



Partnerships & Asset rotation

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Important information

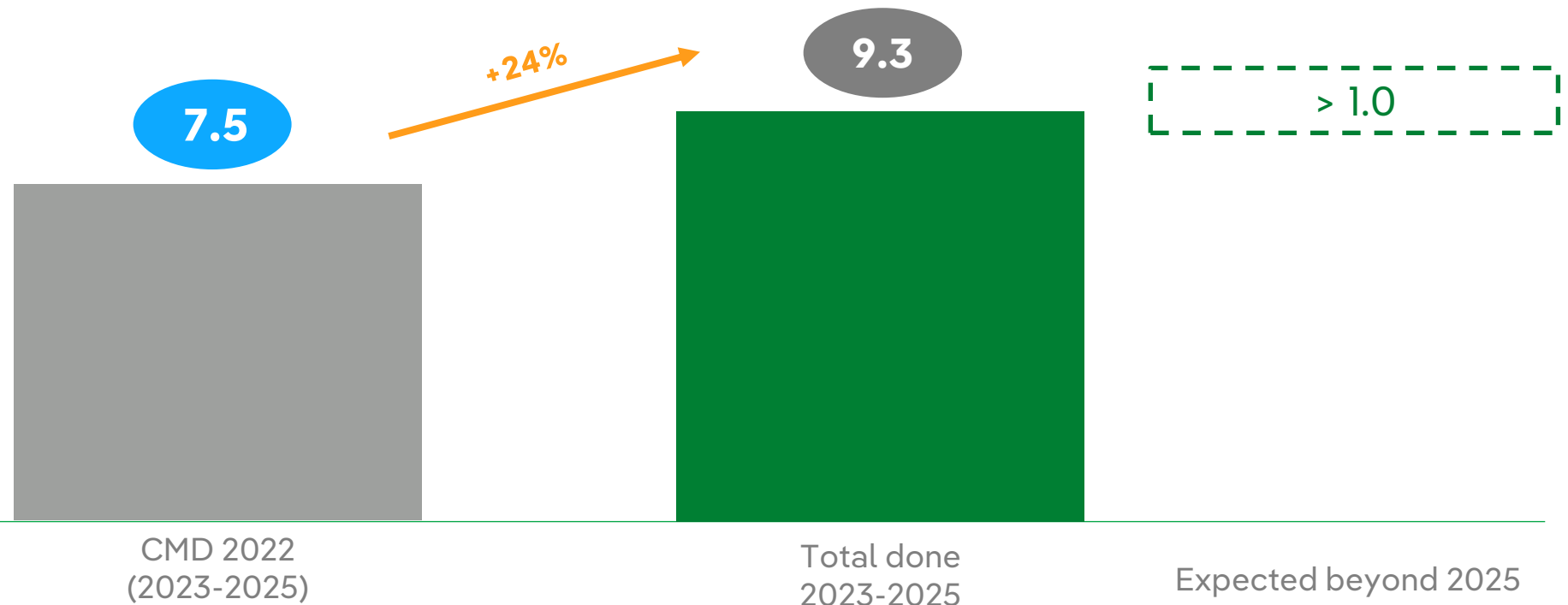
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Partnership and asset rotation target of 7.5 Bn Eur presented in the Nov. 2022 CMD completed just one year after its announcement,...

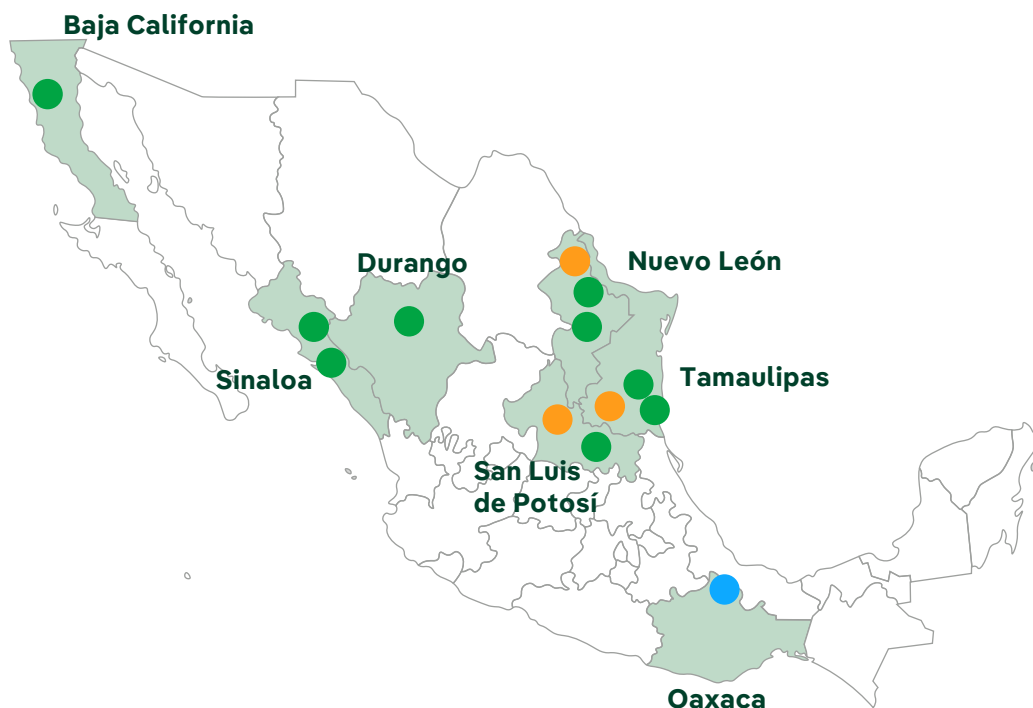
Cash inflows from transactions already signed, including margins (Bn Eur)¹



...illustrating the ability of the Iberdrola Group to reach agreements with high quality partners

Partnerships and asset rotation: key catalyst of plan

On February 26, we closed the sale of 13 plants, the ~55% of our Mexican business, with net capital gains of 1.1 Bn Eur,...



Operating data

Total Perimeter	8,539 MW	13 plants
PIE CCGT	7,301 MW	9 plants
PIE Onshore wind	103 MW	1 plant
CCGT Private	1,135 MW	3 plants
+ TSA and offtake PPA's		

Deal metrics

Price ¹	5.8 Bn Eur
% EBITDA Mexico	~55 %
EV/EBITDA 2023	14.2x
Net capital gain	1.1 Bn Eur

...the transaction has served as a catalyst for improving relations with the Mexican government, enhancing the long-term outlook for our renewable portfolio in Mexico

Iberdrola's partnerships & divestments have significantly exceeded trading multiples...

EV/ EBITDA¹



P/E¹



...highlighting our ability to create value

Partnership model that attracts Tier 1 investors allowing us to raise equity with lower dilution than issuing in the capital markets

✓ Reinforcing financial strength

- ▶ Anticipating cash inflows and reducing financial needs
- ▶ Provide more certainty throughout long-cycle investments

✓ Capital allocation/Risk diversification

- ▶ Allowing Iberdrola to allocate capital across more projects and technologies
- ▶ Reducing exposure in highly capex intensive projects

✓ Value creation

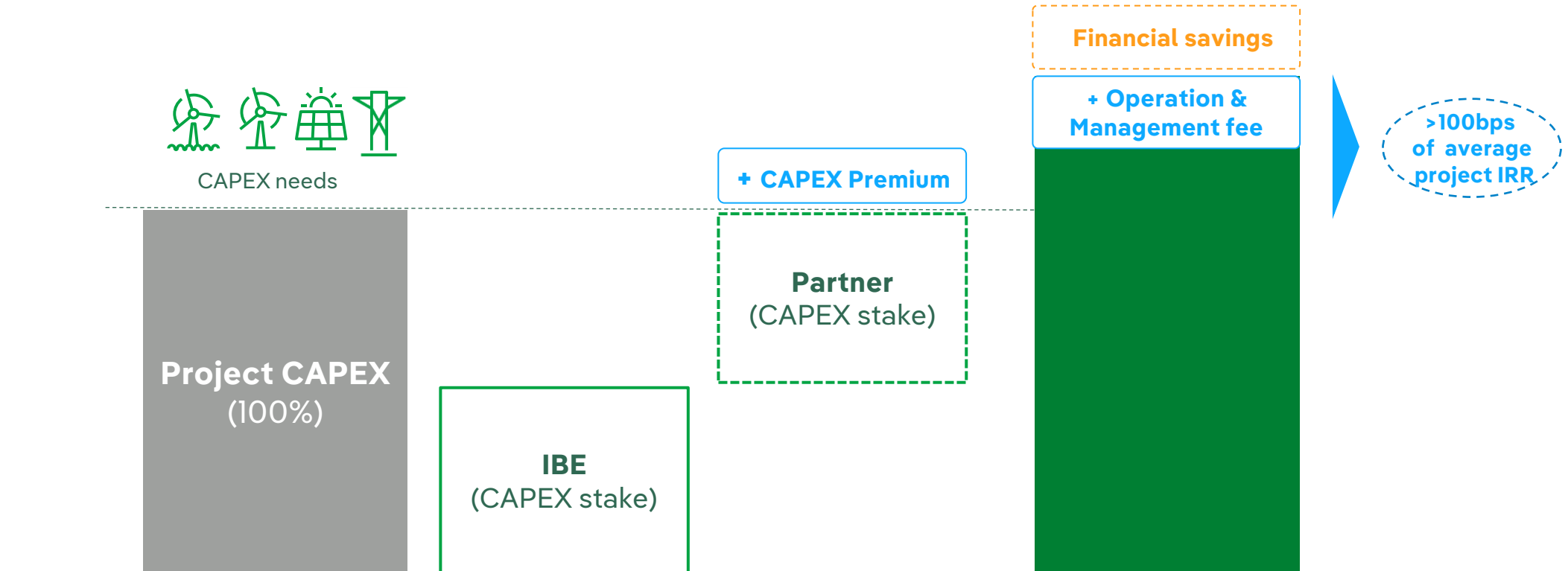
- ▶ Improving profitability through capex premiums
- ▶ Creating value in the long term, thanks to the additional returns from high value-added activities (O&M, Services and PPAs)

✓ Tailor made approach

- ▶ Wide variety of assets and geographies allow us to adapt based on internal requirements and partners preferences

Creating value in a stable and long-term oriented manner, aligned with Group industrial view

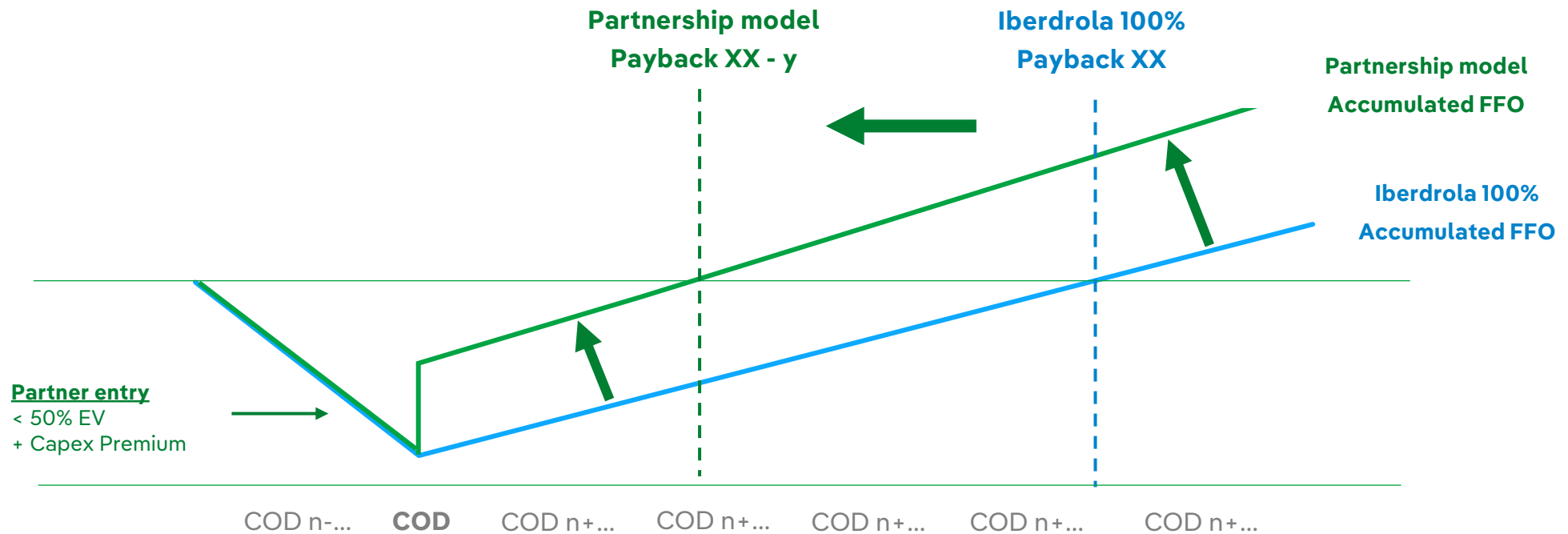
Beyond the value creation from the pure asset rotation (capex premium achieved), there are other significant considerations and value levers from the partnership model,...



...that reinforce the economics and management of the assets in the long term

The positive impact derived from the financial savings and the margins generated from the partnership model improves the FFO and offset the P&L effect of the ownership reduction

Project **accumulated** FFO (illustrative)



Partnership model reduces the payback period of our investments compared to a 100% ownership model

Portfolio of solid Tier 1 global partners provides additional opportunities...

Financial investors

Main investment and infrastructure funds in the world.
Most of them not subject to financing (equity investment)



Industrial Investors

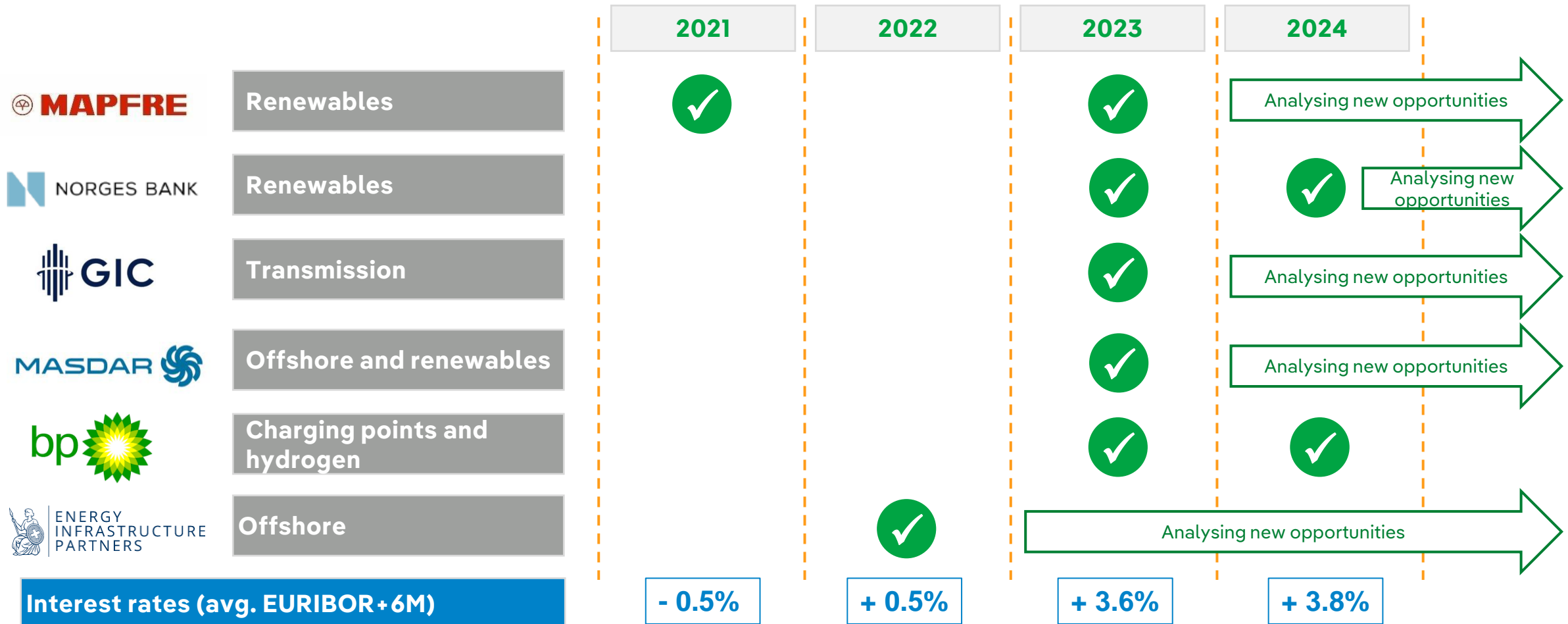
With a strong ambition to play a relevant role in the energy transition



...with appetite and financial capabilities to replicate deals and generate growth




World class partnership model: long term approach

The long-term relationship approach will allow Iberdrola to expand almost all the original alliances



World class partnership model: diversified types of partnerships

Iberdrola has signed a wide variety of partnerships with, different partners, in different countries and for different technologies, due to an attractive business mix...

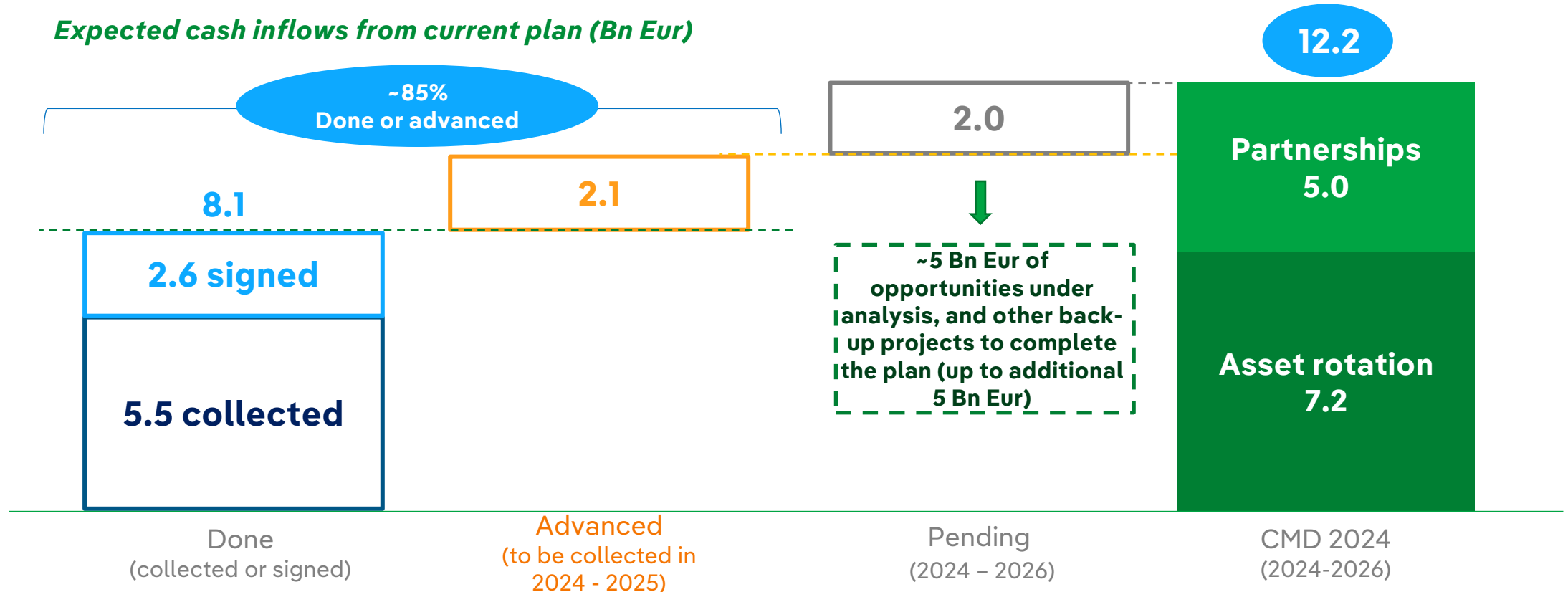
	Renewables 	Transmission 	Offshore 
Ownership	51% - 49%	50% - 50%	51% - 49%
Partner entry	COD	Post COD	Pre COD
Project Debt	No	Yes	No
Technology	Wind /Solar FV	Transmission	Offshore wind
Capex risk	100% Iberdrola	100% Iberdrola	Shared (51% - 49%)
O&M & asset management	Iberdrola	Neoenergia	Iberdrola
Long Term value cristalization (O&M, MSA, PPA)	Yes	Limited	Yes

...which demonstrate the execution capacity in all market conditions

The new partnerships and asset rotation plan 2024 -2026 status

The cash inflows already received in deals done, together with those expected to be signed in 2024 and 2025, provides a high degree of comfort around our 2026 target of 12.2 Bn Eur...

Expected cash inflows from current plan (Bn Eur)



...this, together with Iberdrola execution capacity, will allow us to be flexible and selective in our partnership strategy during the period

Outperformance achieved in 2023 leaves Iberdrola in a privileged position to meet the assets rotation and partnership targets until 2026,...

Nov. 2022 CMD plan already completed with high metrics of value creation, providing the basis for the achievement of the new plan to 2026

Tier 1 partners with capacity and appetite to replicate deals (several of whom have already done so)

Partnership model provides incremental returns, financial strength, flexibility and long-term value

Wide variety of partnerships all signed with beneficial conditions and in record time

...whilst the implementation of the partnership model adds stable and long-term value in all market conditions

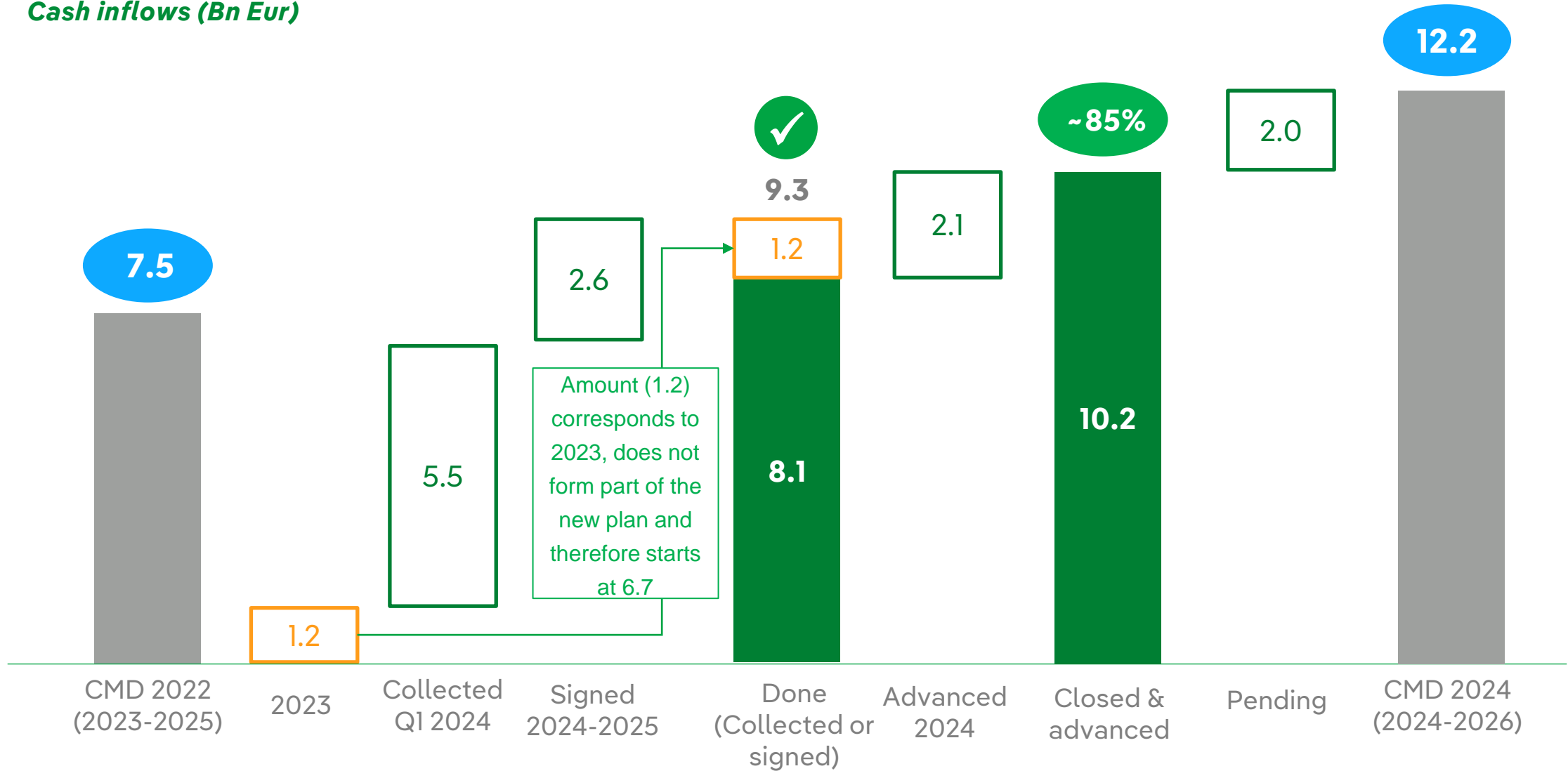


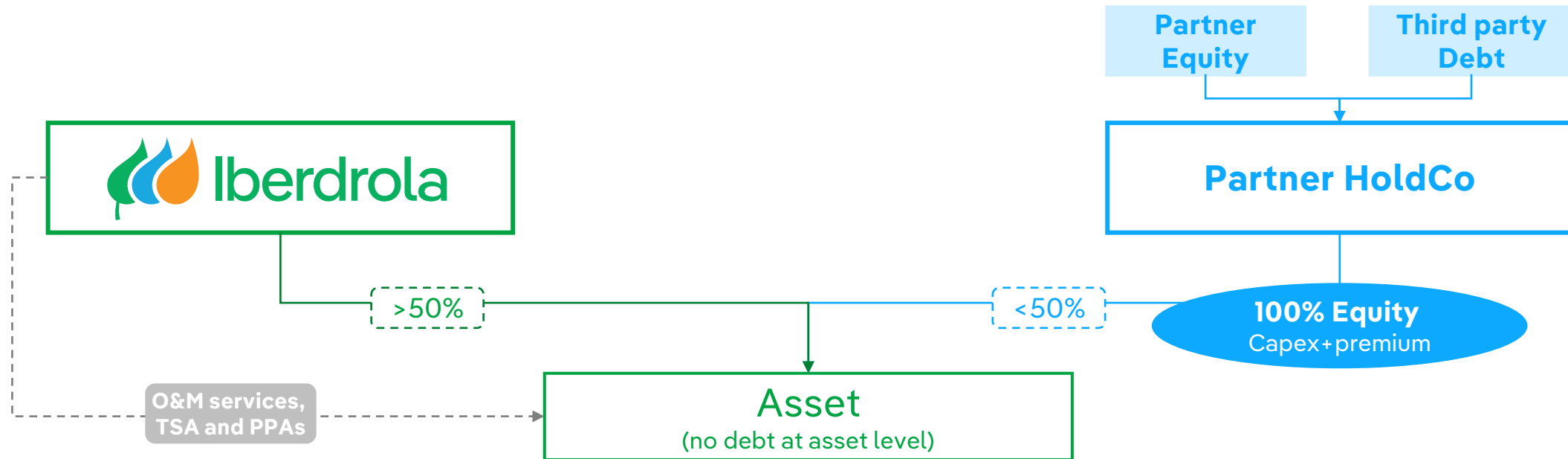
Annex

Partnerships & Asset rotation

2023-2025 Plan delivery and 2024-2026 Plan status

Cash inflows (Bn Eur)





100% equity structure allow us:

- 1 **Generate Group financial savings comparing to a deal with debt structure**
- 2 **Improving the Group financial strength**
- 3 **Equivalent to a capital increase with positive/accretive effect**