

SHAREHOLDER'S
BULLETIN
First Quarter



**Solid operating performance
and new investments enabled
Iberdrola to achieve a net profit of
1.485 billion euros**



Chairman's key points



Ignacio Galán
Chairman of Iberdrola

“Investments of 10.4 billion euros and the standardisation of operating conditions have enabled us to drive growth and continue to deliver value to the companies in all the countries we serve”



Corporate transactions

Two transactions were announced in the first quarter of 2023, which mean reaching the financial target of 7.5 billion euros set out in the asset rotation and alliance plan for 2023-2025 in just three months, giving Iberdrola even greater access to new investment opportunities with attractive returns.

Mexico

As part of the announced asset rotation plan, on 5 April 2023 Iberdrola Mexico signed an agreement with Mexico Infrastructure Partners (MIP) for **the sale of 60% of its assets**.

This includes 12 combined cycle gas plants operating under the Independent Power Producer regime contracted with the Federal Electricity Commission (CFE), one wind farm and four private combined cycle gas plants.

Improving financial ratios, growth in networks and renewables (more will be invested in renewable energy serving private customers) and reinforcing its commitment to emissions reduction and strengthens the relationship with the Mexican authorities.

The transaction will allow Iberdrola Mexico to remain fully committed to the country and continue its growth story maintaining a business platform that generates an EBITDA of around 400 million dollars per annum including 15 operational plants, 9 of them renewable and our commercial capabilities with thousands of Mexican Industrial and Commercial customers who have trusted us for years.



Brazil

On Tuesday 26 April, Neoenergia announced the relevant co-investment partnership with GIC, Singapore's sovereign wealth fund, for the development of transmission networks in Brazil worth 2.4 billion Brazilian reais (430 million euros).

The two companies will jointly invest in transport operating assets with a total of 1,865 km of transport lines and an annual return of 430 million Brazilian reais (about 77 million euros), with an average concession term of 25 years.

The deal, based on a 50-50 co-ownership, will include our 8 operating assets and the assets currently under construction as they reach commercial operation.

It also covers the option for GIC to co-invest in any new auction, giving our Brazilian subsidiary even more access to new opportunities in the booming transmission sector in Brazil, which as you know will hold new tenders worth 51 billion reais only in 2023 and improving Neoenergia's financial position.



Highlights of the period

EBITDA increased by 38% to 4.064 billion euros

Thanks to geographic diversification, EBITDA increased 38% to 4.064 billion euros, driven by three relevant factors: the recovery of the trade deficit accumulated in previous years in the UK, improved operational performance in Europe and growth related to new investments in networks and renewable energy.

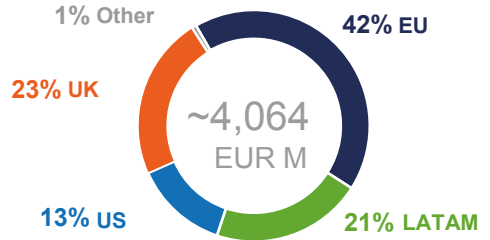
The **Networks business** has benefitted from higher asset bases in all geographies and higher revenues due to new tariffs in the US and Brazil, in accordance with current regulatory frameworks, which also include clauses that protect our results from higher inflation.

In turn, the EBITDA of the **Energy Production**

and Customers business reached 2,413.5 million euros, thanks mainly to the growth in renewable production in the European Union and the US due to a greater resource and new installed capacity, and to the recovery of nuclear production and standardization of prices, allowing purchases from third parties at lower prices and in lower quantities.

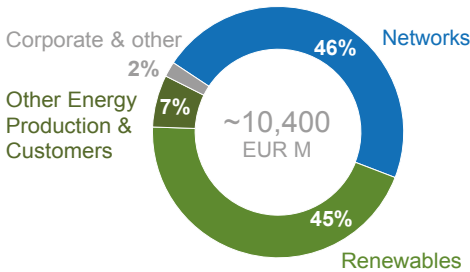
By geographies, 80% of EBITDA comes from A-Rated countries, with 42% corresponding to the EU and 36% to the UK and the US combined.

EBITDA BY COUNTRY



Record investment of €10.4 billion in the last 12 months

GROSS INVESTMENTS BY BUSINESS (Last 12 months)



91% ALLOCATED TO RENEWABLES AND NETWORKS

More than 90 % of the gross investment, which amounts to €10.4 billion, corresponds to Networks and Renewable Energy.

By business, investments in **Networks** came to €4.8 billion, 22% more than in 2022. As a result, our asset base reaches 39 billion euros as of March 2023, with an increase of 11% from previous year.

Investments in **Renewable** energy represents 45% of total investments, that is, more than 4.6 billion euros, where offshore wind investment represents about a third of this amount, with 3,500MW under construction, thus securing the plan for 2025.



Strong financials

Funds from Operations have continued to show a solid evolution, exceeding 3 billion euros in the first quarter driving a further improvement in our financial ratios, with FFO to Adjusted Net Debt increasing by 130 basis points, to 25.3%.

Net Debt remained stable during the quarter at 43.7 billion euros, with an average maturity close to 6 years and **75% of the debt at a fixed rate** (or 87% if we exclude Brazil), which guarantees an important stability in financial expenses in the current macroeconomic scenario.

In addition, our liquidity position of 21 billion euros covers 22 months of financing needs.

General Shareholders' Meeting 2023



The Iberdrola General Shareholders' Meeting held on 28 March 2023 was attended by a total of 4,639,250,945 shares (2,013,020,674 in attendance and 2,626,230,271 represented), with a quorum of 71.97% of the share capital

(31.23% present and 40.74% represented).

Large support from our shareholders

Shareholders overwhelmingly backed the company's management in a record year, with an average 98% support for all items on the agenda: management performance, system of governance and sustainability; remuneration; and appointment and re-election of directors.

Recognising the good management carried out, since the arrival of Ignacio Galán in 2001, the share price has gone from 3.5 euros to around 12 euros per share. This revaluation is in addition to the 6.5 euros per share distributed as dividends. Thus, a shareholder who has reinvested their dividends over these twenty years, as most capital does, will have seen their investment multiplied by a factor of 8.

Iberdrola is currently the largest electricity company in Europe and the second largest in the world in terms of capitalisation with more than 76 billion euros, a seven-fold increase in size since 2001.

Leading the energy transition

Iberdrola is at the forefront of the world's energy transition, with assets of more than 150 billion euros, a renewable capacity of more than 40,000 MW and more than 1,200,000 km of networks around the world.

During the meeting, the Chairman, Ignacio Galán, stressed that the Group's resilient and diversified model places it in the best position to face the current economic context.



He has also wanted to give a message for the future: “We are at a historic stage. We have a team with the necessary experience and talent, and the technology and financial resources to continue to successfully carry out this great energy revolution”.

Creating value for all

Iberdrola’s strategy for the coming years will continue to generate value **for all**: shareholders, employees, customers, suppliers and the companies in the countries in which Iberdrola operates

Thus, the company is the driving force behind the industrial and business fabric of the regions in which it is present, thanks to **purchases that are expected to exceed 50 billion euros in three years from thousands of suppliers employing 400,000 people.**

All this while continuing its environmental commitment, as its emissions **are already 75% lower than those of its peers**, and it is estimated to reach zero net emissions for generation plants and to have a net or positive impact on biodiversity by 2030.

Attractive Shareholder Remuneration

In this context, the General Shareholders’ Meeting, at the proposal of its Board, has approved **a total remuneration of 0.49 euros gross per share**, 10% higher than that distributed a year earlier.

The Meeting also approved the “dividendo por participacion” (**engagement dividend**), which consists of the payment of 0.5 euro cents per share (1 euro per 200 shares) to shareholders entitled to attend the General Shareholders’ Meeting, that is, to all shareholders, as a quorum of more than 70% of the share capital has been reached.



¹ Through the scrip dividend “Iberdrola Remuneración Flexible” program approved by 2010 AGM

Maintaining the number of shares outstanding

In addition, the General Shareholders’ Meeting has approved a new share buy-back program with the aim of reducing the share capital. The aim is to meet the group’s commitment to keep the number of outstanding shares stable at 6.24 billion shares.



IBERDROLA and the stock market



IBERDROLA share price

	1Q 2023	1Q 2022
Number of shares outstanding	6,446,364,000	6,437,563,000
Share price at close of period	11.485	9.920
Average share price for the period	10.899	9.743
Average daily trading volume	13,199,992	16,397,638
Maximum trading volume (28-03-2023 / 21-01-2022)	43,303,754	43,303,025
Minimum trading volume (24-01-2023 - 03-05-2021)	5,129,781	6,556,492
Dividends paid ⁽¹⁾	0.459	0.424
Gross interim dividend (31-01-2023/ 02-02-2022) ⁽²⁾	0.180	0.170
Gross supplementary dividend (29-07-2022 / 29-07-2021) ⁽²⁾	0.274	0.254
Per share (20-06-2022 / -)	0.005	-
Dividend yield ⁽³⁾	4.00%	4.27%

(1) Dividends paid in the last 12 months.

(2) Iberdrola-guaranteed rights purchase price.

(3) Dividends paid in the last 12 months / period-end share price.

Stock Market Data

		1Q 2023	1Q 2022
Market capitalisation	€B	74,036.5	63,860.6
Earnings per share (6,446,364,000 shares as of 31/03/2023 and 6,437,563,000 shares as of 31/03/2022)	€	0.223	0.158
Net operating cash flow per share	€	0.46	0.47
P/E	Times	16.03	16.88
Price/book value (capitalisation to NBV at end of period)	Times	1.77	1.52



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