 MW) in Burgos.

Renewable production totalled 16,919 GWh (–24.2%), broken down as follows:

SPAIN	GWh Consolidated at EBITDA level	GWh managed by investee companies (*)	Total
Onshore wind	7,991	366	8,357
Solar PV	1,724	-	1,724
Hydroelectric	6,474	-	6,474
Mini-hydroelectric	360	4	364
Total production	16,548	371	16,919

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 nine months of 2021:

- Onshore wind production reached 7,991 GWh, down 2.0%, mainly due to the lower wind resource.
- Hydroelectric production stood at 6,833 GWh, down 47.3% due to lower rainfall during the year.
- Solar photovoltaic production reached 1,724 GWh, up 84.7% as a result of the commissioning of new capacity.

Thermal capacity and production

At the September close, Iberdrola Group's **thermal capacity** in Spain 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 period increased (+3%) compared to the first nine months of 2021, marked by an increase in the contribution of combined cycles (+18%), since the nuclear contribution remained flat and cogeneration decreased by 8%.



SPAIN	GWh Consolidated at EBITDA level	GWh Investee companies (*)	Total
Nuclear	18,010	-	18,010
Gas combined cycle	5,276	-	5,276
Cogeneration	1,448	150	1,597
Total production	24,733	150	24,883

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

Retail supply

As regards retail supply, the portfolio managed by Iberdrola in Spain* totalled 22.1 million contracts at 30 September 2022, up 9% compared to the end of September 2021. The breakdown is as follows:

Thousands of contracts	Spain*
Electricity contracts	10,836
Gas contracts	1,362
Smart Solutions Contracts	9,922
Total	22,120

Discrepancies possible due to rounding

By market type, they break down as follows:

Thousands of contracts	Spain*	%
Liberalised market	19,334	87%
Last resort	2,786	13%
Total	22,120	100%

Iberdrola's electricity sales* during the first nine months of 2022 decreased by 6.2%, as a result of lower sales to the Spot, being distributed as follows:

	GWh
Liberalised market	50,318
Voluntary price for the small consumer (PVPC) market	5,352
Other markets	15,348
Total sales	71,017

Discrepancies possible due to rounding

With regard to gas*, in the first nine months of the year, Iberdrola managed a balance of 2.08 bcm, of which 0.03 bcm were sold in wholesale transactions, 1.04 bcm were sold to end customers and 1.00 bcm went towards 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 half of the year, Iberdrola had an installed **renewable capacity** in the United Kingdom of 3,008 MW (+0.2%).

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

Regarding **photovoltaic solar power**, work continues on Coldham's hybrid project (9 MW) in England, which is expected to enter commercial operation before the end of the year.

In the realm of **battery** storage projects, the Whitelee project (50 MW) in Scotland has entered into commercial operation, while the Barnesmore project (3 MW) continues to be commissioned in Ireland with commercial operation commencing in the next 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 continues to supply power to the national grid through



transport assets, the process of divestment of transport assets of which is under way, with the final transfer value already having been agreed. After having won a contract for differences in the UK's fourth round of auctions, East Anglia 3, the second of Iberdrola's 1,400 MW capacity projects in the area, has continued to secure key contracts for the project, in addition to continuing the engineering and design work and the marine export cable (HVDC), which are showing good progress. Work is under way so that the final investment decision can take place in the fourth quarter.

Renewable production in the United Kingdom reached 5,384 GWh (+23.7%), broken down as follows:

UNITED KINGDOM	GWh Consolidated at EBITDA level	GWh managed by investee companies (*)	Total
Onshore wind	3,117	5	3,122
Offshore wind	2,256	-	2,256
Solar and batteries	7	-	7
Total production	5,379	5	5,384

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

Consolidated production changes at EBITDA level were as follows:

- Onshore wind production totalled 3,117 GWh, up 49.4% compared to the previous year, following the normalisation of the wind resource.
- Offshore wind production decreased by 0.3% to 2,256 GWh.

Retail supply

As of 30 September 2022, the contract portfolio managed in the United Kingdom exceeded 7.2 million, growing 5.7% compared to the same period last year, with the deployment of smart meters now under way with a total of 2.1 million installed, the contract breakdown being as follows:

Thousands of contracts	UK
Electricity contracts	2,859
Gas contracts	1,927
Smart Solutions contracts	327
Smart Meters	2,094
Total	7,208

Discrepancies possible due to rounding

As for sales, 13,952 GWh of electricity and 15,694 GWh of gas were supplied to customers at the end of 30 September 2022, 1.5%* and 12.2%** less, respectively, than in the same period in 2021.

* Sales in busbars
** Including shrinkage

2.3. United States – Avangrid

Renewable capacity and production

At the end of the third quarter, Iberdrola had an installed **renewable capacity** in the United States of 8,613 MW (+6.5%), broken down as follows:

United States	Installed MW Consolidated at EBITDA level	MW managed by investee companies (*)	Total
Onshore wind	7,825	236	8,061
Hydroelectric	118	-	118
Solar PV	409	12	420
Total Capacity	8,365 (**)	248	8,613 (**)

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

In the realm of **onshore wind**, the assembly of the 25 wind turbines that make up the Midland wind farm (105 MW) in Illinois has been completed.

On the other hand, in **solar photovoltaics**, the assembly and commissioning of the Lund Hill photovoltaic plant (194 MW) in Washington state continues, the commercial operation of which is expected to start in the next quarter. The assembly of the Montague (211 MW), Bakeoven (80 MW) and Daybreak (189 MW) photovoltaic plants in Oregon also continues.



In **offshore wind**, construction of Vineyard Wind 1 continues to make progress as planned, with the production of all major components having begun and with the goal of achieving commercial operation in 2024.

On the other hand, with respect to Park City Wind and Commonwealth Wind, as part of its strategic plan, Avangrid announced a change in the expected date of the commercial operation on 22 September, with the projects being postponed to 2027 and 2028, respectively, to mitigate potential supply chain bottlenecks and high commodity prices. An increase in Kitty Hawk Wind's capacity from 2,500 MW to 3,500 MW has also been announced, as the current turbine technology allows to increase the capacity potential of the leased area. All three projects are in the process of obtaining federal authorisation from the United States.

Renewable production in the United States in the first nine months reached 15,190 GWh (+5.6%) with the breakdown as follows:

United States	GWh Consolidated at EBITDA level	GWh managed by investee companies (*)	Total
Onshore wind	14,366	417	14,782
Hydroelectric	121	-	121
Solar PV	211	21	232
Total production	14,752 (**)	438	15,190 (**)

Discrepancies possible due to rounding

(*) Includes the proportional GWh share.

(**) Includes 55 GWh 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 14,366 GWh, up 5.3%.
- Solar photovoltaic technology production stood at 211 GWh (+10.1%) due to the slight increase in average operating capacity (25.9 MW, +22.0%) despite the lower solar resource.
- Hydroelectric production increased 23.6% to 121 GWh so far this year.

2.4. Mexico

Renewable capacity and production

At the end of the third quarter, Iberdrola had an installed **renewable capacity** in Mexico of 1,335 MW, unchanged from the end of September 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 2,045 GWh (+9.0%), broken down as follows:

MEXICO	GWh Consolidated at EBITDA level	GWh managed by investee companies (*)	Total
Onshore wind	1,444	-	1,444
For own use	1,295	-	1,295
For third parties	149	-	149
Solar PV	961	-	961
Total production	2,045	-	2,045

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 1,444 GWh, up 13.5% due to a higher wind resource.
- Solar PV production increased by 2.8% with this technology (961 GWh) due to the greater photovoltaic resource.



Thermal capacity and production

In Mexico, installed **thermal capacity** as of 30 September 2022 stood at 9,862 MW, having increased by 514 MW due to the commissioning of Tamazunchale II at the beginning of May. Thermal production in the third quarter reached 40,075 GWh, +4% higher than that generated in the same period of the previous year:

MEXICO	MW	GWh
Gas combined cycle	9,660	39,052
For own use	2,617	10,198
For third parties	7,043	28,855
Cogeneration	202	1,022
Total	9,862	40,075

Discrepancies possible due to rounding.

Retail supply

Electricity sales in the first nine months of 2022 amounted to 43,445 GWh (+6.3% vs the same period of 2021), broken down as follows:

	GWh 9M 2022	GWh 9M 2021
CFE	29,060	26,405
Private	14,385	14,464
Total sales	43,445	40,869

Discrepancies possible due to rounding

2.5. Brazil – Neoenergia

Renewable capacity and production

At the end of the third quarter, installed **renewable capacity** in Brazil amounted to 4,411 MW (+14.5%), broken down as follows:

BRAZIL	Installed MW Consolidated at EBITDA level	MW managed by investee companies (*)	Total
Onshore wind	1,273	-	1,273
Hydroelectric	836	2,194	3,031
Solar PV	108	-	108
Total capacity	2,217	2,194	4,411

Discrepancies possible due to rounding

(*) Includes the proportional MW share

In the realm of **onshore wind**, the Oitis 2 wind farm (27.5 MW), the first of the 12 wind farms that make up the Oitis wind complex, with a total of 566 MW, has entered into commercial operation in the state of Piauí. The construction of the remaining wind farms continues to take place, where a total of 52 wind turbines (286 MW) have already been installed.

In the state of Paraíba, in the Chafariz complex (472 MW), the last wind turbine is expected to enter into commercial operation, pending review by the ANEEL regulator.

In **solar photovoltaic** technology, also in the state of Paraíba, the construction and commissioning of Luzia II and III (149 MW) continues; they have already begun to produce electricity and are the first photovoltaic plants in the country. The commissioning is expected to be completed in the last quarter of 2022.

Renewable production at the end of September totalled 12,010 GWh (+36.5%), broken down as follows:

BRAZIL	GWh Consolidated at EBITDA level	GWh managed by investee companies (*)	Total
Onshore wind	2,860	-	2,860
Hydroelectric	1,823	7,300	9,123
Solar PV	28	-	28
Total production	4,710	7,300	12,010

Discrepancies possible due to rounding

(*) Includes the proportional GWh share

Regarding the changes in production by technology consolidated at EBITDA level:

- Onshore wind production totalled 2,860 GWh, an increase of 82.2%, thanks to the contribution of the new wind complexes.
- With regard to hydroelectric production, the increase in the hydroelectric resource increased production by 54.0% to 1,823 GWh.
- Solar photovoltaic production stood at 28 GWh, due to the production from the new plants.



Thermal capacity and production

In Brazil, thermal capacity as of 30 September 2022 remained 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 supply

Electricity sales in the first nine months of 2022 increased compared to the same period of 2021 and totalled 12,084 GWh (+9.9% vs the close of the third quarter of 2021) broken down as follows:

	2022
PPA	7,737
Liberalised market	4,337
Total sales	12,074

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 2,461 MW, 14.9% more than in the same period of the previous year, with the following breakdown:

Rest of the world (RoW)	MW
Onshore wind	1,799
Offshore wind	350
Solar	237
Batteries	75
TOTAL	2,461

Discrepancies possible due to rounding

At the Port Augusta **hybrid** project (317 MW of wind and solar PV technology) in Australia, commissioning work is under way and it is expected to enter commercial operation in the last quarter of the year.

In the realm of **solar photovoltaic** technology, the first photovoltaic plant in Portugal, Algeruz 2

(27 MW), located in the Setúbal district, has been commissioned. Also in Portugal, work is continuing on the Alcochete I and II (46 MW) photovoltaic plants, where the installation of modules has started and in Conde (14 MW), which is expected to be commissioned before the end of the year. In Australia, work is continuing on the Avonlie project (245 MW), where the installation of photovoltaic modules has already begun.

For its part, the Mikronoros **onshore wind farm** (34 MW) has entered into commercial operation in Greece. Also in Greece, work is progressing on the Rokani wind farms (18 MW) in Viotia, Askio II (37 MW) and Askio III (50 MW), where the assembly of seven wind turbines has already been completed. At Flyers Creek wind farm (146 MW) in Australia work is continuing, and installation of the wind turbines is expected to begin in the last quarter.

Installed capacity breaks down as follows by country:

Onshore wind, photovoltaics and batteries	MW
Australia	1,122
Greece	344
Hungary	158
France	118
Portugal	133
Poland	113
Romania	80
Cyprus	20
Italy	23
Total	2,111

Discrepancies possible due to rounding

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

- In **France**, in the **Saint Briec** project (**496 MW**), work continues on the installation of foundations in the southern section of the park, with the plans to extend until 2023, and preparatory work is already under way to start the installation of the underground cable at the beginning of 2023, when the wind farm is expected to be commissioned.



In addition, Iberdrola is participating in three offshore wind auctions in France: the auction of 1 GW on the Normandy coast, whose bid date is in November, and the auction of 250 MW of floating offshore wind on the Brittany coast, already in the bidding phase, and the auction of two areas of 250 MW of floating technology in the Mediterranean, which is currently in the tender process. Successful tenderers for all three auctions are expected to be selected in 2023.

- In **Germany**, in the **Baltic Eagle** project (**476 MW**), the piles and the jacket of the substation are already loaded to begin installation, works that will culminate with the installation of the topside during the first quarter of 2023. The manufacture of the foundations (monopiles and transition parts) is close to being completed to begin its installation in 2023. Manufacture of the cable and turbines will begin during the last quarter of the year.
- In **Sweden**, the Utposten 2 project is still under way, jointly developed by Svea Vind Offshore and Iberdrola. The project was presented to the administrative court and the environmental permit is expected to be obtained before the end of the year. The consultation phase for the Gretas Klackar 1 (1,632 MW) environmental permit also continues, while the Gretas Klackar 2 project is in the process of approval by the municipal authorities, pending the establishment of the date for the vote.
- 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. From a regulatory point of view, the rules for awarding MAC permits for Phase 2 projects are expected to be published during October, which will clarify the procedure for applying for these permits in the projects currently held by Iberdrola in portfolio.
- In **Poland**, the competitive process has started for a part of the areas for which Iberdrola, together with Sea Wind, have submitted applications for sea floor permits for the projects that will be included in the auctions to be held in the country from 2025. The competitive process for the other areas is expected to

begin in the coming months and the award process will be completed during 2022 and the first months of 2023.

- In **Norway**, Iberdrola, together with its partners TotalEnergies and Norsk Havvind, have launched the Skjoldblad consortium to bid for the development of floating wind and fixed foundation projects by the Norwegian authorities, aiming to compete jointly for an accumulated capacity of 4,500 MW at two marine sites in the south of the country (Utsira Nord floating and Soerlige Nordsjoe fixed).
- In **Japan**, the outcome of Round 1 continues to have an effect on the future development of offshore wind projects and apart from advancing the application of the new “Feed in Premium” (FIP) remuneration scheme, the auction process continues to be held up as the new auction guidelines for Round 2 are pending publication. This is causing a delay in the bidding programme, which is allowing Iberdrola to continue to develop its portfolio of projects, both those it will present in Round 3 (bids are expected to be submitted in the second quarter of 2024) and some opportunity for Round 2 (bids are expected to be submitted in the second quarter of 2023). In addition to the Aomori, Saga and Satsuma projects, the Yuza project has been incorporated into the portfolio and another project is in the advanced discussion stage.
- In **Taiwan**, the pace of development of the projects that Iberdrola Renovables Taiwan will present at the 2023 auction continues to pick up and, in this last quarter, a local team has been set up for this final stage of development. This will increase the local presence and relationship with project suppliers and stakeholders. Progress is being made in the discussions for the incorporation of a partner who will provide local knowledge and complement Iberdrola’s experience and leadership in offshore wind technology.
- In **Australia**, the Federal and State authorities continue to make progress in offshore wind development, and the area selected for the first feasibility licence in Gippsland is currently categorised



under public information. Iberdrola continues to develop projects to participate in the awarding of licences in this area in the first quarter of 2023, as well as holding discussions with more agents to increase participation with more projects.

Renewable production in the third quarter totalled 3,595 GWh, up 12.2% compared to the same period last year, broken down by technology as follows:

Rest of the world	GWh
Onshore wind	2,769
Offshore wind	803
Solar PV and batteries	24
Total production	3,595

Discrepancies possible due to rounding

By technology, onshore wind production increased (+16%) mainly due to new capacity additions, while offshore wind production decreased slightly (-1.1%).

3. Other Aspects

3.1 General Shareholders' Meeting 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.

Finally, the Supplementary Dividend, which was paid in August, was fixed at EUR 0.274 gross per share, 7.9% more than in 2021, to which EUR 0.170 gross per share, distributed in February, must be added as an Interim Dividend, as well as the EUR 0.005 gross per share, paid in the concept of "Participation

Dividend" at the last General Shareholders' Meeting, since the required condition of the attendance quorum of 70% of the share capital was reached in the event.

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).

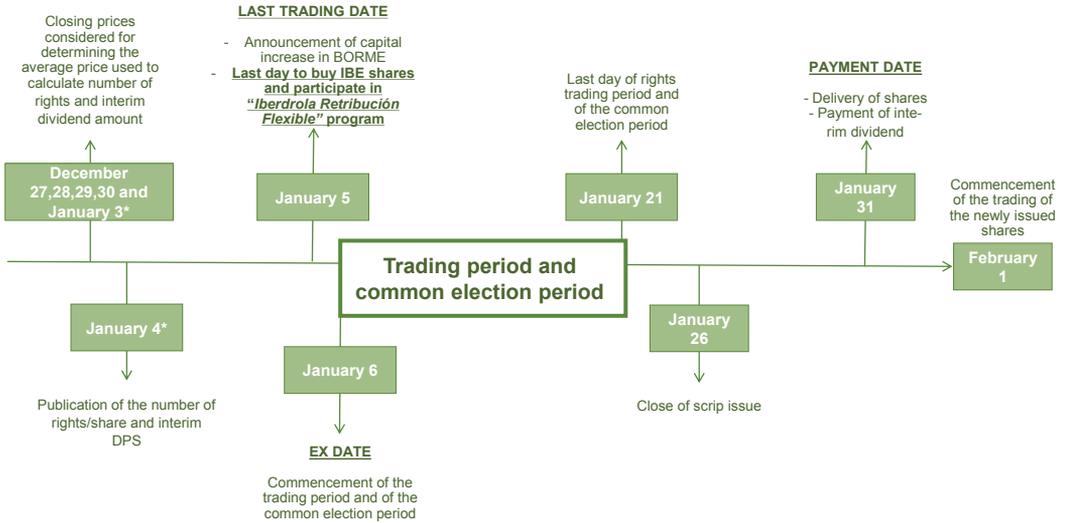
It is worth noting that the 'Iberdrola Retribución Flexible' programme allows Iberdrola's shareholders to choose from among the following options to collect the dividend (or to combine them, with the value of the remuneration to be received being equivalent):

- 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 payment.

In order to fulfil the group's commitment to keep the number of shares outstanding at around 6,240 million, a new redemption programme for its own shares was approved during the last Shareholders' Meeting. This redemption, which took place on 8 July 2021, amounted to 197,563,000 shares and corresponded to 3.07% of the capital. Finally, on 28 July 2022, there was a capital increase to cover those shareholders who chose to receive shares within the "Iberdrola Retribución Flexible" programme (70.44% of shareholders), the current share capital being 6,362,094,000 shares.



“Iberdrola Retribución Flexible” program January 2023



* Pending publication of 2023 stock market calendar. Since January 1 is Sunday, this program assumes that January 2 will be bank holiday.

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 results for the first nine months of 2022 are as follows:

Million EUR	9M 2022	9M 2021	%
NET REVENUE	37,903.3	27,999.8	+35.4
GROSS MARGIN	14,655.9	12,585.9	+16.4
EBITDA	9,529.1	8,164.9	+16.7
EBIT	5,663.4	4,781.1	+18.5
NET PROFIT	3,103.6	2,408.2	+28.9

EBITDA in the first nine months of 2022 increased by 16.7% compared to the figure recorded in the same period of 2021, driven by the solid evolution of business in all geographies, except Spain, which, due to an adverse environment, fell by 14% at the Net Profit level.

1. Gross margin

Gross Margin grew by 16.4% to EUR 14,665.9 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 19.0% compared to the first nine months of 2021 to reach EUR 7,216.3 million:
 - In Spain, it fell by 14.5% to EUR 1,271.8 million due to an extraordinary decision related to a court ruling on certain assets (EUR -206 million).
 - The United Kingdom increased its contribution by 4.9% to EUR 1,057.6 million (+2.6% in local

currency), as a result of a larger asset base in the business resulting from investments.

- The contribution of the United States in the period increased by 36.3% to EUR 2,945.0 million (+21.4% in local currency), due to the extraordinary positive effect of the new wording on the recognition of regulatory assets in the State of New York on the consolidated results, which decreased the differences between IFRS vs US GAAP (EUR +447 million) and the increase in the asset base due to the increased investments (EUR +98 million).
- Brazil's Gross Margin amounted to EUR 1,941.9 million (+37.8% +18.1% in local currency) thanks to the positive effect of tariff readjustments and inflation at the distributors (EUR +204 million), in addition to the contribution from Neoenergia Brasília.
- The Gross Margin of the **Electricity Production and Customers** business grew by 14.9% to EUR 7,465.5 million:
 - In Spain, it grew by 12.4% to EUR 3,673.8 million despite high market prices (an increase of 138% in the SPOT price) and thanks to the fixed price policy under which the Group operates.
 - Gross Margin in the United Kingdom increased by 13.1% to EUR 1,283.7 million (+10.6% in local currency), due to higher contribution of both onshore and offshore wind assets was partially offset by the higher supply costs, which are not yet recognised in SVT tariffs and the largest number of customers who have left fixed tariffs to move to SVT tariffs.
 - The contribution made by the United States stood at EUR 801.2 million (+3.4%, -7.9% in local currency), due to the effect of the Texas storm recorded in the first quarter of 2021 (EUR 93 million). Operationally, production rose 5.4% thanks to the higher average renewable capacity in operation (+268 MW) and the



improvement in the wind power load factor during the period.

- Brazil increased by 53.5% to EUR 348.3 million +31.5% in local currency, thanks to increased renewable production after the commissioning of the Chafariz wind complex and part of the Luzia solar plant, as well as the contribution of Termopernambuco's combined cycle, stopped by a restriction in gas supplies so far this year and buying energy at lower prices to serve their contract with distributors.
- Gross Margin in Mexico grew by 18.7% to EUR 885.8 million (+5.7% in local currency), thanks to the positive comparative effect of the cold snap in Texas at the start of 2021 and increased wind power production due to a higher wind load factor, which more than offset the lower thermal production.
- The contribution to Gross Margin from the Rest of the World business increased by 35.3% to EUR 472.9 million thanks to higher contributions from wind power, both onshore and offshore, in all geographies, most notably, Poland, whose capacity was incorporated in June 2021.

2. Gross operating result - EBITDA

Consolidated EBITDA grew by 16.7% compared to the first nine months of 2021, reaching EUR 9,529.1 million.

Aside from the changes in the Gross Margin, Net Operating Expenses increased by 20.2% to EUR 3,791.4 million, impacted by the exchange rate (EUR -262.7 million), without which it would have increased by 11.9%, as a consequence of the growth of the Group's businesses, with the workforce growing by 3.9%, largely due to the acquisition of Neoenergia Distribuição Brasília in March 2021 and the increase in external services due to the Group's growth and inflation. These effects were partially offset by the reversal of a pension provision in the Network business in the United States, which was already mentioned in

the first half results and which had a positive impact on Net Operating Expenses of EUR +74 million. Taxes increased by 5.4% compared to the first nine months of 2021, with performance varying by geography.

3. Net operating result - EBIT

EBIT increased by 18.5% compared to the first nine months of 2021, reaching EUR 5,663.4 million. Depreciation and Amortisation Charges and Provisions grew 14.2% to EUR 3,865.7 million, with a growth of 7.9% without the exchange rate:

- Depreciation and Amortisation increased by 12.0% to EUR 3,430.9 million with just +5.% in local currency, driven by the Group's growth, due to the larger Networks asset base, higher capture costs and growth in the renewables business.
- The follow up ratios for default provisions increase by 36% due to the adverse economic environment, although as there was a 12% decrease in the ratio of default provisions to billing and an 11% decrease in past due debt on billing.

4. Net financial result

The financial result increased by EUR -683 million from the EUR -696 million reported in the third quarter of 2021 to EUR -1,379 million.

- The result from debt increased by EUR -396 million: EUR -125 million due to the appreciation of currencies against the euro, EUR -179 million due to the higher cost in Brazil and EUR -93 million due to a higher average balance.
- In 2021, EUR 145 million of extraordinary net revenue was collected in connection with late interest due to court rulings and the listing at market value of Wallbox's stake.
- Gains/(losses) on derivatives and others worsened by EUR -141 million due to the weaker result of exchange rate hedges.



Net finance income	Q3 2022	Q3 2021	Dif.
Debt	-1,325	-928	-396
<i>By exchange rates</i>			-125
<i>By cost</i>			-179
<i>By average balance</i>			-93
Extraordinary items		145	-145
Derivatives and others	-54	87	-141
Total	-1,379	-696	-683

The cost of debt rose 78 basis points (from 3.45% to 4.23%) due to higher interest rates in Brazil, the expense of which is offset by the operating profit of the distributors which resulted from indexing to inflation. The cost excluding Brazil increased by 2 basis points (from 2.87% to 2.89%).

5. Result of equity-accounted investees

Results of Companies accounted for using the Equity Method in the first nine months amounted to EUR 171.4 million compared to EUR 5.0 million in the same period 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 writedown of the Salem Harbour project at Iberdrola Ingeniería y Construcción.

6. Profit in the period

Taxes in the period stood at EUR 787.5 million, compared to EUR 1,324 million at the close of nine months in 2021, affected by the extraordinary negative effect in 2021 of deferred tax due to the change of rates from 19% to 25% approved in the United Kingdom (EUR 479 million) and by the non recurring effect in 2022 of the incorporation of Neoenergia Brasília, that put the apparent rate at 17.7% compared to 32.4% the previous year. Finally, Net Profit reached EUR 3,103.6 million over the nine months, with an increase of 28.9% from EUR 2,408.2 million over the same period in 2021.

Results by business





1. Networks Business

Key figures for the Networks Business are as follows:

(EUR million)	9M 2022	vs. 9M 2021
Revenue	13,308.4	+24.2%
Gross margin	7,216.3	+19.0%
EBITDA	4,777.6	+21.5%
EBIT	3,013.0	+23.2%

The EBITDA for the Networks business increased by 21.5% to EUR 4,777.6 million. Excluding the exchange rate impact, EBITDA of Networks grew by 11.7%.

1.1 SPAIN

(EUR million)	9M 2022	vs. 9M 2021
Revenue	1,286.7	-13.7%
Gross margin	1,271.8	-14.5%
EBITDA	1,039.0	-16.9%
EBIT	565.9	-29.6%

a) Gross margin

The Gross Margin of the Networks Business in Spain decreased by 14.5% to EUR 1,271.8 million. This was mainly due to the extraordinary negative impact related to a court ruling decision over certain assets held by the business (EUR -206 million).

b) Operating profit / EBIT

The EBITDA for this Business stood at EUR 1,039.0 million, a decrease of 16.9%, with Net Operating Expenses decreasing by 2.6% to EUR 168.9 million due to the efficiency measures carried out in the previous year, which more than offset the greater asset base.

The EBIT of the Networks Business in Spain amounted to EUR 565.9 million (-29.6%), after deducting Amortisation, Depreciation and Provisions, which amounted to EUR 473.1 million (+6.0%) due to an adjustment recorded in 2021 related to a court ruling decision that modifies the useful life of the distribution assets.

1.2 UNITED KINGDOM

(EUR million)	9M 2022	vs. 9M 2021	Local currency
Revenue	1,163.6	+11.1%	+8.7%
Gross margin	1,057.6	+4.9%	+2.6%
EBITDA	801.1	+5.6%	+3.3%
EBIT	499.1	+5.8%	+3.5%

a) Gross margin

The Gross Margin of the Networks business in the United Kingdom increased by 4.9% (+2.6% in local currency) to EUR 1,057.6 million, due to the growth of the asset base.

b) Operating profit / EBIT

The EBITDA reached EUR 801.1 million (+5.6%, +3.3% in local currency), after discounting the Net Operating Expenses, which increased 2.8% (+0.6% in local currency) due to workforce expansion.

Amortisation, Depreciation and Provisions amounted to EUR 302.0 million (+5.2%; +2.9% in local currency) due to the increase in the asset base, with the EBIT amounting to EUR 499.1 million (+5.8%; +3.5% in local currency).

1.3 UNITED STATES

IFRS (EUR MILLION)			
(EUR millions)	9M 2022	vs. 9M 2021	Local currency
Revenue	4,756.8	+47.9%	+31.8%
Gross margin	2,945.0	+36.3%	+21.4%
EBITDA	1,502.8	+66.9%	+48.7%
EBIT	893.9	+111.0%	+87.9%

US GAAP (USD MILLION)		
(EUR millions)	9M 2022	vs. 9M 2021
Revenue	4,807.3	21.5%
Gross margin	2,849.2	6.3%
EBITDA	1,292.5	11.9%
EBIT	644.5	15.3%



a) Gross margin

Gross Margin increased by 36.3% to EUR 2,945.0 million, a growth of 21.4% 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 in the State of New York, which decreased the differences between IFRS and US GAAP (EUR +447 million), and to the increase in the asset base owing to larger investments (EUR +98 million).

b) Operating profit / EBIT

The EBITDA of the Networks business in the United States grew by 66.9% to reach EUR 1,502.8 million, after deducting Net Operating Expenses of EUR 1,015.7 million, which increased by 14.3% (+1.8% in local currency), due to the higher external expenditure and other non recurring elements offset by the recording of the excess pension provision (EUR +73 million), which was accounted for in IFRS but not in US GAAP.

The EBIT increased by 111.0% to EUR 893.9 million (+87.9% in local currency), after deducting Amortisation, Depreciation and Provisions (up 27.7% in local currency due to the higher asset base).

1.4. BRAZIL

(EUR million)	9M 2022	vs. 9M 2021	Local currency
Revenue	6,101.9	+23.1%	+5.5%
Gross margin	1,941.9	+37.8%	+18.1%
EBITDA	1,434.7	+40.4%	+20.3%
EBIT	1,054.0	+41.3%	+21.1%

a) Gross margin

Gross Margin increased by 37.8% in the six month period (+18.1% in local currency) to EUR 1,941.9 million, thanks to the positive effect of rate readjustments and inflation at the distributors (EUR +204 million), together with the contribution from Neoenergia Distribuição Brasília, after its integration in March 2021.

b) Operating profit / EBIT

Net Operating Expenses increased by 31.1% to EUR 503.1 million (+12.3% in local currency) as a result of increased activity, inflation and the consolidation of the Brasília distribution company, with EBITDA amounting to EUR 1,434.7 million (+40.4% compared to the first nine months of 2021).

For its part, the EBIT grew by 41.3% to EUR 1,054.0 million (+21.1% in local currency), after deducting Amortisation, Depreciation and Provisions, which rose by 38.0% to EUR 380.7 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)	9M 2022	vs. 9M 2021
Revenue	25,113.8	+42.8%
Gross margin	7,465.5	+14.9%
EBITDA	4,750.6	+15.1%
EBIT	2,754.0	+18.3%

The EBITDA for the Electricity Production and Customers business increased by 15.1% to EUR 4,750.6 million.

2.1 SPAIN

(EUR million)	9M 2022	vs. 9M 2021
Revenue	15,526.5	+60.1%
Gross margin	3,673.8	+12.4%
EBITDA	2,296.5	+12.5%
EBIT	1,558.0	+14.1%

First, it should be noted that, on 1 January 2022, a new inter company 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

The Gross Margin for the first nine months of 2022 stood at EUR 3,673.8 million (+12.4% compared to the same period last year), despite high market prices (a 138% increase in the spot price) due to the fixed price policy under which the Group operates and the lower renewable production.

b) Operating profit / EBIT

The EBITDA in the period increased 12.5%, to EUR 2,296.5 million, with an increase in Net Operating Expenses (+26.8%), due to the positive impact in 2021 of the asset rotation plan and the higher External Services costs related to the brand, and a reduction of 3.4% in taxes due to the lower taxes related to fiscal measures for sustainability.

Depreciation and amortisation charges and provisions increased 9.3% to EUR 738.4 million due to the entry into service of the new capacity, mainly solar photovoltaic and the Támega giga battery and the higher acquisition costs and bad debt in the commercial business.

As a result of the above, the EBIT amounted to EUR 1,558.0 million, 14.1% higher than in the first nine months of 2021.

2.2 UNITED KINGDOM

(EUR million)	9M 2022	vs. 9M 2021	Local currency
Revenue	4,595.5	+34.0%	+31.0%
Gross margin	1,283.7	+13.1%	+10.6%
EBITDA	675.4	+29.0%	+26.1%
EBIT	220.9	+92.5%	+88.3%

a) Gross margin

The Gross Margin of the business in the United Kingdom stood at EUR 1,283.7 million at the close of nine months, 13.1% higher than in 2021 (+10.6%

in local currency), partially compensating the greater contribution from wind assets, both onshore and offshore, with higher supply costs, which are not yet reflected in SVT rates, and the increased number of customers who switched from the fixed rate to the SVT.

b) Operating profit / EBIT:

Net Operating Expenses in the period increased 1.4% compared to last year, to EUR 523.2 million and affected by the exchange rate, without which it decreased by 0.8%, as a consequence of the efficiency plan carried out at the end of 2021.

Taxes decreased by 10.5% (-12.4% in local currency) to EUR 85.1 million, due to lower expenditure in relation to the ECO scheme following the fulfilment of its objectives, resulting in an EBITDA of EUR 675.4 million (+29.0%; +26.1% in local currency).

The Depreciation, Amortisation Charges and Provisions item in the first nine months was EUR 454.4 million (+11.1%), increasing by 8.7% in local currency due to increased acquisition costs, Smart meters and higher insolvencies (increased invoice amount), with EBIT standing at EUR 220.9 million (+92.5%; +88.3% in local currency).

2.3 UNITED STATES

(EUR million)	9M 2022	vs. 9M 2021	Local currency
Revenue	832.3	-11.1%	-20.9%
Gross margin	801.2	+3.4%	-7.9%
EBITDA	501.9	-7.9%	-18.0%
EBIT	70.5	-55.6%	60.4%

a) Gross margin

The Gross Margin in the first half of 2022 was EUR 801.2 million (+3.4%; -7.9% 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 (+5.4%), as a result of the increase in average renewable operating capacity (+3.6%; +268 MW) and the higher wind load factor compared to the first nine months of 2021.



b) Operating profit / EBIT

Net Operating Expenses increased by 35.3% to EUR 242.8 million (+20.5% in local currency), mainly due to the larger workforce. Taxes increased by 11.1% to EUR 56.5 million, due to the exchange rate (-1.0% in local currency). The EBITDA amounted to EUR 501.9 million (-7.9%; -18.0% in local currency).

On the other hand, the EBIT contribution of the business in the first nine months reached EUR 70.5 million, after discounting the Depreciation and amortisation charges and provisions (EUR 431.4 million), which increased by 11.7% with respect to the first nine months of 2021, affected by the exchange rate, without which they remained the same (-0.5%) compared to the comparative period due to the provision recorded last year due to the Texas storm. This provision was later reversed and partially offset by the increase in Amortisations after the commissioning of new capacity.

2.4 MEXICO

(EUR million)	9M 2022	vs. 9M 2021	Local currency
Revenue	3,217.8	+15.5%	+2.8%
Gross margin	885.8	+18.7%	+5.7%
EBITDA	664.8	+16.6%	+3.8%
EBIT	485.6	+18.5%	+5.6%

a) Gross margin

In the first nine months of 2022, the Gross Margin stood at EUR 885.8 million (+18.7%, +5.7% 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

The EBITDA in the first nine months of 2022 increased by 16.6% compared to the same period in 2021 (+3.8% in local currency) and stood at EUR 664.8 million, despite the evolution of the Net

Operating Expenses, which increased by 25.7%. The change was 11.9% in local currency, due to the higher expenditures for external services, as a consequence of the evolution of the USPPPI.

Depreciation and amortisation charges and provisions reached EUR 179.2 million, +11.6% more due to the exchange rate, since it decreases slightly in local currency (-0.6%) compared to the first nine months of 2021. As a result of all this, the EBIT for the six month period was EUR 485.6 million, up 18.5% (+5.6% in local currency).

2.5 BRAZIL

(EUR million)	9M 2022	vs. 9M 2021	Local currency
Revenue	525.2	+26.5%	+8.5%
Gross margin	348.3	+53.5%	+31.5%
EBITDA	293.7	+62.0%	+38.8%
EBIT	232.5	+67.6%	+43.7%

a) Gross margin

The Gross Margin grew 53.5% to EUR 348.3 million (+31.5% in local currency), thanks to increased renewable production following the commissioning of the Chafariz wind complex (472 MW) and a large part of the Luzia solar plant (108 MW of a total of 149 MW) and to the contribution of Termopernambuco's combined cycle, which, in view of the restriction on gas supplies, bought the energy at lower prices in the market to serve the current contract, which was also revised upwards in 2021.

b) Operating profit / EBIT

Net Operating Expenses for the period were EUR 53.9 million, slightly higher than the same period of 2021 in local currency (+2.0%). Partially compensating for the increase due to the higher average operating capacity with the lower expenditure in operation and maintenance due to the shutdown of Termopernambuco. As such, the EBITDA increased by 62.0% to EUR 293.7 million (+38.8% in local currency).



Amortisation, Depreciation and Provisions increased to EUR 61.2 million (+43.5%), up 23.0% in local currency, as a result of the Chafariz wind 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, the EBIT amounted to EUR 232.5 million (+67.6%; +43.7% in local currency).

2.6 Rest of the world (ROW)

(EUR million)	9M 2022	vs. 9M 2021
Revenue	640.4	+67.8%
Gross margin	472.9	+35.3%
EBITDA	318.1	+20.3%
EBIT	185.4	+36.1%

a) Gross margin

The Gross Margin of the business in the Rest of the World grew to EUR 472.9 million (+35.3%), thanks to the greater contribution from onshore and offshore wind in most geographies, the standout contribution being that of Poland, whose capacity (113 MW) was incorporated in June 2021.

b) Operating profit / EBIT

The EBITDA stood at EUR 318.1 million (+20.3%) after deducting the Net Operating Expenses, which increased by EUR 38.2 million to EUR –116.3 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 4.5 million, mainly due to the integration of the Polish wind farms in June 2021 and the new capacity of Australia, resulting in the EBIT reaching EUR 185.4 million (+36.1%).

4. Corporate and other businesses

The Corporation heading includes the Group's overheads and the administrative costs of running the corporate areas, which are subsequently invoiced 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*.

Balance sheet analysis





January September 2022

	Sep 2022	vs Dec 2021
TOTAL ASSETS	171,011	+20.6%
TANGIBLE FIXED ASSETS	88,051	+10.1%
INTANGIBLE FIXED ASSETS	21,021	+5.6%
NON CURRENT FINANCIAL INVESTMENTS	13,624	+109.6%
EQUITY	62,325	+11.0%

At 30 September 2022, Iberdrola's balance sheet showed total assets of EUR 171,011 million, up EUR 29,259 million versus December 2021.

1. Fixed Assets

Gross investments in the first nine months of 2022 amounted to EUR 7,567.5 million (+14.2%). The breakdown is as follows:

(EUR millions)	Jan Sep 2022	%
Networks business	3,060.4	40.4%
Spain	475.8	
United Kingdom	481.7	
United States	1,087.8	
Brazil	1,015.0	
Renewables business	3,687.4	48.7%
Spain	970.9	
United Kingdom	548.9	
United States	794.4	
Brazil	312.8	
Mexico	5.6	
Iberdrola Energía Internacional (IEI)	1,054.8	
Generation and supply business	686.4	9.1%
Spain	363.4	
United Kingdom	120.2	
Mexico	198.4	
Brazil	4.4	
Other businesses	7.0	0.1%
Corporation and adjustments	126.4	1.7%
Total gross investment	7,567.5	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 89.2% of gross investment in the first nine months of 2022.

Investments by business

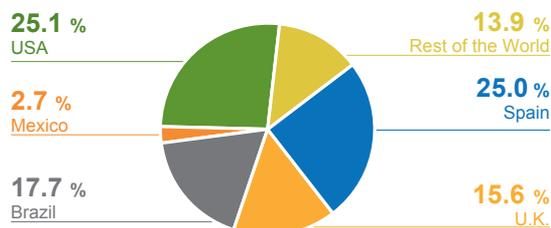
(January - September 2022)



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 3,687.4 million, equivalent to 48.7% of the total.

In the "Networks business" section, most investments were made in the USA and Brazil, for total amounts of EUR 1,087.8 million and EUR 1,015.0 million, respectively.

2. Working capital

Working capital increased by EUR 1,317 million during the year. The most relevant movements include, among others, the increase in accounts receivable from customers due to higher tariffs and prices, which



is partially offset by collections due to court rulings in Spain. The impact of collateral in organized markets is not material (-0.2 bn. Eur) due to positions that offset each other in the different geographies.

Current Assets	Sep-22	Dec-21	Variation
Assets held for sale	152	124	28
Nuclear fuel	260	267	(7)
Inventories	2,605	2,639	(35)
Trade and other receivables	13,729	8,183	5,546
Current Financial Investments	3,164	1,420	1,744
Derivatives financial instruments	6,856	2,411	4,444
Taxes Payables	1,691	2,773	(1,082)
TOTAL Current Assets*:	28,457	17,818	10,639

*Does not include cash or assets derivatives

Current Liabilities	Sep-22	Dec-21	Variation
Provisions	708	789	(81)
Derivatives financial instruments	5,246	1,588	3,657
Trade and other payables	14,677	9,780	4,897
Equity instruments with characteristics of financial liabilities	58	100	(42)
Taxes Payables	2,322	1,432	891
TOTAL Current Liabilities **:	23,010	13,689	9,322

**Does not include financial debt or debt derivatives liabilities

Net Current Assets	5,447	4,130	1,317
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3. Share capital

Iberdrola's share capital totalled EUR 4,772 million at 30 September 2022, represented by 6,362,094,000 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 September 2022 reached EUR 44,293 million, increasing by EUR 7,075 million from EUR 37,219 million as of September 2021.

Adjusted net leverage saw an improvement of 0.3%, up to 41.4% versus the 41.7% reported in September 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:

	Sep 2022	Sep 2021
Euro	40.8%	43.3%
US dollar	27.8%	24.9%
British pound	13.5%	18.4%
Brazilian real and other currencies	17.9%	13.4%
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:

	Sep 2022	Sep 2021
Fixed rate	86.4%	88.3%
Variable rate	13.6%	11.7%
Total	100.0%	100.0%

* Adjusted net debt excluding Neoenergia and including future funding hedging derivatives (EUR 5,193 million in Sep 22 and EUR 3,472 million in Sep 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 (pound sterling, 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:

	Sep 2022	Sep 2021
Corporate	72.6%	75.2%
UK	4.7%	5.4%
US	18.3%	16.1%
Other	4.4%	3.3%
Total	100.0%	100.0%

* Gross debt including hybrids, excluding leases and Neoenergia (EUR 8,305 million in Sep 22 and EUR 5,570 million in Sep 21)

This debt* breaks down by financing source as follows:

Market	Sep 2022	Sep 2021
EUR bonds	21.9%	26.0%
USD bonds	19.5%	18.7%
GBP bonds	6.7%	7.4%
Other bonds	5.9%	4.7%
Commercial paper	9.3%	8.7%
Multilateral banking and development	13.7%	15.5%
Structured financing	0.1%	1.4%
Leases	5.4%	5.4%
Banking	17.5%	12.2%
Total	100.0%	100.0%

* Adjusted gross debt.

The new environmental, social and governance (ESG) financing signed in the year to date amounted to EUR 7,359 million. The breakdown by product is as follows:

Product (EUR million)	Q1	Q2	Q3	Total
Green	2,088	1,231	720	4,039
Senior bonds	1,000	306		1,306
Multilateral banking and development	1,088	655	720	2,463
Structured financing		270		270
Sustainability linked		3,220	100	3,320
Bank loans		720	100	820
Credit facilities		2,500		2,500
Total new ESG financing	2,088	4,451	820	7,359

Thus, ESG financing amounted to a total of EUR 44,678 million including sustainable credit facilities, the sustainable European Commercial Paper (ECP) programmes and the new transactions signed to date (EUR 500 million). Iberdrola is the world's leading group in green bonds issued.

Iberdrola has a strong liquidity position totalling EUR 24,102 million, including transactions signed from 30 September to date (EUR 500 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 15 months in the risk scenario.

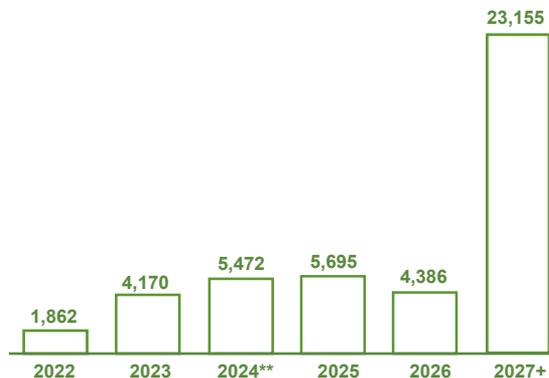
Liquidity	EUR million
Credit facilities	15,793
Cash, cash equivalents and IFTs	4,517
Committed financing	3,792
Total	24,102



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

Maturity debt profile

EUR million



* Non current adjusted financial debt excluding leases. Commercial paper maturities are shown in 2027+

** Includes: USD 400 million with a one year extension option and USD 500 million with a one or two year extension option

ADJUSTED NET FINANCIAL DEBT

Millions of euros	Sep 22	Sep 21
Loans and borrowings with credit institutions and bonds or other marketable securities	47,074	39,802
Deposits securing the value of CSA derivatives	109	
Liability derivative instruments	1,341	594
Leases	2,627	2,268
Gross financial debt	51,151	42,664
Capitalised derivative instruments	1,735	693
Deposits securing the value of CSA derivatives	119	202
Non current financial deposits	95	
Current financial investments (between 3 and 12 months)	83	70
Cash and cash equivalents	4,434	4,476
Total cash assets	6,465	5,441
Net financial debt	44,686	37,223
Treasury stock derivatives with physical settlement which, at the current date, are not expected to be executed	392	4
Adjusted net financial debt	44,293	37,219

5. Financial ratios

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

	Sep 2022	Sep 2021
Adjusted equity*	62,718	52,080
Adjusted net financial debt *	44,293	37,223
Adjusted net leverage	41.4%	41.7%
Adjusted funds from operations (FFO)**/ Adjusted net financial debt*	24.3%	23.4%
Adjusted retained cash flow (RCF)/ Adjusted net financial debt*	21.9%	21.0%
Adjusted net financial debt*/Adjusted EBITDA***	3.29x	3.41x

(*) Adjusted for treasury stock derivatives with physical settlement which, at the current date, are not expected to be executed (EUR 392 million in Sep 22 and EUR 4 million in Sep 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 for undue payment of the fee (accrual and ruling), social bonus ruling, nuclear fuel ruling and the gas deduction 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 corrected for the net tax adjustment, the effect for undue payment of the fee (accrual and ruling), social bonus ruling, nuclear fuel ruling and the gas deduction Royal Decree Law 17/2021.



6. Funds from operations

Funds from operations (FFO) in the last 12 months amounted to EUR 10,777 million, 23.6% more compared to the previous year.

	Sep-22- Sep-21	Sep-21- Sep-20	Change
Net profit attributed to the parent company (+)	EUR 4,580	EUR 3,338	EUR 1,242
Depreciation and amortisation charges and provisions (+)	EUR 5,145	EUR 4,500	EUR 645
Results of companies accounted for using the equity method (-)	EUR -92	EUR -	EUR -92
Gains/(losses) on non current assets (-)	-	-	-
Extraordinary corporate income tax (-)	-	-	-
Financial revision of provisions (+)	EUR 129	EUR 107	EUR 22
Minority interests (+)	EUR 674	EUR 491	EUR 183
Adjustment for tax deductible items (+)	EUR -1	EUR 471	EUR -472
Dividends on companies accounted for using the equity method (+)	EUR 54	EUR 56	EUR -2
Capital grants taken to profit or loss (-)	EUR -84	EUR -79	EUR -5
Other P&L adjustments (+)	EUR 300	EUR -244	EUR -544
Funds from operations (FFO)	EUR 10,705	EUR 8,640	EUR 2,065
Exit plan (+)	EUR 72	EUR 45	EUR 27
Proforma new acquisitions (+)	-	EUR 14	EUR -14
Proforma goodwill amortisation 1 year (+)	-	EUR 18	EUR -18
Adjusted funds from operations (FFO)	EUR 10,777	EUR 8,717	EUR 2,060
Dividends* (-)	EUR 1,097	EUR 912	EUR 185
Adjusted retained cash flow (RCF)	EUR 9,680	EUR 7,805	EUR 1,875

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

7. Financial transactions

New financing

The Iberdrola Group has signed new transactions for a total amount of EUR 9,486 million (including subsequent events) through various financing sources.

Product (EUR million)	Q1	Q2	Q3	Total
Senior bonds	1,625	1,060		2,685
Bank loans	303	886	247	1,436
Development and multilateral banks	1,088	787	720	2,595
Bank credit		2,500		2,500
Structured financing		270		270
Total new financing	3,016	5,503	967	9,486



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 ⁽⁶⁾	Sustainable bilateral loan	600.0	EUR		Jun 27
Iberdrola Financiación ⁽²⁾⁽³⁾⁽⁴⁾	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⁾	Green ICO loan	35.0	EUR		To be determined
Coelba ⁽²⁾	Green International Finance Corporation (IFC) loan	550.0	BRL		To be determined
Avangrid Renewables	Green TEI	71.8	USD		Dec 32
Avangrid Renewables	Green TEI	199.0	USD		Dec 32
Third quarter					
Central Maine Power (CMP) ⁽²⁾⁽⁴⁾	Green mortgage backed bond	75.0	USD	4.37%	Dec 32
Central Maine Power (CMP) ⁽²⁾⁽⁴⁾	Green mortgage backed bond	50.0	USD	4.76%	Dec 52
Rochester Gas & Electric (RG&E) ⁽²⁾⁽⁴⁾	Mortgage backed bond	125.0	USD	4.86%	Dec 52
NY State Electric & Gas (NYSEG) ⁽²⁾⁽⁴⁾	Private bond	150.0	USD	4.62%	Dec 32
NY State Electric & Gas (NYSEG) ⁽²⁾⁽⁴⁾	Private bond	125.0	USD	4.96%	Dec 52
United Illuminating (UI) ⁽²⁾⁽⁴⁾	Private bond	50.0	USD	4.62%	Dec 32
Coelba ⁽⁴⁾	Commercial notes	190.0	BRL	CDI+1.39%	Jul 27
Coelba ⁽⁴⁾	Commercial notes	310.0	BRL	CDI+1.54%	Jul 29
Celpe ⁽⁴⁾	Green commercial notes	200.0	BRL	CDI+1.39%	Jul 27



Borrower	Transaction	Amount	Currency	Coupon	Maturity
Celpe ⁽⁴⁾	Green commercial notes	250.0	BRL	CDI+1.54%	Jul 29
Companhia Energética de Brasília (CEB) ⁽⁴⁾	Public green bond (debenture)	100.0	BRL	CDI+1.59%	Jul 27
Companhia Energética de Brasília (CEB) ⁽⁴⁾	Public green bond (debenture)	200.0	BRL	CDI+1.72%	Jul 29
Cosern ⁽⁴⁾	Public bond (debenture)	500.0	BRL	CDI+1.28%	Jul 27
Cosern ⁽⁴⁾	Public bond (debenture)	80.0	BRL	CDI+1.43%	Jul 29
Elektro ⁽⁴⁾	Public green bond (debenture)	104.0	BRL	CDI+1.28%	Jul 27
Elektro ⁽⁴⁾	Public green bond (debenture)	96.0	BRL	CDI+1.43%	Jul 29
Cosern ⁽⁴⁾	Public infrastructure bond (debenture)	220.0	BRL	HICP+6.623%	Jul 29
Elektro ⁽⁴⁾	Public infrastructure bond (debenture)	300.0	BRL	HICP+6.623%	Jul 23
Neoenergia Lagoa dos Patos ^{(1) (4)}	Loan 4,131	18.7	USD		Jul 23
Neoenergia Vale do Itajaí ^{(1) (4)}	Loan 4,131	7,614	JPY		Jul 23
Neoenergia Lagoa dos Patos ⁽¹⁾	Loan 4,131	7,820	JPY		Aug 23
Neoenergia Vale do Itajaí ⁽¹⁾	Loan 4,131	39.1	USD		Jul 23
Neoenergia Guanabara ⁽⁷⁾	Loan 4,131	270	BRL		Jan 23
Iberdrola Financiación ^{(6) (4)}	Sustainable bilateral loan	120.0	EUR		Jul 27
Iberdrola Financiación	Sustainable bilateral loan	100.0	EUR		Aug 29
Iberdrola Financiación ^{(5) (4)}	Sustainable syndicated credit facility	2,500.0	EUR		Jul 27
Iberdrola Financiación ^{(3) (4)}	Green EIB loan	550.0	EUR		To be determined
Iberdrola Financiación ⁽³⁾	Green EIB loan	220.0	EUR		To be determined
Subsequent events ⁽²⁾					
Iberdrola Financiación ^{(2) (3)}	Green development bank loan	500.0	EUR		Oct-37

- (1) Currency swaps arranged to the company's functional currency
(2) Funding planned to be available in 2022
(3) Funding planned to be available in 2023
(4) Included as a subsequent event in the previous quarter's prospectus
(5) Option to extend for one year + one year
(6) Option to extend for one year
(7) Bridging loan
(8) Transactions signed after 30.09.2022

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
Iberdrola Financiación ⁽⁴⁾	Bilateral loan	300	EUR		Jul 23



Third quarter transactions

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

Capital market

Commercial paper

Market volatility is continuing to rise as a result of continued tension over the Russia Ukraine conflict, with inflation still surprisingly going up and central banks tightening their monetary policy, which will weigh on economic activity and growth. 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 consolidated the outstanding balance of its programme, increasing it from EUR 3,871 million at the end of June 2022 to EUR 4,129 million at the end of September, with a portfolio average life of approximately four months.

Banking market

The Iberdrola Group signed four bank loans for a total equivalent to EUR 247 million:

- three Neoenergia loans, under the terms of Decree 4131, for a total equivalent to BRL 770 million, with an average term of one year;
- a bilateral loan of EUR 100 million, linked to sustainability indicators, maturing in 2029.

Development and multilateral banks

In September, Iberdrola signed a second EUR 220 million increase of the EUR 550 million green loan with the European Investment Bank (EIB), which was signed in July 2021 (and that was already increased by EUR 50 million in December 2021), to finance the distribution investment programme in Spain for the 2021-2023 period.

Furthermore, in October, Iberdrola signed a green loan for EUR 500 million backed by the Spanish Export Credit Agency (Compañía Española de Seguros de Crédito a la Exportación — CESCE)—which was the first transaction under the new green foreign investment policy approved

by the agency—to finance various renewable energy projects in the United Kingdom, Portugal and Poland.



8. Credit ratings

	Moody's			Standard and Poor's			Fitch IBCA		
	Rating	Outlook	Date	Rating	Outlook	Date	Rating	Outlook	Date
Iberdrola S.A.	Baa1	Stable	May 2022	BBB+	Stable	Oct. 2021	BBB+	Stable	May 2021
Iberdrola Finance Ireland Ltd.(*)	Baa1	Stable	May 2022	BBB+	Stable	Oct. 2021	BBB+	Stable	May 2021
Iberdrola Finanzas S.A.U.(*)	Baa1	Stable	May 2022	BBB+	Stable	Oct. 2021	BBB+	Stable	May 2021
Iberdrola International B.V.(*)	Baa1	Stable	May 2022	BBB+	Stable	Oct. 2021	BBB+	Stable	May 2021
Avangrid	Baa2	Stable	July 2021	BBB+	Stable	March 2021	BBB+	Negative	Oct. 2021
CMP	A2	Stable	Feb 2022	A	Stable	July 2022	BBB+	Stable	Oct. 2021
NYSEG	Baa1	Stable	July 2021	A-	Stable	Sep 2022	BBB+	Stable	Oct. 2021
RG&E	Baa1	Stable	July 2021	A-	Stable	Sep 2022	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			July 2022	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						
Neoenenergía				BB-	Stable	March 2022			
Elektro				BB-	Stable	March 2022			
Coelba				BB-	Stable	March 2022			
Celpe				BB-	Stable	March 2022			
Cosern				BB-	Stable	March 2022			
Neoenenergía (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 Sept-2022 (Unaudited)

EUR M

ASSETS	Sept 2022	Dec 2021	Variation %
NON-CURRENT ASSETS	137,227	119,369	17,858
Intangible assets	21,021	19,909	1,113
Goodwill	8,444	8,312	132
Other intangible assets	12,577	11,596	981
Real Estate properties	308	310	-2
Property, plant and equipment	88,051	79,981	8,070
Property, plant and equipment	75,750	70,919	4,832
Property, plant and equipment in the course of construction	12,301	9,062	3,239
Right of use	2,449	2,260	189
Non current financial investments	13,624	6,499	7,125
Investments accounted by equity method	1,136	1,058	78
Non-current financial assets	31	25	6
Other non-current financial assets	6,036	3,994	2,041
Derivative financial instruments	6,421	1,421	5,000
Non-current trade and other receivables	5,027	3,764	1,263
Tax receivables	729	729	-
Deferred tax assets	6,019	5,918	100
CURRENT ASSETS	33,784	22,384	11,401
Assets held for disposal	152	124	28
Nuclear fuel	260	267	-7
Inventories	2,605	2,639	-35
Current trade and other receivables	15,420	10,956	4,464
Tax receivables	515	367	149
Other tax receivables	1,176	2,406	-1,231
Trade and other receivables	13,729	8,183	5,546
Current financial assets	10,913	4,364	6,549
Other current financial assets	3,366	1,533	1,833
Derivative financial instruments	7,547	2,831	4,716
Cash and cash equivalents	4,434	4,033	401
TOTAL ASSETS	171,011	141,752	29,259



EUR M

EQUITY AND LIABILITIES	Sept 2022	Dec 2021	Variation
EQUITY:	62,325	56,126	6,199
Of shareholders of the parent	45,515	40,479	5,036
Share capital	4,772	4,775	-3
Adjustments for changes in value	2,556	547	2,009
Other reserves	37,143	35,912	1,231
Treasury stock	-1,579	-1,860	281
Translation differences	-481	-2,779	2,299
Interim dividend	-	-	-
Net profit of the period	3,104	3,885	-781
Of minority interests	8,561	7,397	1,163
Hybrids	8,250	8,250	-
NON-CURRENT LIABILITIES	71,821	61,273	10,548
Deferred income	1,330	1,261	69
Facilities transferred and financed by third parties	5,644	5,424	220
Provisions	5,092	5,330	-239
Provisions for pensions and similar obligations	1,093	1,592	-499
Other provisions	3,998	3,738	260
Non Current Financial payables	46,275	37,175	9,100
Financial Debt- Loans and other	34,219	31,180	3,039
Equity Instruments having the substance of a financial liability	648	525	124
Leases	2,423	1,673	750
Derivative financial instruments	6,906	2,253	4,653
Other financial liabilities	2,080	1,545	535
Other Non Current payables	532	418	114
Tax payables	323	300	23
Deferred tax liabilities	12,624	11,363	1,261
CURRENT LIABILITIES	36,865	24,353	12,512
Provisions	708	789	-81
Provisions for pensions and similar obligations	22	27	-5
Other provisions	686	762	-76
Current financial payables	32,643	21,297	11,346
Financial Debt- Loans and other	12,855	9,984	2,871
Equity Instruments having the substance of a financial liability	58	100	-42
Derivative financial instruments	5,932	2,111	3,822
Leases	204	158	45
Trade payables	7,136	5,964	1,172
Other financial liabilities	6,458	2,980	3,478
Other current payables	3,514	2,268	1,247
Current tax liabilities and other tax payables	535	227	309
Other tax payables	1,787	1,205	582
Other current liabilities	1,192	836	356
TOTAL EQUITY AND LIABILITIES	171,011	141,752	29,259


Profit and Loss *(Unaudited)*

	EUR M		
	Sept 2022	Sept 2021	%
REVENUES	37,903.3	27,999.8	35.4
PROCUREMENTS	(23,247.4)	(15,413.9)	50.8
GROSS MARGIN	14,655.9	12,585.9	16.4
NET OPERATING EXPENSES	(3,791.4)	(3,153.4)	20.2
Personnel	(2,468.3)	(2,195.5)	12.4
Capitalized personnel costs	587.3	515.7	13.9
External Services	(2,522.6)	(2,131.6)	18.3
Other Operating Income	612.1	658.0	(7.0)
LEVIES	(1,335.4)	(1,267.5)	5.4
EBITDA	9,529.1	8,164.9	16.7
AMORTISATIONS AND PROVISIONS	(3,865.7)	(3,383.8)	14.2
EBIT / Operating Profit	5,663.4	4,781.1	18.5
Financial Expenses	(2,829.9)	(1,780.5)	58.9
Financial Income	1,450.9	1,084.4	33.8
FINANCIAL RESULT	(1,379.1)	(696.0)	98.1
RESULTS OF COMPANIES CONSOLIDATED BY EQUITY METHOD	171.4	5.0	3,324.1
PBT	4,455.8	4,090.0	8.9
Corporate Tax	(787.5)	(1,324.0)	(40.5)
Minorities	(564.7)	(357.8)	57.8
NET PROFIT	3,103.6	2,408.2	28.9



Results by Business (Unaudited)

	EUR M			
Sept 2022	Networks	Electricity Production and Customers (*)	Other businesses	Corporation and adjustments
Revenues	13,308.4	25,113.8	33.6	(552.5)
Procurements	(6,092.1)	(17,648.3)	(22.3)	515.4
GROSS MARGIN	7,216.3	7,465.5	11.4	(37.2)
NET OPERATING EXPENSES	(1,858.7)	(1,963.3)	(6.6)	37.2
Personnel	(1,360.6)	(766.9)	(7.5)	(333.3)
Capitalized personnel costs	437.2	142.6	-	7.5
External Services	(1,374.5)	(1,547.9)	(2.7)	402.6
Other Operating Income	439.1	208.9	3.6	(39.5)
LEVIES	(579.9)	(751.5)	(.5)	(3.4)
EBITDA	4,777.6	4,750.6	4.3	(3.4)
Amortisation and Provisions	(1,764.6)	(1,996.6)	(9.8)	(94.6)
EBIT/Operating Profit	3,013.0	2,754.0	(5.6)	(98.0)
Financial Result	(659.8)	(314.0)	1.2	(406.5)
Results of companies consolidated by equity method	9.8	243.2	(81.6)	.0
PBT	2,362.9	2,683.2	(85.9)	(504.5)
Corporate tax and minority shareholders	(790.3)	(747.2)	6.9	178.5
NET PROFIT	1,572.6	1,936.0	(79.0)	(326.0)

	EUR M			
Sept 2021 *	Networks	Electricity Production and Customers (*)	Other businesses	Corporation and adjustments
Revenues	10,712.4	17,582.5	151.7	(446.8)
Procurements	(4,646.6)	(11,082.5)	(100.4)	415.5
GROSS MARGIN	6,065.9	6,500.0	51.3	(31.3)
NET OPERATING EXPENSES	(1,611.8)	(1,627.8)	(12.2)	98.4
Personnel	(1,221.4)	(674.2)	(8.8)	(291.1)
Capitalized personnel costs	385.6	125.2	-	4.8
External Services	(1,115.5)	(1,425.9)	(3.5)	413.2
Other Operating Income	339.5	347.0	.1	(28.6)
LEVIES	(522.8)	(743.7)	(.7)	(.3)
EBITDA	3,931.3	4,128.5	38.4	66.8
Amortisation and Provisions	(1,486.0)	(1,801.1)	(7.6)	(89.2)
EBIT/Operating Profit	2,445.3	2,327.4	30.8	(22.4)
Financial Result	(391.7)	(122.2)	54.5	(236.6)
Results of companies consolidated by equity method	10.7	5.7	(10.9)	(.5)
PBT	2,064.3	2,210.9	74.4	(259.5)
Corporate tax and minority shareholders	(1,060.4)	(756.3)	(22.1)	157.0
NET PROFIT	1,003.8	1,454.6	52.3	(102.5)

(*) Re-expressed



Networks Business (Unaudited)

	EUR M			
Sept 2022	SPAIN	UNITED KINGDOM	USA	BRAZIL
Revenues	1,286.7	1,163.6	4,756.8	6,101.9
Procurements	(14.9)	(106.0)	(1,811.9)	(4,160.0)
GROSS MARGIN	1,271.8	1,057.6	2,945.0	1,941.9
NET OPERATING EXPENSES	(168.9)	(171.0)	(1,015.7)	(503.1)
Personnel	(221.2)	(204.1)	(608.7)	(326.6)
Capitalized personnel costs	100.9	129.8	206.5	-
External Services	(205.7)	(142.2)	(737.2)	(289.4)
Other Operating Income	157.0	45.4	123.7	112.9
LEVIES	(63.9)	(85.5)	(426.4)	(4.1)
EBITDA	1,039.0	801.1	1,502.8	1,434.7
Amortisation and Provisions	(473.1)	(302.0)	(608.9)	(380.7)
EBIT/Operating Profit	565.9	499.1	893.9	1,054.0
Financial Result	(28.7)	(110.9)	(89.4)	(430.9)
Results of companies consolidated by equity method	1.6	-	8.2	-
PBT	538.9	388.2	812.7	623.1
Corporate tax and minority shareholders	(86.8)	(80.1)	(320.1)	(303.4)
NET PROFIT	452.2	308.1	492.6	319.8

	EUR M			
Sept 2021	SPAIN	UNITED KINGDOM	USA	BRAZIL
Revenues	1,491.3	1,047.5	3,215.3	4,958.7
Procurements	(3.5)	(38.8)	(1,054.7)	(3,549.9)
GROSS MARGIN	1,487.8	1,008.7	2,160.6	1,408.8
NET OPERATING EXPENSES	(173.3)	(166.3)	(888.3)	(383.9)
Personnel	(222.7)	(190.1)	(569.6)	(239.1)
Capitalized personnel costs	101.5	121.7	162.3	(.0)
External Services	(203.7)	(144.8)	(545.3)	(221.7)
Other Operating Income	151.5	46.8	64.3	76.9
LEVIES	(64.2)	(83.6)	(372.0)	(3.1)
EBITDA	1,250.3	758.8	900.4	1,021.8
Amortisation and Provisions	(446.3)	(287.2)	(476.8)	(275.9)
EBIT/Operating Profit	804.0	471.6	423.7	746.0
Financial Result	(45.9)	(87.8)	(79.4)	(178.6)
Results of companies consolidated by equity method	2.0	-	8.8	-
PBT	760.0	383.8	353.0	567.4
Corporate tax and minority shareholders	(156.1)	(404.3)	(145.0)	(355.0)
NET PROFIT	603.9	(20.5)	208.0	212.4



Electricity Production and Customers

EUR M

Sept 2022	UNITED					
	SPAIN	KINGDOM	US	Mexico	Brazil	ROW *
Revenues	15,526.5	4,595.5	832.3	3,217.8	525.2	640.4
Procurements	(11,852.7)	(3,311.8)	(31.1)	(2,332.0)	(176.8)	(167.5)
GROSS MARGIN	3,673.8	1,283.7	801.2	885.8	348.3	472.9
NET OPERATING EXPENSES	(810.5)	(523.2)	(242.8)	(217.1)	(53.9)	(116.3)
Personnel	(345.2)	(131.2)	(161.7)	(48.3)	(25.9)	(54.4)
Capitalized personnel costs	41.6	21.3	30.0	6.8	2.9	25.4
External Services	(638.9)	(451.6)	(171.5)	(202.3)	(31.2)	(93.6)
Other Operating Income	132.0	38.2	60.4	26.7	.4	6.3
LEVIES	(566.8)	(85.1)	(56.5)	(3.8)	(.8)	(38.5)
EBITDA	2,296.5	675.4	501.9	664.8	293.7	318.1
Amortisation and Provisions	(738.4)	(454.5)	(431.4)	(179.2)	(61.2)	(132.7)
EBIT/Operating Profit	1,558.0	220.9	70.5	485.6	232.5	185.4
Financial Result	(7.0)	(33.1)	(62.7)	(135.1)	(48.3)	(27.9)
Results of companies consolidated by equity method	25.8	.6	230.9	-	(1.1)	(13.0)
PBT	1,576.9	188.4	238.7	350.5	183.1	144.6
Corporate tax and minority shareholders	(412.5)	(86.9)	(17.7)	(74.8)	(103.2)	(51.9)
NET PROFIT	1,164.4	101.5	221.0	275.7	79.9	92.6

EUR M

Sept 2021*	UNITED					
	SPAIN	KINGDOM	US	Mexico	Brazil	ROW *
Revenues	9,699.7	3,430.5	936.6	2,786.5	415.0	381.6
Procurements	(6,432.6)	(2,295.7)	(161.4)	(2,040.0)	(188.0)	(32.1)
GROSS MARGIN	3,267.2	1,134.8	775.2	746.5	227.0	349.5
NET OPERATING EXPENSES	(639.3)	(516.0)	(179.4)	(172.8)	(45.2)	(78.1)
Personnel	(337.8)	(126.6)	(112.5)	(38.4)	(18.4)	(40.6)
Capitalized personnel costs	41.6	20.1	13.4	8.9	2.5	19.7
External Services	(637.6)	(438.1)	(130.7)	(154.0)	(29.5)	(73.4)
Other Operating Income	294.4	28.6	50.4	10.7	.2	16.2
LEVIES	(586.9)	(95.1)	(50.9)	(3.5)	(.4)	(7.0)
EBITDA	2,040.9	523.7	544.9	570.2	181.3	264.4
Amortisation and Provisions	(675.4)	(409.0)	(386.2)	(160.5)	(42.6)	(128.2)
EBIT/Operating Profit	1,365.5	114.7	158.7	409.7	138.7	136.2
Financial Result	51.0	(33.3)	(44.2)	(50.8)	(24.3)	(22.0)
Results of companies consolidated by equity method	6.0	.1	(5.3)	-	6.1	(1.2)
PBT	1,422.5	81.5	109.2	359.0	120.5	113.1
Corporate tax and minority shareholders	(325.9)	(214.1)	(7.5)	(101.5)	(68.5)	(37.5)
NET PROFIT	1,096.6	(132.6)	101.7	257.5	52.0	75.5

(*) Re-expressed



Quarterly results (Unaudited)

EUR M

	JAN-MAR 2022	APR-JUN 2022	JUL-SEPT 2022
REVENUES	12,150.0	12,279.9	13,473.3
PROCUREMENTS	(7,464.6)	(7,096.5)	(8,686.3)
GROSS MARGIN	4,685.4	5,183.4	4,787.1
NET OPERATING EXPENSES	(1,151.3)	(1,340.5)	(1,299.6)
Personnel	(723.4)	(864.3)	(880.6)
In house work on fixed assets	175.9	200.4	210.9
External services	(780.7)	(882.3)	(859.6)
Other operating results	176.8	205.6	229.6
LEVIES	(583.2)	(350.0)	(402.2)
EBITDA	2,950.9	3,492.9	3,085.2
AMORTISATIONS & PROVISIONS	(1,203.9)	(1,317.7)	(1,344.1)
EBIT / OPERATING PROFIT	1,747.1	2,175.2	1,741.1
Financial expenses	(706.1)	(816.6)	(1,307.3)
Financial income	306.6	300.1	844.2
FINANCIAL RESULT	(399.5)	(516.5)	(463.1)
RESULTS FROM CO. CONSOLIDATED BY EQUITY METHOD	215.8	(54.8)	10.4
PBT	1,563.4	1,603.9	1,288.4
Corporate Tax	(311.5)	(388.3)	(87.7)
Minorities	(193.6)	(198.9)	(172.2)
NET PROFIT	1,058.3	1,016.8	1,028.6

EUR M

	JAN-MAR 2021	APR-JUN 2021	JUL-SEPT 2021
REVENUES	10,088.4	8,663.7	9,247.6
PROCUREMENTS	(5,484.3)	(4,761.9)	(5,167.7)
GROSS MARGIN	4,604.1	3,901.9	4,079.9
NET OPERATING EXPENSES	(1,048.7)	(1,071.0)	(1,033.7)
Personnel	(699.3)	(749.8)	(746.5)
In house work on fixed assets	158.2	182.0	175.5
External services	(669.0)	(742.8)	(719.8)
Other operating results	161.4	239.7	257.0
LEVIES	(741.3)	(201.4)	(324.9)
EBITDA	2,814.1	2,629.5	2,721.3
AMORTISATIONS & PROVISIONS	(1,101.4)	(1,100.7)	(1,181.7)
EBIT / OPERATING PROFIT	1,712.7	1,528.8	1,539.6
Financial expenses	(823.5)	(224.0)	(732.9)
Financial income	558.2	17.8	508.5
FINANCIAL RESULT	(265.4)	(206.3)	(224.4)
RESULTS FROM CO. CONSOLIDATED BY EQUITY METHOD	(3.9)	2.1	6.9
PBT	1,443.4	1,324.6	1,322.0
Corporate Tax	(282.4)	(732.1)	(309.5)
Minorities	(135.8)	(86.3)	(135.6)
NET PROFIT	1,025.2	506.2	876.9

(*) Re-expressed


Statement of origin and use of funds (Unaudited)

	9M 2022	9M 2021	Variation
Net Profit	3,104	2,408	695
Depreciation and amortisation charges and provisions (+)	3,866	3,384	482
Results of companies accounted for using the equity method (-)	(171)	(5)	(166)
Gains/(losses) on non-current assets (-)	-	-	-
Financial revision of provisions (+)	88	75	13
Minority interests (+)	565	358	207
Adjustment for tax deductible items (+)	53	525	(472)
Dividends on companies accounted for using the equity method (+)	30	25	6
Capital grants taken to profit or loss (-)	(64)	(61)	(3)
Other adjustments P&L (+)	734	(297)	1.031
FFO	8,204	6,412	1,792
Dividends Paid to Iberdrola shareholders	(890)	(570)	(320)
Total Cash Flow allocations:	(9,142)	(6,461)	(2,681)
<i>Gross Investments</i>	<i>(7,567)</i>	<i>(6,627)</i>	<i>(940)</i>
<i>Non core Divestments</i>	-	610	(610)
<i>Treasury stock</i>	<i>(1,575)</i>	<i>(2,444)</i>	869
<i>Issuance/ Hybrid</i>	-	2,000	(2,000)
Capital Increase	-	-	-
Transactions w/minorities	-	169	(169)
Neoenergia Brasilia acquisition	-	(409)	409
Translation differences	(2,275)	(933)	(1,342)
Other variations	(1,071)	(284)	(787)
Increasing/Decreasing net debt(*)	(5,174)	(2,076)	(3,098)

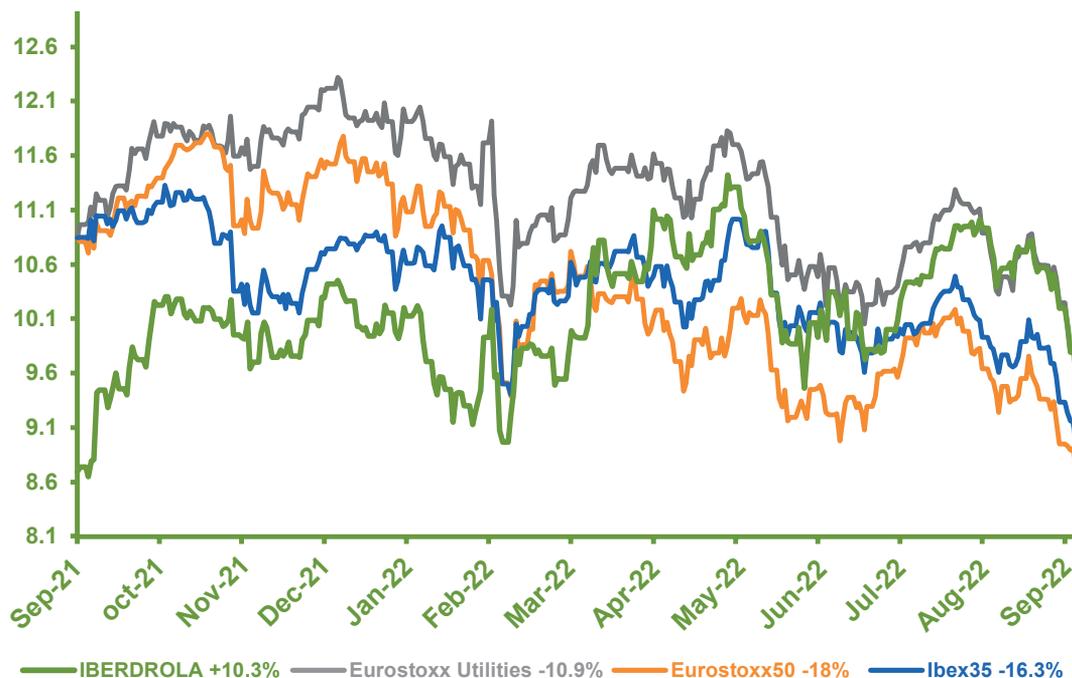
(*) vs December 2021

Stock market evolution





IBERDROLA stock performance vs. Indexes



IBERDROLA's share

	9M 2022	9M 2021
Number of outstanding shares	6,362,094,000	6,366,088,000
Price at the end of the period	9,582	8,684
Average price of the period	10,198	10,769
Average daily volume	14,415,775	12,812,832
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 (€)	0.4490	0.4220
Gross interim (02-02-2022 / 02-08-2021) ⁽¹⁾	0.1700	0.1680
Complementary dividend (29-07-2022 / 29-07-2022)	0.2740	0.2540
Engagement (06-20-2022 / -)	0.0050	0.0000
Dividend yield ⁽²⁾	4.68%	4.85%

(1) Purchase price of rights guaranteed by Iberdrola.

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

Regulation





Regulation in the European Union

EU reactions to the crisis caused by the Ukrainian war

1. ACER Wholesale Market Design Assessment

On 29 April 2022, the European Union Agency for the Cooperation of Energy Regulators (ACER) 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:

- The measures to address the price crisis, the effects of which pre date the invasion of Ukraine, must not jeopardise either what has already been achieved or the future of the energy transition. Any intervention measures 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.

2. REPowerEU Communication and other Commission proposals and analyses

On 8 March 2022, the European Commission adopted **Communication COM (2022) 108 REPowerEU**, with the aim of mitigating the effects of the crisis 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 and 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.

At the same Extraordinary Council, the Commission was given different 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.

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

As regards the **plan's focus on achieving independence from imports of Russian gas**, the Commission proposed, through Communication **COM (2022) 230 on the REPowerEU Plan**, to accelerate the **energy transition and to join forces** at the EU level in order 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 rollout of solar PV** on buildings in the coming years, as well as heat pumps.



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

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

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 the security of supply and energy transition.

3. Strengthening the robustness of the gas system

As an initial response to the risk of gas shortages, on 30 June 2022, the OJEU published **Regulation (EU) 2022/1032 of 29 June 2022 amending Regulations (EU) 2017/1938 and (EC) No. 715/2009 in relation to gas storage**.

This Regulation **requires States to reach 90% of their underground storage capacity by 1 November each year** (80% in 2022). Member States may count liquefied gas storage facilities, subject to certain conditions.

In addition, on 20 July 2022, the **Commission published Communication COM (2022) 360. Save gas for a safe winter**, which aims to pre-empt a

potential Russian gas supply cut off through gas savings. This Communication is accompanied by two policy proposals in order to implement the provisions of this Communication as well as REPowerEU: **changes to the Temporary Crisis Framework for State Aid to address the Ukraine War**, as well as a proposal for a **Regulation on Coordinated Demand Reduction Measures for Gas**.

The latter proposal is embodied in the publication, on 8 August 2022, of **Council Regulation (EU) 2022/1369 of 5 August 2022, which establishes a voluntary 15% reduction in gas demand** in each State for the period between 1 August 2022 and 31 March 2023, calculated on the average of the same period of the previous five years.

The **reduction in demand may be binding in the event an alert is declared**, which must be approved by the Council, acting on the proposal of the Commission or of five Member States. Demand reduction may be limited to 8% if a State demonstrates a low level of interconnection and is essentially dedicated to exporting to other States.

4. Regulation on emergency measures to reduce energy prices

The OJEU of 7 October 2022 published **Regulation (EU) 2022/1854 on an emergency intervention to address high energy prices**. While cautioning against the risk of uncoordinated measures, the Regulation **gives a great deal of flexibility to States to set their own measures** and benchmarks. Main elements of the measure:

- **Coordinated electricity demand reduction:** 10% indicative monthly reduction in gross consumption, and 5% binding reduction in peak consumption for those who can offer flexibility. Market based, non-discriminatory procedures that are not detrimental to electrification must be used.
- **Price cap for inframarginal technologies:** cap of EUR 180/MWh, applicable until 30 June 2023, on market revenues from wind, solar, nuclear, hydro, among others. The Commission will develop Guidelines for its implementation. Its proceeds will be used to support consumers and, in particular,



to compensate suppliers for the application of below-cost rates.

- **Mandatory solidarity contribution for the petroleum, gas, coal and refinery sector:** this contribution will be temporary, at least 33%, and applicable to profits in 2022 and/or 2023 that are more than 20% higher than the average profit made in the period between 2018 and 2021. Its proceeds will be used to support residential and energy intensive consumers, demand reduction measures and the promotion of renewables.
- **Consumer support measures:** allow (not oblige) States to introduce feed in tariffs not only for domestic electricity consumers and micro enterprises, but also for SMEs. The regulated price may, on an extraordinary and temporary basis, be below cost for a limited volume of energy, and the suppliers would have to be compensated.

Inclusion of gas and nuclear in European taxonomy

The OJEU of 25 July 2022 published Commission Delegated Regulation (EU) 2022/1288 of 6 April 2022 supplementing Regulation (EU) 2019/2088, specifying the **conditions for the inclusion of nuclear and gas generation** in climate change mitigation and adaptation taxonomies.

On the other hand, the **report strengthens the transparency of the activities**, in order to clearly differentiate the activities introduced in this Supplementary Act (nuclear and fossil energy activities) from the other activities (renewables, grids, renewable H2 etc.).

Regulation in Spain

Spanish Royal Decree Law 14/2022 of 1 August: in the field of energy, the measures are aimed at energy saving, energy efficiency and the promotion of electrification and renewable energies.

- **Promotion of storage:**
 - **Hydraulic storage:** allows the modification of an existing hydroelectric installation by

adding power electronics stages, where the changes allow for the reversible operation of the installation, without the generation technology being considered modified and therefore without the need to obtain new access permits.

- **Classifies hybridisation with storage** for the purposes of metering, registration etc. (including it in Type 3).
- Failure to comply with the hybridisation measurement requirements will result in cancellation of the entry in the register.
- **Promotion of self consumption**
 - **Reduces the minimum time spent in a specific type** (with/without surplus) from 1 year to 4 months.
 - **Streamlining of procedures for installations ≤100 kW: limits the time for activation of self consumption by the distributor to two months.** If it is not activated, a discount is established in the bill and assumed by the distribution company (it can pass this on to the supplier if it is due to causes attributable to it).
- **Promotion of renewable gases**
 - Changes to connection positions in order to accommodate grid injection of renewable gases are classified as minor changes.
 - Exemption from authorisation for all direct lines (not just single consumer lines).
- **Streamlining transmission and distribution procedures**
 - Modifications to transmission and distribution facilities that have obtained prior administrative authorisation (PAA) may obtain administrative authorisation for construction without requiring a new PAA when they meet certain conditions [already existed for generation].



- For transmission, mandatory CNMC report within 15 days, with the administration's failure to respond considered to be positive.
- Allows for the start of the procedure in singular installations of the transmission network while obtaining the cataloguing as such, which will be necessary in order to obtain the Administrative Authorisation.
- **Air conditioning in cooled and heated public enclosures**
 - The current RITE has been amended by revising the limitation of heating and cooling temperatures to 19 and 27°C, respectively, until 1 November 2023.
 - Requirement for automatic closing of doors (or installation thereof, if applicable) in buildings climate controlled by renewable energies.
 - Installation of signs or displays where temperatures and relative humidity are made visible to the public.
 - Anticipating technical inspections.
- **Reduction of VAT to 5% on sales of natural gas and biomass** (pellets, briquettes and firewood), from 1 October to 31 December 2022.
- **Creation of a new active demand response service in the electricity market.**
 - Mainland consumers of more than 1 MW can opt to provide remunerated demand reductions (or production increases, if available), in case of system need, for maximum periods of three hours with 15 minutes' notice.
 - This is allocated through annual auctions managed by the SO, with an implementation period from November to October of the following year. The first auction will be held before 1 November this year.
 - The availability of power to be reduced is remunerated according to the result of the auction, and the actual reductions in demand required by the SO, according to the price of tertiary regulation at any given moment.
 - It is financed by all consumers, according to their consumption, and by the parties responsible for the balance, according to their deviations.

In addition, the Royal Decree Law establishes a **transfer of EUR 1,360 million from the general state budget to Settlements of Regulated Activities in order to compensate for the loss of revenues due to the suspension of the tax on the value of electrical energy production (IVPEE) (7%).**

Spanish Royal Decree Law 17/2022 of 20 September: on urgent energy measures.

- **Mainland cogeneration plants are allowed to temporarily charge the generation market adjustment mechanism (gas cap)** in exchange for waiving the regulated remuneration. Applicable only to installations with a specific remuneration regime, from the time they apply for registration in the adjustment mechanism (starting on the first day of the following month) until they apply for de registration or the mechanism ceases to be in force. Afterwards, they return to the regulated remuneration they had previously received.
- **Streamlining of administrative procedures for renewable energies, including**
 - **Mandatory CNMC report for installation authorisation:** 15 days (previously there was no deadline), **positive silence and possibility of a favourable report without detailed analysis** if the sponsoring company has already received another favourable report for the same technology in the last two years (if the report was for similar projects of the same technology and its legal capacity has not changed).
- **New criteria are defined for the calculation of permissible load levels in the electricity transmission grid in order to minimise discharge.**



- **The eventual surplus of 2021 regulated settlements is earmarked as revenue in the 2022 settlements.**
- **The deadline for the submission of distribution network investment plans has been extended to 30 September 2022.** This affects the addenda to the 2021 and 2022 investment plans eligible for funding under the Recovery, Transformation and Resilience Plan (previous deadline of 21 February 2022), and the 2023 investment plans (previous deadline of 30 June 2022).

Distribution Remuneration: for the distribution of electrical energy for 2016, the base remuneration for several distribution companies has been modified, and the remuneration of electrical energy distribution companies for 2017, 2018 and 2019 has been approved. **Distributors' revenues were cut by around EUR 400 million for the period, and investments and expenses incurred by the companies are no longer recognised.**

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 August 2022, Ofgem recommended that the price cap is extended for another year to the end of 2023. Ofgem also confirmed its decision to update the price cap on a quarterly basis, starting on 1 October 2022. Ofgem is consulting on a review of the EBIT margin allowance in the price cap methodology.

Contracts for Difference: The UK Government has moved forward with its fourth CfD allocation round

(“AR4”) to support renewable generation, including offshore and onshore wind and solar PV. The Government indicated that the aim of that auction is to fund up to 12 GW of renewable generation capacity. The bidding deadline for the auction closed on June 15 and the results of the auction were announced on July 7, 2022, with ScottishPower Renewables being awarded 16 projects: East Anglia 3 (1.4 GW), 5 onshore wind projects (totaling 396 MW) and 10 solar PV projects (totaling 326 MW). The Government has also announced its intention to hold future contract for difference allocation rounds on an annual basis, starting with the fifth allocation round, which will open in March 2023.

Energy Price Guarantee: In September 2022 the Government announced additional energy bills support to be delivered by way of an ‘Energy Price Guarantee’ (EPG) applying to domestic energy bills in GB for two years from 1 October, ensuring that a household with typical dual fuel consumption pays around £2,500 a year. The EPG will limit the unit rate that energy suppliers can charge, with the Government reimbursing suppliers for the difference between this and the Price cap. Non-domestic energy users will be offered equivalent support for 6 months, with further support to be targeted on ‘vulnerable’ industries after a 3 month review. Emergency legislation will be used to implement this support package.

Energy Bill: In summer 2022 a new Energy Bill was introduced to Parliament, however, its legislative passage has been ‘paused’ given that the emergency legislation needed to implement the new energy bills support package will have to be prioritised in Parliament. The new BEIS Secretary of State might also be expected to consider the overall shape of the legislation in light of the priorities of the new Government. The main provisions of the Energy Bill are currently: (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

Inflation Reduction Act (IRA)

On 16 August, President Joe Biden signed the Inflation Reduction Act, an energy and climate bill that allocates nearly USD 370 billion in federal budgets to decarbonisation over the next decade, which would reduce emissions by 40% by 2030 (vs 2005). The legislation includes funds to support clean domestic energy, renewable energy development and production, and grid expansion. It also creates new tax credits for energy projects in the communities of vulnerable customers, existing nuclear plants, storage and clean hydrogen production.

Offshore wind energy: Under the IRA discussed above, the Trump administration's moratorium on offshore wind leases in the south eastern United States and eastern Gulf of Mexico has been lifted.

As a result, on 20 July, the BOEM initiated the comment process for the identification of two potential offshore wind energy lease areas in the Gulf of Mexico and the Outer Continental Shelf.

In addition, previously on 26 May, Interior Secretary, Deb Haaland, announced the auction of five lease areas for the development of offshore wind projects in central and northern California, scheduled by BOEM for December.

Finally, in September, the White House announced an inter agency effort to advance floating offshore wind energy technology. The goal is to roll out 15 GW before 2035, while reducing technology costs by 70% through a new Department of Energy programme and research and development funding.

Solar energy imports: On 16 September, the Department of Commerce issued a final rule implementing the two year moratorium on tariffs for certain solar cells

and modules imported from Cambodia, Malaysia, Thailand and Vietnam. Photocells must be used or installed within 180 days of the end of the moratorium, although additional guidance is expected in the fourth quarter. The Department of Commerce's investigation into the tax avoidance of solar PV equipment is ongoing and is not affected by this final rule.

On 21 June, the Uyghur Forced Labor Prevention Act went into effect. US Customs and Border Protection (CBP) now operates under the presumption that imports of all products manufactured in whole or in part in the Xinjiang region, including solar panels and their components, are made with forced labour and are prohibited from entering the United States. Importers must prove otherwise in order to import products from the Xinjiang region.

FERC: On 21 April and 16 June, FERC issued two Notices of Proposed Rulemaking (NOPR) to address regional transmission planning and cost allocation, and to reform the interconnection process to address large queue backlogs. Separately, in May, President Biden renominated FERC Chair, Richard Glick, to a second, five year term. Glick's current term expired in June.

NY - Rate Case

On May 26, NYSEGR and RGE submitted to the NY Public Service Regulatory Commission (NYPSC) their proposed rate revision for the period between May 2023 and April 2024. The proposal, based on various actions aimed at increasing reliability, resiliency and intelligence of the grid and improving service to customers, requires providing the companies with an additional \$438M per year.

On September 27, the NYPSC Staff responded to the proposal by recognizing an increase in revenues of \$329 million per year for the companies.

Hearings to discuss the various proposals will begin on November 2.

CT - Bill reduction for vulnerable customers

The Connecticut regulator (PURA) has proposed that distributors apply discounts to vulnerable customers starting in November 2023. The cost of this measure



will be funded by all other customers and recovered by distributors in the annual rate update.

CMP - Rate Case

On August 11, CMP submitted to the Maine Regulatory Commission (MPUC) its rate proposal for the period July 2023 through June 2026. CMP-D has put on the regulator's table an ambitious plan aimed at improving service to its customers by increasing the reliability, resiliency and intelligence of its networks. Funding this plan would result in a 3% increase in the average residential customer's total bill, keeping CMP-D's rates among the lowest in Maine. MPUC Staff is expected to respond to the proposal during October.

UI – Rate Case

On September 9, UI submitted to the Connecticut Regulatory Commission (PURA) its rate proposal for the period between September 2023 and August 2026. UI intends to improve service to its customers by increasing the reliability, resiliency and intelligence of its networks by undertaking various programs that require increasing rates by 5% per year.

Regulation in Mexico

T MEC energy consultations: On 20 July 2022, the US government formally communicated to the Mexican government its request for consultations under the dispute settlement mechanism provided for in the T MEC. The violations identified by the US relate to four points: i) Reform of the 2021 law on the electrical industry; ii) Government actions to hinder, delay and deny access to the operation of US companies in the energy sector in Mexico; iii) Postponement of the requirement to supply ultra low sulphur diesel only to Pemex; iv) Natural gas supply guarantee strategy. Subsequently, it was announced that the Government of Canada notified its support of the consultations initiated by the United States.

The Mexican government, through the Ministry of Economy, has stated that the consultations started in August and are still ongoing. If no agreement is reached through the consultations, either party may

request that an Arbitration Panel decide whether the United States and Canada are affected. The original timetable set 3 October as the target date for reaching a resolution through this consultation, but this date has now been extended.

Regulation in Brazil

Annual Allowable Revenues (RAP - Receitas Anuais Permitidas) of transmission companies for the 2022 2023 cycle

On 14 July, Approval Resolution no. 3067 was published, which establishes the Annual Allowable Revenues of electricity transmission companies for the 2022 2023 cycle. The value was adjusted upwards by 19.6% compared to the previous cycle, mainly due to the increase in the readjustment rate foreseen in the concession contracts, the expansion of the transmission network following the commissioning of 23 new contracts and approved upgrades, and the effects of revisions to the concessionaires' revenues. The overall result of the Basic Network's Annual Allowable Revenues during the 2022 2023 cycle amounts to BRL 41.9 billion.

Transfer of resources from the CDE

According to Law 14182/2021 (privatisation of Eletrobras), the granting of new concessions would be conditional on the payment, by Eletrobras or its subsidiaries to the CDE, of 50% of the value added to the concession by the new contracts. Therefore, on 22 July, ANEEL set the amounts to be transferred (Order No. 1959), with Neoenergia's distributors receiving BRL 829.38 million on 27 July, representing about 15.72% of the total distributed. Broken down by distributor, the amounts were: Neoenergia Brasília: BRL 95,724,014.81; Neoenergia Pernambuco: BRL 187,028,131.86; Neoenergia Coelba: BRL 283,274,306.43; Neoenergia Cosern: BRL 79,399,929.41; Neoenergia Elektro: BRL 183,958,465.40.

2022 annual rate adjustment - Neoenergia Elektro



On 29 August, ANEEL's Approval Resolution no. 3100 was published, referring to Neoenergia Elektro's 2022 Annual Rate Readjustment. The total average effect for consumers was 15.77% (11.61% for low voltage consumers and 23.72% for high and medium voltage consumers).

The variation in Parcel A was 21.48%, totalling BRL 6.41 billion, impacted by increases of 41.89% in industry charges, 37.13% in transmission network costs and 5.46% in energy costs. The variation in Part B was 9.32% (BRL 2.65 billion), reflecting the accumulated inflation (IGP M) since the last readjustment of 10.08%, minus the Factor X of 0.76%.

Extraordinary rate review resulting from Law no. 14385/22

On 13 July, Approval Resolutions 3055, 3056 and 3057 were published for Neoenergia Pernambuco, Neoenergia Coelba and Neoenergia Cosern, respectively, resulting from the Extraordinary Rate Review due to Law 14385/2022. These resolutions concern the refund of the amounts resulting from the exclusion of the ICMS tax from the basis for calculating PIS/COFINS, which was previously charged on energy bills. The average effect on current rates at Neoenergia Coelba, Neoenergia Cosern and Neoenergia Pernambuco was -0.50%, -1.54% and -4.07%, respectively.

Sustainability Performance - ESG

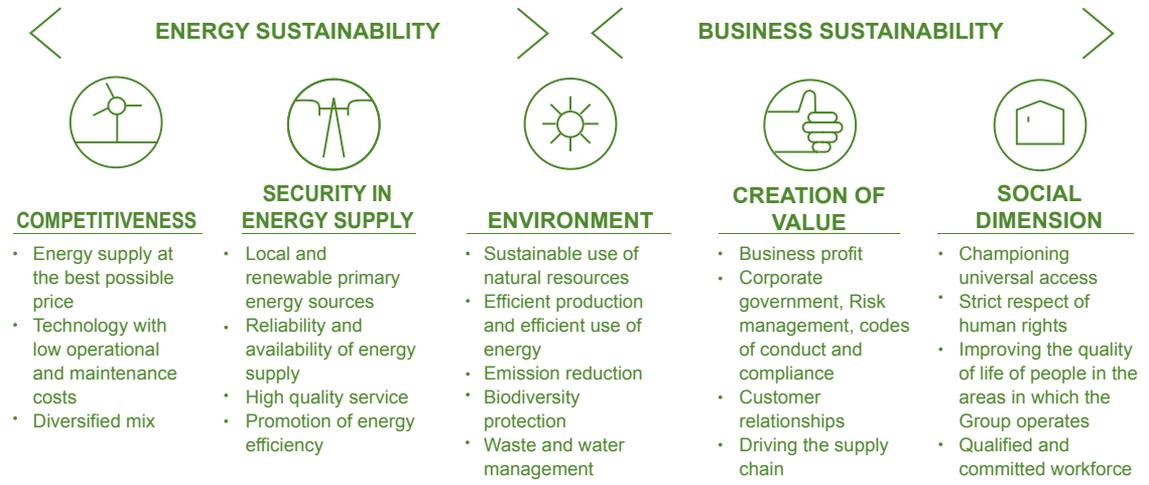




Iberdrola's contribution to sustainable development is reflected in sustainable corporate responsibility practices that meet the needs and expectations of its stakeholders.

In this section, the company describes its performance in the non financial areas (environmental, social and governance) 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	9M 2022	Related SDGs
A world leader in renewable energy	<i><u>For you, for the planet</u></i>	 
Climate action report	<i><u>Global leader in climate action</u></i>	 
Green hydrogen	<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>	 
Talent	<i><u>People, our core value</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	9M 2022	9M 2021
Contribution to GDP (Gross Margin) (*)	0,56%	0,46%
Contribution to GDP (Net Revenues) (*)	2,03%	1,18%
Net profit (EUR million)	3,103.6	2,408.2
Dividend yield (%)(**)	4.68%	4.85%
Sustainability Indicators	9M 2022	9M 2021
Own CO ₂ emissions over the period (gCO ₂ /kWh): Total	81	92
CO ₂ emissions over the period (gCO ₂ /kWh): Europe	59	54
CO ₂ emissions over the period (gCO ₂ /kWh): Spain	69	61
CO ₂ emissions over the period (gCO ₂ /kWh): UK	0	0
CO ₂ emissions over the period (gCO ₂ /kWh): US	37	56
CO ₂ emissions over the period (gCO ₂ /kWh): Brazil	0	63
Own CO ₂ emissions over the period (gCO ₂ /kWh): Mexico	297	305
CO ₂ emissions over the period (gCO ₂ /kWh): RoW	8	5
Ratio own emission-free production to total production: Total (%)	79%	76%
Ratio emission-free production to total production: Europe (%)	86%	88%
Ratio emission-free production to total production: Spain (%)	84%	87%
Ratio emission-free production to total production: UK (%)	100%	100%
Ratio emission-free production to total production: US (%)	91%	86%
Ratio emission-free production to total production: Brasil (%)	100%	78%
Ratio own emission-free production to total production: Mexico (%)	17%	14%
Ratio emission-free production to total production: RoW (%)	98%	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%	79%
Ratio of emission-free installed capacity: UK (%)	100%	100%
Ratio of emission-free installed capacity: US (%)	91%	90%
Ratio of emission-free installed capacity: Brasil (%)	89%	88%
Ratio of own emission-free installed capacity: México (%)	30%	35%
Ratio of emission-free installed capacity: RoW (%)	91%	90%

Note: Third-party installed capacity and production not included

(*) Source: Iberdrola Results and National Quarterly Accounting for Spain — INE (Base 2010. Last published data Q2 2022)

(**) Dividends paid in the last 12 months and attendance bonus/share price at end of period



E Environmental

Environmental highlights during this period are as follows:

Fight against climate change

In New York, Ignacio Galán reaffirms Iberdrola's investment commitment to the energy transition

In New York, the president of Iberdrola reaffirmed the company's investment commitment to the green transition, both globally and in the United States, and called on policymakers and businesses to work together more closely to overcome the barriers that continue to hinder the deployment of clean energy and the necessary investment in renewables, networks and storage. Ignacio Galán spoke about this at a round table organised by the Climate Leaders Group and chaired by the VicePresident of the European Commission, Frans Timmermans, within the framework of Climate Week in New York.

A green hydrogen project by Iberdrola—strategic for the EU

Iberdrola's green hydrogen project for industrial uses in Puertollano (Ciudad Real) and Palos de la Frontera (Huelva) has been chosen by the European Commission as a "strategic project" for Europe (IPCEI – Important Projects of Common European Interest). It is one of the 35 projects across Europe – more than 630 that have been submitted – that will be eligible for public aid of up to EUR 5,200 million from the Member States. This will mobilise a private investment of EUR 7,000 million.

Commissioning of the first smart agrivoltaic plant in Spain

Iberdrola has commissioned the first intelligent agrivoltaic plant in Spain in vineyards located in the town of Guadamur, in the province of Toledo. This innovative installation allows the arrangement of the modules to be adapted to the needs of the vineyards, to regulate the incidence of the sun and the temperature thanks to the shade from the panels. This project, called Winesolar, has also

had the collaboration of the advanced technology solutions provider Techedge and the manufacturer of trackers and structures for PVH solar panels.

Commissioning of Iberdrola's first commercialscale battery system in the world

Iberdrola has commissioned its first commercialscale battery system in Ireland in the world. This facility, with 50 megawatts (MW) of power and 25MWh of energy capacity called Gorman, is also the first renewable project built by the company in this country in more than 25 years.

Adherence to the UN's principles for a sustainable ocean

Iberdrola and AVANGRID have adhered to the United Nations Global Compact's Sustainable Ocean Principles. In doing so, they reaffirm their commitment to promoting sustainable and responsible offshore wind energy projects that accelerate the transformation to a cleaner and more resilient energy system. The Sustainable Ocean Principles are a framework of the United Nations Global Compact to guide the contribution of business to the care of the oceans. They describe responsible business practices for ocean activities and processes.

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 zeroemission agriculture and livestock farming with energy efficient solutions, selfconsumption and sustainable mobility, as well as other solutions to promote biodiversity, CO₂ capture, the circular economy and the promotion of new zeroemission fertilisers.
- Iberdrola will plant more than 270,000 trees of indigenous species and will ensure that entire ecosystems that promote biodiversity are created, with the aim of recovering degraded land, reducing



erosive processes, improving the landscape and recovering biological and forest activity. This initiative is part of Iberdrola's commitment to the environment, in which the company has set out to promote the planting of 20 million trees during this decade, which will capture approximately 6 million tonnes of CO₂ in 30 years.

S Social

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

Employment and wellbeing

As a driver of social transformation, Iberdrola has made a commitment to hire close to 20,000 new employees in the 2020-2025 period. In this sense, the energy company directly and indirectly employs more than 400,000 people worldwide. ScottishPower has announced that it will create at least 1,000 new jobs in the next 12 months. These contracts will cover the needs caused by the record number of green energy infrastructure projects the company managed to close during the first half of 2022.

Training and research

Iberdrola carries out pilot projects with different companies to test new technologies and business models that are aligned with the areas of interest of its businesses. Each year it carries out around 25, within the framework of its Iberdrola – PERSEO startup programme, as an important preliminary step in the search and identification of emerging companies. Over 15 years, PERSEO has oriented its actions to analysing business opportunities and collaborating with startups and emerging companies all over the world, in areas such as artificial intelligence for the digitalisation and automation of processes, smart efficiency solutions, recharge infrastructure for vehicles or the development of solar projects in emerging economies.

Diversity and inclusion

- Neoenergia has announced its ESG (environmental, social and governance) targets approved by the company's management until 2030. The commitments made include increasing diversity in the company in terms of gender and race in leadership positions and increasing the number of women in electrician-related positions.
- Within the framework of its first week of Diversity and Inclusion (D&I) (*Semana de la Diversidad e Inclusión*), Iberdrola Mexico has signed a decalogue of commitments and actions to make progress as an increasingly diverse and inclusive company, to promote the wellbeing of its employees and to position itself as a benchmark of the sector in this area. This year, the event was held at Neoenergia, Iberdrola Spain, ScottishPower and AVANGRID, reinforcing the commitment of each of our subsidiaries to a more inclusive working environment and society.
- Iberdrola Mexico hosted the annual meeting of the Aequales Community, which is considered the largest network in Latin America dedicated to promoting gender equality. The company has opened its doors to representatives from companies such as AstraZeneca, SAP, General Motors, Henkel, Manpower and AT&T to address advances and challenges in diversity and inclusion.

Support to mitigate the effects of the hurricane

Iberdrola has joined the efforts to recover electricity service in Canada following the passage of Hurricane Fiona, one of the most brutal on record and has mobilised from the United States, through its distributors in Maine and Connecticut of its subsidiary AVANGRID, 31 teams with support staff and additional equipment. They've moved to Northern Canada, the location of the most damaging effects of the hurricane. Iberdrola thus responded to the request for assistance from 'Nova Scotia Power', after reporting that more than 80% of its customers were without electricity.



Legal pro bono programme for nonprofit entities

Iberdrola's legal professionals will offer free voluntary legal advice to nonprofit organisations where the group has a presence. The beneficiary entities must lack the resources to cope with the expenditure and have an end that pursues the common interest. This is the first time that the professionals of a Spanish business group have carried out this initiative jointly and globally.

Corporate volunteering

- For World Environment Day and Oceans Day, reforestation, cleaning of the beach and seabed, environmental education, recycling, awareness raising, estimation and reduction of the plastic footprint workshops have been given.
- A new collaboration project has been launched with the Envera Group's Training and Labour Insertion Service, which will consist of two phases: In the first phase, volunteers and persons with disabilities will create the Aula DisFriendly (Disfriendly Classroom); in the second phase, environmental workshops will be taught in the classroom on renewable energies and approaches to the economy and green jobs.
- 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.

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.**
- **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 sociooccupational insertion programmes cofinanced 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.
- **The awarding of diplomas** from the English language immersion course organised with the Education Department of the Regional Government of Castilla y León.
- **Collaboration with SEO/BirdLife** for the study of the migratory routes of the black kite, blackbellied sandgrouse and hobby in 2022.
- **Inauguration of the field work** of the Villatobas Air Surveillance Squadron (*Escuadrón de Vigilancia Aérea de Villatobas*).
- **Lighting projects in progress:** façade of the CESEDEN, Esclusas Canal de Castilla de Frómista, Iglesia Ntra. Sra. de la Antigua (Monforte de Lemos), San Hipólito Church in Palencia (Támara de



Campos), the Capitanía General de Sevilla and Puente del Henares.

- **The lighting of the Cathedral of Sigüenza has been inaugurated.**
- **Atlantic Romanesque works** in the churches of San Vicente and San Juan de Puerta Nueva.
- **Inauguration of the exhibition area showcasing the garments of King Boabdil.**
- **Restoration of the altarpiece** of the Virgin of the Rosary of the Church of Santa María del Olmo in Ceclavín.
- **Presentation of the painting ‘Atalanta and Hippomenes’**, which has been restored thanks to collaboration with the Prado National Museum.
- **“Un patrimonio de todos” (Everyone’s heritage) exhibition**, organised by the government of CastillaLa 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 Andalucía.
- **Renewal of the agreement** with the Monastery of San Millán de la Cogolla for the restoration of six codices from the 15th, 16th and 17th centuries.
- **Collaboration with the ThyssenBornemisza National Museum** in the launch of ‘Ficción Sonora’ within the Museo Fácil (Easy Museum) educational project.
- **Opening of the exhibition “Sorolla, en negro” (Sorolla in Black).**
- **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:

- **Wheeling for Independence:** a project to help young people with disabilities use wheelchairs and gain independence.

- **Industrial Cadets Bronze and Our Green Garden Project:** an environmental challenge that uses gardening to inspire young people towards a future based on STEM and the environment.
- **Fitting In and Standing Out:** the development of materials for teachers and local authorities’ sensory service providers to carry out structured training.
- **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.
- **Ocean Recovery Project:** this project will expand on the successful pilot project carried out in the South West of England to prevent the dumping of unnecessary fishing nets at sea.
- **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 largescale restoration of the UK’s seagrass meadows.
- **Inspire Disability Arts:** a project to establish equal access to the performing arts for people with learning difficulties in Scotland, creating a tiered structure from primary school through to vocational training and employment.
- **Heritage Craft Skills Programme:** a project that provides training and employment opportunities to the local community.
- **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.
- **Levelling the playing field: providing a digital lifeline for young people across Scotland:** a sport and employability programme to provide a second chance to young people who have dropped out of school following COVID19.
- **One Step at a Time out of Mental Health:** a project supporting people who have suffered from brain injuries to reduce isolation and increase education and understanding within communities.
- **Links Community Food Project:** the creation of a community food distribution centre.
- **Music Connects Communities:** support for families living with dementia by expanding and supporting a network of Help Points across the UK to reach people with dementia in their own communities and use music to improve their health, wellbeing and social connections.
- **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:

- **The RIT Electric Vehicle Team:** a student organisation at the Rochester Institute of Technology focused on the design and manufacture of electronic systems and batteries.
- **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 oneyear 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 underrepresented 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).
- **Power the Future Programs:** field trips for students from Tompkins and Cayuga Counties to the Sciencenter Discovery Museum in Ithaca, NY.
- **Summer Intern Sustainability Projects:** summer sustainability research grants for three students from the Cornell Institute for Public Affairs.
- **Gulf of Maine Research (year 3):** a fiveyear collaboration that aims to advance research objectives related to ocean science, fisheries management and business and community resilience.
- **Youth Programming:** collaboration with the Connecticut Women’s Hall of Fame to create women’s empowerment programmes throughout the state.
- **Restoration grants at Yale Museum of Natural History:** grants for the restoration of the Yale Museum of Natural History’s iconic North American dioramas.
- **Habitat for Humanity National Partnership (Year 4):** a programme to address neighbourhood stabilisation and housing shortages for lowincome people.
- **Energised for Good – Employee Giving – Match:** employee contributions to a variety of community organisations to promote the common good.
- **Collaboration with American Red Cross:** institutional preinvestment in disaster recovery, resilience and preparedness in communities served by AVANGRID.



- **All Together New Mexico Fund – Food Acquisition and Distribution:** support for the Santa Fe Community Foundation for the procurement and distribution of food in New Mexico.
- **The Secure Jobs initiative:** a collaboration with United Way – Greater New Haven to create initiatives for the social and occupational integration of 25,000 people at risk of social exclusion.

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 bobcat 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 Huasteca 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 southeast of Mexico:** enhancing the wellbeing 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 WWFBrazil, conducting research on coral restoration.
- **Green Impact:** a socioenvironmental acceleration programme for organisations to structure their management processes, innovate and increase their socioenvironmental impact.
- Call for **‘Transformando Energia em Cultura’** for sociocultural projects that contribute to the SDGs and that value local culture.
- **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 Energia que Transforma (Energy That Transforms Caravan):** a project to expand fundraising opportunities, optimising actions and impacting income generation.
- **Resgatando a História (Recovering History):** an initiative aimed at arousing the interest of the private sector in supporting projects to recover Brazil’s historical and artistic heritage.
- **‘Entre o céu e a favela’ | Municipal Law on the Promotion of Culture in the City of Rio (ISS Law):** a project by one of the winners of the Inspire (*Inspirar*) Award to expand activities to serve children and youth from the communities surrounding Rio.



- 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 Aceleração Social Impactô (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 Territories)**: a project to improve the management, governance and sustainability capacities of communitybased organisations.
- **Redes de Territórios pela Infância (Networks of Territories for Children)**: a project to strengthen the 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)**: a project promoted through the São Paulo Sports Incentive Law that works with children and teenagers in the development of socioemotional skills by practising Tai Chi Chuan.
- **Educando pelo Esporte (Educating through Sport)**: a project promoted through the São Paulo Sports Incentive Law to develop socioemotional skills through the practising 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 governance (ESG), including, among others, the following:

- updating risk policies;
- strengthening the company’s commitment to the emotional, psychological and social wellbeing 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 pay and the protection of adoption and preadoption 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 *Bylaws* 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 participation 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 ebook reader or any other mobile device.

Material information reported to the Spanish stock market commission (CNMV)

Highlights during the third quarter of 2022 were as follows:

- On 27 July 2022, the company published the presentation of results for the first quarter of the 2022 financial year.

On the same date, the company announced the modification of the schedule of the first edition of

the optional dividend system "Iberdrola Retribución Flexible" for the 2022 financial year.

On 28 July 2022, the company informed the CNMV of the first scrip issue approved by the General Shareholders' Meeting of 17 June 2022, as well as the distribution of the final dividend for the financial year 2021, all as part of the first round of the "Iberdrola Retribución Flexible" optional dividend scheme, which was filed with the Bizkaia Companies Register on 2 August.

Consequently, Iberdrola's share capital after the capital increase stood at EUR 4,771,570,500.00, represented by 6,362,094,000 common shares, each with a nominal value of EUR 0.75.

- On 29 July 2022, IBERDROLA sent the CNMV its financial information for the first half of financial year 2022.
- Finally, on 14 September 2022, the company announced that Iberdrola Renovables Deutschland GmbH, an indirect subsidiary of Iberdrola Energia Internacional, S.A. (Sociedad Unipersonal), signed an agreement for the acquisition by Youco F22H451 VorratsGmbH & Co. KG of 49% of the share capital of Iberdrola Renovables Offshore Deutschland GmbH, the holding company of the Wiking offshore wind farm in Germany. Furthermore, it was reported that Iberdrola Renovables Deutschland GmbH will maintain control of Iberdrola Renovables Offshore Deutschland GmbH and will continue to provide the necessary operation and maintenance services for the operation of the wind farm.

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 nonfinancial information for 2021.
4. Corporate management and performance of the Board of Directors in 2021.
5. Reelection 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 *Bylaws* 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 *Bylaws* 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. Reelection of Mr Anthony L. Gardner as an independent director.

16. Ratification and reelection of Ms María Ángeles Alcalá Díaz as an independent director.
17. Ratification and reelection 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 the authorisation and delegation 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 reelection 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 nonfinancial 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 NonFinancial 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* (TCFD) are structured. Specifically, the potential financial impact of two scenarios in the 2030 horizon has been analysed.

control systems, the Code of Ethics or any other rules or procedures in the hiring of Cenyt by some of the Group's companies. Therefore, the impact of these facts for Iberdrola, S.A. or for the companies of its group would be limited, if applicable, to the reputational area.

Information on the existence of instances of corruption during the year

Iberdrola continues to collaborate with the Administration of Justice in the clarification of the circumstances related to the contracting of the company Cenyt by some companies of the group, in order to make effective the responsibilities that, if applicable, may arise, as well as to defend its good name and reputation.

The corresponding legal proceedings are being conducted before the Central Court of Instruction No. 6. No group company is under investigation in these proceedings, in which Iberdrola, S.A. is a party to the proceedings as an injured party.

The free dismissal of the Chairman and CEO and of the other current and former directors and former administrators of Iberdrola, S.A., who were under investigation in the proceedings, has been confirmed, with the exception of a former head of the security area of the company, now disassociated from the company, who continues to be under investigation. Likewise, the appeal of Iberdrola, S.A. against the dismissal agreed by the Court with respect to another former executive, also now separated from the company, who performed functions in the accounting area and with respect to whom actions for crimes of misrepresentation and disclosure of secrets were duly brought by the company, is pending resolution.

The review and analysis of the internal processes, which were carried out with the help of independent experts and in accordance with the Group's Governance and Sustainability and Compliance System, did not reveal any violation of the internal



Notifications sent to Spanish stock market commission (CNMV) from July to September 2022		
Date	Event	Registration no.
01/07/2022	Implementation of the reduction of share capital by means of the redemption of own shares approved by the General Shareholders' Meeting of 17 June 2022 under item 13 of its agenda.	17159
06/07/2022	Supplement to the information memorandum relating to the terms and conditions of the first edition of the "Iberdrola Retribución Flexible" optional dividend system corresponding to the fiscal year 2022.	17223
06/07/2022	Registration of the public deed of share capital reduction by means of the redemption of own shares approved by the General Shareholders' Meeting of 17 June 2022 under item 13 of its agenda.	17229
06/07/2022	Total number of voting rights and share capital resulting from the share capital reduction approved by the General Shareholders Meeting on 17 June 2022.	17230
13/07/2022	2022 first half Results announcement.	17349
15/07/2022	The Company reports its Energy Balance Sheet for the first half of 2022.	17403
27/07/2022	H1 2022 Results.	17576
27/07/2022	H1 2022 Results Presentation.	17580
27/07/2022	Changes to the calendar of the first edition of the "Iberdrola Retribución Flexible" optional dividend system corresponding to the fiscal year 2022.	17607
28/07/2022	Closing of the first edition of the "Iberdrola Retribución Flexible" optional dividend system corresponding to the fiscal year 2022.	17682
29/07/2022	The Company submits financial information for the first half of 2022.	17778
02/08/2022	Total voting rights and capital flowing the capital increase 2022.	17817
09/08/2022	The company submits the regulations of Board of Directors.	17913
14/09/2022	Sale of a minority stake of 49% in the share capital of the owner company of the Wikinger offshore wind farm.	18235



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

	Sustainability
	Rating/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 2021	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
InfluenceMap	Iberdrola First company in the Climate Policy Engagement ranking
Standard 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 10 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 Ibx 35**

Iberdrola has been selected as the most transparent company in the Ibx 35 by Transparency International. The institution has presented the conclusions of the Corporate Transparency Index on Integrity, Compliance and Human Rights of the Ibx 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 climatic 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 Investor Relations team is the protagonist in the Institutional Investor Research Group awards**

Iberdrola has won the Institutional Investor Research Group's prestigious awards. Up to six statuettes have been accumulated by the Investor Relations team: Best Investor Relations Company in the Energy Sector of Developed Europe, Best Chief Financial Officer, Best Investor Relations Programme, Best ESG Programme, Best Investor Relations Team and Best Investor Relations Professional, the latter being awarded to Diego Morón.



- **Iberdrola, the best European company when it comes to the dissemination of ESG information**

Iberdrola is the best European company when it comes to the dissemination of environmental, social and governance (ESG) information, according to the world ranking of the League of American Communications Professionals (LACP), which has evaluated nearly 1,000 annual reports (including in digital format) from different companies in more than 20 countries around the world. Iberdrola was awarded first place in Europe, Middle East and Africa (EMEA) and the Platinum Award, with a score of 99 out of 100 for its new digital space “ESG Information” in the category of “Print Based Alternative Reports”.

- **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. Furthermore, AVANGRID has again been recognised for its ESG criteria. The US subsidiary of Iberdrola has been designated to be part of the FTSE4Good index. This is the fifth year in which the company, which is listed on the New York Stock Exchange, has been included in this prestigious international index.

- **SP Energy Networks obtains the Science Based Targets stamp**

SP Energy Networks has become the first major network operator in the UK to obtain the Science Based Targets (SBTi) stamp. This initiative promotes the establishment of science based

emission reduction targets in the private sector and is the result of the collaboration between the Carbon Disclosure Project (CDP), the United Nations Global Compact, the World Resources Institute (WRI) and the World Wildlife Fund (WWF).

- **Iberdrola Mexico wins the Award for Excellence for best business quality**

Iberdrola Mexico has won the Global Performance Excellence Award (GPEA) 2022, in its highest category—World Class. The Asia Pacific Quality Organization (APQO) recognised the company’s business management model, which is seen as a benchmark for other organisations. The Global Performance Excellence Award is considered the world’s number one quality award. Its objective is to encourage organisations to adopt best management practices, as well as systems that ensure sustainable process optimisation and business excellence in the Asia Pacific region.

- **Neoenergia Cosern receives the 2022 Abradee award for the best operating management distributor in Brazil**

Neoenergia Cosern has received the 2022 Abradee award for the best operating management distributor in Brazil, an award given by the Brazilian Association of Electric Power Distributors (Associação Brasileira de Distribuidoras de Energia Elétrica or Abradee) among companies with more than 500,000 consumers. The company was also among the best valued distributors in the country and the best managed in economical terms.

- **Neoenergia wins the award for transparency thanks to its accounting best practices**

Neoenergia has been awarded the Transparency Trophy 2022, awarded by the National Association of Finance, Administration and Accounting Executives (ANEFAC) of Brazil. It is the second consecutive year that the company has won the award, also known as the accounting Oscars. The award recognises best accounting practices, as well as the effort to present the most objective and transparent financial information to the market.



- **AVANGRID, one of the best companies in the US that promotes diversity**

AVANGRID has been chosen among 100 companies in the United States that most promote racial diversity and opportunities among its employees, according to a ranking developed by the organisation JUST Capital, dedicated to promoting good governance and justice within the largest listed companies in the country.

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)
Adjusted Financial leverage	Net adjusted Financial Debt/(Net adjusted Financial Debt + Equity adjusted)
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

(*) Included in the Balance Sheet in "Other current financial assets"



Alternative Performance Measures	Definition
Funds from Operations (FFO)	See section 'Funds From Operations' in the report
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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