



Iberdrola

Results Presentation

First half

27 July, 2023

Sustainable
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Iberdrola, S.A. commits to carrying out its best efforts to achieve its ambition of carbon neutrality for its Scope 1 and 2 in 2030. For these purposes, it will align its strategy, investments, operations and public positioning with this ambition. Additionally, Iberdrola, S.A. is also committed to undertake the energy transition in a way that creates value for its shareholders, employees, clients, suppliers and the communities where it operates. Accordingly, Iberdrola, S.A. reserves the capacity to adapt its planning to successfully face its performance in key material aspects such as the value of Iberdrola, S.A., the quality of supply or the social, labor, and fair transition conditions. The abovementioned commitments are of aspirational nature.

ALTERNATIVE PERFORMANCE MEASURES

In addition to the financial information prepared under IFRS, this presentation includes certain alternative performance measures ("APMs") for the purposes of Commission Delegated Regulation (EU) 2019/979, of March 14, 2019 and as defined in the *Guidelines on Alternative Performance Measures* issued by the European Securities and Markets Authority on 5 October 2015 (ESMA/2015/1415es). The APMs are performance measures that have been calculated using the financial information from Iberdrola, S.A. and the companies within its group, but that are not defined or detailed in the applicable financial information framework. These APMs are being used to allow for a better understanding of the financial performance of Iberdrola, S.A. but should be considered only as additional information and in no case as a substitute of the financial information prepared under IFRS. Moreover, the way Iberdrola, S.A. defines and calculates these APMs may differ from the way these are calculated by other companies that use similar measures, and therefore they may not be comparable. Finally, please consider that certain of the APMs used in this presentation have not been audited. Please refer to this presentation and to the corporate website (www.iberdrola.com) for further details of these matters, including their definition or a reconciliation between any applicable management indicators and the financial data presented in the consolidated financial statements prepared under IFRS. In particular, please refer to <https://www.iberdrola.com/documents/20125/3326923/alternative-performance-measures-23IH.pdf>

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Core business figures

Networks

Asset Base (Local currency)		December 2022	December 2021
Spain	(EUR billion)	9.4	9.3
United Kingdom	(GBP billion)	8.2	7.1
United States	(USD billion)	12.8	11.9
Brazil	(BRL billion)	43.9	35.7

Distributed Electricity

ELECTRICITY (GWh)	H1 2023	H1 2022	vs. H1 2022
Spain	43,195	45,197	-4.4%
United Kingdom	15,377	15,931	-3.5%
United States	18,010	19,029	-5.4%
Brazil	38,356	38,293	0.2%
Total	114,939	118,449	-3.0%
GAS (GWh)			
United States	33,941	38,386	-11.6%
Total	33,941	38,386	-11.6%

Differences may arise due to rounding

Managed Supply Points

ELECTRICITY (Millions)	H1 2023	H1 2022	vs. H1 2022
Spain	11.40	11.32	0.7%
United Kingdom	3.55	3.55	0.1%
United States	2.32	2.31	0.3%
Brazil	16.19	15.88	2.0%
Total Electricity	33.46	33.06	1.2%
GAS (Millions)			
United States	1.04	1.03	0.4%
Total Gas	1.04	1.03	0.4%
TOTAL SUPPLY POINTS	34.50	34.09	1.2%

Note: In terms of operational data, IFRS11 do not apply (see details under Operational Performance for the period)

Differences may arise due to rounding

Generation Business and Customers

Total Group

	H1 2023	H1 2022	vs. H1 2022
Net Production (GWh)⁽¹⁾	85,109	83,542	1.9%
Net owned production⁽¹⁾	66,297	64,221	3.2%
Renewables ⁽¹⁾	42,756	40,446	5.7%
Onshore	22,459	23,290	-3.6%
Offshore	2,406	2,300	4.6%
Hydro	14,716	12,715	15.7%
Minihydro	212	234	-9.3%
Solar	2,926	1,871	56.4%
Nuclear	12,155	11,784	3.2%
Gas combined cycle	8,805	9,278	-5.1%
Cogeneration	2,581	2,713	-4.9%
Net production for third parties	18,812	19,321	-2.6%
Renewables	77	111	-30.4%
Onshore	77	111	-30.4%
Gas combined cycle	18,735	19,210	-2.5%
Installed Capacity (MW)⁽²⁾	62,045	59,521	4.2%
Net owned installed capacity⁽²⁾	54,899	52,376	4.8%
Renewables ⁽²⁾	41,246	38,722	6.5%
Onshore	20,577	19,683	4.5%
Offshore	1,370	1,258	8.9%
Hydro	13,849	13,849	-
Minihydro	247	272	-9.2%
Solar	4,991	3,448	44.8%
Batteries	198	198	-
Nuclear	3,177	3,177	-
Gas combined cycle	9,291	9,292	-
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.)	13.45	13.59	-1.1%
Gas customers (No mill.)	3.15	3.35	-5.9%
Gas Supplies (GWh)	24,909	30,274	-17.7%
Gas Storage (bcm)	0.12	0.13	-7.2%

(1) Including 38 GWh and 36 GWh of production from fuel cells in H1 2023 and H2 2022, respectively

(2) Including 13 MW installed capacity of fuel cells

Differences may arise due to rounding

Spain

	H1 2023	H1 2022	vs. H1 2022
Net Production (GWh)	30,932	27,756	11.4%
Renewables	15,248	11,870	28.5%
Onshore	5,360	5,995	-10.6%
Hydro	8,096	4,573	77.0%
Minihydro	212	234	-9.3%
Solar	1,579	1,067	48.0%
Nuclear	12,155	11,784	3.2%
Gas combined cycle	2,674	2,928	-8.7%
Cogeneration	854	1,175	-27.3%
Installed Capacity (MW)	29,816	28,591	4.3%
Renewables	20,598	19,373	6.3%
Onshore	6,446	6,160	4.6%
Hydro	10,700	10,700	-
Minihydro	247	272	-9.2%
Solar	3,186	2,221	43.4%
Batteries	19	19	-
Nuclear	3,177	3,177	-
Gas combined cycle	5,695	5,695	-
Cogeneration	347	347	-
Electricity customers (No mill,)	10,68	10,72	-0.3%
Gas customers (No mill,)	1.28	1.41	-9.4%
Gas Supplies (GWh)	12,362	16,435	-24.8%
Users	6,420	9,969	-35.6%
Gas combined cycle	5,942	6,466	-8.1%

Differences may arise due to rounding

| Core business figures

United Kingdom

	H1 2023	H1 2022	vs. H1 2022
Net Production (GWh)	3,489	4,151	-16.0%
Renewables	3,489	4,151	-16.0%
Onshore	1,674	2,431	-31.1%
Offshore	1,812	1,717	5.6%
Solar	3	4	-18.0%
Installed Capacity (MW)	2,993	3,008	-0.5%
Renewables	2,993	3,008	-0.5%
Onshore	1,970	1,986	-0.8%
Offshore	908	908	-
Solar	10	10	-
Batteries	104	104	-
Electricity customers (No mill.)	2.76	2.87	-3.8%
Gas customers (No mill.)	1.87	1.94	-3.4%
Gas Supplies (GWh)	12,548	13,839	-9.3%
Gas Storage (bcm)	0.12	0.13	-7.2%

Differences may arise due to rounding

USA

	H1 2023	H1 2022	vs. H1 2022
Net Production (GWh) ⁽¹⁾	12,326	11,836	4.1%
Renewables ⁽¹⁾	11,311	11,052	2.3%
Onshore	10,725	10,809	-0.8%
Hydro	129	89	45.0%
Solar	419	118	254.4%
Gas combined cycle	2	1	93.0%
Cogeneration	1,013	782	29.4%
Installed Capacity (MW) ⁽²⁾	9,562	9,352	2.2%
Renewables ⁽²⁾	8,722	8,512	2.5%
Onshore	8,061	8,007	0.7%
Hydro	118	118	-
Solar	529	372	42.0%
Gas combined cycle	204	204	-
Cogeneration	636	636	-

(1) Including 38 GWh and 36 GWh of production from fuel cells in H1 2023 and H2 2022, respectively

(2) Including 13 MW installed capacity of fuel cells

Differences may arise due to rounding

| Core business figures

Mexico

	H1 2023	H1 2022	vs. H1 2022
Net Production (GWh)	26,832	27,886	-3.8%
Net owned production	8,019	8,565	-6.4%
Renewables	1,202	1,504	-20.1%
Onshore	518	827	-37.4%
Solar	684	677	1.1%
Gas combined cycle	6,103	6,305	-3.2%
Cogeneration	714	756	-5.5%
Net production for third parties	18,812	19,321	-2.6%
Renewables	77	111	-30.4%
Onshore	77	111	-30.4%
Gas combined cycle	18,735	19,210	-2.5%
Installed Capacity (MW)	11,197	11,197	-
Net owned installed capacity	4,051	4,051	-
Renewables	1,232	1,232	-
Onshore	590	590	-
Solar	642	642	-
Gas combined cycle	2,617	2,617	-
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

	H1 2023	H1 2022	vs. H1 2022
Net Production (GWh)	8,685	9,461	-8.2%
Renewables	8,685	9,447	-8.1%
Onshore	2,079	1,394	49.2%
Hydro	6,490	8,053	-19.4%
Solar	115	-	N/A
Gas combined cycle	-	14	-100.0%
Installed Capacity (MW)	5,266	4,759	10.7%
Renewables	4,733	4,226	12.0%
Onshore	1,554	1,171	32.7%
Hydro	3,031	3,031	-
Solar	149	25	N/A
Gas combined cycle	533	533	-

Differences may arise due to rounding

Rest of the world (ROW)

	H1 2023	H1 2022	vs. H1 2022
Net Production (GWh)	2,846	2,452	16.1%
Renewables	2,821	2,422	16.5%
Onshore	2,102	1,834	14.6%
Offshore	594	583	1.9%
Solar	125	5	N/A
Gas combined cycle	24	31	-20.2%
Installed Capacity (MW)	3,211	2,614	22.8%
Renewables	2,968	2,371	25.2%
Onshore	1,957	1,770	10.6%
Offshore	462	350	32.0%
Solar	474	177	N/A
Batteries	75	75	-
Gas combined cycle	243	243	-

Differences may arise due to rounding

Stock Market Data

		H1 2023	H1 2022
Market capitalisation	€ (million)	77,034	63,706
Earnings per share (6,446,364,000 shares at 30/06/2023 and 6,437,563,000 shares at 30/06/2022)	€	0.375	0.309
Net operating cash flow per share	€	0.89	0.86
P.E.R.	Times	16.65	14.85
Price/Book value (capitalisation to NBV at the end of the period)	Times	1.80	1.45

Economic/Financial Data^(*)

Income Statement		H1 2023	H1 2022
Revenues	M €	26,263.2	24,429.9
Gross Margin	M €	12,123.6	9,868.8
EBITDA	M €	7,560.7	6,443.9
EBIT	M €	4,911.0	3,922.3
Net Profit	M €	2,520.7	2,075.0
Net Operating Expenses / Gross Margin	%	26.6	25.9
Balance Sheet		June 2023	Dec 2022
Total Assets	M €	145,944	150,114
Equity	M €	59,682	58,114
Net Financial Debt	M €	45,760	44,185
Adjusted Net Financial Debt	M €	45,290	43,749
ROE	%	10.95	10.22
Ajusted Financial Leverage (Net Ajusted Financial Debt/(Ajusted Financial Debt + Ajusted Equity))	%	43.0	42.8
Net Financial Debt / Equity	%	76.7	76.0

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

Others

Others		H1 2023	H2 2022
Gross Organic Investments	M €	4,554.9	4,741.0
Employees	Nº	41,517	39,968

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



Operating highlights for the period

| Operating highlights for the period

- In the first half of 2023, **Iberdrola Group's Net Profit grew by 21.5% to EUR 2,521 million**, 28.2% excluding the impact from the Mexico deal.
- **EBITDA grew by 17.3% to EUR 7,561 million**, mainly due to investments in networks and renewables, as a result of the recovery of last year's regulated standard variable tariff deficit in the UK, and the improved performance in the countries of the European Union in the standardisation of production and best prices.
- **Gross investments** reached EUR 10,544 million in the last 12 months (+8%), with 93% allocated to networks (EUR 5,061 million) and renewables (EUR 4,745 million).
- **Financial strength and cash generation continued to improve**, increasing by 3% to EUR 5,731 million in the six month period, and 21% excluding the recovery of the hydroelectric levy in 2022. In addition, **financial ratios improved**, with the FFO to total debt ratio reaching 24.9%. Iberdrola's financial position strengthens through new green financing (EUR 3,400 million). The group's liquidity position is strong, and allows for the coverage of 21 months of financing requirements.
- The **total dividend from 2022** grew by 11.6% to EUR 0.501 per share, reaching the level established for 2025, after being approved at the **General Shareholders' Meeting**, which had a **quorum of 72%** with an average **favourable vote percentage of 98%** to the agreements proposed by the Board of Directors.
- Changes in Iberdrola's main **benchmark currencies** had a negative impact of EUR 53 million on EBITDA and a positive impact of EUR 60 million on net profit for financial hedges, with changes in average exchange rates as follows:
 - Pound sterling depreciated by 4.6% against the euro to 0.88.
 - The US dollar appreciated by 1.9% to reach 1.080 per euro.
 - The Brazilian real appreciated by 1.0% to 5.527 per euro.

- The Group's total **CO₂ emissions in Europe fell to 36 g/kWh**, four times lower than the EU peers average.

Global environment and general considerations

Highlights for the company's main business areas in terms of **electricity demand and output** for the period include:

- The energy balance of the Spanish peninsular system in the first quarter of 2023 was marked by an increase in hydroelectric (+38%), wind (+6%) and solar (+31%) output compared to the same period of the previous year, while nuclear (-2%), gas combined cycle (-31%) and coal based (-52%) output fell.

Electricity demand in the period fell by 4.6% with respect to the previous year, with a total of reduction of 4.1% in terms adjusted for labour and temperature.

At the end of June, the system has a producible index of 0.7, with hydroelectric reserves at levels of 50%, compared to an index of 0.5 and levels of 40% in reserves for the same period of 2022.

- In the United Kingdom, electricity demand fell by 2.7% in the first half of 2023 compared to the same period in the previous year, while conventional gas demand fell by 9.9% in the first six months of 2022.
- In **Avangrid's** management areas on the East Coast of the United States, electricity demand was down 5.4% in the period compared to the first half of 2022, while gas demand fell by 11.6%, due to better climate conditions.
- Meanwhile, electricity demand in the areas serviced by **Neoenergia** in Brazil increased by 0.2% in the first half of 2023 compared to the same period of the previous year.

| Operating highlights for the period

During the first half of 2023, international markets of commodities performed as follows:

	H1 2023	H1 2022	vs H1 2022
Oil – USD/BBL	79.7	107.9	–26%
Coal – USD/tonne	130.8	266.1	–51%
CO ₂ – EUR/tonne	89.2	83.5	7%
MIBGAS – EUR/MWh (gas)	42.4	92.6	–54%
NBP – p/th (gas)	109.7	184.9	–41%
Henry Hub – USD/ million Btu (gas)	2.4	6.0	–60%
TTF – EUR/MWh (gas)	44.4	97.9	–55%

Significant events for the Iberdrola Group

The main items in the **profit and loss account** were as follows:

Million EUR	H1 2023	vs H1 2022
GROSS MARGIN	12,123.6	+22.8%
EBITDA	7,560.7	+17.3%
EBIT	4,911.0	+25.2%
NET PROFIT	2,520.7	+21.5%

Consolidated EBITDA grew by 17.3% compared to the figure recorded in the first half of 2022, reaching EUR 7,560.7 million, with strong results in the United Kingdom and European Union. It should be noted that EBITDA is negatively impacted by a purely accounting effect regarding regulated wind generation in Spain (1,6 TWh of the total of c.7 TWh), as a result of the update by the Spanish Government of the expected market prices from 2023 onwards. This negative impact, of 86 M Eur at EBITDA level and 55 M Eur at Net Profit level, has no effect on the cash or profitability of the facilities and will be reversed in the future over the regulatory life of the assets.

Net Operating Expenditure stood at EUR 2,905.2 million, up 16.6%, although the increase was 7.5% excluding the impact of extraordinary effects in the first half of 2022 and reconcilable effects in the US. On the other hand, Net Personnel Expenses grew by 16.9% and External Services by 11.2%. While, if the impacts abovementioned are excluded, Net Personal Expenses and External Services grew by 6.5% and 6.8%, respectively.

Levies stood at EUR 1,657.6 million in the first half of 2022, including the annual impact of the new 1.2% revenue tax in Spain (EUR –216 million). Other more minor effects included the larger hydroelectric levy due to increased hydro production and higher spending on the Bono Social (electricity bill discount) after its approval at the end of March 2022.

Amortisation charges and provisions rose by 5.1% to reach EUR 2,649.7, as a result of the greater asset base and the evolution of insolvencies provisions due to the higher amounts on invoices.

Net Financial Income increased by EUR 211 million to EUR 1,127.7 million at the end of June 2023, due to the higher average debt balance and the increase in interest rates, effects partially offset by the results of foreign exchange derivatives.

With regard to the **Results from Equity Method Investments**, their contribution was practically null, compared to the positive EUR 161 million at the end of June 2022, in which the positive non recurring impact of the reorganisation of offshore wind assets in the United States was recorded following the agreement reached with CIP.

In the **Tax Line**, at the end of the first half of 2023 the tax rate stood at 26.9%, compared to 22.1% in the same period of 2022. The comparison was affected by the recording of deferred tax related to the deal in Mexico. This was due to complying with IAS12 and having to register the difference between the book value and the tax value of the entities put up for sale in the transaction, which has no effect on Iberdrola's cash flows.

As a result of all the above, **Net Profit** grew by 21.5% in the first half of 2023 and reached EUR 2,520.7 million.

| Operating highlights for the period

The key financial figures for the period are as follows:

- Net adjusted financial debt¹ was EUR 45,290 million, increasing 8.6%, (EUR 3,573 million) compared to June 2022 due to the strong investment in the period.
- Adjusted funds from operations totalled EUR 11,295 million in the last 12 months, up by 9.7% compared to the same period in the previous year, accounting for EUR 5,371 millions in the first half of the year.

Significant transactions

- In April 2023, Iberdrola's subsidiary in Brazil, Neoenergia S.A., reached an agreement with Warrington Investment Pte. Ltd., a company controlled by the Government of Singapore Investment Corporation, (GIC), for the sale of 50% of the share capital of its subsidiary Neoenergia Transmissora 15 SPE S.A., holding 8 transmission operating assets (1,865 km of lines). The agreed sale price was BRL 1,200 million, subject to possible adjustments at the close of the transaction. Additionally, both companies signed a framework agreement to jointly evaluate their participation in future tenders for electricity transmission assets in Brazil.
- In May 2023, Iberdrola reached an agreement with NBIM Iberian Reinfra AS, part of Norges Bank, to sell 49% of a total project portfolio of 1,265 MW (137 MW of which is already in operation, with 1,128 MW under construction). The total value of this renewables project portfolio is EUR 1,225 million. Therefore, NBIM Iberian's total investment in the portfolio will be approximately EUR 600 million, based on its 49% shareholding.
- In June 2023, Iberdrola entered into a binding agreement signed between Iberdrola Mexico subsidiaries and Mexico Infrastructure Partners ("MIP"), which endorsed the Memorandum of Understanding signed two months earlier. Based on this agreement, Iberdrola undertakes to sell to the counterparty a portfolio of 13 generation plants in Mexico that includes combined cycles and an onshore wind farm for the amount of USD 6,000 million. Iberdrola maintains 45% of the business in Mexico, with 15 plants in operation, 9 of them renewable, and remains the main private generator of renewable energy in Mexico. The process of obtaining permits to complete the deal is well on track and the transaction is expected to be closed by the end of the year.
- In July 2023, after the close of the half year, Iberdrola issued a green bond in the Euromarket for an amount of EUR 850 million, maturing on 13 July 2033 and with an annual coupon of 3.625%. The issue price has been set at 99.695% of its nominal value.
- In July 2023, after the closure of the semester, Iberdrola signed an agreement with Masdar Baltic Eagle Germany GmbH, a company belonging to the Abu Dhabi Future Energy Company group, for the sale of 49% of the Baltic Eagle offshore wind farm (476 MW) in Germany, which is currently under construction. The transaction price will be approximately 375 M Eur, which implies a valuation of 100% of the wind farm of approximately 1,630 M Eur. In addition, it should be noted that the Iberdrola group will continue to provide the services of construction supervision, operation and maintenance, and management of the wind farm.

1. Adjusted for treasury stock derivatives with physical settlement that, at the current date, are not expected to be executed (EUR 470 million in Jun-23 and EUR 278 million in Jun-22).



Operational performance over the period

1. Networks Business: energy distributed and supply points

The Group's Asset Base was EUR 39,200 million at the end of 2022, up 10% on the end of 2021 at a constant exchange rate.

Asset Base (Local currency)	Dec. 2022	Dec. 2021
Spain (EUR billion)	9.4	9.3
United Kingdom (GBP billion)	8.2	7.1
United States (USD billion)	12.8	11.9
Brazil (BRL billion)	43.9	35.7

At the end of June 2023, the Group's distributed electricity was 114,939 GWh, a reduction of 3% on the first half of 2022:

Distributed Electricity

ELECTRICITY (GWh)	H1 2023	H1 2022	vs. H1 2022
Spain	43,195	45,197	-4.4%
United Kingdom	15,377	15,931	-3.5%
United States	18,010	19,029	-5.4%
Brazil	38,356	38,293	0.2%
Total	114,939	118,449	-3.0%
GAS (GWh)			
United States	33,941	38,386	-11.6%
Total	33,941	38,386	-11.6%

Electricity and gas supply points increased by 1.2% compared to the end of June 2022, thanks to organic growth in all territories, broken down as follows

Managed supply points

ELECTRICITY (million)	H1 2023	H1 2022	vs. H1 2022
Spain	11.40	11.32	0.7%
United Kingdom	3.55	3.55	0.1%
United States	2.32	2.31	0.3%
Brazil	16.19	15.88	2.0%
Total electricity	33.46	33.06	1.2%
GAS (million)			
United States	1.04	1.03	0.4%
Total gas	1.04	1.03	0.4%
TOTAL SUPPLY POINTS	34.50	34.09	1.2%

1.1. Spain – i DE

At the end of the first half of 2023, the Networks Business in Spain had 11.4 million supply points (+0.7% vs first half of 2022), while distributed energy totalled 43,195 GWh, 4.4% lower than the same period of the previous year.

The company is continuing its commitment to quality, improving regulatory levels of medium-voltage SAIDI (System Average Interruption Duration Index) in minutes, and medium-voltage SAIIFI (System Average Interruption Frequency Index), in line with the previous year:

i DE	H1 2023	H1 2022
Regulatory SAIDI (min.)	<17	<17
Regulatory SAIIFI (no. inter.)	<0.4	<0.4

Note: Commercially Sensitive Information

1.2. United Kingdom – SP Energy Networks

At the end of the first half of 2023, SP Energy Networks had 3.6 million (+0.1% compared to the end of June 2022) supply points, while its distributed energy was 15,377 GWh, down 3.5% on the previous year. By distributor, the data is as follows:

| Operational performance over the period

Energy distributed (GWh)	H1 2023	H1 2022	%
ScottishPower Distribution (SPD)	8,384	8,705	-3.7%
ScottishPower Manweb (SPM)	6,993	7,225	-3.2%

Quality indicators remain below regulatory limits. Customer Minutes Lost (CML) was as follows:

CML (min.)	H1 2023	H1 2022
Scottish Power Distribution (SPD)	12.54	11.94
Scottish Power Manweb (SPM)	16.20	12.73

Pending regulatory verification.

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

CI (no. of interruptions)	H1 2023	H1 2022
Scottish Power Distribution (SPD)	16.81	15.64
Scottish Power Manweb (SPM)	16.77	12.90

In May, UK regulator Ofgem gave the green light to two world-leading R&D projects led by SP Energy Networks to power the grid of the future. The first project, BLADE, will study how to use offshore wind power to restore power in the event of a blackout. The second, D-Suite, will serve to address the increase in demand as more and more electric vehicles, distributed energy resources and heat pumps are connected to the grid.

The Charge project, led by SP Energy Networks, was successfully completed in June. Through this project, the company has developed a new tool to quickly identify the best places to install public charging points and thus reduce barriers to electric vehicle adoption in the UK. It has also served to investigate how the local power grid can effectively meet the growing demand that will come along with the expansion of this technology.

1.3 United States – Avangrid

Before reviewing Avangrid's operational performance, it should be noted that the company has continued to negotiate new rate cases affecting the company, on which more detailed information is given in the Regulation section. In the State of Maine, the company has obtained approval of the new multiannual rate case, in New York a Joint Proposal was agreed with different state stakeholders, which is subject to the approval of NY's Regulator, expected before the end of the year. In Connecticut an initial draft response has been received from the Regulator to the presented rate case, the process is still ongoing, with new rates expected before the end of the year.

1.3.1 Electricity

At the end of the first half of 2023, Avangrid Networks had more than 2.3 million supply points (+0.3%). Distributed electricity for the year was 18,010 GWh, down 5.4% year on year:

Energy distributed (GWh)	H1 2023	H1 2022	%
Central Maine Power (CMP)	4,561	4,876	-6.5%
NY State Electric & Gas (NYSEG)	7,714	8,156	-5.4%
Rochester Gas & Electric (RGE)	3,453	3,602	-4.1%
United Illuminating Company (UI)	2,281	2,395	-4.8%

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

CAIDI (hrs)	H1 2023	H1 2022
Central Maine Power (CMP)	1,58	1,62
NY State Electric & Gas (NYSEG)	1,98	2,01
Rochester Gas & Electric (RGE)	1,54	1,55

| Operational performance over the period

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

SAIDI (min.)	H1 2023	H1 2022
United Illuminating Company (UI)	20.42	17.82

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

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

SAIFI	2023	2022
Central Maine Power (CMP)	0.92	0.78
NY State Electric & Gas (NYSEG)	0.63	0.69
Rochester Gas & Electric (RGE)	0.33	0.40
United Illuminating Company (UI)	0.36	0.23

1.3.2 Gas

At the end of June, Avangrid supplied gas to more than 1 million supply points (+0.4% vs the first half of 2022), 33,941 GWh of gas had been distributed, down 11.6% on the same period of the previous year, primarily due to the higher temperatures experienced during the first half of 2023:

Energy distributed (GWh)	H1 2023	H1 2022	%
NY State Electric & Gas (NYSEG)	8,762	9,800	-10.6%
Rochester Gas & Electric (RGE)	9,359	10,487	-10.7%
Maine Natural Gas (MNG)	2,384	3,026	-21.2%
Berkshire Gas (BGC)	1,623	1,753	-7.4%
Connecticut Natural Gas (CNG)	6,002	6,706	-10.5%
Southern Connecticut Gas (SCG)	5,811	6,614	-12.1%

1.4. Brazil – Neoenergia

At the end of the first half of 2023, Neoenergia's supply points exceeded 16 million (+2.0% compared to the same period in 2022). Distributed electricity for this period of the year was 38,356 GWh, a 0.2% increase on the previous year:

Distributed Energy (GWh)	2023	2022	%
Neoenergia Coelba	12,962	12,626	2.7%
Neoenergia Elektro	9,829	10,120	-2.9%
Neoenergia Pernambuco	8,718	8,699	0.2%
Neoenergia Brasília	3,671	3,698	-0.7%
Neoenergia Cosern	3,175	3,150	0.8%

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

DEC (h)	H1 2023	H1 2022
Neoenergia Coelba	5.73	6.55
Neoenergia Elektro	3.61	3.65
Neoenergia Pernambuco	5.63	6.31
Neoenergia Brasília	2.88	2.84
Neoenergia Cosern	4.39	4.66

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	H1 2023	H1 2022
Coelba	2.54	2.66
Elektro	1.91	1.9
Pernambuco	2.6	2.28
Brasília	2.29	2.17
Cosern	1.8	1.7

Variations may occur after regulatory reviews

2. Electricity production and customers business

At the end of the first half of 2023, Iberdrola's **installed capacity** grew by 4.2% compared to the end of June 2022 and reached 62,045 MW, reaching a capacity from emission-free sources of 71.7% (44,513 MW) of the total capacity, up from 70.6% at the end of June 2022:

MW	HI 2023	vs HI 2022
Capacity for own use (*)	54,899	4.8%
Renewables (*)	41,246	6.5%
Onshore wind	20,577	4.5%
Offshore wind	1,370	8.9%
Hydroelectricity (includes MH)	14,096	-0.2%
Solar	4,991	44.8%
Batteries	198	-
Nuclear	3,177	-
Gas combined cycle	9,291	-
Cogeneration	1,185	-
Capacity for third parties	7,146	-
Renewables	103	-
Onshore wind	103	-
Gas combined cycle	7,043	-
Total (*)	62,045	4.2%

Discrepancies possible due to rounding.

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

Net electricity production in the first half of 2023 was 85,019 GWh, practically in line with the production recorded in the same period in 2022, with 83% of production being emission-free (54,911 GWh), compared to 81% at the close of the first half of 2022:

GWh	HI 2023	vs HI 2022
Own production (*)	66,297	3.2%
Renewables (*)	42,756	5.7%
Onshore wind	22,459	-3.6%
Offshore wind	2,406	4.6%
Hydroelectricity (includes MH)	14,928	15.3%
Solar	2,926	56.4%
Nuclear	12,155	3.2%
Gas combined cycle	8,805	-5.1%
Cogeneration	2,581	-4.9%
Production for third parties	18,812	-2.6%
Renewables	77	-30.37%
Onshore wind	77	-30.37%
Gas combined cycle	18,735	-2.5%
Total (*)	85,109	1.9%

Discrepancies possible due to rounding.

(*) Includes 38 GWh of fuel cell production in HI 2023 and 36 GWh in HI 2022

As of 30 June 2023, Iberdrola had 29.7 million contracts, 2.0% more than at the end of June 2022, broken down as follows:

Millions of contracts	Spain	United Kingdom	Brazil	Total	vs HI 2022
Electricity contracts	10.7	2.8	0.0	13.5	0.1%
Gas contracts	1.3	1.9		3.1	-5.4%
Smart Solutions	9.9 ⁽ⁱ⁾	2.6	0.6	13.1 ⁽ⁱ⁾	10.6%
Total	21.8	7.3	0.6	29.7	3.7%

Discrepancies possible due to rounding.

(i) Includes 2.3 million smart meters installed

2.1 Spain

Renewable capacity and production

At the end of the six months, Iberdrola has an installed **renewable capacity** in Spain of 20,598 MW (+6.4% compared to the same period last year), with the following breakdown:

	Installed MW Consolidated at EBITDA level	MW managed by investee companies (*)	Total
Onshore wind	6,247	199	6,446
Solar PV	3,186	-	3,186
Hydroelectric (**)	10,700	-	10,700
Minihydroelectric	247	-	247
Batteries	19	-	19
Total capacity	20,399	199	20,598

Discrepancies possible due to rounding.

(*) Includes the proportional MW share

In terms of **solar photovoltaic**, after the entry into commercial operation of the Almaraz I plant (50 MW) last quarter in Cáceres, the commissioning of Almaraz II (30 MW) has been completed, which has also begun its commercial operation.

Work continues on the Ballestas and Casetona hybrid plants (74 MW) in Burgos and the Velilla plant (350 MW) in Palencia, where the land continues to be prepared for development. The construction of the Salinas I, II and III plants (149 MW) in Cuenca is ongoing, and the trackers and modules are continuing to be assembled.

During the period, the installation of photovoltaic modules has been completed in the Fuentes plant (50 MW), in Guadalajara, Penarrubia plant (50 MW) in Murcia and Espliego plant (44 MW), belonging to the Guillena plant (144 MW) in Seville, where the medium voltage interconnection is continuing to be executed. In Salamanca, work has been completed on the 45 kV evacuation line of the Villarino plant (50 MW), in which only the grid connection is pending. Work is also continuing for the evacuation of the plants Virgen de Arenos III (50 MW) in Palencia, Manantiales I (30 MW) and Valbuena (50 MW) in Guadalajara, Llanos Pelao 3 (7 MW), in Fuerteventura and Cespedera

(27 MW) in Cádiz, Spain, in which the commissioning is expected to begin next quarter.

Work continues on the Cedillo plant (375 MW), in Cáceres, where the construction of the substation has been completed and the photovoltaic modules are being installed. In the town of Alcántara, work continues on the evacuation line and substation for the four plants, Tagus I to IV (200 MW in total).

On the other hand, the works on the solar field of the Balsicas plant (100 MW) in Murcia have begun, beginning with the clearing and earthmoving. The phase 3 works of Francisco Pizarro (36 MW) in Cáceres have also begun.

In **onshore wind**, work continues on the Buniel (104 MW) and Valdemoro (50 MW) wind farms, in which the construction of the common evacuation infrastructures is advancing.

In **battery storage projects**, the Urkilla (5 MW) plant in Álava has begun its commercial operation phase.

After the successful commissioning of both the Gouvães (880 MW) and Daivões (118 MW) facilities at the Tâmega **hydroelectric** complex in Portugal, work continues on Alto Tâmega where, after the dam body was concreted in 2022, spillway concreting has been completed in the first half of 2023. In addition, assembly of the two groups (160 MW) has started as planned.

As part of the divestment process, authorisation has been received to change ownership of the minihydro power plants: Guriezo Superior (2.32 MW), Guriezo Inferior (1.16 MW); Onda (0.90 MW), Hidro (0.35 MW) and Villarreal (0.47 MW) in favour of Global Capablanca S.L.U.

Finally, once the Group 1 rehabilitation works of the Valparaíso hydroelectric plant (30 MW) were completed in 2022, it started to be used as a pump in May. In this way, it will be possible to increase the storage capacity of renewable energy up to 800 MWh.

Renewable production totalled 15,248 GWh (+28.5%), broken down as follows:

| Operational performance over the period

	GWh Consolidated at EBITDA level	GWh managed by investee companies (*)	Total
Onshore wind	5,123	237	5,360
Solar PV	1,579	-	1,579
Hydroelectric	8,096	-	8,096
Minihydroelectric	212	0	212
Total production	15,010	237	15,248

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 half of 2022:

- **Onshore wind production** was 5,123 GWh, down 10.4% due to the lower wind resource and discharges.
- **Hydroelectric production** stood at 8,309 GWh, up 73% due to increased water resources and the contribution of the new Gouvães and Dai-vões plants.
- **Solar photovoltaic production** totalled 1,579 GWh, up 47.9% due to the commissioning of new capacity.

Thermal capacity and production

The Iberdrola Group's **thermal capacity** in Spain at the end of June was 9,218 MW, unchanged with respect to the end of June 2022 and broken down as follows:

	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** for the period was 15,684 GWh (-1.3%) with an increase in the nuclear contribution (+3.2%) and a decrease in the production of combined cycles (-8.7%) and cogeneration (-27.3%).

	GWh Consolidated at EBITDA level	GWh Investee companies (*)	Total
Nuclear	12,155	0	12,155
Gas combined cycle	2,674	0	2,674
Cogeneration	694	160	854
Total production	15,523	160	15,684

Discrepancies possible due to rounding.

(*) Includes the proportional GWh share

Retail supply

The retail supply portfolio managed by Iberdrola in Spain⁽¹⁾ totalled 21.8 million contracts at 30 June 2023, up 1.3% on the end of June 2022. The breakdown is as follows:

Thousands of contracts	Spain ⁽¹⁾
Electricity contracts	10,682
Gas contracts	1,277
Smart Solutions contracts	9,886
Total	21,845

By market type, they break down as follows:

Thousands of contracts	Spain ⁽¹⁾	%
Liberalised market	18,456	84.5%
Last resort	3,389	15.5%
Total	21,845	100%

Iberdrola's electricity sales⁽¹⁾ during the first six months of 2023 fell by -1.5%, mainly as a result of fewer spot sales, distributed as follows:

Operational performance over the period

GWh	Spain ⁽¹⁾	vs H1 2022
Liberalised market	34,428	4.7%
Voluntary price for the small consumer (PVPC) market	3,188	-13.3%
Other markets	6,474	-21.0%
Total sales	44,090	-1.5%

Discrepancies possible due to rounding

With regard to gas⁽¹⁾, in the first half of 2023, Iberdrola managed total gas production of 1.21 bcm, of which 0.14 bcm were sold in wholesale transactions, 0.55 bcm were sold to end customers and 0.51 bcm went towards electricity production.

(1) Electricity sales in plant busbars. Gas sales do not include shrinkage

2.2. United Kingdom

Renewable capacity and production

At the end of the first half of 2023, Iberdrola has an installed **renewable capacity** in the United Kingdom of 2,993 MW.

	Installed MW Consolidated at EBITDA level	MW managed by investee companies ^(*)	Total
Onshore wind	1,955	15	1,970
Offshore wind	908	-	908
Solar PV	9.98	-	9.98
Batteries	104	-	104
Total capacity	2,977	15	2,993

Discrepancies possible due to rounding.

(*) Includes the proportional MW share

In terms of **solar photovoltaic**, preparations are under way for the relaunch of work on the Coldham photovoltaic plant (9 MW) in England, where installation and commissioning are expected to take place in the last quarter of the year.

In terms of **onshore wind** and **solar photovoltaic**, the development of the fifteen projects that were awarded with Contracts for Differences (CFDs) in

the fourth round of auctions that took place in 2022 continues. The Financial Investment Decision (FID) was made during this quarter for the Cumberhead West (113 MW) and Hagshaw Hill Repowering (80 MW) wind projects, both in Scotland, in the South Lanarkshire region. The Hagshaw Hill I park (16 MW) has been decommissioned in order to prepare the work for *repowering*.

In **offshore wind**, the UK renewables business is currently developing projects with this technology throughout the country, with projects called **East Anglia**, and land secured in Scotland.

The **East Anglia 1** offshore wind farm continues discharging energy to the national grid. For its part, **East Anglia 1 North and East Anglia 2 projects** continue to make progress in key engineering and design work. Preparatory work is also under way for the upcoming CFD Round 5 auction.

East Anglia 3, having won a contract for differences in the fourth round of UK auctions, has continued to move forward with engineering and design work. The high voltage work (HVDC) related to the establishment and manufacture have continued during the second quarter and are showing good progress. In addition, all key contracts, including those for foundations, export cable and turbine supply and installation, have been obtained.

Renewable production in the United Kingdom came to 3,489 GWh in the half-year (-16.0% vs H1 2022), broken down as follows:

	GWh Consolidated at EBITDA level	GWh managed by investee companies ^(*)	Total
Onshore wind	1,668	5	1,674
Offshore wind	1,812	-	1,812
Solar and batteries	3	-	3
Total production	3,484	5	3,489

Discrepancies possible due to rounding.

(*) Includes the proportional GWh share

Consolidated production changes at EBITDA level were as follows:

| Operational performance over the period

- Onshore wind production totalled 1,668 GWh, down 31.3% from the same period the previous year, mainly due to lower wind resource and curtailments.
- Offshore wind production increased by 5.6% to 1,812 GWh thanks to the higher load factor.

Retail supply

As of 30 June 2023, the contract portfolio managed in the United Kingdom exceeded 7.2 million, up 0.8% compared to the same period last year, with the deployment of smart meters under way with a total of 2.3 million installed. The contract breakdown is as follows:

Thousands of contracts	UK
Electricity contracts	2,763
Gas contracts	1,873
Smart Solutions contracts	283
Smart meters	2,339
Total	7,258

Discrepancies possible due to rounding.

As for sales⁽¹⁾, 8,235 GWh of electricity and 12,548 GWh of gas were supplied to customers at the end of June 2023, -16.9% (due to lower demand and the exit from the Industrial & Commercial business) and -9.3% less, respectively, than in the same period in 2022.

(1) Electricity sales in plant busbars. Gas sales do not include shrinkage.

2.3. United States – Avangrid

Renewable capacity and production

At the end of the first half, Iberdrola had a **renewable installed capacity** in the United States of 8,722 MW (+2.5% compared to the first half of 2022), broken down as follows:

	Installed MW Consolidated at EBITDA level	MW managed by investee companies ⁽¹⁾	Total
Onshore wind	7,825	236	8,061
Hydroelectric	118	-	118
Solar PV	517	12	529
Total capacity	8,474⁽²⁾	248	8,722⁽²⁾

Discrepancies possible due to rounding.

(1) Includes the proportional MW share

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

In **onshore wind**, the Midland (105 MW) wind farm in Illinois is awaiting interconnection to begin commissioning.

For its part, in terms of **solar photovoltaic energy**, construction of the True North photovoltaic plant (321 MW) has begun in the state of Texas. The implementation of the Bakeoven (80 MW) and Daybreak (189 MW) projects continues in Oregon, and the photovoltaic panels will soon start to be installed. In this same state, the Montague plant (211 MW) started commercial operations in terms of PPA last April.

In **offshore wind**, construction of **Vineyard Wind 1** continues to progress as planned, and is in the final phase of drilling of the export cable connection site. The ground substation has been energised and foundations have begun. In addition, turbines and blades have arrived in the United States.

Meanwhile, **Park City Wind**, **Commonwealth Wind** and **Kitty Hawk Wind** are currently in the process of receiving permits from the federal government.

As regards **Commonwealth Wind**, due to the major challenges facing the offshore wind industry regarding the supply chain, rising inflation and interest rate hikes, Avangrid filed a motion on 12 December 2022 to the Massachusetts Department of Public Utilities requesting the dismissal of the Power Purchase Agreements signed with state distributors (EDCs). In July, the EDCs of Massachusetts requested the regulator to cancel the PPAs, as they are not bankable given the increase in costs mentioned above. As a consequence, Avangrid must comply with the corresponding release clause (48 M\$), having an impact of 24 M\$ in the Profit

Operational performance over the period

and Loss account for 2023, as the company already made a provision of 24 M\$ in 2022. Avangrid remains committed to submitting the **Commonwealth Wind** project to the fourth Massachusetts auction, scheduled for the beginning of 2024, and is confident that its participation is key to help Massachusetts meet its ambitious climate targets by 2030, and creating thousands of jobs and opportunities for development.

Renewable production in the United States reached 11,311 GWh in the first half of the year (+2.4% compared to the same period in 2022) with the following breakdown:

	GWh Consolidated at EBITDA level	GWh managed by investee companies ⁽¹⁾	Total
Onshore wind	10,439	286	10,725
Hydroelectric	129	-	129
Solar PV	405	14	419
Total production	11,011⁽²⁾	300	11,311⁽²⁾

Discrepancies possible due to rounding.

(1) Includes the proportional GWh share

(2) Includes 38 GWh of production from fuel cells

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

- Onshore wind production reached 10,439 GWh, similar to that of the year before the end of June (-0.5%).
- Production with photovoltaic solar technology stands at 405 GWh (+288.7%), due to the greater solar resource and the entry into operation of new projects (+205 MW).
- Hydroelectric production increased by 45.0% to 129 GWh from 89 GWh the year before at the end of June.

2.4. Mexico

Renewable capacity and production

At the end of the first half, Iberdrola had a **renewable installed capacity** in Mexico of 1,335 MW broken down as follows:

	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 totalled 1,279 GWh (-20.8%), broken down as follows:

	GWh Consolidated at EBITDA level	GWh managed by investee companies ^(*)	Total
Onshore wind	595	-	595
For own use	518	-	518
For third parties	77	-	77
Solar PV	684	-	684
Total production	1,279	-	1,279

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 output totalled 595 GWh, down 36.6% due to a less wind resource and the temporary stop of a wind farm (105 MW).
- As for PV solar energy production, it has reached 684 GWh, an increase of 1.1% due to a higher load factor.

Thermal capacity and production

In Mexico, installed **thermal capacity** at 30 June 2023 was 9,862 MW. Thermal production during the

Operational performance over the period

first six months of 2023 totalled 25,553 GWh, down -2.7% over the same period a year earlier.

	MW	GWh
Gas combined cycle	9,660	24,839
For own use	2,617	6,103
For third parties	7,043	18,735
Cogeneration	202	714
Total	9,862	25,553

Discrepancies possible due to rounding

Retail supply

Electricity sales as of 30 June 2023 amounted to 26,717 GWh (-7.4% vs the same period of 2022), broken down as follows:

GWH	H1 2023	H2 2022
CFE	18,829	19,325
Private	7,887	9,531
Total sales	26,717	28,855

Discrepancies possible due to rounding.

2.5. Brazil – Neoenergia

Renewable capacity and production

At the end of the half-year, the installed **renewable capacity** in Brazil amounted to 4,733 MW (+12.0% compared to H1 2022), with the following breakdown:

	Installed MW Consolidated at EBITDA level	MW managed by investee companies ⁽¹⁾	Total
Onshore wind	1,554	-	1,554
Hydroelectric	836	2,194	3,031
Solar PV	149	-	149
Total capacity	2,539	2,194	4,733

Discrepancies possible due to rounding.

(1) Includes the proportional MW share

In **onshore wind**, the installation of the 103 wind turbines of the 12 wind farms that make up the Oitis wind complex (566 MW), in the state of Piauí, has been com-

pleted, and commissioning work continues with 523 MW already operational. The complex is expected to be fully operational during the third quarter of the year.

In **hydroelectric**, an agreement was reached in 2022 for an asset swap in 2023, where Neoenergia will increase its stake in the Dardanelos hydroelectric plant to 100%, leaving its stake in the Baguari and Telespices plants, thus optimising its generation portfolio with this technology.

As for **renewable production**, at the end of June, 8,685 GWh were reached (-8.1% compared to the previous year and due to hydroelectric production in investee companies) with the following breakdown:

	GWh Consolidated at EBITDA level	GWh managed by investee companies ⁽¹⁾	Total
Onshore wind	2,079	-	2,079
Hydroelectric	1,220	5,270	6,490
Solar PV	115	-	115
Total production	3,414	5,270	8,685

Discrepancies possible due to rounding.

(1) Includes the proportional GWh share

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

- Onshore wind production totalled 2,079 GWh, an increase of 49.2%, thanks to the contribution of the new wind assets.
- In terms of hydroelectric production, it has reached 1,220 GWh, slightly above the same period the previous year (+2.6%).
- Photovoltaic solar production totalled 115 GWh, due to contributions from the new Luzia 2 and 3 plants.

Thermal capacity and production

In Brazil, the thermal capacity in the first half of 2023 remains the same at 533 MW, with no energy produced with this technology during the year:

| Operational performance over the period

	MW	GWh
Gas combined cycle	533	-
Total	533	-

Discrepancies possible due to rounding.

Retail supply

Electricity sales in the first half of 2023 amounted to 8,463 GWh (+5.6% vs the same period of 2022), broken down as follows:

	GWh 2023	GWh 2022
PPA	5,805	5,158
Liberalised market	2,658	2,879
Total sales	8,463	8,037

Discrepancies possible due to rounding

2.6. Rest of the World

Renewable capacity and production

Installed **renewable capacity** in the Rest of the World totalled 2,968 MW, 25.2% more than in the same period of the previous year, with the following breakdown:

Rest of the World	MW
Onshore wind	1,957
Offshore wind	462
Solar	474
Batteries	75
TOTAL	2,968

Discrepancies possible due to rounding.

In terms of **Solar Photovoltaic Technology**, in Portugal, in the district of Setúbal, the commissioning of the Alcochete I and II plants (46 MW) has been completed, which have been in the commercial operation phase since May. Also in Portugal, in Paderne, the installation of photovoltaic modules of the Montechoro I and 2 plants (37 MW) is being carried out, and the works of the substation of the projects are continuing. Work is also continuing on the Carregado plant (64 MW) in the Lisbon district. In Italy, in the Lazio region, work continues on the Montefiascone plant (7 MW), and in Australia, the commissioning of the Avonlie project

(245 MW) is progressing well and is scheduled to begin commercial operations in the next quarter.

In Poland, **onshore wind** has successfully completed the commissioning of the Korytnica II wind farm (50 MW), which has been in commercial operation since May. In Greece, works are soon to be finalised by the grid manager, after which the Rokani wind farm (18 MW) in Viotia will be energised. Meanwhile in Kozani, the As-kio II (37 MW) farm continues to be completed, where the assembly has finalised and the commissioning of the last wind turbines is progressing properly. For its part, in Australia, the assembly of the wind turbines of the Flyers Creek wind farm (146 MW) is progressing, where a total of 8 of the 38 wind turbines that make up the wind farm have been installed. In parallel, commissioning activities are being prepared.

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

- In **Germany**, at the **Baltic Eagle (476 MW)** project, the offshore substation has been connected with the export cables and will be energised during the last quarter of the year. Installation of the foundations has begun and is expected to be completed in the third quarter of the year. The manufacture of the towers and blades of the wind turbines has begun as planned. From a commercial point of view, several long-term energy purchase agreements have been reached for the entire production of the wind farm. These agreements also include the full production of the future **Windanker project (315 MW)**.
- In **France**, the **Saint Brieuc project (496 MW)**, after completing the installation of underground cables, continues with the installation of foundations. Installation of the first wind turbine was completed on 9 May and on 5 July the first wind turbines started supplying power. It is expected that the rest of the turbines will be gradually connected to the grid until commissioning the 62 wind turbines that the wind farm will have.
- In **Sweden**, as regards development of the project portfolio, work continues through joint collaboration between Svea Vind Offshore and Iberdrola. Environmental permits and grid connection have

| Operational performance over the period

been requested for the Utposten II (540 MW) and Greta Klackar I (1,625 MW) and Langgrund I&II (2,350 MW) projects, and work continues on submitting the Sylen environmental permit (4,193 MW).

- In **Ireland**, 3.1 GW were awarded at the ORESSI auction held in May 2023. The development framework has been published for Phase 2 projects (5 GW), where Iberdrola has its portfolio. Publication of the Marine Areas (DMAP) by the government and the conditions of the auction is still pending. The auction will be held in two phases in 2024 and 2025. The framework for Phase 3 (*floating*) will be published in the first quarter of 2024.
- In **Australia**, Iberdrola Australia has participated in the submission of feasibility licences in the Gippsland area (Victoria). Progress is being made on preparing future applications for the areas proposed by the Federal Government. The proposed area for the Hunter area in the state of New South Wales has been publicly consulted and the selected area is expected to be defined in the near future.

Installed capacity breaks down as follows by country:

	Onshore wind	Photo- voltaic solar	Batteries	Offshore wind	MW
Germany				350	350
Australia	910	352	75		1338
Greece	415	6			421
Hungary	158				158
France	118			112	230
Portugal	92	93			185
Poland	163				163
Romania	80				80
Cyprus	20				20
Italy		23			23
Total	1,957	474	75	462	2,968

Discrepancies possible due to rounding

Renewable production in the half-year totalled 2,821 GWh, up 16.5% compared to the same period last

year, broken down by technology and country as follows:

	Onshore wind	Photo- voltaic solar	Batteries	Offshore wind	MW
Germany				594	594
Australia	1,014	60	-		1,074
Greece	415	3			419
Hungary	153				153
France	120				120
Portugal	106	45			151
Poland	185				185
Romania	96				96
Cyprus	13				13
Italy		17			17
Total	2,102	125	-	594	2,821

Discrepancies possible due to rounding

By technologies, onshore wind production increased by 14.6% in the period compared to the first half of 2022, mainly due to the additions of new capacity, and particularly thanks to the Port Augusta complex in Australia. For their part, offshore wind production increased slightly (+1.9%) due to Wikinger's highest load factor in Germany and solar PV production stood at 125 GWh in the period compared to 5 GWh in the first half of 2022.

3. Other aspects

3.1. General Shareholders' Meeting 2023

The General Shareholders' Meeting of Iberdrola held on 28 April 2023 was constituted with the assistance of a total of 4,639,250,945 shares (2,013,020,674 present and 2,626,230,271 represented), reaching a quorum of 71.97% of the share capital (31,23 % present and 40,74 % represented). The General Shareholders' Meeting approved all agreements proposed by the Board of Directors with an average approval rate of 98%.

3.2. Shareholder remuneration 2023

Among the agreements adopted at the last General Meeting 2023, held last April, and regarding shareholder remuneration, the following items were approved:

- With 99.83% of votes in favor of point 8 of the agenda, corresponding to the "engagement dividend", by which shareholders entitled to participate in the Meeting will receive EUR 0.005 gross, conditional on the quorum of constitution of the General Meeting reaches, at least 70 % of the share capital.
- With 99.82% of votes in favour of item 9, concerning remuneration to shareholders for the year 2022 and payment in the year 2023, fixing a minimum additional dividend of EUR 0.310 gross per share.

Finally, the Complementary Dividend, to be paid in July, has been set at EUR 0.316 gross per share, 15.3% more than in 2022, to this amount must be added the EUR 0.180 gross per share distributed in January as Dividend to Account and the EUR 0,005 gross per share corresponding to the "engagement dividend".

Therefore, the total remuneration for the shareholder from results 2022 (paid in 2023) will be EUR 0.501 gross per share (+11.6% vs. the one paid in 2022).

Regarding the conditions of this new edition of "Iberdrola Retribución Flexible", indicate that the

number of free allocation rights needed to receive a new action was set at 37. This programme ends on 31 July when the new shares are scheduled to start trading.

Finally, the Shareholders' Meeting approved a new program of amortization of own shares with the objective of fulfilling the commitment of the group to keep the number of shares in circulation around 6.240 million. This amortization amounted to 206,364,000 shares and corresponded to 3,201% of the capital, taking place on July 6, 2023.



Analysis of the consolidated profit and loss account

| Analysis of the consolidated profit and loss account

The most notable figures of the results for the first half of 2023 are as follows:

Million EUR	H1 2023	H1 2022	Vs 2022
NET REVENUE	26,263.2	24,429.9	+7.5%
GROSS MARGIN	12,123.6	9,868.8	+22.8%
EBITDA	7,560.7	6,443.9	+17.3%
EBIT	4,911.0	3,922.3	+25.2%
NET PROFIT	2,520.7	2,075.0	+21.5%

The results of the first half of 2023 include two items of relevance, with no cash flow impact, compared to the same period of the previous year:

- A purely accounting effect on part of the regulated wind generation in Spain affecting EBITDA (1,6 TWh of the total of approximately 7 TWh), as a result of the Spanish government's update of the expected market prices from 2023 onwards. This negative impact, of 86 M Eur at EBITDA level and 55 M Eur at Net Profit level, has no effect on the cash or profitability of the facilities and will be reversed in the future over the regulatory life of the assets.
- Included in the line of "Corporate tax", the deferred tax of the transaction in Mexico, having to record, following the IAS12, the difference between the book value and the tax value of the shares of the transaction entities put up for sale, without effect on the Group's cash.

EBITDA for the first half of 2023 grew by 17.3% compared to the figure recorded in the same period of 2022, supported by an improvement in results in the United Kingdom and Europe. On the other hand, Net Profit increases 21.5% to 2,520.7 M Eur, 28.2% excluding Mexico's deal impact.

1. Gross margin

Gross margin grew by 22.8% to EUR 12,123.6 million, with growth of 23.3% excluding the exchange rate effect. This performance is a result of the following:

- The Gross Margin of the **Networks** business increased by 1.9% compared to the first half of 2022 to EUR 5,161.3 million.
 - In Spain, it grew by 28.0% to EUR 1,008.4 million compared to the first half of 2022 in which a loss related to a court decision was registered (EUR -195 million), which was reverted in Q4 2023.
 - The contribution of the United Kingdom in the period stood at EUR 776.2 million (6.6%, +11.7% in local currency), due to the entry into force of the new ED2 regulatory framework and a larger asset base.
 - The United States decreased its contribution in the period by 12.9% to EUR 1,905.0 million (-14.5% in local currency), negatively affected by the positive extraordinary effect in the first semester of 2022 as a result of the new wording on the recognition of regulatory assets on consolidated results. This decreased the differences between IFRS vs US GAAP (EUR +487 million), partially offset by the reconciliation of storm costs (EUR +129 million) and the recognition of arrearages (EUR +38 million) which entitle to collect unpaid amounts by certain customers as a result of not being able to cut off the supply due to measures imposed during the COVID pandemic.
 - Brazil's Gross Margin increased by 8.3% to EUR 1,471.7 million (+8.3%, +7.2% in local currency), thanks to the positive effect of tariff adjustments on distributors (EUR +107 million), but affected by the deconsolidation of transmission assets, which are transferred to the new partnership with GIC.
- The gross margin of the **electricity production and customers** business grew by 44.8% to EUR 6,981.9 million:
 - Spain's contribution to the Gross Margin grew by 58.6% to EUR 3,578.5 million, compared to a weak first half of 2022 and as a consequence of the normalization of production, especially hydroelectric and nuclear, (+4.1 TWh), fewer purchases at lower prices than last year and the gain in market share that increases sales.

The margin is also impacted by the above-mentioned effect on the Spanish Government's update of market prices expected from 2023 onwards for regulated wind generation.

- Gross margin in the UK increased by 80.8% to EUR 1,708.5 million (+89.4% in local currency), thanks to collection of the deficit previously created by the SVT tariff (EUR +354 million), which had a negative impact in the final quarter of 2022 and the normalisation of margins in the first half of 2023. The business had a lower contribution of onshore wind as a result of lower production (-31.3%).
- The US contribution grew by 12.8% to EUR 606.6 million (+10.7% in local currency), thanks to higher production (+2.4%) and improved prices.
- Gross margin in Mexico grew by 2.5% to EUR 585.2 million (+0.6% in local currency), where the greater contribution of thermal assets due to the new capacity in operation since May 2022 (Tamazunchale II), is partially offset by lower wind production.
- Brazil's contribution fell by 2.6%, following the strong results of the previous year, to EUR 196.2 million (-3.5% in local currency), due to the higher capacity factors and the new capacity launched during the period. They only partially offset the lower contribution of the thermal business.
- The contribution to the gross margin of the business in the rest of the world remained almost flat (-1.5%) reaching EUR 307.0 million, due to the fact that the higher contribution of Wikingier for greater wind power did not offset an extraordinary positive effect in 2022.

2. Gross operating result – EBITDA

Consolidated EBITDA grew by 17.3% in the half year compared to the first half of 2022, up to EUR 7,560.7 million.

In addition to the change in Gross Margin that was already explained, we must add that the Net Operating Expense stood at EUR 2,905.2 million (+16.6%), as a result of the effect of the excess provision for pensions registered in 2022 in the USA (EUR 79 million), and for the impacts of reconcilables in Gross Margin in the same country (EUR -94 million). Excluding these impacts, Net Operating Expense grows by 7.5%. Meanwhile, Levies stand at EUR 1,657.6 million on the first half of 2023, including the annual impact of the new 1.2% revenue tax in Spain (EUR -216 million). Other more minor effects included the larger hydroelectric levy due to increased hydro production and higher spending on the Bono Social (electricity bill discount) after its approval at the end of March 2022.

3. Net operating result – EBIT

EBIT increased by 25.2% compared to the first half of 2022, reaching EUR 4,911.0 million. Depreciation, amortisation charges and provisions rose by 5.1% to reach EUR 2,649.7 million, broken down as follows:

- Amortisations increased by 3.0% to EUR 2,309.6 million (3.2% in local currency), mainly due to the Group's growth, the larger asset base in grids and the growth of the renewables business.
- Meanwhile, provisions increased by EUR 60.8 million to EUR 340.1 million due to larger bad debt provisions resulting from higher billing amounts, but keeping solvency ratios on billing in line with previous quarters

4. Net financial income

Financial loss increased by EUR -211 million from the EUR -916 million reported in the first half of 2022 to EUR -1,127 million.

- The cost of debt increased by EUR -243 million: EUR -2 million for the appreciation of currencies against the euro, EUR -123 million for the highest average balance and EUR -118 million for the increase in in-terest rates.

| Analysis of the consolidated profit and loss account

- Gains/(losses) on derivatives and others improved by EUR +32 million due to the better result of exchange rate hedges, mainly in USD and BRL.

Net finance income	Q2 2023	Q2 2022	Diff.
Debt	-1,130	-887	-243
By exchange rates			-2
By average balance			-123
By cost			-118
Derivatives and others	+3	-29	+32
Total	-1,127	-916	-211

The impact of the exchange rate on the cost of debt was managed at the net profit level by contracting derivatives. The cost of debt rose 64 basis points (from 4.41% to 5.05%); excluding Brazil, it rose 82 basis points (from 2.86% to 3.68%). This higher cost is due to higher interest rates as a result of recent increases in central banks to contain inflation. In Brazil, the impact of inflation on debt is offset by the operating profit of distributors, which is linked to inflation.

5. Result of equity accounted investments

Results from equity method investments stood at EUR -5.6 million at the end of June, compared to EUR 161.0 million in the first half of 2022. The latter figure included the one-off impact of the restructuring agreement reached with CIP last year on offshore wind assets in the United States.

6. Profit in the period

The tax item in the period amounted to EUR 1,015.8 million, compared with EUR 699.8 million at the end of June 2022, mainly as a result of higher profit before tax and deferred tax from the Mexico deal for a difference between the book value and the tax value of the shares of the transaction entities put

up for sale, which does not involve cash outflow, and increases the effective tax rate (26.9%) from 22.1% in the first half of 2022.

On the other hand, minorities line decreased due to Avangrid's lower contribution because of the impact of extraordinary positives in 2022.

Overall, the **net profit** stood at EUR 2,520.7 million in the first half of 2023, an increase of 21.5% on the EUR 2,075.0 million recorded at the end of June 2022. Excluding Mexico's deal effect on the tax line, the Net Profit would grow by 28.2%.



Results by Business

1. Networks Business

Key figures for the Networks Business are as follows:

(EUR million)	H1 2023	vs H1 2022
Revenue	9,340.1	+3.7%
Gross margin	5,161.3	+1.9%
EBITDA	3,127.1	-7.4%
EBIT	1,872.6	-16.0%

The EBITDA for the Networks business decreased by -7.4% to EUR 3,127.1 million.

1.1 Spain

(EUR million)	H1 2023	vs H2 2022
Revenue	1,011.6	+27.3%
Gross margin	1,008.4	+28.0%
EBITDA	845.4	+33.7%
EBIT	517.8	+63.4%

a) Gross margin

The Gross Margin of the Network Business in Spain increased by 28% to EUR 1,008.4 million, compared to the first quarter of 2022 in which an extraordinary result related to a probable court decision on certain assets (EUR -195 million) was registered, which was regularised at the end of the year.

b) Operating profit/EBIT

The EBITDA of this business reached EUR 517.8 million, which represents an improvement of 63.4%. The Net Operating Expense decreased by -1.4% and stood at EUR -112.2 million, thanks to recording more activations due to the higher investments in the year and despite the greater external services.

EBIT for the Networks Business in Spain was EUR 517.8 million (+63.4%), after deducting amortisations and provisions, which amounted to EUR 327.6 million (+3.8%) due to larger investments.

1.2 United Kingdom

(EUR million)	H1 2023	vs H2 2022	Local currency
Revenue	843.0	7.1%	+12.2%
Gross margin	776.2	6.6%	+11.7%
EBITDA	582.8	5.3%	+10.3%
EBIT	382.1	8.2%	+13.4%

a) Gross margin

Gross Net Margin in the UK increased by 6.6% (11.7% in local currency) to EUR 776.2 million, thanks to the greater contribution of the distribution business after the entry into force of the new ED2 regulatory framework and the increase of the asset base.

b) Operating profit/EBIT

EBITDA was EUR 582.8 million (+5.3% or +10.3% in local currency), with net operating expenses that increased by 13.2% (+18.6% in local currency) due to the increase in external services and a larger workforce.

Amortisations and provisions were EUR 200.7 million (+0.2%; +5.0% in local currency) due to the larger asset base. So, taking the EBITDA performance into account, the EBIT was EUR 382.1 million (8.2% or +13.4% in local currency).

1.3 United States

	IFRS (EUR MILLION)		
	H2 2023	vs H2 2022	Local currency (M USD)
Revenue	3,087.1	-8.3%	-9.9%
Gross margin	1,905.0	-12.9%	-14.5%
EBITDA	617.0	-46.4%	-47.3%
EBIT	176.9	-76.9%	-77.3%

	US GAAP (USD MILLION)	
	H1 2023	vs H1 2022
Revenue	3,349.5	2.6%
Gross margin	2,089.2	6.1%
EBITDA	897.2	-3.2%
EBIT	422.1	-14.0%

a) Gross margin

Gross Margin decreased by -12.9% (-14.5% in local currency) to EUR 1,905.0 million. It was negatively affected by the extraordinary positive effect in the first half of 2022 as a result of the new wording on the recognition of regulatory assets in consolidated results, which reduces the differences between IFRS vs US GAAP (EUR +487 million), partially offset by the reconciliation of storm costs in 2023 (EUR +129 million) and the recognition of "arrearages" (EUR +38 million) to collect unpaid amounts by certain customers as a result of not being able to cut supply due to measures imposed during the COVID pandemic.

b) Operating profit/EBIT

EBITDA for the Networks Business in the United States decreased by -46.4% (-47.3% in local currency) to EUR 617.0 million, after deducting net operating expenses of EUR 891.5 million, which increased by 38.0% (+35.5% in local currency). These expenses were affected by the booking of the excess pension provision (+EUR 79 million) in 2022 and by higher expenditures for external services, most of which were reconcilable. It should be noted that, once the new rate case in New York is approved, it will take effect starting from 1 May 2023. EBIT decreased by 76.9% to EUR 176.9 million (-77.3% in local currency), after deducting amortisations and provisions, which increased by 14.0% (11.9% in local currency) due to the higher asset base and the increase in insolvencies.

1.4. Brazil

(EUR million)	Q2 2023	vs Q2 2022	Local currency
Revenue	4,398.4	+8.4%	+7.3%
Gross margin	1,471.7	+8.3%	+7.2%
EBITDA	1,081.8	+4.1%	+3.0%
EBIT	795.8	+0.2%	-0.8%

a) Gross margin

Gross margin for the year increased by 8.3% (+7.2% in local currency) to EUR 1,471.7 million, thanks to the positive effect of tariff readjustments on distributors

(+EUR 64 million), but affected by the deconsolidation of transmission assets, which are transferred to the new partnership with GIC.

b) Operating profit/EBIT

Net Operating Expenses increased by 21.9% to EUR 385.2 million (+20.7% in local currency) as a result of the increased workforce and the higher external services due to growth and inflation. As such, the EBITDA stood at EUR 1,081.8 million (+4.1% compared to the first half of 2022).

For its part, EBIT grew by 0.2% to EUR 795.8 million (-0.8% in local currency), after deducting amortisation and provisions, which rose by 16.5% to EUR 286.0 million (+15.3% in local currency), primarily due to the higher asset base and greater insolvencies as a result of the growth of the average bill amount.

2. Electricity production and customers business

The key figures for the electricity production and customers business are as follows:

(EUR million)	H1 2023	vs H1 2022
Revenue	17,271.8	+9.6%
Gross margin	6,981.9	+44.8%
EBITDA	4,458.3	+46.0%
EBIT	3,132.6	+79.0%

EBITDA for the electricity production and customers business increased by 46.0% to EUR 4,458.3 million.

It should be noted that, although Iberdrola S.A. is the taxpayer subject to the 1.2% revenue tax in Spain, in order to achieve a better analysis, this is included within the production and electricity business in Spain, as it is the only business affected by this tax.

2.1 Spain

(EUR million)	H1 2023	vs H1 2022
Revenue	8,373.6	-11.0%
Gross margin	3,578.5	+58.6%
EBITDA	2,060.5	+46.0%
EBIT	1,554.8	+67.2%

a) Gross margin:

The Gross Margin for the first half of 2023 stood at EUR 3,578.5 million (+58.6% compared to 2022), mainly thanks to higher production, especially hydroelectric and nuclear (+4.1 TWh), which was also a result of the increase in the number of products and higher sales in the commercial business due to an increased market share in the liberalized market. In addition, this increase in production has reduced the purchase volume of energy compared to last year, when purchases were made at exceptionally high prices, together with higher volumes due to the lower hydro and nuclear production.

b) Operating profit/EBIT:

Net operating expenses increased by 1.9% to EUR 560.3 million while levies rose to EUR 957.7 million. This was a result of the new 1.2% revenue tax, a positive extraordinary effect in 2022 related to court rulings, the higher hydroelectric levy due to increased hydro production and higher spending on the bono social (electricity bill discount). EBITDA therefore totalled EUR 2,060.5 million.

Amortisations and provisions increased by 5.0% to EUR 505.7 million due to new capacity coming online—mainly solar photovoltaic—and higher investments in acquisition costs in the commercial business. As a result of the above, EBIT was EUR 1,554.8 million.

2.2 United Kingdom

(EUR million)	H1 2023	vs H1 2022	Local currency
Revenue	5,951.0	+80.8%	+89.5%
Gross margin	1,708.5	+80.8%	+89.4%
EBITDA	1,250.7	+138.2%	+149.5%
EBIT	925.6	+335.1%	+355.9%

a) Gross margin:

The gross margin of the UK business was EUR 1,708.5 million at the end of the first half year, 80.8% higher than in the first half of 2022 (+89.4% in local currency). This was thanks to the collection of the deficit created by the regulated standard variable

tariff, which had a negative impact in the final quarter of 2022 (+EUR 338 million), and the normalisation of margins in the supply business, which more than offset the smaller contribution from onshore wind due to lower production (-31.3%).

b) Operating profit/EBIT:

EBITDA was EUR 1,250.7 million (+138.2% or +149.5% in local currency), with net operating expenses falling by 6.8% on the previous year to EUR 344.7 million (-2.3% in local currency) due to the efficiency plans.

Levies increased by 125.0% (135.8% in local currency) to EUR 113.1 million, due to higher expenditures on the “Energy Company Obligation” and “Warm Home Discount” programmes.

Amortisations and provisions for the year remained practically unchanged at EUR 325.1 million (+4.1% or +9.0% in local currency), leaving EBIT at EUR 925.6 million (+335.1%).

2.3 United States

(EUR million)	H1 2023	vs H1 2022	Local currency
Revenue	728.4	+44.4%	+41.8%
Gross margin	606.6	+12.8%	+10.7%
EBITDA	364.2	+14.2%	+12.1%
EBIT	74.0	+66.6%	+63.6%

a) Gross margin:

The gross margin of the business stood at EUR 606.6 million (+12.8%; +10.7% in local currency), due to higher production (+2.4%) mainly derived from the new capacity commissioned (+210 MW) and better prices.

b) Operating profit/EBIT:

Net operating expenses increased by 11.3% to EUR 182.1 million (+9.2% in local currency), mainly due to the larger workforce and external services. Levies increased by 9.2% to EUR 60.3 million (+7.2% in local currency) due to the new installed capacity. As such, EBITDA was EUR 364.2 million (+14.2% or +12.1% in local currency).

| Results by Business

On the other hand, the contribution to the EBIT of the business was EUR 74.0 million, after discounting the amortisation and provisions (EUR 290.2 million), which increased by 5.8% compared to the previous year (+3.8% in local currency) due to the greater operating power.

2.4 Mexico

(EUR million)	H1 2023	vs H1 2022	Local currency
Revenue	1,511.1	-23.9%	-25.3%
Gross margin	585.2	+2.5%	+0.6%
EBITDA	419.5	-1.2%	-3.0%
EBIT	338.9	+9.7%	+7.7%

a) Gross margin:

In the first quarter of 2023, Gross Margin reached EUR 585.2 million (+2.5%; +0.6% in local currency). The greater contribution of thermal assets thanks to new capacity in operation since May 2022 (Tamazunchale II, 514 MW) and extraordinary revenue following the final settlement of the impacts resulting from the 2021 Texas cold wave were practically offset by lower wind production.

b) Operating profit/EBIT:

Net Operating Expenses increased by 13.7% (11.6% in local currency) to EUR 162.8 million linked to higher personnel costs and the new operating power, although EBITDA remained stable (-1.2%, -3.0% in local currency) and stood at EUR 419.5 million.

Amortisation and provisions reached EUR 80.6 million, down 30.2% compared to 2022 (-31.5% in local currency), affected by the classification of assets as held for sale under the scope of the sales agreement announced this year. Lastly, EBIT was EUR 338.9 million (+9.7% compared to 2022, +7.7% in local currency).

2.5 Brazil

(EUR million)	H1 2023	vs H1 2022	Local currency
Revenue	341.1	6.7%	+5.7%
Gross margin	196.2	-2.6%	-3.5%
EBITDA	151.7	-9.5%	-10.5%
EBIT	105.4	-18.1%	-19.0%

a) Gross margin:

Gross Margin decreased slightly by -2.6% and stood at EUR 196.2 million (-3.5% in local currency) after the good results of the previous year. The higher margins seen during the last year in the Termopernambuco plant were not offset by the operational improvement of the renewable business, in which production increased by 32.2% as a result of greater capacity factors and the new capacity commissioned, the most notable of which was the installation of several wind farms in the Oitis wind complex (567 MW) and the Luzia solar plant (149 MW).

b) Operating profit/EBIT:

Net operating expenses in the period were EUR 44.0 million, (+32.0% in local currency) as new capacity came online, decreasing EBITDA by 9.5% to EUR 151.7 million (-10.5% in local currency).

Amortisations and provisions increased to EUR 46.3 million (+18.9%), growing by 17.7% in local currency as the aforementioned new capacity came online, with EBIT at EUR 105.4 million (-18.1% or -19.0% in local currency).

2.6 Rest of the world (RoW)

(EUR million)	H1 2023	vs H1 2022
Revenue	440.8	+10.5%
Gross margin	307.0	-1.5%
EBITDA	211.7	+2.5%
EBIT	123.5	+3.5%

a) Gross margin:

The contribution to the gross margin of the business in the rest of the world remained almost flat (-1.5%) reaching EUR 307.0 million, due to the fact that the higher contribution of Wikinger for greater wind power did not offset an extraordinary positive in 2022

b) Operating profit/EBIT

EBITDA was EUR 211.7 million (+2.5%) after deducting net operating expenses, which increased by EUR 15.2 million to EUR 89.7 million amid the international expansion of the business.

Amortisations and provisions increased by 1.1% to EUR 88.1 million, mainly due to higher operating capacity, leaving EBIT at EUR 123.5 million (+3.5%)

3. Corporate and other businesses

The Corporation item includes the Group's overheads and the administrative costs of running the corporate areas, which are subsequently billed to the other companies.

Although the Iberdrola Group's corporate entity Iberdrola SA is the taxpayer subject to the 1.2% revenue tax in Spain, in order to achieve a better analysis, this is included within the production and electricity business in Spain, as it is the only business affected by this tax.

The Other Businesses item includes the real estate business. The income statements of both divisions can be found in the *Income Statement Tables*.



Balance sheet analysis

Period from January to June 2023

	June 2023 vs Dec 2022	
Total assets	145,944	-2.8%
Tangible fixed assets	84,126	-2.5%
Intangible fixed assets	20,101	-0.1%
Non-current financial investments	9,306	-11.4%
Equity	59,682	2.7%

Note: "In the consolidated financial statement as of 30 June 2023, Iberdrola Group has decided to present the deferred tax assets and deferred tax liabilities compensated by tax groups. In this sense and in application of IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" the comparative information for 31 December 2022 has been restated"

At 30 June 2023, Iberdrola's balance sheet showed Total Assets of EUR 145,944 million, down EUR 4,171 million at December 2022.

1. Fixed assets

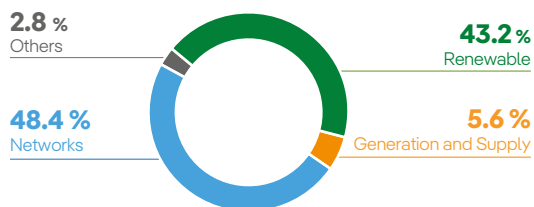
Total gross investment in the first semester of 2023 amounted to EUR 4,555 million (-3,9%). The breakdown is as follows:

(M de euros)	Jan-June 2023	%
Networks business	2,204	48.4%
Spain	310	
United Kingdom	359	
United States	811	
Brazil	724	
Renewables business	1,969	43.2%
Spain	551	
United Kingdom	416	
United States	341	
Brazil	62	
Mexico	4	
Iberdrola Energía Internacional (IEI)	595	
Generation and Supply business	255	5.6%
Spain	139	
United Kingdom	78	
Mexico	36	
Brazil	3	
Other businesses	11	0.2%
Corporation and adjustments	115	2.5%
Total gross investment	4,555	100.0%

Investments during the period focused on the Networks and Renewables businesses, in line with the Group's strategy. These two businesses account for approximately 92% of gross investment made during the first half of 2023.

Investments by Business

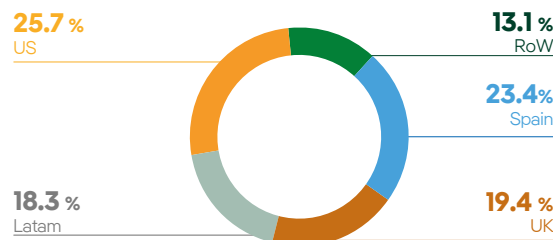
(January-June 2023)



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

Investment by geographical areas

(January-June 2023)



Investment in the Renewables business totalled EUR 1,969 million, equivalent to 43.2% of the total.

In the Networks business section, most investments were made in the United States and Brazil, totalling EUR 811 million and EUR 724 million, respectively.

2. Working capital

Working capital increased by EUR 5,560 million in the period. The variation is mainly explained by the accounting classification of Mexican and Brazilian assets held for sale, as well as by the decrease in fixed assets providers.

Current Assets	Jun-23	Dec-22	Variation
Assets held for sale	5,938	308	5,630
Nuclear fuel	261	259	1
Inventories	2,559	2,159	401
Trade and other receivables	8,620	9,869	(1,250)
Current Financial Investments	1,284	2,839	(1,555)
Derivatives financial instruments	888	1,640	(752)
Taxes Payables	1,099	1,351	(252)
TOTAL Current Assets*:	20,648	18,426	2,223

*Does not include cash or assets derivatives

Current Liabilities	Jun-23	Dec-22	Variation
Liabilities related to assets held for sale	1,690	27	1,663
Provisions	888	922	(34)
Derivatives Financial Instruments	1,006	3,013	(2,007)
Trade and other payables	8,953	12,282	(3,329)
Equity instruments with characteristics of financial liabilities	83	87	(3)
Taxes payables	1,792	1,418	373
TOTAL Current Liabilities**:	14,413	17,750	(3,337)

**Does not include financial debt or debt derivatives liabilities

Net Current Assets	6,235	675	5,560
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3. Share Capital

Iberdrola's Share Capital at 30 June 2023 amounted to EUR 4,835 million, represented by 6,446,364.000 shares, each with a par value of EUR 0.75 and all fully subscribed and paid up.

4. Financial debt

Adjusted net financial debt as of June 2023 reached EUR 45,290 million, increasing by EUR 3,573 million from EUR 41,717 million as of June 2022.

Adjusted net leverage grows by 2.3% down to 43.0% compared to the 40.7% reported in June 2022.

The ratings issued by the rating agencies are as follows:

Iberdrola's credit rating

Agencia	Rating (*)	Outlook (*)
Moody's	Baa1 (15/06/2012)	Estable (14/03/2018)
Fitch IBCA	BBB+ (02/08/2012)	Estable (25/03/2014)
Standard & Poors	BBB+ (22/04/2016)	Estable (22/04/2016)

* Date of last modification

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

	Jun 2023	Jun 2022
Euro	32.1%	37.9%
US dollar	28.8%	28.8%
British pound	20.6%	14.7%
Brazilian real and other currencies	18.5%	18.6%
Total	100.0%	100.0%

* Adjusted net debt including net investment hedging derivatives

| Balance sheet analysis

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

	Jun 2023	Jun 2022
Fixed rate	86.7%	88.4%
Variable rate	13.3%	11.6%
Total	100.0%	100.0%

* Adjusted net debt excluding Neoenergia and including future funding hedging derivatives to date (EUR 4,226 million in June 23 and EUR 3,856 million in June 22).

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:

	Jun 2023	Jun 2022
Corporate	71.3%	73.2%
UK	4.4%	5.2%
US	20.8%	17.8%
Other	3.5%	3.8%
Total	100.0%	100.0%

* Gross debt including hybrids, excluding leases and Neoenergia (EUR 8,175 million in June 23 and EUR 8,148 million in June 22)

This debt* is broken down by financing source as follows:

Market	Jun 2023	Jun 2022
EUR bonds	21.6%	23.5%
USD bonds	18.9%	19.9%
GBP bonds	6.5%	8.0%
Other bonds	5.5%	6.7%
Commercial paper	9.8%	8.5%
Multilateral banking and development	15.8%	14.1%
Structured financing	0.3%	0.3%
Banking	16.0%	13.5%
Leases and others	5.6%	5.5%
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 3,440 million. The breakdown by product is as follows:

Product (EUR million)	Q1	Q2	Total
Green	1,320	2,120	3,440
Hybrid bonds	1,000	-	1,000
Senior bonds	-	850	850
Bank loans	-	28	28
Multilateral loans	205	1,151	1,356
Development banks and ECA loans	115	91	206
Indexed to sustainable indicators	-	-	-
Total new ESG financing	1,320	2,120	3,440

This brings total ESG financing to EUR 50,652 million, including sustainable credit facilities and the sustainable ECP programme. Iberdrola is the world's leading private group in terms of green bonds issued.

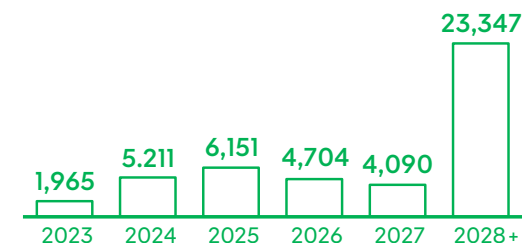
Iberdrola has a strong liquidity position totalling EUR 20,290 million, including transactions signed from 30 June to date. This liquidity comes mainly from syndicated credit facilities arranged with partner banks, loans arranged with multilateral credit institutions, development banks and export credit agencies, as

| Balance sheet analysis

well as cash, cash equivalents and IFTs. These liquidity arrangements have been reached with counterparties of high credit quality. This liquidity covers financial needs for 21 months in the base scenario and 19 months in the risk scenario.

Liquidity	EUR million
Credit facilities	14,162
Cash, cash equivalents and IFTs	2,466
Committed financing	3,662
Total	20,290

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



* Long-term debt with credit institutions. Commercial paper maturities are shown in 2028+

5. Adjusted net financial debt

EUR millions	Jun 23	Jun 22
Loans and borrowings with credit institutions and bonds or other marketable securities	45,476	43,584
Deposits securing the value of CSA derivatives	116	93
Liability derivative instruments	1,267	1,139
Leases	2,597	2,541
Gross financial debt	49,456	47,357
Capitalised derivative instruments	1,024	1,013
Deposits securing the value of CSA derivatives	114	198
Non-current financial deposits	91	99
Current financial investments (between 3 and 12 months)	12	27
Cash and cash equivalents	2,454	4,025
Total cash assets	3,696	5,362
Net financial debt	45,760	41,995
Treasury stock derivatives with physical settlement which, at the current date, are not expected to be executed	470	278
Adjusted net financial debt	45,290	41,717

6. Financial ratios

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

	Jun 23	Jun 22
Adjusted net equity*	60,151	60,818
Adjusted net financial debt *	45,290	41,717
Adjusted net leverage	43.0%	40.7%
Adjusted funds from operations (FFO)**/Adjusted net financial debt*	24.9%	24.7%
Adjusted retained cash flow (RCF)/Adjusted net financial debt*	20.8%	21.9%
Adjusted net financial debt*/Adjusted EBITDA***	3.15x	3.18x
(*) Adjusted for treasury stock derivatives with physical settlement that, at the current date, are not expected to be executed (EUR 470 million in Jun-23 and EUR 278 million in Jun-22).		
(**) For details, see "Funds from operations" section		
(***)Jun-22 data adjusted for the "Exit Plan" made in the fourth quarter of 2021 for EUR 94.7 million, corrected the net tax effect and the effect of RDL 17-18/2021 of gas deduction and for the effect of undue payment of the fee (accrual and ruling). Jun 23 data corrected to reflect the Social Bonus Ruling.		

7. Funds From Operations

Funds from operations (FFO) in the last 12 months amounted to EUR 11,294 million, up 9.7% compared to the previous year.

	Jun 23	Jun 22	Change
Net profit attributed to the parent company (+)	4,784.2	4,428.5	355.7
Amortisation, depreciation and provisions (+)	5,372.3	4,982.3	389.9
Results of companies accounted for using the equity method (-)	92.2	-88.8	181.0
Financial revision of provisions (+)	130.8	128.7	2.1
Minority interests (+)	569.7	637.2	-67.5
Adjustment for tax deductible items (+)	0.0	-8.7	8.7
Dividends on companies accounted for using the equity method (+)	59.5	59.7	-0.2
Capital grants taken to profit or loss (-)	85.5	81.3	4.2
Goodwill amortisation (+)	71.0	71.0	0.0
Other (+)	300.0	99.3	200.7
Funds from operations (FFO)	11,294.2	10,227.8	1,066.4
Exit plan (+)	-	72.4	-72.4
Proforma new acquisitions (+)/Assets available for sale	-	-	-
Adjusted funds from operations (FFO)	11,294.2	10,300.2	994.0
Dividends* (-)	-1,858.3	-1,184.8	-673.4
Adjusted retained cash flow (RCF)	9,435.9	9,115.4	320.5

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

8. Financial transactions

New financing

To date, the Iberdrola Group has signed new transactions worth EUR 4,055 million from various financing sources.

Product (EUR million)	Q1	Q2	Total
Hybrid bonds	1,000		1,000
Senior bonds		941	941
Bank loans	309	242	551
Multilateral loans	205	1,151	1,356
Development banks and ECA loans	115	91	207
Total new financing	1,629	2,425	4,055

Borrower	Transaction	Amount	Currency	Coupon	Maturity
First quarter					
Iberdrola Finanzas	Public hybrid green bond	1,000.0	EUR	4.875%	Perpetual
Neoenergia Distribuição Brasília ⁽¹⁾	Loan 4,131	38.4	USD		Mar-27
Coelba ⁽¹⁾	Loan 4,131	96.3	USD		Mar-26
Neoenergia Morro do Chapéu ⁽¹⁾	Loan 4,131	57.6	USD		Mar-24
Coelba ⁽¹⁾	Loan 4,131	89.0	EUR		Apr-25
Neoenergia Morro do Chapéu ⁽¹⁾	Loan 4,131	48.7	USD		May24
Iberdrola Financiación ⁽³⁾	Green EIB loan	150.0	EUR		To be determined
Buniel ⁽²⁾	Green EIB loan	55.0	EUR		To be determined
Celpe ⁽¹⁾	Green loan with JICA guarantee	18,175	JPY		Mar-33
Second quarter					
NYSEG	Tax exemption bond	100.0	USD	4.000%	Apr-34
Neoenergia Lagos dos Patos ⁽¹⁾	Loan 4,131	10,449	JPY		Jun24
Neoenergia Lagos dos Patos ⁽¹⁾	Loan 4,131	7,820	JPY		Jun24
Neoenergia Morro do Chapéu ⁽¹⁾	Loan 4,131	9,766	JPY		Jun24
Elektro ⁽¹⁾	Loan 4,131	39.4	USD		May-25
Neoenergia Distribuição Brasília	Green 4,131 loan	150.0	BRL		Jan-26
Iberdrola Financiación ⁽³⁾	Green EIB loan	1,000.0	EUR		To be determined
Elektro	Green International Finance Corporation (IFC) loan	800.0	BRL		May-31
Neoenergia ^{(1) (2)}	Green ICO loan	100.0	USD		To be determined
Subsequent events⁽⁶⁾					
Iberdrola Finanzas	Public hybrid green bond	850.0	EUR	3.625%	Jul-33

(1) Currency swaps

(2) Funding planned to be available in 2023

(3) Funding planned to be available in 2024

(4) Option to extend for one year

(5) Five options to extend for six months

(6) Transactions signed after 30.06.2023

Extension of existing financing

Borrower	Transaction	Amount	Currency	Extension	Maturity
Iberdrola México ⁽⁴⁾	Syndicated loan	500.0	USD	1 year	Dec-25
Iberdrola Financiación	Sustainable syndicated credit facility	2,500.0	EUR	1 year	Apr-28
Iberdrola Financiación ⁽⁵⁾	Bilateral credit facility	125.0	EUR	6 months	Jan-25
Iberdrola Financiación	Sustainable bilateral credit facility	16,000	JPY	-	Jun-28
Iberdrola Financiación	Bilateral sustainable loan	120.0	EUR	-	Jul-28
Iberdrola Financiación ⁽⁴⁾	Sustainable syndicated credit facility	2,500.0	EUR	1 year	Jul-28
Iberdrola Financiación ⁽⁶⁾	Bilateral loan	300.0	EUR	-	Jan-24

(1) Currency swaps

(2) Funding planned to be available in 2023

(3) Funding planned to be available in 2024

(4) Option to extend for one year

(5) Five options to extend for six months

(6) Transactions signed after 30.06.2023

Second quarter transactions

The transactions entered into between the publication of the prospectus in the first quarter of 2023 and the date of this prospectus are described below.

Capital market

Commercial paper

The Iberdrola Group maintains activity in the commercial paper markets at the end of the second quarter, with a balance outstanding in the European Programme (ECP) of EUR 2,948 million and USD 1,869 million in the US Programme (USCP). Emission levels remain competitive, despite the volatility derived from rate hikes by central banks associated with inflation. Although inflation is tapering off, it has moved at a slower pace than initially considered.

Bonds

The Iberdrola Group made two issuances:

- Iberdrola issued a green bond in July for the amount of EUR 850 million with a coupon of 3.625% and maturity at 10 years—its second public issuance so far this year. The funds obtained will be allocated to Eligible Green Assets.
- Through its subsidiary in the United States it issued a tax exemption bond in June of USD 100 million with a coupon of 4.00% and maturity of 13 years.

Banking market

The Iberdrola Group, through its subsidiary, Neoenergía, signed five loans under the terms of Decree 4131 for a total of BRL 1,350 million with an average term of 1.5 years. It is worth mentioning that the first green 4131 loan that Iberdrola Group has signed so far through the company Neoenergía Brasília was for BRL 150 million.

The Iberdrola Group also exercised five extension options:

- In May the first of six options to extend a bilateral credit facility of EUR 125 million until January 2025.
- In June the second and last option for one year of the sustainable bilateral credit facility of JPY 16,000 million until June 2028.
- In June, the first option to extend the sustainable syndicated credit facility of EUR 2,500 million until July 2028, where the contract includes the possibility of being extended for another additional year
- Two bilateral loans, the first one sustainable of EUR 120 million for one year and the other one of EUR 300 million for six months until July 2028 and January 2024.

Development and multilateral banks

The Iberdrola Group signed three bank loans for a total equivalent to EUR 1,250 million:

- Iberdrola signed a EUR 1,000 million loan with the EIB in June to accelerate the energy transition in Europe with the construction of photovoltaic plants and wind farms in Spain, Portugal and Germany.
- Neoenergia signed two green loans. The first is with the ICO for USD 100 million to finance green assets in the regulated business of Brazil.
- In addition, it signed a loan with IFC (World Bank Group) for BRL 800 million due May 2031 under the scope of the Strategic Agreement signed last May by this entity and Iberdrola to promote the energy transition in emerging countries by supporting clean energies and decarbonisation in different developing countries.

9. Credit ratings

	Moody's			Standard and Poor's			Fitch Ibc		
	Rating	Outlook	Date	Rating	Outlook	Date	Rating	Outlook	Date
Iberdrola, S.A.	Baa1	Stable	Mar. 2023	BBB+	Stable	Dec.2022	BBB+	Stable	March 2023
Iberdrola Finance Ireland Ltd.(*)	Baa1	Stable	Mar. 2023	BBB+	Stable	Dec. 2022	BBB+	Stable	March 2023
Iberdrola Finanzas S.A.U.(*).	Baa1	Stable	Mar. 2023	BBB+	Stable	Dec. 2022	BBB+	Stable	March 2023
Iberdrola International B.V.(*).	Baa1	Stable	Mar. 2023	BBB+	Stable	Dec. 2022	BBB+	Stable	March 2023
Avangrid	Baa2	Stable	Nov. 2022	BBB+	Stable	De.2022	BBB+	Stable	March 2023
CMP	A2	Stable	Jan. 2023	A	Stable	July 2022	BBB+	Stable	March 2023
NYSEG	Baa1	Stable	Nov. 2022	A-	Stable	Sep. 2022	BBB+	Stable	March 2023
RG&E	Baa1	Stable	Nov. 2022	A-	Stable	Sep. 2022	BBB+	Stable	March 2023
UI	Baa1	Positive	May 2023	A-	Stable	Mar.2023	A-	Stable	March 2023
CNG	A2	Stable	Mar. 2023	A	Stable	May 2023	A-	Stable	March 2023
SCG	A3	Stable	Mar. 2023	A-	Positive	Mar. 2023	A-	Stable	March 2023
BGC	A3	Stable	April 2023	BBB+	Stable	May 2023	A-	Stable	March 2023
Scottish Power Ltd	Baa1	Stable	April 2023	BBB+	Stable	April 2023	BBB+	Stable	Feb. 2023
Scottish Power UK Plc	Baa1	Stable	April 2023	BBB+	Stable	April 2023	BBB+	Stable	Feb. 2023
Scottish Power Energy Networks Holdings Ltd				BBB+	Stable	April 2023			
SP Transmission plc	Baa1	Stable	April 2023	BBB+	Stable	April 2023			
SP Manweb plc	Baa1	Stable	April 2023	BBB+	Stable	April 2023			
SP Distribution plc	Baa1	Stable	April 2023	BBB+	Stable	April 2023			
ScottishPower Energy Management Ltd.	Baa1	Stable	April 2023	BBB+	Stable	April 2023			
ScottishPower Energy Retail Ltd.	Baa1	Stable	April 2023	BBB+	Stable	April 2023			
ScottishPower Renewables (WODS) Limited	Baa1	Stable	April 2023						
Neoenergía				BB-	Positive	June 2023			
Elektro				BB-	Positive	June 2023			
Coelba				BB-	Positive	June 2023			
Pernambuco				BB-	Positive	June 2023			
Cosern				BB-	Positive	June 2023			
Neoenergía (national scale)				brAAA	Positive	June 2023			
Coelba (national scale)				brAAA	Positive	June 2023			
Pernambuco (national scale)				brAAA	Positive	June 2023			
Cosern (national scale)				brAAA	Positive	June 2023			
Elektro (national scale)				brAAA	Positive	June 2023			

(*) Guaranteed by Iberdrola S.A.

Date referred to last revision



Financial statements tables

Balance Sheet June 2023 (Unaudited)

M Eur

ASSETS	Jun 2023	Dec 2022	Variation
NON-CURRENT ASSETS	122,576	126,747	-4,171
Intangible assets	20,101	20,118	-18
Goodwill	8,289	8,189	100
Other intangible assets	11,812	11,929	-117
Real Estate properties	304	307	-3
Property, plant and equipment	84,126	86,326	-2,201
Property, plant and equipment	71,275	74,813	-3,538
Property, plant and equipment in the course of construction	12,850	11,513	1,337
Right of use	2,531	2,370	161
Non current financial investments	9,306	10,508	-1,202
Investments accounted by equity method	822	857	-36
Non-current financial assets	31	32	-2
Other non-current financial assets	6,593	5,957	636
Derivative financial instruments	1,861	3,661	-1,800
Non-current trade and other receivables	3,761	4,614	-853
Tax receivables	736	736	-
Deferred tax assets	1,712	1,767	-55
CURRENT ASSETS	23,367	23,367	-
Assets held for disposal	5,938	308	5,630
Nuclear fuel	261	259	1
Inventories	2,559	2,159	401
Current trade and other receivables	9,718	11,220	-1,502
Tax receivables	366	453	-86
Other tax receivables	732	898	-166
Trade and other receivables	8,620	9,869	-1,250
Current financial assets	2,436	4,813	-2,376
Other current financial assets	1,410	2,964	-1,554
Derivative financial instruments	1,026	1,849	-823
Cash and cash equivalents	2,454	4,608	-2,153
TOTAL ASSETS	145,944	150,114	-4,171

EQUITY AND LIABILITIES	Jun 2023	Dec 2022	Variation
EQUITY:	59,682	58,114	1,568
Of shareholders of the parent	42,876	41,119	1,756
Share capital	4,835	4,772	63
Adjustments for changes in value	13	-932	946
Other reserves	40,518	36,840	3,678
Treasury stock	-2,628	-1,756	-872
Translation differences	-2,383	-2,143	-240
Interim dividend	-	-	-
Net profit of the period	2,521	4,339	-1,818
Of minority interests	8,556	8,745	-189
Hybrids	8,250	8,250	-
NON-CURRENT LIABILITIES	60,180	63,161	-2,980
Deferred income	1,270	1,247	24
Facilities transferred and financed by third parties	5,798	5,673	125
Provisions	4,418	4,225	192
Provisions for pensions and similar obligations	1,339	1,226	112
Other provisions	3,079	2,999	80
Non Current Financial payables	40,833	44,216	-3,383
Financial Debt- Loans and other	34,687	36,128	-1,441
Equity Instruments having the substance of a financial liability	449	576	-127
Leases	1,990	3,690	-1,701
Derivative financial instruments	2,436	2,287	149
Other financial liabilities	1,271	1,534	-263
Other Non Current payables	333	309	23
Tax payables	371	362	9
Deferred tax liabilities	7,158	7,129	30
CURRENT LIABILITIES	26,082	28,840	-2,759
Liabilities related to assets held for disposal	1,690	27	1,663
Provisions	888	922	-34
Provisions for pensions and similar obligations	20	42	-22
Other provisions	869	881	-12
Current financial payables	20,686	25,079	-4,394
Financial Debt- Loans and other	10,789	10,458	330
Equity Instruments having the substance of a financial liability	83	87	-3
Derivative financial instruments	1,609	3,398	-1,789
Leases	161	151	9
Trade payables	4,895	5,927	-1,032
Other financial liabilities	3,149	5,058	-1,909
Other current payables	2,817	2,811	6
Current tax liabilities and other tax payables	427	156	271
Other tax payables	1,364	1,262	102
Other current liabilities	1,025	1,393	-368
TOTAL EQUITY AND LIABILITIES	145,944	150,114	-4,171

Note: "In the consolidated financial statement as of 30 June 2023, Iberdrola Group has decided to present the deferred tax assets and deferred tax liabilities compensated by tax groups. In this sense and in application of IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" the comparative information for 31 December 2022 has been restated"

Profit and Loss *(Unaudited)*

EUR M

	Jun 2023	Dec 2022	%
REVENUES	26,263.2	24,429.9	7.5
PROCUREMENTS	(14,139.6)	(14,561.1)	(2.9)
GROSS MARGIN	12,123.6	9,868.8	22.8
NET OPERATING EXPENSES	(2,905.2)	(2,491.8)	16.6
Personnel	(1,824.0)	(1,587.6)	14.9
Capitalized personnel costs	407.5	376.3	8.3
External Services	(1,850.0)	(1,663.0)	11.2
Other Operating Income	361.3	382.5	(5.6)
LEVIES	(1,657.6)	(933.2)	77.6
EBITDA	7,560.7	6,443.9	17.3
AMORTISATIONS AND PROVISIONS	(2,649.7)	(2,521.6)	5.1
EBIT / Operating Profit	4,911.0	3,922.3	25.2
Financial Expenses	(1,945.9)	(1,522.7)	27.8
Financial Income	818.1	606.7	34.9
FINANCIAL RESULT	(1,127.7)	(916.0)	23.1
RESULTS OF COMPANIES CONSOLIDATED BY EQUITY METHOD	(5.6)	161.0	(103.5)
PBT	3,777.7	3,167.4	19.3
Corporate Tax	(1,015.8)	(699.8)	45.1
Minorities	(241.2)	(392.5)	(38.5)
NET PROFIT	2,520.7	2,075.0	21.5

Results by Business (Unaudited)

EUR M

Jun-23	Networks	Electricity Production and Customers ⁽¹⁾	Other businesses	Corporation and adjustments ⁽¹⁾
Revenues	9,340.1	17,271.8	21.1	(369.9)
Procurements	(4,178.8)	(10,290.0)	(9.4)	338.6
GROSS MARGIN	5,161.3	6,981.9	11.7	(31.3)
NET OPERATING EXPENSES	(1,521.1)	(1,383.4)	(7.1)	6.4
Personnel	(1,013.7)	(540.0)	(5.3)	(265.0)
Capitalized personnel costs	303.6	99.4	-	4.5
External Services	(1,052.5)	(1,084.8)	(1.9)	289.1
Other Operating Income	241.4	142.0	0.1	(22.3)
LEVIES	(513.1)	(1,140.1)	(0.5)	(3.9)
EBITDA	3,127.1	4,458.3	4.1	(28.8)
Amortisation and Provisions	(1,254.5)	(1,334.7)	(4.7)	(55.7)
EBIT/Operating Profit	1,872.6	3,123.6	(.6)	(84.5)
Financial Result	(660.2)	(308.9)	5.4	(164.1)
Results of companies consolidated by equity method	8.7	(1.7)	(12.6)	-
PBT	1,221.1	2,813.0	(7.8)	(248.6)
Corporate tax and minority shareholders	(406.5)	(902.5)	(1.6)	53.7
NET PROFIT	814.5	1,910.4	(9.4)	(194.9)

(1) Although Iberdrola SA is the taxpayer subject to the 1.2% revenue tax in Spain, and for the purpose of improving the analysis, this is included within the production and electricity business in Spain, as it is the only business affected by this tax.

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Jun-22	Networks	Electricity Production and Customers	Other businesses	Corporation and adjustments
Revenues	9,005.2	15,762.1	24.5	(361.9)
Procurements	(3,942.3)	(10,939.0)	(17.7)	337.8
GROSS MARGIN	5,062.9	4,823.2	6.8	(24.1)
NET OPERATING EXPENSES	(1,192.6)	(1,334.0)	(6.5)	41.2
Personnel	(853.6)	(506.9)	(5.0)	(222.1)
Capitalized personnel costs	279.1	92.3	-	4.9
External Services	(906.1)	(1,039.4)	(1.6)	284.1
Other Operating Income	288.0	120.1	0.1	(25.6)
LEVIES	(494.5)	(435.1)	(0.5)	(3.0)
EBITDA	3,375.8	3,054.1	(0.1)	14.1
Amortisation and Provisions	(1,147.6)	(1,309.3)	(4.5)	(60.3)
EBIT/Operating Profit	2,228.2	1,744.8	(4.6)	(46.2)
Financial Result	(438.5)	(223.1)	0.2	(254.5)
Results of companies consolidated by equity method	6.3	231.1	(76.3)	-
PBT	1,796.0	1,752.8	(80.8)	(300.7)
Corporate tax and minority shareholders	(702.7)	(505.9)	0.6	115.8
NET PROFIT	1,093.2	1,246.9	(80.2)	(184.9)

Networks Business *(Unaudited)*

EUR M

Jun-23	SPAIN	UNITED KINGDOM	USA	BRAZIL
Revenues	1,011.6	843.0	3,087.1	4,398.4
Procurements	(3.2)	(66.8)	(1,182.1)	(2,926.7)
GROSS MARGIN	1,008.4	776.2	1,905.0	1,471.7
NET OPERATING EXPENSES	(112.2)	(132.1)	(891.5)	(385.2)
Personnel	(151.8)	(138.3)	(487.4)	(236.1)
Capitalized personnel costs	73.7	84.3	145.6	-
External Services	(137.7)	(108.7)	(600.9)	(205.2)
Other Operating Income	103.7	30.5	51.2	56.1
LEVIES	(50.8)	(61.2)	(396.5)	(4.6)
EBITDA	845.4	582.8	617.0	1,081.8
Amortisation and Provisions	(327.6)	(200.7)	(440.1)	(286.0)
EBIT/Operating Profit	517.8	382.1	176.9	795.8
Financial Result	(38.1)	(136.9)	(72.0)	(413.3)
Results of companies consolidated by equity method	1.3	-	7.4	-
PBT	481.0	245.2	112.3	382.5
Corporate tax and minority shareholders	(89.5)	(60.9)	(46.0)	(210.1)
NET PROFIT	391.5	184.3	66.3	172.4

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

Electricity Production and Customers Business (Unaudited)

EUR M

Jun-23	SPAIN ⁽¹⁾	UNITED KINGDOM	US	Mexico	Brazil	RoW
Revenues	8,373.6	5,951.0	728.4	1,511.1	341.1	440.8
Procurements	(4,795.1)	(4,242.4)	(121.9)	(925.9)	(144.9)	(133.8)
GROSS MARGIN	3,578.5	1,708.5	606.6	585.2	196.2	307.0
NET OPERATING EXPENSES	(560.3)	(344.7)	(182.1)	(162.8)	(44.0)	(89.7)
Personnel	(237.6)	(79.8)	(121.6)	(35.3)	(17.7)	(48.1)
Capitalized personnel costs	30.7	15.1	21.6	0.7	1.2	25.1
External Services	(459.4)	(307.5)	(117.2)	(135.2)	(23.3)	(71.0)
Other Operating Income	105.9	27.5	35.0	7.0	(4.2)	4.3
LEVIES	(957.7)	(113.1)	(60.3)	(2.9)	(0.5)	(5.6)
EBITDA	2,060.5	1,250.7	364.2	419.5	151.7	211.7
Amortisation and Provisions	(505.7)	(325.1)	(290.2)	(80.6)	(46.3)	(88.1)
EBIT/Operating Profit	1,554.8	925.6	74.0	338.9	105.4	123.5
Financial Result	(72.4)	(1.9)	(45.4)	(150.3)	(29.2)	(9.7)
Results of companies consolidated by equity method	5.6	0.5	(8.2)	-	4.7	(4.3)
PBT	1,488.0	924.3	20.4	188.6	80.9	109.6
Corporate tax and minority shareholders	(422.3)	(271.3)	(1.0)	(101.3)	(44.7)	(61.7)
NET PROFIT	1,065.6	653.0	19.4	87.3	36.2	47.9

(1) Although Iberdrola SA is the taxpayer subject to the 1.2% revenue tax in Spain, and for the purpose of improving the analysis, this is included within the production and electricity business in Spain, as it is the only business affected by this tax.

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Jun-22	SPAIN	UNITED KINGDOM	US	Mexico	Brazil	RoW
Revenues	9,404.0	3,290.8	504.4	1,985.6	319.5	399.0
Procurements	(7,147.5)	(2,345.7)	33.3	(1,414.6)	(118.1)	(87.4)
GROSS MARGIN	2,256.5	945.1	537.7	571.0	201.4	311.6
NET OPERATING EXPENSES	(550.0)	(369.6)	(163.7)	(143.1)	(33.0)	(74.5)
Personnel	(229.7)	(87.4)	(106.8)	(30.1)	(16.7)	(36.3)
Capitalized personnel costs	26.9	13.9	16.8	4.8	1.8	17.9
External Services	(432.4)	(317.6)	(109.3)	(127.3)	(18.3)	(59.7)
Other Operating Income	85.2	21.4	35.6	9.5	0.2	3.5
LEVIES	(295.1)	(50.3)	(55.2)	(3.2)	(0.7)	(30.6)
EBITDA	1,411.4	525.2	318.8	424.6	167.7	206.5
Amortisation and Provisions	(481.6)	(312.4)	(274.4)	(115.5)	(38.9)	(87.2)
EBIT/Operating Profit	929.8	212.7	44.4	309.1	128.8	119.3
Financial Result	15.2	(27.7)	(41.8)	(110.4)	(40.1)	(18.3)
Results of companies consolidated by equity method	21.3	(0.2)	222.4	-	(0.1)	(12.4)
PBT	966.2	184.8	225.0	198.7	88.6	88.7
Corporate tax and minority shareholders	(261.5)	(83.2)	(50.7)	(28.3)	(50.7)	(31.2)
NET PROFIT	704.7	101.6	174.3	170.4	37.9	57.4

Results by country (Unaudited)

EUR M

Jun-23	SPAIN	UNITED KINGDOM	US	Mexico	Brazil	ROW
Revenues	9,327.3	6,688.6	3,815.6	1,511.1	4,539.7	440.8
Procurements	(4,772.3)	(4,222.7)	(1,304.0)	(925.9)	(2,872.5)	(133.8)
GROSS MARGIN	4,555.0	2,466.0	2,511.6	585.2	1,667.2	307.0
NET OPERATING EXPENSES	(655.0)	(433.1)	(1,084.0)	(158.7)	(454.6)	(92.6)
Personnel	(431.5)	(251.7)	(659.6)	(43.8)	(260.8)	(50.2)
Capitalized personnel costs	105.3	100.0	167.2	0.7	1.2	25.1
External Services	(545.1)	(343.0)	(677.9)	(122.7)	(246.8)	(71.8)
Other Operating Income	216.3	61.6	86.3	7.0	51.8	4.3
LEVIES	(1,009.6)	(176.1)	(455.2)	(3.1)	(5.3)	(5.6)
EBITDA	2,890.4	1,856.7	972.4	423.3	1,207.3	208.8

EUR M

Jun-22	SPAIN	UNITED KINGDOM	US	Mexico	Brazil	ROW
Revenues	10,140.7	3,974.2	3,869.8	1,985.6	4,183.9	399.0
Procurements	(7,387.2)	(2,313.8)	(1,144.4)	(1,414.6)	(2,623.4)	(87.4)
GROSS MARGIN	2,753.5	1,660.3	2,725.4	571.0	1,560.4	311.6
NET OPERATING EXPENSES	(650.3)	(450.2)	(818.3)	(139.2)	(368.3)	(56.5)
Personnel	(415.3)	(255.2)	(520.2)	(36.9)	(229.1)	(37.7)
Capitalized personnel costs	95.9	99.1	146.6	4.8	1.8	17.9
External Services	(522.3)	(348.3)	(557.0)	(116.6)	(218.7)	(59.9)
Other Operating Income	191.5	54.1	112.3	9.5	77.6	23.2
LEVIES	(338.5)	(109.2)	(443.2)	(3.4)	(4.6)	(30.6)
EBITDA	1,764.6	1,100.9	1,463.9	428.3	1,187.5	224.5

Quarterly results (Unaudited)

	JAN-MAR 2023	APR-JUN 2023
Revenues	15,460.6	10,802.6
Procurements	(8,752.1)	(5,387.5)
GROSS MARGIN	6,708.5	5,415.1
NET OPERATING EXPENSES	(1,464.8)	(1,440.4)
Personnel	(898.8)	(925.2)
Capitalized personnel costs	184.4	223.2
External Services	(954.2)	(895.9)
Other Operating Income	203.8	157.5
LEVIES	(1,179.2)	(478.4)
EBITDA	4,064.5	3,496.2
Amortisation and Provisions	(1,326.5)	(1,323.2)
EBIT / Operating Profit	2,738.0	2,173.0
Financial Expenses	(1,036.2)	(909.6)
Financial Income	526.1	292.0
FINANCIAL RESULT	(510.1)	(617.6)
Results of companies consolidated by equity method	3.4	(9.1)
PBT	2,231.3	1,546.4
Corporate Tax	(591.9)	(423.8)
Minorities	(154.0)	(87.2)
NET PROFIT	1,485.4	1,035.3

	JAN-MAR 2023	APR-JUN 2023
Revenues	12,150.0	12,279.9
Procurements	(7,464.6)	(7,096.5)
GROSS MARGIN	4,685.4	5,183.4
NET OPERATING EXPENSES	(1,151.3)	(1,340.5)
Personnel	(723.4)	(864.3)
Capitalized personnel costs	175.9	200.4
External Services	(780.7)	(882.3)
Other Operating Income	176.8	205.6
LEVIES	(583.2)	(350.0)
EBITDA	2,950.9	3,492.9
Amortisation and Provisions	(1,203.9)	(1,317.7)
EBIT / Operating Profit	1,747.1	2,175.2
Financial Expenses	(706.1)	(816.6)
Financial Income	306.6	300.1
FINANCIAL RESULT	(399.5)	(516.5)
Results of companies consolidated by equity method	215.8	(54.8)
PBT	1,563.4	1,603.9
Corporate Tax	(311.5)	(388.3)
Minorities	(193.6)	(198.9)
NET PROFIT	1,058.3	1,016.8

Statement of origin and use of funds (Unaudited)

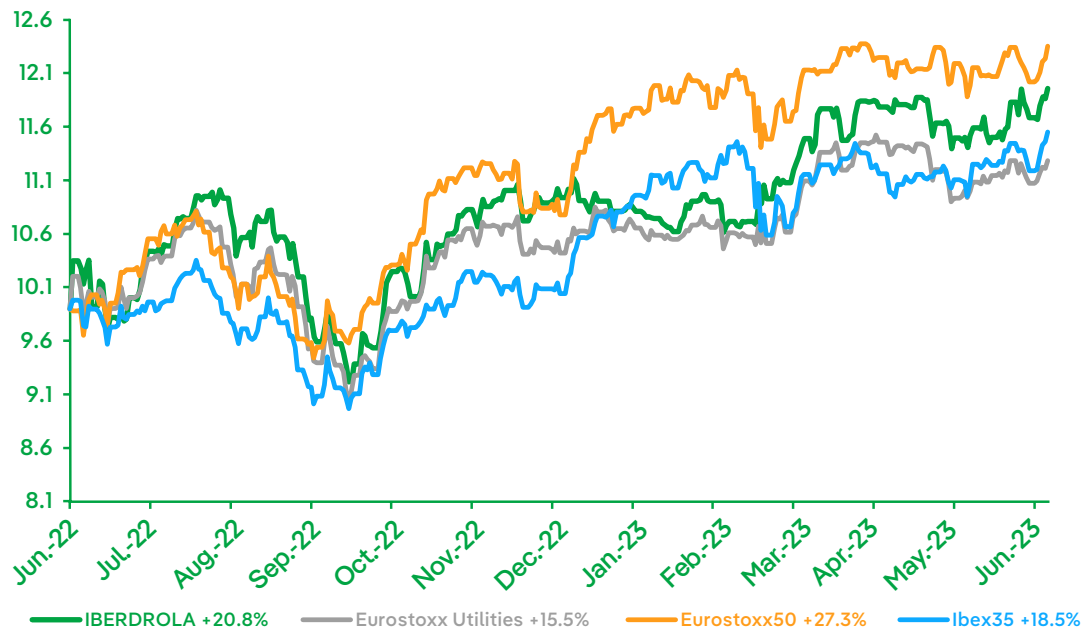
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	H1 2023	H1 2022	Variation
Net Profit	2.521	2.075	446
Depreciation and amortisation charges and provisions (+)	2.650	2.522	128
Results of companies accounted for using the equity method (-)	6	(161)	167
Gains/(losses) on non-current assets (-)	-	-	-
Financial revision of provisions (+)	84	62	22
Minority interests (+)	241	392	(151)
Adjustment for tax deductible items (+)	35	35	0
Dividends on companies accounted for using the equity method (+)	13	21	(8)
Capital grants taken to profit or loss (-)	(41)	(42)	1
Other adjustments P&L (+)	222	656	(434)
FFO	5.731	5.560	170
Dividends Paid to Iberdrola shareholders	(267)	(385)	118
Total Cash Flow allocations:	(5.444)	(5.044)	(400)
<i>Gross Investments</i>	<i>(4.555)</i>	<i>(4.471)</i>	<i>(84)</i>
<i>Non core Divestments</i>	-	-	-
<i>Treasury stock</i>	<i>(889)</i>	<i>(573)</i>	<i>(316)</i>
<i>Issuance/ Hybrid</i>	-	-	-
Capital Increase	-	-	-
Transactions w/minorities	204	-	-
Neoenergia Brasilia acquisition	-	-	-
Translation differences	(156)	(1.863)	1.708
Other variations	(1.609)	(867)	(742)
Increasing/Decreasing net debt	(1.541)	(2.598)	1.058



Stock Market Evolution

IBERDROLA stock performance vs. Indexes



Iberdrola's share

	H1 2023	H1 2022
Number of outstanding shares	6,446,364,000	6,437,563,000
Price at the end of the period	11.950	9.896
Average price of the period	11.259	10.136
Average daily volume	12,574,169	16,018,835
Maximum volume (21-04-2023 / 22-04-2022)	44,284,813	50,291,361
Minimum (08-05-2023 / 17-05-2022)	4,459,476	5,239,815
Dividends paid (€)	0.185	0.175
Gross interim (31-01-2023 / 02-02-2022) ⁽¹⁾	0.180	0.170
Engagement (03-05-2023 / 20-06-2022)	0.005	0.005
Dividend yield ⁽²⁾	3.84%	4.34%

(1) Purchase price of rights guaranteed by Iberdrola.

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



Regulation

Regulation in the European Union

Among the standards published in the OJEU in the second quarter of 2023, it is worth highlighting the following European standards:

1. On national plans and anti-crisis measures

- **Commission Notice (2022/C 495/02)** on the Guidance to Member States for the **update of the 2021-2030 national energy and climate plans (NECP)** (OJEU 29 December 2023). The Notice sets out the Guidelines for Member States' submission of updates to their NECP, in accordance with the REPowerEU plan, before 30 June 2023 (drafts) and June 2024 (final plans). In this regard, **the proposal of the Spanish NECP was published before 30 June and has been submitted to public consultation until 4 September 2023.**

2. On carbon emissions

- **Directive (EU) 2023/959** of 10 May 2023 on emissions allowances trading.
 - Aimed at **reducing emissions in the EU by 55%** by 2030, in line with the Climate Law and with the goal set on climate neutrality in 2050, it increases the emission reduction target in the affected sectors (originally, energy, industry and intra-EU aviation, 40% of emissions) **from 43% to 62% vs 2005.**
 - States should devote **100% of auction revenue to decarbonisation.**
 - **A new CO₂ market (ETS2)** is created for fuels supplied for **road transport, building and heat**, independent of the current ETSI.
 - Emissions from the maritime sector are being progressively incorporated (**Regulation (EU) 2023/957**, of 10 May 2023) and the treatment of aviation is being progressively tightened (**Directive (EU) 2023/958**, of 10 May 2023).
- **Regulation (EU) 2023/956**, of 10 May 2023, establishing a carbon border adjustment mechanism. **It shifts the carbon price to imports** into the EU from a selection of sectors

(progressively expandable) and proposes the **gradual elimination of free** emission allowances to those sectors.

- **Regulation (EU) 2023/857** of 19 April 2023, which establishes the **binding distribution between the various States of the overall commitment to reduce CO₂ emissions in sectors not covered by emissions trading** (transport, buildings, agriculture, part of industry and waste, 60% of emissions).
 - It sets a target of -40% emissions reduction for the EU in 2030 vs 2005 (vs the 29% target that was currently in force for 2030)
 - It is distributed among all member states through binding targets (Spain -37.7% in 2030 vs 2005). Each country decides on the applicable measures.

3. On other topics (mobility, hydrogen and energy efficiency, which will be expanded and completed shortly...)

- **Regulation (EU) 2023/851**, of 19 April 2023, on CO₂ emissions from new cars and vans. It provides for a gradual reduction of emissions from light vehicles, **until they are totally eliminated in 2035** (end of registration of internal combustion vehicles).

EC Implementing Regulation (EU) 2023/1162 of 6 June 2023 on interoperability requirements and non-discriminatory and transparent procedures for **accessing measurement and consumption data collected by smart meters.**

Regulation in Spain

Royal Decree 446/2023, of 13 June, amending **Royal Decree 216/2014**, of 28 March, which establishes the methodology for calculating voluntary prices for small consumers of electricity and their legal contracting regime, for the indexation of voluntary prices for the small consumer of forward signal electricity and reduce their volatility: RRP prices include forward market prices: the production cost incorporates a new term that includes the

average price of the values of a basket of futures (monthly, quarterly and annual product). Escalation in implementation, distribution of futures products basket (54% annual, 36% quarterly and 10% monthly), is enabled to include a reference price resulting from the auctions of inframarginal, manageable and non-emitting energy, the new hourly price will be calculated as the cost of the forward market purchase (pre-defined quantity) + the necessary spot purchases made to meet the hourly demand of the RRP and the new formula for calculating the cost of production will be applicable until 1 January 2024.

Royal Decree 444/2023, of 13 June, amending Royal Decree 1106/2020, of 15 December, which regulates the Statute for Electointensive Consumers: Adapt the Statute to the new European guidelines on state aid in the field of environmental protection and energy by allowing more companies to benefit, in order to improve the competitiveness of the industry. The minimum threshold of annual electricity consumption during off-peak hours is reduced to 46% (vs 50% previously) and the compensation mechanism for the financing of charges is modified.

Royal Decree-Law 5/2023, of 28 June, adopting and extending certain measures in response to the economic and social consequences of the Ukrainian War, support for the reconstruction of the island of La Palma and other situations of vulnerability; transposition of European Union Directives on structural modifications of commercial companies and balance of family life and professional life of parents and caregivers; and enforcement of and compliance with European Union law: Certain measures to respond to the economic and social consequences of the Ukrainian War have been adopted and extended. The Royal Decree-Law does not include measures with a negative impact on Iberdrola. In relation to the electricity sector, it includes: Renewable milestones (extension of 6 months of the administrative authorisation of AAC construction for projects with access and connection permit from 1 January 2018 until the entry into force of this Royal Decree-Law), the total surplus of tolls and charges in the final settlement for 2022 is

transferred to the financial year 2023, a reduction of 80% tolls to electointensives is extended until 31 December 2023, (currently until 31 June 2023) and is financed from the surplus of settlements.

It also updates the methodology for calculating the premium for renewable installations and co-generation:

- **Remuneration from Renewables:**
 - 2023-2025 Parameter Review. The calculation criterion of the reference market price is modified (taking as a reference the average real data from 2023 of the daily market and current references from the 2023 futures) reducing the forecast of market revenue for renewables and therefore assuming an increase in the regulated premium with respect to the proposal circulated in December.
 - 2026-2028 Parameter Review. Adapted so that the previous change does not harm any agent.
- **Remuneration from cogeneration**
 - They modify the fuel cost calculation for the first and second semester of 2023 to calculate the Remuneration for Operation (RO). Natural gas is set at €41.84/MWh (H1) and 48.95 (H2), based on daily market quotes and MIBGAS futures (not NBP, nor Henry Hub, nor Brent, as was done until 2022).
 - Ensures that the RO for the first semester of 2023 is not less than that which would result if the above methodology were applied.
 - Facilities that have requested to be waived from the regulated premium may request the cancellation of such waiver as of 1 July 2023.

On the other hand, it speeds up the installation of Electric Vehicle (EV) charging points: the power limit is raised to 3,000 kW to make use of the responsible declaration instead of obtaining the corresponding administrative authorisations, as well as the declaration of public utility. Includes tax incentives for EV acquisition and PR installation:

| Regulation

- Purchase of an EV: Personal Income Tax Deduction of 15% from purchase value (up to a maximum of € 20,000), up to 31/12/2024
- Installation of PR without affecting economic activity: 15% deduction of Personal Income Tax from the investment (up to a maximum of € 4,000), until 31/12/2024
- Acquisition and installation of PR in 2023, 2024 and 2025 with an impact on economic activity: Accelerated amortisation in corporate tax

Finally, it introduces the figure of Citizen Energy Communities in the Law of the Electricity Sector, as well as the rights and obligations of energy communities.

| Regulation in the United Kingdom

Energy Bill: The Energy Bill (which was introduced to Parliament in the summer of 2022) has continued its legislative progress through Parliament in the first half of 2023 and is expected to be enacted towards the end of this year. The main provisions of the Energy Bill are still: (i) to promote low carbon hydrogen production by facilitating the introduction of a new business support model, (ii) to establish a new independent Future System Operator, providing strategic oversight across electricity and gas systems during the Net Zero transition, (iii) to provide for a new obligation to be placed on fossil fuel boiler manufacturers to scale up their production of heat pumps over time, and (iv) to provide for the introduction of competition in onshore electricity networks. However, the Government has also put forward an amendment to the Bill which will have the effect of placing a new 'Net Zero duty' on the energy sector regulator, Ofgem (Office of Gas and Electricity Markets), requiring it to take into account the Government's legal obligation to deliver the 2050 Net Zero emissions target under the Climate Change Act 2008 and, on a pathway towards this, to meet the five yearly carbon budgets set under that legislation.

Tariff cap: As required under the Domestic Gas and Electricity (Tariff Cap) Act 2018, Ofgem implemented

a new price cap for default tariffs, including Standard Variable Tariffs (SVTs), on 1 January 2019. The price cap was originally updated every 6 months, but in order to mitigate the impact of market volatility Ofgem decided in August 2022 to adopt a new methodology for the wholesale cost allowance and update the price cap every quarter, on 1 January, April, July and October. The Energy Prices Act (which was enacted on 28 October 2022) removed the end date for the cap (previously end 2023) and gave the Secretary of State the power to terminate the tariff cap at any time. Ofgem decided in February 2023 to provide an additional 'true-up' allowance of £12 per customer to compensate suppliers for additional bad debt costs relating to COVID-19. Following a review of the EBIT margin allowance in the price cap, Ofgem issued a statutory consultation in May 2023 on proposed changes to the EBIT methodology. It also launched in May 2023 a review of the operating costs allowance in the price cap.

RIIO-ED2: A new five-year RIIO-ED2 distribution network price control came into effect on 1 April 2023 and will run to 31 March 2028. Ofgem's final determination for RIIO-ED2 was published on 30 November 2022. It adopted the same approach to the cost of capital as in the transmission network price control (RIIO-T2), giving a cost of equity of 5.23% and average cost of debt of 3.07%.

Contracts for Difference: As part of its programme of annual Contracts for Difference (CfD) auctioning for renewable generation, the Government is running CfD Allocation Round 5 this year with the initial eligibility window running from 30 March to 24 April 2023. This Round is based on two auction Pots: Pot 1 for 'established' renewable technologies, including fixed bottom offshore wind, onshore wind and solar PV; and Pot 2 for 'less established' renewable technologies, including floating offshore wind. The sealed bid auction is expected to be run later in the summer.

Regulation in the USA

Inflation Reduction Act (IRA):

In April, Treasury guidance on electric vehicle tax credits (up to \$7,500 per qualified vehicle) from the IRA were put into effect. Twenty-two models of all-electric and plug-in hybrid cars are currently eligible for some amount of the tax credit from the likes of General Motors, Ford, Volkswagen and Tesla, according to federal data last updated on June 5.

On June 21 the Internal Revenue Service (IRS) published the 2023 inflation adjustment factors and reference price, which determine renewable energy tax credit levels. The 2023 inflation adjusted production tax credit (PTC) for wind and solar project that meet labor requirements are 2.8 cents per kWh for facilities placed in service before 2022 and 2.75 cents per kWh for facilities placed in service starting 2022.

The Department of Treasury released requirements for securing the bonus renewable energy tax credits under the IRA related to domestic content and energy community.

1. For domestic content, an additional bonus 10 percent, credit is available if certain local content requirements are met, like the products for projects are produced in the U.S.
2. For energy communities, an additional bonus 10 percent credit is available clean energy projects are located in designated areas such as those that are historically fossil fuel centric and have high unemployment (coal mines or coal power plants). Eligible projects can take advantage of both credits.

Permit granting:

In May, House of Representatives Speaker Kevin McCarthy and President Joe Biden crafted a deal, HR 2811 'Limit, Save, Grow Act of 2023' to avoid hitting the national debt ceiling. The debt limit is expected to be reached next in January 2025. The deal included requirements for improved timelines for the environmental review of energy projects, which may help advance overall permitting timelines.

Tariffs:

In June 2022, the Commerce Department ordered a two-year freeze on new tariffs for solar panel imports from selected Southeast Asian nations. In May 2023, Congress passed a bill repealing the two-year moratorium; however, President Biden vetoed the measure and the proposed law was defeated.

Maine – Rate Case

On August 11, 2022, CMP filed a three-year rate plan for the period between May 2023 and May 9, 2026, with adjustments to the distribution revenue requirement in each year. The requested Rate Year revenue requirement increases for the rate years were \$48 million, \$28 million and \$23 million, respectively. Subsequent to the filing, the Company reached a Stipulated Agreement with the Office of the Public Advocate and filed that agreement with the Commission on May 31, 2023. The Stipulation provides for a two-year forward looking rate plan based on a 9.35% ROE and 50% equity ratio with increases to occur in four equal levelized amounts every six months beginning on July 1, 2023. The Stipulation also includes 50% earnings sharing for annual earnings in excess of 100 basis points of CMP's allowed ROE. No party opposed the Stipulation and it was approved in its entirety by the MPUC on June 6, 2023.

New York – Rate Case

On May 26, 2022, NYSEG and RG&E filed for a new one-year rate plan, as is the custom in New York, with the NYPSC. The Companies expressed interest in exploring a multi-year plan during the pendency of the case and entered into settlement negotiations with the Department of Public Service (DPS) Staff and other interested parties in October 2022.

On June 14, 2023, NYSEG and RG&E filed, along with the DPS Staff and 7 other parties (supporting in full or in-part), a Joint Proposal (2023 JP) settlement for a three-year rate plan with the NYPSC with the requisite make-whole revenue adjustments to accommodate rates in effect as of May 1, 2023 and continuing through April 30, 2026.

| Regulation

The allowed rate of return on common equity for NYSEG Electric, NYSEG Gas, RG&E Electric and RG&E Gas is 9.20%. The common equity ratio for each Business is 48.00%. The 2023 JP also includes earnings sharing bands for earnings in excess of 50 basis points of the 9.20% ROE utilizing an equity ratio of 50.00%.

The 2023 JP is now before the NYPSC for additional process and an ultimate ruling. Hearings on the 2023 JP concluded July 18, 2023.

Connecticut - UI

On September 9, 2022, UI filed a distribution revenue requirement case. UI's filing proposed a three-year rate plan commencing September 1, 2023 through August 31, 2026. Draft decision was received on July 21st and final decision is expected in late August, with new rates expected to go into effect on or around September 2023.

| Regulation in Mexico

Generation permit for the Santiago Eólico Wind Farm.

On 6 June 2023, the CRE approved the generation permit under the Electricity Industry Act (LIE) for the Santiago Eólico wind farm. The permit authorised an installed capacity of 105 MW in the municipality of San Felipe Guanajuato.

The Santiago Eólico Wind Farm has been disconnected from the National Electrical System since November 2022.

Iberdrola signs a binding agreement to sell 55% of its business in Mexico for USD 6,000 million.

On 12 June 2023, Iberdrola Mexico and Mexico Infrastructure Partners (MIP) signed the binding agreement (SPA), through which the trust led and managed by MIP acquired 13 efficient generation plants for an amount of six billion dollars.

The generation assets (8,539 MW of installed capacity) involved in the operation correspond to 8,436 MW in combined cycles: Monterrey I and II, Altamira

III and IV, Altamira V, Escobedo, La Laguna, Tamazunchale I, Baja California, Topolobampo II and III, as well as Monterrey III and IV, Tamazunchale II and Enertek. Additionally, the operation is expected to include 103 MW in wind technology linked to the La Venta III plant.

Iberdrola will maintain 2,600 MWs—all its commercial activity with private clients and its portfolio of renewable projects (wind and solar) to develop in the coming years—depending on the granting of the respective permits.

| Regulation in Brazil

Coelba and Cosern tariff reviews

On 20 April, resolutions No. 3,186/2023 and 3,187/2023 were published by ANEEL, relating to tariff reviews (Revisões Tarifárias Periódicas) for Coelba and Cosern, respectively. These adjustments came into effect on 22 April, with an average effect of 8.18% for Coelba consumers (6.91% for high and medium voltage and 8.66% for low voltage) and 4.26% for Cosern consumers (3.65% for high and medium voltage and 4.45% for low voltage).

For both Coelba and Cosern, the factors that most impacted the calculation of the revision were the costs of purchasing energy and transport, in addition to other tariff components that experienced variations in the last year.

Approval of the annual tariff adjustment for Pernambuco

Resolution No 3,195/2023, on the annual tariff adjustment for the year 2023 of Pernambuco, was published on 12 May. The adjustment came into effect on 14 May, with an average effect of 9.02% for consumers (10.41% for high and medium voltage and 8.51% for low voltage). The factors that most impacted the calculation of the adjustment were the costs of purchasing energy and transport, as well as other tariff components that were subject to variations.

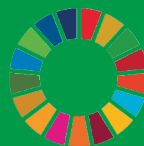
Periodic transmission tariff review

On 20 June, ANEEL published Resolution No 3,205 approving the provisional result of the periodic tariff revision of 2023 with the annual regulatory revenue allowed for 2023 (Annual Allowable Revenues or RAP) of 58 transport companies, 7 of them owned by Neoenergia. The percentages authorised for each transport company will enter into force on 1 July, the revision date provided for in the concession contracts.

TRANSPORT COMPANY	PERMITTED REVENUE REVISED JUN/22 (THOUSANDS OF BRL)	NOMINAL RE-POSITIONING INDEX
Narandiba	2,622.51	4.27%
Dourados	89,240.76	0.69%
Atibaia	18,261.25	1.66%
Biguaçu	17,967.53	1.74%
Sobral	16,628.81	1.70%
Jalapão	169,189.27	1.42%
Santa Luzia	76,997.70	1.45%

Opening of the public consultation for the renewal of the concession of distributors

On 22 June, the Ministry of Mines and Energy opened the public consultation 152/2023, which deals with the federal government's proposal for the renewal process of distribution concessions for the 2025-2031 period. This period includes the renewal of the 4 concessions of the 5 Neoenergia distributors (Coelba, Pernambuco, Cosern and Elektro). The public consultation will be open until 24 July, after which the Ministry of Mines and Energy will draft the regulations governing the extension conditions of expiring concessions.

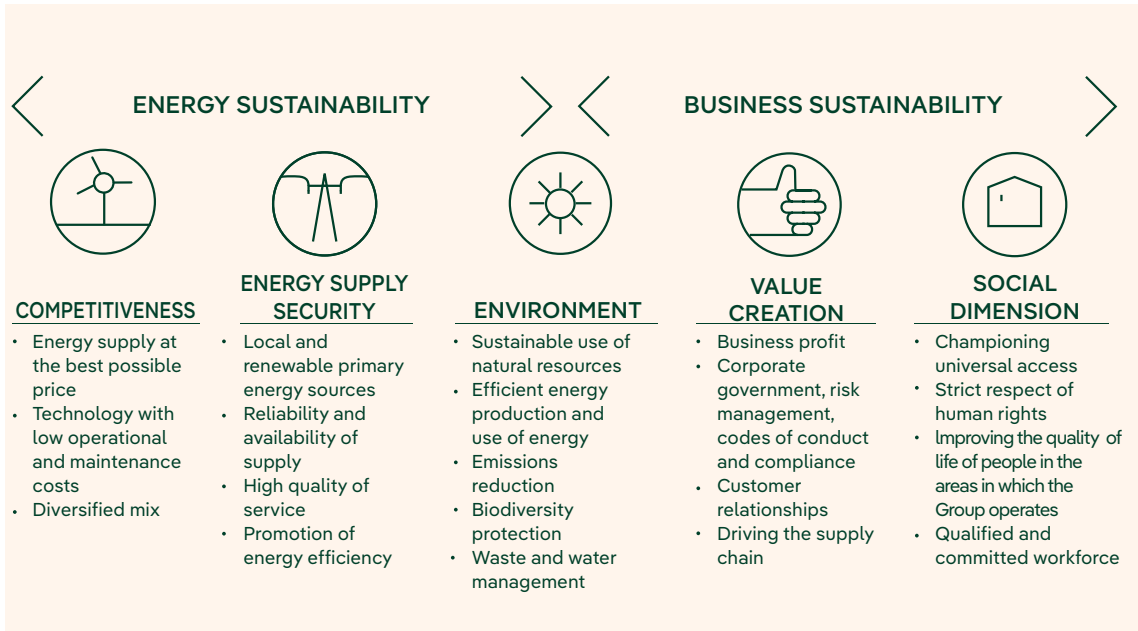


Sustainability Performance - ESG

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

























In this section, the company describes its performance in the environmental, social and governance (ESG) areas that drive the sustainability of its operations, achievement of the social dividend (adding value for stakeholders) and contribution to the United Nations Sustainable Development Goals (SDGs).

Sustainability Policy:



ESG+F targets: classified in four main blocks



Main ESG initiatives	HI 2023	Related SDGs
Committed to a decarbonised and sustainable model	<i>We lead the fight against climate change</i>	 
New green employment platform	<i>Global Green Employment (GGE)</i>	 
Circular economy	<i>Battery recycling</i>	   
Innovation	<i>Heat carbonisation of industrial processes</i>	   
Talent	<i>International graduate programme</i>	 
Rational use of water	<i>Sustainable management</i>	
Sustainable mobility plan	<i>Accelerating deployment via alliances</i>	  
Biodiversity	<i>Partnership with Birdlife International</i>	  
Training excellence	<i>Neoenergia and UNICEF Partnership</i>	   
Equality	<i>Diversity and Inclusion Report</i>	 
Customers: everything you need	<i>Customer service</i>	 
Foundations	<i>Our social commitment</i>	    

1. Sustainability Indicators

Financial indicators	H1 2023	H1 2022
Contribution to GDP (gross margin) (*)	0.54%	0.42%
Contribution to GDP (net revenues) (*)	0.99%	1.69%
Net profit (EUR million)	2,520.7	2,075.0
Dividend yield (%) (**)	3.84%	4.33%
Sustainability indicators	H1 2023	H1 2022
CO ₂ owned emissions over the period (gr. CO ₂ /kWh): Total	67	74
CO ₂ emissions over the period (gr. CO ₂ /kWh): Europe	44	56
CO ₂ emissions over the period (gr. CO ₂ /kWh): Spain	51	67
CO ₂ emissions over the period (gr. CO ₂ /kWh): UK	-	-
CO ₂ emissions over the period (gr. CO ₂ /kWh): USA	35	28
CO ₂ emissions over the period (gr. CO ₂ /kWh): Brazil	-	-
CO ₂ owned emissions over the period (gr. CO ₂ /kWh): Mexico	301	293
CO ₂ owned emissions over the period (gr. CO ₂ /kWh): RoW	6	8
Ratio emission-free owned production to total production: Total (%)	83%	81%
Ratio emission-free production to total production: Europe (%)	90%	88%
Ratio emission-free production to total production: Spain (%)	89%	85%
Ratio emission-free production to total production: UK (%)	100%	100%
Ratio emission-free production to total production: USA (%)	91%	93%
Ratio emission-free production to total production: Brazil (%)	100%	100%
Ratio emission-free owned production to total production: Mexico (%)	15%	18%
Ratio emission-free production to total production: RoW (%)	99%	99%
Emission-free owned installed capacity: Total (%)	81%	80%
Emission-free installed capacity: Europe (%)	82%	82%
Emission-free installed capacity: Spain (%)	80%	79%
Emission-free installed capacity: UK (%)	100%	100%
Emission-free installed capacity: USA (%)	91%	91%
Emission-free installed capacity: Brazil (%)	90%	89%
Emission-free installed capacity: Mexico (%)	30%	30%
Emission-free installed capacity: RoW (%)	92%	91%

Note: Third party installed capacity and production not included

(*) Source: Iberdrola Results and Quarterly National Accounts of Spain — INE (Base 2010. Last data published in Q1 2023)

(**) Dividends paid in the last 12 months divided by share price at end of period

E Environmental

Fight against climate change

Iberdrola establishes its installed capacity as one of the cleanest in the world

The company continues to make progress in line with its **commitment to reducing dependency on fossil fuels and accelerating the deployment of renewable energy worldwide: 40,000 MW**. In terms of technology, the top energy is onshore wind, which for the first time in its history has exceeded 20,000 MW after installing 750 MW in 2022. Also noteworthy was the development of photovoltaic energy, which has now reached 4,264 MW, after the installation of 1,204 MW.

Montefiascone, Iberdrola's second solar plant in Italy

Iberdrola continues to advance its strategy of accelerating decarbonisation and reducing dependence on fossil fuels in Europe. In Italy, the construction of a new 7 MW photovoltaic plant, Montefiascone, has begun in the central region of Lazio.

Pachwáywit fields (Avangrid) starts commercial operations

Oregon's largest solar farm, Pachwáywit fields, has reached the commercial operation phase. Also known as Montague Solar, this solar farm developed by Avangrid has 162 MW and is located in Gilliam County. The facility will supply clean, renewable energy to large customers and municipalities enrolled in Portland General Electric's Green Future Impact (PGE) programme, allowing them to meet their sustainability and carbon reduction goals.

Almaraz II, the photovoltaic plant that will supply 13,600 homes in Spain

Iberdrola has started the commissioning of the Almaraz II photovoltaic plant in Cáceres, in western

Spain. The plant has a capacity of 30 MW and when it begins operations, **it will prevent the emission of 6,400 tonnes of CO2 into the atmosphere**. It consists of more than 55,500 photovoltaic modules that will produce about 44,391 MWh of electricity per year to cover the needs of 13,600 households.

The first wind turbines in Saint Brieuc are connected to the grid

Iberdrola has connected the Saint-Brieuc offshore wind farm to the French grid. It is built on the waters of French Brittany, **the first large-scale offshore wind project in Brittany** and the second in France to produce clean energy. The wind farm will cover the energy demand of 835,000 people (including heating) from Brittany.

Circular economy

Solar grazing in Portugal: Almost 300 sheep use Iberdrola's photovoltaic plants in Portugal as a grazing place. "Solar grazing" is a clear example of the circular economy: It benefits farmers, who gain new space for their activity; it is positive for the solar farm, as it ensures that the land is ecologically maintained while reducing the risk of fires; and it benefits the animals that, in addition to access to the pastures, use the solar panels for protection against the sun, rain and wind.

Battery recycling: FCC Ambito, a subsidiary of FCC Servicios Medio Ambiente, and Iberdrola, through its PERSEO Venture Builder program, will collaborate with Glencore to address one of the biggest medium- and long-term challenges in the energy sector: providing **industrial-scale lithium-ion battery recycling solutions**. This project is focused for now on the Iberian Peninsula where the exponential adoption of electric vehicles will lead to a rapid increase in batteries that are thrown away—which will be around 35,000 metric tonnes per year in Spain in 2035—and backlash against manufacturing new batteries.

Biodiversity

Partnership with Birdlife International to protect biodiversity

Iberdrola and Birdlife International have signed a strategic partnership to work together on a rollout of renewable energy that enhances the contribution to biodiversity. It will be founded on a shared vision that a sustainable energy system based on renewable energies is essential to address the interrelated crises of climate change and biodiversity loss. This rollout of renewable energy can meet clean energy needs, be climate-positive, and at the same time, contribute to healthy ecosystems.

S Social

Research, development and innovation (R&D&i)

Iberdrola has joined with Kyoto Group as a strategic investor and business partner in an alliance to accelerate the heat decarbonisation of industrial processes **with the incorporation of Heatcube—Kyoto's thermal energy storage solution**. Iberdrola will invest three million euros through its startup programme, PERSEO. In this way, it will make progress in its mission to decarbonise the economy through electrification. Storage is one of the big challenges of the energy transition, so this collaboration with the Norwegian group will be key in our strategy.

Germany: Baltic Eagle receives the AENOR certificate in the construction phase

Iberdrola's offshore wind project in Germany, Baltic Eagle, has become the first to receive an **AENOR certification for its Occupational Health and Safety Management System during the construction phase**. Baltic Eagle has marked a milestone, as it is the first time that an ISO 45001 certification has been obtained by a health and safety system during the execution phase of a project. Historically, these systems have been certified once the farms have entered into operation.

Communities

AVANGRID has reached a historic agreement with the Navajo Tribal Utility Authority (NTUA) to study the **development of up to 1,000 MW of renewable energy in this Native American tribe's reserve in the states of New Mexico and Arizona**. It includes the development of wind and solar projects, as well as battery storage solutions. The agreement between the company and NTUA will create hundreds of jobs, provide a sustainable source of income for the Navajo government, and provide affordable and renewable energy to NTUA companies and residents.

Neoenergia and UNICEF will support curricula focused on climate change

Neoenergia has signed a partnership with the **United Nations Children's Fund (UNICEF)** to support educational and environmental actions in public schools in Bahía, Pernambuco, Rio Grande do Norte and the Federal District. The company will donate about BRL 4.5 million to the Fund through the **Energy Efficiency Programme, regulated by the National Electric Energy Agency (Aneel)**. The initiative, focused on learning about climate change, energy efficiency and waste reuse, will promote the training of **4,000 teachers** and will benefit nearly **120,000 students**.

Talent

Iberdrola launches its **2023 International Graduate Programme** to incorporate young talent and anticipate future needs arising from its ambitious growth and investment plan. Aimed at recent graduates or those with less than 2 years of experience, the people selected undergo a 2-year training plan, which includes rotations by area and business and, at least one international assignment of 6 months in one of the group's headquarters around the world.

Training

Iberdrola Australia has signed three agreements with important Australian universities. These are the University of New South Wales, the University of

Queensland and the University of Melbourne. These agreements, under the “**Memorandum of Understanding**” format are part of the Iberdrola U Universities Programme, whose objective is to transfer knowledge, attract talent and make a social contribution.

Suppliers

Iberdrola has taken a step further globally and has joined the United Nations Global Compact Programme to continue promoting the sustainability of its suppliers. For five months, SMEs that benefit from the programme (over 220 from Iberdrola have joined) will be able to access online courses, live recorded sessions, good practices, templates for the development of policies and codes and practical cases of other companies.

New platform for guidance, training and green employment

Iberdrola has launched **Global Green Employment (GGE)**, a major green employability project that represents a new milestone in the company's commitment to a future that is environmentally sustainable and essential in the fight against climate change. It is a **digital platform designed to be a meeting point** between those who want to focus their future work in the green employment sector and business and educational agents who can contribute to make it a reality.

Neoenergia's Vale Luz programme reaches 9,000 families

After reaching its 10th anniversary in Rio Grande do Norte, Neoenergia's Vale Luz programme has now reached 8,820 families who benefit from discounts on their bills through the exchange of recyclable solid waste. Over BRL 380 thousand have been discounted from the accounts. At the same time, more than 1,200 tonnes of materials were properly treated in accordance with environmental legislation.

Diversity and Inclusion

- **ScottishPower** and **Iberdrola Energía Internacional** join Iberdrola Mexico and Avangrid to

launch their **Local Executive Committees for Diversity & Inclusion**. The committees have representatives from different areas of the company and follow the strategic line set by their global counterpart to contribute to the company's ESG objectives.

- **LGBTQIA+:** Iberdrola shows its support for the community and has carried out different activities in Spain, USA, UK and Brazil to promote awareness among leaders and employees and to be involved in building a more inclusive work environment.
- **Neoenergia:** The first edition of the “Mentoria del Futuro” (Mentoring the Future) programme, in collaboration with the Joule Institute, has ended. It is an initiative that has been supported with employees serving as mentors and has been developed to promote the personal, academic and professional development of young African-American university students in the communities where the company operates.
- **Iberdrola Mexico** has joined Pride Connection Mexico, a network of over 300 companies that promote the development of safe and discrimination-free work environments for the LGBTQ+ community. In addition, the first **Diversity, Equity and Inclusion Survey** has been carried out. It is an initiative that will allow us to better understand the diversity of its population and design more efficient strategies to ensure the inclusion of all.
- **Iberdrola Spain** has been recognised by the Bizkaia Business Confederation (CEBEK) for its commitment to promoting diversity and equal opportunities between men and women in the workplace.
- **ScottishPower:** The company became the main promoter of Scottish women's football and the Scottish league after announcing a historic partnership with Scottish Women's Football (SWF) and the Scottish Women's Premier League (SWPL).

- **Avangrid:** The Community for all Abilities and Resource for Excellence (CARE) affinity group, made up of employees and focused on promoting the inclusion of people with disabilities, has received young students between 18 and 30 years of age linked to the entity AutismUp's Full Life Academy to publicise job opportunities in corporate environments.

Corporate volunteering

- **Operation Kilo:** Over 40.7 tonnes of food donated thanks to Iberdrola volunteers who have delivered food to workplaces, distributed food to vulnerable families, and made financial donations...once again, demonstrating their commitment to those who need it most.
- **Projects to train and improve the employability of disadvantaged groups:** young people at risk of exclusion, refugees, women who are victims of gender-based violence and/or at risk of severe exclusion, as well as women who return to work after a career break.
- Collaboration with Eurofirms Foundation, in **Re-to8M, ¡Más empleo, menos brecha! (Challenge8M, More employment, smaller gap!), granting scholarships to 20 unemployed women with disabilities.** To do this, they offer women a support schedule, where Iberdrola volunteers participate in the empowerment process with Speed Job Dating and mentoring sessions.
- As regards **environmental action**, on the occasion of World Environment Day, reforestation, adaptation and cleaning of natural spaces, education and environmental awareness activities have been carried out. The project with Envera Group's Training and Labour Insertion Service is still underway: Volunteers and people with disabilities have created a clean spot in the Disfrienly Classroom, which was inaugurated last May.

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 areas: training and research, biodiversity and climate change, art and culture and social action.

Iberdrola Foundation Spain:

- **10 paralympic scholarships.**
- **Energy for Future Research Aid Programme:** promotes research projects focusing on technologies associated with the energy transition and green transformation.
- **Diploma award ceremony** for the foundation's scholarships at Iberdrola's "Formación, Empleo y Excelencia" (Learning, Jobs and Excellence) event, a day that supports young talent and excellence.
- **Unveiling of the pioneering visual accessibility programme "Arte para Tocar" (Art to Touch),** in collaboration with the Bilbao Fine Arts Museum. Travelling exhibition aimed at visually impaired people.
- **Signed an agreement for the lighting around the quadruple lock on the Canal de Castilla in Frómista.**
- **Inauguration of the travelling exhibition "Museorum" in CastillaLa Mancha.** The exhibition aims to bring the art in CLM museums closer to the people.
- **Inauguration of the lighting for the façade of the National Defence Advanced Studies Centre (CESEDEN).**
- **Restoration complete on the Sepulchre of the Boil family in the former Santo Domingo Convent.**
- **Renewal of the agreement** between the Iberdrola Foundation Spain and the Migres Foundation to support the project for reintroducing the osprey into the Comunitat Valenciana.
- **Presentation of the 2022 Restoration Programme** with the Bilbao Fine Arts Museum.
- **Inauguration of the lighting inside the church of the Colegio de Monforte de Lemos.**

- Inauguration of the ornamental lighting on Guadalajara's Arab Bridge.
 - Travelling exhibition "El Prado en las Calles" (El Prado in the Streets) in Extremadura and start of Andalucía tour.
 - Agreement signed for the restoration of the courtyard of the Palacio de Polentinos, home to the Archivo General Militar, in Ávila.
 - Inauguration of the "Sorolla x Manuel Vicent" exhibition at the Sorolla Museum.
 - 2nd meeting with social entities in the Iberdrola facilities: Share all the social projects supported by the Iberdrola Foundation Spain and create a network for our entities.
 - Signing of an agreement for the interior lighting of the Church of San Juan de Baños in Palencia.
 - Inauguration of the reforestation of 25,800 native trees in the Conde de Gazola base in León.
 - Opening of call for the 2024 Social Programme. Financial support to 35 non-profit organisations related to children, youth, women, economic vulnerability, serious diseases and people with disabilities.
 - Presentation of the VIDEO SENSATIONS project in collaboration with the Thyssen Museum: A set of materials that facilitate exercising the right to cultural participation thanks to the creation of contents accessible to all. Among these resources, a user guide is available with suggestions to use in sensory stimulation sessions.
 - Signing of an agreement for the interior lighting of the Monastery of San Juan de los Reyes in Toledo.
 - Signing of an agreement with Empieza por Educar (Start with Education) for the financing of 5 scholarships that aims to develop young graduates or professionals so that they can have a positive impact on the educational system.
- to develop innovative solutions to real-life challenges.
- **Generation Science 2023:** a project to help improve primary science education for children in Scotland's most disadvantaged areas.
 - **Ocean Extravaganza:** an educational enrichment programme that will inspire and empower the next generation to become more environmentally friendly adults.
 - **The Learning Communities Project:** a key initiative to help children living in poverty who are affected by the poverty-related attainment gap.
 - **Cuthbert Moor Restoration:** a project to restore peatland and wetland habitats. As part of this project, extensive baseline studies will be carried out, and volunteer opportunities and citizen participation activities will be organised in schools and communities.
 - **Earth Allies:** a course for young people aged 16 to 24 from disadvantaged communities, which aims to equip them with the necessary tools to advocate for climate action.
 - **Action for Nature in Ayrshire:** a project that promotes biodiversity activities and improves access to green spaces.
 - **Enrick Riverwoods Restoration:** a project that aims to set an innovative example of ecological restoration that increases carbon capture capacity and conserves the economic value of the land in local communities.
 - **Daisy Chain Rising Stars:** enriching the lives of autistic children and young people through the performing arts, encouraging participants to express themselves.
 - **Dance for Parkinson's Scotland:** a programme that supports people with Parkinson's through specialised movement classes that address specific Parkinson's concerns and provide a space for connection and community among participants.

ScottishPower Foundation in the UK:

- **SMEATON 300 designing Smeaton Park:** a project that will inspire children and young people

| Sustainability Performance - ESG

- **Creative Ageing in the Gorbals:** a project that will strengthen the sense of community, reduce loneliness and improve elderly people's physical and mental health.
- **The Aspire Independent Living Service:** supporting people with spinal cord injuries, from their very first days in the hospital and for the rest of their lives, so that they can lead a full and independent life in their homes, with their families, at work and in their free time.
- **Improving Men's Mental Health and Wellbeing and Reducing Inequalities following Family Separation or Domestic Abuse:** a project that helps tackle suicidal thoughts in men who have gone through family separation or have been victims of domestic abuse.
- **Family Support Hubs:** a project that provides support to five family support centres in the most disadvantaged areas of Falkirk, focusing on families with at least one child under five years old, who are facing mental or physical health problems, financial difficulties, addiction etc.
- **Magic Breakfast in Scotland:** providing unlimited access to healthy and nutritious breakfasts to stop children going to school hungry in the morning.
- **Sands Befrienders:** a community support project for people affected by baby loss and miscarriage across the UK.
- **Supporting Black Minority Ethnic (BME) Women into Sustainable Employment:** helping women across Scotland develop the skills, confidence and self-belief they need to secure sustainable employment and financial independence.
- **Stable Life:** a structured programme for vulnerable young people in the Scottish Borders, offering horse-assisted therapy/learning, horse riding classes and psychosocial interventions.
- **Newham: United Against Food Waste:** preventing food waste by hiring a Food Waste Reduction Coordinator. They will obtain regular food

donations for food banks, to save that food going to waste.

Avangrid Foundation in the US:

- **Energised for Good — Employee Giving — Match:** employee contributions to a variety of community organisations to promote the common good.
- **The Central Maine Power David Flanagan Endowed Professorship:** Scholarships for full-time graduate students enrolled in the MPPM (Master in Policy, Planning and Management) or MPH (Master in Public Health) programmes.
- **Invention Convention Worldwide (2023):** ICW is one of the most prestigious STEM inventors/entrepreneurs training programmes in the country. It is a global coalition of affiliates that teach students real-world problem-solving and creative thinking skills through education activities in invention and entrepreneurship.
- **Habitat for Humanity National Partnership (Year 5):** 5th year of a national priority partnership to support affordable housing ownership and neighbourhood rehabilitation in several communities where AVANGRID operates.

Iberdrola Foundation Mexico:

- **Altamira Scholarships:** support for low-income students with educational excellence at the Instituto Tecnológico de Monterrey Tampico Campus.
- **“Jóvenes construyendo el futuro” (Young People Building the Future):** Programme led by the Secretariat of Labour and Social Welfare that seeks to generate on-the-job training opportunities to young people between the ages of 18 and 29, with the aim of boosting their technical skills so as to increase their future employability.
- **“Impulso STEM” (STEM Impulse):** In this programme, scholarships will be awarded to young underprivileged Oaxacan people so that they have the opportunity to study at the Technological University of the Central Valleys of Oaxaca.

- **Fernández Canyon Conservation:** state park conservation programme to protect its thousand-year-old Sabino forest ecosystem.
- **Mangrove Conservation:** ensuring the survival of flora and fauna in the mangrove ecosystem, and increasing their numbers, through constant monitoring.
- **Feline protection:** ensuring the survival of the jaguars, jaguarundis, ocelots and bobcats living in the area.
- **“Luces de Esperanza” (Lights of Hope):** providing electricity to rural communities not yet connected to the grid. In the third phase, 101 homes have been given access to electricity in 4 municipalities of the Huatesca Potosina region.
- **“Construir para Educar” (Build to Educate):** rebuilding schools struck by the earthquakes in Oaxaca. Two schools are currently under reconstruction.
- **“Brigadas Urológicas” (Urology Brigades) in the south and southeast of Mexico:** enhancing the well-being of Oaxacan women suffering from complex urological problems. Advanced urological specialisation fellowships in Spain were launched for Mexican doctors and nurses in the state of Oaxaca.
- **Somos el cambio (We are the change) partnership:** Partnership with Somos el Cambio (We are the Change) for participation in different calls that invite students and teachers from public schools from all over the country to develop social projects through the methodology: Feel, imagine, do and share.
- **Community Gardens:** Strengthening the comprehensive community garden programme and supporting farmers in Tamazunchale. This project is aimed at promoting their development and sustainability, so that in the future they can be self-sufficient.
- **Road Rehabilitation:** Development of infrastructure through the execution of the road repair and

reconstruction project in the section known as the “Y-junction” in the town of La Ceiba.

- **Communication Project:** Promote culture, care for the environment and the use of renewable energies generating the necessary electricity from bicycle pedalling to project Mexican family films in rural communications in Mexico.

Neoenergia Institute in Brazil:

- **“Balcão de Ideias e Práticas Educativas” (Ideas and Educational Practices Hub) project:** consolidating a network for sharing innovative ideas and practices in the world of education, through advice for education authorities and CPD for teachers and school management staff.
- **Flyways Brazil:** conservation of endangered wader bird species in Brazil.
- **“Proyecto Coralizar” (Coralise Project):** in conjunction with WWFBrazil, this project raises awareness while developing a coral restoration methodology. The underlying aim is to conserve and shine a spotlight on this reef ecosystem in the Costa dos Corais environmental protection area.
- **“Impactô Verde” (Green Impact):** a socio-environmental acceleration programme for organisations to structure their management processes, innovate and increase their socio-environmental impact.
- **“Transformando Energia em Cultura” (Turning Energy into Culture)** call for socio cultural projects that contribute to the SDGs and that value local culture.
- **“Premio Inspirar” (Inspire Award):** call aimed at recognising women leaders working in the field of arts and culture in vulnerable regions. In its third edition, the award will be held for the Federal District and the states of Pernambuco, Bahia, Rio Grande do Norte, Espírito Santo, Mato Grosso do Sul and Rio de Janeiro.

- **“Mulheres Inspiradoras” (Inspiring Women):** To continue celebrating and boosting the profile of women leaders who are finalists or winners of the Premio Inspirar (Inspire Award), the Neoenergia Institute has developed the “Mulheres Inspiradoras” initiative. This initiative supports projects that are managed by inspiring women and approved by the Municipal Law on the Promotion of Culture in the City of Rio (ISS Law).
 - **“Oficinas Culturais e Artísticas — OCA” (Cultural and Artistic Workshops):** a cultural programme aimed at pooling knowledge in the creative economy as a platform for human and social development in four cities of São Paulo.
 - **Caravana Energia que transforma (Caravan Energy that transforms):** Promote dialogue, exchanges and knowledge for people working in the field of culture, leaders of non-profit organisations (NGOs) and groups working with socio-cultural initiatives throughout Brazil.
 - **Cultural illumination of the Senhora Santana church (Bahia).**
 - **Conectar Cultural (Cultural Connection):** Support traditional Brazilian cultural organisations recognised at the federal, state and municipal level, which often do not register their projects under Law and in the cultural notices of organisations and large companies.
 - **“Resgatando a História” (Recovering History):** an initiative aimed at generating interest within the private sector in supporting projects to recover Brazil’s historical and artistic heritage.
 - **“Programa Impacto Social 2022” (Social Impact Programme 2022):** a social acceleration project for organisations to structure their management processes, innovate and increase the social impact generated.
 - **“Territórios Saudáveis” (Healthy Territories):** a project to improve the management, governance and sustainability capacities of community-based 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 socio-emotional skills by practising Tai Chi Chuan.
 - **“Educando pelo Esporte” (Educating through Sport):** a project promoted through the São Paulo Sports Incentive Law to develop socio-emotional skills through the practising of sports.
- Grupo de Institutos y Fundaciones Empresariales (GIFE):** 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 required, as well as to incorporate best practices.

To this end, at its meeting on 20 June 2023, the Board of Directors of the Company adopted, *inter alia*, the following agreements:

- Update the Company’s compliance system in order to influence the decentralisation of the functions and responsibilities of the compliance bodies of the Group’s companies and comply with the requirements of *Law 2/2023, of 20 February, Regulatory for the Protection of People who Report on regulatory and anti-corruption violations (“Reporter Protection Act”)*. This update led to

the adoption of a new *Compliance Policy and the Internal Information and Reporting System*, which replaces the old *Crime Prevention Policy*, and a new *Competition Law Enforcement Policy*, to strengthen the commitment of the Group companies to maintaining free and effective competition in the markets in which they participate, as well as the revision of other documents of the governance and sustainability system, such as the *Code of Ethics*, the *Anti-Corruption and Fraud Policy*, the *Governing Body Regulations*, the *Regulations of the Commission on Sustainable Development* and the *Regulations of the Compliance Unit*.

- b) Update the regulation on the categories of non-public information owned by the Group companies and their protection, incorporating an express reference to the information and knowledge that have the consideration of business secrets in accordance with the regulations, following the provisions of *Law 1/2019, of 20 February, on business secrets*. In particular, this revision concerned the *Code of Ethics*, the *Sustainable Development Policy*, the *Innovation Policy*, the *Knowledge Management Policy* and the *Corporate Security Policy*.
- c) Adapt the *Internal Regulations on Conduct in the Securities Markets* to include technical and formal improvements of various kinds and the *Corporate Governance Policy* to reflect the minimum level of attendance by directors (75%) at the board meetings and its committees held throughout the year, which the main institutional investors and voting advisors at international level include in their voting policies.
- d) Adjust the terminology used in the governance and sustainability system in relation to disability and discrimination, and other similar notes to meet the criteria followed by sustainability indices and market best practices that advocate the use of inclusive language.
- e) Include in the *Selection and Recruitment Policy* a new basic principle of action to establish that Group companies will ensure that they offer candidates, during the process of attracting

talent and selection, an experience in which clear communication is prioritised, as well as frequent print sharing, an efficient process and reliable infrastructure.

General Shareholders' Meeting

On 28 April 2023, the Company's General Shareholders' Meeting was held at first call, with a quorum of 71.97% of share capital (31.23% present and 40.74% represented). All the motions included on the meeting agenda were approved at the meeting, as shown below:

Agenda items relating to management results:

1. Annual financial statements for 2022.
2. Directors' reports for 2022.
3. Statement of non-financial information for 2022.
4. Corporate management and performance of the Board of Directors in 2022.

Agenda items relating to the Governance and Sustainability System:

5. Amendment to the Preamble and the Preliminary Title of the By Laws to adapt their content to the current corporate, governance and compliance context and to incorporate editorial changes.
6. Amendment to Articles 4 and 32 of the By-Laws to accommodate the duties of the different corporate levels within the Iberdrola Group structure.
7. Amendment to Article 8 of the By-Laws to update references to internal rules and the Compliance System.

Agenda items relating to remuneration:

8. Participation dividend: approval and payment.
9. Implementation of the 2022 result and dividend: approval and supplementary payment to be carried out within the framework of the "Iberdrola Retribución Flexible" optional dividend scheme.
10. First scrip issue for a maximum reference market value of EUR 2,275 million to implement the "Iberdrola Retribución Flexible" optional dividend scheme.
11. Second scrip issue for a maximum reference market value of EUR 1,500 million to implement

the “Iberdrola Retribución Flexible” optional dividend scheme.

12. Capital reduction through the redemption of a maximum of 206,364,000 treasury shares (3.201% of the share capital).
13. Consultative vote on the 2022 Annual Director Remuneration Report.
14. Strategic bonus for professionals at companies of the Iberdrola Group, linked to the Company's performance during the 2023-2025 period, to be paid on a fractional and deferred basis through delivery of shares.

Agenda items relating to the Board of Directors:

15. Re-election of Ms María Helena Antolín Raybaud as an external director.
16. Ratification and re-election of Mr Armando Martínez Martínez as an executive director.
17. Re-election of Mr Manuel Moreu Munaiz as an independent director.
18. Re-election of Ms Sara de la Rica Goiricelaya as an independent director.
19. Re-election of Mr Xabier Sagredo Ormaza as an independent director.
20. Re-election of Mr José Ignacio Sánchez Galán as executive director.
21. Setting the number of members of the Board of Directors at 14.
22. Delegation of powers to formalise and to convert the resolutions adopted into a public instrument.

Board of Directors

On 28 April 2023, following the holding of the General Shareholders' Meeting and the issuance of the corresponding proposal and reports from the Appointments Committee, the Board of Directors approved the re-election of Mr Jose Ignacio Sánchez Galán as executive president of the Company's Board of Directors, the re-election of Mr Armando Martínez Martínez as the Company's CEO and the re-election of Mr José Ignacio Sánchez Galán, Mr Armando Martínez Martínez and Mr Manuel Moreu Munaiz as members of the Company's Executive Committee.

Material Information Reported to the CNMV

The highlights during the second quarter of 2023 were as follows:

- **On 4 April**, the Company disclosed inside information about the memorandum of understanding signed for the sale of generation assets with an installed capacity of 8,539 MW in Mexico.
- **On 5 April**, a meeting was convened and organised with analysts and investors on “La Nueva Iberdrola México” (The New Iberdrola Mexico), through the corporate website, to advertise the corporate operations mentioned in the previous point, publishing the corresponding presentation.
- **On 12 April**, the Company announced that the presentation of the results for the first quarter of 2023 would take place on 26 April.
- **On 14 April**, Iberdrola published the energy balance for the first quarter of 2023 (IBE-WATCH FACT SHEET 3M 2023).
- **On 26 April**, the Company disclosed the results for the first quarter of 2023 (prospectus and presentation of results).
- **On 28 April**, the aforementioned agreements were communicated, which had been approved that day by the General Shareholders' Meeting and the Board of Directors on that date.
- **On that same date**, the company announced the estimated schedule for the first edition of the optional dividend system “Iberdrola Flexible Remuneration” for the financial year 2023 and the launch of the Iberdrola, S.A. share repurchase programme, representative of a maximum of 0.652% of the share capital for redemption.
- **On 31 May**, the closing of the framework agreement for co-investment with “NBIM Iberian Refinra AS” for the joint development of a portfolio of renewable assets in Spain was announced.
- **On 12 June**, the Company announced the signing of the purchase agreement for the sale of generation assets with an installed capacity of 8,539 MW in Mexico.

- **On 20 June**, the terms and conditions of the first edition of the “Iberdrola Retribución Flexible” optional dividend system corresponding to 2023 were released.
- **On 28 June**, the revised text of the *Regulations of the Board of Directors* was published after the amendments, approved by the Board of Directors at its meeting on 20 June 2023, were placed on record with the Commercial Registry.

Notifications sent to Spanish stock market commission (CNMV) from April to June 2023

Date	Event	Register n°
04/04/2023	Memorandum of understanding relating to the sale of generation assets with an aggregate installed capacity of 8,539 MW in Mexico.	1821
05/04/2023	The Company sends invitation to presentation on corporate transaction.	21794
05/04/2023	The Company submits a presentation on the corporate operation in Mexico.	21795
12/04/2023	Q1 2023 Results Announcement.	21879
14/04/2023	Energy balance Q1 2023.	21944
26/04/2023	Q1 2023 Results.	22107
26/04/2023	Q1 2023 Results Presentation.	22110
28/04/2023	Resolutions passed by the General Shareholders' Meeting and by the Board of Directors held on 28 April 2023.	22259
28/04/2023	Estimated calendar of the first edition of the “Iberdrola Retribución Flexible” optional dividend system corresponding to the fiscal year 2023.	22260
28/04/2023	Launching of the share buyback programme of Iberdrola, S.A. in respect of a maximum of 0.652 % of the share capital for their redemption.	22261
10/05/2023	Transactions carried out by Iberdrola, S.A. under its share buyback programme between 28 April and 9 May 2023.	22453
19/05/2023	Transactions carried out by Iberdrola, S.A. under its share buyback programme between 10 and 18 May 2023.	22606
30/05/2023	Transactions carried out by Iberdrola, S.A. under its share buyback programme between 19 and 29 May 2023.	22763
31/05/2023	Closing of the framework co-investment agreement with NBIM Iberian Reinfra AS for the joint development of a portfolio of renewable assets in Spain.	22797
08/06/2023	Transactions carried out by Iberdrola, S.A. under its share buyback programme between 30 May and 7 June 2023.	22892
12/06/2023	Entry into share purchase agreement relating to the sale of generation assets with an aggregate installed capacity of 8,539 MW in Mexico.	22980
13/06/2023	Transactions by “Iberdrola, S.A.” under its share buyback programme between 8 and 13 June 2023. Termination of the programme. Acquisition of own shares through the settlement of derivatives.	23031
20/06/2023	Terms and conditions of the first edition of the “Iberdrola Retribución Flexible” optional dividend system corresponding to the fiscal year 2023.	23159
28/06/2023	Reporting by the Company of the Regulations of the Board of Directors	23288

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

Sustainability	
Index	Ranking
Dow Jones Sustainability World Index 2022	Selected in the utility sector. Iberdrola member in all editions
Sustainability Yearbook 2023 S&P Global	Top 5% S&P Global ESG Score
MSCI Global Sustainability Index Series	Iberdrola selected AAA
CDP Climate Change 2022	A
CDP Supplier Engagement Leader 2022	Iberdrola Selected
Global 100 2023	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 2023	Iberdrola member in all editions
V.E-Euronext Vigeo indices: World 120, Europe 120 & Eurozone 100 ESG	Iberdrola selected
EcoVadis	Gold EcoVadis Medal. Iberdrola among companies with best performance
2023 World's Most Ethical Company	Iberdrola selected. Only Spanish utility
ECPI	Iberdrola selected in several Sustainability Indices
STOXX	Iberdrola selected in STOXX Global ESG Leaders and in several Sustainability indices
InfluenceMap	Iberdrola among the companies with the best performance
Standar Ethics	Iberdrola included in the SE European Utilities Index
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 2022 responder	Iberdrola among the 10% of companies with the best score
Carbon Clean 200	First Spanish company in the ranking

Recognition of good ESG performance

- **Iberdrola, the company with the best corporate governance, according to World Finance**

For yet another year, Iberdrola has been selected as the Spanish company that develops the best practices of corporate governance, according to the magazine World Finance. This award recognises the continuous updating of the company's governance and sustainability system, as well as maximum transparency in the information communicated to the market.

- **Iberdrola's strategy with its minority shareholders is recognised by the European IR Magazine Award 2023**

Iberdrola's strategy with its minority shareholders has been recognised with the prestigious European IR Magazine Award 2023. These awards are a benchmark for best practices in the area of investor relations in Europe. Iberdrola's commitment to permanent effective and transparent dialogue, with each shareholder and innovations in information channels and participation have allowed the company to reach the top position in the Retail category—known as the Shareholder's Office or Major Shareholders' Office—ahead of other large multinational companies.

- **Ignacio Galán receives the José Echegaray Award**

Iberdrola's president was granted the José Echegaray award by the economic newspaper El Economista. In this fifth edition, the newspaper has recognised the excellent trajectory and the figure of the Spanish businessman, who has been leading the energy group for two decades.

- **The Foreign Policy Association awards Galán the Leadership Award in ESG**

Ignacio Galán has been the first recipient of the

Leadership Award in ESG by the Foreign Policy Association in New York at the Harvard Club in New York. The award recognises business leaders who have demonstrated a strong commitment to ensuring that ESG + F (Environmental, Social & Governance + Financial Performance) principles are integrated as a cornerstone of business strategy.

- **Avangrid's vice president of sustainability is recognised by Constellation Research 2023**

Laney Brown, Avangrid's vice president of sustainability, has been recognised by Constellation Research in its 2023 ESG50 an elite list of top environmental, social and government executives advocating pragmatic ESG strategies. The ESG50 recognises the world's most influential executives in a variety of industries, including energy, entertainment, financial services, healthcare, higher education, the pharmaceutical industry, the public sector, retail or sports.

- **Iberdrola Mexico: recognised for 11 consecutive years as a socially responsible company**

Iberdrola Mexico has once again won the Socially Responsible Company (ESR) badge given by the Mexican Centre for Philanthropy A.C. (Cemefi). Eleven years in a row, the company obtains this prestigious recognition for promoting a business culture that promotes sustainability and social benefit among all its stakeholders.

- **Avangrid recognised as the most sustainable company with the best corporate governance**

The company has received two World Finance awards: Most Sustainable Company in the Electrical Services Industry and Best Corporate Governance. For the fourth time, World Finance, an international publication specialising in the financial sector, recognised Avangrid for its leadership in corporate governance. Since 2019, World Finance has been awarding its Sustainability Awards to companies that put green values at the forefront of their operations and show their commitment to reducing emissions throughout the value chain.

- **Avangrid wins 8 ESG+F awards in the first half of 2023**

The Iberdrola Group subsidiary in the United States has won eight awards and recognitions in the first six months of 2023. These awards cover all aspects of Environmental, Social, Governance and Financial Management (ESG+F) and come from respected organisations such as USA Today, Ethisphere, JUST Capital, Bloomberg, Edison Electric Institute and S&P Global.

- **Neoenergia Cosern: the best distributor in the Northeast of Brazil in terms of its quality of supply**

Neoenergia Cosern has been recognised by the Brazilian regulator, the National Electric Energy Agency (ANEEL), as the best distributor in the Northeast region of Brazil for its quality of supply. To structure the ranking, ANEEL took into account the duration of the service availability enjoyed by customers throughout 2022, in which Cosern ranked first among distributors in the Northeast and second among all major companies in Brazil.

- **Iberdrola: the company with the best non-financial information from IBEX-35**

Iberdrola remains the best company in the Ibex-35 in terms of the quality of its non-financial information, 36% above the average of large companies in the country, according to the Observatory of Corporate Social Responsibility. This organisation was founded in 2004 to promote the correct application of corporate social responsibility (CSR). Since its inception, it has served as a platform for cooperation and research to enhance CSR in companies.



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

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

Alternative Performance Measures	Definition
Net Financial Debt / Equity	Net Financial Debt / Equity
Net Financial Debt / EBITDA	Net Financial Debt / EBITDA for the last four quarters
Funds from Operations (FFO)	See section 'Funds From Operations' in the report
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



If you are interested in the definitions of the **Alternative Performance Measures**, please click on the following link:



<https://www.iberdrola.com/documents/20125/42337/alternative-performance-measures-definitions.pdf>

If you are interested in what the **Alternative Performance Measures** are for the quarter, click on the following link:



<https://www.iberdrola.com/documents/20125/3326923/alternative-performance-measures-23IH.pdf>

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