

Santiago Martínez Garrido

General secretary and secretary of the Board of Directors

Bilbao, 26 October 2023

To the National Securities Market Commission

Other relevant information

Terms and conditions of the second edition of the “Iberdrola Retribución Flexible” optional dividend system corresponding to the fiscal year 2023

Pursuant to article 227 of Act 6/2023, of March 17, of the *Securities Markets and Investment Services (Ley 6/2023, de 17 de marzo, de los Mercados de Valores y de los Servicios de Inversión)*, and related provisions, we hereby inform you that the Board of Directors of “Iberdrola, S.A.” (the “**Company**”) resolved on 24 October 2023, to carry out the second edition of the “*Iberdrola Retribución Flexible*” optional dividend system corresponding to the fiscal year 2023.

For such purposes, the Board of Directors of the Company resolved: (a) to carry out the second paid-up capital increase approved by the shareholders acting at the General Shareholders’ Meeting of the Company held on first call on 28 April 2023 under item 11 of its agenda (the “**Capital Increase**”) and pursuant to the section titled «*Common terms and conditions of the dividend payment and increase in share capital resolutions proposed under items 9, 10 and 11 on the agenda, pursuant to which the “Iberdrola Retribución Flexible” optional dividend system is implemented*»; and (b) the payment of an interim dividend corresponding to the fiscal year 2023, subject, in any event, to the fulfilment of the requirements set out in article 277 of the *Spanish Companies Act –Ley de Sociedades de Capital–* (the “**Interim Dividend**”). The Company is expected to attest the fulfilment of these requirements during December 2023, and this will be published by means of a notice of other significant information (*comunicación de otra información relevante*).

As is customary, in this edition of the “*Iberdrola Retribución Flexible*” optional dividend system, the Company’s shareholders will be entitled to choose between the following options (jointly, the “**Flexible Remuneration Options**”):

- (i) receive their remuneration through the delivery of new fully paid-up shares;
- (ii) transfer all or a part of their free allocation rights in the market; or
- (iii) receive their remuneration in cash by means of the Interim Dividend.

Likewise, the shareholders of the Company will be able to combine any of the Flexible Remuneration Options with respect to different groups of shares owned by each shareholder.

The value of the remuneration that the shareholders will receive from the Company under the Flexible Remuneration Options referred to under (i) and (iii) above will be equivalent (in terms of market value and notwithstanding the tax treatment applicable to each of them).

In the event that, within the time limit provided for this purpose, the shareholders or the entities in which they have deposited their free allocation rights do not communicate the alternative(s) chosen for their different groups of

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shares from among the Flexible Remuneration Options, the alternative referred to in (i) above will be assigned by default.

The Company estimates that the gross amount of the Interim Dividend per share will be, at least, 0.200 euros.

If the requirements set out in article 277 of the *Spanish Companies Act* for the payment of the Interim Dividend are not fulfilled, the conditional approval of such payment would therefore be ineffective. In such a case and in order to guarantee that the shareholders of the Company will be entitled to receive in cash –in part or in full– their remuneration, the Company would undertake the irrevocable commitment to acquire the free allocation rights resulting from the Capital Increase at a fixed guaranteed price (the “**Purchase Commitment**” and the “**Fixed Purchase Price**”, respectively).

Thus, the shareholders of the Company would be able to monetize their free allocation rights by transferring them to the Company at the Fixed Purchase Price receiving, in such a way, a cash amount equivalent to the one that would have been paid by the Company as Interim Dividend. In that case, the shareholders of the Company would only be entitled to choose between (i) receiving their remuneration as completely paid-up new shares of the Company; (ii) transferring all or part of their free allocation rights in the market; or (iii) transferring all or part of their free allocation rights to the Company at the Fixed Purchase Price pursuant to the Purchase Commitment. In this case, the Company’s Board of Directors, during December 2023, would determine the terms and conditions under which the Company would assume the Purchase Commitment. If the Company verifies that the requirements set out in article 277 of the *Spanish Companies Act* for the payment of the Interim Dividend are not fulfilled, it will inform the market about that circumstance through a notice of other significant information (*comunicación de otra información relevante*).

For the purposes of article 1.5.(g) of *Regulation (EU) 2017/1129 of the European Parliament and of the Council, of 14 June 2017, on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC*, we provide you, enclosed hereto as **Annex 1**, with the information memorandum (*documento informativo*) regarding the implementation of this edition of the “*Iberdrola Retribución Flexible*” optional dividend system that was approved on 24 October 2023, by the Board of Directors of the Company.

This information is provided to you for the appropriate purposes.

General secretary and secretary of the Board of Directors

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### IMPORTANT INFORMATION

This communication does not constitute an offer to purchase, sell or exchange or the solicitation of an offer to purchase, sell or exchange any securities. The shares of "Iberdrola, S.A." may not be offered or sold in the United States of America except pursuant to an effective registration statement under the Securities Act or pursuant to a valid exemption from registration.

This communication contains forward-looking information and statements about "Iberdrola, S.A.", including financial projections and estimates and their underlying assumptions, statements regarding plans, objectives and expectations with respect to future operations, capital expenditures, synergies, products and services, and statements regarding future performance. Forward-looking statements are statements that are not historical facts and are generally identified by the words "expects", "anticipates", "believes", "intends", "estimates" and similar expressions.

Although "Iberdrola, S.A." believes that the expectations reflected in such forward-looking statements are reasonable, investors and holders of "Iberdrola, S.A." securities are cautioned that forward-looking information and statements are subject to various risks and uncertainties, many of which are difficult to predict and generally beyond the control of "Iberdrola, S.A.", that could cause actual results and developments to differ materially from those expressed in, or implied or projected by, the forward-looking information and statements. These risks and uncertainties include those discussed or identified in the public documents sent by "Iberdrola, S.A." to the *Comisión Nacional del Mercado de Valores*.

Forward-looking statements are not guarantees of future performance. They have not been reviewed by the auditors of "Iberdrola, S.A.". You are cautioned not to place undue reliance on the forward-looking statements, which speak only as of the date they were made. All oral or written forward-looking statements hereby made or otherwise attributable to "Iberdrola, S.A." or any of its members, directors, officers, employees or any persons acting on its behalf are expressly qualified on its entirety by the cautionary statement above. All the forward-looking statements included herein are based on information available to "Iberdrola, S.A." on the date hereof. Except as required by applicable law, "Iberdrola, S.A." does not undertake any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

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**Annex 1**

**Information memorandum regarding the terms and conditions of the second edition of the “Iberdrola Retribución Flexible” optional dividend system corresponding to the fiscal year 2023**

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**INFORMATION MEMORANDUM REGARDING THE TERMS AND CONDITIONS OF THE SECOND EDITION OF THE “IBERDROLA RETRIBUCIÓN FLEXIBLE” OPTIONAL DIVIDEND SYSTEM CORRESPONDING TO THE FISCAL YEAR 2023**

**1. PURPOSE**

**1.1. Background**

At the General Shareholders’ Meeting of “Iberdrola, S.A.” (hereinafter, the “**Company**”) held on first call on 28 April 2023 (the “**General Shareholders’ Meeting**”), the shareholders approved, under item 11 on the agenda and under the section titled «*Common terms and conditions of the dividend payment and increase in share capital resolutions proposed under items 9, 10 and 11 on the agenda, pursuant to which the “Iberdrola Retribución Flexible” optional dividend system is implemented*» (the “**Capital Increase Resolution**” and the “**Common Terms**”, respectively), a wholly paid-up share capital increase with a charge to the reserves contemplated in article 303.1 of the *Spanish Companies Act (Ley de Sociedades de Capital)*, which restated text was approved by the *Royal Legislative Decree 1/2010, of July 2 (Real Decreto Legislativo 1/2010, de 2 de julio, por el que se aprueba el texto refundido de la Ley de Sociedades de Capital)* (the “**Spanish Companies Act**”), by means of the issuance of ordinary shares for the free allocation thereof to the shareholders of the Company (the “**Capital Increase**”).

Pursuant to the terms of the Capital Increase Resolution, the maximum market value of reference of the Capital Increase would be 1,500 million euros and it could be implemented within one year following approval thereof.

Likewise, by means of the Capital Increase Resolution, the following powers were delegated in favour of the Board of Directors, with express substitution powers and in accordance with article 297.1.a) of the *Spanish Companies Act*: (i) to determine the date on which the Capital Increase should take place, within one year following the approval of the Capital Increase Resolution, and agree on the timetable for the implementation of the Capital Increase; (ii) to determine the reserves, among those included in the Capital Increase Resolution, with a charge to which the implementation of the Capital Increase will be carried out; and (iii) to establish the conditions of the Capital Increase in all matters not provided for in the Capital Increase Resolution.

The Capital Increase was approved in order to implement the second edition of the “*Iberdrola Retribución Flexible*” optional dividend system of 2023. Under this system, and in the context of this edition, the shareholders of the Company may choose between the following options (jointly, the “**Flexible Remuneration Options**”):

- (i) to receive their remuneration through the delivery of new fully paid-up shares;
- (ii) to transfer all or a part of their free allocation rights in the market; or
- (iii) to receive their remuneration in cash by means of the payment of an interim dividend corresponding to the fiscal year 2023 (the “**Interim Dividend**”).

The value of the remuneration that the shareholders will receive from the Company under the Flexible Remuneration Options referred to in (i) and (iii) above will be equivalent (in terms of market value and notwithstanding the tax treatment applicable to each of them).

In the event that, within the time limit provided for this purpose, the shareholders or the entities in which they have deposited their free allocation rights do not communicate the alternative(s) chosen for their different groups of shares from among the Flexible Remuneration Options, the alternative referred to in (i) above will be assigned by default.

This second edition of the “*Iberdrola Retribución Flexible*” optional dividend system of 2023 will be carried out through two different legal instruments (the implementation of the Capital Increase Resolution and the payment of the Interim Dividend, respectively), which does not imply, that these are separate transactions. On the contrary, they are deemed integrated transactions under this new edition of the remuneration system. The execution of both resolutions was approved on 24 October 2023, by the Board of Directors. Notwithstanding, the payment of the Interim Dividend is conditioned to the Company attesting compliance of the requirements set out in article 277 of the *Spanish Companies Act*.

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The election of one of the Flexible Remuneration Options automatically excludes the right to choose any of the remaining ones in relation to the same shares (for the avoidance of doubt, if a shareholder chooses one of the Flexible Remuneration Options for some but not all of its shares, the shareholder will be entitled to choose any of the Flexible Remuneration Options for its remaining shares).

As a consequence of the foregoing, at its meeting held on 24 October 2023, the Board of Directors of the Company resolved:

- (i) to implement the Capital Increase and set its market value of reference in an amount within the minimum of 1,286 million euros and the maximum of 1,355 million euros, which is –in any case– within the limit established in the Capital Increase Resolution (*i.e.*, 1,500 million euros); and
- (ii) the payment of a gross amount of up to 0.206 euros per share as Interim Dividend, which represents an aggregate maximum gross amount of 1,308,157,268.00 euros. This last figure is the result of multiplying the total number of outstanding shares of the Company on the date of this resolution (that is, 6,350,278,000 shares, without deducting the Company’s treasury stock) by the gross amount per share above mentioned –*i.e.*, 0.206 euros–.

In any case, the resolution to pay the Interim Dividend is conditional upon the fulfilment of the requirements set out in article 277 of the *Spanish Companies Act* (the “**Requirements**”), consisting in verifying, through a statement of accounts:

- (i) the existence of sufficient liquidity to pay an Interim Dividend corresponding to the fiscal year 2023 of up to 0.206 gross euros per share; and
- (ii) that the maximum amount to be paid on account of the dividend corresponding to fiscal year 2023 (without deducting the Company’s treasury stock) does not exceed the year-to-date results minus prior fiscal years’ losses, amounts earmarked for legal or statutory reserves, and the estimated corporate income tax resulting from said provisional results.

Once the Company has attested the fulfilment of the Requirements, it will inform the market by means of a notice of other significant information (*comunicación de otra información relevante*).

If the Requirements are not fulfilled, the conditional approval of the payment of the Interim Dividend would therefore be ineffective and all references made to it would be considered as not made. In this case and in order to guarantee that the shareholders of the Company will be entitled to receive in cash –in part or in full– their remuneration, the Company would undertake the irrevocable commitment to acquire the free allocation rights resulting from the Capital Increase at a fixed guaranteed price (the “**Purchase Commitment**” and the “**Fixed Purchase Price**”, respectively).

Thus, the shareholders would be able to monetize their free allocation rights by transferring them to the Company at the Fixed Purchase Price receiving, in such a way, a cash amount equivalent to the one that would have been paid by the Company as Interim Dividend. In that case, the shareholders of the Company would only be entitled to choose between:

- (i) receiving their remuneration as completely paid-up new shares of the Company;
- (ii) transferring all or part of their free allocation rights in the market; or
- (iii) transferring all or part of their free allocation rights to the Company at the Fixed Purchase Price pursuant to the Purchase Commitment.

Likewise, if the Requirements are not fulfilled, (i) the Company will inform the market about that circumstance; and (ii) the Company’s Board of Directors will set the terms and conditions under which the Company would undertake the Purchase Commitment during December 2023<sup>1</sup>.

The specific amounts corresponding to the market value of reference of the Capital Increase, which shall in all cases guarantee a gross amount of the Interim Dividend per share of, at least, 0.200 euros, and the Interim Dividend

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<sup>1</sup> It is expected that the meeting of the Board of Directors will take place on or around 19 December 2023.



will be communicated by means of a supplement to this information memorandum that is expected to be published on 5 January 2024<sup>2</sup>.

## 1.2. **Purpose**

Pursuant to article 1.5.(g) of *Regulation (EU) 2017/1129 of the European Parliament and of the Council, of 14 June 2017, on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC* (the “**Regulation**”), the admission to trading of the new shares of the Company issued under the “*Iberdrola Retribución Flexible*” optional dividend system not require the publication of the prospectus contemplated in the Regulation “*provided that the said shares are of the same class as the shares already admitted to trading on the same regulated market and that a document is made available containing information on the number and nature of the shares and the reasons for and details of the offer or allotment*”.

In light of the foregoing, the Company issues this information memorandum, the purpose of which is to provide all of the information that is available on the date hereof with respect to the second edition of the “*Iberdrola Retribución Flexible*” optional dividend system of the fiscal year 2023 and to the Flexible Remuneration Options. As soon as the Company verifies the fulfilment of the Requirements regarding the payment of the Interim Dividend, the market will be informed of this circumstance through a notice of other significant information (*comunicación de otra información relevante*)<sup>3</sup>.

In addition, upon determination of the market value of reference of the Capital Increase, the number of free allocation rights needed to allocate one new share of the Company and the gross amount of the Interim Dividend per share, this information will be made available to the public by means of a supplement to this memorandum through a notice of other significant information (*comunicación de otra información relevante*) that is expected to be published on 5 January 2024<sup>4</sup>.

Finally, as soon as the implementation of the Capital Increase has been completed and all of the remaining information (including the total gross amount of the Interim Dividend) is available, it will be published by means of a notice of other significant information (*comunicación de otra información relevante*).

## 2. **REASONS AND PROCEDURE OF THE “IBERDROLA RETRIBUCIÓN FLEXIBLE” OPTIONAL DIVIDEND SYSTEM**

### 2.1. **Reasons for the “Iberdrola Retribución Flexible” optional dividend system**

Through this system, the Company intends to offer its shareholders the ability to decide whether they prefer to receive all or a portion of their remuneration under the system in cash (in this edition, through the payment of the Interim Dividend or the transfer of the corresponding free allocation rights on the market) or in new paid-up shares of the Company.

### 2.2. **Procedure of the second edition of the “Iberdrola Retribución Flexible” optional dividend system corresponding to the fiscal year 2023**

Pursuant to the terms provided for the implementation of the Capital Increase, the Company’s shareholders will receive one free allocation right for each share of the Company that they hold. These rights will be traded on the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges between 9 and 23 January 2024, both inclusive. At the end of this period, the free allocation rights that are not waived pursuant to the terms of this document will automatically be converted into newly-issued shares of the Company.

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<sup>2</sup> This date is pending confirmation of the stock-market calendar for 2024.

<sup>3</sup> It is expected that this notice of other relevant information (*comunicación de otra información relevante*) will be published around 19 December 2023.

<sup>4</sup> Please refer to footnote number 2 above.





Under this edition of the “*Iberdrola Retribución Flexible*” optional dividend system, the shareholders of the Company will be able to freely choose among<sup>5</sup>:

- (i) Not transferring their free allocation rights. In this case, at the end of the trading period, the shareholders will receive the number of new totally paid-up shares to which they are entitled.
- (ii) Collect their remuneration in cash through the payment of the Interim Dividend. In this case, the shareholder will be expressly waiving the right to receive the free allocation rights corresponding to those shares in respect of which the election to receive the Interim Dividend has been made.
- (iii) Transfer all or a portion of their free allocation rights on the market. In this case, the shareholders may also choose to monetise their rights, although the consideration for the rights would depend on market conditions, in general, and on the listing prices for such rights, in particular.

The election of one of the Flexible Remuneration Options excludes the right to choose any of the remaining ones for the same shares or free allocation rights in respect of which an election has been made.

The shareholders of the Company will be able to combine any of the Flexible Remuneration Options based on their needs. Attention should be drawn to the fact that these options may be subject to different tax treatment.

Those shareholders who want to choose option (ii) above shall do so between 9 and 23 January 2024, both inclusive (the “**Common Election Period**”). The Common Election Period will coincide with the trading period of the free allocation rights in the market, during which the shareholders who choose option (iii) above may transfer their rights.

Free allocation rights acquired on the market during the trading period will not grant to their holders the right to choose to receive the Interim Dividend. Exclusively, those shareholders who are holders of shares on 10 January 2024 (record date) will be entitled to receive the Interim Dividend in the context of this edition of the “*Iberdrola Retribución Flexible*” optional dividend system.

As a consequence of the above, those who acquire free allocation rights during the trading period will only be able to choose between: (i) receiving their remuneration through paid-up new shares of the Company; or (ii) transferring all or a part of their free allocation rights in the market.

Furthermore, in the event that, during the Common Election Period, the shareholders do not communicate the Flexible Remuneration Option chosen in respect of their different groups of shares, they will receive their remuneration through paid-up new shares of the Company (*i.e.*, the Flexible Remuneration Option allocable by default).

It was also resolved that the final gross amount per share of the Interim Dividend will be determined on 5 January 2024<sup>6</sup>. In this regard, the Company foresees that, after applying the formulas described at the end of this section 2.2, the gross amount of the Interim Dividend per share will be, at least, 0.200 euros.

Specifically, the number of free allocation rights needed to receive one new share, as well as the gross amount of the Interim Dividend per share will be calculated as follows:

- The number of free allocation rights required to receive one new share of the Company will be the number resulting from the application of the following formula, rounded to the next highest whole number:

$$\text{Num. rights} = \text{TNShrs.} / \text{Provisional num. of shrs.}$$

where,

<sup>5</sup> The options available to the holders of American Depositary Receipts (“**ADRs**”) or CREST Depository Interests (“**CDIs**”) may have special characteristics with respect to the alternatives described herein, given the terms and conditions applicable to the programs in which they participate.

<sup>6</sup> Please refer to footnote number 2 above.

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“**Num. rights**” = Number of free allocation rights needed for the allocation of one new share of the Company.

“**TNShrs**” = Number of outstanding shares of the Company on the date of implementation of the Capital Increase<sup>7</sup>. For these purposes, the “**date of implementation of the Capital Increase**” shall be that date on which Mr José Ignacio Sánchez Galán or the Executive Committee, pursuant to the delegation of powers made by the Board of Directors at its meeting held on 24 October 2023, performs the arithmetical calculations arising from the application of the formulas referred to herein in order to calculate the provisional number of shares to be issued, the number of free allocation rights needed for the allocation of one share, the “ListPri,” and the maximum nominal amount of the Capital Increase, which is expected to occur on 5 January 2024<sup>8</sup>.

“**Provisional num. of shrs.**” = Market value of reference of the Capital Increase<sup>9</sup> / ListPri.

For these purposes, “**ListPri**” will be the arithmetic mean of the average weighted listing prices of the Company’s shares on the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges at the five trading sessions corresponding to 28 and 29 December 2023 and 2, 3 and 4 January 2024, as such average appears in a certification to be issued by the Governing Company (*Sociedad Rectora*) of the Bilbao Stock Exchange, rounded to the closest one-thousandth part of one euro.

The number of free allocation rights required to receive one new share of the Company based on the application of this formula will be specified in a supplement to this memorandum, which is expected to be filed with the National Securities Market Commission on 5 January 2024<sup>10</sup> by means of a notice of other significant information (*comunicación de otra información relevante*).

If necessary, the Company (or, alternatively, a company belonging to its group, a shareholder or a third party) will waive the number of free allocation rights needed for the number of new shares to be a whole number and not a fraction. In such event, there will be an incomplete allocation of the Capital Increase, and the share capital will be increased solely by the amount of free allocation rights that have not been waived, pursuant to the provisions of article 311 of the *Spanish Companies Act*.

- The gross amount of the Interim Dividend per share<sup>11</sup> will be calculated in accordance with the following formula (rounded to the closest one-thousandth part of one euro and, in case of a half of a thousandth part of one euro, to the next higher one-thousandth part of one euro):

$$\text{Interim Dividend} = \text{ListPri} / (\text{Num. rights} + 1)$$

where “**ListPri**” and “**Num. rights**” have the meaning provided above.

The payment of the Interim Dividend to those shareholders electing this Flexible Remuneration Option during the Common Election Period will be made on 31 January 2024. After making such payment, the resolution regarding the Interim Dividend will become ineffective in respect of the amount which has not been paid to the shareholders as a result of their express or tacit election of any of the remaining Flexible Remuneration Options.

<sup>7</sup> The number of outstanding shares of the Company at the date of this document is 6,350,278,000 shares.

<sup>8</sup> Please refer to footnote number 2 above.

<sup>9</sup> The determination of the market value of reference of the Capital Increase will take place on 5 January 2024 (please refer to footnote number 2 above).

<sup>10</sup> Please refer to footnote number 2 above.

<sup>11</sup> The aforesaid is without prejudice of the tax deductions or withholdings that the Company may have to apply according to the relevant applicable law.

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### 3. DETAILS OF THE IMPLEMENTATION OF THE “IBERDROLA RETRIBUCIÓN FLEXIBLE” OPTIONAL DIVIDEND SYSTEM

#### 3.1. Estimated timetable

The estimated timetable for the implementation of this second edition of the “*Iberdrola Retribución Flexible*” optional dividend system corresponding to the fiscal year 2023 will be as follows<sup>12</sup>:

- During December 2023 (expected on 19 December)
- Notice regarding, if applicable, the fulfilment of the Requirements in connection with the payment of the Interim Dividend.
- 5 January 2024
- Notice regarding the number of free allocation rights required to receive one newly-issued share and the gross amount of the Interim Dividend per share. These figures will be calculated according to the formula approved by the General Shareholders’ Meeting, which will take into account the arithmetic mean of the weighted average stock prices of the Company’s shares on the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges on the five trading sessions corresponding to 28 and 29 December 2023, and 2, 3 and 4 January 2024<sup>13</sup>.
- 8 January 2024
- Publication of the announcement of the implementation of the Capital Increase in the Official Gazette of the Commercial Registry.
- Last date on which the shares of the Company are traded with the right to participate in the “*Iberdrola Retribución Flexible*” optional dividend system, that is, traded with the right to choose any of the Flexible Remuneration Options offered by this system (including the Interim Dividend) (last trading date).
- 9 January 2024
- Ex-date from which –inclusive– the shares of the Company will be traded without the right to participate in the “*Iberdrola Retribución Flexible*” optional dividend system.
- Commencement of the Common Election Period and of the trading period for the free allocation rights.
- 23 January 2024
- End of the Common Election Period (and, consequently, of the period to request remuneration in cash under the Interim Dividend) and end of the trading period for the free allocation rights.
- 31 January 2024
- Payment of the Interim Dividend to those shareholders who have elected to receive cash through this Flexible Remuneration Option.
- Registration of the newly-issued shares to be issued under the Capital Increase in the book-entry records of “*Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. Unipersonal*” (IBERCLEAR) (“IBERCLEAR”).

<sup>12</sup> These dates are pending to be confirmed until the stock market calendar of the year 2024 is published. If there is any modification as a result of the publication of the aforementioned calendar, the market will be duly informed through the notice of other significant information (*comunicación de otra información relevante*) which will be published on or around the date of the Board of Directors’ meeting to be held in December 2023.

<sup>13</sup> Please refer to footnote number 10 above.

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- 2 February 2024
- Expected commencement of trading of the newly-issued ordinary shares to be issued under the Capital Increase.

The scheduled dates for communicating the corresponding Flexible Remuneration Option and for the actual payment of cash and delivery of shares may be different for holders of ADRs (in the United States of America) and CDIs (in the United Kingdom) representing shares of the Company.

### **3.2. Trading of the free allocation rights and procedure to opt to receive cash or new shares of the Company**

Shareholders who wish to receive all or part of their remuneration in cash under the Interim Dividend, in the terms mentioned above, shall communicate their decision to the entities in which they have deposited their free allocation rights before the end of the Common Election Period. It will be understood that the shareholders who choose to receive the Interim Dividend expressly waive all or part (as the case may be) of their free allocation rights.

The free allocation rights will be traded on the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges through the Automated Quotation System (Electronic Market) between 9 and 23 January 2024 (both inclusive). During such period for trading, their holders may choose between (i) receiving newly-issued shares of the Company; or (ii) selling all or a part of their free allocation rights in the market; all upon the terms described above. In addition, during this period a sufficient number of free allocation rights may be acquired in the market in the proportion required to receive new shares<sup>14</sup>.

The free allocation rights purchased in the market during the said trading period of fifteen calendar days will not entitle their owners to receive the Interim Dividend. Thus, those who have purchased free allocation rights in the market will only be able to choose among: (i) receiving their remuneration in newly-issued paid-up shares of the Company; or (ii) transferring all or a portion of their free allocation rights in the market. Only the holders of shares of the Company on 10 January 2024 (record date) will be entitled to receive the Interim Dividend in the context of this edition of the “*Iberdrola Retribución Flexible*” optional dividend system.

Once the trading period of the free allocation rights has ended and the Capital Increase has been executed, the holders of the free allocation rights (provided that they have not waived their rights under the terms set out above) will receive a number of paid-up new shares according to the relevant proportion.

The shareholders may combine the Flexible Remuneration Options based on their needs. As mentioned above, the alternatives available under the “*Iberdrola Retribución Flexible*” optional dividend system may be subject to a different tax treatment.

To choose between the Flexible Remuneration Options, holders of free allocation rights must contact the entities in which their free allocation rights are deposited within the Common Election Period. Failure to make an express election during this period will cause the holder of free allocation rights to receive newly-issued completely paid-up shares of the Company<sup>15 16</sup>.

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<sup>14</sup> Those who do not have sufficient free allocation rights to receive one new share may: (a) acquire in the market a sufficient number of free allocation rights which, added to those already held by them, give them the right to receive one new share; or (b) transfer all or part of their free allocation rights in the market (in which case the consideration for their rights will depend on market conditions, in general, and on the listing price of the free-of-charge allocation rights, in particular).

<sup>15</sup> However, as regards the conditions described in this paragraph, the holders of ADRs and CDIs must comply with the particularities of the programs in which they participate.

<sup>16</sup> It is possible that, at the end of the trading period for the free allocation rights, the number of rights held by a particular holder is a number that, taking into account the calculation formulas referred to in this memorandum, does not give such holder the right to receive a whole number of shares. In such case, the entity with which the holder of the free allocation rights has deposited them may sell the number of rights resulting in a fraction of a new share, such that the holder will receive the proceeds from the sale in cash and will not lose the intrinsic value of such rights. Notwithstanding the foregoing, this possibility is subject to the terms and conditions of the securities deposit and management agreement signed with the relevant depository entity or the instructions that the holder of the rights has given thereto. Therefore, such sale of



The Company will not be liable as a result of the elections made by the holders of the free allocation rights (nor as a result of the failure to make an express election, in the absence of an express and valid notice by the aforementioned holders).

Furthermore, the Company declines any liability for any non-compliance by the depositaries to transmit the election requests of the holders of the free allocation rights in due time and form. In this regard, it should be noted that, in the event that the elections of the holders of the free allocation rights are not processed in a timely manner by the depositaries, holders may receive the default Flexible Remuneration Option (*i.e.*, the delivery of new fully paid-up shares in the Company). Accordingly, any claim on this basis should therefore be made directly to the depositaries.

Likewise, it is stated that the only scheduled period for the holders of free allocation rights to inform the entities in which their free allocation rights are deposited of their preferences with regard to the Flexible Remuneration Options is the Common Election Period, regardless of whether they are institutional or minority shareholders. The Company will not be liable as a result of the non-compliance of this period by the depositary entities<sup>17</sup>, so that any claim in respect of this matter shall be addressed by the shareholders or holders of free allocation rights against the relevant depositary entity.

### **3.3. Expenses and fees of the Capital Increase**

The Capital Increase is made free of expenses and fees with respect to the allocation of newly-issued shares. The Company will assume the expenses of issuance, subscription, flotation, admission to trading and other expenses relating to the Capital Increase.

Without prejudice to the foregoing, the shareholders of the Company and the holders of free allocation rights must bear in mind that the member entities of IBERCLEAR with which they keep their shares and free allocation rights on deposit may, pursuant to applicable legislation, establish such pass-through management fees and expenses as they may freely determine as a consequence of maintaining the securities in their book-entry registries. Likewise, such member entities may, pursuant to applicable legislation, establish such pass-through fees and expenses as they may freely determine for the processing of orders to purchase and sell free allocation rights.

## **4. NUMBER AND NATURE OF THE SHARES**

### **4.1. Maximum number of shares to be issued in the Capital Increase**

The maximum number of shares to be issued as a result of the Capital Increase will be the result of the formula approved by the General Shareholders' Meeting of the Company, which is set forth below (the result to be rounded to the next lower integer):

$$\text{NNS} = \text{TNshrs} / \text{Num. rights}$$

where,

“NNS” = Maximum number of new shares to be issued; and

“TNShrs” and “Num. shares” have the meanings set forth above.

In any event, in accordance with the Capital Increase Resolution, as well as the resolution of the Board of Directors of the Company approved at its meeting held on 24 October 2023, the maximum number of shares to be issued in the Capital Increase will be such that the reference market value of such shares (calculated at the “ListPri”) will in no event be greater than the amount that will be determined on 5 January 2024, which will be within the minimum of 1,286 million euros and the maximum of 1,355 million euros.

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free allocation rights will not be automatic. In this respect, it is recommended that holders of free allocation rights consult with their respective depositary entities.

<sup>17</sup> Whether for not admitting notices during part of the Common Election Period or for admitting them after such period has elapsed, or for any other reason.



Subject to the confirmation of the stock-market calendar for 2024, it is expected that the maximum number of new shares to be issued will be publicly disclosed on 5 January 2024 by means of a supplement to this information memorandum.

The maximum number of new shares to be issued thus calculated will be rounded to obtain a whole number of shares (rounding down the result to the nearest whole number) and also a whole conversion ratio of rights to shares (rounding up to the nearest whole number). In addition, and for the same purposes, the Company (or a company belonging to its group, as the case may be, which holds shares in the Company) shall waive the corresponding free allocation rights in accordance with the provisions of section 2.2 above.

However, the number of shares actually issued will depend on the number of holders of free allocation rights who decide to waive their free allocation rights or not to transfer them in the market<sup>18</sup>. For these purposes, it will be understood that shareholders opting to receive the Interim Dividend during the Common Election Period expressly waive all or part (as the case may be) of the free allocation rights to which they are entitled<sup>19</sup>. In any event, the final number of shares to be issued within the context of the Capital Increase will be made available by means of a notice of other significant information (*comunicación de otra información relevante*) regarding the closing of the implementation of the Capital Increase.

Enclosed as an **Annex** to this information memorandum is an example of the calculation of the maximum number of shares that would be issued on the Capital Increase, of the number of free allocation rights required for the allocation of a new share and of the amount of the gross amount of the Interim Dividend per share.

#### **4.2. Rights attached to the new shares**

The new shares to be issued in the Capital Increase will be ordinary shares having a par value of 0.75 euros each, of the same class and series as those currently outstanding, for which reason the Capital Increase will be made at par and, therefore, without a share premium. The new shares to be issued will be represented by book entries, and the book-entry registration of which will be entrusted to IBERCLEAR.

The new shares will grant their holders the same political and economic rights as the ordinary shares of the Company currently outstanding as from the date that the Capital Increase implemented is declared to be subscribed for and paid up. In particular, holders of the new shares will be entitled to receive interim dividends and supplementary dividend amounts, if any, that are paid as from the date that the Capital Increase is declared to be subscribed for and paid up.

#### **4.3. Balance sheet and reserve with a charge to which the Capital Increase is carried out**

The balance sheet used as a basis for the Capital Increase is the one for the fiscal year ended 31 December 2022, which was audited by “KPMG Auditores, S.L.” and was approved by the General Shareholders’ Meeting of the Company, held on first call on 28 April 2023, under item 1 on the agenda.

The Capital Increase will be carried out in full with a charge to the reserve called “share premium reserve” (“*reserva de prima de emisión de acciones*”), which, as of 31 December 2022, amounted to 14,070,365,484.68 euros. Likewise, it is expressly stated that, as of the date hereof, the aforementioned reserve amounts to 13,924,454,484.68 euros, and that the difference between the two amounts (145,911,000.00 euros) is solely due to the partial allocation of such balance to:

- (i) pay up the implementation of the second paid-up capital increase approved by the shareholders acting at

<sup>18</sup> In addition, if the number of outstanding shares of the Company after deducting the shares corresponding to the free allocation rights which have been relinquished –expressly or tacitly– by its holders is a fraction, the Company (or, alternatively, a company belonging to its group, a shareholder or a third party) will also waive that number of its free allocation rights that are required for the number of new shares ultimately issued under the Capital Increase to be a whole number and not a fraction.

<sup>19</sup> Likewise, those shareholders or holders of free allocation rights who decide to receive their remuneration through any of the remaining applicable Flexible Remuneration Options will not be entitled to choose to receive the Interim Dividend.



the General Shareholder's Meeting of the Company held on 17 June 2022 under item 12 of its agenda<sup>20</sup> for a total amount of 63,202,500.00 euros which was formalised by virtue of two public deeds granted on 9 and 26 January 2023 before the notary of the Illustrious College of Madrid, Mr. Miguel Ruiz-Gallardón García de la Rasilla, under numbers 1 and 535 of his protocol, respectively, and registered with the Commercial Registry of Biscay; and

- (ii) pay up the implementation of the first paid-up capital increase approved by the General Shareholder's Meeting of the Company under item 10 of its agenda and under the Common Terms for a total amount of 82,708,500.00 euros which was formalised by virtue of two public deeds granted on 6 and 27 July 2023 before the notary of the Illustrious College of Madrid, Mr. Miguel Ruiz-Gallardón García de la Rasilla, under numbers 4,584 and 5,070 of his protocol, respectively, and registered with the Commercial Registry of Biscay.

#### **4.4. Shares on deposit**

At the end of the period for trading the free allocation rights and once the implementation of the Capital Increase has been closed, the new shares, if any, that could not be allocated for reasons not attributable to the Company will be maintained on deposit available to those who show that they are the rightful owners of the corresponding free allocation rights. After the passage of three years from the date of deposit of the new shares that could not have been allocated for reasons not attributable to the Company, the new shares that are still pending allocation may be sold in accordance with the provisions of article 117 of the *Spanish Companies Act*, for the account and risk of the interested parties. The cash amount of such sale will be deposited with *Banco de España* or *Caja General de Depósitos*, and will be available to the interested parties.

#### **4.5. Admission to trading of the new shares**

The Company will make application for the trading of the new shares to be issued as a consequence of the Capital Increase on the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges, through the Automated Quotation System (Electronic Market), and will carry out such acts and formalities as are required for the admission of the new shares to trading.

#### **4.6. Tax treatment**

Within the framework of the implementation of the "*Iberdrola Retribución Flexible*" optional dividend system and, in particular, of the option for the Interim Dividend, the Company submitted a binding consultation to the Spanish General Directorate of Taxes (*Dirección General de Tributos*) (the "**DGT**") regarding the tax treatment applicable in Spain to its shareholders subject to the Personal Income Tax (*Impuesto sobre la Renta de las Personas Físicas*) ("**IRPF**"), which was submitted to such agency on 14 July 2017. This binding consultation was answered by the DGT on 16 January 2018 with reference number V0042-18.

Additionally, following the entry into force on 1 January 2020 of the *Resolution of 5 March 2019 of the Spanish Institute of Accounting and Account Audits (ICAC) that develops the presentation criteria of financial instruments and other accounting aspects in relation to the corporate regulation of the corporate enterprise*, published in the Spanish Official Gazette (*Boletín Oficial del Estado*) on 11 March 2019 (the "**ICAC Resolution**"), the Company submitted a binding consultation to the DGT to clarify both the tax impact and the impact on payments on account of taxes that the ICAC Resolution may have on the "*Iberdrola Retribución Flexible*" system. This binding consultation was answered by the DGT on 12 May 2020 with reference number V1357-20.

The treatment described below of each of the Flexible Remuneration Options results from the answers to such binding consultations, as well as from the answers to the binding consultations obtained by the Company from the DGT on 27 April 2010 and 1 October 2010 in connection with the traditional "*Iberdrola Dividendo Flexible*" remuneration system:

<sup>20</sup> And under the section titled «*Common terms and conditions of the dividend payment and increase in capital resolutions proposed under items 10, 11 and 12 on the agenda, by virtue of which the "Iberdrola Retribución Flexible" optional dividend system is implemented*».





A. Receive new fully paid-up shares

In the event that the shareholders choose to receive new shares from the Capital Increase, this Flexible Remuneration Option would have the following tax treatment:

- **In connection with the IRPF and the Non-Resident Income Tax (*Impuesto sobre la Renta de no Residentes*) ("IRNR")** on non-residents who do not act through a permanent establishment in Spain, the shareholders would not be subject to taxation or withholding or payment on account of either of the referred taxes.

The acquisition value for these shareholders of both, the new shares received as a consequence of the Capital Increase and the shares from which they derive, will result from distributing the total cost of acquisition among the applicable number of securities, including both existing securities and those issued as paid-up shares. In respect of these shareholders, such paid-up shares will be deemed to have been held for as long as the last preexisting share necessary to obtain such paid-up shares. Consequently, in the event of a subsequent transfer, the income subject to taxation that is obtained will be calculated by reference to such new acquisition value.

- **In connection with the Corporate Income Tax (*Impuesto sobre Sociedades*) ("IS") and the IRNR on non-residents who act through a permanent establishment in Spain**, to the extent that a complete commercial cycle is closed, these shareholders will be taxed pursuant to applicable accounting regulations, taking into consideration the ICAC Resolution and, in particular, its article 35.4 regarding the treatment applicable to shareholders of remuneration programs that may be made effective by acquiring new fully paid-up shares by selling the free allocation rights on the market or by selling them to the issuing company and, if applicable, pursuant to the special regimes of those taxes. All of the foregoing is without prejudice to the rules on the determination of the tax basis that may apply in connection with these taxes including, in particular, the potential application of the participation exemption regime pursuant to article 21 of Law 27/2014 of 27 November on the Corporate Income Tax (*Ley 27/2014, de 27 de noviembre, del Impuesto sobre Sociedades*) ("LIS") subject to the fulfilment of the requirements set out in the same —or, in cases in which the reserve used for the issuance of the paid-up shares in the Capital Increase is the share premium reserve, the rule set out in article 17.6 of the LIS. It is recommended that shareholders who are IS or IRNR taxpayers acting through a permanent establishment in Spain consult their tax advisors on the impact of the ICAC Resolution and the referred administrative rulings before making any decision regarding the Capital Increase.

In any case, and according to the abovementioned administrative criterion established by the DGT in favor of the Company, no withholding or payment on account of taxes will be made by the Company in the delivery of fully paid-up shares or free allocation rights, in the context of the execution of the Capital Increase.

B. Transfer all or a part of their free allocation rights in the market

In the event that the shareholders sell their free allocation rights on the market, the amount obtained in the transfer of such rights on the market will be subject to the following tax treatment:

- **In connection with the IRPF and the IRNR for non-residents who do not act through a permanent establishment in Spain**, the amount obtained from transfers of free allocation rights will be deemed a capital gain, without prejudice to the potential application to persons subject to the IRNR without a permanent establishment of international treaties, including the treaties for the avoidance of double taxation and for the prevention of tax evasion in the area of Income Tax ratified by Spain and to which they might be entitled, and the exemptions established in the IRNR rules.

In addition, and in respect of individual shareholders subject to the IRPF applicable in the common territory of Spain, the amount obtained from the transfers of free allocation rights will be subject to the corresponding withholding on account of IRPF. This withholding will be applied by the corresponding depository (and, in the absence thereof, by the financial intermediary or notary public involved in the transfer).

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- **In connection with the IS and the IRNR on non-residents who act through a permanent establishment in Spain**, to the extent that a complete commercial cycle is closed, the shareholders will be taxed pursuant to applicable accounting regulations (taking into consideration, when applicable, the ICAC Resolution and, in particular, its article 35.4) and, if applicable, pursuant to the special regimes of those taxes. All of the foregoing is without prejudice to the rules on the determination of the tax basis that may apply in connection with these taxes including, in particular, the potential application of the participation exemption regime pursuant to article 21 of the LIS subject to the fulfilment of the requirements set out in the same –or, in cases in which the reserve used for the issuance of the paid-up shares in the Capital Increase is the share premium reserve, the rule set out in article 17.6 of the LIS–. It is recommended that shareholders who are IS or IRNR taxpayers acting through a permanent establishment in Spain consult their tax advisors on the impact of the ICAC Resolution and the referred administrative rulings before making any decision regarding the Capital Increase.

In any case, and according to the abovementioned administrative criterion established by the DGT in favor of the Company, no withholding or payment on account of taxes will be made by the Company in the sale of free allocation rights.

C. Receive their remuneration in cash by means of the Interim Dividend

Finally, if the shareholders (whether natural or legal persons) choose to receive the Interim Dividend, the amount received would have the same tax treatment as income received from holdings in entities' equity and will, therefore, be subject to the corresponding withholding and taxation.

**4.7. Important warning and other considerations regarding the tax treatment**

It should be considered that this analysis of the tax treatment (which has been made on the basis of certain assumptions) does not cover all the possible tax consequences of the different Flexible Remuneration Options or the alternatives related to the implementation of the Capital Increase and the payment of the Interim Dividend. In the event that a change in these assumptions alters the description of the taxation included in this information memorandum, its new tax treatment will be duly communicated to the market. Specifically, the consequences that may arise for those shareholders who are not resident in Spain for tax purposes in their respective countries of tax residency are not detailed. The particularities that may apply to shareholders who reside in the Basque Country or the Chartered Community of Navarre are not analysed either. Therefore, it is recommended that shareholders consult their tax advisors on the specific tax effects resulting from the proposed remuneration system, taking into account the particular circumstances of each shareholder or holder of free allocation rights, and that they pay attention to any amendments that may be made, both to the law applicable as of the date of this information memorandum and to the rules for its interpretation thereof.

In any case, please bear in mind that the Law to implement a Spanish tax on financial transactions (*Ley del Impuesto sobre las Transacciones Financieras*) (the “**FTT Law**” and the “**Spanish FTT**”, respectively) entered into force on 16 January 2021.

According to the FTT Law, the Spanish FTT charges at a fixed rate of 0.2% on the onerous acquisition of listed shares issued by Spanish companies admitted to trading on a Spanish or other EU-regulated market, or on an equivalent market of a non-EU country, with a market capitalisation exceeding EUR 1,000 million on 1 December of the year prior to the acquisition. Additionally, the Spanish FTT also applies, *inter alia*, to the acquisition of shares represented by depositary receipts (e.g., American Depositary Receipts -ADRs- or CREST Depositary Interests -CDIs-).

Pursuant to the FTT Law, the State Agency for Tax Administration has published the list of companies with a market capitalization exceeding EUR 1,000 million as of 1 December 2022. Given that the Company is included in said list, the onerous acquisition of its shares (or the deposit certificates which represent said shares, such as the ADRs or the CDIs) in 2023 would, in principle, fall into the scope of the Spanish FTT (without prejudice of the corresponding exemptions that may apply). Likewise, if as of 1 December 2023 the Company has a market capitalization exceeding EUR 1,000 million, the onerous acquisition of its shares (or the depositary certificates which represent said shares, such as the ADRs or the CDIs) in 2024 would, in principle, fall into the scope of the Spanish FTT (without prejudice of the corresponding exemptions that may apply).

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That said, the State Agency for Tax Administration has published a “Frequently Asked Questions about Financial Transactions Tax” document (which is updated on a regular basis), according to which the acquisition of shares in the context of the shareholder remuneration systems known as “scrip dividends” (insofar as the acquired shares are new shares resulting from a fully paid-up capital increase) are not taxed by the Spanish FTT.

However, the FTT could apply (at a fixed rate of 0.2%) to other transactions involving the Company’s shares (or ADRs and CDIs), regardless of the jurisdiction of residence of the parties involved.

In any event, the shareholders and the holders of free allocation rights are advised to consult with their tax advisors in relation to the impact of the Spanish FTT and any other tax measure taking into consideration the particular circumstances of each shareholder or holder of free allocation rights.

Finally, holders of ADRs and CDIs representing shares of the Company are advised to consult their tax advisors about their taxation in Spain and in their jurisdiction of residence for tax purposes before making a decision in connection with the Capital Increase.

## 5. **SUPPLEMENTS TO THIS INFORMATION MEMORANDUM**

As indicated in the preceding sections, part of the information regarding the implementation of the Capital Increase is not available on the date of issuance of this memorandum. In particular:

- The fulfilment of the Requirements regarding the payment of the Interim Dividend is expected to take place during December 2023. This circumstance will be published by means of the corresponding notice of other significant information (*comunicación de otra información relevante*)<sup>21</sup>.
- The market value of reference of the Capital Increase, the number of rights required to receive one share and the gross amount of the Interim Dividend per share will be published by means of a supplement to this memorandum which will be made available to the public through a notice of other significant information (*comunicación de otra información relevante*) which is expected to occur on 5 January 2024<sup>22</sup>.
- As soon as the implementation of the Capital Increase is closed and all of the remaining information is available, such information will be published by means of the corresponding notice of other significant information (*comunicación de otra información relevante*).

Both this memorandum as well as the supplement hereto will be available on the Company’s corporate website ([www.iberdrola.com](http://www.iberdrola.com)) and on the website of the National Securities Market Commission ([www.cnmv.es](http://www.cnmv.es)) as from the day of their publication.

In Bilbao, on 26 October 2023.

“Iberdrola, S.A.”

By

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Santiago Martínez Garrido  
General secretary and secretary of the Board of Directors

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<sup>21</sup> It is expected that this notice of other significant information (*comunicación otra información relevante*) will be published on or around 19 December 2023.

<sup>22</sup> Please refer to footnote number 2 above.



## ANNEX

### SAMPLE CALCULATION OF THE MAXIMUM NUMBER OF NEW SHARES TO BE ISSUED, OF THE MAXIMUM NOMINAL AMOUNT OF THE SHARE CAPITAL INCREASED, OF THE NUMBER OF FREE ALLOCATION RIGHTS FOR THE ALLOCATION OF ONE NEW SHARE AND OF THE GROSS AMOUNT OF THE INTERIM DIVIDEND PER SHARE

For the sole purpose of facilitating and understanding the calculation methodology, below is a sample calculation of the maximum number of new shares to be issued, of the maximum nominal amount of the share capital increased as a result of the Capital Increase, of the number of free allocation rights required for the allocation of one new share and of the gross amount of the Interim Dividend per share<sup>23</sup>.

The results of these calculations are not representative of the results that may actually be obtained as a consequence of the implementation of the Capital Increase, which will depend on the different variables used in the formulas.

Merely for purposes of this example:

- The TNShr is 6,350,278,000<sup>24</sup> (in principle, number of shares of the Company as of the date of implementation of the Capital Increase).
- It is assumed that the market value of reference of the Capital Increase is 1,297,000,000.00 euros (such amount is within the maximum and minimum range of values established by the General Shareholders' Meeting and by the Board of Directors of the Company).
- A ListPri of 10.410 euros is assumed (solely for purposes of this example, a listing price per share of the Company as of the close of trading on 19 October 2023 has been used).

Therefore:

Provisional num. shrs. = Market value of reference of the Capital Increase / ListPri = 1,297,000,000.00 / 10.410 = 124,591,738.712776 ≈ 124,591,738 (rounded down).

Num. rights = TNShrs / Provisional num. shrs. = 6,350,278,000 / 124,591,738 = 50.96869264 ≈ 51 (rounded up).

NNS = TNShrs / Num. rights = 6,350,278,000 / 51 = 124,515,254.901961 ≈ 124,515,254 (rounded down).

Therefore, in this example: (i) the maximum number of new shares to be issued in the implementation of the Capital Increase would be 124,515,254, (ii) the maximum nominal amount of increased capital in the implementation of the Capital Increase would come to 93,386,440.50 euros (124,515,254 x 0.75), and (iii) 51 free allocation rights (or existing shares) would be required for the allocation of a new share<sup>25</sup>.

The gross amount of the Interim Dividend per share would be calculated in accordance with the following formula (rounding the result to the closest one-thousandth of a euro):

Interim Dividend = ListPri / (Num. rights + 1).

<sup>23</sup> In this sample calculation, it is assumed that the Requirements for the payment of the Interim Dividend have been fulfilled.

<sup>24</sup> For the purposes of this example, it is assumed that the NTAcc as of the date of implementation of the Capital Increase is the same than as of the date of this document (i.e., 6,350,278,000 shares).

<sup>25</sup> In this sample calculation, the Company should waive 46 free allocation rights corresponding to 46 shares of the Company for the number of new shares to be issued to be a whole number.





where:

Interim Dividend =  $10.410 / (51 + 1) = 0.2001923076923$  euros gross amount per share  $\approx 0.200$  euros (rounded to the closest one-thousandth of a euro).

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