Business positioning & key actions

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Business CEO & Board Member
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Business positioning and key actions

Positioning ahead of time and competitiveness as key to optimize growth

Technological Vision

Electricity system decarbonization
End uses electrification
Niche areas decarbonization

Competitive advantages

Diversification
Experience / Size
Customers

Key Actions

Growth
Acceleration
Investment Efficiency
Operating Efficiency
Technological Vision
Technological Vision

The evolution of technology will be driven by the **decarbonization challenge**…

- **Electricity system decarbonization**
- **Networks & Storage**
- **End uses electrification**
- **Green H2 / bios hard-to-abate**

… resulting in **more renewables, more networks & efficient storage and more smart solutions** (including green H2)
Technological Vision: competitiveness in the electricity system

**Renewables** are already **competitive and the most cost-efficient solution**

### 2020-2030 Global Projection

<table>
<thead>
<tr>
<th>Technology</th>
<th>GW capacity 2020-30</th>
<th>LCOE %var. 2020-30</th>
</tr>
</thead>
<tbody>
<tr>
<td>Solar Photovoltaic</td>
<td>4 x</td>
<td>- 40%</td>
</tr>
<tr>
<td>Onshore wind</td>
<td>3 x</td>
<td>- 30%</td>
</tr>
<tr>
<td>Offshore wind</td>
<td>7 x</td>
<td>- 50%</td>
</tr>
</tbody>
</table>

*LCOE reduction as a combination of CAPEX decrease, load factor increase, O&M and financial costs reduction…

### Electricity system

- 65% Renewables* participation by 2030
- 85% Renewables* participation by 2050
- Demand side response
- Storage

* European Commission estimates (2030 Impact Assessment and Long term scenarios)

**Massive growth** expected to achieve the electricity system decarbonization
Technological Vision: PV evolution by 2030

Innovations

Under development
- Bifacial
- N-type
- Large cells
- Inter-cells space (Shingling, paving, tiling)
- Improvement in manufacture performance

Medium Term
- Tandem Cells (Perovskitas)
- Ultrafine wafers

Improvement drivers
- Efficiency increase in modules
- Reduction of material needs
- Performance increase in production lines

Efficiency (%)

- 2020: 20%
- 2030: 25%

Installed Capacity GW

- 2020e: ~720
- 2030e: ~3,120

Solar output 2030: 4,800 TWh
16% of global production

Technological Vision: onshore wind evolution by 2030

**Innovations**

- Larger turbines, rotors and towers
- Hybrid towers
- Segmented blades and towers
- Modular platforms

**Load factor %**

- 2020: 35%
- 2030: 40%

- Load factor increase: +14%

**Installed capacity GW**

- 2020: ~650 GW
- 2030: ~1,650 GW

- CAGR: 10%

**Improvement drivers**

- Larger size (capacity factor)
- Weight reduction (new materials)
- Modular components
- Digitization

Technological Vision: offshore wind evolution by 2030

**Innovations**

- Larger turbines and towers
  - >10 MW Ø 175 m
  - 18-20 MW Ø 250 m

**Improvement drivers**

- Economies of scale: larger size of turbines and windfarms (capex)
- Standardization and modularity
- Innovations in construction and operation
- Floating offshore: new markets and areas to develop

**Load factor %**

- 2020: 46%
- 2030: 50%

**Installed capacity GW**

- 2020e: ~35 GW
- 2030e: ~235 GW

**Offshore output 2030: 850 TWh**

3% of global production

Technological Vision: networks in the electricity system

**Smart Networks** are the essential element for integrating the different needs of the system.
**Technological Vision: storage in the electricity system**

**More storage** is needed to integrate renewables...

<table>
<thead>
<tr>
<th>Storage technologies</th>
<th>Cost comparison</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Batteries</strong></td>
<td></td>
</tr>
<tr>
<td>Cell level sensors</td>
<td></td>
</tr>
<tr>
<td>Silicon anodes</td>
<td></td>
</tr>
<tr>
<td>Solid electrolyte</td>
<td>365 cycles/yr</td>
</tr>
<tr>
<td>Efficiency: 90%</td>
<td>~100 €/MWh</td>
</tr>
<tr>
<td>self-healing</td>
<td>~45 €/MWh</td>
</tr>
<tr>
<td>~100 €/MWh</td>
<td></td>
</tr>
<tr>
<td>~45 €/MWh</td>
<td></td>
</tr>
<tr>
<td><strong>Pumped Hydro</strong></td>
<td>40-80 cycles/yr</td>
</tr>
<tr>
<td>Efficiency: 80%</td>
<td>30-50 €/MWh</td>
</tr>
<tr>
<td>~30-50 €/MWh</td>
<td></td>
</tr>
<tr>
<td>30-50 €/MWh</td>
<td></td>
</tr>
<tr>
<td><strong>Power to Hydrogen to Power</strong></td>
<td>365 cycles/yr</td>
</tr>
<tr>
<td>Efficiency: 35%</td>
<td>&gt; 200 €/MWh</td>
</tr>
<tr>
<td>~200 €/MWh</td>
<td>&gt; 100 €/MWh</td>
</tr>
</tbody>
</table>

Source: Company data

... being **energy efficiency** the key for competitiveness
Technological Vision: end uses electrification

End uses decarbonization driven by the efficiency: RES electricity + electric vehicle + electric heat pump as the most cost-effective solutions

**Efficiency of electricity generation**

<table>
<thead>
<tr>
<th>Source</th>
<th>Efficiency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coal</td>
<td>35%</td>
</tr>
<tr>
<td>Nuclear</td>
<td>35%</td>
</tr>
<tr>
<td>CCGT</td>
<td>50%</td>
</tr>
<tr>
<td>Renewables</td>
<td>100%</td>
</tr>
</tbody>
</table>

**Efficiency of transport technologies (tank to wheel)**

- Gasoline and NG vehicle: 16%
- Diesel: 22%
- Fuel cell vehicle: 43%
- Electric vehicle: 75%

**Efficiency of heating technologies**

- Gas boiler: 98%
- H2 boiler: 98%
- Electric heating: 100%
- Electric heat pump: 350%

Potential electrification in long-haul transport and industries
Technological Vision: niche areas decarbonization

Green H2 and biofuels as decarbonization alternatives for niche areas, where electrification is not possible or competitive

Key drivers for green H2 production cost reduction

- **Electricity cost**
  - ~ 30-40%
  - Solar PV, onshore & offshore wind

- **Electrolyzer Capex**
  - ~ 40-50%
  - Economies of scale, innovations

- **Electrolyzer Load Factor**
  - ~ 10-20%
  - Higher load factors from renewables

Cost range of Green H2 Production, €/kg

- 2020: 3-7
- 2030*: 2-3

* In range with Bloomberg NEF forecast

H2 is a feedstock in many industrial processes: **decarbonizing current H2 market** should be the first priority of green H2 and will help drive costs down for the niche applications.
Competitive advantages
Competitive advantages

- **Diversification**
  - Business
  - Route to market
  - Geographical
  - Technological

- **Experience / Size**
  - Management & Execution capacity
  - Efficiency

- **Customers**
  - Smart City
  - Smart Mobility
  - Smart Industry
  - Smart Home
  - Smart Cars
  - Smart Solar
Diversification

Diversification in all scopes to enable more stable results
Business Diversification

Strong and **diversified business model**…

- **Renewables**
  - Production technologies
  - Efficient storage
  - Hybridisation

- **Networks**
  - Regulated business
  - Competitive transmission
  - HVDC projects

- **Generation & Retail**
  - Contracted generation
  - Smart Solutions
  - Green Hydrogen

… continuously adapting units and products to compete in different scenarios and new needs
Geographical Diversification

Our **global expansion balances our position** both by country and by business.
Technological Diversification

Pioneers in renewables and added-value services…

Renewable capacity mix by Technology 2019

<table>
<thead>
<tr>
<th>Technology</th>
<th>Capacity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Onshore wind</td>
<td>53%</td>
</tr>
<tr>
<td>Offshore wind</td>
<td>3%</td>
</tr>
<tr>
<td>PV</td>
<td>3%</td>
</tr>
<tr>
<td>Hydro</td>
<td>41%</td>
</tr>
</tbody>
</table>

Total: 32 GW

Services mix 2019

Customer

- Smart City
- Smart Mobility
- Smart Home
- Smart Industry
- Smart Climate

* Heating and cooling

… enabling an integrated & sustainable model to our customers
## Route to market Diversification

**Multiple approach** to optimize position and results

<table>
<thead>
<tr>
<th></th>
<th>Spain</th>
<th>UK</th>
<th>USA</th>
<th>Mexico</th>
<th>Brazil</th>
<th>Global</th>
</tr>
</thead>
<tbody>
<tr>
<td>PPA</td>
<td>✔✔</td>
<td>✔✔</td>
<td>✔✔✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
</tr>
<tr>
<td>Customer base</td>
<td>✔✔✔</td>
<td>✔✔✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
</tr>
<tr>
<td>Auctions</td>
<td>✔</td>
<td>✔✔</td>
<td>✔✔</td>
<td>✔</td>
<td>✔✔✔</td>
<td>✔✔</td>
</tr>
<tr>
<td>Other-hybrids</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
</tr>
</tbody>
</table>

* IEI includes France, Germany, Italy, Portugal, Ireland, Greece, Australia and others
Experience: management & execution capacity

Track record of **organic growth** based on preserving **know-how, customer & ESG focus**…

- **Maintain know-how in house** (technology, conceptual design, construction supervision…)
- **Outsource low value activities** (construction, construction engineering, call centers, back office…)
- **Global model for each business** (standard organisations, processes…) with **local delivery** (development, construction, sales…)
- **Global procurement and local provider**
- **Customer needs at the center**
- **ESG focus**: vulnerable consumer protection, quality of service, health & safety as a priority, training, local industry development, high quality employment…

… and an effective combination of **global model and local capabilities**
Experience: management & execution capacity
Renewables

Maintaining **control of key activities** to secure increasing growth

**Development**
- Investment prioritization
- Resource analysis
- Permitting & lands
- Development and prioritization of pipeline

**Engineering & procurement**
- Technology Watch
- Design & equipment standardization
- Design engineering
- Global procurement

**Construction**
- Construction supervision
- Permitting

**O&M**
- Regional O&M
- Global procedures

**ESG**
- Health & safety
- Training
- Local industry
- High quality employment

**Additional notes**
- Resource data
- Environmental studies
- Co-development
- Land leasing and acquisition management
- Construction support engineering
- Local providers
- Packages outsource (no EPCs)
- BoP construction, substation and lines
- Installation and commissioning of main equipment
- Independent Service Providers
- Low-value activities outsource
Experience: management & execution capacity

Networks

Ensuring consistency and control of operations

- **Planning**
  - Central planning
  - Investment prioritization

- **Engineering & procurement**
  - Technology
  - Design & equipment standardization
  - Design engineering
  - Global procurement

- **Construction**
  - Construction supervision
  - Permitting

- **O&M**
  - Regional O&M
  - Global procedures

- **ESG**
  - Quality of service
  - Health & safety
  - Training
  - Local industry
  - High quality employment

- **Detail engineering**
  - Packages outsource (no EPCs)

- **Low-value activities**
  - Outsource
Experience: management & execution capacity
Retail

Taking care of the complete experience of the customer

**Energy Management**
- Portfolio optimization
- Mitigation of price risk

**Products**
- Product design
- Tailored solutions
- Data Analytics
- Campaigns

**Channels**
- Omni-channel approach
- Sales & Customer service
- Commercial alliances
- Customer experience

**Operations**
- Regional operation
- Global procedures

**ESG**
- Vulnerable customers
- Payments plans
- Social collaborations:
  - AECC and CRUK*
  - Aid to Paralympic Objective Sport
  - Universe of Women and Female Sports

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Sales & Customer Service
Call Center

Back Office
Debt recovery

* Asociación Española Contra el Cáncer and Cancer Research UK
Experience: efficiency

Best in class efficiency based on digitization and exchange of global best practices

- Digital processes, sales, customer interaction, retail back office...
- Predictive O&M (data analytics and AI)
- Smart Operations (Central control & dispatching of operating assets, remote diagnostic & monitorization, …)
- Early detection of fraud, losses and grid faults
- O&M
- Health & safety
- Standardization…
Customers: generation hedge

Customer base as a natural hedge of our own generation, mitigating the risk from price fluctuations

Annual position

- Increase in RES output to match position
- Forward & spot markets
- Own Production
- Sales

Wholesale Electricity Spot Price Spain (€/MWh)

Growth in renewable energy to balance our short position in the markets

Stable prices for customers willing to have a more predictable view of prices
Customers: residential view

Electrification of residential demand implies a huge opportunity in terms of increasing consumption and larger product variety.
Customers: industrial view

Integrated model to fulfill 100% of our customers’ needs

- Smart Clima
- Industrial Heat
- Smart Mobility
- Smart Solar
- Green H2

Monitor
Optimize (AI)
Control
Internal Use

Optimal consumption and backup to the electrical system
Customers: industrial view

Opportunities derived from **decarbonizing the use of hydrogen as industry feedstock**

Green Hydrogen Plant Puertollano

Europe's most ambitious innovation project to promote decarbonisation of industrial sectors

100% Renewable hydrogen for the production of ammonia and free-emission fertilizers

- Investment: 150 M€
- Up to 700 local jobs
- CO₂ avoided Emissions: (1) 39,000 tCO₂/year

(1) Avoided emissions include reduction in Fertiberia processes
Key Actions

Growth

Benefiting from opportunities across the three businesses

Acceleration

Increasing momentum and getting ready >2025 growth

Investment Efficiency

Gaining competitiveness

Operating Efficiency
Investments of EUR 34 Bn during the period...

... increasing diversification, especially with growth in offshore and IEI

1/ Includes Iberdrola estimates of PNM resources
Growth
Renewables: New Capacity 2020-2025

Capacity growth by 28 GW, with a larger contribution from PV and onshore...

New Installed capacity (GW) by technology\(^1\)

- **Storage**: 1.2
- **Offshore**: 1.7
- **Solar PV**: 6.0
- **Onshore**: 4.8

2020-2022

2020-2025

27.6

12.4

2.9

14.0

1.2

6.0

9.0

1.2

6.0

9.0

1\(^{1}\) Includes Iberdrola estimates of PNM resources
Growth
Renewables: Capacity Mix

... to reach a total of ~60 GW by 2025

Capacity mix by Technology 2025

- Onshore: 44%
- Offshore: 6%
- PV: 25%
- Hydro: 24%
- Bat: 1%

Capacity mix by country 2025

- USA: 24%
- MEX: 2%
- BRA: 11%
- SP: 42%
- UK: 8%
- IEI: 13%

1/ Includes Iberdrola estimates of PNM resources
Growth
Renewables: Pipeline by status

Over **70 GW pipeline**, with an annual increase over 10 GW/year

<table>
<thead>
<tr>
<th></th>
<th>Construction</th>
<th>Permitting in advance stage</th>
<th>Permitting</th>
<th>Development</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1 Offshore</strong></td>
<td>+7</td>
<td>+9</td>
<td>+6.5</td>
<td>+48</td>
</tr>
<tr>
<td><strong>1 Hydro</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Total Pipeline**

- **14.5 Offshore**
- **3.1 Offshore**
- **1.6 Offshore**

**70.5 GW**

- **Offshore wind**
  - 20 GW
- **Onshore wind**
  - 16 GW
- **PV**
  - 31 GW
- **Hydro**
  - 2.5 GW
- **BAT**
  - 0.8 GW

1/ Includes Iberdrola estimates of PNM resources
### Renewables: Pipeline detail

<table>
<thead>
<tr>
<th>(GW)</th>
<th>Onshore</th>
<th>Offshore</th>
<th>Solar PVdc</th>
<th>Battery</th>
<th>Hydro</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>US</td>
<td>4.5</td>
<td>7.5</td>
<td>10.8</td>
<td></td>
<td></td>
<td>22.9</td>
</tr>
<tr>
<td>UK</td>
<td>2.4</td>
<td>3.1</td>
<td>0.8</td>
<td>0.8</td>
<td></td>
<td>7.0</td>
</tr>
<tr>
<td>Brazil</td>
<td>2.5</td>
<td>2.7</td>
<td></td>
<td></td>
<td></td>
<td>5.2</td>
</tr>
<tr>
<td>Mexico</td>
<td>0.9</td>
<td>4.0</td>
<td></td>
<td></td>
<td></td>
<td>5.0</td>
</tr>
<tr>
<td>Spain</td>
<td>2.8</td>
<td>7.6</td>
<td>0.02</td>
<td>1.3</td>
<td></td>
<td>11.7</td>
</tr>
<tr>
<td>International</td>
<td>3.2</td>
<td>9.6</td>
<td>4.7</td>
<td>0.01</td>
<td>1.2</td>
<td>18.7</td>
</tr>
</tbody>
</table>

- **Germany**: 0.8
- **Australia**: 1.0
- **France**: 0.7
- **Greece**: 0.5
- **Italy**: 0.1
- **Portugal**: 0.3
- **Japan**: 3.3
- **Sweden**: 5.0
- **Others**: 0.3

**TOTAL**: 16.3, 20.2, 30.7, 0.8, 2.5, 70.5

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Under construction projects included

1/ Includes Iberdrola estimates of PNM resources
Growth
Renewables: Iberdrola Energía Internacional

Increase of almost 7 GW by 2025
Growth
Renewables: PV

New Installed Capacity\(^1\) 2020-2025

<table>
<thead>
<tr>
<th>Year</th>
<th>Capacity (MW)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020-2022</td>
<td>6,000</td>
</tr>
<tr>
<td>2023-2025</td>
<td>8,000</td>
</tr>
</tbody>
</table>

6,000 MW secured
2,700 MW already under construction

Main projects

- Francisco Pizarro
- Ceclavin
- Arenales
- Puertollano
- Campo Arañuelo

- Montague Solar
- Lundhill
- Mohawk
- Bakeoven

- Cuyoaco

- Carland Cross Hybrid
- Coldham Hybrid
- Coal Clough Hybrid

- Algarve Setubal
- Montalto di Castro

1/ Includes Iberdrola estimates of PNM resources
Growth: Renewables: Onshore wind

New Installed Capacity\(^1\) 2020-2025

<table>
<thead>
<tr>
<th>Year</th>
<th>Capacity (MW)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020-2022</td>
<td>4,800</td>
</tr>
<tr>
<td>2023-2025</td>
<td>4,200</td>
</tr>
</tbody>
</table>

4,800 MW secured
2,200 MW already under construction

Main projects
- Puylobo ERPASA Martín de la Jara
- Beinn and Tuirc 3 Halsary
- La Joya I-II Midland Golden Hills
- Pier Santiago
- Chafariz Oitis
- Mikronoros Rokani Askio II-III

\(1/\) Includes Iberdrola estimates of PNM resources
Growth Renewables: Offshore wind

- PPA Secured: 1,604 MW
- Construction: 972 MW
- Operation: 1,258 MW

- Vineyard I: 800 MW
- Park City: 804 MW
- WoDS: 194 MW
- Baltic Eagle: 476 MW
- St. Brieuc: 496 MW

- USA: Vineyard 3,400 MW 2025+ (includes Liberty II)
- UK: EA Hub 3,100 MW 2026+
- USA: Kitty Hawk 2,500 MW 2027+
- Germany: 300 MW
- Sweden: 5,000 MW
- Japan: 3,300 MW
Growth Networks: Gross Investments

**EUR 27 Bn investments in 2020-25**, increasing along time with decarbonization needs

Organic Gross Capex\(^1\) (EUR Bn)

<table>
<thead>
<tr>
<th></th>
<th>2020-2022</th>
<th>2023-2025</th>
</tr>
</thead>
<tbody>
<tr>
<td>Competitive Transmission</td>
<td>12.5</td>
<td>14.6</td>
</tr>
<tr>
<td>Regulated T&amp;D</td>
<td>2.1</td>
<td>1.0</td>
</tr>
</tbody>
</table>

2020-2025 Organic Gross Investments (EUR Bn) by geography\(^1\)

- **Spain**: 17%
- **USA**: 44%
- **Brazil**: 21%
- **United Kingdom**: 18%

- ~60% growth
- ~90% secured

---

1/ Iberdrola estimates of PNM Resources transaction investment
Asset base grows in all countries close to EUR 47 Bn in 2025 (+55%)

Asset base¹ (EUR Bn)

- Competitive Transmission
  - 2019: 30
  - 2022: 38
  - 2025: 47

- Regulated T&D
  - 2019: 2
  - 2022: 2
  - 2025: 4

+17 Bn
+55%

- Acceleration of investments derived from decarbonization
- Inflation

Asset base¹ 2025 (EUR Bn)

- Spain: 23%
- United Kingdom: 20%
- USA: 40%
- Brazil: 17%

1/ Asset base includes regulated T&D and competitive transmission. Iberdrola estimates of PNM Resources transaction investment.
Growth Networks: Asset Base evolution

Asset Base¹ (EUR Bn)

- **Asset Base 2019**: ~30
- **Capex Regulated T&D**: 21
- **Capex Transmission**: 3
- **Regulatory Amortization**: -14
- **Inflation**: 2
- **RAV PNM**: 5
- **Asset Base 2025**: ~47

¹ Iberdrola estimates of PNM Resources transaction investment
Growth Networks: Rate Cases

Stable and geographically diversified returns approved through regulatory frameworks, with ~80% secured to 2022

<table>
<thead>
<tr>
<th>Company</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>i-DE</td>
<td>2020 - 2025</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SPEN</td>
<td>RIIO-T1 Apr 13 - Mar 21</td>
<td>RIIO-T2 Apr 21 - Mar 26</td>
<td>RIIO-ED1 Apr 15 - Mar 23</td>
<td></td>
</tr>
<tr>
<td>NYSEG/RGE</td>
<td>RIIO-T2 Apr 21 - Mar 26</td>
<td>RC May 20 - Apr 23*</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CMP-D</td>
<td>RC Mar 20 - Feb 21</td>
<td>Mar 21 – Feb 22</td>
<td>Mar 22 – Feb 23</td>
<td></td>
</tr>
<tr>
<td>UI</td>
<td>Jan 18 Dec 20</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SCG</td>
<td>Jan 19 Dec 21</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CNG</td>
<td>Jan 19 Dec 21</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CMP-T/UI-T</td>
<td>Annual Update (FERC)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Coelba/Cosern</td>
<td>Apr 18 Mar 23</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Elektro</td>
<td>Aug 19 Jul 23</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Celpe</td>
<td>Apr 17 Mar 21</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* Pending final PSC Order
Growth Networks: Competitive Transmission

Multiple growth opportunities up to 2025 and beyond in areas with geographic presence

<table>
<thead>
<tr>
<th></th>
<th>CAPEX Secured</th>
<th>CAPEX Opportunities</th>
</tr>
</thead>
<tbody>
<tr>
<td>NECEC</td>
<td>USD 1 Bn</td>
<td>USD 3.3 Bn</td>
</tr>
<tr>
<td>Incumbent area</td>
<td></td>
<td>USD 3.3 Bn</td>
</tr>
<tr>
<td>Non-incumbent area</td>
<td></td>
<td>USD 2.5 Bn</td>
</tr>
<tr>
<td>Offshore transmission*</td>
<td></td>
<td>USD 5.3 Bn</td>
</tr>
</tbody>
</table>

*Subject to offshore transmission and generation decoupling

<table>
<thead>
<tr>
<th></th>
<th>CAPEX Secured</th>
<th>CAPEX Opportunities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Portfolio (2017-2019 auctions)</td>
<td>BRL 7.6 Bn</td>
<td>BRL 44.6 Bn</td>
</tr>
<tr>
<td>ANEEL auctions (2021-2025)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Analyzing additional opportunities in new geographies where the Group is present
Investing over EUR 6 Bn during the period

Growth Generation & Retail: Gross Investments

2020-2025 Gross Investments (EUR Bn) by geography

- SP 44%
- IEI 19%
- UK 20%
- MEX 16%
- BRA 1%

~60% growth
~50% secured

* Total gross investments, not including potential grants from European Funds
Growth
Retail: Services to customers

Strong growth on **Smart Solutions** while expanding in **new markets**

Services to customers (M)

<table>
<thead>
<tr>
<th>Year</th>
<th>Value (M)</th>
<th>Growth vs 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>25</td>
<td></td>
</tr>
<tr>
<td>2022</td>
<td>31</td>
<td></td>
</tr>
<tr>
<td>2025</td>
<td>40</td>
<td>+60%</td>
</tr>
</tbody>
</table>

2025 Services breakdown (M)

- **SP**: 19
- **UK**: 10
- **Other**: 10
- **Total**: 40
Growth
Retail: Smart Solutions

+11 Millions increase of Smart Solutions in the period

Smart Solutions to customers (M services) 2025 Smart Solutions by geography (M)

<table>
<thead>
<tr>
<th>Year</th>
<th>Smart Solutions</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>11.6 (M)</td>
</tr>
<tr>
<td>2022</td>
<td>16.3 (M)</td>
</tr>
<tr>
<td>2025</td>
<td>22.6 (M)</td>
</tr>
</tbody>
</table>

+100% vs 2019

~23 M

Spain: 10
UK: 7
Other: 6
UK: 7
Spain: 10
~23 M
Building growth **alliances with manufacturers & customers** along the value chain

- **Manufacturers**
  - SMART MOBILITY
    - Volkswagen, Seat, Mercedes-Benz, BMW, Hyundai

- **Car dealers**
  - Main agreements: Arnold Clark, Grupo Marcos, Montalt, Grupo Huertas, Grupo Julián

- **Service Stations**
  - AVIA, Sallenoi

- **Retail, Distribution…**
  - McDonald's, Amazon, Zara, Lidl, UPA

- **Associations**
  - FACONAUTO, IAC, AMDA, ACAMS

**Relevant Projects**

- SMART SOLAR
  - MAPFRE, Makro, Marques de Riscal, Bollo, Lurdeit, Sendai, Fertiberia
Acceleration: investments

Increase of average investments in line with growth opportunities

Average Gross Investments\(^1\) (EUR Bn/Year)

<table>
<thead>
<tr>
<th>Year Range</th>
<th>Investment (EUR Bn)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017-2019</td>
<td>~7</td>
</tr>
<tr>
<td>2020-2022</td>
<td>~10</td>
</tr>
<tr>
<td>2023-2025</td>
<td>~13</td>
</tr>
</tbody>
</table>

\(^1\) Iberdrola estimates of PNM Resources transaction investment
Strong growth acceleration

\[ \Delta \text{Renewable Capacity}^1 \text{ (GW/Year)} \]

- 2017-2019: 1.6 GW/Year
- 2020-2022: 4.1 GW/Year
- 2023-2025: 5.1 GW/Year

1/ Includes Iberdrola estimates of PNM resources
Acceleration: regulated asset base

Acceleration of grid investments derived from **decarbonization**

<table>
<thead>
<tr>
<th>Δ Asset Base¹ (EUR Bn/Year)</th>
<th>2025 targets²</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.8</td>
<td>Modernization, digitization &amp; automation: Improve Quality: -20%³</td>
</tr>
<tr>
<td>2.6</td>
<td>Renewables Connections: &gt; 15 GW⁴</td>
</tr>
<tr>
<td>3.0</td>
<td>Electrification of mobility: &gt; 1.7 M EVs connected to the grid</td>
</tr>
<tr>
<td>2017-2019</td>
<td>Electrification of buildings &amp; industry: +1.4 M Heat Pumps</td>
</tr>
<tr>
<td>2020-2022</td>
<td></td>
</tr>
<tr>
<td>2023-2025</td>
<td></td>
</tr>
</tbody>
</table>

¹/ Iberdrola estimates of PNM Resources transaction investment
²/ Targets in our Service Territory
³/ vs 2017-19 average
⁴/ Additional to 2020
Acceleration: services to customers

Increasing growth rhythm derived from **larger consumption volume and more products**

△ Smart Solutions to customers (M services/Year)

<table>
<thead>
<tr>
<th>Year</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017-2019</td>
<td>1.0</td>
</tr>
<tr>
<td>2020-2022</td>
<td>1.6</td>
</tr>
<tr>
<td>2023-2025</td>
<td>2.1</td>
</tr>
</tbody>
</table>
### Investment Efficiency

**Optimization of processes, standardization and synergies** capture along the entire investment lifecycle

<table>
<thead>
<tr>
<th>Reduction of development &amp; construction periods</th>
<th>CAPEX optimization</th>
<th>Global development management</th>
</tr>
</thead>
<tbody>
<tr>
<td>Permitting and sites optimization</td>
<td>Projects and equipment standardization</td>
<td>Technology evolution</td>
</tr>
<tr>
<td>Low-value activities outsource</td>
<td>Modular power plants and works simultaneity</td>
<td>Economies of scale</td>
</tr>
<tr>
<td>Construction standards and packaging</td>
<td>Standard size of plants (small, medium, large)</td>
<td>Global procurement</td>
</tr>
<tr>
<td>On-Site scopes and preassemblies</td>
<td>Design optimization</td>
<td>Exchange of competitiveness gains and know-how</td>
</tr>
<tr>
<td>Replicable Retail Platform</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### Operating Efficiency

Benefiting from **digitization, experience and economies of scale**

<table>
<thead>
<tr>
<th>Smart Operations</th>
<th>Asset value optimization</th>
<th>Economies of scale</th>
</tr>
</thead>
<tbody>
<tr>
<td>Remote monitoring &amp; diagnosis</td>
<td>Logistics &amp; resource distribution</td>
<td>Technology control and evolution</td>
</tr>
<tr>
<td>Increasing remote operations</td>
<td>Operational experience</td>
<td>Global procurement</td>
</tr>
<tr>
<td>Processes, systems and tools</td>
<td>Availability maximization</td>
<td>Health &amp; Safety and Environment</td>
</tr>
<tr>
<td>Data analytics</td>
<td>Process standardization</td>
<td></td>
</tr>
</tbody>
</table>
Conclusions
Conclusions

Iberdrola’s positioning enables a **sustainable and increasing growth in 2020-2025**…

### Technological Vision

<table>
<thead>
<tr>
<th>Need for</th>
<th>2019 Figures</th>
<th>Gross Investments¹</th>
<th>Growth 2020-2025¹</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Renewables &amp; Storage</strong></td>
<td>30 GW installed capacity</td>
<td>EUR 34 Bn</td>
<td>+28 GW</td>
</tr>
<tr>
<td></td>
<td>70 GW pipeline</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Networks</strong></td>
<td>EUR 30 Bn Asset Base</td>
<td>EUR 27 Bn</td>
<td>EUR +17 Bn Asset Base</td>
</tr>
<tr>
<td><strong>Customer Solutions</strong></td>
<td>25 Million services</td>
<td>EUR 6 Bn</td>
<td>+15 Million services +600 MW green H₂</td>
</tr>
</tbody>
</table>

¹/ Iberdrola estimates of PNM Resources transaction investment
Conclusions

... and to **optimize the opportunities** derived from decarbonization

- **Diversification**
  - Business
  - Route to market
  - Geographical
  - Technological

- **Experience / Size**
  - Management & Execution capacity
  - Efficiency

- **Customers**
  - Price hedge
  - Demand
  - Products

- Stable results
- Growth opportunities
- Competitiveness
- Know-how