Factbook 2024

Investor Relations

Content

All figures as of December 2023, except otherwise stated. Differences may arise due to rounding

Iberdrola Group: Corporate Purpose

To continue building together each day a healthier, more accessible energy model, based on electricity

A real and global energy transition

- Boosting decarbonisation and electrification of the energy sector, and the economy as a whole
- Contributing to the fight against climate change
- Generating new opportunities for economic, social and environmental development

An energy model that is more electric...

- Abandoning fossil fuels
- Generalising renewable energy sources, the efficient storage of energy, smart grids and digital transformation

...healthier for people and the planet

- Being aware that short-term health and well-being of people depends on the environmental quality of their surroundings

...more accessible for all

- Favouring inclusion, equality, equity and social development

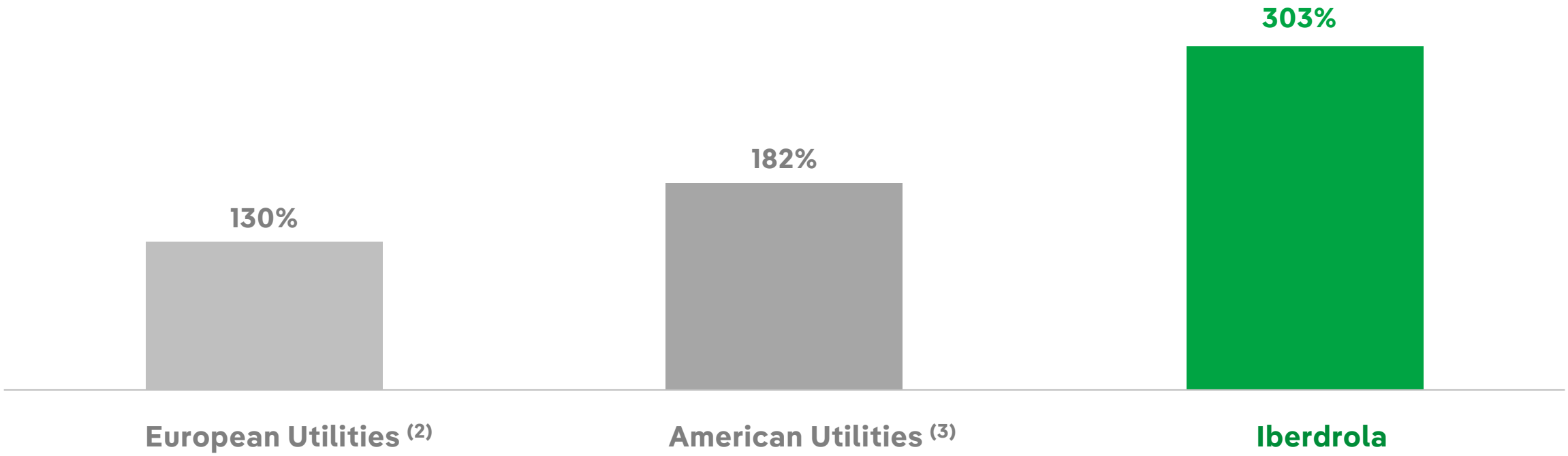
...contributing to the security of supply

- in collaboration with all agents involved and with society as a whole to ensure the availability of local energies

Focused on the well-being of people and on the preservation of the planet

Iberdrola Group: Total Shareholder Return

Iberdrola Total Shareholder Return[1] over the last 10 years exceeds 300%...

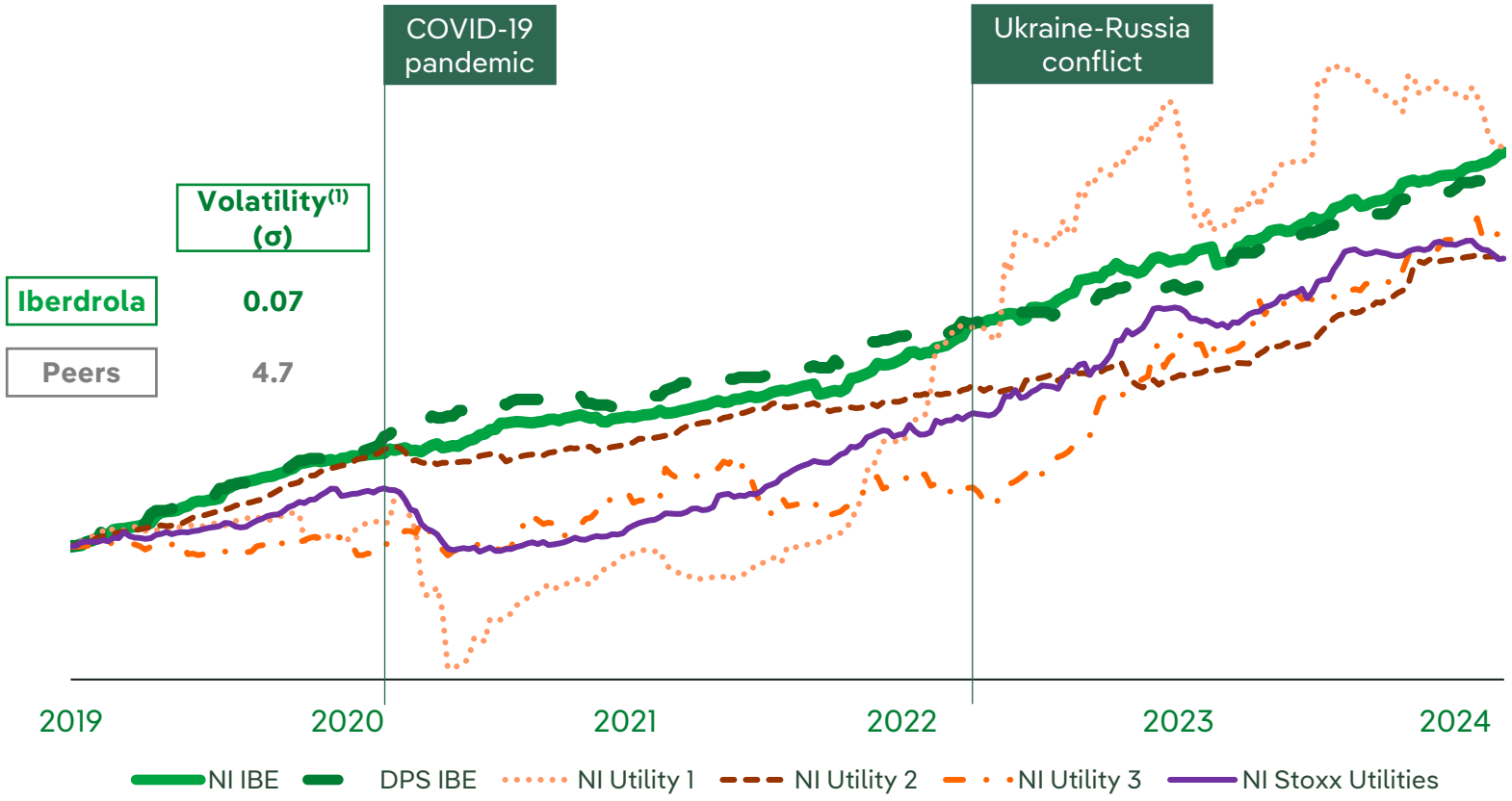


... based on higher growth than American & European peers

(1) Total Shareholder Return, including dividend reinvestment
(2) Arithmetic average of European Utilities (Enel, EDP, RWE, Engie, E.ON)
(3) Arithmetic average of American Utilities (NextEra Energy, Southern Co, Duke Energy)

Iberdrola Group: Track record Net Profit vs guidance

Net Profit growth above peers with lower volatility[1] even during uncertain times



	Net Profit CAGR	DPS CAGR
5y	10%	10%
10y	6%	7%
20y	8%	6%

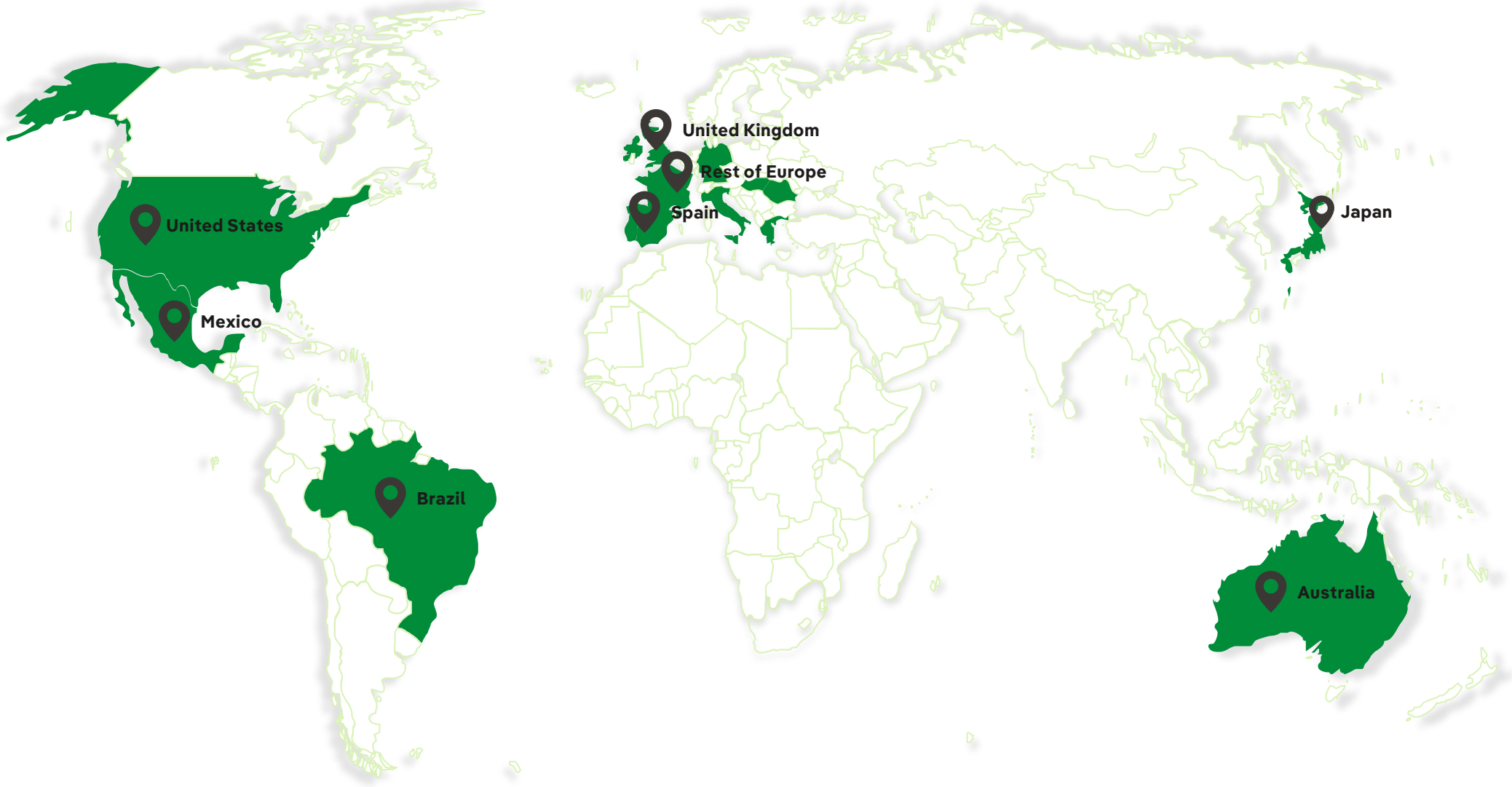
Shareholder remuneration aligned with Net Profit growth

Source: Bloomberg

(1) Calculated as standard deviation of Net Profit growth during the last 10 years

Iberdrola Group: Our figures

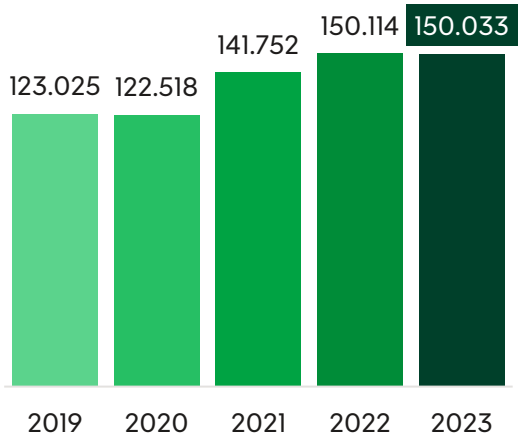
Iberdrola is a global energy leader, a world's leading wind energy producer...



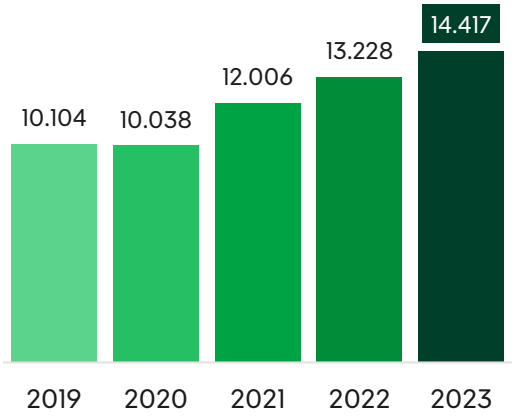
Iberdrola Group: Our figures

… and one of the world's largest electricity companies by market capitalization, …

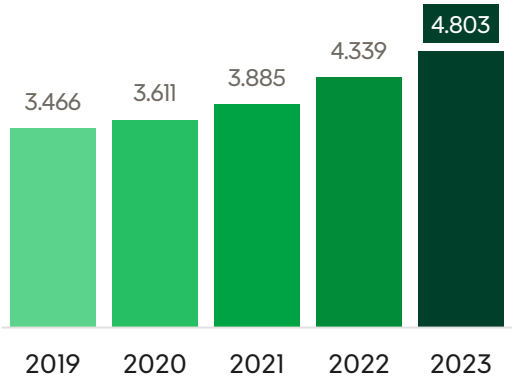
Assets (Eur M)



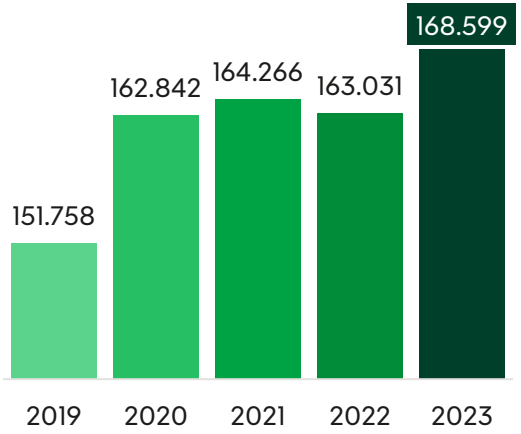
EBITDA (Eur M)



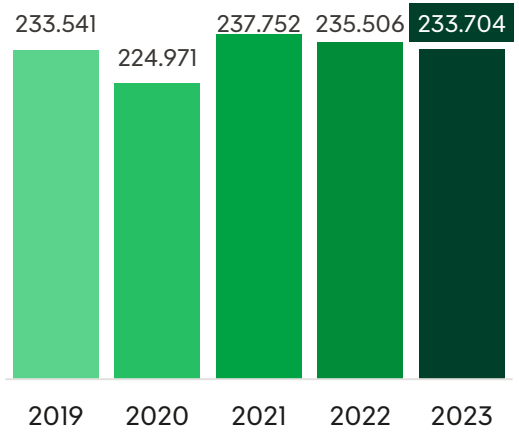
Net Profit (Eur M)



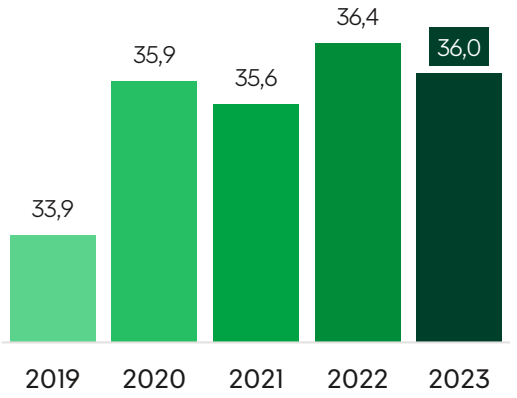
Net Production (GWh)



Distributed Electricity (GWh)



Customers (millions)(1)

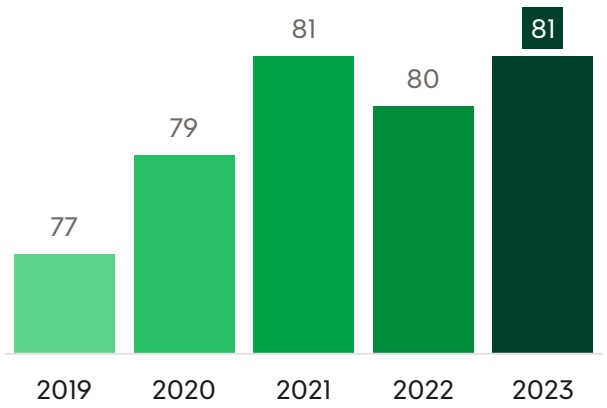


(1) *Consumers: for electricity, total number of customers is used where there are areas of electricity distribution and retailing, supply points are used for the other areas. For gas: total number of gas customers is used, except for the United States, where total number of supply points is used. Customers of the IEI electricity and gas segment depend on Iberdrola Clientes Internacional S.A., a subsidiary of the country subholding company Iberdrola España, S.A.*

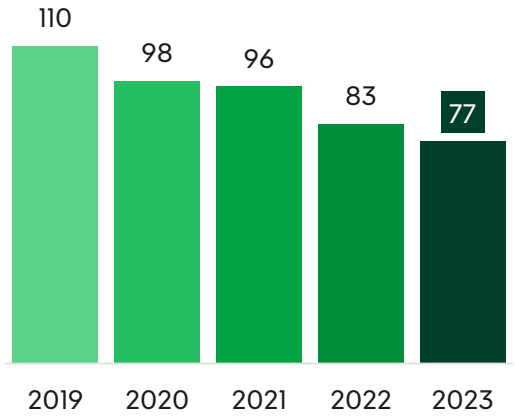
Iberdrola Group: Our figures

...having anticipated the energy transition to combat climate change and contributing to society

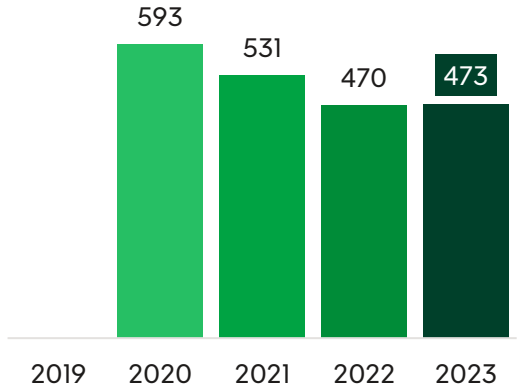
Own emission-free installed capacity (%)



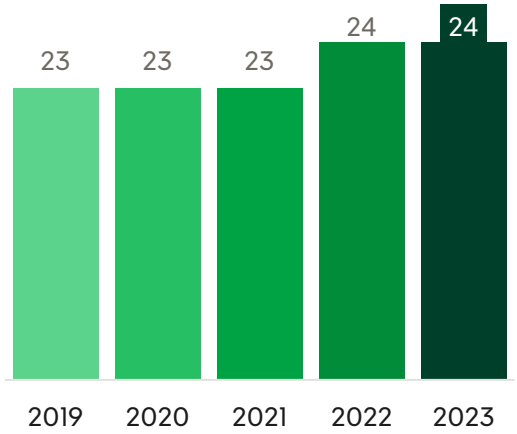
Own specific CO2 emissions (t / GWh)



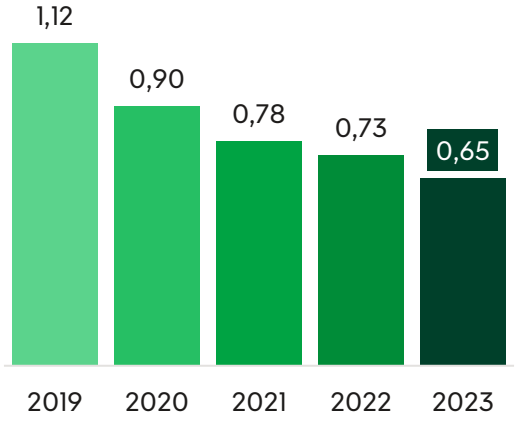
Water use / overall production (m3/GWh)



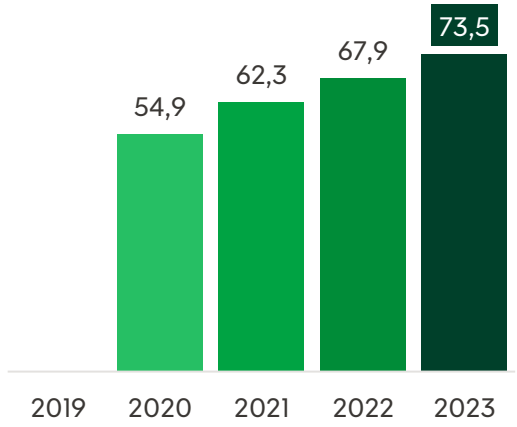
Gender diversity (% women in workforce)



Accident frequency rate(1)



Hours of training per employee trained



(1) Rate of recordable work-related injuries = Number of recordable work-related injuries (except first aid) / Number of hours worked x [200,000].

Iberdrola Group: Key figures

The group's competitive business model creates value in the places where the company operates...

Key performance indicators 2023

€11,382 million gross investment
€4,803 million net profit

€18,111 million of purchases from suppliers
3,250 MW(1) of renewable capacity installed

€384 million of investment in Innovation

42,276 employees
43% of women in the Board of Directors

77 g CO_2/kWh emissions
81% own emission-free installed capacity

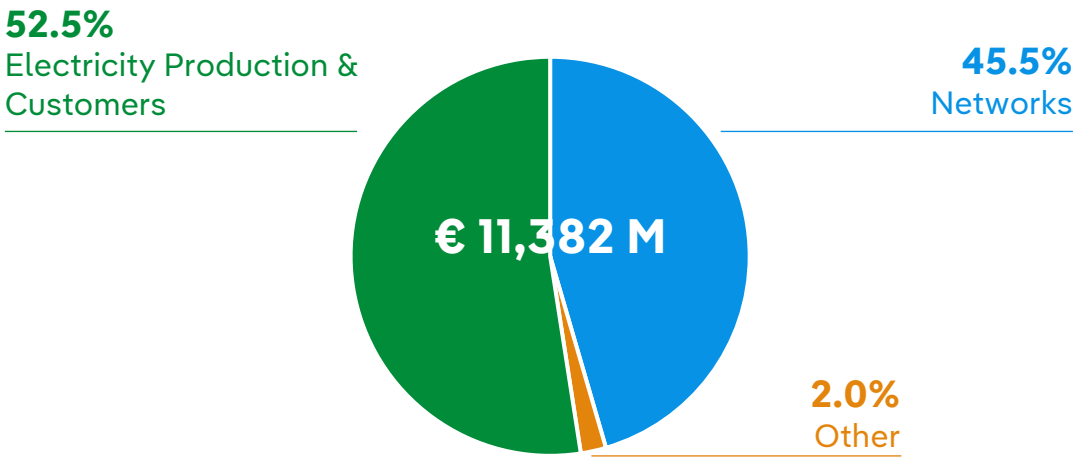
€52 million of contributions to society
36 million customers

(1) Total renewable capacity was 42,187MW with ~3,250 MW installed in 2023 after corporate adjustments during 2023, of which 2,873 MW corresponds to projects startup

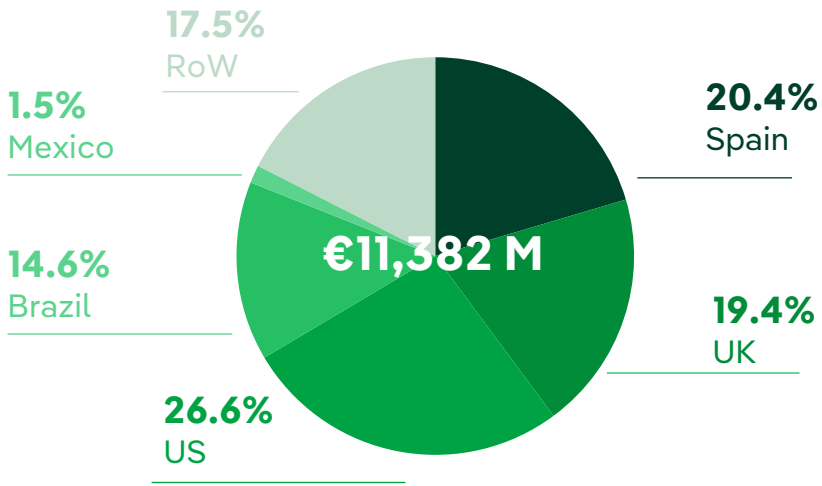
Iberdrola Group: Investments

...through clean energy generation, smart grids and smart solutions and services to our customers

2023 Gross Investments by business



2023 Gross Investments by geography



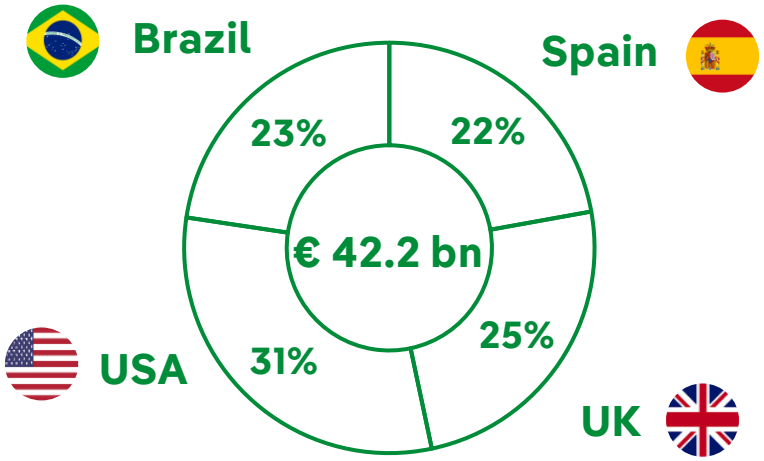
International diversification
~83% in countries with credit rating ≥A(1)

(1) Under Standard & Poor's categorization

Iberdrola Group: Networks

1.3 M Km power lines, over 4,500 substations and 1.6 M transformers to supply over 30 M points

Asset Base



Iberdrola Networks business areas

	Spain	UK	USA	Brazil
Transmission - electricity		✓	✓	✓
Distribution - electricity	✓	✓	✓	✓
Distribution - gas			✓	

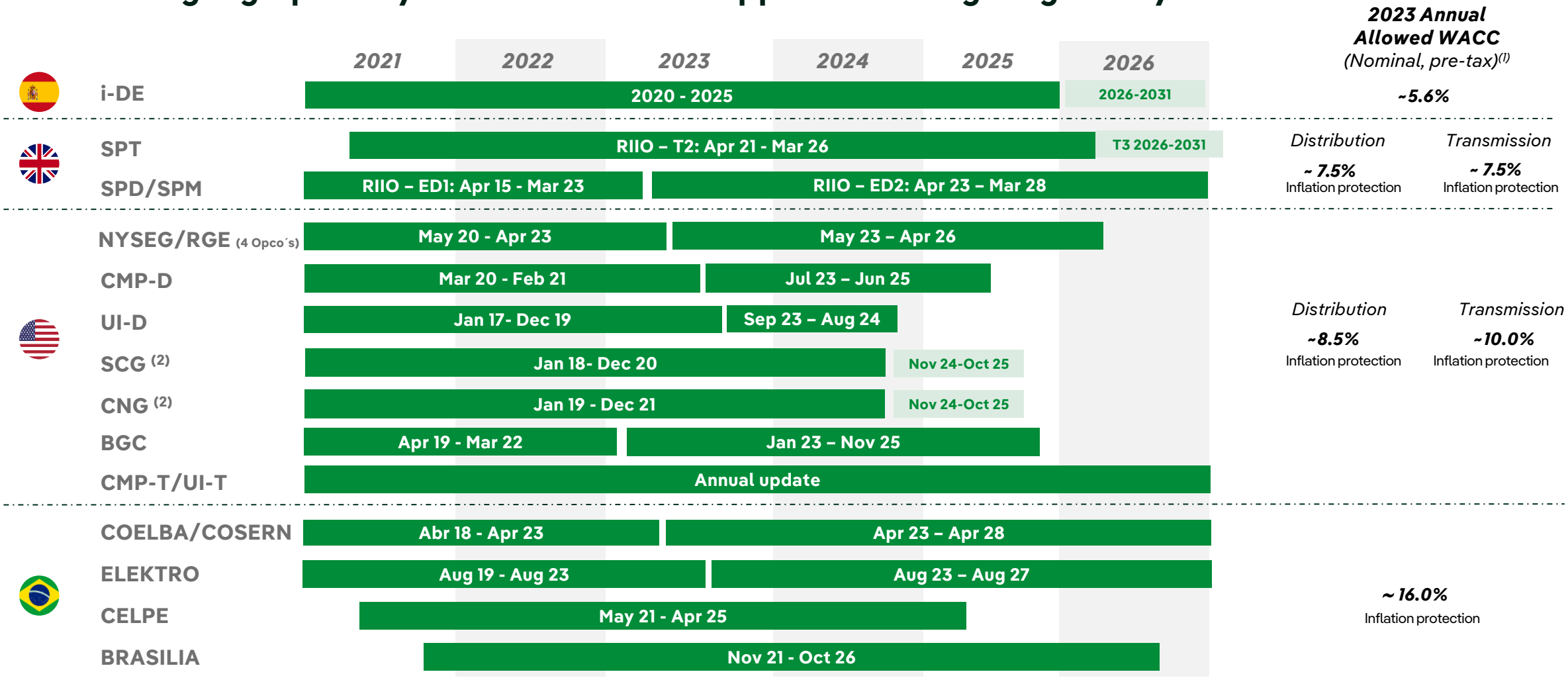
Leaders in Smart grids

Smart meters installed:

- **Spain**: 11.4 M
- **UK**: 2.5 M
- **US**: 1.5 M
- **Brazil**: 0.59 M

Iberdrola Group: Networks

Stable and geographically diversified returns approved through regulatory frameworks



2023 Annual Allowed WACC
(Nominal, pre-tax)[1]

~5.6%

	Distribution	*Transmission*
	~ 7.5% Inflation protection	***~ 7.5%*** Inflation protection
	Distribution	*Transmission*
	~8.5% Inflation protection	***~10.0%*** Inflation protection

~ 16.0%
Inflation protection

Note: Best estimate of the entry into force of the new rate cases

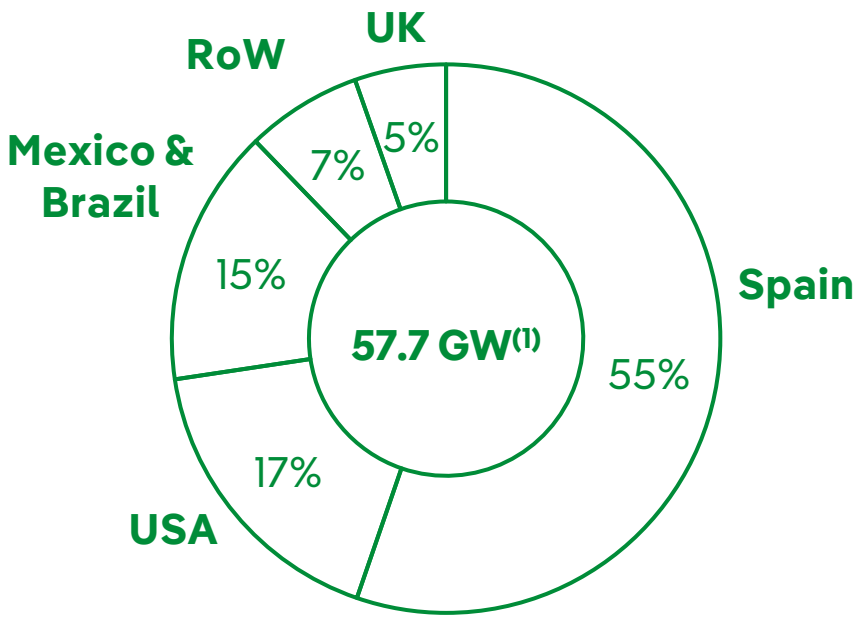
(1) Nominal WACC pre-tax has been calculated based on each country's specific remuneration framework. Distribution: ESP: 5.6% Nominal WACC pre-tax; UK: 5.5% Real CoE post-tax; USA: Nominal ROE post-tax allowed for each DisCo; BRA: 7.4% Real WACC post-tax. Transmission: UK: 4,7% Real CoE post-tax; USA: 11.1% Nominal ROE post-tax. Inflation (long term): UK: 2%; BR: 3,0%

(2) Rates automatically extended

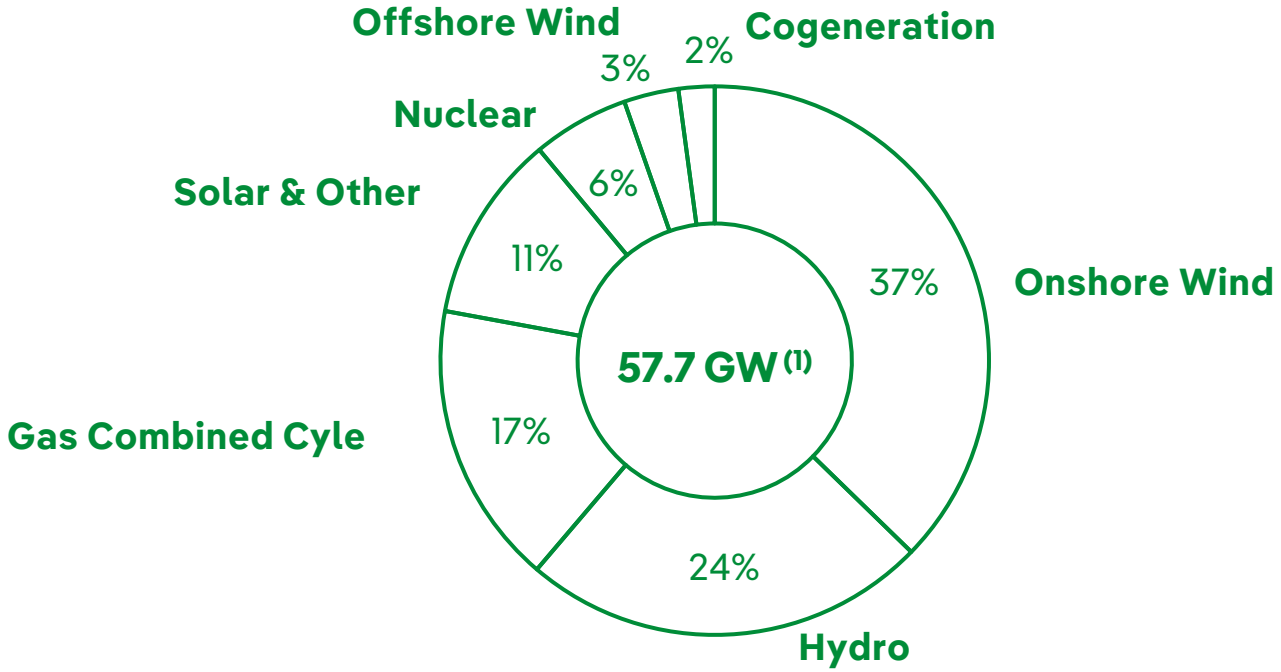
Iberdrola Group: Electricity Production & Customers

Leading position in renewables

Capacity by region



Capacity by technology

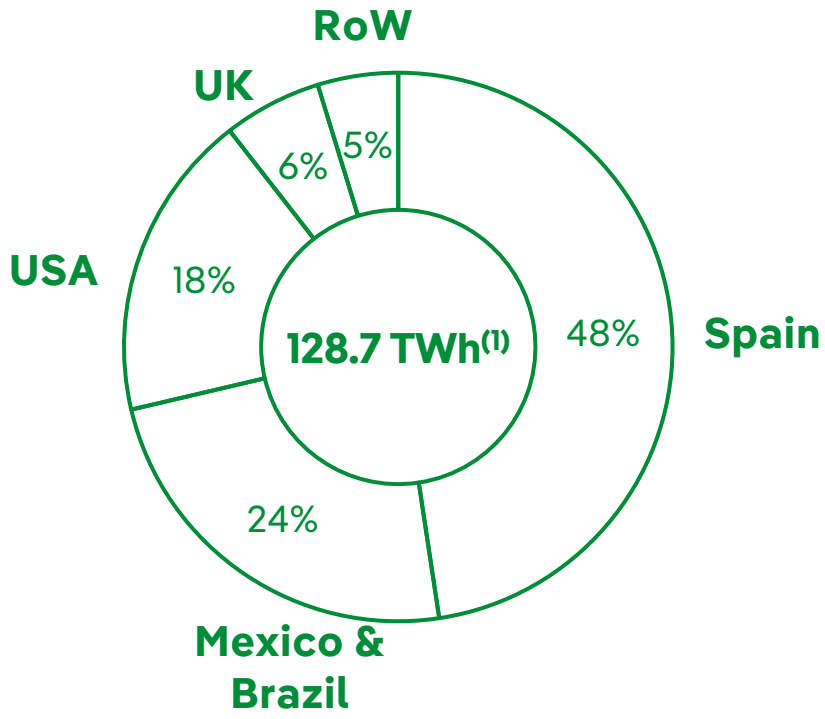


Note: net owned installed capacity. Differences may arise due to rounding
(1) Including 13 MW of capacity from fuel cells

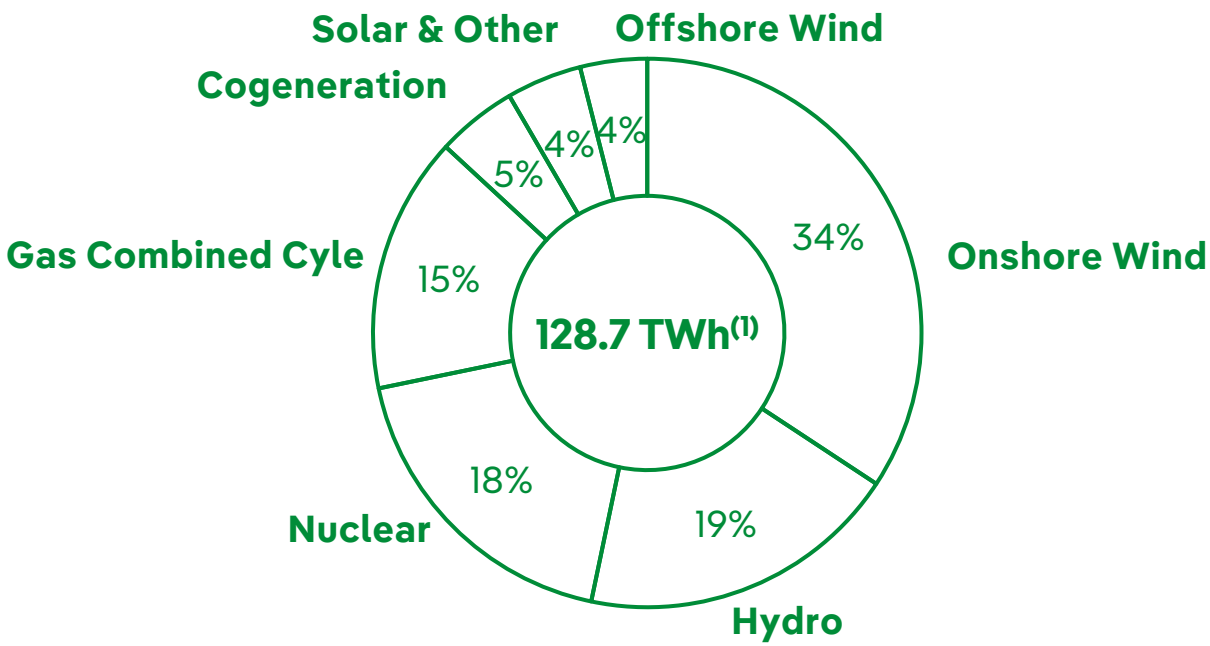
Iberdrola Group: Electricity Production & Customers

Leading position in renewables

Output by region



Output by technology



Note: net owned production. Differences may arise due to rounding
(1) Including 78 GWh of production from fuel cells

Iberdrola Group: Electricity Production & Customers

Group's total installed capacity

Capacity (MW)	Spain	UK	US	Mexico	Brazil	RoW	Total
Renewables	**21,589**	**3,002**	**8,833**	**1,335**	**3,862**	**3,566**	**42,187**
Onshore owned	6,550	1,970	8,044	590	1,554	2,072	**20,779**
Onshore for third parties	-	-	-	103	-	-	**103**
Offshore	-	908	39	-	-	846	**1,793**
Hydro	10,826[1]	-	118	-	2,159	-	**13,103**
Mini-hydro	244	-	-	-	-	-	**244**
Solar	3,951	19	618	642	149	573	**5,953**
Batteries	19	104	13	-	-	75	**211**
Nuclear	3,177	-	-	-	-	-	**3,177**
Gas Combined Cycle owned capacity	5,695	-	204	2,617	533	243	**9,291**
Gas Combined Cycle capacity for third parties	-	-	-	7,043	-	-	**7,043**
Cogeneration	347	-	636	202	-	-	**1,185**
TOTAL CAPACITY	**30,807**	**3,002**	**9,673**	**11,197**	**4,395**	**3,809**	**62,883**

Note: Total capacity additions 3,250 MW. Figures reported net of transactions during the period. Differences may arise due to rounding.

(1) Includes capacity/production of Gouvaes and Daivoes, hydro assets in Portugal

Iberdrola Group: Electricity Production & Customers

Group's total production

Production (GWh)	Spain	UK	US	Mexico	Brazil	RoW	Total
Renewables	**29,462**	**7,459**	**20,169**	**2,843**	**13,568**	**6,048**	**79,339**
Onshore owned	10,726	3,609	19,019	1,394	4,976	4,366	**44,091**
Onshore for third parties	-	-	-	210	-	-	**210**
Offshore	-	3,844	-	-	-	1,229	**5,073**
Hydro	15,460[1]	-	245	-	8,350	-	**24,055**
Mini-hydro	402	-	-	-	-	-	**402**
Solar	2,873	5	833	1,239	243	446	**5,639**
Batteries	-	-	78	-	-	-	**78**
Nuclear	23,784	-	-	-	-	-	**23,784**
Gas Combined Cycle owned production	6,452	-	6	12,836	85	60	**19,440**
Gas Combined Cycle production for third parties	-	-	-	39,721	-	-	**39,721**
Cogeneration	1,565	-	3,144	1,397	-	-	**6,105**
TOTAL PRODUCTION	**61,263**	**7,459**	**23,326**	**56,797**	**13,653**	**6,102**	**168,599**

Note: Total capacity additions 3,250 MW. Figures reported net of transactions during the period. Differences may arise due to rounding.
(1) Includes capacity/production of Gouvaes and Daivoes, hydro assets in Portugal

Iberdrola Group: Electricity Production & Customers

Conventional Generation

Renewables load factor

Load Factor (%)	Spain	UK	US	Mexico	Brazil	RoW
Onshore owned	19,4%	22,8%	27,3%	30,6%	37,9%	25,7%
Onshore for third parties				23,3%		
Offshore		48,4%				30,9%
Hydro(1)	16,5%				30,1%	
Mini-hydro(1)	18,4%					
Solar	14,4%	5,9%	17,5%	21,7%	18,6%	13,0%

Average thermal efficiency at generation facilities(2)

	Spain		USA		Brazil		Mexico		RoW	
	2023	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**
CCGT	50.72	50.99	N/A	N/A	51.18	42.11	52.07	53.05	N/A	N/A
Cogeneration	69.76	69.01	48.55	48.07	N/A	N/A	55.54	58.13	N/A	N/A

	Report boundary	
	2023	**2022**
CCGT	51.92	52.80
Cogeneration	56.26	57.91

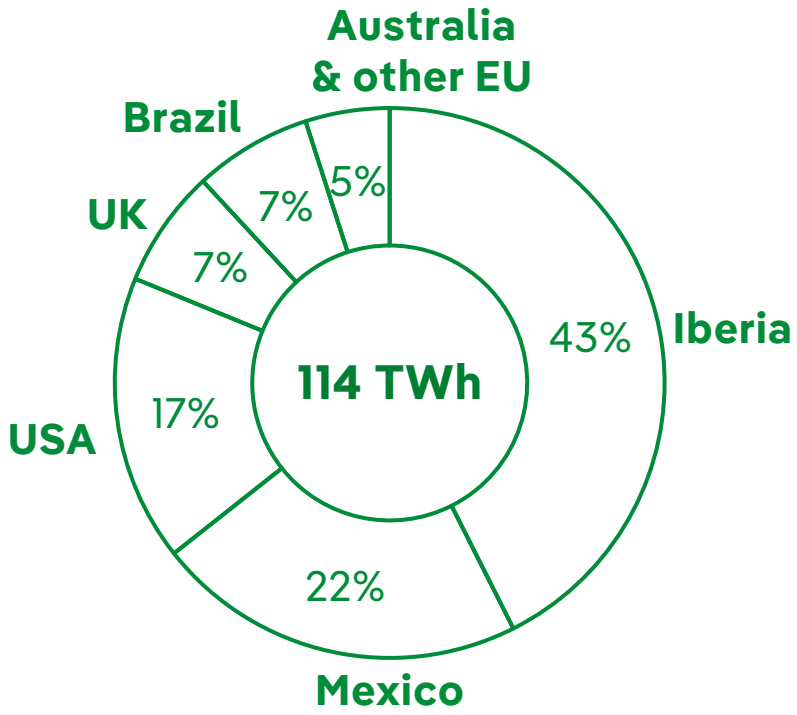
(1) Based on consolidated production and operational capacity
(2) Average of efficiencies weighted by the annual production of each thermal power plant

Source: Sustainability report Statement of Non-Financial Information. Sustainability Report Financial Year 2023 (iberdrola.com)

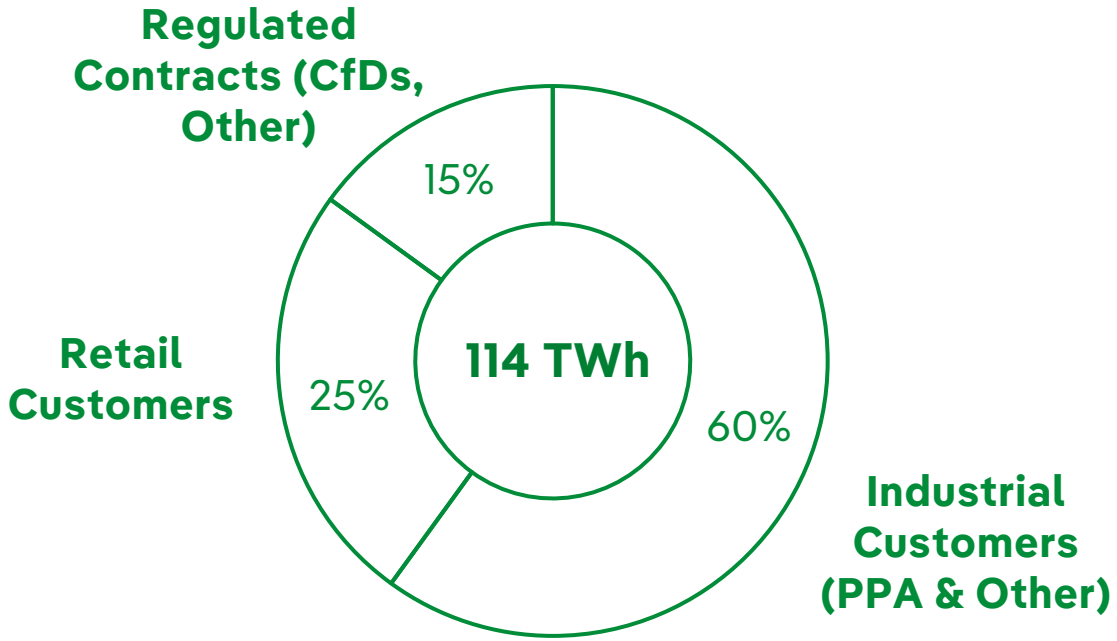
Iberdrola Group: Electricity Production & Customers

Mid and long term secured contracted margins in all regions through diversified route-to-market…

Available production for sales (TWh)



Route to Market by production

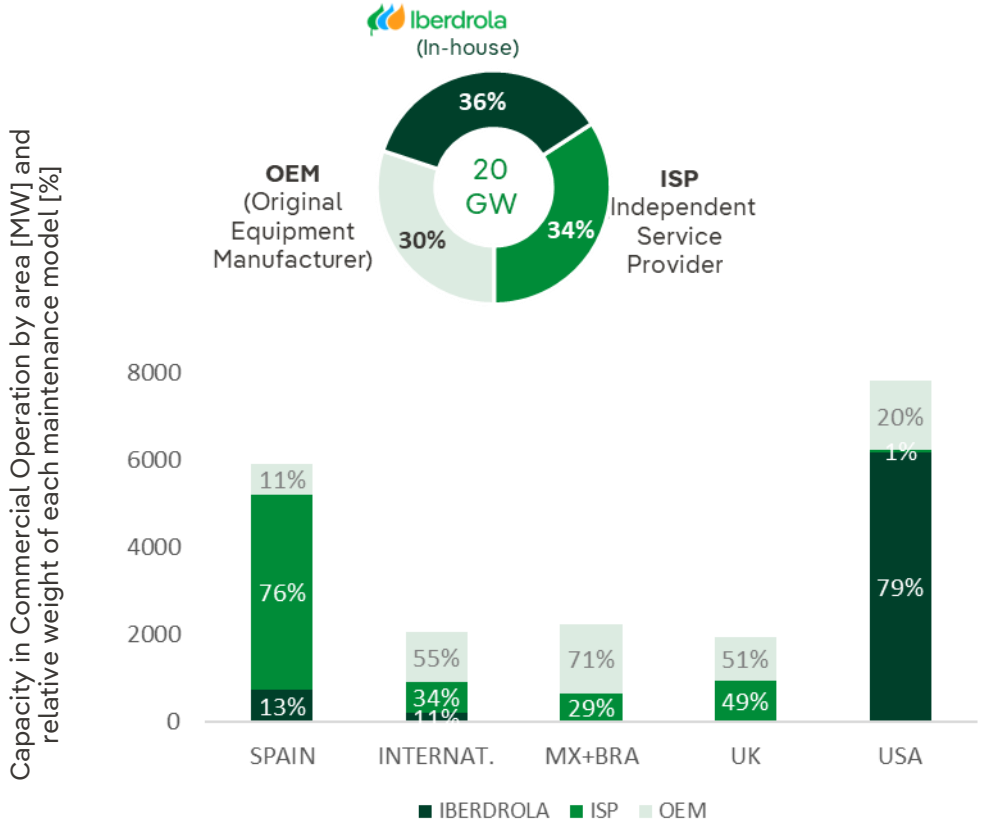


… and in 2023 we reached 114 TWh of contracted revenues with margin secured

Iberdrola Group: Electricity Production & Customers

O&M Management

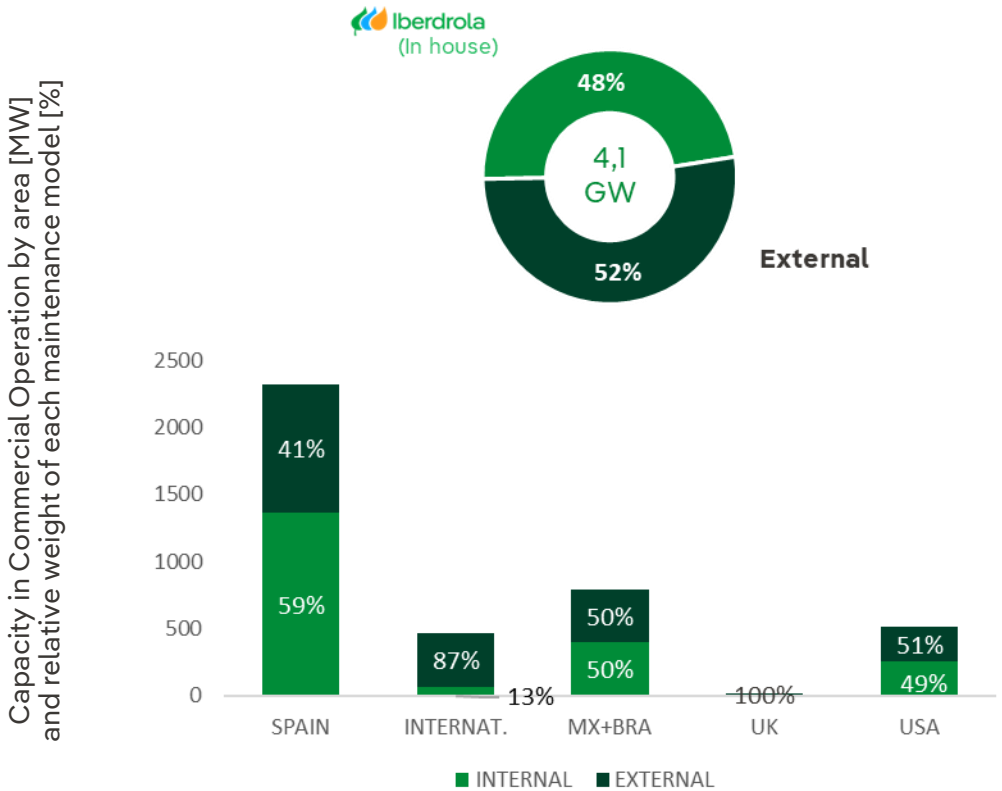
WIND



USA is the region that concentrates more in-house maintenance, while Spain concentrates the maintenance with ISP

Relevant to highlight the new ISP maintenance of the total G8X-G9X fleet in Brazil which provides flexibility

SOLAR



External maintenance model predominates, followed by a tendency to increase internal maintenance as the equipment comes out of warranty

It is worth mentioning the new in-house maintenance of FIMER inverters in Spain (before done by the OEM) providing more autonomy

Note: Excluding capacity not consolidated at EBITDA level

Electricity Production & Customers: Customers

Retail & Smart Solutions: Key figures 2023

>30 M services to customers

MEXICO(*)

5k services to customers
14 TWh energy sales

BRAZIL

695k services to customers
17 TWh energy sales

UK

7 M services to customers
36 TWh energy sales

SPAIN & CE

22 M services to customers
82 TWh energy sales

(*) Excludes energy of CCGT sold to MIP as of 26th February 2024

Iberdrola Group: Electricity Production & Customers

Services to customers: >30 M contracts

Thousand contracts	2023	2022	Var. (%)
Spain & CE	**22,474**	**22,154**	**1,45%**
Liberalised	**19,671**	**19,374**	1.53%
Electricity	7,733	8,105	-4.59%
Gas	1,266	1,351	-6.30%
Smart solutions	10,673	9,919	7.60%
Last resort tariff	**2,803**	**2,780**	0.85%
UK	**7,290**	**7,256**	**0.48%**
Electricity	2,680	2,831	-5.36%
Gas	1,829	1,915	-4.50%
Smart Solutions	303	316	-4.15%
Smart Meters	2,479	2,194	13.02%
Mexico	**5**	**5**	**0.22%**
Brazil	**695**	**453**	**53.59%**
Electricity	1,42	1,08	30.99%
Smart Solutions	693,70	451,50	53.64%
			1.45%
TOTAL	**30,464**	**29,868**	**2.0%**

Note: differences may arise due to rounding

Iberdrola Group: Electricity Production & Customers

Smart Solutions to solve customer needs

- Comprehensive solutions that meet our customer needs
- Strengthen customer relationship with Iberdrola
- Accelerate electrification of demand
- Promote sustainable technologies

SMART HOME
VALUE-ADDED SERVICES

- Reached 11.7M services in the global value-added services portfolio
- Wide offer of added value services and energy management that provide peace of mind and comfort and enable customers to save and optimize their energy consumption.
- Launching of new solutions to drive demand electrification and allow a customized home energy management

SMART MOBILITY
ELECTRIFICATION OF TRANSPORT

- Alliance with more than 10 vehicle manufacturers which cover 60% of EV Sales in Spain
- >14k public charging points and 36k residential in 2023
- Launch of the Iberdrola | BP Pulse joint venture to lead the fast and ultrafast charging infrastructure deployment in Spain and Portugal
- Leading charging solutions for enterprises, more than 1500 charging points in Mercadona supermarkets at the end of 2023.
- Contracts secured for installation of charging infrastructure for +500 buses.

SMART SOLAR
SELF-SUPPLY SOLUTIONS

- Leading self-consumption in Spain (40% market share) and consolidating presence in other countries
- We offer comprehensive solutions for all customers: single-family homes, solar communities, companies and industrial customers.
- Continuing the deployment of solar communities to make self-consumption accessible to all customers neighbours in the vicinity

SMART CLIMA
ELECTRIFICATION OF HEAT

- Promotion of heat electrification and energy rehabilitation in homes
- 500GWh of current consumption for >150k customers
- Development of the business line of integral energy refurbishment of residential buildings
- Integrated turnkey solutions: installation, maintenance and electricity tariffs adapted to each client

Iberdrola Group: Electricity Production & Customers

Industrial Solutions driving the electrification of industrial demand

DATA CENTERS

Green energy in need of firming

- ✓ Iberdrola: **>7 TWh** contracted in USA, Spain, Germany, United Kingdom,... and with 1.5 TWh under negotiation
- ✓ Alliances with the **main energy consumers** for Data Centers

Meta · Google · Microsoft · aws

INDUSTRIAL HEATING

Processes <200ºC

- ✓ **20 current partners:** >4TWh of steam with projects to completely decarbonize their processes
- ✓ Portfolio of an additional 1.5TWh under negotiation

DISTRICT HEATING

Areas of high population density and low temperature

- ✓ **Pioneers in Project Development in Spain: 2 projects underway**
- ✓ **Pipeline of ~40 projects (4TWh)** in the mature pipeline in more than 37 cities

Iberdrola Group: Electricity Production & Customers

PPAs: long-term Power Purchase Agreements

- A PPA is a long-term Power Purchase Agreement, with agreed conditions (term, price, amount, etc.) between an energy generator and a consumer that ensures revenue and price stability for the customer.
- In a market with highly volatile prices, PPAs set a price that totally or partially limits this risk.
- Iberdrola group has signed contracts of this type in countries such as the United States, the United Kingdom, Spain, Mexico, Brazil, Australia, Italy, Germany...

DEPENDING ON THE POINT OF INJECTION OF ENERGY

OFFSITE PPA

Energy produced at a specific location and connected to the grid

ONSITE PPA

Energy produced near or on the site of the customer's premises

DEPENDING ON THE TYPE OF DELIVERY

PHYSICAL

Bilateral contract for the supply of energy and, for renewable generation, delivery of Renewable Certificates from a specific production plant to the end customer

VIRTUAL

Bilateral energy contract that does not provide for the physical delivery of energy from the seller to the customer

BY FORM OF ENERGY DELIVERY

AS GENERATED

The customer consumes the plant's generation

BASELOAD

The seller is responsible for converting the generation of the asset into a baseload

Iberdrola Group: Electricity Production & Customers

Flagship projects: Key PPAs(1) signed by Iberdrola

SPAIN

MERCADONA	PPA for consumptions of the company in Spain
vodafone	280 GWh from solar PV Cedillo
euskaltel	Energy from solar PV plant Nuñez de Balboa

PORTUGAL

vodafone	PPA for 80 GWh from solar PV plant Velilla

MEXICO

PPG	PPA for 115 GWh/year for consumption of renewable source
Mondelēz International	PPA for 22 GWh/year for consumption of renewable source

GERMANY

amazon	PPA for 1.1 TWh from offshore wind farms Windanker and Baltic Eagle
Mercedes-Benz	PPA for 140 MW from offshore wind farm Windanker
SALZGITTER AG Stahl und Technologie	PPA for 114 MW from offshore wind farm Baltic Eagle
HOLCIM	PPA for 250 GWh from offshore wind farm Baltic Eagle
TMD	PPA for 50 GWh from offshore wind farm Windanker

BRAZIL

Claro	PPA for the production of 149 MW coming from solar PV plant Luzia in Paraíba

USA

Meta	PPA for 240 MW from solar PV plant True North in Falls County, Texas
Apple	PPA for 200 MW from wind farm Montague located in Gilliam, Oregon
Google	PPAs for 196 MW from windfarms Coyote Ridge and Tatanka in South Dakota

AUSTRALIA

BHP	PPA for hybrid plant (PV and wind) produced by Port Augusta project with 320 MW in South Australia

(1) Power Purchase Agreement

Iberdrola Group: Electricity Production & Customers

Green Hydrogen: portfolio of projects for the commercialization of energy through green hydrogen…

- ✓ **Iberdrola** has 3 operational / under construction projects

✚

- ✓ Advanced **H2 project portfolio** ready for investment decisions (Australia, USA, Iberia, Brazil…)
- ✓ Agreements with **strategic customers** for the sale of the H2
- ✓ Supply chain **assurance agreements**

Project Portfolio

Project	Production (tH2/year)	Status
Puertollano	2,200	In Operation
Barcelona I	275	In Operation
Benicarló	150	Under construction
Cromarty	1,650	Funds awarded
Whitelee	1,100	Funds awarded
Metanol Green Meiga	16,500	Funds awarded
Palos	22,000	EU approval pending fund allocation from Spain
Other (AUS, US, IBE, BR…)	>100,000	Under study

…as long as the price of H2 guarantees profitability, supported by incentives when needed

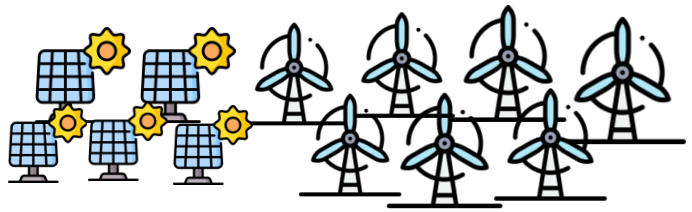
Iberdrola Group: Electricity Production & Customers

Iberdrola supports the development of the full value chain to boost Green H2 and Derivatives

H_2 Value Chain

Increase in additional renewable energy for the production of Green H2 & Derivatives

When we talk about Green H2 and Green Derivatives we talk about Renewable Energy



Support for the creation of new manufacturers of electrolyzers and other equipment & services

Development of long-term industrial alliances with leading companies

Iberdrola Group: Electricity Production & Customers

Offshore: Projects in operation

Project	**WoDS**	**Wikinger[2]**	**East Anglia 1[3]**	**St Brieuc**
Location	Irish Sea	Baltic Sea	North Sea	St Brieuc Bay, France
Capacity (MW)	194 MW[1]	350 MW	714 MW	496 MW
COD	2014	2017	2020	2024
PPA/CFD	Market Price + 2.0 ROC	194€/MWh / 8yrs + 154€/MWh / c.4 yrs	CfD 119.89 £/MWh (real 2012+CPI)/15 yrs	155 €/MWh (real 2012) / 18yrs - indexed
Number of turbines	108 Siemens-Gamesa turbines (3.6 MW)	70 Siemens-Gamesa turbines (5 MW)	102 Siemens-Gamesa turbines (7 MW)	62 Siemens-Gamesa turbines (8 MW)

(1) 50% of total 389 MW. Full consolidation 194 MW. This is a 50/50 joint venture between Scottish Power Renewables and Ørsted.

(2) This is a 51/49 ownership structure with Iberdrola Renewables Deutschland and Energy Infrastructure Partners (EIP)

(3) This is a 60/40 ownership structure with Scottish Power Renewables and Bilbao Offshore Holding Limited (a firm held by Macquarie's Green Investment Group (GIG))

Iberdrola Group: Electricity Production & Customers

Offshore: Projects under construction

Project	Baltic Eagle[1]	Vineyard Wind 1[2]	Windanker	East Anglia 3
Location	Baltic Sea	Atlantic Ocean	Baltic Sea	North Sea
Capacity (MW)	476 MW	806 MW	315 MW	1,397 MW
COD	2024	2024	2026	2026
PPA/CFD	PPA	88.77 $/MWh on average / 20 yrs	PPA	CfD 37.35 £/MWh (real 2012+CPI)/15 yrs +PPA
Number of turbines	50 Vestas turbines (9.5 MW)	62 GE Haliade-X turbines (13 MW)	21 Siemens- Gamesa turbines (15MW)	95 Siemens-Gamesa turbines(14.7MW)

In operation by 2026 ~3,000MW

(1) This is a 51/49 ownership structure with Iberdrola Renewables Deutschland and Masdar

(2) This is a 50/50 JV with Avangrid and Copenhagen Infrastructure Partners (CIP). Closed first-ever $1.2B Tax Equity financing for commercial scale offshore wind project and first funding received; both in 2023

Iberdrola Group: Electricity Production & Customers

Offshore: increasing additional growth opportunities for 2028 – 2030…

Awarded Auctions

- **Happo – Noshiro (375 MW):** Awarded all rights for the construction and operation
  - 39.9% Iberdrola's stake
  - Final Investment Decision in 2025-26
  - Producing energy by 2028-29

Mature Projects

- **East Anglia 1N (765 MW) & 2 (960 MW):** fully consented projects creating synergies in the UK Hub
- **New England 1 (791 MW) & 2 (1,080 MW):** Participating in New England multistate auction(1)

Seabed rights for **additional growth**

- **ScotWind:**
  - 5GW floating offshore projects in JV with Shell (50/50)
  - 2 GW fixed projects
- **Kitty Hawk:** 3.5GW off the coasts of Virginia and North Carolina
- **Aurora Green:** obtained preliminary authorization to develop our first offshore wind farm in Australia

(1) More information in the annex section

Iberdrola Group: Electricity Production & Customers

...through established support mechanisms

	Country Targets (GW)	Support Mechanisms
UK	50 GW by 2030	CfD
Scotland	11 GW by 2030(1)	CfD
USA	30 GW by 2030	Utility or Corporate PPA
France	4.6 GW by 2030	CfD
Germany	30 GW by 2030, 40 GW by 2035	Variable premium/corporate PPA
Australia	2 GW by 2032, 4 GW by 2035	CfD
Japan	10 GW by 2030, 30-45 by 2040	FIT but moving to Feed in Premium

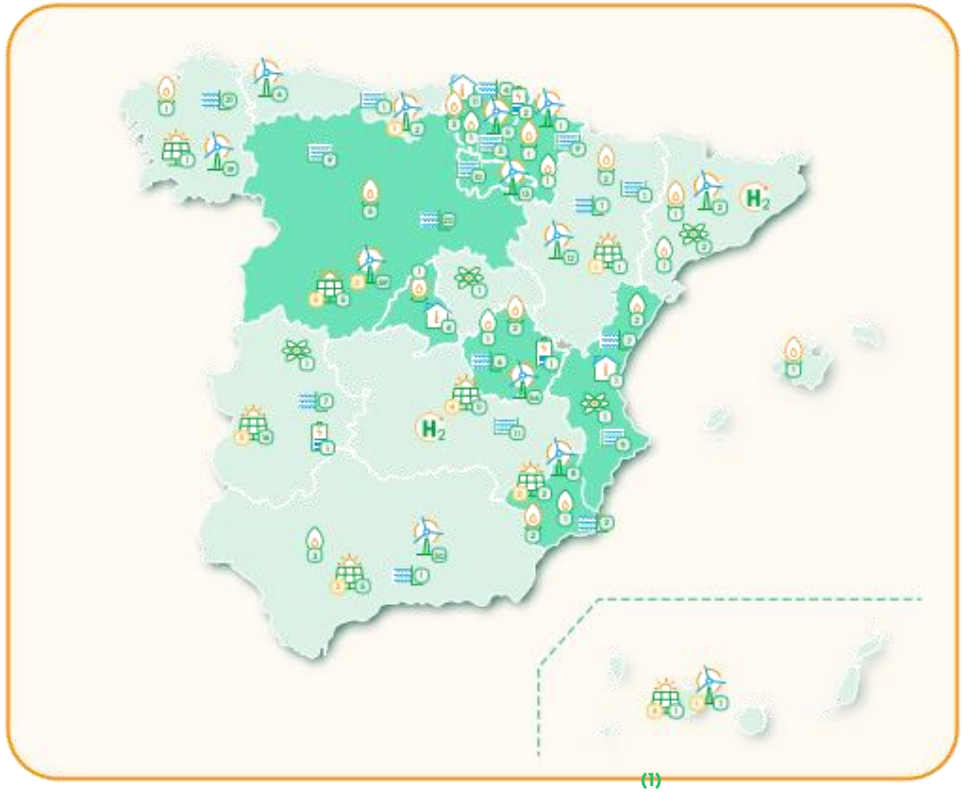
(1) *Updated energy strategy currently being developed*

Content

All figures as of December 2023, except otherwise stated. Differences may arise due to rounding

Iberdrola España

Leading energy company



Installed Capacity (MW)	30,807
Renewable Capacity (MW)	21,589
Net Production (GWh)	61,263
Distributed Energy (GWh)	87,866
Customers (M)(3)	11.4
Km of lines	265,337

214 Onshore wind 6,550 MW

42 Solar photovoltaic plants 3,951 MW

125 Hydroelectric(1) + mini-hydro plants 11,070 MW

2 Green hydrogen

4 Batteries 19 MW

10 Combined cycle gas plants 5,695 MW

19 Cogeneration plants 347 MW

5 Nuclear power plants 3,177 MW

Projects under construction (2)

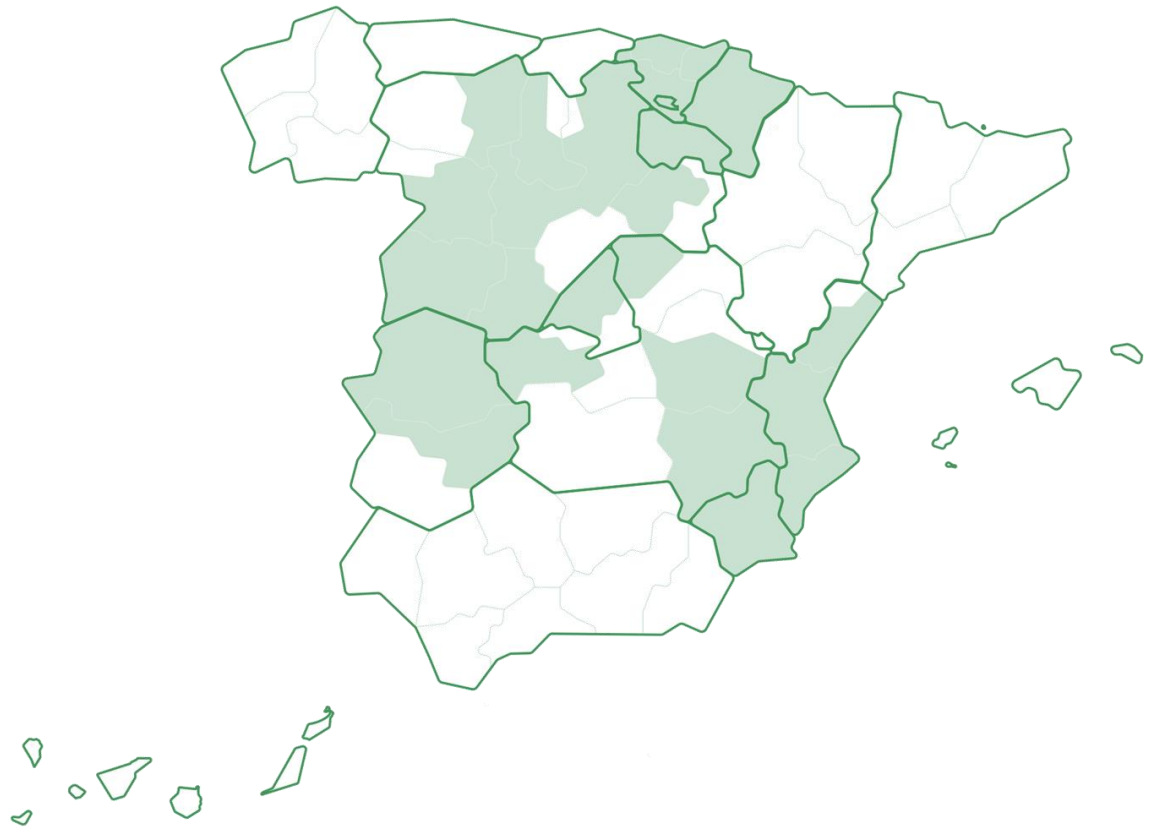
4 | 22 | 1

(1) The data on hydroelectric power plants include the Daivoes, Gouvaes and Alto Tâmega power plants in Portugal, although they visually appear on the Iberdrola Energía Internacional map
(2) Includes both projects under construction and projects with a positive decision to start construction (positive FID)
(3) Total number of electricity and gas customers.

Iberdrola España: Networks

As of December 2023, ~11.4 M smart meters installed and digitalization of ~100,000 secondary substations

	2023
RAB (Eur Bn)	9.4
Distributed energy (GWh)	87,866
Points of supply (M)	11.4
Kms of lines (M)	265,337



Iberdrola España: Networks

Distribution: Circular 6/2019 CNMC. Regulatory period: 2020-2025

- **Remuneration calculated by WACC methodology and reviewed every 6 years (regulatory period): 6.003% (before taxes) in 2020 and 5.58% (before taxes) from 2021 onwards.** Until 31 December 2019 the remuneration was linked to 10 Year-Treasury Bond, adding 200 bps on top of it, and reaching 6.5% of financial remuneration rate.
- **The remuneration has four components:**
  - i. **Remuneration of net regulatory asset value (CAPEX):** It maintains the regulatory asset (RAV) of investments made until 2018.
    - Remuneration of **existing assets on 31 December 2014** calculated according to Royal Decree 1048/2013 (Standard Costs (SC) are the reference for calculating regulatory assets):
      - Standard Costs corrected by a coefficient per company
      - Ceded assets are subtracted (assets prior to 1998 are estimated)
      - Assets are remunerated during their regulatory useful life (depending on accountability by company)
    - **Assets in operation since 1 January 2015 until 31 December 2018**
      - Standard Costs for those assets with standard costs while audited costs for the remaining
      - Assets are remunerated during their useful life (40 years for network assets and 12 for control systems)
    - New **assets in operation since 1 January 2019:** audited cost per installation
  - ii. **Remuneration of Manageable Component (OPEX):**
    - **O&M and "Other assets investments"** (systems not associated with digitalization, machinery, vehicles, buildings and tools): This term evolves according to the increase in remuneration for investment in electricity assets and with an adjustment factor, which takes the value of 0.97 per year, with the aim of bringing it closer to the real cost of the companies.
    - **Efficiencies:** companies can retain 100% of the efficiency gains obtained from the OPEX additional to the previous adjustment factor
  - iii. **Other regulated tasks:** reading, contracting, defaults, invoicing, customer service channels, planning and structure... according to Standard Costs and public domain use tax -7% compared to the previous regulatory period
  - iv. **Incentives:**
    - Quality and losses reduction: Each company will have bonuses or penalties, so that the whole is a "zero-sum". In the case of the loss incentive, a 2-year moratorium is proposed to analyse a possible zoning of the networks.
    - Fight against fraud: according to detected fraud. Eliminated from 2022 onwards
  - iv. **Annual maximum investment limit stablished by Government:** Royal Decree 1048/2013 limits the annual volume of investment in the electricity distribution network to 0.13% of Spain's GDP (Iberdrola's market share is c.31,5% as of 2022 and the PIB considered for the calculation is 1,312 M Eur, see source here)

Iberdrola España: Networks

Resolution 21 December 2023 CNMC - Global Ratios Index 2024

- The Global Ratios Index is used to assess the **level of indebtness** and the economic-financial capacity of the companies that carry out regulated activities and their recommended ranges. In this sense, the principle of financial prudence is materialized in an economic penalty for those licensees that present a **Global Ratio Index value lower than 0.90.**
- The value of the Global Ratio Index (RGR) is calculated from the values obtained for the **5 financial ratios** defined in the Order "Comunicación 1/2019, de 23 de octubre" according to a defined formula contained in the aforementioned Order.
- The resolution of 21st December 2023 establishes the value of the **2024 global ratio index** and the penalty related to the financial prudence of companies that carry out the activities of transmission and distribution of electricity and the activities of transmission, regasification, underground storage and distribution of natural gas.
- The formula to calculate the index is the following: $$IGR = 0{,}1\ x\ R1 + 0{,}05\ x\ R2 + 0{,}3\ x\ R3 + 0{,}2\ x\ R4 + 0{,}35\ x\ R5$$

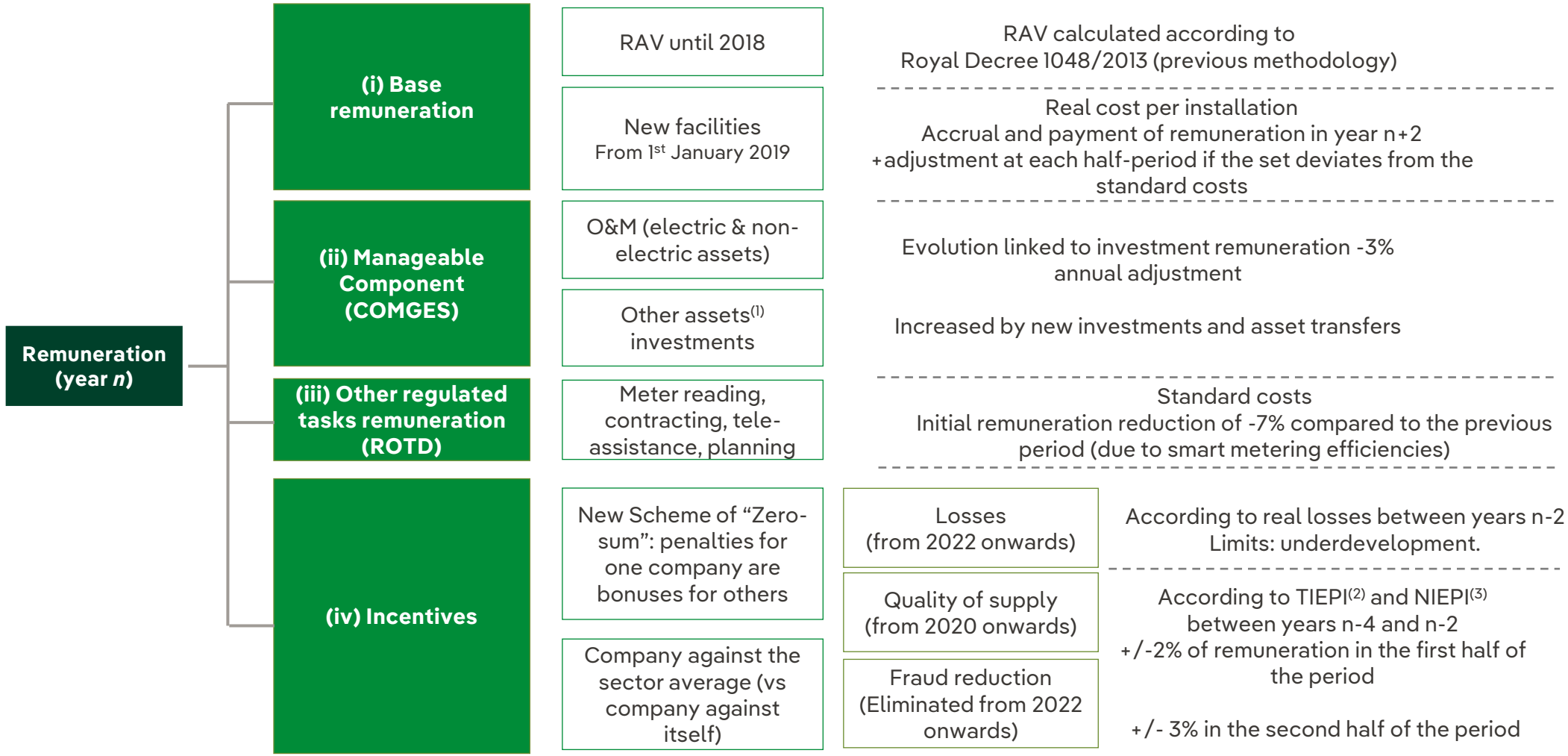
  where Ri will be 1 when the ratio calculated for the company is within the recommended range as established in chapter 5 of the order "Comunicación 1/2019", and Ri will be 0 when the aforementioned ratio is out of the recommended range
- The ratio per company is in the following table:

Empresas por actividad principal	Ratio 1	R1	Ratio 2	R2	Ratio 3	R3	Ratio 4	R4	Ratio 5	R5	IGR2024
Transporte de energía eléctrica											
Red Eléctrica de España, S.A.U.	59%	1	12,3	1	≤70%	1	4,2	1	5,9	1	1
Distribución de energía eléctrica											
i-DE Redes Eléctricas Inteligentes, S.A.U.	50%	1	24,7	1	≤70%	1	3,8	1	5,8	1	1
UFD Distribución Electricidad, S.A.	60%	1	7,8	1	≤70%	1	3,7	1	5,1	1	1
Viesgo Distribución Eléctrica, S.L.	47%	1	5,5	1	≤70%	1	2,6	1	4,9	1	1
Hidrocantábrico Distribución Eléctrica, S.A.U.	46%	1	43,1	1	≤70%	1	3,2	1	3,9	1	1
E-Distribución Redes Digitales, S.L.U.	41%	1	11,9	1	≤70%	1	2,8	1	7	1	1
Barras Eléctricas Galaico-Asturianas, S.A.	32%	1	52,7	1	≤70%	1	1,9	1	2,6	1	1

Source: Resolution 21st December 2023 available at https://www.boe.es/diario_boe/txt.php?id=BOE-A-2024-73

Iberdrola España: Networks

Distribution: Circular 6/2019 CNMC. Regulatory period: 2020-2025

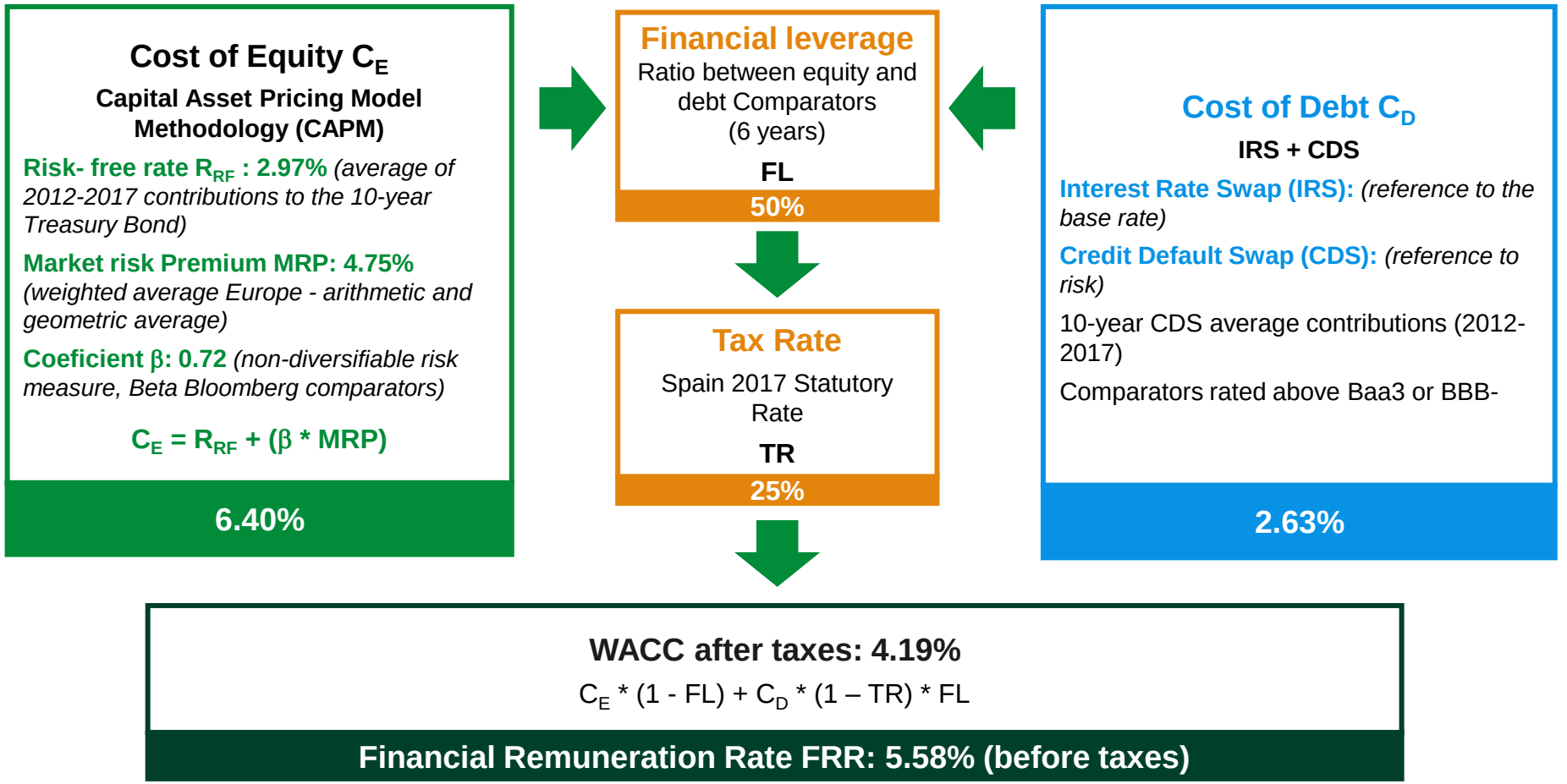


(1) Other assets include systems and communications not associated with digitalization, machinery, furniture, vehicles, buildings and tools
(2) TIEPI: Equivalent interruption time of the installed power at medium voltage
(3) NIEPI: Equivalent number of interruptions of the installed power at medium voltage
Note: You can find the last reference available for COMGES, ROTD and incentives here

Iberdrola España: Networks

Distribution: Circular 2/2019 CNMC. Financial Remuneration Rate for the period 2020-25 (WACC Methodology)

Calculation method for base remuneration



Iberdrola España: Electricity Production & Customers

Renewables

Onshore Wind

Year of Installation	MW [1]
1998	21
1999	36
2000	323
2001	308
2002	471
2003	552
2004	1.019
2005	424
2006	296
2007	683
2008	289
2009	553
2010	269
2011	130
2012	332
2018	18
2019	281
2020	287
2021	-168
2022	86
2023	340
Total	**6,550**

Hydro

Region	Total MW
Mediterranean Basin	2,313
Duero Basin	3,530
Sil Basin	1,582
Tajo Basin	2,243
Portugal	1,158
Total	**10,826[2]**

Mini-hydro

	Total MW [3]
Mini-hydro	244

Batteries

Project	Region	MW	Year of Installation
C. Arañuelo III BESS	Cáceres	3	2021
Puertollano BESS	Ciudad Real	5	2021
Abadiño	Vizcaya	6	2021
Urkilla	Álava	5	2022
Total		**19**	

Note: Net figure of new installed capacity minus asset rotation
(1) 258 MW consolidated through equity method
(2) Out of which ~4,200 MW are pumping hydro
(3) 2 MW of mini-hydro managed by investee companies

Iberdrola España: Electricity Production & Customers

Renewables

Solar PV (I)

Project	Region	MW	Year of Installation
Nuñez de Balboa	Badajoz	500	2019
Andévalo	Huelva	50	2020
Teruel	Teruel	50	2020
Romeral	Cuenca	50	2020
Olmedilla	Cuenca	50	2020
Campo Arañuelo I	Cáceres	50	2020-2021
Campo Arañuelo II	Cáceres	50	2020-2021
Campo Arañuelo III	Cáceres	40	2020-2021
Ceclavín	Cáceres	328	2020-2021
Majada Alta	Cáceres	50	2020-2021
San Antonio	Cáceres	50	2020-2021
Barcience	Toledo	50	2020-2021
Francisco Pizarro	Cáceres	590	2021 - 2023 (Fase III)
Arenales	Cáceres	150	2021
Puertollano	Ciudad Real	100	2021
Revilla-Vallejera	Burgos	50	2021-2022
Almaraz 1	Cáceres	50	2022
Almaraz 2	Cáceres	30	2022
Cornicabra (Guillena)	Sevilla	50	2022-2023
Espliego (Guillena)	Sevilla	44	2022-2023

Iberdrola España: Electricity Production & Customers

Renewables

Solar PV (II)

Project	Region	MW	Year of Installation
Poleo (Guillena)	Sevilla	50	2022-2023
Cespedera	Cádiz	27	2022-2023
Llanos Pelaos III	Fuerteventura	7	2022-2023
Tagus I	Cáceres	50	2022
Tagus II	Cáceres	50	2022
Tagus III	Cáceres	50	2022-2023
Tagus IV	Cáceres	50	2022
Manantiales I	Guadalajara	30	2022
Valbuena	Guadalajara	49	2022
Villarino	Salamanca	50	2022
Virgen de Areños III	Palencia	50	2022-2023
Peñarrubia	Murcia	50	2023
Balsicas - Sabic	Murcia	100	2023
Fuentes	Guadalajara	50	2023
Velilla	Palencia	309	2023
Cedillo	Cáceres	375	2023
Salinas I	Cuenca	49	2023
Salinas II	Cuenca	49	2023
Salinas III	Cuenca	49	2023
Hyb Ballestas y Casetona	Burgos	74	2023
Total		**3,951**	

Iberdrola España: Electricity Production & Customers

Conventional generation

Nuclear	Region	Total MW	% IBE	MW attributable to IBE	COD
Almaraz I	Cáceres	1,049	53%	553	1983
Almaraz II	Cáceres	1,044	53%	550	1984
Ascó II	Tarragona	1,027	15%	154	1986
Cofrentes	Valencia	1,092	100%	1,092	1985
Trillo	Guadalajara	1,066	49%	523	1988
Vandellós II	Tarragona	1,087	28%	304	1988
Total		**6,365**		**3,177**	

Gas Combined Cycle	Region	Total MW	COD
Castellón III	Castellón	793	2002
Castejón	Navarra	386	2003
Tarragona Power	Tarragona	424	2004
Aceca III	Toledo	392	2005
Arcos I	Cádiz	396	2005
Arcos II	Cádiz	379	2005
Santurce	Vizcaya	403	2005
Arcos III	Cádiz	837	2006
Escombreras	Murcia	831	2006
Castellón IV	Castellón	854	2008
Total		**5,695**	

Iberdrola España: Electricity Production & Customers

Conventional generation

Cogeneration	Region	Total MW	MW attributable to IBE	COD
Energyworks Villarrobledo	Albacete	18	18	1995
Energyworks Carballo	La Coruña	13	13	1998
Peninsular Cogeneración SA	Madrid	39	19	2001
Energyworks Cartagena	Murcia	95	95	2002
Investee companies	n.a.	69	38	1990-2006
Energyworks Michelin (Vitoria, Valladolid y Aranda)	n.a.	126	126	2001-2002
Pig slurry treatment plants (4 plants)	n.a.	37	37	2003-2007
Total		**397**	**347**	

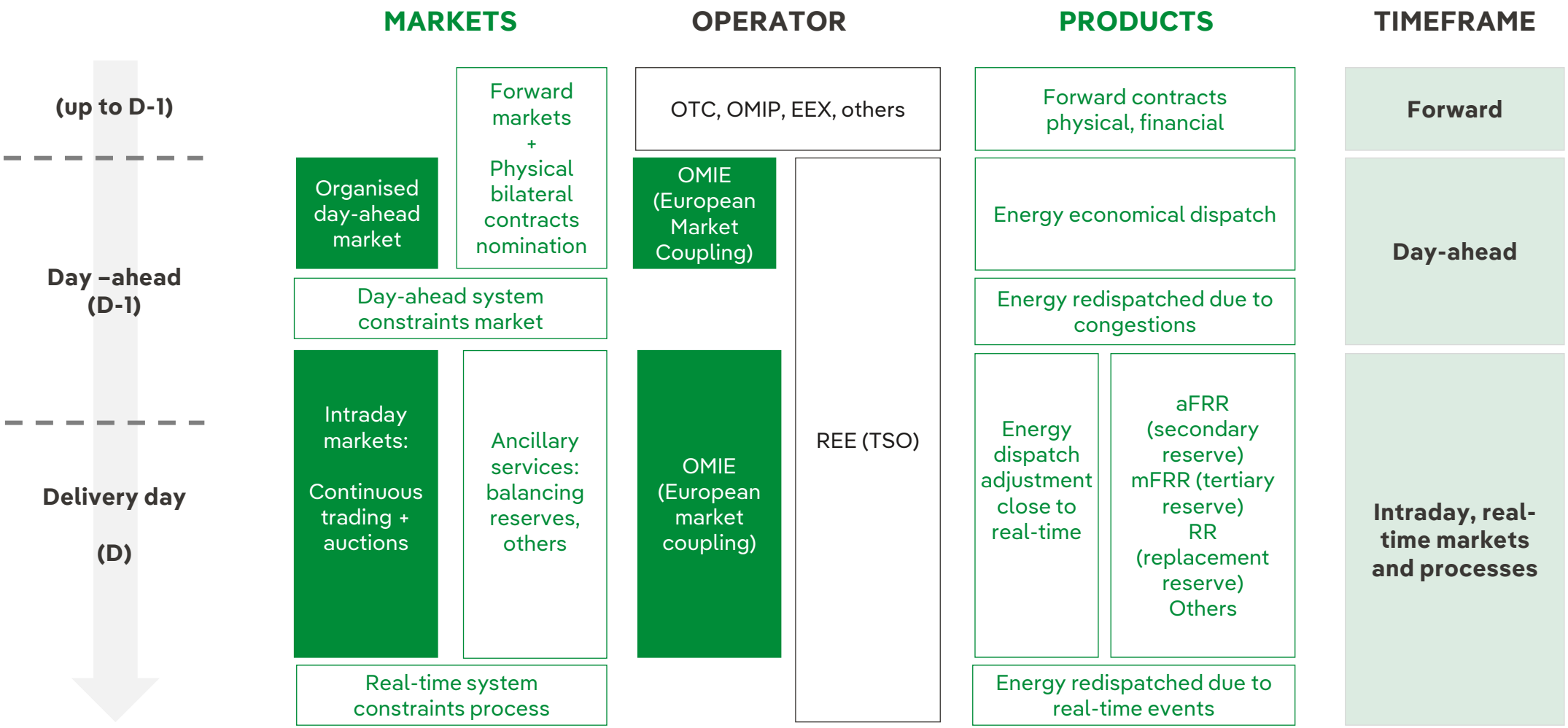
Iberdrola España: Electricity Production & Customers

Projects under construction

Project	Type	Region	Total MW	MW installed as of Dec´23	MW pending	Year of Installation
Iglesias	Onshore	Burgos	70.4		70	2025
El Escudo	Onshore	Cantabria	105		105	2025
Finca San Juan	Onshore	Tenerife	18		18	2024-2025
Velilla	Solar	Palencia	350	309	40	2023-2024
Fuendetodos	Solar	Aragon	125		125	2024
Tagus	Solar	Cáceres	380		380	2024
Caparacena	Solar	Andalucía	330		330	2024
Total			**1,378**	**309**	**1,068**	

Iberdrola España: Electricity Production & Customers[1]

Basis for remuneration model: Law 24/2013

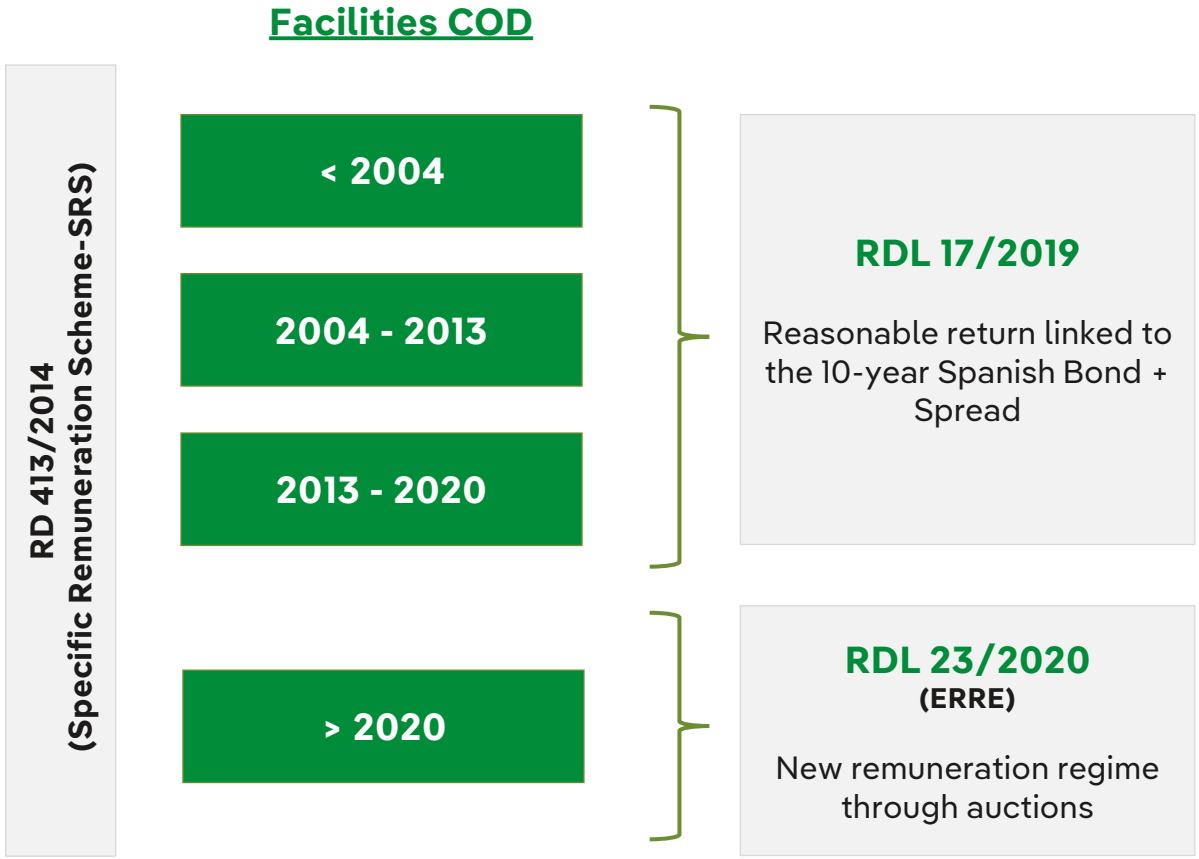


(1) Applicable to all technologies

Iberdrola España: Electricity Production & Customers

Regulatory framework for wind and solar

- One of the possibilities to develop new projects is to adhere to the regulatory framework explained below.
- The Specific Remuneration Scheme (SRS) established by RD 413/2014 is still in force for all renewables. In addition, in parallel, the **New Economic Regime for Renewable Energy (ERRE) through auctions has** been enabled.
- The SRS applies to all facilities installed before RDL 9/2013 and to all subsequent ones that have been awarded this SRS through auctions.



< 2004: do not receive a fixed payment per MW as they have reached the established reasonable return

< 2013: 7.398% allowed rate of return for 2020- 2031. (RDL 17/2019 gives the option, to facilities under SRS, to receive this return if they renounce to continue or to initiate new arbitration proceedings)

> 2013: 7.09% allowed rate of return for 2020 - 2025

Iberdrola España: Electricity Production & Customers

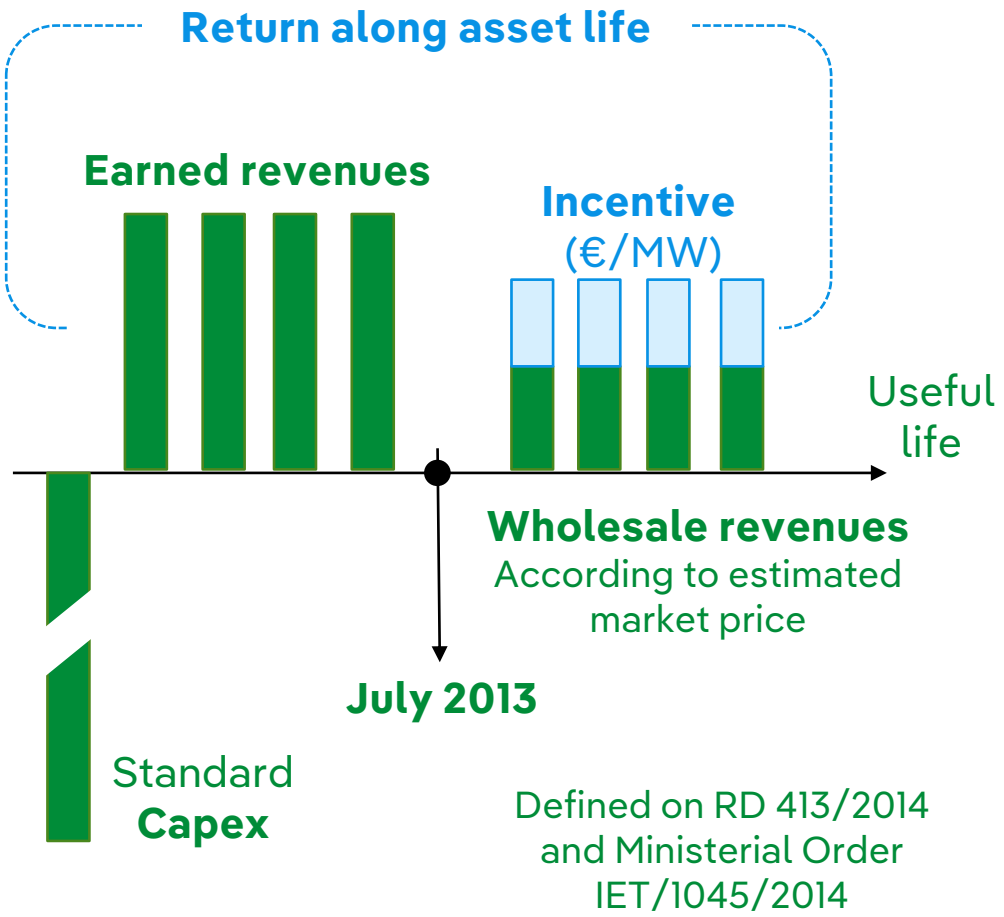
Renewables, cogeneration and waste: Royal Decree-Laws 9/2013 and 413/2014

Complementary incentives
(RI €/MW + RO €/MWh)

Allowed rate of return:
7.398% / 7.09% before /after RDL 9/2013
Ministerial Order TED/171

Competitive process
for new assets

Law 24/2013



Iberdrola España: Electricity Production & Customers

Renewables, cogeneration and waste: Law 24/2013, Royal Decree 413/2014 and Royal Decree Law 17/2019 and Royal Decree Law 6/2022

- **Allowed rate of return (before taxes) of 7.398% until 2031 for facilities in operation before RDL 9/2013. For facilities in operation after RDL 9/2013, allowed rate of return of 7.09% until 2025 following CNMC published WACC methodology**
  For those facilities in operation before RDL 9/2013 with any pending arbitration or judicial proceeding related to the modification of the Remuneration Regime after RD 661/2007, early termination of arbitration or judicial procedure or the waiver of the perception of compensation is a mandatory requirement prior to obtain the 7.398% allowed rate of return until 2031. (*Royal Decree Law 17/2019*)
- **Remuneration based on revenues from market participation, with a specific additional remuneration based in two terms:**
  - **RI:** A term per unit of installed capacity (€/MW) that covers the investment costs of a standard installation that cannot be recovered by the sale of energy. Allowing the installation to achieve a reasonable return defined by the Government.
  - **RO: A** term for operation (€/MWh) that covers the difference between operating costs and the revenues from the market participation of such standard installation. The installation of renewable energies, cogeneration or waste will not receive such remuneration for operation as long as its income from the sale of electricity in the system is higher than its operating costs.
- **Parameter modification:**
  - **Every 6 years** all the parameters could be changed (including reasonable return) for the remaining useful life, except for the useful life and standard value of the initial investment of an installation;
    - Order TED/171/2020 establishes the remuneration parameters to estimate the regulated remuneration of renewables and cogeneration for the 2020-2025 regulatory period. It recognized a higher cost of CO2, a higher fuel price (which improves the RO of these plants by 14 €/MWh) and the remuneration for the cost of the System Operator (0.14 €/MWh)
  - **Every 3 years**, and for the rest of the regulatory period, the estimation of revenues from the market will be reviewed, valuing the energy sold at market price based on market price evolution and the forecast for operating hours. **Royal Decree Law 6/2022 establishes an additional exceptional review with effect from January 1, 2022.** The review of parameters scheduled for 31/12/2022 was brought forward to 1/01/2022, dividing the current three-year semi-periodic remuneration period of 2020-2021-2022 into two periods: (1) 2020-2021 and (2) 2022
  - **At least annually**, the values of remuneration for operation will be updated for those technologies whose operating costs depend essentially on the fuel price
  - **From 2023-26 semi-period onwards, the reference price for calculating the remuneration will be a basket of forward, daily and intraday market products prices.** The forward indexation path is: 25% in 2023, 50% in 2024 and 75% from 2025 onwards). Additionally, the adjustment for price deviation in the market will no longer be applied, encouraging facilities to sell on PPA. **(Royal Decree Law 6/2022 & Royal Decree Law 10/2022)**
  - **The remuneration system is extraordinarily modified for the period 2023-2025 to adapt it to current market prices**. The new methodology (spot January-May 2023 + futures June-Dec 2023) set a price for 2023 109.31€/MWh (previous estimated 208€/MWh), price for 2024 108.86€/MWh (previous estimated 129.66€/MWh) and for 2025 89.37€/MWh (previous estimate 78.19€/MWh) **(Royal Decree Law 5/2023-new methodology for setting estimated prices, Orden TED 741/2023 - remuneration parameters for period 2023-2025)**
  - **Royal Decree Law 8/2023 (27th December 2023)** the market deviation adjustment for 2024 will consider the minimum value between the 2024 futures basket and the 2024 average daily and intraday market price 2024. Applies to all installations with Rinv. The CNMC will recalculate 2024 RECORE premiums to include the IVPEE.

Iberdrola España: Electricity Production & Customers

New Economic Regime for Renewable Energy (ERRE) through auctions

- **Royal Decree Law 23/2020 (24th June 2020) gave the Government the mandate to develop a new remuneration regime**
  In addition to the remuneration scheme established in RD-L 9/2013, the Government will develop another remuneration framework based on recognizing a long-term price for energy produced by new electricity production facilities, through auctions.
- **Royal Decree 960/2020 (4th November 2020) describes the new support system**
  This RD sets up a very flexible system to be concreted in various Ministerial Orders and Call Resolutions:
  - **Product to be auctioned**: power (MW), energy (MWh) or a combination of both
  - **Variable to offer** participants will bid a long-term price for energy in €/MWh (10-15 years)
  - **Awarded price can be corrected** by an exposition to the market price percentage
    [price received (h) = price awarded + % exposition * (Daily Market Price (h) + Price Awarded)]
  - **Pay as bid auction** with a maximum price and a possible risk price
  - Participants must **provide guarantees** to participate
  - Winners can install more capacity than the amount awarded in the auction
- **Ministerial Order TED/1161**
  - An indicative calendar for the next five years is published. Almost 20 GW will be auctioned in the period 2020 – 2025.
  - Remuneration parameters are set per technology (min. and max. yearly equivalent hours)
  - Auctioned product: installed power (kW)
  - Facilities with storage: if they want to participate cannot charge buying electricity from the market.
  - Only new facilities can participate (the earliest from start of works or first firm commitment to order equipment).
  - Participation guarantees amount 60 €/kW (to be partially released if certain milestones are met)
  - 50% of auctioned volume is the maximum quantity to be awarded to one company
- **There will be one Ministerial Order and Call Resolutions for each auction**
  - They will establish the volume to be auctioned for each technology. During 2021 and 2022 four auctions have taken place (no auctions celebrated in 2023):
    1) January 2021: 3.043 MW awarded at the average price of 24,75 €/MWh
    2) October 2021: 3.123 MW awarded at the average price of 30,58 €/MWh
    3) October 2022: 177 MW was awarded (520 MW called for). The average price for biomass: 93,1 €/MWh and 53,9 €/MWh for PV.
    4) November 2022: 45.5 MW of wind power were awarded (3,300 MW called for) at the average price of 42,8 €/MWh, leaving the bidding deserted for PV sector.
  - **Royal Decree Law 8/2023 (27th December 2023) modified Royal Decree 960/2020** to include non-economic criteria with a maximum weighting of 30% (art. 48): resilience, environmental sustainability, innovation and socioeconomic criteria.

Iberdrola España: Electricity Production & Customers

Capacity payments

- **Investment incentive: € 10,000/ MW per year for 20 years**
  - For installations built from 1998 to 2015, which did not have any subsidized regime.
  - Received by generation facilities under the ordinary regime of the peninsular system with installed power capacity greater than or equal to 50 MW.
  - Initially it was established as a payment of € 20,000 /MW per year during the first 10 years of the plant life, but it was modified under the Royal Decree-Law 9/2013 that determined the current parameters. Under this new regulation, the remaining number of years entitled to receive this capacity payment were calculated for each installation, doubling the period and reducing the amount to the above mentioned to €10,000. For this reason, the end of the incentive depends on the outstanding years from 2013 onwards. Moreover, the Royal Decree-Law 9/2013 limited the right of awarding the incentive for new plants with Commercial Operation Date up to 1 January 2016.

Iberdrola España: Electricity Production & Customers

Administrative streamlining and simplification measures, which include a mechanism to speed up environmental processing for government projects

- Royal Decree-Law 14/2022 classifies **hybridization with storage** for metering and registration purposes under Type 3. Hydroelectric storage is also promoted by permitting modifications to existing hydroelectric facilities by adding electronic power stages, provided the changes allow for reversible operation of the facility, without the generation technology itself being considered modified and therefore without the need to obtain new access permits.
- Royal Decree-Law 17/2022, stablishes **a maximum period of 15 days for the CNMC to prepare the mandatory report for the authorisation of facilities, with silence considered as approval and the possibility of a favorable report without detailed analysis if the project developer has already received another favorable report for the same technology in the last two years.**
- Royal Decree-Law 18/2022 contain the following measures:
  - **More than one facility may be installed in the same cadastral reference**.
  - Direct lines: the obligation to belong to the same business group is waived for renewable production facilities that connect to a consumer.
  - Small power facilities: **exonerates facilities of up to 500 kW (previously 100 kW in Low Voltage) from the Prior Administrative Authorisation and Construction Authorisation.**
  - **Free depreciation for investments in facilities such as self-consumption of electricity and thermal use for own consumption (i.e heat pumps), provided that they use energy from renewable sources and replace facilities that used energy from fossil fuel sources.**
- Royal Decree-Law 20/2022 contain a final set of measures that simplified the procedures for **renewable projects that fall within the competence of the State**:
  - **“New" renewable projects** (that request Administrative Authorization until 12/31/2024) **are subject to an environmental impact assessment procedure.** It offers the **possibility of issuing a favourable report by the environmental agency instead of being subject to DIA**, except Red Natura, protected areas, marine environment, lines >220 kV and >15 km.
  - **The new projects (that obtain a favourable report) are declared urgent** for reasons of public interest **and a simplified procedure applies to them.**
  - **Additionally, it extends the self-consumption limit** in the proximity of 2,000 metres (previously 1,000 metres), for solar PV installations on roofs, industrial land and artificial structures (new).

Iberdrola España: Electricity Production & Customers

Permitting and grid access processes are modified

Extension of the deadline for accrediting the obtention of the Construction Authorization

- **Royal Decree-Law 5/2023.** The permitting process is modified to **extend the deadline** of construction authorization (AAc*) to **additional 6 months** for following projects:
  - Grid permission obtained **between January 2008 and June 2020:** the deadline to obtain the AAC is extended **until 25.01.2024** (previous one until 25.07.2023)
  - Grid permission obtained **between June 2020 and** the **entry into force of the RDL 5/2023 (30.06.2023):** the term to meet the milestone is 43 months (previous one 37 months)

    *(*AAc: Autorización Administrativa de Construcción)*

- **Royal Decree-Law 8/2023.** The permitting process is modified to:
  - extend the deadline of construction authorization (AAc) **to additional 6 months** (25.07.2024 for grid permission **obtained before Royal Decree-Law 23/2020 and after 31.12.2017**)
  - once AAC is achieved, the extension of the AAE up to **8 years (June 25, 2028)** can be requested during 3 months after AAc. The semester in which you commit to obtain AAE must be indicated in the application
  - for offshore and pump hydro and is extended up to 9 years (previous one 7 years)
  - The grid permission process is modified to:
    - ✓ consider new conditions to include a grid node as a contest node (number of applications in the previous 4 years vs. in the previous 2 years). Additional points are introduced in contests for having DIA and not grid permission.
    - ✓ in requests for demand access for self-consumption with generation access permits, it may not be granted for a capacity greater than 50% of the capacity of the generation permission. Grid permission access for demand will expire after 5 years.
    - ✓ include contests for capacity demand requests if more capacity than available is required.
    - ✓ include demand access guarantees 40€ /kW, same as generation access. In case of storage projects, the access guarantee will be 20€/kW.

Inclusion of certain technologies under the environmental assessment

- **Royal Decree 455/2023** modifies environmental process authorization in order to include the following technologies under the environmental process:
  - Ordinary Environmental Assessment for hydro plants and standalone storage
  - Simplified Environmental Assessment for networks <3km, standalone storage and hybrid storage.

Iberdrola España: Electricity Production & Customers

Royal Decree Law 8/2023, adopting measures to address the economic and social consequences derived from the conflicts in Ukraine and the Middle East, as well as to alleviate the effects of the drought:

- **Reduction mechanism RDL 17/21: It is not extended**, so it ends in December 2023, in accordance with the European market design agreement.
- **IVPEE** *(Impuesto sobre el Valor de la Producción de la Energía Eléctrica)* **del 7%:** Will be reapplied in 2024, with a reduction of 50% in 1Q and 25% in 2Q.
- **Sales tax on energy companies:** The special tax on energy companies will remain in place in 2024 (with the revenue base of 2023). The RDL introduces a text that talks about the possibility of reducing this tax in 2024 by deducting strategic investments in industrial decarbonization.
- **Pumping concessions:** Pumping concessions are allowed to be extended in the event of repowering.
- **VAT on Electricity**: reduced rate of 10% on electricity (up to 10 kW) throughout 2024 and for natural gas during Q1'24 (until 31/12/2023 it is 5%). After that, it would return to 21%.
- **Electricity tax:** it increases gradually throughout the year until it returns to pre-crisis levels.
- **Social bonus:** The increase in the discounts of the social bonus that they made during the crisis until 30th June. The fee to be paid by financiers is reduced by 80% due to lower expected energy costs and the surplus generated in 2023.
- **Electro-intensive:** They maintain a reduction (80%) of tolls to electro-intensive and the possibility of modifying their contracted power until June 2024.
- **System charges and surplus:** enables the transfer of the necessary part of the surplus from 2023 to 2024 to cover system charges, extending the current charges until they are reviewed throughout the year.
- **Demand access:** economic guarantees and expiration of 5 years are set for applications with voltage equal to or greater than 36 kV for demand access and connection permits and competitions in case of nodes saturated with voltage equal to or greater than 220 kV.
- **Hydrogen backbone network:** Enagás is designated as manager, provisionally and subject to separation of activities.

(1) Applicable also to non-regulated renewables

Iberdrola España: Electricity Production & Customers

Taxes: Law 15/2012 and RDL 8/2023

Value Added Tax	Impuesto Especial sobre la Electricidad (IEE)	Tax on electricity production[1]	Nuclear tax	Green cent	Hydro canon[2]
• 10% (up to 10 kW) throughout 2024 • After that, it would return to 21%	• 2.5% during Q1'24 and 3.8% during Q2'24. • Then the headline rate of 5.11% returns. • Until 31/12/2023 it was 0.5%.	• 7% tax on total revenues • It will be phased back in 2024, with a 50% exemption in Q1 and 25% in Q2	• Spent nuclear fuel (2,190 €/Kg) • Nuclear waste (6,000 €/m3 waste) • ENRESA tax currently at €7.98/MW	• Fuel consumption in power plants	• 25.5% on total revenues • 2.5% plants up to 50MW[3] • 2.5% pumping[3]

Temporary levy set on revenues: Law 38/2022

- Temporary levy for **companies in the electricity, gas and oil sectors** with main operator status.
- **Set at 1.2% of their revenues, on a temporary basis for the years 2023 and 2024**.
- Revenues from **regulated activities and permanent abroad establishments are excluded** from this tax.
- **The special tax on energy companies will remain in place in 2024.** Possibility of **deducting strategic investments in industrial decarbonization.**

(1) Suspended for 6 months from 7th October 2018 (Q4 2018 and Q1 2019). Additionally, it has been suspended since the Q3 2021 until Q4 2023

(2) In 2021 the Hydro canon was annulled by the Supreme Court and re-established with the same parameters in the new Law 7/2022, on waste and contaminated soil for a circular economy. According to Law 7/2022, there is a 92% and 90% reduction for hydroelectric power plants up to 50 MW and pumping facilities, respectively

(3) According to Law 7 2022 there is a 92 and 90 reduction for hydroelectric power plants up to 50 MW and pumping facilities, respectively

Iberdrola España: Electricity Production & Customers

Cogeneration: Royal Decree-Law 17/2022 and 20/2022

- **Royal Decree-Law 17/2022 allows mainland cogeneration plants to temporarily receive the generation market adjustment mechanism (gas cap) in exchange for waiving the regulated remuneration.** It applies only to facilities under the specific remuneration regime, from the time they apply for registration under the adjustment mechanism (starting on the first day of the following month) until they apply for de-registration or the mechanism is discontinued. Thereafter, they will return to their previous regulated remuneration.
- **For cogeneration, Royal Decree-Law 20/2022** establishes that until the **new calculation methodology** is published**, the regulated Operating Remuneration (OR) will be updated based on half-yearly variations in raw material and gas tariffs.**
- **A series of Ministerial Orders stablished:**

  i. The remuneration corresponding to the second calendar half-year of 2020 and the first calendar half-year of 2021 (Order TED/989/2022 of 11 October).

  ii. The values of the operating remuneration corresponding to the first calendar half-year of 2019 (Order TED/990/2022 of 11 October).

  iii. The operating remuneration for the second half of 2021 for facilities whose operating costs depend essentially on fuel prices (Order TED/995/2022 of 14 October).

  iv. As envisaged in Royal Decree Law 6/2022, the values for the extraordinary review of the remuneration parameters as of 1 January 2022 were also published (Order TED/1232/2022, of 2 December).

  v. Lastly, the operating remuneration (OR) for cogeneration and waste in the second half of 2022 was published (Order TED/1295/2022 of 22 December).

Iberdrola España: Electricity Production & Customers

Cogeneration: basis for remuneration – Royal Decree-Laws 9/2013 and 413/2014

Market price + **Specific remuneration RI+RO**

RI: remuneration to investment (€/MW)	**RO: remuneration to operation (€/MWh)**
Additional to market revenues to obtain the reasonable return on investment (7.398%)	For technologies that don't cover their operating costs with market revenues
RI + RO only if the plant has not reached yet the reasonable return	**Once reasonable return is reached, only RO will be received**

Iberdrola España: Electricity Production & Customers

Nuclear

- The Spanish National Energy and Climate Plan (PNIEC) considers that 4,200 MW of nuclear generation plants will shut down in the period 2025 – 2030.
- The nuclear operators, together with ENRESA, have **agreed on a schedule for closure** of **Spanish nuclear power plants**. This closure schedule complies with all safety, technical, ageing, waste and decommissioning resources criteria.

	Closing schedule	
Almaraz I	nov-27	44.2 years
Almaraz II	oct-28	44.3 years
Ascó I	oct-30	45.8 years
Cofrentes	nov-30	45.6 years
Ascó II	sep-32	46.4 years
Vandellós II	feb-35	46.9 years
Trillo	may-35	46.7 years
	Average life	**45.7 years**

- Almaraz I&II, Vandellós II, Cofrentes and Asco I&II nuclear power plants have already obtained the approval for Operating License Renewal (up to the closing dates agreed in the protocol signed with ENRESA for all plants except Vandellos II (until 26th July 2030) and Ascó II (until 1st October 2031).
- Royal Decree 750/2019 has risen the waste fee charged by ENRESA to 7.98 €/MWh as of 1st January 2020 (+19% vs. previous rate of € 6.69 / MWh). **Rate currently under review**: Government **proposal to go from €7.98/MW to €10.36/MW**

Note: The dismantling and management of radioactive waste is an essential public service, whose management is entrusted by law to the State-owned company Enresa (Empresa Nacional de Residuos Radiactivos, S.A.)

Iberdrola España: Electricity Production & Customers

Customers

Regulated tariff (PVPC)

PVPC – Royal Decree 216/2014

- Regulated tariff. For consumers with capacity contracted <10 kW
- Components:
  - Hourly prices in wholesale market, published by Red Eléctrica
  - Access tariff and fees, published in the Official Spanish Gazette (BOE)
  - Supply margin, published in the Official Spanish Gazette (BOE)
  - Taxes (VAT – 21% / Electricity tax – around 5%)

New PVPC price – Royal Decree 446/2023

- PVPC redesigned to be partially indexed to forward instead of just spot prices, according to the European Commission requirement
- It entered into force on January 1st, 2024, and is limited to domestic customers and microenterprises with contracted power <10 kW
- Royal Decree gives suppliers six months to purchase energy indexed to futures.

Weight of the forward market

2024: 25%
2025: 40%
2026: 55%

The forward market consists of:

Annual forward market:	54%
Semiannual forward market:	36%
Monthly forward market :	10%

PVPC hourly price formula:

% of forward basket price for the month (constant) +% of daily hourly market price including Adjustment Services

- The forward price varies each month.
- The volume of forward energy to be purchased shall be calculated and published ex-ante by the system operator.
- The regulated suppliers buy the energy in the forward market during the six months prior to the delivery period.
- The difference to the actual hourly demand is bought in the spot at the corresponding hourly market price.
- The price will therefore follow the behavioral curve of the hourly market price (damped by the effect of the forward market).
- The cost of financing the social bonus charged to the regulated suppliers is recognized in the calculation of the PVPC.
- This RD contemplates a transitional period for regulated suppliers to recover the cost of the social bonus they have been paying since March 2022 (when the new financing system for the social bonus began with RDL 6/2022).

Iberdrola España: Electricity Production & Customers

Social Bonus

Royal Decree 897/2017 (Social Bonus regime prior to Royal Decree-Law 6/2022)

- Discount applied to electricity bill (25% vulnerable customers / 40% severe vulnerable customers), according to:
  - Income criteria
  - Limits to consumption
- Two types of vulnerable consumers and groups with special conditions

Royal Decree Law 23/2021: increased the discounts up to 60% and 70%, respectively.

Royal Decree Law 6/2022

- Under Royal Decree-Law 6/2022, a new system for financing the Social Bonus has been established, which is binding on all companies engaged in electricity activities, (production, transmission, distribution, supplying and direct consumers), recognizing the cost for all companies engaged in regulated activities
- The parameters for 2022 are the following (Orden TED/733/2022)
  - Energy producers: 1.294768 Eur/MWh
  - Transmission company: 0.005716 Eur/Remunerated Eur
  - Distribution companies: 1.151582 Eur/Supply Point
  - Suppliers: 13.401931 Eur/Supply Point
  - Direct costumers in the market: 1.282647 Eur/MWh

Royal Decree Law 18/2022:

- Increased the discounts up to 65%-80%, respectively, until 31st December 2023
- Increased 15% in subsidized energy.
- Created a new transitional reduced tariff with a 40% discount for low income households, until 31st December 2023.
- Created a new transitional gas LRT (Last Resort Tariff) for residential communities with communal boilers, and extends the restriction on the increase in the LRT for gas, both until 31st December 2023. The possible deficit is covered by a EUR 3,000 million budget item in the General State Budget. The budget for the thermal bonus is also increased by EUR 225 million.
- Included the prohibition of electricity and natural gas supply cutoffs for vulnerable consumers until 31st December 2023

Iberdrola España: Electricity Production & Customers

Social Bonus

Royal Decree Law 8/2023:

- The prohibition on cutting off supply is extended until 30/06/2024.
- Social Bonus: extended until 30/06/2024 with extended discounts (65% for vulnerable and 80% for severely vulnerable).
- Establishes new unitary financing by activities from 01/01/2024, with relevant reductions:

Activity	Unit	2023	2024	% Reduction
Production	(€/MWh)	1,466465	0,238676	84%
Transport	(€/€ Paid)	0,005618	0,001356	76%
Distribution	(€/CUPS)	1,161768	0,310777	73%
Retail	(€/CUPS)	14,024972	2,299047	84%
Direct Consumers	(€/MWh)	1,421668	0,219448	85%

Iberdrola España: Electricity Production & Customers

Customers

Electricity access fees

- Royal Decree-law 1/2019 assigned the CNMC the competence to develop the methodology to establish electricity network tariffs, while the Government has kept the competence to regulate other charges related to the electricity sector. This way, new third party access tariffs are disaggregated into charges (Ministry competence, designed to collect policy costs) and network tariffs (CNMC competence, designed to collect costs associated to networks use).
- The new network tariffs and the new electricity system charges entered into force on **1st June 2021**

CNMC methodology for electricity network tariffs. Circular 3/2020

- Distinction of fixed (€/kW) – variable (c€/kWh) structure is maintained.
- Domestic customers (P≤15KW) are unified in a single tariff group (2.0TD), which replaces the 6 current domestic tariffs (2.0A, 2.0DHA, 2.0DHS, 2.1A, 2.1DHA y 2.1DHS).
- The tariff periods are modified: 3 periods for domestic customers and 6 periods for SMEs and industrial customers.
- An optional tariff for public electric vehicle charging points is incorporated, which is attractive for low-use points

Royal Decree 148/2021 on the methodology for calculating electricity system charges

(Renewable incentives, historical tariff deficits and costs for non-mainland regulated generation)

- The RD establishes a structure of charges similar to electricity networks tariffs
- The new charges scheme aimed to preserve an amount equivalent to the one obtained with the previous prices for each tariff segment.

Joint effect: electricity network tariffs + electricity system charges

Voltage level contracted	Previous network tariffs and charges	New network tariffs and charges
< 15 kW (Low voltage)	60% fixed term 40% variable term	50% fixed term 50% variable term
>15 kW (High voltage)	80% fixed term 20% variable term	60% fixed term 40% variable term

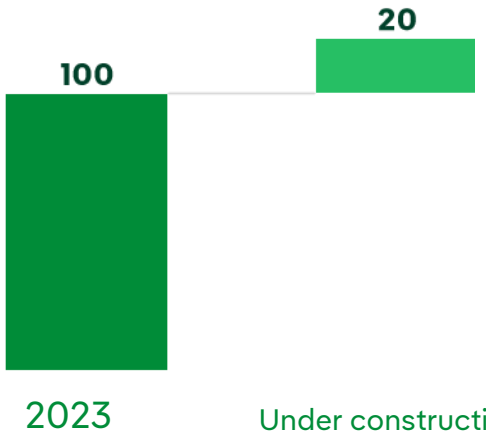
Note: Low voltage tariffs: They will apply to supplies made to voltages not exceeding 1 kV

- 2.0TD tariff: simple rate for low voltage, power under 15 kW. Three periods of energy and two of power.
- 3.0TD tariff: general rate for low voltage, power over 15 kW. Six periods of energy and power.

Iberdrola España: Electricity Production & Customers

Storage, a key technology to provide flexibility in the markets

Storage growth plan (M kWh)



Tâmega
Largest hydroelectric facility in Portugal

La Muela II
Largest pumping facility in Europe

Projects

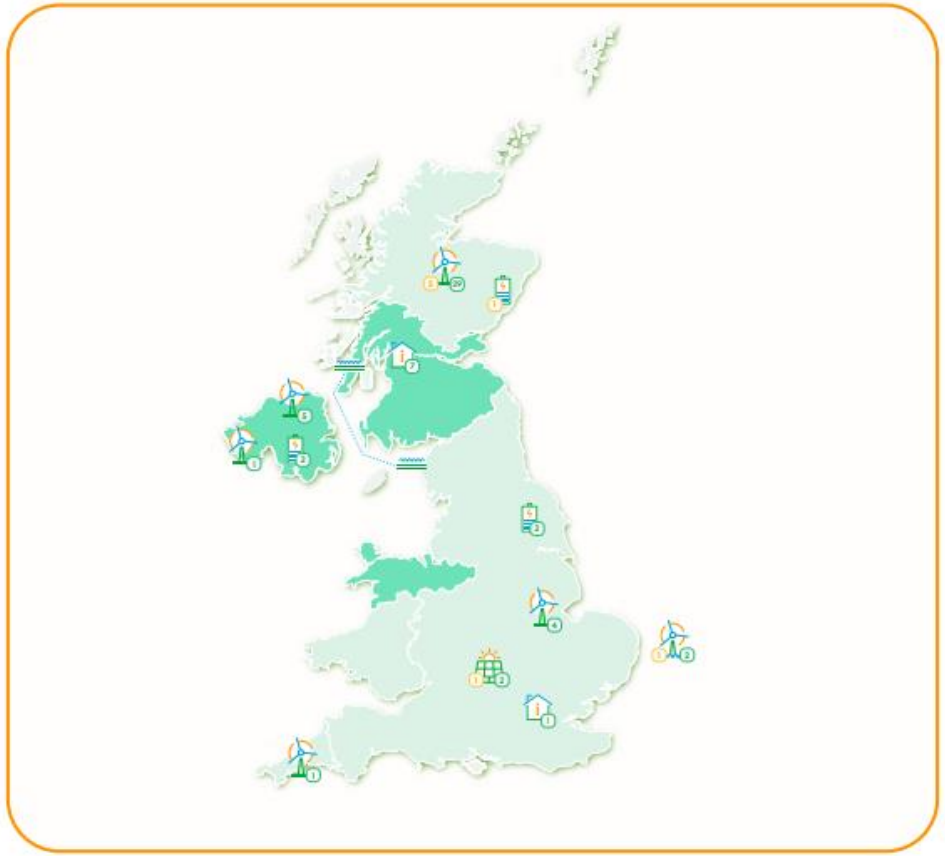
Project	Storage Capacity	Capacity	Status
La Muela I y II	~100M kWh	~4,200 MW	In operation
Gabriel y Galán y Guijo Granadilla			In operation
Torrejón – Tiétar			In operation
Aldeadávila II			In operation
Villarino			In operation
Puente Bibey			In operation
Conso 1			In operation
Soutelo			In operation
Tâmega			In operation
Valparaíso	~20M kWh	408 MW	Under construction (COD 2024)
Santiago Jares			Under construction (COD 2024)
Torrejón Valdecañas			Under construction (COD 2026)

Content

All figures as of December 2023, except otherwise stated. Differences may arise due to rounding

Scottish Power

Transmission and distribution networks in Scotland, Wales and England. 100% renewable electricity. Electricity and gas supply



Main offices

Electricity distribution

Area of influence

Installed Capacity (MW)	3,002
Renewable Capacity (MW)	3,002
Net Production (GWh)	7,459
Distributed Energy (GWh)	30,321
Customers (M)(1)	4.5
Km of lines	111,468

40 Onshore wind 1,971 MW

2 Offshore wind farms 908 MW

2 Solar photovoltaic plants 19 MW

4 Batteries 104 MW

Projects under construction

2 | 1 | 1 | 1

(1) *Total number of liberalised market electricity and gas customers*

Scottish Power: Networks

One of the largest Distribution companies and one of the 3 companies with Transmission licenses in the country

	2023(1)
RAB (GBP Bn)	9.0
Scottish Power Distribution	29%
Scottish Power Manweb	32%
Scottish Power Transmission	39%
Distributed energy (GWh)	30,321
Scottish Power Distribution	55%
Scottish Power Manweb	45%
Points of supply (M)	3.6
Scottish Power Distribution	57%
Scottish Power Manweb	43%
Kms of lines	111,468
Scottish Power Distribution	53%
Scottish Power Manweb	43%
Scottish Power Transmission	4%

SP Energy Networks

(1) As of 31st March 2023 – this information is prepared at each regulatory year end

Scottish Power: Networks

Form of control

- Currently regulated under Ofgem's incentive-based 'RIIO' model i.e. Revenues are earned from the delivery of incentives, innovation and outputs set against regulatory targets.
- Method: Ex-ante revenue cap. Regulator sets majority of maximum allowed revenue fixed upfront and on a real basis.
- Duty on regulator to ensure that regulated networks are able to finance their licensed activities – maintain an investment grade credit rating.

Price Control Overview

	Electricity Transmission	Electricity Distribution
Price Control	RIIO – ET2	RIIO – ED2[1]
Period	2021 – 2026	2023 – 28
Allowed Return on RAV (CPIH-real)	3.50% (2024-25)	4.14% (2024-25)
RAV at Dec-2023	£3.5bn	SPD - £2.6bn SPM - £2.9bn

Incentives, Uncertainty Mechanisms and Adjustments

- Potential to increase outturn returns through financial rewards gained from spending less than expected and outperformance against measures related to defined outputs.
- TOTEX incentive mechanism shares under/overspend on allowed TOTEX between networks and customers through adjustment to allowed revenues, based on efficiency incentive rate (*electricity distribution: 50%, electricity transmission: 49%*).
- Provisions to manage specific cases of uncertainty risk through possible revenue changes during price control e.g. indexation, uncertainty mechanisms, volume drivers and pass-through costs.
- Revenues from incentive rewards and uncertainty mechanisms are recovered in the current year as part of updated 5-year revenues (actuals & forecast).

Baseline Revenue

- Efficient level of expected costs necessary to carrying out activities are assessed through total expenditure (TOTEX).
- Regulatory Asset Value (RAV) is a major input to the setting of Allowed Revenue. Revenue components for depreciation (effectively a capex allowance) and return allowance are calculated from RAV.
- Following the application of the TOTEX incentive mechanism, TOTEX is allocated into a "fast pot" and "slow pot" determined by the capitalisation rate (ED: 70% cap rate 1 / 85% cap rate 2, ET: 84% cap rate 1 / 85% cap rate 2). Cap rate 2 is applied to uncertainty mechanism TOTEX.
- The capitalised slow pot is added to the RAV and remunerated over time through allowances for return on capital and depreciation (Depreciation Rate: 45 years post 2023/24 for ED & 2020/21 for ET investment. The "fast pot" (ED: 30% / 15%, ET: 16% / 15%) is treated as an in year 'pay-as-you-go' allowance.
- Provision for tax.

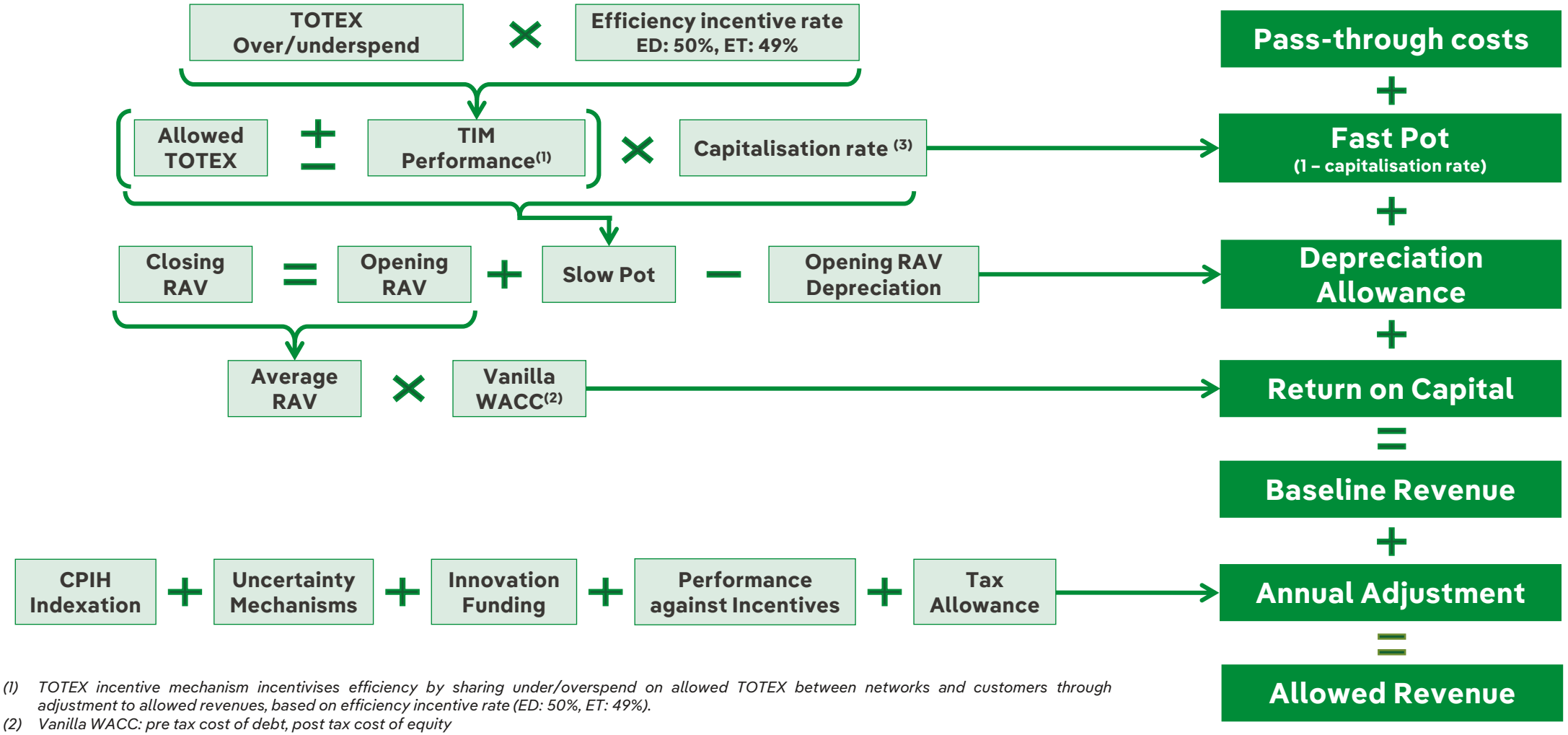
Adjustments

- Annual adjustment of allowed revenues for:
  - CPIH indexation of baseline revenues;
  - Incentive rewards/penalties;
  - Innovation funding;
  - Variance in actual TOTEX compared to allowance and also update of forecasts;
  - Non controllable costs i.e. uncertainty mechanisms; and
  - True Ups, including for differences in actual demand versus forecast demand as network companies are not exposed to demand volatility.

(1) The Final Determination for the RIIO-ED2 price control was issued in Dec-22 and the new price control commenced in April 2023.

Scottish Power: Networks

High level illustration of allowed revenues derivation



(1) TOTEX incentive mechanism incentivises efficiency by sharing under/overspend on allowed TOTEX between networks and customers through adjustment to allowed revenues, based on efficiency incentive rate (ED: 50%, ET: 49%).

(2) Vanilla WACC: pre tax cost of debt, post tax cost of equity

(3) Two sets of capitalisation rates apply depending on the allowance type. Baseline TOTEX allowances are subject to "Capitalisation rate 1", whereas Uncertainty Mechanisms allowances are subject to "Capitalisation rate 2". ED: 70% cap rate 1 / 85% cap rate 2, ET: 84% cap rate 1 / 85% cap rate 2.

Ofgem Annual Iteration Process: RIIO-2 Annual Iteration Process 2023 for Transmission and Gas Distribution | Ofgem

Scottish Power: Networks

Several transmission projects to achieve the decarbonization targets by 2030 with significant grid investments for the integration of offshore and onshore wind energy

United Kingdom

- **4,300 km** of lines(1)
- **160** substations

Main transmission projects

	Total project investment		COD
Eastern Link 1(2) (EGL1)	CAPEX EUR 1.3 Bn	Under execution	2028
Holistic Network Design(2)	CAPEX EUR 0.8 Bn	Under execution	
Eastern Link 4(2) (EGL4)	CAPEX EUR 1.4 Bn	Under development	To be defined (>2030)
Western Link 2(2) (WHVDC2)	CAPEX EUR 1.4 Bn	Under development	

(1) For the period 2024-2026
(2) Contributes to results since FID

Scottish Power: Electricity Production & Customers

Renewables

Onshore (I)	Region	MW	Year of Installation	Support Regime
Carland Cross Rep	England	20	1992	1.0 ROC/MWh
Coldham	England	16	2005	1.0 ROC/MWh
Lynemouth	England	26	2011	1.0 ROC/MWh
Coal Clough Repowering	England	16	2014	0.9 ROC/MWh
Corkey	Northern Ireland	5	1994	1.0 ROC/MWh
Rigged Hill	Northern Ireland	5	1994	1.0 ROC/MWh
Elliots Hill	Northern Ireland	5	1995	1.0 ROC/MWh
Callagheen	Northern Ireland	17	2006	1.0 ROC/MWh
Wolf Bog	Northern Ireland	10	2007	1.0 ROC/MWh
Barnesmore	Rep. of Ireland	15	1997	PPA (Expired)
Dun Law	Scotland	17	2000	1.0 ROC/MWh
Hare Hill	Scotland	13	2000	1.0 ROC/MWh
Beinn an Tuirc	Scotland	30	2002	1.0 ROC/MWh
Cruach Mhor	Scotland	30	2004	1.0 ROC/MWh
Black Law I	Scotland	97	2005	1.0 ROC/MWh
Beinn Tharsuinn	Scotland	30	2006	1.0 ROC/MWh
Black Law II	Scotland	28	2006	1.0 ROC/MWh
Wether Hill	Scotland	18	2007	1.0 ROC/MWh
Greenknowes	Scotland	27	2008	1.0 ROC/MWh
Hagshaw Hill Extension	Scotland	26	2008	1.0 ROC/MWh
Whitelee	Scotland	322	2008	1.0 ROC/MWh
Clachan Flats	Scotland	15	2009	1.0 ROC/MWh

Scottish Power: Electricity Production & Customers

Renewables

Onshore (II)	Region	MW[1]	Year of Installation	Support Regime
Dun Law Extension	Scotland	30	2009	1.0 ROC/MWh
Arecleoch	Scotland	120	2011	1.0 ROC/MWh
Mark Hill	Scotland	56	2011	1.0 ROC/MWh
Whitelee Extension	Scotland	217	2011	1.0 ROC/MWh
Beinn an Tuirc Ext	Scotland	44	2012	1.0 ROC/MWh
Middleton	Scotland	12	2012	1.0 ROC/MWh
Harestanes	Scotland	136	2013	1.0 ROC/MWh
Black Law Ext I	Scotland	45	2016	0.9 ROC/MWh
Black Law Ext II	Scotland	18	2016	0.9 ROC/MWh
Dersalloch	Scotland	69	2016	0.9 ROC/MWh
Ewe Hill	Scotland	14	2016	0.9 ROC/MWh
Ewe Hill Phase 2	Scotland	37	2017	0.9 ROC/MWh
Glen App	Scotland	22	2017	0.9 ROC/MWh
Hare Hill Extension	Scotland	30	2017	0.9 ROC/MWh
Kilgallioch	Scotland	239	2017	0.9 ROC/MWh
Beinn an Tuirc 3	Scotland	50	2020-2021	Corporate PPA
Halsary	Scotland	30	2020-2021	Corporate PPA
P&L [1]	Wales	15	1992	1.0 ROC/MWh
Total		**1,972**		

(1) 15 MW consolidated through equity method

Scottish Power: Electricity Production & Customers

Renewables

Offshore	MW	Year of Installation	Support Regime	Support Regime
West of Duddon Sands	194(1)	2014	ROC	2.0 ROC/MWh
East Anglia I	714(2)	2019	CfD	119.89 £/MWh (real 2012+CPI)/15 yrs
Total	908			

Solar PV	Region	MW	Year of Installation	Support Regime
Carland Cross (Hybrid)	England	10	2021	Corporate PPA
Coldham (Hybrid)	England	9	2023	Corporate PPA
Total		19		

Batteries	Region	MW	Year of Installation	Support Regime
Carland Cross LEM	England	1	2020	Merchant/Ancillary Services
Whitelee BESS	England	50	2020-2021	Merchant/Ancillary Services
Barnesmore BESS	Rep. of Ireland	3	2021	DS3 (Volume Uncapped)(3)
Gormans BESS	Rep. of Ireland	50	2021	DS3 (Volume Capped)(3)
Total		104		

(1) 50% of total 389 MW. Full consolidation 194 MW.
(2) 100% of total 714 MW. Minority stake (40%) held by Bilbao Offshore Holding Ltd
(3) Delivering a Secure Sustainable Electricity System

Scottish Power: Electricity Production & Customers

Projects under construction

Project	Type	Region	Total MW	Year of Installation	Income Regime
Harestanes BESS	Batteries	Scotland	50	2024	Merchant/ Ancilliary Services / 15 years Capacity Market
Cumberhead West	Wind	Scotland	113	2025	AR4 Contract for Difference
Hagshaw Hill Repowering	Wind	Scotland	80	2025	AR4 Contract for Difference
Total			**243**		

Scottish Power: Electricity Production & Customers

Renewables Obligation

Form of Control

- Legacy scheme for incentivising investment in renewables across the UK.
- Demand-led scheme.
- Renewable Obligation Certificates (ROCs[1]) are issued to accredited generating stations for ~20 years depending on the station's accreditation date.

Remuneration

- Generators receive wholesale market plus ROC based on metered output.
- ROC level of support (banding) set by technology type and commissioning date:
  - Onshore wind 0.9 - 1 ROCs / MWh
  - Offshore wind 1.8 - 2 ROCs / MWh
- The value of a ROC is based on buyout + recycle price. Buyout price is indexed annually to RPI[2] and is set at £64.73 for 2024/25. The recycle price is variable and is dependent on the level of ROC qualifying generation compared to demand from electricity suppliers. The recycle price can never be negative.

Timing

- Closed to onshore wind on 31 March 2016 and all other technologies on 31 March 2017.

Contracts for Difference

Form of Control

- Current mechanism for incentivising investment in renewables in GB.
- Allocated via annual competitive auctions.
- 15-year contract stabilising revenues at a price set in the auction (the Strike Price) linked to CPI[3].

Remuneration

- Generator receives wholesale market plus the difference between the Strike Price and the market reference price (a measure of the average GB electricity market price) based on metered output.
- Generator pays back if the market reference price is higher than the Strike Price.
- AR5 (2023 auction) - Strike Price for onshore wind £47.00/MWh and solar PV £52.29/MWh. No offshore wind bid in the auction due to the price cap of £44.00/MWh. (2012 prices)

Timing

- CfD auctions held in 2014, 2017 and 2019, 2022 and 2023.
- Held annually from 2023 – AR6 commenced in March 2024.
- Open to onshore wind, solar PV, offshore wind and less-established technologies.

Offshore Transmission Regime

- Generators build the transmission assets and then transfer them to transmission operator at construction completion.
- Licences to operate new offshore transmission assets are allocated via competitive tender process.

(1) Operators can trade ROCs with other parties. ROCs are used by suppliers to demonstrate they have met their obligation to source an increasing proportion of the electricity they supply from renewable sources. Normally, a renewable generator will transfer the related ROCs through Ofgem's electronic registry when it sells power to an electricity supplier.

(2) Retail Price Index measures the change in the cost of a representative sample of retail goods and services, including the cost of housing. The measure has now generally superseded by CPI.

(3) Consumer Price Index is the official measure of inflation of consumer prices of the United Kingdom , based on 700 different goods and services excluding the cost of housing.

Scottish Power: Electricity Production & Customers

Electricity System Operation

Form of Control

- National Grid Electricity System Operator (NGESO) is the System Operator (SO) for the electricity transmission network in Great Britain. It is responsible (overseen by the regulator, Ofgem) for the day to day operation of the system, including system stability and balancing.
- The UK power markets are bilaterally traded markets. If a market participant generates or consumes more or less electricity than they have contracted for, they are exposed to the imbalance price, or 'cash-out', for the difference.

Renewables Can Participate in the Following Markets to Manage Grid Stability and Security of Supply

- **Balancing Market**: Market participants can provide offers and bids to the SO to help balance the system at very short notice. The balancing market is settled on a pay-as-bid basis.
- **Ancillary Service Markets**: Ancillary services are competitively tendered by the SO to support the continuous stable flow of electricity. The SO will contract a variety of services that are required to maintain grid stability and security, including fast frequency response, short term operating reserve and black start.
- **Capacity Market**: The Capacity Market is a market-wide pay-as-clear (£/kW/year) capacity auction. Auctions are held ahead of delivery (T-1 years and T-4 years) to procure sufficient capacity (interconnection, demand side response, generation) to meet a reliability standard of three hours loss of load expectation per year. For the T-4 auctions only, the clearing price is adjusted annually for CPI until the delivery year.

National Energy System Operator (NESO)

- **Transition:** NG ESO is working towards a transition date of Summer 2024, where it will become the "National Energy System Operator". This will be an independent, public corporation responsible for planning GB's electricity and gas networks and operating the electricity system.
- **Decision:** Following industry consultation in 2022, Ofgem & Government decided GB needed a new independent organisation to take whole system approach focusing on energy security, net zero and affordable bills.
- **Responsibilities:** Delivering a whole system approach to network planning, markets, resilience, security of supply and energy insights
- **Connections Reform:** This reform project forms part of the NGESO's longer-term vision for change to the connections process. The proposed model will move from 'first come, first serve' to 'first ready, first to connect' basis. The model will also move to an annual gated window for all new applications and existing grid agreements. Implementation is planned for 1st January 2025 – all being subject to the relevant code and regulatory processed.

Scottish Power: Electricity Production & Customers

Electricity Generator Levy

- 45% levy on RO (Renewable Obligation) and corporate PPA backed sites from January 2023 until March 2028 – new investment from 22 November 2023 is excluded.
- Tax applies to revenues above £75MWh. Taxable revenues are net of trading and delivery costs with a £10M tax free allowance on top of net revenue.
- CfD backed assets, ROCs and other additional renewable incomes are excluded.

UK Emissions Trading Scheme

- The cost of carbon impacts on wholesale price of energy and therefore the achieved price of the renewables assets that receive ROCs.
- With effect from 1 January 2021, the UK Emissions Trading Scheme (“UK ETS”) replaced the UK's participation in the equivalent EU Emissions Trading Scheme (“EU ETS”).
- The cap for Phase 1 of the UK ETS was initially set at 5% below the UK’s expected notional share of the EU ETS cap for Phase IV of the EU ETS (2021-2030). Over time, the cap will be reduced so the total emissions from each industry will fall.
- Participants buy and sell emissions allowances through auctions or secondary markets: the price of traded allowances was £35.22 t/CO2 on 18th December 2024.

Scottish Power: Electricity Production & Customers

Customers

Form of Control

- Operates in the liberalised UK energy market for gas and electricity under the energy regulator Ofgem with a regulatory framework of both prescriptive and principles-based obligations.
- As of January 2024, the UK domestic energy market consists of approximately 24.1m gas and 29.3m electricity accounts [(1)] .

Supplier Exits

- Since January 2021, 30 suppliers have exited the market through the Ofgem Supplier of Last Resort (SoLR) process, while Bulb Energy entered into Special Administration Regime and was acquired by Octopus Energy. With very limited new entrants over the same period, the UK market is now composed of ~20 domestic suppliers.

Price Regulation

- Price regulation exists for certain customer groups on default tariffs (including standard variable tariffs) through the Default Tariff Cap, which came into effect 1 January 2019 and was extended to include prepayment meter customers from 1 January 2021, following the expiry of the prepayment meter cap (which was in force from April 2017).
- Ofgem estimates that the default tariff impacts around 29 million households - significantly higher than in the early years of the cap, with increased wholesale price volatility in recent years resulting in more customers defaulting to the cap rather than choosing a new competitive tariff.
- From October 2022, the level of the default tariff is reviewed every 3 months (as opposed to every 6 months). The default tariff cap has now been extended beyond its original end 2023 date with the Secretary of State having powers to remove the cap on notice.
- The Government provided various forms of energy bill support to domestic and non-domestic customers between October 2022 to March 2024 when energy prices were particularly high. These support schemes have now come to an end and been replaced with more general financial support for low-income households.

Obligated support for low income and fuel poor customers

- Warm Home Discount is a government scheme aimed at addressing fuel poverty and takes the form of a one-off discount on energy bills. This programme is in place with legislation until at least March 2026. The WHD programme now operates with different legislation in Scotland from that used in England and Wales. 9.4% of the programme spend will be in Scotland and 90.6% delivered in England and Wales. The programme has an ambition to provide direct support to 3.2m customers per year.
- Energy Company Obligation (ECO) scheme is a Government scheme to tackle fuel poverty which also provides a consequential reduction in carbon emissions. The scheme requires suppliers with more than 50k customers to invest in energy efficient measures with the obligation based on customer numbers and supply volumes. This is the 4th programme of this nature and will operate until March 2026.
- Great British Insulation Scheme (GBIS) Obligation was introduced in June 2023 and imposes annual targets (until March 2026) on suppliers to improve the energy efficiency performance of homes in GB. A minimum of 20% of the programme is to be delivered to low income & fuel poor homes the remaining support may be offered to homes in a wider qualifying criteria.

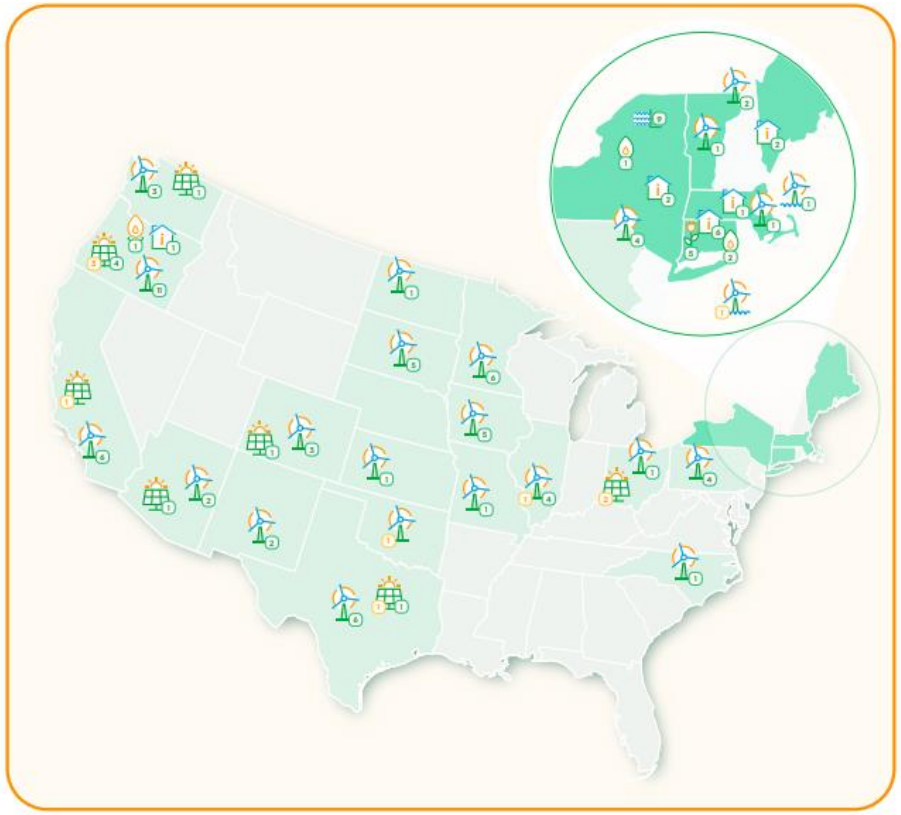
(1) Figures sourced from Cornwall Insights Domestic Market Share Survey, Q1 2024

Content

All figures as of December 2023, except otherwise stated. Differences may arise due to rounding

Avangrid[1]

Electricity and gas distribution in New York, Maine, Connecticut and Massachusetts



Main offices

Electricity distribution

Area of influence

Installed Capacity (MW)	9,673
Renewable Capacity (MW)	8,833
Net Production (GWh)	23,326
Distributed Energy (GWh)	37,174
Customers (M)[2]	3.4
Km of lines	171,912

70 Onshore wind 8,045 MW

1 Offshore wind farms 39 MW

8 Solar photovoltaic plants 618 MW

9 Hydroelectric plants 118 MW

3 Combined cycle gas plants 204 MW

1 Cogeneration plants 636 MW

5 Other renewables 13 MW

Projects under construction

2 1 7

(1) *Avangrid: 81.5% owned by Iberdrola*
(2) *Total number of electricity and gas supply points*

Avangrid: Iberdrola's proposal to reach 100% of Avangrid

Funding of Avangrid's future growth can only be achieved by means of profit reinvestment or shareholders' support in the form of capital infusions

- On the 17th May Iberdrola announced it **reached an agreement** with Avangrid to acquire the shares it does not own **for 35.75$/share**
- **Increasing exposure to the US and Networks** as source of 80% of Avangrid's Net Profit comes from Networks
- **Investment opportunities**, mostly in networks… **core to Iberdrola' strategy**
- **Avangrid's leverage and dividend payout ratios constraining future growth** and new investment opportunities in the US
- **Simplifying Avangrid's corporate governance** structure
- Avangrid's market performance **reduces value as a currency**

Transaction expected to be closed end 2024 or beginning 2025[1]

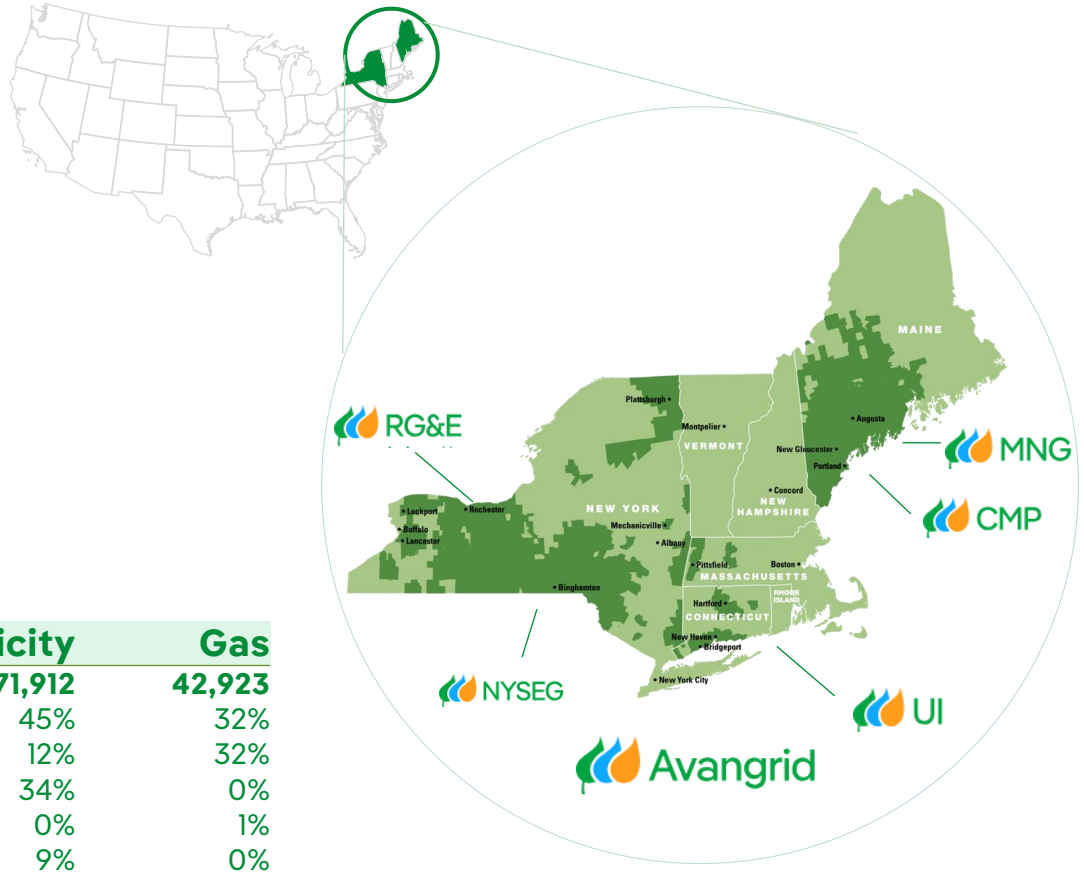
(1) Transaction closing is subject to (a) majority of minority shareholders' approval (b) requisite regulatory approvals and (c) other customary conditions.

Avangrid: Networks

8 regulated utilities in New York, Connecticut, Maine and Massachusetts

RAB (USD Bn)[1]	14.1
NYSEG - Electricity	3.7
NYSEG - Gas	0.8
RG&E - Electricity	2.3
RG&E - Gas	0.7
CMP - Distribution	1.3
CMP - Transmission	1.5
UI - Distribution	1.3
UI - Transmission	0.8
SCG	0.7
CNG	0.6
BGC	0.1
MNG	0.1

Points of supply (M)	3.4
Electricity	**2.3**
NYSEG	40%
RG&E	17%
CMP	29%
UI	15%
Gas	**1.0**
NYSEG	26%
RG&E	31%
MNG	1%
BGC	4%
CNG	18%
SCG	20%



Distributed energy (GWh)	97,075
Electricity	**37,175**
NYSEG	42%
RG&E	19%
CMP	25%
UI	13%
Gas	**59,901**
NYSEG	25%
RG&E	26%
MNG	9%
BGC	5%
CNG	18%
SCG	17%

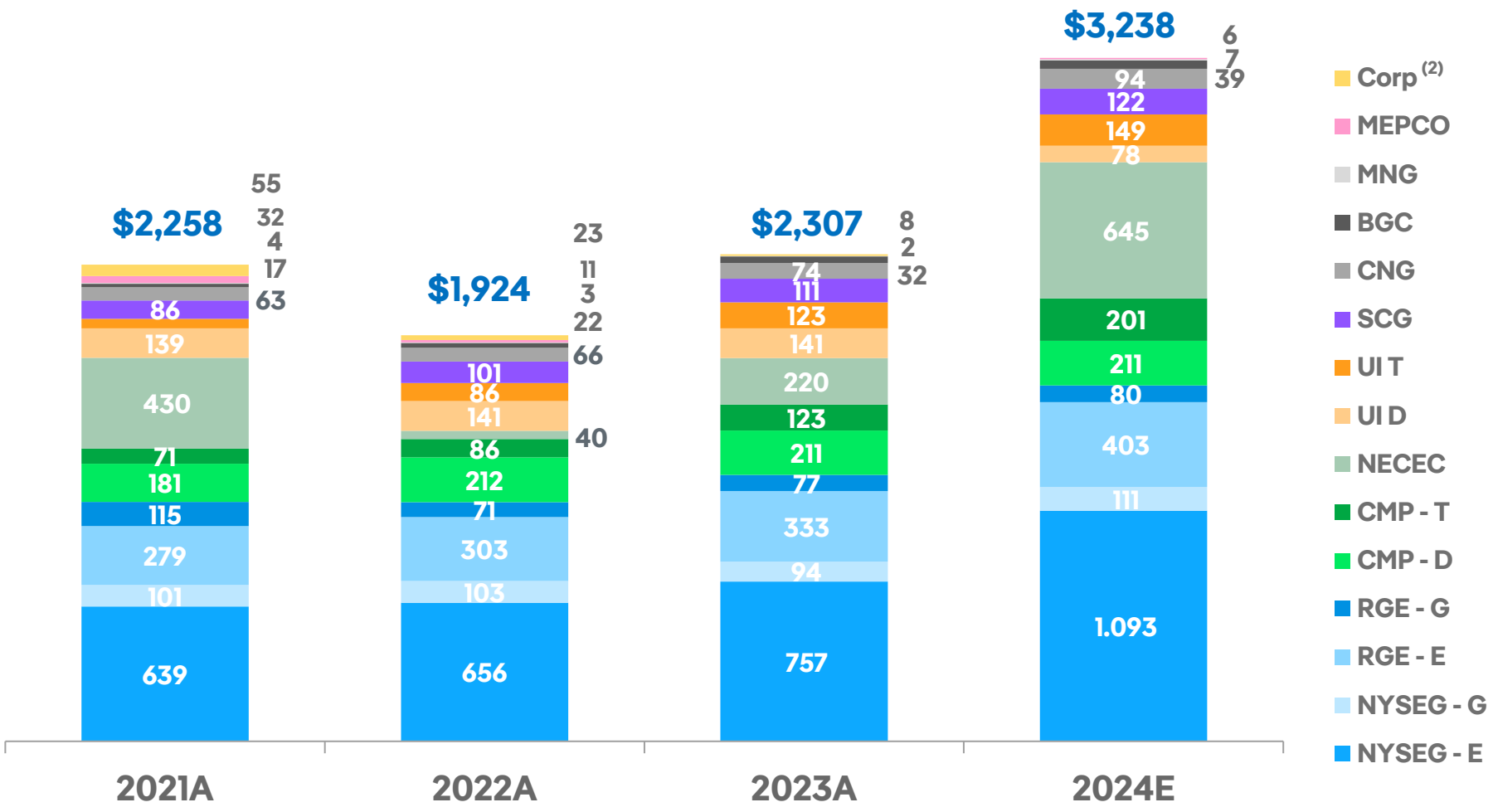
Kms of lines/pipelines	Electricity	Gas
Total	**171,912**	**42,923**
NYSEG	45%	32%
RG&E	12%	32%
CMP	34%	0%
MNG	0%	1%
UI	9%	0%
SCG	0%	16%
CNG	0%	15%
BGC	0%	4%

Note: data as of 31/12/ 2023
(1) including MEPCO (MEPCO is a separate legal entity, Avangrid owns 78.3%)

Avangrid: Networks

Networks Capex[1]

$M

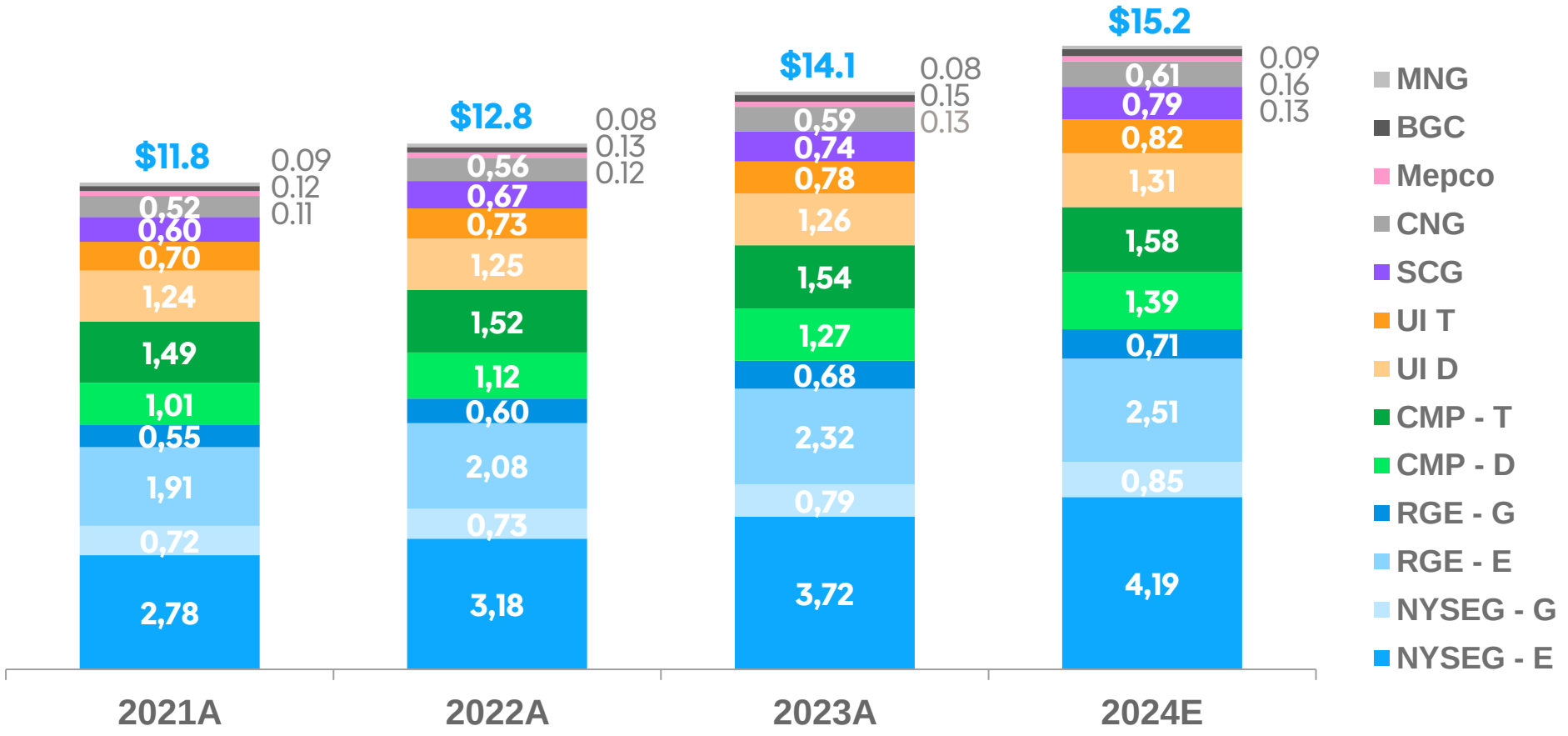


(1) Actuals per 10-K reports plus MEPCO capex.
(2) Includes facilities, IT, security, fleet, other
Amounts may not add up due to rounding.

Avangrid: Networks

Networks Average Rate Base by Operating Company[1][2]

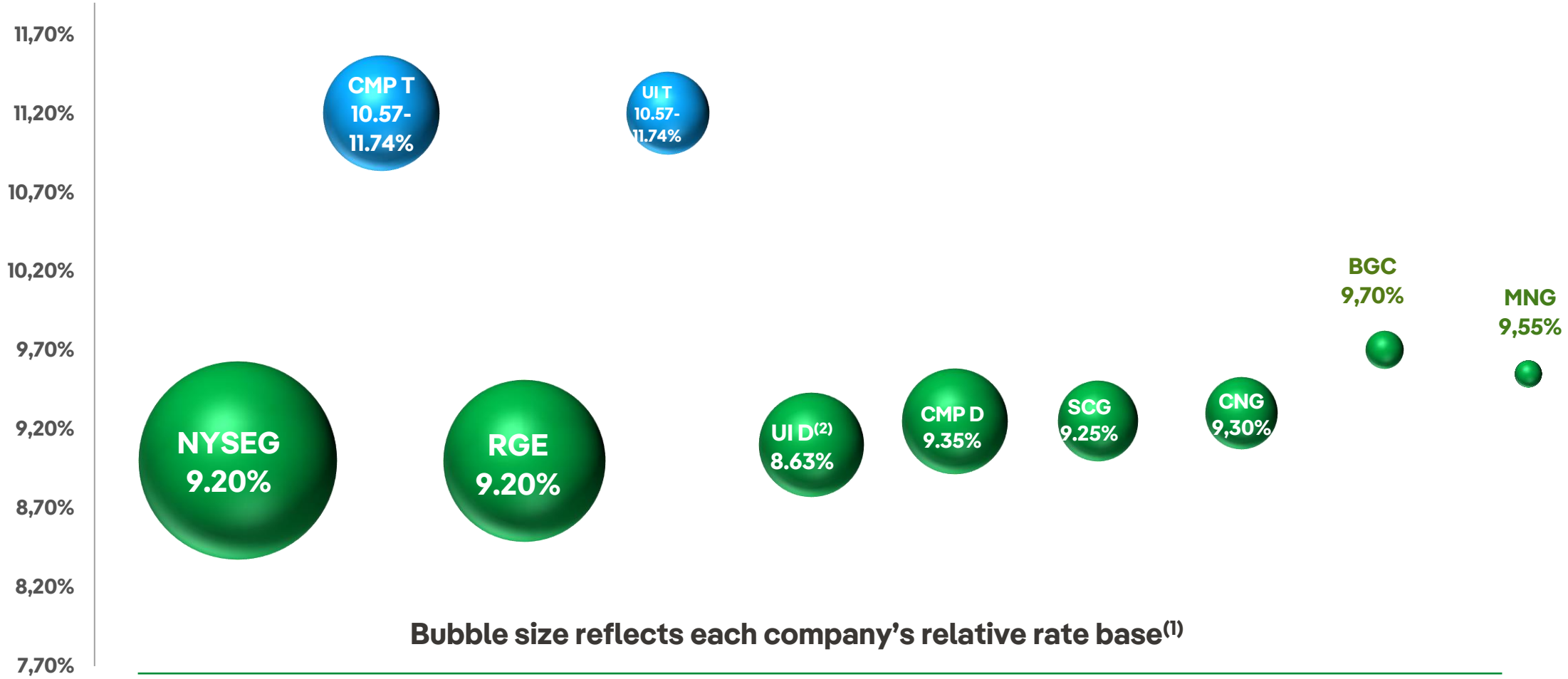
$B



(1) Actuals per 10-K reports plus rate base for MEPCO.
(2) Excluding NECEC assets of $1.5B – project economics based on transmission contract
Amounts may not add up due to rounding.

Avangrid: Networks

Current base allowed ROEs as of December 2023



(1) *Average 2023 Rate Base ~$14.1B including MEPCO (MEPCO is a separate legal entity (Avangrid owns 78.3%))*
(2) *9.10% nameplate ROE less 47 basis points reduction*

Avangrid: Networks

Current New York Rate Plans

		NY State Electric (NYSEG-E)	NY State Gas (NYSEG-G)	Rochester Electric (RGE-E)	Rochester Gas (RGE-G)
Jurisdiction		New York			
Regulator		New York Public Service Commission (NYPSC)			
Term		3 year plan (5/1/2023 - 4/30/2026) settled October 2023; tariffs increase retroactively effective May 1, 2023 (with a make-whole)			
Annual Rate Increases with Levelization / Shaping		Year 1 (5/1/23 – 4/30/24) - $137.3M Year 2 (5/1/24 – 4/30/25) - $160.7M Year 3 (5/1/25– 4/30/26) - $200.6M	Year 1 - $11.7M Year 2 - $12.4 Year 3 - $12.9	Year 1 – $50.9M Year 2 - $56.6M Year 3 - $65.3M	Year 1 - $18.2M Year 2 - $20.1M Year 3 - $22.4M
Avg. Rate Base ('23)*		$3,715	$789M	$2,319M	$682M
Allowed ROE / Equity Ratio		9.2% / 48%			
Earnings Sharing (Cust./Comp.)		ROE <9.70% no sharing, >9.7%/<10.2% (50%/50%), >10.2%/<10.7% (75%/25%), >10.7% (90%/10%)			
Rate Year		Forecast			
Trackers / Reconciled Costs		• Rate Adjustment Mechanism • Revenue Decoupling • Other reconciliations: major storms, environmental expense, energy efficiency, debt cost (full reconciliation of weighted fixed long-term debt rate above rate case estimates), pensions/OPEBs, property taxes, economic development & low income programs. Downward tracker for vegetation management, labor, AMI, net plant, pipeline integrity, incremental maintenance			
ROE filing		**Annually (filed end of July)**			
Achieved ROEs After-sharing if applicable	2022[1]	4.9%	8.8%	7.4%	8.7%
	2021[2]	6.9%	6.3%	7.4%	7.9%
	2020[3]	8.5%	9.0%	6.8%	8.3%
	2019[4]	4.0%	7.6%	8.7%	7.0%
	2018[5]	6.2%	8.6%	9.9%	8.3%
	2017[6]	8.6%	10.0%	9.8%	9.7%
	2016[7]	8.7%	9.8%	9.1%	9.8%

(1) ROEs for rate year 5/1/2022-4/30/2023.
(2) ROEs for rate year 5/1/2021 - 4/30/2022.
(3) ROEs for rate year 5/1/2020 - 4/30/2021.
(4) ROEs for rate year 5/1/2019 - 4/30/2020.
** Per SEC 10K*

(5) ROEs for the 3rd rate year (5/1/2018 - 4/30/2019).
(6) Amended ROEs for the 2nd rate year (5/1/2017 - 4/30/2018).
(7) Amended ROEs for the 1st rate year (5/1/2016 - 4/30/2017).

Avangrid: Networks

New York Rate Case Joint Proposal – approved October 12, 2023, as filed

3-year rate plan	• **May 1, 2023 – April 30, 2026** • **New rates** effective **November 1, 2023** with **Make Whole** back to **May 1, 2023**
ROE	• **9.20%, 48% Equity**, 50% Earning Sharing above 50 basis points
Capital Plan	• **$6.4B Capex 2022-2026**, $1.1B in 2022, $5.3B 2023 through 2026 includes $5,770M for distribution and $634M for CLCPA Phase I • Investments improve reliability and resiliency for our customers and enable more renewable energy, while creating more local jobs and increasing customer service programs
Rate Base	• **$7.4B** RY1 to **$8.7B** RY3 • **$6.6B** in 2022 to **$9.2B** in 2026
Net Income / Cash Flow	• Net Income improves from $280M in 2022 to $449M in 2026 • Cash flow improves from $131M in 2022 to $943M in 2026
Other	• Uncollectible P&L exposure fully mitigated with positive regulatory language • Significant improvement in Credit Metrics

Avangrid: Networks

Additional Positive Impacts - NY

- Includes increased funding for tree trimming, Vegetation Management (benefiting NYSEG and RG&E where 51% and 20% of outages are caused by trees respectively)
- Bill assistance programs for $27M at NYSEG and $23M at RG&E annually for fixed and/or low-income customers
- 231 additional Full-Time Employees focused on improving customer service and field operations (driving the creation of 716 indirect jobs in New York state)
- $250M in energy efficiency & heat pump incentive programs
- Includes a 5-year pilot with certain municipalities and NY Power Authority for dimming capability of streetlights in select areas to save energy and lessen costs for municipalities that opt in
- Full reconciliation of the weighted average fixed long-term debt rate above rate case estimates
- SAIFI Tier II target raised, reducing exposure to reliability negative revenue adjustments
- Includes ability to use NYSEG SAIFI negative revenue adjustments to accelerate vegetation management reclamation work to improve reliability
- Includes ability to petition the Commission seeking recovery of excessive incremental Make Ready Program costs (expenses associated with preparing a site for third party telecom/broadband attachments)

Avangrid: Networks

New York – Climate Leadership & Community Protection Act (CLCPA)

Critical transmission upgrades for meeting NY state climate actions goals

Phase I (December 2022):

- **~$1.3B** potential transmission investment for **NYSEG**, rate-based investments
- 13 projects with in-service dates ranging from 2026-2030
- $0.6B spend included in 2023 rate settlement in NY, remaining $0.7B spend to be included in next rate case
- Projects create transmission headroom for ~2.8 GW of existing and planned Renewables

Phase II (February 2023):

- **~$2.3B** transmission investment for **NYSEG/RG&E**, rate-based investments
- The order authorizes NYSEG/RG&E to build the projects (no further NYPSC approvals needed)
- 33 projects to be completed between 2025-2030
  - 29 projects located in New York's Southern Tier
  - 4 projects in other geographic locations across New York
- Projects create transmission headroom for nearly 2 GW of existing and planned Renewables
- Cost of all projects will be recovered from customers in NY statewide via a FERC-jurisdictional formula rate, with payments collected via the New York ISO
- Project ROE will be the NYPSC-approved ROE subject to a FERC-determined cap

Avangrid: Networks

Current Connecticut and Massachusetts Rate Plans

	Central Maine Power Distribution (CMP-D)	Maine Natural Gas (MNG)	Berkshire Gas Company (BGC)
Jurisdiction	Maine		Massachusetts
Regulator	Maine Public Utilities Commission (MPUC)		Department of Public Utilities (DPU)
Term	2-year plan July 2023 – June 2025	10-year plan thru 4/26/2016 subject to Year 7 review	2-year plan 2023-2024, effective 1/1/23
Annual Rate Increases	Y1 - $34.1M Y2 - $26.3M		Y1 - $3.6M (~$2.6M + up to $0.9M step-up) Y2 – add'l step-ups up to $1.2M, $0.6M & $0.3M, Stay-out until November 2025
Avg. Rate Base (2023)*	$1,274M	$83M	$161M
Allowed ROE	9.35%	9.55%	9.7%
Allowed Equity Ratio	50%	50%	54%
Earnings Sharing	50/50 above 10.35%	50/50 above 12.05%	No
Rate Year	Forecast	Forecast	Historic
Trackers / Reconciled Costs	• Revenue Decoupling • Major Storms • Vegetation Mgt 6yr cycle from 5yr plus ground to sky trim • Hyper inflation protection (RY1) • Full reconciliation of tax basis repairs credit • Gas Supply (pass through)	• No Revenue Decoupling • Gas Supply (pass through)	• Revenue Decoupling • Gas Supply (pass through) • GSEP, pension, energy efficiency • Recover of costs through proposed step increases associate with; 1) the hiring of incremental employees, 2) the hiring of incremental safety & reliability employees and 3) non-GSEP capital investments placed in service in 2022
ROE filing	Annually (April)	Annually	Annually (March 31)
Achieved ROEs 2022	3.75%	2.06%	5.61%
Achieved ROEs 2021	6.98%	2.49%	6.2%
Achieved ROEs 2020	6.2%	2.59%	5.98%
Achieved ROEs 2019	6.1%	NA	10.8%
Achieved ROEs 2018	4.2%	NA	NA
Achieved ROEs 2017	12.7%	NA	NA
Achieved ROEs 2016	11.4%	NA	NA

** Per SEC 10K.*

Avangrid: Networks

CMP Rate Case – Focus on cash and credit metrics

Storm recovery	– **Tier 1**, $7.4M with a +/- 15% dead-band, amts over/under shared 50/50 – **Tier 2**, $6.7M with reserve increased to $20M & all preparation costs for major storms charged to Tier 2 storm reserve regardless of storm outcome
Hyper-inflation protection	– Applies only to **RY1** and to those costs/revenues that were estimated using the general inflation factor – **+/- 200bps** deadband around the inflation levels assumed in the revenue requirement – Final RY1 inflation was 12.51%. Net costs subject to general inflation = $21.7M – Cannot result in CMP earning higher than the allowed 9.35%
Service Quality Metrics	Applies different than what happens in other jurisdictions: – **Missing an objective does not result in the fully financial consequence:** 1% miss equals 10% of the consequence, so a target needs to be missed by 10% to achieve the full negative revenue adjustment – **Achievements above an object can offset misses within the category** (reliability & customer service are distinct categories): 1% over achievement equals a 2.5% offset. This cannot produce a positive revenue adjustment, just offsets any negatives

Improving credit metrics compared to recent history, strongly within ranges for current ratings

(1) Per SEC 10K.

Avangrid: Networks

Berkshire Gas Rate Case approved October 28, 2022

Improving Safety & Reliability with Incremental FTEs & 2022 Investments	
2-year rate plan	Base rates effective January 1, 2023, step-up increased January 1, 2024
Rate Increase	Y1 - $3.6M (~$2.6M + up to $0.9M step-up) Y2 – add'l step-ups up to $1.2M, $0.6M & $0.3M
Funding	For up to 9 FTEs in 2022 & 11 more in 2023 Incremental capex through 2022 related to system operations, reliability, and modernization
ROE/Equity	9.7% / 54% (no change from previous plan)
Credit Metrics	Maintains strong credit metrics
Stay-Out	Through November 2025

Avangrid: Networks

Current CT Rate Plans

	United Illuminating Distribution (UI-D)	Southern Connecticut Gas (SCG)	Connecticut Natural Gas (CNG)
Jurisdiction	Connecticut		
Regulator	Public Utilities Regulatory Authority (PURA)		
Term	1 year (Sept '23 – Aug '24) Effective September 1, 2023	3 year plan 2018-2020 Effective January 2018	3 year plan 2019-2021 Effective January 2019
Annual Rate Increases	$22.9M	Year 1 - $1.5M Year 2 - $4.7M Year 3 - $5.0M	Year 1 - $9.9M Year 2 - $4.6M Year 3 - $5.2M
Avg. Rate Base (2023)*	$1,256M	$738M	$592M
Allowed ROE	9.10%, authorized 8.63%(2)	9.25%	9.30%
Allowed Equity Ratio	50%	52%	54% 2019 / 54.5% 2020 / 55% 2021 / 56% 2022
Actual Equity Ratio (2022)	59%	54%	56%
Earnings Sharing	50/50 above allowed ROE	50/50 above ROE	50/50 above ROE
Trackers / Reconciled Costs	· Revenue Decoupling · Major Storms · Energy Supply (pass through) · Low Income	· Revenue Decoupling · System Expansion Rate · Energy Supply (pass through) · Low Income · Distribution Integrity Mgmt Program	· Revenue Decoupling · System Expansion Rate · Energy Supply (pass through) · Low Income · Distribution Integrity Mgmt Program
ROE filing	Quarterly(1)	Quarterly(1)	Quarterly(1)
Achieved ROEs After sharing if applicable — 2022	6.3%	9.3%	10.2%
2021	8.2%	9.8%	9.4%
2020	9.0%	8.5%**	8.7%**
2019	10.1%	8.7%	8.0%
2018	9.6%	8.4%	6.7%
2017	9.3%	8.1%	5.9%
2016	6.8%	8.1%	8.7%

(1) Based on actual equity ratios vs. allowed

(2) ROE reductions on appeal: Customer service (20bp), English Station (20bp), Transmission Adj. Clause & Customer lost benefits (5bp), Incomplete Cost of Service study & Rate Design analysis (2bp)

- *Per SEC 10K*

*** Revised filing 4/21/21*

Avangrid: Networks

CT UI Rate Case – final order issued August 25, 2023

1-year rate plan	**September 2023-August 2024; rates effective September 1, 2023** Revenue Requirement ~$385M, Distribution Rate increase ~$22.9M
ROE/Equity	**9.10%** nameplate less 47 basis points reduction = **8.63% authorized, 50% equity**
Capital plan	**Full recovery** of capital closed YE 2021 of **~$2.2B**, **$67M** incurred thru Aug 2022
Rate Base	Approved proforma average **~$1.1B**
Other	Improved **storm recovery** and funding for **vegetation management**

Filed court appeal of PURA final order on September 18, 2023, because of factual and legal errors related to the treatment of deferred assets, plant in service, and operating expenses. We cannot predict the outcome of this matter.

Avangrid: Networks

CT CNG & SCG, rate cases filed November 3, 2023

First rate filings for the companies since 2018 & 2017, respectively[1]

Period	**1 Year (Nov '24 / Oct '25),** new rates expected to go into effect in Nov '24
ROE/Equity	**10.20%, 55% Equity at CNG**, **53% Equity at SCG** & 50% Earning Sharing above allowed
Avg. Delivery Rate	**+9%** (+$19.8M) **CNG** and **+18.9%** (+$40.6M) **SCG**
Avg. Bill Impact	**+4%** (+$6.68 monthly) **CNG** and **+9%** (+$13.51 monthly) **SCG**
CapEx	**$255M** ($108M for CNG and $147M for SCG) between Nov '24 & Oct '25
Rate Base	Additions of **$470M** ($198M CNG & $272M SCG) for '23, '24 & '25

Final decision expected 4Q 2024

(1) Last rate increase in 2021 & 2020 respectively

Avangrid: Networks

FERC Jurisdiction Rate Plans

	Central Maine Power Transmission (CMP-T)	United Illuminating Transmission (UI-T)
Regulator	Federal Energy Regulatory Commission (FERC)	
Term	Annual filing by July 31	
Avg. Rate Base ('23)*	$1,539M	$776M
Allowed ROE	10.57-11.74%	10.57-11.74%
Equity Ratio	Actual (~53-59%)	Actual (~53-58%)
Earnings Sharing	No	No
Decoupling	No	No
Trackers / Reconciled Costs	• Annual true-up to actual operating expenses and revenue requirement • Capital investments not included in rate base until they are placed in service, unless a specific FERC incentive is granted allowing for the inclusion of Construction Work in Progress (CWIP) in rate base • We are allowed to calculate an Allowance for Funds Used During Construction (AFUDC) as a non-cash carrying charge added to CWIP and recovered over the life of the asset on all other projects that do not receive the CWIP in rate base incentive	
ROE filing	Annually (July)	
Achieved ROEs(1) 2022	11.3%	11.4%
2021	11.8%	11.3%
2020	12.0%	11.3%
2019	9.9%	11.3%
2018	11.8%	11.3%
2017	11.4%	11.3%
2016	11.2%	11.4%

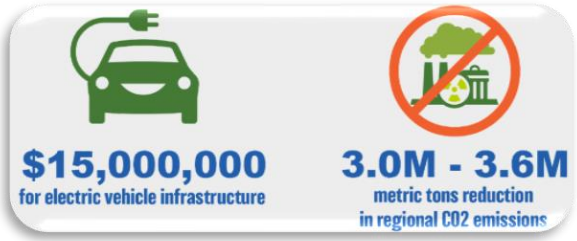
(1) Based on actual equity ratios vs allowed
** Per SEC 10K.*

Avangrid: Networks

New England Clean Energy Connect (NECEC)

145-mile transmission line to bring 1,200 mw of clean hydro power from Quebec to NE-ISO

- ✓ Estimated **construction cost** of **~$1.5B***
  - Capitalized ~$0.9B**
  - **AFUDC** during construction: YTD '24 ~$14M, FY '23 ~$23M
- ✓ **Contract Price*****: $9.29/kW month(1) Year 1 escalating ~2% annually through Year 20 & $7.38/kW month(2) Years 21-40
- ✓ **Depreciation**: 40-year straight line (GAAP) / 15-year MACRS (Tax)
- ✓ **Evaluating** construction schedule & related commercial operation date
- ✓ Parent **debt** to fund sponsor equity



(1) Equivalent to $12.73/MWh for a 100% load factor.
(2) Equivalent to $10.11/MWh for a 100% load factor.
** As of March 2024, excluding AFUDC*
*** Capitalized includes capitalized interest costs and other additional payment related to the project along with construction costs.*
**** Revenue = kW per month x kW x 12 x years.*

Avangrid: Networks

How to model

Approach for Networks Income Calculation

+ **Rate Base * Equity Ratio[1] * Regulatory ROE (8 utilities)**

+ **Net Other Income (Deductions):**
  - Allowance for funds used during construction (AFUDC debt and equity)
  - Debt Costs not supporting debt portion of rate base
  - Carrying costs on regulatory assets & liabilities not included in Rate Base
  - Other Income & Deductions (eg: Charitable Donations, Shareholder-borne costs)
  - Be sure to tax effect values

+ **Joint Ventures (GenConn, NY Transco, MEPCO)**

= **Networks "Income"**

(1) Connecticut companies and Transmission based on actual equity ratio. All other utilities based on allowed equity ratio

Avangrid: Networks

Economics

Rate Base	• **Rate Base =** Gross plant in service - Book depreciation - Deferred income taxes +/- working capital +/- regulatory assets & liabilities (not accruing carrying costs) + prepaid + materials & supplies • **Average rate base for a 13-month period** used for gas & electric distribution. Transmission follows a 5-quarter average and 2-point average.
AFUDC & Carrying Costs	• Utilities accrue **AFUDC** on longer-term construction projects prior to being placed in-service • Utilities accrue **Carrying Costs** on certain regulatory assets & liabilities not in rate base • This has an impact on **current earnings**, but there is **no current cash flow impact**
Joint Ventures	• 50% JV with affiliates of Clearway Energy (GenConn) in 2 regulated peaking plants with ROE of 9.85% • 20% investment in NY Transco with 53% Equity Ratio • Maine Electric Power Co., Inc. (MEPCO) owns a 345 kV lines between the New Brunswick border and Maine Yankee
Earned ROE	• Based on formulas approved by regulator and used in annual compliance filings • Formulas based on operating income with certain regulatory adjustments

Avangrid: Networks

Generation assets within Avangrid networks

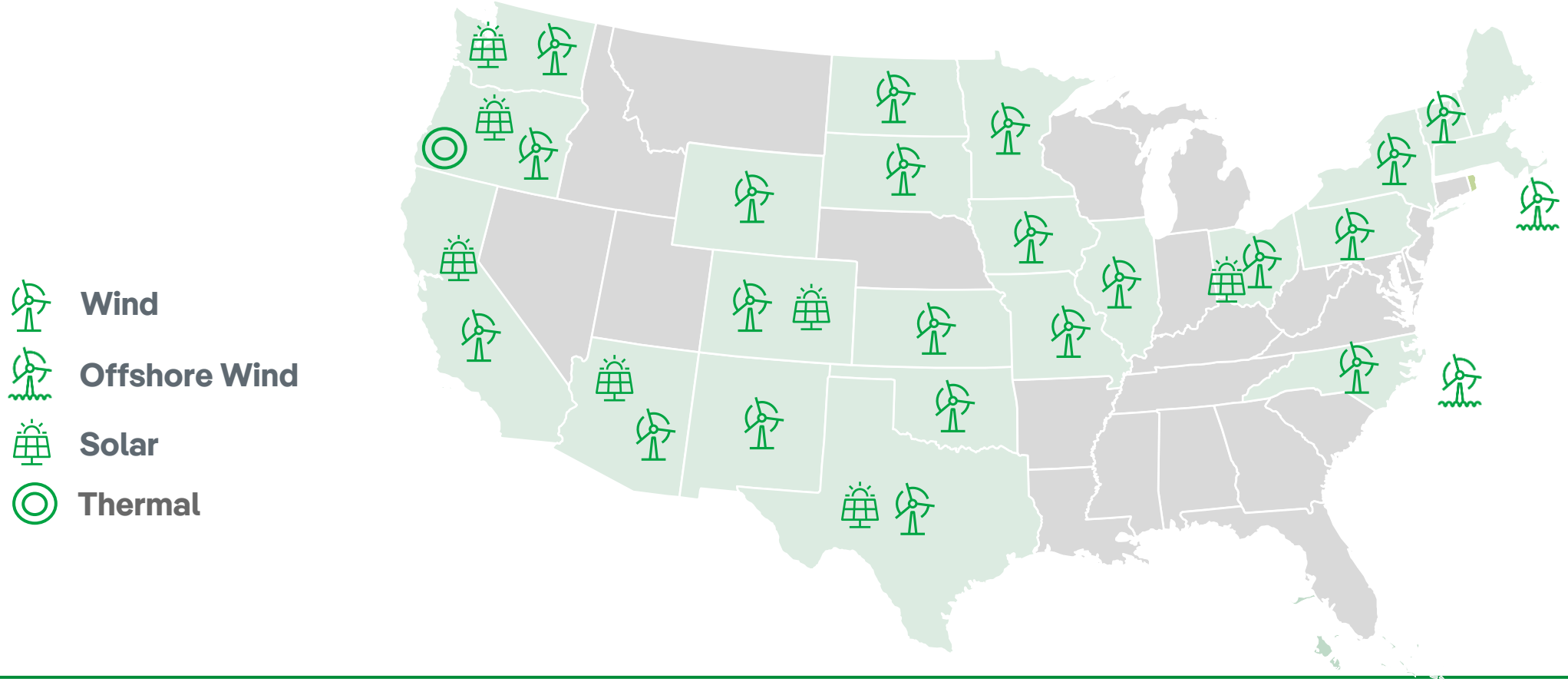
Operating Company	Facility Location	Facility Type	Installed Capacity (MW)	Year(s) Commissioned
NYSEG	Newcomb, NY	Diesel Turbine	4.3(1)	1967, 2017
NYSEG	Blue Mountain, NY (2)	Diesel Turbine	2.0	2019
NYSEG	Long Lake, NY (2)	Diesel Turbine	2.0	2019
NYSEG	Eastern New York (6 locations)	Hydroelectric	61.4	1921-1986
RG&E	Rochester, NY (3 locations)	Hydroelectric	57.1	1917-1960
UI (3)	Connecticut (4 locations)	Fuel cell / Solar	13.4(3)	2015 - 2016

- UI is party to a 50-50 joint venture with certain affiliates of Clearway Energy, Inc. in GCE Holding LLC, whose wholly-owned subsidiary, GenConn, operates two 200 MW(4) peaking generation plants in Devon and Middletown, both in Connecticut.

(1) 2 Units totaling 4.3 MW, However, Unit 2 has a fuel mix of Kerosene & Diesel which limits output; total available capacity = 4.1 MW.
(2) Blue Mountain and Long Lake diesel turbines are rented facilities.
(3) Includes 2.2 MW of solar and UIL Distributed Resources' Glastonbury Fuel Cell & Energy Recovery Generator 3.4 MW.
(4) Nameplate capacity.

Avangrid: Electricity Production & Customers

3rd largest wind & solar operator in the U.S. with ~8.7 GW installed; leading the development of large-scale offshore wind in the U.S.

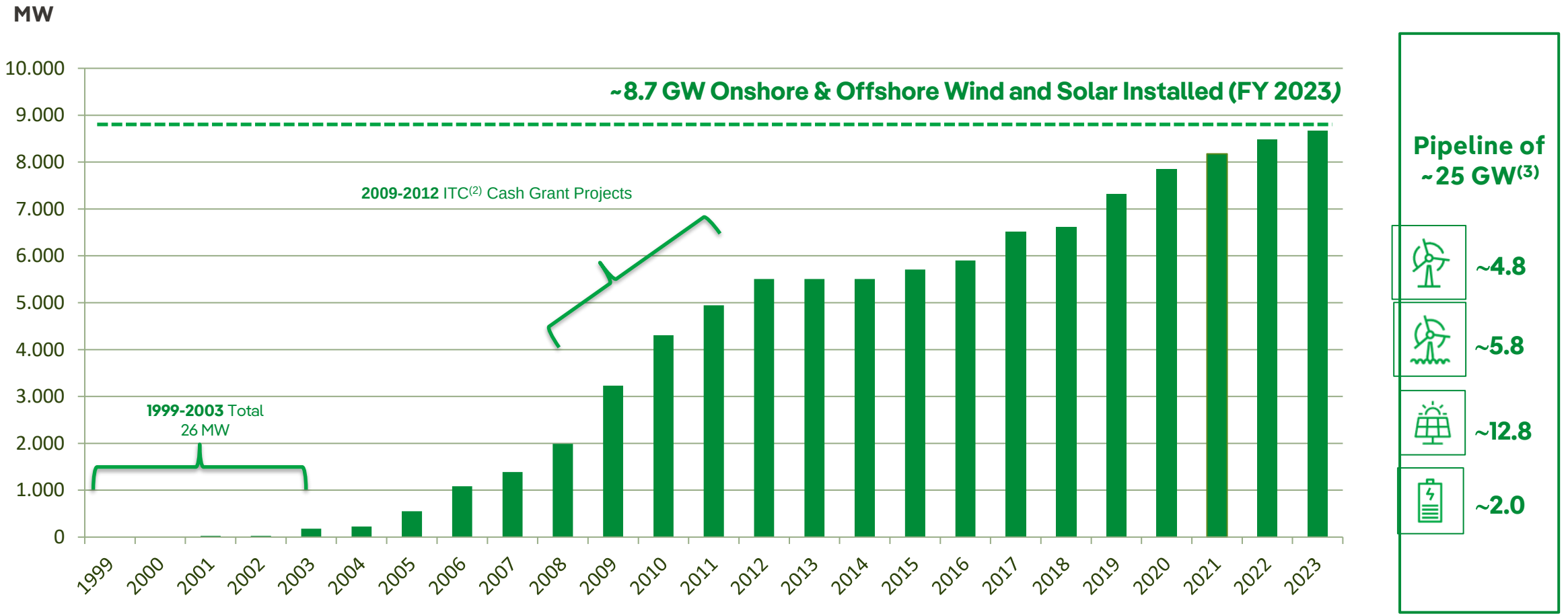


~ 1.8 GW(1) onshore & offshore under construction

(1) Including 100% 806 MW Vineyard Wind 1, a 50/50 joint venture between Avangrid Renewables and Copenhagen Infrastructure Partners.

Avangrid: Electricity Production & Customers

Renewables historical growth & future pipeline[1][2]



(1) Avangrid Renewables also owns 536 MW Cogeneration (2001), 100 MW Peaking (2009). Not included in this chart.

(2) 2009-2012 Projects funded with Section 1603 ITC cash grants (Renewables received ~$2B in cash for ~$6B investment; no PTCs).

(3) Offshore Wind includes – Vineyard Wind 1 403 MW, New England Wind 1 (formerly Park City Wind) 791 MW, New England Wind 1 (formerly Commonwealth Wind) 1,080 MW and Kitty Hawk 3,500 MW

Avangrid: Electricity Production & Customers

Portfolio characteristics (as of 12/31/2023)

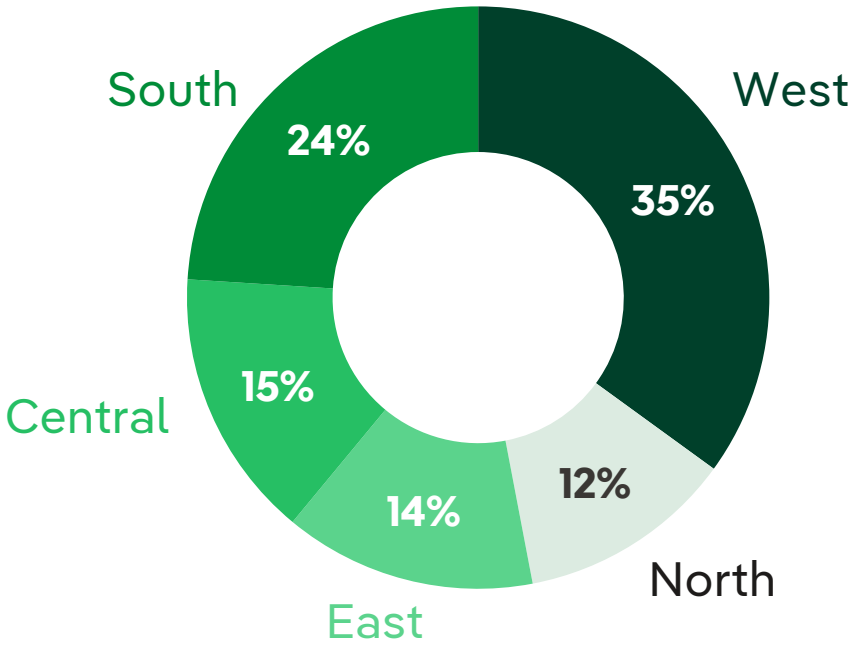
- ✓ **Installed capacity of 9.9 GW[(1)] in 22 states & 8 electric power markets**
- ✓ **~72% of wind and solar installed capacity under long-term contract**
- ✓ **~9 years average remaining PPA life**
- ✓ **Target 85-95% capacity under contract and/or hedged**
- ✓ **Weighted Average PPA price realized to date = $48.91/MWh**
- ✓ **Escalators on ~43% of PPAs, some tied to inflation**
- ✓ **Offshore wind PPAs contain 2.5% fixed price escalators**
- ✓ **Production tax credits[(2)] are inflation adjusted**
- ✓ **Industry-leading energy management capabilities**
- ✓ **24/7 operations, maintenance, dispatch, & load balancing for 75 operating wind, solar and thermal assets**

(1) AGR operational data including Wind, Solar, Hydro, Fuel Cells, GenConn & Klamath plus managed assets of 306 MW. Solar capacity is being reported in MWdc.
(2) $28/MWh for facilities placed in service before 2022 and $27.5 / MWh for facilities placed in service starting 2022. Bonus credits are available for projects that meet domestic content and energy community requirements.

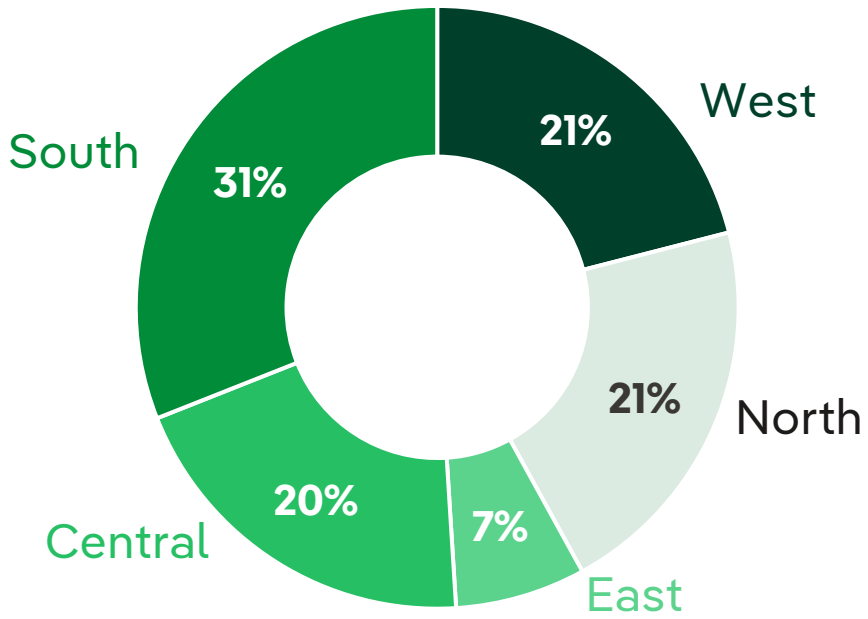
Avangrid: Electricity Production & Customers

Portfolio characteristics based on production

Contracted = ~75%



Merchant = ~25%



Note: excluding joint ventures & managed

Avangrid: Electricity Production & Customers

Location	Wind Project	Turbines	MW	COD	NERC Region	Contracted/ Merchant	PTC/ITC	Tax Equity
Arizona	Dry Lake I	30 (Suzlon, S88, 2.1 MW)	63	2009	WECC	Contracted	ITC Cash Grant	
	Dry Lake II[(1)]	31 (Suzlon, S88, 2.1 MW)	33	2010	WECC	Contracted	ITC Cash Grant	
California	Dillon	45 (Mitsubishi, MWT62, 1.0 MW)	45	2008	CAISO	Contracted	PTC Expired	
	Manzana	126 (GE, 1.5 SLE, 1.5 MW)	189	2012	CAISO	Contracted	ITC Cash Grant	
	Mountain View III	34 (Vestas, V47, 0.66 MW)	22	2021	CAISO	Contracted	PTC	Tax Equity
	Phoenix Wind Power	3 (NMicon-Vestas, NM48, 0.7 MW)	2	1999	CAISO	Merchant	PTC Expired	
	Shiloh	100 (GE, 1.5 SLE, 1.5 MW)	150	2006	CAISO	Contracted	PTC Expired	
	Tule	57 (GE, GE 2.3, 2.3 MW)	131	2018	CAISO	Contracted	PTC	
Colorado	Colorado Green	108 (GE, 1.5sle RP1.62, 1.62 MW)	162	2020	WECC	Contracted	PTC	
	Twin Buttes	50 (GE, 1.5 SLE, 1.5 MW)	75	2007	WECC	Contracted	PTC Expired	
	Twin Buttes II	30 (Gamesa, G114, 2.1 MW) 6 (Gamesa, 2 MW)	75	2017	WECC	Contracted	PTC	
Illinois	Midland	21 (Vestas, V150, 4.3 MW) 4 (Vestas, V136, 3.8 MW)	106	2023	PJM	Contracted	PTC	Tax Equity
	Otter Creek	38 (Vestas, V136, 3.8 MW) 4 (Vestas, V126, 3.4 MW)	158	2020	PJM	Contracted	PTC	Tax Equity
	Providence Heights	36 (Gamesa, G87, 2.0 MW)	72	2008	PJM	Merchant	PTC Expired	
	Streator Cayuga Ridge South	150 (Gamesa, G87, 2.0 MW)	300	2010	PJM	Contracted	ITC Cash Grant	
Iowa	Barton	79 (Gamesa, G87, 2.0 MW)	158	2009	MISO	Partially Contracted	ITC Cash Grant	
	Flying Cloud	29 (GE, 1.5S, 1.5 MW)	44	2003	MISO	Contracted	PTC Expired	
	New Harvest	50 (Gamesa, G87, 2.0 MW)	100	2012	MISO	Contracted	ITC Cash Grant	
	Top of Iowa II	40 (Gamesa, G87, 2.0 MW)	80	2007	MISO	Contracted	PTC Expired	
	Winnebago I	10 (Gamesa, G83, 2.0 MW)	20	2008	MISO	Contracted	PTC Expired	
Kansas	Elk River	100 (GE, 1.5 SLE, 1.5 MW)	150	2005	SPP	Contracted	PTC Expired	
Massachusetts	Hoosac	19 (GE, 1.5 SLE, 1.5 MW)	29	2012	ISO-NE	Merchant	ITC Cash Grant	
Minnesota	Elm Creek I	66 (GE, 1.5 SLE, 1.5 MW)	99	2008	MISO	Contracted	PTC Expired	
	MinnDakota	100 (GE, 1.5sle, 1.5 MW)	150	2008	MISO	Contracted	PTC Expired	
	Trimont	67 (GE, 1.5sle RP1.62, 1.6 MW)	107	2021	MISO	Contracted	PTC	
	Elm Creek II	62 (Mitsubishi, MWT95, 2.4 MW)	149	2010	MISO	Merchant	ITC Cash Grant	
	Moraine I	34 (GE, 1.5 S, 1.5 MW)	51	2003	MISO	Merchant	PTC Expired	
	Moraine II	33 (GE, 1.5 SLE, 1.5 MW)	50	2009	MISO	Contracted	ITC Cash Grant	
Missouri	Farmers City	73 (Gamesa, G87, 2.0 MW)	144	2009	MISO	Merchant	ITC Cash Grant	

(1) Jointly owned; capacity amounts represent only Renewables' share of the facility.

Avangrid: Electricity Production & Customers

Location	Wind Project	Turbines	MW	COD	NERC Region	Contracted/ Merchant	PTC/ITC	Tax Equity
New Hampshire	Groton	24 (Gamesa, G87, 2.0 MW)	48	2012	ISO-NE	Merchant	ITC Cash Grant	
	Lempster	12 (Gamesa, G87, 2.0 MW)	24	2008	ISO-NE	Merchant	PTC Expired	
New Mexico	El Cabo	149 (Gamesa, G114, 2.1/2 MW)	298	2017	CAISO	Contracted	PTC	Tax Equity
	La Joya	35 (Gamesa, G114, 2.6 MW) 76 (GE, GE127, 2.82 MW)	306	2021	WECC	Contracted	PTC	
New York	Hardscrabble	37 (Gamesa, G90, 2.0 MW)	74	2011	NYISO	Merchant	ITC Cash Grant	
	Maple Ridge I[1]	70 (Vestas, V82, 1.65 MW)	116	2006	NYISO	Merchant	PTC Expired	
	Maple Ridge II[1]	27 (Vestas, V82, 1.65 MW)	45	2006	NYISO	Merchant	PTC Expired	
	Roaring Brook	20 (Gamesa, 5-G114/15-SG145, 2.625/4.2/4.5 MW)	80	2021	NYISO	Contracted	PTC	
North Carolina	Amazon Wind Farm U.S. East	104 (Gamesa, G114, 2.0 MW)	208	2017	PJM	Contracted	PTC	
North Dakota	Rugby	71 (Suzlon, S88, 2.1 MW)	149	2009	MISO	Partially Contracted	ITC Cash Grant	
Ohio	Blue Creek	152 (Gamesa, G90, 2.0 MW)	304	2012	PJM	Contracted	ITC Cash Grant	
Oregon	Golden Hills	41 (Vestas, V150, 4.3 MW) 10 (GE, GE116, 2.5 MW)	201	2022	WECC	Contracted	PTC	Tax Equity
	Hay Canyon	48 (Suzlon, S88, 2.1 MW)	101	2009	WECC	Partially Contracted	ITC	
	Klondike I	16 (GE, 1.5 S, 1.5 MW)	24	2001	WECC	Merchant	PTC Expired	
	Klondike II	50 (GE, 1.5 SLE RP1.62, 1.62 MW)	81	2021	WECC	Partially Contracted	PTC	
	Klondike III	44 (Siemens, 2.3 MW) 80 (GE, 1.5 SLE, 1.5 MW) 1 (Mitsubishi, 2.4 MW)	224	2007	WECC	Partially Contracted	PTC Expired	
	Klondike IIIa	51 (GE, 1.5 SLE, 1.5 MW)	77	2008	WECC	Merchant	PTC Expired	
	Leaning Juniper II[2]	74 (GE, 1.5 MW) 42 (97812, S88, 2.1 MW)	199	2010	WECC	Partially Contracted	ITC Cash Grant	
	Montague	56 (Vestas, V136/V126, 3.6/3.45 MW)	201	2019	WECC	Contracted	PTC	Tax Equity
	Pebble Springs	47 (Suzlon, S88, 2.1 MW)	99	2009	WECC	Contracted	ITC Cash Grant	
	Star Point	47 (Suzlon, S88, 2.1 MW)	99	2010	WECC	Contracted	ITC Cash Grant	
Pennsylvania	Casselman	23 (GE, 1.5sle, 1.5 MW)	35	2007	PJM	Merchant	PTC Expired	
	Locust Ridge I	13 (Gamesa, G87, 2.0 MW)	26	2007	PJM	Contracted	PTC Expired	
	Locust Ridge II	50 (Gamesa, G83, 2.0 MW)	100	2009	PJM	Contracted	ITC Cash Grant	
	South Chestnut	22 (Gamesa, G90, 2.0 MW)	44	2012	PJM	Contracted	ITC Cash Grant	

(1) Jointly owned; capacity amounts represent only Renewables' share of the facility.
(2) Includes 2 projects; Leaning Juniper II A, (88.2 MW pre-repower, 98.2 MW post-repower (16.78 MW currently contracted, fully contracted post-repower)), & Leaning Juniper II B (111 MW, Merchant)

Avangrid: Electricity Production & Customers

Location	Wind Project	Turbines	MW	COD	NERC Region	Contracted/ Merchant	PTC/ITC	Tax Equity
South Dakota	Buffalo Ridge I	24 (Suzlon, S88, 2.1 MW)	50	2009	MISO	Contracted	PTC Expired	
	Buffalo Ridge II	105 (Gamesa, G87, 2.0 MW)	210	2010	MISO	Merchant	ITC Cash Grant	
	Coyote Ridge[1]*	35 (GE, 2.52 MW) 4 (GE, 2.3 MW)	20	2019	MISO	Contracted	PTC	
	Tatanka[1]	50 (GE, GE127, 2.82 MW) 6 (GE, GE116, 2.3 MW)	23	2021	MISO	Contracted	PTC	
Texas	Baffin	101 (Gamesa, G97, 2.0 MW)	202	2016	ERCOT	Merchant	PTC	
	Barton Chapel	60 (Gamesa, G87, 2.0 MW)	120	2009	ERCOT	Partially Contracted	ITC Cash Grant	
	Karankawa	22 (GE, 2.3 MW) 9 (GE, 2.5 MW) 93 (GE, 2.52 MW)	307	2019	ERCOT	Contracted	PTC	Tax Equity
	Patriot	58 (Vestas, V136, 3.6 MW) 5 (Vestas, V126, 3.45 MW)	226	2019	ERCOT	Merchant	PTC	Tax Equity
	Peñascal	84 (Mitsubishi, MWT92, 2.4 MW)	190	2009	ERCOT	Partially Contracted	ITC Cash Grant	
	Peñascal II	83 (Mitsubishi, MWT93, 2.4 MW)	194	2010	ERCOT	Partially Contracted	ITC Cash Grant	
Vermont	Deerfield	15 (Gamesa, G87/G97, 2.0 MW)	30	2017	ISO-NE	Contracted	PTC	
Washington	Big Horn I	133 (GE, 1.5sle, 1.5 MW)	200	2006	WECC	Contracted	PTC Expired	
	Big Horn II	25 (Gamesa, G90, 2.0 MW)	50	2010	WECC	Contracted	ITC Cash Grant	
	Juniper Canyon	63 (Mitsubishi, MWT95/2.4, 2.4 MW)	149	2011	WECC	Merchant	ITC Cash Grant	

(1) Jointly owned; capacity amounts represent only Renewables' share of the facility.

Avangrid: Electricity Production & Customers

Renewables & Conventional generation

Location	State	Project	Type	MW	COD	NERC Region	Contracted/ Merchant	PTC/ITC
Arizona	AZ	Copper Crossing Solar Ranch(1)	Solar	12	2011	WECC	Contracted	ITC Cash Grant
Colorado	CO	San Luis Valley Solar Ranch	Solar	35	2012	WECC	Contracted	ITC Cash Grant
Oregon	OR	Gala Solar	Solar	70	2017	WECC	Contracted	ITC Cash Grant
	OR	Montague Solar	Solar	211	2023	WECC	Contracted	PTC
	OR	Wy' East Solar	Solar	13	2018	WECC	Contracted	ITC Cash Grant
Washington	WA	Lund Hill Solar	Solar	194	2022	WECC	Contracted	PTC
Oregon	OR	Klamath Cogeneration	Thermal	536	2001	WECC	Merchant	N/A
	OR	Klamath Peakers	Thermal	100	2002	WECC	Merchant	N/A

(1) Jointly owned; capacity amounts represent only Renewables' share of the facility.

Avangrid: Electricity Production & Customers

Renewables P&L Components (US GAAP)

Gross Margin	+ **Wind & Solar** (~80% of Renewable Gross Margin in 2023) ✓ Installed Capacity (MW) * Hours * Capacity Factor * Sale Price + **Thermal & other [includes biomass contract revenues, transmission sales and limited proprietary trading]** (~20% of Renewable Gross Margin in 2023) ✓ Include Klamath (used to firm & balance loads for certain PPA contracts in the Northwest), biomass (contractual purchase of energy & resale from biomass facility owned by third party), transmission sales & limited proprietary power trading ✓ Tax equity (5-year recapture)
O&M Expenses	• **1/3 related to non-wind** operational aspects (growth, thermal, corporate costs …)
D&A	• **~28 year weighted average investment life for windfarms on a straight-line basis, net of ITC amortization**
Other Taxes Expense	• **Property, Franchise, and Payroll Taxes**
Other Income & Deduction	• **Consists of:** Finance income (primarily capitalized interest) combined with gains on non-current assets, offset by other deductions (non-service pension costs & charitable giving)
Interest Expense	• **Financial expenses** on intercompany debt and any other borrowings; excludes TEI financing costs, included within Minority interest under HLBV accounting
Income Tax	• **MACRs** tax treatment allows wind & solar assets to be **depreciated over 5 years**, recorded in the tax line and captured through deferred tax assets • **ITC & PTC** can **only** be utilized **at consolidated level** & **after NOLs are monetized** ✓ PTCs generated over 10 years and can be used over 20 years ✓ AGR is considered one taxpayer. After the NOLs are monetized, annual PTC utilization is limited to 75% of the consolidated tax liability
Minority Interest	• **Minority Interest** driven by HLBV accounting for tax equity structures; the HLBV method allocates earnings to the noncontrolling interest, which considers the cash & tax benefits provided to the tax equity investors

Avangrid: Electricity Production & Customers

Accounting criteria

PTC

- **P&L**
  - ✓ **GAAP (10Q,10K):** For periods after 1/1/2018, PTCs with Tax Equity are indirectly included in Net income/(loss) attributable to non-controlling interests and retained PTCs are booked in the income tax line. Prior to that, PTCs with Tax Equity were booked in revenues and retained PTCs in the income tax line.
  - ✓ **IFRS (projections):** All PTCs are booked in revenues.
- **Balance Sheet**
  - ✓ For periods after 1/1/2018, PTCs with Tax Equity reduce 'Non-controlling interests' in the Equity section. In prior periods, PTCs with Tax Equity reduced 'Tax equity financing arrangements - VIEs' in the Non-current Liabilities section.
  - ✓ Retained PTCs reduce deferred income taxes.
- **Cash Flow**
  - ✓ Retained PTCs hit the 'Deferred taxes' line in Cash Flow from Operating Activities.
  - ✓ For periods after 1/1/2018, PTCs with TEI impact the 'Distributions to noncontrolling interests' line under Cash Flow from Financing Activities. For prior periods, PTCs with TEI impacted 'Payments on tax equity financing arrangements'. These lines include payments of PTCs and remaining debt/equity.

ITC

- **P&L**
  - ✓ **GAAP (10Q,10K):** Booked on D&A (they lower D&A), below EBITDA
  - ✓ **IFRS (projections):** Booked as Other Operating Income, above EBITDA
- **Cash Flow**
  - ✓ ITCs provide an initial deferred tax benefit equal to 50% of the total ITC, recognized in year one

Tax Equity

- Wind farms under tax equity structures are **fully consolidated** in the consolidated balance sheet & the results of their operations (including depreciation) are reported in the consolidated statement of operations. Investors share is reported as Minority Interest
- Recorded as a **financing obligation** & amortized with the allocation to the tax equity investor of its share of cash distributions, MACRS, PTCs, & the tax impact of taxable income

Avangrid: Electricity Production & Customers

Federal Renewables Tax Incentives - IRA

Onshore Wind & Solar PTC Elections

Start Construction	COD Deadline	Onshore Project PTC*
2016	2022	100%
2017	2023	100%
2018	2024	100%
2019-2021	2025	100%
2022	2026	100%
2023	2027	100%
2024	2028	100%
After 2025**	4 yrs. later	100%

** With Domestic Content & Energy Community bonus placed in service after 2022 – maximum 120% PTC*

Onshore Wind, Solar & Storage ITC Elections

Start Construction	COD Deadline	Project ITC*
2016	2022	30%
2017	2023	30%
2018	2024	30%
2019-2021	2025	30%
2022	2026	30%
2023	2027	30%
2024	2028	30%
After 2025**	4 yrs. later	30%

** With Domestic Content & Energy Community bonus placed in service after 2022 – maximum 50% ITC*

Offshore Wind ITC Progression

Start Construction	COD Deadline	Offshore Wind ITC*
Before 2033**	10 yrs. later	30%

** With Domestic Content & Energy Community bonus placed in service after 2022 – maximum 50% ITC. Energy communities are being pursued with the White House, DOE, states & Treasury. The expansion may allow inclusion of ports and O&M buildings as energy communities are dependent on location to gain the bonus tax credit.*

- Projects started more than 59 days after IRS guidance issuance subject to wage/apprentice rules to get maximum credit (otherwise only 20% of maximum).
- Hydrogen credits up to $3/kg (or 30% ITC) available for hydrogen production facilities in service after 2022 (same wage/apprentice rules apply).
- Credits generated after 2022 may be transferred to third parties for cash from existing and new projects (including in TEI structures).
- Direct pay only available for tax exempt entities other than hydrogen facilities (PTCs only generated in first five years for hydrogen facilities).
- Various projects may qualify for energy community credit (10% maximum).
- Bonus credits above do not include additional Low Income Community credits available in limited locations with less than 5 MWh projects.

*** Tech neutral projects phase out of credits begin after 2033 based on emissions.*

Avangrid: Electricity Production & Customers

Repowering Opportunity Maximizing IRA Opportunity

$5B-$6B plan underway to repower up to 4.6 GW in 2023-2032

Increasing production: ~30%[1]
Lower O&M costs: 10%
Lower Capex than new build, higher net capacity factor

Improving earnings profile of the onshore business going forward:
New tax credits (PTCs) are given for the **full production for 10 years**

Doesn't require full development and **permitting**

Successfully completed 3 repowerings in the last 3 years

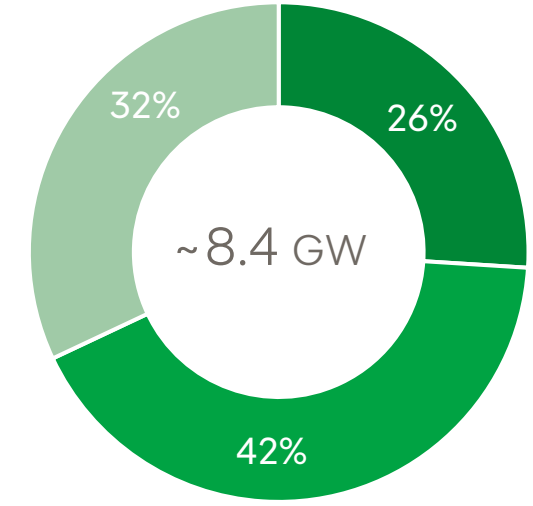
Low-risk opportunity to **increase value of existing portfolio** at least through 2032

(1) *Varies upon the project, scope of repower and underlying technology*

Avangrid: Electricity Production & Customers

Repowering Plan: Ongoing full review of our **8.4 GW(1)** operational fleet **for repowering**

Operational fleet by age



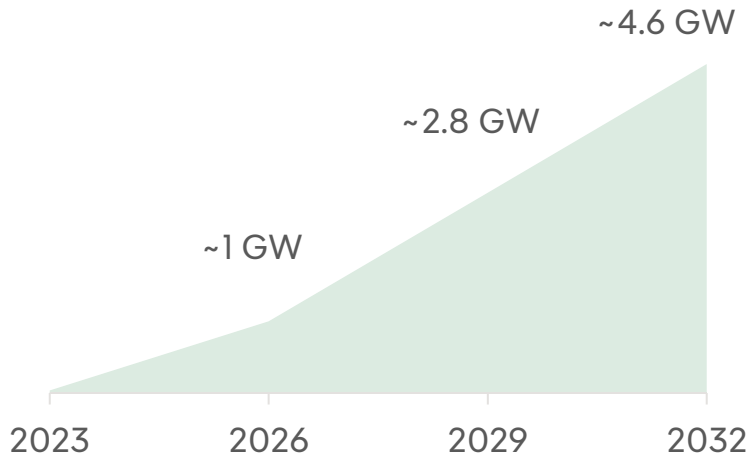
*Large fleet in the **'sweet spot'** for repowering (13-20 yrs)*

Fleet potential

- **6.0 GW** with repower potential in IRA period
- **2.0 GW** not considered for this repowering period (too new)
- **0.4 GW** already repowered

Execution Plan

Cumulative Repowered capacity (GW)



Program underway to repower at least 1/2 of our current operational wind fleet (up to 4.6 GW(2)) by 2032

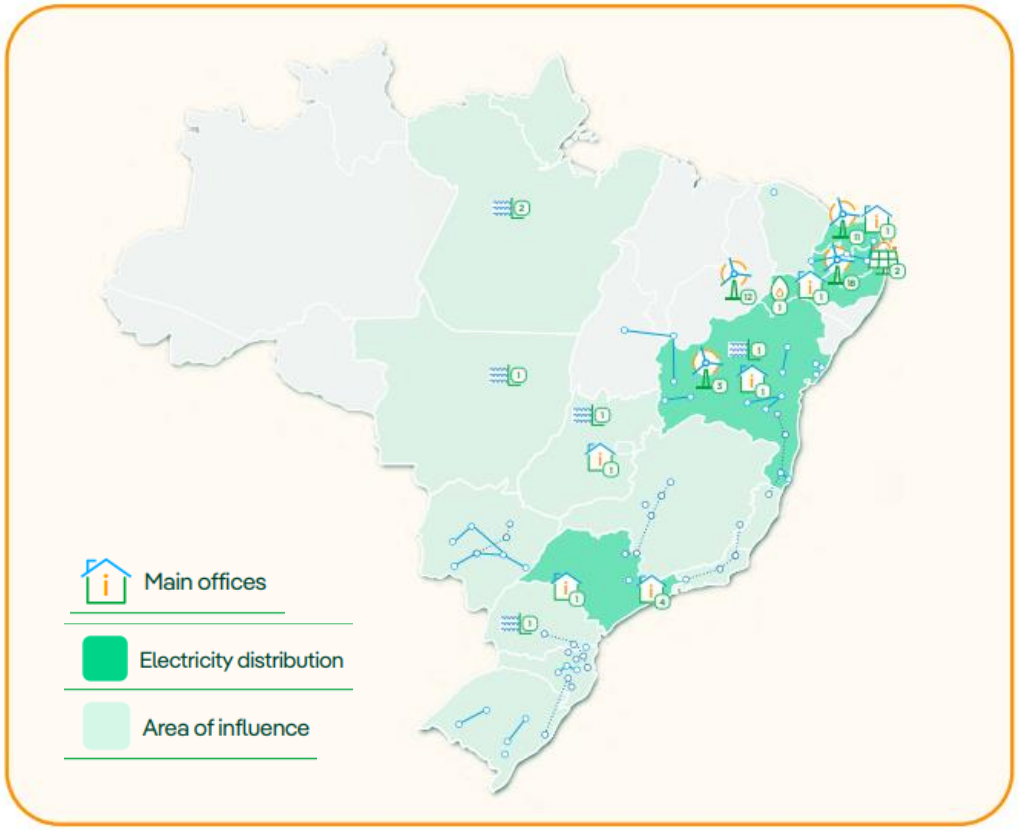
(1) *Data as of 9/30/23. Owned plus JVs at 100%*
(2) *Identified to be repowered as of October 2023*

Content

All figures as of December 2023, except otherwise stated. Differences may arise due to rounding

Neoenergia[1]

Energy leader in Brazil and Latin America



44 Onshore wind 1,554 MW

6 Hydroelectric plants 2.159 MW

1 Combined cycle gas plants 533 MW

10 Transmission lines in operation

2 Solar photovoltaic plants 149 MW

Projects under construction

8 Transmission projects

Installed Capacity (MW)	4,395
Renewable Capacity (MW)	3,862
Net Production (GWh)	13,653
Distributed Energy (GWh)	78,343
Customers (M)[2]	16.4
Km of lines	727,802

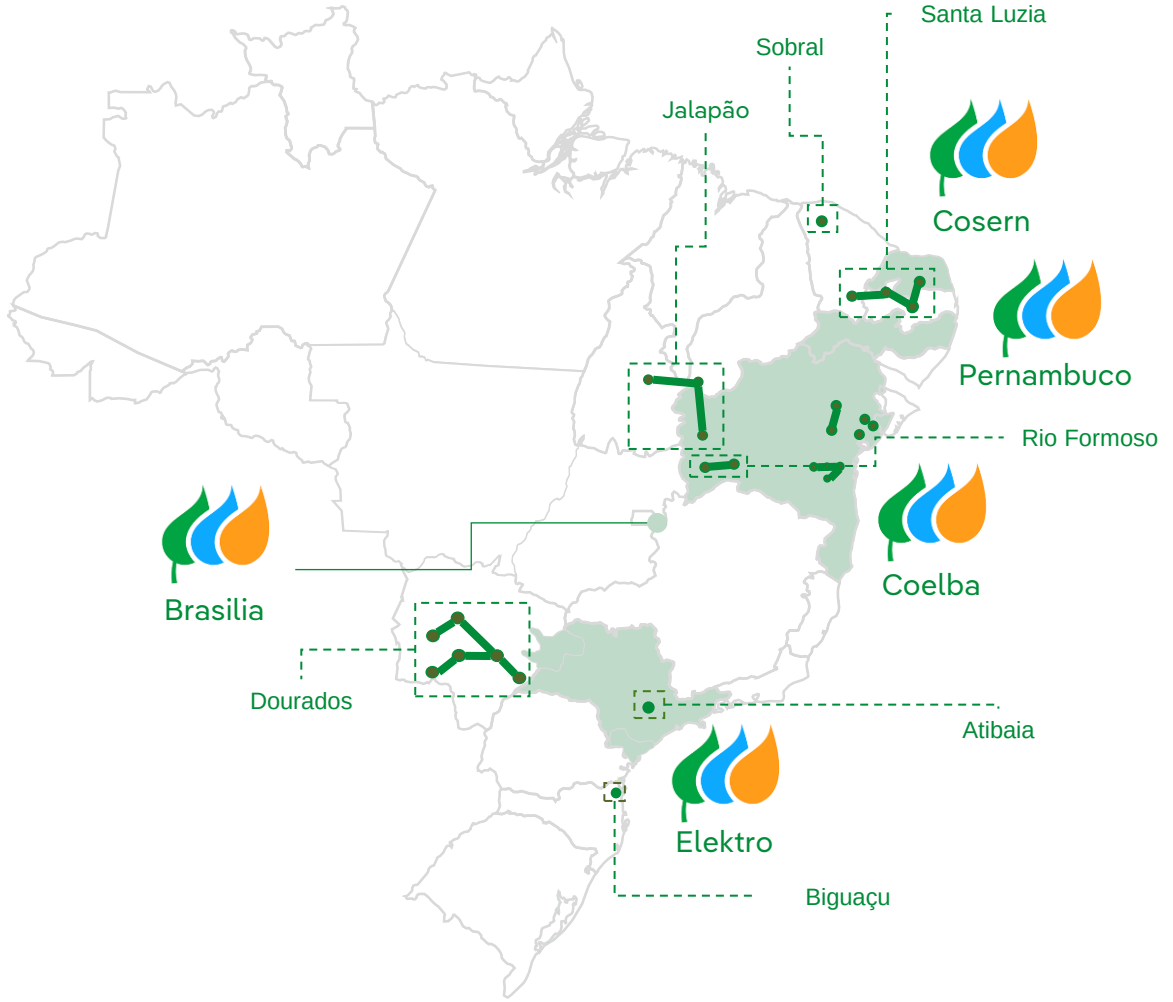
(1) Neoenergia: 53.5% owned by Iberdrola
(2) Total number of electricity supply points

Neoenergia: Networks

Energy leader in Brazil and Latin America

	2023
Asset Base D&T (BRL Bn)	51.6
Distribution RAB (BRL Bn)	36.1
Neoenergia Elektro	19%
Neoenergia Coelba	46%
Neoenergia Pernambuco	20%
Neoenergia Cosern	10%
Neoenergia Brasilia	4%
Asset Base Transmission (BRL Bn)	15.5
Distributed energy (GWh)	78,341
Neoenergia Elektro	26%
Neoenergia Coelba	34%
Neoenergia Pernambuco	22%
Neoenergia Cosern	8%
Neoenergia Brasilia	10%

	2023
Kms of lines	728,386
Distribution	99.6%
Neoenergia Elektro	17%
Neoenergia Coelba	50%
Neoenergia Pernambuco	22%
Neoenergia Cosern	8%
Neoenergia Brasilia	3%
Transmission	0.4%
Points of supply (M)	16.4
Neoenergia Elektro	18%
Neoenergia Coelba	41%
Neoenergia Pernambuco	25%
Neoenergia Cosern	10%
Neoenergia Brasilia	7%



Neoenergia: Networks

Distribution regulatory framework

	Concession process	Concession / Authorization term	Renewal	Tariff / Revenues

Distribution	• Competitive auctions	• 30 years
		• Due date: Aug 2027 to Jul -2045[1]
			• Possible (+30 yrs)
			• May be changed Contractual conditions
			• Indemnification for non-depreciated assets
				• Tariff structured to remunerate for:
				  • Parcel A = pass-through of non-manageable costs: energy supply + transmission + sector charges
				  • Parcel B = incentive model for manageable costs (capex + opex). Annually adjusted by inflation + demand growth – X factor
				• Tariff review every 4-5 years: redefinition of Parcel B, X factor and regulatory level for energy loss and bad debt

Transmission	• Competitive auctions	• 30 years • Due date: Aug 2027 to Sept-2052[1]	• Possible, according to certain contractual clauses • Indemnification for non-depreciated assets	• RAP defined in the Concession Auction • Annual revenue inflation adjustment • Tariff review every 5 years (WACC readjustment only)

(1) Refers to the first and last asset to have its concession expired, considering operating and under construction assets

Neoenergia: Networks

Distribution: Tariff Review processes

PERIODIC TARIFF REVIEWS

EVERY 4 OR 5 YEARS

- Costs passed directly into the tariff: energy supply + transmission + sector charges.
- Definition of Regulatory Asset Base (RAB) and OPEX.
- Establish standards for losses, quality and an efficiency factor for the distributor.

ANNUAL TARIFF READJUSTMENTS

YEARLY, EXCEPT IN YEARS OF THE TARIFF REVIEWS

- Costs passed directly into the tariff: energy supply + transmission + sector charges.
- Manageable costs (Parcel B): adjusted by inflation – X factor.

Periodic Tariff Reviews Discos

2016	**Brasília** 4th tariff review	
2017	**Pernambuco** 4th tariff review	
2018	**Coelba and Cosern** 4th tariff review	
2019	**Elektro** 5th tariff review	
2021	**Pernambuco** 5th tariff review	**Brasília** 5th tariff review
2023	**Coelba and Cosern** 5th tariff review	**Elektro** 6th tariff review
2025	**Pernambuco** 6th tariff review	
2026	**Brasília** 6th tariff review	
2027	**Elektro** 7th tariff review	
2028	**Coelba and Cosern** 6th tariff review	

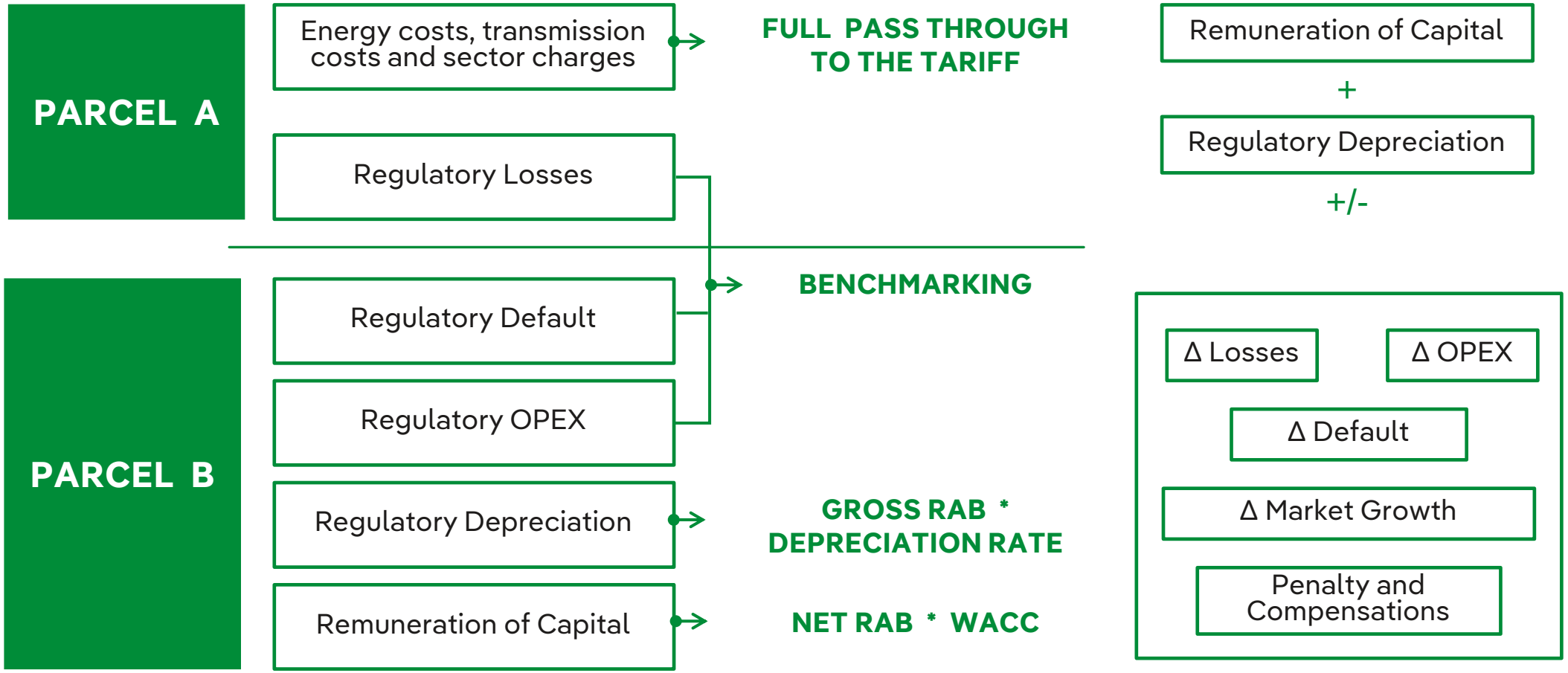
Real Regulatory WACC post tax	
Coelba[1]	7.42%
Cosern[1]	7.42%
Elektro[2]	7.42%
Pernambuco[3]	7.15%
Brasília[4]	7.15%

Real Regulatory WACC post tax 2024: 7.66%[(5)]

[1] valid until April 2028.
[2] valid until August 2028.
[3] valid until April 2025.
[4] valid until October 2026.
[5] WACC published by ANEEL, applied to the Tariff Reviews taking place between March 2024 and February 2025

Neoenergia: Networks

Distribution: tariff's components



Neoenergia: Networks

Distribution: regulatory parameters

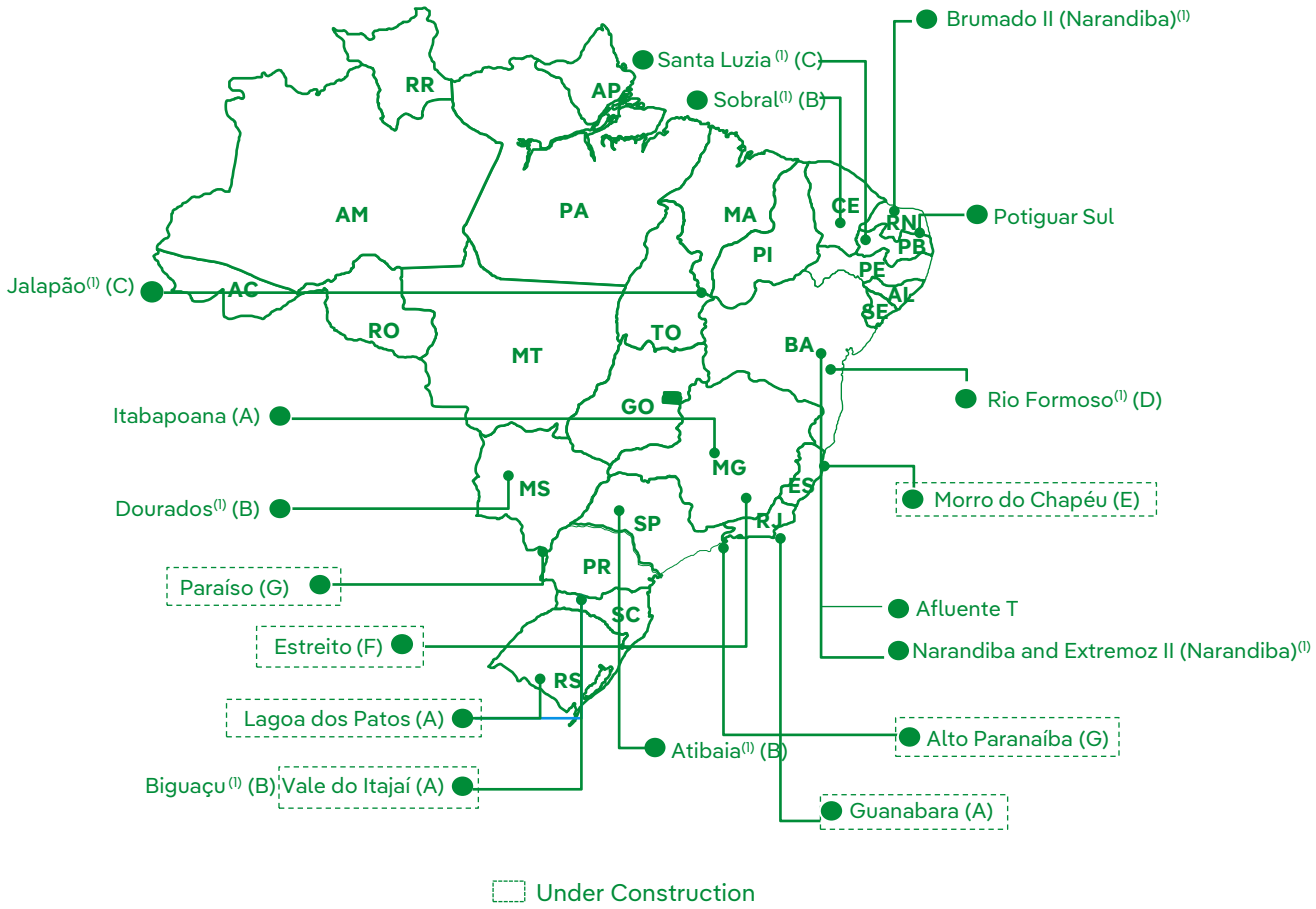
	Real Regulatory WACC post tax	Factor X[5]	QRR[6]	Gross BRR[7]	Net BRR[7]
Neoenergia Coelba	7.42%[1]	-0.85%	3.96%	25,259	16,549
Neoenergia Elektro	7.42%[2]	2.21%	4.05%	10,041	6,903
Neoenergia Pernambuco	7.15%[3]	-0.06%	3.86%	12,021	7,378
Neoenergia Cosern	7.42%[1]	-2.54%	3.96%	4,956	3,665
Neoenegia Brasília	7.15%[4]	0.57%	3.68%	2,825	1,610

(1) Valid until April 2028
(2) Valid until August 2028
(3) Valid until April 2025
(4) Valid until October 2026

5) Factor X: referring to the last Tariff Adjustment: 2021 (Pernambuco and Brasília) and 2023 (Coelba, Elektro and Cosern)
6) QRR (Regulatory depreciation rate): referring to the last Tariff Revision: 2023 (Coelba, Elektro and Cosern); 2021 (Brasília and Pernambuco)
7) Gross BRR and Net BRR: data as of December 2022. Both refer to Regulatory Asset Base

Neoenergia: Networks

Transmission



Highlights

Operational Assets

11 assets:

- 3 thousand km of transmission lines;
- 13 substations;
- RAP (2023-2024 cycle): R$629 million (100%)

Assets under construction

7 assets:

- 5.6 thousand km of transmission lines;
- 10 substations;
- RAP (2023-2024 cycle): R$ 1,263 million (100%)

Information on auction results : https://antigo.aneel.gov.br/web/guest/resultados-de-leiloes
(1) GIC partnership assets

(A) Dec´2018 Auction (B) Apr´2017 Auction (C) Dec´2017 Auction (D) Dec´2019 Auction (E) Dec´2020 Auction (F) Dec´2021 Auction (G) Jun´2022 Auction

Neoenergia: Electricity Production & Customers

Renewables

Onshore	State	MW IBE	COD	Income Regime
Caetité I	Bahia	30	2014	Commercial PPA
Caetité II	Bahia	30	2014	Regulated PPA 2010/A-3
Caetité III	Bahia	30	2014	Regulated PPA 2010/A-3
Canoas	Paraíba	32	2017	Regulated PPA 2014/A-5
Lagoa 1	Paraíba	32	2017	Regulated PPA 2014/A-5
Lagoa 2	Paraíba	32	2017	Regulated PPA 2014/A-5
Rio do Fogo	Rio Grande do Norte	49	2006	Regulated PPA PROINFA
Mel II	Rio Grande do Norte	20	2013	Regulated PPA 2010/A-3
Arizona I	Rio Grande do Norte	28	2013	Regulated PPA 2010/A-3
Calango I	Rio Grande do Norte	30	2016	Regulated PPA 2010/A-3
Calango II	Rio Grande do Norte	30	2016	Regulated PPA 2010/A-3
Calango III	Rio Grande do Norte	30	2016	Regulated PPA 2010/A-3
Calango IV	Rio Grande do Norte	30	2016	Regulated PPA 2010/A-3
Calango V	Rio Grande do Norte	30	2016	Regulated PPA 2010/A-3
Calango VI	Rio Grande do Norte	30	2016	Regulated PPA 2014/A-3
Santana I	Rio Grande do Norte	30	2016	Regulated PPA 2014/A-3
Santana II	Rio Grande do Norte	24	2016	Regulated PPA 2014/A-3
Complejo eólico de Chafariz	Paraíba	471	2021	Regulated & Commercial PPAs
Complejo eólico de Oitis	Piauí / Bahia	566	2022-2023	Regulated & Commercial PPAs
Total		**1,553**		

Solar PV	State	MW	COD	Income Regime
Luzia 3	Paraiba	75	2022	Commercial PPAs
Luzia 2	Paraiba	75	2023	Commercial PPAs
Total		**149**		

Neoenergia: Electricity Production & Customers

Renewables

Hydro	State	Total MW	MW attributable to IBE	COD	Income Regime
Itapebi	Bahia	462	462	2003	Commercial PPA
Corumba III	Goias	96	68	2009	Regulated PPA
Dardanelos	Mato Grosso	261	261	2011	Regulated PPA
Belo Monte[1]	Pará	11,233	1,123	2016	Regulated & Commercial PPAs
Baixo Iguazú	Paraná	350	245	2019	Regulated & Commercial PPAs
Total		**12,402**	**2,159**		

Conventional Generation

CCGT	State	Type	MW
Termopernambuco	Pernambuco	CCGT	533

(1) 1,123 MW consolidated through equity method

Neoenergia: Electricity Production & Customers

Conventional Generation: Regulatory framework (I)

	Concession process	Concession/ authorization term	Renewal	Revenue
Wind	• Authorization request within ANEEL • Competitive auctions	• 30 - 35 years • Expiry date: December 2031 until December 2054(1)	• Possible renewal at the discretion of the Granting Authority (ANEEL)	• 20-year PPAs to DisCos through competitive auctions with fixed prices yearly adjusted by inflation • Bilateral contracts at free market
Hydro	• Competitive auctions	• 35 years • Expiry date: May 2039 until December 2049(1)	• Possible renewal at the discretion of the Granting Authority (ANEEL)(2) • Possible indemnity after the end of the concession. Depending on the Hydro Plant, the Basic Project may or may not be included	• 30-year PPAs to DisCos through competitive auctions with fixed prices yearly adjusted by inflation • Bilateral contracts at free market

Note: Information on auction results: https://www.gov.br/aneel/pt-br/centrais-de-conteudos/relatorios-e-indicadores/leiloes

(1) Refers to the first and last asset to have its authorization expired
(2) Exception to Belo Monte and Baixo Iguaçu – without contractual provision

Neoenergia: Electricity Production & Customers

Conventional Generation: Regulatory framework (II)

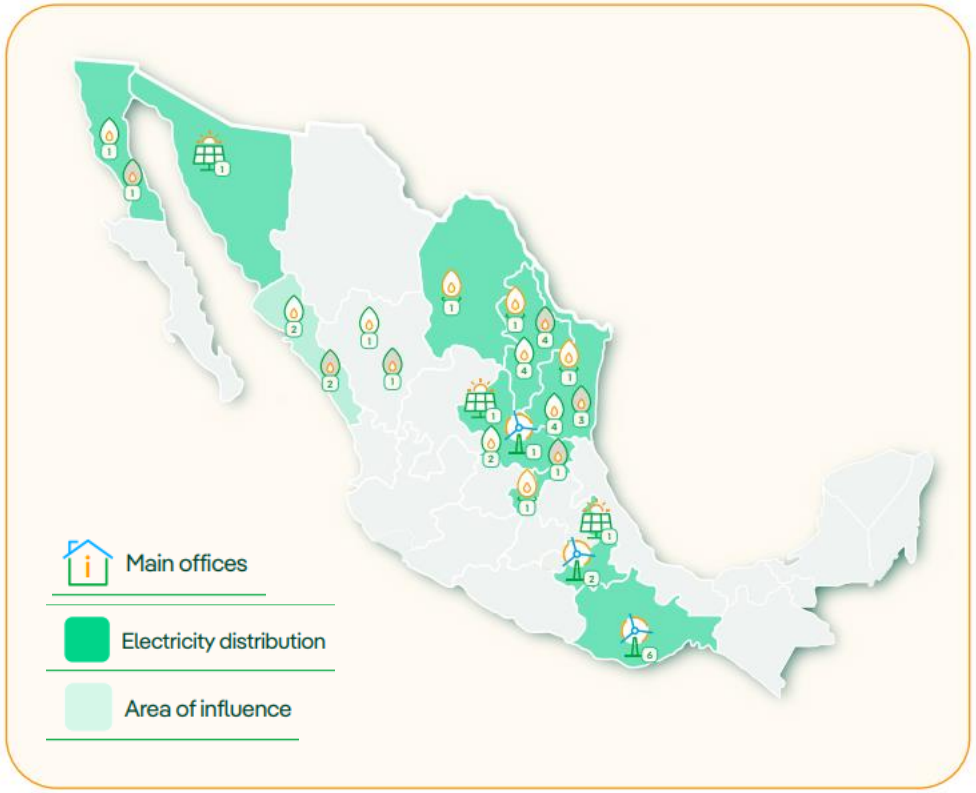
	Concession process	Concession/ authorization term	Renewal	Revenue
Gas [1]	• Authorization request within ANEEL	• Expiry date: 2041	• Capacity Reserve Auction with start of supply on July 1st, 2026, until June 30, 2041, in which all its available capacity was sold at a power price of R$ 487,412.70 MW/year	• 20-year PPAs to Neoenergia Pernambuco (390 MW) and Neoenergia Coelba (65 MW) regarding the Thermoelectricity Priority Program (PPT) until May 2024; • Fixed power revenue of R$ 207 million per year from the Capacity Reserve Auction, with the start of supply on July 1, 2026.

Content

All figures as of December 2023, except otherwise stated. Differences may arise due to rounding

Iberdrola Mexico

Second-largest electricity producer



Owned Installed Capacity (MW)	4,051
Third-party Installed Capacity (MW)	7,146
Owned Renewable Capacity (GWh)	1,232
Third-party Renewable Capacity (MW)	103
Net Owned Production (GWh)	16,866
Net Third-party Production (GWh)	39,931

9 Onshore wind 693 MW

3 Solar photovoltaic plants 642 MW

4 Cogeneration plants 202 MW

14 Combined cycle gas plants

Own: 2,617 MW
Third-party: 7,043 MW

Note: Additional information on the agreement between Iberdrola and the Mexico government explained in Annex section

Iberdrola Mexico: Electricity Production & Customers

Recent developments

Transaction description

- In **February 2024** Iberdrola completed the sale of 8.5 GW for 5.800 million euros (c.6,000 USD) to Mexico Infrastructure Partners (MIP).
- The operation included the sale of 13 power plants, mainly gas-fired combined cycle plants. Ten of this plants are contracted uder the scheme of Independent Power Producer (IPP), with CFE (State-owned utility) as the off- taker.

Name Plant	Scheme and Technology	Capacity (MW)
Monterrey (I, II)	Combined Cycle	449
Altamira III & IV	IPP Combined Cycle	1,096
Altamira V (Del Golfo)	IPP Combined Cycle	1,155
Escobedo	IPP Combined Cycle	878
La Laguna	IPP Combined Cycle	537
Tamazunchale	IPP Combined Cycle	1,179
Baja California	IPP Combined Cycle	324
Topolobampo II	IPP Combined Cycle	917
Topolobampo III	IPP Combined Cycle	766
La Venta III	IPP Wind Farm	103
Monterrey III & IV	WEM Combined Cycle	477
Enertek	WEM Combined Cycle	144
Tamazunchale II	WEM Combined Cycle	514
Total Capacity		**8,539**

The New Iberdrola Mexico

- 15 power plants with 2.600 MW in installed capacity

	Capacity	Quantity
Renewables	**1,233 MW**	**9**
Wind farm	590 MW	6
Solar PV	643 MW	3
Gas	1,166 MW	2
Cogeneration	202 MW	4
Total	2,601	15
Renewable Portfolio		**>6,000 MW**

Iberdrola Mexico: Electricity Production & Customers

Renewables

Onshore	State	MW	Year of Installation	Income Regime
La Ventosa	Oaxaca	80	2008	Commercial PPA (Self-supply)
Bee Ni Stipa	Oaxaca	26	2010	Commercial PPA (Self-supply)
La Ventosa (ampliación)	Oaxaca	22	2013	Commercial PPA (Self-supply)
Dos Arbolitos	Oaxaca	70	2015	Commercial PPA (Self-supply)
Pier II	Puebla	66	2015	Commercial PPA (Self-supply)
Santiago Eólico	Guanajuato	105	2021	Commercial PPA (Self-supply)
Pier	Puebla	221	2021	Commercial PPA (Self-supply)
Total		590		

Solar PV	State	MW	Year of Installation	Income Regime
Santiago	San Luis de Potosí	232	2018	Commercial PPA
Hermosillo	Sonora	137	2018	Commercial PPA
Cuyoaco	Puebla	274	2020	Commercial PPA
Total		643		

Iberdrola Mexico: Electricity Production & Customers

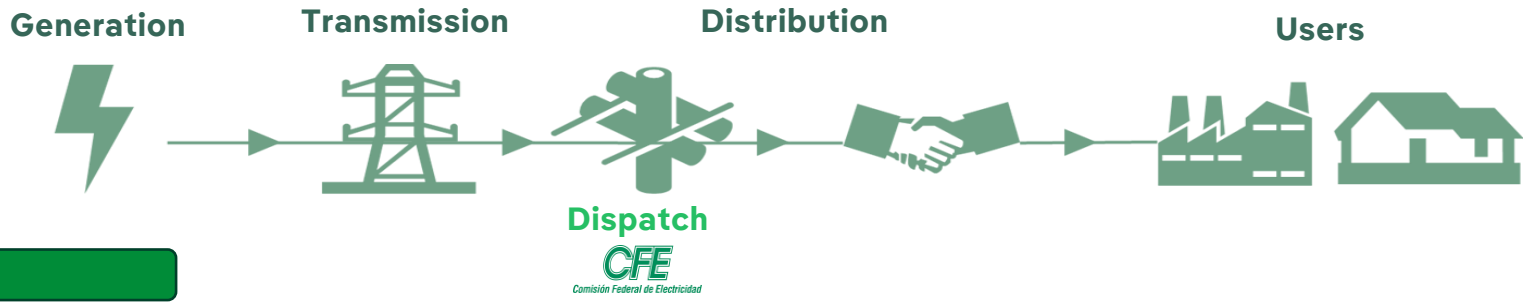
Conventional generation

Gas Combined Cycle	State	MW	COD	Income Regime
Dulces Nombres II (Monterrey V)	Nuevo León	300	2016	Commercial PPA (Self-supply)
El Carmen	Nuevo León	866	2019	Commercial PPA (LIE)
Total		**1,166**		

Cogeneration	State	MW	COD	Income Regime
Monterrey	Nuevo León	41	2003	Commercial PPA (Self-supply)
Ramos	Coahuila	52	2016	Commercial PPA (Self-supply)
Altamira	Tamaulipas	57	2017	Commercial PPA (Self-supply)
Bajío	Querétaro	52	2018	Commercial PPA (Self-supply)
Total		**202**		

Iberdrola Mexico: Electricity Production & Customers

Regulatory Framework: Before the Energy Reform 2013



- CFE
- Private Generators
- Independent Power Producer
- Self-Supply
- Cogeneration

Vertically Integrated entity

In 1992, the Public Service Electricity Law (LSPEE) **allowed private companies to generate electricity** as:

- Independent Power Producer (sale to CFE through PPAs)
- Industrial off- takers with legal participation of a power plant under self supply scheme. .
- Support mechanisms were introduced to foster energy transition, including wheeling (renewables in the self-supply scheme had a discount to the transmission tariff).

Iberdrola Mexico: Electricity Production & Customers

Regulatory Framework: After the Energy Reform 2013

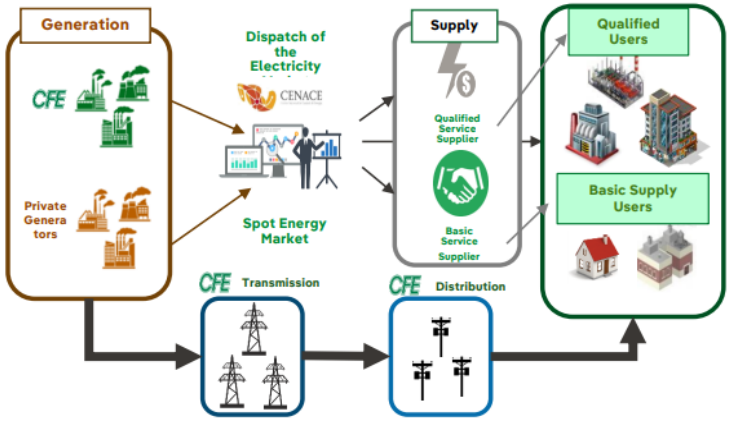
Energy Reform

Constitutional Reform: Allowed private participation in generation and supply activities. However, Transmission and Distribution (T&D) are defined as Public Service to be provided solely by CFE.

Electricity Industry Law (Ley Industria Eléctrica or LIE)*:
- Establishes competition in generation and supply to large users.
- T&D and supply to domestic consumers remained in hands of the State through CFE.
- A new Wholesale Electricity Market was created based mainly on PJM and ERCOT.

Energy Transition Law (Ley de Transición Energética): Legal basis to promote energy based in an economic model in the long term.

Wholesale Electricity Market Structure



Basics to the LIE

Grandfathering rights to previous permits	A legacy regime in place to protect the terms under self-supply and IPP permits were provided. Power plants under this regime would migrate to the Wholesale Electricity Market once their interconnection contracts expire.
Industrial Consumers	Qualified industrial and large consumers free to choose their supplier under market conditions.
Clean Energy Certificates (CEL)	Financial instruments to foster the energy transition and to reach the target of 35% clean energy by 2024.
Wholesale Electricity Market (MEM)	Economic dispatch, short term markets, (day ahead, hour ahead and real time), nodal prices, capacity and energy prices, as well as long and medium-term auctions.

*An Amendment to the LIE was published in 2021, its enactment hasn't taken place due to litigation with amparos granted to private individuals.

Iberdrola Mexico: Electricity Production & Customers

Regulatory framework

LSPEE

Self-supply

- Supply of energy and capacity to self-supply partner (industrial clients) under different criteria, depending on each client:
  - Discount over regulated tariff (*Suministro Básico*)
  - PPA - Fixed price for contracted capacity, etc.

Ley Industria Eléctrica (LIE)

- Generation to satisfy the needs of Iberdrola Clientes (qualified and last resource supplier) with hedging energy contract of the wholesale market products (*Mercado Eléctrico Mayorista - MEM*):

Energy | **Ancillary services** | **Green certificates (CELs)** | **Capacity**

- These products can be sold through bilateral contracts or in the market

Clean Energy certificates (CEL)

1 MWh = 1 CEL

- In 2019, the rules were modified so that Legacy Power Plants of CFE can receive CEL. In 2024 this was revoked and its necessary to stablish again the 2014 guidelines.
- The Amendment to the LIE changes the criteria for granting the CEL, regardless of property or COD.
- Suppliers, Qualified Suppliers participating in the MEM, who are isolated self-supplied and *Centros de Carga* are obliged to acquire them to comply with a percentage of clean energy supplied
- The CEL target of 2024 is the same as in 2023 and 2022 due to a judicial suspension related to changes to the electricity industry law.

CEL requirement	Clean Energy Targets
2018: 5%	2018: 25%
2019: 5.8%	2021: 30%
2020: 7.4%	2024: 35%
2021: 10.9%	2033: 39.9%
2022: 13.9%	2050: 50%
2023: 13.9%	2050: 50%
2024: 13.9%	

Iberdrola Mexico: Electricity Production & Customers

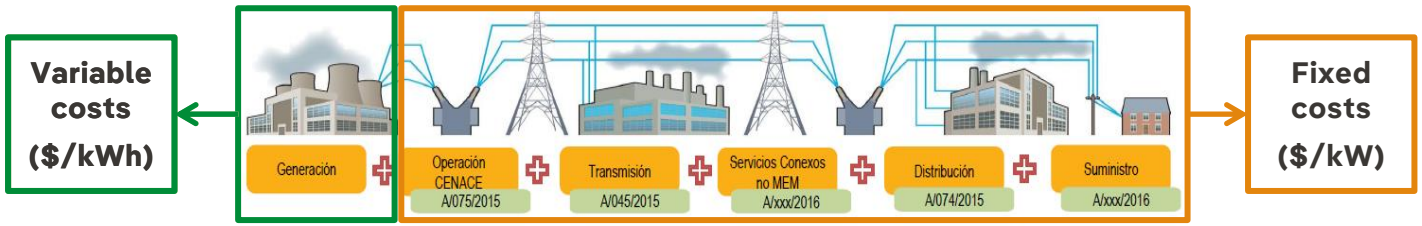
Customers: regulatory framework

Legacy Regime LSPEE (1992)

- Sale of energy and capacity generated by Iberdrola power plants under self-supply or cogeneration regime (*autoabasto*)
- Medium- and long-term contracts with self-supply partners (industrial clients), according to different criteria depending on each client

Regulated Tariff Suministro Básico

- Additive tariff incorporates the costs of all the activities in the system. The Federal Government set the target of maintaining the basic supply tariff throughout the six-year period.
- Components of the additive tariff :



Iberdrola Clientes (Qualified Supplier)

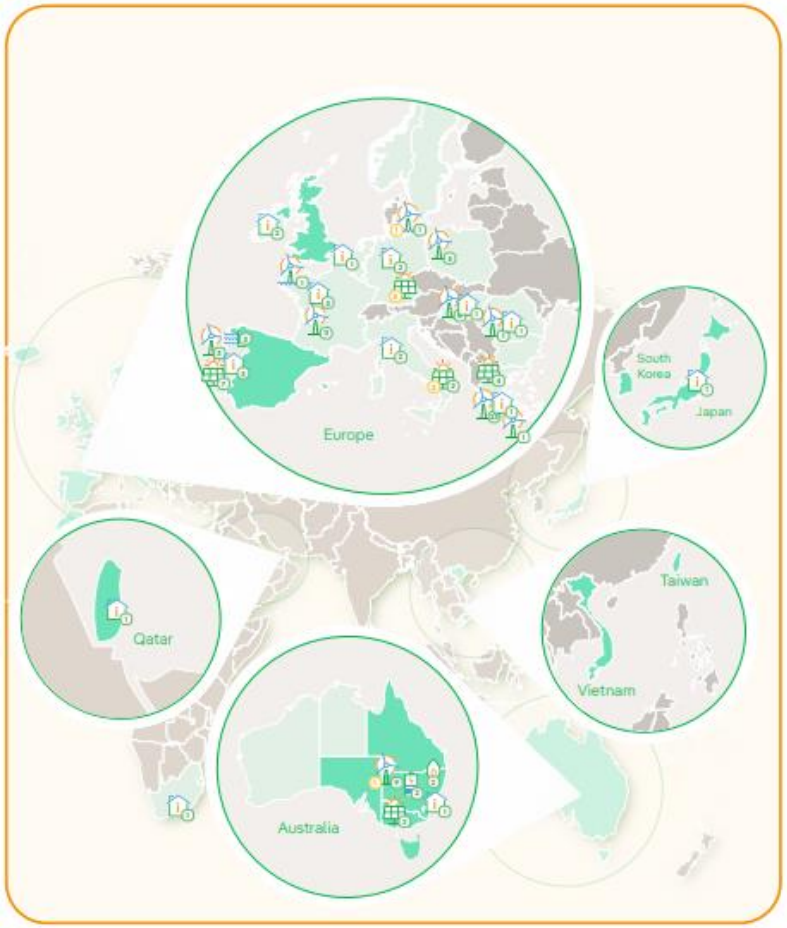
- Supply to liberalised clients (demand >1 MW)
- Requirements for long term hedging with Iberdrola power plants defined by *Comisión Reguladora de Energía* (CRE)
- Qualified supply tariff:
  - Fixed costs: according to regulated cost of the basic supply tariff (*suministro básico*)
  - Variable costs: according to the generation portfolio that supplies Iberdrola Clientes in the market.

Content

All figures as of December 2023, except otherwise stated. Differences may arise due to rounding

Iberdrola Energía Internacional (Rest of the World[1])

Expanding our international platform in renewables and customers



Main offices

Electricity distribution

Area of influence

Installed Capacity (MW)	3,809
Renewable Capacity (MW)	3,566
Production (GWh)	6,102
Customers (M)(2)	0.4

58 Onshore wind 2,072 MW

2 Offshore wind farms 846 MW

15 Solar photovoltaic plants 573 MW

2 Batteries 75 MW

2 Combined cycle gas plants 243 MW

Projects under construction

1 | 1 | 6

Note: The data on the Daivoes, Gouvaes and Alto Tâmega hydroelectric power plants in Portugal are included in Iberdrola España, although they visually appear on this map

(1) Represented on this page is the activity of the group in the Rest of World, which is mainly carried out by Iberdrola Energía Internacional (IEI). However, electricity and gas customers of this segment depend on Iberdrola Clientes Internacional S.A., a subsidiary of the country subholding company Iberdrola España, S.A

(2) Electricity and gas customers of this segment depend on Iberdrola Clientes Internacional S.A., a subsidiary of the country subholding company Iberdrola España, S.A

Iberdrola Energía Internacional: Electricity Production & Customers

Renewables

Onshore	MW	Year of Installation	Support Regime
Australia	976	2005 - 2024	Market + PPA
Cyprus	20	2011	FiT
Greece	415	1998-2023	Merchant/FiT/FiP
France	118	2007 - 2019	FiT + CfD + Merchant
Hungary	158	2008-2011	FiT
Portugal	92	2005-2009	FiT cap/floor
Romania	80	2011	PPA+ Green Cert.
Poland	213	2021-2023	PPA+ Green Cert.
Total	2,072		

Solar	MW	Year of Installation	Support Regime
Greece	6	2006-2012	FiT
Australia	352	2021-2023	C&I / PPA and LGCs
Italy	30	2021-2023	Merchant + PPA
Portugal	185	2021-2023	Merchant - Toll (15 yr. duration)
Total	573		

Iberdrola Energía Internacional: Electricity Production & Customers

Renewables

Offshore	Country	MW	Year of Installation	Support Regime	Support level
Wikinger	Germany	350[1]	2017	Compressed tariff	194 €/MWh / 8yrs + 154€/MWh / 4 yrs (flat)
Saint Brieuc	France	496	2023	FIT	155 €/MWh (real 2012) / 18yrs - indexed
Total		**846**			

Batteries	Country	Total MW	Year of Installation	Support Regime
Lake Bonney	Australia	25	2019	Merchant + Firming
Wallgrove	Australia	50	2021	Merchant + Firming
Total		**75**		

(1) 100% of total 350 MW. Minority stake (49%) sold to Energy Infrastructure Partners (EIP) in September 2022

Iberdrola Energía Internacional: Electricity Production & Customers

Conventional Generation

Gas Combined Cycle	Country	MW	COD	Income Regime
Smithfield OCGT	Australia	123	1996	Merchant
South Australian Gas Turbines	Australia	120	2017[1]	Merchant
		243		

(1) Acquired in November 2020

Iberdrola Energía Internacional: Electricity Production & Customers

Projects under construction

Project	Type	Country	Total MW	MW installed as of Dec´23	MW pending	COD	Income Regime
Flyers Creek	Onshore	Australia	146	96	50	2024	C&I / PPA and LGCs
Baltic Eagle	Offshore	Germany	476		476	2024	PPA & CFD
Tarquinia	Solar PV	Italy	33		33	2024	PPA+ Merchant
Limes 10 y 15	Solar PV	Italy	54		54	2024	PPA+ Merchant
Fenix	Solar PV	Italy	247		247	2025	PPA+ Merchant
Boldekow	Solar PV	Germany	54		54	2025	PPA
Zapeldorf	Solar PV	Germany	23		23	2025	PPA
Schadewohl	Solar PV	Germany	65		65	2025	PPA
Total			**1,097**		**1,001**		

Iberdrola Energía Internacional: Electricity Production & Customers

Regulatory support framework

Romania

Merchant
- PPA signed (Jan 2023-May 2025, possibility for extension)

Green Certificates
- Defined by Law No. 220/2008 with subsequent amendments.
- Wind farms receive 1 GC per MWh produced during 15 years, with a GC floor price of 29.4€ and a cap price of 35€.

Hungary

Feed-in-Tariff (FiT)
- Defined by Decree No. 389/2007 with subsequent amendments.
- Electricity sold at fixed tariff during maximum 15 years, at fixed price updated annually with inflation. No possibility to exit the support scheme (may move to Cfd scheme)

Merchant
- Direct selling agreement signed (May 2024-Dec 2028) for Kisigmand Windfarm

France

Contract for Difference (CfD)
- Since 2016, defined by the Energy Code, articles L314-18 and following
- The duration of the contract is 20 years
- CfD attributed through auctions
- Tariff is indexed once before the commissioning and updated annually in November.

Feed-in-Tariff (FiT)
- Previous FiT defined under Arrêté 17/06/2014 and the Energy Code, benefits to onshore wind projects commissioned until 2016
- Support duration of 15 years
- Tariff is indexed once before the commissioning and updated annually in November.

Cyprus

Feed-in-Tariff (FiT)
- Defined under Law No. 112/2013 (later modified by 212/2015 and 157/2015). The feed-in tariff is limited to 20 years but it may be extended for 5+5 years under some conditions.

Greece

Feed-in-Tariff (FiT)
- Defined by Law No. 3468/2006 (currently under Law No. 4254/2014). This scheme expired on 31 December 2015.
- The FiT agreement is limited to 20 years and the FiT price depends on project details (technology, size, capex subsidy, installation on mainland or isolated islands, etc.). Due to reduction of FiT, under some conditions, it may be extended by additional 7 years with a revision on FiT price and a cap of NEHs. Projects have no market participation obligations

Feed-in-Premium (FiP)
- Defined by Law No. 4414/2016.
- Windfarms >6MW and PV projects enter into 20y FiP PPAs, awarded through neutral competitive tenders.
- Windfarms ≤6MW enter into 20 year FiP PPAS with administrative defined prices till 31.12.2024.

Merchant
- Windfarms with expired FiT
- Participation in the electricity market and Guarantees of Origin

Offshore Feed-in-Premium (FiP)
- Defined by Law 4964/22. Right for 20 years FiP to offshore pilot project 600MW by individual notification to EU. If not approval: participation in auctions for FiP. Rest offshore to be awarded FiP by auction

Iberdrola Energía Internacional: Electricity Production & Customers

Regulatory support framework

Portugal

Feed-in-Tariff (FiT)

- Defined by DL 339-C/2001 and DL 35/2013
- FiT under DL 339-C/2001 limited to 15 years. Under Option B of DL 35/2013 (reinterpreted by order 6304/2021), wind farms opt to receive a FiT extension for 7 years with floor of 66,03€/MWh and cap of 87,44€/MWh (June 2020 prices), reviewed annually with CPI

Merchant + fee (Solar plants)

- Defined by Leilão 2019 rules
- Merchant (wholesale market or PPA) and payment of a fee (€/MWh) offered in the auction during 15 years
- By DL 15/2022 - test period up to one year (delaying the start of fee payment)
- By DL72/2022 - extension of test period one year more

Australia

Green Certificates (GC)

- Defined by Renewable Energy (Electricity) Act 2000 with amendments.
- Wind farms receive 1 GC/MWh produced out to 2030. Utilities must purchase GCs for ~20% of load, up to an effective cap price of AUD$92/GC.

Long-Term Energy Service Agreement (LTESA) contracts

- Defined by Electricity Infrastructure Investment Act 2020
- Renewables can bid for “LTESA” contracts, comprising series of 2-year options for CFDs at a price sufficient to underwrite a portion of the project cost.

Capacity Investment Scheme (CIS)

- Defined by Industry Research and Development Act (2023 amendments)
- Zero emissions capacity can bid for 15-year collar contracts where if total revenues fall below the floor or above the ceiling, 90 % of losses and 50 % of gains will be shared with the government.

Poland

Green Certificates

- In 2005, Poland introduced this support scheme, which is regulated by amendments to the 1997 Energy Law and later by the Renewable Energy Sources Act with a RES quota set for each year. These put in place a green certificate system, with obligations for companies selling electricity to end users to redeem an annually determined percentage of certificates.
- Certificates are issued to green electricity generators and can be sold by them. Support scheme covers the electricity produced for a period of 15 years from the first electricity generation. As of July 2016, no new units entered the scheme due to replacing it with CfD auction scheme.

Contract for Difference (CfD)

- In February 2015, Poland adopted the so-called “Renewable Energy Law”. The law stablish a technology neutral auction system with a Contracts for Differences for projects divided into technological baskets above and below 1 MW This system has a maximum duration of 15 years and is indexed annually to the Polish CPI. There is a maximum offer price each year.

Content

All figures as of December 2023, except otherwise stated. Differences may arise due to rounding

Green Financing at the core

World private group leader in green bonds issued

Green Financing

Accountability	**Use of proceeds** guarantees transparency in impact and accountability
Assurance	**Strict Reporting**, SPOs and **external verification** to provide assurance
Taxonomy	**Strict standards** for the eligibility **fully aligned** with the Company strategy

Best in class format for investors

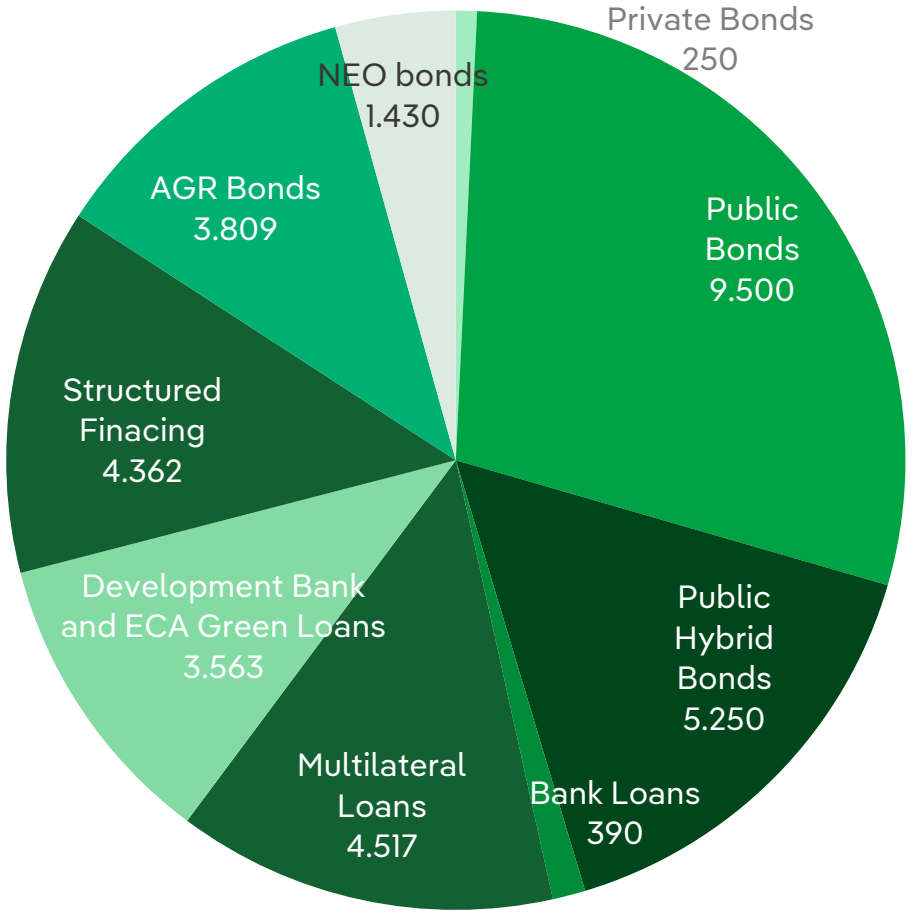
Asset base + energy transition = maximizing access to the green bond market

(*) Utilities greenium compared to senior bonds / Based on market bank´s estimates

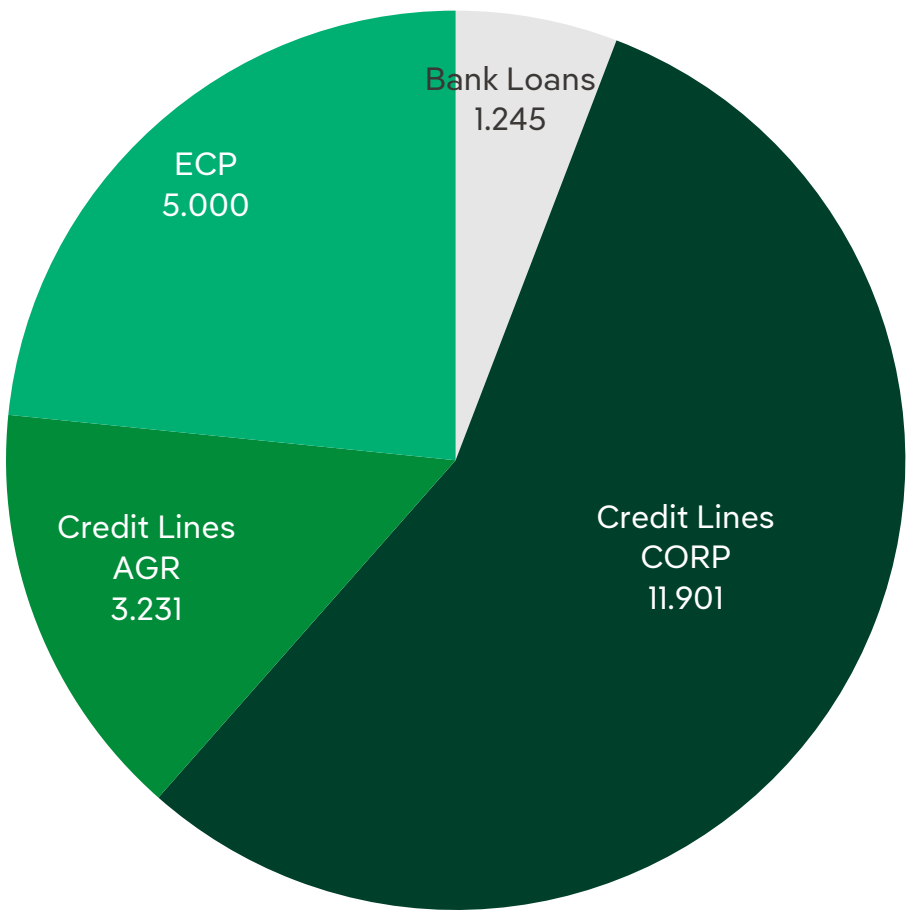
Green / Sustainable financing

Iberdrola is the world leading group in green bonds issued

GREEN FINANCING: EUR 33,071 M



SUSTAINABLE FINANCING : EUR 21,377 M

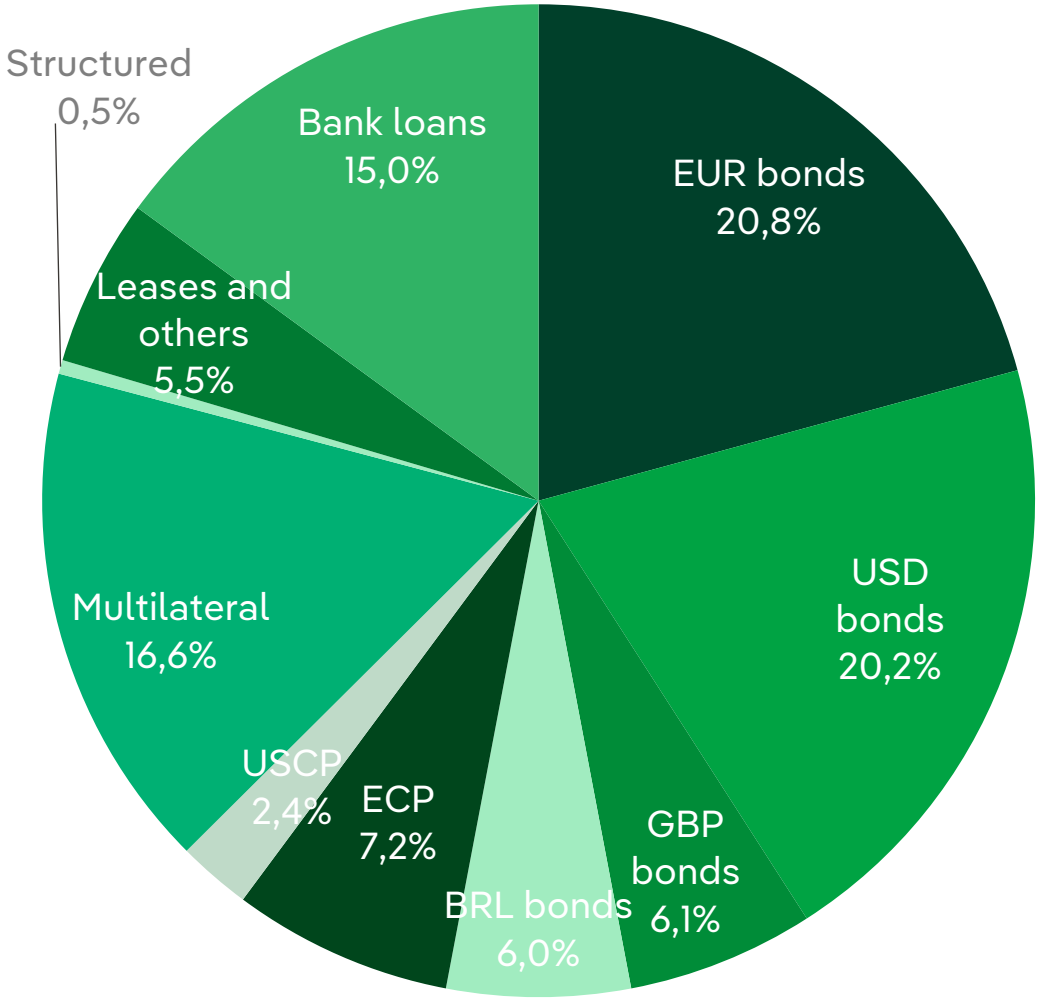


In 2023, Iberdrola signed EUR 5.3 bn of new sustainable transactions and EUR 8.0 bn of new green financing for a total of EUR 54.4 bn in ESG financing as of December 2023

Information related to Green Bonds: https://www.iberdrola.com/shareholders-investors/investors/fixed-income/information-related-to-green-finance

Financing markets diversification

Debt structure by market as of December 2023 (EUR 50.381 M)



Bond market

- Main source of LT financing
- Access to different markets globally and locally

Multilateral lenders

- Iberdrola considered strategic partner (EIB, BNDES, ICO)
- New development banks financing sustainable investments

Bank market

- Diversified portfolio with main international/local banks
- Low share allows increasing if competitive

Hybrid market

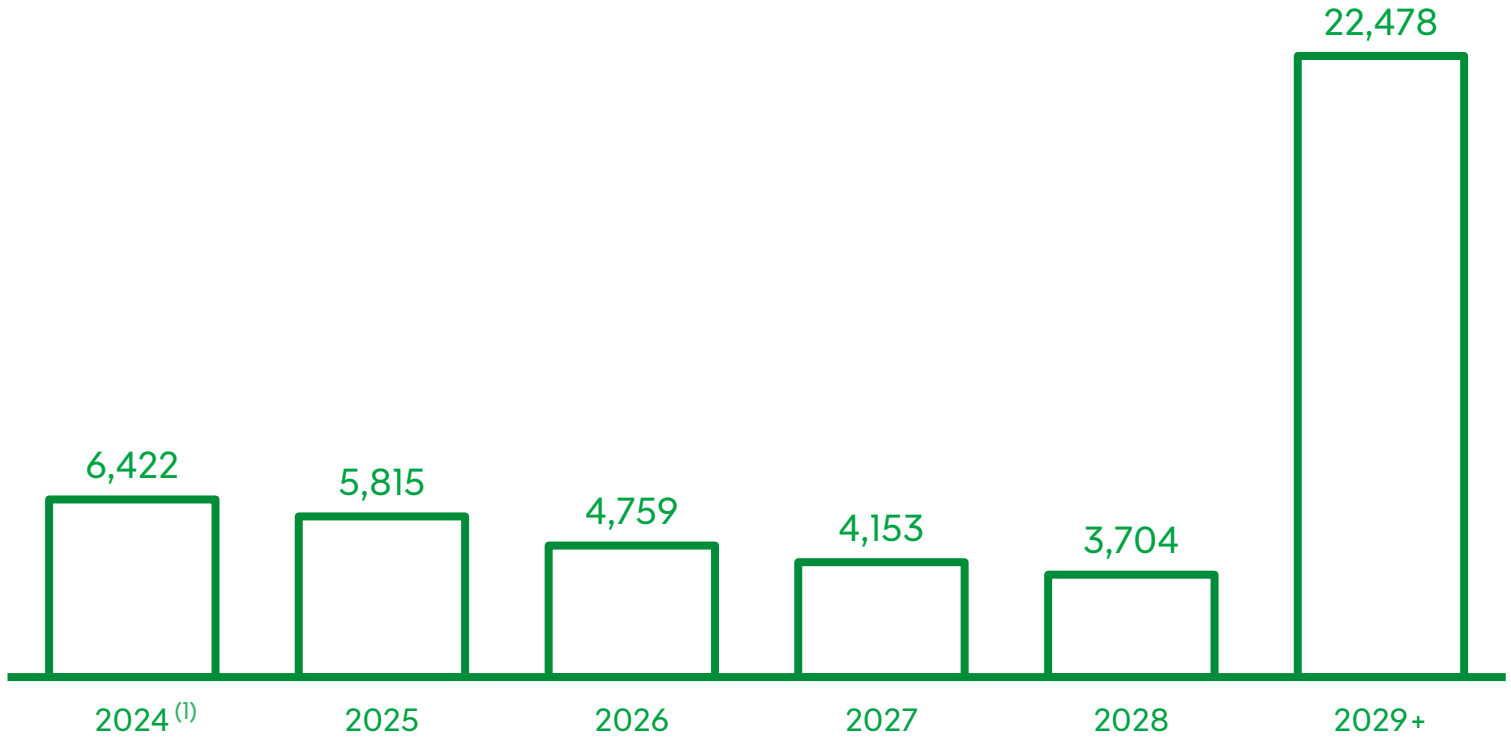
- Commitment with current stack
- Low outstanding balance allows share to increase during the plan if needed.

Hybrids amount outstanding: Eur 8.3 Bn

Maturities

Maturity profile with an average debt life close to 6 years

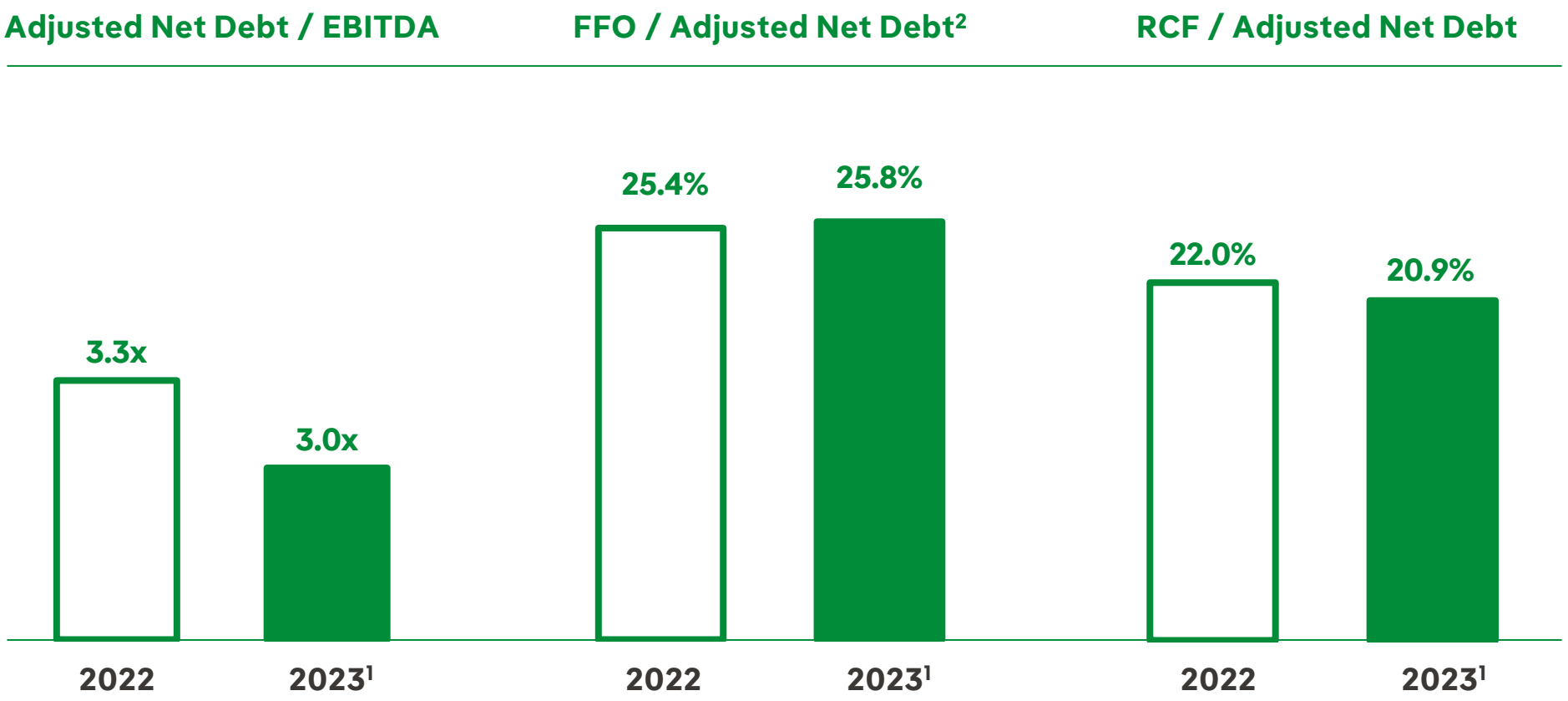
Maturity debt profile as of December 2023 (Eur M)



1. *Includes preamortization in 2024 of USD 500 M Mexico syndicated loan with maturity 2025*

Credit Metrics

Strong credit metrics, with Adjusted net Leverage of 40.8% as of 2023[1] (from 42.8% in 2022)



Accounting solvency ratios well aligned with rating agencies thresholds (BBB+/Baa1)

1) *Proforma ratios calculated after closing Mexico deal on February 26, 2024.*
2) *FFO/Net Debt ratio excluding hydro canon in 2022 amounts to 23.3%.*

Credit Ratings

	S&P Global		Moody's		FitchRatings	
	Date		Date		Date	
	Rating	Outlook	Rating	Outlook	Rating	Outlook
Iberdrola	May 2024		April 2024		February 2024	
	BBB+	Stable	Baa1	Stable	BBB+	Stable
Avangrid	December 2023		March 2024		March 2023	
	BBB+	Stable	Baa2	Stable	BBB+	Stable
ScottishPower	April 2023		April 2023		February 2024	
	BBB+	Stable	Baa1	Stable	BBB+	Stable
Neoenergia	March 2024					
	BB	Stable				

Note: ratings as of last available report

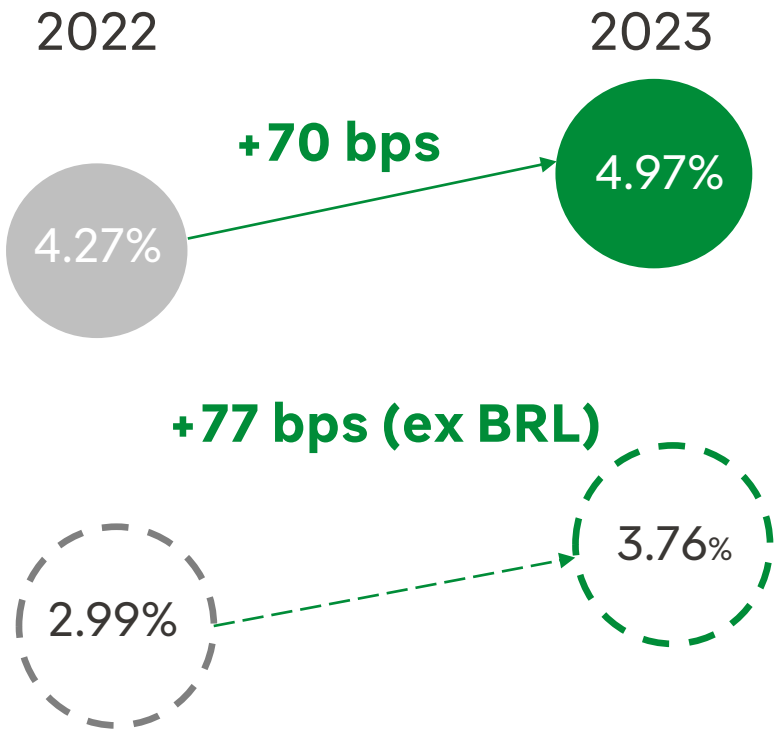
Cost of Debt

Total cost of debt (4.97%) higher than 2022 but falling from peak at half-year (5.05%). Cost of debt in Brazil improves vs 2022.

Gross debt financial cost by currencies (%)

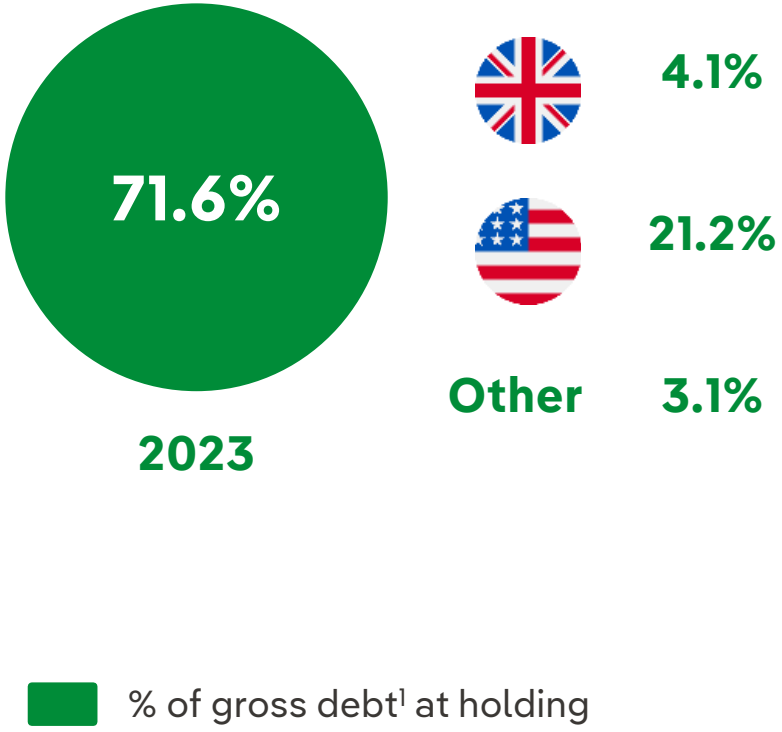
	2022	2023
€	2.1%	2.7%
$	4.1%	4.8%
£	3.5%	4.5%
R$	11.6%	11.4%

Cost of Debt (%)



Structural Subordination

Our model is based on financing the Group needs from the Holding



Subordination ratio below 30% in 2023 in line with financial policy and historical levels ✓

Direct access to cash flows from unlevered and fully owned subsidiaries (large part of Group's EBITDA ~ 2/3rds) ✓

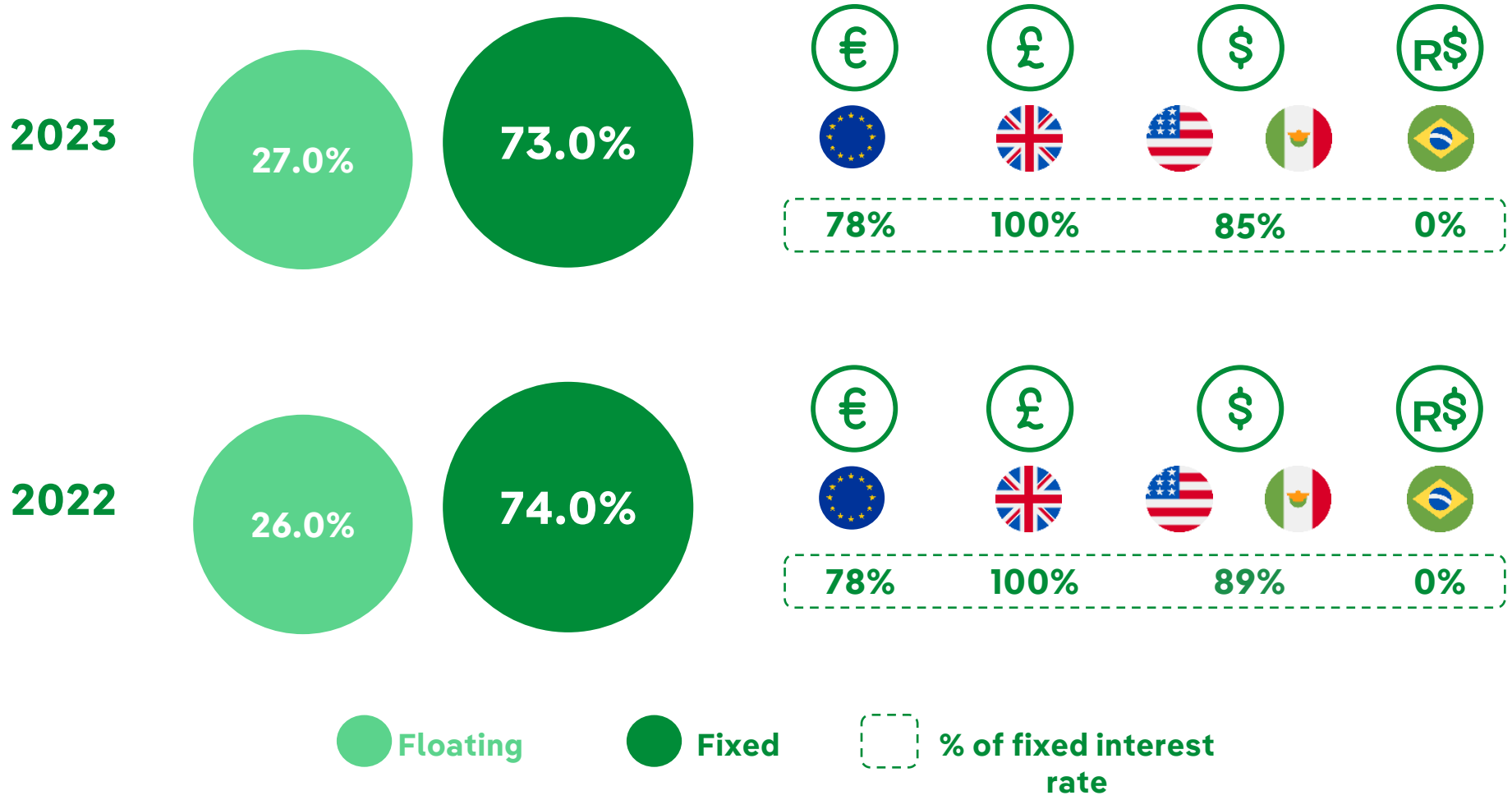
High visibility of centralized cash flows (regulated and long term contracted) ✓

Centralized treasury and very strong liquidity at Holding ✓

1) Including 50% of hybrids and excluding Neoenergia (Eur 8.0 bn in Dec-22)

Interest rate risk management

Conservative while active management of interest rate risk aligned with our earnings structure.



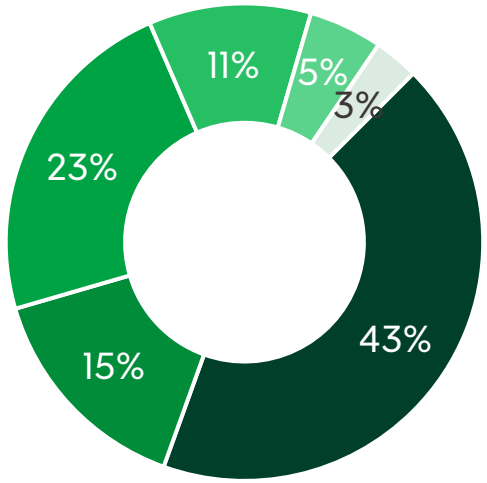
FX risk management: structural

Structural Fx hedge as a result of having debt in the same currency and similar % as the funds from operations

Minimize FFO/Net Debt Ratio volatility

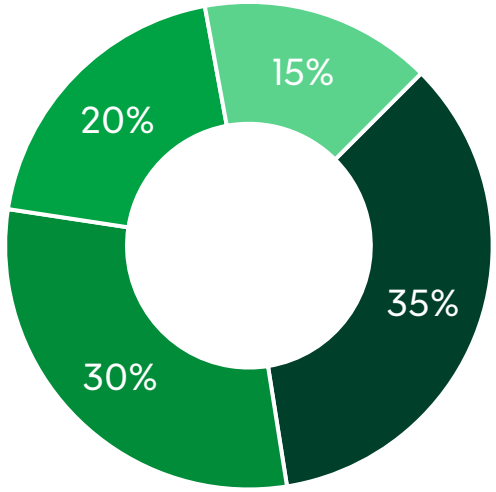
December 2023

FFO by currencies



EUR USD GBP BRL MXN IEI

Debt by currencies



EUR USD GBP BRL

... protecting the solvency and rating

FX risk management: annually

FX risk in the Profit & Loss account is hedged through derivatives

Hedging Net Income FX exposure in currencies against the Euro

Net Income FX risk is managed on a yearly basis

Long term FX management not possible as it would generate huge P&L volatility

Debt reconciliation

Note 22 of Iberdrola Consolidated Annual Report 2023

Thousand euros	31/12/2023	31/12/2022
Bank borrowings, bonds and other marketable securities (Note 29)	48,278	46,587
CSA derivatives security deposits (Note 33)	76	95
Derivative liability instruments	1,034	960
Leases	2,592	2,438
Gross financial Debt	**51,980**	**50,080**
Derivatives of treasury stock with physical settlement that at this date are not expected to be executed	82	436
Adjusted gross financial debt	**51,898**	**49,644**
Non-current financial deposits (Note 15.b)	128	80
Derivative asset instruments	804	1,082
CSA derivatives security deposits (Note 15.b)	101	107
Current financial investments (between 3 and 12 months) (Note 15.b)	14	18
Cash and cash equivalents (Note 21)	3,019	4,608
Total treasury assets	***4,066***	***5,895***
Adjusted net financial debt	**47,832**	**43,749**

Eur 8.3 Bn of Hybrids[1] not included in net debt calculations as they are accounted as equity

Note: difference between debt figure in slide 142 and gross financial debt in this slide refers to the inclusion of derivative instruments and accrued interest payable

(1) Outstanding figure as of Dec-23

Iberdrola Consolidated Annual Financial Report 2023:

https://www.iberdrola.com/documents/20125/3643974/gsm24-annual-accounts-consolidated-2023.pdf

SFDR.Principal Adverse Impacts on sustainability factors

CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS					
Greenhouse gas emissions	1.	GHG emissions	Scope 1 GHG emissions	10,587,589	t CO_2 eq
			Scope 2 GHG emissions	1,746,827	t CO_2 eq
			Scope 3 GHG emissions	39,304,151	t CO_2 eq
			Total GHG emissions	51,638,567	t CO_2 eq
	2.	Carbon footprint	Carbon footprint	51,638,567	t CO_2 eq
	3.	GHG intensity of investee companies	GHG intensity of investee companies	1,047	t CO_2 eq / M€
	4.	Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	89% 16% 0%	Capex Aligned with EU taxonomy Revenues Gas Revenues Coal
	5.	Share of non-renewable energy consumption and production	Share of non-renewable energy consumption and non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage of total energy sources	99.95 %	Non Renewable energy consumption
				53%	Non Renewable energy production
	6.	Energy consumption intensity per high impact climate sector	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector	2.62	GWh/M€
Biodiversity	7.	Activities negatively affecting biodiversity-sensitive areas	Share of investments in investee companies with sites/operations located in or near to biodiversity-sensitive areas where activities of those investee companies negatively affect those areas and there is not implemented any impact assessments or mitigation measure	No	In force a Biodiversity policy to preserve the biodiversity from the territories in which the Group operates
Water	8.	Emissions to water	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average	Emissions to water in 2023 have remained below the threshold included in the environmental license of the facilities	
Waste	9.	Hazardous waste and radioactive waste ratio	Tonnes of hazardous waste and radioactive waste generated by investee companies per million EUR invested, expressed as a weighted average	14,964	t of hazardous waste
				468	m^3 of Radioactive waste (medium and low activity)

SFDR.Principal Adverse Impacts on sustainability factors

INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS					
Social and employee matters	10.	Violations of UN Global Compact principles and Organization for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	This information is included in the Statement of Non-Financial Information. Sustainability Reporting 2023 (Pages 239-240) which details Iberdrola's commitment as member of Global Compact (UN)	
	11.	Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance/complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	No	Policy on Respect for Human Rights (iberdrola.com)
	12.	Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	-5.8	%
	13.	Board gender diversity	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members	43	%
	14.	Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	Share of investments in investee companies involved in the manufacture or selling of controversial weapons	No	

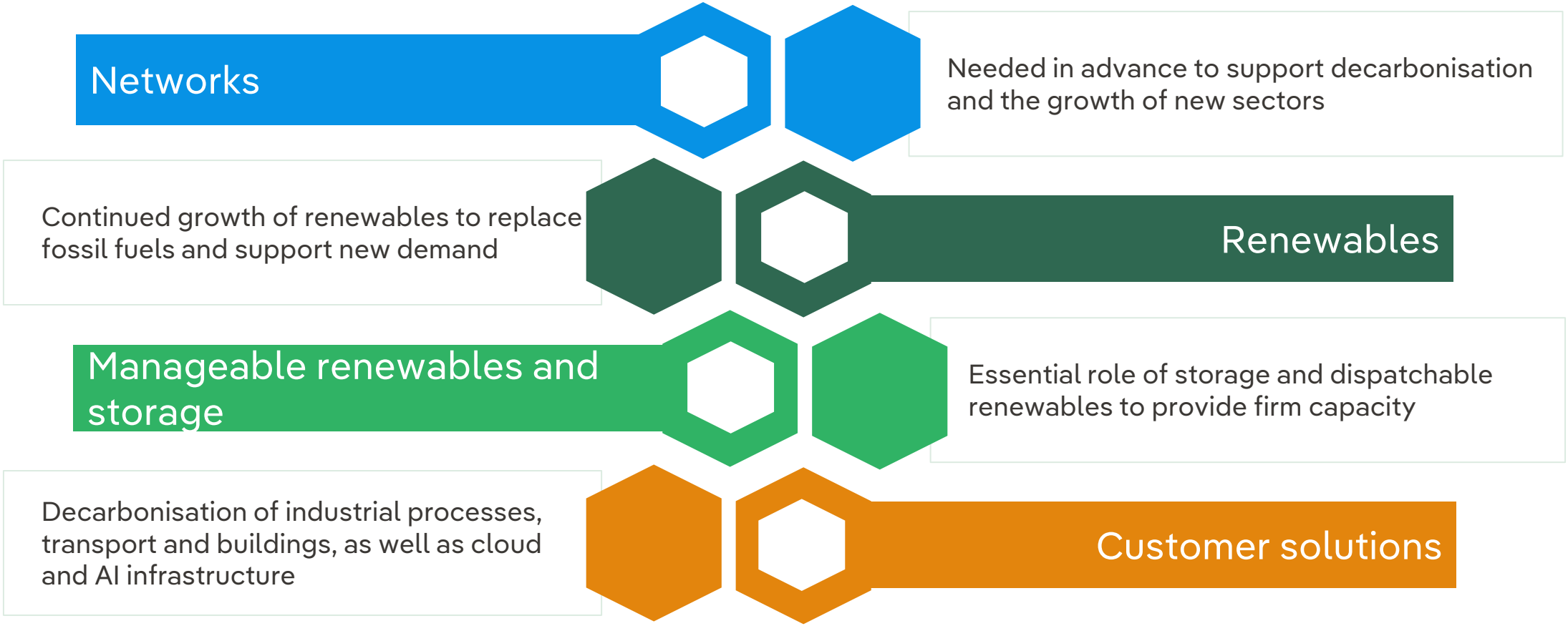
Getting ahead of CSDR requirements providing disclosure for SFRD PAIs applicable in investee companies

Content

All figures as of December 2023, except otherwise stated. Differences may arise due to rounding

Sustainability in the 2024-2026 investment plan

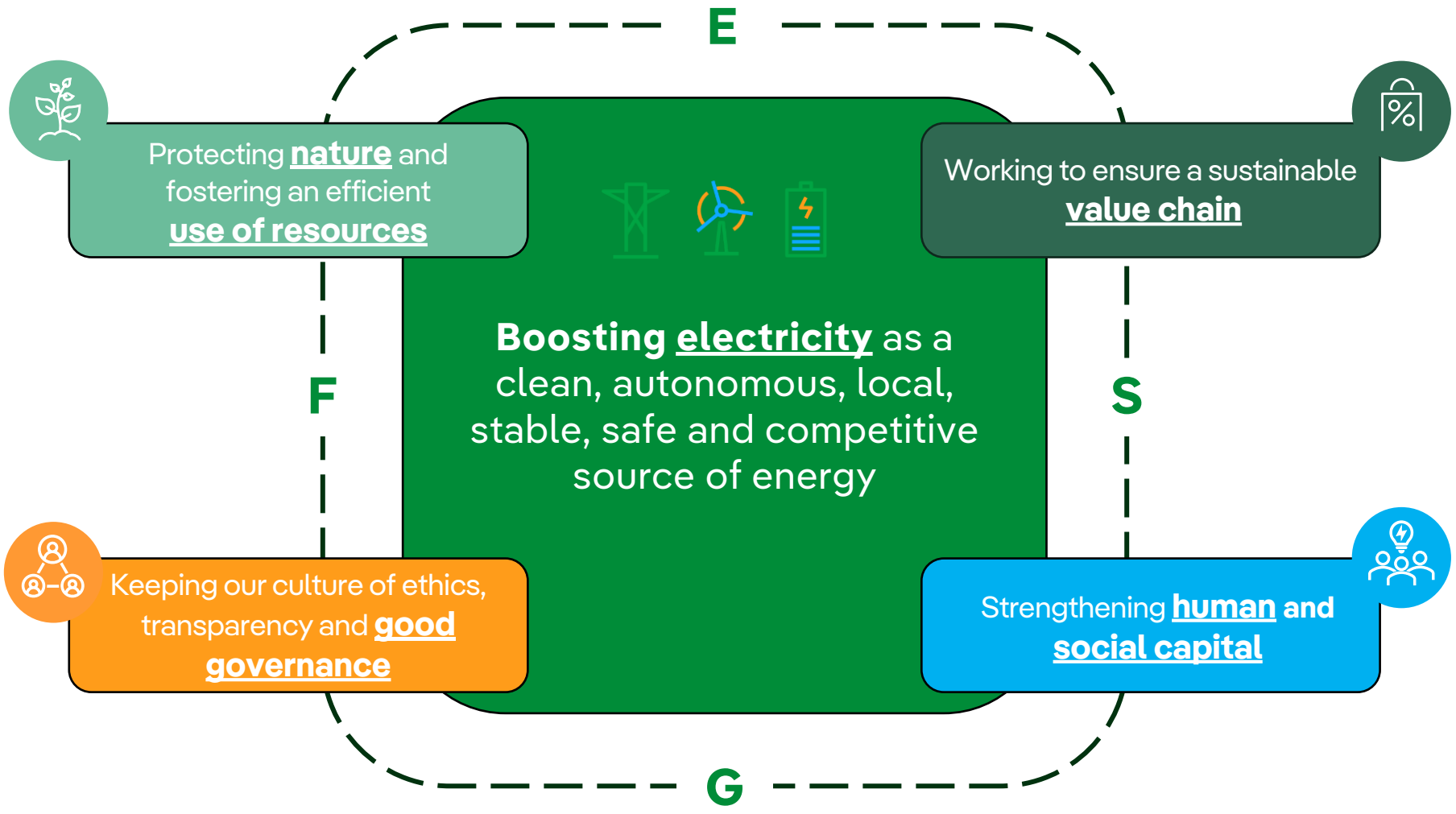
Iberdrola will invest €41 billion by 2026 to accelerate electrification...



...with no capex allocated to new unabated carbon-intensive assets

Capital Markets & ESG Day. ESG Innovation & Human Capital: https://www.iberdrola.com/documents/20125/4005786/CMD24-esg-innovation-human-capital.pdf

Five main priorities: reaffirming our roadmap in sustainability



Statement of Non-Financial Information. Sustainability Report Financial Year 2023: https://www.iberdrola.com/documents/20125/42388/IB_Sustainability_Report.pdf

Boosting electricity as a clean, autonomous, local, stable, safe and competitive source of energy (1 of 2)

DECARBONISATION

	2021	2023	2025	2026	2030
Carbon Neutral in electricity generation in **2030** Specific emissions global mix (g CO2/kWh)	96	77	60 *(<70)**	55	Carbon Neutral[1]
Net Zero in scopes 1, 2 and 3 before **2040**	In progress				SBTi milestone fulfilled[2]
NOx emissions kg / MWh	0.37	0.34	0.17 (**NEW**)	0.15	<0.10
Sustainable light vehicle fleet % of total light vehicle fleet	-	31%	48% (**NEW**)	56%	100%
Storage capacity Cumulative installed storage capacity (GWh)	81	101.9	108 *(102)**	118	136

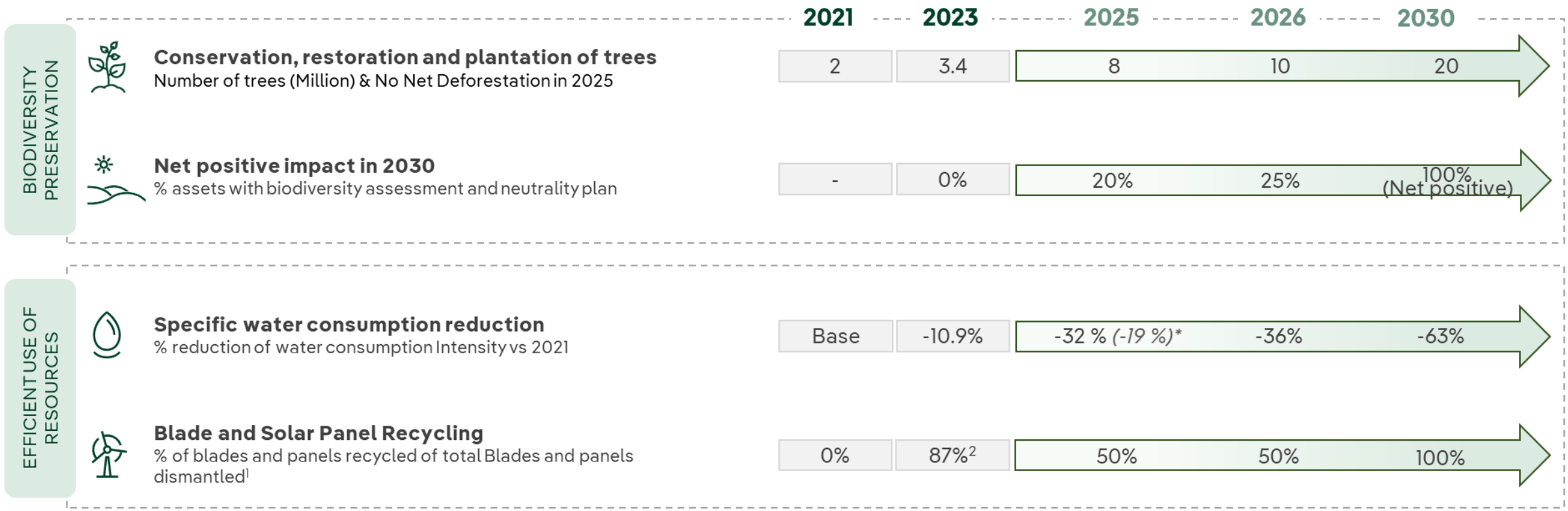
(1) <10 gCO2/kWh
(2) Intermediate target as certified by SBTi (Science-based targets initiative)
(*) Previous target established in CMD 2022

Boosting electricity as a clean, autonomous, local, stable, safe and competitive source of energy (2 of 2)

		2021	2023	2025	2026	2030
INNOVATION AND DIGITALISATION	**Smart Grids** % automation of high and medium voltage assets	73%	78%	83%	85%	90% (NEW)
	Investment in R&D Million euros (annual)	338	384.4	420	443	550
	Green hydrogen Annual production (kt H2)	-	0.42	2 *(35)**	5	120 *(350)**
	Cybersecurity assessments Number of annual assessments or external verifications	1,670	2,497	2,000	2,000	2,000
SUSTAINABLE FINANCE	**CAPEX Aligned** NEW % of Taxonomy aligned CapEX[1]	-	88.8%	~90%	~90%	~90%
	Sustainable financing % of total financing	80%	90%	Min. 80%[2]	Min. 80%[3]	-

(1) Organic capex; according to European Taxonomy Regulation.
(2) Average ESG financing for 2023-25 period
(3) Average ESG financing for 2024-26 period
(*) Previous target established in CMD 2022

Protecting nature and fostering an efficient use of resources



(1) Includes blades and panels out of operation with a destination decision different from disposal
(2) Only includes blades
(*) Previous target established in CMD 2022

Working to ensure a sustainable value chain

		2021	2023	2025	2026	2030
SUSTAINABLE SUPPLY CHAIN	**Purchases from sustainable suppliers** % of total purchases	80.1%	90%	≥ 85%	≥ 85%	≥ 85%
	Percentage of sustainable suppliers NEW % of main suppliers subject to sustainable development policies and standards	-	88%	>85%	>85%	>85%
CUSTOMERS	**Quality of supply** Reduce the Global SAIDI (vs 2019-21 period avg)	-	-8.6%	-10%	-11%	-16% (NEW)
	Smart solutions portfolio Million solutions	11	14	18	19	21
	Public charging points[1] Thousands	-	~14	~32	~38	~60
	Customer Accessibility Solutions[2] Number of solutions	29	43	62 *(30)**	63	63 (NEW)
	Digital customers % of total commercial customers	62%	73%	75% *(73%)**	76%	80%*

(1) Calculated as logic terminals. Considering this target and current forecasts for electric vehicle penetration, the total number of public and private charging points projected for 2030 would reach 400k
(2) Including Neoenergia solutions from 2023 onwards
(*) Previous target established in CMD 2022

Strengthening human and social capital (1 of 2)

		2021	2023	2025	2026	2030
DIVERSITY AND INCLUSION	**External EDGE certification**[1] *Attainment*	-	In process	✓ (2024)	-	-
	Presence of women in relevant positions *% women*	24.4%	27.8%	30%	31.2%	35%
	Presence of women in positions of responsibility *% women*	33.7%	34.4%	35%	35.3%	36%
	External EDGEplus certification[2] *Attainment*	-	In process	In process	✓	-
HEALTH & SAFETY	**Green mind** Global deployment	-	-	Implementation	Certification	-
	Occupational Safety TRIR (reduction vs 2021)	Base	-17%	-10%	-13%	-21%
EMPLOYEE UPSKILLING	**Green skilling** Program deployment	-	-	✓	✓	-
	Training in cybersecurity and protection of information Annual hours of training completed	57,090	94,915	63,000	64,480	68,000

(1) *External Certification of equal gender (EDGE Certification) by December 31, 2024*
(2) *External Certification on Diversity and Inclusion, including generational diversity, disability inclusion, Race/Etnic, Nationality and LGTBQ+ (EDGEplus Certification) by 2026*

Strengthening human and social capital (2 of 2)

COMMUNITY DEVELOPMENT

	2021	2023	2025	2026	2030
Beneficiaries of the "Electricity for all" program Millions of beneficiaries (cumulative)	9.6	12.4	14	15	16
Beneficiaries of the Foundations programs Millions of annual beneficiaries	2	7.2	8	8	10
Corporate volunteering No. of annual volunteers (thousands of employees and companions)	12.2	20.5	19 *(15)**	19.5	23

(*) Previous target established in CMD 2022

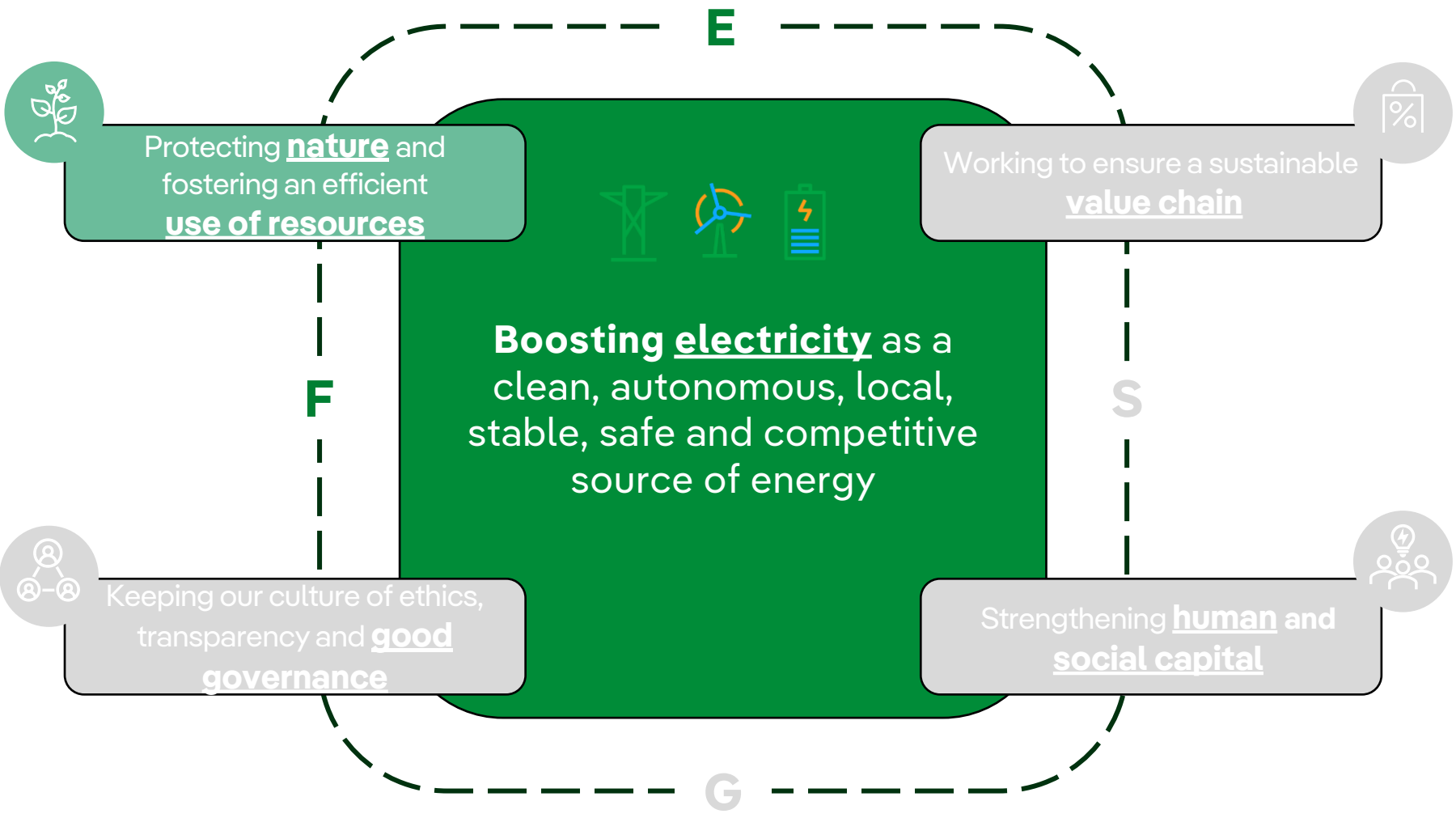
Keeping our culture of ethics, transparency and good governance

		2021	2023	2025	2026	2030
CORPORATE GOVERNANCE	**Corporate Governance** Maintain best practices	√	√	√	√	√
COMPOSITION OF THE BOARD OF DIRECTOS	**Percentage of independent directors** Over 50%	√	√ (71%)	√	√	√
	Gender balance Maintain	√	√ (43%)	√	√	√
	Diversity in the Board of Directors Promote	√	√	√	√	√
COMPLIANCE	**Compliance system** Obtain/maintain (yearly)	√	√	√	√	√
HUMAN RIGHTS	**Human Rights Due Diligence** Continuous revision of the DD System	√	√	√	√	√
STAKEHOLDER ENGAGEMENT	**Stakeholder Engagement Model** % of facilities with the model implemented	-	55%	70% *(√)**	75%	90% *(√)**

(*) Previous target established in CMD 2022

Environment

Our roadmap in sustainability: Environment



- Decarbonisation
- Biodiversity Preservation
- Efficient Use of Resources
- Innovation and Digitalisation
- Sustainable Finance

Leaders in promoting environmental policies

Iberdrola consolidates its business model for a zero-emission and environmentally friendly future

A **€41 billion investment plan** until 2026

Based on **more renewables, grids, storage and smart solutions** for customers

CLIMATE ACTION PLAN

- ✓ **Carbon Neutral** in electricity generation in **2030**.
- ✓ **Net Zero** scopes 1, 2 and 3 before **2040**.

Decarbonisation

BIODIVERSITY PLAN

- ✓ **Net positive** impact on biodiversity in **2030**.
- ✓ **No** net **deforestation** in 2025.

Biodiversity Preservation

CIRCULAR ECONOMY PLAN

- ✓ 50% reduction of materials.
- ✓ Recycling of blades and photovoltaic panels.

Efficient use of resources

Climate Action Plan: Main Elements

2030 — **<2040**

Carbon Neutral in electricity generation by 2030

Direct (own generation and others) and indirect losses from electricity grids and own consumption

Net Zero scopes 1, 2 and 3 before 2040

Scopes 1, 2 and 3 (other indirect emissions over which the group does not have direct control or influence)

Levers

- **100% Renewables**
- **100% Smart Grids**
- **Green Shopping**
- **Green solutions for customers**

Values

- **Positive for society**
- **Positive for nature**

Tools

Climate Governance	Strategy and management of risks and opportunities	Technological and business innovation	Partnerships & Collaboration	Green Financing

Decarbonisation: increasing production from renewable sources

At year-end 2023, Iberdrola has 62,883 MW of total installed capacity, of which 42,187 MW is renewable.

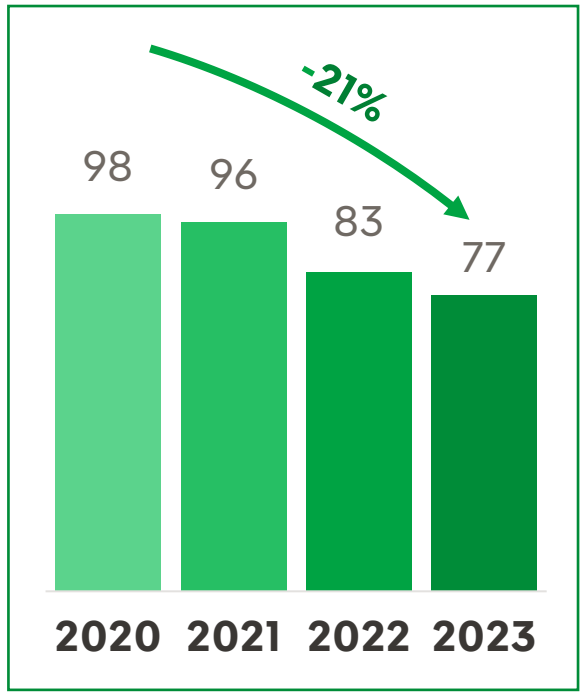
2023 Emission-free owned installed capacity (%)

81%

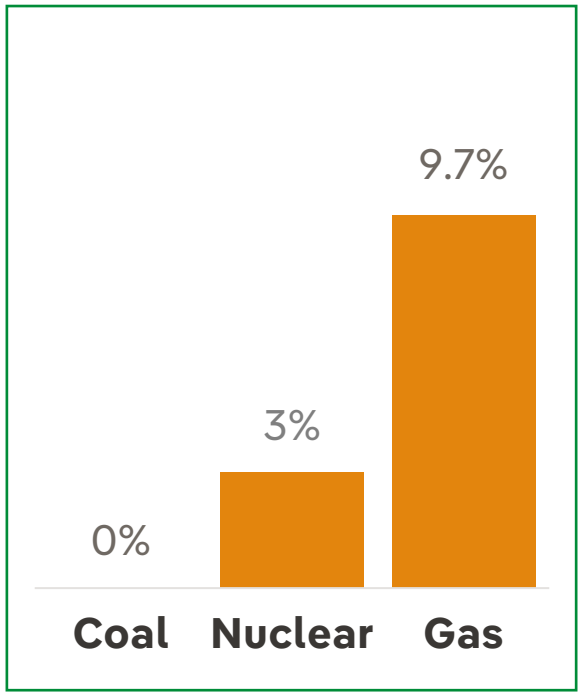
2023 Ratio emission-free owned production vs total production

80%

CO_2 owned emissions over the period (t/GWh)

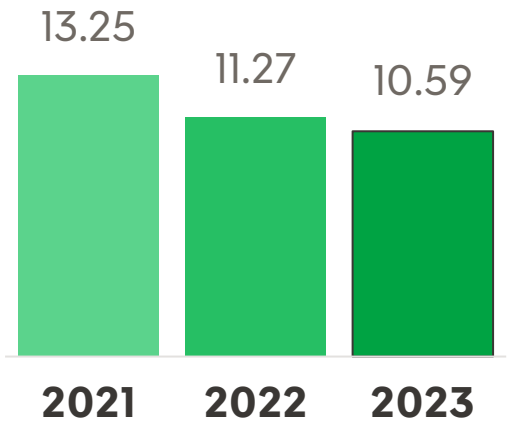


2023 Generation Revenues Coal, Nuclear & Gas / Total Revenues (%)

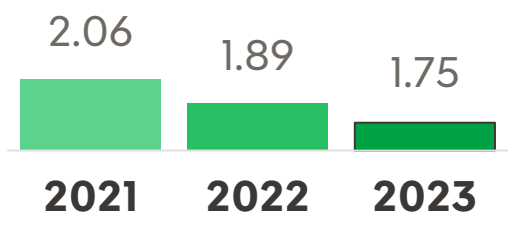


Greenhouse Gas Report (Carbon Footprint)

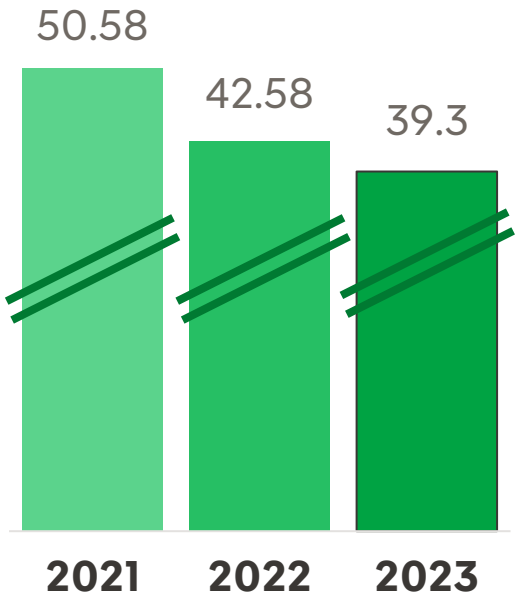
Scope 1:
Direct emissions (Mt)



Scope 2:
Indirect emissions (Mt)



Scope 3:
Other Indirect emissions (Mt)



SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

100%

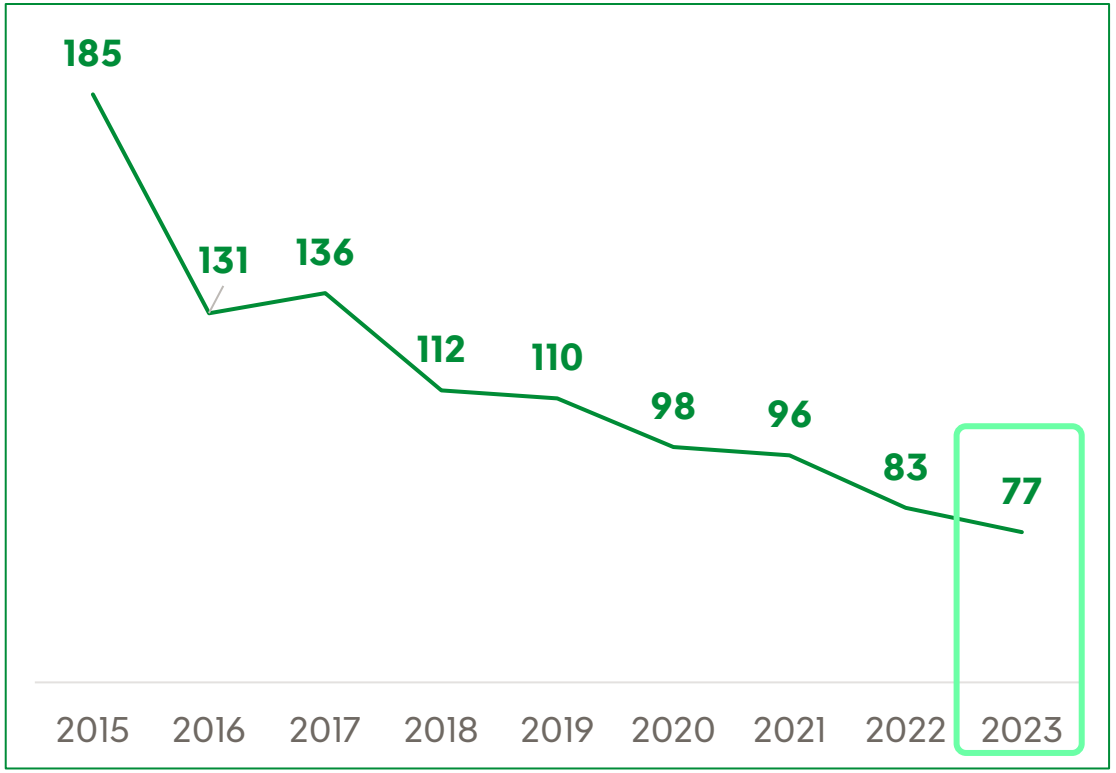
Emissions covered with absolute emissions reduction SBTi target

GHG inventory: https://www.iberdrola.com/sustainability/environment/environmental-management/greenhouse-gas-inventory/report

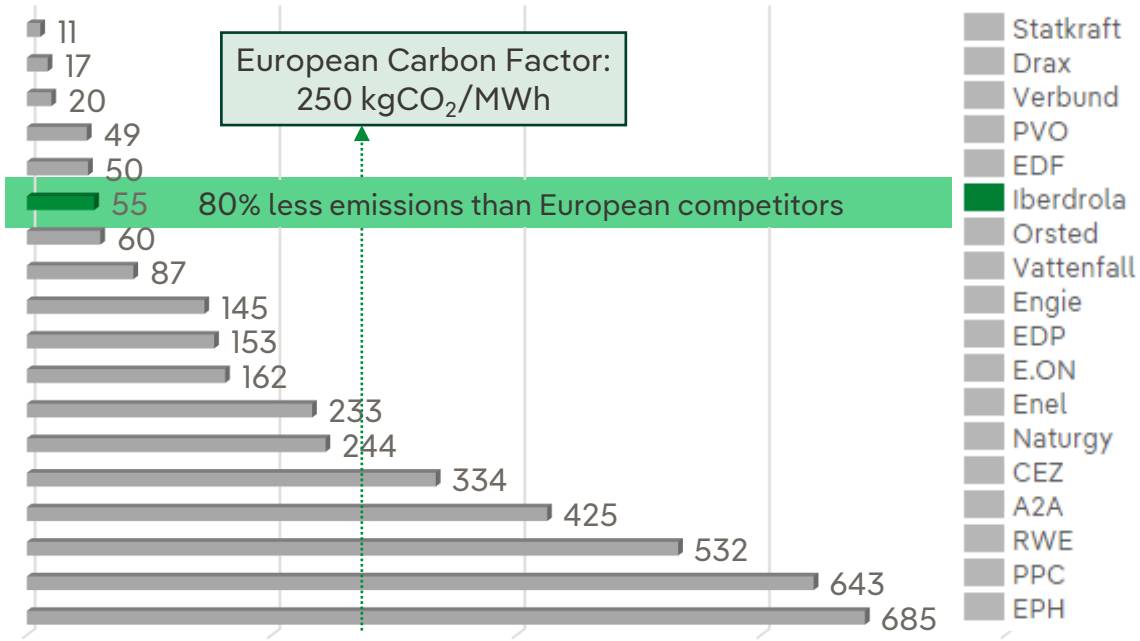
Decarbonisation: CO_2 emissions

Iberdrola is the world's largest electricity company without coal-fired production and its **CO_2 emissions are at 55 g/kWh in Europe**, 80% lower than its European competitors.

Group emissions intensity at **global level** (gCO_2/kWh)



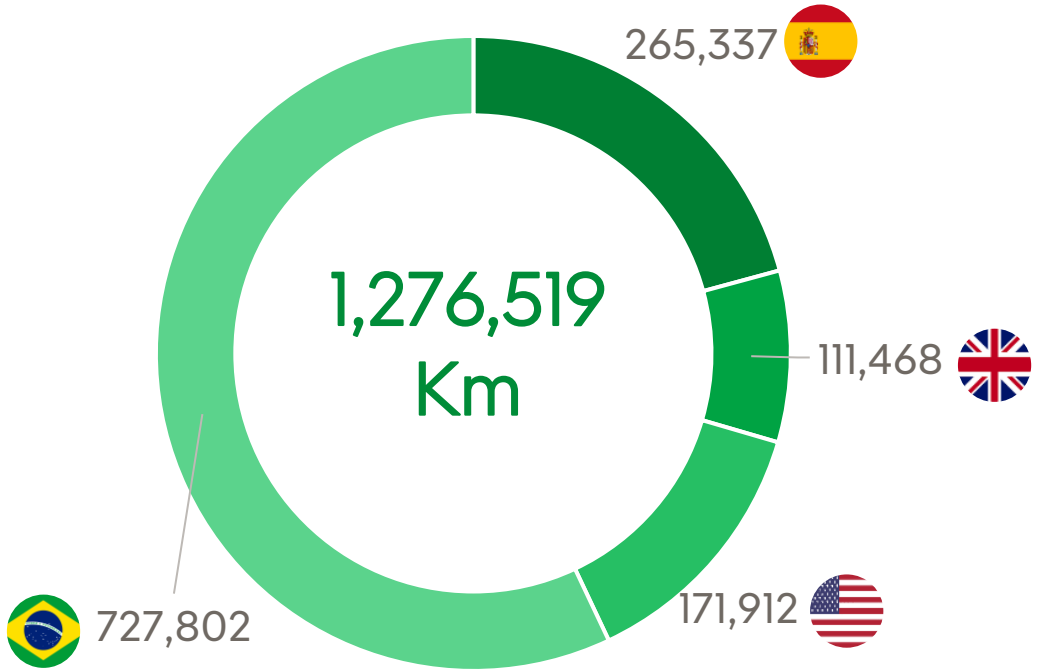
Specific CO_2 emissions from installations in **Europe**(1)



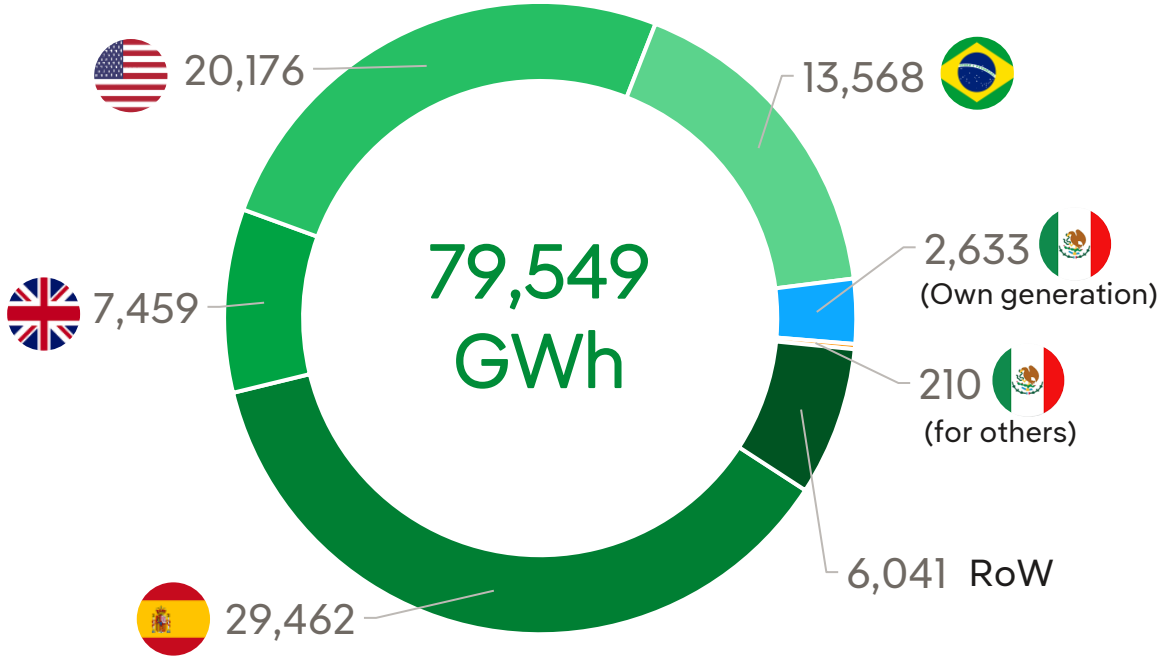
(1) The figure of 55 g of CO_2 in this graph refers to the emissions generated by Iberdrola's facilities in Europe in 2023. Both the European average carbon factor and the data from the rest of the companies are based on Climate Change and Electricity: European carbon factor. PwC France. Dec. 2023 and, in the case of companies, they only include the European space for the year 2022.

Decarbonisation: Grids + Renewables

Electricity Transmission and Distribution Lines 2023 (Km)



Net renewable electricity production by country in 2023 (GWh)



The group operates nearly **1.3 million kilometres** of electricity transmission and distribution lines

80% of in-house production is associated with **emission-free** technologies

TCFD: Iberdrola facing risks and seizing opportunities

At **IBERDROLA**, we face the risks of climate change from a **favourable position** due to:

- Extensive **experience** in asset management that has always considered climatic variables and they are therefore already being managed.
- **Integration of climate change into management and corporate governance,** as well as into decision-making for new investments.
- A **diversified business** in technologies, both in networks and renewables, with reduced exposure to gas assets and no coal-fired power plants.
- Stable and sustained growth in **geographical areas with lower financial risks** and greater regulatory stability.
- **Regulatory coverage** in the network business and additional coverage for renewable with **insurances.**

Iberdrola remains at the forefront of investments in networks and renewables, which puts it in a favourable position to face transition risks, while capitalising on new opportunities.

TCFD: Physical opportunities and risks

Analysis: Potential impact

● Low potential impact
●● Medium potential impact
●●● Medium/high potential impact

Technology / Tecnology	Main impacts: Extreme temperature	Scarcity of precipitation	Storms and extreme wind	Forest fires	Extreme precipitation and floods
Onshore and offshore wind energy	●	N/A	●●	●	●
Solar PV	●●	●	●	●●	●
Battery	●●	N/A	●	●●	●
Hydroelectric	●	●●●	●	●	●●
Transmission & Distribution	●●	N/A	●●	●●	●●
Hydrogen	●●	●●	●	●●	●

The **greatest potential impact** is identified into **hydroelectric technology**, due to the scarcity of precipitation.

Analysis: Risk Exposure

Based on the potential impact, the degree of **resilience** of the various assets of Iberdrola should be considered to determine the risk level to which they are exposed:

- **Robustness:** derived from design and construction procedures (e.g.: climatology evaluation of every region).
- **Recovery:** derived from early-detection tools and action protocols (e.g.: self protection plans).
- **Adaptive capacity:** thanks to implemented modifications (e.g.: R&D strategy).

Based on the impacts and the mitigating factors considered: it is estimated that the **physical risks associated with climate change might not have a significant impact on the group's consolidated figures**, which is believed to be globally resilient.

TCFD: Opportunities and risks of transition

Analysis: Potential impact

Key parameters of the scenarios	Key parameters of the businesses: Total Production (GWh)	Customer Electricity Consumption (GWh)	Customer Electricity Consumption (GWh)	Customer Gas Consumption (GWh)	Investment in Networks (€ million)
Final electricity demand (TWh)	●●	●●	●●	●	●●
Installed renewable capacity (GW)	●●	●●			
Photovoltaic solar		●			
Wind Energy		●			
Hydroelectric		●			
Bioenergy		●			
Share of renewables in the generation mix (%)	●	●			●
Total domestic electricity usage (TWh)			●●		
Natural gas demand in buildings (TWh)				●●	
Average annual investment in electric grids ($ million)					●●
Final natural gas demand (TWh)			●	●	

● Average degree of intensity in the correlation between these two parameters

●● High degree of intensity in the correlation between these two parameters

2025-2030 period

EBITDA 2030 impact €(M)

▲ Positive Impact
▬ Not significant
▼ Negative impact

Business	Type of impact	Slower Transition Scenario M€ <100	Slower Transition Scenario M€ 100-300	Slower Transition Scenario M€ >300	Faster Transition Scenario M€ <100	Faster Transition Scenario M€ 100-300	Faster Transition Scenario M€ >300
Retail	EBITDA 2030		▼		▬		
Global Generation	EBITDA 2030		▼				▲
Network	EBITDA 2030	▼				▲	

Iberdrola believes that the **opportunities** stemming from the decarbonisation of the global economy (growth in renewables, integrated smart grids, storage, electrification of industrial sectors and transport, etc.) **outweigh the risks.**

***Scenarios:**

Focus on Energy Transition (FET) - Baseline scenario: It is based mainly on the forecasts made in the Sustainable Development Scenario (SDS) published by the International Energy Agency in the Word Energy Outlook (WEO '21) in combination with he Announced Pledges Scenario (APS) (WEO '22) and the Consumer Transformation Scenario (CT) published by the National Grid in the Future Energy Scenarios set (FES '22).

Slower Transition Scenario: this scenario considers a slowdown in fulfilling more ambitious commitments or potential breaches of commitments made. Global warming would be limited to less than 2°.

Faster Transition Scenario: considers more optimistic and ambitious hypotheses, based on the estimates in the Net Zero Scenario (NZ) (WEO2022), which describes a way to globally achieve stabilisation of a 1.5° C increase in global average temperatures, together with universal access to modern energy by 2030.

2030 Biodiversity Plan. Transforming risks into opportunities

Our model: Renewables & Networks

High interaction with the territory and its biodiversity due to its location in the natural environment

2030 Biodiversity plan

2030 OBJECTIVE: Net positive impact on biodiversity

2025:
20% generation facilities and 100% new developments evaluated and with a biodiversity action plan

2030:
100% Generation facilities and networks evaluated and with a biodiversity action plan

Lines of action

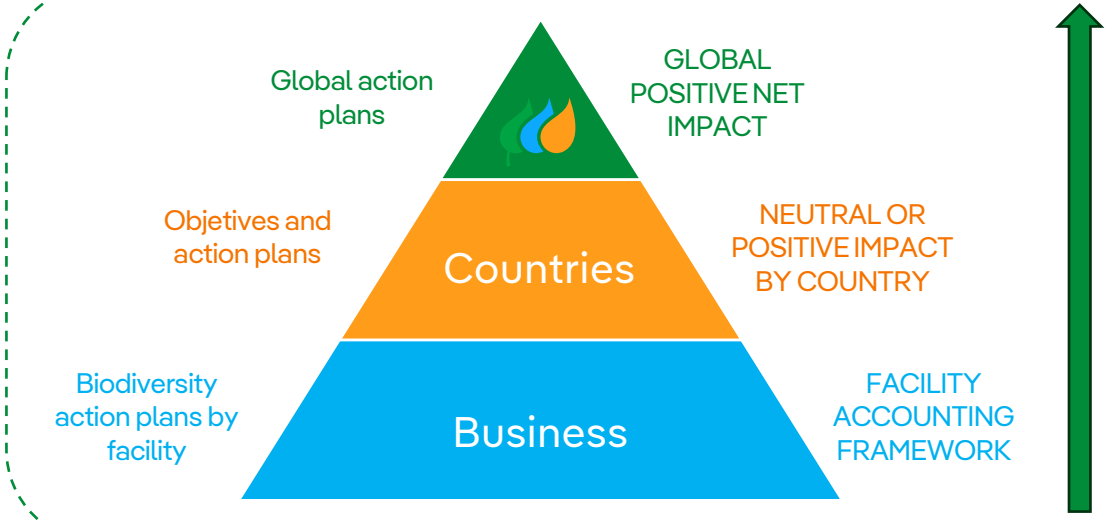
- Measure
- Act
- Transform & Lead

Biodiversity Preservation

Taskforce on Nature-related Financial Disclosures

SCIENCE BASED TARGETS NETWORK
GLOBAL COMMONS ALLIANCE

Biodiversity plan



Two **metrics:**

- ✓ **Ecosystems - new developments.**
  Measures the change in the condition and extent of the affected ecosystem
- ✓ **Species - operation and maintenance.**
  Balance of impacts on species.
  Species index to prioritize activities

> **55% of renewable facilities** starting operation in 2023 are already **aligned (2,371 ha)**

2023 actions

+ 120,000 adapted poles

Conservation of the largest red kite roost and raptor roost in Spain

Leading the implementation of TNFD recommendations

- The **only energy company included** in TNFD and WBCSD **case studies**
- Risks and opportunities published in Non-financial information report
- "***TNFD Early adopters 2024***": Iberdrola will publish its TNFD Report in 2024 (first utility in the world)

Biodiversity Report 2022: https://www.iberdrola.com/documents/20125/41593/IB_Biodiversity_Report_2022.pdf

Carbon2Nature

A company 100% owned by Iberdrola for the generation of high-integrity carbon credits, through nature-based solutions, with a high impact on biodiversity and local communities

>60 $MtCO_2$ caught or fixed in the nature over the long term

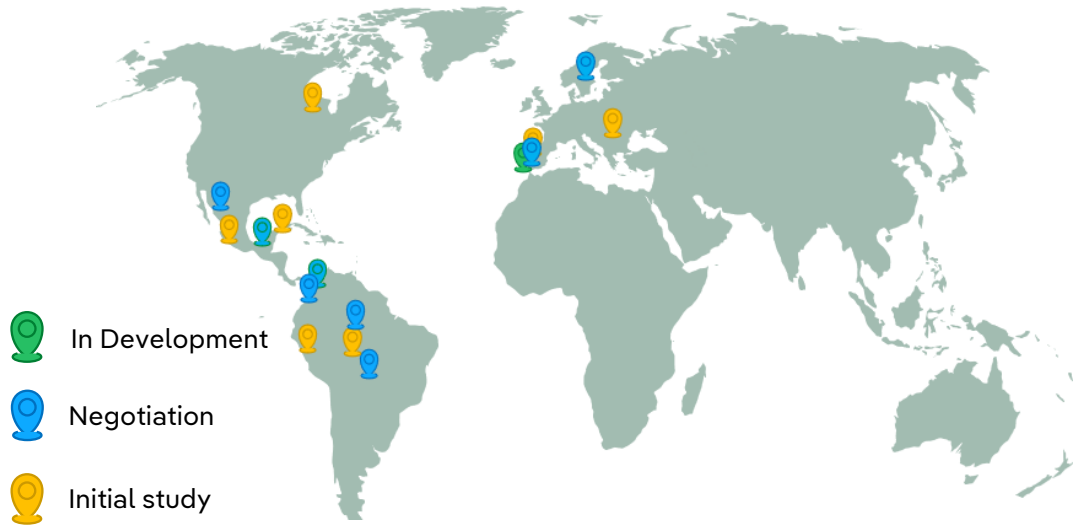
Diversity of high-quality projects:

FORESTRY (80%)
Restoration, management and conservation of forest ecosystems

BLUE CARBON (15%)
Conservation and restoration of coastal and marine ecosystems

AGRICULTURE AND INNOVATION (5%)
Soil capture, methane reduction and other innovative techniques

Global presence: +50 Projects under development or study in various regions



9 Projects underway at the end of 2023 in Spain

Credits are certified by Standards & Verifiers

THE INTEGRITY COUNCIL FOR THE VOLUNTARY CARBON MARKET
IETA INTERNATIONAL EMISSIONS TRADING ASSOCIATION
UNITED NATIONS DECADE ON ECOSYSTEM RESTORATION 2021-2030
IUCN Global Standard for Nature-based Solutions
VCMI Voluntary Carbon Markets Integrity Initiative
SCIENCE BASED TARGETS DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

Circular Economy Plan: Value Chain

The circular economy involves a cultural change in the way we understand the production and consumption system in order to address the lack of resources, environmental impact, value creation and employment.

Three pillars

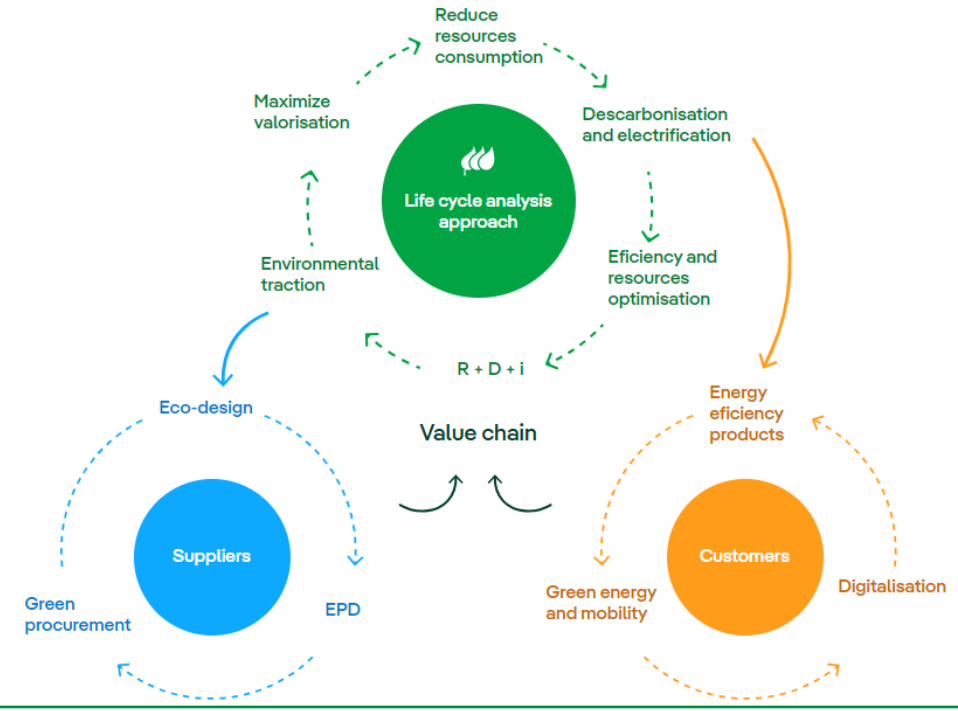
Use of **renewable resources** for production

Improved **efficiency** in processes and services

Maximizing **Utilization** of waste

Three key areas

Circular economy model at Iberdrola



Figures

Efficient use of resources

Metric:
% Blades and panels recycled over the total Blades and panels dismantled (to be sent to landfill)

Target 2025:
50%

Target 2030:
100%

Actual figure 2023:
87%

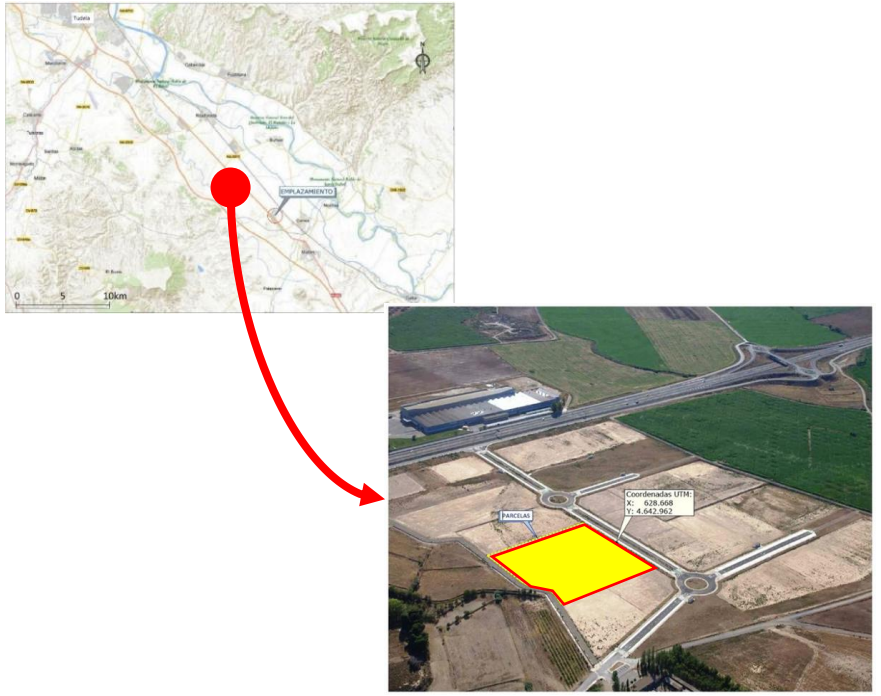
Blade recycling: an industrial project

Through its PERSEO programme, **EnergyLoop**, Iberdrola is promoting the **recycling of wind blades** on an industrial scale and building the **first industrial-scale plant** in Europe located in Spain

VISION: to become the leader in the recycling of wind turbine blades in Spain and Portugal

MISSION: To provide secondary raw materials that allow for incremental value creation

- **Objective:** to have an operational facility **when massive wind decommissioning begins.**
- Creating **alliances** with actors in the wind sector to take advantage of **repowering opportunities**
- ENERGYLOOP is building a blade recycling plant in **Cortes (Navarra)**
- **Alliance with FCC Ámbito** a key player in industrial waste management
- The facility will be **operational in Q4'2024**



(1) Includes shovels and photovoltaic panels that have been taken out of operation that already have a treatment decision other than landfill disposal

Energy efficiency – Emissions avoided

Progress

Mt of CO_2 emissions avoided

30.74	26.67
(2022)	*(2023)*

Initiatives to reduce emissions are undertaken through a broad range of products and services promoting energy efficiency and savings:

- Production of renewable energy
- Savings through cogeneration
- Improving networks efficiency
- Offering green products and services to our customers

CO_2 avoided have been calculated as the product of the production attributable to each operation and the emission factor corresponding to the country where the assets are geographically located.

Million GJ/year avoided of equivalent consumption of non-renewable primary energy

265.93	280.08
(2022)	*(2023)*

Million GJ/year of energy savings from green products and services

245.70	273.31
(2022)	*(2023)*

Efficient use of resources: specific water consumption

Iberdrola works to make rational use and efficient management of water resources

Search for efficiency

Control of consumption

Promote reuse

Avoid pollution

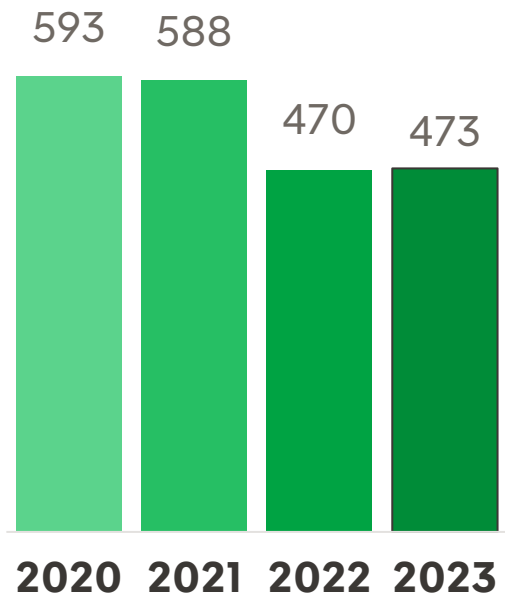
93% of water collected in thermal generation purposes is **returned to the environment**

69% of the water withdrawn is seawater or saltwater that **does not affect water stress**

3.306 hm³ of wastewater recycled in cooling processes

Efficient use of resources

Water consumption / total production (m^3/GWh)

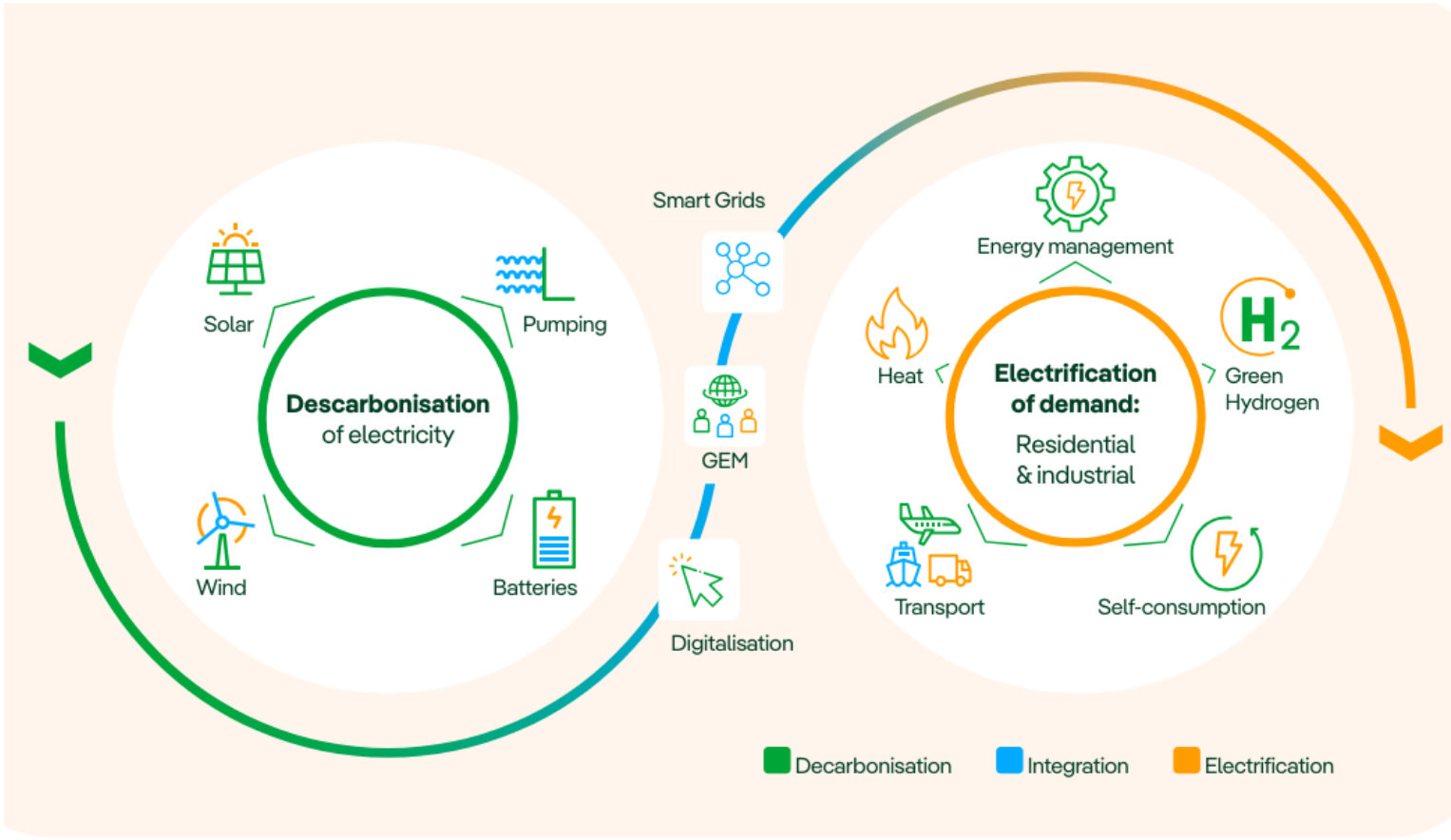


Goal for 2030:
63% reduction in specific water consumption compared to the 2021 FY value.

R&D – Innovation Strategy

For the third year in a row, **1st private Utility Worldwide -1st European private Utility-1st Spanish Utility by R&D investment** according to the European Commission

2023 EU Industrial R&D Investment Scoreboard
Benchmarking EU Industry Innovation Performance to Help Shape EU Policy



Iberdrola will increase its R&D investment effort to 4,000 M€ by 2030

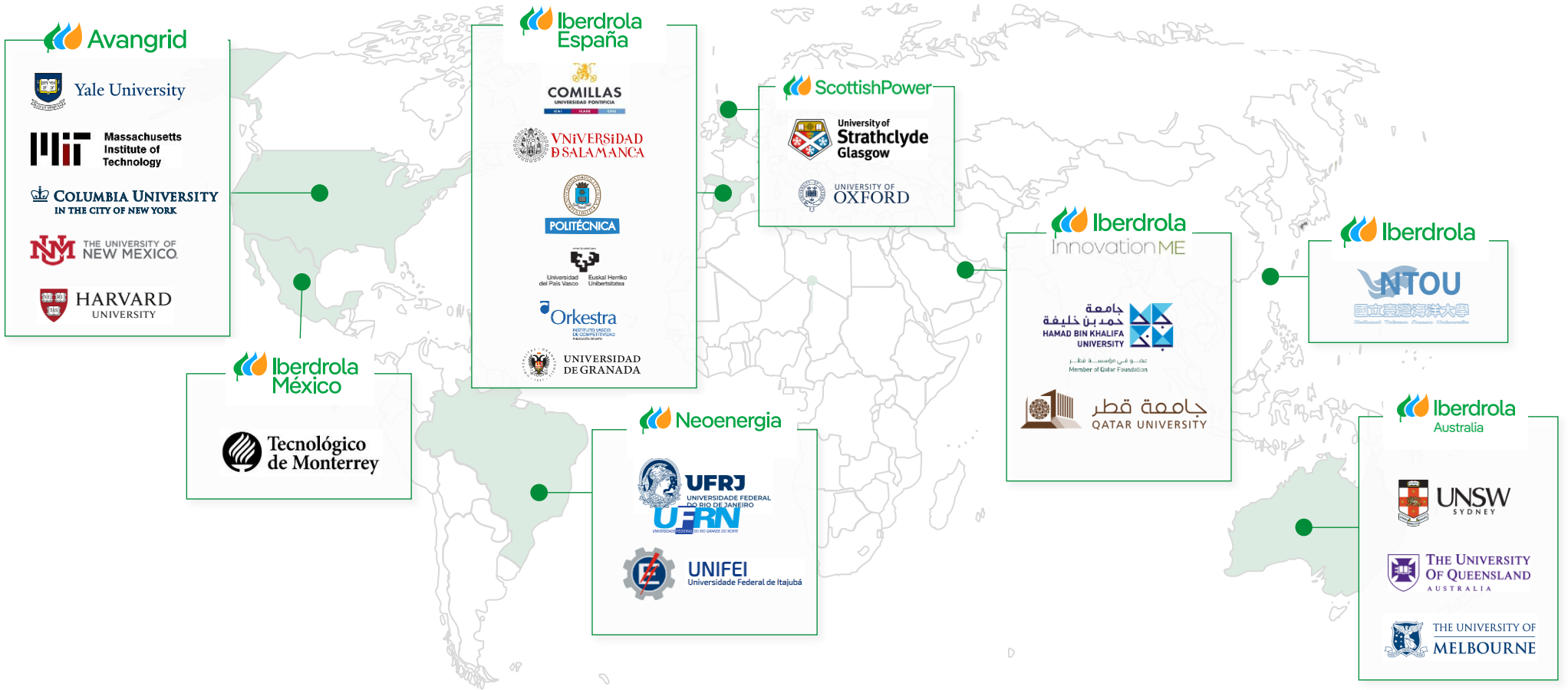
Annual investment in R&D by 2030: 550 M€

Innovation and Digisalitation

Promote the **decarbonisation of generation**, through the integration of renewable energies, the promotion of smart networks and the **electrification of demand** in transport, buildings and industry. In addition, we are committed to new production systems, such as green hydrogen.

R&D – Open Innovation and Partnership

Iberdrola Universities Program- Iberdrola U



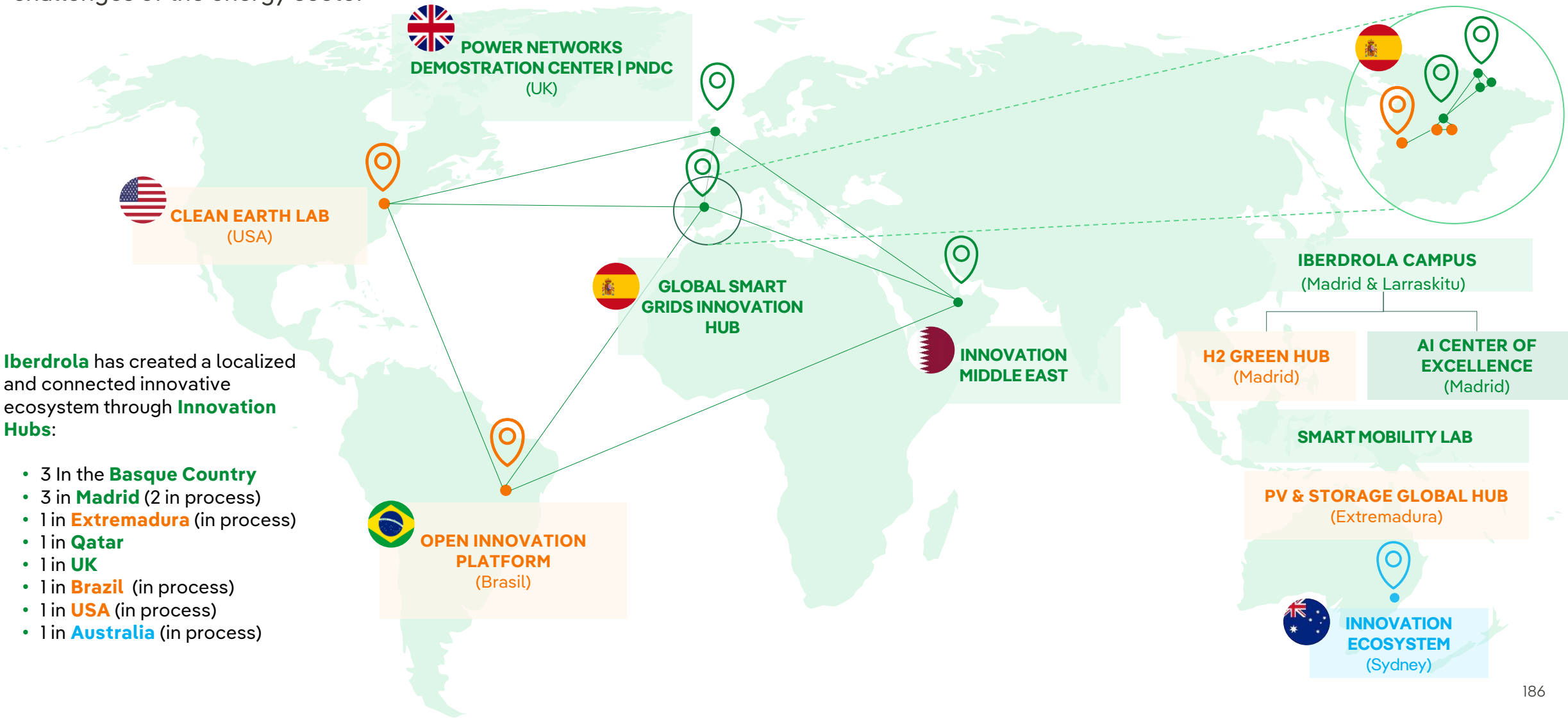
Iberdrola students, scholarship holders, entrepreneurs, professors, researchers and employees form a ***network that promotes training, entrepreneurship and research.***

Through global agreements and other collaborations with universities, Iberdrola U currently connects more than ***750,000 members.***

CHAIRS | R&D PROJECTS | YOUNG ENTREPRENEURS | TRAINING | IBERDROLA ALUMNI

R&D - Open Innovation and Partnership

Open network of centers to connect the internal and external innovation ecosystem, foster learning, collaboration and respond to the challenges of the energy sector



Iberdrola has created a localized and connected innovative ecosystem through **Innovation Hubs**:

- 3 In the **Basque Country**
- 3 in **Madrid** (2 in process)
- 1 in **Extremadura** (in process)
- 1 in **Qatar**
- 1 in **UK**
- 1 in **Brazil** (in process)
- 1 in **USA** (in process)
- 1 in **Australia** (in process)

R&D - PERSEO

15+ years of PERSEO Start-up program

200 M€ invested

14 companies in our portfolio

+7,500 start-ups in our ecosystem

Increasing at a rate of **300 per year**

Major funds supporting innovation

Andromeda SustainableTech Fund
€300 M to invest in scale-ups for the energy transition

GED TECH Seed Fund
€100 M to invest in technology projects with a focus on sustainability

NEW

Venture Builder Program

For **creating and investing** in companies

Pilot projects

Access to technology in real cases

+25 real pilot projects per year

Challenges
Open Innovation Tool

10 challenges launched anually

+ 500 proposals received each year

R&D - PERSEO

Perseo Programme's 2023 Highlights

Venture Capital investments & Venture Builder

- **New Investments** materialized: Follow-on investments + incorporation of **4 new portfolio** companies

KYOTO	Carbon2Nature	EXIOM SOLAR IBÉRICA	LATEM
Industrial heat storage	Nature-based carbon capture	EU-based solar modules manufacturing	Aluminum recycling

- **And a new Fund (GED Tech Seed Fund)**, one of the major Portuguese technology seed funds

Open innovation – Challenges, pilots and other activities

23 **Pilots launched** (12 from challenges)

6 **Challenges published** Spain, UK and USA

+400 **Proposals** received

+20 **Events** in start-up ecosystem

R&D - PERSEO

Currently, Perseo's portfolio is composed of 14 companies, 8 start-up + 6 industrial companies. Additionally, through Andromeda[1], 18 companies have been indirectly invested until 2023.

Venture capital investments (Perseo)

AQUI TU REFORMA · barbara · wallbox · innowatts · Voltbras · KYOTO · CO2 REVOLUTION · morgansolar

Venture builder + Industrial stakes

ENERGYLOOP · eHeat Networks IBERDROLA Group · Carbon2Nature · BASQUEVOLT tech by CIC energiGUNE · EXIOM SOLAR IBÉRICA · LATEM

(1) 18 investments through Andromeda: 4 companies at Seaya Andromeda + 14 companies GED Tech Seed Fund

Cybersecurity Strategic Pillars

Clear **Governance**, roles and responsibilities

Cybersecurity **Culture** across the organization

Proactive **Risk Management** / Risk Culture

Prioritize **Cyber Resilience**

Oversight and **Assurance/Compliance** (internal & external)

Collaboration with all stakeholders

Holistic approach (IT – OT – IoT)	Specialized cybersecurity teams (IT and all Businesses (OT)	Global framework, coordination and Threat Intelligence

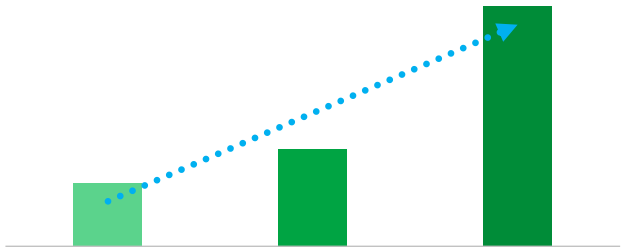
Enabling secure operations, innovation, and digitization

in an increasingly **complex** ecosystem and threat landscape

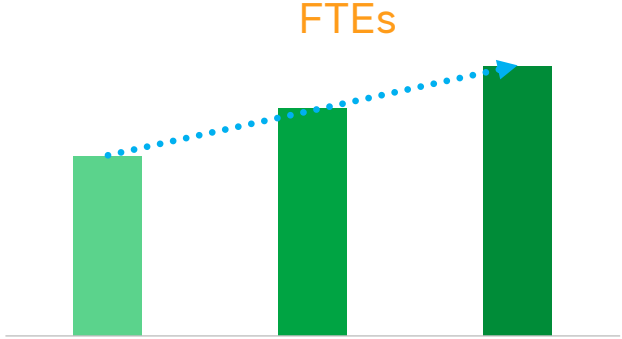
by **embedding** Cybersecurity within Business' decisions and operations

INCREASING BUSINESS COMMITMENT AND DEDICATION OF **RESOURCES**

Budget



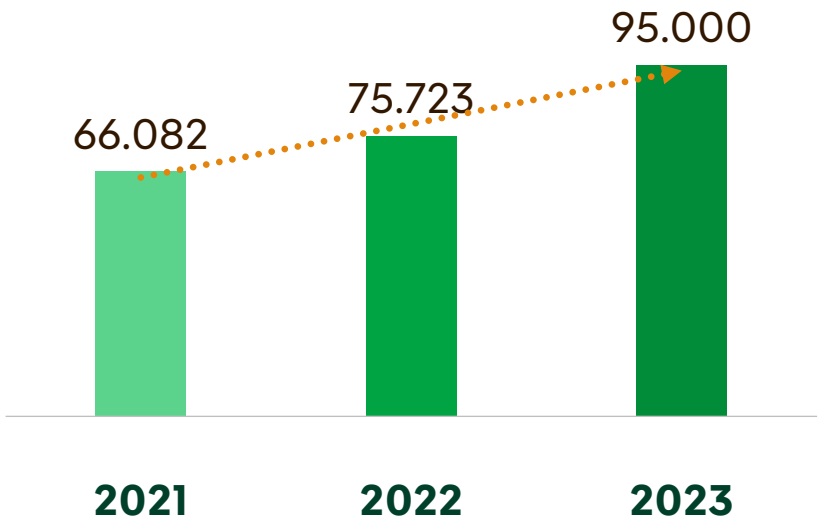
FTEs



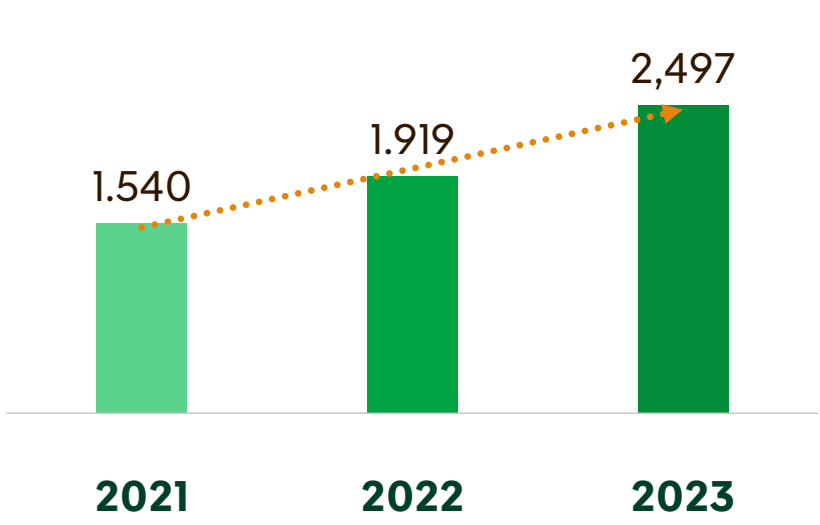
Cybersecurity Key Metrics

Accompanying the company's digitization process and adapting to the evolving threat landscape

Number of Cybersecurity training hours per year



Number of security & vulnerability assessments per year



2025 ESG targets

63,000 hours of cybersecurity training

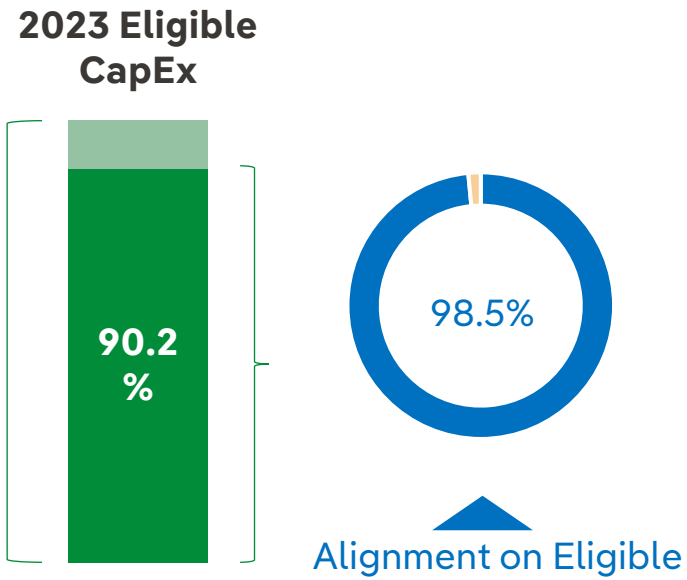
Employee upskilling

2,000 security and vulnerability assessments

Innovation and Digitalisation

Sustainable Finance: Capex Aligned with the European Taxonomy

The **CapEx of the aligned activities with respect to the total of eligible activities represents 98.5%.**
The company considers that the indicator that best represents the degree of sustainability of the group is the degree of CapEx alignment



Sustainable Finance

90% organic CAPEX to be EU taxonomy Aligned

2023	Eligible	Aligned	Aligned over Eligible
CAPEX	90.2%	88.8%	**98.5%**
OPEX	92.2%	73%	**79.2%**
REVENUES	56.3%	40.4%	**71.7%**

Thanks to its growth strategy based on smart grids and electricity generation from renewable sources, activities on which it focuses almost all of its investment

Sustainable Finance

"Green" rating obtained in the "Transition Assessment" by Sustainable Fitch

Sustainable Finance

80% of Total financing to be Sustainable

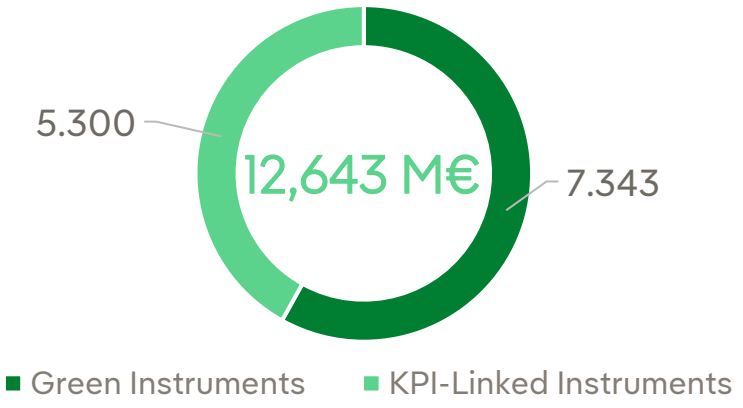
Triple Objective

Align financial strategy with your purpose, values, and investment strategy.

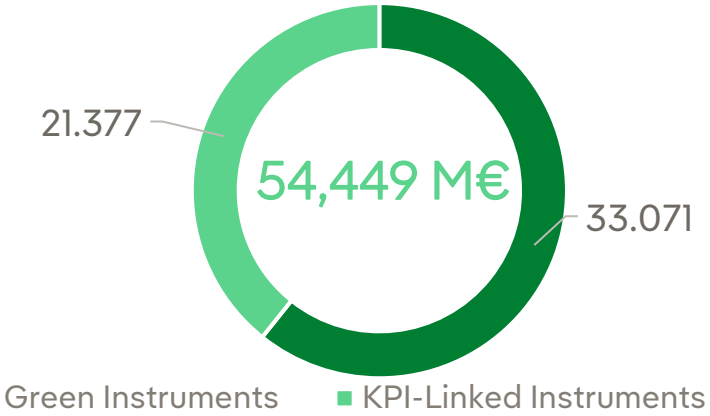
Optimize financial cost.

Diversify financing sources by leveraging sustainability as both an end and a means for achieving financial strength.

Sustainable financing signed by the Iberdrola group in the 2023 financial year



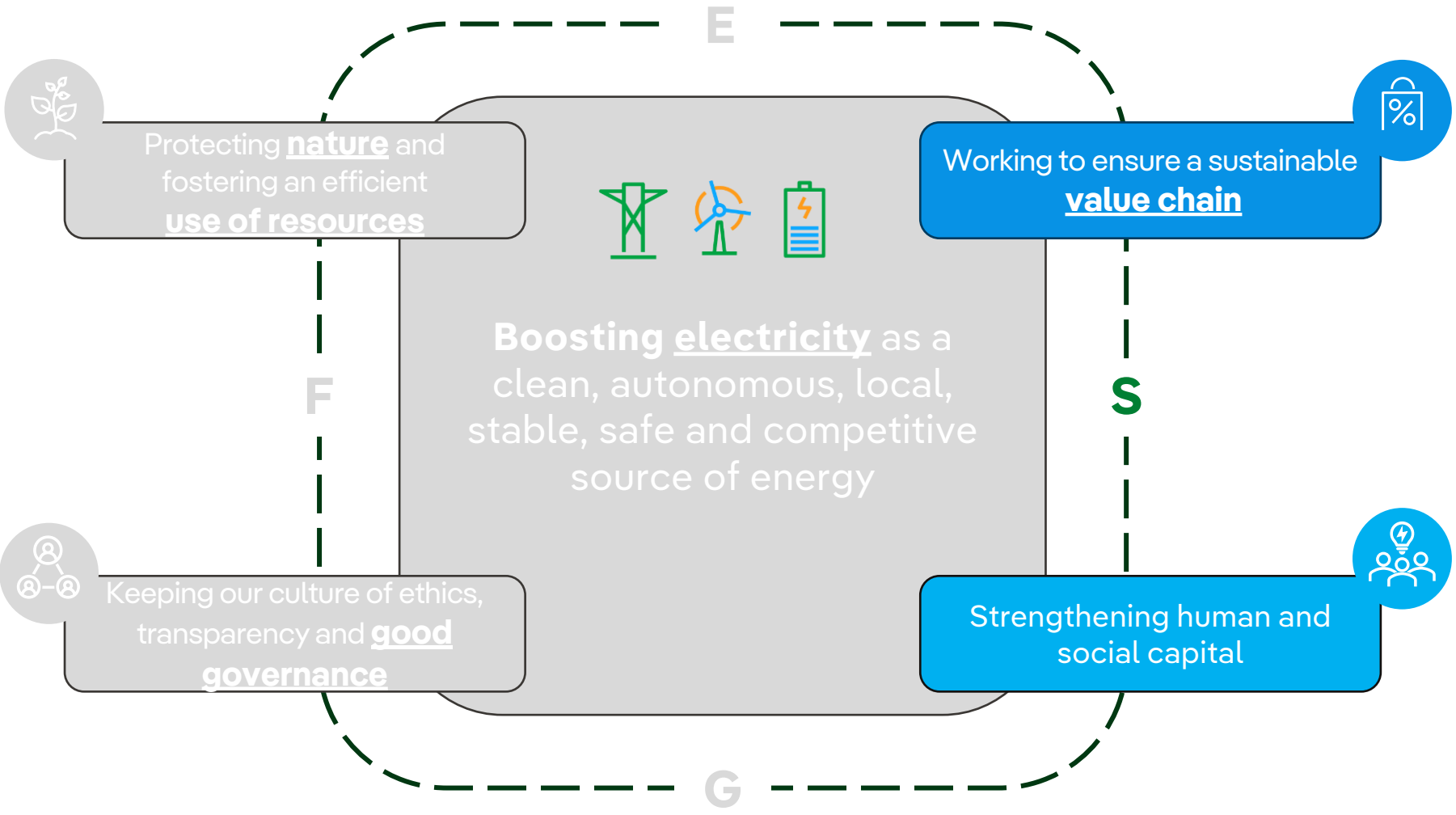
Total sustainable financing portfolio at the end of 2023



In 2023, more than 90% of new financing has been sustainable

Social

Our roadmap in sustainability: Social



- Sustainable Supply Chain
- Customers
- Diversity and Inclusion
- Health & Safety
- Employee Upskilling
- Community Development

Sustainable supply chain: management model

We evaluate the ESG criteria of our suppliers:

E Environmental 40%

- ✓ Existing Policies
- ✓ Management System
- ✓ Greenhouse Gases
- ✓ Biodiversity
- ✓ Climate change
- ✓ Water Management

S Social 30%

- ✓ Human rights
- ✓ Diversity
- ✓ Management Systems
- ✓ Contribution to Society
- ✓ Reporting & Transparency

G Governance 30%

- ✓ Existing Policies
- ✓ ODS
- ✓ Ethics & Compliance
- ✓ Sanctions
- ✓ Stakeholders
- ✓ Supply Chain

In 2023:

- 95% of the total amount awarded has been assigned to suppliers evaluated by the ESG model.
- 99.2% of the total amount awarded corresponds to suppliers at the appropriate ESG level.
- 1,000+ improvement plans sent to Group suppliers in the period 2020-2023 and 64% of them have managed to improve.
- 28 social and sustainability audits conducted in 2023 to main suppliers of the Group globally.

TOTAL purchases allocated to **suppliers** evaluated with our **ESG model** in 2023: **17,121 M€**
95% of total amount awarded in 2023

Procurement and Supplier Management activity report 2023: https://www.iberdrola.com/documents/20125/42418/Iberdrola_Periodic_Purchase_Report_2022-2023.pdf

General Procurement

Main figures

18,000+ M€ year
purchasing in equipment, materials works and services.

88%
purchasing from local suppliers.

19,000+
suppliers.

Iberdrola placed **purchase orders** with almost 20,000 suppliers for a total of **12,584 M€** in 2023

Increase of 9% vs 2022

Volume of purchases billed during the financial year

	2022	2023
	2,711	2,602
	3,360	3,646
	1,334	2,077
	439	362
	2,143	2,160
Rest of the World 	1,546	1,737
TOTAL	11,533	12,584

Purchasing and supplier management

ESG Targets

≥ 85% Purchases from sustainable suppliers by 2026
(% of total purchases)

≥ 85% Percentage of sustainable suppliers by 2026
(% of main suppliers subject to sustainable development policies and standards)

NEW

Sustainable Supply Chain

Sustainable purchasing strategies

First company to obtain the certificate for Sustainable Procurement Strategy

AENOR SUSTAINABLE PROCUREMENT STRATEGY EA ISO 20400

Committed SDG

Challenges

Achieved

- Social and sustainability audits performed to Tier-1 main suppliers ✓
- Celebration of the 2023 Global Supplier of the Year Awards ✓
- Follow up audit for the ISO 20400 Sustainable Procurement Strategy certificate ✓

Ongoing

- Advance in the traceability of the supply chain of our direct suppliers to better assess the risk of non-compliance with ESG standards
- Strengthening the supply chain Due Diligence system in order to mitigate sustainability risks
- Improve the carbon footprint information collection of our suppliers and their descarbonisation commitments
- Develop a new, unified, digital and more efficient global third-party relationship model, providing integration across all Group areas

Just Transition

In supporting the energy transition and the green economy, **Iberdrola supports an orderly, just and inclusive transition,** promoting economic and industrial development, as well as clean, autonomous, local, stable, safe and competitive energy.

Specific ESG targets for main stakeholders:

Employees
Green-skilling program deployment

Customers
Quality of supply, Smart solutions, accessibility solutions...

Supply Chain
>85% of Sustainable suppliers

Local Communities
Human Rights Due Diligence and Stakeholder Engagement model

Maximizing the social and economic opportunities of climate action while managing potential impacts on communities.
Leaving no one behind

Customers

Smart Solutions: Iberdrola has a wide range of products and services that promote efficiency, energy saving and care for the environment

Smart Solar	*Smart Home*	*Smart Mobility*	*Smart Clima*	*Smart Cities*
Distributed generation solution for self-consumption.	Advanced Smart Assistant, which allows all the customer's Smart Solutions to be connected and managed autonomously.	This is Iberdrola's proposal for the electrification of transport.	A set of solutions for energy saving and the decarbonisation of homes, both single-family homes and buildings.	With focus on the decarbonisation of ports stands out with the implementation of an innovative infrastructure that will allow ships to be supplied with renewable energy.

Key Figures 2023

73% Digital customers
% of total commercial customers

~14 Public charging points
Thousands

43 Customer Accessibility Solution
Number of solutions

Quality of supply
8,6% Global SAIDI reduction (vs 2019-21 period avg)

14 Smart solutions in portfolio
Million solutions

21 millions of Smart solutions in 2030

Customers

Diversity and Inclusion Strategy

At Iberdrola, we embed diversity, equity and inclusion into our value chain through cross-cutting initiatives aimed at our workforce and other stakeholders to drive economic growth, social development and generate a more innovative and sustainable energy future for all

Promotion of an inclusive culture based on the **training of leaders**, collective awareness, and **positive communication**.

Managing talent in an inclusive way, we promote **equal** access to **opportunities** and **development** for all.

Influencing the environment to improve people's lives and generate change towards a more sustainable future and a fairer society.

Offer **inclusive services** and **promote access** to energy for vulnerable customers.

Iberdrola's Diversity and Inclusion Report 2023: https://www.iberdrola.com/documents/20125/3643974/diversity-inclusion-report-2023.pdf

Diversity and Inclusion – Committed with women

At Iberdrola, diversity and inclusion is seen as a strategic priority for sustainable growth

Diversity and Inclusion

D&I Goals	2025	2030
% of women on Board of Directors	>40%	>40%
% of women in relevant possitions	30%	35%
% of women in positions of responsibility	35%	36%
External Equal pay certification (EDGE)	√	-

Women in energy sector represent only 16% of the workforce, according to IEA. Iberdrola has already been able to **reach parity in management positions recruitment in 2023.**

+600k Sponsored **female athletes.**

+70% Increase in the number of **women in executive and management** positions in the last 10 years.

Bloomberg Gender-Equality Index 2022

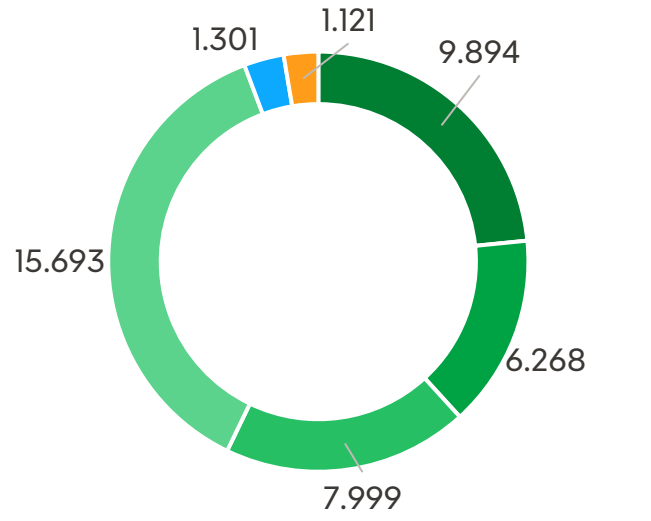
The only Spanish utility **included in all editions of the index**

Diversity and Inclusion – 2023 employees in figures

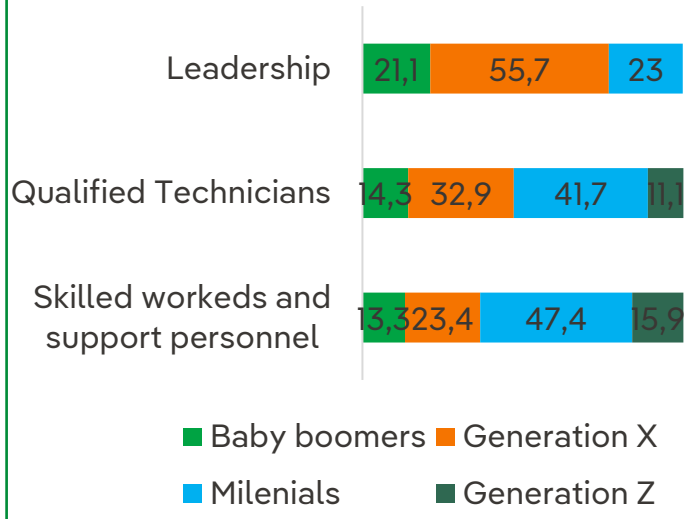
EDGEplus by 2026 (Certification on Diversity and Inclusion)

Diversity and Inclusion

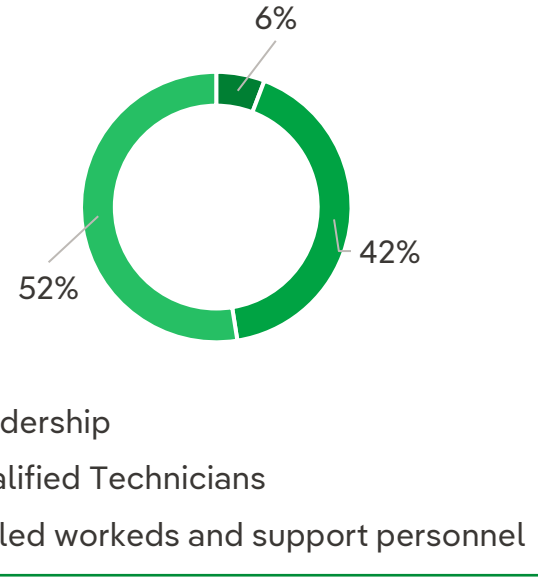
Distribution by country



Distribution by professional category (%) and generation



By professional category (%) in 2023



+700 people with disabilities in the workforce

+27% in the last 3 years

89 nationalities

+24% in the last 3 years

Iberdrola and UNICEF. International alliance

The main objective of this alliance is to promote opportunities for empowerment, education, training and employability of young people in vulnerable situations in Spain and internationally, contributing to generate a more sustainable, resilient and inclusive employment in the green economy.

In **Spain**, with the initiative "**Generation Unlimited España**" promoting training, internships and employment in **green jobs** (electricity, solar PV, heat pumps, electric mobility, logistics) for vulnerable young people. Working in alliance with social entities and Iberdrola suppliers

Working in **Brazil** with "**1 Million opportunities**", training vulnerable young people in green skills in the Brazilian Amazon and the Semi-arid Regions and training public professionals

UPSHIFT: life skills and entrepreneurship for young people in **Somalia**

Promoting training on **climate change** and **sustainability** in formal education (schools and universities)

"With this alliance we are responding to the challenge of generating employment opportunities for vulnerable young people in sectors of the future, such as clean energy"

Executive Chairman, Ignacio Galán

Fully committed with H&S improvement

Not only with our employees, also with providers and community.

120,000 people covered 24/7

More than 500M€ in Health plans for employees/former employees and family members

Green Mind Program

Iberdrola guarantees access to its employees and family to life and accident insurance, health and pension plans, with coverage above the market, with top-level insurers.

Global wellness policies with special relevance to psycho-emotional programs (stress, anxiety, relationships, grief and trauma, addiction, problems in the work environment, etc.) .

Total Employee Turnover

2023	2022
7.35%	9.69%

Employee Upskilling: Green Skilling (Green + re-skilling) Pioneers

At Iberdrola we consider reskilling to be the process by which our people can acquire new skills that increase their contribution of value to the organisation or provide them with professional repositioning within the energy transition process ("green skills")

+3M
hours of training provided

50% devoted to green skilling training hours to keep our staff always up to date

STRATEGIC CAPABILITIES

- ✓ Cybersecurity
- ✓ New Business and Operating Model
- ✓ Data analysis
- ✓ Customer Experience

950 events a year, more than **17,000 participants** in Iberdrola's Innovation and Training Campus

26,552
employees trained in Diversity & Inclusion

+3,500
Employees trained in open programs: reflecting the learning culture

+35%
hours in strategic capacity building

1 M
Hours Spent in H&S, Compliance, Ethics and Strategic Skills

97%
of trained employees. Training accessible to all staff

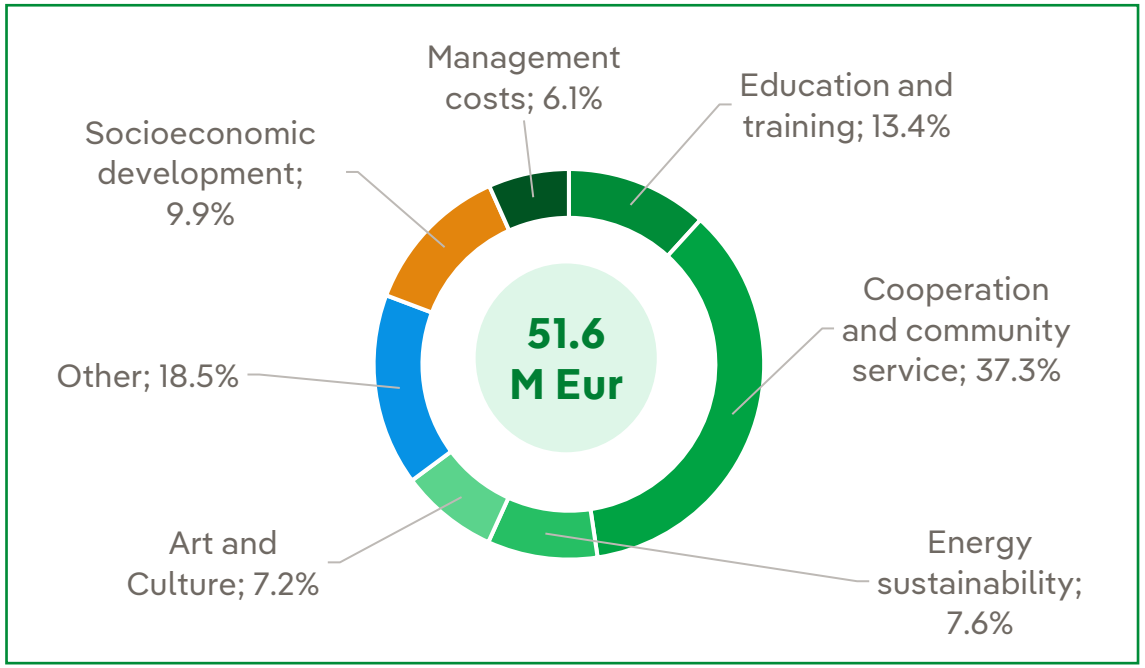
6,000
trained electricians (nearly 1,000 women)

150
Agreements with universities in 10 countries

Community Development: Contribution to the community

Iberdrola has selected the Business for Societal Impact B4SI model to measure and assess business contributions to the community. This standard only recognises projects that involve voluntary contributions for social or environmental protection ends, for non-profit purposes, and that are not restricted to groups related to the company.

Iberdrola's contribution by programmes



PROUD to be a part of BUSINESS FOR SOCIETAL IMPACT CORPORATE CITIZENSHIP 2023

In 2023, the contribution amounts to €51.6 million

Equivalent to 1.1% of 2023 net profits

Iberdrola's community contributions. Assurance Report 2023: https://www.iberdrola.com/documents/20125/3643974/gsm24-assurance-report-2023.pdf

Community Development: foundations of the Iberdrola Group

During the 2023 FY, our foundations allocated approximately 13 M € to support programmes for the communities in which the company operates

Training and research:
- 2.4 M€
- 80 projects
- +50 units and research centers

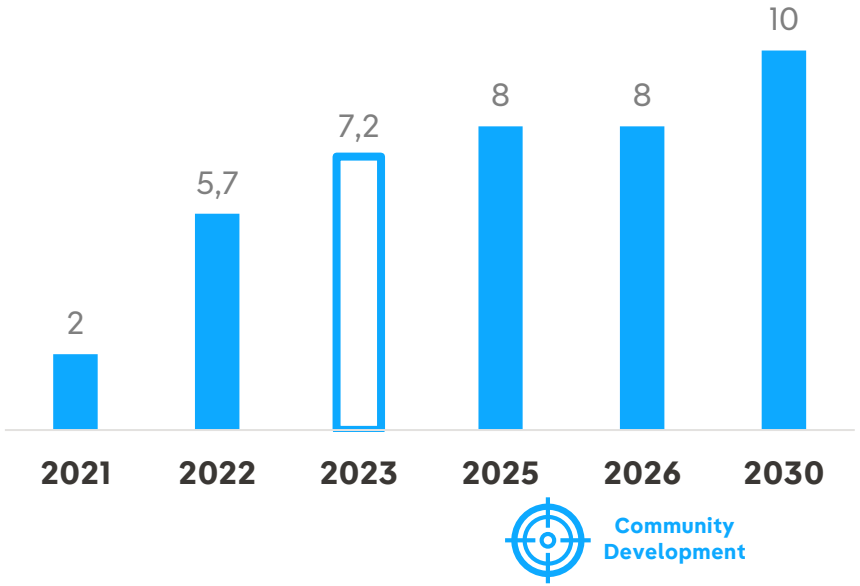
Biodiversity and climate change:
- 1.7 M€
- +40 projects and collaborations

Arts & Culture:
- 2.4 M€
- +40 projects
- +5 million beneficiaries

Social action:
- 6.6 M€
- +100 collaborations
- +180,000 beneficiaries

Beneficiaries of the Foundations' program

Millions of annual beneficiaries



Community Development: Fiscal Contribution - Taxes / Group

Tax contribution of **€9,281** million in 2023, an **increase of 24 %** over the previous financial year

Own taxes charged to the income statement of €4,417 million, representing **44 %** of profit before tax.

More than **€1 million** paid every **hour**

Taxes paid are **twice as high** as the Group's net profit

Iberdrola's tax contribution by countries

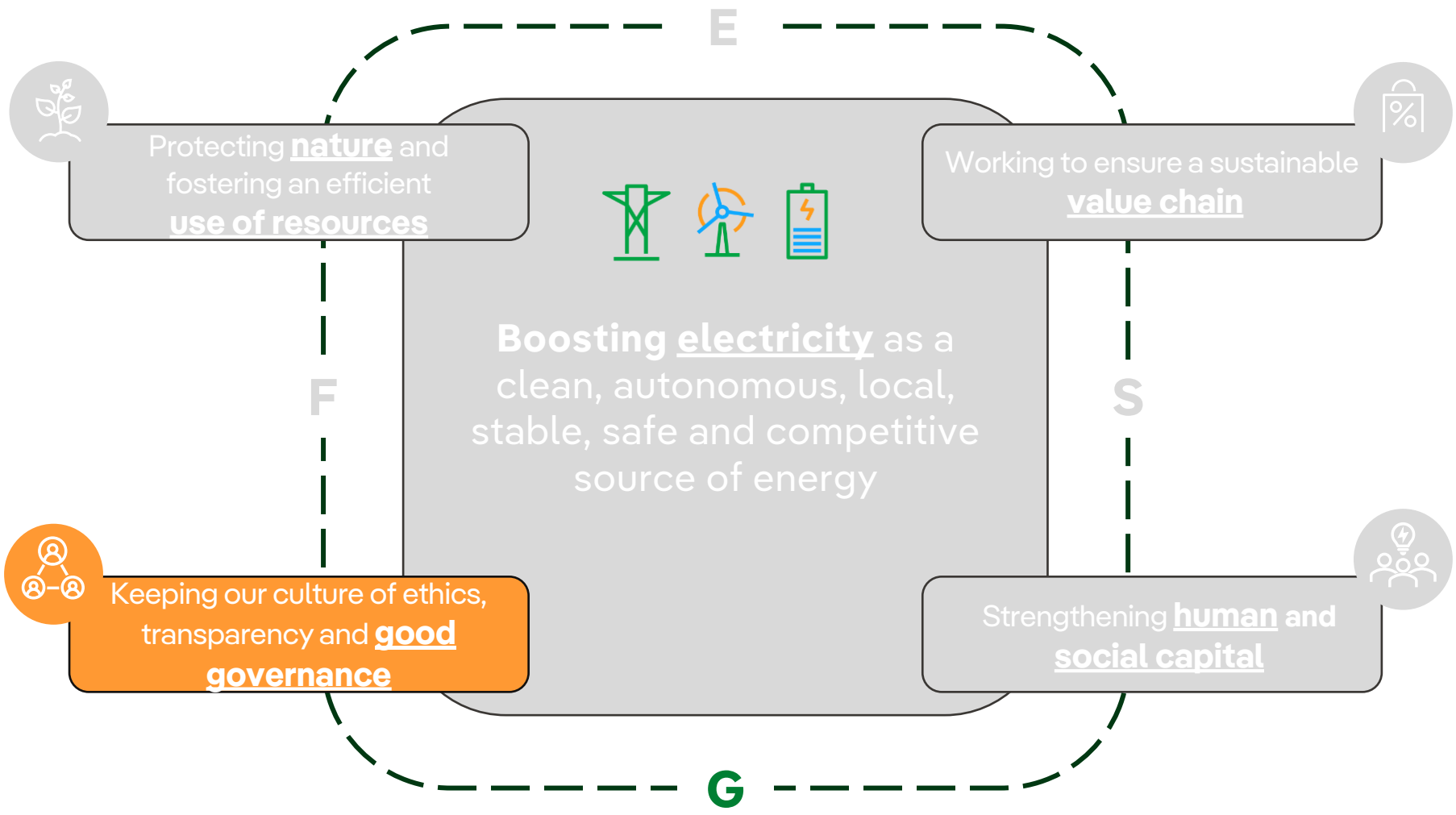
Taxes paid to public treasury (M€)	Company contributions	Contributions due to third-party payments	Total
Spain	2,448	1,034	3,482
United Kingdom	570	549	1,119
United States	889	372	1,261
Brazil	235	2,295	2,530
Mexico	156	154	310
Other countries	119	460	579
Total	**4,417**	**4,864**	**9,281**

In Spain, the tax contribution amounts to €3,500 million. This amount is higher than all the personnel, operational and financial costs of the company in the country.

Report on tax transparency 2023: https://www.iberdrola.com/documents/20125/3643974/report-tax-transparency-iberdrola-group-2023.pdf

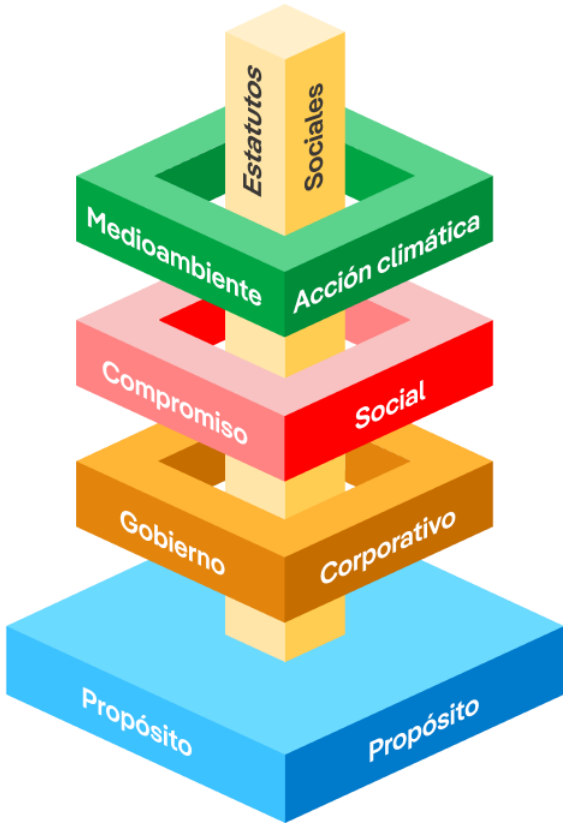
Governance

Our roadmap in sustainability: Governance



- Corporate Governance
- Composition of the Board of Directors
- Compliance
- Human Rights
- Stakeholders Engagement

Corporate Governance: A Comprehensive and Cutting-Edge ESG Regulatory Suite



The Company develops its **strategy** in accordance with a **purpose** and certain **values** to which all of the entities and persons forming part of the group are committed, the common denominator of which is the **sustainable creation of value**, the search for a **social dividend**, and **leadership** in the **performance** of all of its activities.

The Governance and Sustainability System is the Company's internal system of rules. It configures Iberdrola as an integral company that enriches its purely corporate dimension with plural (economic, social, environmental and governance) business activities.

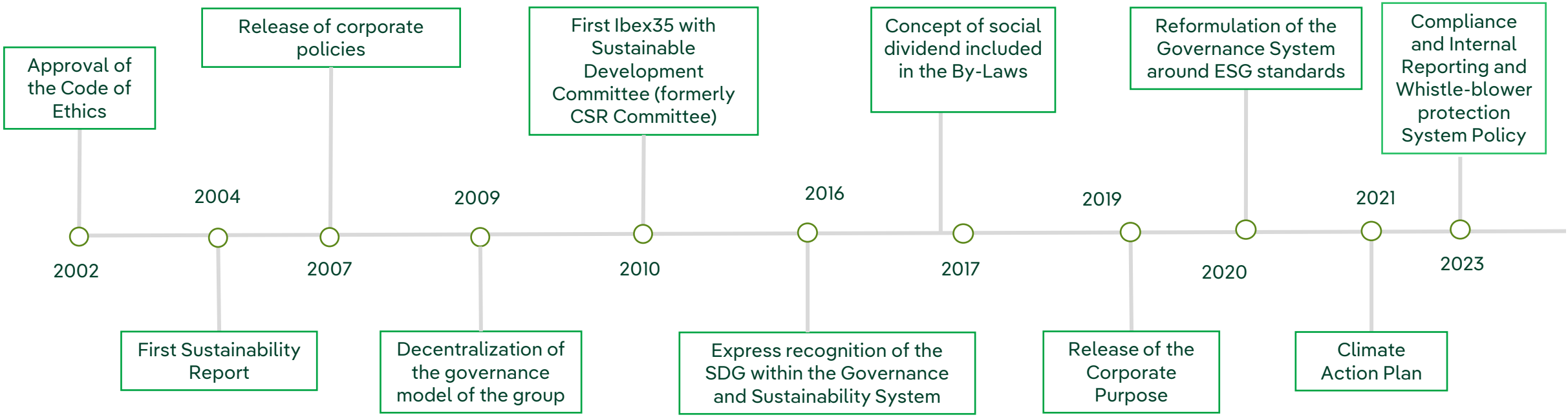
Corporate Governance

✓ **Maintain best practices**

Governance and Sustainability System: https://www.iberdrola.com/documents/20125/41908/governance_sustainability_system.pdf

Corporate Governance: continuous improvement

Continuous evolution and improvement to fit the strategic context, applicable law and best practices



Compliance

✓ **Compliance system**
obtain/maintain (yearly)

Based on our engagement with shareholders and other stakeholders, our internal rules and practices are in a **continuous evolution positioning the Company at the forefront**

Compliance System Transparency Report 2023: https://www.iberdrola.com/documents/20125/41851/compliance-system-transparency-report-2023.pdf

Board Composition & Attendance

Key Features

Board of Directors:
14 Members

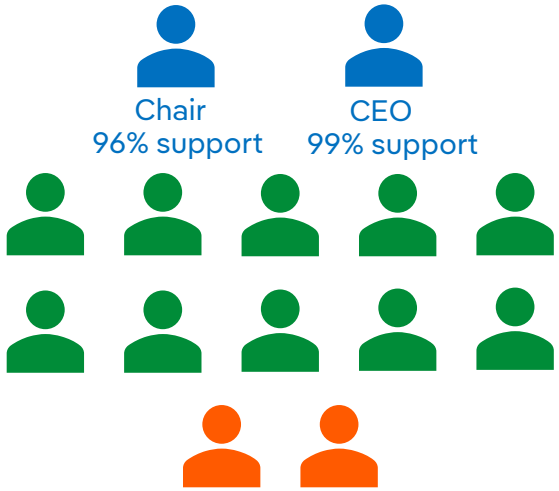
Executive Committee:
6 Members
(4 independent,
2 external)

Executive Chairman

CEO

Lead Independent Director and 2 Independent Vice Chairmen

Types of Directors



Executives Independents Other Externals

Consultative Committees

Audit and Risk Supervision Committee
Independent Chair

Sustainable Development Committee
Independent Chair

Remuneration Committee
Independent Chair

Appointments Committee
Independent Chair

All members of the Executive Committee and Consultative Committees attended to meetings: 98%* in 2023.

*Not reaching 100% of attended is the result of the proven impossibility to attend by 1 of its members, due to force majeure, 2 sessions held on 2 consecutive days and in respect of which they delegated their representation in favor of another Director with specific voting instructions.

Annual Corporate Governance report 2023: https://www.iberdrola.com/documents/20125/42388/IB_Corporate_Governance_Report.pdf

Checks and Balances

A mature, effective and customed made check and balance mechanism: Differentiation between the duties of strategy and supervision and those of guidance and management.

Board Structure
Strong Independent Oversight

- **Split between oversight and management**: 10 independent NEDs, 2 non-independent NEDs, 2 executives
- **71% independence:** 86% of NEDs are independent. Majority of independent directors in every key Committee.
- **Relevant experience and skills** to ensure that the Board contributes to Iberdrola's strategic direction and ability to challenge management
- **Diversity** in gender (43% women) and 6 different nationalities.
- **Balance between experience and refreshment** (53% of directors in office between 0 - 5 years) .
- **Director term**: 4 years.
- **No more than 3 listed companies** in which the office of director can be discharged.

Lead Independent Director
With Strong Powers

- Chair the Board meetings in absence of the Chairman and Chair of the Remuneration Committee.
- Coordination of NEDs
- Lead the Chairman's performance evaluation and succession
- Call a Board meeting
- Preparation of the Board agenda and request the inclusion of new matters
- Engage with shareholders

Executive Chair/CEO
Separate Responsibilities

Executive Chair

- Responsible for Corporate Strategy, Financing, Control Aspects, Investors Relations, ESG, Stakeholder Relations, and Corporate Development.
- Responsible for effective and efficient functioning of the Board.
- All duties not expressly assigned by the Board of Directors to the CEO.

CEO

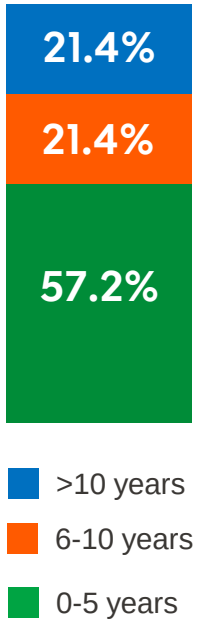
- Responsible for the day-to-day management of all the businesses of the Group companies.
- He is reported to by Group's global business CEOs.
- Responsible for Human Resources organization and Corporate Security
- Responsible for Procurements area (Eur 18 Bn expenditure in 2023)

Group Governance Structure
Decentralized

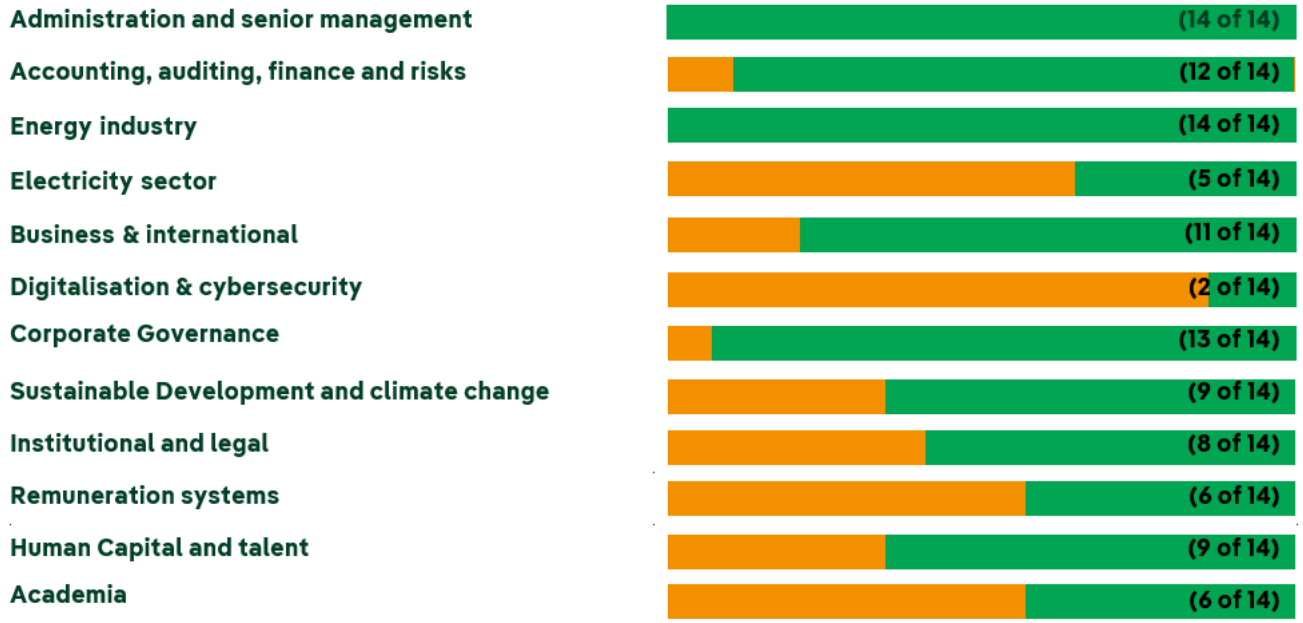
- IBERDROLA, S.A., as holding company, is focused on strategy, policies, oversight and governance, not involved in business operation.
- The countries sub-holding companies help with the strategic supervision, organisation and coordination
- Management allocated in different Head of Business Companies.
- Sub-holding and Head of Business Companies organised through boards of directors (with CEOs and external directors), audit committees, internal audit areas, and compliance units or divisions.

Board Seniority, Skills & Diversity

Board Seniority



Board Skills Matrix

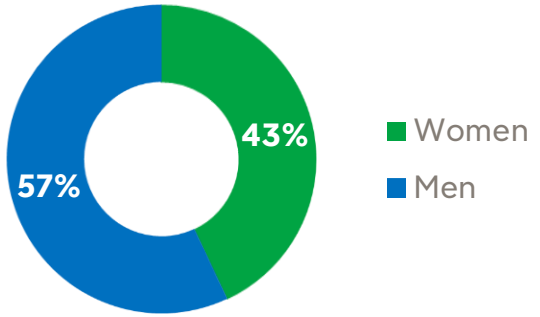


Composition of the Board of Directors

- ✓ Independent directors
- ✓ Gender Balance
- ✓ Diversity

Nationalities

Gender Diversity



Activities Report of the Board of Directors and of the committees thereof 2023: https://www.iberdrola.com/documents/20125/42388/ActivitiesReportBoardDirectors.pdf

2024 Annual Variable Remuneration Framework

Challenging and Strategically Relevant Targets for Executive Chairman and CEO

Executive Chairman - 2024 Annual Bonus	
Conditions	**Weighting**
Financial Objectives	**70%**
Net Profit	30%
Shareholder Remuneration	20%
FFO/Net Debt	20%
SDG Objectives	**30%**
Diversity and Inclusion	7.5%
ESG Rating & Benchmark inclusion	15%
Cybersecurity	7.5%
Targets and Achievements to be disclosed retrospectively	

CEO - 2024 Annual Bonus	
Conditions	**Weighting**
Financial Objectives	**60%**
Net Profit	40%
FFO/Net Debt	20%
Growth Objectives	**30%**
Projects Profitable Growth	15%
Liberalised and Regulation	15%
SDG Objectives	**10%**
Diversity and Inclusion	5%
Safety, Health & Wellbeing	5%
Targets and Achievements to be disclosed retrospectively	

Annual report on remuneration of directors and officers 2023: https://www.iberdrola.com/documents/20125/3643974/gsm24-annual-director-remuneration-report-2023.pdf

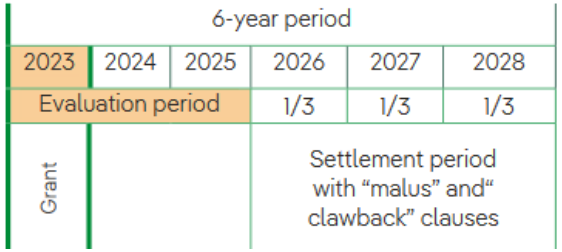
Long-Term Incentive Plan (2023-2025)

Targets Aligned with Iberdrola's Strategy

Strategic Bonus (2023-2025)			
Conditions	**Weighting**	**Threshold**	**Maximum**
Economic Objectives	**50%**		
Consolidated Net Profit	30%	EUR 5,000 M	EUR 5,400 M
Relative TSR	20%	-5pp EuroSTOXX Utilities Index	+5pp EuroSTOXX Utilities Index
Financial Objectives	**20%**		
Maintain Financial Strength	15%	Maintain credit ratings at YE 2025 at two Agencies < BBB+ or Baa1	Maintain credit ratings at YE 2025 at two Agencies BBB+ or Baa1
ESG Financing (NEW)	5%	ESG financing at least 80 % of total new financing issued by the Group	ESG financing at or more 80 % of total new financing issued by the Group
SDG Objectives	**30%**		
Reduction of CO2 Emissions	10%	>88 gr CO2/kWh	≤ 70 gr CO2 kWh
Number of Suppliers Subject to Sustainable Development Policies and Standards	10%	<80%	≥ 85%
% of Women in Relevant Positions	10%	<26 %	≥ 30%

DURATION

2023-2025 Strategic Bonus (during evaluation period)



Human Rights

Iberdrola **has a firm commitment to the defense of human rights**. In **2015**, the Board of Directors **approved the Human Rights Policy*** which is mandatory for all companies and professionals in the group. The policy foresees a set of tools, aligned with the main international standards, that ensure and promote the protection of and respect for people, in order to **prevent, mitigate and repair any negative impacts** in this area.

Iberdrola commitments

To **respect the human and labor rights** even in countries in which the legislation on human rights has not been adequately developed.

To **reject child labor exploitation, forced labor or any other form of modern slavery,** and respect freedom of association and collective bargaining, as well as nondiscrimination, the right to move freely within each country and ethnic minorities and Indigenous Peoples rights.

To **respect the right to a clean, healthy and sustainable environment** of all the communities in which it operates.

To understand **access to energy as a right related to other human rights**, **working with** public institutions in the implementation of protection systems for vulnerable customers and in plans to extend service to communities that lack access to energy.

To promote a culture of respect for human rights: Transmitting to **all stakeholders**, including own employees, suppliers, affected communities and partners, the importance of respecting human and labor rights and requesting the same level of commitment.

* Such as: Principles on which the UN Global Compact is based; United Nation Guiding Principles on Business and Human Rights (UNGPs); OECD Guidelines for Multinational Enterprises; Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy of the International Labour Organization; International Labour Organization (ILO) Conventions (including Convention 169 on Indigenous and Tribal Peoples) and Sustainable Development Goals (SDGs). Further information: https://www.iberdrola.com/social-commitment/human-rights

Human Rights: A Human Rights Due Diligence System

The **Comprehensive Human Rights Due Diligence System** is based on the **Governance and Sustainability System** and the **Control Model based on the three lines of defence** (prevention, monitoring and evaluation of human rights management).

Iberdrola Group's Human Rights Regulatory Framework

The regulatory framework is secured through:

- International Human Rights Framework
- Governance and Sustainability Framework
- Regulatory Framework for Sustainable Development

The Governance and Sustainability Model	Integration of due diligence systems from a human rights perspective	The 3 Lines of Defense Control Model

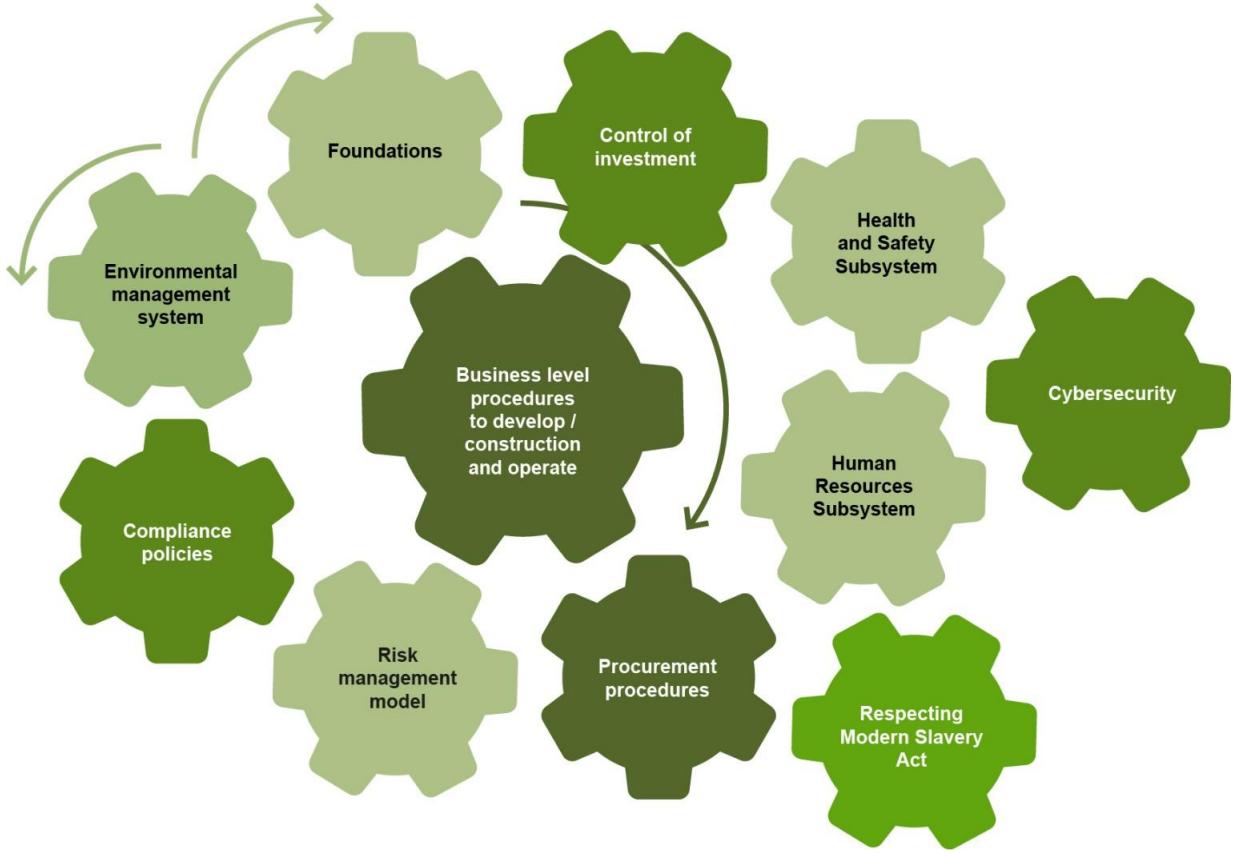
Human Rights

✓ **Continuous revision of the DD System**

Human Rights: A Human Rights Due Diligence System

Iberdrola´s Human Rights Due Diligence System is based on the Governance and Sustainability System and on the three lines of defence Controlling Model: prevention, monitoring and evaluation of human rights management.

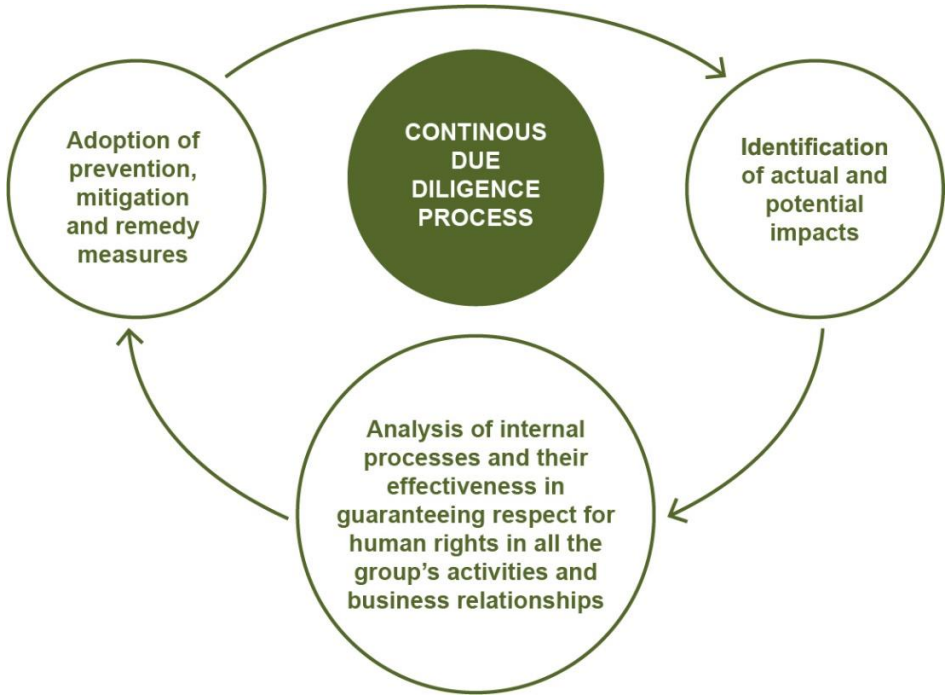
- As a result of the adoption of a **broad definition of human rights**, the due diligence system is based on **various subsystems and procedures**:
  - Compliance
  - Health and Safety
  - Purchases
  - Cybersecurity
  - ...
- Some of these subsystems operate **according to external recognized** frameworks such as: ISO 14001 (Environment), ISO 45001 (Health and Safety), ISO 20400 (Procurement), ISO 37001 and ISO 19601 (Compliance),...



Further information: https://www.iberdrola.com/social-commitment/human-rights

Human Rights: Iberdrola Group's Human Rights Management Model

In accordance with UNGP 15 and UNGP 17, Iberdrola understands **the Human Rights Due Diligence System** as a **continuous process** aimed at identifying and managing the risks and impacts associated with the development of its operations in all phases (planning, construction, operation, maintenance and closure of facilities) taking into account the geographical framework and the characteristics of the supply chain.



Areas of potential impact and rights-holding Stakeholders

Rights holders	Areas of personal impact
Iberdrola's People and supply chain workers	Working conditions Occupational safety and health Trade union freedom Forced labour and modern forms of slavery (migrant workers) Child labour Equality and discrimination Privacy
Customers/users	Universal access
Local communities	Adequate standard of living Land and property Public safety Rights of indigenous peoples Environmental impact

Stakeholders

Iberdrola develops a responsible, sustainable and resilient business model, that puts stakeholders at the heart of its decisions

Iberdrola considers six priority stakeholders:

- Iberdrola's people
- Shareholders and financial community
- Customers
- Supply chain
- Communities
- Environment

2023 Interactions

63 Subgroups of interest	3,489 Entities	1.307 Chanels
1,907 Relevant Matters	981 Risks	605 Reputational risks
1,109 Opportunities	2.665 Action plans	154 Good practices

For this reason, the company's objective is to build relationships of trust with the different stakeholders, as well as deepening their participation, involvement and collaboration as they influence the company and are affected by Iberdrola's activities

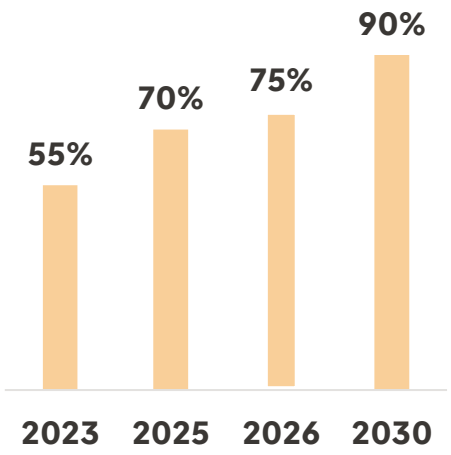
Stakeholder engagement model ensuring a process of continual improvement

This process is implemented in the management of Iberdrola's six Stakeholders, in the five reference countries and in most of the facilities in which it carries out its activity

1	2	3	4	5	6	7	8	9	10
IDENTIFY the stakeholders	**SEGMENT** segment stakeholder categories into subcategories	**PRIORITISE** stakeholder subcategories	**DEFINE** levels of engagement	**REVIEW** channels for engagement	**DESIGN** engagement model	**IDENTIFY** relevant issues	**IDENTIFY** risks and opportunities	**DESIGN** Action Plan	**MONITOR** and Report
Defined by Board of Directors	Based on daily management criteria	According to impact and influence on value creation	Information, consultation, interaction or collaboration	Evaluate existing channels and create new ones	The best suited to each stakeholder subcategory	For both Iberdrola and the stakeholder subcategory	That help create value for Iberdrola and its stakeholders	Initiatives in relation to the engagement model and relevant issues	To analyse outcomes and report on performance
Stakeholder map			**Engagement Model**			**List of relevant issues, risks and opportunities**		**Action Plan**	

Stakeholder engagement

Iberdrola has an ambitious goal to extend the relationship model with its Stakeholders to 90% of installations by 2030



Public affairs

Participating in the public life of the communities in which Iberdrola has a presence and conveying its positions to the Stakeholders are **objectives of Iberdrola's public activities**.

In line with its strategy, Iberdrola promotes the approval of objectives and frameworks for climate policies in line with the Paris Agreement from an ambitious perspective that creates value for society as a whole.

Participation in national and international associations

Alignment with Paris Agreement, the promotion of energy transition and the defence of Human rights.

•**Consistency**: with the Corporate Purpose and Values, among which the energy transition and the fight against climate change are of paramount importance.

The group carries out an **annual analysis of the degree of alignment** of organizations Iberdrola participates, with the company's Statement of commitment to sustainable development, respect for and defence of Human Rights and the fight against climate change.

The Group has developed a **specific framework for managing possible episodes of misalignment** when the activities of the associations in which it participates disagree with company's positioning.

Engagement with public bodies

Legitimate defense of Iberdrola and its stakeholders' interests.

Iberdrola's participation in **public consultation processes** stating its positions in defense of decarbonisation and the energy transition.

Maintaining regular **contacts with public bodies**.

Financial contributions to political parties: Iberdrola is a **politically neutral company**. In 2023, none of the group companies, with the exception of those in the United Kingdom, the United States and Australia, made financial contributions to political parties.

Further information: https://www.iberdrola.com/about-us/stakeholders/public-affairs

Public affairs

Iberdrola participates, both at global and countries level, in entities and associations **defending its business interests and those of its main Stakeholders.**

OUR STATEMENT:

The Iberdrola Group is firmly committed to sustainable development, respect for and defence of Human Rights and the fight against climate change.

Iberdrola is a project of responsible social and economic transformation in the long term, which puts people and the preservation of the planet at the center of its decisions, and which works for a more prosperous, fair and sustainable society. In this sense, Iberdrola is committed to the Sustainable Development Goals, Human Rights and the Environment.

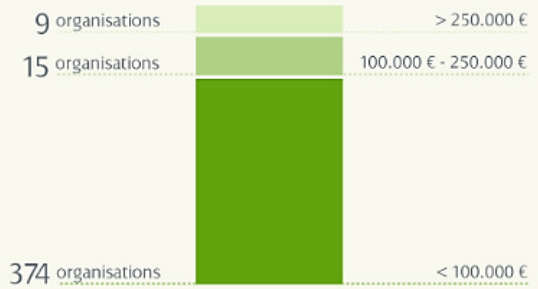
We lead the way towards a zero-emission future, and work to achieve carbon neutrality by scopes 1 and 2 by 2030 and net zero emissions by 2040 for all scopes including scope 3 (expressed in CO2eq.). Iberdrola's long-term strategy is fully aligned with the most ambitious scenarios of the Paris Agreement.

To achieve our emission reduction goals, we will continue to promote and lead a business model aligned with a decarbonized future, driving investments, innovation in new technologies, while creating value for all stakeholders while respecting the principles of the just energy transition.

We advocate and promote collaboration between governments, institutions and organizations to accelerate the energy transition and the decarbonisation of the economy."

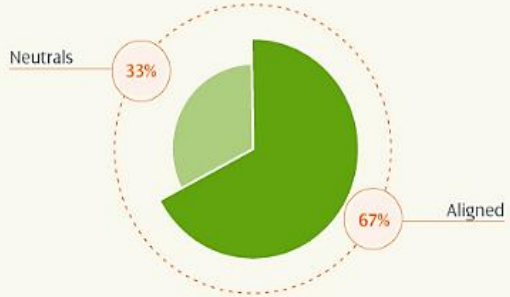
Number of organisations

according to the economic contribution made by the companies of the Iberdrola group in 2022 (€)



National and international partnerships

Alignment with Iberdrola's Statement regarding the Paris Agreement and the energy transition



Further information: https://www.iberdrola.com/about-us/stakeholders/public-affairs

Indexes

MEMBER OF Dow Jones Sustainability Indices In Collaboration with RobecoSAM	Included in all 24 editions	CDP DRIVING SUSTAINABLE ECONOMIES	A
MSCI	AAA Only 10% utilities with AAA	CDP DISCLOSURE INSIGHT ACTION A LIST 2023 CLIMATE	Iberdrola Included
FTSE4Good	Percentile Rank: 100	Corporate ESG Performance Prime RATED BY ISS ESG	Iberdrola classified as Prime
SUSTAINALYTICS	64 out of 678 Electric Utilities Rank	Bloomberg Gender-Equality Index 2023	Only Spanish electrical utility included in all editions
Sustainability Yearbook 2023 S&P Global	Top 5 % S&P Global ESG Score	EURONEXT	Iberdrola selected in Euronext Vigeo indices: World 120, Europe 120 and Eurozone 100 ESG

Annex

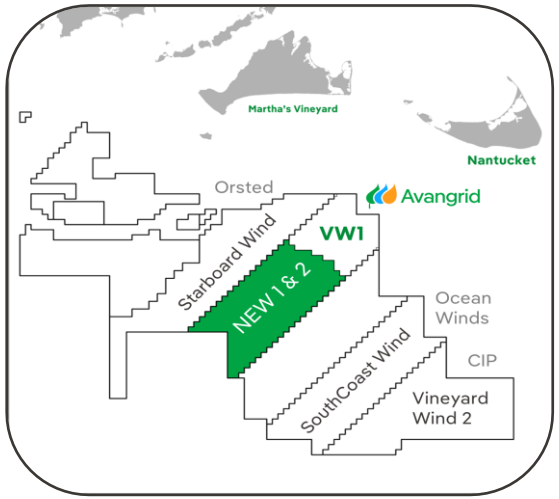
Annex: Offshore

New England Wind 1 & 2

Avangrid submitted multiple proposals for New England Wind 1 & 2 projects to Massachusetts-Connecticut-Rhode Island solicitation for offshore wind power. Both projects with COP(1) approved as of July 2024

New England Wind 1 (NEW 1); 791 MW

New England Wind 1 & 2; 1,870 MW (791 MW NEW 1 & 1,080 MW NEW 2), (NEW 2 not offered as a stand-alone project)



Competitive Advantages for NEW 1:

- Federal permitting completed for NEW 1 and NEW 2:
  - Received Record of Decision for NEW 1 and NEW 2 on April 2024
  - Construction and Operations Plan approved at beginning July 2024
- Agreements for NEW 1 fully executed (Interconnection, Host Community and Project Labor)
- Advanced supply chain negotiations for NEW 1 (60% signed and 40% binding offer)
- More timely and cost-effective technology than competitors (alternating current interconnection)

Timeline

March '24	August '24	November '24	2Q '25
BID Submission & Fee Deadline ✓	Award Announcement	PPA Execution	PPA Regulatory Approval

(1) COP refers to Construction and Operations Plan

Note: terminated original contracts with CT & MA in 2023 & 2022. PCW termination of $11.8M after-tax in 3Q 2023 and CWW termination included payment of $35.6M after-tax $17.8M after-tax in 3Q 2023; remainder incurred in 2022. All termination payments were excluded from adjusted earnings.

Annex: Partnerships & Asset rotation

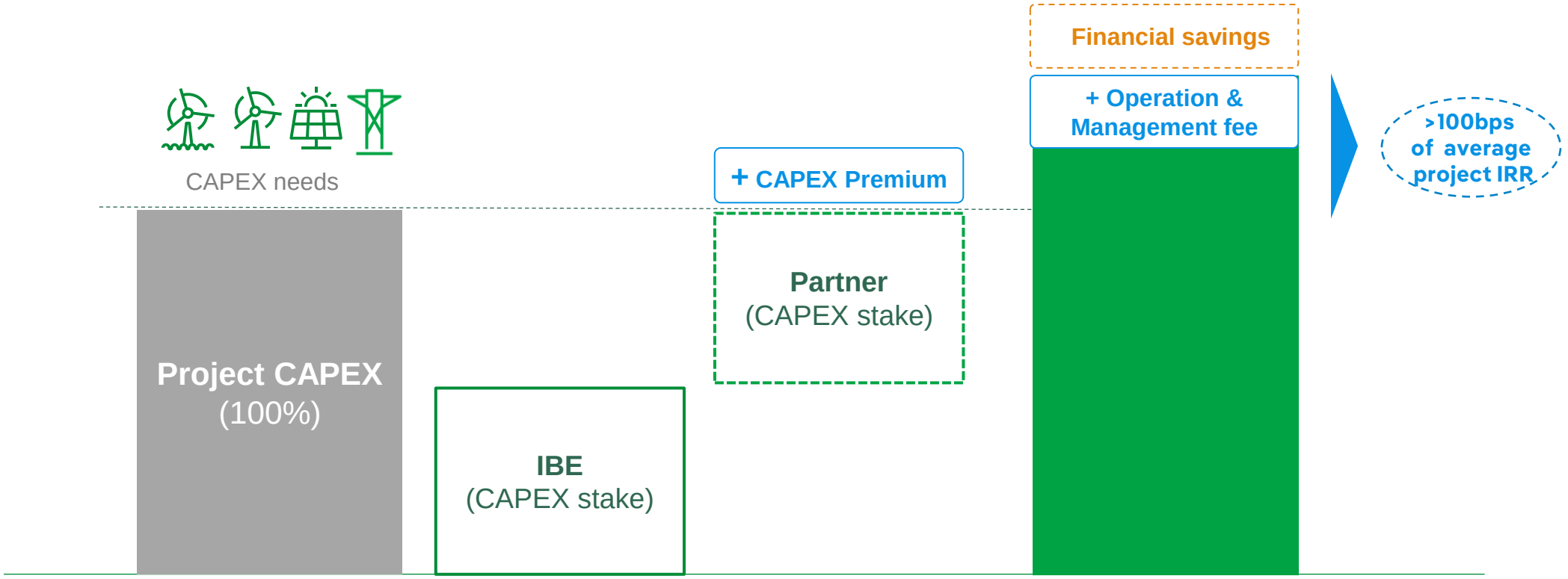
Partnership model that attracts Tier 1 investors allowing us to raise equity with lower dilution than issuing in the capital markets

✓ **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

Annex: Partnerships & Asset rotation

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

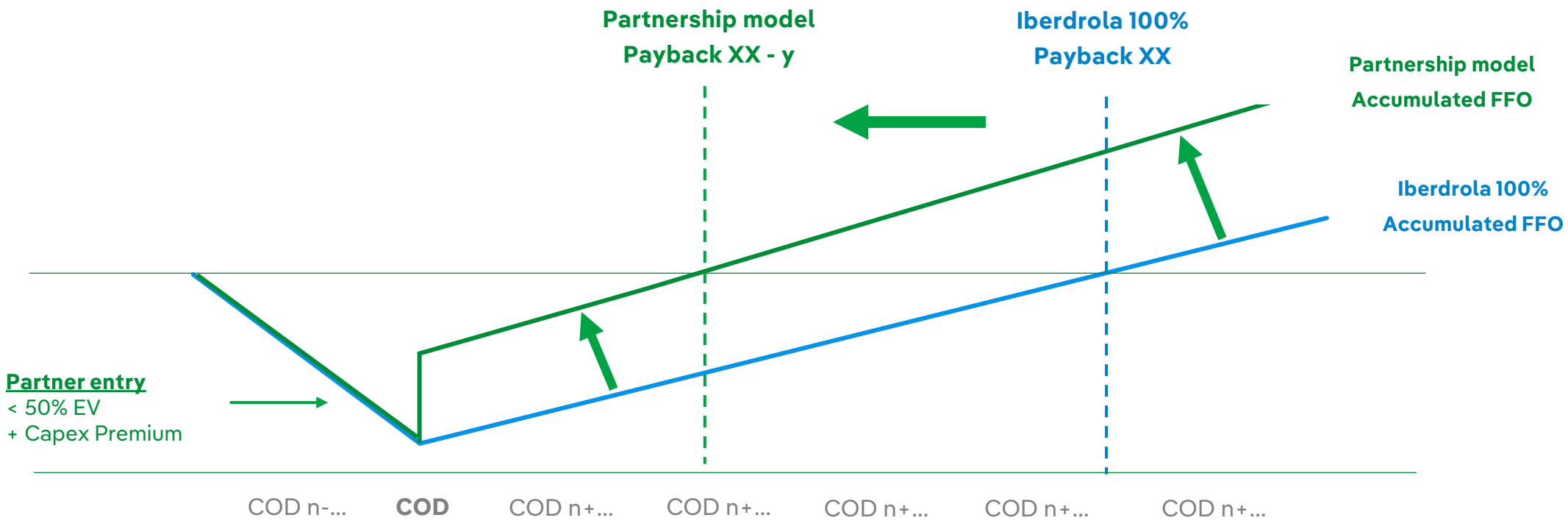


...that reinforce the economics and management of the assets in the long term

Annex: Partnerships & Asset rotation

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

Annex: Partnerships & Asset rotation

Portfolio of solid Tier 1 global partners provides additional opportunities…

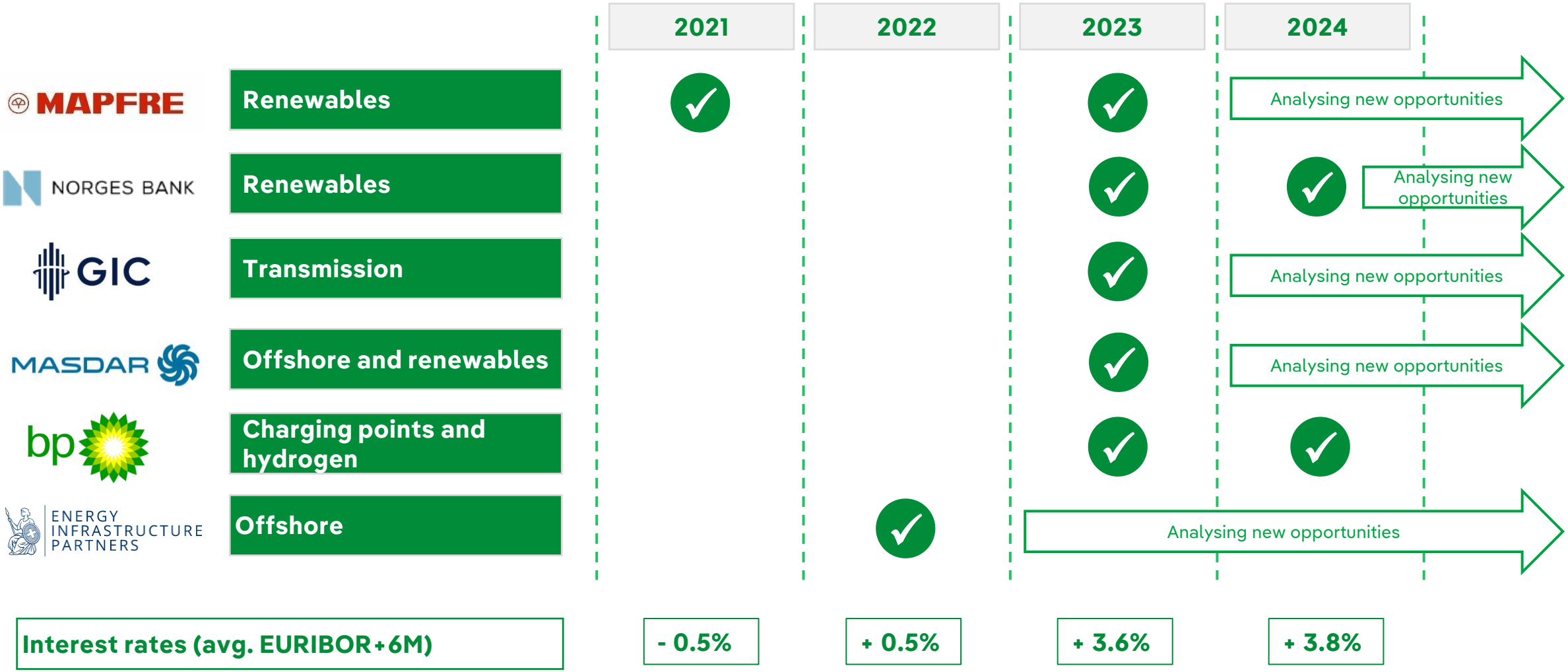
Financial investors
Main investment and infrastructure funds in the world.
Most of them not subject to financing (equity investment)

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

Annex: Partnerships & Asset rotation

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



Annex: Partnerships & Asset rotation

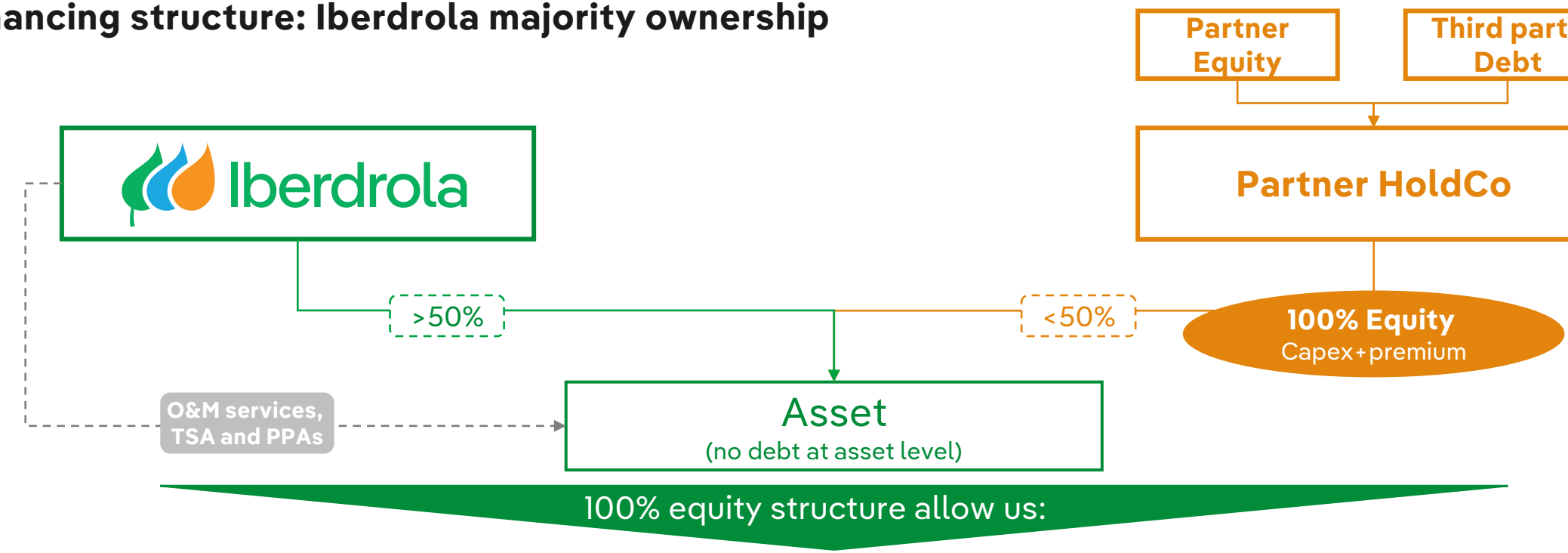
Iberdrola has signed a wide variety of partnerships with, different partners, in different countries and for different technologies, due to an attractive business mix…

	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

Annex: Partnerships & Asset rotation

Financing structure: Iberdrola majority ownership



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

Annex: Partnerships & Asset rotation

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

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This document does not constitute an offer or invitation to purchase or subscribe shares, in accordance with the provisions 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 and its implementing regulations.

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FORWARD-LOOKING STATEMENTS

This document 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. shares 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 documents sent by Iberdrola, S.A. to the Spanish Comisión Nacional del Mercado de Valores, which are accessible to the public.

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ALTERNATIVE PERFORMANCE MEASURES

This document 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 International Financial Reporting Standards (“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 document have not been audited. Please refer to this document 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.

ESG

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.