Shareholder's Bulletin

First Quarter 2020

Iberdrola accelerates its activity, contributing to the recovery from the crisis created by COVID-19

Adjusted net profit reaches €968 million in the quarter to the end of March, up by 5.3% due to record investments of nearly €10 billion since the beginning of 2019

SUSTAINABLE EVENT

Committed to: SDG

IBERDROLA

www.iberdrola.com

Chairman's key points

Ignacio Galán
Chairman & CEO of Iberdrola

“In the unprecedented circumstances resulting from the COVID-19 virus, our diversified business model, our focus on regulated activities and the sale of our stake in Siemens Gamesa have allowed us to maintain our net profit outlook for the rest of the year, with the dividend growing at the same rate as at the start of the year.”

2020 Shareholders' General Meeting

Success of the first online Shareholders' General Meeting

Quorum of 77.04%

On 2nd April, Iberdrola's Shareholders' General Meeting was held online for the fist time, with a total of 4,971,540,894 shares represented (474,023,269 in person and 4,497,517,625 represented), with a quorum of 77.04% of the share capital (7.35% present and 69.69% represented). This was 2.91% more than the quorum in 2019, thanks to the efforts of the company to encourage the participation of all of its shareholders despite the lockdown resulting from COVID-19.

Overwhelming support for all proposals on the Agenda

The Shareholders' General Meeting approved the agreements proposed by the Board of Directors with an average approval rate of 98.25%.

Sustainable Remuneration

Iberdrola has fixed the annual dividend at a minimum of €0.40 gross per share, with the approval of the Board

Supplementary dividend of **EUR 0.232 per share**…

…to reach an **annual shareholder remuneration** of **EUR 0.40 per share**

Among the agreements approved at the aforementioned General Meeting was the resolution relating to shareholder remuneration for the 2019 financial year, to be paid out in 2020 (item 12 on the agenda), with 99.75% voting in favour. The total minimum rate of remuneration for shareholders was fixed at €0.40 gross per share, meeting the dividend objective for 2022 three years early. Of this amount, a gross dividend of €0.168 per share was distributed in January, with the **remaining minimum of €0.232 gross** per share to be paid out in July.

Anticipated schedule

29 and 30 June, and 01, 02 and 03 July 2020: Days calculated to determine the number of free allocation rights required to receive a new share and the gross amount of the 2018 Complementary Dividend.

06 July 2020: Notification, via a material event notice, of the number of free-of-charge allocation rights needed in order to receive a share and the amount of the gross Complementary Dividend per share.

07 July 2020: Last day on which Iberdrola shares are traded with the right to participate in the Iberdrola Flexible Remuneration system.

8 to 22 July 2020: Common Choice Period and the trading period for free allocation rights.

04 August 2020: Payment of Complementary Dividend

5 August 2020: anticipated issue date for new shares.

Maintaining the number of shares

Furthermore, and to avoid diluting shareholders, Iberdrola honours its commitment to keep the number of shares at 6.24 billion.

Measures put in place for COVID-19

As a result of the Covid-19 crisis, Iberdrola has put in place a **comprehensive set of measures** aimed at guaranteeing the protection of employees, suppliers and customers, as well as safeguarding supply

Employees

Safeguarding jobs, with 5,000 new posts anticipated for 2020; strengthening safety and protection measures for field personnel, and enabling 95% of office staff to work from home, thanks to the investments made in digitisation.

Society

Ensuring the electricity supply, which is key in this situation, especially for essential facilities such as hospitals; offering payment plans to customers and free services to vulnerable groups, working closely with the authorities; and donating €30 million worth of urgently needed medical supplies.

Supply Chain

Increasing investments for the quarter by 24%, to €1.73 billion, and accelerating purchases from suppliers, reaching €3.8 billion in recent weeks with the aim of increasing activity and employment in supplier companies.

Impact of COVID-19

In terms of **the impact on business**, both the structural resilience of Iberdrola's business model and the diversity of locations and regulatory frameworks have been very significant mitigating factors.

A breakdown of impact by business type follows:

- **Networks:** the impact of the reduction in demand has been compensated by the regulatory mechanisms in place in most of our distribution companies, allowing income from changes in demand to be isolated.

  In Spain, the new methodology approved for distribution last year has meant that the impact has been limited to a temporary effect. The USA, United Kingdom and Brazil have different mechanisms for reducing volatility in the results caused by variations in demand. In addition, Brazil's government has announced that it will allocate R$ 2 billion to provide liquidity to distribution companies, safeguarding their financial stability and preventing contagion in the rest of the sector.

- **Deregulated Businesses** and **Renewables:** demand was affected in March, first in Spain and then in the United Kingdom. However, the integrated business model has given us a considerable amount of protection from these trends, thanks to the flexible mix of energy generation.

  It should also be noted that, as a result of increased rainfall, we had 8 TWh in hydroelectric reserves, 50% more than in the previous year.

  At the retail level, payment conditions have been made more flexible to ease the burden of COVID-19 on customers.

Financial management, characterised by its robustness, foresight and prudence, is helping to minimise the financial impact of the pandemic. Iberdrola, therefore, has liquidity of €14.4 billion, which is enought to cover our financing requirement for 30 months under normal circumstances, or 21 months in a stress scenario. Adjusted leverage, meanwhile, remained at 44.6%, in line with the first quarter of 2019.

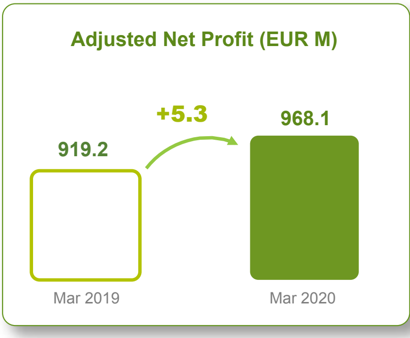
Recovery from COVID-19

Most governments have already begun to outline plans for sustained, rapid economic recovery. They are identifying competitive industries that are increasing their activity in a natural way and could create sustainable jobs, whether directly or via their supply chains, without creating additional pressure on public finances.

There is growing consensus on the role of climate-related action in this crisis, both in Europe via the European Green Pact and in Spain through the Integrated National Energy and Climate Plan (PNIEC). The acceleration in investment shows Iberdrola's willingness to contribute to this effort.

Green investment, a key contributor to accelerate the recovery

Highlights of the period



Adjusted net profit up 5.3%

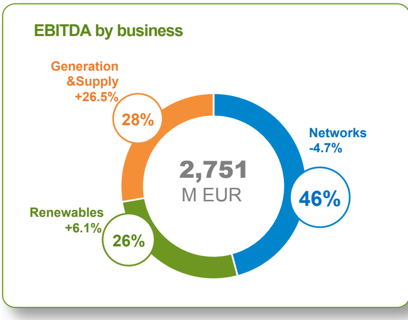
Iberdrola's adjusted net profits grew by 5.3% by the end of the first quarter, rising to €968.1 million.

This was possible thanks to the Company's business model, based on diversification into different locations and businesses in countries with a high rating.

Net reported profit grew to €1,257 million, due mainly to the sale of the 8.07% stake in Gamesa in February 2020.

Operating profit (EBITDA) reaches €2,751 million.

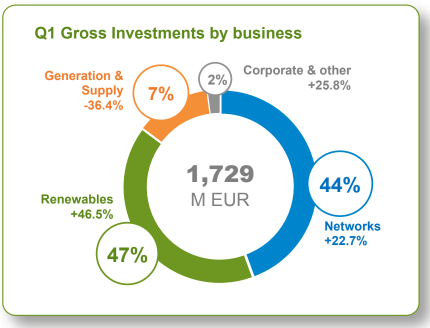
Operating profit grew by 5.8% to €2,751 million, thanks to the renewables, generation and retail businesses that compensated for the performance of the networks business.



The operating profit of the **Networks** business fell, reaching almost €1,257 million, mainly as a result of the reduction in remuneration following the start of the new regulatory period in Spain, partially compensated by the United Kingdom and Brazil.

With regard to **Renewables**, operating profits were around €725.5 million, as a result of greater production due to the newly installed capacity (+2.8 GW), mainly in wind energy. Hydroelectric production in Spain has normalised and storage levels have recovered, with reserves reaching ~8 TWh, 50% more than the previous year.

The operating profit of **Generation and Retail** improved, reaching €759.6 million. This was due mainly to greater production, as well as lower supply costs.



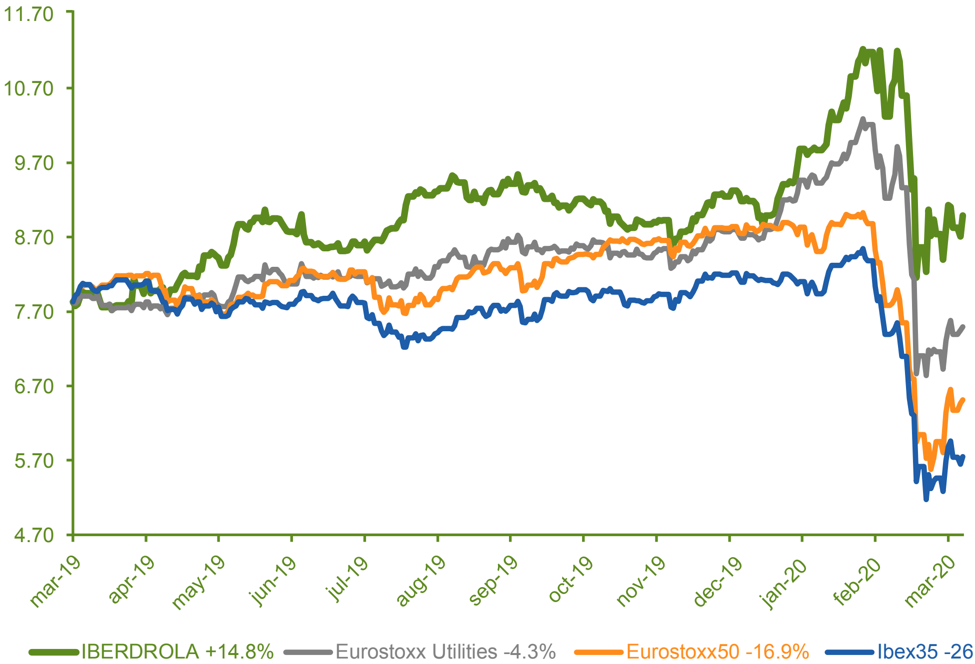
Acceleration in investments as an economic driver

Gross investment in the first quarter of 2020 grew by 24%, reaching €1,729 million.

During this quarter, 1,200 MW of new capacity was installed; four times that for the first quarter of 2019.

In the past 12 months, 5.5 GW have been installed. Iberdrola has a portfolio of over 8.5 GW under construction, due to be completed in the next two years.

IBERDROLA and the stock market



IBERDROLA's share price performance

	1Q 2020	1Q 2019
Number of shares in circulations	6,453,592,000	6,520,457,000
Share price at the end of the period	8.984	7.82
Average share price for the period	9.685	7.31
Average daily trading volume	26,199,522	17,893,030
Maximum trading volume (20-03-2020 / 15-03-2019)	73,587,123	57,141,894
Minimum trading volume (06-01-2020 / 18-02-2019)	9,389,610	8,499,324
Dividends paid [1]	0.168	0.151
Gross interim (05-02-2020 / 05-02-2019)	0.168	0.151
Dividend yield [2]	4.15%	4.37%

(1) Iberdrola-guaranteed rights purchase price.
(2) Dividends paid in last 12 months and attendance premium/share price at the close of the period.

Stock Market Data

		1Q 2020	1Q 2019
Market capitalisation	M€	57,979	51,029
Earnings per share (6,453,592,000 shares to 31/03/2020 and 6,520,457,000 shares to 31/03/2019)	€	0.195	0.148
Net operating cash flow per share	€	0.327	0.312
P.E.R.	x	15.47	15.96

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