Factbook 2026

Investor Relations

June 2026

Content

Iberdrola Group: 2025, a pivotal year

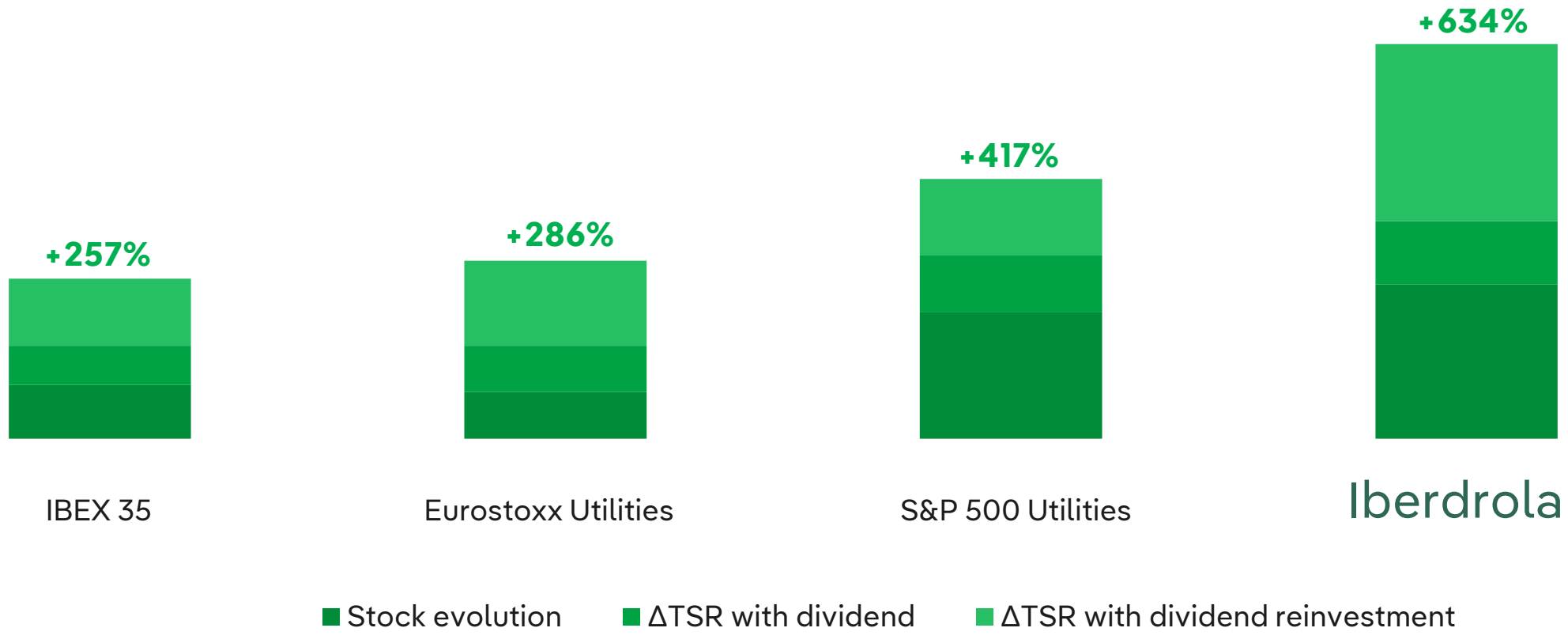
We accelerated network growth with a strong focus on the United States and the United Kingdom

		2001		2025
Total Assets	M Eur	20,000	x8	161,000
Regulated Asset Base	M Eur	5,000	x10	51,000
Installed Capacity	MW	16,000	x4	60,000
Storage	GWh	3,000	x4	10,200
% of international business	%	<1	x70	~70
Market capitalization	M Eur	12,000	x11	~125,000(1)
Km of lines	Km	214,000	x7	>1,400,000
R&D investment (annual)	M Eur	12	x40	425

(1) As of December 2025
Note: rounded figures

Iberdrola Group: Total Shareholder Return

Iberdrola Total Shareholder Return[(1)] over the last 15 years is above 630%...

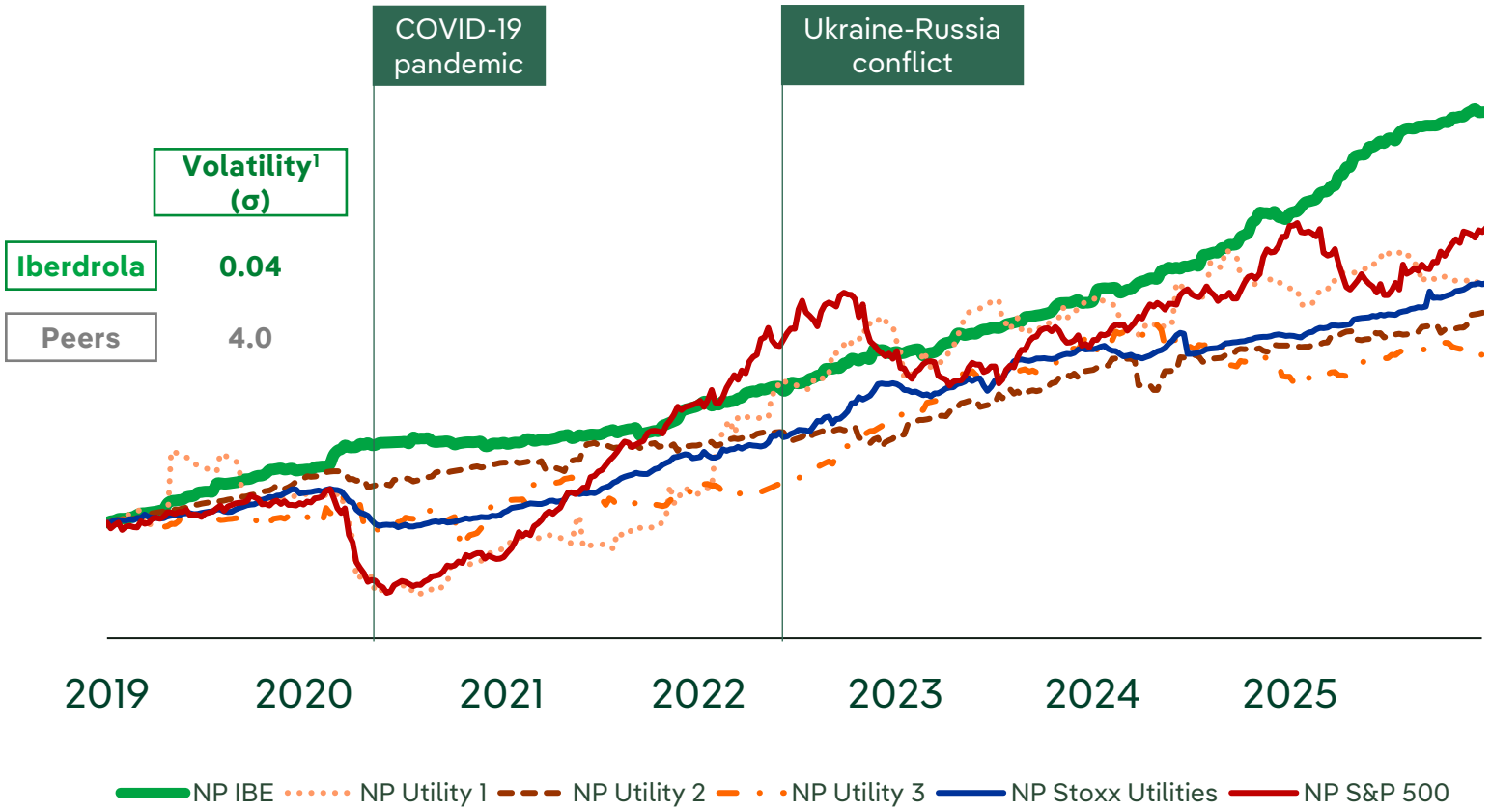


... based on higher growth than peers

(1) Total Shareholder Return, including dividend reinvestment for the period between December 2010 and February 2026

Iberdrola Group: Earnings growth and shareholder's return

Shareholder remuneration aligned with Net Profit (and EPS) growth



	Net Profit CAGR	EPS CAGR	DPS CAGR
5y	12%	11%	10%
10y	9%	9%	9%

Iberdrola Total Shareholder Return[(2)] over the last 25 years is above 1,850%

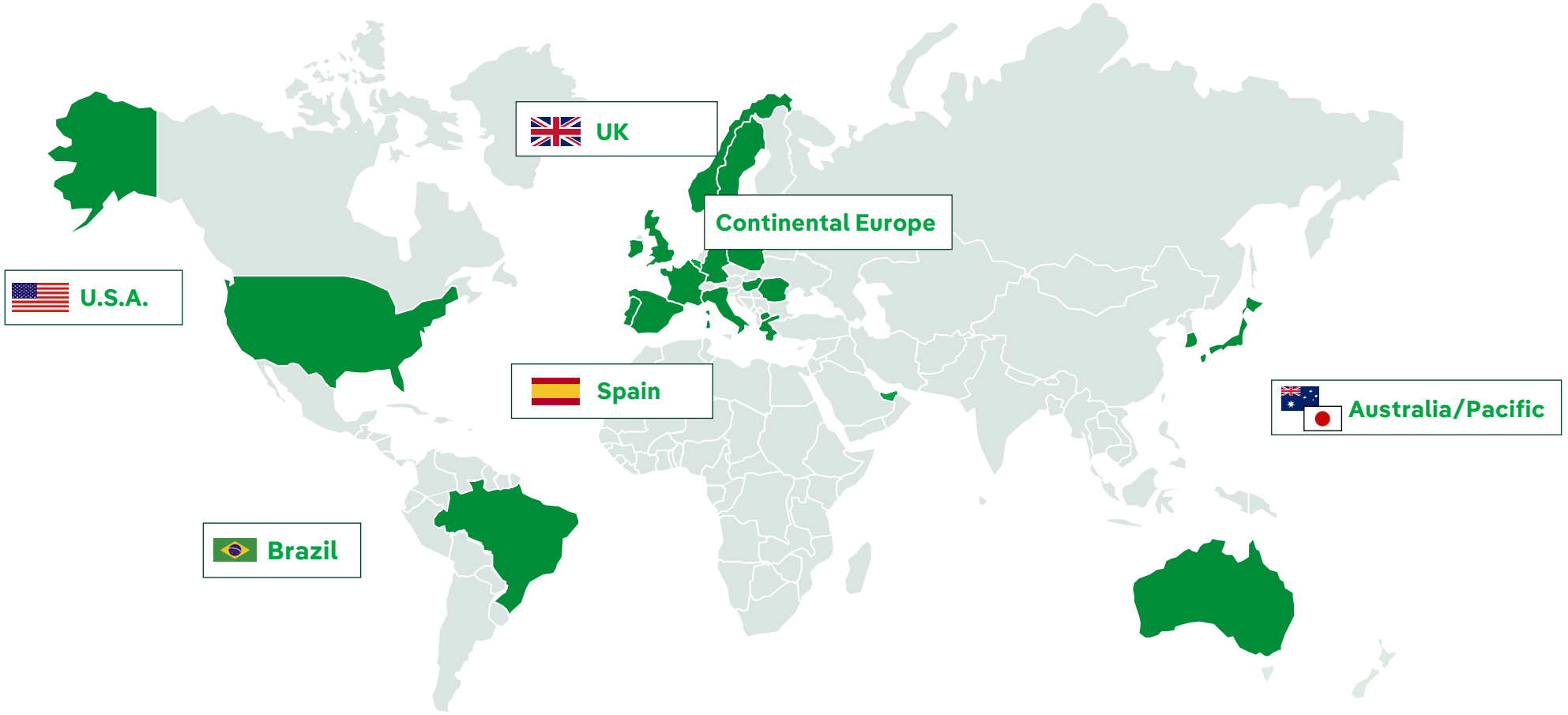
Source: Bloomberg

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

(2) Total Shareholder Return, including dividend reinvestment

Iberdrola Group: Our figures

Iberdrola is a worldwide leader in clean energy, networks and storage, serving ~100 M people…

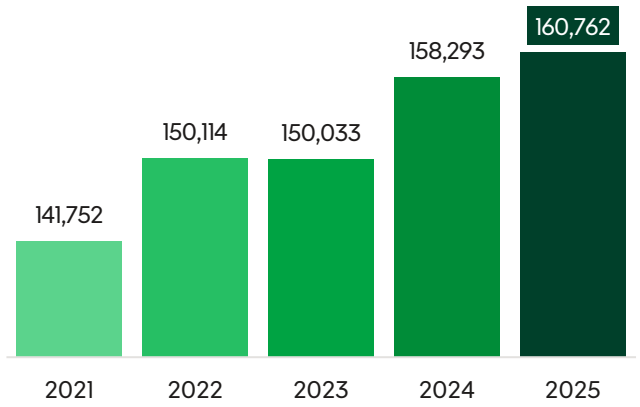


… with more than 45,400 employees and more than 160 Bn Eur of assets

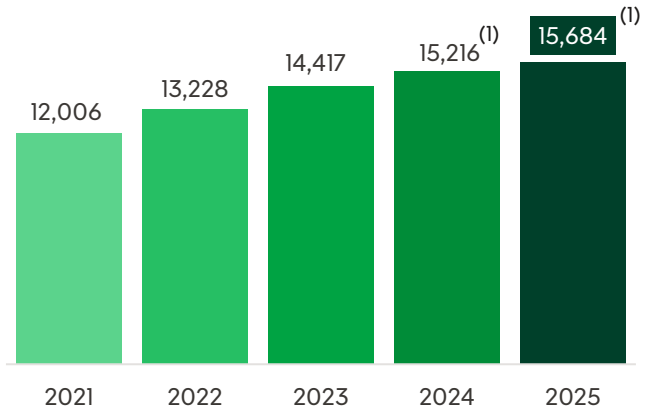
Iberdrola Group: Our figures

… and one of the world's largest electricity companies by market capitalization with >135 Bn Eur

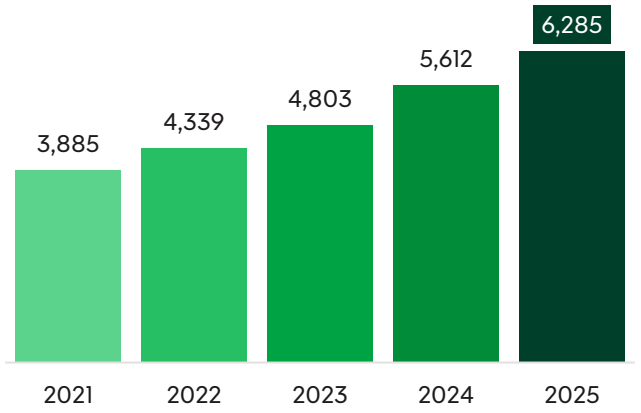
Total Assets (M EUR)



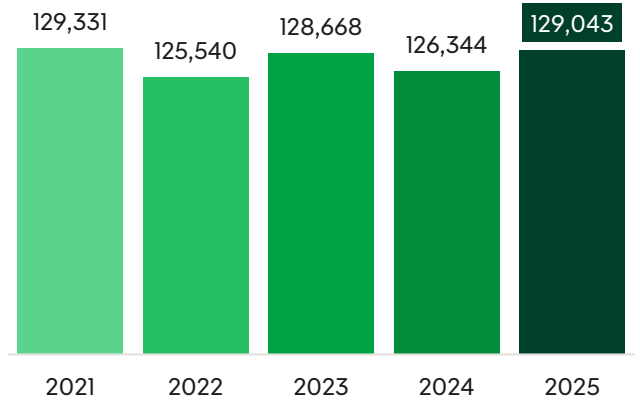
EBITDA (M EUR)



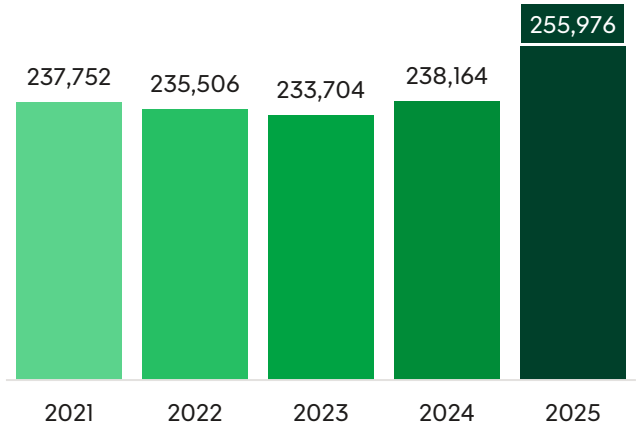
Net Profit (M EUR)



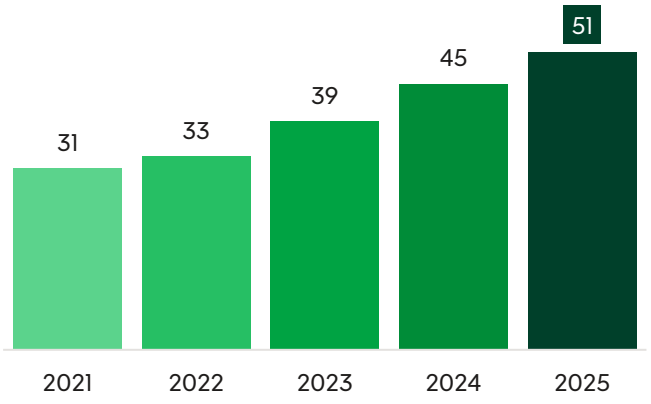
Net Own Production (GWh)



Distributed Electricity (GWh)



Asset Base – Networks (Bn EUR)

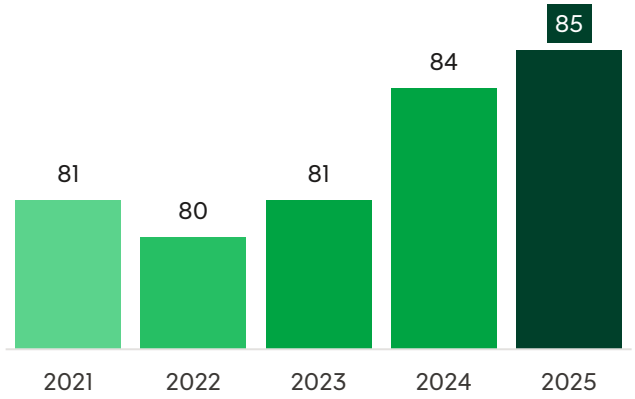


(1) Adjusted EBITDA for UK smart meter divestment capital gain (-379 M Eur) and networks cost recognition in USA (-530 M Eur)

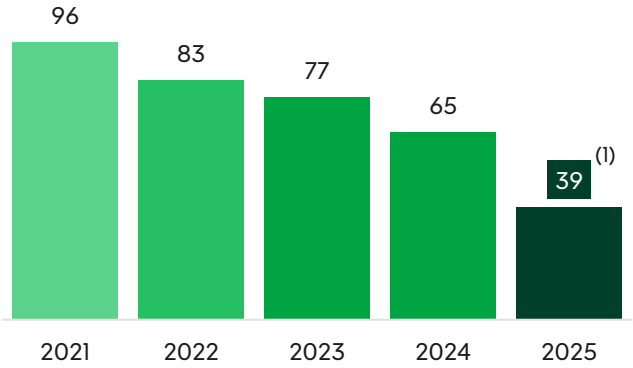
Iberdrola Group: Our figures

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

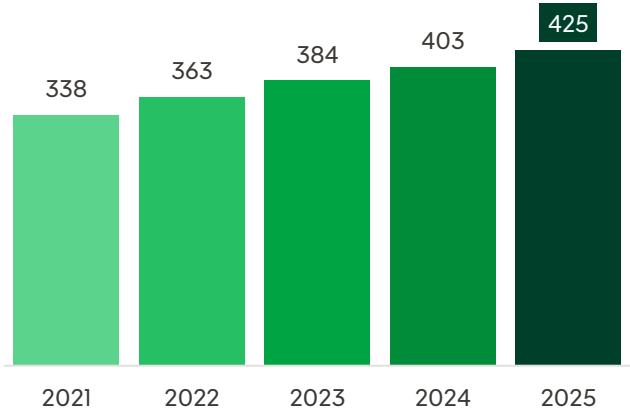
Own emission-free installed capacity (%)



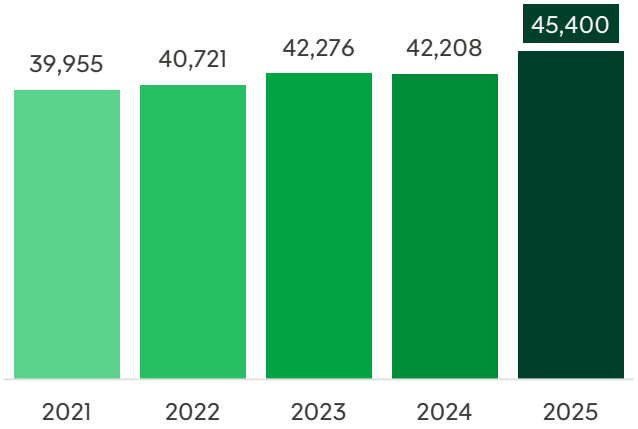
Own specific CO2 emissions (t / GWh)



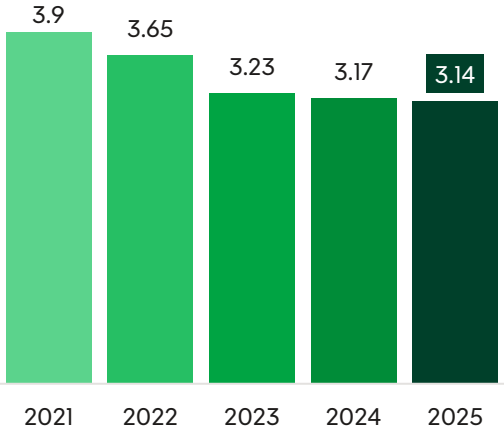
R&D Investment (M EUR)



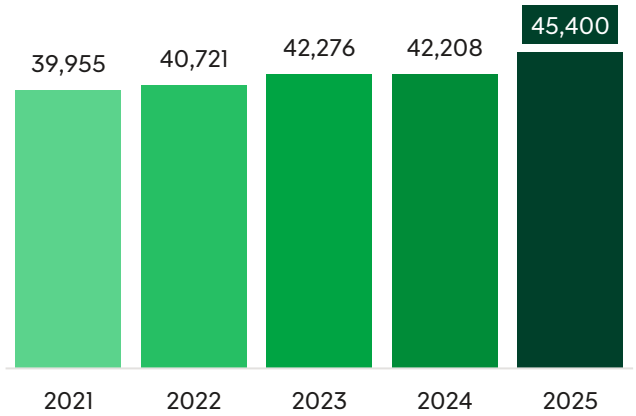
Number of employees(2)



Accident frequency rate (own employees)(2)



Purchases from sustainable suppliers (M EUR)



(1) Not including Mexico
(2) Refers to number of employees at year-end regardless of the type of working hours.
(3) Rate of recordable work-related injuries of own employees = Number of recordable work-related injuries (except first aid) / Number of hours worked x 1,000,000.

Iberdrola Group: Key figures

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

Key performance indicators 2025

€14,460 million(1) gross investment
€6,285 million net profit

~51,000 million asset base in networks
~2,700 MW of renewable capacity installed during 2025 and **>4,400 MW under construction**

€13,200 million of purchases from suppliers
€425 million of investment in R&D

45,400 employees(2)
4,500 new employees

39 g CO_2/kWh(3) emissions in Europe (~83% less than in 2015 and 75% less than European competitors)
85% own emission-free installed capacity

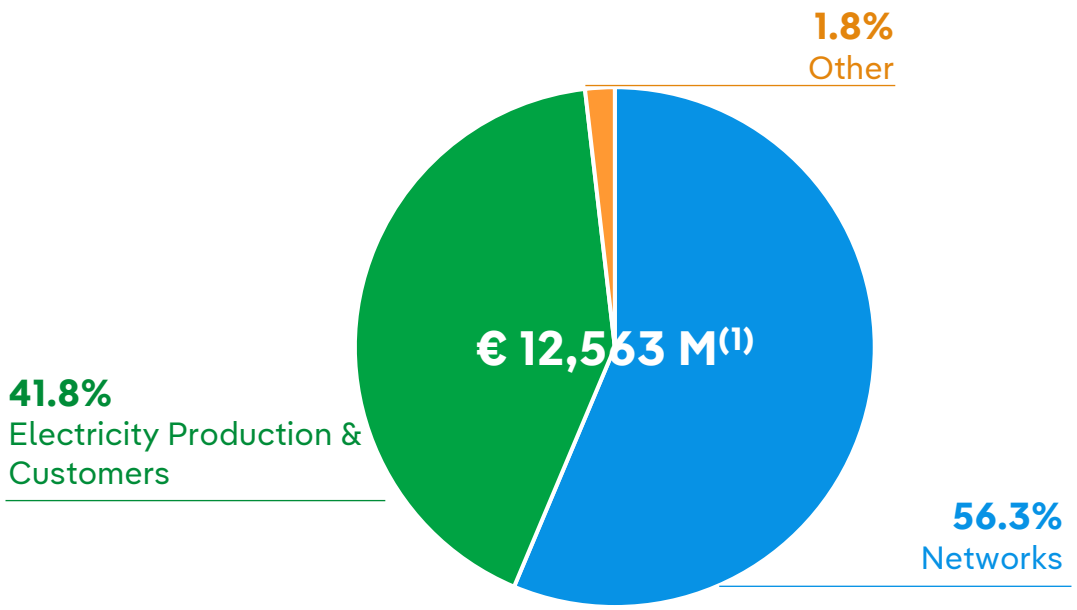
€62.7 million of contributions to society according to B4SI(4)
29.8 million contracts(5)

(1) Including minorities acquisition (Neoenergia) that amounts to 1,897 M EUR
(2) Number of employees at year-end, regardless of the type of workday
(3) Not including Mexico
(4) Non-profit contributions according to the Business for Societal Impact (B4SI) methodology
(5) Includes electricity, gas and smart solutions. Minor discrepancies may occur due to rounding

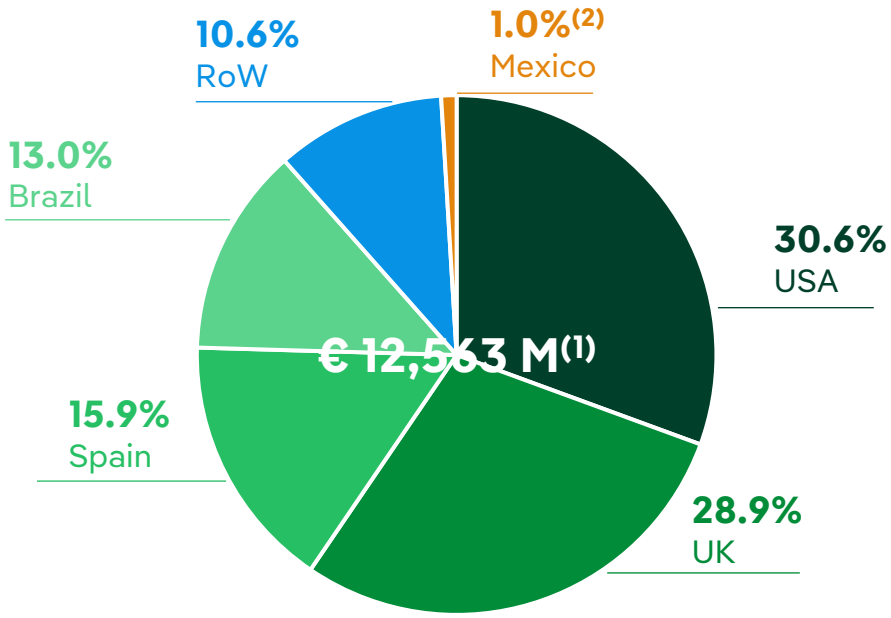
Iberdrola Group: Investments

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

2025 Gross Investments by business



2025 Gross Investments by geography



Considering minorities acquisition (Neoenergia) total investment reaches 14,460 M EUR

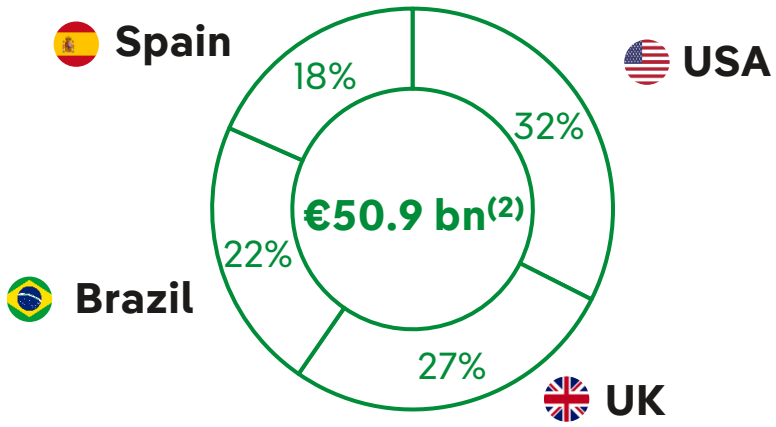
International diversification~84% in countries with credit rating ≥A(3)

(1) Total gross organic investments
(2) In April 2026 Iberdrola completed the sale of its business in Mexico.
(3) Under Standard & Poor's categorization

Iberdrola Group: Networks

1.4 M Km power lines, over 4,500 substations and 1.6 M transformers and over 37 M supply points[1]

Asset Base



Iberdrola Networks business areas

ACTIVITY	SPAIN[3]	UK	USA	BRAZIL
Transmission Electricity		✓	✓	✓
Distribution Electricity	✓	✓	✓	✓
Distribution Gas			✓	

Leaders in smart grids

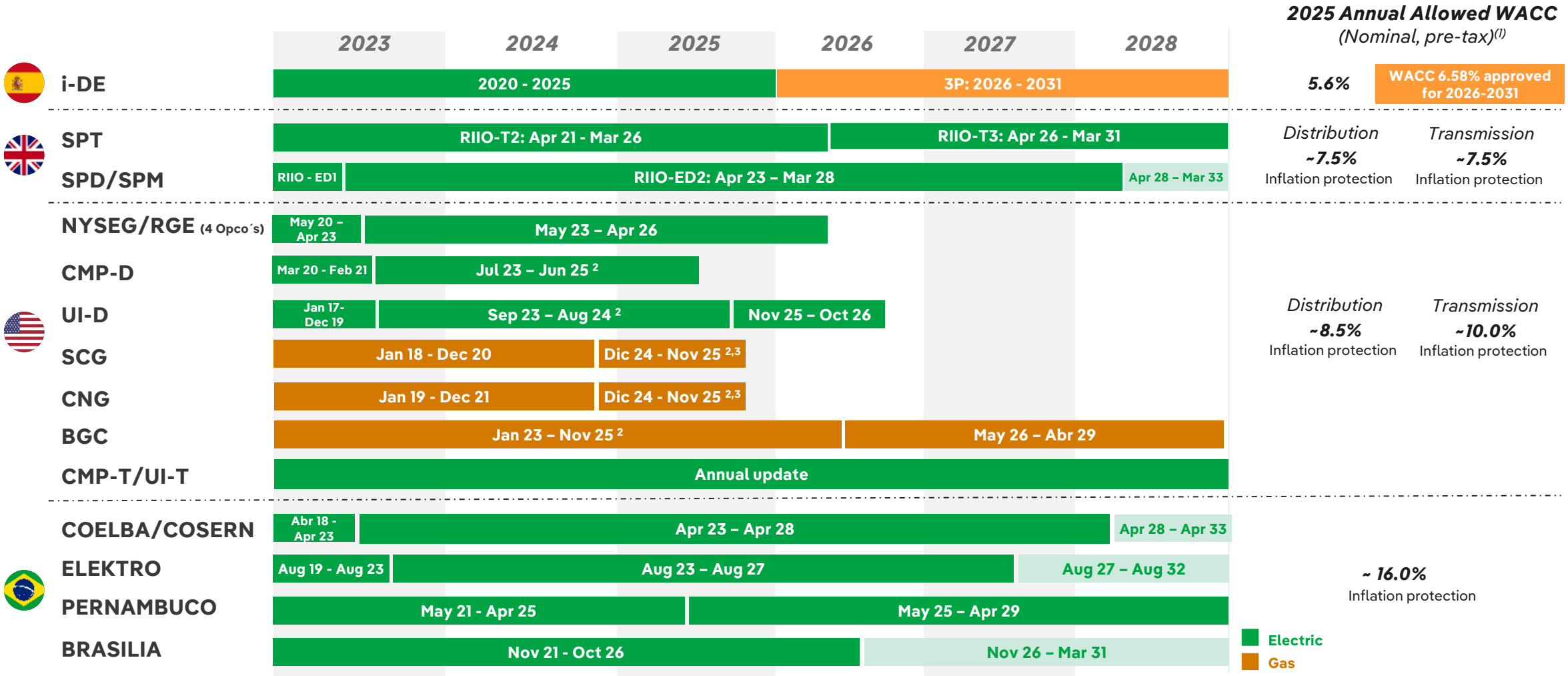
Country[4]	Smart meters Installed (M)	% Smart meters/ Total meters
Spain	**11.6**	**~100%**
United States	**3.0**	**~85%**
Brazil	**0.6**	**~4%**

As of **2025**, out of the total meters installed, **~90% are smart meters**

(1) Electricity and gas supply points
(2) Includes ENW's RAB (~3.0 M GBP), as the asset is consolidated by the global method from March 2025
(3) Due to regulatory restrictions
(4) United Kingdom does not appear due to the divestment of the smart meter business in September 2025

Iberdrola Group: Networks

Stable and geographically diversified returns approved through regulatory frameworks



Note: Rounded figures and 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: 5.6% Real CoE post-tax; USA: Nominal ROE post-tax allowed for each DisCo; BRA: Real WACC post-tax allowed for each DisCo. Transmission: UK: 5,2% Real CoE post-tax; USA: Nominal ROE post-tax allowed for each licence ~11%. Inflation (long term): UK: ~2%; BR: ~3%

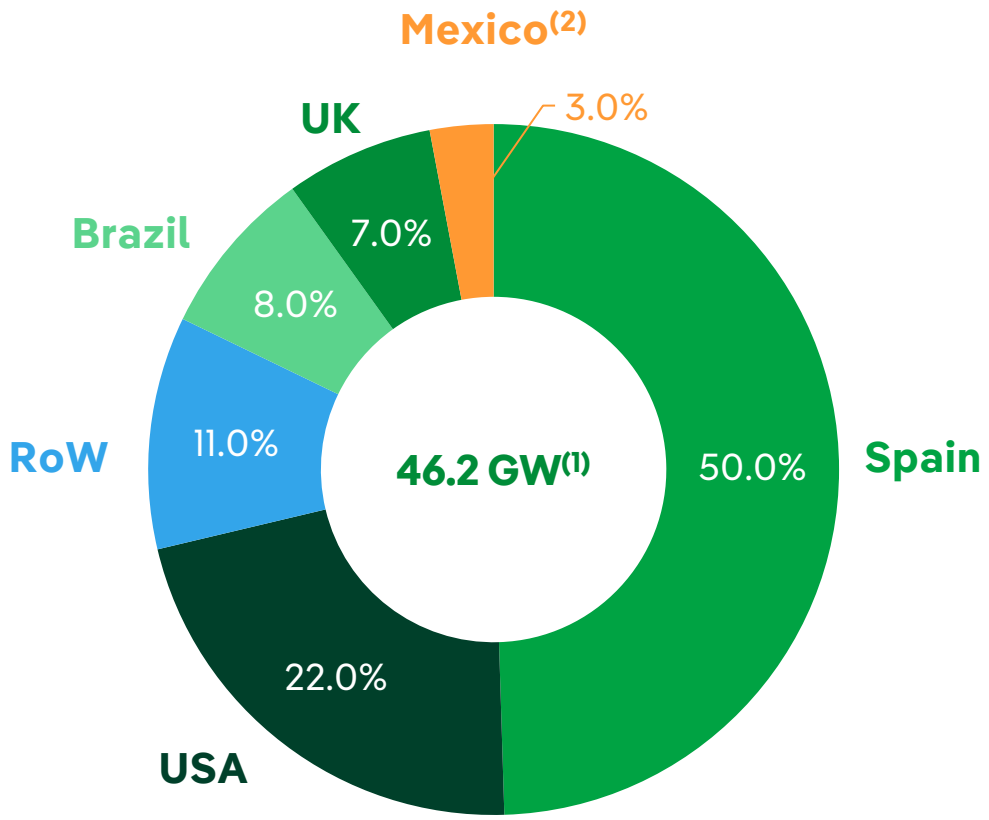
(2) Rates automatically extended

(3) Rate Case remand in process

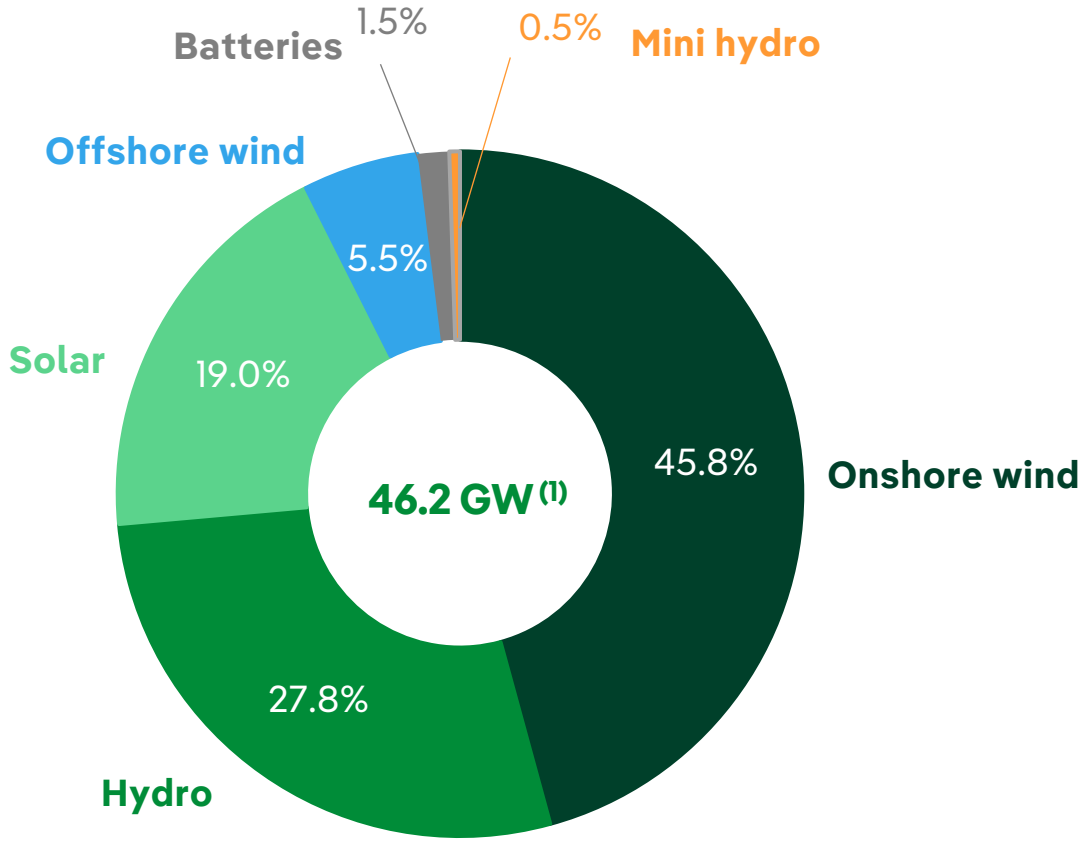
Iberdrola Group: Electricity Production & Customers

Leading position in renewables with a portfolio of all available technologies

Capacity by region



Capacity by technology



Note: net renewable owned installed capacity. Differences may arise due to rounding

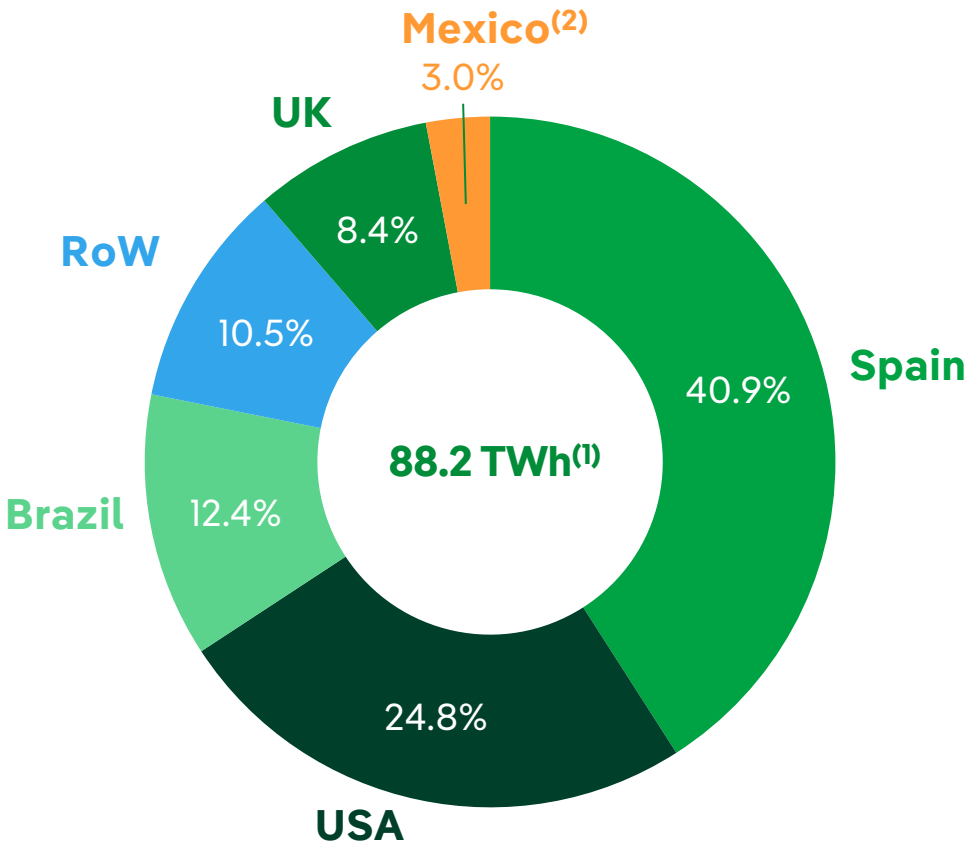
(1) Including 13 MW of capacity from fuel cells

(2) In April 2026 Iberdrola completed the sale of its business in Mexico

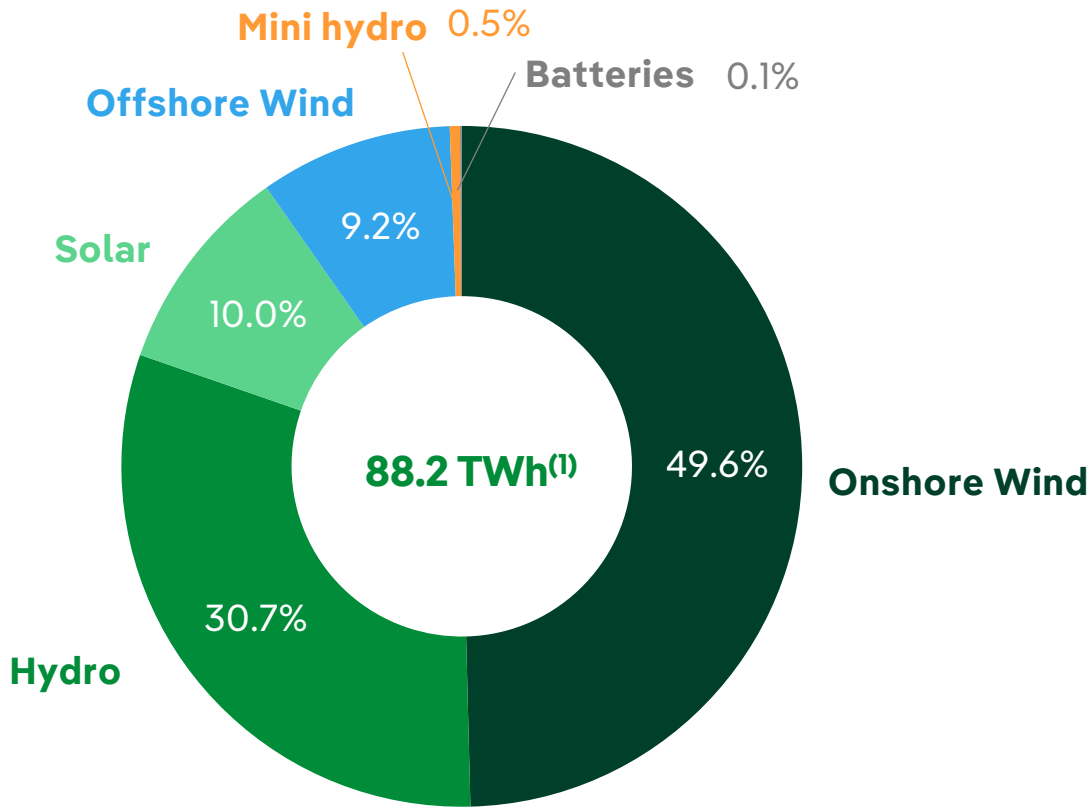
Iberdrola Group: Electricity Production & Customers

Leading position in renewables with a portfolio of all available technologies

Output by region



Output by technology



Note: net owned production. Differences may arise due to rounding
(1) Including 68 GWh of production from fuel cells
(2) In April 2026 Iberdrola completed the sale of its business in Mexico

Iberdrola Group: Electricity Production & Customers

Group's total installed capacity

Capacity (MW)	Spain	UK	US	Mexico[4]	Brazil	RoW	Total
Renewables[1]	**23,047**	**3,226**	**10,106**	**1,232**	**3,617**	**4,933**	**46,162[1]**
Onshore (owned)	6,601	2,147	8,178	590	1,554	2,062	**21,132**
Offshore[2]	-	908	286	-	-	1,322	**2,516**
Hydro	10,823[3]	-	119	-	1,914	-	**12,855**
Mini-hydro	229	-	-	-	-	-	**229**
Solar	5,182	19	1,511	642	149	1,229	**8,733**
Batteries	212	151	13	-	-	320	**683**
Nuclear	3,177	-	-	-	-	-	**3,177**
Gas Combined Cycle owned capacity	5,695	-	204	1,166	550	243	**7,858**
Cogeneration	309	-	636	202	-	-	**1,147**
TOTAL CAPACITY	**32,228**	**3,226**	**10,946**	**2,600**	**4,167**	**5,176**	**58,343**

Divested in 2026

Note: Figures reported net of transactions during the period. Differences may arise due to rounding.

(1) Including 13 MW of capacity from fuel cells

(2) Reported installed capacity for Vineyard Wind 1 includes only turbines already exporting as of December 31, 2025.

(3) Includes capacity of Támega in Portugal

(4) In April 2026 Iberdrola completed the sale of its business in Mexico.

Iberdrola Group: Electricity Production & Customers

Group's total production

Production (GWh)	Spain	UK	US	Mexico[3]	Brazil	RoW	Total
Renewables[1]	**36,100**	**7,368**	**21,898**	**2,631**	**10,914**	**9,280**	**88,190[1]**
Onshore (owned)	9,696	3,718	19,123	1,581	5,193	4,426	**43,737**
Offshore	-	3,638	308	-	-	4,134	**8,080**
Hydro	21,546[2]	-	45	-	5,496	-	**27,087**
Mini-hydro	432	-	-	-	-	-	**432**
Solar	4,427	12	2,354	1,049	225	720	**8,786**
Batteries	-	-	68	-	-	-	**68**
Nuclear	21,507	-	-	-	-	-	**21,507**
Gas Combined Cycle owned production	5,542	-	11	7,572	23	57	**13,205**
Cogeneration	1,529	-	3,149	1,464	-	-	**6,142**
TOTAL PRODUCTION	**64,678**	**7,368**	**25,058**	**11,667**	**10,936**	**9,337**	**129,043**

Divested in 2026

Note: comparison affected by the production of the Mexican assets included within the transaction perimeter until February 26, 2024. Differences may arise due to rounding.

(1) Including 68 GWh and 73 GWh in 2025 and 2024 of production from fuel cells

(2) Includes production of Támega in Portugal

(3) In April 2026 Iberdrola completed the sale of its business in Mexico

Iberdrola Group: Electricity Production & Customers

Renewables load factor

Load Factor (%)	Spain	UK	US[2]	Brazil	RoW
Onshore	17%	24%	27%	38%	25%
Offshore		46%			35%
Hydro[1]	23%			30%	
Mini-hydro[1]	21%				
Solar	12%	7%	21%	17%	13%

Note: load factor calculated using installed capacity and AOC (Average Operating Capacity)

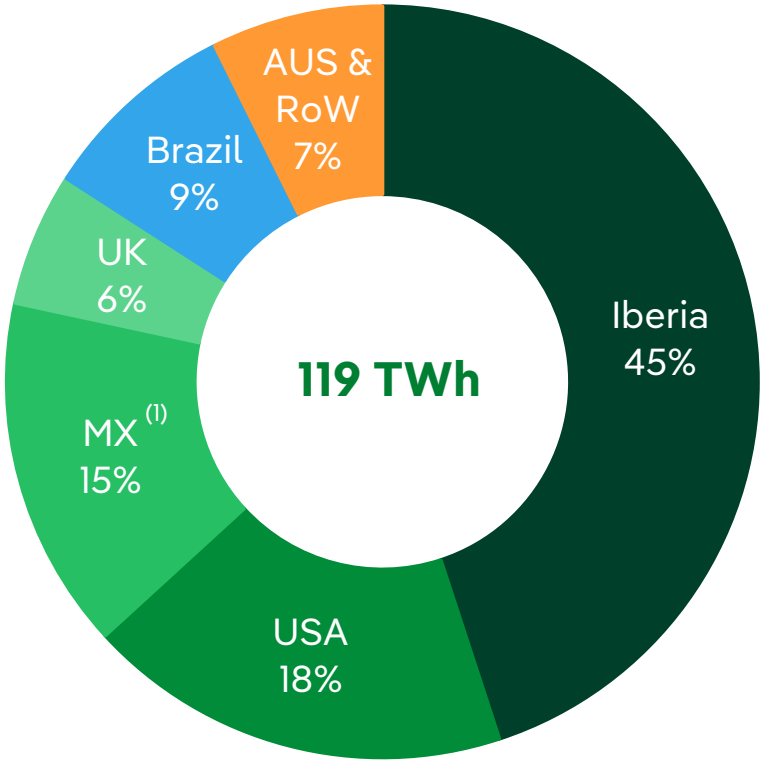
(1) Based on consolidated production and operational capacity

(2) Offshore load factor calculated only after Commercial Operation Date

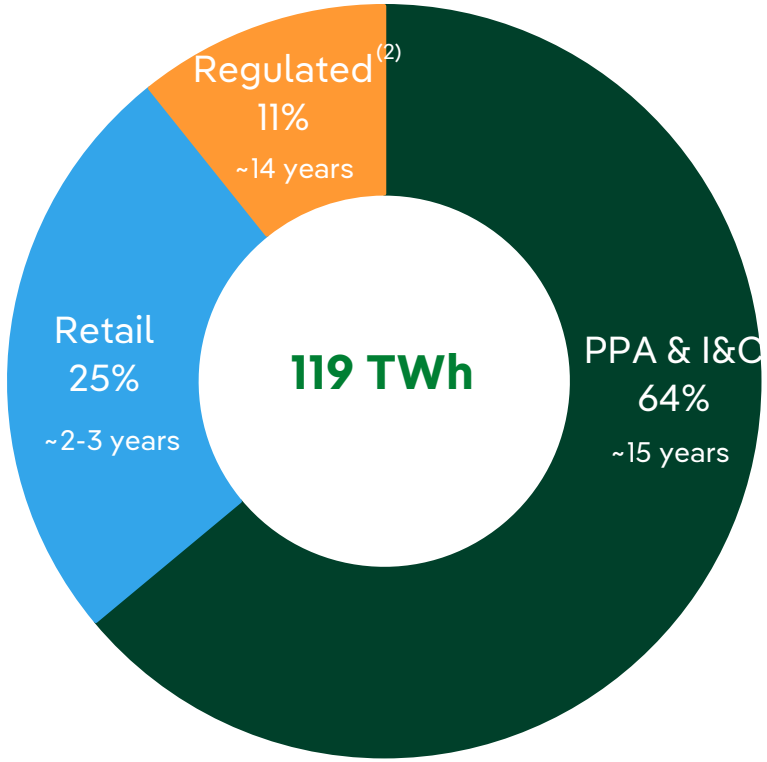
Iberdrola Group: Electricity Production & Customers

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



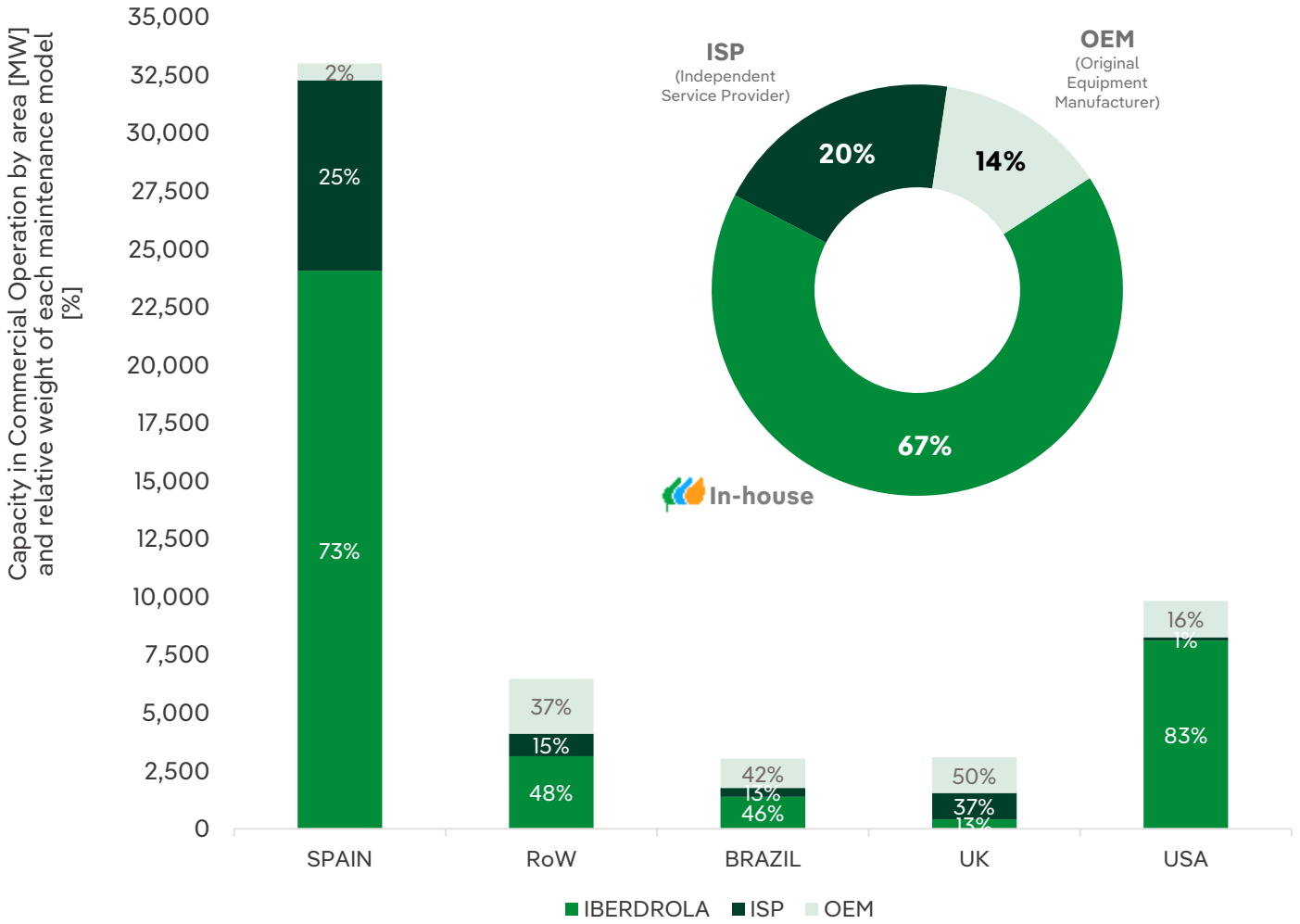
… and in 2025 we reached 119 TWh of contracted revenues with margin secured

(1) In April 2026 Iberdrola completed the sale of its business in Mexico.
(2) Refers to CfD, FiP o FiT schemes.

Iberdrola Group: Electricity Production & Customers

Maintenance models: situation by country

DISTRIBUTION BY COUNTRY FOR ALL THE TECHNOLOGIES PRESENT

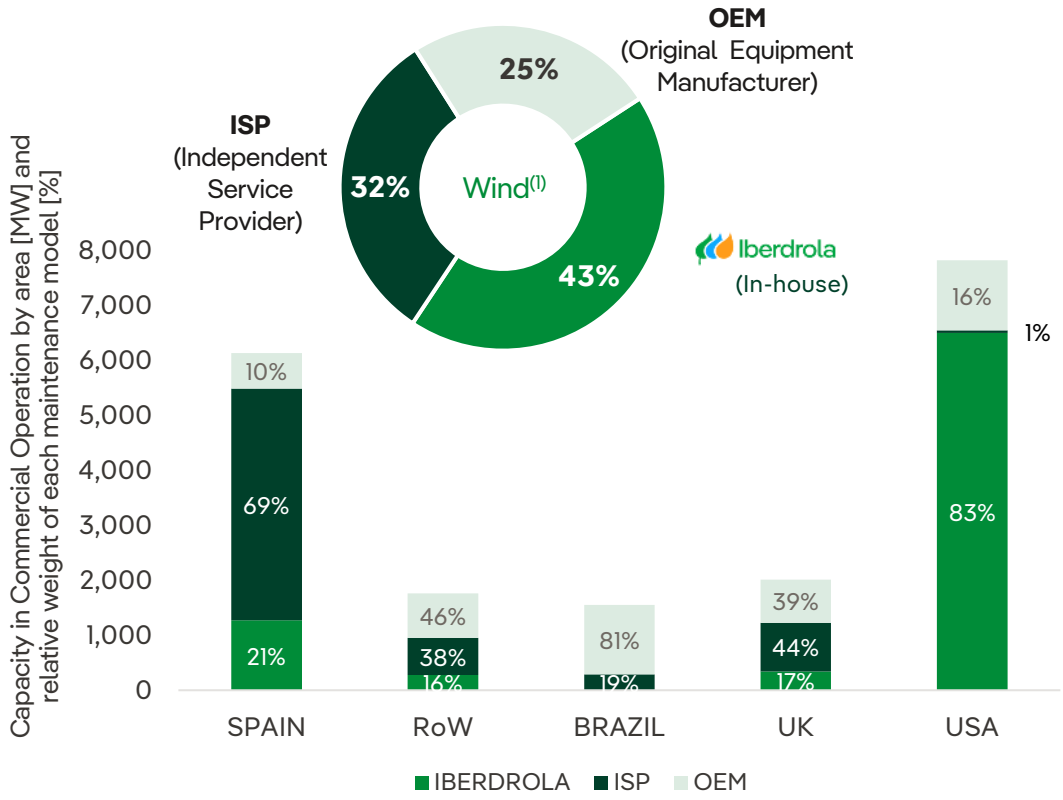


- **Globally, ~2/3** of the power in commercial operation is **governed by the in-house maintenance model.**
- **Spain and the USA** stand out with models more evolved towards **in-house**, representing **+70%** in each of them.

Iberdrola Group: Electricity Production & Customers

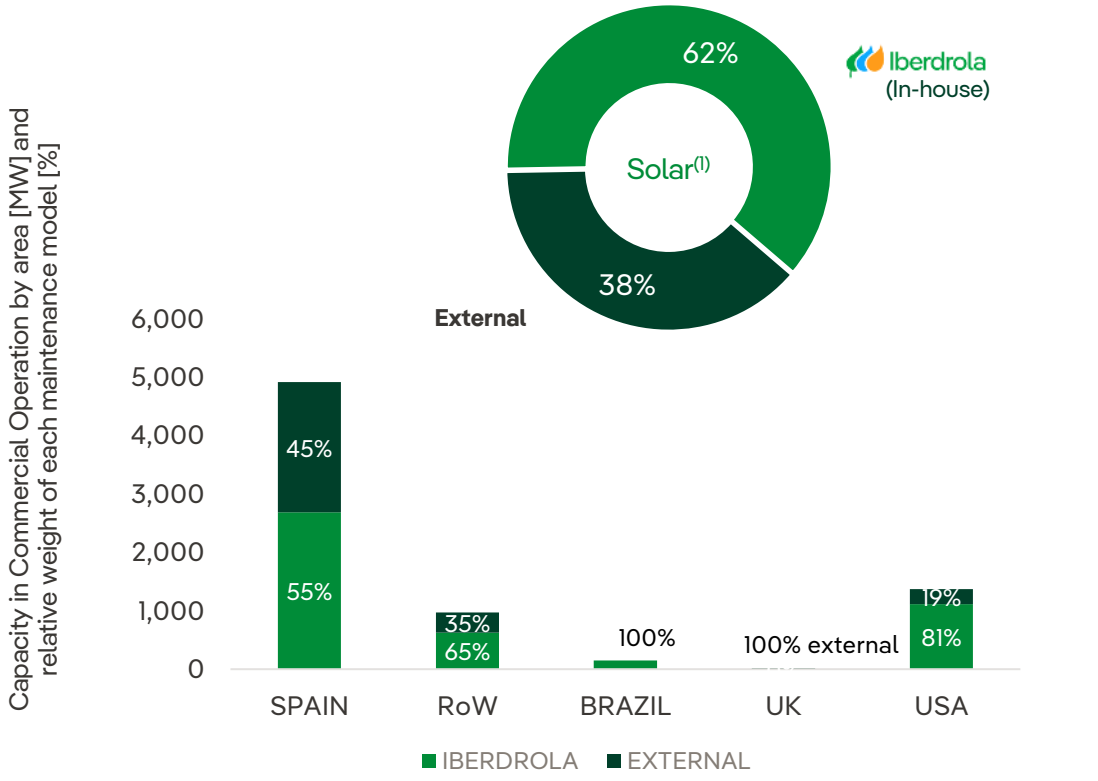
O&M Management

WIND



- **USA** is the region that concentrates more **in-house maintenance** while **Spain** concentrates the maintenance with **ISP**
- To highlight the **increased internalization** of works in the **United Kindgom.**

SOLAR



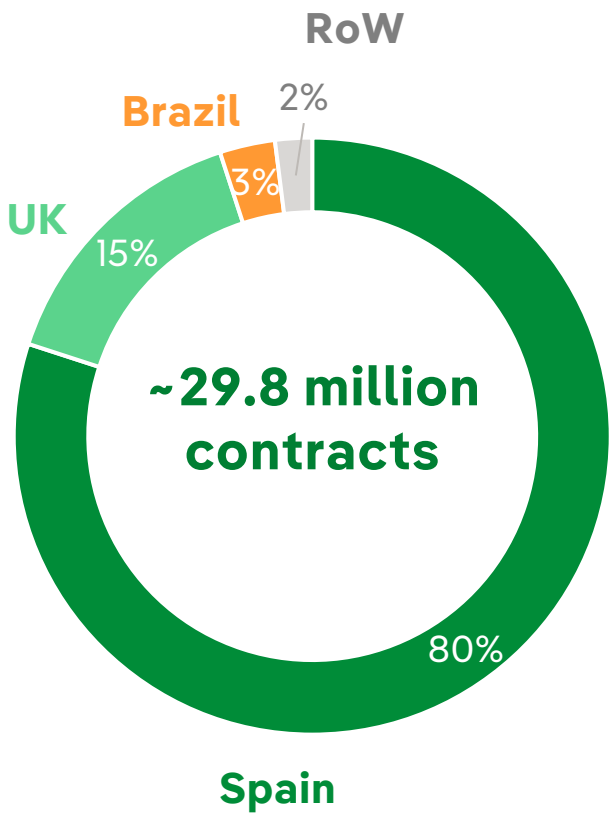
- **Internal** maintenance model already **predominates** as the equipment comes **out of warranty,** confirming the tendency informed in previous years
- It is worth mentioning the increased **In-house** maintenance in the **USA**

(1) Refers to operating capacity

Note: excluding capacity not consolidated at EBITDA level

Iberdrola Group: Electricity Production & Customers

Services to customers



In million	2024	2025
Electricity contracts	**12.9**	**12.5**
Spain	10.3	9.7
United Kingdom	2.5	2.5
RoW	0.1	0.4
Gas contracts	**3.1**	**3.0**
Spain	1.3	1.2
United Kingdom	1.8	1.7
RoW	-	0.1
Smart Solutions	**15.6**	**14.2**
Spain	11.7	12.7
United Kingdom(1)	3.0	0.3
Brazil	0.8	0.9
RoW	-	0.2
Total contracts	**31.5**	**29.8**

Note: differences may occur due to rounding. Rest of World includes Portugal, France, Germany and Italy
(1) After the divestment of the smart meter business in September 2025

Iberdrola Group: Electricity Production & Customers

Industrial Solutions driving the electrification of industrial demand

DATA CENTERS

Green energy in need of firming

- ✓ Iberdrola: **Over 12 TWh/y** contracted in USA, Spain, Germany, United Kingdom…
- ✓ Alliances with the **main energy consumers** for Data Centers:

aws Meta Microsoft Google

INDUSTRIAL HEATING

Processes <200ºC

- ✓ **20 current partners: >4 TWh** of steam with projects to completely decarbonize their processes
- ✓ Portfolio of an additional **1.5 TWh** 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 (4 TWh)** in the mature pipeline in more than 37 cities

Iberdrola Group: Electricity Production & Customers

Data Centers - Opportunity to capture additional value

Business Development– since Feb '24

Pipe | Growth and maturity

- **>5.000 MW** pipeline
- **~723 MW** secured connection
- **30Ha** secured Land

Flagship Project: South Madrid, 227 MW

Largest project announced in Spain, close to the country's main DC hub (Madrid).)

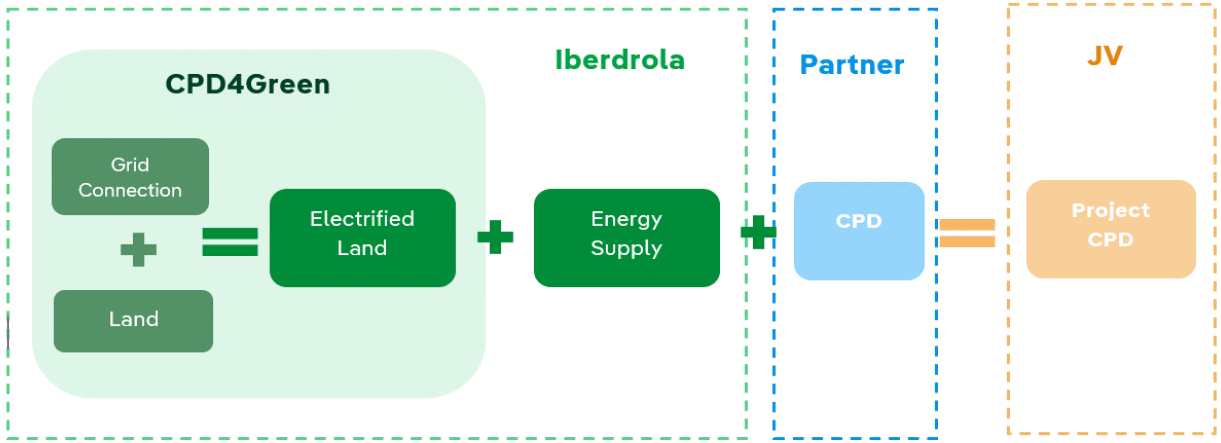
JV Approach

CPD 4Green — Echelon Iberdrola Digital Infra

Largest partnership between a DC operator and a power company in Europe**: Co-development (80-20) in Spain.**

ECHELON DATA CENTRES » DC Company – development & operation

Iberdrola » Power Land + Energy Supply



Iberdrola is **actively working with Echelon** (JV) to co-develop projects

Iberdrola to **remain as the energy partner** with a **minority stake** in the businesses

The company monetize energy, grids and powered land
Iberdrola has optimized its value on the data centre industry with CPD4Green and Echelon

Iberdrola Group: Electricity Production & Customers

Smart Solutions to capture additional opportunities linked to electrification

- 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 13.2M 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
- >19k public charging points and 53k residential in 2024
- Launch of the Iberdrola | BP Pulse joint venture to lead the fast and ultrafast charging infrastructure deployment in Spain and Portugal
- Contracts secured for installation of charging infrastructure for +670 buses and trucks.

SMART SOLAR
SELF-SUPPLY SOLUTIONS

- Leading self-consumption in Spain 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
- 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

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 United States, United Kingdom, Spain, Portugal, 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: main PPAs(1) announced in 2025

IBERIA

Microsoft	Two PPAs for 150 MW associated to Iglesias and El Escudo wind farms
MERCADONA	PPA for 300 MW from onshore wind and PV assets
renfe	PPA for 190 MW from onshore wind
BAYER	Heat Purchase Agreement (HPA) for 15 MW of renewable energy
BURGER KING	PPA for 34 MW from PV assets
Air Liquide	PPA for 25 MW from onshore wind assets

ITALY

SELEX GRUPPO COMMERCIALE	PPA for 77 MW from a PV asset
Pam	PPA for 1,000 GWh through the PPA total duration from a PV asset

BRASIL

NEXUS LIGAS	Self-consumption contract for 31 MW associated to Canoas 3 onshore wind farm (Chafariz)
motiva	PPA for 44 MWm associated Oitis 2,4 and 6 wind farms
ABInBev	Self-consumption contract 55 MWm associated to Oitis 3, 5 and 7 wind farms

USA

Google	PPA associated to Leaning Juniper 2B wind repowering plant (110 MW)
amazon	PPA associated to Oregon Trail solar PV plant (57 MWdc)
AMP PUBLIC POWER PARTNERS	PPA for a portion of the energy produced from Blue Creek wind farm

(1) Power Purchase Agreement

Iberdrola Group: Electricity Production & Customers

Offshore: Projects in operation

Project	WoDS	Wikinger	East Anglia 1	St Brieuc	Baltic Eagle	Vineyard Wind 1[(1)]
Location	Irish Sea	Baltic Sea	North Sea	St Brieuc Bay	Baltic Sea	Atlantic Ocean
Capacity (MW)	194 MW	350 MW	714 MW	496 MW	476 MW	806 MW
COD	2014	2017	2020	2024	2024	2026
PPA/CFD	2 RoCs (20 years) Market Price	194€/MWh / 8yrs + 154€/MWh / c.4 yrs	CfD AR1: 119.89 £/MWh (real 2012+CPI)/15 yrs	155 €/MWh (real 2012) / 18yrs - indexed	PPA	88.77 $/MWh on average / 20 yrs
Stake	50% of total 389 MW (JV between Iberdrola & Ørsted)	51% Iberdrola / 49% Energy Infrastructure Partners (EIP)	60% Iberdrola/ 40% Bilbao Offshore Holding	100% Iberdrola	51% Iberdrola / 49% Masdar	50% AGR /50% CIP[(2)]
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)	50 Vestas turbines (9.5 MW)	62 GE Haliade-X turbines (13 MW)

(1) 100% project construction completed as of March 2026 and exporting energy since 2025
(2) Copenhagen Infrastructure Partners

Iberdrola Group: Electricity Production & Customers

Offshore: Projects under construction

Project	Windanker	East Anglia 3	East Anglia 2
Location	Baltic Sea	North Sea	North Sea
Capacity (MW)	315 MW	1,397 MW	960 MW
COD	2026	2026	2028
PPA/CFD	PPA	CfD (1) AR4: 37.4£/MWh CfD (1) AR6: 54.2 £/MWh PPA	CfD AR6: 58.87 £/MWh (real 2012+CPI)/15 yrs
Stake	51% Iberdrola / 49% Kansai	50% Iberdrola (Scottish Power) & 50% Masdar	100% Iberdrola
Number of turbines	21 Siemens- Gamesa turbines (15MW)	95 Siemens-Gamesa turbines (14.7MW)	64 Siemens-Gamesa turbines (15 MW)

(1) Real 2012 prices+ CPI for 15 years

Iberdrola Group: Electricity Production & Customers

Offshore: increasing additional growth opportunities for 2028 – 2030…

Consented Projects

East Anglia 1N (up to 900 MW): fully consented project creating synergies in the UK Hub. Ready for AR8 in 2026.

Mature Projects

Happo – Noshiro (375 MW): Site secured and analyzing new support mechanism identified as possible by the Japanese government. Iberdrola's stake is 39.9%

New England 1 (791 MW) & 2 (1,080 MW): all necessary federal permits obtained from BOEM, plus other permits required for construction

Seabed rights for **additional growth**

ScotWind:

- MarramWind - 3 GW floating offshore projects
- MachairWind - 2 GW fixed offshore project

Gulf of Maine: 2.85 GW located off the southwestern Gulf of Maine coast
Kitty Hawk South: 2.4 GW off the coasts of Virginia and North Carolina

Aurora Green: obtained preliminary authorization to develop our first offshore wind farm in Australia

Iberdrola Group: Electricity Production & Customers

...through established support mechanisms

	Offshore Country Targets (GW)	Support Mechanisms
UK	43-50 GW by 2030(1)	CfD
Scotland	40 GW by 2040(2)	CfD
USA	30 GW by 2030	Utility or Corporate PPA
France	15 GW by 2035, 26 GW by 2040, 45 GW by 2050	CfD
Germany	30 GW by 2030, 40 GW by 2035	Variable premium/corporate PPA
Australia	2 GW by 2032, 4 GW by 2035, 9 GW by 2040	CfD
Japan	10 GW by 2030, 30-45 by 2040	FIT but moving to Feed in Premium

(1) Based on target capacity in Clean Power 2030 Action Plan

(2) Cabinet Secretary for Climate Action and Energy announced on the 28th January 2026, the Scottish Government's decision to reset its offshore wind ambition to up to 40 gigawatts (GW) of new capacity by 2040. Climate Change Committee has advised capacity should more than triple; from 15GW in 2023 to 49GW by 2035 and 66GW by 2045. Draft Climate Change Plan (CCP) to come to Scottish Parliament in summer 2025 and expected to finish before the 2026 Scottish Parliament election.

Iberdrola Group: Electricity Production & Customers

Storage – Iberdrola overview of flexible assets

Flexible green production and energy storage as key differentiators with the focus on customers needs

Iberdrola has a significant operational portfolio of firming capacity assets…

Already operational assets

11GWs Hydro
(including 4.5GW PHS+0,1 GW PHS under construction)
39 MWs BESS

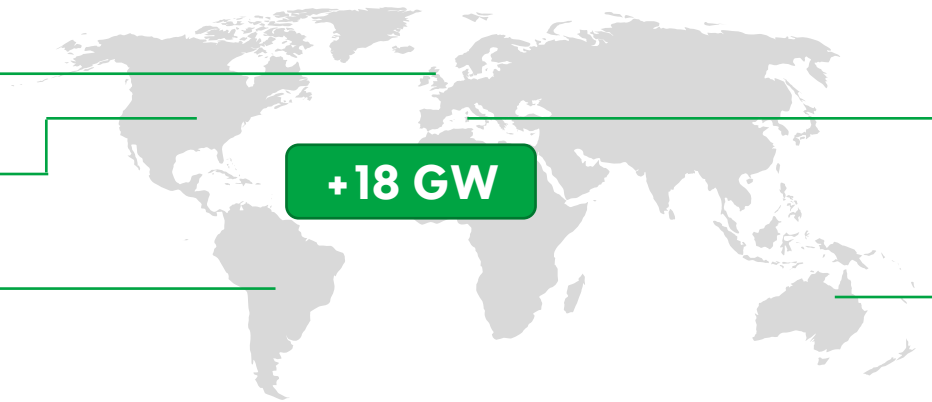
2GW Hydro

140 MWs BESS

151 MWs BESS

… and a competitive pipeline of Pumped Hydro (PHS) + Batteries (BESS) of ~18GW

Underpinned by operating assets, hybridization opportunities and greenfield portfolio



UK
2 GW BESS

USA
3 GW BESS

BRA
0.2 GW BESS

IBERIA
2.5 GW BESS
4.4 GW PHS

REST OF EUROPE
4 GW BESS

AUSTRALIA
2.2 GW BESS

PHS: Pumped Hydro Storage

BESS: Battery Energy Storage System

Iberdrola Group: Electricity Production & Customers

Pumped Hydro Storage – Operating assets & pipeline

PHS is concentrated at Iberia, thanks to its orography and possibility of developing brownfield projects

	Installed Capacity (MW)	Storage Capacity (GWh)
Installed assets	4,474	102
Under construction	75	12
TOTAL	**4.6 GW**	**114 GWh**
Projects Under Permitting	**+3.6 GW**	**+155 GWh**

Equivalent to ~2 M electric vehicle (EV) storage capacity

FLAGSHIP PROJECTS

Támega
Largest hydroelectric facility in Portugal
880 MW close-loop PHS / 20 GWh

La Muela
Largest pumping facility in Europe
1,512 MW close-loop PHS / 24 GWh

Pumped hydro is the most competitive technology to provide massive flexibility
Only available in certain jurisdictions (Spain & Portugal)

Iberdrola Group: Electricity Production & Customers

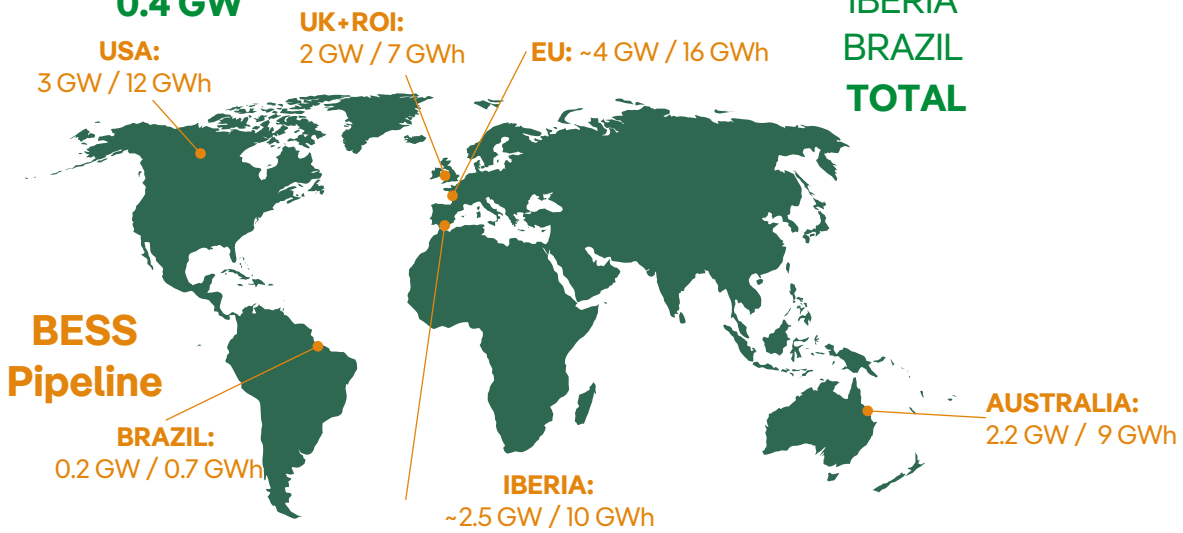
Batteries to accommodate Clients – Renewables deployment

330 MW of operating BESS assets, **~400 MW under construction** / advanced development …

REGION	Operating assets (MW)	Under construction/ advanced development (MW)
Australia	140	180
UK + Ireland	151	0
Spain	39	150
Portugal	0	45
TOTAL	**0.3 GW**	**0.4 GW**

… and a portfolio of **~14 GW (+55 GWh)** of BESS projects focused on **core markets**

REGION	PIPELINE (GW)
USA	3
Australia	2.2
UK + Ireland	2
EU	4
IBERIA	2.5
BRAZIL	0.2
TOTAL	**14 GW**



Batteries offer shorter time-to-market and widespread ubiquity

Iberdrola Group: Electrification through green hydrogen

Iberdrola's portfolio includes real green hydrogen electrification projects

Operational			
H_2		Puertollano	20 MW
H_2		Barcelona	2,5 MW
H_2		Benicarló	1,25 MW
Under construction			
H_2		Castellón – 1st Phase	25 MW
Mature projects			
H_2		Castellón 2nd Phase	100 MW
H_2		Palos Huelva	150 MW
H_2		Green Methanol Huelva	150 MW

Funds awarded / Development agreement with BP

Funds awarded

Funds awarded

Iberdrola will **consolidate 325 GWh/year** of new electrified demand **through green hydrogen in 2026**

Mature projects under development, supported by fuels regulation and public funding are expected to deliver **3 TWh/year from 2030 onwards**

Content

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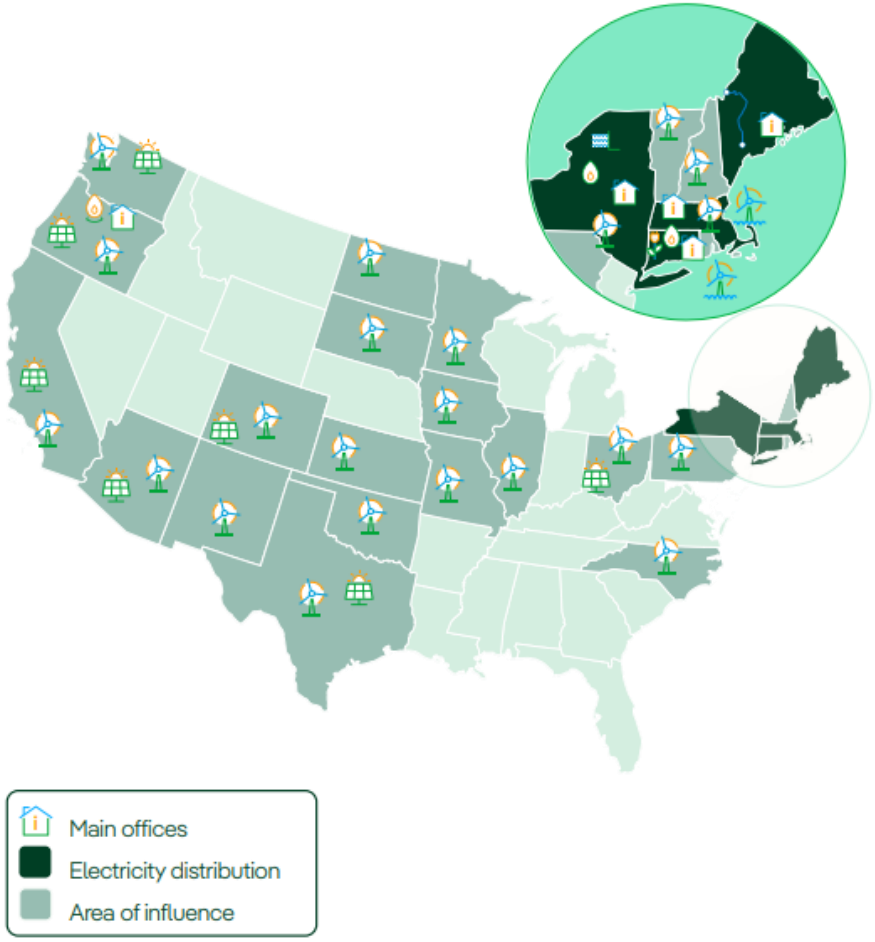
Avangrid

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



Installed Capacity (MW)(1)	10,946
Renewable Capacity (MW)	10,106
Net Production (GWh)(2)	25,058
Distributed Energy (GWh)	37,663
Supply points (M)(3)	3.4
Km of lines(4)	217,368

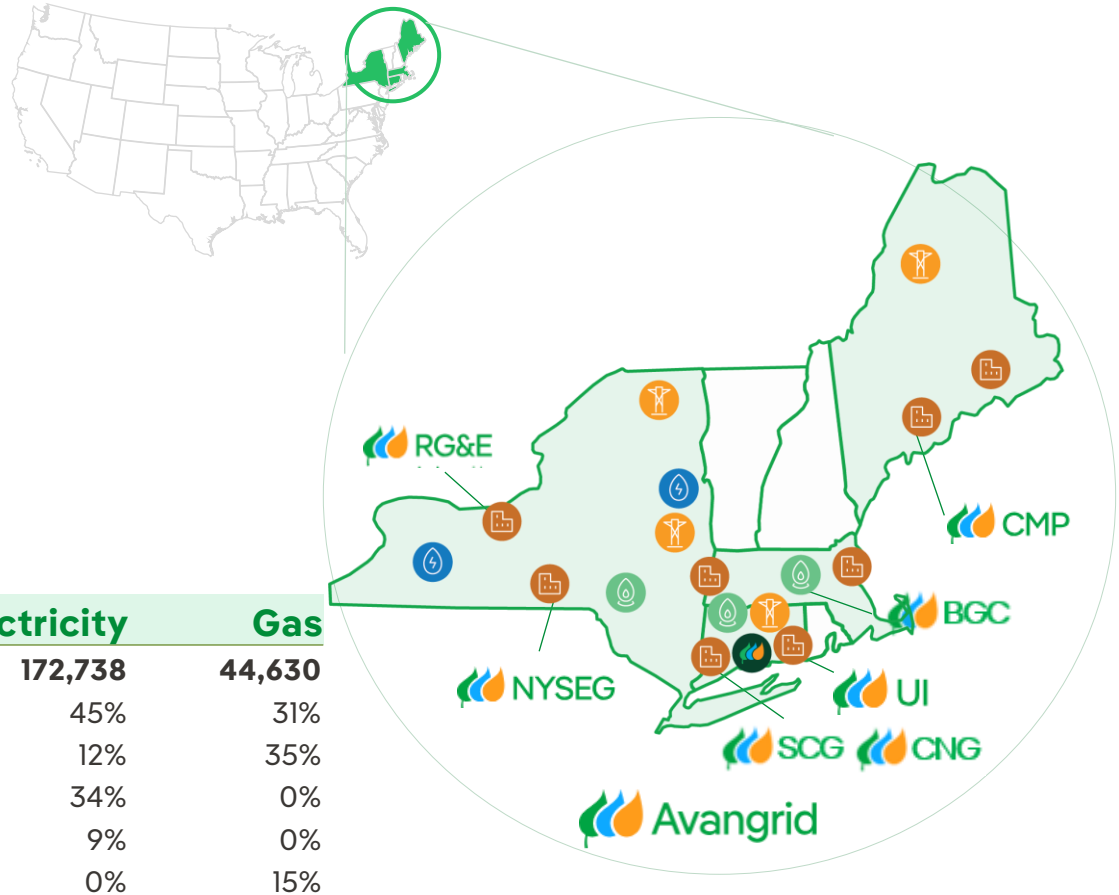
(1) Including 13 MW installed capacity of fuel cells. Reported installed capacity for Vineyard Wind 1 includes only turbines already exporting as of December 31, 2025
(2) Vineyard Wind production data is preliminary
(3) Electricity and gas supply points
(4) Gas and electricity lines

Avangrid: Networks

7 regulated utilities in New York, Connecticut, Maine & Massachusetts

RAB (Bn USD)[1]	15.6
NYSEG - Electricity	4.7
NYSEG - Gas	0.9
RG&E - Electricity	2.5
RG&E - Gas	0.7
CMP - Distribution	1.3
CMP - Transmission	1.7
CMP - MEPCO	0.1
UI - Distribution	1.1
UI - Transmission	1.0
SCG	0.9
CNG	0.5
BGC	0.2

Points of Supply (M)[2]	3.4
Electricity	**2.3**
NYSEG	39%
RG&E	17%
CMP	29%
UI	15%
Gas	**1.0**
NYSEG	26%
RG&E	31%
BGC	4%
CNG	18%
SCG	20%



Distributed Energy (GWh)	103,952
Electricity	**37,671**
NYSEG	43%
RG&E	20%
CMP	25%
UI	13%
Gas	**66,282**
NYSEG	25%
RG&E	26%
MNG[3]	9%
BGC	5%
CNG	18%
SCG	17%

Kms of lines/pipelines	Electricity	Gas
Total	**172,738**	**44,630**
NYSEG	45%	31%
RG&E	12%	35%
CMP	34%	0%
UI	9%	0%
SCG	0%	15%
CNG	0%	14%
BGC	0%	5%

Note: data as of December 2025

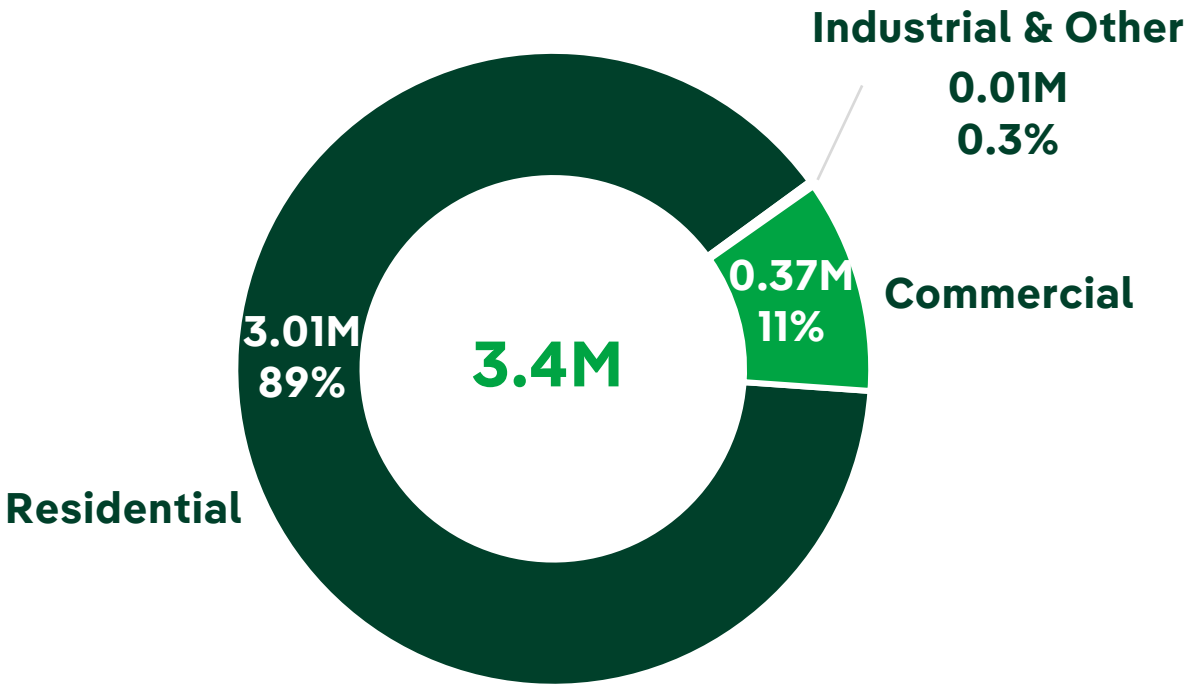
(1) Including MEPCO (MEPCO is a separate legal entity, Avangrid owns 78.3%)

(2) Numbers may not add up due to rounding

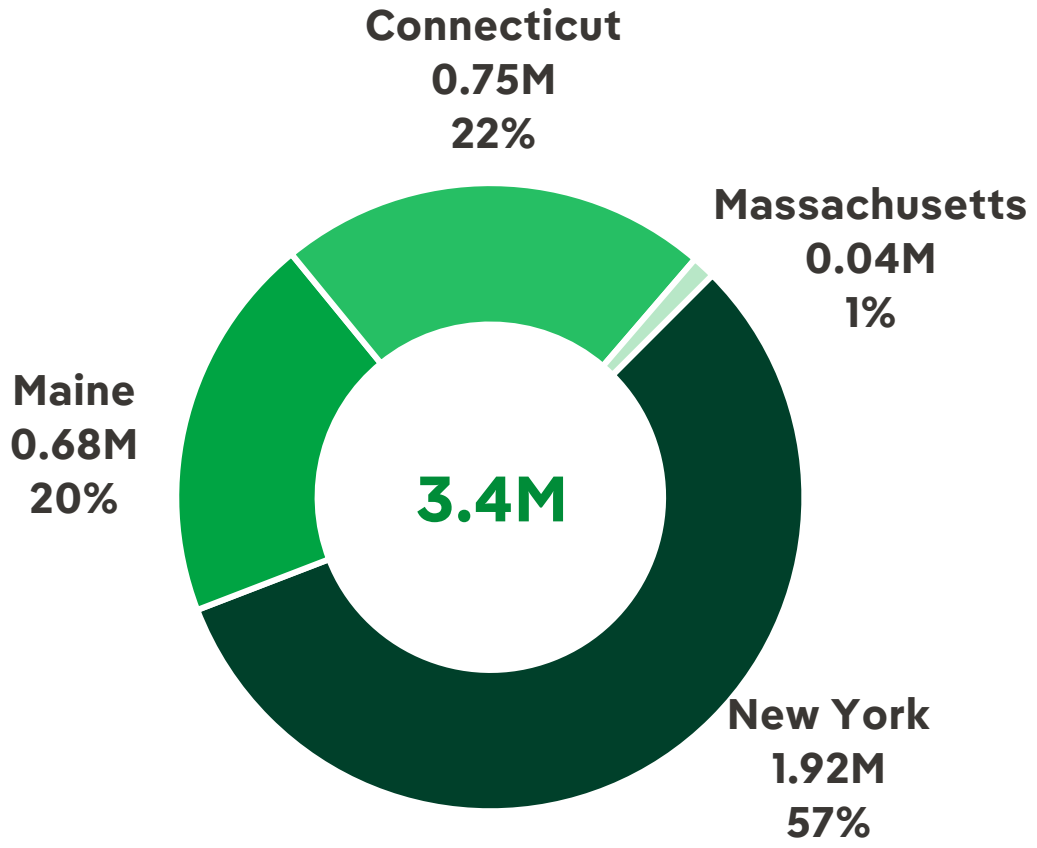
(3) In October 2025, the sale of Maine National Gas was completed.

Avangrid: Networks

Customers by Usage



Customers by State

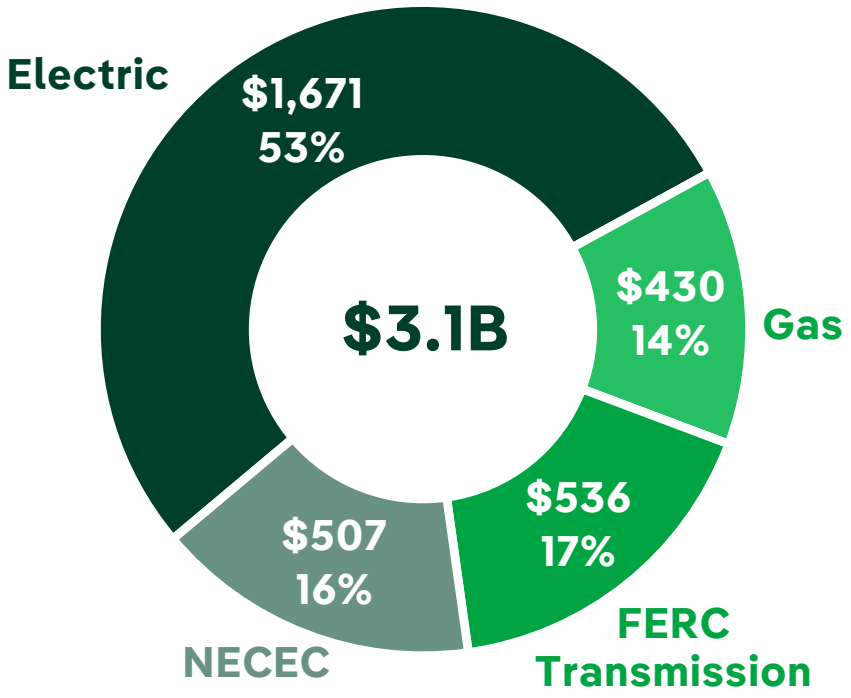


As of 31/12/2025

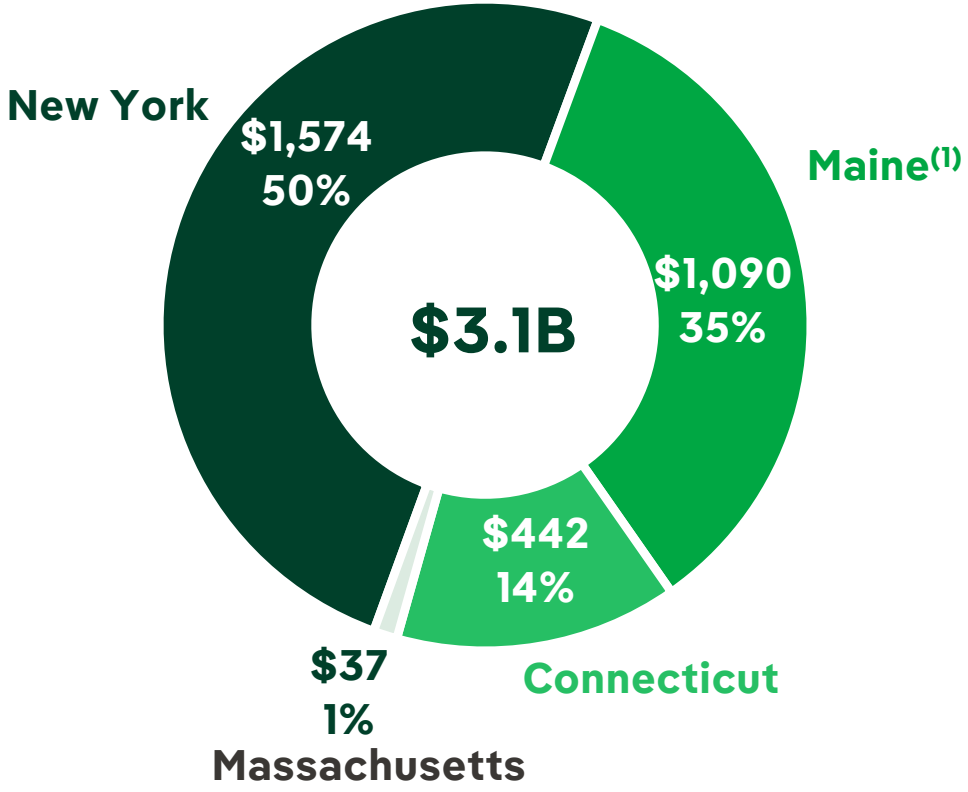
Avangrid: Networks

Invested $3.1B in 2025 to provide customers with safe & reliable infrastructure

CapEx spent by Business ($M)



CapEx spent by State ($M)

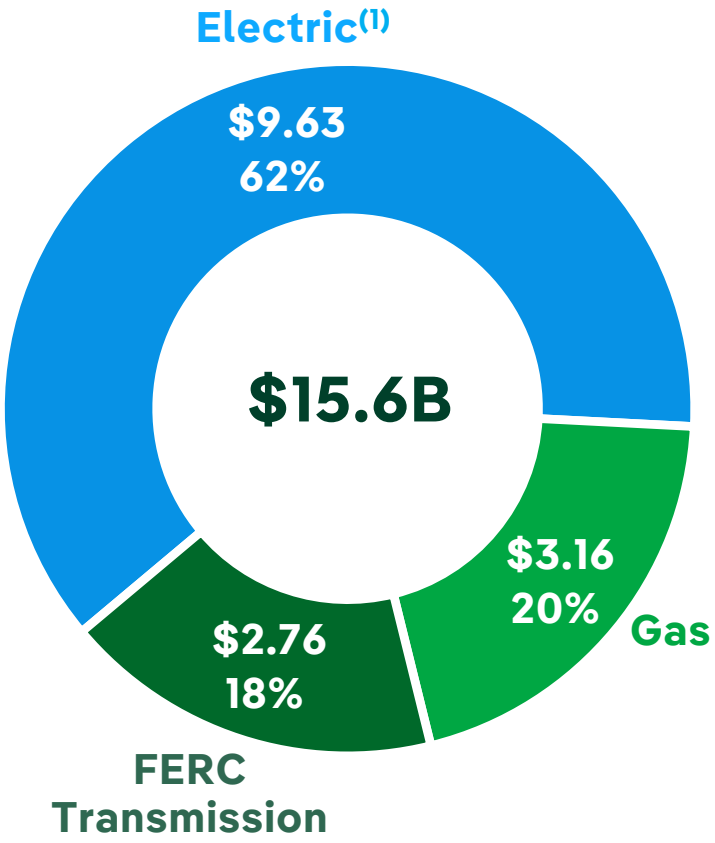


Amounts may not add up due to rounding.

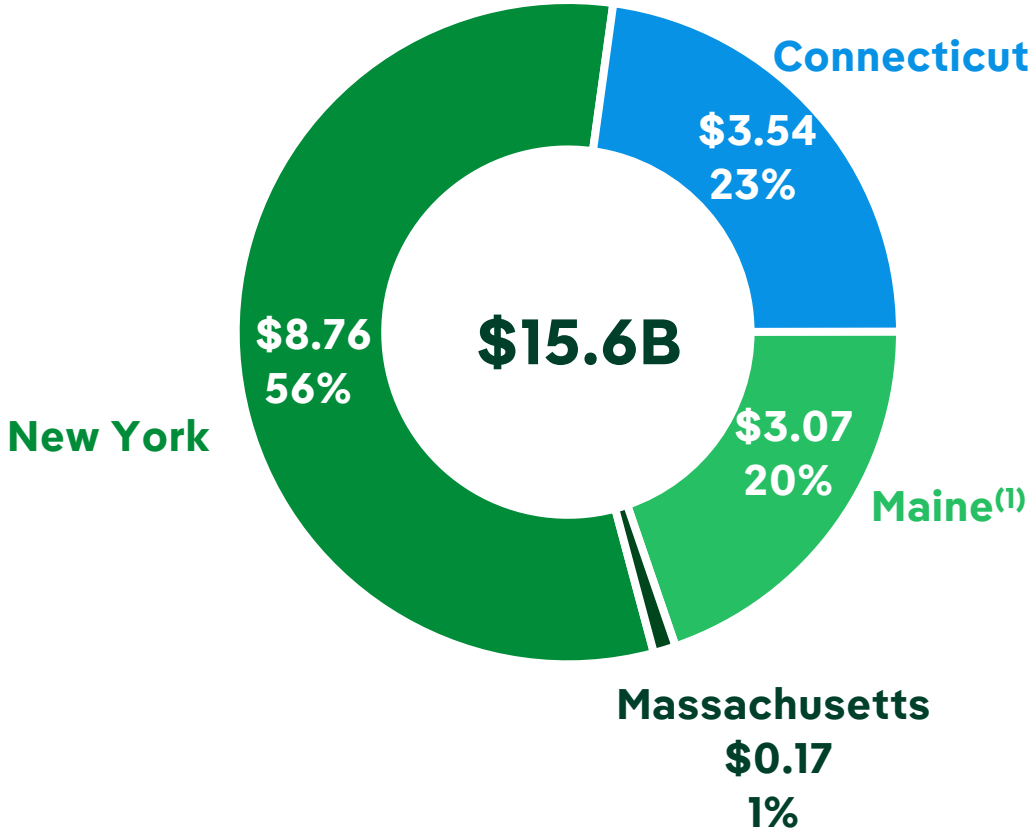
(1) Includes MEPCO & NECEC capex

Avangrid: Networks

2025 Average Rate Base [1] by Business ($B)



2025 Average Rate Base[1] by State ($B)



(1) Including MEPCO

Avangrid: Networks

Current base allowed ROEs

Company	2025 CapEx ($M)	2025 Rate Base ($B)	Allowed ROE	2025 Earnings ROE
NYSEG – E	989	4.67	9.20%	9.11%
NYSEG – G	125	0.86	9.20%	9.35%
RG&E – E	362	2.53	9.20%	9.35%
RG&E – G	99	0.71	9.20%	9.62%
CMP – D	270	1.29	9.35%	9.25%
CMP – T(1)	302	1.66	10.57% - 11.74%	11.27%
UI – D	105	1.15	9.45%	8.29%
UI – T(1)	170	0.98	10.57% - 11.74%	11.20%
SCG	102	0.89	9.15%	7.56%
CNG	66	0.53	9.15%	8.03%
BGC	37	0.17	9.70%	8.35%
MEPCO(2)	11	0.13	10.57% - 11.74%	11.10%
NECEC & Corporate	509	0.00	N/A	N/A
Total	**3,146**	**15.6**		

(1) As of March 2026, FERC issued its Final Decision for New England Transmission Owners ROE with a revised ROE range of 9.57% - 12.09%.
(2) MEPCO is not a named party in the FERC order, so it remains under legal analysis if the ROE decision applies to MEPCO.

Earnings ROE is calculated using actual accounting results for a given calendar period and is primarily used to assess financial performance, reporting results, and credit metrics.

Avangrid: Networks

State Regulated Rate Plans

	NY State Electric (NYSEG-E)	NY State Gas (NYSEG-G)	Rochester Electric (RGE-E)	Rochester Gas (RGE-G)	Central Maine Power Distribution (CMP-D)
Regulator	New York Public Service Commission (NY PSC)				Maine Public Utility Commission (ME PUC)
Term	3 years, May '23 – April '26				2 years, July '23 – June '25
Rate Increase (M)	RY1: $137.3 RY2: $160.7 RY3: $200.6	RY1: $11.7 RY2: $12.4 RY3: $12.9	RY1: $50.9 RY2: $56.6 RY3: $65.3	RY1: $18.2 RY2: $20.1 RY3: $22.4	RY1: $34.1 RY2: $26.3
Avg. 2025 Rate base (M)	$4,665	$861	$2,529	$707	$1,287
Allowed ROE	9.2%	9.2%	9.2%	9.2%	9.35%
Equity Ratio	48%	48%	48%	48%	50%
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				• Revenue Decoupling • Major Storms • Vegetation Mgt 6-yr cycle from 5-yr plus ground to sky trim • Hyper inflation protection (RY1) • Full reconciliation of tax basis repairs credit

Earnings ROE					
2025	9.11%	9.35%	9.35%	9.62%	9.25%
2024	9.27%	8.22%	8.97%	8.97%	9.19%
2023	8.78%	9.38%	9.99%	11.13%	10.52%

Avangrid: Networks

State Regulated Rate Plans

	United Illuminating Distribution (UI-D)	Southern Connecticut Gas (SCG)	Connecticut Natural Gas (CNG)	Berkshire Gas Company (BGC)
Regulator	Connecticut Public Utilities Regulatory Authority (CT PURA)			Massachusetts Department of Public Utilities (MA DPU)
Term	Nov. '25 – Oct. '26	Dec. '24 – Nov. '25	Dec. '24 – Nov. '25	Jan. '23 – Dec. '24
Rate Increase (M)	RY1: $68	RY1: ($10.7)	RY1: ($24.6)	RY1:$3.6[1]
Avg. 2025 Rate base (M)	$1,147	$890	$530	$170
Allowed ROE	9.45%	9.15%	9.15%	9.7%
Equity Ratio	51%	53%	53%	54%
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 Management Program	• Revenue Decoupling • Gas Supply (pass through) • GSEP, pension, energy efficiency • Recover costs through proposed step increases associate with; 1) hiring of incremental employees, 2) hiring of incremental safety & reliability employees and 3) non-GSEP capital investments placed in service in 2022

Earnings ROE				
2025	8.29%	7.56%	7.58%	8.35%
2024	4.54%	6.70%	9.23%	9.07%
2023	4.35%	8.41%	8.21%	7.57%

1. RY2 – add'l step-ups up to $1.2M, $0.6M & $0.3M

Avangrid: Networks

FERC Jurisdiction Rate Plans

	Central Maine Power Transmission (CMP-T)	United Illuminating Transmission (UI-T)	Maine Electric Power Company (MEPCO)[1]
Regulator	Federal Energy Regulatory Commission (FERC)		
Term	Annual Filing by July 31st		
Avg. 2025 Rate base (M)	$1,660	$977	$125
Allowed ROE	10.57% - 11.74%[2]		
Equity Ratio	Actual (~53-59%)	Actual (~53-58%)	100%

Earnings ROE			
2025	11.3%	11.2%	11.1%
2024	11.3%	11.0%	11.1%
2023	11.3%	11.2%	11.1%

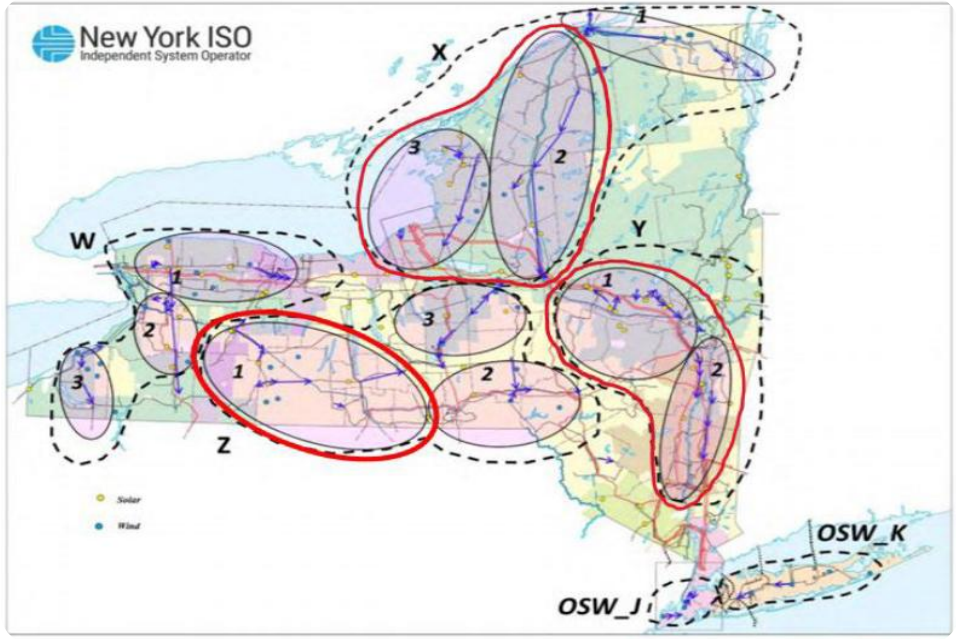
(1) Maine Electric Power Company, Inc. (MEPCO) is owned 78.31% by Central Maine Power (CMP) and the remainder by Emera.
(2) In March 2026, the Federal Energy Regulatory Commission (FERC) issued a Final Order reviewing the ROE range. The base ROE was revised to 9.57% from 10.57% going forward. FERC maintained the overall cap at 12.09% including incentives.

Avangrid: Networks

New York: Powering New York

Critical transmission upgrades supporting New York's effort to advance energy solutions

	Phase 1	Phase 2
Transmission Capacity	**2.8 GW**	**2 GW**
Avangrid Investment	**$1.7B** project portfolio $634M approved in 2023-2026 Rate Case	**$2.5B** project portfolio
Infrastructure Upgrade	**13** projects in service by 2031	**32** projects in service 2032
Recovery	Through **Rate Cases** $634M approved in 2023-2026 Rate Case $1.2B to be included in next Rate Case	**FERC Formula Rate** $1.8B projects complying with Article VII and VIII eligible for Capital Work in Progress in Rate Base $0.7B recovered through cash placed in service



Avangrid: Networks

New England Clean Energy Connect (NECEC) – Achieved Commercial Operation January 16, 2026

145-mile transmission line to bring 1,200 MW of Hydro Power from Quebec to NE-ISO

Project Benefits

- ✓ NECEC will save New England ratepayers about **$3.4B over the next 20 years**
- ✓ **Energy infrastructure improvements** in Maine to enhance grid reliability, reduce environmental impact, and generate **$23M in annual tax benefits** for host communities
- ✓ **Increased employment** and **property taxes** for local communities
- ✓ $200M+ in transmission grid investments and upgrades
- ✓ Permanent **conservation of 50,000 acres** of wilderness in Maine
- ✓ Additional fiber optic, heat pump support, rate relief and low-income programs in Maine
- ✓ Reduces dependence on fossil fuels and supports more secure, resilient, and low emission electric system

- Average Rate Base of $2B
- Contract Price: $13.2/kW-month for year 1 escalating 2% annually through Year 20 & $7.38/kW-month for years 21-40

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

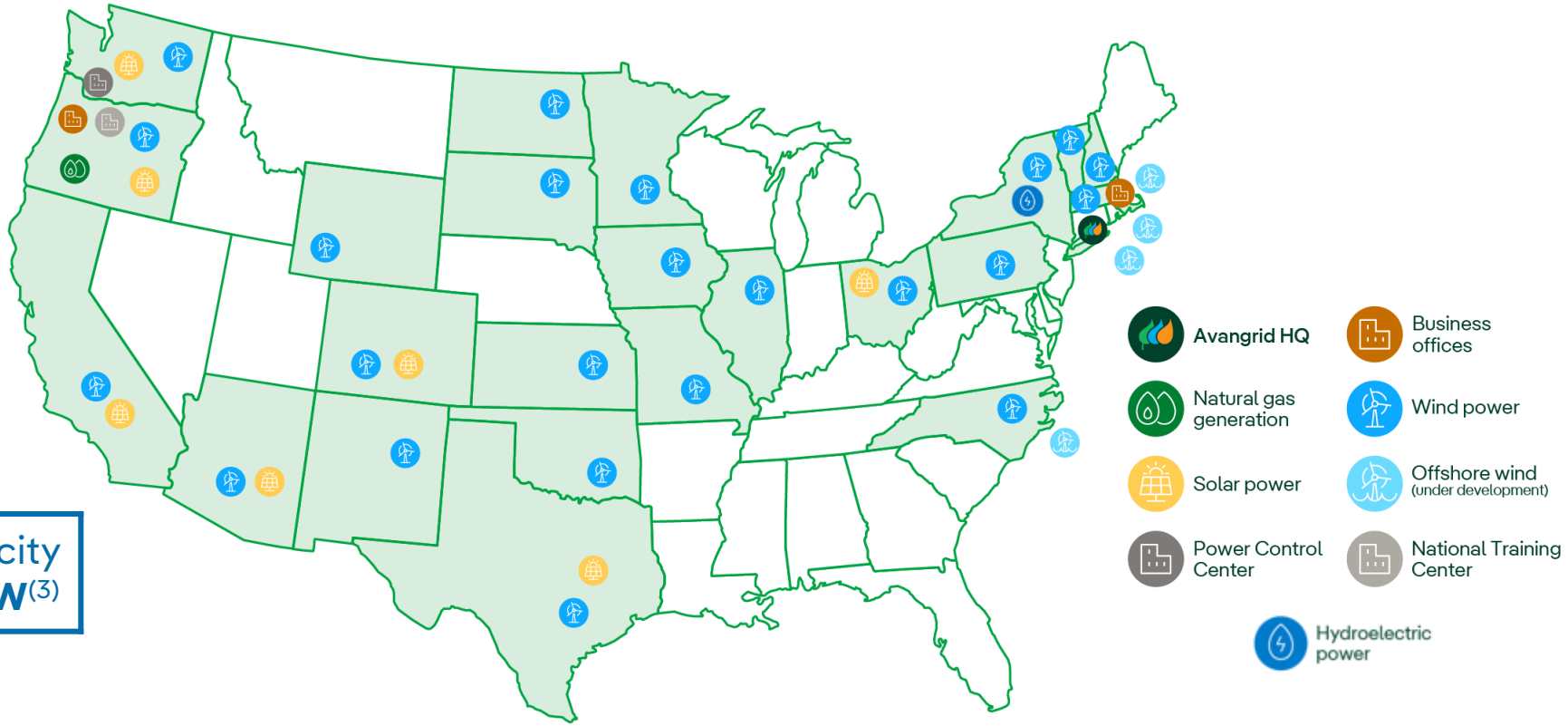
Operating Company	Facility Location	Facility Type	Installed Capacity (MW)	Year(s) Commissioned
NYSEG	Newcomb, NY	Diesel Turbine	4.3(1)	1967, 2017
NYSEG	Blue Mountain, NY (2)	Diesel Turbine	2.0	2019
NYSEG	Long Lake, NY (2)	Diesel Turbine	2.0	2019
NYSEG	Eastern New York (6 locations)	Hydroelectric	61.4	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

Third largest wind operator in the U.S.[1] with 10 GW[2] wind and solar installed; leading large-scale offshore wind development in the U.S.



2025 Installed Capacity (incl. Hydro): **10.7 GW**[3]

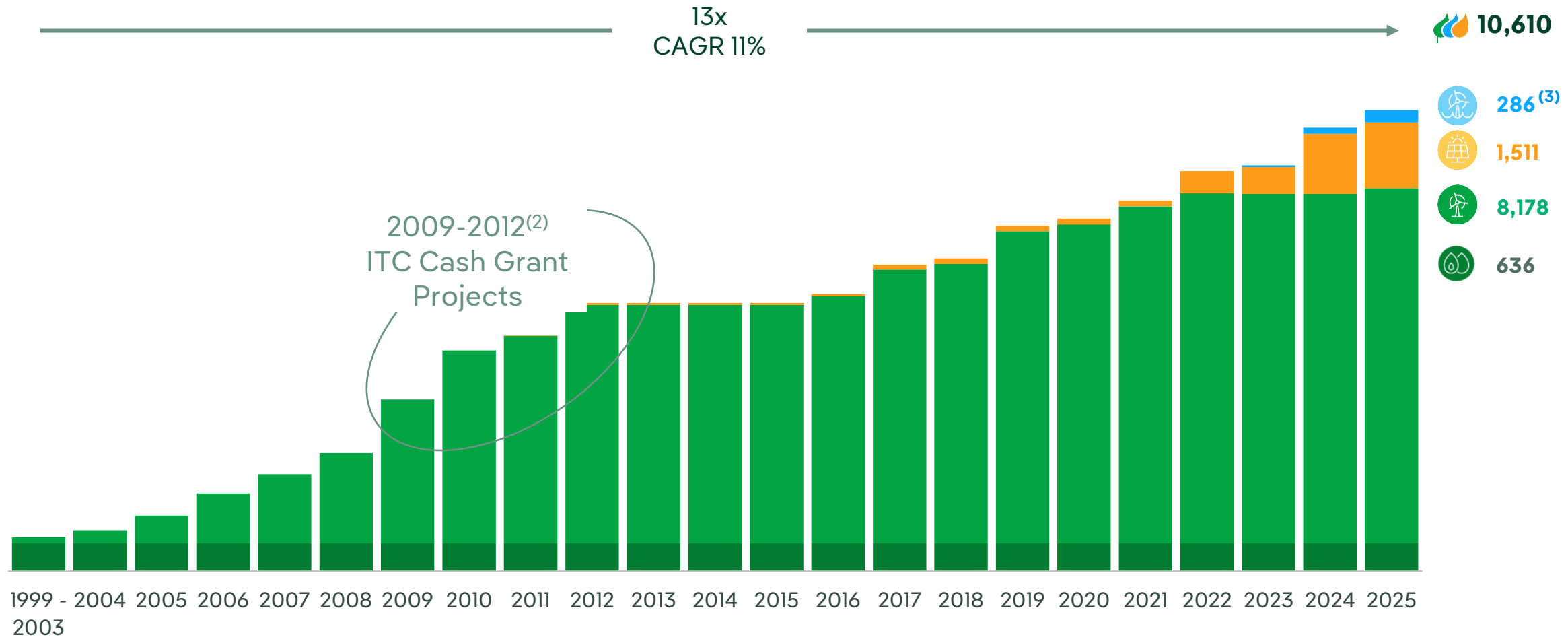
1.3 GW[4] onshore & offshore under construction

(1) As of 12/31/2025 ACP data
(2) As of 12/31/2025
(3) Includes capacity from onshore wind, solar, thermal and offshore assets and 119 MW of hydro (this technology is managed by the Networks business)
(4) Remaining installation capacity including Repowering and 100% of 806 MW Vineyard Wind 1, a 50/50 joint venture between Avangrid Power and Copenhagen Infrastructure Partners.

Avangrid: Electricity Production & Customers

Continued and sustained growth as a leading power company

Historical Installed Capacity (MW)[1]



(1) As of 31/12/2025

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

(3) Offshore includes only operating turbines for Vineyard Wind 1

Avangrid: Electricity Production & Customers

Portfolio characteristics (as of 31st December 2025)

- ✓ **Installed capacity of 10.6 GW(1) in 22 states(2) & 8 electric power markets**
- ✓ **~75% of wind and solar installed capacity under long-term contract**
- ✓ **~11 years average remaining PPA life**
- ✓ **Target 75-85% capacity under contract and/or hedged**
- ✓ **Weighted Average PPA price realized to date = $46/MWh**
- ✓ **Escalators on ~40% 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 81 operating wind, solar and thermal assets**

(1) Includes Onshore & Offshore Wind, Solar, Thermal (excluding hydro); Offshore Wind installed capacity includes only WTGs installed and operating with new rotors

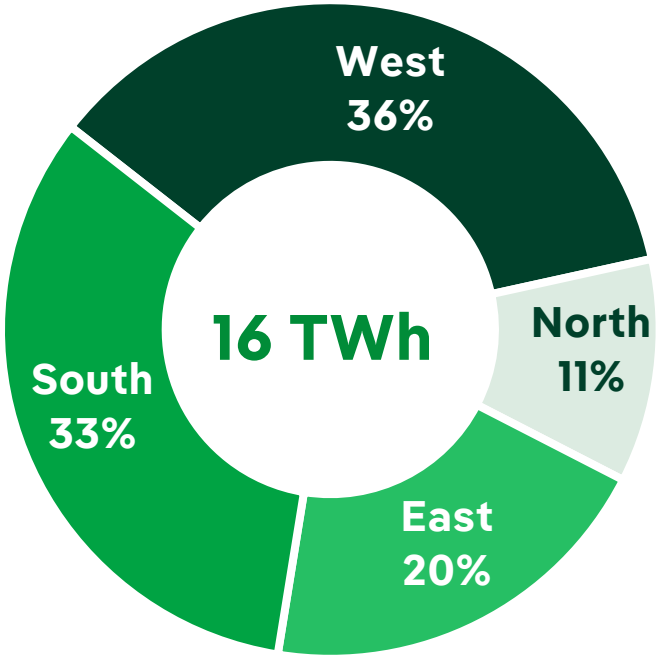
(2) Excluding managed assets

(2) $29/MWh for facilities placed in service before 2022 and $30/MWh for facilities placed in service starting 2022. Bonus credits are available for projects that meet domestic content and energy community requirements.

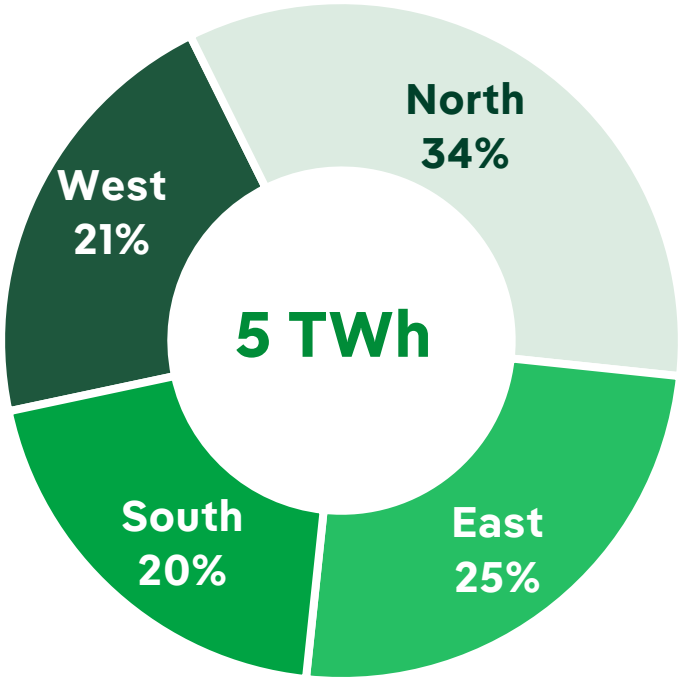
Avangrid: Electricity Production & Customers

Renewable portfolio characteristics based on 2025 annual production

Contracted (78%)



Merchant (22%)

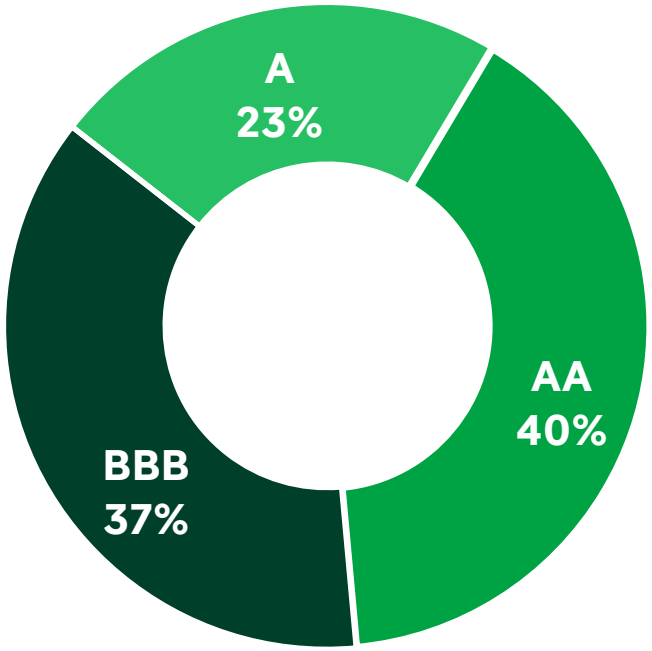


Note: excluding joint ventures & managed assets

Avangrid: Electricity Production & Customers

Strong investment grade(1) counterparties

PPA/Structured (76%)

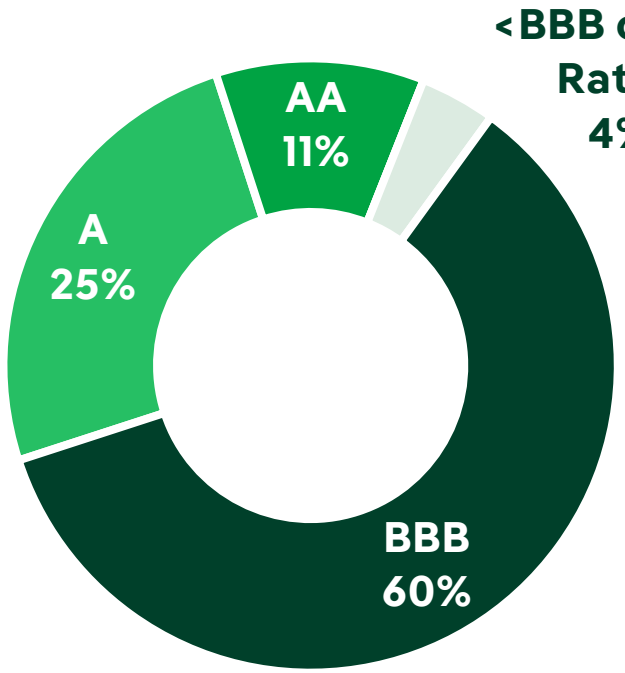


~100%
Investment Grade

Exposure by Customer Type

63%	Utilities(2)
28%	Municipal
9%	Energy
1%	Other(3)

Trading/Master Agreement (24%)



~100%
Investment Grade

Exposure by Customer Type

65%	Utilities (2)
24%	Municipal
8%	Energy
3%	Other (3)

(1) Investment grades according to Credit Agencies

(2) Utilities section includes Utilities, Cooperatives and Joint Power Agencies.

(3) Other section includes Tech Companies, Educational Institutes and Communication Industries.

Amounts may not add up due to rounding.

Avangrid: Electricity Production & Customers

Wind

Location	Wind Project	Turbines	MW	COD Year	NERC Region	Contracted/ Merchant	PTC/ ITC[2]	Tax Equity[2]
Arizona	Dry Lake I	30 (Suzlon, S88, 2.1 MW)	63	2009	WECC	Contracted	Cash Grant	
	Dry Lake II[1]	31 (Suzlon, S88, 2.1 MW)	33	2010	WECC	Contracted	Cash Grant	
California	Dillon	45 (Mitsubishi, MWT62, 1 MW)	45	2008	CAISO	Contracted	PTC Expired	
	Manzana	126 (GE, 1.5 SLE, 1.5 MW)	189	2012	CAISO	Contracted	Cash Grant	
	Mountain View III	34 (Vestas, V47, 0.66 MW)	22	2021	CAISO	Contracted	PTC	Tax Equity
	Phoenix Wind Power	3 (NEG MICON, 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	100 (GE, 1.5 SLE RP 1.62, 1.62 MW)	162	2020	WECC	Contracted	PTC	Tax Equity
	Twin Buttes	50 (GE, 1.5 SLE, 1.5 MW)	75	2007	WECC	Contracted	PTC Expired	
	Twin Buttes II	6 (Gamesa, 2 MW) 30 (Gamesa, G114, 2.1 MW)	75	2017	WECC	Contracted	PTC	
Illinois	Midland	4 (Vestas, V136, 3.8 MW) 21 (Vestas, V150, 4.3 MW)	106	2023	PJM	Contracted	PTC	
	Otter Creek	4 (Vestas, V126, 3.45 MW) 38 (Vestas, V136, 3.8 MW)	158	2020	PJM	Contracted	PTC	Tax Equity
	Providence Heights	36 (Gamesa, G87, 2 MW)	72	2008	PJM	Merchant	PTC Expired	
	Streator Cayuga Ridge South	150 (Gamesa, G87, 2 MW)	300	2010	PJM	Contracted	Cash Grant & PTC	
Iowa	Barton	79 (Gamesa, G87, 2 MW)	158	2009	MISO	Partially Contracted	Cash Grant	
	Flying Cloud	29 (GE, 1.5S, 1.5 MW)	44	2003	MISO	Contracted	PTC Expired	
	New Harvest	50 (Gamesa, G87, 2 MW)	100	2012	MISO	Contracted	Cash Grant	
	Top of Iowa II	40 (Gamesa, G87, 2 MW)	80	2007	MISO	Contracted	PTC Expired	
	Winnebago I	10 (Gamesa, G83, 2 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	Cash Grant	
Minnesota	Elm Creek I	66 (GE, 1.5 SLE, 1.5 MW)	99	2008	MISO	Contracted	PTC Expired	
	Elm Creek II	62 (Mitsubishi, MWT95, 2.4 MW)	149	2010	MISO	Merchant	Cash Grant	
	MinnDakota	100 (GE, 1.5 SLE, 1.5 MW)	150	2008	MISO	Contracted	PTC Expired	
	Moraine I	34 (GE, 1.5 SLE, 1.5 MW)	51	2003	MISO	Merchant	PTC Expired	
	Moraine II	33 (GE, 1.5 SLE, 1.5 MW)	50	2009	MISO	Contracted	Cash Grant	
	Trimont	67 (GE, 1.5 SLE RP 1.62, 1.6 MW)	107	2021	MISO	Contracted	PTC	
Missouri	Farmers City	72 (Gamesa, G87, 2 MW)	144	2009	MISO	Merchant	Cash Grant & PTC	

(1) Jointly owned; capacity amounts represent only Renewables' share of the facility.
(2) Updated as of 31st December 2025.

Avangrid: Electricity Production & Customers

Location	Wind Project	Turbines	MW	COD Year	NERC Region	Contracted/ Merchant	PTC/ ITC[2]	Tax Equity[2]
New Hampshire	Groton	24 (Gamesa, G87, 2 MW)	48	2012	ISO-NE	Contracted	Cash Grant	
	Lempster	12 (Gamesa, G87, 2 MW)	24	2008	ISO-NE	Contracted	PTC Expired	
New Mexico	El Cabo	142 (Gamesa, G114, 2.1/2 MW)	298	2017	CAISO	Contracted	PTC	Tax Equity
	La Joya	76 (GE, GE127, 2.82 MW) 35 (Gamesa, G114, 2.6 MW)	306	2021	WECC	Contracted	PTC	
New York	Hardscrabble	37 (Gamesa, G90, 2 MW)	74	2011	NYISO	Merchant	Cash Grant	
	Maple Ridge I[1]	140 (Vestas, V82, 1.65 MW)	116	2006	NYISO	Merchant	PTC Expired	
	Maple Ridge II[1]	55 (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	Tax Equity
North Carolina	Desert Wind	104 (Gamesa, G114, 2 MW)	208	2017	PJM	Contracted	PTC	
North Dakota	Rugby	71 (Suzlon, S88, 2.1 MW)	149	2009	MISO	Partially Contracted	Cash Grant	
Ohio	Blue Creek	152 (Gamesa, G90, 2 MW)	304	2012	PJM	Partially Contracted	Cash Grant	
Oklahoma	Pontotoc	5 (Vestas, V150, 4.3 MW) 28 (Vestas, V150, 4.5 MW)	148	2026	SPP	Contracted	PTC	
Oregon	Golden Hills	10 (GE, GE 116, 2.5 MW) 41 (Vestas, V150, 4.3 MW)	201	2022	WECC	Contracted	PTC	Tax Equity
	Hay Canyon	48 (Suzlon, S88, 2.1 MW)	101	2009	WECC	Partially Contracted	Cash Grant	
	Klondike I	16 (GE, 1.5S, 1.5 MW)	24	2001	WECC	Merchant	PTC Expired	
	Klondike II	50 (GE, 1.5 SLE RP 1.62, 1.62 MW)	81	2021	WECC	Partially Contracted	PTC	
	Klondike III	44 (Siemens, SWT-2.3-93, 2.3 MW) 1 (Mitsubishi, MWT102, 2.4 MW) 80 (GE, 1.5 SLE, 1.5 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 IIA	4 (Suzlon, S88, 2.1 MW) 36 (Suzlon, S88, 2.1 MW)	98	2025	WECC	Contracted	Cash Grant / ITC	
	Leaning Juniper IIB	74 (GE, 1.5 SLE, 1.5 MW)	111	2011	WECC	Merchant	Cash Grant / ITC	
	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	Cash Grant	
	Star Point	47 (Suzlon, S88, 2.1 MW)	99	2010	WECC	Contracted	Cash Grant	

(1) Jointly owned; capacity amounts represent only Renewables' share of the facility.
(2) Updated as of 31st December 2025.

Avangrid: Electricity Production & Customers

Location	Wind Project	Turbines	MW	COD Year	NERC Region	Contracted/ Merchant	PTC/ ITC[2]	Tax Equity[2]
Pennsylvania	Casselman	23 (GE, 1.5 SLE, 1.5 MW)	35	2007	PJM	Contracted	PTC Expired	
	Locust Ridge I	13 (Gamesa, G87, 2 MW)	26	2007	PJM	Contracted	PTC Expired	
	Locust Ridge II	50 (Gamesa, G83, 2 MW)	100	2009	PJM	Merchant	Cash Grant	
	South Chestnut	23 (Gamesa, G90, 2 MW)	46	2012	PJM	Contracted	Cash Grant	
South Dakota	Buffalo Ridge I	24 (Suzlon, S88, 2.1 MW)	50	2009	MISO	Merchant	PTC Expired	
	Buffalo Ridge II	105 (Gamesa, G87, 2 MW)	210	2010	MISO	Merchant	Cash Grant	
	Coyote Ridge[1]	4 (GE, 2.3, 2.3 MW) 35 (GE, 2.52, 2.52 MW)	18	2019	MISO	Contracted	PTC	Tax Equity
	Tatanka[1]	6 (GE, GE116, 2.3 MW) 50 (GE, GE127, 2.82 MW)	23	2021	MISO	Contracted	PTC	Tax Equity
Texas	Baffin	101 (Gamesa, G97, 2 MW)	202	2016	ERCOT	Merchant	PTC	
	Barton Chapel	60 (Gamesa, G87, 2 MW)	120	2009	ERCOT	Merchant	Cash Grant	
	Karankawa	93 (GE, 2.52, 2.52 MW) 9 (GE, 2.5, 2.5 MW) 22 (GE, 2.3 MW)	307	2019	ERCOT	Contracted	PTC	Tax Equity
	Patriot	5 (Vestas, V126, 3.45 MW) 58 (Vestas, V136, 3.6 MW)	226	2019	ERCOT	Merchant	PTC	Tax Equity
	Peñascal	84 (Mitsubishi, MWT92, 2.4 MW)	202	2009	ERCOT	Contracted	Cash Grant	
	Peñascal II	83 (Mitsubishi, MWT92, 2.4 MW)	199	2010	ERCOT	Contracted	Cash Grant	
Vermont	Deerfield	15 (Gamesa, G87/G97, 2 MW)	30	2017	ISO-NE	Contracted	PTC	
Washington	Big Horn I	133 (GE, 1.5 SLE, 1.5 MW)	200	2006	WECC	Contracted	PTC Expired	
	Big Horn II	25 (Gamesa, G90, 2 MW)	50	2010	WECC	Contracted	Cash Grant	
	Juniper Canyon[3]	62 (Mitsubishi, MWT95, 2.4 MW)	149	2011	WECC	Merchant	ITC Repower/ Cash Grant Original	
Total			**8.219**					

(1) Jointly owned; capacity amounts represent only Renewables' share of the facility.
(2) Updated as of 31st December 2025.
(3) Considers pre-repower capacity for Juniper Canyon.

Avangrid: Electricity Production & Customers

Solar PV & Conventional

Location	Solar Project	Technology	MW	COD Year	NERC Region	Contracted/ Merchant	PTC/ ITC(2)	Tax Equity(2)
Arizona	Copper Crossing Solar Ranch(1)	Solar	12	2011	WECC	Contracted	Cash Grant	
California	Camino Solar	Solar	57	2025	CAISO	Contracted	PTC	Tax Equity
Colorado	San Luis Valley Solar Ranch	Solar	35	2012	WECC	Contracted	Cash Grant	
Ohio	Powell Creek	Solar	202	2025	PJM	Contracted	PTC	Tax Equity
Oregon	Bakeoven Solar I	Solar	80	2024	WECC	Contracted	ITC	
	Daybreak	Solar	189	2024	WECC	Contracted	ITC	
	Gala Solar	Solar	70	2017	WECC	Contracted	ITC	
	Pachwáywit Fields (Montague Solar)	Solar	211	2023	WECC	Contracted	PTC	Tax Equity
	Wy' East Solar	Solar	13	2018	WECC	Contracted	ITC	
Texas	True North Solar	Solar	321	2024	ERCOT	Contracted	PTC	Tax Equity
Washington	Lund Hill Solar	Solar	194	2022	WECC	Contracted	PTC	Tax Equity
Oregon	Klamath Cogeneration	Thermal	536	2001	WECC	Merchant		
	Klamath Peakers	Thermal	100	2002	WECC	Merchant		
Total			**2.020**					

(1) Jointly owned; capacity amounts represent only Renewables' share of the facility.
(2) Updated as of 31st December 2025.

Avangrid: Electricity Production & Customers

Offshore Vineyard Wind 1 – 100% project construction completed as of March 2026

Nation's first utility-scale offshore wind energy project, with 806 MW installed capacity

PROJECT'S BENEFITS

- ✓ **400,000** homes powered
- ✓ Ratepayer savings: **$3.7B** in energy related costs
- ✓ **Thousands** of local full-time equivalent jobs created

- ✓ Estimated **construction cost of $4.7B**
- ✓ **PPA:** 400 MW contracted at $74/MWh and 400 MW at $65/MWh
- ✓ Revenues including PPAs +RECs amount to **$88.77 on average** (20 yrs)
- ✓ **$2B Tax Credits received**

- ✓ **First power achieved in December 2023**
- ✓ **308 GWh of energy produced in 2025**

Located 15 miles off the coast of Massachusetts

Avangrid: Electricity Production & Customers

Renewables P&L Components (US GAAP)

Gross Margin

+ Wind & Solar (~86% of Renewable Gross Margin in 2025)
- ✓ Installed Capacity (MW) * Hours * Capacity Factor * Sale Price

+ Thermal & other [includes biomass contract revenues, transmission sales, limited proprietary trading and mark-to-market valuation adjustments] (~14% of Renewable Gross Margin in 2025)
- ✓ Includes 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, & mark-to-market derivative valuation adjustments
- ✓ 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:** 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:** 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 and 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

Content

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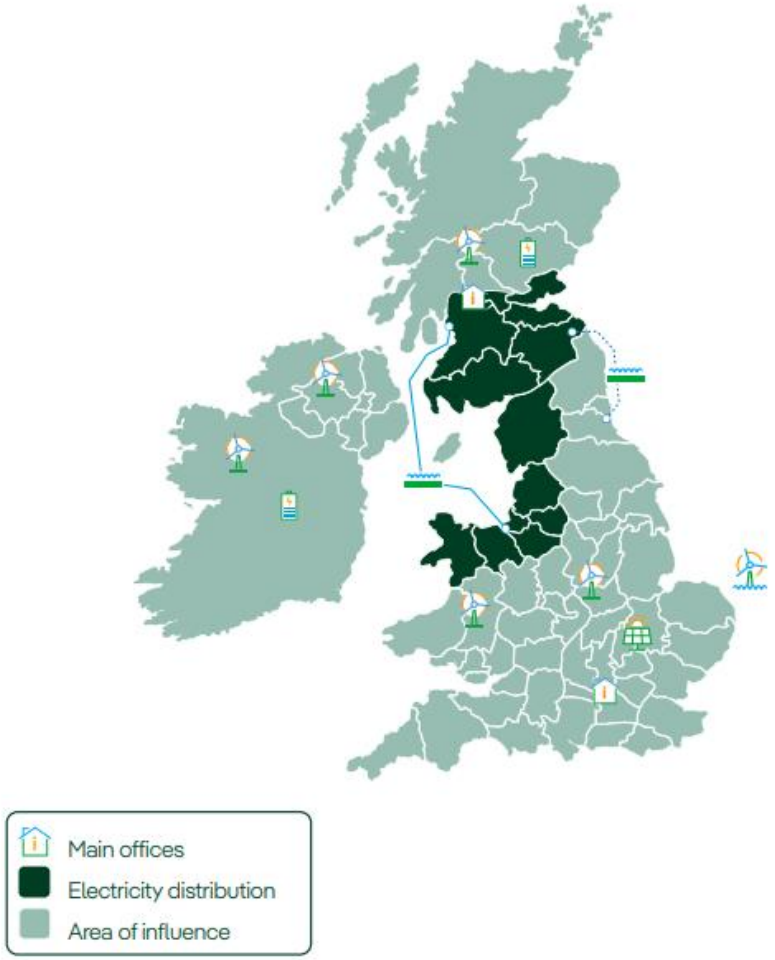
Scottish Power

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



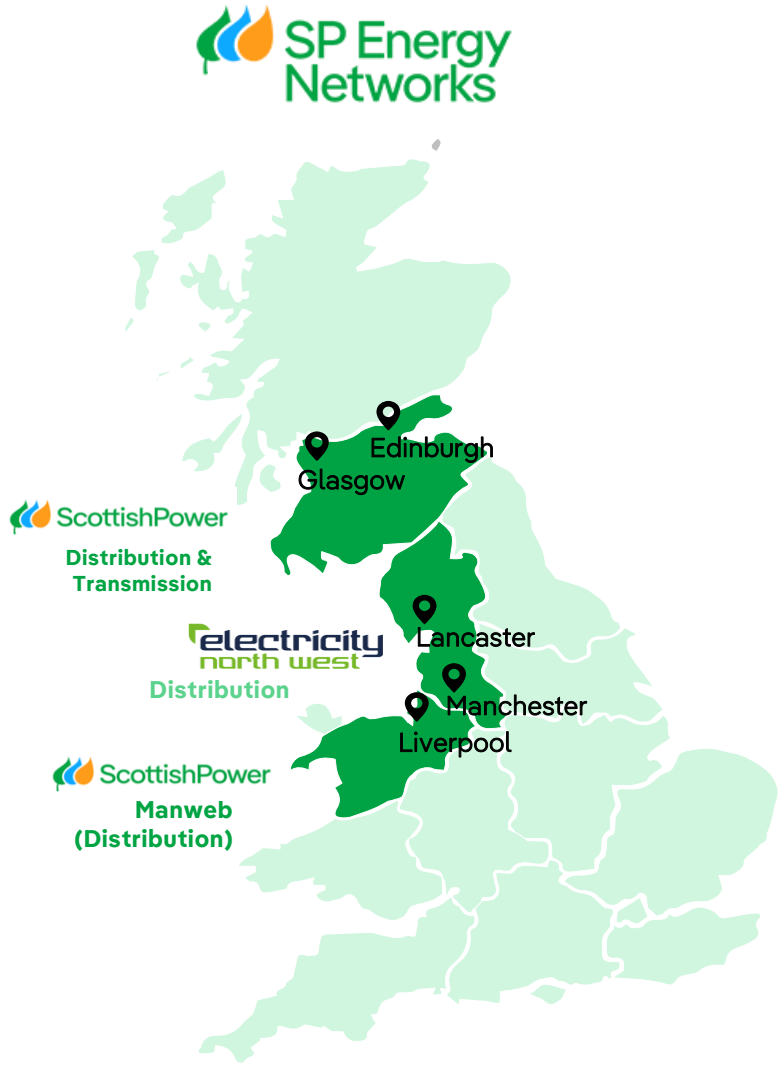
Installed Capacity (MW)	3,226
Renewable Capacity (MW)	3,226
Net Production (GWh)	7,368
Distributed Energy (GWh)	46,490
Supply points (M)(1)	6.1
Km of lines	172,408

(1) Electricity and gas supply points

Scottish Power: Networks

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

	2025
RAB (Bn GBP)	**14.1**
SP Distribution	21%
SP Manweb	23%
SP Transmission	34%
ENW[1]	22%
Distributed energy (GWh)	**52,711**
SP Distribution	32%
SP Manweb	26%
ENW	42%
Points of supply (M)	**6.1**
SP Distribution	33%
SP Manweb	25%
ENW	42%
Kms of lines[2]	**172,408**
SP Distribution	35%
SP Manweb	28%
SP Transmission	3%



Scottish Power: Networks

Form of control

- Currently regulated under Ofgem's incentive-based 'RIIO' model. 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 the regulator to ensure that regulated networks can finance their licensed activities while maintaining an investment-grade credit rating.

Price Control Overview

	Electricity Transmission		Electricity Distribution
Price Control	RIIO – ET2	RIIO – ET3	RIIO – ED2
Period	2021 – 26	2026 - 31	2023 – 28
Allowed Return on RAV (CPIH-real)	3.50% (2024-25)	5.38% (2026-27)	4.14% (2024-25)
RAV at Dec-2025	£4.8bn		SPD - £3.0bn SPM - £3.3bn ENW – £3.0bn

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

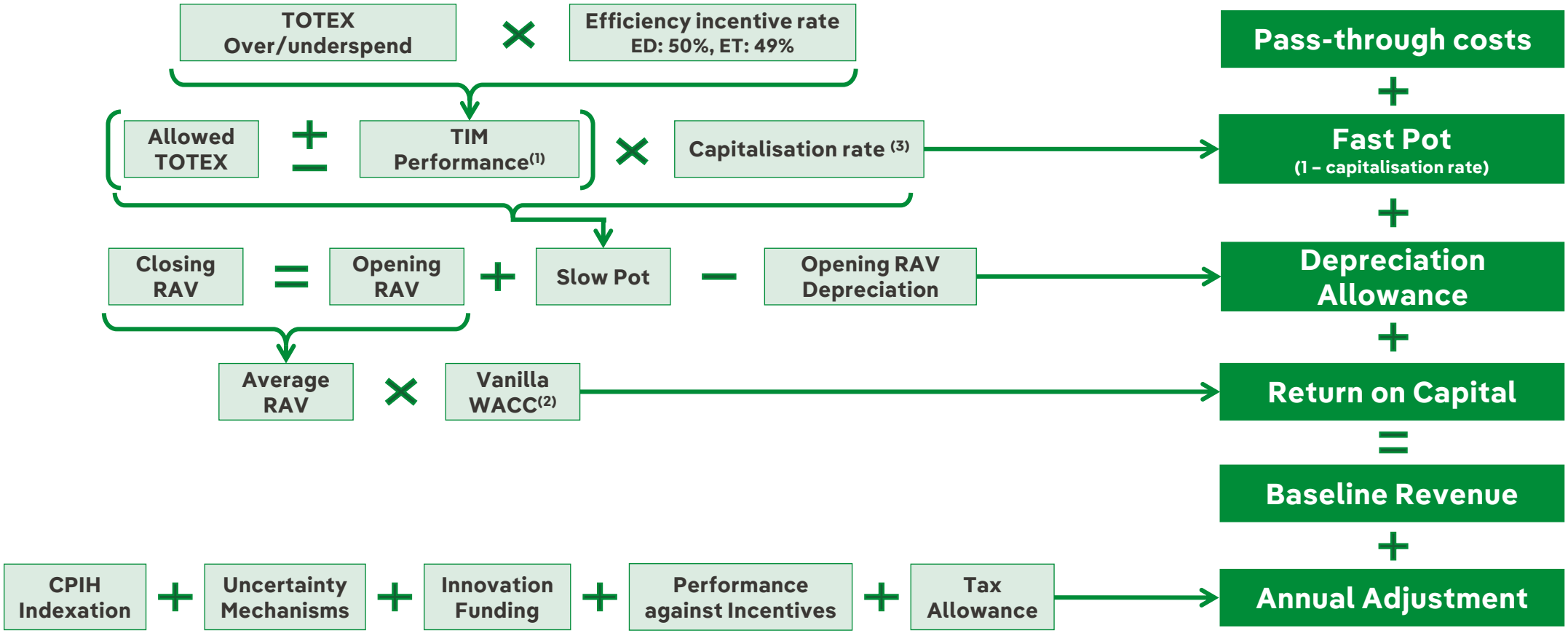
- Efficient level of expected costs necessary to carrying out activities are assessed through total expenditure (TOTEX).
- Regulatory Asset Value (RAV) is a major input to the setting of Allowed Revenue. Revenue components for depreciation (effectively a capex allowance) and return allowance are calculated 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, ET2: 84% cap rate 1 / 85% cap rate 2, ET3: 51% 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 45 years through allowances for return on capital and depreciation. The "fast pot" (ED: 30% / 15%, ET2: 16% / 15%, ET3: 49% / 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.

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%, ET2: 49%). The ET3 TIM works on stepped basis; sharing factor can vary between 5% and 25% depending on the level over/underspend

(2) Vanilla WACC: pre-tax cost of debt, post tax cost of equity. In ET3 the Vanilla WACC changes to use a semi-nominal version of the WACC

(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. ET3: 51% Cap Rate 1 / 85% cap rate 2

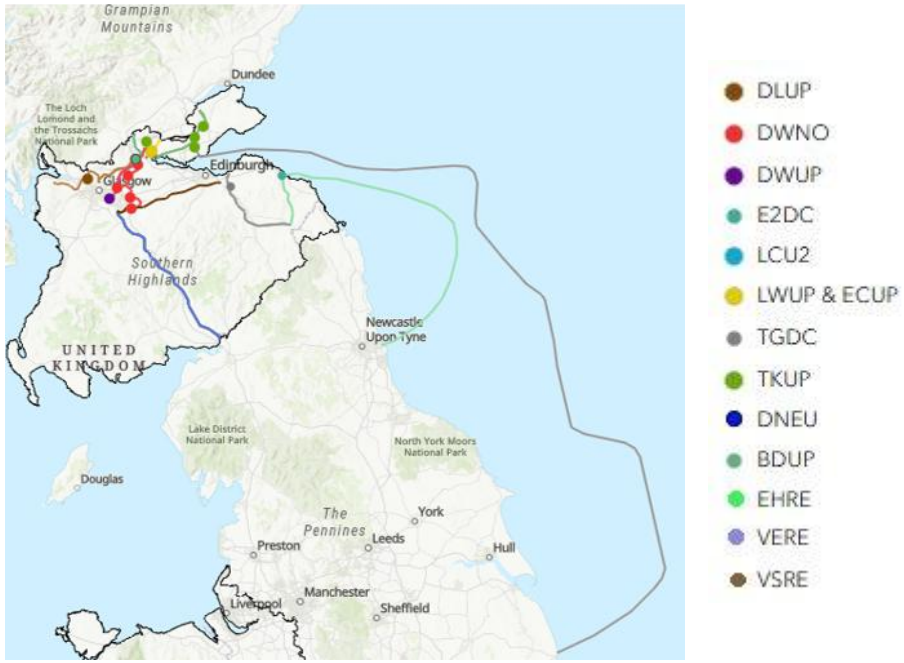
Ofgem Annual Iteration Process: RIIO-2 Annual Iteration Process 2026 for Electricity Distribution | Ofgem

Scottish Power: Networks

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

United Kingdom

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



SPT's CP2030 12 Projects (10 onshore, 2 offshore)

Main transmission projects

Total project investment ~£7.6bn

~£4.2bn - Projects required by 2030

12 critical projects required to meet the UK Government's Clean Power 2030 target

- **Eastern Green Link 1 (EGL1)** — Expected COD: 2029
- **Eastern Green Link 4 (EGL4)** — Expected COD: 2034
- **Onshore projects** — Expected COD: 2026-2031

~£3.4bn – Strategic projects required beyond 2030

Including tCSNP2

(transitional Centralised Strategic Network Plan)

- **Western Link 2** (WHVDC2) — Expected COD: 2036-2038
- **Onshore projects** — Expected COD: 2035-2039

(1) T3 business plan

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	14	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	14	1997	PPA (Expired) – Now merchant
Dun Law	Scotland	16	2000	1.0 ROC/MWh
Hare Hill	Scotland	13	2000	1.0 ROC/MWh
Beinn an Tuirc	Scotland	28	2002	1.0 ROC/MWh
Cruach Mhor	Scotland	30	2004	1.0 ROC/MWh
Black Law I	Scotland	96	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
Hagshaw Hill Repowering	Scotland	80	2025	AR4 Contract for Difference
Kilgallioch Ext.	Scotland	51	2025	AR4 Contract for Difference
Cumberhead West	Scotland	51	2025	AR4 Contract for Difference
Total		**2,148**		

(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 ROCs/MWh (20 yrs) + market price
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
Gormans BESS	Rep. of Ireland	50	2021	DS3 (Volume Capped)[3]
Harestanes BESS	Scotland	50	2025	Merchant/ Ancillary Services / 15 years Capacity Market
Total		151		

(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
Arecleoch Ext.	Wind	Scotland	74	2027	AR4 Contract for Difference
East Anglia 3	Offshore	England	1,397	2026	AR4 / AR6 Contract for Difference / Corporate PPA
East Anglia 2	Offshore	England	960	2028	AR6 Contract for Difference
Total			**2,431**		

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 CPI[3] from April 2026[2] and is set at £69.32 for 2026/27. 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 (CfD)

Form of Control

- Current mechanism for incentivising investment in renewables in GB.
- Allocated via annual competitive auctions.
- 15 to 20-year contract[4] stabilising revenues at a price set in the auction (the Strike Price) linked to CPI.

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.
- AR7 (2025 auction) - Strike Price for Scottish offshore wind £89.49/MWh, English/Welsh offshore wind £91.20/MWh, onshore wind £72.24/MWh and solar PV £65.23/MWh (2024 prices).

Timing

- CfD auctions held in 2014, 2017 and 2019, 2022, 2023, 2024 and 2025.
- Held annually from AR5 in 2023, with AR8 due to commence in July 2026.
- 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) 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.

(3) The Government has confirmed in January 2026 that Consumer Prices Index (CPI) indexation will replace Retail Price Index (RPI) indexation from April 2026.

(4) Contracts awarded under AR1–AR6 had 15-year terms, while from AR7 onwards fixed-bottom offshore wind, floating offshore wind, onshore wind and solar PV receive 20-year contract lengths.

Scottish Power: Electricity Production & Customers

Electricity System Operation

Form of Control

- The National Electricity System Operator (NESO) 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. Clearing prices under the T-4 auctions are adjusted annually for CPI with effect from the commencement of each delivery year.

National Energy System Operator (NESO)

- **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.
- **Transition:** National Grid Electricity Operator (NGESO) transitioned to National Energy System Operator (NESO) on October 1st, 2024. Establishing an independent, public corporation responsible for planning GB's electricity and gas networks and operating the electricity system.
- **Responsibilities:** Delivering a whole system approach to network planning, markets, resilience, security of supply and energy insights
- **Connections Reform:** Scheduled to be implemented Q2 2025 this reform will move the application and offer process from the model of 'first come, first serve' to 'first ready, first to connect'. The model will also move to an annual gated window for all new applications and existing grid agreements.

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. In April 2026, the UK Government announced an increase in the EGL to 55%, effective from 1 July 2026 and an extension of the mechanism beyond its original end date (with the new end date yet to be specified).
- Tax applies to revenues above £82.61/MWh in 2026/27 (the benchmark amount was set at £75/MWh from commencement of the EGL in January 2023 and indexed in line with the Consumer Price Index).
- 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 £49.41 t/CO2 as of 1 January 2026.

UK Carbon Border Adjustment Mechanism

- In 2023, the UK Government consulted on various potential measures to mitigate domestic carbon leakage. As a result, the UK Carbon Border Adjustment Mechanism (CBAM) will be implemented on 1 January 2027.
- This will impose a direct carbon price (£/tCO2) on greenhouse gas emissions generated during processes like manufacturing.
- The UK CBAM will work cohesively with the UK ETS, including free allowances, to ensure imported products face a carbon price comparable to that of UK produced goods, reducing the risk of carbon leakage.
- The EU has its own ETS and CBAM regime which has different prices and is being introduced on a different timescale (the EU CBAM is being phased-in between 2026 and 2034 as opposed to introduced as a single change from 1 Jan 2027 like the UK CBAM).

Scottish Power: Electricity Production & Customers

Customers

Form of Control

- Operates in the liberalised energy market for gas and electricity in Great Britain under the energy regulator Ofgem within a regulatory framework combining prescriptive and principles-based obligations.

Retail Market Structure

- The domestic energy market in Great Britain comprises approximately 24.5 million gas accounts and around 30.0 million electricity accounts (1).
- The retail market remains relatively consolidated with 19 active domestic suppliers and limited new entry.

Price Regulation

- A retail price cap has applied to domestic customers on default tariffs since 2019, with cap levels reviewed quarterly. This currently covers around 24 million households.
- Ongoing geopolitical uncertainty is contributing to wholesale price volatility which could result in more customers moving to default tariffs protected by the price cap as happened during the previous energy crisis.
- In April 2026, all domestic energy tariffs were reduced as a result of some policy costs being temporarily moved to general taxation.
- Ofgem is reviewing the price cap framework to ensure it supports consumer flexibility and balances consumer interests across price protection, investability and price stability.

Obligated support for low income and fuel poor customers

- **Warm Home Discount** is a government scheme aimed at addressing fuel poverty which obliges suppliers to provide a £150 annual discount on energy bills to eligible customers. The scheme operates under different legislation in Scotland from that in England & Wales, with 9.4% of the spend in Scotland and 90.6% in England & Wales. The scheme has been extended to March 2031, expanding eligibility from 3.2 million to 5.9 million households.
- **Energy Company Obligation (ECO)** is a Government scheme to tackle fuel poverty and reduce carbon emissions. The scheme requires suppliers with more than 50k customers to invest in energy efficiency measures with the obligation based on customer numbers and supply volumes. This is the fourth and final programme of this nature with Government removing the cost from the annual household bill from April 2026; however, they are extending the scheme to December 2026 for administrative reasons, the programme was worth £4 billion.
- **Great British Insulation Scheme (GBIS) Obligation** was introduced in June 2023 and imposed annual targets (until March 2026) on suppliers to improve the energy efficiency performance of homes in GB. A minimum of 20% of the programme focused on low income and fuel poor homes and the remaining support offered to homes meeting wider qualifying criteria. The GBIS programme closed as planned in March 2026 and was removed from the household bill from April 2026.

(1) Figures sourced from Cornwall Insights Domestic Market Share Survey, March 2026

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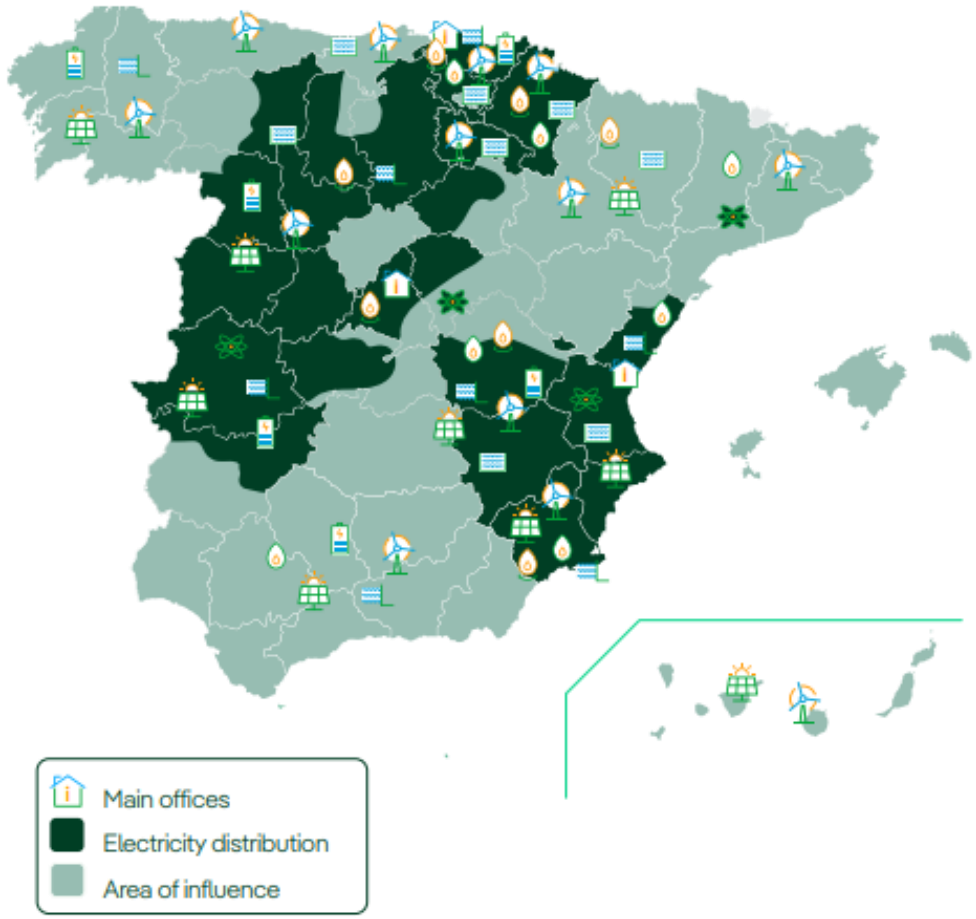
Iberdrola España

Leading energy company



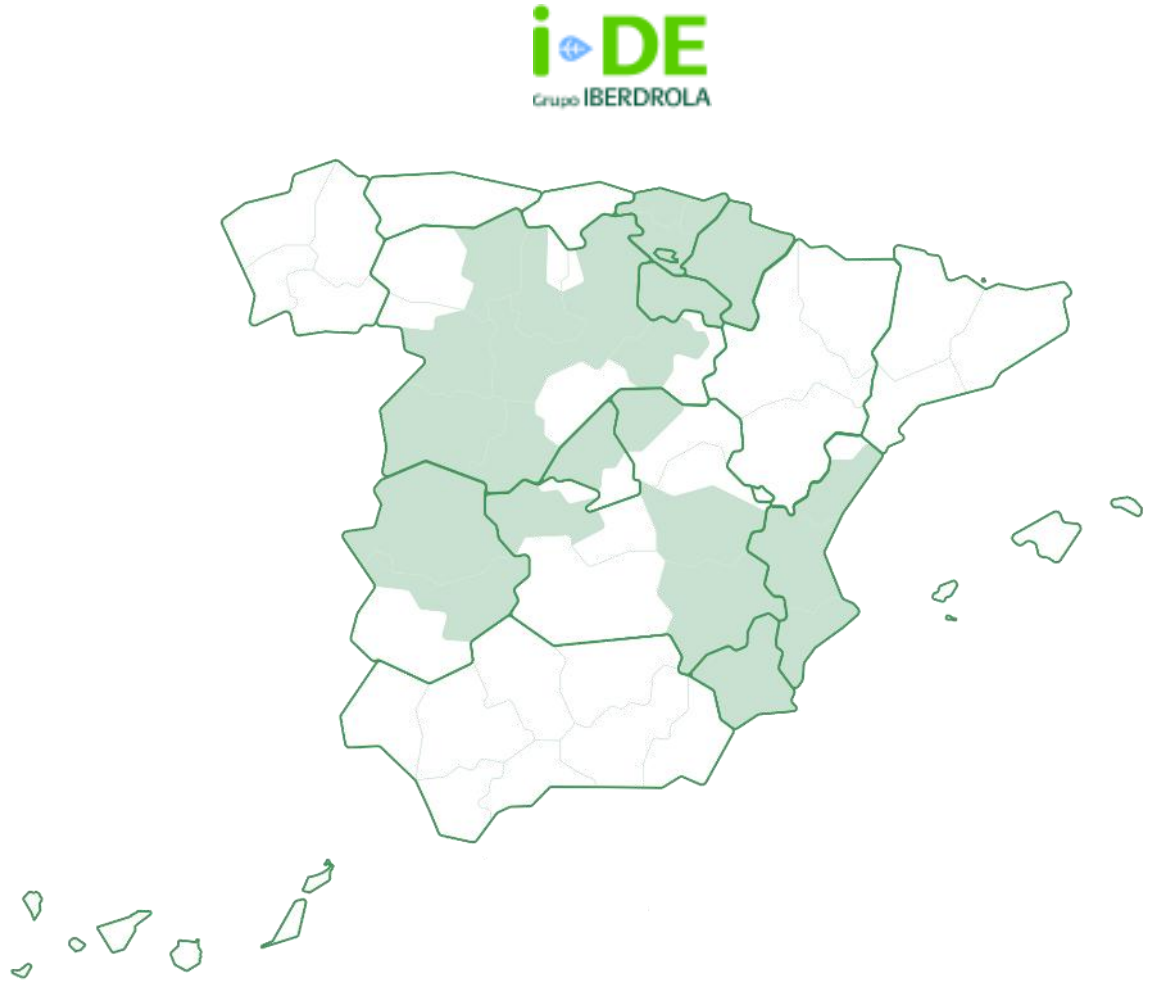
Installed Capacity (MW)	32,228
Renewable Capacity (MW)	23,047
Net Production (GWh)	64,678
Distributed Energy (GWh)	91,641
Supply points (M)(3)	11.6
Km of lines	267,899

(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) Electricity and gas supply points.

Iberdrola España: Networks

As of December 2025, ~11.6 M smart meters installed and digitalization of ~100,000 secondary substations

	2025
RAB (Bn EUR)	9.3
Distributed energy (GWh)	91,641
Points of supply (M)	11.6
Kms of lines (M)	267,899



Iberdrola España: Networks

Circular 8/2025– Methodology remuneration distribution for the period 2026 – 2031

REMUNERATION = **TOTEX** + **REVU** + **OC** + **Incentives**

n-2 criterion: remuneration (2026-2031)

Activity carried out in n-2 (2024-2029)

TOTEX

- CAPEX (Investments)
- OPEX (Expenses)

It compares actual costs against reference costs (CAPEX and OPEX), allowing companies to **retain part of the difference.**

Shared efficiency mechanism primarily focused on OPEX

REVU

O&M for assets that have exceeded their useful life

OC

Other costs (pass-through)

- Public Road Occupation Fee
- Social Bonus
- DSO entity

Incentives

Quality and losses

No longer zero-sum and based on trajectories known

Maximum bonus/penalty is **±4%**, with a sector-wide cap of **±2%** for each incentive

Model characterized by strong incentives and shared efficiency gains

The remuneration is based on the costs of an "efficient and well-managed company"

Circular 8/2025 and 9/2025 – Methodology remuneration distribution and Financial Remuneration Rate (FRR) for the 2026–2031 period

Key aspects of the remuneration:

Investment Remuneration (CAPEX)

The current method is maintained, but starting in 2026 new investments will be recognized as the average of two values with a 50% IRM weighting factor:

- **Real investment:** based on audited and declared costs from each company.
- **Reference (theoretical) investment:** linked to GDP and demand growth with access to the grid. It includes two parts:
  - **Sustainable investment:** The value considered as real cost corresponds to 0.13% of GDP from year N-2. Investments above the current cap that are not associated with demand increases and are authorized by the Ministry and included in the Investment Plans Royal Decree are also valued at real cost. This allows sustainable investment to increase by up to an additional 18% above the current cap.
  - **Investment associated with demand growth:** An electrification parameter **K = €257/kW** is used for large companies.

Remuneration for Operation and Maintenance (OPEX)

Starting in 2029, OPEX is calculated as a weighted average (IRM 50%) of real operating costs and a theoretical reference remuneration. A new term is added to cover non-manageable costs.

The reference operating remuneration evolves each year according to: Increase in the number of customers, increase in gross retribuable fixed assets and an adjustment factor (FA) of -3% per year and an extraordinary -13% adjustment in 2026.

Quality and losses incentives are significantly strengthened, and they are no longer a zero-sum system for the sector as a whole. The **sector-wide limit** is set at ±2% of remuneration and **company specific limit** ±4%

Financial Remuneration Rate (FRR/TRF)

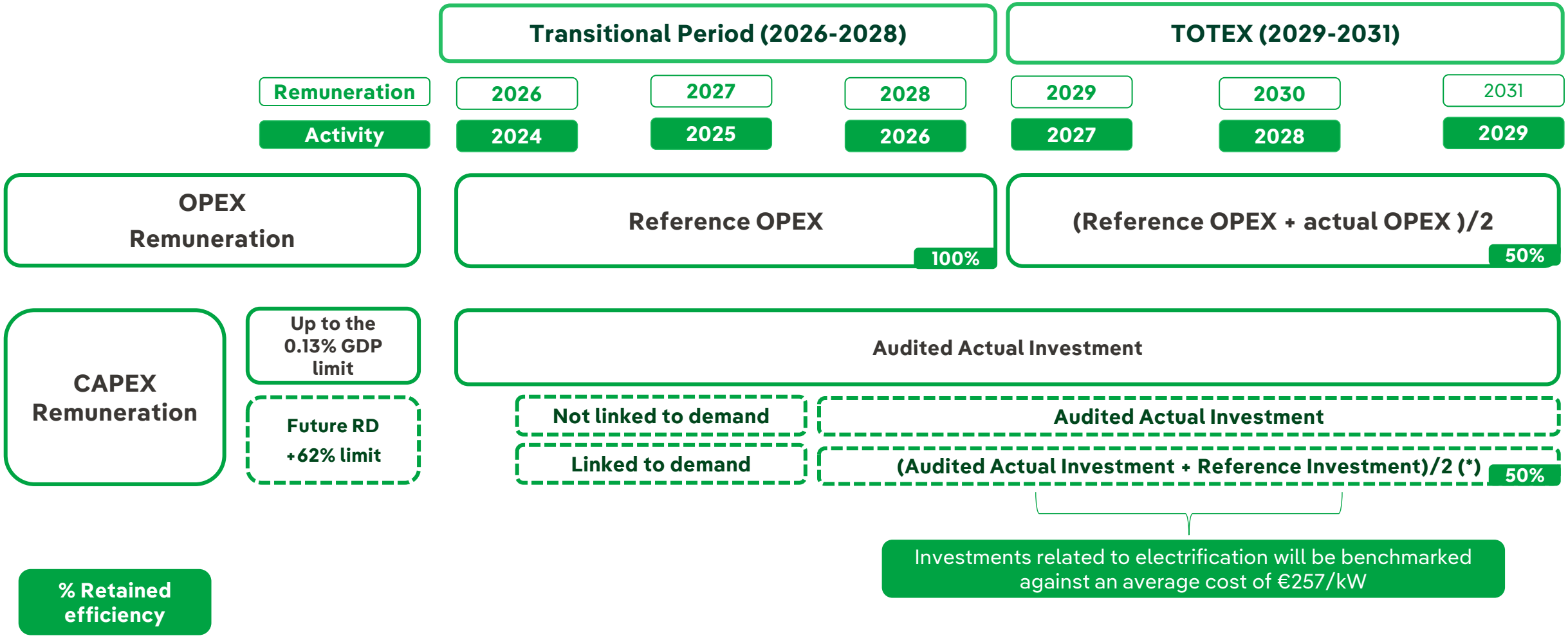
The method based on the **Capital Asset Pricing Model** is maintained, using European peer companies to estimate cost of debt and cost of equity (risk-free rate, market risk premium, sector beta).

For 2026–2031, the effect of the European Central Bank's **Quantitative Easing (QE)** on debt costs during 2018–2023 is incorporated.

The financial remuneration rate is set at **6.58%**, one percentage point higher than in the previous regulatory period.

Iberdrola España: Networks

Circular 8/2025– Methodology remuneration distribution for the period 2026 – 2031
TOTEX mechanism



Iberdrola España: Networks

Distribution: Circular 9/2025 CNMC. Financial Remuneration Rate for the period 2026-31 (WACC Methodology)

The Rate of Return (RoR) is calculated using the WACC formula in nominal pre-tax terms.
It is applied to the Regulatory Asset Base (RAB), including both existing and new investments.

$$WACC_{nom}^{pre-tax} = C_d \cdot g + \left(R_f + \beta_e \cdot MR_{prem}\right) \cdot \frac{(1-g\ )}{1-t}$$

Concept		2020 - 2025	2026 - 2031
C_d	**Cost of Debt (pre-tax)**	**2.63%**	**3.35%**
R_f	Risk-Free Rate	2.97%	3.25%
Mr_{prem}	Market Risk Premium	4.75%	4.98%
β_e	Equity Beta (re-levered)	0.72	0.75
	Cost of Equity (post-tax)	**6.40%**	**7.0%**
g	Leverage	50%	46%
t	Corporate Tax Rate	25%	25%
Nominal pre-tax WACC		**5.58%**	**6.58%**

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
2024	0
2025	52
Total	**6,601**

Hydro

Region	Total MW
Mediterranean Basin	2,165
Duero Basin	3,496
Sil Basin	1,582
Northern Basin	179
Tajo Basin	2,243
Portugal	1,158
Total	**10,823(2)**

Mini-hydro

	Total MW (3)
Mini-hydro	**229**

Batteries (BESS)

Project	Region	MW	Year of Installation
C. Arañuelo III	Cáceres	3	2021
Puertollano	Ciudad Real	5	2021
Abadiño	Vizcaya	6	2021
Urkilla	Álava	5	2022
Santiago Jares	Orense	5	2024
Valdecañas	Cáceres	15	2024
Hib Revilla-Vallejera	Burgos	29	2025
Hib Andévalo	Huelva	29	2025
Hib Campo Arañuelo I	Cáceres	29	2025
Hib Campo Arañuelo II	Cáceres	29	2025
Hib Olmedilla	Cuenca	29	2025
Hib Romeral	Cuenca	29	2025
Hib Revilla-Vallejera	Burgos	29	2025
Total		**212**	

Note: Net figure of new installed capacity minus asset rotation
(1) 258 MW consolidated through equity method
(2) Out of which ~4,300 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 (Phase 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	350	2023-2024
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
Tagus XL	Cáceres	380	2024
Caparacena	Granada	330	2024
Fuendetodos	Zaragoza	125	2024
Ciudad Rodrigo	Salamanca	316	2024-2025
Ayora-Cofrentes	Valencia	37	2025
Total		**5,182**	

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
Peninsular Cogeneración SA	Madrid	39	19	2001
Energyworks Cartagena	Murcia	95	95	2002
Investee companies	n.a.	48	24	1990-2006
Energyworks Michelin (Vitoria, Valladolid y Aranda)	n.a.	126	126	2001-2002
Pig slurry treatment plants (4 plants)	n.a.	52	45	2003-2007
Total		**360**	**309**	

Iberdrola España: Electricity Production & Customers

Projects under construction or commissioning

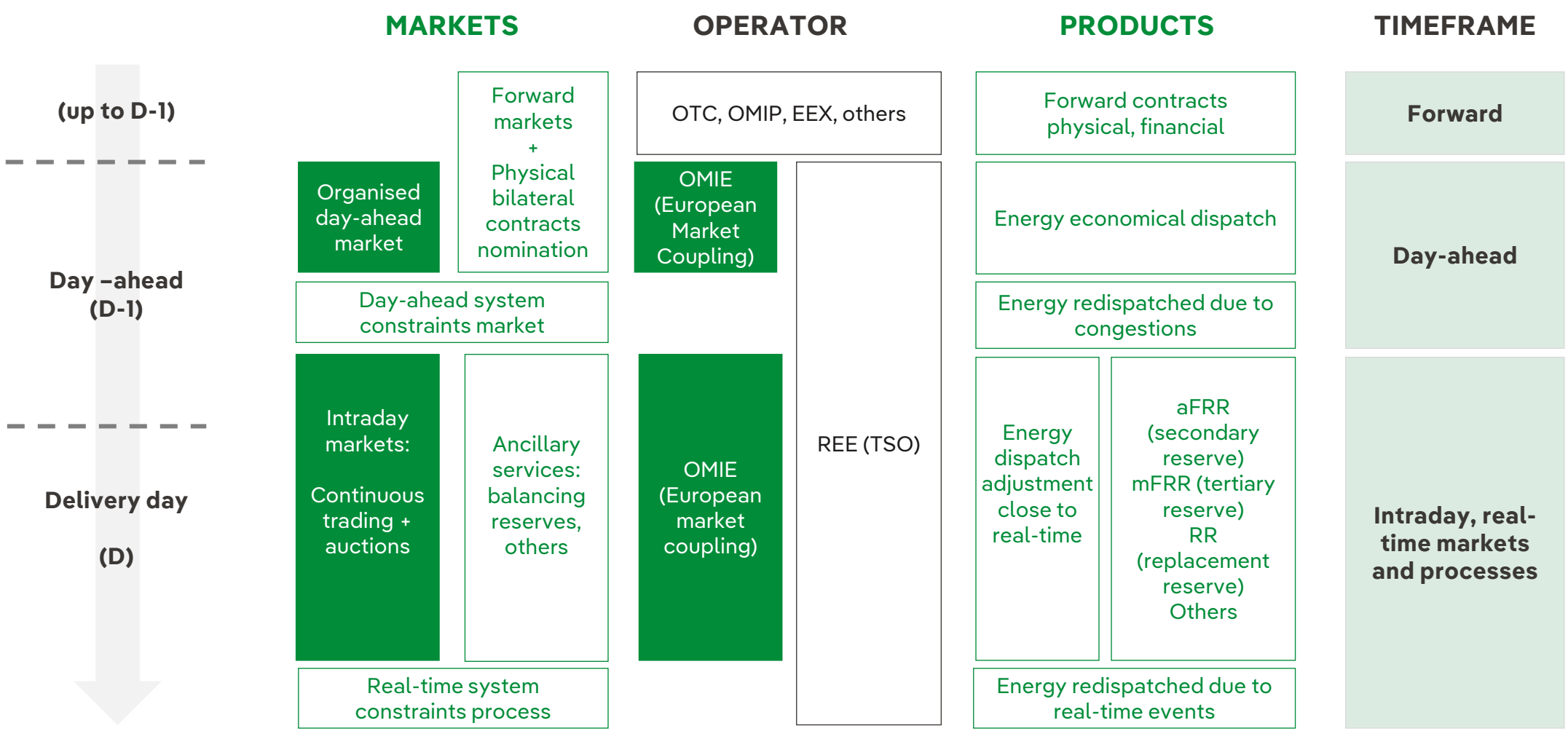
Project	Type	Region	Total MW	MW installed as of Dec´25	MW pending	Year of Installation
Balsicas	Solar	Murcia	100	100	0	2023
Hib Revilla-Vallejera	BESS	Burgos	29	29	0	2025
Hib Campo Arañuelo I	BESS	Cáceres	29	29	0	2025
Hib Campo Arañuelo II	BESS	Cáceres	29	29	0	2025
Hib Olmedilla	BESS	Cuenca	29	29	0	2025
Hib Romeral	BESS	Cuenca	29	29	0	2025
Repowering Molar del Molinar	Onshore	Albacete	50	50	0	2025
Finca San Juan	Onshore	Tenerife	17	17	0	2025
Fuendetodos	Solar	Zaragoza	125	125	0	2024
El Escudo	Onshore	Cantabria	97	88	8	2025-2026
Hib Andévalo	BESS	Huelva	29	29	0	2025
Iglesias	Onshore	Burgos	70	38	32	2025-26
Repowering Isabela	Onshore	Albacete	48	-	48	2026
Ayora-Cofrentes	Solar	Valencia	366	37	330	2025-2026
Tâmega EOL	Onshore	Portugal	274	-	274	2025-26
Labraza	Onshore	Álava	40	0	40	2026-2027
Balsicas	Solar	Murcia	100	100	0	2023
Hib Revilla-Vallejera	BESS	Burgos	29	29	0	2025
Total			**1,360**	**628**	**732**	

Projects concluded in 2025

Project	Type	Region	Total MW	Year of Installation
Salinas I-III	Solar	Cuenca	148	2023
Fuentes Alcarria	Solar	Guadalajara	129	2023
Velilla	Solar	Palencia	350	2023-2024
Valdemoro	Onshore	Burgos	50	2023
Caparacena	Solar	Granada	330	2024
Ciudad Rodrigo	Solar	Salamanca	316	2024-2025
Salinas I-III	Solar	Cuenca	148	2023
Total			**1,323**	

Iberdrola España: Electricity Production & Customers

Basis for remuneration model: Law 24/2013[1]

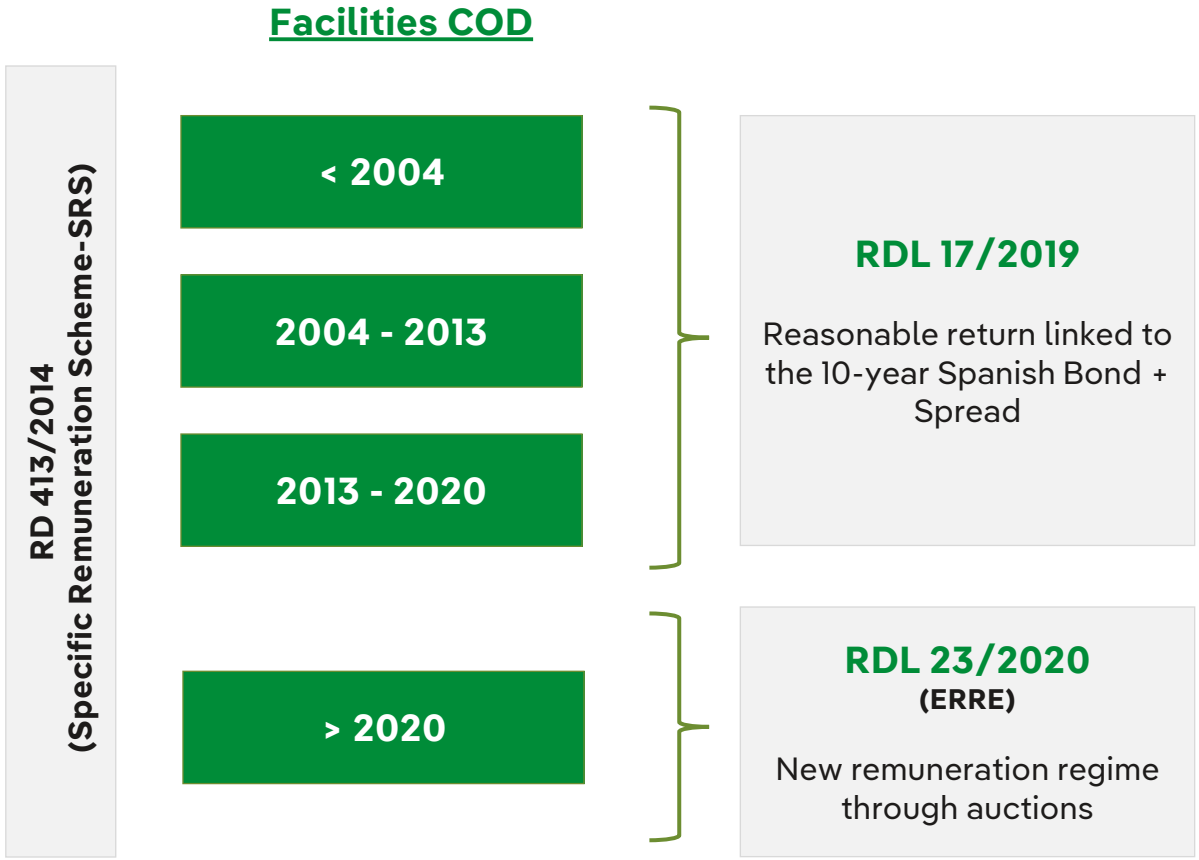


(1) Applicable to all technologies

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

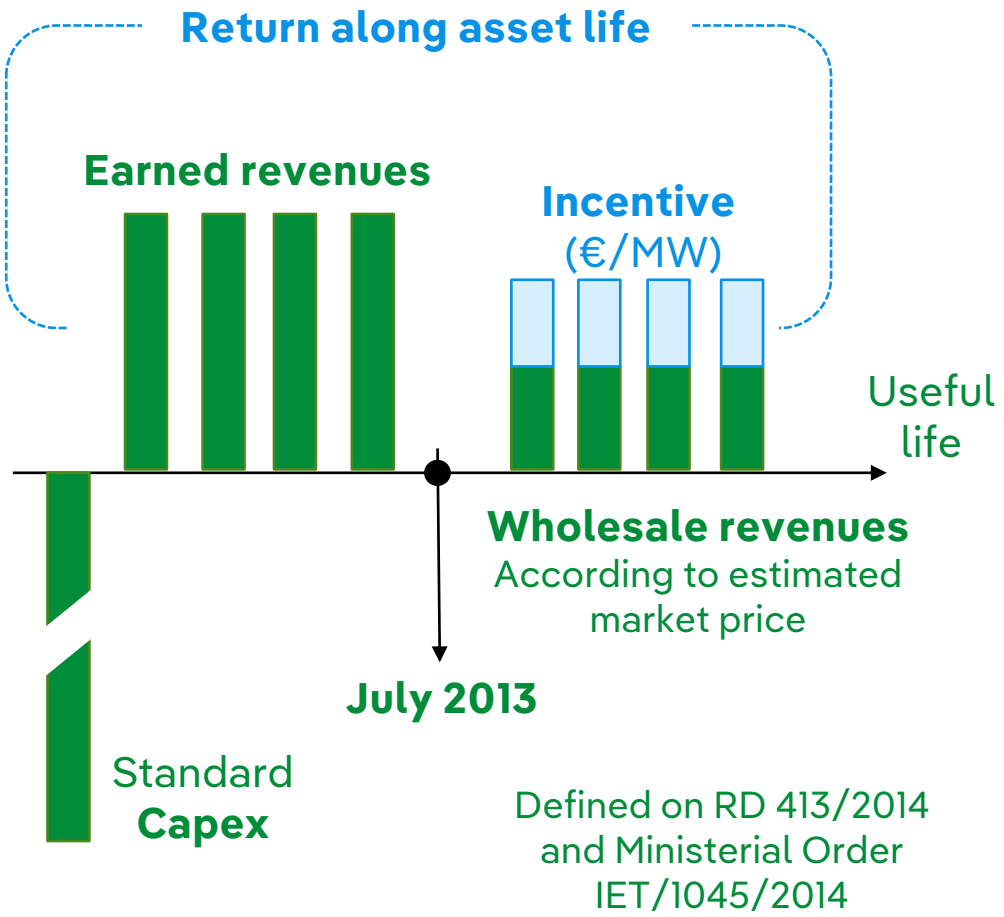
Renewables, cogeneration and waste: Royal Decree-Laws 9/2013 and 413/2014

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

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

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:**
  - **Investment remuneration (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.
  - **Operating remuneration (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
  - **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

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).

Capacity Market

On May 29, 2026, the European Commission approved the capacity mechanism for Spain, worth €9 billion over 10 years, depending on the outcomes of each capacity auction. This mechanism aims to ensure security of supply by guaranteeing the availability of sufficient generation capacity, storage, or demand-side management to meet expected demand at all times. The mechanism will be open to all projects located in Spain, both existing and new, that commit to being available during periods of scarcity.

The Order establishing a capacity market and the Resolution approving the Operating Procedure, which were published in December 2024 for public consultation, still need to be published in the Official State Gazette (BOE).

Iberdrola España: Electricity Production & Customers

Renewables, cogeneration and waste: Royal Decree 917/2025, Ministerial Order TED/53/2026 and Ministerial Order TED/1252/2025

Royal Decree 917/2025 amends Royal Decree 413/2014, which regulates the electricity generation by means of renewable, cogeneration, and waste facilities.

- **Zero or negative price hours**: periods of 6 hours with negative prices are excluded from the calculation of equivalent operating hours.
- **Technical constraints**: these are taken into account in the calculation and have retroactive effects for the years 2024–2025.
- **Dispatch priority**: the same priority is granted to renewable installations and renewable installations hybridized with batteries.
- **Distribution system operators**: it empowers the minister to develop the regulation governing the operation of distribution system operators.

Ministerial Order TED/1252/2025 – amending aspects of the electricity production activity from renewable, cogeneration and waste facilities.

- Revenues from sale of Guarantees of Origin from renewable and cogeneration installations may be used for any purpose.
- Those renewable, cogeneration and waste facilities under the specific remuneration scheme may also benefit from revenues from the export of Guarantees of Origin.
- It modifies “la prima RECORE” for biomass facilities so that negative settlements do not occur.

Ministerial Order TED/53/2026 – Remuneration parameters applicable to renewable, cogeneration and waste facilities for 2026 – 2031.

- **Maintains the reasonable return** for 2026 – 2031 (7.398% for installations before 2013 y 7.09% for installations after 2013).
- **Reduces standard operation hours** across all technologies (-8% to -50%).
- Adjusts for actual **market prices** in 2023 – 2025 and updates price forecasts for 2026 (61.65/ 59.11/ 58.65 €/MWh).
- Updates **market-based technological capture coefficients** based on 2025 results.

Iberdrola España: Electricity Production & Customers

New Economic Regime for Renewable Energy (ERRE) through auctions

Royal Decree Law 23/2020 (24 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 (4 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

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.

Royal Decree 962/2024 (September 25, 2024) establishes the framework for the development of offshore wind energy.

- It allows marine renewables to receive regulated remuneration based on the ERRE (RD 960/2020), for a period of up to 30 years.
- The awardees will have a reserved capacity for network access.
- The competitive bidding process may include prequalification criteria and non-price criteria.

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 since 2022):

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.

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: Autorización Administrativa de Construcción)*) 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)

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.

Criteria for Evaluating Available Capacity

Circular 1/2024 of the CNMC. Develops the RD 1183/2020 on Access and connection in relation to demand.

- Establishes the minimum information required in applications.
- Sets the possibility of grouping applications.

Iberdrola España: Electricity Production & Customers

Nuclear

- In 2019, the Spanish Government and nuclear operators, together with ENRESA, agreed on a gradual nuclear phase-out schedule running from 2027 to 2035.
- 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 **Ascó 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 Vandellós II (until 26th July 2030) and Ascó II (until 1st October 2031).
- **Royal Decree 589/2024** has **risen** the **waste fee** charged by ENRESA **to €10.36/MWh** as of **1st July 2024** (+30% vs. previous rate of €7.98/MWh).
- In early 2025, the Spanish Parliament approved a non-binding motion urging the Government to **consider extending the operating lives** of nuclear plants. While not legally binding, it reflects a shift in the political debate.
- **Iberdrola** and other companies **submitted a formal request** to **extend the operation of Almaraz until 2030** (an additional 2–3 years). The Government has forwarded the request to the Nuclear Safety Council (CSN), triggering the technical assessment process. However, this does not imply automatic approval.
- The Government submits to the CSN the request for an extension for the Almaraz nuclear power plant.

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)

Iberdrola España: Electricity Production & Customers

Regulated tariff (PVPC)

Royal Decree 216/2014, PVPC

- 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%)

Royal Decree 446/2023, New PVPC price

- 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 (35% vulnerable customers / 50% 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 June 30th, 2024.
- Social Bonus: extended until June 30th, 2024, with extended discounts (65% for vulnerable and 80% for severely vulnerable).
- Establishes new unitary financing by activities from January 1st, 2024, with relevant reductions:

Royal Decree Law 1/2025:

- The prohibition on cutting off supply is extended until December 31st, 2025.
- **Social Bonus:** extended discounts are available until June 30, 2025, offering 50% for vulnerable individuals and 65% for those severely vulnerable. Additionally, discounts will continue until December 31, 2025, providing 42.5% for vulnerable individuals and 57.5% for those severely vulnerable.

Royal Decree Law 16/2025 (repealed):

- The prohibition on cutting off supply is extended until December 31st, 2026.
- **Social Bonus:** Extended discounts are available until December 31st, 2026, offering 42,5% for vulnerable individuals and 57,5% for those severely vulnerable.

Royal Decree Law 2/2026 (repealed):

- All the measures of Royal Decree-Law 16/2025 that affect the electricity sector are reinstated.
- **Social Bonus:** Establishes the re-billing by the reference suppliers to vulnerable customers in order to apply the corresponding discount from the date on which the previous Royal Decree-Law expired.

Royal Decree Law 7/2026:

- The prohibition on cutting off supply is extended until December 31st, 2026.
- **Social Bonus:** Extended discounts are available until December 31st, 2026, offering 42.5% for vulnerable individuals and 57.5% for those severely vulnerable.
- **Thermal Social Bonus:** The amount of the thermal social bonus is increased, setting a minimum aid of €50.

Orden TED/1524/2025: Unitary Social Bonus 2026

		Orden TED/1524/2025			
Activity	**Unit**	**2023**	**2024**	**2025**	**2026**
Production	(€/MWh)	1,466465	0,238676	0,4323	0,6464
Transport	(€/€ Paid)	0,005618	0,001356	0,0034	0,0058
Distribution	(€/CUPS)	1,161768	0,310777	0,8024	1,1691
Retail	(€/CUPS)	14,02497	2,299047	4,651	6,9533
Direct Consumers	(€/MWh)	1,421668	0,219448	0,3587	0,5035

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.**

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

Circular 3/2020, CNMC methodology for electricity network tariffs.

- 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 previous 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

Circular 1/2025, CNMC, amending Circular 3/2020, methodology for electricity network tariffs

- **Technical modifications to the structure and methodology for calculating tariffs:**
  - The “peak” period of tariff 2.0TD is renamed “peak-shoulder”.
  - The procedure for calculating the penalty term for excess contracted capacity is standardized and clarified, in order to discourage contracting below actual demand.
  - The general billing period is set at one month, and the billing procedure is refined for cases involving price changes, contract changes, season changes or supplier changes within the same period.
- **CNMC is authorized to use tariff surpluses from previous years over several future years.**
- **A new tariff is created for public electric-vehicle charging at voltage level 2 (30–72.5 kV)** (with the same structure as existing tariffs).
- **Electricity supplies to vessels in ports may temporarily apply public EV-charging tariffs** until specific tariffs for OPS are established.
- **CNMC is authorized to amend standard loss coefficients by Resolution.**

Iberdrola España: Electricity Production & Customers

Law 10/2025 – Customer Service Services

Regulates the minimum quality levels of customer service provided by companies that offer basic services of general interest, as well as any big company.
•Prohibition of contracting via telephone if the consumer has not given prior consent within the previous 2 years for the call that leads to the contract; otherwise, the contract is void.
•Differentiated responsibilities in the case of vertically integrated companies.
•Co-official languages: customers have the right to communicate and receive the resolution in the co-official language of their Autonomous Community.
•At least 95% of telephone assistance and personalized services must be provided in under 3 minutes.
•Use of the company's digital channel in the event of massive outages, to provide simultaneous responses to all affected users.
•Electricity, water, and natural gas distributors must inform (immediately and fully) the retail companies of any possible incidents.
•The Customer Service Department must be clearly differentiated from other company activities (except when market share is <5% and in the case of SMEs).
•Resolution period: 15 working days.
•Transitional regime: 12 months.

Royal Decree 88/2026 - Supply, plant shutdowns, and demand aggregation

Commercialization

- General ban on telemarketing and telephone sales, except where the customer initiates the call, has made an express and informed request for a specific purpose, or the supplier has a legitimate interest.
- Strengthens contracting-quality requirements: customer identification, full call recording in telephone sales, etc.
- Regulates security deposits for the payment of network tolls and charges.
- Maintains the contracting of the ATR by the distributor of the area for costumers connected at 220 kV.
- Introduces flexibility measures for the modification of contracted capacity.
- New role for REE as the access point for consulting final customer' consumption data.

Closure of plants

- Procedure for the closure of plants not required due to technical constraints:
  - The System Operator must issue a report within three months, or the procedure continues.
  - The SO cannot issue a negative report unless a plant is needed due to grid constraints.
  - Doesn't establish deadlines for the Ministry.

Demand aggregation

- Demand aggregation framework is regulated which may be carried out either by the supplier providing the energy or by an independent aggregator.
- A centralized temporal model will apply, with the SO and the MO acting as central counterparties. Suppliers will be compensated for imbalances caused by aggregators.

Iberdrola España: Electricity Production & Customers

	Main measures
Royal Decree-Law 1/2025	**Supply Guarantee.** The prohibition on cutting off electricity, gas, and water to vulnerable consumers benefiting from the social electricity bonus is extended until December 31st , 2025.
	Social Bonus Discounts. Extended social bonus discounts have been set for 2025. Until June 30th, 2025 they offer a 50% discount for vulnerable individuals and 65% for those severely vulnerable. From July to December 31st , 2025, the discounts will be 42.5% for vulnerable individuals and 57.5% for those severely vulnerable.
Royal Decree-Law 16/2025 (repealed)	**Supply Guarantee.** The prohibition on cutting off electricity, gas, and water to vulnerable consumers benefiting from the social electricity bonus is extended until December 31st , 2026.
	Social Bonus Discounts. Extended social bonus discounts have been set for 2026, until December 31st , 2026 they offer a 42,5% discount for vulnerable individuals and 57,5% for those severely vulnerable.
	Fiscal measures to promote efficiency, electric vehicles, and the installation of charging point.
	Additional remuneration for the islands in the third regulatory period**.**
Royal Decree-Law 2/2026 (repealed)	**Social Bonus Discounts**. Extended social bonus discounts have been set for 2026, until December 31st , 2026 they offer a 42.5% discount for vulnerable individuals and 57.5% for those severely vulnerable.
	Extension of **the prohibition on cutting off supplies.**
	Fiscal measures to promote efficiency, electric vehicles, and the installation of charging point.

Iberdrola España: Electricity Production & Customers

Royal Decree Law 7/2026 Plan to the Middle East Crisis(1). The Plan does not include measures involving intervention in corporate revenues or profits, nor in the mechanisms for price formation in the electricity market or ETS.

Temporary measures	**60% reduction in electricity taxation:** Suspension of the 7% tax on electricity generation (IVPE), reduction of the special electricity tax from 5.11% to 0.5% (IE) and VAT reduce rate of 10% (from 21%) on electricity, gas and fuels.
	Reduction of hydrocarbon taxes to the European minimum.
	Social Bonus discounts until 31st December and reinforcement of the Thermal Social Bonus.
	Prohibition on cutting off **supply**.
	80% discount on network charges for electro-intensive industries.
	Direct aid of 20 cents€ per litre of fuel for transport operators, agricultural producers, and more.
	Supervisory and sanctioning powers for the CNMC to monitor the correct application of the aid measures.
Structural Measures	**Promotion of electrification,** including fiscal measures (tax deductions), EV incentives, housing rehabilitation, aerothermal systems and industrial electric boilers.
	Administrative streamlining for the development of renewable energy and projects and energy storage facilities.
	New regulation on **demand-side access**.
	Revision of the energy savings and efficiency obligations scheme.

(1) BOE 28/03/2026 - Resolution of 26 March 2026 of the Congress of Deputies, ordering the publication of the Agreement validating Royal Decree-law 7/2026, of 20 March, approving the Comprehensive Response Plan to the Crisis in the Middle East.

Iberdrola España: Electricity Production & Customers

Law 38/2022, Temporary levy set on revenues

- **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**.

Royal Decree-Law 10/2024, of 23 December, establishing a temporary energy levy for the year 2025 (repealed)

Reinstates the wording of the repealed Article 1 of Law 38/2022 concerning the temporary levy (1.2% of the revenues of main operators), while introducing a deduction for strategic investments and several amendments to the original text:

- **It applies to main operators** in the energy sectors pursuant to the Resolution of 15 December 2023,(continuing to use 2019 turnover as the reference).
- **The first advance payment was scheduled for June (previously February**), with the final settlement in September.
- A **deduction for strategic investments** was permitted:
- Strategic investments were defined as those **essential for the ecological transition and decarbonisation**.
- Such investments were required to form part of a **Strategic Investment Plan for the Ecological Transition, supported by a favourable report from MITECO.**
- A non-distributable reserve had to be recorded in the accounts up to the amount of the approved strategic investments before 20 September 2025.
- **The maximum allowable deduction was set at up to 60% of the levy:**
    - If the **non-distributable reserve was lower than the annual levy**, **10% of the reserve could be deducted.**
    - If the **reserve exceeded the levy, 30% of the reserve could be deducted, up to a maximum of 60% of the levy**.
- **The non-distributable reserve had to be materialised within a maximum period of two years, and the corresponding assets were required to remain on the company's balance sheet for at least four years.**
- **An assessment was to be carried out in the last quarter of 2025 to determine whether the levy should become permanent** (it wasn't confirmed).
- The allocation of the funds collected remained unchanged: support for vulnerable consumers, decarbonisation of energy-intensive users, energy efficiency, energy autonomy, renewable energy development, and measures to support employment protection, reskilling and upskilling of the active workforce.

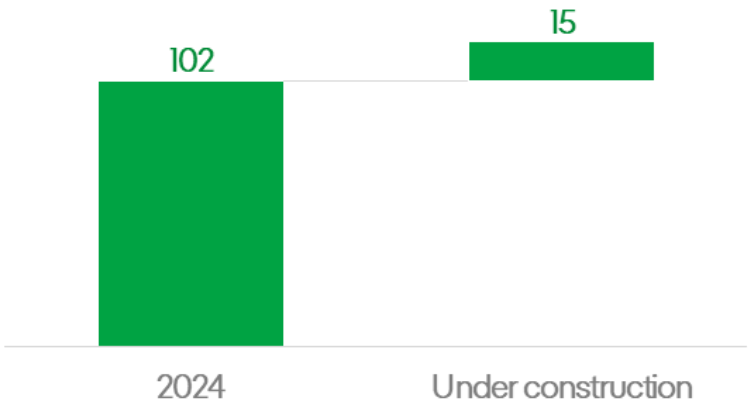
Resolution of 22nd January 2025, ordering the publication of the Agreement repealing Royal Decree-Law 10/2024 of 23 December, which established a temporary energy levy for the year 2025.

- **The temporary levy on energy companies is repealed; it does not apply for the year 2025.**

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 & II	~102 M kWh	~4,318 MW	In operation
Gabriel & Galán & 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
Santiago Jares			In operation
Valparaíso			In operation
Torrejón – Valdecañas	~15M kWh	290 MW	*Under construction (COD 2025-2026)*

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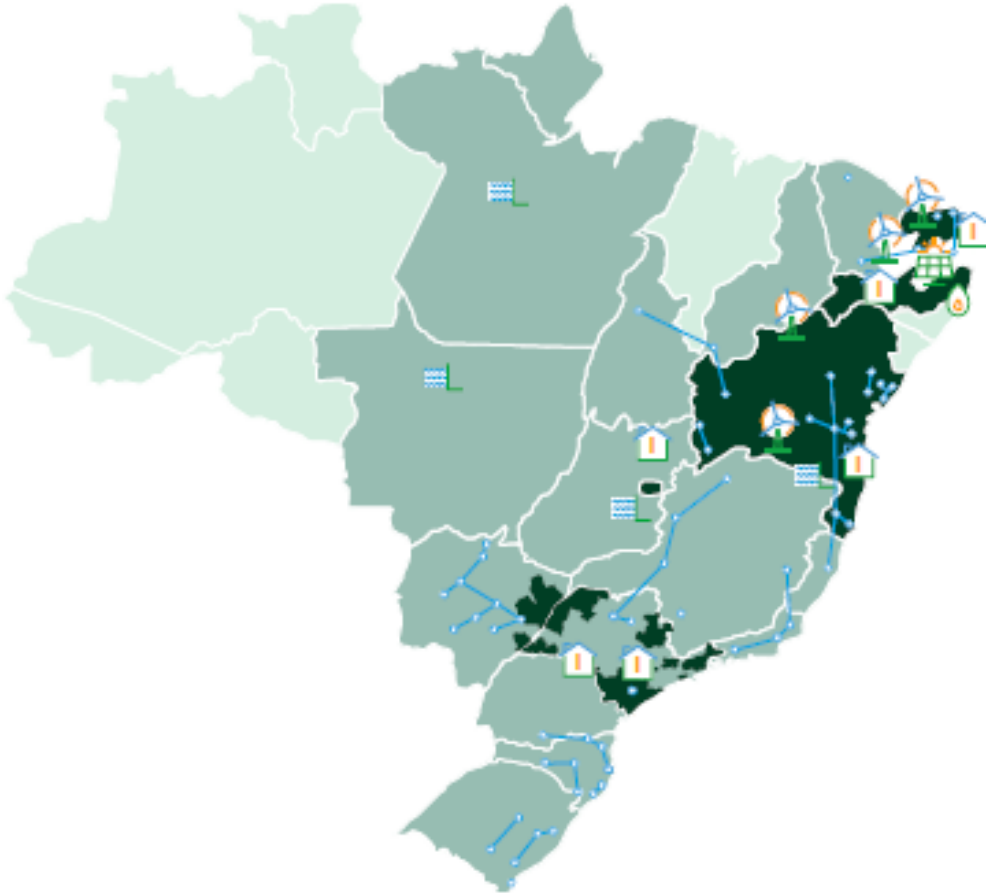
Neoenergia[1]

Energy leader in Brazil & Latin America



Installed Capacity (MW)	4,167
Renewable Capacity (MW)	3,617
Net Production (GWh)	10,936
Distributed Energy (GWh)	80,182
Supply points (M)[2]	17.0
Km of lines	761,678

Note: as of December 2025, Iberdrola's share in Neoenergia amounted to 83.8%, after acquiring a 30.3% stake to Previ in October 2025

(1) Includes two hydro plants in Pará: Belo Monte and Pimental

(2) Electricity and gas supply points

Neoenergia

In May 2026 Iberdrola reached 100% of Neoenergia as a result of the exercise of a squeeze-out right by which we acquired the remaining 2% of the share capital

Two phases:

- **Phase 1:** following the acquisition in October 2025 of the **30.29% stake from Previ**[1] by Iberdrola, the company **reached a stake of 83.8%** in Neoenergia paying a price of 32.5 reais per share

- **Phase 2:** in November 2025 Neoenergia offered the same price paid to Previ for **a 16.2% stake** (plus official interest (SELIC) from that date and dividends declared by Neoenergia), a transaction that would give it 100% control of its Brazilian subsidiary

With this transaction Iberdrola reaffirms its commitment to Brazil and takes a new step in its growth strategy based on the electricity grid business, which account for 90% of Neoenergia's business

The transaction will simplify Neoenergia's structure, providing its operations and financing with greater flexibility and reducing costs arising from maintaining the trading of shares on the market

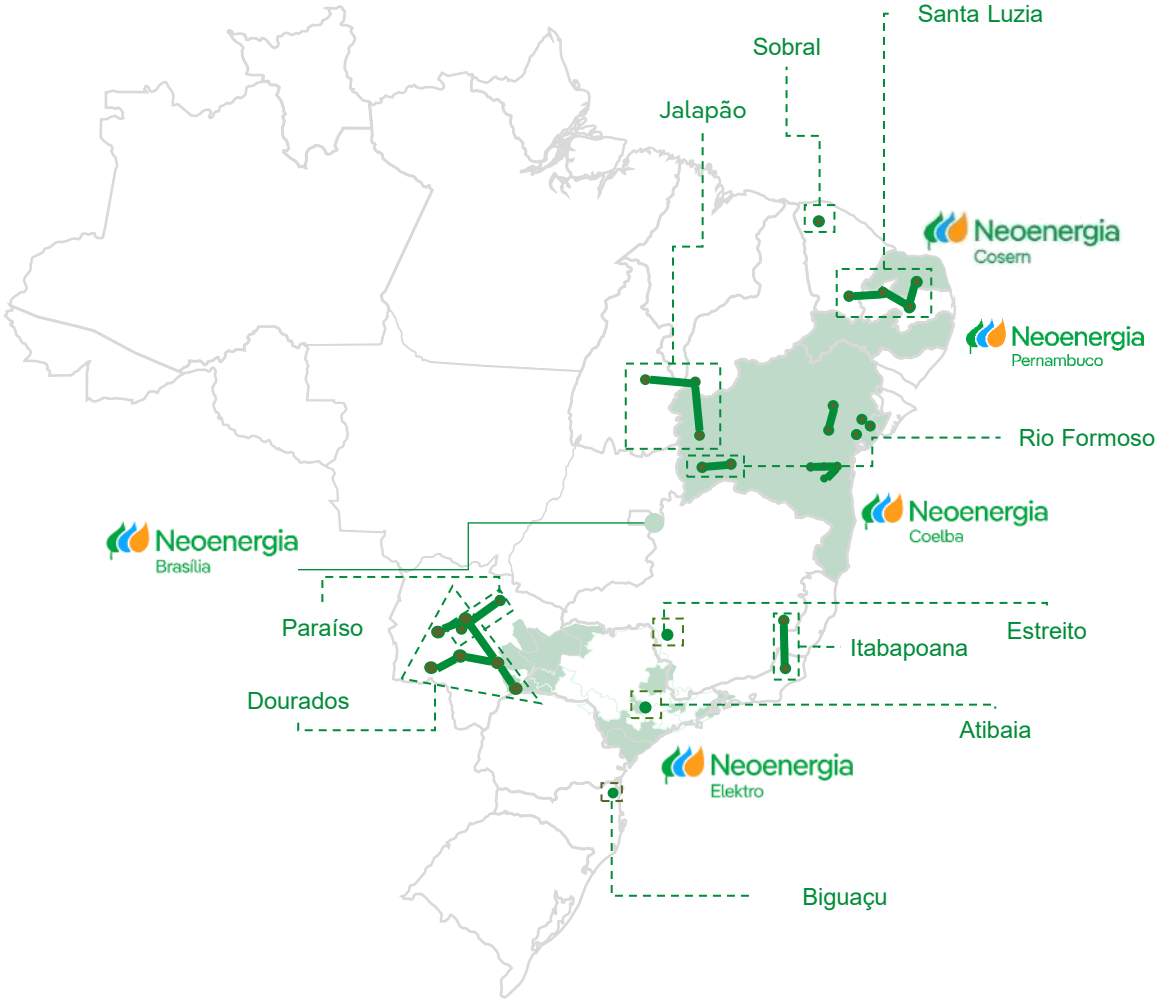
(1) Caixa de Previdência dos Funcionários do Banco do Brasil

Neoenergia: Networks

Energy leader in Brazil & Latin America

	2025
Asset Base D&T (Bn BRL)	70.5
Distribution RAB (Bn BRL)	44.2
Neoenergia Elektro	19%
Neoenergia Coelba	47%
Neoenergia Pernambuco	20%
Neoenergia Cosern	10%
Neoenergia Brasilia	4%
Asset Base Transmission (Bn BRL)	26.3
Distributed energy (GWh)	80,182
Neoenergia Elektro	26%
Neoenergia Coelba	34%
Neoenergia Pernambuco	22%
Neoenergia Cosern	8%
Neoenergia Brasilia	10%

	2025
Kms of lines	761,678
Distribution	98.9%
Neoenergia Elektro	16%
Neoenergia Coelba	51%
Neoenergia Pernambuco	22%
Neoenergia Cosern	8%
Neoenergia Brasilia	3%
Transmission	1.1%
Points of supply (M)	17.0
Neoenergia Elektro	18%
Neoenergia Coelba	41%
Neoenergia Pernambuco	25%
Neoenergia Cosern	10%
Neoenergia Brasilia	7%



Neoenergia: Networks

Distribution regulatory framework

In May 2026, the Coelba, Elektro and Cosern concessions were early renewed for another 30 years

	Concession process	Concession / Authorization term	Renewal	Tariff / Revenues

Distribution	• Competitive auctions	• 30 years (already extended for +30 years)
		• Due date: Aug 2027 to Mar -2060(1)
			• Possible
			• 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 (the lowest RAP wins); • Annual revenue inflation adjustment • Tariff review every 5 years (WACC readjustment only and eventual network reinforcements)

(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	

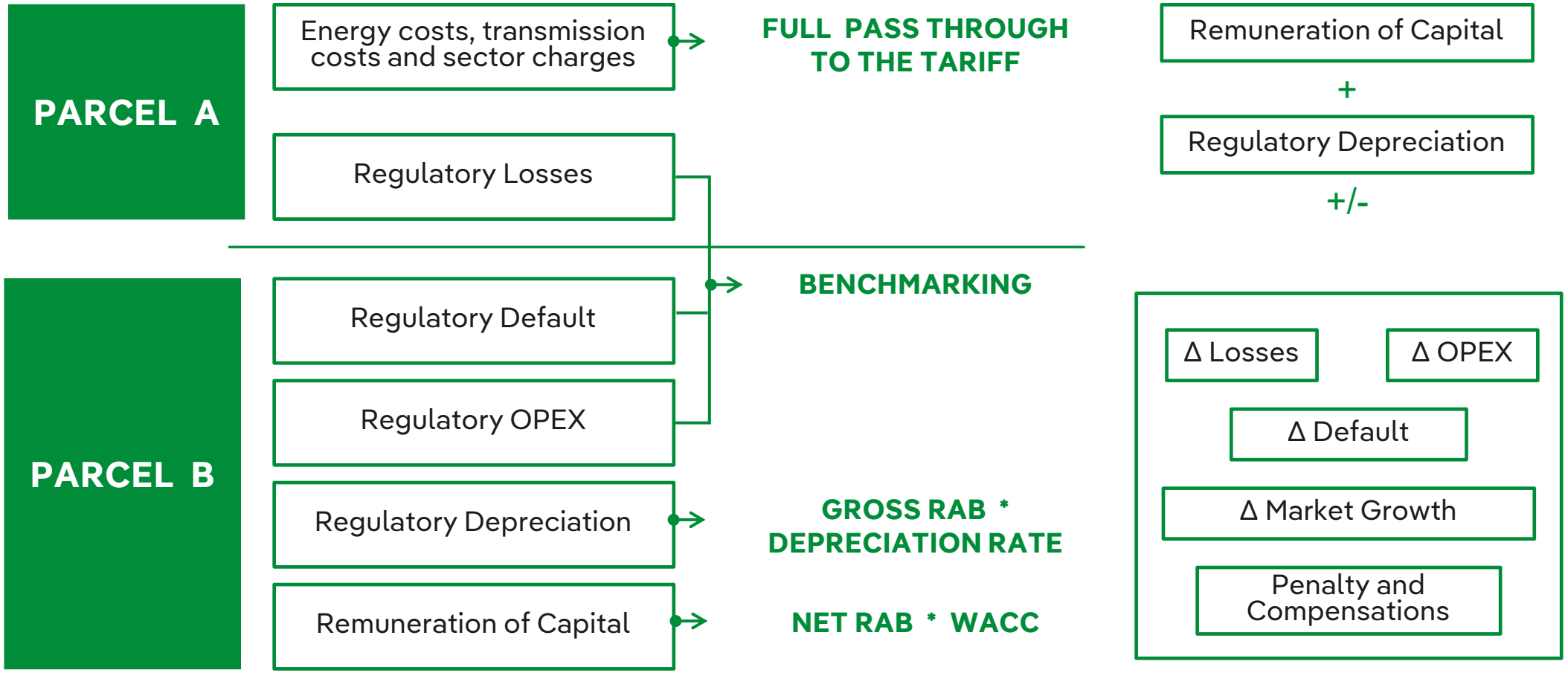
Real Regulatory WACC post tax	
Coelba[1]	7.42%
Cosern[1]	7.42%
Elektro[2]	7.42%
Pernambuco[3]	8.06%
Brasília[4]	7.15%

Real Regulatory WACC post tax 2026: 8.12%[(5)]

[1] valid until April 2028.
[2] valid until August 2028.
[3] valid until April 2029.
[4] valid until October 2026.
[5] WACC published by ANEEL, applied to the Tariff Reviews taking place between March 2026 and February 2027

Neoenergia: Networks

Distribution: tariff's components



Neoenergia: Networks

Distribution: regulatory parameters

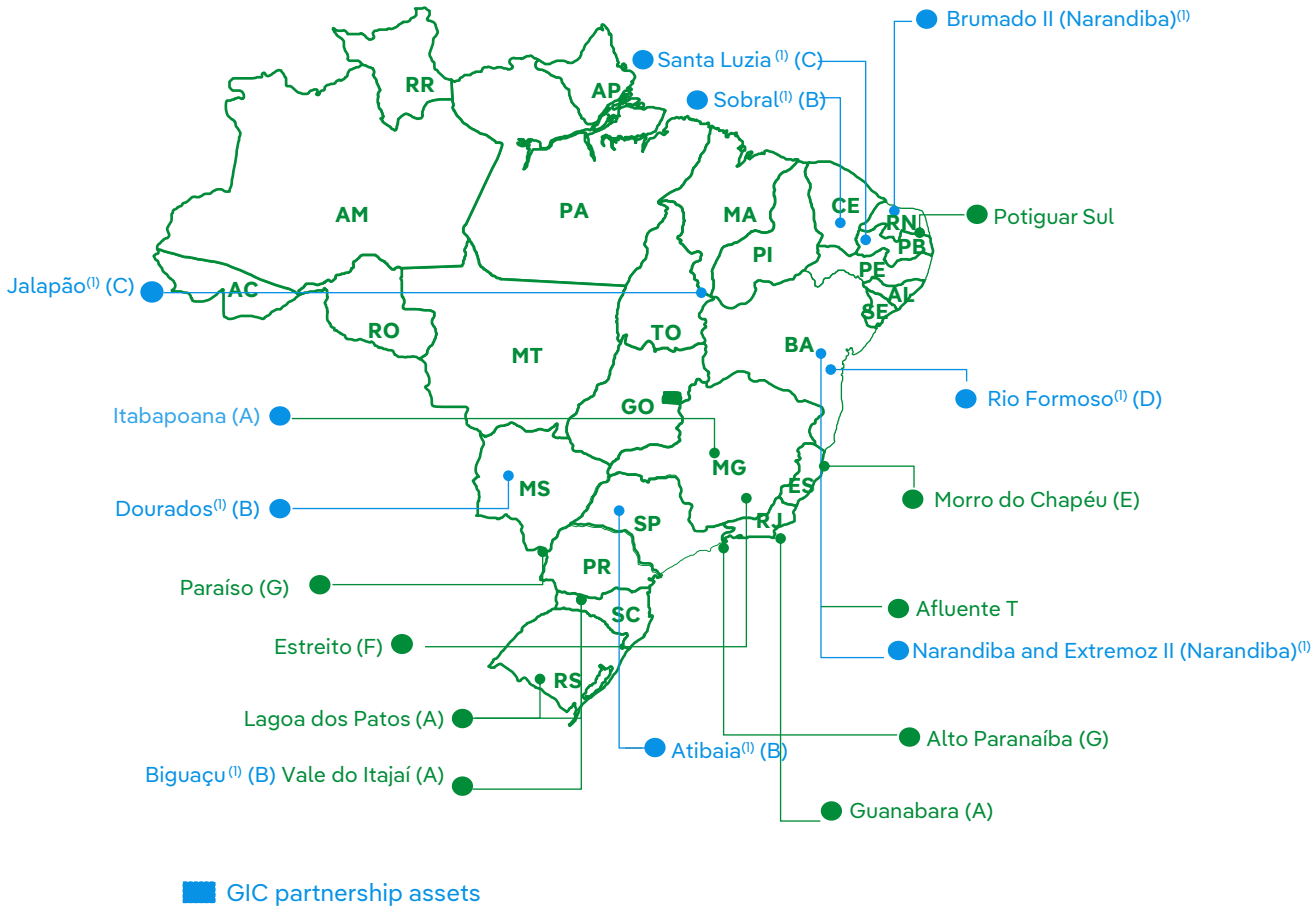
	Real Regulatory WACC post tax	Factor X[5]	QRR[6]	Gross BRR[7]	Net BRR[7]
Neoenergia Coelba	7.42%[1]	-0.51%	3.96%	30,012	20,905
Neoenergia Elektro	7.42%[2]	-1.67%	4.05%	11,914	8,307
Neoenergia Pernambuco	8.06%[3]	0.80%	4.06%	14,277	8,735
Neoenergia Cosern	7.42%[1]	-1.95%	3.96%	5,937	4,386
Neoenegia Brasília	7.15%[4]	1.59%	3.71%	2,911	1,896

(1) Valid until April 2028
(2) Valid until August 2027
(3) Valid until April 2029
(4) Valid until October 2026

5) Factor X: referring to the 2025 Tariff Process (Pernambuco, Coelba, Elektro, Cosern e Brasília)
6) QRR (Regulatory depreciation rate): referring to the last Tariff Revision: 2025 (Pernambuco); 2023 (Coelba, Elektro and Cosern); 2021 (Brasília).
7) Gross BRR and Net BRR: data as of December 2025. Both refer to Regulatory Asset Base

Neoenergia: Networks

Transmission



Highlights

18 assets:

- +8 thousand km of transmission lines;
- 16 owns substations;
- RAP released (2025/26 cycle): R$ 2 billion

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
Chafariz wind complex	Paraíba	471	2021	Regulated & Commercial PPAs
Oitis wind complex	Piauí / Bahia	566	2022-2023	Regulated & Commercial PPAs
Total		**1,553**		

Solar PV	State	MWp	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[1]	68	2009	Regulated PPA
Dardanelos	Mato Grosso	261[2]	261	2011	Regulated PPA
Belo Monte[3]	Pará	11,233	1,123	2016	Regulated & Commercial PPAs
Total		**12,052**	**1,914**		

Conventional Generation

CCGT	State	Type	MW
Termopernambuco	Pernambuco	CCGT	550

(1) Refers to 100% of the project. As of 2026, Neoenergia share is 76%, after the increase in stake
(2) Refers to 100% of the project. As of 2026, Neoenergia share is 25% after the divestment of 75%
(3) 1,123 MW consolidated through equity method

Neoenergia: Electricity Production & Customers

Conventional Generation: Regulatory framework (I)

	Concession process	Concession/ authorization term	Renewal	Revenue
Wind /Solar	• Authorization request within ANEEL • Competitive auctions	• 30 - 35 years • Expiry date: December 2031 until May 2055(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 (wind) • Bilateral contracts at free market (wind and solar)
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 in which all its available capacity was sold at a power price of R$ 487,412.70 MW/year • The supply was initially scheduled to start on July 1st, 2026, with a 15-year duration (until June 30, 2041). However, the start of the contract was brought forward by 21 months, to October 1st, 2024.	• Fixed power revenue of around R$ 250 million/year[1] adjusted annually by the IPCA, from the reserve capacity auction.

(1) Updated value for 2025.

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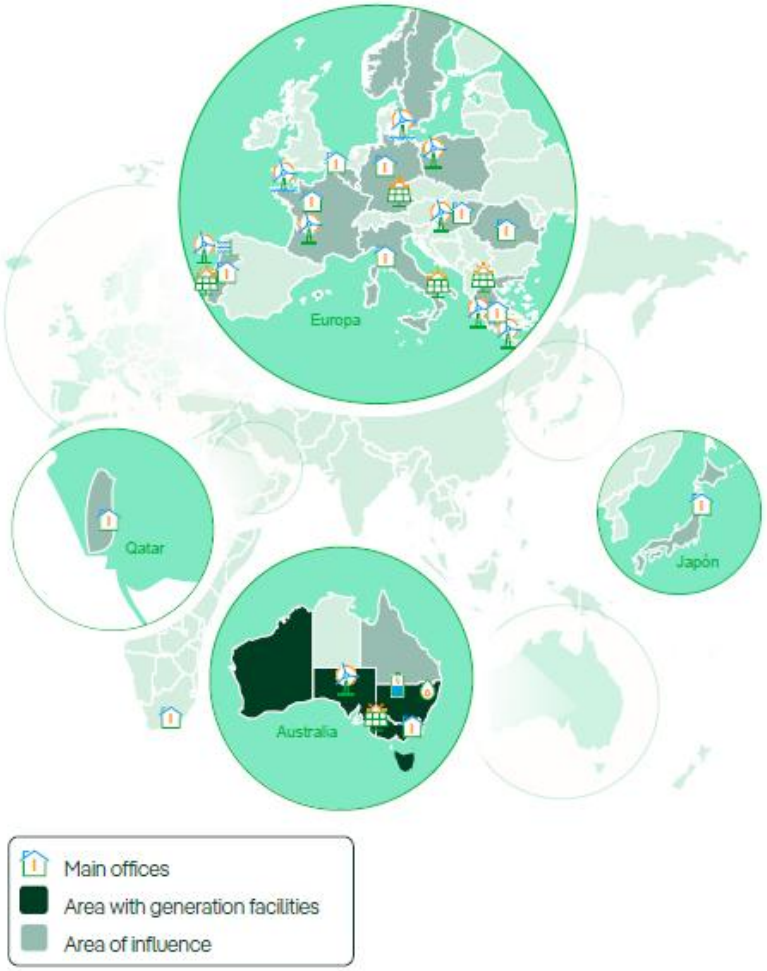
Iberdrola Energía Internacional (Rest of the World[1])

Expanding our international platform in renewables & customers



Installed Capacity (MW)	5,176
Renewable Capacity (MW)	4,933
Production (GWh)	9,337
Contracts (M)	0.6

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).

Iberdrola Energía Internacional: Electricity Production & Customers

Renewables

Onshore	MW	Year of Installation	Support Regime
Australia	1,024	2005 - 2024	C&I / PPA / Merchant & LGCs
Cyprus	20	2011	FiT
Greece	438	1998-2025	Merchant/FiT/FiP
France(1)	118	2007 - 2019	FiT + CfD + Merchant
Hungary(2)	158	2008-2011	FiT/PPAs
Portugal	92	2005-2009	FiT cap/floor
Poland	213	2021-2023	Cfd+PPA+ Green Cert.+GoO
Total	**2,063**		

Solar	MW	Year of Installation	Support Regime
Germany	121	2024-2025	PPA
Greece	6	2006-2012	FiT
Australia	561	2021-2025	C&I / PPA / Merchant & LGCs
Italy	356	2021-2025	Merchant + PPA
Portugal	185	2021-2023	Merchant - Toll (15 yr. duration)
Total	**1,229**		

(1) The asset was sold in November 2025 and the closing took place in February 2026
(2) The asset was sold in September 2025 and the closing took place in January 2026
Note: Green Certificates in Australia are called “LGCs”

Iberdrola Energía Internacional: Electricity Production & Customers

Renewables

Offshore	Country	MW	Year of Installation	Support Regime	Support level
Wikinger	Germany	350[1]	2017	Sliding market premium	194 €/MWh / 8yrs + 154€/MWh / 4 yrs (flat)
Saint Brieuc	France	496	2023	FIT	155 €/MWh (real 2012) / 18yrs - indexed
Baltic Eagle	Germany	476[2]	2024	PPA	
Total		**1,322**			

Batteries	Country	MW	Year of Installation	Support Regime
Lake Bonney	Australia	25	2019	Merchant + Firming
Wallgrove	Australia	50	2021	Merchant + Firming
Smithfield	Australia	65	2025	Merchant + LTESA[3]
Broadsound	Australia	180	2025	Merchant + Firming
Total		**320**		

(1) 100% of total 350 MW. Minority stake (49%) sold to Energy Infrastructure Partners (EIP) in September 2022
(2) 100% of total 476 MW. Minority stake (49%) sold to Masdar in July 2023
(3) Long-Term Energy Service Agreements

Iberdrola Energía Internacional: Electricity Production & Customers

Conventional Generation

Gas Combined Cycle	Country	MW	COD	Support Regime
Smithfield OCGT	Australia	123	1996	Merchant + Firming
Bolivar Power Station	Australia	120	2017[1]	Merchant + Firming
		243		

(1) Lease acquired in November 2020 from the South Australian Government for a period of 25 years.

Iberdrola Energía Internacional: Electricity Production & Customers

Projects under construction

Project	Type	Country	Total MW	MW pending	COD	Support Regime
Broadsound PV	PV	Australia	377	169	2026	C&I / PPA / Merchant & LGCs
Windanker	Offshore	Germany	315[(1)]	315	2026	PPA
Montelungo	PV	Italy	20	20	2026	PPA
Tuscania	PV	Italy	18	18	2026	PPA
Montenero	PV	Italy	10	10	2026	PPA
Támega	Onshore	Portugal	274	274	2026	PPA + Merchant
Alcochete 1 BESS	BESS	Portugal	25	25	2027	Merchant
Algeruz 2 BESS	BESS	Portugal	20	20	2027	Merchant
Total			**1,059**	**851**		

Note: Green Certificates in Australia are called "LGCs"

(1) 100% of total 315 MW. Minority stake (49%) sold to Kansai in December 2024

Iberdrola Energía Internacional: Electricity Production & Customers

Regulatory support framework

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
- 2-sided CfD attributed through auctions
- Tariff is indexed once before the commissioning and updated annually.

Feed-in-Tariff (FiT)
- Initially the only support framework for wind and PV, from 2016 gradually reserved for smaller installations
- Since 2025 reserved for small PV installations < 100 kW
- Support duration of 15 years

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.

Germany

Sliding Market premium scheme
- Sliding market premium for 20 year based on a non-indexed applicable value according the Renewable Energy Act (EEG). The premium cannot become negative and is not paid while DAM prices are negative during a period that depends on the award date.

Merchant
- Participation in the electricity market and Guarantees of Origin

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 31.12.2025.
- Option for 2 years opt-out of first round FiP awarded projects with 2 years extension of FiP PPA

Merchant / cPPAs
- Merchant: Windfarms with expired FiT or new projects without operational aid (Law 4643/2019): Participation in the electricity market & Guarantees of Origin
- cPPAs: CfDs between RES producers & off-takers (Law 4643/2019)

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 for 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 20-year "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

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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

EU Green Bond Standard + ICMA Green Bond Principles

Iberdrola reaffirms its commitment with Green Financing …

- **European Union Green Bond Standard (EU GBS)**: new standard for green bonds under the EU regulation
  - EU Taxonomy alignment
  - Strict reporting system guarantees high transparency
  - External verification is compulsory
  - New external verifiers supervision regime created

- **The ICMA Green Bond Principles (GBP)** have proven to be a **robust** standard that is **well-established** in the market and even more stringent in certain areas

- Both the feedback received from sustainable investors and Iberdrola's existing procedures make it **feasible and complementary to issue bonds under both labels at the same time**

- In 2025, **Iberdrola** became the **first issuer with this dual tagging**, used since then in different instruments (senior and hybrids) and currencies (EUR, CHF)

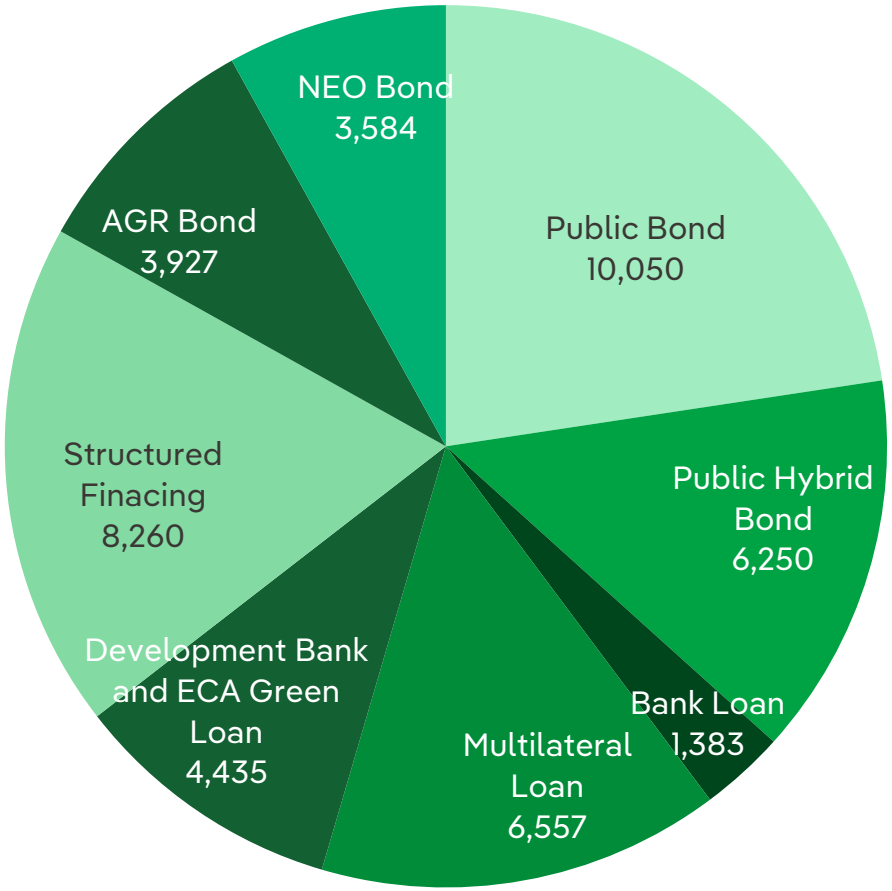
- This approach **helps** investors **allocating** more **precisely EU Green Bonds** within their portfolios

… being the first company to issue a bond combining both ICMA´s Green Bond Principles and the European Green Bond Standard, to comply with the best quality standards

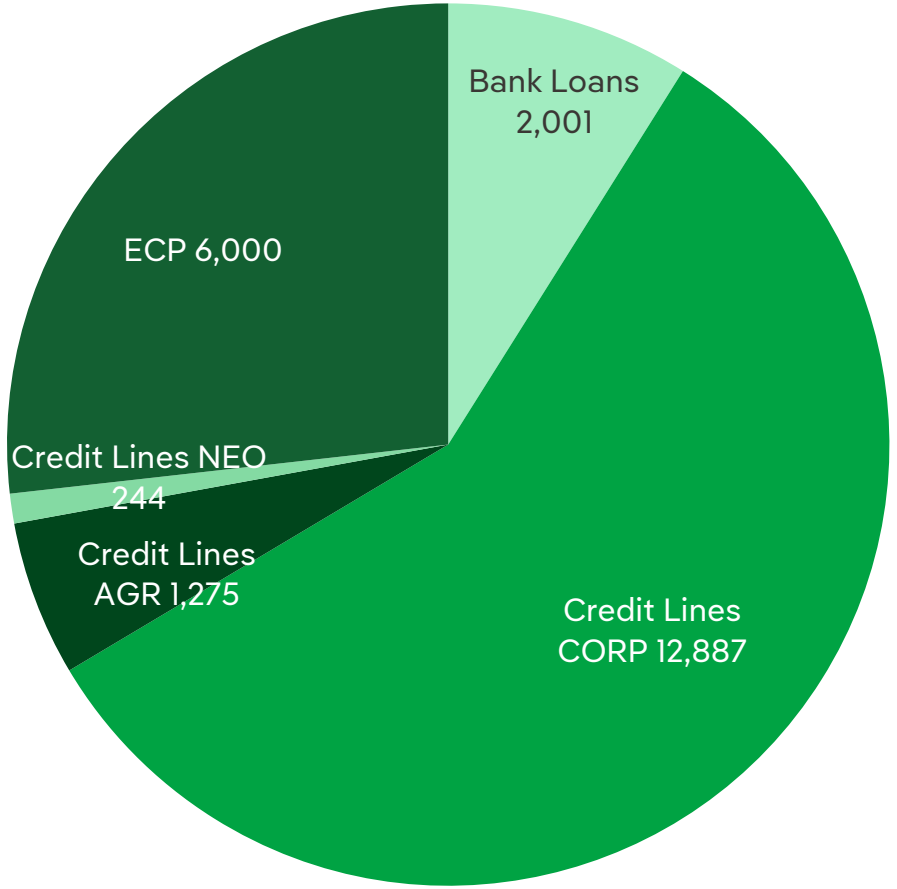
Green / Sustainable financing

Iberdrola is the world's leading group in green bonds issued

GREEN FINANCING: EUR 44,445 M



SUSTAINABLE FINANCING : EUR 22,407 M

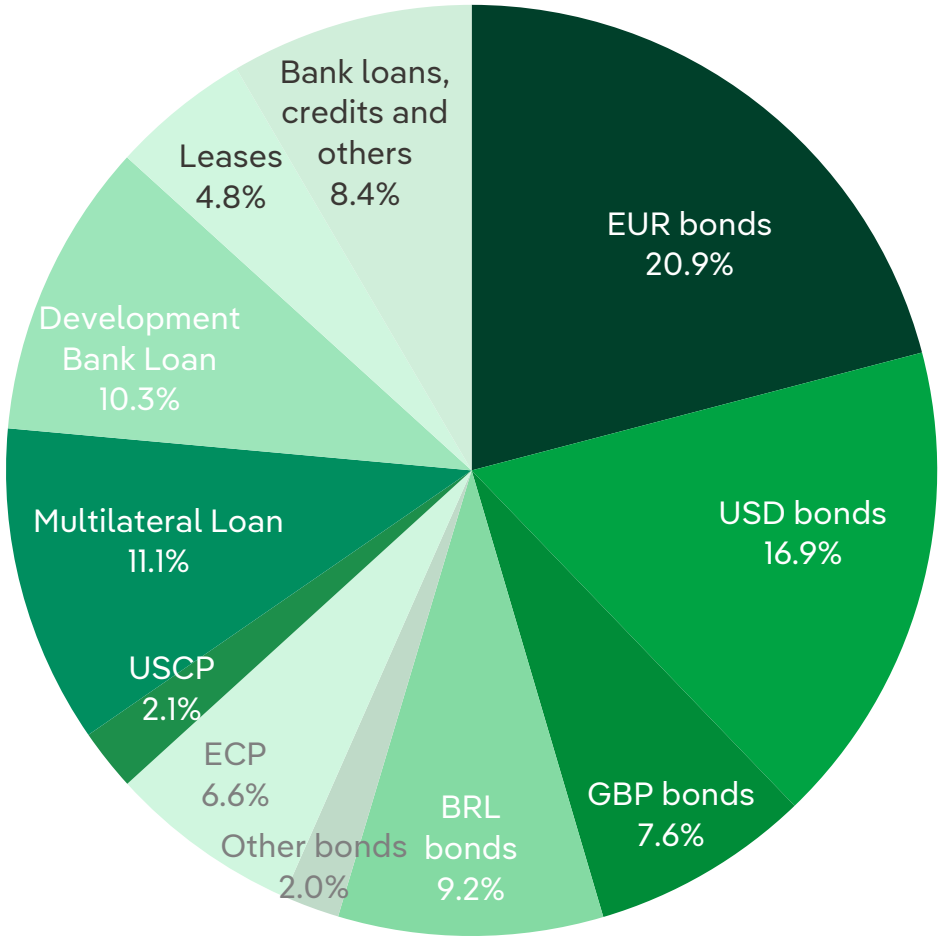


In 2025, Iberdrola signed 4.1 Bn EUR of new sustainable transactions and 11.7 Bn EUR of new green financing for a total of 66.9 Bn EUR in sustainable financing as of December 2025

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 2025 (EUR 54.728 M)



Bond market

- Main source of LT financing
- Strong access to largest markets in the world
- Successful issuances in tailored markets in better conditions than the EUR market

Multilateral lenders

- Long-term financing not subject to capital market volatility
- Solid links with traditional players (EIB, BNDES)
- Expanding relationship with new entities (IFC, NWF, ECAs).

Bank market

- Diversified, strong pool including main players, adding new banks in new geographies
- Low exposure in outstanding debt allows to increase bank risk in other instruments (credit, derivatives, letters of credit)
- Liquidity bank commitment ensuring future project finance

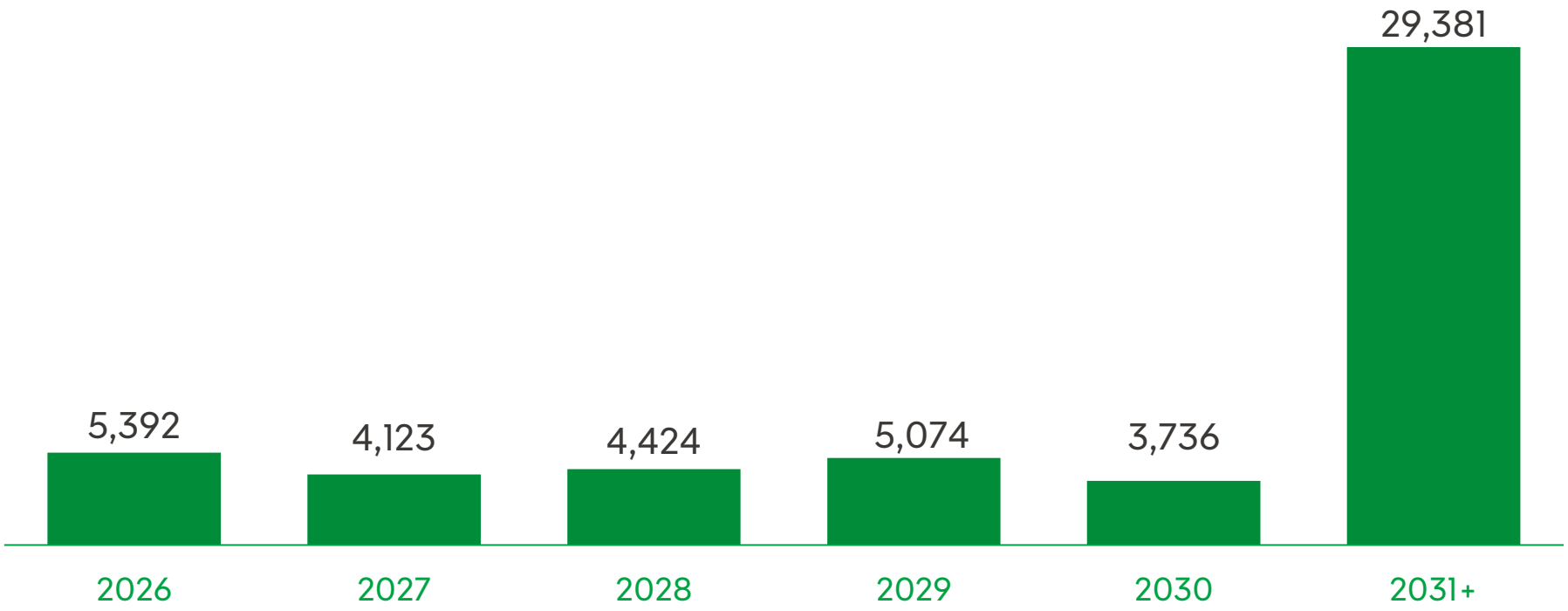
Hybrid market

- Commitment with current stack (8,25 Bn EUR)
- Outstanding balance allows room to increase during the plan if needed

Maturities

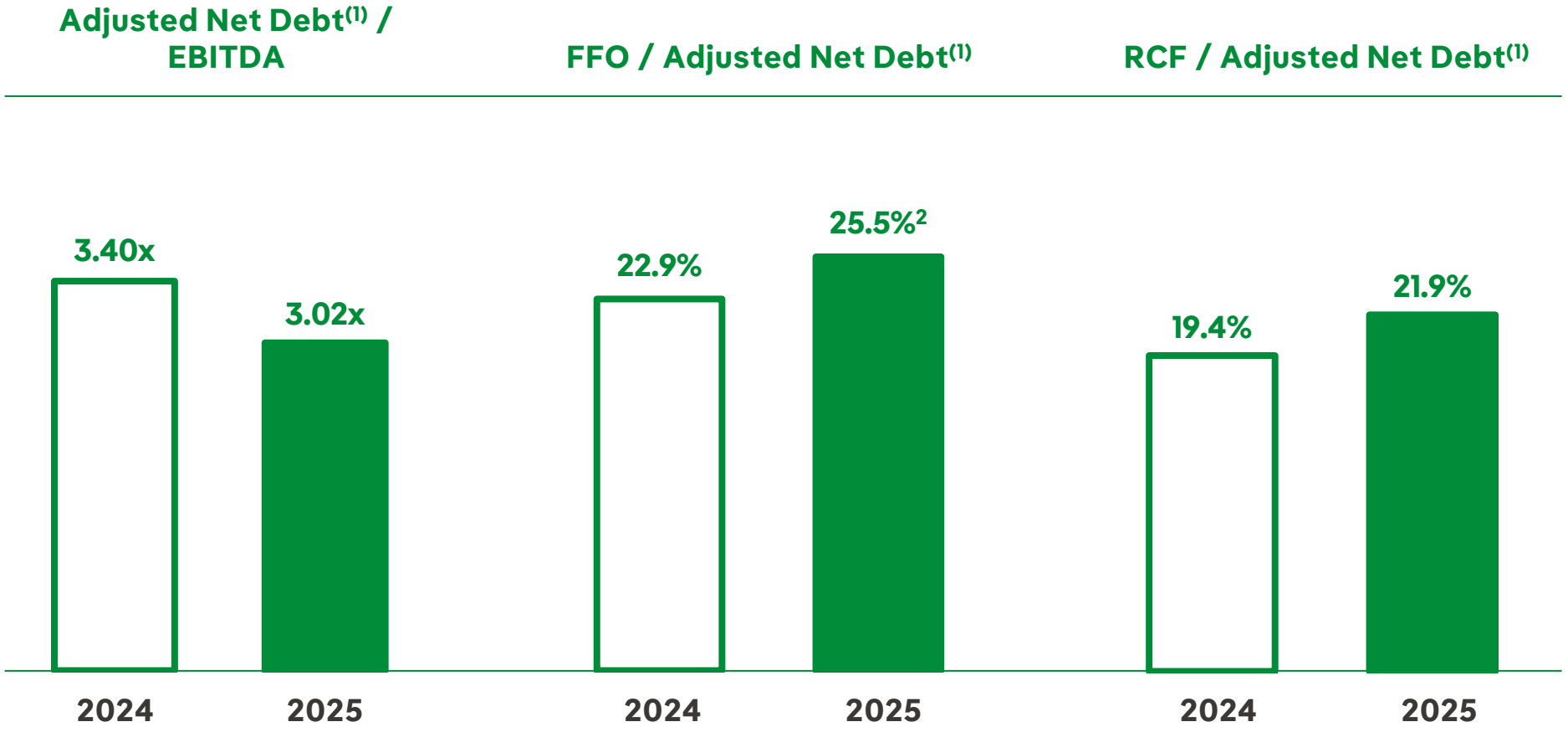
Maturity profile with an average debt life of 6 years

Maturity debt profile as of December 2025 (M EUR)



Credit Metrics

Strong credit metrics, with Adjusted net Leverage of 43.8% as of 2025 (from 45.4% in 2024)



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

(1) Adjusted for treasury stock derivatives with physical settlement which at the current date are not expected to be executed (Eur 944 M as of 2025 and Eur 995 M as of 2024)
(2) Proforma ratio including 12 months of ENW contribution is 25.7%.

Credit Ratings

	S&P Global		Moody's		FitchRatings	
	Date		Date		Date	
	Rating	Outlook	Rating	Outlook	Rating	Outlook
Iberdrola	December 2025		April 2026		November 2025	
	BBB+	Stable	Baa1	Stable	BBB+	Stable
Avangrid	January 2026		April 2026		November 2025	
	BBB+	Stable	Baa2	Positive	BBB+	Stable
ScottishPower	July 2025		April 2026		November 2025	
	BBB+	Stable	Baa1	Stable	BBB+	Stable
Neoenergia	March 2026					
	BB	Stable				

Note: ratings as of last available report

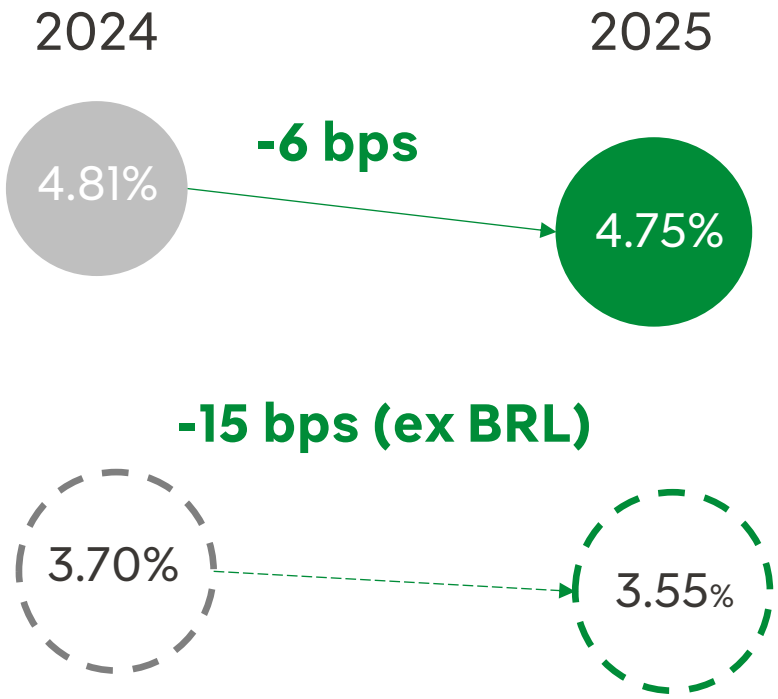
Cost of Debt

Total cost of debt (4.75%) lower than 2024, mainly due to the Eurozone cost improvement, partially offset by higher BRL interest rates

Gross debt financial cost by currencies (%)

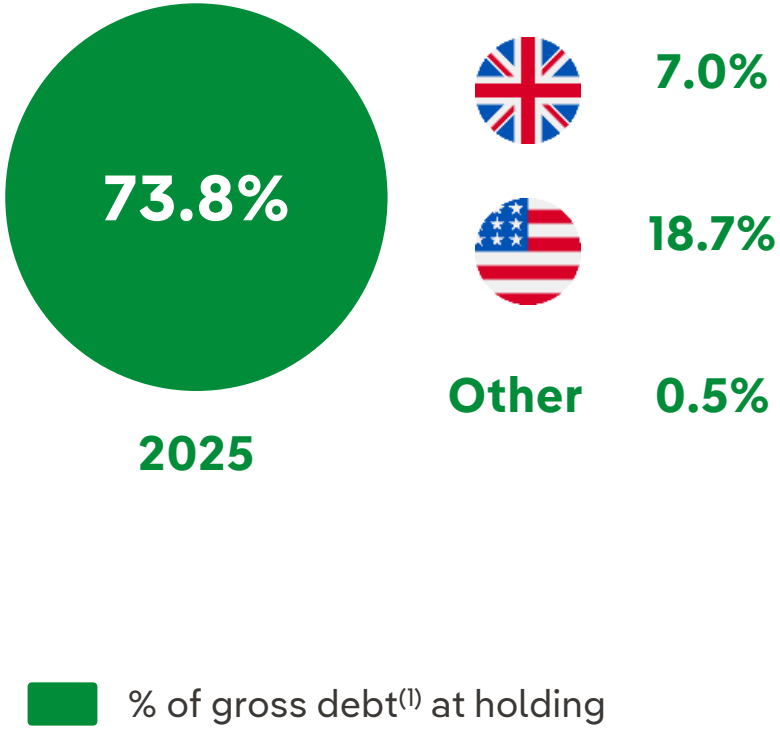
	2024	2025
€	2.9%	2.5%
$	4.6%	4.8%
£	3.8%	4.0%
R$	10.9%	12.1%

Cost of Debt (%)



Structural Subordination

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

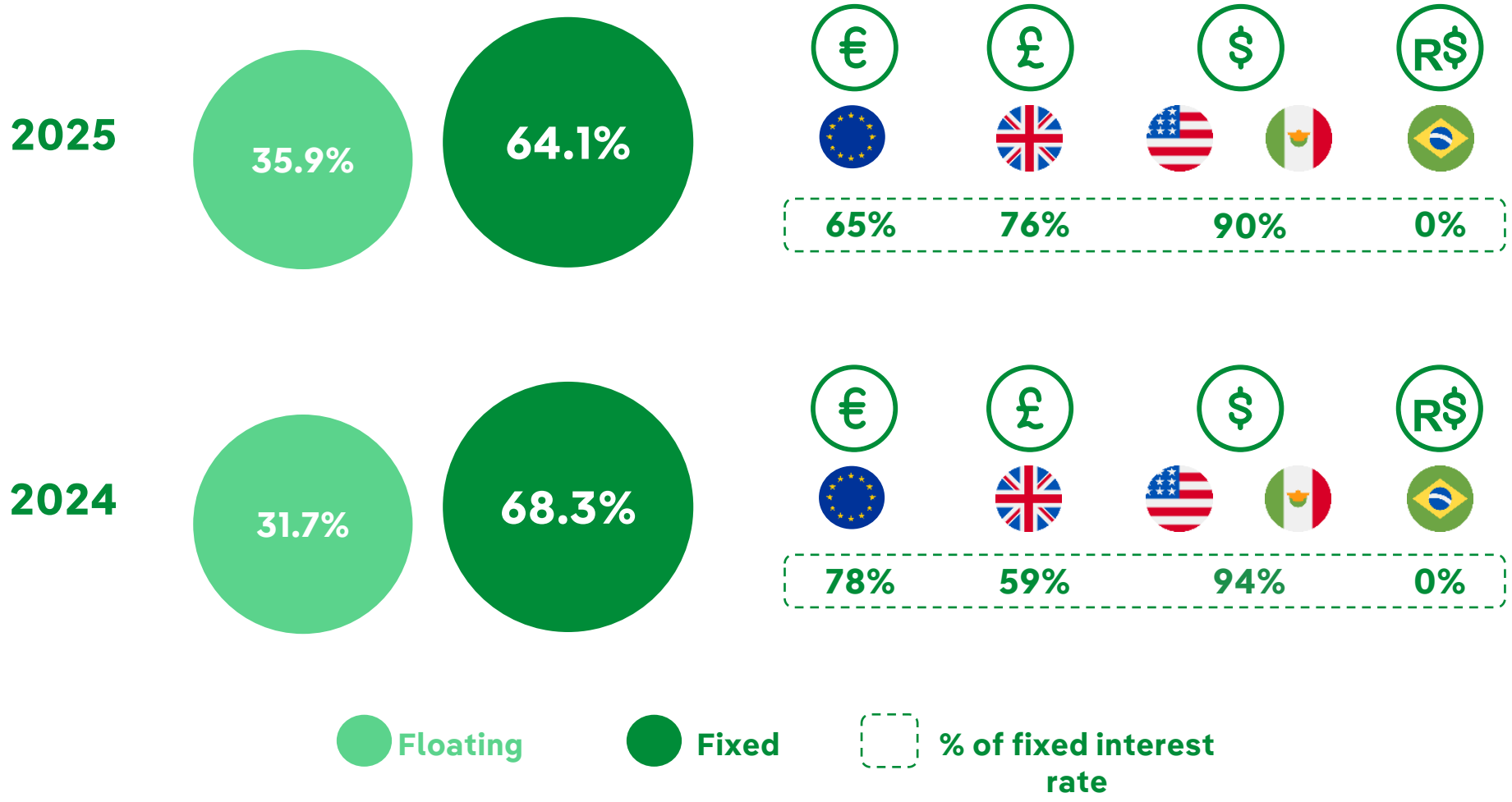


- **Subordination ratio below 30% in 2025 in line with financial policy and historical levels** ✓
- **Direct access to cash flows from unlevered and fully owned subsidiaries (large part of Group's EBITDA ~ 2/3rds)** ✓
- **High visibility of centralized cash flows (regulated and long term contracted)** ✓
- **Centralized treasury and very strong liquidity at Holding** ✓

(1) Including 100% of hybrids and excluding Neoenergia

Interest rate risk management

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



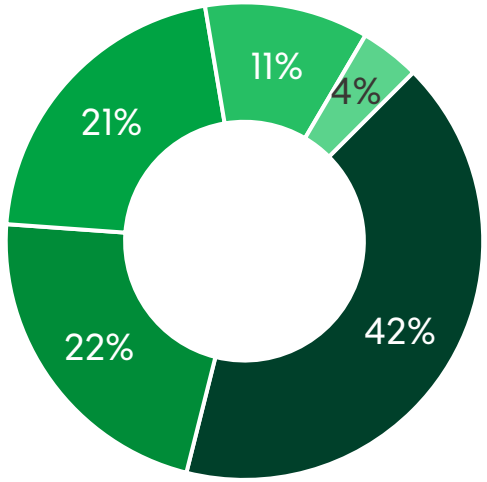
FX risk management: structural

Structural Fx hedge as a result of having debt in the same currency and similar % as the Funds From Operations

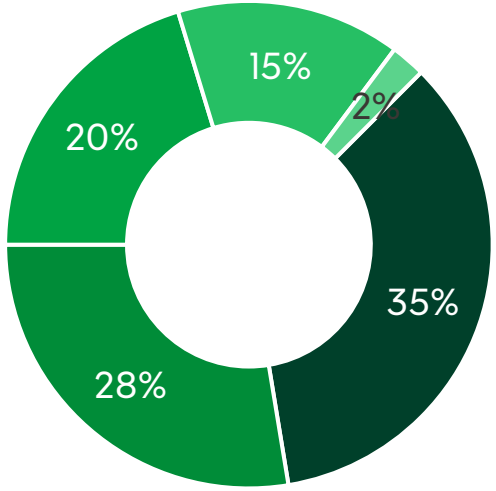
Minimize FFO/Net Debt Ratio volatility

December 2025

FFO by currencies



Debt by currencies



… 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 P&L volatility

Debt reconciliation

Note 22 of Iberdrola Consolidated Annual Report 2025

Thousand euros	31/12/2025	31/12/2024
Bank borrowings, bonds and other marketable securities (Note 29)	54,090	54,390
CSA derivatives security deposits (Note 33)	69	100
Derivative liability instruments	657	707
Leases	2,594	2,799
Gross financial Debt	**57,410**	**57,996**
Derivatives of treasury stock with physical settlement that at this date are not expected to be executed	944	995
Securitisation of regulatory assets	629	0
Adjusted gross financial debt	**55,837**	**57,001**
Non-current financial deposits (Note 15.b)	83	111
Derivative asset instruments	815	1,026
CSA derivatives security deposits (Note 15.b)	92	95
Current financial investments (between 3 and 12 months) (Note 15.b)	1,140	15
Cash and cash equivalents (Note 21)	3,670	4,082
Total treasury assets	***5,800***	***5,329***
Adjusted net financial debt	**50,037**	**51,672**

9.25 Bn Eur of Hybrids(1) not included in net debt calculations as they are accounted as equity

Note: difference between debt figure in slide 135 and gross financial debt in this slide refers to the inclusion of derivative instruments and accrued interest payable

(1) Outstanding figure as of Dec-25

Iberdrola Consolidated Annual Financial Report 2025:

Annual financial information Iberdrola, S.A. and subsidiaries

SFDR. Principal Adverse Impacts on sustainability factors

CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS							
				Total	Continued Activities	Discontinued Activities	Unit
Greenhouse gas emissions	1.	GHG emissions	Scope 1 GHG emissions	8,480,108	5,246,890	3,233,218	t CO_2 eq
			Scope 2 GHG emissions (market- based)	2,786,897	2,778,809	8,088	t CO_2 eq
			Scope 2 GHG emissions (location- based)	2,824,520	2,816,413	8,107	t CO_2 eq
			Scope 3 GHG emissions	30,013,031	25,209,659	4,803,372	t CO_2 eq
			Total GHG emissions (Scope $1+2_{(market\text{-}based)}+3$)	41,280,036	33,235,357	8,044,678	t CO_2 eq
			Total GHG emissions (Scope $1+2_{(location\text{-}based)}+3$)	41,317,659	33,272,961	8,044,697	t CO_2 eq
	2.	Carbon footprint	Carbon footprint (market-based)	41,280,036	33,235,357	8,044,678	t CO_2 eq
			Carbon footprint (location-based)	41,317,659	33,272,961	8,044,697	t CO_2 eq
	3.	GHG intensity of investee companies	GHG intensity of investee companies	N/A	755	N/A	t CO_2 eq / M EUR
	4.	Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	92.9%	N/A		Capex Aligned with EU taxonomy
				9%[1]	N/A		Gas Revenues
				0%	N/A		Coal / Oil Revenues
	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	99.44 %	99.34 %	100.00 %	Non-Renewable energy consumption
				31.66 %	27.11 %	77,45 %	Non-Renewable energy production
	6.	Energy consumption intensity per high impact climate sector	Energy consumption in GWh per M EUR of revenue of investee companies, per high impact climate sector	N/A	2.3	N/A	GWh / M EUR
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	This information is detailed in the Consolidated Non-Financial Information Statement (NFIS) and Sustainability Report 2025 (pages 50 - 60)			
Water	8.	Emissions to water	Tonnes of emissions to water generated by investee companies per M EUR invested, expressed as a weighted average	N/A			
Waste	9.	Hazardous waste and radioactive waste ratio	Tonnes of hazardous waste and radioactive waste generated by investee companies per M EUR invested, expressed as a weighted average	24,085	N/A		t of hazardous waste
				247	N/A		m^3 of Radioactive waste (medium and low activity)

[1] According to SFDR methodology, this figure includes only commercialization and distribution activities (excluding generation).

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 Consolidated Non-Financial Information Statement (NFIS) and Sustainability Report 2025.	
	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	-2.6 %	Average ratio
	13.	Board gender diversity	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members	43 %	Average ratio
	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	

ESMA. Guidelines on funds' names using Sustainability-related terms

Fund names including terms related to **Transition/Social/Governance...**

Exclusion criteria	Iberdrola
Companies involved in activities related to **controversial weapons**	Not involved
Companies involved in the cultivation and production of **tobacco**	Not involved
Companies **violating the principles of the United Nations** Global Pact **or** the Organisation for Economic Co-operation and Development (**OECD**) Guidelines for Multinational Enterprises (MNEs)	Not involved

Fund names including terms related to **Sustainability/Impact/Environment...**

Exclusion criteria	Iberdrola
All criteria described for "Transition/Social/Governance" plus...	Not involved
Companies deriving 1% or more of their revenues from the exploration, mining, extraction, distribution or refining of **hard coal and lignite**	0%
Companies deriving 10% or more of their revenues from the exploration, extraction, distribution or refining of **petroleum-derived fuels**	0%
Companies deriving 50% or more of their revenues from exploration, extraction, manufacture or distribution of **gaseous fuels**	3.7%[1]
Companies deriving 50% or more of their revenues from **generation of electricity with a GHG intensity greater than 100 gCO_2e/kWh**	4.0%

(1) According to ESMA requirements, this figure includes only distribution activities (excluding commercialization and generation)

Iberdrola is not impacted by any of the exclusion criteria; therefore, it qualifies as investible by any sustainable fund.

Content

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Iberdrola Group: Corporate Purpose

To continue building, every day and in collaboration, a more electric, healthier and accessible energy model

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 energy storage, smart grids and digitalisation

...healthier for people

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

...more accessible for all

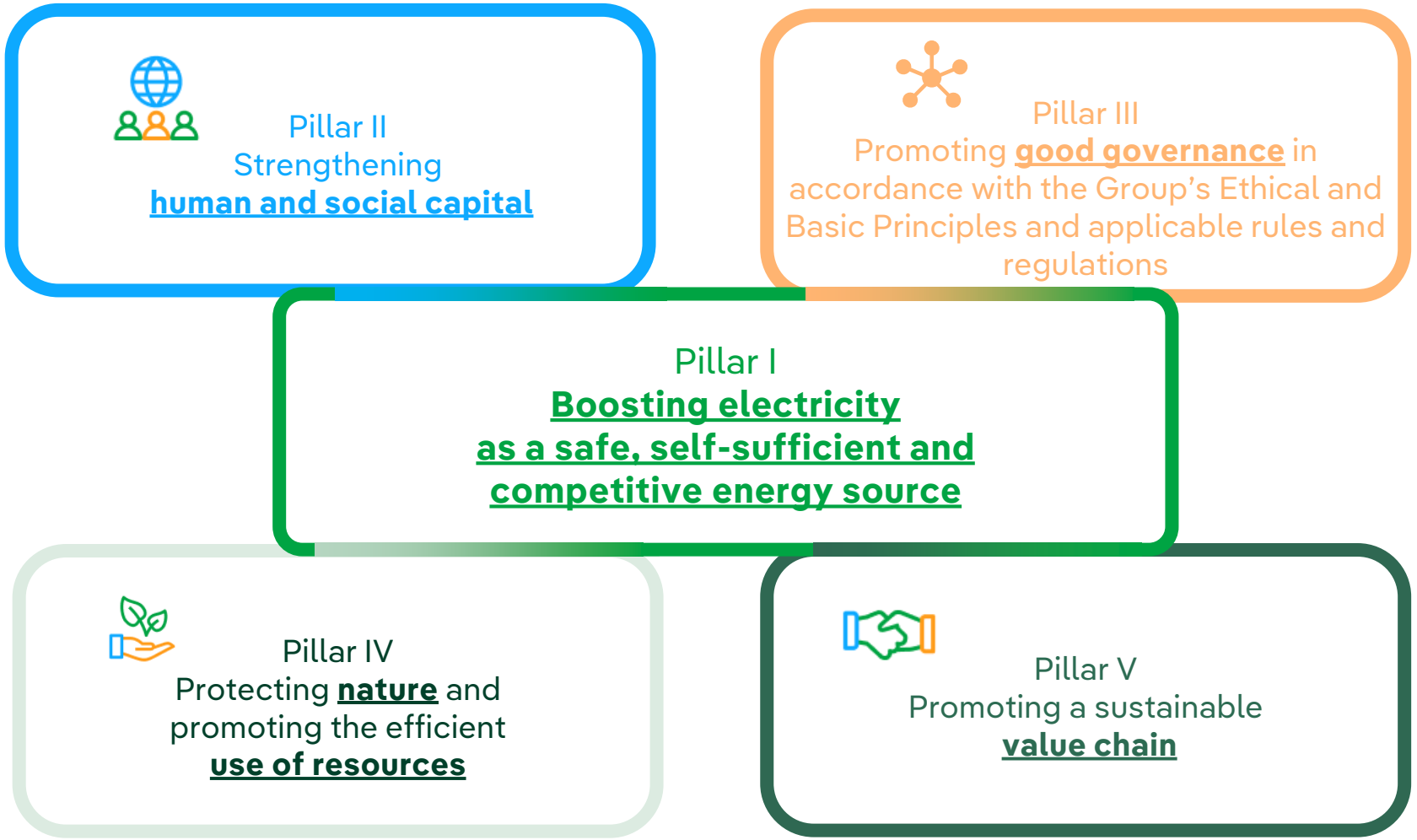
- ✓ Creating a society that favours inclusion, equality, equity and development

...contributing to the security of supply

- ✓ In collaboration with all agents involved and with society as a whole
- ✓ Which provides safe, competitive and autonomous energy and electricity

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

Five Pillars: reaffirming our roadmap in sustainability



Sustainability Targets 2025-2030: https://www.iberdrola.com/documents/20125/5539967/sustainability-targets-2025-2030.pdf
Consolidated Non-Financial Information Statement (NFIS) and the Sustainability Reporting: https://www.iberdrola.com/documents/20125/5613162/gsm26-sustainability-report-2025.pdf
Integrated Report: https://www.iberdrola.com/documents/20125/5613162/gsm26-integrated-report-2025.pdf

Progressing in our Sustainability Targets

DRIVERS	TARGET	METRIC	2025	2028e	2030e
Sustainable electrification (Net Zero 2040)	*Emission intensity in electricity generation*	*gCO_2 /kWh*	39.2[1]	*32*	*Carbon Neutral*[2]
	Net Zero in scopes 1, 2 and 3 before 2040	*Comply SBTi milestone in 2030 & 2040*	In progress		√
	Zero pollutant emissions in electricity generation by 2030	*(NO_x + SO_x + particulates in g/kWh)*	0.02[1]	*0.018*	*<0.016*
	Managed Stored Energy Capacity	*GWh/year*	10,232	*>10,500*	*>11,000*
Innovation and digitalisation	*Smart grids*	*% asset automation*	85.8%	*~90%*	*>90%*
Sustainable finance	*CAPEX aligned*	*% EU Taxonomy Aligned Capex*	92.9%	*~90%*	*~90%*
	Green Financing	*Million Euros (cumulative)*[3]	11,686	*>30,000*	-
Equal opportunities	*Equal opportunities*	*External EDGE plus certification*	In process	√	√
Safety and Health	*Wellbeing Program*	*Certification ISO 45003*	In process	√	√
	Occupational safety	*TRIR*	In process	*Improve*	*Improve*
Community development	*Electrification Access Programs*	*Millions of users covered (cumulative)*	15.99	*>15.5*	*>16*
	Contributions to society[4]	*Number of contributions (>1,000)*	√	√	√
Governance, ethics and transparency	*Corporate Governance*	*Maintaining best practices*	√	√	√
	Percentage of independent directors	*More than 50%*	√	√	√
	Varied composition of the Board of Directors	*Maintain*	√	√	√
	Compliance system	*Certification*	√	√	√
	Cybersecurity objectives	*Fulfilment*	√	√	√
Human Rights and Stakeholder engagement	*Human Rights Due Diligence and Stakeholders' involvement*	*Annual review and update*	√	√	√
Biodiversity preservation	*Net positive impact in 2030*	*Number of facilities aligned with a biodiversity plan*	199	*>450*	*~700*
Efficient use of resources	*Blades and Solar Panels Recycling*	*Number (cumulative)*[5]	947	*>3,000*	*>5,000 (90%)*
	Reduction of water intensity in energy production	*% (reduction vs 2025) in m3/M€*	Base	*-20%*	*-40%*
Sustainable supply chain	*Sustainable suppliers*	*Million Euros (cumulative)*[6]	12,430	*>50,000*	-
Customers	*Quality of supply*	*Reduction in consolidated SAIDI*[7]	-18.3%	*-13%*	*-15%*
	Fast and Ultra-fast charging points	*Number*[8]	3,413	*>7,000*	*>10,000*
	Customer Accessibility Solutions	*Number*	63	*66*	*66*
	Digital customers	*% of total*	75.4%	*74%*	*75%*

1) Including discontinued activities, which are not included in the consolidated revenues for the financial year, emissions intensity would be 60 gCO_2/kW and pollutant emissions would be 0.09 g/kWh.
2) <10 gCO_2/kWh.
3) New accumulated green financing for the period 2025–28. New accumulated sustainable financing for the period 2025–28, > €35 billion.
4) Social contributions verified by an independent external party.
5) Estimation of recycled blades in 2030 according to the current operational plan and subject to revision based on its evolution. 2030 Goal: recycling 90% of blades and panels.
6) Cumulative value for 2025-28 period: 85% of total purchases of >65 billion euros.
7) Calculated against the 2019-21 period average.
8) Includes the number of charging points of the joint venture formed by Iberdrola and bp pulse.

Climate Action Plan: Key Elements

Pillar I

2030

Scope 1 emissions neutrality

Direct emissions (generation and other)

<2040

Net Zero emissions for all scopes, including 3

Scopes 1 and 2 (indirect emissions from electricity network losses and own consumption) and 3 (other indirect emissions over which the group does not have control or direct influence

Drivers

- **100% Renewables**
- **100% Intelligent networks**
- **Green Procurement**
- **Green solutions for customers**

Alliances for green and decarbonized technologies

Values

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

5,26 Bn EUR invested during 2025 in **Power & Customers**

8,97 Bn EUR of investment in 2025 in **networks**

Direct and indirect **climate advocacy**

Alliances and JVs to promote decarbonization: Q-Cero, EnergyLoop...

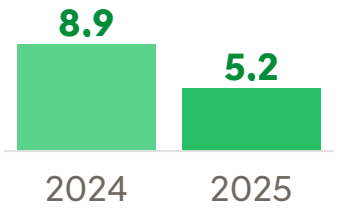
Customer solutions as heat pumps, Fast and ultrafast charging points...

CO_2 Absolute emissions and emissions intensity

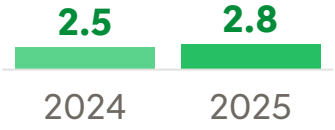
Pillar I

Group absolute emissions[1] (Mt)

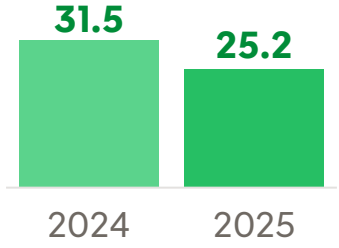
Scope 1: Direct emissions



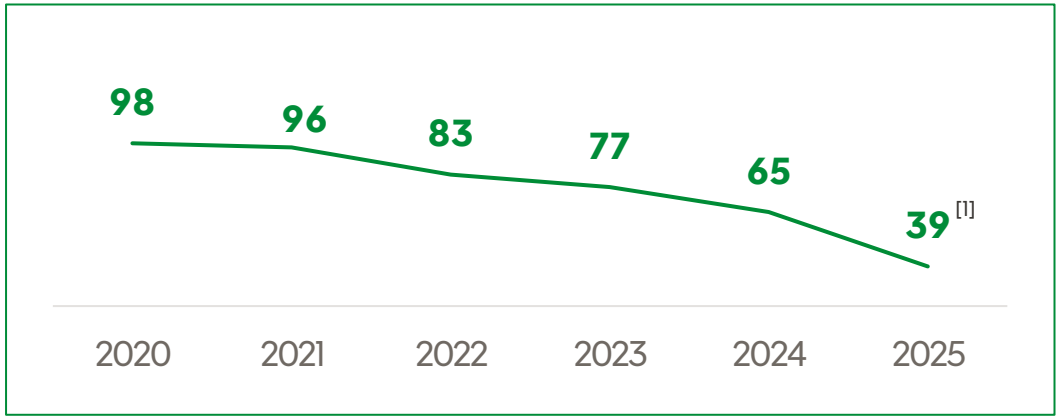
Scope 2: Indirect emissions



Scope 3: Other Indirect emissions



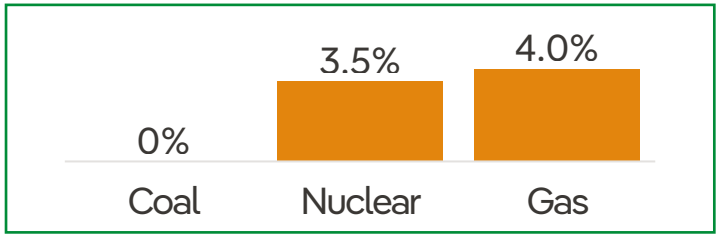
Group electricity generation emissions intensity (gCO_2/kWh)



Near and long-term science-based emissions reduction targets consistent with 1.5°C verified according to the SBTI CORPORATE NET-ZERO STANDARD

SCIENCE BASED TARGETS

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



Emissions-free [2] (%)

Installed capacity	Electricity production
86%	**91%**

All figures are calculated excluding discontinued activities, which are not included in 2025 consolidated revenues.
[1] Including discontinued activities total emissions in 2025 (Scope 1 + 2` + 3) would have accounted for 41,3 Mt and emission intensity would have been 60 gCO_2/kWh.
[2] Including discontinued activities installed capacity and electricity production would have accounted for 85% and 85% respectively.
GHG inventory: https://www.iberdrola.com/documents/20125/41101/ghg-report-2025.pdf

Energy Storage Technologies

Pumped hydro Storage

- **Mature, large-scale and long-life** storage technology, with **~75-80% efficiency**.
- Delivers bulk energy shifting and critical **grid stability services**.
- Most competitive solution to store lots of energy for **long periods of time (>20h)**.

Battery Energy Storage System

- **Fastest-growing stationary storage technology:** global additions ~100 GW/year.
- Technology keeps improving and reducing costs:
  - Synergies with EVs have pushed prices down ~90% since 2010.
  - **Energy density has doubled** since 2023 at container level, further decreasing costs.
- Batteries are now suitable for applications of 4-6 hours.

Thermal Energy Storage

- **Stores energy as heat**, using materials such as **molten salts, rocks or other solids**.
- A promising long-duration option for **power-to-heat** industrial applications.
- Enables **electrification of industrial heat**, reducing fossil fuel use and emissions.

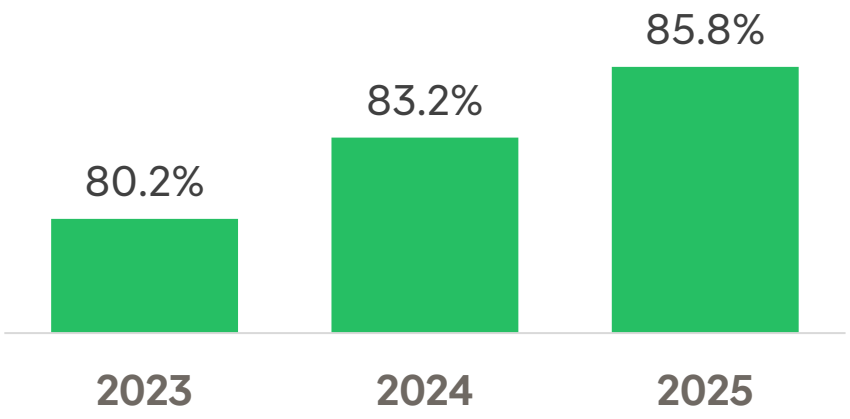
Source: internal sources and BloombergNEF.

Smart Grids

Pillar I

Driving the development of smart grids through **digitalization**

Digitalized Assets [1]



~15M Smart meters installed (cumulative) [2]

Digitalization of Grids allows:

- **Integration of Renewables:** Enables new renewable energy sources to be incorporated into the electricity system.
- **Enhanced Resilience:** Improves system resilience, aiding in supply replenishment and mitigating physical impacts from climate change.
- **Increase Flexibility:** As a key lever to maximize network capacity through the efficient management of existing assets, enabling electrification.

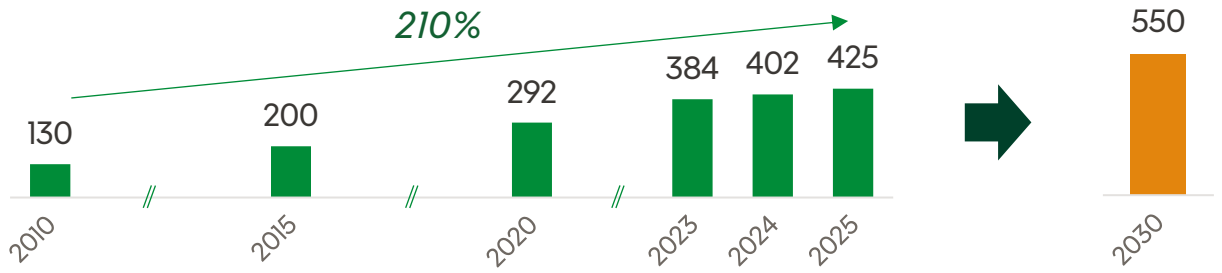
The group operates nearly **1.4 million kilometres** of electricity transmission and distribution lines

(1) Calculated using a new methodology. ENW is not included in 2025 value.
(2) Includes the disposal of SP Smart Meter Assets Limited (SPSMAL).

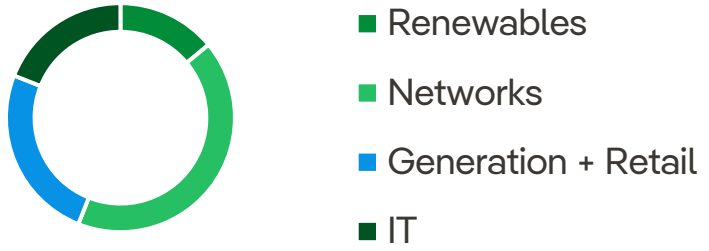
R+D+i – Innovation Strategy

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

Evolution of investment in R+D+I (M€)



% Investment in R&D by strategic areas



Technology and innovation: projects

+300
Ongoing projects

We invest in disruptive technologies capable of addressing the challenges of the new global energy system across the value chain

Venture Capital & New Business investments through Perseo Programme

New Investments
materialized

TRIBBU — Car pooling

New business
launched

Echelon Iberdrola Digital Infra — Echelon & Iberdrola's JV for Data Centers

Innovation reports: https://www.iberdrola.com/innovation/our-innovation-model
*According to the 2025 EU Industrial R&D Investment Scoreboard

Sustainable Finance and Capital Allocation Aligned with the EU Taxonomy

Pillar I

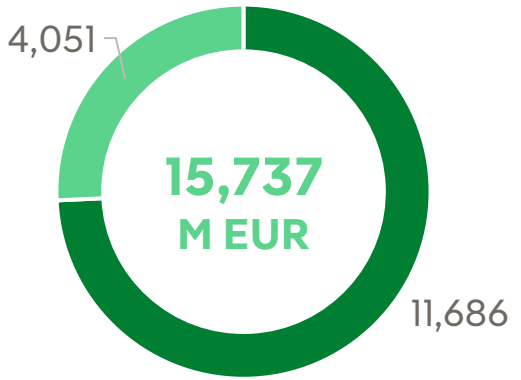
Capital Allocation

2025	Eligible	Aligned	Aligned over Eligible
CAPEX	93.8%	92.9%	**99%**
OPEX	90.4%	88.7%	**98%**
REVENUES	64.7%	60.7%	**94%**

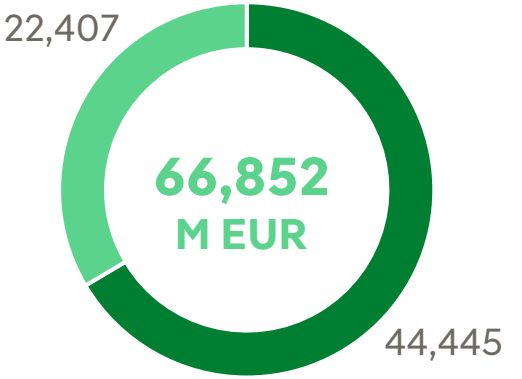
With **99%** of eligible CapEx aligned, this ratio is a key sustainability indicator for the Group

Sustainable Finance

New financing



Portfolio at year-end



Instruments: Green KPI-Linked

99%[1] of new financing has been sustainable

CAPEX focused on boosting electricity as an energy source, with **no allocation to new unabated carbon-intensive assets.**

[1] Excluding USD 786 M in securitization bonds issued in February 2025 to recover AGR storm costs, recognized by the US regulator.
Green financing returns report: https://www.iberdrola.com/documents/20125/42169/green-financing-returns-report-2025.pdf

Just Transition

Pillar II

Just Transition Principles already embedded in the Governance and Sustainability System *"The companies of the Group deploy Just Transition principles that guide the management of the potential impacts that decarbonization of the economy might have."*

Impact management

Employees	Fair, safe and attractive jobs through talent programs, upskilling, equality measures, well-being initiatives and strong health and safety actions.
Communities	Supporting communities through engagement models, socio-environmental assessments, territorial innovation platforms and social-impact programs that promote economic development, affordable energy access, environmental resilience and fair benefit distribution.
Clients	Providing accessible service channels, tailored support for vulnerable groups, cybersecurity awareness programs, high-quality supply standards, enhanced mobility solutions and initiatives to optimize energy use and prevent vulnerabilities.
Supply Chain	Strengthening supply chain traceability and sustainability through supplier evaluation, sustainability-based screening, human rights requirements, surveys and remediation mechanisms, reinforcing due diligence to address global challenges.

Just Transition key contents*

Policies & frameworks	• Governance & Sustainability System • By-Laws (Art. 6.2)
IROs	• Sustainability Report • Human Rights Report • Stakeholders
Engagement	• Participation in Public Affairs • Iberdrola Purchasing Report
Metrics & Targets	• Sustainability Indicators • Capital Markets Day

Article 6.2 of the By-Laws, which states that "The Company recognizes and seeks to obtain a social dividend consisting of the direct, indirect or induced contribution of value of its activities for all its Stakeholders"

* The company Sustainability strategy and long-term planning, composed by a double materiality assessment, corporate regulations, policies, and a set of actions and goals, include all the elements of a Just Transition Plan

Equal opportunities and Inclusion

Pillar II

At Iberdrola, equal opportunity and inclusion are embedded into our sustainable human capital management and across the value chain through cross-cutting initiatives, contributing to sustainable economic and social development and to a more innovative and inclusive energy model for all

45,400 Employees

♀ **33,867** Men

♂ **11,511** Women

Age distribution of the workforce:

18%	62%	20%
Employees< 30 years	Employees 31 – 50 years	Employees > 50 years

Occupational category distribution:

6%	42%	52%
Leadership	Qualified technicians	Skilled workers and support personnel

≈100 Employee nationalities

3.13% Percentage of workforce with disabilities

1,423 Employees with disabilities in the workforce

901	522
Men	Women

99% of the workforce with **permanent contracts**

8.2% of **total employee turnover**

3.14 **Rate of work-related injuries** (own-personnel)

	Workforce representation	Board of Directors composition	Representation in Senior Management
♀	**25%** Women	**43%** Women	**50%** Women
♂	**75%** Men	**57%** Men	**50%** Men

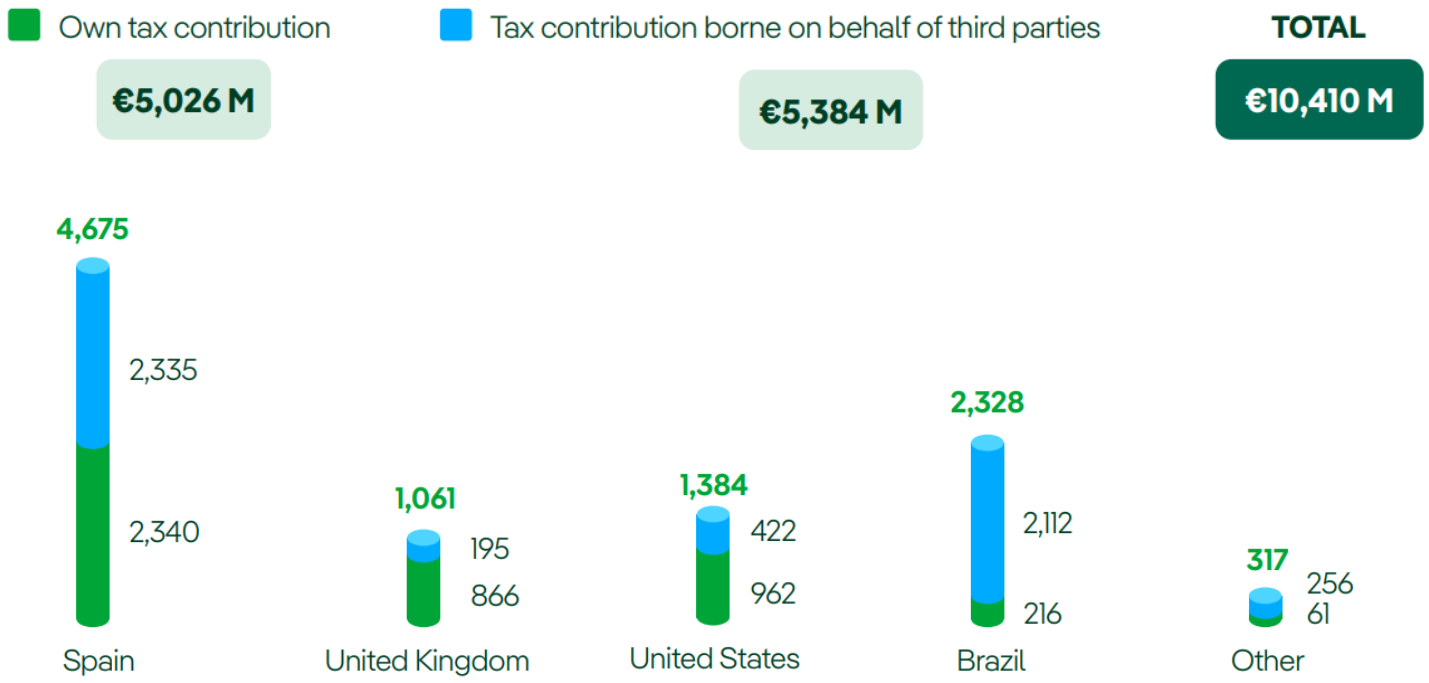
Award of the second-level **EDGE** (Economic Dividends for Gender Equality) certification: **EDGE Move**

Community development: Contributions

Pillar II

Fiscal Contribution - Taxes

Global tax contribution of €10,410 M in 2025 (€m)



Social contributions

BUSINESS FOR SOCIETAL IMPACT
CORPORATE CITIZENSHIP
SUPPORTED BY SLR
ASSURED
2025

In 2025, the contribution amounts to 62.7 M EUR and is the result of >1,000 activities

Equivalent to ≈1% of 2025 net profits

Report on tax transparency 2025: https://www.iberdrola.com/documents/20125/5613162/report-tax-transparency-iberdrola-group-2025.pdf
Country-by-Country Tax Report (CbCR) of the Iberdrola Group: https://www.iberdrola.com/documents/20125/5613162/country-by-country-tax-report-iberdrola-group-2025.pdf
Iberdrola's community contributions. Assurance Report: https://www.iberdrola.com/documents/20125/5613162/gsm26-assurance-report-2025.pdf

Board Composition

Pillar III

Board of Directors

Executive Chair José Ignacio Sánchez Galán

CEO Pedro Azagra Blázquez

First Vice-chair Juan Manuel González Serna

Second Vice-chair Anthony L. Gardner

Lead Director Ángel Jesús Acebes Paniagua

Director Manuel Moreu Munaiz

Director Xabier Sagredo Ormaza

Director Sara de la Rica Goiricelaya

Director Nicola Mary Brewer

Director Marina Freitas Gonçalves de Araújo Grossi

Director María Ángeles Alcalá Díaz

Director Isabel García Tejerina

Director Ana Colonques García-Planas

Director Iñigo Víctor de Oriol Ibarra

Key Committees Supporting Board Function

Audit Committee	Sustainable Dev. Committee	Remuneration Committee	Appointments Committee

Executive · Independent, Non-Executive · Non-Executive · Independent Committee Chair

Board Features

Independence *(Board)*

79% independent

Independence *(Non-Executive Directors)*

92% Independent

Tenure *(Board)*

0-5 Years | 6-10 years | >10 y

Gender *(Board)*

57% Male | 43% Female

Nationalities *(Board)*

- ✓ **Majority Independent**
- ✓ **2 Vice-Chairs**
- ✓ **Lead Independent Director**
- ✓ **Fully or 2/3 Independent Committees** *(incl. Exec Committee)*
- ✓ **Fully Independent Committee Chairs** *(excl. Exec Committee)*
- ✓ **Shareholding Requirement for ALL Directors**
- ✓ **Diverse in Tenure, Gender, and Nationality**

Cybersecurity Strategy & Governance

Pillar III

Embedded in the business to enable secure, resilient operations and value creation

Cybersecurity Strategic Pillars

Key operational capabilities:

- Holistic approach (IT – OT – IoT)
- Specialized Cybersecurity teams within IT and all Business (OT)
- Global models, coordination and threat Intelligence

Key governance elements

Security Policy framed within sustainable value chain policies, fostering a strong cybersecurity culture and capabilities for protection, detection and response.

Security Risk Guidelines, complementing the Security Policy, define a Group-wide framework for managing cybersecurity risks, including risk appetite, limits, responsibilities and priorities, approved annually by the Board of Directors.

A solid **governance model** based on the three-lines approach, with second-line reporting to the Group Risk Committee:

2025 operational footprint:

>500 cyber professionals

>120 initiatives deployed across cybersecurity strategic pillars

Cybersecurity execution across the Group

Integration and Prioritization of Cybersecurity in all areas and at all levels in Iberdrola Group...

Cybersecurity Goals

Group-wide objectives:

Cybersecurity objectives are defined for all subholdings, businesses and corporate areas, applying at all levels.

Top management incentives:

Cybersecurity is included in the annual variable remuneration of the Executive Chairman and the CEO.

Sustainability strategy:

Cybersecurity objectives are embedded in the Group's sustainability strategy.

2025: Cybersecurity objectives satisfactorily achieved

Cybersecurity Culture

Group-wide Training & Awareness Plan

Tailored to target audiences and supported by a cybersecurity skills framework.

2025: >92,000 cybersecurity training hours

Top management involvement:

The Group CEO, together with Global Business and subholding CEOs, oversees cybersecurity risks and track cybersecurity plans through quarterly meetings.

Governance & Certifications

A Group-wide **Information Security Management System** (ISMS) has been established across Global Cybersecurity, Corporate IT and Cybersecurity Spain, certified under ISO 27001, to be extended to other organizations.

Other certifications:

ISO 27001:

- Iberdrola España – Customers
- Iberdrola España – Networks
- IEI – Portugal - Customers

ENS:

- Iberdrola España – Customers

... to address an evolving energy and geopolitical environment, and expanding attack surface, increasingly sophisticated cyber threats, supply-chain attacks and incipient and heterogeneous regulation.

Human Rights: A Human Rights Due Diligence System

Pillar III

Iberdrola has a firm **commitment** to respecting and protecting human rights as per its ***Policy on Respect for Human Rights*** *and* ***Ethical and Basic Principles of Governance and Sustainability of the Group***. To ensure compliance with this commitment, has put in place structures and tools aligned with international frameworks to **prevent, mitigate and repair any negative impacts**.

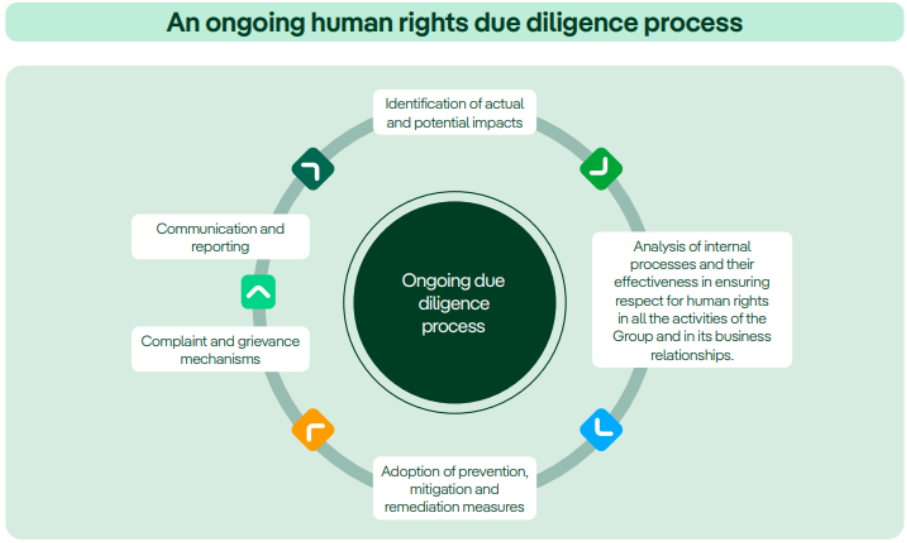
Iberdrola Group's Human Rights Regulatory Framework secured through

- Governance framework
- General human rights regulatory framework
- Sustainability Development regulatory framework

Governance and Sustainability System

Three lines of defense control model

Integration of the human rights perspective into the various **due diligence processes**



Broad definition of human rights managed through **various subsystems and processes** operating **according to external recognized** frameworks[1]

Transparency

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

[1] Recognized frameworks: ISO 14001 (Environment), ISO 45001 (Health and Safety), ISO 20400 (Procurement), ISO 37001 and ISO 19601 (Compliance).

Biodiversity Plan

Targets

2030

Territories with a net positive impact on biodiversity

The Group is resilient to biodiversity-related risks by responding to material impacts

<2040

Territories in harmony with nature

Group assets increase their market value by demonstrating their additional contribution to territorial resilience

Levers

Innovate in grids and sustainable renewable generation

Safe and efficient investments with biodiversity integrated by design

Measure positive biodiversity impact

100% of installations with a net positive biodiversity impact

Act on investment value at risk

Facilities aligned with the mitigation and conservation hierarchy principles

Procurement: energy and suppliers

Suppliers with zero net deforestation

Strategic partnerships with stakeholders and academia

Values

Positive for nature

Net positive biodiversity impact through improving the condition of territories where Iberdrola operates (ha eq.)

Positive for society

Contribute to maintaining and increasing nature's positive contribution to society

Tools

- **Biodiversity governance**
- **Positive and negative ecosystem impact metrics**
- **Technological innovation for the business**
- **Strategic alliances and collaborations**
- **Green credits and financing**

Biodiversity is an additional value creation lever for Iberdrola, reflected in the Group's objectives (Capital Markets Day)

Biodiversity Plan: Execution

GLOBAL BIODIVERSITY GOAL – Biodiversity Net Positive Impact by 2030

Action lines

1. MEASURE Positive and negative impacts — Global

2. ACT — Local

3. TRANSFORM & LEAD — Global & Local

Operational process

Identify facilities with neutral, negative or positive impacts in order to prioritize those with negative impacts

Biodiversity metrics → Ecosystem metrics (hectare equivalents)

Facilities with biodiversity impact and a negative balance will require coverage under a Biodiversity Action Plan

Biodiversity Action Plan (BAP) → Mitigation and conservation hierarchy

Visibility and leadership → Contributions to society

Biodiversity results

Biodiversity Accounting Framework (BAF)

Accounting for ecosystem losses and gains

ECOSYSTEM METRIC (ha eq.) 2025–2030	Region A*	Region B*	Total
Mediterranean forests, woodlands and shrublands	13.29	44.51	57.8
Temperate deciduous and mixed forests	-8.97		-8.97
Wetlands		4.26	4.26
Total	**4.32**	**48.77**	**53.09**

*Spanish operating areas: Castilla y León (A) and Castilla-La Mancha (B), grouped.

Promote best conservation and restoration practices to offset losses


Marine ecosystem restoration


Education and community capacity building


Terrestrial ecosystem restoration


Recovery of marine species


Promotion of ecosystem services


Conservation of local species

Carbon2Nature

Carbon2Nature
Iberdrola Group

100% owned by Iberdrola to reduce the global carbon footprint through the development of 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

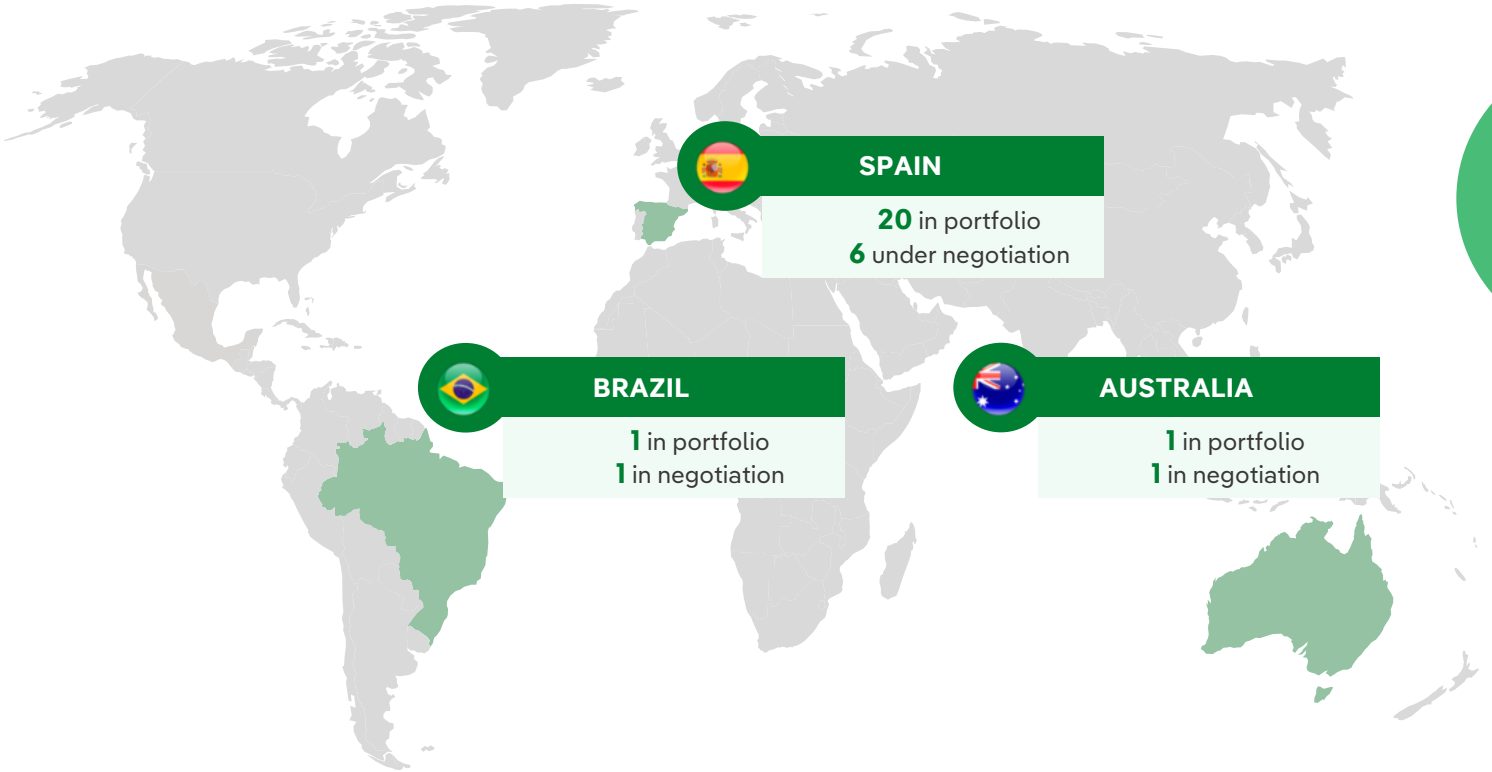
Diversity of high-quality projects:

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: +40 projects ongoing or study across Iberdrola's key countries



22 projects in portfolio

Climate
>2 $MtCO_2$ will be caught or fixed in nature by the 22 projects in portfolio

Territory
>4,000 ha under management

Trees
>4M has been planted and >3M will be planted in 2026

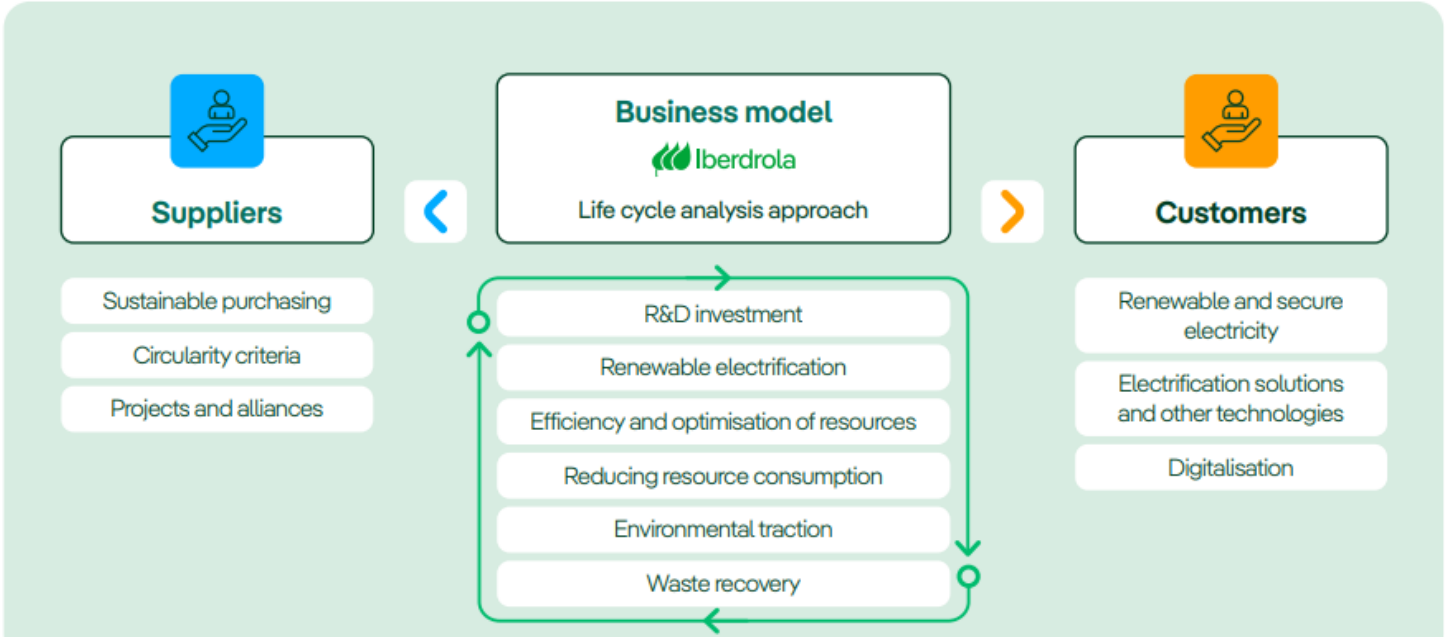
Carbon credits generated are certified by International Standards & Verifiers

VERRA · Gold Standard · Australian Government Clean Energy Regulator · IC THE INTEGRITY COUNCIL FOR THE VOLUNTARY CARBON MARKET · CLIMATE ACTION RESERVE · Equitable Earth · 2022 · CCP

Circular Economy Plan: Value Chain

The circular economy involves a cultural change in the way we understand the production and consumption to reduce resource need and environmental impacts while creating value and employment.

Our circular economy model



Sustainability target to 2030 to achieve 90% of blade and panel recycling

ENERGYLOOP

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

- **Target:** to have an operational facility available **when massive wind decommissioning activity begins**.
- Creating **alliances** with stakeholders in the wind sector to take advantage of **repowering opportunities**.
- **Alliance with FCC Ambito**, a key player in industrial waste management.

MISSION: To provide high-value secondary raw materials that enable value creation

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

96% of water collected in thermal generation purposes is **returned to the environment**

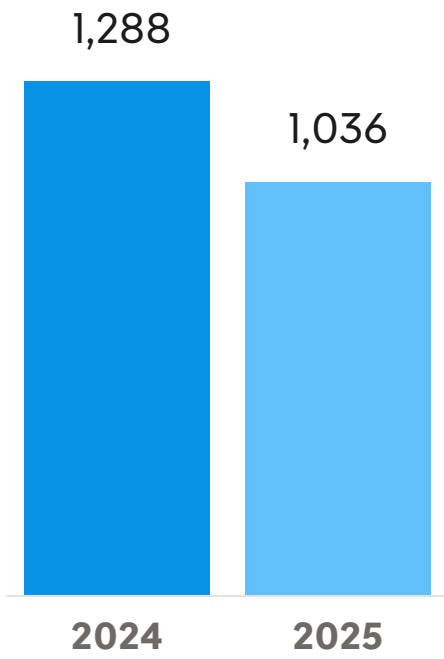
65% of the water withdrawn is seawater or saltwater that **does not affect water stress**

8,467 hm³ amount of water recycled/reused **vs 46 hm³ of water used** in continuing activities

Divestment in Mexico (2024 & 2025) **reduced annual water consumption** by more than 26 Mm³, including over 7 Mm³ in areas affected by water stress

Increased availability of reservoir water and energy storage by investments in hydro pumping stations, such as **Torrejón-Valdecañas project** ongoing in 2025

Water intensity* (m³/€M Revenues)



(*) Figures for continued activities. In light of the sale and purchase agreement for the subsidiary Iberdrola México, the historical values of the material indicators, which are primarily environmental, have been restated and classified as discontinued activities for the financial years 2024 and 2025.

Purchasing and supplier management

2025 Purchasing magnitudes

>13,200 M EUR year
purchasing in equipment, materials works and services.

86%
purchasing from local suppliers.

>19,000
suppliers.

14 days
of average payment period.

2028 TARGET
≥ 85% [1]
Purchases from **sustainable suppliers**

We evaluate the sustainability criteria of our suppliers:

AENOR SUSTAINABLE PROCUREMENT STRATEGY EA ISO 20400

ENVIRONMENTAL (40%)
- Existing policies
- Management Systems
- Greenhouse effect gases
- Biodiversity
- Climate change
- Water Management

SOCIAL (30%)
- Human rights
- Equal opportunities
- Management Systems
- Contribution to society
- Reporting and transparency

GOVERNANCE (30%)
- Existing policies
- Ethics and Compliance
- Sanctions
- Stakeholder groups
- Supply Chain

97% of the total amount awarded has been assigned to suppliers evaluated under the sustainability assessment model.

94% of the total amount awarded corresponds to suppliers who exceed the required level (more than 51 points and at least 30% of the points on each of the Sustainability axes).

1,450+ improvement plans sent to Group suppliers in the period 2020-2025 and 66% of them have managed to improve their level of sustainability.

42 social and sustainability audits conducted in 2025 to main Tier-1 suppliers and selected Tier-2 suppliers.

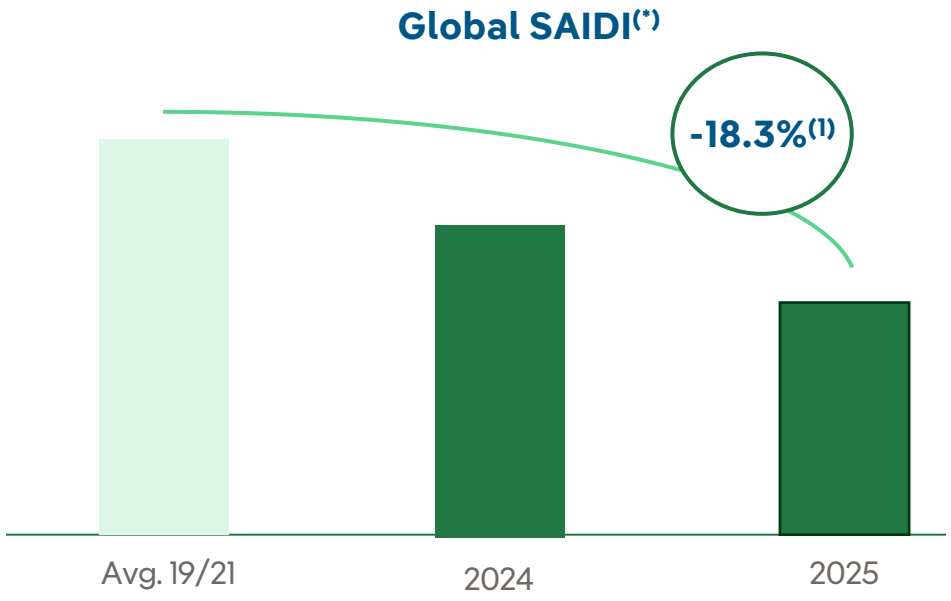
Procurement and Supplier Management activity: https://www.iberdrola.com/suppliers
[1] Cumulative value for 2025-28 period

Networks – Supply Quality

Pillar V

Digitalization and advanced control systems enable accelerated improvement in service quality

Improvement of Supply Quality



(*) SAIDI: System Average Interruption Duration Index.

(1) ENW is not included in 2025 value.

Recognized Operational Excellence:

- Ibero-American Quality Award (Gold Category) to Neoenergia distribution activities.
- Ofgem recognises the quality of service of ScottishPower's distribution companies.

More reliable and resilient networks:

- NYSEG Completes "North Brewster" Network Reinforcement Project.
- 24 active mobile substations for rapid incident response in New York.

Anticipation of extreme events:

- Neoenergia: preventive activation and accelerated recovery from storms.
- Avangrid: Coordinated response to one of the world's largest snowstorms.

Customers

Pillar V

Smart Solutions:

Products and services that promote efficiency, energy savings and care for the environment

- *Industrial heat*
- *Smart Clima*
- *Smart Solar*
- *Smart Home*
- *Smart Mobility*
- *Smart Cities*

75.4%
of our commercial customers are digital

63
Customer Accessibility Solutions

29.8 M
total contracts

Smart Mobility

End-to-end charging solutions *for all kinds of electric vehicles*

Residential, ***commercial*** *and* ***public*** *charging solutions, with a focus on* ***high-power charging***

Private infrastructure	Public Infrastructure	Green energy and services
Turnkey projects for installation of charging points for at home and in enterprises for all kinds of fleets, light and heavy duty.	Most extensive public charging network in Spain, covering urban and road locations with a range of power level from AC 7kW to DC 1MW.	Green energy supply in the whole public network and bespoke EV energy tariffs for domestic and enterprise customers. Digital solutions to control and monitoring.

Iberdrola, leader in PPAs in EMEA and one of the three largest in the world*

(*) BNEF. 1H2026 Corporate Energy Market Outlook

Indexes – FY2025

Dow Jones Best-in-Class Indices

Dow Jones Best-in-Class World & Europe (S&P)
Leader in the Electric Utilities sector. Only European electric utility included for the past 25 years, considered to be one of the most sustainable in the world

CDP
Included in the prestigious A list

S&P Sustainability Yearbook
Top 1% S&P Global ESG Score

MSCI
Selected AAA

Sustainalytics
Among the highest-rated utilities

ISS
Iberdrola classified as Prime

Ecovadis
Iberdrola as one of the best performing companies

World's Most Ethical Company
Only Spanish company included. Selected every year since 2014 as one of the world's most ethical companies

Equileap
In the global Top 100

FTSE4Good
Selected for the index since 2009

Euronext indices: Eurozone 100 ESG
Iberdrola selected

CLEAN 200 2025

You Sow & Corporate Knights
First utility for its commitment to clean energy

ECPI Sense in sustainability
Iberdrola included in the leading indices

STOXX Global ESG Leaders Indices

STOXX
Iberdrola included in the STOXX Global ESG Leaders index and in the most important indices

InfluenceMap
Iberdrola as one of the best performing companies

WBA Electric Utilities Benchmark

World Benchmarking Alliance
Iberdrola among the world's most influential utilities

SE European Utilities Index Iberdrola included in the index

Energy Intelligence
Iberdrola in the top 10 of the EI Green Utilities Report 2024 ranking

Forbes 2025 GLOBAL 2000: WORLD'S LARGEST PUBLIC COMPANIES

Forbes
Iberdrola selected

Brand Finance
Iberdrola among the 500 most valuable brands globally

WDi (Workforce Disclosure Initiative)
Iberdrola among the top 10% of companies with the highest scores

CDP Supplier Engagement Leader
Included in the prestigious A list

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