



Iberdrola

Results Presentation

Nine months

October 26, 2023

Sustainable
Event



Committed to:





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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/20125/3552388/alternative-performance-measures-239M.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)	9M 2023	9M 2022	vs. 9M 2022
Spain	66,050	68,711	-3.9%
United Kingdom	22,103	22,750	-2.8%
United States	28,035	29,463	-4.8%
Brazil	57,403	56,769	1.1%
Total	173,591	177,694	-2.3%
GAS (GWh)			
United States	42,031	46,669	-9.9%
Total	42,031	46,669	-9.9%

Differences may arise due to rounding

Managed Supply Points

ELECTRICITY (Millions)	9M 2023	9M 2022	vs. 9M 2022
Spain	11,42	11,34	0,7%
United Kingdom	3,55	3,55	0,1%
United States	2,32	2,31	0,3%
Brazil	16,27	15,96	2,0%
Total Electricity	33,56	33,16	1,2%
GAS (Millions)			
United States	1,04	1,03	0,4%
Total Gas	1,04	1,03	0,4%
TOTAL SUPPLY POINTS	34,60	34,19	1,2%

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

Differences may arise due to rounding

Generation Business and Customers

Total Group

	9M 2023	9M 2022	vs. 9M 2022
Net Production (GWh)⁽¹⁾	125,345	122,373	2.4%
Net owned production⁽¹⁾	95,814	93,452	2.5%
Renewables ⁽¹⁾	58,742	55,355	6.1%
Onshore	32,386	33,184	-2.4%
Offshore	3,372	3,058	10.3%
Hydro	17,996	15,717	14.5%
Minihydro	315	364	-13.4%
Solar	4,615	2,976	55.1%
Nuclear	18,494	18,380	0.6%
Gas combined cycle	14,330	15,627	-8.3%
Cogeneration	4,247	4,091	3.8%
Net production for third parties	29,531	28,921	2.1%
Renewables	133	149	-11.1%
Onshore	133	149	-11.1%
Gas combined cycle	29,399	28,772	2.2%
Installed Capacity (MW)⁽²⁾	62,102	59,963	3.6%
Net owned installed capacity⁽²⁾	54,956	52,817	4.0%
Renewables ⁽²⁾	41,303	39,165	5.5%
Onshore	20,764	19,869	4.5%
Offshore	1,618	1,258	28.6%
Hydro	13,046	13,849	-5.8%
Minihydro	244	255	-4.3%
Solar	5,420	3,723	45.6%
Batteries	198	198	-
Nuclear	3,177	3,177	-
Gas combined cycle	9,291	9,291	-
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.)	13.3	13.7	-2.7%
Gas customers (No mill.)	3.12	3.29	-5.3%
Gas Supplies (GWh)	32,514	39,410	-17.5%
Gas Storage (bcm)	0.12	0.13	-4.6%

(1) Including 58 GWh and 55GWh of production from fuel cells in 9M 2023 and 9M 2022, respectively

(2) Including 13 MW installed capacity of fuel cells

Differences may arise due to rounding

Spain

	9M 2023	9M 2022	vs. 9M 2022
Net Production (GWh)	45,148	42,169	7.1%
Renewables	20,559	16,919	21.5%
Onshore	7,405	8,357	-11.4%
Hydro	10,410	6,474	60.8%
Minihydro	315	364	-13.4%
Solar	2,428	1,724	40.8%
Nuclear	18,494	18,380	0.6%
Gas combined cycle	4,843	5,277	-8.2%
Cogeneration	1,252	1,593	-21.4%
Installed Capacity (MW)	30,289	28,657	5.7%
Renewables	21,071	19,439	8.4%
Onshore	6,550	6,160	6.3%
Hydro	10,698	10,700	-0.02%
Minihydro	244	255	-4.3%
Solar	3,560	2,305	54.4%
Batteries	19	19	-
Nuclear	3,177	3,177	-
Gas combined cycle	5,695	5,695	-
Cogeneration	347	347	-
Electricity customers (No mill,)	10.60	10.84	-2.2%
Gas customers (No mill,)	1.27	1.35	-6.8%
Gas Supplies (GWh)	18,410	23,676	-22.2%
Users	7,657	11,988	-36.1%
Gas combined cycle	10,753	11,688	-8.0%

Differences may arise due to rounding

| Core business figures

United Kingdom

	9M 2023	9M 2022	vs. 9M 2022
Net Production (GWh)	5,066	5,384	-5.9%
Renewables	5,066	5,384	-5.9%
Onshore	2,484	3,122	-20.4%
Offshore	2,578	2,256	14.3%
Solar	4	7	-41.7%
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,)	2.72	2.86	-4.7%
Gas customers (No mill,)	1.85	1.93	-4.2%
Gas Supplies (GWh)	14,104	15,734	-10.4%
Gas Storage (bcm)	0.12	0.13	-4.6%

Differences may arise due to rounding

USA

	9M 2023	9M 2022	vs. 9M 2022
Net Production (GWh) ⁽¹⁾	17,748	16,669	6.5%
Renewables ⁽¹⁾	15,806	15,190	4.1%
Onshore	14,820	14,782	0.3%
Hydro	182	121	50.4%
Solar	747	232	222.1%
Gas combined cycle	5	4	26.2%
Cogeneration	1,936	1,474	31.3%
Installed Capacity (MW) (2)	9,561	9,453	1.1%
Renewables ⁽²⁾	8,721	8,613	1.3%
Onshore	8,044	8,061	-0.2%
Hydro	118	118	-
Solar	545	420	29.7%
Gas combined cycle	-	-	-
Cogeneration	204	204	-

(1) Including 58 GWh and 55 GWh of production from fuel cells in 9M2023 and 9M2022, respectively

(2) Including 13 MW installed capacity of fuel cells

Differences may arise due to rounding

Mexico

	9M 2023	9M 2022	vs. 9M 2022
Net Production (GWh)	41,978	42,477	-1.2%
Net owned production	12,447	13,555	-8.2%
Renewables	1,947	2,256	-13.7%
Onshore	949	1,295	-26.7%
Solar	997	961	3.8%
Gas combined cycle	9,441	10,276	-8.1%
Cogeneration	1,059	1,023	3.5%
Net production for third parties	29,531	28,921	2.1%
Renewables	133	149	-11.1%
Onshore	133	149	-11.1%
Gas combined cycle	29,399	28,772	2.2%
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

	9M 2023	9M 2022	vs. 9M 2022
Net Production (GWh)	11,185	12,024	-7.0%
Renewables	11,185	12,010	-6.9%
Onshore	3,608	2,860	26.2%
Hydro	7,404	9,123	-18.8%
Solar	173	28	527.4%
Gas combined cycle	-	14	-100.0%
Installed Capacity (MW)	4,466	4,944	-9.7%
Renewables	3,933	4,411	-10.8%
Onshore	1,554	1,273	22.0%
Hydro	2,230	3,031	-26.4%
Solar	149	108	38.5%
Gas combined cycle	533	533	-

Differences may arise due to rounding

Rest of the world (ROW)

	9M 2023	9M 2022	vs. 9M 2022
Net Production (GWh)	4,220	3,651	15.6%
Renewables	4,180	3,595	16.3%
Onshore	3,120	2,769	12.7%
Offshore	794	803	-1.0%
Solar	266	24	N/A
Gas combined cycle	40	55	-28.2%
Installed Capacity (MW)	3,597	2,704	33.0%
Renewables	3,354	2,461	36.3%
Onshore	2,057	1,799	14.3%
Offshore	710	350	102.9%
Solar	513	237	116.4%
Batteries	75	75	-
Gas combined cycle	243	243	-

Differences may arise due to rounding

Stock Market Data

		9M 2023	9M 2022
Market capitalisation	€ (million)	67,281	60,961
Earnings per share (6.350.278.000 shares a 30/09/2023 y 6.362.094.000 shares a 30/09/2022)	€	0.541	0.464
Net operating cash flow per share	€	1.27	1.28
P.E.R.	Times	16.41	13.89
Price/Book value (capitalisation to NBV at the end of the period)	Times	1.79	1.34

Economic/Financial Data (*)

Income Statement			
Revenues	M €	37,193.0	37,903.3
Gross Margin	M €	17,199.7	14,655.9
EBITDA	M €	10,783.1	9,529.1
EBIT	M €	6,812.9	5,663.4
Net Profit	M €	3,637.0	3,103.6
Net Operating Expenses / Gross Margin	%	25.6	25.9
Balance Sheet			
Total Assets	M €	149,870	150.114
Equity	M €	60,145	58.114
Net Financial Debt	M €	47,951	44.185
Adjusted Net Financial Debt	M €	47,951	43.749
ROE	%	11.11	10.22
Ajusted Financial Leverage (Net Ajusted Financial Debt/ (Ajusted Financial Debt + Ajusted Equity))	%	44.4	42.8
Net Financial Debt / Equity	%	79.7	76.0

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

Others

Others			
Gross Organic Investments	EUR (million)	7,679.5	7,567.5
Employees	Number	42,042	40,543

Iberdrola's Credit Rating

Agency	Rating(*)	Outlook(**)
Moody's	Baal (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 nine months of 2023, the **Iberdrola Group's net profit rose by 17.2% to EUR 3,637 million**, and by **22.4%** excluding the impact from Mexico.
- **EBITDA grew by 13.2% to EUR 10,783 million**, mainly due to higher energy volumes, higher load factor and operational efficiency, together with lower energy purchases.
- **Gross investments** reached EUR 10,842 million in the last 12 months, with RAB in the networks business growing by 9% to EUR 41,200 million and having installed 3,100 MW of renewables in the last twelve months to a total of 41,300 MW.
- **Continued financial strength and generation of cash**, improving with respect to the same period of 2022. FFO reaches EUR 11,103 million in the last twelve months, 3.0% higher than in the same period of the previous year and preserving the solid financial ratios. Excluding the recovery of the hydroelectric levy in 2022, FFO would grow by 11%. FFO to net debt ratio reaches 23.2%. The financial position is reinforced by new green financing (EUR 5,260 million) and the group's liquidity, which allows for the coverage of 21 months of financing needs.
- **Net adjusted financial debt** (*) was EUR 47,951 million, an increase of 8.3% compared to September 2022 due to the strong investment in the period and the evolution of exchange rates.
- The **2023 interim dividend**, which will be distributed in January 2024, **will grow by 11% to EUR 0.20 per share**, from EUR 0.18 per share in 2022. The supplementary dividend will be added to this amount, once approved at the General Shareholders' Meeting. It should be noted that the total dividend from 2022 had already reached the floor established for 2025 in the strategic plan announced in November 2022.
- Changes in Iberdrola's main **benchmark currencies** had a negative impact of EUR 104 million on EBITDA and a positive impact of EUR 110 million on net profit compared to 2022 due to

the financial hedges, with changes in average exchange rates being as follows:

- Pound sterling depreciated by 2.9% against the euro to 0.871.
- The US dollar depreciated by 1.7% against the euro to 1.085.
- The Brazilian real appreciated by 0.5% against the euro to 5.435.
- The Group's **total CO₂ emissions in Europe fell to 50 g/kWh**, four times lower than the average for its competitors in the EU.

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 nine months of 2023 was marked by an increase in hydroelectric (+29%), solar (+30%) and wind (+0.4%) output compared to the same period of the previous year, compared to a fall in nuclear (-2%), combined cycle (-33%) and coal based (-52%) output.

In the first nine months of 2023, demand fell by -4.3% compared to the previous year. In comparable terms, adjusted for labour and temperature, it fell by -3.6%.

The first nine months of 2023 close with a production index of 0.7 and hydroelectric reserves at 38%, compared to an index of 0.5 and reserves at 26% for the same period of 2022.

- Electricity demand fell by 3.0% in the United Kingdom in the first nine months of 2023 compared to the same period of the previous year. Demand for conventional gas fell by -9.4% in the first nine months of 2023 compared to the same period of the previous year.
- In **Avangrid's** management areas, on the East Coast of the United States, electricity demand was down 4.9% in the period compared to the first nine months of 2022, while gas demand fell

(*) Adjusted for treasury stock derivatives with physical settlement which, at the current date, are not expected to be executed (EUR 0 million to Sep 23 and EUR 392 million to Sep 22).

| Operating highlights for the period

by 9.9% due to the more favourable climate in the first nine months of 2023.

- Meanwhile, electricity demand in the areas serviced by **Neoenergia** in Brazil increased by 1.1% in the first nine months of 2023.
- During the first nine months of 2023, the international raw material markets have evolved as follows:

	9M 2023	9M 2022	2023 vs. 2022
Oil – USD/BBL	82.1	105.5	-22%
Coal – USD/tonne	126.0	293.5	-57%
CO ₂ – EUR/tonne	88.1	82.3	7%
MIBGAS – EUR/MWh	39.6	108,0	-63%
NBP – p/th	100.8	219.9	-54%
Henry Hub – USD/ million Btu	2.5	6.6	-62%
TTF – €/MWh	40.5	133.1	-70%

million. Iberdrola will control and manage the assets, providing operation and maintenance services and other corporate services.

- On 26 September, through its subsidiary Neoenergia, Iberdrola closed the asset exchange agreement with Eletrobras consolidating 100% of Dardanelos, 49% of whose capital it has acquired, which has an installed capacity of 261 MW. In turn, it has assigned the stake it held in Teles Pires plant (51%) together with 51% of Baguari.
- On 30 September, after the approval from the Brazilian regulatory authorities, ANEEL and CADE, of the transaction between Iberdrola and GIC (a sovereign wealth fund based in Singapore) establishing a strategic agreement to develop transmission networks in Brazil for BRL c.1,100 million (corresponding to 50% of the assets). The two companies will jointly invest in operational transmission assets, covering a total of 1,865 km of lines and an average concession term of 25 years. In addition, they have signed a framework agreement to work together on future tenders.

Significant transactions

- In May 2023, Iberdrola signed a binding agreement, entered into between subsidiaries of Iberdrola México and Mexico Infrastructure Partners (“MIP”) whereby Iberdrola agreed to divest to it a portfolio of 13 Mexican power plants, including combined cycle plants and an onshore wind farm, for USD 6,000 million. The document has been submitted for approval by the Federal Economic Competition Commission (COFEC). Obtaining permits to complete the transaction is progressing well and it is expected to be closed by the end of the year.
- On 26 July 2023, Iberdrola signed an agreement with Masdar (a renewable energy company based in Abu Dhabi) to sell it a 49% stake in the Baltic Eagle offshore wind project, located in Germany. The farm has a capacity of 476 MW and is located in the Baltic Sea. According to the terms of the transaction, the valuation of 100% of this wind farm approximately amounts to about EUR 1,600



Operational performance over the period

1. Networks Business: distributed energy 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 September 2023, the Group's distributed electricity totalled 173,591 GWh, down 2.3% on the first nine months of 2022:

Energy Distributed

ELECTRICITY (GWh)	9M 2023	9M 2022	vs 9M 2022
Spain	66,050	68,711	-3.9%
United Kingdom	22,103	22,825	-3.1%
United States	28,035	29,463	-4.8%
Brazil	57,402	56,761	+1.1%
Total	173,591	177,769	-2.3%
GAS (GWh)			
United States	42,031	46,669	-9.9%
Total	42,031	46,669	-9.9%

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

Managed supply points

ELECTRICITY (millions)	9M 2023	9M 2022	vs 9M 2022
Spain	11.42	11.34	0.7%
United Kingdom	3.55	3.55	0.1%
United States	2.32	2.31	0.3%
Brazil	16.27	15.96	2.0%
Total electricity	33.56	33.16	1.2%
GAS (millions)			
United States	1.04	1.03	0.4%
Total gas	1.04	1.03	0.4%
TOTAL SUPPLY POINTS	34.60	34.19	1.2%

1.1. Spain – i-DE

At the end of the third quarter of 2023, the Networks business in Spain had 11.4 million supply points (+0.7% vs the end of the third quarter of 2022), while distributed energy totalled 66,050 GWh, down 3.9% on the same period in the previous year.

The company remains committed to quality, maintaining low SAIDI (System Average Interruption Duration Index) and SAIFI (System Average Interruption Frequency Index) levels, outperforming regulatory limits from the previous year:

i DE	9M 2023	9M 2022
Regulatory SAIDI (min.)	<30.0	<34.3
Regulatory SAIFI (no. inter.)	<0.6	<0.8

1.2. United Kingdom – SP Energy Networks

At the end of the first nine months of 2023, SP Energy Networks had 3.6 million supply points (+0.1% compared to the end of September 2022), while its distributed energy was 22,103 GWh, down 2.8% on the previous year. By distributor, the data is as follows:

| Operational performance over the period

Energy distributed (GWh)	9M 2023	9M 2022	%
Scottish Power Distribution (SPD)	12,079	12,380	-2.4%
Scottish Power Manweb (SPM)	10,024	10,370	-3.3%

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

CML (min.)	9M 2023	9M 2022
ScottishPower Distribution (SPD)	17.97	18.81
ScottishPower Manweb (SPM)	24.43	20.95

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

CI (n° interrupciones)	9M 2023	9M 2022
ScottishPower Distribution (SPD)	23.77	28.11
ScottishPower Manweb (SPM)	24.46	21.24

1.3 United States – Avangrid

Before detailing Avangrid's operational developments, it is important to note that the company has continued negotiations on the new regulatory frameworks (rate cases) that affect the company. More detailed information in this regard is provided in the Regulation section. The states of Maine, New York and Connecticut have approved regulatory frameworks for the coming years.

1.3.1 Electricidad

As of the end of September 2023, Avangrid Networks had over 2.3 million supply points (+0.31% vs the same period last year). Distributed electricity

for the year totalled 28,035 GWh, down 4.9% year on year:

Energy distributed (GWh)	9M 2023	9M 2022	%
Central Maine Power (CMP)	6,996	7,442	-6.0%
NY State Electric & Gas (NYSEG)	11,844	12,423	-4.7%
Rochester Gas & Electric (RGE)	5,426	5,660	-4.1%
United Illuminating Company (UI)	3,769	3,942	-4.4%

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

CAIDI (hrs)	9M 2023	9M 2022
Central Maine Power (CMP)	1,53	1,59
NY State Electric & Gas (NYSEG)	1,97	1,90
Rochester Gas & Electric (RGE)	1,76	1,62

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

SAIDI (min.)	9M 2023	9M 2022
United Illuminating Company (UI)	38,46	28,38

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

Operational performance over the period

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

SAIFI	9M 2023	9M 2022
Central Maine Power (CMP)	1.42	1.34
NY State Electric & Gas (NYSEG)	1.05	1.61
Rochester Gas & Electric (RGE)	0.56	0.64
United Illuminating Company (UI)	0.51	0.34

1.3.2 Gas

As of the end of September, Avangrid supplied gas to more than 1 million supply points (+0.35% vs the first nine months of 2022) and 42,031 GWh in gas had been distributed, down 9.9% on the same period in the previous year, primarily due to the higher temperatures experienced during the first nine months of 2023:

Energy distributed (GWh)	9M 2023	9M 2022	%
NY State Electric & Gas (NYSEG)	10,463	11,523	-9.2%
Rochester Gas & Electric (RGE)	11,170	12,319	-9.3%
Maine Natural Gas (MNG)	3,949	4,811	-17.9%
Berkshire Gas (BGC)	1,998	2,131	-6.3%
Connecticut Natural Gas (CNG)	7,246	7,932	-8.7%
Southern Connecticut Gas (SCG)	7,206	7,953	-9.4%

1.4. Brazil – Neoenergia

At the end of the first nine months of 2023, Neoenergia had over 16 million supply points (+2.0% compared to the same period in 2022). Distributed electricity for this period of the year was 57,402 GWh, up 1.1% on the previous year:

Energy distributed (GWh)	9M 2023	9M 2022	%
Neoenergia Elektro	19,351	18,766	3.1%
Neoenergia Coelba	14,877	15,041	-1.1%
Neoenergia Cosern	12,819	12,688	1.0%
Neoenergia Pernambuco	5,594	5,594	0%
Neoenergia Brasília	4,761	4,672	1.9%

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

DEC (hrs)	9M 2023	9M 2022
Neoenergia Coelba	7.78	8.69
Neoenergia Elektro	5.23	4.99
Neoenergia Pernambuco	8.28	9.23
Neoenergia Brasília	4.97	4.60
Neoenergia Cosern	5.84	6.34

Variations may occur after regulatory reviews

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

FEC	9M 2023	9M 2022
Coelba	3.60	3.74
Elektro	2.82	2.74
Pernambuco	3.84	3.46
Brasília	3.33	3.63
Cosern	2.47	2.39

2. Electricity production and customers

At the end of the third quarter, Iberdrola's **installed capacity** was up by 3.6% compared to the end of the same period in 2022 and totalled 62,102 MW, with emission free sources accounting for 71.8% (44,584 MW) of total capacity, compared to 70.8% at the end of September 2022:

MW	9M 2023	vs 9M 2022
Capacity for own use (*)	54,956	4.0%
Renewables (*)	41,304	5.5%
Onshore wind	20,764	4.5%
Offshore wind	1,618	28.6%
Hydroelectricity	13,046	-5.8%
Mini-hydro	244	-4.3%
Solar	5,420	45.6%
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 (*)	62,102	3.6%

Discrepancies possible due to rounding.

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

Net electricity production in the third quarter of 2023 totalled 125,345 GWh, up 2.4% from the figure recorded in the same period of 2022, with 61.7% of this total being emission free (77,340 GWh) compared to 60.3% the year before:

GWh	9M 2023	vs 9M 2022
Own production (*)	95,814	2.5%
Renewables (*)	58,742	6.1%
Onshore wind	32,386	-2.4%
Offshore wind	3,372	10.3%
Hydroelectricity	17,996	14.5%
Mini-hydro	315	-13.4%
Solar	4,615	55.1%
Nuclear	18,494	0.62%
Gas combined cycle	14,330	-8.3%
Cogeneration	4,247	-3.8%
Production for third parties	29,531	2.1%
Renewables	133	-11.1%
Onshore wind	133	-11.1%
Gas combined cycle	29,399	2.2%
Total (*)	125,345	2.4%

Discrepancies possible due to rounding.

(*) Includes 58 GWh of fuel cell production in 9M 2023 and 55 GWh in 9M 2022.

As of 30 September 2023, Iberdrola had 30.1 million contracts, 1.1% more than at the end of September 2022, broken down as follows:

Millions of Contracts	Spain	United Kingdom	Brazil	Total	Vs. 9M 2022
Electricity contracts	10.6	2.7		13.3	-2.7%
Gas contracts	1.3	1.8		3.1	-5.3%
Smart solutions	10.3 ⁽¹⁾	2.7	0.6	13.6 ⁽¹⁾	6.9%
Total	22.2	7.3	0.6	30.1	1.1%

Discrepancies possible due to rounding.

(1) Includes 2.4 million smart meters installed

2.1 Spain and Portugal

Renewable capacity and production

At the end of the third quarter of 2023, Iberdrola had installed **renewable capacity** in Spain and Portugal totalling 21,071 MW (+8.5% compared to the same period last year), broken down as follows:

SPAIN and PORTUGAL	Installed MW Consolidated at EBITDA level	MW managed by investee companies (*)	Total
Onshore wind	6,351	199	6,550
Solar PV	3,560		3,560
Hydroelectric (**)	10,698		10,698
Mini hydroelectric	244		244
Batteries	19		19
Total capacity	20,872	199	21,071

Discrepancies possible due to rounding.

(*) Includes the proportional MW share.

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

In terms of **solar photovoltaic**, mechanical installation has now finished and progress is under way to commission the Villarino plant (50 MW) in Salamanca, the four Tagus I to IV plants (200 MW) in Cáceres, Peñarrubia (50 MW) in Murcia, Cespidera (27 MW) in Cádiz and Llanos Pelaos 3 (7 MW) in Fuerteventura, which will commence commercial operations next quarter.

Work continued for transmission at the plants Virgen de Arenos III (50 MW) in Palencia, Fuentes (50 MW), Manantiales I (30 MW) and Valbuena (50 MW) in Guadalajara and the Guillena complex (144 MW) in Sevilla.

Furthermore, mechanical installation of the hybrid plant Ballestas, in Burgos, has finished. Medium voltage works are still under way, as are works to adapt the wind farm's substation. Mechanical installation at the Cedillo plant (375 MW) in Cáceres has also finished. In Cuenca, work has commenced on the 132 kV transmission line in the Salinas I, II and III plants (149 MW), and work is under way to assemble trackers and modules.

In Granada, works have started on the Caparacena plant (330 MW) with the onset of clearing and earth moving works. These activities have also continued at the sites for the Velilla project (350 MW) in Palencia, Balsicas (100 MW) in Murcia and Phase 3 of the Francisco Pizarro plant (36 MW) in Cáceres. In the short term, construction is expected to start on the Fuendetodos plant (125 MW) in Zaragoza.

In **onshore wind**, the mechanical installation of the 20 wind turbines at the Buniel (104 MW) wind farm in Burgos commence, and the construction continued of shared transmission infrastructures at both Buniel and the Valdemoro wind farm (50 MW).

In **hydroelectric**, once Group 1 at the Valparaíso hydroelectric plant (30 MW) in Zamora has been refurbished, refurbishing works shall move forward for Group 2 (30 MW). This will allow renewable energy storage capacity to increase to 800 MWh (18 hours).

In Portugal, the Tâmega **hydroelectric** complex (1,158 MW) is progressing as planned. With the final construction work on Alto Tâmega (160 MW) expected to proceed by filling the reservoir and completing installation during the last quarter of the year, Alto Tâmega is pending commissioning for the first quarter of 2024.

Renewable production totalled 20,558 GWh (+21.5%) broken down as follows:

SPAIN and PORTUGAL	GWh Consolidated at EBITDA level	GWh managed by investee companies (*)	Total
Onshore wind	7,110	295	7,405
Solar PV	2,428		2,428
Hydroelectric	10,410		10,410
Minihydroelectric	315		315
Total production	20,263	295	20,558

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 third quarter of 2022:

Operational performance over the period

- **Onshore wind production** totalled 7,110 GWh, down 11% due to lower wind resource.
- **Hydroelectric production** totalled 10,725 GWh, up 57% due to increased water resource, better utilisation of pumps and the contribution from the new Gouvães and Daivões plants.
- **Solar photovoltaic production** totalled 2,428 GWh, up 40.8% due to the commissioning of new capacity.

Thermal capacity and production.

The Iberdrola Group's **thermal capacity** in Spain at the end of September totalled 9,218 MW, unchanged from 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 totalled 24,590 GWh, down -2.6% compared to the end of the third quarter of 2022; with the nuclear contribution remaining virtually the same (+0.6%) and a decrease in the production of combined cycles (-8.2%) and cogeneration (-21.4%).

	GWh Consolidated at EBITDA level	GWh Investee companies (*)	Total
Nuclear	18,494	0	18,494
Total production	24,386	203	24,590

Discrepancies possible due to rounding.

(*) Includes the proportional GWh share

	GWh Consolidated at EBITDA level	GWh Investee companies (*)	Total
Gas combined cycle	4,843	0	4,843
Cogeneration	1,049	203	1,252
Total production	24,386	203	24,590

Discrepancies possible due to rounding.

(*) Includes the proportional GWh share

Retail supply

The retail supply portfolio managed by Iberdrola in Spain⁽¹⁾ totalled 22.2 million contracts as of 30 September 2023. The breakdown is as follows:

Thousands of contracts	Spain ⁽¹⁾
Electricity contracts	10,598
Gas contracts	1,269
Smart Solutions contracts	10,301
Total	22,168

By market type, they break down as follows:

Thousands of contracts	Spain ⁽¹⁾	%
Liberalised market	18,756	84.6%
Last resort	3,412	15.4%
Total	22,168	100%

Iberdrola's electricity revenue⁽¹⁾ during the first nine months of 2023 decreased by 3.3%, largely as a result of lower spot sales and forward market sales, broken down as follows:

	Spain ⁽¹⁾	vs 9M 2022
Liberalised market	52,768	4.7%
Voluntary price for the small consumer (PVPC) market	4,846	-9.6%
Other markets	11,146	-27.4%
Total sales	68,760	-3.3%

Discrepancies possible due to rounding

Operational performance over the period

With regard to gas⁽¹⁾, in the first nine months of 2023 Iberdrola managed a total gas production of 1.97 bcm, of which 0.39 bcm were sold in wholesale transactions, 0.66 bcm were sold to end customers and 0.92 bcm went towards electricity production.

(1) Electricity sales at busbar cost. Gas sales do not include shrinkage

2.2. United Kingdom

Renewable capacity and production

At the end of the third quarter, Iberdrola had installed **renewable capacity** in the United Kingdom of 2,993 MW (-0.5%).

	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	10	-	10
Batteries	104	-	104
Total capacity	2,977	15	2,993

Discrepancies possible due to rounding.

(*) Includes the proportional MW share

In **solar photovoltaic**, work has recommenced on the Coldham plant (9 MW) in England, where installation and commissioning are expected to take place in the coming quarter.

In **onshore wind and solar photovoltaic**, work continued on projects awarded with Contracts for Difference (CfD) in the fourth round of auctions held in 2022. The first two wind projects are finalising details so that construction work can commence immediately. These are the Cumberhead West (113 MW) and Hagshaw Hill Repowering (80 MW) projects, both in the South Lanarkshire region in Scotland. Decommissioning of the Hagshaw Hill wind farm (16 MW) has now finished to make way for repowering works.

The renewable business in the United Kingdom is currently developing **offshore wind** projects in the country, with our English projects in the **East Anglia** area and sites secured in Scotland.

The **East Anglia 1** offshore wind farm continues to supply energy to the national grid.

After having won a contract for difference in the fourth round of auctions in the United Kingdom, **East Anglia 3** finished construction and closed all key contracts (foundations, export transmission cable, supply and installation of wind turbines) and engineering and design work is under way. HVDC (installation and manufacturing) works continued throughout the third quarter and are progressing well. Providers have commenced construction work on the foundations and this will continue throughout the rest of the year.

Good progress is being made in the key engineering and design work for the **East Anglia 1 North and East Anglia 2** offshore wind farms. The projects were not presented in the UK CFD Auction Round 5, but preparations are being made to take part in the UK CFD Auction Round 6.

Following the success at ScotWind's 2022 seabed lease auction, our three offshore wind projects are progressing well (total capacity of 7 GW). These involve two large-scale floating projects shared with Shell (3 GW **MarramWind** and 2 GW **CampionWind**) and a fixed-foundation project (2 GW **MachairWind**). Actions to obtain the authorisation for these projects are already under way, while metocean studies and the installation of floating LiDAR buoys have commenced in the vicinity of **MachairWind**, and preliminary geophysical and geotechnical studies have commenced at **MarramWind**.

Renewable production in the United Kingdom totalled 5,066 GWh (-5.9% vs 9M 2022), broken down as follows:

	GWh Consolidated at EBITDA level	GWh managed by investee companies ^(*)	Total
Onshore wind	2,477	7	2,484
Offshore wind	2,578	-	2,578
Solar and batteries	4	-	4
Total production	5,059	7	5,066

Discrepancies possible due to rounding.

(*) Includes the proportional GWh share

Operational performance over the period

Consolidated production changes at EBITDA level were as follows:

- Onshore wind production totalled 2,477 GWh, down 20.5% compared to the previous year, mainly due to lower wind resource and curtailments.
- Offshore wind production increased by 14.3% to 2,578 GWh thanks to the higher load factor.

Retail supply

As at 30 September 2023, the contract portfolio managed in the United Kingdom totalled 7.3 million, up 0.7% compared to the same period last year, with the deployment of smart meters under way with a total of 2.4 million installed. The contract breakdown is as follows:

	Thousands of contracts
Electricity contracts	2,724
Gas contracts	1,847
Smart Solutions contracts	277
Smart meters	2,411
Total	7,260

Discrepancies possible due to rounding.

As regards sales⁽¹⁾, at the end of September 2023 11,697 GWh of electricity and 14,104 GWh of gas were supplied to customers, down 16.3% and 10.4% respectively on the same period in 2022 due to lower demand and the discontinuation of the I&C (Industrial & Commercial) business.

(1) Electricity sales at busbar cost. Gas sales do not include shrinkage

2.3. United States – Avangrid Renewable capacity and production

At the end of the third quarter of 2023, Iberdrola had installed **renewable capacity** in the United States of 8,722 MW (+1.3% on the third quarter of 2022), broken down as follows:

	Installed MW Consolidated at EBITDA level	MW managed by investee companies ⁽¹⁾	Total
Onshore wind	7,808	236	8,044
Hydroelectric	118	-	118
Solar PV	533	12	545
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**, at the Midland wind farm (105 MW) in Illinois, the section of the transmission line under Avangrid's scope has been completed and ComEd's interconnection work continued.

In **photovoltaic solar**, construction work at the True North photovoltaic plant (321 MW) in the state of Texas continued: the sinking of shafts in the solar field commenced, while the receipt of photovoltaic modules continued. Meanwhile, substation works continued and the foundations are being laid. In Oregon, implementation of the Bakeoven (80 MW) and Daybreak (189 MW) projects continued, and the installation of photovoltaic panels began in August. Lastly, in Ohio, details were finalised to commence the Powell Creek photovoltaic project (202 MW) next October.

In **offshore wind**, the construction of **Vineyard Wind I** continues to progress according to plan. The first wind turbine is currently being installed at the wind farm off the coast of Massachusetts, with turbines (including blades), towers and nacelles all being delivered to the marshalling port in New Bedford. Laying of the foundations and commissioning of the onshore and offshore substations are progressing well, along with the installation of the interconnection cables.

Due to the current difficulties facing the sector, including high inflation, supply chain disruptions and sharp interest rate hikes, the **Park City Wind** project is not worth funding under the current contracts.

After analysing all possible alternatives to overcome these economic challenges facing the project, and after having fruitfully negotiated in good faith with officials of the state of Connecticut, the best solution

Operational performance over the period

is to terminate the Power Purchase Agreement (PPA) and re-submit the project to auction. In this regard and in accordance with the contracts signed, Avangrid and Connecticut state distributors (Connecticut Electric Distribution Companies) have agreed to terminate the PPA contract, as was the case with **Commonwealth Wind** in the state of Massachusetts. Despite having cancelled the PPAs in order to comply with the company's strict value creation policy, good progress continues to be made in obtaining permits for the **Park City Wind**, **Commonwealth Wind** and **Kitty Hawk Wind** projects, awaiting ROD (Record of Decision) in 2024 and 2025.

Renewable production in the United States totalled 15,806 GWh (+4.1% on the same period in 2022), broken down as follows:

	GWh Consolidated at EBITDA level	GWh managed by investee companies ^(*)	Total
Onshore wind	14,449	371	14,820
Hydroelectric	182	-	182
Solar PV	726	21	747
Total production	14,415 (**)	392	15,806 (**)

Discrepancies possible due to rounding.

^(*) Includes the proportional GWh share

^(**) Includes 58 GWh of production from fuel cells

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

- **Onshore wind production** totalled 14,449 GWh, similar to that recorded at the end of September last year (-0.6%).
- **Photovoltaic solar production** totalled 726 GWh (+244.7%) due to greater solar resource and the operation of new projects (Lundhill and Montague Solar).
- **Hydroelectric production** increased by 50.4% to 182 GWh, up from 121 GWh at the end of September last year.

2.4. Mexico

Renewable capacity and production

At the end of the first nine months of 2023, Iberdrola had installed **renewable 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 2,079 GWh (-13.5% on the same period in 2022), broken down as follows:

	GWh Consolidated at EBITDA level	GWh managed by investee companies ^(*)	Total
Onshore wind	1,082	-	1,082
For own use	949	-	949
For third parties	133	-	133
Solar PV	997	-	997
Total production	2,079	-	2,079

Discrepancies possible due to rounding.

^(*) Includes the proportional GWh share

Production at EBITDA level by technology at the end of the third quarter of 2023 was as follows:

- Onshore wind production totalled 1,082 GWh, down 25.1% due to less wind resource and to the Santiago farm being shut down, but resumed operation in September.
- As for PV solar energy production, this totalled 997 GWh, up 3.8% due to the higher load factor.

| Operational performance over the period

Thermal capacity and production

In Mexico, installed thermal capacity at 30 September 2023 totalled 9,862 MW. **Thermal production** during the first nine months of 2023 totalled 39,899 GWh, down -0.4% on the same period last year.

	MW	GWh
Gas combined cycle	9,660	38,840
For own use	2,617	29,399
For third parties	7,043	9,441
Cogeneration	202	1,059
Total	9,862	39,899

Discrepancies possible due to rounding

Retail supply

Electricity sales as at 30 September 2023 totalled 42,283 GWh (-2.3% vs the same period of 2022), broken down as follows:

	9M 2023	9M 2022
CFE	29,547	28,926
Private	12,736	14,347
Total Sales	42,283	43,273

Discrepancies possible due to rounding

2.5. Brazil – Neoenergia

Renewable capacity and production

At the end of the first nine months of 2023, installed **renewable capacity** in Brazil totalled 3,933 MW (-10.8% on the same period in 2022), broken down as follows:

	Installed MW Consolidated at EBITDA level	MW managed by investee companies ^(*)	Total
Onshore wind	1,554	0	1,554
Hydroelectric	1,097	1,133	2,230
Solar PV	149	0	149
Total capacity	2,800	1,133	3,933

Discrepancies possible due to rounding.

(*) Includes the proportional MW share

In **onshore wind**, with the installation of all wind turbines having finished last quarter at the 12 wind farms in the Oitis wind complex (566 MW), commissioning development continued in the state of Piauí. The complex is expected to be fully operational during the last 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 plant to 100%, leaving its stake in the Baguari and Telespires plants and thus optimising its generation portfolio through this technology. In September, all conditions were met to complete the first step of the asset swap agreement whereby Eletrobras acquires 51% of the Teles Pires hydroelectric plant and Neoenergia acquires 49% of the Dardanelos hydroelectric plant, thus allowing Neoenergia to assume 100% ownership. The second and last step of the agreement was completed in October, whereby Eletrobras will retain a 51% stake in the Baguari hydroelectric plant.

As for **renewable production**, at the end of September, this totalled 11,185 GWh (-6.9% compared to the previous year, primarily due to hydroelectric production in investee companies), broken down as follows:

	GWh Consolidated at EBITDA level	GWh managed by investee companies ^(*)	Total
Onshore wind	3,608	-	3,608
Hydroelectric	1,718	5,686	7,404
Solar PV	173	-	173
Total production	5,499	5,686	11,185

Discrepancies possible due to rounding.

(*) Includes the proportional GWh share

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

- Onshore wind production totalled 3,068 GWh, an increase of 26.2%, thanks to the contribution from new wind complexes.
- In terms of hydroelectric production, this totalled 1,718 GWh, down 5.7% on the same period last year.

| Operational performance over the period

- Photovoltaic solar production totalled 173 GWh, due to contributions from the new Luzia 2 and 3 plants.

Thermal capacity and production

In Brazil, thermal capacity through to September 2023 remained at 533 MW, with no energy produced using this technology during the year:

	MW	GWh
Gas combined cycle	533	-
Total	533	-

Discrepancies possible due to rounding.

Retail supply

Electricity sales in the first nine months of 2023 amounted to 12,786 GWh (+5.9% vs the same period of 2022), broken down as follows:

	GWh 2023	GWh 2022
PPA	8,728	7,737
Liberalised market	4,058	4,335
Total sales	12,786	12,073

Discrepancies possible due to rounding.

2.6. Rest of the World

Renewable capacity and production

Installed **renewables capacity** in the rest of the world totalled 3,354 MW, up 36.3% on the same period last year, broken down as follows:

Rest of the World	MW
Onshore wind	2,057
Offshore wind	710
Solar	513
Batteries	75
TOTAL	3,354

Discrepancies possible due to rounding.

In **photovoltaic solar** technology, the Montechoro 1 and 2 projects (37 MW) in Paderne, Portugal have completed works on the plant's medium-voltage line and substation, and are close to completing the installation of their photovoltaic modules. Still in Portugal, in the district of Lisbon, installation continued of photovoltaic

modules and substation works at the Carregado project (64 MW). In Italy, work continued on the Montefiascone photovoltaic plant (7 MW) in the Lazio region and, in Australia, the Avonlie project (245 MW) commenced commercial operations in August.

In terms of **onshore wind**, in Greece, commissioning of the wind farms Askio II (37 MW), in Kozani, and Rokani (18 MW), in Viotia, was successfully completed, and both wind farms are now in commercial operation. In Australia, installation continued of wind turbines at the Flyers Creek wind farm (146 MW), where a total of 21 out of 38 wind turbines have been installed. Meanwhile, commissioning activities progressed and the farm produced its first export on 31 August. In Poland, the purchase was completed for two onshore wind farms, Podlasek and Wólka Dobryńska, which have a total capacity of 50 MW and have been in operation since August.

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

- In **Germany**, in the **Baltic Eagle project (476 MW)**, installation of the monopiles was completed. Likewise, interconnection cables should be installed and the offshore substation energised next quarter. Meanwhile, manufacture of wind turbine nacelles, towers and blades has progressed and the first shipments will be made to the pre-assembly port in the coming weeks. Furthermore, a strategic co-investment agreement for this project was reached with Masdar in July. In the meantime, work continued on the **Windanker project (315 MW)** and major supply contracts and PPAs have been secured.
- In **France**, at the **Saint Brieuc project (496 MW)**, 45 wind turbines and piles have been fully installed and works continued to install the jackets – this will be completed in October. The first turbines have been put into operation and the rest are expected to be connected to the network gradually until all of the farm's 62 wind turbines are commissioned.
- In **Japan**, results from the awarding of Round 2 projects are expected in the first quarter of 2024 (expected capacity of 1.6 GW in four locations). Iberdrola will co-develop 600 MW at the Seihoku-oki wind farm with a Japanese

| Operational performance over the period

developer. Iberdrola continues to develop the projects in its portfolio for future rounds with Japanese partners (both Round 3 and subsequent rounds, paying special attention to the new areas identified by the Ministry of Economy, Trade and Industry (METI) on Hokkaido Island), and the Round 3 auction is expected to be submitted in the second quarter of 2024.

Installed capacity breaks down as follows by country:

	Onshore wind	Photovoltaic solar	Batteries	Offshore wind	MW
Germany				350	350
Australia	960	352	75		1,388
Greece	415	6			421
Hungary	158				158
France	118			360	478
Portugal	92	131			223
Poland	213				213
Romania	80				80
Cyprus	20				20
Italy		23			23
Total	2,057	513	75	710	3,354

Discrepancies possible due to rounding.

Renewable production at the end of the first nine months of 2023 totalled 4,180 GWh, up 16.3% on the same period last year, broken down by technology and country as follows:

	Onshore wind	Photovoltaic solar	Offshore wind	MW
Germany			794	794
Australia	1,561	145		1,706
Greece	642	6		648
Hungary	197			197
France	159			159
Portugal	144	87		231
Poland	268			268
Romania	129			129
Cyprus	20			20
Italy		28		28
Total	3,120	266	794	4,180

Discrepancies possible due to rounding.

By technologies, onshore wind production increased in the period by 12.7% compared to the same period in 2022, primarily thanks to new capacity additions, namely the Port Augusta complex in Australia, Askios II and III in Greece and Korytnica II in Poland. Meanwhile, offshore wind production reached 794 GWh and decreased slightly (-1%) due to the lower load factor of Wikinger in Germany, while photovoltaic solar production stands at 266 GWh in the period compared to 24 GWh in the same period in 2022.

3. Other aspects

3.1 Shareholder remuneration in 2024

Remuneration charged to financial year 2023

Subsequent to the end of the quarter, on 25 October 2023, Iberdrola's Board of Directors agreed to pay an **interim dividend of EUR 0.20 gross per share** charged to 2023 and payable in 2024, **increasing by 11%** with respect to the dividend paid in 2023.

The dividend will continue to be paid out in 2024 through the **"Iberdrola Retribución Flexible" system**, which allows Iberdrola shareholders to choose between the following options to collect their dividend (or combine such options, where the value of the remuneration to be received is the same):

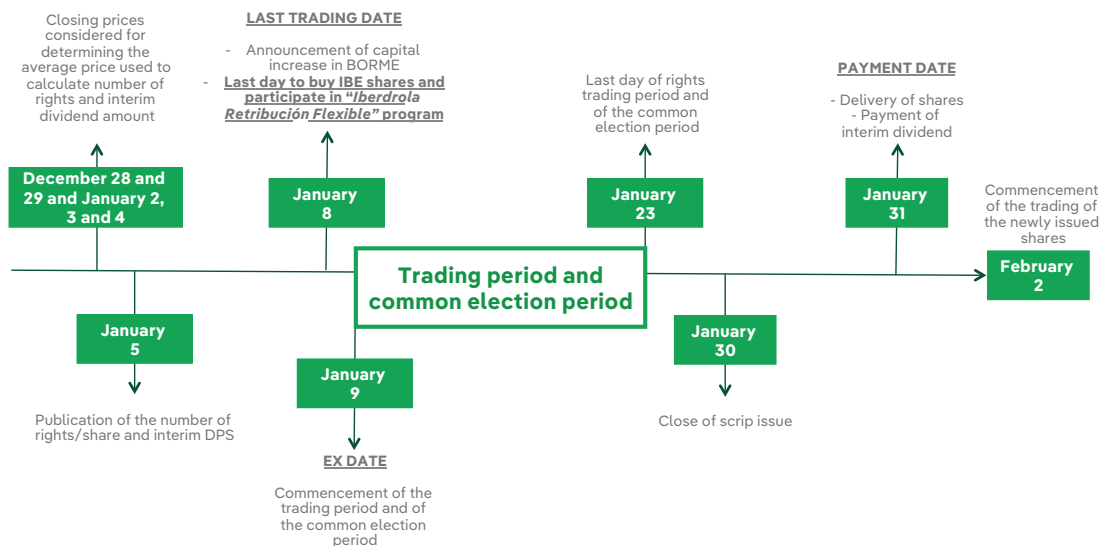
- receive their remuneration in the form of fully paid-up new shares;
- sell all or part of their free allocation rights in the market;
- receive their remuneration in cash via the supplementary dividend payment.

It is worth noting that the total dividend charged to 2022 has already reached the floor established for 2025 in the strategic plan announced in November 2022, which is EUR 0.501 gross per share.

| Operational performance over the period

	EUR/share
Gross interim	0.180
Engagement dividend	0.005
Complementary dividend	0.316
Shareholder's total remuneration	0.501

“Iberdrola Retribución Flexible” program January 2024





Analysis of the consolidated profit and loss account

| Analysis of the consolidated profit and loss account

As a result of the current situation in the energy markets and the actual operation of these markets in the electricity production-end customer relationship, the group's businesses are reported on a segmental basis between network activities (regulated) and energy production and customer activities as a whole (including both renewable and conventional sources), in order to better show how these businesses perform.

The most notable results for the first nine months of 2023 are as follows:

Million EUR	9M 2023	9M 2022	vs 2022
NET REVENUE	37,193.0	37,903.3	-1.9%
GROSS MARGIN	17,199.7	14,655.9	+17.4%
EBITDA	10,783.1	9,529.1	+13.2%
EBIT	6,812.9	5,663.4	+20.3%
NET PROFIT	3,637.0	3,103.6	+17.2%

EBITDA for the first nine months of 2023 grew by 13.2% compared to the figure recorded for the same period of 2022, thanks to recovery in production and operational efficiency. Net profit rose by 17.2% to EUR 3,637.0 million, up by 22.4% excluding the impact of deferred tax in Mexico.

1. Gross margin

Gross margin grew by 17.4% to EUR 17,199.7 million, with growth of 18.5% excluding the exchange rate effect. This performance is a result of the following:

- Gross margin in the **Networks** business increased by 0.9% compared to the first nine months of 2022, to total EUR 7,281.2 million:
 - In Spain, this grew by 17.9% to EUR 1,499.6 million due to the comparison to the first nine months of 2022, when an extraordinary negative effect was recorded related to a possible judicial decision on certain assets (EUR -203 million) that was regularised at the end of the year and which the Supreme Court has ruled in favour of Iberdrola on 26 September 2023.

- The United Kingdom's contribution in the period stood at EUR 1,203.5 million, up by +13.8% (+17.2% in local currency), thanks to the higher contribution from distribution and transmission businesses due to the new regulatory framework ED2 and larger asset base.
- The United States' contribution decreased in the period by 11.9% (-10.4% in local currency) to EUR 2,593.5 million. This was negatively affected by the extraordinary positive effect in the first nine months 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 +502 million), partially offset by the reconciliation of storm costs in 2023 (EUR +124 million) and the recognition of "arrearages" rights (EUR +39 million) to collect amounts not paid by certain customers as a result of not being able to cut supply due to measures imposed during the COVID pandemic. Moreover, following the approval of the New York rate case, USD 150 million are expected to be recovered in the last quarter of 2023.
- Brazil's gross margin increased by 2.2% (+1.7% in local currency) to total EUR 1,985.3 million, thanks to the positive effect of tariff readjustments on distributors (EUR +170 million), partially offset by a lower contribution from the transmission business due to deconsolidation of transport assets sold to GIC and another non-recurring impact from deviation on one line recognised in this quarter.
- Gross margin in the **electricity production and customers** business grew by 33.2% to EUR 9,942.9 million:
 - Spain's contribution to gross margin grew by +42.4% compared to the same period last year to total EUR 5,232.0 million. This was thanks to higher production, mainly hydroelectric, solar and nuclear, and more sales in the commercial business due to increased market share in the liberalised market (27.6% in 9M 2023 vs 25.2% in 9M 2022). Furthermore, this increase in production reduced the volume of energy

purchases compared to the previous year, when energy was bought at exceptionally high prices and in greater quantities due to reduced hydroelectric and nuclear production.

- Gross margin in the United Kingdom increased by 73.6% to EUR 2,228.3 million (+78.8% in local currency). This was thanks to recovery of the deficit generated in the past (EUR +380 million) by regulated standard variable tariff (SVT) rates, which had a negative impact in 2022, normalisation of margins in the supply business and higher offshore wind production, which offsets the lower load factor in onshore wind.
- The US' contribution increased by 10.2% to EUR 883.0 million (+12.1% in local currency) due to higher production primarily from new operating capacity (+108 MW).
- Gross margin in Mexico decreased by 4.1% to EUR 849.6 million (–2.4% in local currency), with lower contribution from renewable assets and contracted capacity (PIEs), partially offset by higher contribution from thermal assets thanks to the new capacity in operation since May 2022 (Tamazunchale II, 514 MW) and extraordinary revenues following final settlement of effects arising from the Texas cold snap in 2021.
- Brazil's contribution decreased by 9.3% to EUR 316.1 million (–9.8% in local currency), given that lower margins recorded throughout the year at the Termopernambuco were not completely offset by the increased production following the completed installation of several farms in the Oitis wind complex (567 MW) and the Luzia solar plant (149 MW)
- The contribution to the gross margin in the rest of the world business decreased by 8.3% to total EUR 433.7 million, as increased production (+16.3%) was not sufficient enough to offset the lower prices and non-recurring positive effects seen in the first nine months of 2022.

2. Gross operating result – EBITDA

Consolidated EBITDA grew by 13.2% in the quarter compared to the first nine months of 2022, totalling EUR 10,783.1 million.

In addition to the developments in gross margin explained above, net operating expenses stood at EUR 4,340.6 million (+14.5%), mainly as a result of the effect of the excess provision for pensions recorded in 2022 in the US (EUR 82 million) and due to higher reconcilable expenses in gross margin in the US (EUR 88 million) plus the impact of the cancellation of the Park City Wind and Commonwealth Wind projects (37 M Eur). Excluding these impacts, net operating expenses grew by 6.5%. Levies stood at EUR 2,076.0 million in the first nine months of 2023, including the annual impact of the new 1.2% revenue tax in Spain (EUR –213 million). Other minor effects included the larger hydroelectric levy due to increased hydro production and higher spending on the Bono Social (electricity bill discount) after it was approval at the end of March 2022.

3. Net operating result – EBIT

EBIT increased by 20.3% compared to the first nine months of 2022 to total EUR 6,812.9 million. Amortisation and provisions rose by 2.7% to total EUR 3,970.2 million, broken down as follows:

- Depreciation and amortisation increased by 1.9% to EUR 3,494.6 million (2.9% in local currency), mainly due to the Group's growth arising from the larger asset base.
- Provisions increased by EUR 40.8 million to total EUR 475.6 million due to higher default provisions in light of larger billing amounts.

4. Net financial income

Financial loss increased by EUR -287 million from the EUR -1,379 million reported in the third quarter of 2022 to EUR -1,666 million.

- The cost of debt increased by EUR -374 million: EUR +13 million for the depreciation of currencies against the euro, EUR -158 million for the highest average balance and EUR -229 million for the increase in interest rates.
- Gains/(losses) on derivatives and others improved by EUR +87 million due to the better result of exchange rate hedges, mainly in USD and BRL.

Net financial income	Q3 2023	Q3 2022	Dif.
Debt	-1,699	-1,325	-374
By exchange rates			+13
By average balance			-158
By cost			-229
Derivatives and others	+33	-54	+87
Total	-1,666	-1,379	-287

The cost of debt rose 75 basis points (from 4.23% to 4.98%); excluding Brazil, it rose 82 basis points (from 2.89% to 3.71%), below what was forecast at the 2022 Capital Markets Day (3.8%), as a result of the interest rate fixation and the delay in the acquisition of PNM Resources. This higher cost is due to higher interest rates as a result of recent increases in central banks to contain inflation. In Brazil, the cost of debt starts to fall, improving by 76 basis points compared to June 2023. In this country, the impact of inflation on debt is offset by the operating profit of distributors, which is linked to inflation.

5. Result of equity-accounted investees

Results of companies accounted for using the equity method as at the end of September amounted to EUR 212.6 million. This was due to assets exchanged with Eletrobras in Brazil in 2023, which compares with the extraordinary impact of the restructuring agreement reached with CIP last year on offshore wind assets in the United States. This impact of the asset swap in Brazil offsets the negative impact on the transmission business at EBITDA level.

6. Profit in the period

Taxes in the period totalled EUR 1,312.0 million, compared to EUR 787.5 million at the end of September 2022. This was mainly the result of deferred tax from the “Hispano” operation in Mexico (EUR -162 million), an effect that will be reversed in the future and arises from the difference between the book value and the tax value of shares in companies involved in the transaction. It does not involve any cash outflow. Besides, the positive effect of the reverse merger in Brasilia in 2022 (EUR 124 million) adversely affects the comparison.

Minority groups decreased due to Avangrid’s lower contribution as a result of the impact of the extraordinary positive effects in 2022.

Overall, net profit totalled EUR 3,637.0 million in the first nine months of 2023, up by 17.2% from EUR 3,103.6 million compared to the end of September 2022. However, discounting Mexico’s deferred tax effect mentioned above (to be reversed in the future), net profit would grow by 22.4%.



Results by Business

1. Networks Business

Key figures for the Networks business are as follows:

(EUR million)	9M 2023	vs 9M 2022
Revenue	13,475.8	+1.3%
Gross margin	7,281.2	+0.9%
EBITDA	4,396.7	-8.0%
EBIT	2,509.0	-16.7%

EBITDA of the Networks business decreased by -8.0% to EUR 4,396.7 million, mainly due to the positive impact of non-recurring items in 2022 in the US (EUR 598 million), and another non-recurring impact from deviations on one line recognised in this quarter, partially offset by a court decision in Spain (EUR 203 million) in the same period.

1.1 Spain

Gross margin	1,499.6	+17.9%
EBITDA	1,247.5	+20.1%
EBIT	755.8	+33.5%

a) Gross margin

Gross margin for the Networks business in Spain increased by 17.9% to EUR 1,499.6 million, due to the recording in 2022 of a one-off related to a possible court decision on certain assets (EUR -203 million), which was regularised at the end of the year and which the Supreme Court has ruled in favour of Iberdrola on 26 September 2023.

b) Operating profit/EBIT:

EBITDA for this business totalled EUR 1,247.5 million, an increase of 20.1%. Net operating expenses increased by 7.1% to total EUR 180.8 million, due to a larger workforce and the increase in external services.

EBIT for the Networks business in Spain totalled EUR 755.8 million (+33.5%), after deducting amortisation, depreciation and provisions, which amounted to EUR 491.7 million (+3.9%) due to larger investments.

1.2 United Kingdom

(EUR million)	9M 2023	vs 9M 2022	Local currency
Revenue	1,293.1	11.1%	+14.5%
Gross margin	1,203.5	13.8%	+17.2%
EBITDA	881.3	10.0%	+13.3%
EBIT	569.5	14.1%	+17.5%

a) Gross margin

Gross margin for the Networks business in the United Kingdom increased by +13.8% (+17.2% in local currency) and stood at EUR 1,203.5 million. This was due to the higher contribution from distribution and transmission businesses due to the new regulatory framework ED2 and larger asset base.

b) Operating profit/EBIT:

EBITDA totalled EUR 881.3 million (+10.0%; +13.3% in local currency), with net operating expenses that increased by 33.4% (37.5% in local currency) due to the increase in external services and a larger workforce.

Amortisation and provisions totalled EUR 311.9 million (+3.3%; +6.4% in local currency) due to the larger asset base. So, taking EBITDA performance into account, EBIT totalled EUR 569.5 million (+14.1%; 17.5% in local currency).

1.3 United States

	IFRS (EUR MILLION)		
	9M 2023	vs 9M 2022	Local currency (M USD)
Revenue	4,239.7	-10.9%	-9.3%
Gross margin	2,593.5	-11.9%	-10.4%
EBITDA	878.2	-41.6%	-40.5%
EBIT	225.1	-74.8%	-74.4%

	US GAAP (USD MILLION)	
	9M 2023	vs 9M 2022
Revenue	4,824.2	+0.4%
Gross margin	3,029.3	+6.3%
EBITDA	1,258.3	-2.7%
EBIT	554.1	-14.0%

a) Gross margin

Gross margin decreased by -11.9% (-10.4% in local currency) to EUR 2,593.5 million. This was negatively affected by the extraordinary positive effect in the first nine months of 2022 (EUR +502 million), 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 partially offset by the reconciliation of storm costs in 2023 (EUR +124 million) and the recognition of “arrears” rights (EUR +39 million) regarding amounts not paid 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 -41.6% (-40.5% in local currency) to EUR 878.2 million. Once the New York rate case is approved and due to the retroactive effect from 1 May 2023, a recovery of EUR 138 million is expected in the last quarter of 2023. Net Operating Expenses amounted to EUR 1,288.9 million, increasing 26.9% (+29.1% in local currency), affected by the recording of the excess pension provision (+EUR 82 million) in 2022 and by the high-

her external services expenses in the period, mostly reconcilable within the regulatory framework (“Rate case”) at Gross Margin level.

EBIT decreased by -74.8% to EUR 225.1 million (-74.4% in local currency), after deducting amortisation and provisions, which increased by 7.3% (9.1% in local currency) due to the higher asset base.

1.4. Brazil

	(EUR million)	9M 2023	vs 9M 2022	Local currency
Revenue		6,439.7	+5.5%	+5.0%
Gross margin		1,985.3	+2.2%	+1.7%
EBITDA		1,389.7	-3.1%	-3.7%
EBIT		958.7	-9.0%	-9.5%

a) Gross margin

Gross margin increased by 2.2% (+1.7% in local currency) to total EUR 1,985.3 million, thanks to the positive effect of tariff readjustments on distributors (EUR +170 million), partially offset by a lower contribution from the transmission business due to deconsolidation of transport assets sold to GIC and another non-recurring impact from deviations on one line recognised in this quarter.

b) Operating profit/EBIT

Net operating expenses increased by 17.3% to EUR 590.1 million (+16.7% in local currency) as a result of a larger workforce and more external services due to growth and inflation. EBITDA therefore stood at EUR 1,389.7 million (-3.1% compared to the same period in 2022).

For its part, EBIT decreased by -9.0% to EUR 958.7 million (-9.5% in local currency), after deducting amortisation and provisions, which rose by 13.2% to EUR 431.0 million (+12.6% in local currency), primarily due to the higher asset base and greater insolvencies.

2. Electricity Production and Customers Business

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

(EUR million)	9M 2023	vs 9M 2022
Revenue	24,243.8	-3.5%
Gross margin	9,942.9	+33.2%
EBITDA	6,373.7	+34.2%
EBIT	4,385.7	+59.2%

EBITDA for the Electricity production and customers business increased by 34.2% to EUR 6,373.7 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)	9M 2023	vs 9M 2022
Revenue	12,497.6	-19.5%
Gross margin	5,232.0	+42.4%
EBITDA	3,155.5	+37.4%
EBIT	2,399.2	+54.0%

a) Gross margin:

Gross margin for the first nine months of 2023 stood at EUR 5,232.0 million (+42.4% compared to 2022). This was thanks to higher production, mainly in hydroelectric, solar and nuclear power, and more sales in the commercial business due to increased market share in the liberalised market (27.6% in 9M 2023 vs 25.2% in 9M 2022). Furthermore, this increase in production reduced the purchase volume of energy compared to the previous year, when energy was bought at exceptionally high prices and in greater quantities due to reduced hydroelectric and nuclear production.

b) Operating profit/EBIT:

Net operating expenses increased by 2.9% to EUR 834.0 million, while levies rose to EUR 1,242.5 million. This was a result of the new 1.2% revenue tax

(EUR 213 million), 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 3,155.5 million.

Amortisation and provisions increased by 2.4% to EUR 756.3 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 totalled EUR 2,399.2 million.

2.2 United Kingdom

(EUR million)	9M 2023	vs 9M 2022	Moneda local
Revenue	7,341.9	+59.8%	+64.6%
Gross margin	2,228.3	+73.6%	+78.8%
EBITDA	1,554.8	+130.2%	+137.2%
EBIT	1,068.5	+383.8%	+398.5%

a) Gross margin:

Gross margin in the United Kingdom increased by 73.6% to EUR 2,228.3 million (+78.8% in local currency). This was thanks to recovery of the deficit generated (EUR +380 million) in the past by regulated standard variable tariff (SVT) rates, which had a negative impact in 2022 normalisation of margins in the supply business and higher offshore wind production, which offsets the lower load factor in onshore wind.

b) Operating profit/EBIT:

EBITDA totalled EUR 1,554.8 million (+130.2%; +137.2% in local currency), with net operating expenses falling by 2.5% on the previous year to EUR 510.2 million (+0.5% in local currency) due to the efficiency plans.

Levies increased by 92.0% (+97.8% in local currency) to EUR 163.4 million, due to higher expenses under the “Energy Company Obligation” programme.

Amortisation and provisions increased by 7% to EUR 486.2 million (+10.2% in local currency), with EBIT standing at EUR 1,068.5 million (+383.8%).

2.3 United States

(EUR million)	9M 2023	vs 9M 2022	Local currency
Revenue	1,086.5	+30.5%	+32.8%
Gross margin	883.0	+10.2%	+12.1%
EBITDA	518.6	+3.3%	+5.1%
EBIT	84.2	+19.5%	+21.6%

a) Gross margin:

The US' contribution increased by 10.2% to EUR 883.0 million (+12.1% in local currency) due to higher production primarily from new operating capacity (+108 MW).

b) Operating profit/EBIT:

Net operating expenses increased by 27.3% to EUR 309.1 million (+29.5% in local currency), mainly due to the costs of termination of the PPA contracts in the offshore wind projects Park City Wind (EUR 15 million) and Commonwealth Wind (EUR 22 million), while levies decreased by 2.2% to EUR 55.3 million (-0.5% in local currency). As such, EBITDA totalled EUR 518.6 million (+3.3%; +5.1% in local currency).

The business' contribution to EBIT totalled EUR 84.2 million, after discounting amortisation and provisions (EUR 434.4 million), which increased by 7.0% compared to the previous year (+2.5% in local currency) due to greater operating capacity.

2.4 Mexico

(EUR million)	9M 2023	vs 9M 2022	Local currency
Revenue	2,276.1	-29.3%	-28.0%
Gross margin	849.6	-4.1%	-2.4%
EBITDA	595.1	-10.5%	-8.9%
EBIT	490.1	0.9%	+2.7%

a) Gross margin:

Gross margin in Mexico decreased by 4.1% to EUR 849.6 million (-2.4% in local currency), with lower contribution from renewable assets and contracted

capacity (PIEs) partially offset by the new capacity in operation since May 2022 (Tamazunchale II, 514 MW).

b) Operating profit/EBIT:

Net operating expenses increased by 15.1% (17.1% in local currency), with EUR 249.9 million linked to higher personell costs (+17.9%; +20.0% in local currency), and stood at EUR 595.1 million.

Amortisation and provisions totalled EUR 105.0 million, down -41.4% compared to the same period in 2022 (-40.4% 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 totalled EUR 490.1 million (+0.9% compared to 2022; +2.7% in local currency).

2.5 Brazil

(EUR million)	9M 2023	vs 9M 2022	Local currency
Revenue	523.5	-0.3%	-0.8%
Gross margin	316.1	-9.3%	-9.8%
EBITDA	247.5	-15.7%	-16.2%
EBIT	177.3	-23.8%	-24.2%

a) Gross margin:

Gross margin in Brazil decreased by -9.3% and stood at EUR 316.1 million (-9.8% in local currency), given that lower margins recorded throughout the year at the Termopernambuco plant have been partially offset by increased production from the completed installation of several farms at the Oitis wind complex (567 MW) and the Luzia solar plant (149 MW).

b) Operating profit/EBIT:

Net operating expenses in the period totalled EUR 67.6 million, (+24.7% in local currency) as new capacity came online. EBITDA decreased by -15.7% to EUR 247.5 million (-16.2% in local currency).

Amortisation and provisions increased to EUR 70.3 million (+14.8%), up by 14.2% in local currency as the aforementioned new capacity came online, with EBIT at EUR 177.3 million (-23.8%; -24.2% in local currency).

2.6 Rest of the world (RoW)

(EUR million)	9M 2023	vs 9M 2022
Revenue	616.2	-3.8%
Gross margin	433.7	-8.3%
EBITDA	302.2	-5.0%
EBIT	165.0	-11.0%

a) Gross margin:

The business' gross margin in the rest of the world decreased by 8.3% to total EUR 433.7 million, as increased production (+16.3%) was not enough to offset the lower prices, lower production from Wikingen wind farm at lower prices and non recurring effects seen in the first nine months of 2022.

b) Operating profit/EBIT:

EBITDA stood at EUR 302.2 million (-5.0%) after deducting net operating expenses, which increased by EUR 8.7 million (+7.5%) to total EUR 125.0 million due to increased installed capacity.

Amortisation and provisions increased by 3.4% to EUR 137.2 million, leaving EBIT at EUR 165.0 million (-11.0%).

The Corporation 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 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.

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

January to September 2023

	Sep 2023	vs. Dec 2022
TOTAL ASSETS	149,870	-0.2%
TANGIBLE FIXED ASSETS	87,337	+1.2%
INTANGIBLE FIXED ASSETS	20,653	+2.7%
NON CURRENT FINANCIAL INVESTMENTS	9,682	-7.9%
EQUITY	60,145	3.5%

Note: "In the Consolidated financial statement as of 30 September 2023, the Iberdrola Group has decided to present deferred tax assets and deferred tax liabilities offset by tax groups. In this regard and in application of IAS 8 "Accounting policies, changes in accounting estimates and errors", comparative information corresponding to 31 December 2022 is re expressed"

As of 30 September 2023, Iberdrola's balance sheet showed Total Assets of EUR 149,870 million, down by EUR 245 million compared to December 2022.

1. Fixed assets

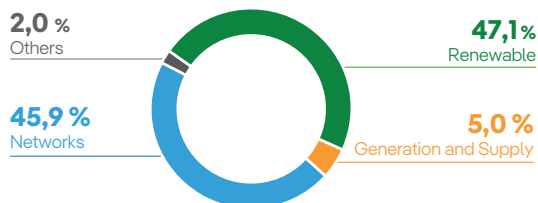
Gross investment in the first nine months of 2023 amounted to EUR 7,679.5 million. The breakdown is as follows:

(EUR millions)	Jan-Sep 2023	%
Networks business	3,522.6	45.9%
Spain	453.1	
United Kingdom	622.7	
United States	1,337.6	
Brazil	1,109.2	
Renewables business	3,618.8	47.1%
Spain	830.8	
United Kingdom	752.7	
United States	613.2	
Brazil	79.8	
Mexico	18.0	
Iberdrola Energía Internacional (IEI)	1,324.3	
Generation and Supply business	381.2	5.0%
Spain	204.0	
United Kingdom	118.2	
Mexico	54.3	
Brazil	4.6	
Other businesses	14.6	0.2%
Corporation and adjustments	142.3	1.9%
Total gross investment	7,679.5	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 93% of gross investment in the first nine months of 2023.

Investments by Business

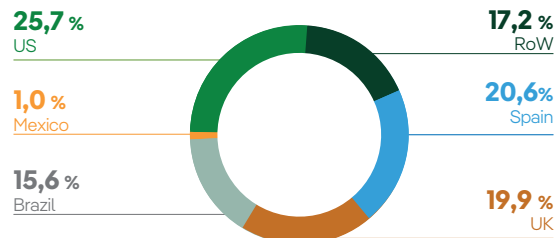
(January-Sep 2023)



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

Investment by geographical areas

(January-Sep 2023)



Investment in the Renewables business totalled EUR 3,619 million, equivalent to 47.1% of total investment.

In the Networks Business section, most investments were made in the United States and Brazil, totalling EUR 1,338 million and EUR 1,109 million respectively.

2. Working Capital

Working capital increased by EUR 4,985 million in the period. The variation is mainly explained by the accounting classification of Mexican and Brazilian assets held for sale and, to a lesser extent, by the disbursements made for the East Anglia OFTO.

Current Assets and Liabilities	Sep-23	Dec-22	Variation
Net assets held for sale	4,045	281	3,764
Assets held for sale	5,172	308	4,863
Liabilities related to assets held for sale	(1,126)	(27)	(1,099)
Nuclear fuel	285	259	26
Inventories	2,308	2,159	149
Trade receivables and payables and other short term accounts	(1,230)	(2,413)	1,183
Trade and other receivables	8,981	9,869	(889)
Trade and other payables	(10,211)	(12,282)	2,072
Current financial investments	1,304	2,839	(1,534)
Derivative financial instruments	121	(1,373)	1,494
Derivative financial assets	875	1,640	(765)
Derivative financial liabilities	(754)	(3,013)	2,259
Equity instruments with characteristics of financial liabilities	(85)	(87)	2
Provisions	(726)	(922)	197
Public Administrations and current taxes	(452)	(67)	(385)
Current tax assets	1,258	1,351	(93)
Current tax liabilities	(1,710)	(1,418)	(292)
Net Current Assets *	5,570	675	4,895

* Does not include financial net debt items, like cash or debt derivatives

3. Share Capital

Iberdrola's Share Capital at 30 September 2023 amounted to EUR 4,763 million, represented by 6,350,278,000 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 September 2023 reached EUR 47,951 million, increasing by EUR 3,658 million from EUR 44,293 million as of September 2022.

Adjusted net leverage increased by 3.0% to 44.4% compared to the 41.4% reported in September 2022 as it is a tax and dividend paying quarter.

The ratings issued by the rating agencies are as follows:

Iberdrola's credit rating

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

* Date of last modification

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

	Sep 2023	Sep 2022
Euro	32.1%	40.8%
US dollar	28.8%	27.8%
British pound	21.3%	13.5%
Brazilian real and other currencies	17.8%	17.9%
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:

	Sep 2023	Sep 2022
Fixed rate	85.4%	86.4%
Variable rate	14.6%	13.6%
Total	100.0%	100.0%

* Adjusted net debt excluding Neoenergia and including future funding hedging derivatives to date (EUR 4,492 million in September 23 and EUR 5,193 million in September 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:

	Sep 2023	Sep 2022
Corporate	72.3%	72.6%
UK	4.1%	4.7%
US	20.3%	18.3%
Other	3.3%	4.4%
Total	100.0%	100.0%

* Gross debt including hybrids, excluding leases and Neoenergia (EUR 8,587 million in September 23 and EUR 8,305 million in September 22)

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

Market	Sep 2023	Sep 2022
EUR bonds	21.0%	21.9%
USD bonds	19.7%	19.5%
GBP bonds	6.1%	6.7%
Other bonds	5.5%	5.9%
Commercial paper	8.4%	9.3%
Multilateral banking and development	17.2%	13.7%
Structured financing	0.5%	0.1%
Banking	14.6%	15.1%
Leases and others	6.9%	7.7%
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 5,260 million. The breakdown by product is as follows:

Product (EUR million)	Q1	Q2	Q3	Total
Green	1,321	2,124	1,816	5,260
Hybrid bonds	1,000			1,000
Senior bonds		850	1,089	1,939
Bank loans		28		28
Multilateral loans	205	1,151		1,356
Development banks and ECA loans	116	95	726	937
Indexed to sustainable indicators	-	-	-	-
Total new ESG financing	1,321	2,124	1,816	5,260

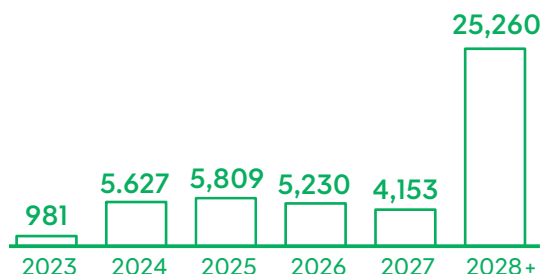
This brings total ESG financing to EUR 52,881 million, including sustainable credit facilities and the sustainable ECP programme. Iberdrola is the world's leading group in green bonds issued.

Iberdrola has a robust liquidity position totalling EUR 20,204 million, including subsequent events. 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 well as cash, cash equivalents and short term investments. 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 16 months in the risk scenario.

Liquidity	EUR million
Credit facilities	14,980
Cash, cash equivalents and short term investments.	2,829
Committed financing	2,394
Total	20,204

| Balance sheet analysis

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	Sep 23	Sep 22
Loans and borrowings with credit institutions and bonds or other marketable securities	48,352	47,110
Deposits securing the value of CSA derivatives	60	73
Liability derivative instruments	1,148	1,341
Leases	2,621	2,627
Gross financial debt	52,181	51,151
Capitalised derivative instruments	1,186	1,735
Deposits securing the value of CSA derivatives	110	119
Non current financial deposits	105	95
Current financial investments (between 3 and 12 months)	24	83
Cash and cash equivalents *	2,806	4,434
Total cash assets	4,230	6,465
Net financial debt	47,951	44,686
Treasury stock derivatives with physical settlement which, at the current date, are not expected to be executed	-	392
Adjusted net financial debt	47,951	44,293

(*) Includes EUR 116 million corresponding to assets held for sale of the Baguari HPP following closure of the asset swap operation and collected from Eletrobras on 16 October 2023.

6. Financial Ratios

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

	Sep 23	Sep 22
Adjusted net equity ¹	60,145	62,718
Adjusted net financial debt ¹	48,040	44,293
Adjusted net leverage	44.4%	41.4%
Adjusted funds from operations (FFO) ² /Adjusted net financial debt ¹	23.2%	24.3%
Adjusted retained cash flow (RCF)/Adjusted net financial debt ¹	18.7%	21.2%
Adjusted net financial debt*/Adjusted EBITDA ³	3.31x	3.29x

(1) Adjusted for treasury stock derivatives with physical settlement which, at the current date, are not expected to be executed (EUR 0 million at Sep 23 and EUR 392 million at Sep 22).

(2) For details, see “Funds from operations” section

(3) Sep 22 data adjusted by 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 on gas deduction and for the effect of undue payment of the fee (accrual and ruling). Sep 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 11,103 million, up 3.0% compared to the previous year.

	Sep 23	Sep 22	Change
Net profit attributed to the parent company (+)	4,872.0	4,580.1	291.9
Amortisation, depreciation and provisions (+)	5,348.6	5,144.7	203.9
Results of companies accounted for using the equity method (-)	115.7	-92.4	-23.3
Financial revision of provisions (+)	146.9	128.6	18.3
Minority interests (+)	566.9	673.7	-106.8
Adjustment for tax deductible items (+)	0.0	-0.7	0.7
Dividends on companies accounted for using the equity method (+)	55.2	54.2	1
Capital grants taken to profit or loss (-)	84.7	84.5	-0.2
Goodwill amortisation (+)	71.0	71.0	-
Other (+)	242.8	230.2	12.6
Funds from operations (FFO)	11,103.0	10,705.1	397.9
Exit plan (+)	-	72.4	-72.4
Proforma new acquisitions (+)/Assets available for sale	-	-	-
Adjusted funds from operations (FFO)	11,103.0	10,777.5	325.5
Dividends* (-)	-2,078.5	-1,367.0	-711.4
Adjusted retained cash flow (RCF)	9,024.5	9,410.5	-386.0

* 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 5,988 million from various financing sources.

Product (EUR million)	Q1	Q2	Q3	Total
Hybrid bonds	1,000			1,000
Senior bonds		945	1,150	2,095
Bank loans	318	244		562
Credit facilities			38	38
Multilateral loans	205	1,151		1,356
Development banks and ECA loans	116	95	726	937
Total new financing	1,638	2,435	1,915	5,988

Borrower	Transaction	Amount	Currency	Coupon	Maturity
First quarter					
Iberdrola Finanzas	Public hybrid green bond	1,000.0	EUR	4.875%	Perpetual
Neoenergia Distribuição Brasília (I)	Loan 4,131	38.4	USD		Mar-27
Coelba (I)	Loan 4,131	96.3	USD		Mar-26
Neoenergia Morro do Chapéu (I)	Loan 4,131	57.6	USD		Mar-24
Coelba (I)	Loan 4,131	89.0	EUR		Apr-25
Neoenergia Morro do Chapéu (I)	Loan 4,131	48.7	USD		May-24
Iberdrola Financiación (2)	Green EIB loan	150.0	EUR		To be determined
Buniel	Green EIB loan	55.0	EUR		Sep-38
Celpe (I)	Green loan with JICA guarantee	12,000	JPY		Mar-28
Celpe(I)	Green loan with JICA guarantee	6,175	JPY		Mar-33
Second quarter					
NYSEG	Tax exemption bond	100.0	USD	4.000%	Apr-34
Neoenergia Lagos dos Patos (I)	Loan 4,131	10,449	JPY		Jun-24
Neoenergia Lagos dos Patos (I)	Loan 4,131	7,820	JPY		Jun-24
Neoenergia Morro do Chapéu (I)	Loan 4,131	9,766	JPY		Jun-24
Elektro (I)	Loan 4,131	39.4	USD		May-25
Neoenergia Distribuição Brasília	Green 4,131 loan	150.0	BRL		Jan-26
Iberdrola Financiación (2)	Green EIB loan	1,000.0	EUR		To be determined
Elektro	Green International Finance Corporation (IFC) loan	800.0	BRL		May-31
Neoenergia (I)	Green ICO loan	100.0	USD		Jul-33

| Balance sheet analysis

Borrower	Transaction	Amount	Currency	Coupon	Maturity
Third quarter					
Iberdrola Finanzas(5)	Public hybrid green bond	850.0	EUR	3.625%	Jul-33
NYSEG	Private green bond	350.0	USD	5.650%	Aug-28
NYSEG	Private green bond	400.0	USD	5.850%	Aug-33
UI	Tax exemption bond	64.5	USD	4.500%	Oct-33
Coelba	Green debenture	300.0	BRL	CDI+0.9%	Jul-24
Coelba	Green debenture	400.0	BRL	CDI+1.95%	Aug-28
Cosern	Green Infrastructure debenture	500.0	BRL	IPCA+6.45%	Jul-28
Coelba	Green Infrastructure debenture	800.0	BRL	IPCA+6.25%	Aug-30
Coelba	Bilateral credit facility	100.0	BRL		Aug-26
Companhia Elektro Pernambuco	Bilateral credit facility	100.0	BRL		Aug-26
Iberdrola Financiación (2)	Green loan with ESKFIN guarantee	500.0	EUR		Jul-39
Subsequent events (6)					
Neoenergia Morro do Chapéu	Green BNDES loan	1,200.0	BRL		Oct-47

Extension of existing financing

Borrower	Transaction	Amount	Currency	Extension	Maturity
Iberdrola México (3)	Syndicated loan	500.0	USD	1 year	Dec-25
Iberdrola Financiación(3)	Sustainable syndicated credit facility	2,500.0	EUR	1 year	Apr-28
Iberdrola Financiación (4)	Bilateral credit facility	125.0	EUR	6 months	Jan-25
Iberdrola Financiación	Sustainable bilateral credit facility	16,000	JPY		Jun-28
Iberdrola Financiación	Sustainable bilateral loan	120.0	EUR		Jul-28
Iberdrola Financiación (3)	Sustainable syndicated credit facility	2,500.0	EUR	1 year	Jul-28
Iberdrola Financiación	Bilateral loan	300.0	EUR		Jan-24
Iberdrola Financiación(4)	Bilateral credit facility	50.0	EUR	6 months	Apr-24
Neoenergia	Bilateral credit facility	300.0	BRL		Aug-26
Elektro	Bilateral credit facility	200.0	BRL		Aug-26
Neoenergia Distribuição Brasília	Bilateral credit facility	200.0	BRL		Aug-26
Elektro	Bilateral credit facility	200.0	BRL		Aug-26
Cosern	Bilateral credit facility	100.0	BRL		Aug-26
Coelba	Bilateral credit facility	200.0	BRL		Aug-26

(1) Currency swaps

(2) Funding planned to be available in 2024/2025

(3) Option to extend for one year

(4) Five options to extend for six months

(5) Included as a subsequent event in the previous quarter's prospectus

(6) Transactions signed after 30.09.2023

Third quarter transactions

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

Capital market

Commercial paper

The Iberdrola Group continued to operate in the commercial paper markets at the end of the third quarter; there was a balance outstanding in the US programme (USCP) of USD 957 million, and the outstanding balance in the European Commercial Paper (ECP) programme increased to EUR 3,391 million (vs EUR 2,948 million at the end of Q2). Emission levels remained competitive, despite market uncertainty surrounding Central Banks' decisions linked to persistent inflation, which has not slowed down as expected.

Bonds

The Iberdrola Group closed seven issues during the third quarter for a total amount equivalent to EUR 1,150 million:

- Three bonds through its subsidiary in the United States:
 - Two green private bonds totalling USD 750 million with an average cost equivalent to 5.757% and maturing in 2028 (USD 350 million) and 2033 (USD 400 million), which will be used to finance various network investment projects.
 - A tax exempt public bond totalling USD 65 million with a 4.5% coupon and a 10-year maturity.
- Four green public bonds through its subsidiary Neoenergia:
 - Two bonds totalling BRL 700 million, with an average cost equivalent to 1.5% on the CDI (Brazilian interbank deposit rate) and maturing in 2024 (BRL 300 million) and 2028 (BRL 400 million).
 - Two infrastructure bonds totalling BRL 1,300 million with an average cost of +6.327% on the IPCA (Brazil's extended consumer price index)

and maturing in 2028 (BRL 500 million) and 2030 (BRL 800 million)

Banking market

Through its subsidiary Neoenergia, the Iberdrola Group has signed two credit facilities, each totalling BRL 100 million and maturing in August 2026 to expand its liquidity.

The Group has also extended seven bilateral credit facilities:

- A facility of EUR 50 million until April 2024, triggering the first six month extension option.
- BRL 900 million until August 2026, through Neoenergia subsidiaries.

Development and multilateral banks

Continuing with its strategy to diversify funding sources, the Iberdrola Group signed an Export Green Facility Agreement guaranteed by the Norwegian ECA for the amount of EUR 500 million maturing in 2039 to fund the construction of an offshore wind farm in Europe.

Neoenergia signed a green loan with BNDES in October for BRL 1,200 million maturing in 2047..

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	Oct. 2023	BBB+	Stable	Mar. 2023
Iberdrola Finance Ireland Ltd.(*)	Baa1	Stable	Mar. 2023	BBB+	Stable	Oct. 2023	BBB+	Stable	Mar. 2023
Iberdrola Finanzas S.A.U.(*)	Baa1	Stable	Mar. 2023	BBB+	Stable	Oct. 2023	BBB+	Stable	Mar. 2023
Iberdrola International B.V.(*)	Baa1	Stable	Mar. 2023	BBB+	Stable	Oct. 2023	BBB+	Stable	Mar. 2023
Avangrid	Baa2	Stable	Nov. 2022	BBB+	Stable	Dec. 2022	BBB+	Stable	Mar. 2023
CMP	A2	Stable	Jan. 2023	A	Stable	Aug. 2023	BBB+	Stable	Mar. 2023
NYSEG	Baa1	Stable	Nov. 2022	A-	Stable	Sep. 2023	BBB+	Stable	Mar. 2023
RG&E	Baa1	Stable	Nov. 2022	A-	Stable	Sep. 2023	BBB+	Stable	Mar. 2023
UI	Baa1	Stable	Sep. 2023	A-	Negative	Sep. 2023	A-	Stable	Mar. 2023
CNG	A2	Stable	Mar. 2023	A	Negative	Sep. 2023	A-	Stable	Mar. 2023
SCG	A3	Stable	Mar. 2023	A-	Developing	Sep. 2023	A-	Stable	Mar. 2023
BGC	A3	Stable	April 2023	BBB+	Stable	May 2023	A-	Stable	Mar. 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			
Elektro (Escala nacional)				brAAA	Positivo	Junio 2023			

(*) Guaranteed by Iberdrola S.A.
Date related to latest review



Financial statements tables

Balance Sheet Sep -2023 (Unaudited)

M Eur

ASSETS	Sep 2023	Dec 2023	Variation
NON-CURRENT ASSETS	126,658	126,747	-89
Intangible assets	20,653	20,118	534
Goodwill	8,457	8,189	267
Other intangible assets	12,196	11,929	267
Real Estate properties	294	307	-13
Property, plant and equipment	87,337	86,326	1,010
Property, plant and equipment	72,971	74,813	-1,842
Property, plant and equipment in the course of construction	14,366	11,513	2,853
Right of use	2,529	2,370	159
Non current financial investments	9,682	10,508	-826
Investments accounted by equity method	948	857	91
Non-current financial assets	31	32	-2
Other non-current financial assets	6,859	5,957	902
Derivative financial instruments	1,844	3,661	-1,817
Non-current trade and other receivables	3,735	4,614	-879
Tax receivables	736	736	0
Deferred tax assets	1,692	1,767	-75
CURRENT ASSETS	23,211	23,367	-156
Assets held for disposal	5,172	308	4,863
Nuclear fuel	285	259	26
Inventories	2,308	2,159	149
Current trade and other receivables	10,239	11,220	-981
Tax receivables	359	453	-94
Other tax receivables	899	898	1
Trade and other receivables	8,981	9,869	-889
Current financial assets	2,518	4,813	-2,294
Other current financial assets	1,432	2,964	-1,531
Derivative financial instruments	1,086	1,849	-763
Cash and cash equivalents	2,690	4,608	-1,918
TOTAL ASSETS	149,870	150,114	-245

EQUITY AND LIABILITIES	Sep 2023	Dec 2023	Variation
EQUITY:	60,145	58,114	2,031
Of shareholders of the parent	43,133	41,119	2,014
Share capital	4,763	4,772	-9
Adjustments for changes in value	220	-932	1,153
Other reserves	37,743	36,840	903
Treasury stock	- 1,533	-1,756	224
Translation differences	- 1,697	-2,143	445
Interim dividend	-	-	-
Net profit of the period	3,637	4,339	-702
Of minority interests	8,762	8,745	17
Hybrids	8,250	8,250	-
NON-CURRENT LIABILITIES	63,777	63,161	616
Deferred income	1,291	1,247	44
Facilities transferred and financed by third parties	5,926	5,673	254
Provisions	4,396	4,225	171
Provisions for pensions and similar obligations	1,316	1,226	90
Other provisions	3,080	2,999	81
Non Current Financial payables	43,874	44,216	-342
Financial Debt- Loans and other	37,807	36,128	1,679
Equity Instruments having the substance of a financial liability	440	576	-136
Leases	1,923	3,690	-1,768
Derivative financial instruments	2,449	2,287	161
Other financial liabilities	1,255	1,534	-279
Other Non Current payables	362	309	53
Tax payables	378	362	16
Deferred tax liabilities	7,549	7,129	420
CURRENT LIABILITIES	25,948	28,840	-2,892
Liabilities related to assets held for disposal	1,126	27	1,099
Provisions	726	922	-197
Provisions for pensions and similar obligations	13	42	-29
Other provisions	713	881	-168
Current financial payables	20,909	25,079	-4,170
Financial Debt- Loans and other	10,481	10,458	22
Equity Instruments having the substance of a financial liability	85	87	-2
Derivative financial instruments	1,314	3,398	-2,084
Leases	172	151	21
Trade payables	5,043	5,927	-884
Other financial liabilities	3,815	5,058	-1,244
Other current payables	3,187	2,811	375
Current tax liabilities and other tax payables	426	156	270
Other tax payables	1,284	1,262	22
Other current liabilities	1,477	1,393	84
TOTAL EQUITY AND LIABILITIES	149.870	150.114	-245

(*) includes EUR 116 million corresponding to the Assets held for disposal of the Baguari CH following the agreement signed during 2023 for the assets swap in Brazil.

Note: "In the consolidated financial statement as of 30 September 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

	Sep-2023	Sep-2022	%
REVENUES	37,193.0	37,903.3	(1.9)
PROCUREMENTS	(19,993.3)	(23,247.4)	(14.0)
GROSS MARGIN	17,199.7	14,655.9	17.4
NET OPERATING EXPENSES	(4,340.6)	(3,791.4)	14.5
Personnel	(2,729.6)	(2,468.3)	10.6
Capitalized personnel costs	624.4	587.3	6.3
External Services	(2,809.3)	(2,522.6)	11.4
Other Operating Income	573.9	612.1	(6.2)
LEVIES	(2,076.0)	(1,335.4)	55.5
EBITDA	10,783.1	9,529.1	13.2
AMORTISATIONS AND PROVISIONS	(3,970.2)	(3,865.7)	2.7
EBIT / Operating Profit	6,812.9	5,663.4	20.3
Financial Expenses	(2,857.1)	(2,829.9)	1.0
Financial Income	1,191.1	1,450.9	(17.9)
FINANCIAL RESULT	(1,666.0)	(1,379.1)	20.8
RESULTS OF COMPANIES CONSOLIDATED BY EQUITY METHOD	212.6	171.4	24.0
PBT	5,359.6	4,455.8	20.3
Corporate Tax	(1,312.0)	(787.5)	66.6
Minorities	(410.6)	(564.7)	(27.3)
NET PROFIT	3,637.0	3,103.6	17.2

Results by Business (Unaudited)

EUR M

Sep-2023	Networks	Electricity Production and Customers ⁽¹⁾	Other businesses	Corporation and adjustments ⁽¹⁾
Revenues	13,475.8	24,243.8	31.8	(558.4)
Procurements	(6,194.7)	(14,300.9)	(12.0)	514.2
GROSS MARGIN	7,281.2	9,942.9	19.8	(44.2)
NET OPERATING EXPENSES	(2,287.4)	(2,095.9)	(8.6)	51.3
Personnel	(1,533.9)	(812.3)	(8.2)	(375.2)
Capitalized personnel costs	457.5	159.0	-	7.9
External Services	(1,585.7)	(1,676.7)	(3.5)	456.6
Other Operating Income	374.7	234.1	3.1	(38.0)
LEVIES	(597.1)	(1,473.3)	(0.5)	(5.1)
EBITDA	4,396.7	6,373.7	10.6	2.1
Amortisation and Provisions	(1,887.7)	(1,988.1)	(7.0)	(87.4)
EBIT/Operating Profit	2,509.0	4,385.7	3.6	(85.4)
Financial Result	(984.9)	(466.3)	9.6	(224.4)
Results of companies consolidated by equity method	12.3	304.3	(20.4)	(83.5)
PBT	1,536.4	4,223.7	(7.2)	(393.3)
Corporate tax and minority shareholders	(447.9)	(1,396.6)	(5.0)	126.9
NET PROFIT	1,088.4	2,827.1	(12.2)	(266.4)

(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.

M Eur

Sep-2022	Networks	Electricity Production and Customers ⁽¹⁾	Other businesses	Corporation and adjustments ⁽¹⁾
Revenues	13,308.4	25,113.8	33.6	(552.5)
Procurements	(6,092.1)	(17,648.3)	(22.3)	515.4
GROSS MARGIN	7,216.3	7,465.5	11.4	(37.2)
NET OPERATING EXPENSES	(1,858.7)	(1,963.3)	(6.6)	37.2
Personnel	(1,360.6)	(766.9)	(7.5)	(333.3)
Capitalized personnel costs	437.2	142.6	-	7.5
External Services	(1,374.5)	(1,547.9)	(2.7)	402.6
Other Operating Income	439.1	208.9	3.6	(39.5)
LEVIES	(579.9)	(751.5)	(0.5)	(3.4)
EBITDA	4,777.6	4,750.6	4.3	(3.4)
Amortisation and Provisions	(1,764.6)	(1,996.6)	(9.8)	(94.6)
EBIT/Operating Profit	3,013.0	2,754.0	(5.6)	(98.0)
Financial Result	(659.8)	(314.0)	1.2	(406.5)
Results of companies consolidated by equity method	9.8	243.2	(81.6)	-
PBT	2,362.9	2,683.2	(85.9)	(504.5)
Corporate tax and minority shareholders	(790.3)	(747.2)	6.9	178.5
NET PROFIT	1,572.6	1,936.0	(79.0)	(326.0)

Networks Business *(Unaudited)*

EUR M

Sep-23	Spain	United Kingdom	USA	Brazil
Revenues	1,504.0	1,293.1	4,239.7	6,439.7
Procurements	(4.5)	(89.6)	(1,646.3)	(4,454.4)
GROSS MARGIN	1,499.6	1,203.5	2,593.5	1,985.3
NET OPERATING EXPENSES	(180.8)	(228.2)	(1,288.9)	(590.1)
Personnel	(225.9)	(214.2)	(732.4)	(361.4)
Capitalized personnel costs	102.8	134.0	220.1	-
External Services	(214.5)	(196.0)	(860.1)	(315.1)
Other Operating Income	156.8	48.0	83.4	86.4
LEVIES	(71.3)	(93.9)	(426.3)	(5.5)
EBITDA	1,247.5	881.3	878.2	1,389.7
Amortisation and Provisions	(491.7)	(311.9)	(653.1)	(431.0)
EBIT/Operating Profit	755.8	569.5	225.1	958.7
Financial Result	(60.2)	(215.0)	(95.7)	(614.0)
Results of companies consolidated by equity method	1.1	-	11.1	-
PBT	696.7	354.5	140.5	344.7
Corporate tax and minority shareholders	(115.2)	(98.2)	(58.2)	(176.2)
NET PROFIT	581.4	256.3	82.2	168.5

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

Electricity Production and Customers (Unaudited)

EUR M

Sep-2023	Spain ⁽¹⁾	United Kingdom	US	Mexico	Brazil	ROW
Revenues	12,497.6	7,341.9	1,086.5	2,276.1	523.5	616.2
Procurements	(7,265.6)	(5,113.5)	(203.5)	(1,426.5)	(207.4)	(182.5)
GROSS MARGIN	5,232.0	2,228.3	883.0	849.6	316.1	433.7
NET OPERATING EXPENSES	(834.0)	(510.2)	(309.1)	(249.9)	(67.6)	(125.0)
Personnel	(351.2)	(122.8)	(181.9)	(57.0)	(27.8)	(71.6)
Capitalized personnel costs	43.9	26.8	33.4	2.4	2.2	40.5
External Services	(687.1)	(461.4)	(216.4)	(207.4)	(35.8)	(114.1)
Other Operating Income	160.4	47.2	55.9	12.1	(6.2)	20.2
LEVIES	(1,242.5)	(163.4)	(55.3)	(4.6)	(1.0)	(6.6)
EBITDA	3,155.5	1,554.8	518.6	595.1	247.5	302.2
Amortisation and Provisions	(756.3)	(486.2)	(434.4)	(105.0)	(70.3)	(137.2)
EBIT/Operating Profit	2,399.2	1,068.5	84.2	490.1	177.3	165.0
Financial Result	(125.4)	4.9	(62.3)	(216.1)	(36.5)	(30.9)
Results of companies consolidated by equity method	8.3	0.5	(6.7)	-	307.0	(4.7)
PBT	2,282.2	1,074.0	15.2	274.0	447.7	129.3
Corporate tax and minority shareholders	(622.2)	(330.9)	3.5	(148.1)	(220.6)	(77.9)
NET PROFIT	1,659.9	743.1	18.7	126.0	227.1	51.4

(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.

M Eur

Sep-22	Spain	United Kingdom	US	Mexico	Brazil	ROW
Revenues	15,526.5	4,595.5	832.3	3,217.8	525.2	640.4
Procurements	(11,852.7)	(3,311.8)	(31.1)	(2,332.0)	(176.8)	(167.5)
GROSS MARGIN	3,673.8	1,283.7	801.2	885.8	348.3	472.9
NET OPERATING EXPENSES	(810.5)	(523.2)	(242.8)	(217.1)	(53.9)	(116.3)
Personnel	(345.2)	(131.2)	(161.7)	(48.3)	(25.9)	(54.4)
Capitalized personnel costs	41.7	21.3	30.0	6.8	2.9	25.4
External Services	(637.1)	(451.6)	(171.5)	(202.3)	(31.2)	(93.6)
Other Operating Income	130.2	38.2	60.4	26.7	0.4	6.3
LEVIES	(566.8)	(85.1)	(56.5)	(3.8)	(0.8)	(38.5)
EBITDA	2,296.5	675.4	501.9	664.8	293.7	318.1
Amortisation and Provisions	(738.4)	(454.5)	(431.4)	(179.2)	(61.2)	(132.7)
EBIT/Operating Profit	1,558.0	220.9	70.5	485.6	232.5	185.4
Financial Result	(7.0)	(33.1)	(62.7)	(135.1)	(48.3)	(27.9)
Results of companies consolidated by equity method	25.8	0.6	230.9	-	(1.1)	(13.0)
PBT	1,576.9	188.4	238.7	350.5	183.1	144.6
Corporate tax and minority shareholders	(412.5)	(86.9)	(17.7)	(74.8)	(103.2)	(51.9)
NET PROFIT	1,164.4	101.5	221.0	275.7	79.9	92.6

Results by Country *(Unaudited)*

EUR M

Sep-2023	Spain	United Kingdom	US	Mexico	Brazil	ROW
Revenues	13,914.5	8,481.9	5,326.2	2,276.1	6,655.3	616.2
Procurements	(7,220.9)	(5,075.9)	(1,849.8)	(1,426.5)	(4,355.1)	(182.5)
GROSS MARGIN	6,693.6	3,405.9	3,476.4	849.6	2,300.2	433.7
NET OPERATING EXPENSES	(985.0)	(681.0)	(1,604.4)	(243.9)	(695.1)	(129.6)
Personnel	(640.9)	(388.7)	(989.9)	(69.8)	(399.5)	(75.0)
Capitalized personnel costs	148.3	161.7	253.5	2.4	2.2	40.5
External Services	(818.6)	(554.6)	(1,008.2)	(188.4)	(377.8)	(115.3)
Other Operating Income	326.2	100.6	140.2	12.0	80.0	20.2
LEVIES	(1,314.9)	(260.1)	(479.3)	(5.0)	(6.7)	(6.6)
EBITDA	4,393.7	2,464.9	1,392.7	600.8	1,598.5	297.6

EUR M

Sep-22	Spain	United Kingdom	US	Mexico	Brazil	ROW
Revenues	16,724.6	5,604.7	5,589.1	3,217.8	6,326.9	640.4
Procurements	(12,152.3)	(3,282.8)	(1,843.0)	(2,332.0)	(4,036.9)	(167.5)
GROSS MARGIN	4,572.4	2,321.9	3,746.1	885.8	2,289.9	472.9
NET OPERATING EXPENSES	(955.7)	(641.0)	(1,270.2)	(211.5)	(592.5)	(100.0)
Personnel	(623.2)	(385.2)	(846.0)	(59.3)	(362.2)	(57.0)
Capitalized personnel costs	147.5	152.7	236.5	6.8	2.9	25.4
External Services	(769.3)	(496.6)	(845.4)	(185.7)	(346.2)	(94.4)
Other Operating Income	289.3	88.2	184.8	26.7	113.0	26.0
LEVIES	(632.2)	(172.7)	(478.9)	(4.3)	(5.1)	(38.5)
EBITDA	2,984.5	1,508.2	1,997.1	670.0	1,692.3	334.4

Quarterly results (Unaudited)

	JAN-MAR 2023	APR-JUN 2023	JUL-SEP 2023
Revenues	15,460.6	10,802.6	10,929.8
Procurements	(8,752.1)	(5,387.5)	(5,853.7)
GROSS MARGIN	6,708.5	5,415.1	5,076.1
NET OPERATING EXPENSES	(1,464.8)	(1,440.4)	(1,435.3)
Personnel	(898.8)	(925.2)	(905.6)
Capitalized personnel costs	184.4	223.2	216.9
External Services	(954.2)	(895.9)	(959.2)
Other Operating Income	203.8	157.5	212.6
LEVIES	(1,179.2)	(478.4)	(418.4)
EBITDA	4,064.5	3,496.2	3,222.4
Amortisation and Provisions	(1,326.5)	(1,323.2)	(1,320.5)
EBIT / Operating Profit	2,738.0	2,173.0	1,901.9
Financial Expenses	(1,036.2)	(909.6)	(911.2)
Financial Income	526.1	292.0	373.0
FINANCIAL RESULT	(510.1)	(617.6)	(538.2)
Results of companies consolidated by equity method	3.4	(9.1)	218.3
PBT	2,231.3	1,546.4	1,581.9
Corporate Tax	(591.9)	(423.8)	(296.2)
Minorities	(154.0)	(87.2)	(169.4)
NET PROFIT	1,485.4	1,035.3	1,116.3

	JAN-MAR 2022	APR-JUN 2022	JUL-SEP 2022
Revenues	12,150.0	12,279.9	13,473.3
Procurements	(7,464.6)	(7,096.5)	(8,686.3)
GROSS MARGIN	4,685.4	5,183.4	4,787.1
NET OPERATING EXPENSES	(1,151.3)	(1,340.5)	(1,299.6)
Personnel	(723.4)	(864.3)	(880.6)
Capitalized personnel costs	175.9	200.4	210.9
External Services	(780.7)	(882.3)	(859.6)
Other Operating Income	176.8	205.6	229.6
LEVIES	(583.2)	(350.0)	(402.2)
EBITDA	2,950.9	3,492.9	3,085.2
Amortisation and Provisions	(1,203.9)	(1,317.7)	(1,344.1)
EBIT / Operating Profit	1,747.1	2,175.2	1,741.1
Financial Expenses	(706.1)	(816.6)	(1,307.3)
Financial Income	306.6	300.1	844.2
FINANCIAL RESULT	(399.5)	(516.5)	(463.1)
Results of companies consolidated by equity method	215.8	(54.8)	10.4
PBT	1,563.4	1,603.9	1,288.4
Corporate Tax	(311.5)	(388.3)	(87.7)
Minorities	(193.6)	(198.9)	(172.2)
NET PROFIT	1,058.3	1,016.8	1,028.6

Statement of origin and use of funds (Unaudited)

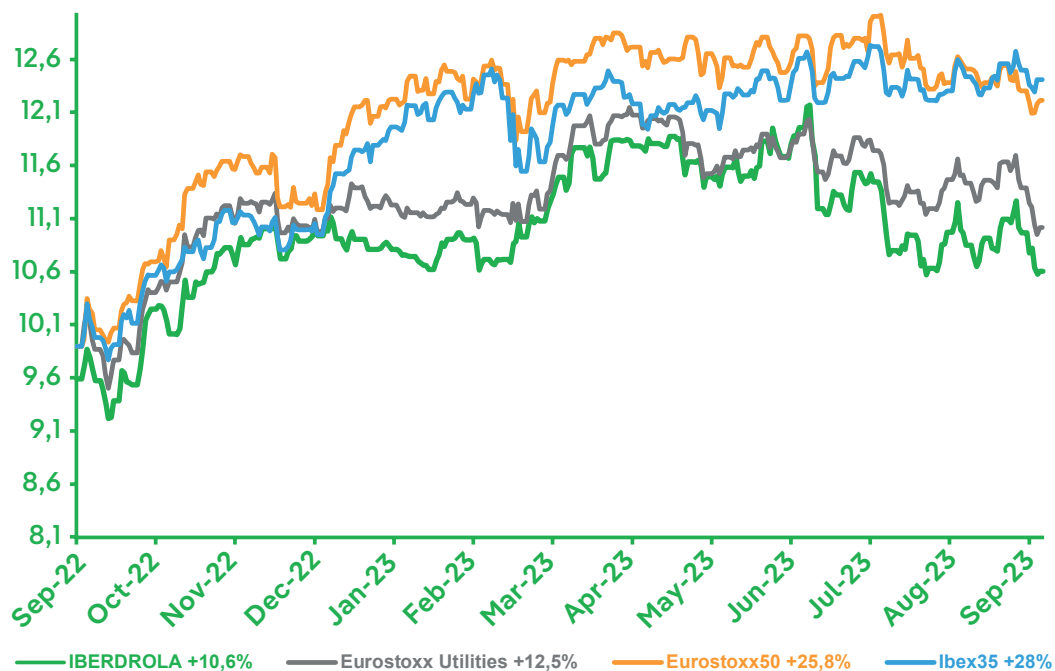
M Eur

	9M 2023	9M 2022	Variation
Net Profit	3,637	3,104	533
Depreciation and amortisation charges and provisions (+)	3,970	3,866	104
Results of companies accounted for using the equity method (-)	-213	-171	-41
Financial revision of provisions (+)	126	88	38
Minority interests (+)	411	565	-154
Adjustment for tax deductible items (+)	53	53	-
Dividends on companies accounted for using the equity method (+)	18	30	-12
Capital grants taken to profit or loss (-)	-63	-64	2
Other adjustments P&L (+)	244	734	-491
FFO	8,183	8,204	-21
Dividends Paid to Iberdrola shareholders	-949	-890	-59
Total Cash Flow allocations:	-10,051	-9,142	-909
<i>Gross Investments</i>	<i>-7,680</i>	<i>-7,567</i>	<i>-113</i>
<i>Treasury stock</i>	<i>-2,371</i>	<i>-1,575</i>	<i>-796</i>
<i>Transactions w/minorities</i>	<i>326</i>	<i>-</i>	<i>326</i>
<i>Translation differences</i>	<i>-642</i>	<i>-2,275</i>	<i>1,633</i>
Other variations	-1,068	-1,071	3
Increasing/Decreasing net debt	-4,201	-5,174	973



Stock Market Evolution

IBERDROLA stock performance vs. Indexes



Iberdrola's share

	9M 2023	9M 2022
Number of outstanding shares	6,350,278,000	6,362,094,000
Price at the end of the period	10.595	9.582
Average price of the period	11.211	10.198
Average daily volume	12,052,470	14,415,775
Maximum volume (21-04-2023 / 22-04-2022)	44,284,813	50,291,361
Minimum (04-09-2023 / 17-05-2022)	3,926,418	5,239,815
Dividends paid (€)	0.5010	0.4490
Gross interim (31-01-2023 / 02-02-2022) (1)	0.1800	0.1700
Complementary dividend (28-07-2023 / 29-07-2022) (1)	0.3160	0.2740
Engagement (03-05-2023 / 20-06-2022)	0.0050	0.0050
Dividend yield (2)	4.72%	4.68%

(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

From January to September 2023, there has been great progress in the processing of the **Fit for 55 legislative package**, which was launched in July 2021. The goal of these proposals is to define targets and tools with a 2030 horizon that are consistent with achieving climate neutrality by 2050. **For most proposals, negotiations** between the European Commission, the Council and the European Parliament have now been concluded, and some have already been published in the Official Journal of the European Union. The negotiation and publication of the remaining files should be completed between the last quarter of 2023 and the first quarter of 2024.

On the other hand, the Commission has developed new proposals in two areas of great importance.

In connection with both previous policies and with the measures adopted in the energy markets regarding the crisis in Ukraine, the Commission has proposed an **adjustment in the electricity market design**. The main objectives of the reform are to: facilitate **forward contracts** for renewable energies and their integration into the market with support through **Contracts for Difference (CfDs)**; increase the **liquidity of forward markets**; promote **flexibility through demand response** and storage investments; and drive **proactive investment in networks**.

The processing of amendments to the market design has been completed by Parliament, but not by the Council. A final agreement is expected **by the end of 2023**.

Finally, among those published in the OJEU in 2023, it is worth highlighting the following European standards:

1. On energy efficiency

- **Directive (EU) 2023/1791 of 13 September 2023** on energy efficiency, which establishes a binding EU target of 2030, for **final energy consumption savings of 21.2% on 2021** (24.3% indicative primary energy consumption) and **encourages electrification..**

2. On mobility

- **Regulation (EU) 2023/1804 of 13 September 2023** on the deployment of alternative fuels infrastructure, which sets **national targets for recharging facilities on roads, in ports and at airports**; it covers electric recharging, hydrogen and LNG.
- **Regulation (EU) 2023/1805 of 13 September 2023** on the use of renewable and low carbon fuels in maritime transport, which **sets limits on specific emissions from ships** departing from, arriving at or moored at European ports (up to 80% between 2020 and 2050) and requires vessels in the port to be connected to the power line.

Regulation in Spain

Order TED/741/2023 of 30 June, which updates the remuneration parameters of standard facilities applicable to certain facilities that generate electricity from renewable energy sources, cogeneration and waste, effective during the regulatory half period starting on 1 January 2023: the values established in Royal Decree Law No 5/2023 have been applied for future prices corresponding to the years 2023 (109.31 EUR/MWh), 2024 (108.86 EUR/MWh), 2025 and later (89.37 EUR/MWh). Virtually all wind power plants shall no longer receive RINV (remuneration for investment) in the period 2023 2025.

Order TED/815/2023 of 18 July, which partially expands on Royal Decree No 36/2023 of 24 January, establishing an energy efficiency certificate system: this develops certain aspects to assist the implementation and operation of the energy efficiency certificate (CAE) system, through which marketers and operators can reduce their economic contribution through energy saving and efficiency measures. There are high requirements to be accredited as a delegated subject, so as to avoid the proliferation of low quality installers.

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 during 2023 and is expected to be enacted ahead of the King's Speech (setting out the Government's new legislative programme) on 7 November. 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 and a possible funding levy for this on gas shippers, (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. In the later legislative stages of the Bill, the Government 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 has maintained a quarterly update cycle for the cap over the last year. Prices paid by customers have been capped by the Government's Energy Price Guarantee (EPG) which will expire at the end of March 2024. The most recent price cap for October to December 2023 reflects Ofgem's decision to amend the EBIT allowance methodology on an ongoing basis and a new allowance for Additional Support Credit (ASC) bad debt which increases the

PPM cap by £9 per customer. Ofgem has committed to Government to find a way of equalising Direct Debit and Prepayment Meter tariffs from April 2024 and is consulting on a levelisation/reconciliation mechanism to achieve this in a way that avoids competitive distortions between suppliers. Ofgem is reviewing bad debt costs incurred since October 2022 to determine whether there is a case for an additional price cap allowance. It is also reviewing wholesale costs incurred by suppliers between October 2022 and September 2023 with a view to determining whether price cap allowances exceeded costs and if so, whether some of this should be subject to a claw-back adjustment. It also launched in May 2023 a review of the operating costs allowance in the price cap.

Contracts for Difference: As part of its programme of annual Contracts for Difference (CfD) auctioning for renewable generation, the Government ran CfD Allocation Round 5 this year with the initial eligibility window running from 30 March to 24 April 2023 and the sealed bid window taking place from 9 to 15 August. This Round was 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 results of the AR5 auction round were announced on 8 September with the award of contracts amounting to 3.7 GW of capacity: with 1.9 GW of solar PV clearing at the administrative strike price (ASP) of £47/MWh and 1.48GW of onshore wind clearing at £52.29/MWh (ASP £53/MWh) in the Pot 1 auction; whilst 53MW of tidal stream cleared at £198/MWh (ASP £202/MWh) and 12MW of geothermal cleared at the ASP of £119/MWh in Pot 2. (All prices in 2012 prices). No fixed bottom or floating offshore wind bid in the Allocation Round. The full monetary budget was used for each Pot. The Government plans to run the next auction (ie CfD Allocation Round 6) in 2024.

Accelerated Transmission Infrastructure: Ofgem decided in December 2022 to launch a new Accelerated Strategic Transmission Investment (ASTI) framework. The framework assesses,

| Regulation

funds and incentivises the accelerated delivery of circa £20 billion of large, strategic onshore transmission projects (GB wide) required to deliver the government's ambition to connect up to 50GW of offshore wind generation to the network by 2030. The aim is to remove regulatory barriers and accelerate delivery of these projects, including provisionally exempting projects from competition models, subject to TOs' ability to meet delivery dates. In August 2023, Ofgem published its decision to modify SPEN's licence conditions in order to introduce the framework.

Grid connections: In response to growing concern over the backlog of project seeking to connect to the grid, the Government appointed Nick Winser in July as the UK's first Electricity Networks Commissioner. His report, published in August 2023 concluded that new power lines can be built in half the time of current timescales, and confirmed that while challenging, speeding up the delivery of strategic electricity transmission lines is "vital and achievable." He put forward a set of 18 recommendations to reduce current timescales for delivering onshore transmission network infrastructure to 7 years to help deliver energy security and net zero more quickly. The recommendations included: quickly establishing the FSO, who should then produce (jointly working with The Crown Estate and Crown Estate Scotland) a Strategic Spatial Energy Plan (SSEP) and assess the scope for new regional flexibility markets; the National Policy Statements (NPS) should be updated urgently and routinely every five years and referred to in the SSEP; reforming the Electricity Act 1989 consenting process in Scotland; and creating guidelines for Community Benefit.

| Regulation in the USA

Offshore Wind Lease Sale: In August, The Biden administration's first ever auction of offshore wind development rights in the Gulf of Mexico ended with a single bid. Germany's RWE won rights to 102,480 acres (41,472 hectares) off Louisiana - the lowest winning bid for a federal offshore wind lease at auction since the Obama administration - while

the other two lease areas on offer off Texas received no bids.

Auxin Solar Investigation Final Determination: In August, the Department of Commerce determined certain Chinese producers are shipping their solar products through Cambodia, Malaysia, Thailand, and/or Vietnam for minor processing in an attempt to avoid paying antidumping and countervailing duties. Five of the eight companies that responded to Commerce's request for information across the four countries, were found to be circumventing duties. The determination is focused largely, but not entirely, on solar wafers coming from China.

Inflation Reduction Act (IRA): In September, the Department of Treasury announced its priorities for Inflation Reduction Act guidance through mid-2024. Treasury plans to issue guidance on hydrogen production tax, regulations on the ITC for subsea cables and onshore substations, and offshore with bonus tax credits for "energy communities" and "domestic content" which sometime before mid-2024.

Maine – Rate Case

On June 6, 2023, the Maine Public Utility Commission approved a Stipulation Agreement for Central Maine Power (CMP) in its entirety. The Stipulation allows 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.

New York – Rate Case

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.

The allowed rate of return on common equity (ROE) for NYSEG Electric, NYSEG Gas, RG&E Electric and

| Regulation

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. We cannot predict the outcome of this matter.

Connecticut - UI

On August 25, 2023, UI received a final decision for a term of one year with new rates commencing on September 1, 2023. CT PURA determined that the appropriate allowed return on equity is 9.10% but reduced the allowed ROE by an aggregate of 47 basis points to 8.63%, subject to certain conditions and timelines, to address performance and management issues. The common equity ratio is 50.00% as requested. The final decision includes 50% earnings sharing for annual earnings in excess of the allowed ROE.

On September 18, 2023, UI filed an appeal at the Superior Court of Connecticut. We cannot predict the outcome of this matter.

| Regulation in Mexico

Efficient cogeneration certificates for three Iberdrola plants

On 20 July 2023, the Energy Regulatory Commission (CRE) granted Iberdrola Cogeneración Altamira, Iberdrola Cogeneración Bajío and Iberdrola Cogeneración Ramos certificates for efficient cogeneration. The corresponding certificates cover a period of two years, in this case 2022 and 2023. The certificate calls for a portion of the energy coming from these plants to be clean energy.

This certification is granted in accordance with the methodology issued in 2011, although this was amended in 2023.

Update of the Santiago Wind Farm

On 15 September 2023, the 105 MW Santiago Wind Farm, located in the municipality of San Felipe Guajaluto, resumed operations. The farm was disconnected from the National Electricity System from November 2022 until operations were resumed on 15 September.

Previously, on 6 June 2023, the CRE had approved the generation permit under the Electricity Industry Act (LIE) and subsequently obtained the interconnection contract and the required environmental permits.

| Regulation in Brazil

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 (MME) 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 four concessions of the five 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.

On 15 September, the MME published Technical Note 19/2023 with updated rules on the renewals of distribution concessions, which favour distributors. The technical note considered the collection of potential economic surpluses and the use of SUDAM/SUDENE tax incentives for social compensation to be inadequate. The next milestone will be the proposal's approval by the Federal Court of Accounts (Tribunal de Contas da União, TCU).

Approval of distribution and transmission rates for the tariff period 2023 2024

On 7 July, ANEEL resolutions 3,217/2023 and 3,218/2023 were published, which concern the transmission system usage rates (TUST) – and also the Itaipu transport rate – and the distribution system usage rates (TUSDg) for the tariff period 2023 2024. On average, the TUSTs for the period were readjusted by 12.9% for the consumption segment and 4.4% for the generation segment. The date of entry into force of the new tariffs was 1 July, and they are valid until 30 June 2024.

Transmission auctions

Dispatch Order No 2,681 was published on 2 August, which saw ANEEL's approval of the draft announcement for the second transport auction in 2023. Scheduled for 15 December, the tender will aim to contract transmission concessions, with facilities located in the states of Goiás, Maranhão, Minas Gerais, São Paulo and Tocantins.

The three lots to be negotiated amount to 4,445 km in new transmission lines and 9,840 MVA of transformation capacity. A record investment of BRL 21.7 trillion is estimated (BRL 18.1 trillion for direct current links and BRL 3.6 million for alternating current systems of 500 kV).

Lot I has been divided into four sub lots to increase competition. The first tender will use envelopes for the entire lot and the breakdown by sub lots. The result will be determined by a combination of the best offers.

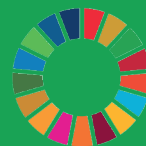
The call will be supervised by the TCU.

On 22 August, the regulatory order “Portaria Normativa nº 67/GM/MME” was published, which establishes the timetable for the conclusion of tenders for the concession of the public service of electricity transmission.

TRANSMISSION AUCTION	PUBLIC SESSION	DEADLINE FOR SIGNING THE CONTRACT TO USE THE TRANSMISSION SYSTEM
H1/2023	June/2023	13°January°2023
H2/2023	December/2023	Not applicable
H1/2024	March/2024	15°September°2023
H2/2024	September/2024	15°March°2024
H1/2025	March/2025	13°September°2024
H2/2025	September/2025	14°March°2025
Santa Luzia	76,997.70	1.45%

Neoenergia Elektro tariff review

On 25 August, ANEEL published resolution No 3,253 on the periodic rate review (*Revisão Tarifária Periódica*) for 2023 of Neoenergia Elektro. The new tariffs came into force on 27 August 2023, with a total average effect for consumers of 7.17%, namely 9.53% for low voltage consumers and 3.15% for high voltage consumers. The tariff component affecting Elektro (relating to energy distribution services – Plot B) was reduced by -1.17%, despite inflation in the period.



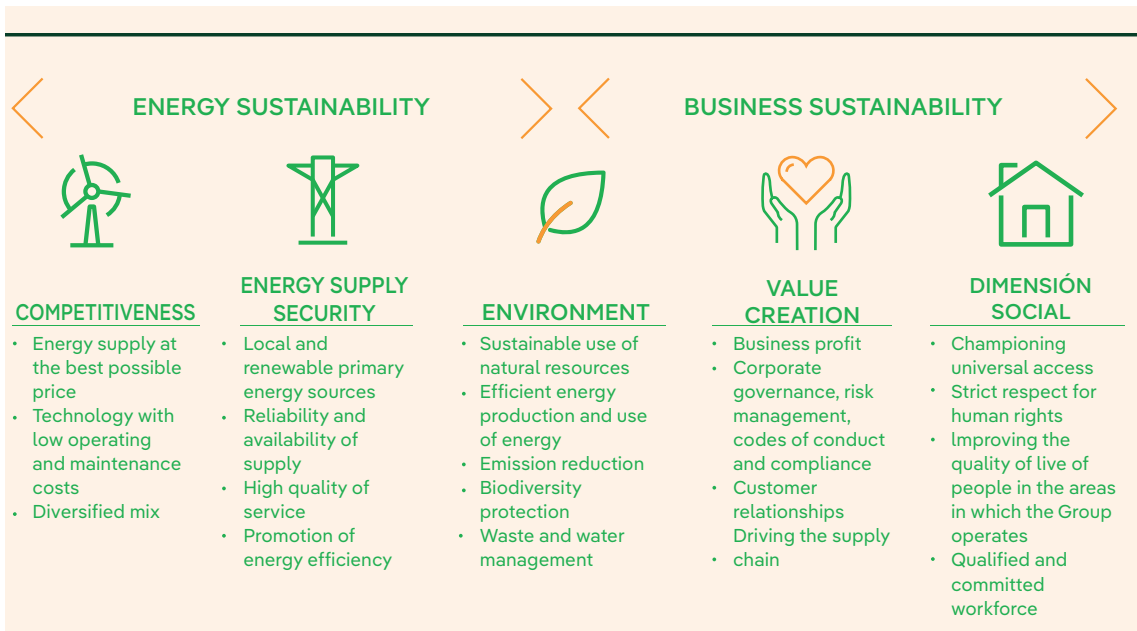
Sustainability Performance - ESG

Sustainability Performance — ESG+F

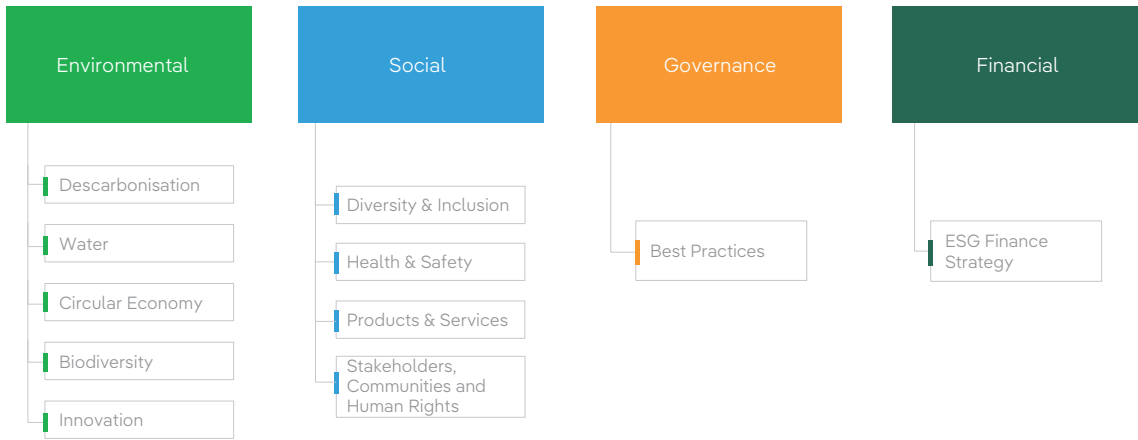
Iberdrola's contribution to sustainable development is reflected in sustainable corporate responsibility policies, procedures and actions that meet the needs and expectations of its stakeholders.





































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

Sustainability Policy:



ESG+F targets: classified in four main blocks



Main ESG initiatives	9 MONTHS 2023	Related SDGs
Decarbonisation	<i>Investment to be made in Norwegian group Kyoto to accelerate industrial decarbonisation</i>	  
New green employment platform	<i>Global Green Employment (GGE)</i>	 
Manufacturing photovoltaic panels	<i>We form an alliance with Austrian company Exiom to lead the manufacture of photovoltaic solar cells in Spain</i>	    
Innovation	<i>Decarbonisation of industrial heat 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>Launch of Carbon2Nature</i>	  
Alliances, training and empowerment	<i>Galán joins the UNICEF Generation Unlimited Council</i>	   
Equality	<i>HerEnergy: initiatives to promote equality</i>	 
Customers: everything you need	<i>Customer service</i>	 
Foundations	<i>Our social commitment</i>	    

1. Sustainability Indicators

Financial indicators	9M 2023	9M 2022
Contribution to GDP (gross margin) (*)	0.59%	0.56%
Contribution to GDP (net revenues) (*)	1.27%	2.03%
Net profit (EUR million)	3,637.0	3,103.6
Dividend yield (%) (**)	4.72%	4.68%
Sustainability indicators	9M 2023	9M 2022
Own CO2 emissions over the period (gCO2/kWh): Global	75	83
CO2 emissions over the period (gCO2/kWh): Europe	50	62
CO2 emissions over the period (gCO2/kWh): Spain	58	72
CO2 emissions over the period (gCO2/kWh): UK	0	0
CO2 emissions over the period (gCO2/kWh): US	45	37
CO2 emissions over the period (gCO2/kWh): Brazil	0	0
Own CO2 emissions over the period (gCO2/kWh): Mexico	299	295
CO2 emissions over the period (gCO2/kWh): RoW	6	10
Ratio of own emission free production to total production: Global (%)	81%	79%
Ratio of emission free production to total production: Europe (%)	88%	86%
Ratio of emission free production to total production: Spain (%)	86%	84%
Ratio of emission free production to total production: UK (%)	100%	100%
Ratio of emission free production to total production: US (%)	89%	91%
Ratio of emission free production to total production: Brazil (%)	100%	100%
Ratio of own emission free production to total production: Mexico (%)	16%	17%
Ratio of emission free production to total production: RoW (%)	99%	98%
Ratio of own emission free installed capacity to total installed capacity: Global (%)	81%	80%
Ratio of emission free installed capacity to total installed capacity: Europe (%)	83%	82%
Ratio of emission free installed capacity to total installed capacity: Spain (%)	80%	79%
Ratio of emission free installed capacity to total installed capacity: UK (%)	100%	100%
Ratio of emission free installed capacity to total installed capacity: US (%)	91%	91%
Ratio of emission free installed capacity to total installed capacity: Brazil (%)	88%	89%
Ratio of own emission free installed capacity to total installed capacity: Mexico (%)	30%	30%
Ratio of emission free installed capacity to total installed capacity: RoW (%)	93%	91%

Note: Third party installed capacity and production are not included.

(*) Source: Iberdrola Results and Quarterly National Accounts of Spain – INE (Base 2010. Last data published in Q2 2023).

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

E Environmental

Fight against climate change

Construction of the first solar and wind hybrid plant in Spain is complete

Iberdrola has finished construction of Spain's first hybrid wind and solar photovoltaic plant, located in Burgos. This 74 megawatt (MW) photovoltaic installation has more than 120,000 modules and is located in the municipalities of Revilla Vallejera, Villamediana and Vallejera to create the first hybrid complex alongside the existing 69 MW BaCa (Ballestas and Casetona) wind farm complex. The company has allocated more than EUR 40 million to this project, reinforcing the company's innovative, renewable leadership in Spain. Communities are beginning to emerge as a guarantee of the future, with numerous initiatives underpinned by 'green' principles that boost activity and populations.

Avangrid completes its first US offshore substation

Avangrid has finished installing its largest offshore substation. The plant will serve the Vineyard Wind I offshore wind farm, the first large scale farm in the United States, currently under construction off the coast of Massachusetts. The facility – the largest of its kind that the Iberdrola group has installed anywhere in the world – will capture the energy generated by 62 wind turbines, which will supply energy to 400,000 homes and companies across Massachusetts.

Germany: Masdar partners with Iberdrola to co invest in the Baltic Eagle farm

Masdar, a renewables group from the Emirate of Abu Dhabi, has signed a **strategic agreement** with Iberdrola **to co invest in the German offshore wind farm Baltic Eagle** with a capacity of 476 MW, located in the Baltic Sea. Iberdrola will have a 51% majority share and will thus accelerate energy independence in Europe. The company has doubled

down on its commitment as a leader in offshore wind with 3,000 MW in projects under construction or secured, with zero cost to the seabed.

Iberdrola Australia hits a new milestone by powering up the Flyers Creek wind farm substation

Iberdrola Australia has successfully powered up the Flyers Creek wind farm substation, which will have an installed capacity of 145 megawatts (MW). Located near the city of Orange, in the Mid Western region of New South Wales and around 250 km west of Sydney, **the farm will generate enough electricity to power 80,000** Australian households for a whole year.

Iberdrola commissions the Askio II and Rokani wind farms in Greece

Iberdrola has put the **Askio II 37.8 MW wind farm** into operation in Greece. Located in the provinces of Kozani and Eordaia, in the Greek region of West Macedonia, this farm joins the **Askio III 50.4 MW project**, which is fully operational. Total investment in both projects amounted to almost EUR 100 million. Meanwhile, the company has also commissioned the **Rokani 18 MW wind farm**, located in central Greece's Viotia region.

Poland: Iberdrola closes on the acquisition of two onshore wind farms

Iberdrola takes another step forward in its international expansion. The company **has closed on the acquisition of two onshore wind farms in Poland** owned by Greenvolt Power, a subsidiary of the Greenvolt Group. The projects are expected to enter into operation in the second half of the year, with a **total capacity of 50 MW** and generating enough energy to power **50,000 Polish households for a year**.

Circular economy

Aluminium recycling: Iberdrola becomes a key shareholder of Latem Aluminium with a 20% stake, and will collaborate with Latem on a pioneering large scale aluminium recycling project. This investment is

channelled through Iberdrola's startup programme, Perseo. Both companies will also work together in decarbonising recycled aluminium production through renewable electricity and green hydrogen.

Promoting beekeeping in photovoltaic plants across Portugal

Within the framework of **Iberdrola's Environmental Plan to promote and preserve biodiversity and boost the circular economy**, Iberdrola has installed 30 hives distributed equally between the Conde and Algeruz II photovoltaic plants, located in the Portugal's Setúbal district. As well as producing honey, **bees act as pollinators within at least a 1 km radius around their hives**. What's more, **landscape integration projects at photovoltaic plants** are under way and will involve the cultivation of specific aromatic species (melliferous) to yield higher quality honey and to achieve full symbiosis between beekeeping activities and generating clean energy.

Biodiversity

Carbon2Nature launched to reduce our carbon footprint through nature based solutions

The goal is to develop projects with high impact, nature based solutions that reduce the global carbon footprint, improve biodiversity and promote a sustainable economy. The company was created out of the utility's firm belief that **investing in nature is key to taking action against the climate and biodiversity crisis**, while at the same time acting as a formula for sustainable value creation and profitability.

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

The **Flexener** project is an initiative led by Iberdrola that seeks to promote a fully decarbonised electrical grid across Spain, providing solutions for the effective, flexible and secure integration of **renewable energy technologies** in the Spanish electricity grid, as well as the necessary investments in networks to achieve an efficient energy transition. The project has a budget of EUR 7.7 million and is part of the

'Misiones' programme promoted by the Centre for the Development of Industrial Technology (CDTI), under the Ministry of Science and Innovation.

Across Europe, Iberdrola is involved in the OneNET project (**One Network for Europe**), the scope of which is to create a **fully replicable and scalable architecture** enabling **the entire European electricity grid to function as a grid where markets allow stakeholder participation regardless of their physical location**, at all levels, from small consumers to large producers.

S Social

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 two years of experience, those selected undergo a two year training plan, which includes rotations by area and business and at least one international assignment of six months in one of the group's headquarters around the world.

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 this a reality.

Training

Over 500 alumnae trained at the School for Electricians join Neoenergia

This year, Neoenergia has hired 525 women trained at the School for Electricians, proof of its commitment to promoting equality. These former

alumnae are now professional technicians and have joined the workforce at some of the company's five distributors. Neoenergia stands out from the crowd as the first energy company in Brazil to offer free vocational training, with two classrooms dedicated exclusively to female students and mixed classes with a quota where at least 35% of places are allocated to women. So far this year, 795 students have completed the course and 66% are now working for the company.

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.

Diversity and inclusion

- **HerEnergy launch:** a new global initiative aimed at making women's managerial talent more visible, boosting their development and expanding their strategic vision by having them take the lead on projects that impact the various businesses.
- **ScottishPower:** the employee network *Connected Women*, which focuses on promoting women's growth within ScottishPower, has brought together over 260 employees to hold its first conference to discuss challenges and opportunities in promoting diversity and inclusion. The event was attended by the organisation's managers, highlighting its existing commitment and sharing how the issue is being addressed from business perspectives.
- **Women on the Rise award:** two **Avangrid** executives, Kyra Patterson and Camila Souza, have been recognised by the organisation **Paradigm for Parity**, highlighting their work and careers as women committed to breaking down barriers in business

leadership and showing the value of gender parity and racial equality in the workplace.

- **Neoenergia débuts with IDIVERSA:** the first Diversity Index brought to market by B3, the provider of the Brazilian stock markets. It focuses on race and gender and highlights listed companies that stand out thanks to their strategic plans and investments to increase workforce diversity in this regard.
- **Iberdrola Mexico:** the company held its second Diversity, Equity and Inclusion Week, where it presented its new Decalogue of Commitments for 2025. Objectives have been signed by the company's management team to expedite improvements in this regard.

Corporate volunteering

- This quarter saw the continuation of training and employability enhancement projects for disadvantaged groups, including young people at risk of exclusion, refugees, women who are victims of gender violence and/or at risk of severe exclusion. Furthermore, new projects to help disadvantaged young people to integrate into the labour market have been developed under the **framework of the Iberdrola and UNICEF alliance**.
- In response to the emergency in **Morocco** following the earthquake, a crowdfunding campaign was launched through the collective cooperation platform for Iberdrola Group employees, in collaboration with the Red Cross, so that employees could donate to help support people affected by the earthquake.
- Over **700 kg of humanitarian supplies** were collected, including food donations, warm clothing, especially for women and children, shelter materials, blankets and quilts. The supplies were shipped to Morocco in the convoy chartered by the ONCE Foundation in **collaboration with the Spanish Army**.
- We remain "Builders of the Future" with **Children's Villages** and we continue to deve-

lop initiatives to support children, such as this summer's initiative involving canoeing and environmental games with children from the village of Cuenca.

- For **International Plastic Bag Free Day**, biological oceanographer Andrés Cózar gave a talk on the journey to discover and map marine plastic pollution, what "plastic islands" look like, how they move and how they evolve. Recycling and environmental education workshops were also held.
- The project with the **Envera Group's Training and Employment Integration Service** is still under way: volunteers and people with disabilities have created a waste collection centre in the "Dis friendly Classroom", and the second phase has now commenced, whereby workshops are held on the environment, renewable energy, approaches to the economy and green jobs.

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** awarded.
- **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 workshop 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.

- Signing of an agreement for the **lighting around the quadruple lock** on the Canal de Castilla in Frómista.
- Inauguration of the **travelling exhibition "Museorum"** in Castilla La Mancha (CLM). The exhibition aims to bring 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 Boil Family Sepulchre** 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 ospreys into the Comunitat Valenciana.
- Presentation of the 2022 **Restoration Programme** with the Bilbao **Fine Arts Museum**.
- Unveiling of the **lighting** inside the **Colegio de Monforte de Lemos church**.
- Unveiling of the ornamental **lighting** on Guadalajara's **Arab Bridge**.
- **Travelling exhibition "El Prado en las Calles" (El Prado in the Streets)** in Extremadura and its debut in Andalucía.
- Agreement signed to **restore the courtyard of the Palacio de Polentinos**, home to the Archivo General Militar (General Military Archive), in Ávila.
- Inauguration of the **Sorolla x Manuel Vicent exhibition** at the Sorolla Museum.
- Second **meeting with social entities** at the Iberdrola facilities: sharing all the social projects supported by the Iberdrola Foundation Spain and creating 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.
- Call opened for **Programa Social 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 by creating content that is 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)** to fund five scholarships. This agreement seeks to help young graduates or professionals to develop so that they can have a positive impact on the educational system.
- **Diplomas for summer language immersion camps** in Villarino awarded to 40 students in compulsory secondary education.
- Inauguration of the exhibition "**El Prado en las Calles**" (**El Prado in the Streets**) in Sevilla.
- Inauguration of **reforestation in the Noia Air Surveillance Squadron – Plan Bosque Defensa Iberdrola** (Iberdrola Forest Defence Plan).
- Inauguration of the **lighting for Capitanía General** in Sevilla.
- **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, which 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.
- **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.

ScottishPower Foundation in the UK:

- **SMEATON 300 designing Smeaton Park**: a project that will inspire children and young people to develop innovative solutions to real life challenges.

- **The Aspire Independent Living Service:** supporting people with spinal cord injuries, from their very first days in 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 and 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 food going to waste.

Avangrid Foundation in the United States:

- **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 inventor/entrepreneur 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):** fifth year of a national priority partnership to support affordable housing ownership and neighbourhood rehabilitation in several communities where Avangrid operates.
- **Community Free Day:** hundreds of thousands of people across all ages have experienced the canal and river aboard CHN's Sam Patch, a replica packet boat docked in historic Pittsford, New York. With the aim of teaching history, culture, "STEAM" fields and the importance of the natural environment in an engaging, fun and convincing way.
- **Avangrid Foundation/Central Maine Power Lineworker Technology Programme Scholarships:** technology programme scholarships are intended for qualified students enrolled in the line worker technology programme or for students looking to specialise in the Department of Trade and Technology.
- **Horizons Bridgeport:** a network of free, high quality, immersive and extracurricular academic and enrichment programmes that support underprivileged youth in Bridgeport, Connecticut, throughout their academic careers.

- **Overnight excursions for Veterans:** VAST offers free outdoor activities all year round for veterans with physical disabilities.

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 Drive):** 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 1,000 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 were given access to electricity in four municipalities of the Huasteca Potosina region.
- **“Construir para Educar” (Build to Educate):** rebuilding schools struck by the earthquakes in Oaxaca. Two schools are currently under reconstruction.

- **“Brigadas Urológicas” (Urology Brigades) in the south and south east 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 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 they can be self sufficient in the future.
- **Road rehabilitation:** developing infrastructure by implementing the road repair and reconstruction project in the section known as the “Y junction” in the town of La Ceiba.
- **“Proyecto Comunicación” (Project Communication):** promoting culture, caring for the environment and using renewable energies to generate the electricity required from bicycle pedalling to project Mexican family films in rural communities 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 Brasil:** conservation of endangered wader bird species in Brazil.
- **“Proyecto Coralizar” (Coralise Project):** in cooperation with WWF Brazil, this project raises awareness while developing ways to restore co-

ral. The underlying aim is to conserve and shine a spotlight on this reef ecosystem in the Costa dos Corais environmental protection area.

- **“Impacto 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, the Neoenergia Institute has developed the “Mulheres Inspiradoras” initiative. This 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 the São Paulo state.
- **Caravana Energia que transforma (Caravan Energy that transforms):** promoting 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.
- **Programa de Iluminação Cultural (Cultural Illumination Programme):** illumination of the Senhora Santana church (Bahia).
- **Conectar Cultural (Cultural Connection):** supporting traditional Brazilian cultural organisations recognised at the federal, state and municipal level, whose projects are often not registered 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 work to care for minors in order to expand and strengthen social inclusion and comprehensive development processes.
- **“Mentes Brilhantes” (Brilliant Minds):** a project promoted through the São Paulo Sports Incentive Act that works with children and teenagers to develop socio emotional skills by practising Tai Chi Chuan.
- **“Educando pelo Esporte” (Educating through Sport):** a project promoted through the São Paulo Sports Incentive Act to develop socio emotional skills by practising sports.
- **Grupo de Institutos y Fundaciones Empresariales (Group of Institutes and Corporate Foundations, GIFE):** participation in the association of social investors in Brazil, a network of differentiated relationships, with space for expression, dialogue and the 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.

During this period there have been no significant updates to the Governance and Sustainability System. Please consult the brochures for the first and second quarter to find out about any new developments during each period of the year in this regard.

All documents that comprise the Governance and Sustainability System are published (in their full or summarised version) in Spanish as well as English on the corporate website (www.iberdrola.com), which also offers the option of downloading them onto an e book reader or any other mobile device.

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

Highlights during the third quarter of 2023 were as follows:

- On **3 July 2023**, Iberdrola informed the Spanish Stock Market Commission ("CNMV") of the implementation of the share capital reduction by means of the redemption of treasury stock approved by the General Shareholders' Meeting of 28 April 2023. The purpose of this operation is to contribute to the Company's *Shareholder Remuneration Policy*, and therefore it has not involved the refund of contributions because the Company is the holder of the redeemed shares. Subsequently, on **6 July**, the Company informed the CNMV of the registration of the public instrument to reduce share capital, as well as the total number of voting rights and the resulting capital.
- On **4 July 2023**, it was reported that "Iberdrola Finanzas, S.A." (Sociedad Unipersonal) closed a green bond issue on the Euromarket, with the Company's guarantee, for a total amount of EUR

850 million and as part of the Iberdrola medium term bond issuance programme.

- On **5 July 2023**, the Company sent the CNMV the addendum to the prospectus pertaining to the first round of the "Iberdrola Retribución Flexible" optional dividend scheme of the 2023 financial year, related to the communication of 20 June 2023 on the terms and conditions of said operation, which had been approved by the General Shareholders' Meeting of 28 April 2023. Subsequently, on **27 July 2023**, the closure was reported of the first scrip issue and the supplementary payment of the dividend corresponding to the 2023 financial year, both within the framework of the aforementioned optional dividend scheme.

According to the information sent to the CNMV on **1 August 2023**, the resulting share capital amounts to EUR 4,762,708,500.00 and is represented by 6,350,278,000 ordinary shares each with a nominal value of EUR 0.75, fully subscribed and paid up, which confer a total of 6,350,278,000 voting rights (one for each share).

- On **13 July 2023**, Iberdrola informed the CNMV of the date of the presentation of the first half results for the 2023 financial year.
- On **14 July 2023**, the Company submitted its energy production figures for the first half of the 2023 financial year.
- On **26 July 2023**, the Company informed the CNMV that Iberdrola Renovables Deutschland GmbH, an indirect subsidiary of Iberdrola Energia Internacional, S.A. (Sociedad Unipersonal), signed an agreement for the sale of a 49% stake in the share capital of Baltic Eagle GmbH, the holding company of the Baltic Eagle offshore wind farm in Germany, to Masdar Baltic Eagle Germany GmbH.
- On **27 July 2021**, the Company published the results and the presentation of first half results for the 2023 financial year.

Finally, on **28 July 2023**, the financial information for the first half of 2023 was sent to the CNMV.

Notifications sent to the CNMV from June to August 2023

Date	Event	Registration n°
03/07/2023	Completion of the reduction in share capital through the redemption of treasury stock, as approved by the General Shareholders' Meeting of 28 April 2023, under point 12 on the agenda.	23390
04/07/2023	Issue by "Iberdrola Finanzas, S.A." (Sociedad Unipersonal) of green bonds on the Euromarket, for a total amount of EUR 850 million.	23437
05/07/2023	Addendum to the prospectus pertaining to the first round of the "Iberdrola Retribución Flexible" optional dividend scheme of the 2023 financial year.	23447
06/07/2023	Registration of the public instrument to reduce share capital through the redemption of treasury shares, as approved by the General Shareholders' Meeting of 28 April 2023, under point 12 on the agenda.	23461
06/07/2023	Total number of voting rights and the resulting capital from the implementation of the share capital reduction, approved by the General Shareholders' Meeting of 28 April 2023.	23464
13/07/2023	Announcement of the presentation of the first half results of 2023.	23568
14/07/2023	Energy production, first half 2023.	23607
26/07/2023	Sale of a 49% minority stake in the share capital of the holder of the Baltic Eagle offshore wind farm.	23790
26/07/2023	Correction of a mistake in the English version of the communication regarding the sale of a 49% minority stake in the share capital of the holder of the Baltic Eagle offshore wind farm.	23811
27/07/2023	End of the first round of the "Iberdrola Retribución Flexible" optional dividend scheme of the 2023 financial year.	23840
27/07/2023	First half results of 2023.	23857
27/07/2023	Presentation of the first half results of 2023.	23859
28/07/2023	The Company submits financial information for the first half of 2023.	23991
01/08/2023	Total number of voting rights and the resulting share capital from the implementation of the first scrip issue, approved by the General Shareholders' Meeting of 28 April 2023 to implement the "Iberdrola Retribución Flexible" optional dividend scheme.	24037

F Financial

- Iberdrola has **issued green bonds totalling EUR 850 million**, with strong investor support. Green bonds tend to generate higher demand and lower cost, as the interest of regular investors is matched by that of sustainable investors. Most of the operation (87%) has been placed with ESG investors, meaning that Iberdrola continues to strengthen the confidence of its investment base and expand demand, which improves the execution of these operations when markets face difficulties. The funds obtained will be allocated to Eligible Green Assets, as defined in the Iberdrola Green Financing Framework.
- The company has also signed a **new green loan** guaranteed for EUR 500 million with Citi and Eksfin to bolster its liquidity position, which is partially guaranteed by the Norwegian Export Credit Agency.
- Finally, Neoenergia signs its first bilateral green loan with Japanese bank MUFG. The **loan amounts to BRL 150 million** (around EUR 28 million) to improve the distribution network in Neoenergia Brasilia's concession area, serving around **1.1 million customers in the Federal District**. Resources will be allocated to projects aligned with ESG principles.

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

Contents	Rating/Ranking
Dow Jones Sustainability World Index 2022	Chosen in the utilities sector. Selected 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	Selected in all editions
V.E Euronext Vigeo indexes: World 120, Europe 120 and Eurozone 100 ESG	Iberdrola selected
EcoVadis	Gold medal. Iberdrola among the best performing companies
2023 World's Most Ethical Company	Iberdrola selected. Sole Spanish utility
ECPI	Iberdrola selected in several sustainability indices
STOXX	Iberdrola selected in STOXX Global ESG Leaders and in several sustainability indices
InfluenceMap	Iberdrola is one of the companies with the best performance
Standard 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 most influential utilities in 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

- Avangrid once again ranks in the FTSE4Good index for the sixth year in a row**

The market once again recognises the Iberdrola Group's strong environmental, social and corporate governance (ESG) criteria. For the sixth year in a row, Avangrid has ranked in the FTSE4Good

index. This benchmark is designed to measure the performance of companies demonstrating strong ESG practices. Avangrid takes a top spot in the ranking, outranking its competitors that provide public services, which are evaluated by the index's creator, FTSE Russell.

- **World's best utility in disclosing ESG information**

Iberdrola is considered the best utility in the world when it comes to disclosing ESG information, and is the top company in Europe, according to the world ranking of the League of American Communications Professionals (LACP). What's more, our president's letter, which accompanies the report, has been awarded the distinction of Best Shareholder Letter Worldwide. The digital space 'Integrated Annual Report and ESG Information 2022' won the Platinum award.

- **Financial Times award for Best Pro Bono Legal and Fiscal Project**

Iberdrola has received an award from the **FT Innovative Lawyers Awards'** Responsible Business category for its Pro Bono project, and is the first Spanish company to do so. These awards analyse the innovative landscape of the legal sector in Europe, rating the most disruptive projects carried out by major law firms and in house counsel of Europe's leading companies.

- **Awarded best regulated utility in the EMEA**

Iberdrola has been recognised as the best regulated utility in the EMEA (Europe, Middle East and Africa) region, according to the prestigious financial information group Citywire, which has specialised in measuring portfolio managers' performance for more than 20 years. Electricity is part of the "Elite group", which brings together leading companies spanning 42 sectors. Iberdrola received this award as voted for by fund managers who have achieved greater returns through their portfolios.

- **Hailed as a leader for its commitment and inclusion of people with disabilities**

Iberdrola has been hailed a leader in the highest category of an evaluation carried out by sustainable fund manager La Financière Responsable (LFR). This evaluation determines whether the company fulfils the seven pillars evaluated: representativeness, employment policy (welcome, inclusion and professional development); workplace adaptation; recruitment and integration

practices; retention; specific initiatives or support for inclusion programmes and investments targeted towards minority groups.

- **The Consejo Superior de Deportes (Supreme Sports Council) awards the Gold Plaque for Sporting Merit**

The Supreme Sports Council (CSD) has awarded Iberdrola the Gold Plaque of the Royal Order of Sporting Merit for its unwavering commitment to sport, embodied in recent years by encouraging women to take part in order to promote equality. This is the highest distinction granted for sport in Spain.

- **Distributors in Brazil, recognised as the best in the country**

Iberdrola, through Neoenergia Cosern, a distributor belonging to its Brazilian subsidiary Neoenergia, Iberdrola was recognised as the **best distributor in Brazil when it receives the National Abradee Award 2023** from the Brazilian Association of Electricity Distributors (Abradee – *Associação Brasileira de Distribuidores de Eletricidade*). The accolade represents the highest recognition of the sector in Brazil.

- **Neoenergia wins the Transparency Trophy 2023 for the third year in a row**

The Brazilian subsidiary has been awarded the Transparency Trophy 2023, awarded by the **National Association of Finance, Administration and Accounting Executives (ANEFAC)**. This is the third year in a row that the company has received the award. The accolade ranks Neoenergia among the 10 companies with net revenues exceeding BRL 20,000 million, which provide high quality transparent financial information to the market, are consistent with their management report and comply with accounting principles.



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/20125/3552388/alternative-performance-measures-239M.pdf>

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