

FINAL TERMS

MiFID II product governance / Professional investors and ECPs only target market – solely for the purposes of each manufacturer’s product approval process, the target market assessment in respect of the Subordinated Notes has led to the conclusion that: (i) the target market for the Subordinated Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, MiFID II); and (ii) all channels for distribution of the Subordinated Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Subordinated Notes (a **distributor**) should take into consideration the manufacturers’ target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Subordinated Notes (by either adopting or refining the manufacturers’ target market assessment) and determining appropriate distribution channels.

UK MiFIR product governance / Professional investors and ECPs only target market – solely for the purposes of the manufacturer’s product approval process, the target market assessment in respect of the Subordinated Notes has led to the conclusion that: (i) the target market for the Subordinated Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook (**COBS**), and professional clients, as defined in Regulation (EU) No. 600/2014 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (**UK MiFIR**); and (ii) all channels for distribution of the Subordinated Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Subordinated Notes (a **distributor**) should take into consideration the manufacturer’s target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the **UK MiFIR Product Governance Rules**) is responsible for undertaking its own target market assessment in respect of the Subordinated Notes (by either adopting or refining the manufacturer’s target market assessment) and determining appropriate distribution channels.

PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Subordinated Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (**EEA**). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the **Insurance Distribution Directive**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Regulation. Consequently no key information document required by Regulation (EU) No 1286/2014 (the **PRIPs Regulation**) for offering or selling the Subordinated Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Subordinated Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIPs Regulation.

PROHIBITION OF SALES TO UK RETAIL INVESTORS – The Subordinated Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (**UK**). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No. 2017/565 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (**EUWA**); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000, as amended (the **FSMA**) and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No. 600/2014 as it forms part of UK domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No. 1286/2014 as it forms part of UK domestic law by virtue of the EUWA (the **UK PRIIPs Regulation**) for offering or selling the Subordinated Notes or otherwise making them available to retail investors in the

UK has been prepared and therefore offering or selling the Subordinated Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

Notification under Section 309B(1)(c) of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the SFA) – In connection with Section 309B of the SFA and the Subordinated Notes and Futures (Capital Markets Products) Regulations 2018 of Singapore (the **CMP Regulations 2018**), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309(1) of the SFA), that the Subordinated Notes are prescribed capital markets products (as defined in the CMP Regulations 2018) and are Excluded Investment Products (as defined in the Monetary Authority of Singapore (the **MAS**) Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

Final Terms dated 12 January 2024

Iberdrola Finanzas, S.A.U.

(incorporated with limited liability in the Kingdom of Spain)

Legal Entity Identifier (LEI): 5493004PZNZWWBOUV388

Issue of

EUR 700,000,000 7.25 Year Non-Call Undated Reset Rate Guaranteed
Subordinated Green Bonds

Guaranteed on a subordinated basis by

Iberdrola, S.A.

Legal Entity Identifier (LEI): 5QK37QC7NWOJ8D7WVQ45

Under the EUR 30,000,000,000

Euro Medium Term Note Programme

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of Subordinated Notes issued by Iberdrola Finanzas, S.A.U. set forth in the Base Prospectus dated 1 June 2023 and the supplement to the Base Prospectus dated 1 August 2023 which together constitute a base prospectus for the purposes of the Prospectus Regulation (the **Base Prospectus**). This document constitutes the Final Terms of the Subordinated Notes described herein for the purposes of Article 8(4) of the Prospectus Regulation and must be read in conjunction with such Base Prospectus as so supplemented in order to obtain all the relevant information to comply with Article 8(5) of the Prospectus Regulation. Full information on the Issuer, the Guarantor and the offer of the Subordinated Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus and the Final Terms have been published on the website of the Luxembourg Stock Exchange at www.luxse.com, and are available for viewing at www.iberdrola.com and copies may be obtained from the Fiscal Agent at The Bank of New York Mellon, London Branch, 160 Queen Victoria Street London EC4V 4LA, United Kingdom.

1. (i) Series Number: 136
- (ii) Tranche Number: 1
- (iii) Date on which the Subordinated Notes will be consolidated and form a single Series: Not Applicable
2. Specified Currency or Currencies: Euro (€)
3. Aggregate Nominal Amount admitted to trading: €700,000,000
4. Issue Price: 99.997 per cent. of the Aggregate Nominal Amount.
5. (i) Specified Denominations: €100,000 and integral multiples of €100,000 thereafter
- (ii) Calculation Amount: €100,000
6. (i) Issue Date: 16 January 2024
- (ii) Interest Commencement Date: Issue Date
7. Interest Basis: 4.871 per cent. Resettable Rate Subordinated Notes
(see paragraph 13 below)
8. Interest Deferral - Optional Interest Payment: Applicable
9. Relevant Period(s): Any day falling in the period from (and including) 16 January 2031 to (and including) 16 April 2031.
10. Put/Call Options: Par Call Option
Make-Whole Call Option
Change of Control Call Option
Substantial Purchase Event
Accounting Event
Capital Event
(see paragraphs 14, 15, 16, 17, 18 and 19 below)
11. Substitution and Variation: Applicable
12. Date Board approval for issuance of Subordinated Notes obtained: 8 January 2024

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

13. Resetable Rate Provisions

- | | | |
|---------|---------------------------------------|---|
| (i) | Initial Rate of Interest: | 4.871 per cent. per annum |
| (ii) | Interest Payment Date(s): | 16 April in each year commencing on 16 April 2024. There will be a short first coupon. |
| (iii) | Broken Amount(s): | €1,211.10 per Calculation Amount, payable on the Interest Payment Date falling on 16 April 2024 |
| (iv) | Reset Rate: | Mid-Swap |
| (v) | Mid-Swap Rate: | 5 year EUR Mid-Swap Rate |
| (vi) | Mid-Swap Maturity: | 5 years |
| (vii) | Mid-Swap Floating Leg Benchmark Rate: | EURIBOR |
| (viii) | First Reset Date: | 16 April 2031 |
| (ix) | Second Reset Date: | 16 April 2036 |
| (x) | Subsequent Reset Date(s): | 16 April 2051 and each date falling on the fifth anniversary thereafter |
| (xi) | Margin(s): | +2.281 per cent. per annum in respect of the Reset Period commencing on the First Reset Date to (but excluding) the Second Reset Date +2.531 per cent. per annum in respect of the Reset Periods commencing on the Second Reset Date to (but excluding) 16 April 2051 +3.281 per cent. per annum in respect of any other Reset Period commencing on a Subsequent Reset Date |
| (xii) | Minimum Rate of Interest: | Not Applicable |
| (xiii) | Maximum Rate of Interest: | Not Applicable |
| (xiv) | Day Count Fraction: | Actual/Actual (ICMA) |
| (xv) | Reset Determination Dates: | As per Conditions |
| (xvi) | Relevant Screen Page: | Reuters screen page “ICESWAP2/EURSFIXA” |
| (xvii) | Reset Rate Time: | 11.00 a.m. (Central European Time) |
| (xviii) | Business Centre(s): | Not Applicable |

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|-------|---|-----------------------|
| (xix) | Party responsible for calculating the Rate of Interest and Interest Amount (if not the Fiscal Agent): | Not Applicable |
| (xx) | Step Up after Change of Control Event: | Applicable |
| (xxi) | Step Up Margin after Change of Control Event: | 5 per cent. per annum |

PROVISIONS RELATING TO REDEMPTION

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|---|---|--|
| 14. Par Call Option | | Applicable |
| (i) | Par Call Date(s): | Any dates falling within the Relevant Period and each Interest Payment Date thereafter |
| (ii) | Optional Redemption Amount: | €100,000 per Calculation Amount |
| (iii) | If redeemable in part: | Not Applicable |
| (iv) | Notice periods: | As per Conditions |
| 15. Make-Whole Call Option | | Applicable |
| (i) | Optional Redemption Amount (Make Whole Amount): | |
| (a) | Reference Note: | DBR (<i>Bundesanleihe</i>) 0 per cent. due 15 February 2031 (DE0001102531) |
| | Redemption Margin(s): | 0.45 per cent. |
| | Financial Adviser: | As per Conditions |
| | Quotation Time: | As determined by the Financial Adviser |
| (b) | Discount Rate: | Not Applicable |
| (c) | Make-whole Exemption Period: | Not Applicable |
| (ii) | If redeemable in part: | Not Applicable |
| (iii) | Notice periods: | As per Conditions |
| 16. Change of Control Call Option: | | Applicable |
| (i) | Optional Redemption Amount: | €100,000 per Calculation Amount |
| (ii) | Notice periods: | As per Conditions |

*For the avoidance of any doubt, the following text does not form part of the Conditions: At or around the Issue Date, the Guarantor intends to undertake with and for the benefit of all holders of certain of its securities (**Qualifying Securities**) that, for so long as any of the Subordinated Notes is outstanding, following the occurrence of a Change of Control Event in respect of which it intends to deliver a notice exercising its right to redeem the Subordinated Notes under Condition 6(i) it will do so only after making a tender offer, directly or indirectly, to all holders of Qualifying Securities to repurchase their respective Qualifying Securities at their respective aggregate nominal amounts together with any interest accrued until the day of completion of the repurchase.*

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| 17. Substantial Purchase Event | Applicable |
| Notice Period: | As per Conditions |
| 18. Accounting Event | Applicable |
| Notice Period: | As per Conditions |
| 19. Capital Event | Applicable |
| Notice Period: | As per Conditions |
| 20. Early Redemption Amount | |
| Early Redemption Amount(s) payable on redemption when applicable and/or the method of calculating the same: | 101 per cent. of the principal amount of the Subordinated Notes in respect of a redemption as a result of a Tax Event, Accounting Event or Capital Event. |

GENERAL PROVISIONS APPLICABLE TO THE SUBORDINATED NOTES

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|------------|---------------------------------|---|
| 21. | (a) Form of Subordinated Notes: | Bearer Subordinated Notes: Subordinated Temporary Global Note exchangeable for a Subordinated Permanent Global Note exchangeable for Subordinated Definitive Notes in the limited circumstances specified in the Subordinated Permanent Global Note. |
| | (b) New Global Note: | No |
| | (c) New Safekeeping Structure | No |

22. Financial Centre(s) or other special provisions relating to Payment Dates: T2 Business Days
23. Talons for future Coupons to be attached to Subordinated Definitive Notes: Yes, as the Subordinated Notes have more than 27 coupon payments, Talons may be required if, on exchange into definitive form, more than 27 coupon payments are still to be made
24. Consolidation provisions: Not Applicable
25. Outstanding Hybrid Securities
- €700,000,000 Undated Deeply Subordinated Reset Rate Guaranteed Securities issued by Iberdrola International B.V. on 26 March 2018 (ISIN: XS1797138960) and unconditionally and irrevocably guaranteed on a subordinated basis by Iberdrola, S.A.
- €800,000,000 Undated Deeply Subordinated Reset Rate Guaranteed Securities issued by Iberdrola International B.V. on 12 February 2019 (ISIN: XS1890845875) and unconditionally and irrevocably guaranteed on a subordinated basis by Iberdrola, S.A.
- €1,600,000,000 5.5 Year Non-Call Undated Deeply Subordinated Reset Rate Guaranteed Securities (ISIN: XS2244941063) and the €1,400,000,000 8.5 Year Non-Call Undated Deeply Subordinated Reset Rate Guaranteed Securities (ISIN: XS2244941147), in each case, issued by Iberdrola International B.V. on 28 October 2020 and unconditionally and irrevocably guaranteed on a subordinated basis by Iberdrola, S.A.
- €1,000,000,000 6 Year Non-Call Undated Deeply Subordinated Reset Rate Guaranteed Securities (ISIN: XS2295335413) and the €1,000,000,000 9 Year Non-Call Undated Deeply Subordinated Reset Rate Guaranteed Securities (ISIN: XS2295333988), in each case, issued by Iberdrola International B.V. on 9 February 2021 and unconditionally and irrevocably guaranteed on a subordinated basis by Iberdrola, S.A.

€750,000,000 6 Year Non-Call Undated Deeply Subordinated Reset Rate Guaranteed Securities issued by Iberdrola Finanzas, S.A.U. on 16 November 2021 (ISIN: XS2405855375) and unconditionally and irrevocably guaranteed on a subordinated basis by Iberdrola, S.A.

€1,000,000,000 5.5 Year Non-Call Undated Reset Rate Guaranteed Subordinated Green Bonds issued by Iberdrola Finanzas, S.A.U. on 25 January 2023 (ISIN: XS2580221658) and unconditionally and irrevocably guaranteed on a subordinated basis by Iberdrola, S.A.

- 26.** Subordinated Loan: The subordinated loan to be made by the Issuer to the Subordinated Loan Borrower dated 16 January 2024
- 27.** Subordinated Loan Borrower: Iberdrola Financiación, S.A. (Sociedad Unipersonal)
- 28.** Calculation Agent: Not Applicable

THIRD PARTY INFORMATION

The ratings definitions of S&P, Moody's and Fitch in section 2 of "Part B – Other Information" below have been extracted from https://www.standardandpoors.com/en_US/web/guest/article/-/view/sourceId/504352, https://www.moody.com/researchdocumentcontentpage.aspx?docid=PBC_79004 and <https://www.fitchratings.com/research/structured-finance/rating-definitions-21-03-2022>, respectively. Each of the Issuer and the Guarantor confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by S&P, Moody's and Fitch, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Signed on behalf of the Issuer:

Signed on behalf of the Guarantor:

By:

By:

Duly authorised

Duly authorised

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

- (i) Listing: Official List of the Luxembourg Stock Exchange
- (ii) Admission to trading: Application has been made for the Subordinated Notes to be admitted to trading on the regulated market of the Luxembourg Stock Exchange with effect from 16 January 2024.
- (iii) Estimate of total expenses related to admission to trading: €6,750

2. RATINGS

- Rating Agency: As per Conditions
- Ratings: The Subordinated Notes to be issued are expected to be rated:
- Standard & Poor's Global Ratings Europe Limited (**S&P**): BBB-
- Moody's Investor Service Limited (**Moody's**): Baa3
- Fitch Ratings Limited (**Fitch Ratings**): BBB
- According to S&P's ratings definitions available at https://www.standardandpoors.com/en_US/web/guest/article/-/view/sourceId/504352, a rating by S&P of "BBB" indicates adequate protection parameters. However, adverse economic conditions or changing circumstances are more likely to weaken the obligor's capacity to meet its financial commitments on the obligation. The addition of a plus (+) or minus (-) sign to a rating is to show relative standing within the relevant rating category.
- According to Moody's ratings definitions available at https://www.moody.com/researchdocumentcontentpage.aspx?docid=PBC_79004, a rating by Moody's of "Baa" indicates moderate credit risk. Such obligations are considered medium-

grade and as such may possess speculative characteristics. Moody's appends numerical modifiers 1, 2, and 3 to each generic rating classification from "Aa" through "Caa". The modifier "3" indicates that the obligation ranks in the lower end of its generic rating category.

According to Fitch Ratings' ratings definitions available at <https://www.fitchratings.com/research/structured-finance/rating-definitions-21-03-2022>, a rating by Fitch Ratings of "BBB" indicates that expectations of credit risk are currently low. The capacity for payment of financial commitments is considered adequate, but adverse business or economic conditions are more likely to impair this capacity. The modifiers "+" or "-" may be appended to a rating to denote relative status within major rating categories.

S&P is established in the European Union and is registered under Regulation (EC) No. 1060/2009 (as amended, the CRA Regulation). As such, S&P is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with the CRA Regulation (<http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>).

Each of Moody's and Fitch Ratings is not established in the European Union and has not applied for registration under the CRA Regulation. The ratings issued by Moody's and Fitch Ratings are expected to be endorsed by Moody's Deutschland GmbH and Fitch Ratings Ireland Limited respectively in accordance with the CRA Regulation. Each of Moody's Deutschland GmbH and Fitch Ratings Ireland Limited is established in the European Union and registered under the CRA Regulation. As such each of Moody's Deutschland GmbH and Fitch Ratings Ireland Limited is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with the CRA Regulation (<http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>).

Replacement Intention:

For the avoidance of any doubt, the following text does not form part of the Conditions: The Guarantor intends (without thereby assuming any obligation) at any time that it or the Issuer will redeem or repurchase the Subordinated Notes only to the extent that the aggregate principal amount of the Subordinated Notes to be redeemed or repurchased does not exceed such part of the net proceeds received by the Guarantor or any subsidiary of the Guarantor on or prior to the date of such redemption or repurchase from the sale or issuance by the Guarantor or such subsidiary to third party purchasers (other than group entities of the Guarantor) of securities which are assigned by S&P, at the time of sale or issuance, an aggregate "equity credit" (or such similar nomenclature used by S&P from time to time) that is equal to or greater than the "equity credit" assigned to the Subordinated Notes to be redeemed or repurchased at the time of their issuance (but taking into account any changes in hybrid capital methodology or another relevant methodology or the interpretation thereof since the issuance of the Subordinated Notes), unless:

(i) the rating assigned by S&P to the Guarantor is the same as or higher than the long-term corporate credit rating assigned to the Guarantor on the date when the most recent additional hybrid security was issued (excluding refinancings without net new issuance) and the Guarantor is of the view that such rating would not fall below this level as a result of such redemption or repurchase, or

(ii) in the case of a repurchase or a redemption, taken together with other relevant repurchases or redemptions of hybrid securities of the Group, such repurchase or redemption is of less than (a) 10 per cent. of the aggregate principal amount of the outstanding hybrid securities of the Group in any period of 12 consecutive months or (b) 25 per cent. of the aggregate principal amount of the outstanding hybrid securities of the Group in any period of 10 consecutive years, or

(iii) in the case of a repurchase or redemption, such repurchase or redemption relates to an aggregate principal amount of Subordinated Notes which is less than or equal to the excess (if any) above the maximum aggregate principal amount of the Guarantor's hybrid capital to which S&P then assigns equity content under its prevailing methodologies, or

(iv) the Subordinated Notes are redeemed pursuant to a Tax Event, a Capital Event, an Accounting Event, a Change of Control Event, a Substantial Purchase Event or a Withholding Tax Event, or

(v) if the Subordinated Notes are not assigned an "equity credit" (or such similar nomenclature then used by S&P) at the time of such redemption or repurchase, or

(vi) such redemption or repurchase occurs on or after the Reset Date falling on 16 April 2051.

3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

Save as discussed in "General Information" in the Base Prospectus, so far as the Issuer is aware and save for the fees paid to the Managers, no person involved in the offer of the Subordinated Notes has an interest material to the offer. The Managers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, have a lending relationship with, and may perform other services for, the Issuer and the Guarantor and their affiliates in the ordinary course of business. Moreover, certain of the Managers have issued financial instruments linked to the Guarantor. For the purpose of this paragraph the term "affiliates" includes also parent companies.

4. REASONS FOR THE OFFER AND ESTIMATED NET PROCEEDS

Reasons for the offer: See sub-*paragraph* (b) in "Use of Proceeds" in Base Prospectus.

The Issuer's and Guarantor's general green financing documentation (including the Guarantor's Framework for Green Financing and the second party opinion relating to the Senior Notes) is available at: <https://www.iberdrola.com/shareholders-investors/investors/fixed-income/information-related-to-green-finance>

Estimated net proceeds: €697,179,000

**5. FIXED RATE
SUBORDINATED NOTES
ONLY – YIELD**

Indication of yield: 4.875 per cent. to the First Reset Date

**6. OPERATIONAL
INFORMATION**

ISIN: XS2748213290

Common Code: 274821329

Any clearing system(s) other than Euroclear and Clearstream Luxembourg and the relevant identification number(s): Not Applicable

Names and addresses of additional Paying Agent(s) (if any): Not Applicable

Intended to be held in a manner which would allow Eurosystem eligibility: No.

Whilst the designation is specified as “no” at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Subordinated Notes are capable of meeting them the Subordinated Notes may then be deposited with one of the ICSDs as common safekeeper. Note that this does not necessarily mean that the Subordinated Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.

7. DISTRIBUTION

(a) Method of distribution: Syndicated

(b) If syndicated, names of Managers: Banco Bilbao Vizcaya Argentaria, S.A.
Barclays Bank Ireland PLC
CaixaBank, S.A.
Crédit Agricole Corporate and Investment Bank
Deutsche Bank Aktiengesellschaft
J.P. Morgan SE
NatWest Markets N.V.

RBC Capital Markets (Europe) GmbH

- (c) Date of Subscription Agreement: 12 January 2024
- (d) Stabilisation Manager(s) (if any): Not Applicable
- (e) If non-syndicated, name of relevant Dealer: Not Applicable
- (f) U.S. Selling Restrictions: Reg. S Compliance Category 2; TEFRA D