CAPITAL MARKETS & ESG DAY
9 November 2022
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Business Environment

Armando Martínez
CEO
Iberdrola: Today

OVER 20 YEARS PIONEERING AND LEADING THE ENERGY TRANSITION...

SMART NETWORKS
50% EBITDA

Laying the foundations for a decarbonized energy system

PRODUCTION AND CUSTOMERS
50% EBITDA

Leading renewable energy production globally

Eur 39 Bn Asset Base
High credit rating countries...
Diversified and balanced position
Stable and predictable regulatory frameworks and revenues
Leading decarbonization through smart grids

One of the lowest emissions levels in sector
40 GW Renewable operating capacity\(^1\) focused on high added value technologies and storage
Track record of project execution and best-in-class O&M
Access to all Route to Markets to provide stable revenues and maximize returns

1) Additionally 20 GW of firm back-up capacity: 9GW of Nuclear/Gas in Spain and 10GW Gas in Mexico

...TO SERVE A POPULATION OF 100 MILLION PEOPLE GLOBALLY
Iberdrola: 2023-2025 targets

ACCELERATING INVESTMENTS IN NETWORKS...

**Investments 2023-2025**

**EUR 27 Bn**
- **57% of total**

**EUR 20 Bn**
- **43% of total**

**2025 TARGETS**

**Increasing** our asset base by **44%** in 2025 to **EUR 56 Bn** thanks to stable regulatory frameworks

Additional contribution from **competitive transmission** projects in core countries (Brazil and US)

**85% of investment secured** to 2025 (exc. PNM)

**EUR 17 Bn renewable investment with more than 40% in offshore**

**Targeting 52 GW** of renewable capacity by 2025

Further **optimisation of Routes to Markets** for each asset

Energy **sales 95% covered** by own production

Driving the decarbonization of residential and industrial uses

...AND GROWING SELECTIVELY IN RENEWABLES
Iberdrola: Competitive advantages

READY TO DELIVER GROWTH IN THE CURRENT CONTEXT...

**SCALE**

➢ Global and local implementation
  ▪ Technological skills and capacity for early action
  ▪ >40,000 highly skilled employees sharing best practices

➢ Supply chain management
  ▪ Purchases of Eur 15 Bn to top-tier suppliers
  ▪ Supporting local industries and providing employment to 400,000 people

**DIVERSIFICATION**

➢ Business and geographical mix
  ▪ 50% of net income from networks
  ▪ High rating attractive markets

➢ Access to best-in-class technology
  ▪ Pioneer smart grids and digitalization

➢ Multiple routes to market

**CUSTOMERS and PARTNERS**

➢ Green customer solutions portfolio
  ▪ Improving cost to serve 14% in the last 5 years
  ▪ High penetration of smart solutions (45%)

➢ Energy management
  ▪ Achieving competitive prices and reducing risks
  ▪ Prudent hedging management in volatile environment

➢ Global partnerships

...THANKS TO OUR STRONG TRACK RECORD AND OUR LOCAL AND GLOBAL PLATFORMS
Networks
Networks: Key figures today

CURRENT FOOTPRINT IBERDROLA...

1.2 M km distribution lines
> 20,000 km transmission lines

~295 TWh energy distributed

34 M connections
More than 15 M Smart meters

>70% D&T lines digitalized
>70% Smart Meters in Europe and US

2022E Asset Base by Geography

80% in Distribution and 20% in Transmission
### Networks: Growth drivers

#### Need to accelerate network investments...

| Security of supply | Networks are the backbone to integration of new renewables capacity (x5 2040*) | ✓ Improvement of power system reliability  
✓ Planning and development of new lines  
✓ Preparedness to cyber activity |
|--------------------|---------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------|
| Electrification of the energy demand | Electricity demand will exceed current forecasts: +5,000/8,000 TWh of new electricity demand by 2030 | ✓ Increase of electric mobility and electrification of buildings (heat pumps)  
✓ Penetration of electrified industrial and buildings processes |
| Increasingly active customers | New investment required to implement new distributed solutions and services | ✓ Consumers, prosumers and energy communities demanding new services  
✓ Need of new digital solutions |

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...Driven by increasing new net zero targets

(*) BNEF
Networks: Investments

EUR ~27 BN OF INVESTMENTS IN 2023-2025

GROSS INVESTMENTS BY GEOGRAPHY (EUR BN)

- Spain: 5%
- US: 65%
- Brazil: 16%
- United Kingdom: 14%

~27 Eur Bn

PNM: Eur 11 Bn
(Eur 9 Bn transaction + Eur 2 Bn investment)

GROSS INVESTMENTS BY ACTIVITY (EUR BN)

- Reinforcement: 7
- Growth: 7
- Total Regulated D&T: 14
- Transmission: 2
- Total Ex PNM: 16
- PNM Transaction: 9
- PNM Organic: 2
- Total: 27

>85%* OF TOTAL ORGANIC INVESTMENTS ALREADY SECURED

(*) Ex PNM
## Distribution: Regulatory frameworks and periods

### 85% of Asset Base with Frameworks Closed or to be Closed in 2023, With Key Conditions Already Known...

<table>
<thead>
<tr>
<th>Framework</th>
<th>Regulatory WACC</th>
<th>Factors to increase value</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>i-DE</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2020-2025</td>
<td>Nominal WACC pre-tax</td>
<td>Efficiencies and incentives</td>
</tr>
<tr>
<td><strong>SPD/SPM</strong></td>
<td>CoE + Inflation</td>
<td>Price control set as Revenue = Incentives + Innovation + Outputs Totex over/underspend shared with customers</td>
</tr>
<tr>
<td>2023-2028</td>
<td>CoE + Inflation</td>
<td>Additional electrification needs (uncertainty mechanisms)</td>
</tr>
<tr>
<td>2021-2026</td>
<td>CoE + Inflation</td>
<td>On-going negotiations for new multi-year rate cases CLCPA** Projects / Bipartisan Infrastructure Framework</td>
</tr>
<tr>
<td><strong>NYSEG/RGE</strong></td>
<td>CoE + Inflation</td>
<td></td>
</tr>
<tr>
<td>2023-2026</td>
<td>CoE + Inflation</td>
<td></td>
</tr>
<tr>
<td>(expected)</td>
<td>CoE + Inflation</td>
<td></td>
</tr>
<tr>
<td>2023/24-2026 (expected)</td>
<td>ROE</td>
<td></td>
</tr>
<tr>
<td><strong>SCG &amp; CNG</strong></td>
<td>ROE</td>
<td></td>
</tr>
<tr>
<td><strong>CMP-T/UI-T</strong></td>
<td>ROE</td>
<td></td>
</tr>
<tr>
<td><strong>COELBA/COSENL ELEKTRON PERNAMBUCO BRASILIA</strong></td>
<td>WACC + Inflation</td>
<td>Annual tariff reviews of pass through and manageable costs</td>
</tr>
<tr>
<td>2023-2028</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2023-2027</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2021-2025</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2021-2026</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* Includes best estimates of the entry in force and duration of new rate cases

** Climate Leadership and Community Protection Act

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Providing options for outperformance and protecting from inflation
## Transmission: Strengths

**SUCCESSFUL GROWTH MODEL BASED ON INTERNAL CAPABILITIES**

<table>
<thead>
<tr>
<th>Strengths</th>
<th>Details</th>
</tr>
</thead>
</table>
| **Global player with internal know-how**                                 | Centralized Business Intelligence  
                                    Global Procurement and Relations with OEMs  
                                    Technological skills and know-how in core activities  
                                    Optimized construction model (no EPCs) |
| **Competitiveness track record**                                         | US: MPRP  
                                    UK: Western Link  
                                    Brazil: Auctions from 2017 |
| **Execution**                                                            | 10,000 km in HVAC and HVDC  
                                    US, UK, Brazil |
| **Presence in countries with growth opportunities**                       | US, UK, Brazil, Australia |
Networks: Delivery of transmission projects

**STRONG COMPETITIVENESS TRACK RECORD, LEADING AWARDS IN AUCTIONS**

### HVDC EXPERIENCE: 5.4 GW & ~1,300 km

<table>
<thead>
<tr>
<th>Transmission Project</th>
<th>Capacity</th>
<th>Cable Length</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Western Link</strong> (submarine line)</td>
<td>2.2 GW HVDC</td>
<td>850 km</td>
<td>In operation</td>
</tr>
<tr>
<td><strong>Eastern Link</strong> (submarine line)</td>
<td>2 GW HVDC</td>
<td>~370 km</td>
<td>Secured, engineering in progress</td>
</tr>
</tbody>
</table>

*One of the longest subsea HVDC bi-directional cable in the world*

### ~8,500 km IN HVAC TRANSMISSION AUCTIONS

- Eur 3.4 Bn awarded in 15 projects
- 51 Substations

### NECEC

<table>
<thead>
<tr>
<th>Transmission Project</th>
<th>Capacity</th>
<th>Cable Length</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>NECEC</strong></td>
<td>1.2 GW HVDC</td>
<td>314 km</td>
<td>Construction started</td>
</tr>
</tbody>
</table>

*Neoenergias’s distribution regions*
Networks: Key figures in 2025

EUR ~27 BN INVESTMENT FOR 44% INCREASE IN ASSET BASE

2025E Asset Base by Geography

- Spain 16%
- US 41%
- Brazil 21%
- United Kingdom 22%
- 11% PNM

56 Eur Bn

- 70% in Distribution and 30% in Transmission

Increasing EBITDA

Multiple benefits for customers

- Improving quality of service 10%
- Reducing operating costs per regulated asset base unit -7%
- Digitalization of more D&T Lines ~85%
- Deployment of Smart Meters +30%
**Networks: EBITDA**

**DRIVEN BY ASSET BASE INCREASE, EBITDA REACHES EUR 8.0-8.5 BN IN 2025…**

**EBITDA (EUR BN)**

- Distribution
- Transmission

<table>
<thead>
<tr>
<th>Year</th>
<th>2022e</th>
<th>2025e</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBITDA</td>
<td>86%</td>
<td>83%</td>
</tr>
<tr>
<td>EBITDA (EUR BN)</td>
<td>~6.5</td>
<td>8.0 - 8.5</td>
</tr>
<tr>
<td>Share</td>
<td>14%</td>
<td>17%</td>
</tr>
</tbody>
</table>

**WELL-BALANCED IN HIGH RATING MARKETS**
Smarter Grid: Benefit for Customers - Quality of Supply

**IMPROVING QUALITY OF SUPPLY BY 10% FROM BEST-IN-CLASS RATIOS...**

**Service Quality (SAIDI) vs peers**
Avg. 2019-21

- **Spain**: -24% ✓ Better than peers
- **UK**: -2% ✓ Better than peers
- **US**: -4% ✓ Better than peers
- **Brazil**: -10% ✓ Better than peers

**SAIDI improvement targets**

- **Global SAIDI**: 10%
- **SAIDI improvement**: 10%
- **Service Quality improvement**: 10%

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SAIDI: System Average Interruption Duration Index

**...DRIVEN BY CAPEX FOCUS ON DIGITALIZATION AND RESILIENCE**
## Smart Grid: Benefit for Customers – Affordability

### Delivering Additional Efficiencies...

<table>
<thead>
<tr>
<th>% Grid Losses 2021</th>
<th>NOE / GM (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Peers 9.4%</td>
<td>2019 ~-12%</td>
</tr>
<tr>
<td>i-DE 6.6%</td>
<td>2020</td>
</tr>
<tr>
<td>NEOENERGIA 14.0%</td>
<td>…</td>
</tr>
<tr>
<td></td>
<td>2025</td>
</tr>
</tbody>
</table>

- Reduction of energy losses optimizes the cost of the system and **improves** EBITDA through efficiencies
- Efficiencies shared with customers **to decrease tariffs**

**...To improve affordability for consumers**
Smarter Grid: Benefit for Customers - Resiliency

MORE RESILIENT TO SEVERE CLIMATE EVENTS

**Filomena Storm 2021**
- **i-DE**: 11.3 M consumers affected, but only 270k (2%) lost supply
  - ✔️ 190k (70%) remotely restored in less than 30 min **without human intervention**

**Arwen Storm 2021**
- **ScottishPower**: first company to restore full service
  - 200k SPEN customers affected:
    - ✔️ 89% restored in less than 24h
    - ✔️ 96% in less than 48h

**Isaias Storm 2021**
- **Avangrid**: Edison Electric Institute Emergency Response Awards

**Neoenergia**: best performance and practices in the national electricity sector

**Safety First**

MORE RESILIENT TO SEVERE CLIMATE EVENTS

- ✔️ **Zero accidents**
- ✔️ **Zero accidents**
- ✔️ **Zero accidents**

**i-DE**: 11.3 M consumers affected, but only 270k (2%) lost supply
- ✔️ 190k (70%) remotely restored in less than 30 min **without human intervention**

**ScottishPower**: first company to restore full service
- 200k SPEN customers affected:
  - ✔️ 89% restored in less than 24h
  - ✔️ 96% in less than 48h
Global Smart Grid Innovation Hubs

GLOBAL SMART GRIDS INNOVATION HUBS AS PLATFORMS TO FOSTER CONTINUOUS IMPROVEMENT

- Promoting innovation for the challenges of the grid
- Focused on maximizing the use of renewables, integration of storage, cybersecurity, smart sensors, big data, efficiency, microgrids and other uses, such as electrical mobility
- Collaborating with universities, start-ups, technology centers and suppliers
- Preparing the professionals of the future

- More than 2,000 m²
- More than 125 projects worth over Eur 100 M
- More than 80 entities from all sectors
- More than 200 professionals
Production and Customers
Production and Customers

More Renewables and Storage to Supply Clean Energy to Customers

Decarbonized generation

- Hydro
- Offshore
- Onshore
- Solar PV
- Storage

Track record on execution of all decarbonized generation technologies

Routes to Market

- Iberdrola customer base
  ~50 millions contracts
- PPA
- Auctions
- Green Hydrogen and Ammonia
- Partnerships
- Other-hybrids
  Mix of solutions

Managing all routes to market to maximize return on assets

- >90% of production hedged with customers, long term PPAs or regulated revenues

Clean energy and added value solutions

- Retail
  - PV self-consumption
  - Mobility
  - Heating/Cooling
  - Home services
- Industry
  - Decarbonization
  - Heating/Cooling
  - Green Hydrogen
  - Green Ammonia

Delivering Clean Energy from own production

- No trading

Providing added value through decarbonization services to domestic and industrial customers
Competitive advantages

**SELECTIVE GROWTH RENEWABLES AND VALUE-ADDED PRODUCTS AND SERVICES**

**TRACK RECORD AND EXPERTISE**

➢ Consolidating leadership in core areas
  • In-house knowledge and expertise in multiple countries
  • Project delivery with multiples roles, standards with defined procedures

➢ Attractive returns following a selective growth criteria
  • Diversified sources of financing and tailored capital structures

➢ Final Investment Decision with risks covered: supply chain, exchange rate and financing parameters

**COMPETITIVE ENERGY PRICES AND PRODUCTS**

➢ Decarbonizing of the energy sector with mature technologies
  • Wide range of solutions to improve operations and solve O&M hurdles

➢ Diversified routes to market

➢ Value added products and services
  • Green energy supply for residential and industrial customers
  • Decarbonizing industrial processes

➢ Low seabed leases for offshore
  • -70% vs recent processes in US

**OPERATIONAL EXCELLENCE**

➢ Optimizing CAPEX, improving gross margin and reduction O&M costs

➢ Use of best Group practices and synergies to improve margins and costs

➢ Use of digital tools for better plants performance and energy management
  • Interconnected infrastructures for quick action and minimize outages in the energy production activity
  • Analytics tools to develop better tariffs
  • Offering digital customer services
Production and Customers: EBITDA & Gross investments 2023-2025

EUR 20 BN OF INVESTMENTS IN 2023-2025

CAPEX 2023-2025 (EUR BN)
- Renewables: ~20 Eur Bn
- Customers and others: 3

EBITDA (EUR BN)
- 2022e: ~6.5
- 2025: 8.0-8.5

EBITDA REACHES EUR 8-8.5 BN IN 2025
Renewables Investment

**INVESTMENTS OF EUR ~17 BN (46% OFFSHORE)**

**TOTAL INVESTMENT BY GEOGRAPHY (EUR BN)**

- Spain: 18%
- United States: 26%
- United Kingdom: 20%
- EU: 25%
- France: 6%
- Germany: 6%
- Australia & others: 6%
- Other: 12%

**~17 Eur Bn**

**TOTAL CAPACITY BY TECHNOLOGY (GW)**

- Offshore: 1.8 GW
- Batters: 0.7 GW
- Hydro: 0.2 GW
- Total: 12.1 GW
- Onshore: 3.1 GW
- PV: 6.3 GW

WITH EUR ~4 BN ON ONGOING INVESTMENTS WITH COD POST 2025

www.iberdrola.com
Renewables: Growth

~50% OF NEW CAPACITY ALREADY SECURED AND 26 GW OF MATURE PIPELINE TO MEET THE TOTAL CAPACITY TO BE INSTALLED BY 2025

INCREASE IN INSTALLED CAPACITY BY 2025

- ~50%
- ~12 GW
- ~5.7 GW
- ~6.3 GW

TOTAL PIPELINE

- ~74 GW
- ~100 GW
- ~3.5 GW
- ~4.5 GW
- ~17.0 GW
- ~37.0 GW
- ~40.0 GW

TARGET CAPACITY 23-25

UNDER CONSTRUCTION OR READY TO BUILD

ADVANCED PLANNING

MATURE PIPELINE / ADVANCED PLANNING ~4x

~26 GW

MATURE PIPELINE 23-25

REST OF PIPELINE

PIPELINE PER TECHNOLOGY

DIVERSIFIED PIPELINE OF 100 GW TO DELIVER GROWTH BEYOND 2025
Renewables: Offshore growth

**Expansion of Offshore with 3 New Projects Operating by 2025**

**Offshore growth (GW)**
- 2022E: 1.3
- New: +1.8
- 2025E: 3.1

**In operation by 2025**

<table>
<thead>
<tr>
<th>Status</th>
<th>Revenue Mechanism</th>
</tr>
</thead>
<tbody>
<tr>
<td>WoDS 194 MW</td>
<td>In operation</td>
</tr>
<tr>
<td></td>
<td>ROC (CPI indexed)</td>
</tr>
<tr>
<td>EA1 714 MW</td>
<td>In operation</td>
</tr>
<tr>
<td></td>
<td>CfD (CPI indexed)</td>
</tr>
<tr>
<td>Wikinger 350 MW</td>
<td>In operation</td>
</tr>
<tr>
<td></td>
<td>Fit</td>
</tr>
<tr>
<td>Saint Brieuc 496 MW</td>
<td>COD 2023</td>
</tr>
<tr>
<td></td>
<td>Fit (CPI + labor indexed)</td>
</tr>
<tr>
<td>Baltic Eagle 476 MW</td>
<td>COD 2024</td>
</tr>
<tr>
<td></td>
<td>Fit</td>
</tr>
<tr>
<td>Vineyard Wind 806 MW</td>
<td>COD 2024</td>
</tr>
<tr>
<td></td>
<td>ITC, Utility PPA, Escalator</td>
</tr>
</tbody>
</table>

EBITDA to reach Eur 1.2 Bn in 2025 (x2 vs 2022E)
Renewables: Offshore growth

NEW MARKETS READY TO DELIVER GROWTH BEYOND 2025...

ADDITIONAL GROWTH +5 GW

Secured & advanced pipeline

- **EA Hub**
  - EA 3: 1,400 MW & COD 2026
  - EA1N & EA2: 1,600 MW & COD 2028 & 2029

- **Windanker** 300 MW & COD 2026

- **New England**
  - Park City 804 MW & COD 2027
  - Commonwealth 1,232 MW & COD 2028

EXPANSION IN NEW MARKETS +30 GW

Rest of pipeline

- **Ireland** 3,000 MW
- **Sweden** 3,600 MW
- **Poland** 2,000 MW
- **US** 3,500 MW
- **BRAZIL** 3,000 MW
- **APAC** >5,000 MW

- **Scotwind**
  - **MarramWind** 3,000 MW
  - **CampionWind** 2,000 MW
  - **MachairWind** 2,000 MW

1 Joint Venture Shell and Iberdrola (50/50)

SEABED COSTS -70% vs RECENT PROCESSES IN USA

...WELL POSITIONED TO CAPTURE NEW OPPORTUNITIES IN NEXT ROUNDS IN EUROPE, UK, US AND APAC
Renewables: Onshore Wind and Solar PV growth

**INCREASING ONSHORE INSTALLED CAPACITY BY 40%**

**Onshore growth (GW)**

<table>
<thead>
<tr>
<th></th>
<th>2022E</th>
<th>New capacity</th>
<th>2025E</th>
</tr>
</thead>
<tbody>
<tr>
<td>Solar PV</td>
<td>24.7</td>
<td>4.3</td>
<td>34</td>
</tr>
<tr>
<td></td>
<td>20.4</td>
<td>+3.1</td>
<td>23.5</td>
</tr>
<tr>
<td></td>
<td>+6.3</td>
<td>~x1.4</td>
<td></td>
</tr>
</tbody>
</table>

**New capacity**

- 2022E: 24.7 GW
- 2025E: 34 GW

**Onshore Wind**

- +4,100 MW
  - More than 50% under construction & ready to build

**Solar PV**

- +1,100 MW
  - More than 800 MW awarded in the last CfD auction
- +1,300 MW
  - Including 600 MW in partnership
- +500 MW
  - Oitis and Luzia under construction
- +2,400 MW
  - Selective growth in countries with attractive returns

**Selective growth in countries with attractive returns**

- More than 50% under construction & ready to build

**Onshore growth in countries with attractive returns**

- More than 800 MW awarded in the last CfD auction

**Including 600 MW in partnership**

- Oitis and Luzia under construction

**Selective growth in countries with attractive returns**

- More than 50% under construction & ready to build
Renewables: Storage

**INCREASING CAPACITY AND ALLOWING MORE INTEGRATION OF RENEWABLES**

**Pumped Hydro**
Most efficient technology for applications involving large amounts of energy in long periods

- Tâmega gigabattery: Gouvaes and Daivoes already in operation
- 4 GW pumping capacity
- 100,000 MWh Storage Capacity
- 4.5 GW pipeline in Iberia
- Storage capacity equivalent to supply 24 million homes during 12h

**Batteries**
Improving dispatchability of the renewable generation in those countries with no hydropower plants

**Battery growth by 2025**
- MW
- 2022e: 200
- UK: 450
- RoW: 200
- US: 50
- 2025: 900

**Storage capacity equivalent to supply 24 million homes during 12h**
Renewables: Permitting

Permitting has been the main bottleneck for renewable deployment...

- Recommendations already published to speed up permitting to a maximum time of 1 year
- Fast track process already approved accelerating permits in some locations (hybrid projects)

- France: new generation law under discussion
  - Establishing renewables as public interest
  - Shortening permitting process

- Germany:
  - Incentivizing municipalities to allow renewables deployment in their regions
  - Land usage modifications

...but prospects are improving based on regulatory willingness
Renewables: Secured Supply Chain

CRITICAL SUPPLIES AND PRICES SECURED TO COMPLY WITH INVESTMENT PLAN...

✓ Strategic equipment guaranteed through contract that anticipate investment decisions

✓ Competitive prices based on aggregated volume and negotiation capacity with strategic suppliers

✓ Commodities, inflation, and exchange rates risks hedged at investment decisions

✓ 100% contracted offshore wind turbines up to 2025 (1.8 GW)

✓ ~ 50% onshore wind turbines contracted up to 2025
  ✓ Advanced negotiation for remaining 50%, pending on FID conditions

✓ 100% contracted panels up to 2025 (>6 GW)

ACTIVE AND SOLID RISK MANAGEMENT

... AND MINIMIZE THE IMPACT OF RAW MATERIALS & INFLATION
Production: Route to market

ACCESS TO ALL ROUTE TO MARKETS FOR MAXIMIZING RETURNS

EMISSION FREE CAPACITY (GW)

<table>
<thead>
<tr>
<th>Year</th>
<th>Nuclear</th>
<th>Offshore wind</th>
<th>Hydro</th>
<th>PV + BESS</th>
<th>Onshore wind</th>
</tr>
</thead>
<tbody>
<tr>
<td>2022E</td>
<td>3</td>
<td>3</td>
<td>14</td>
<td>11</td>
<td>24</td>
</tr>
<tr>
<td>2025E</td>
<td>55</td>
<td>3</td>
<td>3</td>
<td>14</td>
<td>24</td>
</tr>
</tbody>
</table>

PRODUCTION (TWh)

<table>
<thead>
<tr>
<th>Year</th>
<th>Merchant</th>
<th>Customers</th>
<th>PPA</th>
<th>Regulated</th>
</tr>
</thead>
<tbody>
<tr>
<td>2022E</td>
<td>91</td>
<td>44%</td>
<td>32%</td>
<td>18%</td>
</tr>
<tr>
<td>2025E</td>
<td>125</td>
<td>44%</td>
<td>34%</td>
<td>17%</td>
</tr>
</tbody>
</table>

>90%
Production hedged with customers, long term PPAs or regulated revenues

LIMITED IMPACT TO PRICES VOLATILITY AND REGULATION
Sales and coverage

95% of energy sales covered by own production by 2025...

- Focused on areas with own generation capacity
- Own generation capacity allows us to maintain the price policy to customers through long-term contracts
- Prudent hedging management in volatile environment
- No trading

...with an average contract term >3 years
Customer revenues in Spain

OWN GENERATION CAPACITY ALLOWS US TO MAINTAIN THE PRICE POLICY...

Customer revenues (€/MWh)

<table>
<thead>
<tr>
<th>Year</th>
<th>Production revenues</th>
<th>Retail Margin</th>
<th>Production sold</th>
</tr>
</thead>
<tbody>
<tr>
<td>2022E</td>
<td>~65-70</td>
<td>~65-70</td>
<td>100%</td>
</tr>
<tr>
<td>2023E</td>
<td>~65-70</td>
<td>~65-70</td>
<td>90%</td>
</tr>
<tr>
<td>2024E</td>
<td>~65-70</td>
<td>~65-70</td>
<td>70%</td>
</tr>
<tr>
<td>2025E</td>
<td>~65-70</td>
<td>~65-70</td>
<td>55%</td>
</tr>
</tbody>
</table>

FLAT

N.OT LINKED TO SPOT PRICES
Customers. Clean Energy and Added Value Solutions

Providing Clean Energy and Added Value Solutions

 ✓ Clean energy

➢ Delivering our own generation for customer engagement

➢ Focus on cost efficiency, thanks to knowledge and capabilities
  ▪ Best-in-class with -14% cost reduction in Spain and UK (2017-2022)

➢ Digitalization and advanced analytics to provide more energy solutions to our customers
  ▪ 63% digital customers

✓ Added value solutions

Retail

○ PV self-consumption
○ Mobility
○ Heating/Cooling
○ Home Services

Industry

○ Decarbonization
○ Heating/Cooling
○ Green Hydrogen
○ Green Ammonia

Improving Profitability and Customer Loyalty
Customers. Added Value Solutions - Retail

CONSOLIDATING SMART SOLUTIONS DRIVEN BY ELECTRIFICATION...

EV CHARGING

<table>
<thead>
<tr>
<th>NUMBER OF POINTS</th>
<th>CAPACITY (MW)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2022E 38,000</td>
<td>2025E 110,000</td>
</tr>
<tr>
<td>2022E 500</td>
<td>2025E 2,200</td>
</tr>
</tbody>
</table>

~3x ~4.5x

✓ 20% of charging points in Spain
✓ Transforming the transportation sector

PV SELF-CONSUMPTION

<table>
<thead>
<tr>
<th>NUMBER OF INSTALATIONS</th>
<th>CAPACITY (MW)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2022E 29,000</td>
<td>2025E 125,000</td>
</tr>
<tr>
<td>2022E 200</td>
<td>2025E 1,100</td>
</tr>
</tbody>
</table>

~4.5x ~5.5x

✓ Leading PV market in Spain
✓ PPA onsite

...EXPANDING EXPERIENCE TO NEW GEOGRAPHIES
Providing decarbonization solutions...

**Green PPAs**

~23,000 GWh of green PPAs to industrial customers

*Higher customer appetite* for long-term PPAs due to current energy prices and decarbonization targets

**Pipeline of industrial projects**

1,450 GWh

- Paper
- Chemical
- Food and beverages
- Automotive
- Other

Counting on a re-skilled team coming from thermal generation

Alliances with *leading companies in multiple sectors*
Customers. Added value solutions – Industry: Green H2

**PIONEERING THE PRODUCTION OF GREEN H2...**

Taking advantage of our **global strength in renewables and execution** capacity to be first movers.

**Puertollano 20 MW**

**PROJECT PIPELINE**

- **2,400 MW**
- **Spain 40%**
- **EU 10%**
- **US 25%**
- **Australia 15%**

**GREEN H2 PLAN 2023-30**

- **>3,000 MWe**
- **>350,000 ton/year**
- **2022E**
- **2025E**
- **2030E**

- **~13x 300 MWe**
- **35,000 ton/year**
- **23 MWe**
- **3,400 ton/year**

**...WITH A MATURE PIPELINE TO ACCELERATE GROWTH**
Customers. Added value solutions – Industry: Green H2, Ammonia and Methanol

BEING FRONT RUNNERS IN GREEN DERIVATIVES...

HYDROGEN
METHANOL
AMMONIA
EU + UK

... LEVERAGED ON OUR RENEWABLE PORTFOLIO
Conclusions

**OUR OUTLOOK 2023-2025 IS BASED ON A WELL-DIVERSIFIED AND SOLID POSITION**

- **SUSTAINABLE GROWTH**
  - 85% NETWORK INVESTMENT SECURED
  - 50% OF TARGET MWS SECURED
  - MATURE PIPELINE EXCEEDS 4x CAPACITY ADDITION NEEDS
  - SECURED SUPPLY CHAIN

- **ACHIEVABLE RESULTS**
  - 80% CAPEX ALLOCATED TO RATING A COUNTRIES
  - NETWORKS CONTRIBUTE 50% TO THE RESULTS
  - NO TRADING
  - GENERATION REVENUES NOT LINKED TO SPOT

- **DIVERSIFICATION**
  - ACCESS TO ALL ROUTE TO MARKETS
  - NETWORKS OUTPERFORMANCE
  - OPTIONALITY IN INVESTMENTS
  - INCREASING EFFICIENCES

AND DELIVERED BY A TEAM OF PROVEN TRACK RECORD
Annex
Networks: PNM RESOURCES

ACCELERATING GROWTH IN US

New Mexico
Texas

Strategic rationale

- Growth in regulated business and renewables
- Operates in states with strong opportunities and where Iberdrola is already present
- Solid commitments to ESG, including carbon reduction goals

Next steps

- New Mexico Public Regulatory Commission rejected stipulation agreement. Challenging with NM Supreme Court
- Merger end date extended to April 2023

2021 key figures

- Present in New Mexico and Texas
- Rate base: $ 4.6 Bn
- Customers: ~800k
- Regulated generation: 2,168 MW
- $ 196 Mn net income
- $ 8.7 Bn Total Assets

CLOSING EXPECTED BY MID-2023
Commodities & Prices

### Commodities & Prices

#### Oil (Brent) ($/bbl)

- 2022: 105
- 2023: 88
- 2024: 82
- 2025: 67

#### Gas (TTF) (€/MWh-g)

- 2022: 159
- 2023: 190
- 2024: 121
- 2025: 27

#### CO2 (Eur/tn)

- 2022: 83
- 2023: 83
- 2024: 88
- 2025: 86

#### Power (GBP/MWh)

- 2022: 308
- 2023: 450
- 2024: 328
- 2025: 76

#### Power (Eur/MWh)

- 2022: 200
- 2023: 196
- 2024: 170
- 2025: 74

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Nov. 2022

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