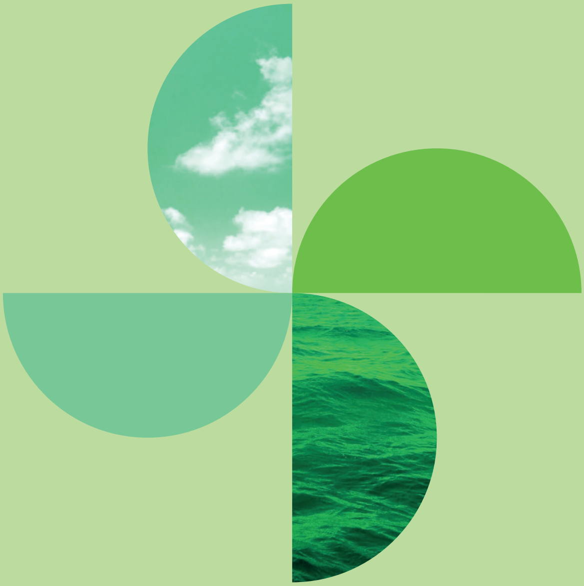
Results 2019

February 26 /2020



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In addition to the financial information prepared under IFRS, this presentation includes certain alternative performance measures ("**APMs**"), as defined in the *Guidelines on Alternative Performance Measures* issued by the European Securities and Markets Authority on 5 October 2015 (ESMA/2015/1415es). The APMs are performance measures that have been calculated using the financial information from Iberdrola, S.A. and the companies within its group, but that are not defined or detailed in the applicable financial information framework. These APMs are being used to allow for a better understanding of the financial performance of Iberdrola, S.A. but should be considered only as additional information and in no case as a substitute of the financial information prepared under IFRS. Moreover, the way Iberdrola, S.A. defines and calculates these APMs may differ from the way these are calculated by other companies that use similar measures, and therefore they may not be comparable. Finally, please consider that certain of the APMs used in this presentation have not been audited. Please refer to this presentation and to the corporate website (www.iberdrola.com) for further details of these matters, including their definition or a reconciliation between any applicable management indicators and the financial data presented in the consolidated financial statements prepared under IFRS.

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Core business figures

Networks

		December 2019	December 2018
RAB (Local currency)			
Spain	(EUR billion)	9.2	9.3
United Kingdom	(GBP billion)	6.7	6.5
United States	(USD billion)	10.4	9.7
Brazil	(BRL billion)	21.5	19.0

Distributed Electricity	12M 2019	12M 2018	vs. 2018
ELECTRICITY (GWh)			
Spain	93,516	93,881	-0.4%
United Kingdom	33,670	34,659	-2.9%
United States	38,441	39,579	-2.9%
Brazil	67,875	65,290	4.0%
Total	**233,502**	**233,409**	**0.0%**
GAS (GWh)			
United States	64,234	65,140	-1.4%
Total	**64,234**	**65,140**	**-1.4%**

Differences may arise due to rounding.

Managed supply points	12M 2019	12M 2018	vs. 2018
ELECTRICITY (Millions)			
Spain	11.15	11.09	0.5%
United Kingdom	3.53	3.52	0.2%
United States	2.26	2.25	0.3%
Brazil	14.05	13.80	1.9%
Total Electricity	**30.99**	**30.66**	**1.1%**
GAS (Millions)			
United States	1.02	0.99	2.6%
Total Gas	**1.02**	**0.99**	**2.6%**
TOTAL SUPPLY POINTS	**32.01**	**31.66**	**1.1%**

Note: In terms of operational data, IFRS11 do not apply (see details under Operational Performance for the period)
Differences may arise due to rounding.

Generation business and Customers

	12M 2019	12M 2018	vs. 2018
TOTAL GROUP			
Net Production (GWh)	**151,714**	**145,605**	**4.2%**
Net owned production	**114,030**	**115,134**	**-1.0%**
Renewables	59,074	61,474	-3.9%
Onshore	37,216	36,326	2.4%
Offshore	2,211	1,642	34.7%
Hydro	17,941	22,415	-20.0%
Minihydro	618	670	-7.8%
Solar and others	1,088	421	158.5%
Nuclear	23,737	23,535	0.9%
Gas combined cycle	21,973	20,467	7.4%
Cogeneration	8,897	8,020	10.9%
Coal	349	1,637	-78.7%
Net production for third parties	**37,684**	**30,471**	**23.7%**
Renewables	227	279	-18.6%
Onshore	227	279	-18.6%
Gas combined cycle	37,457	30,192	24.1%
Installed Capacity (MW)	**52,082**	**46,694**	**11.5%**
Net owned installed capacity	**45,702**	**42,058**	**8.7%**
Renewables	31,939	29,198	9.4%
Onshore	16,787	15,569	7.8%
Offshore	964	544	77.1%
Hydro	12,864	12,252	5.0%
Minihydro	306	303	0.8%
Solar (dc) and others *	1,018	530	92.2%
Nuclear	3,177	3,177	-
Gas combined cycle	8,377	7,474	12.1%
Cogeneration	1,335	1,335	-
Coal	874	874	-
Net installed capacity for third parties	**6,380**	**4,636**	**37.6%**
Renewables	103	103	-
Onshore	103	103	-
Gas combined cycle	6,277	4,533	38.5%
Electricity customers (No mill.)	**13.50**	**13.46**	**0.3%**
Gas customers (No mill.)	**3.14**	**3.09**	**1.5%**
Gas Supplies (GWh)	**57,849**	**61,216**	**-5.5%**
Gas Storage (bcm)	**0.13**	**0.13**	**2.3%**

* Equivalent to 773 MW at the end of December 2019.
Note: In terms of operational data, IFRS11 do not apply (see details under Operational Performance for the period).
Differences may arise due to rounding.

Spain

	12M 2019	12M 2018	vs. 2018
Net Production (GWh)	**58,560**	**57,709**	**1.5%**
Renewables	22,191	25,973	-14.6%
Onshore	12,491	11,654	7.2%
Hydro	9,082	13,590	-33.2%
Minihydro	618	670	-7.8%
Solar and others	-	58	-99.7%
Nuclear	23,737	23,535	0.9%
Gas combined cycle	9,697	4,092	137.0%
Cogeneration	2,586	2,472	4.6%
Coal	349	1,637	-78.7%
Installed Capacity (MW)	**26,624**	**25,887**	**2.8%**
Renewables	16,526	15,789	4.7%
Onshore	6,005	5,770	4.1%
Hydro	9,715	9,715	-
Minihydro	306	303	0.8%
Solar (dc) and others	500	-	N/A
Nuclear	3,177	3,177	-
Gas combined cycle	5,695	5,695	-
Cogeneration	353	353	-
Coal	874	874	-
Electricity customers (No mill.)	**10.08**	**10.15**	**-0.7%**
Gas customers (No mill.)	**1.05**	**1.03**	**2.1%**
Gas Supplies (GWh)	**31,020**	**20,078**	**54.5%**
Users	10,308	10,867	-5.1%
Gas Combined Cycle	20,712	9,211	124.9%

Differences may arise due to rounding.

United Kingdom

	12M 2019	12M 2018	vs. 2018
Net Production (GWh)	**4,640**	**10,730**	**-56.8%**
Renewables	4,640	5,145	-9.8%
Onshore	3,706	3,812	-2.8%
Offshore	934	755	23.7%
Hydro	-	577	-100.0%
Gas combined cycle	-	5,585	-100.0%
Installed Capacity (MW)	**2,520**	**2,100**	**20.0%**
Renewables	2,520	2,100	20.0%
Onshore	1,906	1,906	-
Offshore	614	194	216.0%
Hydro	-	-	N/A
Gas combined cycle	-	-	N/A
Electricity customers (No mill.)	**2.82**	**3.01**	**-6.6%**
Gas customers (No mill.)	**1.89**	**2.01**	**-5.9%**
Gas Supplies (GWh)	**26,828**	**41,138**	**-34.8%**
Users	26,828	29,332	-8.5%
Gas Combined Cycle	-	11,806	-100.0%
Gas Storage (bcm)	**0.13**	**0.13**	**2.3%**

Differences may arise due to rounding.

USA

	12M 2019	12M 2018	vs. 2018
Net Production (GWh)	**20,960**	**19,983**	**4.9%**
Renewables	17,480	17,261	1.3%
Onshore	16,953	16,650	1.8%
Hydro	179	269	-33.4%
Solar and others	348	342	1.6%
Gas combined cycle	3	8	-60.1%
Cogeneration	3,477	2,713	28.1%
Installed Capacity (MW)	**8,361**	**7,586**	**10.2%**
Renewables	7,521	6,739	11.6%
Onshore	7,259	6,466	12.3%
Hydro	118	118	-
Solar (dc) and others	143	155	-7.6%
Gas combined cycle	204	212	-3.5%
Cogeneration	636	636	-

Differences may arise due to rounding.

Mexico

	12M 2019	12M 2018	vs. 2018
Net Production (GWh)	**50,882**	**41,351**	**23.1%**
Net owned production	**13,198**	**10,880**	**21.3%**
Renewables	1,424	817	74.4%
Onshore	693	805	-13.9%
Solar and others	731	12	-
Gas combined cycle	8,940	7,229	23.7%
Cogeneration	2,834	2,834	-
Net production for third parties	**37,684**	**30,471**	**23.7%**
Renewables	227	279	-18.6%
Onshore	227	279	-18.6%
Gas combined cycle	37,457	30,192	24.1%
Installed Capacity (MW)	**9,532**	**6,691**	**42.5%**
Net owned installed capacity	**3,152**	**2,055**	**53.4%**
Renewables	860	674	27.6%
Onshore	492	306	60.8%
Solar (dc) and others	368	368	-
Gas combined cycle	1,946	1,035	88.0%
Cogeneration	346	346	-
Net installed capacity for third parties	**6,380**	**4,636**	**37.6%**
Renewables	103	103	-
Onshore	103	103	-
Gas combined cycle	6,277	4,533	38.5%

Differences may arise due to rounding.

Brazil

	12M 2019	12M 2018	vs. 2018
Net Production (GWh)	**14,007**	**13,652**	**2.6%**
Renewables	10,674	10,099	5.7%
Onshore	1,993	2,120	-6.0%
Hydro	8,680	7,979	8.8%
Gas combined cycle	3,334	3,553	-6.2%
Installed Capacity (MW)	**4,079**	**3,467**	**17.6%**
Renewables	3,547	2,935	20.8%
Onshore	516	516	-
Hydro	3,031	2,419	25.3%
Gas combined cycle	533	533	-

Differences may arise due to rounding.

Iberdrola Energía Internacional (IEI)*

	12M 2019	12M 2018	vs. 2018
Net Production (GWh)	**2,665**	**2,180**	**22.3%**
Renewables	2,665	2,180	22.3%
Onshore	1,379	1,284	7.4%
Offshore	1,277	887	44.0%
Solar and others	9	9	-0.3%
Installed Capacity (MW)	**965**	**961**	**0.4%**
Renewables	965	961	0.4%
Onshore	609	605	0.7%
Offshore	350	350	-
Solar (dc) and others	6	6	-
Electricity customers (No mill.)	**0.60**	**0.30**	**101.3%**
Gas customers (No mill.)	**0.20**	**0.06**	**244.8%**
Gas Supplies (GWh)	**622**	**151**	**311.9%**

Differences may arise due to rounding.
(*) Former Rest of the World

Stock Market Data

		2019	2018
Market capitalisation	(M€)	58,404	44,899
Earnings per share (6,362,072,000 shares at 31/12/19 and 6,397,629,000 shares, at 31/12/18)	€	0.54	0.47
Net operating cash flow per share	€	1.275	1.145
P.E.R.	Times	17.20	14.85
Price/Book value (capitalisation to NBV at the end of the period)	Times	1.55	1.23

Economic/Financial Data(*)

Income Statement		2019	2018
Revenues	EUR (million)	36,437.9	35,075.9
Gross Margin	EUR (million)	16,263.4	15,435.1
EBITDA	EUR (million)	10,104.0	9,348.9
EBIT	EUR (million)	5,877.2	5,439.4
Net Profit	EUR (million)	3,406.3	3,014.1
Net Operating Expenses / Gross Margin	%	26.6	26.9
Balance Sheet		**Dec. 2019**	**Dec. 2018**
Total Assets	EUR (million)	122,369	113,038
Equity	EUR (million)	47,195	43,977
Net Financial Debt	EUR (million)	37,769	34,199
ROE	%	9.17	8.36
Financial Leverage (Net Financial Debt/(Debt Financial Debt + Equity))	%	44.8%	43.7%
Net Financial Debt / Equity	%	81.3%	77.8%

(*) Financial terms are defined in the "Glossary"

Others

		2019	2018
Net Investments	EUR (million)	7,239.6	5,320.4
Employees	N°	35.120	33.747

Iberdrola´s Credit Rating

Agency	Rating*	Outlook*
Moody´s	Baa1 (15/06/2012)	Stable (05/11/2012)
Fitch IBCA	BBB+ (02/08/2012)	Stable (25/03/2014)
Standard & Poor´s	BBB+ (22/04/2016)	Stable (22/04/2016)

(*) Date of last modification

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Highlights for the period

- In 2019, the Iberdrola Group posted **record EBITDA of EUR 10,104 million**, which represents 8.1% growth exceeding the EUR 10 billion barrier for the first time.
- **Net profit increased by 13.0%** to EUR 3,406 million.
- The Board will propose to the Shareholders Meeting a complementary remuneration of EUR 0.232/share, bringing **total shareholder remuneration** to EUR 0.40/share against 2019 earnings – **14% higher** than a year earlier.
- **Gross investment was up 32%**, EUR 8,157.7 million, primarily in the Networks and Renewables businesses.
- The Group remains **financially robust**, with stable credit ratings despite the impact of IFRS 16 which increased debt by EUR 1,652 million.

Global environment and general considerations

During 2019, international commodities markets performed as follows:

- The average price of Brent oil was USD 64.3 per barrel compared with USD 70.9 per barrel a year earlier (-9%).
- The average price of gas (TTF) over the period dropped to EUR 13.6/MWh versus EUR 22.9/MWh in 2018 (-41%).
- The average price of API2 coal slumped to USD 62.3/MT, compared with USD 91.6/MT in 2018 (-32%).
- The average price of CO_2 emission allowances was EUR 24.9/MT, compared with EUR 16.0/MT in 2018 (+56%).

Iberdrola's main **reference currencies** fluctuated as follows against the euro:

- The pound sterling appreciated slightly (+0.7%) year-on-year, with the GBP-EUR rate standing at 0.878.
- The US dollar appreciated by 5.5%, with the USD-EUR rate standing at 1.120.
- The Brazilian real depreciated by 2.5%, with the BRL-EUR rate reaching 4.414.

As regards the performance of **electricity demand and output** for the period, these are the highlights for the company's main business areas:

- The energy balance of the Spanish mainland system over the period to December 2019 was characterised by the increase in combined cycle (+93%), nuclear (+5%) and renewable production – solar (+19%) and wind (+8%) – compared to 2018, as well as a drop in coal (-69%) and hydroelectric (-27%) output.

  The 12 months of 2019 closed with a producibility index of 0.9, and hydroelectric reserves at 51.0% compared to an index of 1.3 and reserves at 44.1% at the end of 2018.

  Demand dropped by 1.7% compared to the previous year, falling by 2.7% after adjusting for working days and temperature.
- In the United Kingdom, electricity demand dropped by 1.8% compared with 2018. Customer gas demand fell by 3.3% year-on-year.
- In Avangrid's area of influence on the East Coast of the United States, electricity demand decreased by 2.9% compared with 2018, while gas demand was down 1.4%.
- Demand in Neoenergia's areas of influence in Brazil grew by 4.0%.

Significant events for the Iberdrola Group

- On 1 January 2019, the Iberdrola Group adopted **IFRS 16**, which changes the prior treatment of leases that qualified as operating leases, and requires assets and liabilities for future lease payments to be recognised in the same way as finance leases. This new standard (effective from 1 January 2019) has led to an increase in debt of EUR 1,652 million, EUR 1,246 million of which derives from the change in accounting policy from that applied at year-end 2018 and EUR 406 million due to the new leases arranged throughout 2019.

  Like other companies in the sector, at the 2018 close the Iberdrola Group interpreted that ceding use of land does not constitute a lease when the owner of the land is entitled to carry out an economic activity on it that does not involve the economic benefits of using the ceded asset (primarily wind farms) being substantially transferred. At the 2019 close, the policy has been changed and now the contracts ceding use of the land where the wind farms are located are treated as leases subject to IFRS 16, with the consequent impact on debt as just described. This effect does not alter the ratings of credit agencies because they had already included these adjustments in their calculations.

Applying IFRS 16 also results in a higher amortisation and depreciation charge (EUR -126.9 million) and finance expense (EUR -51.6 million), along with a lower net operating expense (EUR +145.8 million). The impact on net profit is EUR -22.2 million.

- The gross margin of the Generation and Supply business in Spain has been affected by the non-recurring impact of recognising at market value long-term LNG supply agreements (EUR +87 million) following the deal reached with Pavilion Energy Trading & Supply to assign the contractual position in these agreements.
- The gross margin of the Networks business in Spain includes the non-recurring impact of assigning current fibre optic network agreements to Lyntia (EUR +49 million), while a non-recurring impact of EUR +55 million was booked last year as a result of the favourable court ruling on facilities transferred to customers (ICAs).
- Net Operating Expenses, includes exit plans in Spain and the United Kingdom booked in the fourth quarter, for a total of EUR +67 million euros, the positive effects of which will be reflected in future years.
- Levies is lower because of an amendment to the double-taxation treaty between the United States and Spain eliminating tax on dividends in the United States if an equity stake of over 80% is held (tax was previously 10%). As this amendment has finally been approved several years after the treaty agreement was reached, Iberdrola Group has eliminated the deferred tax liability currently recognised for undistributed profits, with a non-recurring positive effect of EUR 129 million.

The main items of the **statement of profit or loss** were as follows:

EUR millions	12M 2019	vs 12M 2018
GROSS MARGIN	16,263.4	5.4
EBITDA	10,104.0	8.1
EBIT	5,877.2	8.0
NET PROFIT	3,406.3	13.0

Consolidated **EBITDA** was up 8.1%, at EUR 10,104.0 million, underpinned by the decent performance of the Networks and Generation and Supply businesses during a year when hydroelectric production was at its lowest in the last decade.

Noteworthy from an operational standpoint are: the tariff improvements in Brazil alongside the efficiencies achieved and the increase in demand; the increase in offshore wind production thanks to Wikinger's contribution over the full year and the commissioning of East Anglia 1; a greater installed renewable capacity in all countries; and the strong performance of the Generation and Supply business in Spain and Mexico. On the downside, hydroelectric production fell, and there was less demand and lower margins due to the cap on certain electricity and gas tariffs in the United Kingdom.

The **net operating expense** is 4.2% higher due to exchange rates, demonstrated by the fact that the expense would have been only 2.7% higher compared to 2018, were we to strip out this impact. This item includes a total cost of EUR 50 million for efficiency measures, recognised primarily in the fourth quarter, which will have a positive impact in the coming years.

Levies are down 5.3% due to lower taxes in Spain because of the drop in hydroelectric output and lower prices.

Depreciation and amortisation charges and provisions rose by 8.1% due to the group's increased activity and the effect of IFRS 16 and accelerated depreciation applied in the Commercial business in the United Kingdom, due to customer acquisition costs and higher customer turnover, partially offset by lower nuclear asset depreciation following the agreement reached with the authorities, ENRESA and the other shareholders of the facilities.

Net profit was up 13.0% to EUR 3,406.3 million. Gains on disposal of non-current assets totalled EUR 202.8 million (versus EUR 8.9 million in 2018) and included the gain from the agreement reached with Lyntia Networks for the long-term assignment of the right to use surplus fibre-optic network capacity (EUR 114 million), along with the gains from the sale of wind farms in the United States and real estate in Spain.

Non-recurring costs were recognised in 2019 (primarily in the fourth quarter), partially offsetting the extraordinary positive impacts in the year that will boost future earnings. These are disclosed below:

Extraordinary positive impacts (net of tax):

- Assignment of fibre-optic network: EUR 151 million
- Sale of gas contracts: EUR 67 million
- Impact of withholding tax in the United States: EUR 123 million

Non-recurring costs (net of tax):

- Efficiency measures: EUR 38 million
- Accelerated depreciation at the Commercial business in the United Kingdom: EUR 86 million

Stripping out these effects and EUR 63 million of non-recurring positive impacts recognised in 2018, net profit would be 8% higher in a year when hydroelectric resources were extremely low.

Key **financial figures** for the period are as follows:

- Adjusted net financial debt* stood at EUR 37,769 million, up EUR 3,620 million year-on-year, primarily because of the application of IFRS 16 (EUR 1,652 million) and the major investments undertaken by the company, although credit ratings remain stable.
- Funds generated from operations at year-end 2019 stood at EUR 8,060 million – up 10.0% year-on-year.

Lastly, net investments for the period totalled EUR 7,239.6 million (+36.1%), equivalent to EUR 8,157.7 million of gross investments. Of this amount, 85% was concentrated in the Networks and Renewables businesses.

(*) Adjusted by the effect of potential accumulator derivatives over treasury stock (EUR 602.5 million at December 2019 and EUR 50.2 million at December 2018).

Disposals in 2019

- On 6 March, an agreement was reached with Lyntia Networks for the long-term assignment of the right to use the surplus capacity of the fibre-optic network. The deal was closed on 6 August once authorisation had been obtained from the Spanish National Commission on Markets and Competition (CNMC). The amount received, subject to the usual adjustments in this type of transaction, was EUR 260 million and the gain amounted to EUR 49 million at gross margin level for the agreements in force and EUR 114 million for the surplus capacity, which has been taken to gains on disposal of non-current assets.
- On 20 June an agreement was reached with Pavilion Energy Trading & Supply Pte. Ltd. for the cession of its contractual position in its portfolio of long-term liquefied natural gas supply, sea freight and gas infrastructure usage contracts, and other supplementary contracts related with the supply of liquefied natural gas. The sale has been completed in the beginning of 2020 and Pavilion will pay Iberdrola EUR 115 million
- Moreover, an agreement was signed with Green Investment Group (GIG) – a Macquarie Group company – on 12 August to sell it a 40% stake in the East Anglia One (EAO) offshore wind farm the company is building in British waters in the North Sea. This deal sees a new partner taking a stake in this renewable energy facility in which Iberdrola will continue to hold a majority 60% stake (no gain has been booked). According to the terms and conditions of the agreement, EAO's total valuation is around GBP 4,100 million; when the wind farm enters service in 2020, Iberdrola will have received approximately GBP 1,630 million for the 40% share.

Thanks to the disposals in 2019 and last year, the asset rotation plan affecting assets valued at EUR 3,500 million over the 2018 to 2022 period has been completed early. The equity stake in Siemens-Gamesa was also sold for EUR 1,099.5 million in January 2020, resulting in a gain of EUR 485 million.

3

Operational performance for the period

1. DISTRIBUTED ENERGY AND SUPPLY POINTS

The Group's Regulatory Asset Base (RAB) stood at EUR 31.1 billion at the close of 2019:

		December 2019	December 2018
RAB (Local currency)			
Spain	(EUR billion)	9.2	9.3
United Kingdom	(GBP billion)	6.7	6.5
United States	(USD billion)	10.4	9.7
Brazil	(BRL billion)	21.5	19.0

During financial year 2019, the electrical energy distributed by the Group totalled 233,502 GWh, in line with 2018 (+0.04%).

There are over 32 million gas and electricity supply points, breaking down as follows:

MANAGED SUPPLY POINTS	2019	2018	Vs. 2018
ELECTRICITY (Millions)			
Spain	11.15	11.09	0.5%
United Kingdom	3.53	3.52	0.2%
United States	2.26	2.25	0.3%
Brazil	14.05	13.80	1.9%
Total Electricity	**30.99**	**30.66**	**1.1%**
GAS (Million)			
United States	1.02	0.99	2.6%
Total Gas	**1.02**	**0.99**	**2.6%**
TOTAL SUPPLY POINTS	**32.01**	**31.66**	**1.1%**

Discrepancies possible due to rounding.

1.1. Spain – i-DE

At the December close, the networks business in Spain had 11.15 million supply points, which is 0.5% more than in 2018. In 2019, 93,516 GWh of energy was distributed, which is similar to that distributed a year earlier (-0.4%).

The supply quality indicator (SAIDI) was 45.1 minutes in 2019 (48.3 minutes including force majeure events), which is slightly higher than in 2018 when the SAIDI hit an all-time low. This difference also stemmed from a very severe cold air pool in south-eastern Spain in September, which affected several of i-DE's distribution areas. Around 350,000 customers were affected by power cuts in this region, with 70% having their supplies restored within 30 minutes.

The table shows the change in the SAIDI (System Average Interruption Duration Index) and System Average Interruption Frequency Index (SAIFI) for medium voltage supply:

i-DE	2019	2018
SAIDI (min.)	45.1	44.3
SAIFI (no. inter.)	0.95	0.91

* Note: Does not include force majeure events

In order to help the major towns and cities in the country move towards the smart city model, the Smart Cities initiative has been launched and agreements signed with eight public administrations, including the city councils of Madrid and Murcia and Castellón Provincial Council to support the roll-out of a digitalised smart grid. The initiative involves a collaboration across four strategic areas: promoting e-mobility, developing smart grid infrastructures, more efficient energy use using the data smart the grids generate, and public information and awareness-raising campaigns.

Six e-Mobility Control Centres have also been established to monitor and evaluate the impact of electric vehicles on the distribution network.

Work continues to further digitalise networks, drive electrification of the economy focusing on sectors such as transport, and boost market penetration of renewable energies.

After smart meters were rolled out for all Type 5 customers (less than 15kW) in 2019, this work has been extended to Type 4 customers (between 15 kW and 50 kW). A total of 10.97 million smart meters have now been installed.

1.2. United Kingdom – SPEN

At 31 December, Scottish Power Energy Networks (SPEN) had over 3.5 million supply points. A total of 33,670 GWh of energy was distributed in 2019 – down 2.9% on 2018, mainly due to mild winter temperatures (the fall would have been 1.8% adjusting for the effect of temperature).

Distributed Energy (GWh)	2019	2018	%
Scottish Power Distribution (SPD)	18,243	18,788	-2.9%
Scottish Power Manweb (SPM)	15,427	15,871	-2.8%

Service quality indicators were affected by storms Erik in February, Gareth in March and Hannah in April, which had the greatest impact on Scottish Power Manweb (SPM). This led to a slight worsening of the Average Interruption Duration Index (SAIDI) year on year.

Customer Minutes Lost (CML) was as follows:

CML (min.)	2019	2018
Scottish Power Distribution (SPD)	32.43	35.91
Scottish Power Manweb (SPM)	34.84	34.65

The interruption frequency index improved across all areas of distribution versus 2018. The number of consumers affected by interruptions per every 100 customers (Customer Interruptions, CI) was as follows:

CI (no. of interruptions)	2019	2018
Scottish Power Distribution (SPD)	43.42	49.42
Scottish Power Manweb (SPM)	34.21	35.35

SPEN has joined the Low Carbon Strategic Partnership along with the Scottish government and Scottish Southern Energy Networks. This partnership focuses on the role of electricity grids in the energy transition to a carbon-free economy in Scotland, particularly the roll-out of electric vehicles and electrification of heating systems.

1.3 United States – Avangrid

1.3.1 Electricity

At the close of 2019, Avangrid Networks had more than 2.26 million electricity supply points. The electricity distributed over the year came to 38,441 GWh – down 2.9% year on year.

Distributed Energy (GWh)	2019	2018	%
Central Maine Power (CMP)	9,596	9,730	-1.4%
NY State Electric & Gas (NYSEG)	16,319	16,800	-2.9%
Rochester Gas & Electric (RGE)	7,343	7,637	-3.8%
United Illuminating Company (UI)	5,184	5,412	-4.2%

Avangrid's area of distribution was hit by several storms in 2019, most notably storm Quiana in February, which affected the state of Maine (served by CMP) and especially New York state (served by NYSEG and RG&E), leaving 165,000 customers without electricity.

Looking at the last quarter, on 16 and 17 October storm Nor'Easter primarily hit the state of Maine, affecting 219,000 customers, while further storms and snowfall in November caused outages in the states of New York and Maine.

Despite these and other weather events, Avangrid improved its Customer Average Interruption Duration Index (CAIDI) and System Average Interruption Frequency Index (SAIFI) by 6.7% and 4.3%, respectively.

The Customer Average Interruption Duration Index (CAIDI) was as follows:

CAIDI (hrs)	2019	2018
Central Maine Power (CMP)	2.07	2.13
NY State Electric & Gas (NYSEG)	1.93	2.17
Rochester Gas & Electric (RGE)	1.85	1.79

The System Average Interruption Duration Index (SAIDI) for UIL was as follows:

SAIDI (min.)	2019	2018
United Illuminating Company (UI)	38.4	58.80

The comparative information is affected by a one-off fault at one of UI's transformer stations in 2018. The System Average Interruption Duration Index (SAIDI) returned to normal levels in 2019.

The System Average Interruption Frequency Index (SAIFI) was as follows:

SAIFI	2019	2018
Central Maine Power (CMP)	1.53	1.85
NY State Electric & Gas (NYSEG)	1.35	1.19
Rochester Gas & Electric (RGE)	0.72	0.75
United Illuminating Company (UI)	0.50	0.63

The companies UI and CMP have been handed the EEI Emergency Recovery Award by Edison Electric Institute for their extraordinary response to the major storms in May 2018 and October 2019, respectively.

1.3.2 Gas

Avangrid supplies gas through more than 1 supply points. In 2019, 64,234 GWh of gas was supplied, which is 1.4% less than a year earlier.

Distributed Energy (GWh)	2019	2018	%
NY State Electric & Gas (NYSEG)	16,889	16,936	-0.3%
Rochester Gas & Electric (RGE)	18,026	17,811	1.2%
Maine Natural Gas (MNG)	2,816	3,908	-28.0%
Berkshire Gas (BGC)	3,099	3,113	-0.5%
Connecticut Natural Gas (CNG)	11,997	12,030	-0.3%
Southern Connecticut Gas (SCG)	11,407	11,341	0.6%

1.4. Brazil – Neoenergia

Neoenergia reached 14.05 million supply points in 2019 – an increase of 1.9% compared to 2018. The volume of electricity distributed in 2019 was 67,875 GWh – up 4.0% year on year, thanks to a more buoyant economy, an increase in customer numbers and higher temperatures than last year.

Distributed Energy (GWh)	2019	2018	%
Elektro	19,150	18,675	2.5%
Coelba	25,061	23,622	6.1%
Cosern	6,426	6,329	1.5%
Celpe	17,239	16,665	3.4%

The efforts to improve supply quality led to enhanced indicators at Coelba, Celpe and Cosern versus 2018. Elektro's indicators are slightly above those from last year, affected by heavy rain and other weather events in February and May. The customer average interruption time (*duração equivalente de interrupção por unidade consumidora*, DEC) was as follows:

DEC (hrs)	2019	2018
Elektro	7.54	7.50
Coelba	12.21	14.46
Cosern	10.15	11.19
Celpe	11.94	12.47

The average number of interruptions per customer (*freqüencia equivalente de interrupção por unidade consumidora*, FEC) was as follows:

FEC	2019	2018
Elektro	4.44	4.38
Coelba	5.91	6.44
Cosern	4.89	5.28
Celpe	5.73	5.97

Work progressed during 2019 to build two transmission projects awarded in the 2017 and 2018 auctions, while the 500-kW static compensator was commissioned in São Paulo.

Neoenergia was also allocated a project in the auction held by the Brazilian regulator, ANEEL, in December 2019. This project involves installing a 210-kilometre transmission line and a 1,000 MVA substation.

2. ELECTRICITY PRODUCTION AND CUSTOMERS

At the end of the year, Iberdrola's **installed capacity** totalled 52,082 MW (+11.5%), 61.3% (31,939 MW) of which came from own renewable sources:

MW	2019	vs. 2018
Capacity for own use	**45,702**	**8.7%**
Renewables	31,939	9.4%
Onshore wind	16,787	7.8%
Offshore wind	964	77.1%
Hydroelectric	12,864	5.0%
Mini-hydroelectric	306	0.8%
Solar and others(*)	1,018	92.2%
Nuclear	3,177	-
Gas combined cycle	8,377	12.1%
Cogeneration	1,335	-
Coal	874	-
Capacity for third parties	**6,380**	**37.6%**
Renewables	103	-
Onshore wind	103	-
Gas combined cycle	6,277	38.5%
Total	**52,082**	**11.5%**

(*) Reported in MWdc
Discrepancies possible due to rounding.

Net electricity production during the period was 151,714 GWh – 4.2% higher than the figure at the end of 2018, with 38.9% (59,074 GWh) derived from own renewable sources:

GWh	2019	vs. 2018
Own production	**114,030**	**-1.0%**
Renewables	59,074	-3.9%
Onshore wind	37,216	2.4%
Offshore wind	2,211	34.7%
Hydroelectric	17,941	-20.0%
Mini-hydroelectric	618	-7.8%
Solar and others	1,088	158.5%
Nuclear	23,737	0.9%
Gas combined cycle	21,973	7.4%
Cogeneration	8,897	10.9%
Coal	349	-78.7%
Production for third parties	**37,684**	**23.7%**
Renewables	227	-18.6%
Onshore wind	227	-18.6%
Gas combined cycle	37,457	24.1%
Total	**151,714**	**4.2%**

Discrepancies possible due to rounding.

2.1 Spain

Renewable capacity and production

At year-end, Iberdrola had an installed **renewable capacity** in Spain of 16,526 MW, with the following breakdown:

Spain	Installed MW Consolidated at EBITDA level	MW managed by investee companies(*)	Total
Onshore wind	5,762	244	6,005
Hydroelectric	9,715	-	9,715
Mini-hydroelectric	303	2	306
Solar PV	500 (**)	-	500
Total Capacity	**16,280**	**246**	**16,526**

Discrepancies possible due to rounding
(*) Includes the proportional MW share
(**) Reported in MWdc. Equivalent to 391 MWac

Work on the two onshore wind farms of Ballestas and Casetona (69 MW) in Burgos has been completed, and the Padrillo wind farm (23 MW) in Zaragoza continues to be built and is slated for completion in the first quarter of 2020. The Cavar wind farm (111 MW) in Navarra is also under construction (Expected COD June 2020). Work on the Núñez de Balboa solar PV plant (500 MWdc) in Badajoz has been completed, setting up is expected as soon as all authorizations are received.

Elsewhere, work on the Puylobo wind farm (49 MW) in Zaragoza and the Andévalo solar PV plant (50 MWdc) in Huelva started in the last quarter. Work is also starting on over 1 GW of solar PV and wind projects, primarily in Castile-La Mancha, Castile-Leon, Andalusia and Extremadura.

In Portugal, work continues on the **Tâmega hydroelectric complex**, with **Daivões and Gouvães** slated for commissioning in 2021:

- Concreting work for the main body of the **Daivões** dam (118 MW) has been completed and 80% of the waterproofing is now in place, while more than 53% of the concrete for the generation plant has been poured.

- At the **Gouvães** site (880 MW), concreting work for the main hall of the generation plant and the transformer hall is 90% and 96% complete, respectively, while 35% of the adduction tunnel has been lined. The electromechanical fit-out of the 400-kV GIS substation is also finished and the electrical fit-out has commenced.
- Excavation work for the generation plant and slope reinforcement at the **Alto Tâmega** (160 MW) site is now 94% complete.

Renewable output totalled 22,191 GWh, as follows:

SPAIN	GWh Consolidated at EBITDA level	GWh managed by investee companies(*)	Total
Onshore wind	12,039	452	12,491
Hydroelectric	9,082	-	9,082
Mini-hydroelectric	611	7	618
Total Production	**21,732**	**459**	**22,191**

Discrepancies possible due to rounding
(*) Includes the proportional GWh share

Changes in production consolidated at EBITDA level by technology have been as follows:

- Onshore wind production totalled 12,039 GWh over the period – up 7.2% on 2018 mainly due to a higher wind resource.
- Hydroelectric production fell year on year by 33.0% to 9,082 GWh due to less rainfall than in 2018.
- Production at the mini-hydroelectric plants dropped by 7.8% compared to the same period in the previous year, reaching 611 GWh, for the same reason.

Thermal capacity and production

At 31 December 2019, Iberdrola Group's **thermal capacity** in Spain totalled 10,098 MW, broken down as follows:

Spain	MW Consolidated installed	MW Investee companies(*)	Total
Nuclear	3,166	11	3,177
Gas combined cycle	5,695	-	5,695
Cogeneration	302	51	353
Coal	874	-	874
Total Capacity	**10,036**	**62**	**10,098**

Discrepancies possible due to rounding.
(*) Includes the proportional MW share

Iberdrola's **thermal production** during the 12 months of 2019 was up 14.6% compared to the same period of the previous year, mainly spurred by greater production of the combined cycle plants and, to a lesser extent, the nuclear facilities because of lower coal-fired production and less rain in 2019.

Of the 36,369 GWh produced, Iberdrola consolidated 35,896 GWh at EBITDA level, with 473 GWh consolidated using the equity method. The breakdown is as follows:

Spain	GWh Consolidated at EBITDA level	GWh Investee companies(*)	Total
Nuclear	23,656	81	23,737
Gas combined cycle	9,697	-	9,697
Cogeneration	2,194	392	2,586
Coal	349	-	349
Total Production	**35,896**	**473**	**36,369**

Discrepancies possible due to rounding.
(*) Includes the proportional MW share

Retail: Spain

As regards retail, at 31 December 2019 the portfolio managed by Iberdrola in Spain totalled 16.8 contracts. The breakdown is as follows:

Thousands of contracts	Spain
Electricity contracts	10,077
Gas contracts	1,048
Contracts for other products and services	5,720
Total	**16,845**

By market type they can be split into the following:

Thousands of contracts	Spain
Free market	13,394
Last resort market	3,450
Total	**16,844**

Iberdrola's electricity sales* over the 12 months of 2019 are broken down as follows:

	GWh Spain
Free market	54,489
Voluntary price for small consumers (PVPC) market	8,549
Other markets	31,773
Total Sales	**94,811**

With regard to gas**, over the 12 months of 2019 Iberdrola managed total gas production of 6.1 bcm, of which 2.85 bcm were sold in wholesale transactions, 1.47 bcm were sold to end customers and 1.79 bcm went towards electricity production.

On 20 June, Iberdrola resolved to assign its portfolio of gas and sea freight contracts and gas supply contracts in the UK to Pavilion Energy Trading & Supply Pte. along with other gas supply contracts agreement closed at the beginning of 2019.

* Sales in busbars
** Including shrinkage

2.2. United Kingdom

Renewable capacity and production

At the end of the year, Iberdrola had a renewable installed capacity in the United Kingdom of 2,520 MW:

United Kingdom	Installed MW Consolidated at EBITDA level	MW managed by investee companies(*)	Total
Onshore wind	1,891	15	1,906
Offshore wind	614	-	614
Total Capacity	**2,505**	**15**	**2,520**

Discrepancies possible due to rounding.
(*) Includes the proportional MW share

Work continues on the Beinn an Tuirc 3 (50 MW) and Halsary (30 MW) **onshore wind** farms, both in Scotland. Several battery storage projects are also about to break ground.

Currently, the renewables business is developing **offshore wind projects** in the United Kingdom, notably the East Anglia projects in the North Sea.

The **East Anglia 1** project is already generating electricity and recently complied with all the Operational Conditions Precedent (OCPs) to begin receiving payments under the Contracts for Difference scheme in the United Kingdom. Over half the wind farm's turbines have now been erected (60 of 102 turbines to date). The wind farm will be fully operational in 2020 and will be capable of supplying clean energy to some 630,000 homes in the United Kingdom. A new operation and maintenance base has been built, which will be used to manage the project over the next 25 years.

On the other hand, the development of a portfolio of projects in the East Anglia area continues. The East Anglia 3 project, originally 1,200 MW but upgraded to 1,400 MW after BEIS approval in June 2019, participated in September in the AR3 auction with the aim of obtaining a contract for difference. This auction was settled at £39.65/MWh and £41.61/MWh (2012 prices) for delivery years 2023/24 and 2024/25 respectively, and EA3 was not finally awarded. Therefore, the project has now been redesigned to be developed as a Hub together with East Anglia 1 North and East Anglia 2 in an accelerated and more competitive programme, with applications for consent having been submitted to the Secretary of State for the EA2 900MW and EA1N 800MW projects during the month of October and expected to be granted in 2021.

Renewable production in the United Kingdom came to 4,640 GWh, with the following breakdown:

United Kingdom	GWh Consolidated at EBITDA level	GWh managed by investee companies(*)	Total
Onshore wind	3,683	24	3,706
Offshore wind	934	-	934
Total Production	**4,617**	**24**	**4,640**

Discrepancies possible due to rounding.
(*) Includes the proportional GWh share

Production at EBITDA level varied as follows:

- Onshore wind production reached 3,683 GWh, down 2.8% compared to the prior year, due to lower wind resource.
- Offshore wind production increased by 23.7%, amounting to 934 GWh.

UK Retail business

As at 31 December 2019, the portfolio managed in the UK is broken down as follows:

Thousands of contracts	UK
Electricity contracts	2,816
Gas contracts	1,891
Contracts for other products and services	374
Total	**5,080**

Smart meters continue to be rolled out, with a total of 1.5 million meters installed as at 31 December 2019.

Moreover, at the December 2019 close, 19,539 GWh of electricity and 26,828 GWh of gas had been supplied to customers – down 9.1%* and 8.5%**, respectively, on year-end 2018.

2.3. United States – Avangrid

Renewable capacity and production

At year-end, Iberdrola had an installed **renewable capacity** in the United States of 7,520 MW, with the following breakdown:

USA	Installed MW Consolidated at EBITDA level	MW managed by investee companies(*)	Total
Onshore wind	7,046	213	7,259
Hydroelectric	118	-	118
Solar (PV+TM) and others	131	12	143 (**)
Total Capacity	**7,295**	**225**	**7,520**

Discrepancies possible due to rounding.
(*) Includes the proportional MW share
(**) Reported in MWdc. Equivalent to 119 MWac

Regarding **wind energy**, the Montague (201 MW) wind farm in Oregon and Karankawa (307 MW) wind farm in Texas were completed and then commissioned in the last quarter of the year. The Otter Creek (158 MW) wind farm in Illinois is still being built and preliminary work is being carried out before a further 1 GW of wind and solar PV capacity is rolled out.

With regard to **offshore wind projects** in the United States, work is ongoing on the **Vineyard Wind** project off the coast of Massachusetts. The federal agency coordinating the granting of permits, the Bureau of Ocean Energy Management (BOEM), has delayed publication of the environmental impact assessment and issued a new timetable. A final decision is expected in December 2020.

* Sales in power plant bars
** Without deducting losses

In December 2019, Park City Wind project (804 MW) was awarded in the Connecticut auction (RFP - Request for Proposals). This project will supply energy to the state of Connecticut, although it will be located in the same lease area as Vineyard Wind and will be connected to the coast at the same point in the state of Massachusetts. It is expected to become operational in 2025.

The **Kitty Hawk** project off the coast of North Carolina is also continuing apace. Geophysical surveys of the 495 km2 area are being completed along with the associated cable-laying, while high-definition digital bird surveys have been carried out over the last 12 months. Documentation has been submitted to the BOEM for approval in order to install the wind and oceanic measuring equipment. Approval is expected to be received in the spring of 2020 and roll-out shortly after.

Renewable production in the United States came to 17,480 GWh, with the following breakdown:

USA	GWh Consolidated at EBITDA level	GWh managed by investee companies(*)	Total
Onshore wind	16,577	376	16,953
Hydroelectric	179	-	179
Solar (PV+TM) & others	348	-	348
Total Production	**17,104**	**376**	**17,480**

Discrepancies possible due to rounding.
(*) Includes the proportional GWh share

Changes in production by technology consolidated at EBITDA level have been as follows:

- Onshore wind production reached 16,577 GWh, up 2.3% on 2018 due to the higher wind load factor.
- Hydroelectric production fell 33.4% to 179 GWh from 269 GWh in 2018.
- Production of solar power and others (including 75 GWh of fuel cells) increased by 1.6%, to 348 GWh.

2.4. Mexico

Renewable capacity and production

At year-end, Iberdrola had an installed **renewable capacity** in Mexico of 963 MW, with the following breakdown:

Mexico	Installed MW Consolidated at EBITDA level	MW managed by investee companies(*)	Total
Onshore wind	594	-	594
Owned	492	-	492
Third parties	103	-	103
Solar and others	368 (**)	-	368
Total Capacity	**963**	**-**	**963**

Discrepancies possible due to rounding.
(*) Includes the proportional MW share
(**) Reported in MWdc. Equivalent to 270 MWac

Regarding **wind technology**, work continues on the Pier project (221 MW) in Puebla and Santiago Eólico project (105 MW) in the state of San Luis de Potosí. Meanwhile, ground has been broken on the Cuyoaco solar PV plant (274 MWdc) in the state of Puebla.

The **renewable production** generated during the period was 1,651 GWh, up 50.7% from the 2018 close, due to an increase in average solar photovoltaic capacity in operation (+323 MWdc).

Mexico	GWh Consolidated at EBITDA level	GWh managed by investee companies(*)	Total
Onshore wind	920	-	920
Owned	693	-	693
Third parties	227	-	227
Solar and others	731	-	731
Total Production	**1,651**	**-**	**1,651**

Discrepancies possible due to rounding.
(*) Includes the proportional GWh share

Production at EBITDA level by technology has been as follows:

- Onshore wind production reached 920 GWh, down 15.1% compared to the 2018 close, due to lower recorded wind resource.
- With regard to solar energy production, the Hermosillo (136 MWdc) and Santiago (232 MWdc) farms, installed at the end of 2018, generated 731 GWh over the period.

Thermal capacity and production

Thermal capacity in Mexico totalled 8,569 MW at 31 December 2019, after the Topolobampo II combined cycle plant (911 MW, 887 MW for third parties) came on stream in the fourth quarter. Thermal production in the 12 months of 2019 totalled 49,231 GWh – 24% higher than in the same period a year earlier.

MEXICO	MW	GWh
Gas combined cycle	8,223	46,397
For own use	1,946	8,940
For third parties	6.277	37,457
Cogeneration	346	2,834
Total	**8,569**	**49,231**

Discrepancies possible due to rounding

In addition to these plants, the Topolobampo III (779 MW, with 766 MW for third parties) combined cycle plant is expected to enter commercial operation soon.

Retail in Mexico

Electricity sales commitments at the end of 2019 amounted to 50,255 GWh, broken down as follows:

	GWh Mexico
CFE (Federal Electricity Commission)	37,451
Private	12,804
Total Sales	**50,255**

2.5. Brazil – Neoenergia

Renewable capacity and production

At year-end, Iberdrola had an installed **renewable capacity** in Brazil of 3,547 MW, with the following breakdown: :

Brazil	Installed MW Consolidated at EBITDA level	MW managed by investee companies(*)	Total
Onshore wind	516	-	516
Hydroelectric	836	2,195	3,031
Total Capacity	**1,352**	**2,195**	**3,547**

Discrepancies possible due to rounding.
(*) Includes the proportional MW share

Work has started at the Chafariz complex in the state of Paraiba, comprising a total of 15 wind projects with a capacity of 472 MW with expected COD in 2022. Meanwhile, a further 12 wind projects, for a total of 566.5 MW, will be constructed in the state of Piauí whose work is expected to be completed in the second half of 2022.

Renewable production in 2019 amounted to 10,674 GWh, with the following breakdown:

Brazil	GWh Consolidated at EBITDA level	GWh managed by investee companies(*)	Total
Onshore wind	1,993	-	1,993
Hydroelectric	1,354	7,326	8,680
Total Production	**3,347**	**7,326**	**10,674**

Discrepancies possible due to rounding.

Changes in production consolidated at EBITDA level by technology have been as follows:

- Onshore wind production reached 1,993 GWh, down 6.0% versus 2018, due to lower recorded wind resource and availability.
- Hydroelectric production reached 1,354 GWh (+47.4%).

Thermal capacity and production

In Brazil, thermal capacity at the end of September 2019 remained at 533 MW and thermal production in the 12 months of 2019 was 3,334 GWh (-6,2%).

BRAZIL	MW	GWh
Gas combined cycle	533	3,334
Total	**533**	**3,334**

Retail business

Electricity sales at year-end 2019 amounted to 15,040 GWh, broken down as follows:

Brazil	GWh
PPA	10,382
Free market	4,658
Total Sales	**15,040**

2.6. Iberdrola Energía Internacional (IEI)*

Renewable capacity and production

Installed **renewable capacity** at Iberdrola Energía Internacional* reached the 965 MW mark, broken down as follows:

Iberdrola Energía Internacional (IEI)*	MW
Onshore wind	609
Offshore wind	350
Solar	6
TOTAL	**965**

Discrepancies possible due to rounding

Installation and commissioning work on the 4-MW Sarakatsaneika I onshore wind farm has been wrapped up, while the Pyrgari (16 MW) wind farm that was awarded in the Greek government's energy auctions in July 2018 is still being built.

Turning to solar PV, Iberdrola was allocated 186 MWdc of capacity at the start of the third quarter at the renewables auction in Portugal. In Port Augusta, Australia, a hybrid wind and solar project of c.300 MW will be constructed. It will be one of the largest hybrid renewable energy plants in the southern hemisphere. Total portfolio of the project in the country is 650 MW

Offshore wind farms continue to be developed in France and Germany:

In France, the main suppliers for the **Saint-Brieuc** (**496 MW**) project continue to be appointed to supply foundations, the substation, interconnection cables and installation work, with most of those suppliers now in place. A preliminary agreement has been concluded with grid operator RTE to ensure the grid connection will be available in the second quarter of 2023.

In Germany, the **Baltic Eagle (476 MW)** and **Wikinger Süd (10 MW)** projects remain on schedule. The wind turbine supplier has been selected, while site analysis and permitting activities are on schedule. A preliminary agreement has been closed with grid operator 50Hertz to ensure connection to the grid by 2024. Design work is also continuing as planned.

Onshore wind power is broken down per country as follows:

Iberdrola Energía Internacional (IEI)*	MW
Greece	259
Portugal	92
Cyprus	20
Hungary	158
Romania	80
Total	**609**

Discrepancies possible due to rounding

Renewable production reached 2,665 GWh at year-end 2019, up 22.3% from the 2018 close, with the following breakdown by technology:

Iberdrola Energía Internacional (IEI)*	GWh
Onshore wind	1,379
Offshore wind	1,277
Solar	9
Total Production	**2,665**

Discrepancies possible due to rounding

* Formerly "Rest of the World"

By technology, onshore wind production is up (+7.4%), as is offshore production thanks to Wikinger (+44.0%). Solar PV production is down slightly (-0.3%).

Retail business

As regards retail, at 31 December 2019, the portfolio managed by Iberdrola in Portugal, France, Italy, Germany and Ireland totalled 1,513,261 contracts, up 106.1% from December 2018. The breakdown is as follows:

Thousands of contracts	IEI*
Electricity contracts	603
Gas contracts	200
Smart solutions contracts	710
Total	**1,513**

3. OTHER ASPECTS

3.1. Shareholder remuneration

The results posted enable Iberdrola to propose at the next General Shareholders' Meeting a 14% increase in the annual pay-out against 2019 earnings to EUR 0.40 per share (gross). This means the minimum dividend target for 2022 will have been reached three years ahead of schedule.

The aforementioned figure of EUR 0.40 per share (gross) is the sum of the interim dividend of EUR 0.168 per share (gross) distributed in February and a final dividend of EUR 0.232 per share (gross), if it is approved at the General Shareholders' Meeting (to be paid out in July 2020).

Turning to the outcome of the last round of the "Iberdrola Scrip Dividend" optional dividend scheme corresponding to the interim dividend, shareholders holding 77.38% of Iberdrola's capital opted to receive new shares. It is worth noting that Iberdrola remains committed to keeping the number of shares at 6,240,000,000, once the proposed share redemption is approved at the General Meeting.

This "Iberdrola Scrip Dividend" scheme allows Iberdrola's shareholders to choose from among the following options (or to combine them, with the value of the remuneration to be received being equivalent):

i. receive new shares at no cost;
ii. receive cash by selling their free allocation rights in the market; or
iii. receive cash by collecting the interim dividend payment.

4

Analysis of the consolidated profit and loss account

The most notable results figures for 2019 are as follows:

EUR millions	12M 2019	12M 2018	%
NET REVENUE	36,437.9	35,075.9	3.9
GROSS MARGIN	16,263.4	15,435.1	5.4
EBITDA	10,104.0	9,348.9	8.1
EBIT	5,877.2	5,439.4	8.0
REPORTED NET PROFIT	3,406.3	3,014.1	13.0

At the close of 2019, EBITDA had increased 8.1% year-on-year, despite a smaller contribution from hydroelectric, driven by growth across the Networks and Generation and Supply businesses.

The **Networks** business has benefited especially from the decent performance in Brazil, with positive tariff reviews approved in April 2018 and August 2019, an increased contribution from transmission assets, the positive impact of efficiencies, and higher demand. The transmission and distribution business in the United Kingdom also grew due to a larger asset base.

The **Renewables** business was affected by lower hydroelectric production in Spain, partially offset by greater offshore wind production due to the contribution of Wikinger in Germany (last year it gradually became operational during the first half of the year), the commissioning of East Anglia 1 in UK in the third quarter of 2019, and the contribution of the new onshore wind and solar installed capacity.

The **Generation and Supply** business is benefiting from the strong performance in Spain and Mexico, despite the UK's smaller contribution due to narrow margins and a dip in demand.

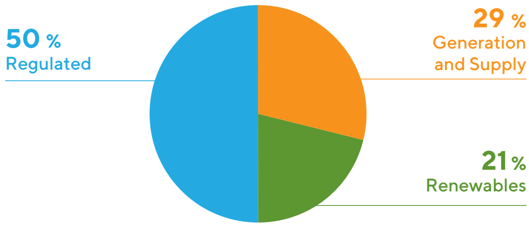
Meanwhile, the exchange rate trend for the main currencies added EUR 122.8 million to EBITDA.

1. GROSS MARGIN

The gross margin was EUR 16,263.4 million – up 5.4% compared to 2018.

This performance is the result of the following:

Gross Margin by business



- **The Networks business** saw a 6.4% improvement in its gross margin versus 2018, to EUR 8,130.6 million.
  - It stood at EUR 2,116.9 million (+0.3%) in Spain thanks to new investments and the impact of assigning its fibre optic network (EUR +49 million); effects offset by the recognition in 2018 of a non-recurring positive impact of EUR 55 million as a result of the favourable court ruling on facilities transferred to customers (ICAs).
  - The United Kingdom contributed EUR 1,310.7 million (up +7.2%) due to the rise in transmission and distribution revenues as a result of a larger asset base owing to the investments made.
  - The contribution of the United States in the period stood at EUR 2,875.4 million (+3.4%) thanks to the contribution of the exchange rate as the tariff agreements in force, recovery of prior years' storm costs do not offset the negative impact of tariff adjustments to pass on to customers the effect of the tax reform as from the third quarter of 2018, the Revenue Decoupling Mechanism IFRS adjustment (reimbursement for volumes in prior years exceeding those recognised by the regulator) and higher expenses than those recognized in the tariff.
  - Brazil's gross margin amounted to EUR 1,827.6 million (+19.5%), due to the positive tariff reviews of Coelba and Cosern from April 2018 and of Elektro from August 2019, the greater contribution of transmission assets and an increase in demand (+4.0%). However, this business was negatively affected by the depreciation of the Brazilian real, with a reduction of EUR 45.9 million.

- **The Renewables business** reported a gross margin of EUR 3,445.6 million (-4.6%).
  - In Spain, it came to EUR 1,250.9 million (-20.8%) due to lower hydroelectric output (-31.8%), partially offset by an increase in wind production (7.2%).
  - The gross margin in the United Kingdom was up 5.3% at EUR 677.6 million, off the back of higher wind production (+1.6%) and higher prices, which more than offset the sale of hydroelectric assets at the end of 2018. Exchange rate variations totalled EUR +4.9 million.
  - The United State's contribution climbed to EUR 852.1 million (+2.0%) as a result of exchange gains of EUR 44.5 million, since the gross margin is down in the local currency because the greater production due to the increase in capacity has been offset by lower prices and the expiration of PPAs.
  - Brazil posted a gross margin of EUR 173.7 million (-2.5%), resulting from a decrease in wind production (-6.0%), partially offset by higher hydroelectric output after Baixo Iguazú came on stream. The depreciation of the Brazilian real deducted EUR 4.4 million.
  - Mexico's contribution increased by 28.7% to EUR 113.1 million thanks to higher production (+50.7%) because of the growth in the average solar capacity in operation (+323 MW). Exchange rate variations added EUR 4.9 million.
  - Iberdrola Energía Internacional (IEI) – formerly the Rest of World – added EUR 378.3 million (+32.1%), driven by the contribution of the Wikinger offshore wind farm, which gradually came on stream last year and whose production has increased by 44.0% to 1,277 GWh, from 887 GWh in 2018.
- **The Generation and Supply** business margin swelled by 12.5%, totalling EUR 4,687.6 million.
  - In Spain, it climbed to EUR 2,930.8 million (+22.3%) as a result of higher production (+14.6%), better margins because of active management of the customer portfolio (energy and smart solutions), and the effect of recognising at market value (selling price) the assignment of long-term LNG supply agreements (EUR +87 million), as per prevailing accounting standards.
  - The United Kingdom's gross margin stood at EUR 684.4 million (-20.7%), affected by smaller margins and lower sales of electricity (-9.7%) and gas (-7.0%).
  - Mexico contributed EUR 934.9 million (+23.6%) to the gross margin due to higher income from the increase in capacity during 2018, with a full contribution in 2019 (Escobedo combined cycle, Bajío cogeneration and the repowering of Monterrey IV), and the commissioning of the El Carmen combined cycle plant in September 2019 and Topolobampo II in October 2019. The appreciation of the dollar had an effect of EUR +48.8 million.
  - Brazil's contribution to the gross margin reached EUR 92.2 million (-31.2%) due to a non-recurring impact on the commercial business and narrower margins.
  - Iberdrola Energía Internacional (IEI), formerly the Rest of World, added EUR 45.3 million to the gross margin from its commercial business in Europe. This compares with its contribution of EUR 19.2 million in 2018.
- The contribution of **Other Businesses** came to EUR 44.4 million (-23.5%), following the sale of the gas trading and storage business in the United States during 2018.

2. GROSS OPERATING RESULT - EBITDA

Consolidated EBITDA increased by 8.1% versus 2018, to EUR 10,104.0 million.

In addition to the gross margin performance explained above, net operating expense was up 4.2% to EUR 4,330.4 million (+2.7% stripping out the exchange rate effect). This includes the cost of efficiency measures, primarily recognised in the fourth quarter, which will have positive effects in coming years despide the IFRS 16 effect which reduces the net operating expense in EUR 145 million.

Taxes decreased by 5.3% to EUR 1,829.0 million as a result of lower taxes in Spain because of lower prices and hydroelectric production.

3. NET OPERATING RESULT - EBIT

EBIT was EUR 5,877.2 million – 8.0% rise compared with 2018.

Depreciation and amortisation charges and provisions increased by 8.1%, totalling EUR 4,226.7 million:

- Depreciation and amortisation charges rose 8.0% to EUR 3,874.3 million, due to the Group's increased activity and increase in assets, the effect of IFRS 16 (EUR 127 million) and accelerated depreciation in the commercial business in the United Kingdom (EUR 106 million) due to the increase in customer acquisition costs and customer churn rate, partially offset by lower nuclear asset depreciation (EUR 111 million) and the sale of the generation assets in the United Kingdom (EUR 70 million).
- Provisions amounted to EUR 352.4 million, up by EUR 29.2 million (+9.0%) due to an increase in delinquency rates.

4. FINANCIAL RESULT

The net financial result was EUR 1,300.1 million, up EUR 144.0 million (12.5%) compared to the 12 months of 2018. This resulted from a greater average debt balance and exchange rate hedges, despite the lower borrowing cost, limited by the greater weight of non-euro currencies.

- The cost of debt rose by EUR 64.7 million due to the EUR 2,443 million increase in the average balance and application of IFRS 16 (EUR +1,652 million, EUR 1,246 million of which is due to the change in accounting criteria from the previous year and EUR 406 million is associated with new leases arranged in 2019) increasing financial expense in EUR 51.6 million, despite the 5 basis-point decrease in cost.
- Income from derivatives and others was down EUR 79 million, primarily because of the effect of exchange rate hedges in Mexico, which are offset in other profit and loss items.

	Dec-19	Dec-18	Dif.
Cost of debt	-1,239.8[b]	-1,175.2	-64.7
Average balance[a]	-	-	*-83.0*
Cost	-	-	*+18.3*
Derivatives and others	-60.3	19.1	-79.3
Financial Result	**-1,300.1**	**-1,156.1**	**-144.0**

The cost of borrowing has dropped by 5 b.p from 3.40% to 3.35% because of better borrowing terms, despite the increase in the weight of non-euro currencies.

5. RESULT OF COMPANIES ACCOUNTED FOR USING THE EQUITY METHOD

The result of companies accounted for using the equity method reached EUR -51.4 million compared to EUR 4.7 million at the 2018 close. This loss derived from the poor results of Engineering with non-recurring effects, lower earnings at Siemens-Gamesa, and the divestment of cogeneration companies in Spain in 2018.

6. GAINS ON DISPOSAL OF NON-CURRENT ASSETS

Gains on disposal of non-current assets totalled EUR 202.8 million (versus EUR 8.9 million in 2018) and include the gain from the agreement reached with Lyntia Networks for the long-term assignment of the right to use surplus fibre-optic network capacity (EUR 114 million), along with the gain from the sale of wind farms in the United States and real estate in Spain.

7. NET PROFIT

Lastly, **net profit** stood at EUR 3,406.3 million, a 13.0% rise compared to the figure obtained in 2018. The levies are lower because of an amendment to the double-taxation treaty between the United States and Spain eliminating tax on dividends in the United States if an equity stake of over 80% is held (tax was previously charged for equity stakes of 10% and over). As this amendment has finally been approved several years after the treaty agreement was reached, Iberdrola Group has eliminated the deferred tax liability currently recognised for undistributed profits, with a non-recurring positive effect of EUR 129 million. Non-controlling interests were up 26.3% to EUR 408.2 million, mainly due to the higher result in Brazil.

a) The average balance was up EUR 34,582 million at EUR 37,025 million.
b) It includes an expense of EUR 53.5 million and an average balance of EUR 1,652 due to IFRS 16.

5

Results by business

1. NETWORKS BUSINESS

Key figures for the Networks business are as follows:

(EUR millions)	12M 2019	vs 12M 2018
Revenues	14,209.9	10.5%
Gross margin	8,130.6	6.4%
EBITDA	5,262.2	7.1%
EBIT	3,296.3	8.6%

The Networks business's EBITDA is up 7.1% at EUR 5,262.2 million, improving its contribution by EUR 347.2 million, driven by increased business in Brazil and the United Kingdom.

1.1 Spain

(EUR millions)	12M 2019	vs 12M 2018
Revenues	2,122.2	-0.2%
Gross margin	2,116.9	0.3%
EBITDA	1,710.7	0.1%
EBIT	1,162.4	-1.0%

a) Gross Margin

The gross margin of the Networks business in Spain increased by 0.3% to EUR 2,116.9 million thanks to new investments and the impact of assigning the fibre optic network to Lyntia (EUR +49 million); effects offset by the recognition in 2018 of a non-recurring positive impact of EUR 55 million as a result of the favourable court ruling on facilities transferred to customers (ICAs).

b) Operating Profit / EBIT

This business's EBITDA totalled EUR 1,710.7 million, representing a 0.1% rise because a 2.0% higher net operating expense of EUR 316.3 million has to be added to the change in the gross margin due to the cost of efficiency measures rolled out in 2019, which will take effect in future years. Taxes decreased by 0.3% to EUR 89.9 million.

EBIT for the Networks business in Spain totalled EUR 1,162.4 million (-1.0%). Depreciation and amortisation charges and provisions amounted to EUR 548.2 million (+2.4%) due to IFRS 16 effect.

1.2 United Kingdom

(EUR millions)	12M 2019	vs 12M 2018
Revenues	1,372.6	7.6%
Gross Margin	1,310.7	7.2%
EBITDA	986.8	7.3%
EBIT	641.0	5.9%

a) Gross Margin

The gross margin of the Networks business in the United Kingdom (ScottishPower Energy Networks - SPEN) reached EUR 1,310.7 million (up 7.2%), due to higher revenues from transmission and distribution as a result of a larger asset base, arising from further investment in the business.

b) Operating Profit / EBIT

EBITDA amounted to EUR 986.8 million (+7.3%) – up 6.5% in local currency. Net operating expense rose by 8.8% to EUR 214.9 million, mainly due to increased levels of business. Taxes increased by 3.3% to EUR 108.9 million due to inflation.

Depreciation and amortisation charges and provisions totalled EUR 345.8 million (+10.1%) because of the new assets brought on stream.

1.3 United States

EUR millions	12M 2019	vs 12M 2018
Revenues	4,271.8	-0.1%
Gross margin	2,875.4	3.4%
EBITDA	1,330.3	-0.1%
EBIT	713.3	0.2%

a) Gross Margin

The gross margin increased by 3.4% to EUR 2,875.4 million, mainly due to the greater contribution of tariff agreements in New York and Connecticut, the recovery from the prior years' storms and the exchange rate effect (EUR +150.2 million). On the downside, tariff adjustments since the third quarter of 2018 to pass on the effects of the tax reform to customers (EUR -69 million) were a stand-out negative effect. However, this had no impact on net profit due to the lower tax rate introduced through the reform. Another negative effect was the Revenue Decoupling Mechanism adjustment, which involves reimbursing customers for volumes in prior years exceeding those recognised by the regulator in the tariff.

b) Operating Profit / EBIT

EBITDA of the Networks business in the United States reached EUR 1,330.3 million (-0.1%). Aside from the aforesaid change in the gross margin, there was a 6.3% rise in the net operating expense to EUR 1,063.0 million, driven by appreciation of the dollar. If this effect is stripped out, the net operating expense would have risen by only 0.7% as of fewer storm costs offset increase in costs due to higher business activity. Meanwhile, taxes were up 7.5% to EUR 482.0 million, also affected by the exchange rate and by the increase in the property tax rate in New York and the larger asset base.

EBIT totalled EUR 713.3 million (+0.2%), after deducting depreciation and amortisation charges and provisions totalling EUR 617.1 million.

1.4 Brazil

EUR million	12M 2019	vs 12M 2018
Revenues	6,443.3	24.3%
Gross margin	1,827.6	19.5%
EBITDA	1,234.3	29.2%
EBIT	779.6	43.6%

a) Gross Margin

The gross margin increased by 19.5%, reaching EUR 1,827.6 million at the 2019 close, reduced by the devaluation of the Brazilian real (+22.5% in local currency). The increase is due to higher income following the tariff review of Coelba and Cosern in April 2018 and Elektro in August 2019 and to the larger contribution of transmission assets and higher demand (+4.0%).

b) Operating Profit / EBIT

EBITDA in the area totalled EUR 1,234.3 million (+29.2%). Net operating expense was up 3.3% at EUR 589.7 million because of an increase in activity, although the increase in expense was partially offset by efficiencies and exange rate.

Depreciation and amortisation charges and provisions amounted to EUR 454.7 million (+10.3%) due to the increase in assets in operation and delinquency, partially offset by depreciation of the Brazilian real.

2. RENEWABLES BUSINESS

Key figures for the Renewables business are as follows:

(EUR millions)	12M 2019	vs 12M 2018
Revenues	3,834.3	-5.2%
Gross Margin	3,445.6	-4.6%
EBITDA	2,385.1	-2.4%
EBIT	1,221.9	-12.5%

The wind energy business's contribution to EBITDA falls by 2.4%, as higher wind production does not offset for lower hydroelectric production in Spain. The key factors behind this are as follows:

- **Average operating capacity** consolidated at EBITDA level during the period was up slightly versus 2018 (+1.2%, +334.3 MW) as more solar PV capacity in Mexico (+323.0 MW), onshore wind capacity in the United States (+288.8 MW), and hydroelectric capacity in Brazil (+208.3 MW) following the commissioning of Baixo Iguazú came on line. Wikinger was also available in 2019. These effects more than offset the divestments in 2018, such as the sale of hydroelectric capacity in the United Kingdom (-563 MW), included in the agreement reached with Drax at the end of 2018, and the sale of the Puertollano solar thermal plant in Spain (-45.8 MW).
- The consolidated **load factor** was 21.3% at the end of 2019, below the 22.6% recorded in 2018, although with differences according to the technology:

Technology	12M 2019	vs. 12M 2018
Onshore wind	27.1%	+0.1 p.p.
Offshore wind	43.1%	+6.2 p.p.
Hydroelectric	11.3%	-4.5 p.p.
Other technologies	26.7%	+3.6 p.p.

Consequently, and despite the higher average capacity in operation, **production** consolidated at EBITDA level was down 4.8% in 2019 at 50,862.9 GWh. This derived from the relatively significant impact of lower rainfall in 2019 in the renewable energy mix, which more than offset the increase in wind resource in the offshore wind business and higher load factors in the solar PV, while the wind load factor remained stable year-on-year.

- The **average sale price of renewable output across the world** stood at EUR 67.7/MWh, in line with the average price in 2018.

2.1 SPAIN

(EUR millions)	12M 2019	vs 12M 2018
Revenues	1,327.8	-21.7%
Gross margin	1,250.9	-20.8%
EBITDA	736.1	-19.9%
EBIT	394.9	-33.0%

a) Gross Margin

The gross margin came to EUR 1,250.9 million (-20.8%) due to lower hydroelectric output (-31.8%), which could not be offset by the increase in wind production over the period (+7.2%).

b) Operating Profit / EBIT

EBITDA slumped 19.9% to EUR 736.1 million. Aside from the aforesaid change in gross margin, the net operating expense decreased (-7.2%) because of higher capitalisations of projects under development, the application of IFRS 16. Meanwhile, taxes fell by 32.1% thanks to lower volumes and prices during 2019.

Depreciation and amortisation charges and provisions rose to EUR 341.2 million (+3.6%) compared to 2018 because of the change in accounting treatment under IFRS 16 partially offset by the sale of the Puertollano thermosolar plant in 2018, with EBIT shrinking to EUR 394.9 million (-33.0%).

2.2 UNITED KINGDOM

(EUR millions)	12M 2019	vs 12M 2018
Revenues	726.9	4.2%
Gross margin	677.6	5.3%
EBITDA	525.0	1.4%
EBIT	363.2	2.1%

a) Gross Margin

The United Kingdom business saw its gross margin increase by 5.3% (+4.5% in local currency) compared to 2018 to EUR 677.6 million. The main reasons for this are the higher average price and increased output of wind energy (+1.6%), especially offshore wind (a segment that East Anglia 1 is now contributing to), which more than compensates for the sale of hydroelectric capacity to British firm Drax at the end of 2018.

b) Operating Profit / EBIT

Net operating expense rose 26.2% (EUR +26.8 million) because of the non-recurring positive offsets in 2018, partially mitigated by the sale of hydroelectric capacity, while taxes fell (EUR -0.5 million), leaving EBITDA at EUR 525.0 million (+1.4%).

Depreciation and amortisation charges and provisions remained practically unchanged at EUR 161.8 million (-0.1%) thanks to the aforementioned 2018 sale of capacity, is offseted by the effect of IFRS 16 and part of East Anglia 1 coming on line, leaving EBIT at EUR 363.2 million (+2.1%).

2.3 UNITED STATES

(EUR millions)	12M 2019	vs 12M 2018
Revenues	1,063.6	3.6%
Gross margin	852.1	2.0%
EBITDA	591.3	3.2%
EBIT	116.4	-45.6%

a) Gross Margin

The gross margin was up 2.0% at EUR 852.1 million because of the appreciation of the dollar, since the increase in output (+2.3%) resulting from a greater average capacity during the year (+4.7%, +294.2 MW) was offseted by less wind (-0.7 p.p.) and the decrease in the local price due to the expiration of some PPAs and the widespread fall in merchant prices.

b) Operating Profit / EBIT

Net operating expense remained flat at EUR 218.4 million, primarily due to the exchange rate effect (EUR 11.4 million), since it is down in local currency because of the effect of IFRS 16, compensating the uptick in activity in this business, while taxes were down on 2018 (-2.9%). As a result, EBITDA stood at EUR 591.3 million (+3.2%).

Depreciation and amortisation charges and provisions increased by EUR 115.8 million, due to the exchange rate effect (EUR 24.8 million), new operating capacity and IFRS 16 effect. As a result of all this, EBIT amounted to EUR 116.4 million in 2019.

2.4 MEXICO

EUR millions	12M 2019	vs 12M 2018
Revenues	116.3	27.9%
Gross margin	113.1	28.7%
EBITDA	85.6	30.9%
EBIT	43.4	9.2%

a) Gross Margin

The gross margin stood at EUR 113.1 million (+28.7%), mainly due to the positive contribution to production (+50.7%) and the gross margin of the 368 MW of solar PV capacity commissioned at the end of 2018 and despite the lower wind resource throughout the year (-5.1 p.p.). The exchange rate effect has also had a positive impact.

b) Operating Profit / EBIT

EBITDA was up 30.9% on 2018 at EUR 85.6 million in 2019 (+24.0% in local currency), with a 20.9% (EUR 4.6 million) increase in the net operating expense, affected by business growth and the exchange rate. These factors also drove up depreciation and amortisation charges and provisions by 64.6% (EUR +16.6 million) year-on-year. EBIT therefore rose to EUR 43.4 million (+9.2%) at the 2019 close.

2.5 BRAZIL

(EUR millions)	12M 2019	vs 12M 2018
Revenues	215.2	-11.7%
Gross margin	173.7	-2.5%
EBITDA	125.0	-3.4%
EBIT	76.3	0.3%

a) Gross Margin

The gross margin shrank by 2.5% (-0.1% in local currency) to EUR 173.7 million because of the lower wind resource (-2.8 p.p.), partially compensated by higher hydroelectric generation in 2019 after Baixo Iguazú (350 MW) began operating.

b) Operating Profit / EBIT

Net operating expense was down EUR 0.4 million (-0.7%), but remains practically flat because the aforementioned new hydroelectric capacity in operation has been partially offset by the effect of the IFRS 16 accounting change. EBITDA totalled EUR 125.0 million (-3.4%).

Depreciation and amortisation charges and provisions were down EUR 4.6 million (-8.7%) at EUR 48.7 million, mainly because of the reversal of a provision recognised in 2018; EBIT therefore ended the period at EUR 76.3 million (0.3%).

2.6 IBERDROLA ENERGÍA INTERNACIONAL (IEI)*

(EUR millions)	12M 2019	vs 12M 2018
Revenues	384.5	32.7%
Gross margin	378.3	32.1%
EBITDA	323.0	33.7%
EBIT	227.8	84.9%

a) Gross Margin

The gross margin of Iberdrola Energía Internacional reached EUR 378.3 million (+32.1%) thanks to the increase in total production (+22.3%), deriving from the contribution of the Wikinger offshore wind farm in Germany and onshore wind because of a higher load factor (+1.8 p.p.).

b) Operating Profit / EBIT

EBITDA rose by 33.7% to EUR 323.0 million, after deducting net operating expense, which was 21.6% higher due to Wikinger coming on stream. Depreciation and amortisation charges and provisions dropped to EUR 95.2 million (-19.6%) because the useful life of Wikinger was changed to 25 years, leaving EBIT at EUR 227.8 million (+84.9%).

* Formerly "Rest of the World"

3. GENERATION AND SUPPLY BUSINESS

Key figures for the Generation and Supply business are as follows:

(EUR millions)	12M 2019	vs 12M 2018
Revenues	20,726.2	-1.3%
Gross margin	4,687.6	12.5%
EBITDA	2,468.7	21.1%
EBIT	1,492.1	31.0%

The Generation and Supply business increased its contribution to the gross margin (+12.5%), largely supported by the performance of Spain and Mexico. The United Kingdom was negatively affected by the entry into force in January 2019 of the cap on certain gas and electricity tariffs (restricting the margins of the business), lower volumes due to calmer weather, and the sale of thermal generating assets at the end of last year.

3.1 Spain

(EUR millions)	12M 2019	vs 12M 2018
Revenues	12,800.8	1.7%
Gross margin	2,930.8	22.3%
EBITDA	1,557.7	51.8%
EBIT	1,114.7	114.2%

a) Gross Margin

Iberdrola's Generation and Supply Business in Spain recorded a 22.3% increase in its gross margin to EUR 2,930.8 million, principally due to:

- An increase in production to 36,369 GWh – a rise of 14.6% compared with the same period the previous year, above all due to combined cycle (+137.0%) output.
- Improved margins because of the forward sale that took place in 2018 and active management of the customer portfolio (energy contracts and contracts associated with smart solutions).
- The impact of recognising at market value long-term LNG supply agreements (EUR +87 million) following the deal reached with Pavilion Energy Trading & Supply to transfer the contractual position under these agreements.

b) Operating Profit / EBIT

EBITDA was up 51.8% at EUR 1,557.7 million thanks to the aforementioned higher gross margin and despite the increase in net operating expense (+1.5%) to EUR 685.9 million. This increase stems from the cost of the efficiency plans put in motion during 2019 (EUR 15 million), which will have a positive impact in future years. Taxes are down 0.9% at EUR 687.2 million because of a smaller tax charge associated with the tax measures for energy sustainability (Law 15/2012), a lower pool price, and a reduction in the payment under the Rates Subsidy (Bono Social), following the gradual inclusion of the new beneficiary group stipulated in Royal Decree 15/2018. The reduction in total taxes comes despite the higher ecotaxes (EUR 14 million).

Depreciation and amortisation charges and provisions fell by 12.5% to EUR 443.0 million, mainly as a result of the lower depreciation and amortisation associated with the nuclear facilities following the agreement reached with ENRESA (EUR 111 million) and the other partners in those facilities, for an orderly shutdown of the nuclear plants in Spain. In practice, this will mean operating the plants for an average of 46-47 years, compared to the 40 years hitherto considered for accounting purposes.

As a result of all of the above, EBIT rose by EUR 594.4 million compared to 2018, reaching EUR 1,114.7 million.

3.2 United Kingdom

(EUR millions)	12M 2019	vs 12M 2018
Revenues	4,526.5	-9.9%
Gross margin	684.4	-20.7%
EBITDA	110.1	-64.2%
EBIT	-242.6	-538.7%

a) Gross Margin

ScottishPower's liberalised business recorded a gross margin of EUR 684.4 million (-20.7%), all due to the Retail business, after the agreement with Drax for the sale of the generation business (thermal and hydroelectric capacity) in the UK took effect on 31 December 2018. As such, ScottishPower's capacity is now 100% renewable.

The main reasons for the operational decline compared to the same period in 2018, in addition to the sale of the thermal generation assets mentioned previously, are as follows:

- Impact of the cap on SVTs (Standard Variable Tariffs) in force since January 2019, limiting the maximum tariffs for certain types of customer, which in the case of ScottishPower account for around 30% of the total.
- Lower energy volumes due to customer churn and drop in demand for both electricity (-9.7%) and gas (-7.0%).
- Greater supply costs due to the rise in energy and network costs, as well as government obligations.

b) Operating Profit / EBIT

EBITDA for the liberalised business in the United Kingdom was EUR 110.1 million compared to EUR 307.2 million in 2019, as a result of the change in the gross margin described above. Net operating expenses also rose (+2.0%) after energy efficiency plans were launched (EUR 24 million) and due to higher metering costs associated with the greater number of third-party smart meters (EUR 15 million). Taxes increased by 9.2%, primarily those deriving from the implementation of government plans such as the ECO and the Warm Home Discount, which totalled EUR 20 million between them.

Depreciation and amortisation charges and provisions were up 40.0% due to the accelerated depreciation of the cost of the customer portfolio in the United Kingdom, following a review of the associated assumptions, yielding an impact of EUR 106 million. This effect was partially offset by the sale of the generation business in 2018 (EUR +58 million).

As a result of all of the above, the EBIT contribution was EUR -242.6 million compared with the contribution of EUR 55.3 million in 2018.

3.3 Mexico

EUR millions	12M 2019	vs 12M 2018
Revenues	2,327.0	3.6%
Gross margin	934.9	23.6%
EBITDA	762.0	19.4%
EBIT	636.4	19.3%

a) Gross Margin

In Mexico, the gross margin rose to EUR 934.9 million, an increase of 23.6% explained by the higher sales resulting from:

- New capacity in operation, primarily the Escobedo (892 MW) and Topolobampo II (927 MW) combined cycle plants, in the IPP category for CFE, and the El Carmen (866 MW) combined cycle plant, fully earmarked for private customers.
- Normalisation of tariffs in comparison to 2018.
- Appreciation of the dollar contributing EUR 48 million.

b) Operating Profit / EBIT

EBITDA rose 19.4% to EUR 762.0 million versus 2018. Net operating expenses rose by 45.7% to EUR 169.9 million, principally due to the uptick in activity and the exchange rate effect. Depreciation and amortisation charges and provisions increased by 19.7% to EUR 125.6 million due to the aforementioned new assets commissioned.

As a result of the above, EBIT for the business reached EUR 636.4 million (+19.3%).

3.4 Brazil

EUR millions	12M 2019	vs 12M 2018
Revenues	592.1	-25.3%
Gross margin	92.2	-31.2%
EBITDA	63.8	-30.6%
EBIT	41.6	-41.7%

The Generation and Supply business in Brazil was affected by a non-recurring negative effect of EUR 45 million from the commercial business during the period and lower margins.

3.5 IBERDROLA ENERGÍA INTERNACIONAL (IEI)*

EUR millions	12M 2019	vs 12M 2018
Revenues	1,150.3	11.9%
Gross margin	45.3	135.6%
EBITDA	-25.0	-2.7%
EBIT	-58.1	40.1%

IEI's results show a negative contribution at EBITDA and EBIT level as they reflect the initial development costs that the business inevitably incurs in the different countries when it is establishing operations.

4. OTHER BUSSINESS

Following the 2018 sale of the trading and storage division in the United States, Other Businesses includes the gas business in Canada and real estate activity.

EUR millions	12M 2019	vs 12M 2018
Revenues	169.9	12.6%
Gross margin	44.4	-23.5%
EBITDA	28.1	-3.1%
EBIT	16.5	-18.7%

a) Gross Margin

The gross margin decreased by 23.5% to EUR 44.4 million, due to the lower turnover resulting from the aforementioned sale in 2018 of the trading and storage division in the US, which does not offset the better results in the real estate business.

b) Operating Profit / EBIT

EBITDA fell 3.1% to EUR 28.1 million, with a net operating expense some 44.9% lower. Depreciation and amortisation charges and provisions climbed by 33.7% compared to the previous year, with EBIT standing at EUR 16.5 million.

* Formerly "Rest of the World"

5. CORPORATION

The Corporation item includes the Group's overheads and the cost of administration services of the corporate areas, which are subsequently billed to the other companies.

At the end of the year, the Corporation posted a negative EBITDA contribution of EUR 40.1 million improving versus last year (EUR -78.2 million) due to a reduction in net operating expense because of IFRS 16 and a positive effect concerning pensions in the United Kingdom (EUR +32 million).

6

Balance Sheet Analysis

January-December 2019

	Dec 2019	vs. Dec 2018
TOTAL ASSETS	122,369	8.3%
FIXED ASSETS	71,289	7.8%
INTANGIBLE ASSETS	20,368	-3.0%
LONG-TERM INVESTMENTS	5,819	12.1%
NET EQUITY	47,195	7.3%

At 31 December 2019, Iberdrola's balance sheet showed total assets of EUR 122,369 million, up EUR 9,331 million versus December 2018.

1. FIXED ASSETS

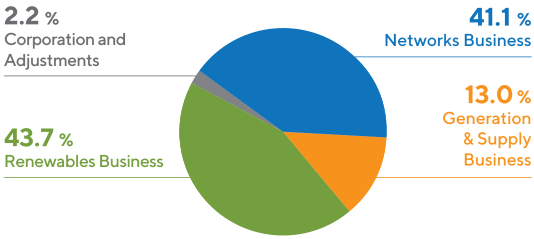
Net investments totalled EUR 7,239 million in 2019 (+36.1%), broken down as follows:

EUR millions	Jan-Dec 2019	%
Networks business	**2,975.9**	**41.1%**
Spain	421.5	
United Kingdom	583.3	
United States	1,149.5	
Brazil	821.6	
Renewables business	**3,166.9**	**43.7%**
Spain	723.6	
United Kingdom	870.3	
United States	1,354.5	
Brazil	84.7	
Mexico	91.9	
Iberdrola Energía Internacional (IEI)*	42.0	
Generation and Supply business	**942.3**	**13.0%**
Spain	301.9	
United Kingdom	212.6	
Mexico	312.2	
Brazil	30.8	
Iberdrola Energía Internacional (IEI)*	84.8	
Other Businesses	**-2.5**	**-**
Corporation and Adjustments	**157.0**	**2.2%**
Total net investment	**7,239.6**	**100.0%**
Total gross investment	**8,157.7**	**100.0%**

* Formerly "Rest of World"

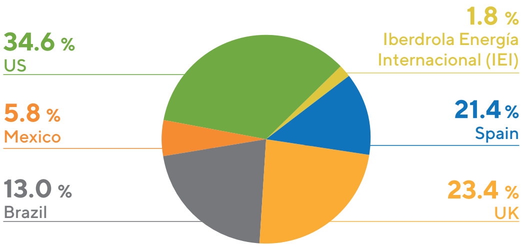
Investments during the period were concentrated in the Networks and Renewables business, in line with the group's strategy. These two businesses account for 85% of the total investment in 2019. (RENEWABLES BUSINESS)

Investment by Business (January-December 2019)



The following figure shows the geographical distribution of investments over the period:

Investments by geographical areas (January-December 2019)



Investment in the Renewables business totalled EUR 3,166.9 million, equivalent to 43.7% of the total. A highlight in the period was the EUR 1,354.5 million invested in the United States, primarily for the new Karankawa, Montague, Otter Creek and Patriot Wind wind farms.

In the "Networks business" section, most investments were made in the USA and Brazil, for total amounts of EUR 1,149.5 million and EUR 821.6 million, respectively.

2. SHARE CAPITAL

Iberdrola's share capital totalled EUR 4,772 million at 31 December 2019, represented by 6,362,072,000 shares, each with a par value of EUR 0.75 and all fully subscribed and paid.

3. FINANCIAL DEBT

Adjusted net financial debt at 31 December 2019 amounted to EUR 37,769 million, up EUR 3,620 million from EUR 34,149 million at December 2018, primarily due to the application of IFRS 16 (EUR 1,652 million) and the group's major investment drive.

The adjusted net leverage was up 0,4 p.p. to 44.1% versus 43.7% at 31 December 2018, which did not include the impact of IFRS 16.

The ratings issued by rating agencies are as follows:

Iberdrola´s Credit Rating

Agency	Rating*	Outlook*
Moody's	Baa1 (15/06/2012)	Stable (05/11/2012)
Fitch IBCA	BBB+ (02/08/2012)	Stable (25/03/2014)
STANDARD & POOR'S	BBB+ (22/04/2016)	Stable (22/04/2016)

(*) Date of last modification

The financial debt structure can be broken down by currency* and interest rate** as follows:

	Dec. 2019	Dec. 2018
Euro	45.7%	42.5%
British Pound	16.9%	17.3%
Dollar	27.1%	29.7%
Brazilian Real and other currencies	10.3%	10.5%
Total	**100,0%**	**100,0%**
Fixed Rate	65.5%	64.7%
Variable Rate	34.5%	35.3%
Total	**100%**	**100%**

(*) Adjusted net debt including derivatives on intercompany finance and net investment.

(**) Adjusted net debt. Including forward interest rate derivatives (December 2019: EUR 4,551 million; December 18: EUR 4,642 million), fixed-rate debt would increase to 77.6% (December 2019) and 78.2% (December 2018)..

In accordance with the policy of minimising financial risks, the group continues to mitigate exchange rate risk by financing the international businesses in local currencies (pound sterling, Brazilian real, US dollar, etc.) or in their functional currencies (US dollar, in the case of Mexico). Interest rate risk is mitigated by increasing the proportion of debt at fixed rates and by hedging future borrowing rates.

Debt structure* by country is shown in the following table:

	Dec 2019	Dec 2018
Corporate	67.8%	73.8%
United Kingdom	7.9%	6.5%
United States	21.5%	17.1%
Mexico	1.4%	1.2%
Other	1.4%	1.4%
Total	**100.0%**	**100.0%**

* Adjusted gross debt excluding Neoenergia (EUR 5,045 million at December 2019 and EUR 4,712 million at December 2018)

This debt* can be broken down by financing source as follows:

	Dec 2019	Dec 2018
Euro bonds market	32.2%	35.5%
Dollar bonds market	18.1%	18.8%
British pound bonds market	8.5%	7.6%
Other capital markets	5.2%	5.2%
Commercial paper	6.8%	6.6%
Multilateral	9.9%	8.5%
Structured financing	1.8%	1.9%
Bank financing	17.5%	15.9%
Total	**100.0%**	**100.0%**

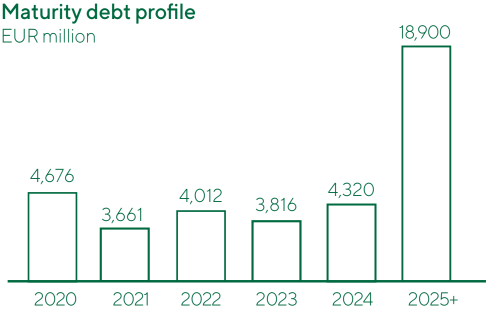
(*) Adjusted gross debt

At the December 2019 close, Iberdrola had a robust liquidity position totalling EUR 14,300 million, which is equivalent to 18 months of the group's financing needs.

Liquidity	**EUR million**
Cash and cash equivalents	2,113
Approved finance not drawn down	2,657
Credit lines	9,530
Total	**14,300**

Iberdrola has a comfortable debt maturity profile(*) with an average term of six years, as shown in the table below.

Maturity debt profile
EUR million



(*) Adjusted gross debt excluding credit lines; commercial paper falls due after 2025.

2023 includes USD 400 million with a 1+1-year extension option

Lastly, the change in **financial leverage and ratios** was as follows:

	Dec 2019	Dec 2018
Adjusted equity*	**47,797**	**44,027**
Adjusted financial debt*	39,387	36,519
Credit line drawdowns	538	527
Unpaid accrued interest	399	408
Derivative liabilities	425	486
Adjusted gross financial debt *	**40,749**	**37,940**
Cash in hand	2,226	2,879
Derivative assets and short-term investments	754	912
Adjusted net financial debt *	**37,769**	**34,149**
Adjusted net leverage	44.1%	43.7%
Adjusted funds from operations (FFO)**/Adjusted net financial debt*	21.5%	21.5%
Adjusted retained cash flow (RCF)***/Adjusted net financial debt*	20.0%	20.2%
Adjusted net financial debt*/ Adjusted EBITDA****	3.71x	3.65x

(*) Adjusted by the effect of potential accumulator derivatives over treasury stock (EUR 602.0 million at 31/12/2019 and EUR 50.0 million at 31/12/2018)

(**) Adjusted FFO = Net profit + Minority results + Dep. and amort. charges and prov. - Profit of companies consolidated using the equity method - Net non-recurring results - Financial prov. capitalisation + Dividends of companies consolidated using the equity method - Other effects Adjusted by "Exit Plan" (EUR 51.8 million at 31/12/2019 and EUR 0 million at 31/12/2018)

(***) Adjusted RCF = Adjusted FFO - Cash dividends - Hybrid issue interest Adjusted by "Exit Plan" (EUR 51.8 million at 31/12/2019 and EUR 0 million at 31/12/2018)

(****) Adjusted by "Exit Plan" (EUR 67.1 million at 31/12/2019 and EUR 0 million at 31/12/2018)

4. WORKING CAPITAL

Working capital rose by EUR 232 million over the last 12 months, basically as a result of the increase in inventories (EUR 368 million), primarily at the Offshore Transmission Owner (OFTO) of East Anglia 1.

Current Assets	Dec-19	Dec-18	Change
Assets held for sale	-	62	(62)
Nuclear fuel	306	273	33
Inventories	2,542	2,174	368
Trade and other receivables	6,674	6,098	576
Current financial investments	580	494	86
Derivative financial instruments	156	225	(69)
Receivables from public administrations	825	756	69
TOTAL CURRENT ASSETS*:	**11,082**	**10,082**	**1,000**

(*) Does not include cash, debt derivatives or short-term liquid positions

Current Liabilities	Dec-19	Dec-18	Change
Liabilities associated with assets held for sale	-	(1)	1
Provisions	660	580	80
Derivative financial instruments	370	209	161
Trade and other payables	7,777	7,124	653
Payables to public administrations	1,263	1,389	(125)
TOTAL CURRENT LIABILITIES:**	**10,070**	**9,301**	**769**

(**) Does not include financial debt or debt derivatives

NET CURRENT ASSETS	**1,012**	**781**	**232**

* OFTO: In the United Kingdom, the builder of the offshore wind farm is responsible for constructing the shore-to-sea transmission network. These assets are then sold through an auction as per rules set by Ofgem.

5. FUNDS FROM OPERATIONS

Funds from operations at 31 December 2019 were up 10.0% to EUR 8,059.6 million.

	Jan-Dec 2019	Jan-Dec 2018	Change
Net profit (+)	3,406	3,014	392
Depreciation and amortisation charges and provisions (-)	4,227	3,910	317
Profit/(loss), equity accounted companies (-)	51	- 5	56
Non-recurring items (-)	-178	-31	- 147
Financial provisions capitalised (-)	165	149	17
Profit/(loss), minority interests (-)	408	323	85
Dividends, equity accounted companies (+)	60	47	14
Capital grants taken to profit or loss (-)	-81	-78	-2
FFO	**8,060**	**7,328**	**80**

6. FINANCIAL TRANSACTIONS

Principal finance arranged in 2019

New financing

Borrower	Transaction	Amount	Currency	Interest/coupon	Maturity
First quarter					
Iberdrola Finanzas	Private bond	50	EUR	1.782%	Oct-30
Iberdrola International	Public hybrid green bond	800	EUR	3.250%	Perpetual
Iberdrola Financiación (1)	Sustainable syndicated line of credit	1,500	EUR	-	Mar-24
Iberdrola Financiación (2)	Bilateral loan	125	EUR	-	Oct-26
Iberdrola Financiación	Bilateral loan	200	EUR	-	Mar-26
Iberdrola Financiación	Bilateral loan	75	EUR	-	Mar-26
Iberdrola Financiación	EIB loan	150	EUR	-	Dic-34
Second quarter					
Termopernambuco	Bond	500	BRL	CDI + 0.76%	Apr-24
Celpe	Bond	300	BRL	CDI + 0.63%	Apr-24
Celpe	Bond	200	BRL	CDI + 0.73%	Apr-26
Coelba	Bond	309	BRL	CDI + 0.53%	Apr-24
Coelba	Bond	391	BRL	CDI + 0.68%	Apr-26
Cosern	Infrastructure bond	180	BRL	IPCA + 4.254%	Apr-26
Cosern	Infrastructure bond	38	BRL	IPCA + 4.499%	Apr-29
Cosern	Bond	282	BRL	CDI + 0.48%	Apr-24
Neoenergia	Green infrastructure bond	804	BRL	IPCA + 4.07%	Jun-29
Neoenergia	Green infrastructure bond	492	BRL	IPCA + 4.22%	Jun-33
Avangrid	Public green bond	750	USD	3.80%	Jun-29
Elektro(4)	Loan 4131	45	EUR	-	May-24
Itapebi(4)	Loan 4131	25	USD	-	May-24
Coelba(4)	Loan 4131	34	EUR	-	May-24
Coelba(4)	Loan 4131	89	USD	-	Jun-24
Coelba(4)	Loan 4131	84	USD	-	Jul-22
Iberdrola Financiación	ICO green loan	400	EUR	-	May-31
Iberdrola Financiación (3)	EIB green loan	145	EUR	-	As per drawdown
Iberdrola Financiación	ICO green loan	140	EUR	-	Jul-28
Chafarif 3(3)	BNB Loan	93	BRL	IPCA + 2.303%	Jun-43
Chafarif 6(3)	BNB Loan	80	BRL	IPCA + 2.304%	Jun-43
Chafarif 7(3)	BNB Loan	93	BRL	IPCA + 2.281%	Jun-43
Patriot	Tax equity investment	128	USD	-	Dec-28
Third quarter					
RG&E	Mortgage covered bond	150	USD	3.10%	Jun-27
NYSEG	Public bond	300	USD	3.30%	Sep-49

Borrower	Transaction	Amount	Currency	Interest/coupon	Maturity
Neoenergia Dourados Transmissao de Energia	Loan 4131	200	BRL	-	Sep-20
Fourth quarter					
SP Transmission	Public bond	350.0	GBP	2.00%	Nov-31
Iberdrola Finanzas, S.A.	Private bond	100.0	EUR	Euribor 3m + 0.65%	Dec-23
Iberdrola Financiación(3)	EIB loan	440.0	EUR	-	As per drawdown
Neoenergia (3)	EIB loan	250.0	EUR	-	As per drawdown
Neoenergia Dourados Transmissao de Energia (3)	BNDES Loan	375.0	BRL	-	Dec-43
Forca Eólica do Brasil(3)	BNDES Loan	1,324.0	BRL	-	Dec-43
Iberdrola Generación México(1) (3)	Bilateral loan	500.0	USD	-	Dec-24
Avangrid	Bilateral loan	500.0	USD	-	Jun-21

(1) New transactions with a 1+1 extension option
(2) Transactions renegotiated in fourth quarter to extend term to October 2026
(3) Financing signed in 2019 and planned to be drawn down in 2020/2021
(4) Currency swaps to company's functional currency (BRL)

Extension of existing financing

Borrower	Transaction	Amount	Currency	Extension	Maturity
Iberdrola, S.A.	Sustainable syndicated line of credit	2,979	EUR	1 year	Feb-24
Iberdrola, S.A.	Sustainable syndicated line of credit	2,321	EUR	1 year	Feb-24
Avangrid	Sustainable syndicated line of credit	2,500	USD	1 year	Jun-24

Fourth quarter transactions

Capital Market

Iberdrola Group completed two bond placements in the fourth quarter:

- Iberdrola issued a EUR 100 million bond placement maturing in December 2023 with a spread of 0.65% on the 3M Euribor.
- SPW Transmission completed a GBP 350 million placement maturing in November 2031 and paying a coupon of 2.00%.

Banking market

Iberdrola Group arranged two loans in the banking market:

- Mexico signed a bilateral loan for EUR 500 million, which will be drawn down in 2020.
- Avangrid signed a bilateral loan for EUR 500 million, maturing in June 2021.

Multilateral market

Iberdrola Group obtained four loans with development or multilateral institutions in the fourth quarter:

- Iberdrola procured a loan from the European Investment Bank (EIB) for EUR 440 million, which can be drawn until December 2021.
- Several Neoenergia companies obtained three loans totalling BRL 1.949 billion: two loans from the Brazilian National Development Bank (BNDES) for BRL 375 million and BRL 1.324 billion drawable until December 2021; and one loan from the EIB for EUR 250 million, which can be drawn during 2020.

7. CREDIT RATINGS

	Moody's			Standard and Poor's			Fitch Ibca		
	Rating	Outlook	Date	Rating	Outlook	Date	Rating	Outlook	Date
Iberdrola S.A.	Baa1	Stable	Nov. 2019	BBB+	Stable	January 2020	BBB+	Stable	May 2019
Iberdrola Finance Ireland Ltd.(*)	Baa1	Stable	Nov. 2019	BBB+	Stable	January 2020	BBB+	Stable	May 2019
Iberdrola Finanzas S.A.U.(*)	Baa1	Stable	Nov. 2019	BBB+	Stable	January 2020	BBB+	Stable	May 2019
Iberdrola International B.V.(*)	Baa1	Stable	Nov. 2019	BBB+	Stable	January 2020	BBB+	Stable	May 2019
Avangrid	Baa1	Stable	Dec. 2019	BBB+	Stable	August 2019	BBB+	Stable	May 2019
CMP	A2	Stable	October 2019	A	Stable	August 2019	BBB+	Stable	May 2019
NYSEG	A3	Stable	July 2019	A-	Stable	August 2019	BBB+	Stable	May 2019
RG&E	A3	Stable	July 2019	A-	Stable	August 2019	BBB+	Stable	May 2019
UI	Baa1	Stable	Sept. 2019	A-	Stable	August 2019	A-	Stable	May 2019
CNG	A3	Positive	Oct. 2019	A-	Stable	August 2019	A-	Stable	May 2019
SCG	A3	Stable	Sept. 2019	A-	Stable	August 2019	A-	Stable	May 2019
BGC	A3	Stable	Oct. 2019	A-	Stable	August 2019	A-	Stable	May 2019
Scottish Power Ltd	Baa1	Stable	April 2019	BBB+	Stable	April 2019	BBB+	Stable	March 2018
Scottish Power UK Plc	Baa1	Stable	April 2019	BBB+	Stable	April 2019	BBB+	Stable	March 2018
Scottish Power Energy Networks Holdings Ltd				BBB+	Stable	April 2019			
SP Transmission Ltd	Baa1	Stable	April 2019	BBB+	Stable	April 2019			
SP Manweb plc	Baa1	Stable	April 2019	BBB+	Stable	April 2019			
SP Distribution plc	Baa1	Stable	April 2019	BBB+	Stable	April 2019			
ScottishPower Energy Management Ltd.	Baa1	Stable	April 2019	BBB+	Stable	April 2019			
ScottishPower Energy Retail Ltd.	Baa1	Stable	April 2019	BBB+	Stable	April 2019			
ScottishPower Renewables (WODS) Limited	Baa1	Stable	April 2019						
Neoenergía				BB-	Positive	Dec. 2019			
Elektro				BB-	Positive	Dec. 2019			
Coelba				BB-	Positive	Dec. 2019			
Celpe				BB-	Positive	Dec. 2019			
Cosern				BB-	Positive	Dec. 2019			
Neoenergía (national scale)				brAAA	Positive	Dec. 2019			
Coelba (national scale)				brAAA	Positive	Dec. 2019			
Celpe (national scale)				brAAA	Positive	Dec. 2019			
Cosern (national scale)				brAAA	Positive	Dec. 2019			
Elektro (national scale)				brAAA	Positive	Dec. 2019			

(*) Guaranteed by Iberdrola S.A.
Date related to latest review

7

Financial Statements Tables

Balance Sheet 2019 *(Unaudited)*

M Eur

ASSETS	Dec. 2019	Dec. 2018	Variation
NON-CURRENT ASSETS	**108.811**	**99.696**	**9.116**
Intangible assets	**20.368**	**21.000**	**-632**
Goodwill	8.153	7.838	315
Other intagible assets	12.215	13.162	-947
Real Estate properties	**342**	**429**	**-86**
Property, plant and equipment	**71.289**	**66.109**	**5.180**
Property, plant and equipment in use	63.449	58.518	4.931
Property, plant and equipment in the course of construction	7.841	7.592	249
Right of use	**1.782**	**-**	**1.782**
Non current financial investments	**5.819**	**5.191**	**627**
Investments accounted by equity method	1.957	1.710	247
Non-current financial assets	86	69	17
Other non-current financial assets	3.019	2.685	334
Derivative financial instruments	756	727	29
Non-current trade and other receivables	**2.851**	**815**	**2.036**
Tax receivables	**666**	**666**	**-**
Deferred tax assets	**5.695**	**5.486**	**209**
CURRENT ASSETS	**13.558**	**13.342**	**215**
Assets held for sale	**-**	**62**	**-62**
Nuclear fuel	**306**	**273**	**33**
Inventories	**2.542**	**2.174**	**368**
Current trade and other receivables	**7.499**	**6.855**	**645**
Tax receivables	318	253	65
Other tax receivables	507	503	4
Trade and other receivables	6.674	6.098	576
Current financial assets	**1.098**	**1.178**	**-80**
Other current financial assets	693	572	121
Derivative financial instruments	405	606	-201
Cash and cash equivalents	**2.113**	**2.801**	**-688**
TOTAL ASSETS	**122.369**	**113.038**	**9.331**

M Eur

EQUITY AND LIABILITIES	Dec. 2019	Dec. 2018	Variation
EQUITY:	**47.195**	**43.977**	**3.218**
Of shareholders of the parent	**37.678**	**36.582**	**1.096**
Share capital	4.772	4.798	-27
Liabilities revaluation reserve	-544	-32	-512
Other reserves	33.582	32.732	850
Treasury stock	-1.436	-1.010	-426
Translation differences	-2.101	-2.919	818
Net profit of the year	3.406	3.014	392
Of minority interests	**6.968**	**5.669**	**1.299**
Hybrid Capital	**2.549**	**1.726**	**823**
NON-CURRENT LIABILITIES	**56.043**	**52.945**	**3.098**
Deferred income	**1.399**	**1.478**	**-79**
Facilities transferred and financed by thrid parties	**4.987**	**4.823**	**164**
Non current Provisions	**6.025**	**5.303**	**722**
Provisions for pensions and similar obligations	2.661	2.420	241
Other provisions	3.364	2.883	481
Non Current Financial payables	**33.639**	**31.779**	**1.861**
Financial Debt- Loans and other	30.126	30.752	-626
Equity Instruments having the substance of a financial liability	193	141	53
Derivative financial instruments	471	-	471
Leases	1.614	387	1.227
Other financial liabilities	1.235	499	736
Other non-current payables	**407**	**375**	**33**
Tax payables	**226**	**145**	**82**
Deferred tax liabilities	**9.359**	**9.043**	**316**
CURRENT LIABILITIES	**19.132**	**16.116**	**3.016**
Liabilities held for sale	**-**	**1**	**-1**
Current Provisions	**660**	**580**	**80**
Provisions for pensions and similar obligations	25	23	2
Other provisions	635	557	78
Current financial payables	**16.534**	**13.640**	**2.895**
Financial Debt- Loans and other	8.800	6.575	2.226
Equity Instruments having the substance of a financial liability	22	37	-14
Derivative financial instruments	478	448	29
Leases	153	-	153
Trade payables	5.098	5.259	-162
Other financial liabilities	1.983	1.320	663
Other current payables	**1.937**	**1.896**	**41**
Current tax liabilities and other tax payables	243	349	-107
Other tax payables	1.021	1.039	-19
Other current liabilities	674	508	166
TOTAL EQUITY AND LIABILITIES	**122.369**	**113.038**	**9.331**

Profit and Loss *(Unaudited)*

M Eur

	December 2019	December 2018	%
REVENUES	**36.437,9**	**35.075,9**	**3,9**
PROCUREMENTS	(20.174,5)	(19.640,7)	2,7
GROSS MARGIN	**16.263,4**	**15.435,1**	**5,4**
NET OPERATING EXPENSES	**(4.330,4)**	**(4.155,2)**	**4,2**
Net Personnel Expense	**(2.146,1)**	**(2.020,0)**	**6,2**
Personnel	(2.841,2)	(2.678,7)	6,1
Capitalized personnel costs	695,1	658,7	5,5
Net External Services	**(2.184,4)**	**(2.135,2)**	**2,3**
External Services	(2.843,0)	(2.797,2)	1,6
Other Operating Income	658,6	661,9	(0,5)
LEVIES	**(1.829,0)**	**(1.931,0)**	**(5,3)**
EBITDA	**10.104,0**	**9.348,9**	**8,1**
AMORTISATIONS AND PROVISIONS	(4.226,7)	(3.909,5)	8,1
EBIT	**5.877,2**	**5.439,4**	**8,0**
Financial Expenses	**(2.163,7)**	**(1.996,0)**	**8,4**
Financial Income	**863,6**	**839,9**	**2,8**
Financial Result	**(1.300,1)**	**(1.156,1)**	**12,5**
Results of Companies Consolidated by Equity Method	**(51,4)**	**4,7**	**N/A**
Results from Non-Current Assets	**202,8**	**8,9**	**N/A**
PBT	**4.728,6**	**4.296,9**	**10,0**
Corporate Tax	(914,0)	(959,5)	(4,7)
Minorities	(408,2)	(323,3)	26,3
NET PROFIT	**3.406,3**	**3.014,1**	**13,0**

Results by Business *(Unaudited)*

M Eur

December 2019	Networks	Renewables	Generation and Supply	Other Businesses	Corp. and adjustments
Revenues	14,209.9	3.834,3	20,726.2	169.9	(2,502.4)
Procurements	(6,079.3)	(388,7)	(16,038.6)	(125.5)	2,457.6
GROSS MARGIN	**8,130.6**	**3.445,6**	**4,687.6**	**44.4**	**(44.8)**
NET OPERATING EXPENSES	(2,184.0)	(719,1)	(1,411.2)	(15.5)	(0.6)
Net Personnel Expense	(1,111.8)	(282,6)	(443.3)	(11.1)	(297.3)
Personnel	(1,661.8)	(367,3)	(486.8)	(11.1)	(314.1)
Capitalized personnel costs	550.0	84,7	43.5	-	16.9
Net External Services	(1,072.3)	(436,6)	(967.9)	(4.3)	296.7
External Services	(1,547.8)	(572,5)	(1,057.3)	(4.8)	339.4
Other Operating Income	475.5	135,9	89.4	0.4	(42.7)
Levies	(684.4)	(341,4)	(807.7)	(0.8)	5.3
EBITDA	**5,262.2**	**2.385,1**	**2,468.7**	**28.1**	**(40.1)**
Amortisation and Provisions	(1,965.8)	(1.163,2)	(976.6)	(11.6)	(109.5)
EBIT/Operating Profit	**3,296.3**	**1.221,9**	**1,492.1**	**16.5**	**(149.6)**
Financial Result	(601.4)	(225,4)	(124.3)	(0.2)	(348.8)
Results of companies consolidated by equity method	11.7	8,9	5.6	(65.3)	(12.2)
Results of non-current assets	139.0	63,7	(1.1)	(1.5)	2.7
PBT	**2,845.6**	**1.069,1**	**1,372.2**	**(50.4)**	**(507.9)**
Corporate tax and minority shareholders	(888.7)	(279,8)	(382.2)	(4.6)	233.1
NET PROFIT	**1,956.9**	**789,3**	**989.9**	**(55.1)**	**(274.8)**

M Eur

December 2018	Networks	Renewables	Generation and Supply	Other Businesses	Corp. and adjustments
Revenues	12,861.2	4,045.0	20,992.2	151.0	(2,973.5)
Procurements	(5,219.5)	(434.1)	(16,824.3)	(93.0)	2,930.1
GROSS MARGIN	**7,641.8**	**3,610.9**	**4,167.9**	**58.0**	**(43.4)**
NET OPERATING EXPENSES	(2,079.1)	(698.2)	(1,327.4)	(28.0)	(22.4)
Net Personnel Expense	(1,033.2)	(266.7)	(407.0)	(17.6)	(295.5)
Personnel	(1,553.5)	(332.5)	(449.2)	(17.6)	(325.9)
Capitalized personnel costs	520.3	65.8	42.2	-	30.4
Net External Services	(1,045.9)	(431.5)	(920.5)	(10.4)	273.0
External Services	(1,485.2)	(569.1)	(1,046.8)	(10.9)	314.8
Other Operating Income	439.3	137.6	126.4	0.5	(41.8)
Levies	(647.7)	(468.0)	(802.0)	(1.0)	(12.3)
EBITDA	**4,915.0**	**2,444.7**	**2,038.4**	**29.0**	**(78.2)**
Amortisation and Provisions	(1,880.7)	(1,047.8)	(899.3)	(8.7)	(73.0)
EBIT/Operating Profit	**3,034.3**	**1,396.9**	**1,139.1**	**20.3**	**(151.2)**
Financial Result	(556.9)	(202.6)	(141.7)	(1.2)	(253.8)
Results of companies consolidated by equity method	13.8	12.9	23.6	(30.6)	(15.0)
Results of non-current assets	6.5	(9.9)	20.4	(13.9)	5.7
PBT	**2,497.6**	**1,197.3**	**1,041.3**	**(25.3)**	**(414.2)**
Corporate tax and minority shareholders	(769.6)	(309.2)	(240.3)	(7.1)	43.5
NET PROFIT	**1,728.0**	**888.1**	**801.0**	**(32.4)**	**(370.7)**

Networks Business *(Unaudited)*

M Eur

December 2019	SPAIN	UNITED KINGDOM	USA	BRAZIL
Revenues	2,122.2	1,372.6	4,271.8	6,443.3
Procurements	(5.3)	(62.0)	(1,396.4)	(4,615.7)
GROSS MARGIN	**2,116.9**	**1,310.7**	**2,875.4**	**1,827.6**
NET OPERATING EXPENSES	(316.3)	(214.9)	(1,063.0)	(589.7)
Net Personnel Expense	(225.9)	(83.8)	(511.3)	(291.0)
Personnel	(338.5)	(235.5)	(733.7)	(354.1)
Capitalized personnel costs	112.6	151.6	222.4	63.2
Net External Services	(90.4)	(131.1)	(551.7)	(298.8)
External Services	(286.9)	(177.6)	(666.9)	(416.7)
Other Operating Income	196.5	46.5	115.2	117.9
Levies	(89.9)	(108.9)	(482.0)	(3.6)
EBITDA	**1,710.7**	**986.8**	**1,330.3**	**1,234.3**
Amortisation and Provisions	(548.2)	(345.8)	(617.1)	(454.7)
EBIT/Operating Profit	**1,162.4**	**641.0**	**713.3**	**779.6**
Financial Result	(63.2)	(135.6)	(142.2)	(260.4)
Results of companies consolidated by equity method	2.3	-	9.4	-
Results of non-current assets	134.5	0.6	1.9	1.8
PBT	**1,236.1**	**506.1**	**582.5**	**521.0**
Corporate tax and minority shareholders	(242.4)	(96.6)	(243.7)	(305.9)
NET PROFIT	**993.7**	**409.5**	**338.7**	**215.0**

M Eur

December 2018	SPAIN	UNITED KINGDOM	USA	BRAZIL
Revenues	2,125.5	1,275.5	4,274.8	5,185.4
Procurements	(16.0)	(53.1)	(1,494.9)	(3,655.5)
GROSS MARGIN	**2,109.5**	**1,222.4**	**2,779.9**	**1,529.9**
NET OPERATING EXPENSES	(310.1)	(197.6)	(1,000.2)	(571.1)
Net Personnel Expense	(202.6)	(78.6)	(492.6)	(259.4)
Personnel	(312.9)	(234.9)	(688.1)	(317.5)
Capitalized personnel costs	110.3	156.4	195.5	58.1
Net External Services	(107.5)	(119.0)	(507.6)	(311.7)
External Services	(290.6)	(166.8)	(606.2)	(421.6)
Other Operating Income	183.1	47.7	98.6	109.8
Levies	(90.1)	(105.4)	(448.4)	(3.8)
EBITDA	**1,709.4**	**919.4**	**1,331.2**	**955.0**
Amortisation and Provisions	(535.2)	(314.1)	(619.1)	(412.2)
EBIT/Operating Profit	**1,174.2**	**605.3**	**712.1**	**542.8**
Financial Result	(63.9)	(127.6)	(157.4)	(208.0)
Results of companies consolidated by equity method	2.8	-	11.1	-
Results of non-current assets	3.3	0.1	2.2	0.9
PBT	**1,116.4**	**477.7**	**567.9**	**335.6**
Corporate tax and minority shareholders	(259.3)	(88.8)	(226.6)	(194.8)
NET PROFIT	**857.0**	**388.9**	**341.3**	**140.8**

Renewables Business *(Unaudited)*

M Eur

December 2019	SPAIN	UNITED KINGDOM	USA	BRAZIL	MEXICO	Iberdrola Energía Internacional (IEI)*
Revenues	1,327.8	726.9	1,063.6	215.2	116.3	384.5
Procurements	(76.8)	(49.3)	(211.6)	(41.5)	(3.3)	(6.2)
GROSS MARGIN	**1,250.9**	**677.6**	**852.1**	**173.7**	**113.1**	**378.3**
NET OPERATING EXPENSES	(245.6)	(129.4)	(218.4)	(47.9)	(26.7)	(50.2)
Net Personnel Expense	(117.2)	(25.4)	(118.3)	(20.9)	(3.5)	(10.1)
Personnel	(143.5)	(43.6)	(135.0)	(22.0)	(6.5)	(16.8)
Capitalized personnel costs	26.3	18.2	16.6	1.1	2.9	6.8
Net External Services	(128.4)	(104.1)	(100.0)	(27.0)	(23.2)	(40.1)
External Services	(194.4)	(117.3)	(182.6)	(27.0)	(25.2)	(61.6)
Other Operating Income	66.0	13.3	82.5	–	2.0	21.5
Levies	(269.2)	(23.1)	(42.4)	(0.9)	(0.7)	(5.1)
EBITDA	**736.1**	**525.0**	**591.3**	**125.0**	**85.6**	**323.0**
Amortisation and Provisions	(341.2)	(161.8)	(474.9)	(48.7)	(42.2)	(95.2)
EBIT/Operating Profit	**394.9**	**363.2**	**116.4**	**76.3**	**43.4**	**227.8**
Financial Result	(54.4)	(41.3)	(61.4)	(33.2)	(17.1)	(17.9)
Results of companies consolidated by equity method	8.6	1.0	(7.5)	6.7	–	–
Results of non-current assets	1.3	–	62.4	–	–	–
PBT	**350.5**	**322.8**	**109.9**	**49.9**	**26.3**	**209.9**
Corporate tax and minority shareholders	(104.5)	(68.5)	(25.9)	(27.0)	0.4	(54.3)
NET PROFIT	**246.0**	**254.3**	**84.0**	**22.9**	**26.8**	**155.5**

M Eur

December 2018	SPAIN	UNITED KINGDOM	USA	BRAZIL	MEXICO	Iberdrola Energía Internacional (IEI)*
Revenues	1,696.1	697.5	1,026.9	243.8	91.0	289.7
Procurements	(116.3)	(53.8)	(191.8)	(65.6)	(3.1)	(3.4)
GROSS MARGIN	**1,579.8**	**643.7**	**835.1**	**178.2**	**87.9**	**286.3**
NET OPERATING EXPENSES	(264.8)	(102.6)	(218.4)	(48.3)	(22.1)	(41.3)
Net Personnel Expense	(114.7)	(27.2)	(102.7)	(20.5)	(4.2)	(8.7)
Personnel	(132.6)	(43.1)	(116.6)	(21.6)	(5.5)	(13.2)
Capitalized personnel costs	17.9	15.8	13.9	1.1	1.3	4.5
Net External Services	(150.2)	(75.4)	(115.7)	(27.8)	(17.9)	(32.6)
External Services	(206.4)	(121.7)	(185.1)	(27.9)	(20.9)	(40.6)
Other Operating Income	56.2	46.3	69.5	0.1	3.0	8.1
Levies	(396.4)	(23.6)	(43.7)	(0.5)	(0.4)	(3.4)
EBITDA	**918.5**	**517.5**	**573.1**	**129.4**	**65.4**	**241.6**
Amortisation and Provisions	(329.4)	(162.0)	(359.1)	(53.3)	(25.6)	(118.4)
EBIT/Operating Profit	**589.1**	**355.5**	**214.0**	**76.1**	**39.8**	**123.2**
Financial Result	(62.8)	(41.2)	(36.9)	(32.1)	(12.9)	(16.1)
Results of companies consolidated by equity method	3.6	1.5	(3.5)	11.3	–	–
Results of non-current assets	12.2	–	(23.1)	–	–	1.0
PBT	**542.1**	**315.9**	**150.4**	**55.2**	**26.9**	**108.1**
Corporate tax and minority shareholders	(141.8)	(54.5)	(44.2)	(29.9)	(11.0)	(28.1)
NET PROFIT	**400.3**	**261.3**	**106.3**	**25.4**	**15.9**	**80.0**

(*) Former Rest of the World

Generation and Supply Business *(Unaudited)*

M Eur

December 2019	SPAIN	UNITED KINGDOM	MEXICO	BRAZIL	Iberdrola Energía Internacional (IEI)*	Other
Revenues	12,800.8	4,526.5	2,327.0	592.1	1,150.3	(670.6)
Procurements	(9,870.0)	(3,842.0)	(1,392.1)	(499.9)	(1,105.0)	670.5
GROSS MARGIN	**2,930.8**	**684.4**	**934.9**	**92.2**	**45.3**	**-**
NET OPERATING EXPENSES	(685.9)	(457.6)	(169.9)	(28.3)	(69.7)	-
Net Personnel Expense	(283.2)	(120.7)	(17.8)	(7.5)	(14.2)	-
Personnel	(297.0)	(126.4)	(41.5)	(7.7)	(14.2)	-
Capitalized personnel costs	13.8	5.8	23.8	0.2	-	-
Net External Services	(402.6)	(336.9)	(152.1)	(20.8)	(55.5)	-
External Services	(482.7)	(358.2)	(160.5)	(23.1)	(55.6)	22.7
Other Operating Income	80.0	21.3	8.4	2.3	0.1	(22.7)
Levies	(687.2)	(116.8)	(3.0)	-	(0.6)	-
EBITDA	**1,557.7**	**110.1**	**762.0**	**63.8**	**(25.0)**	**-**
Amortisation and Provisions	(443.0)	(352.7)	(125.6)	(22.2)	(33.2)	-
EBIT/Operating Profit	**1,114.7**	**(242.6)**	**636.4**	**41.6**	**(58.1)**	**-**
Financial Result	(57.1)	12.8	(56.6)	(23.6)	0.1	-
Results of companies consolidated by equity method	5.6	-	-	-	-	-
Results of non-current assets	(1.7)	0.2	-	0.4	-	-
PBT	**1,061.5**	**(229.6)**	**579.8**	**18.5**	**(58.0)**	**-**
Corporate tax and minority shareholders	(261.0)	43.0	(166.9)	(11.4)	14.1	-
NET PROFIT	**800.5**	**(186.7)**	**412.9**	**7.1**	**(43.9)**	**-**

M Eur

December 2018	SPAIN(**)	UNITED KINGDOM	MEXICO	BRAZIL	Iberdrola Energía Internacional (IEI)*	Other(**)
Revenues	12,589.4	5,022.7	2,246.2	792.9	1,027.7	(686.8)
Procurements	(10,194.0)	(4,159.9)	(1,489.7)	(659.0)	(1,008.5)	686.6
GROSS MARGIN	**2,395.5**	**862.8**	**756.6**	**133.9**	**19.2**	**(0.1)**
NET OPERATING EXPENSES	(675.9)	(448.6)	(116.6)	(41.9)	(44.6)	0.1
Net Personnel Expense	(261.6)	(122.1)	(7.4)	(7.7)	(8.2)	-
Personnel	(275.9)	(129.0)	(28.3)	(7.7)	(8.2)	-
Capitalized personnel costs	14.3	6.9	20.9	-	-	-
Net External Services	(414.3)	(326.5)	(109.2)	(34.2)	(36.3)	0.1
External Services	(482.1)	(386.2)	(136.7)	(33.6)	(36.5)	28.3
Other Operating Income	67.8	59.7	27.5	(0.6)	0.2	(28.1)
Levies	(693.2)	(107.0)	(1.5)	-	(0.3)	-
EBITDA	**1,026.4**	**307.2**	**638.4**	**92.0**	**(25.7)**	**-**
Amortisation and Provisions	(506.0)	(251.9)	(104.9)	(20.6)	(15.8)	-
EBIT/Operating Profit	**520.3**	**55.3**	**533.5**	**71.4**	**(41.5)**	**-**
Financial Result	(64.2)	(4.4)	(38.1)	(34.3)	(0.8)	-
Results of companies consolidated by equity method	23.6	-	-	-	-	-
Results of non-current assets	(2.2)	22.6	-	-	-	-
PBT	**477.6**	**73.5**	**495.4**	**37.1**	**(42.3)**	**-**
Corporate tax and minority shareholders	(104.2)	13.9	(135.3)	(18.5)	3.7	-
NET PROFIT	**373.4**	**87.3**	**360.1**	**18.6**	**(38.6)**	**-**

(*) Former Rest of the World
(**) Restated

Quarterly Results 2019 *(Unaudited)*

M Eur

	JAN-MAR 2019	APR-JUN 2019	JUL-SEPT 2019	OCT-DEC 2019
REVENUES	**10,138.9**	**8,142.1**	**8,176.5**	**9,980.4**
PROCUREMENTS	(5,815.8)	(4,235.3)	(4,319.8)	(5,803.7)
GROSS MARGIN	**4,323.1**	**3,906.9**	**3,856.7**	**4,176.7**
NET OPERATING EXPENSES	**(1,081.3)**	**(1,064.5)**	(1,012.4)	**(1,172.2)**
Net Personnel Expense	**(553.4)**	**(530.1)**	(514.7)	**(547.9)**
Personnel	(700.7)	(712.1)	(675.1)	(753.2)
Capitalized personnel costs	147.4	182.1	160.4	205.3
Net External Services	**(527.9)**	**(534.5)**	(497.7)	**(624.3)**
External Services	(668.4)	(722.3)	(663.0)	(789.3)
Other Operating Income	140.5	187.9	165.3	165.0
LEVIES	**(642.5)**	**(452.0)**	(335.1)	**(399.4)**
EBITDA	**2,599.4**	**2,390.4**	**2,509.2**	**2,605.0**
AMORTISATION AND PROVISIONS	(967.1)	(1,031.9)	(1,011.0)	(1,216.7)
EBIT/Operating Profit	**1,632.2**	**1,358.5**	**1,498.1**	**1,388.4**
Financial Expenses	**(548.2)**	**(487.9)**	**(741.5)**	**(386.1)**
Financial Income	**249.9**	**175.3**	**462.1**	**(23.6)**
FINANCIAL RESULT	**(298.3)**	**(312.6)**	**(279.5)**	**(409.7)**
RSLT. OF COMPANIES CONSOLIDATED BY EQUITY METHOD	**1.6**	**(9.9)**	**(12.9)**	**(30.2)**
RSLT. OF NON-CURRENT ASSETS	**0.3**	**6.5**	**115.6**	**80.4**
PBT	**1,335.9**	**1,042.6**	**1,321.3**	**1,028.8**
Corporate tax	(277.7)	(267.9)	(343.0)	(25.5)
Minorities	(94.3)	(94.2)	(106.0)	(113.7)
NET PROFIT	**963.9**	**680.5**	**872.3**	**889.6**

M Eur

	JAN-MAR 2018	APR-JUN 2018	JUL-SEPT 2018	OCT-DEC 2018
REVENUES	**9,343.5**	**8,243.1**	**8,696.0**	**8,793.2**
PROCUREMENTS	(5,334.7)	(4,583.5)	(5,028.3)	(4,694.2)
GROSS MARGIN	**4,008.8**	**3,659.6**	**3,667.7**	**4,099.0**
NET OPERATING EXPENSES	**(1,000.4)**	**(1,110.8)**	(980.8)	**(1,063.1)**
Net Personnel Expense	**(522.6)**	**(521.3)**	(490.4)	**(485.7)**
Personnel	(669.7)	(689.4)	(641.7)	(677.9)
Capitalized personnel costs	147.1	168.1	151.4	192.1
Net External Services	**(477.8)**	**(589.6)**	(490.5)	**(577.4)**
External Services	(624.9)	(757.3)	(631.6)	(783.4)
Other Operating Income	147.1	167.7	141.2	206.0
LEVIES	**(684.9)**	**(436.4)**	(403.1)	**(406.6)**
EBITDA	**2,323.5**	**2,112.4**	**2,283.8**	**2,629.2**
AMORTISATION AND PROVISIONS	(936.3)	(972.3)	(974.7)	(1,026.2)
EBIT/Operating Profit	**1,387.2**	**1,140.1**	**1,309.1**	**1,603.0**
Financial Expenses	**(626.5)**	**(358.2)**	**(625.5)**	**(385.8)**
Financial Income	**337.9**	**83.6**	**325.0**	**93.4**
FINANCIAL RESULT	**(288.6)**	**(274.6)**	**(300.5)**	**(292.4)**
RSLT. OF COMPANIES CONSOLIDATED BY EQUITY METHOD	**0.6**	**(8.3)**	**8.1**	**4.4**
RSLT. OF NON-CURRENT ASSETS	**0.5**	**21.5**	**0.6**	**(13.8)**
PBT	**1,099.7**	**878.7**	**1,017.3**	**1,301.2**
Corporate tax	(175.4)	(236.9)	(249.9)	(297.3)
Minorities	(86.3)	(69.3)	(86.9)	(80.8)
NET PROFIT	**838.0**	**572.52**	**680.4**	**923.1**

Statement of Origin and Use of Funds *(Unaudited)*

M Eur

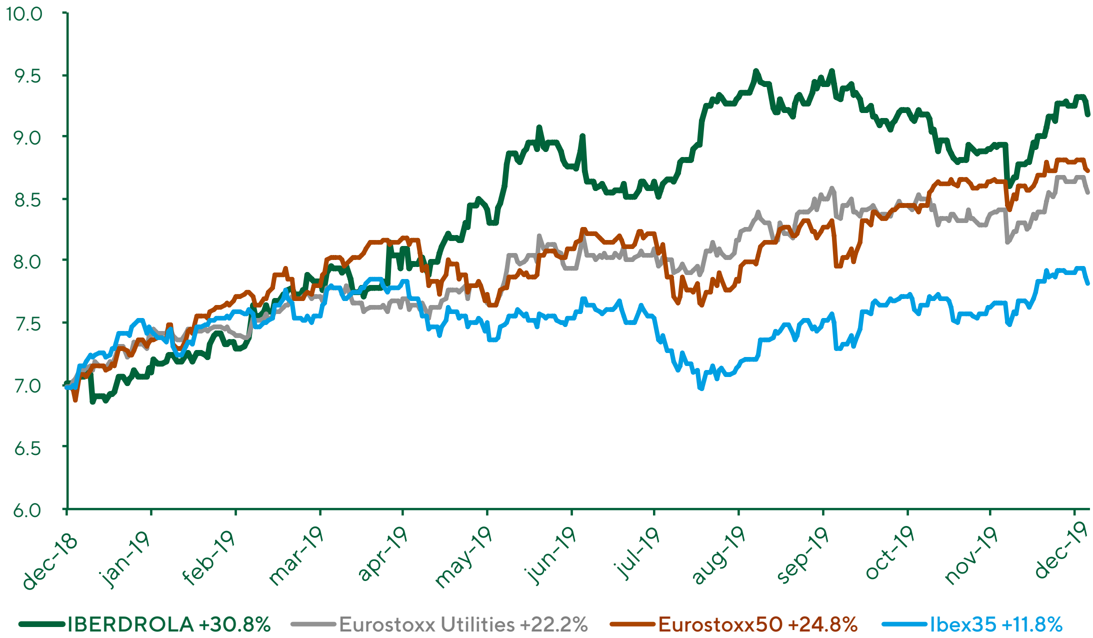
	December 2019		December 2018		Variation
Net Profit		**3,406.0**		**3,014.0**	**392.0**
Adjustments to Net profit		**4,335.0**		**4,687.0**	**(352.0)**
Minorities and Hybrid		200.0		171.0	29.0
Corporate Tax		61.0		601.0	(540.0)
Financials		(62.0)		(32.0)	(30.0)
Equity Method		111.0		46.0	65.0
Non-Current Assets results		(203.0)		(9.0)	(194.0)
Amortisation and Provisions		4,227.0		3,910.0	317.0
Adjustments to EBITDA		**(1,404.0)**		**(1,248.0)**	**(156.0)**
Deferred income		(276.0)		(273.0)	(3.0)
Trei		(695.0)		(659.0)	(36.0)
Other non-cash adjustments		(433.0)		(316.0)	(117.0)
Operating Cash Flow		**6,337.0**		**6,453.0**	**(116.0)**
Dividends Paid to Iberdrola shareholders		(330.0)		(259.0)	(71.0)
Total Cash Flow allocations:		(7,039.0)		(6,315.0)	(724.0)
Net Investments	*(7,240.0)*		*(5,320.0)*		*(1,920.0)*
Divestments	*1,831.0*		*537.0*		*1,294.0*
Treasury stock	*(2,430.0)*		*(1,658.0)*		*(772.0)*
Issuance/ Hybrid	*800.0*		*126.0*		*674.0*
Exchange rate differentials		(685.0)		(197.0)	(488.0)
IFRS 16 (first implementation)		(1,246.0)		-	(1,246.0)
Other variations		(1,209.0)		(995.0)	(214.0)
Decrease/(Increase) in net debt		**(4,172.0)**		**(1,315.0)**	**(2,857.0)**

Differences may arise due to roundin a roundin

8

Stock Market Evolution

Iberdrola stock performance vs Indexes



Iberdrola's share

	2019	2018
Number of outstanding shares	6,362,072,000	6,397,629,000
Price at the end of the period	9.180	7.018
Average price of the period	8.405	6.431
Average daily volume	16,905,335	18,955,589
Maximum volume (09-20-2019 / 12-27-2018)	63,687,471	78,341,105
Minimum (12-24-2019 / 12-24-2018)	2,303,761	4,680,119
Dividends paid (€) (1)	0.356	0.331
Gross Final dividend (02-05-2019 / 01-29-2018)	0.151	0.140
Gross interim (08-02-2019 / 07-25-2018) (2)	0.200	0.186
Shareholder's Meeting attendance bonus	0.005	0.005
Dividend yield (3)	3.87%	4.71%

(1) Dividends paid in the last 12 months
(2) Purchase price of rights guaranteed by Iberdrola
(2) Dividends paid in the last 12 months and Shareholder´ Meeting attendance bonus / price at the end of period

9

Regulation

A raft of new regulations affecting the energy sector were enacted in the last quarter of 2019. This section sets out the most significant of these.

REGULATION IN SPAIN

Spanish electricity sector

Tariff for electricity and gas transmission and distribution: Circular 2/2019 of Spain's National Commission on Markets and Competition (CNMC) proposes using the WACC method to calculate the tariff, giving the following results:

- 5.58% for the 2020-2025 period for electricity transmission and distribution. A tariff of 6.05% will apply in 2020 because it cannot vary by more than 50 basis points (bp) per annum.
- 5.44% for the 2021-2026 period for natural gas transmission and regasification.
- 5.83% for the 2021-2026 period for natural gas distribution.

RECORE (Renewables, Cogeneration and Waste) and non-mainland tariffs, and access for facilities subject to closure: The current tariff (7.39%) remains unchanged in Royal Decree-Law 17/2019 for renewable, cogeneration and waste-to-energy facilities [known as RECORE in Spain] existing prior to Royal Decree-Law 9/2013, for a period of 12 years (2020-2031), provided the facilities are not or do not become the subject of arbitration or judicial proceedings (through any of their owners) deriving from the change to the remuneration regime in 2013, or that have waived compensation where a favourable ruling had been delivered. Otherwise, or in the case of facilities that are post-Royal Decree 9/2013, a tariff of 7.09% will be applied for the 2020-2025 period.

The new Royal Decree-Law also establishes a tariff of 5.58% for non-mainland generation for the 2020-2025 period, which matches the tariff for electricity transmission and distribution.

In the case of coal-fired and nuclear plant closures, the Ministry for Ecological Transition and Demographic Challenge (MITECO) is authorised to regulate the procedures and requirements for allocating access capacity to evacuate power through the nodes affected by such closures by incorporating environmental and social criteria and not just technical and economic criteria.

Enresa levy: Royal Decree 750/2019 fixes the Enresa levy at EUR 7.98/MWh as from 1 January 2020. This levy is paid by nuclear plant owners and funds the costs of managing spent nuclear fuel and radioactive waste, closing and dismantling facilities, and storing waste in the future.

Electricity distribution revenue method: CNMC Circular 6/2019 sets the average distribution revenue for the 2020-2025 period at EUR 5.328 billion, compared to EUR 5.590 billion under the current method. This reduction primarily stems from applying the new 5.58% levy.

Electricity transmission revenue method: CNMC Circular 5/2019 cuts transmission revenue from -8.2% to -7.2%. This impact is due to both a lower levy (-5%) and methodological changes in the circular (-2.2%).

Electricity market method: CNMC has released Circular 3/2019, which establishes the methods regulating how the wholesale electricity market operates, the management of interconnections, and technical aspects concerning the management of system operations. The circular brings together the regulatory framework currently in force through Spanish rules and applicable European regulations.

System Operator revenue method: CNMC Circular 4/2019 defines three-year regulatory periods, the first running from 2020 to 2022. It establishes basic revenue of EUR 71.5 million for 2020 (+22% versus 2019), which may vary through a series of incentives (resolution of technical restrictions, improvement in demand forecasts and expected renewable energy generation).

The funding mechanism is revised, with all market agents required to make a fixed payment of EUR 200 per annum and a variable payment to be determined by the CNMC each year depending on its final hourly settlement programme considering the energy generated or acquired by each agent. This scheme leaves the breakdown of cost at 50% for generation and 50% for distribution.

Ministerial order on electricity tariffs for 2020: Ministerial Order TEC/1258/2019 has been published, making no changes on the tariffs established for 2019.

Ministerial order on the 2019 Rates Subsidy: Ministerial Order TEC/1080/2019 sets a funding contribution for Iberdrola of 34.623232%, based on the data for distributors for the period Q4 2017 to Q3 2018, both inclusive. The CNMC had already been applying this rate on its own initiative when settling the Rates Subsidy for 2019, meaning there is no impact on Iberdrola.

Definition of financial ratios: The CNMC has published a communiqué setting out a series of ratios to measure the indebtedness and economic and financial capacity of companies engaged in regulated activities in the electricity and gas sectors, and announcing the ranges of recommended values. It proposes five ratios along with a global weighting index for them, based on the experiences of other European energy regulators and common practice of international rating agencies. A penalty would be applied to the annual revenue (maximum of 1%) if any of the ratios are breached. Iberdrola lies within the ranges established for all five ratios.

Interruptibility auctions: A resolution was published on 2 December 2019 by the Secretary of State for Energy approving the calendar and specifications of the interruptibility auctions for the January-June 2020 period. The rules for prior auctions still apply, although the 40-MW product has been eliminated. As a result of the auctions, the expected cost for the period from January to June 2020 is EUR 4.4 million (compared to EUR 95 million in the previous auction).

Spanish gas sector

Gas TLR for Q1 2020: The gas tariff of last resort (TLR) applicable from 1 January 2020 has been announced (in the 23 December 2019 resolution of the Directorate General for Energy Policy and Mines). On average, prices are down by 3.8% (versus Q2 2019) due to a lower commodity price of EUR 18.4/MWh (-10.8%).

Announcement of gas tariffs and remuneration: Ministerial Order TEC/1259/2019 on natural gas tariffs and the CNMC resolutions establishing remuneration for regasification, transport and distribution activities and the remuneration of the gas system technical manager for 2020 have been published.

The ministerial order sets the remuneration for underground storage and reviews the revenue for all activities in prior years, leaving the currently applicable prices of tariffs and charges unchanged until the CNMC publishes its circular on the calculation method and corresponding resolution establishing the new tariffs.

The CNMC resolutions set the regasification, transport and distribution tariff for 2020 based on the prevailing (former) calculation method and provisionally extend the application of the tariff for the technical gas system manager (EUR 24 million) until the circular setting out the new method is released.

As a whole, the new tariffs and revisions total EUR 2.775 billion, up 1.5% on those recognised in the previous year.

REGULATION IN THE UNITED KINGDOM

Retail cap: Tariff cap: As required by the 2018 Domestic Gas and Electricity (Tariff Cap) Act, Ofgem introduced a new default tariff cap on 1 January 2019 to protect customers on default tariffs including standard variable tariffs (SVT). The tariff cap is adjusted on 1 April and 1 October each year and will stay in force until end 2020 and may be extended annually up to three times. In November 2019 Ofgem lost a judicial review of its approach to setting the allowance for wholesale costs in the cap for Q1 2019; Ofgem must now reconsider this allowance and make such adjustments as it considers appropriate.

Offshore wind energy. The new Johnson Government has raised the Government's ambition for deployment of offshore wind by 2030 from 30 GW to 40 GW.

RIIO-T2. SP Energy Networks (SPEN) submitted its final RIIO-T2 Business Plan to Ofgem's Challenge Group (CG) on 6 December 2019.

RIIO-ED2. Following its 6 August 2019 open letter consultation on the RIIO-ED2 framework, Ofgem published on 17 December 2019 its RIIO-ED2 Framework Decision, confirming a 5-year duration for the price control, retention of debt indexation; use of CPI or CPIH for inflation measurement, and a sculpted sharing factor Return Adjustment Mechanism (RAM) to guard against higher than expected returns. No ranges were provided at this stage for financial parameters. Ofgem also said it intends to extend both late and early models of competition to electricity distribution, and is minded to include a RIIO-ED2 reopener on separation of DSO and DNO activities if required.

Capacity market. On 24 October, the EU Commission's investigation confirmed that the GB CM scheme (as introduced in 2014) complies with EU State Aid rules. BEIS then instructed the EMR Delivery Body to restore the CM, including back-payments to generators that had been suspended since November 2018.

The EMR Delivery Body published updated CM auction parameters for the next T-4 auction (for delivery in 2023/24), the next T-1 auction (for 2020/21) and a T-3 auction .T-1 was held on 6 Feb 2020 with a target of procuring 300 MW. The T-4 is running on 5 Mar 2020 and will target procuring 43.3 GW

3. REGULATION IN THE USA

Appropriations and Tax Credits: Congress passed its FY2020 appropriations bill in December 2019, which includes a $50 million increase to the LIHEAP program, a $12 million increase for DOE's Wind Energy Program, and a 30% increase in funding for DOE's Cybersecurity office (CESER) to $156 million. Also, lawmakers agreed to a 1-year extension of the wind production tax credit (PTC) at 60% for projects that begin construction in 2020, an increase from the wind PTC's 2019 value of 40%, and allows for the election to take the investment tax credit (ITC) for wind projects at 18% in 2020, up from 12% in 2019.

Trade tariffs. President Trump's tariffs on solar panels and cells, steel and aluminium, and Chinese products remain in place. In January 2020, U.S. and Chinese negotiators agreed to a "phase one" relaxation of certain tariffs in response to increased agricultural purchases by China and other reforms. On January 24 the President announced additional tariffs on a new list of steel and aluminium products (effective Feb. 8). Also in January, the president signed the U.S.-Mexico-Canada Agreement (USCMA) replacing NAFTA.

REGULATION IN MEXICO

Amendment to the Guidelines on Granting Clean Energy Certificates (CELs): The Energy Secretary approved an amendment to the Guidelines on Granting Clean Energy Certificates (CELs) on 28 October 2019 and another on 10 December 2019 to enable Clean Energy Certificates to be obtained for power generated by the clean energy plants of the Federal Electricity Commission (CFE) that existed before the Energy Reform. In practice, this measure eliminates the need for CFE Suministro Básico to buy Clean Energy Certificates at the long-term auctions, ultimately avoiding any Basic Supply price hikes for domestic customers.

Reassignment of CFE's generation contracts and assets: On 25 November, the terms for defining the electricity plants and other facilities and generation contracts that the CFE must reassign to each of its so called Generation Subsidiaries were published. The aim of this is to enable the CFE to be more efficiently organised as part of the programme championed by the federal government to strengthen the CFE.

National Private Sector Infrastructure Investment Agreement: With a view to regaining the confidence of Mexican and foreign investors, the National Private Sector Infrastructure Investment Agreement was approved on 26 November 2019, entailing total investment of MXN 859.022 billion in 147 private infrastructure projects over six years.

Method for determining the final Basic Supply price: On 16 December 2019, the method for determining electricity prices for 2020 was approved, with no changes from the existing method. It is therefore expected that the 2019 prices will continue to be applied and will remain stable over the course of the year.

REGULATION IN BRAZIL

Transmission auction: In December, a thirty-year concession was auctioned off in 12 blocks across 12 states in Brazil, involving a total of 2,380 km of power lines and 18 substations with a transformer capacity of 7,900 MVA and a total estimated budget of BRL 4.2 billion. With the highest ever discounts on the starting price (60.30% of total permitted annual profit (RAP), Neoenergia was allocated Block 9: a project to construct 210 km of 230 kV transmission lines and a new 230/138 kV substation known as Rio Formoso II, with a transformer capacity of 1,000 MVA; and also to expand the Río das Éguas substation. The agreed-upon permitted annual profit was BRL 18 million, which represents a 64.04% discount on the initial permitted annual profit. The project construction period is 48 months and the estimated budget is BRL 300 million.

Opening up of the market: A ministerial order was published in December 2019 reducing the restrictions on consumer access to the liberalised market. As from 1 January 2021, consumers with a capacity of ≥ 1,500 kW may migrate to the liberalised market; from 1 January 2022, consumers with a capacity of ≥ 1,000 kW may do so; and from 1 January 2023, access will be available to those with a capacity of ≥ 500 kW. Moreover, ANEEL (Brazilian National Electricity Agency) and CCEE (Power Commercialization Chamber) must submit a plan before 31 January 2022 to open up the market to consumers with a capacity of less than 500 kW.

REGULATION IN THE EUROPEAN UNION

EC adopts new list of major infrastructure projects (Projects of Common Interest). On 31 October 2019, the EC adopted the ***4th list of Projects of Common Interest (PCIs)*** through a Delegated Act. The final decision approving the list is expected to be made in **February 2020**.

PCIs are **major energy infrastructure projects** that are seen as necessary to facilitate European integration and, specifically, the Single Market. PCIs come with lower administrative costs and are eligible for European funding (Connecting Europe Facility) for up to 50% of the project's budget.

The new PCI list **retains on the whole all the electricity infrastructure projects** to facilitate country to country exchanges (interconnections, pumped storage and smart grids: 102 in 2019 vs. 106 in 2017). Of those affecting Spain, ALL those included in the 2017 list have been kept (two interconnections with France, one with Portugal and three pumped storage projects).

However, the **number of gas projects has been significantly** cut (storage, LNG terminals, interconnections), falling from 53 to 32. Most of these are cross-border interconnections or interconnections with other facilities (storage facilities, terminals), and it is notable that practically all the projects outside countries in Eastern Europe are no longer on the list. Of the cases affecting Spain, ALL on the list have been removed (SP-PT: 3rd interconnection (phases 1 and 2); SP-FR: STEP (western interconnection) and MIDCAT).

European Investment Bank adopts new lending policy: On 14 November 2019, the Board of the European Investment Bank (EIB) adopted the institution's new lending policy to support the energy transition (mobilising EUR 1 trillion between now and 2030).

The **EIB will stop funding fossil fuel projects that emit greenhouse gases:** oil and natural gas production, transmission, storage and refining, and electricity generation with emissions of over 250 g/kWh (without CCS) using oil, gas or coal. However, it does underscore the **strategic importance of developing electricity distribution and transmission grids** within the energy transition.

European Parliament Plenary approves the new European Commission: The new College of Commissioners took up their posts on 1 December 2019 under the leadership of their new German president, Ursula von der Leyen. The commissioner with the closest ties to energy and climate is Frans Timmermans, who is the first Executive Vice-President of the Green Deal (DG for Climate Action) overseeing the following areas:

- Kadri Simon, Commissioner for Energy (DG for Energy);
- Adina Ioana, Commissioner for Transport (DG for Mobility and Transport); and
- Virginijus Sinkevičius, Commissioner for the Environment (DG for the Environment).

Announcement of the "New Green Deal": European Communication COM (2019) 640 on the European Green Deal was published on 11 December 2019, consisting of a package of measures for the next five years to transform the EU into a competitive economy that uses resources efficiently and achieves net zero emissions by 2050, promoting a fair and inclusive transition to achieve this.

The deal will be enshrined in law **between** 2020 and 2021, starting in March 2020 with a draft *European Climate* Law setting the goal of **carbon neutrality by 2050**.

In the summer of 2020, an "Impact Analysis" will be presented looking at what effect increasing the 2030 objective to cut emissions from 50-55% versus 1990 levels (the current objective is 40%) will have. This change will entail having to revise all current regulations and enact new legislation.

Developments in bringing "sustainable finance" regulations into force: The Sustainable Finance Package is a European initiative aimed at providing capital and funding for the energy transition (the estimated budget for achieving just the 2030 objectives is EUR 180 billion). **Two regulations stand out** among those planned: taxonomy and sustainability-related benchmarks.

- ***Taxonomy Regulation:* agreed in a trilogue, pending ratification by the European Parliament Plenary** and publication in the Official Journal of the European Union.

  The Taxonomy Regulation sets out **which activities can qualify as sustainable** in relation to energy transition investments. An activity will be sustainable if **it contributes significantly to achieving one of the objectives and does not prejudice the others**.

  The regulation covers the EU's six environmental objectives: "climate change mitigation", "climate change adaptation", "air quality", "water and marine environment", "circular economy and waste" and "ecosystem quality". It will come into force in December 2021 for "climate change mitigation" and "climate change adaptation", and in December 2022 for the other objectives.

- ***Regulation on sustainability-related benchmarks ((EU) 2019/2089)***

  This Regulation establishes a series of **financial benchmarks** (related to baskets of shares, bonds, loans, funds and other assets) **that are transparent and can be audited in order to roll out low emission investment strategies** and express the "level of commitment" to combating climate change. The regulation establishes **two benchmark**s, from a lower to a higher level of commitment: the Climate Transition Benchmark and the Paris-aligned Benchmark. The **composition of and rules for these benchmarks** will be laid out in **subsequent detailed regulations, drawing on the contributions made in the non-binding report of a group of experts appointed by the Commission.**

10

Iberdrola and Sustainability

Iberdrola´s contribution to sustainable development is reflected in several corporate responsibility practices that meet the needs and expectations of its interest groups. with whom the Company maintains a combination of open communication channels are used for communicating goals. activities and successes achieved in the three areas of sustainable development (economic. environmental and social). as well as receiving evaluations and requests from the parties involved.

1. SUSTAINABILITY INDICATORS

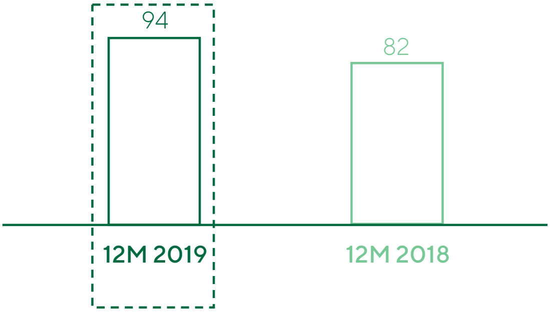
Sustainability Indicators	12M 2019	12M 2018
Contribution to GDP (Gross Margin) (*)	0.49%	0.50%
Contribution to GDP (Net revenues) (*)	1.23%	1.27%
Net Profit (EUR million)	3,406.3	3,014.1
Dividend yield (%)(**)	3.87%	4.71%
CO_2 emissions over the period (gr. CO_2 /kWh): Total	110	112
CO_2 emissions over the period (gr. CO_2 /kWh): Spain	94	82
CO_2 emissions over the period (gr. CO_2 /kWh): UK	-	203
CO_2 emissions over the period (gr. CO_2 /kWh): US	73	54
CO_2 emissions over the period (gr. CO_2 /kWh): Brazil	70	73
CO_2 emissions over the period (gr. CO_2 /kWh): Mexico	329	344
Emission-free production: Total (GWh)	82,811	85,010
Emission-free production: Spain (GWh)	45,928	49,508
Ratio emission-free production to total production: Total (%)	73%	74%
Ratio emission-free production to total production: Spain (%)	78%	86%
Emission-free installed capacity: Total (MW)	35,116	32,375
Emission-free installed capacity: Spain (MW)	19,703	18,966
Emission-free installed capacity: Total (%)	77%	77%
Emission-free installed capacity: Spain (%)	74%	73%

Note: Third-party capacity and production not included
(*) Source: Iberdrola Results and National Quarterly Accounting for Spain – INE (Last data published in 2Q 2019)
(**) Dividends paid in the last 12 months and Shareholder´ Meeting attendance bonus/price at the end of period.

SPAIN: Development of specific thermal mix emissions, Global: CO_2, SO_2, particles and NOx.

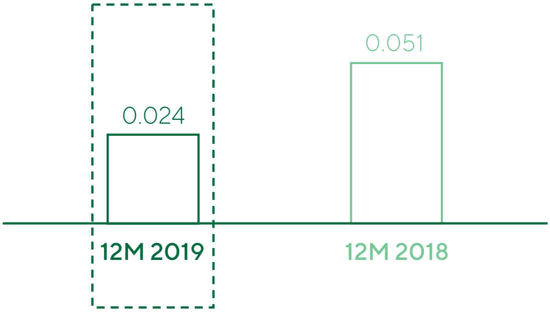
CO_2 specific emissions mix, GLOBAL

(g/kWh)



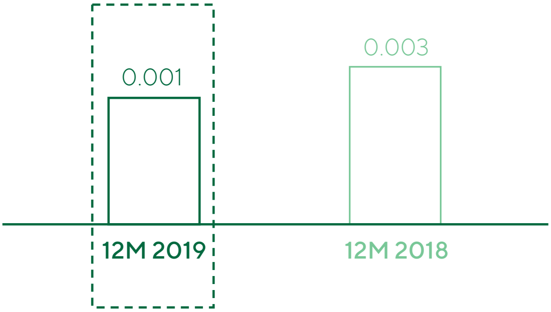
SO_2 specific emissions mix, GLOBAL

(g/kWh)



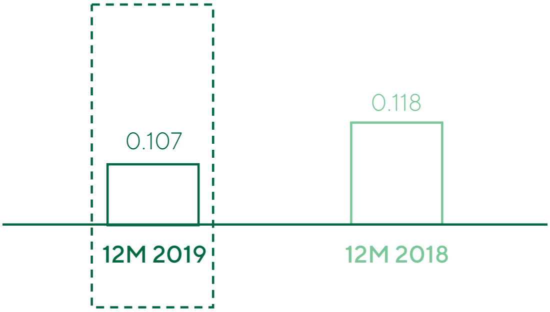
Specific particulate emissions Mix GLOBAL

(g/kWh)



NOx specific emissions mix, GLOBAL

(g/kWh)



2. INDEX, RANKINGS AND RECOGNITIONS

Presence of Iberdrola in Indices and Rankings of Sustainability, Reputation and Corporate Governance.

Sustainability	
Rating	**Status**
Dow Jones Sustainability World Index 2019	Selected in the utility sector. Iberdrola member in all editions
Sustainability Yearbook ROBECOSAM 2019	Classified as "Silver Class" in the electricity sector.
MSCI Global Sustainability Index Series	Iberdrola selected AAA
CDP Climate Change 2019	A-
CDP Supplier Engagement Leader 2019	Iberdrola Selected
Global 100	Iberdrola Selected
Sustainalytics	Iberdrola among the highest rated utilities
ISS-oekom	Iberdrola selected as Prime
FTSE4Good	Selectied for 10 years
Bloomberg Equality Index 2019	Iberdrola selected
Euronext Vigeo Eiris index: World 120, Eurozone 120 & Europe 120	Iberdrola selected
Ecovadis	Iberdrola as one of the companies with the best performance
2019 World's Most Ethical Company	Iberdrola selected. Only Spanish utility
ECPI	Iberdrola lected in several Sustainability Indices
STOXX	Iberdrola selected in STOXX Global ESG Leaders and in several Sustainabiolity indices
EcoAct	Iberdrola first Spanish company and first utility in the ranking
Influence Map	Iberdrola selected
MERCO 2019	mercoEmpresas: Leader among Spanish utilities: energy, gas, and water industry
Newsweek and Green Rankings	Iberdrola fifth utility worldwide
Energy Intelligence	Iberdrola among the top four utilities in the EI New Green Utilities Report 2019
Forbes	Iberdrola selected in Forbes 2019: GLOBAL World's Largest Public Companies 2000
ET Carbon Rankings	Iberdrola selected in Emissions Transparency Index
Fortune Global 500	Iberdrola selected

Sustainability Management Policy

ENERGY SUSTAINABILITY

BUSINESS SUSTAINABILITY

COMPETITIVENESS

- Energy supply at the best possible price
- Technology with low operational and maintenance costs
- Diversified mix

SECURITY IN ENERGY SUPPLY

- Local and renewable primary energy sources
- Reliability and availability of energy supply
- High quality service
- Promotion of energy efficiency

ENVIRONMENT

- Sustainable use of natural resources
- Efficient production and efficient use of energy
- Emission reduction
- Biodiversity protection
- Waste and water management

CREATION OF VALUE

- Business profit
- Corporate government, Risk management, codes of conduct and compliance
- Relationships with clients
- Leading and guiding company of the supply chain

SOCIAL DIMENSION

- Universal access promotion
- Strict respect of human rights
- Improvement of the standard of living of the people in the areas where the Group develops its activity
- Cualified and committed workforce

3. CONTRIBUTION TO SOCIETY

Iberdrola's most significant actions during the period from January to December 2019, in the realm of social responsibility and sustainable development were as follows:

3.1.- Acknowledgement of Iberdrola's excellent performance

- **Iberdrola: the only European *utility* to appear in all 20 editions of the Dow Jones Sustainability Index**

  Iberdrola has once again been included in the Dow Jones Sustainability Index (DJSI), making it the only European utility to have been included in the selection throughout its 20 editions. The company's inclusion highlights its unwavering commitment to the highest environmental, social and corporate governance standards.

- **Ignacio Galán receives 2019 award for innovation and best business management**

  Iberdrola's chairman has been handed the 2019 National Design and Innovation Award in the Innovation Pathway category by Spain's Ministry of Science, Innovation and Universities. There were 79 candidates for the National Design and Innovation Awards, which recognise those individuals and organisations that have put innovation at the heart of their professional and business growth strategies. Galán has also received the León Award from El Español for his long and successful career.

- **Iberdrola: a leader in sustainability reporting**

  Iberdrola has taken the top spot in Spain and is ranked fourth globally in the IBEX 35 Sustainability Reporting Performance Report prepared by consultancy firm EcoAct España, thanks to the detail and transparency of its Statement of Non-Financial Information – 2018 Sustainability Report and its corporate website. Companies are evaluated based on 61 criteria across four themes: measurement and reporting; strategy and governance; targets and reduction; and commitment and innovation.

- **Iberdrola: the only Spanish electricity company ranked in the 2020 Bloomberg Gender Equality Index**

  For the third consecutive year, Iberdrola has been included in the 2018 Bloomberg Gender Equality Index (GEI), created by Bloomberg to recognise companies that have undertaken a firm and solid commitment to gender equality. During this third edition, 325 companies across 42 countries and 11 business sectors were evaluated for their commitment to gender equality, demonstrated through policies, equal representation and transparency within their organisations.

- **Iberdrola ranked in FTSE4Good Index for tenth year in a row**

  Iberdrola has been included for the tenth consecutive year in the prestigious FTSE4Good international index, established to drive investments in the world's most sustainable companies. Inclusion in the FTSE4Good Index ratifies Iberdrola's performance in the areas of working standards, human rights, health and safety, biodiversity, climate change, water and responsibility to the customer, as well as supply-chain related social aspects. The company has also met the organisation's requirements concerning corporate governance, risk management, anti-corruption mechanisms and tax transparency.

- **S&P Platts hands Iberdrola Energy Transition Award**

  S&P Platts has given Iberdrola the Energy Transition Award, which is the only award that candidates do not need to be nominated for and is instead given based on independent objective analysis. The award was presented in recognition of the company's efforts to cut emissions and champion decarbonisation of the economy by boosting the uptake of clean energy.

- **Iberdrola: the Spanish company with the best corporate governance practices**

  For the third time, Iberdrola has been named the Spanish firm with the best corporate governance practices by the publication World Finance, which held its ninth annual Corporate Governance Awards this year. The company's business model is based on ethics and transparency, a long-term vision and the integration of cultures and people, enabling it to generate financial benefits for all of the company's stakeholders.

- **Iberdrola acknowledged as one of the world's most ethical companies for the sixth consecutive year**

  Iberdrola has been included in the 2019 World's Most Ethical Companies ranking drawn up by the Ethisphere Institute, which aims to promote a corporate culture built on ethical standards and the achievement of these aims. According to the Institute's criteria, the companies included in the ranking have record levels of stakeholder engagement and are truly committed to the utmost transparency, diversity and inclusion. The Ethisphere Institute's selection process involves evaluating candidates across five categories: compliance and ethics, ethical culture, corporate social responsibility, good governance and reputation and leadership. Iberdrola is the only Spanish company to be included in the Institute's ranking.

- **Iberdrola: first Spanish company to receive AENOR certification for its Tax Compliance Management System**

  Iberdrola has become the first Spanish company to obtain AENOR certification for its Tax Compliance Management System in accordance with the requirements established in the UNE 19602 standard. This accreditation, which is aligned with the Spanish AENOR standard and with OECD recommendations, focuses on the establishment and supervision of tax policies and strategies, basic guidelines for tax management and decisions on matters of strategic importance, as well as on the design of the company's tax management and control system.

- **Iberdrola recognised as a LEAD company in the United Nations Global Compact**

  Iberdrola has been announced as a LEAD participant for its ongoing commitment to the United Nations Global Compact and its ten principles for responsible business. Specifically, Iberdrola was identified at the UN Global Compact Leaders Week in New York as one of the most highly engaged participants of the world's largest business sustainability initiative.

- **European Commission rewards Iberdrola for its work with startups**

  For the third year in a row Iberdrola has been named as one of the Top 12 Corporate Startup Stars. This ranking comprises the top 12 corporations in Europe that are leaders in this field and are committed to innovation; it forms part of the European Commission's competition titled Europe's Corporate Startup Stars. The company also received a special mention for its pilot projects with and procurements from startups.

- **Iberdrola Investor Relations recognised as the best in Europe for the third time**

  Iberdrola's Investor Relations team has been named the best in Europe in the IR Magazine Awards for the third straight year. It received awards in the best overall investor relations and best investor relations officer categories, and also as the best performing company in the utilities sector in this area. Its commitment to transparency and on-going dialogue with the financial community, and its efforts and professionalism in this regard were also recognised. The company was also a finalist in five other categories: best financial reporting; best use of technology in investor relations; best investor meetings; best corporate governance and disclosure; and best sustainability communications.

- **Neoenergia: winner of the first edition of the 2019 Global SDG Award**s

  Iberdrola's subsidiary in Brazil, Neoenergia, has won the first edition of the 2019 Global SDG Awards. The aim of these awards, organised by the Brazilian network of the Global Compact, is to recognise innovative Brazilian projects that have contributed to achieving one or more of the Sustainable Development Goals.

- **Iberdrola recognised as Most Impressive Corporate Green Issuer in financial markets**

  For the second year running, international magazine Global Capital – a publication specialising in the analysis of financial markets – has recognised the company's green, sustainable financing strategy, handing it the Most Impressive Corporate Green/SRI Debt Issuer award, which makes us stand out as the "most influential" corporate green/sustainable financing issuer. Since 2014, Iberdrola has issued over EUR 10 billion in green debt instruments, making it the world's largest corporate issuer.

- **Iberdrola's 2019 Shareholders' Meeting, once again certified as a Sustainable Event**

  Iberdrola was the first Spanish company and the first among the world's 10 largest electricity companies to be awarded the ISO 20121 Sustainable Event certification for its General Shareholders' Meeting. It was the first to renew this certification in 2019. The General Shareholders' Meeting was also awarded the Erronka Garbia environmental badge by the Basque regional government for properly controlling the event's environmental impact.

- **Iberdrola: the company with the most customer service excellence awards in the sector**

  Iberdrola's Customer Service team has been named a winner at the Customer Relations Excellence Awards, which are given to companies each year in recognition of their excellent performance in the area of customer service in Spain. The company's efforts to fulfil the needs of customers who are ever more demanding, knowledgeable and digital has seen it take home awards in four categories for the fourth consecutive year. It is the company that has been most highly recognised and received the most awards from the Spanish Association of Customer Relations Experts (AEERC). The Customer Experience Development Association (DEC) has also awarded the company a prize for the best customer experience strategy for its project to transform the processes of its call centre and other non-face-to-face channels.

- **Neoenergia applauded for service quality and best practices in Brazil**

  Neoenergia took centre stage with four of its subsidiaries as finalists at the 21st awards ceremony of the Brazilian Association of Electricity Distribution Companies (Abradee). Neoenergía's four distribution companies took the top slots in the Performance Improvement category. The Abradee awards recognise and share best practices among member distribution companies, leading to fast and long-lasting improvements in the quality of the electricity services offered to the country's citizens.

- **Award for Iberdrola green bonds**

  The magazine *Inversión a Fondo published* by El Economista has ranked Iberdrola's green bond placements among the best investment ideas in 2018. Specifically, the EUR 750 million placement in June 2018, with a term of over eight years and a coupon of 1.25%, was named best five-year-plus placement. Now in their fifth year, the Inversión a Fondo Awards aim to recognise excellence in investment products and securities that have offered the best returns for investors and unitholders over the last year.

- **Spain's National Sports Council (CSD) awards Iberdrola the Gold Plaque of the Royal Order of Sporting Merit**

  The National Sports Council (CSD) has presented Iberdrola with the Gold Plaque of the Royal Order of Sporting Merit, as officially announced in a Resolution of the Ministry of Culture and Sport published in the Official State Gazette (BOE).

3.2.- Contribution to achieving the Sustainable Development Goals

SDG 7 (Affordable and clean energy) and SDG ODS 13 (Climate action)

- **Iberdrola to provide electricity to 16 million vulnerable people who currently have no supply**

  By the year 2030, Iberdrola will supply electricity through modern and environmentally sustainable energy pathways to 16 million vulnerable people in developing or emerging countries who currently have no access to it. This comes after hitting the previous target of four million people. This action is part of the Electricity for All campaign launched by the company in 2014. Furthermore, Iberdrola has signed a new sustainable credit facility for EUR 1.5 billion related to SDG 7 on affordable clean energy and to carry out the Electricity for All programme. By year-end 2019, it had provided seven million people with access to electricity through this programme.

- **Iberdrola has launched the second phase of the public-private partnership to supply electricity to refugee camps in Ethiopia –Shire Alliance**

  The alliance has been extended to cover four refugee camps. In addition, it has run a workshop on digital tools and IT to meet basic needs, as part of the 'Iberdrola with refugees' project.

- **Iberdrola obtains new green credit facility with the EIB and ICO to fund Núñez de Balboa solar PV plant**

  The European Investment Bank (EIB) and Spain's Official Credit Institute (ICO) will finance the development of the Núñez de Balboa solar PV plant that Iberdrola has built in Extremadura. The facility occupies around 1,000 hectares of land and will have a total capacity of 500 MW, making it the largest PV plant under construction in Europe. It will be capable of supplying clean energy to 250,000 people and will cut emissions of 215,000 tonnes of CO_2 per annum. The finance has been obtained from the EIB and ICO as part of Iberdrola's drive to build a sustainable energy model facilitating the transition to a low-carbon economy.

- **Iberdrola joins World Business Council for Sustainable Development to adopt best practices in response to potential climate-related risks**

  As an example of best practice, Iberdrola has worked alongside other companies in producing a report led by the World Business Council for Sustainable Development (WBCSD) on transparent reporting on the effects of climate change in the electricity sector. The report includes examples of the reporting currently being provided in this area and identifies areas for improvement. It also explores the challenges companies face in responding to the recommendations of the G20's Financial Stability Board and the expectations of users of climate-related information.

- **Luces de Esperañza (Lights of Hope): Iberdrola to bring solar power to rural communities in Mexico**

  Iberdrola Mexico and partner, Iluméxico, have launched Luces de Esperañza (Lights of Hope): a project that will supply electricity to 30 rural communities across the sub-region of Huasteca Potosina who currently have no access to this service. This will kick start their development by providing power for productive activities and improving health, education and security. Off grid solar arrays will be installed on homes, schools, health centres and in public spaces to the benefit of 6,000 individuals who are not connected to the national grid.

SDG 17 (Partnerships for the goals)

- **Iberdrola signs CEOs Call for Action agreement with CSR Europe**

  Iberdrola's CEO has signed an agreement entitled *CEOs Call for Action* – a call to accelerate sustainable growth, tackle climate change and create inclusive prosperity. Brought together by CSR Europe, the 100-plus CEOs who have signed the agreement have called for stronger dialogue and interaction between politicians, civil society and their colleagues in the business and industrial sectors.

- **Iberdrola and the Basque Energy Agency (EVE) found a company to implement renewables projects**

  Iberdrola and the Basque Energy Agency (EVE) have founded a joint venture to roll out projects through which they will invest in renewable energies in the Basque Country. Both organisations are interested in pushing ahead with the energy transition through the development of competitive, clean and sustainable energy, which will further reduce energy dependence and generate jobs.

- **Iberdrola takes part in Sustainable Energy Week held in Brussels**

  Iberdrola has presented its vision on its "Long-term strategy for reducing greenhouse gas emissions in the EU" during Sustainable Energy Week in Brussels. As part of the company's commitment to corporate responsibility through its climate policy, the company stated its clear intentions to contribute to achieving the goal of net zero emissions, and has called for greater political ambition concerning climate matters since active measures to combat global warming are a source of economic and social development.

SDG 12 (Responsible consumption and production)

- **Iberdrola surpasses service quality requirements**

  As explained in the "Operational performance for the period" chapter, Iberdrola Group companies have surpassed the regulatory requirements regarding service quality in each jurisdiction.

- **Iberdrola presents the 2018 Supplier of the Year award**

  The company has recognised the commitment of its suppliers in fields such as excellence, sustainable development, quality, internationalisation, innovation, corporate social responsibility, job creation and occupational risk prevention. The award for 2018 Supplier of the Year was given to the Brazilian company WEG, which has become the group's main transformer supplier and has production centres in three countries which are especially important for Iberdrola (Brazil, Mexico and the United States). The award in the CSR category went to Mexican company FONABEC A.C.

SDG 4 (Quality education)

- **Iberdrola announces more than 100 Master's degree scholarships and research grants in five countries**

  Iberdrola has launched a new call for Master's degree scholarships and another for research grants for the 2018-2019 academic year, with the aim of promoting excellence in the education of new generations and their employability in strategic innovation and technological development areas within the company. This year, the group will award a total of 108 grants to Spanish, British, American, Mexican and Brazilian students.

- **Iberdrola launches EducaClima website** as part of World Environment Day The company's chairman, Ignacio Galán, visited Ciudad Escuela Muchachos (CEMU) School in Leganés (Madrid) to unveil a website providing teachers with educational resources they can use as a tool for teaching children about the causes, impacts and consequences of climate change and make them more aware of looking after and protecting nature.

SDG 5 (Gender equality) and SDG 3 (Good health and well-being)

- **Iberdrola: top promoter of women in sport**

  Iberdrola and the Spanish National Olympic Committee have signed a partnership agreement to foster equality in sport, helping sportswomen to inspire other women and society as a whole. Under the agreement, Iberdrola has become one of the Olympic Committee's Gender Equality Strategy Partners. Three years ago, the company became the leading champion of the Universo Mujer (Women's Universe) programme run by Spain's National Sports Council (CSD). It has also extended its backing of women's football for the next six seasons, becoming the headline sponsor of the national competition, which will be renamed Liga Iberdrola. Lastly, Iberdrola has widened its sustainability awareness programme to encompass the federations it supports.

- **Scottish Power takes part in the POWERful Women initiative to encourage gender diversity**

  Representatives of ScottishPower have attended a reception at the House of Lords with Greg Clark, the UK's Secretary of State for Business, Energy and Industrial Strategy, to promote the launch of the Energy Leaders Coalition. The initiative forms part of the POWERful Women campaign, focusing on direct measures to encourage gender equality and diversity in the UK's energy sector.

- **Iberdrola becomes first multinational in the world to receive Healthy Workplace certificate**

  Iberdrola has become the first multinational in the world to be certified by AENOR as a Healthy Workplace, as per the model developed by the World Health Organisation (WHO). This multi site certification from AENOR has been validated for all the group's companies. The certification accredits the efforts of the group's management to roll out and champion a process of continuous improvements to protect the health and safety of all staff and ensure workplace sustainability.

- **First *Mujeres con Energía* (Women with Energy) forum takes place in Mexico**

  A group of 40 female leaders from Iberdrola Mexico have taken part in the first Mujeres con Energía (Women with Energy) forum. In line with Iberdrola's commitment to people – a key component for achieving the company's objectives and executing the new 2018-2022 Strategic Plan – Mujeres con Energia is an initiative of Iberdrola Mexico to strengthen equal opportunities for women and reiterates the company's commitment to the development of inclusive environments that favour greater gender equality in positions of leadership in the sector.

SDG 6 (Clean water and sanitation)

- **Iberdrola applauded as one of the utilities with the best water productivity**

  According to the Global 100 ranking, Iberdrola has been recognised as one of the utilities boasting the best water productivity. The company is also a signatory of the United Nation's CEO Water Mandate – an initiative that encourages sustainable practices in water use – and has participated in CDP Water since it was launched.

SDG 9 (Industry, innovation and infrastructure)

- **Portuguese Consumer Association recognises Iberdrola as the best in the industry for resolving claims**

  Putting the customer at the centre of all its activities is one of the pillars upon which the company is built. The Portuguese Consumer Association (DECO) has named Iberdrola as the best performing business in the sector when it comes to handling claims. The company scored nine out of 10 based on its customers' feedback, the percentage of claims dealt with successfully, the response rate and the average response time.

SDG 1 (No poverty), SDG 2 (Zero hunger), SDG 8 (Decent work and economic growth) and SDG 10 (Reducing inequalities)

- **Iberdrola named as one of the companies with the most talent:** The company ranks as one of the top five companies with the most talent in Spain, after climbing 10 places from last year. It is now the leader in its sector, according to the Merco Talent ranking of the 100 businesses most able to attract and retain talent.

- **Iberdrola** employs over 34,500 people and generates around 400,000 indirect and indirect jobs. In 2018, it contributed more than EUR 31.1 billion to gross domestic product (GDP). According to the figures of the Iberdrola Impact Study produced by PwC, the company generates between 9 and 10 euros of GDP for every euro it invests in the regions in which it operates. Includes indirect and induced impacts.
- **Iberdrola Operation Kilo initiative.** This charitable initiative was again held in Spain, the United Kingdom, Mexico and Brazil with the aim of helping those facing financial hardship. Food was also distributed in Madrid and Valencia.
- Iberdrola has partnered with **Carrera de las Capacidades (Capabilities Run)**: a new sporting event in Madrid to help disabled people gain a foothold in society and the workplace.

SDG 11 (Sustainable cities and communities)

- Through its new i-DE electricity distribution brand, **Iberdrola** will invest EUR 600 million over the next 10 years to play a role in the transition of towns and cities across Spain towards smart cities in four areas: **e-mobility, network infrastructures, efficient energy use and citizen awareness**. The funds set aside for this project are primarily earmarked to develop the electricity distribution network and increase the intelligence of the distribution network through digitalisation.

SDG 14 (Life below water) and SDG 15 (Life on land)

Conserving biodiversity is one of the Group's core corporate values. In its endeavours to boost biodiversity in natural ecosystems, **Iberdrola has allocated EUR 40 million to use air-bubble curtains to reduce noise when installing offshore wind turbines**. These are produced using circular tubes with micro-perforations connected to a ship with compressors that pump air into them. Air is forced through the holes and rises to the surface creating a curtain of air bubbles.

3.3 Volunteering programme initiatives

Stand-out activities as part of Iberdrola's Corporate Volunteering Programme, implemented through the International Volunteer Portal in this period include:

- **Lights, camera... action!** The company has taken part in a new round of this project, which was first launched in 2011 in partnership with the Tomillo Foundation to improve the education and employability of 15 to 18-year-olds on basic vocational training programmes at the foundation with a history of academic failure.
- **Workshops on digital tools and IT to meet basic needs**, as part of the 'Iberdrola with refugees' project.
- **2019 Murcia Volunteers Day: "Reforestation of the Ribera de la Contraparada"**. The company continues to run projects to care for the environment.
- **Volunteering in the fight against climate change in schools**. The project, which was launched in Spain in 2017 to raise awareness of the consequences of climate change through talks and workshops in schools and institutions, has now been set up in Mexico.
- **The SDGs at school**: Awareness-raising project at schools on the United Nations Sustainable Development Goals and its 2030 Agenda. Participating volunteers receive training to run awareness-raising workshops at schools, using fun audio visual and hands-on resources to teach children and their teachers about the SDGs and encourage them to help achieve them. The goal is to inform staff about the SDGs and encourage healthy, sustainable and charitable behaviour.
- **Female Self-defence Workshops** in Madrid, Bilbao and Valencia celebrated on the Day for the Elimination of Violence against Women to help empower women.

3.4 Community action

The ScottishPower Foundation, Avangrid Foundation, Iberdrola Foundation Mexico, Instituto Neoenergia and Iberdrola Foundation Spain embody Iberdrola's commitment to the development of the countries where it operates, as well as to solidarity with those people who are most vulnerable. The 2018-2021 Foundations Master Plan commits to the SDGs in order to contribute to tackling the planet's social and environmental challenges, establishing the following objectives in each work stream:

GENERAL TARGETS (GT)	WORK AREAS	SDG
1. Support training and research in general, prioritising innovation to contribute to energy sustainability.	Training and Research	4 QUALITY EDUCATION
2. Support environmental protection and the improvement of biodiversity, to actively contribute to the fight against climate change.	Biodiversity and Climate Change	15 LIFE ON LAND
3. Protect and safeguard artistic and cultural heritage, promoting conservation and restoration, as well as supporting local development.	Art and Culture	11 SUSTAINABLE CITIES AND COMMUNITIES
4. Contribute to sustainable human development, supporting the most vulnerable individuals and groups.	Social Action	1 NO POVERTY
5. Promote alliances that make it possible to carry out actions to reach the SDGs associated with the activities of the Foundations in the local context.	Alliances to achieve the SDG	17 PARTNERSHIPS FOR THE GOALS

The most significant initiatives in 2019 by work stream are as follows:

A. Training and research:

This work stream focuses on young students, by supporting their degree, technical training or language studies and offering opportunities to those who have disabilities and/or fewer resources. It also includes grants for research and for restoration and conservation in partnership with museums. These initiatives will help reach specific targets of SDG 4: Quality education.

Avangrid Foundation: Work has been carried out this year on the call for applications for scholarships and grants:

- **Kennebec Valley Community College (Maine):** Three scholarships for eligible students on electrical technology courses.
- **Adirondack Research Consortium (ARC, New York):** This initiative supports several conferences,

research projects and academic associations that fulfil the ARC's objectives, involving 350 participants.

- **Ithaca Sciencenter - Sciencenter Discovery Museum (New York):** Specifically supports the Power of the Future field trip series; a programme for students focusing on renewable energy and involving 350 students and 17 teachers.
- **Rochester Museum and Science Center (New York):** Fifty grants for children from the city of Rochester to attend science, technology, engineering and maths (STEM) summer camps.
- **Monroe Community College Foundation - Scholarships (New York):** Funding students' higher education to help them achieve their ambition to find a skilled job.
- **BlueHub Capital - Working Communities Challenge & The Federal Reserve Bank of Boston**: A partnership with private, public and non-profit sectors to tackle complex sustainable development projects. The goal is to have a widespread impact in post industrial cities, such as boosting economic activity, social inclusion and cutting poverty.
- **Yale University School of Architecture (Connecticut)**: This programme offers architecture students the chance to design projects focusing on social action and community justice. This project has resulted in 30 homes being built in New Haven.

Iberdrola Foundation Spain: Call for applications for 47 scholarships and grants.

- 20 grants for energy and environmental research. Twenty researchers selected.
- Ten Carolina Foundation scholarships for energy and environment master's degrees at Spanish universities.
- Three Fullbright scholarships for energy and environmental master's degrees.
- Nine scholarships for undergraduate students to help with their studies at ICAI-University of Comillas.
- Three grants for restoration and conservation at the Prado Museum.
- Two grants for restoration and conservation at the Bilbao Fine Arts Museum.

Linguistic Immersion Programmes in English, which aim to teach English to school students in their third and fourth years of compulsory secondary education. Students are selected by the education departments of several autonomous communities participating in the programme, based on objective criteria considering academic excellence and financial resources. It also promotes and facilitates the participation of students in rural areas, given that such students find it most difficult to access this kind of training. Iberdrola opens the doors of its facilities over the summer and Easter periods as a venue for these courses. A total of 80 students and 22 teachers have participated in the summer courses in Castilla-León, Extremadura and the region of Valencia.

Iberdrola Foundation Mexico:

- Collaboration agreement signed with the **Renewable Energy Institute at the Autonomous National University of Mexico (UNAM)**.
- Partnership with the **Renewable Energies Institute of the Autonomous National University of Mexico**, the Valles Centrales de Oaxaca Technology University and the General Coordination Department of Secondary, Further and Higher Education, Science and Technology to support the development of education in the south-southeast region, and encourage the uptake of engineering studies, especially among women. Programme of 20 professional scholarships per annum (over five years) for young people in Oaxaca de Juárez.
- Professional scholarships for five young people and one university scholarship for one individual (2019-2020 academic year) in partnership with the **Monterrey Institute of Technology, Tampico campus**.

Instituto Neoenergía: A new agreement has been signed with **CIEDS** (Integrated Centre for Sustainable Development Studies and Programmes) to bolster the network for sharing educational solutions and innovative practices in the cities of Franco da Rocha (SP), Francisco Morato (SP), Caieiras (SP), Itaparica (BA), Itapebi (BA) and São Francisco do Conde (BA).

The project **Balcão de Ideias e Soluções Educativas** (Educational Solutions and Ideas Circle) run in collaboration with CIEDS aims to bolster the network for sharing educational solutions and innovative practices in state schools in the cities of Francisco Morato (SP), Caieiras (SP), Itaparica (BA), Itapebi (BA) and São Francisco do Conde (BA). To date, 1,018 teachers have taken part in the project.

SPW Foundation:

- **The Engineering Education Programme**, conducted alongside The Prince's Foundation, offers an outdoor educational experience that puts children and young people in touch with their natural heritage, with the aim of inspiring them to become the future generation of entrepreneurs and innovators in the energy industry.
- The aim of the **Schools Outreach** project is to provide an innovative programme for science, technology, engineering and mathematics (STEM) to 10,000 pupils in deprived areas of Wales, through workshops where they can put their scientific knowledge into practice.
- A project is being rolled out in partnership with Bangor University for secondary school pupils in Wales, which uses interactive techniques to develop STEM knowledge and improve personal skills, thereby enhancing their employability.
- The National Deaf Children's Society and SPW Foundation have launched a project in which a bus will travel around various areas of England to give young deaf people aged 4-19 a series of workshops to help them feel less isolated, thereby improving their academic performance and relational skills.
- Red Balloon of the Air is a project geared towards young people who have abandoned their studies due to cases of bullying or other traumas. This initiative offers an academic and therapeutic programme to get them back to school and reconnect them with society.
- In partnership with the charity, Size of Wales, a programme has been launched to engage young people between 14 and 18 years-old from England and Wales in debates on climate change. The winners will have the opportunity to take part in the national final hosted by the Debating Chamber of the National Assembly of Wales.
- Young Enterprise Scotland's **Circular Economy** (CE) project prepares today's young people for the economy of the future. This programme is aimed at primary and secondary school pupils (over 1,200 young people in Glasgow).
- The **Primary Panathlon** project gives disabled children between the ages of four and 11 opportunities to experience the excitement of competitive sports for the first time.

B. Biodiversity and climate change

In this area of work, the group is collaborating with public institutions and bodies devoted to the protection of the environment, contributing to achieving specific targets of SDG 13: Climate action and SDG 15: Life on land.

The **Iberdrola Foundation Spain** collaborates with **Sociedad Española de Ornitología (Spanish Ornithological Society - SEO/BirdLife) on the MIGRA** project, aimed at studying the migratory patterns of birds. A total of 51 birds were ringed in 2019.

The collaboration project with the **Fundación para la Conservación del Quebrantahuesos** (Bearded Vulture Conservation Foundation) is continuing with a view to studying the influence of climate change on this and other alpine bird species. The study will continue with the installation of new traps and collection of eggs for breeding and subsequent release. Three birds have so far been released in the Picos de Europa mountains.

Another key initiative is the signing of the '**Study of thermal stress, immunosuppression and climate change in endangered birds of prey**' with the Aquila Foundation. This research project is primarily aimed at determining how thermal stress (increase in temperatures due to climate change) affects the basic humoral immune response in endangered birds of prey. This project runs for two years and the results of the first year have been published in scientific journals and shared through talks at several universities' veterinary departments (Valencia, Murcia, Cáceres and Madrid).

We are also working with the "salvar nuestras montañas" (save our mountains) workshops in the Valles de Omaña y Luna biosphere reserve. The goal is to establish conservation and sustainable development mechanisms to avoid the **deterioration** and **depopulation** of rural areas that have a high ecological value. The first two workshops have been run in the Picos de Europa mountains and the Aragon Pyrenees, specifically in two biosphere reserves.

A collaboration agreement has been signed with the **Spanish Ministry of Defence's Department of Infrastructure** under the **Bosque Defensa-Iberdrola** (Iberdrola-Defence Forest) programme, which involves the partial reforestation of the Spanish military's shooting ranges and practice grounds. The first campaign took place at the Renedo Cabezón shooting range in the province of Valladolid, with the reforestation of 49.5 hectares with pine and holm oak, while new reforestation projects have been designed at Campo de Maniobra de la Sierra del Retín (Cádiz) and in Albacete and will be launched in 2020.

The LIFE project *Wetlands for Future* in partnership with SEO Birdlife aims to restore three wetlands in the regions of Valencia, Cantabria and Castile-Leon. The project runs for four years from September 2020 to August 2024. Phase I has been completed successfully and was handed over in June 2019. Phase II will be delivered in February 2020.

In the United Kingdom, the **ScottishPower Foundation** and **Sussex Wildlife Trust** have launched Wild Side of the Track: an environmental and educational project aiming to enhance the habitat of a large number of species and ensure their survival through the improvements being introduced. It also supports schools in teaching pupils about caring for and respecting wildlife.

The **Avangrid Foundation** has promoted the Riverkeeper project in New York, which highlights the importance of parks for urban biodiversity, health, access and fairness, the economy and other benefits.

- **Trust for Public Land (Connecticut)** is a project that aims to create public access spaces in the largest and most economically disadvantaged city in Connecticut, with a positive impact on the public perception of the river bank and the city.
- **National Fish & Wildlife Federation (NFWF) (Washington, D.C. / National)** in a series of programmes for the protection of important wild animals threatened with extinction, including hibernating bats across North America, as well as grassland-dependent birds and mammals in the west.
- We are collaborating with the **Portland Trail Blazers Foundation** on the Live Greener grants programme, which will provide general support and funding for programmes for 501(c)3 organisations that connect young unemployed people in rural communities throughout the entire Pacific Northwest to the environment.
- ***Riverkeeper (New York):*** The goal of this project is to protect the environment and commercial and recreational assets of the Hudson River and its tributaries, while also ensuring access to clean drinking water for the nine million residents of New York and the Hudson Valley.
- ***Oregon Zoo Foundation (Oregon)*** aims to expand and improve incubation and care processes for the California condor, a critically

endangered bird species, through its California Condor Recovery Program.

- ***Gulf of Maine Research Institute (GMRI) or Other Offshore Investment (Maine):*** Multi-year agreement with the GMRI centred around the project titled "Advancing Ocean-Climate Research: Strengthening community capacity for science-based decision making". This support will help scientists at the GMRI carrying out research on the resilience to climate change of fishing and other related industries.
- ***Connecticut Public Broadcasting (Connecticut):*** Training, education and awareness-raising will be provided to people and communities in partnership with CT Public Broadcasting, Sustainable CT and the Tremaine Foundation to help create and preserve sustainable communities through teamwork.
- ***Red Creek Wildlife – Wildlife Protection Program (Pennsylvania):*** The aim of this project is to finance the construction of an outdoor complex for birds of prey, including: American kestrels, screech owls, saw whet owls, merlin falcons, sharp shinned hawks, and especially Cooper's hawks, which require a special enclosure.

Iberdrola Foundation Mexico has held meetings with the new Secretary for the Environment and Natural Resources (SEMARNAT) to work together on programmes already in motion in the Altamira area, such as the ***Conservation of Felines*** and the ***Conservation of Mangroves,*** and in the area of Laredo through the **Conservation *of the Cañón de Fernández State Park***, in partnership with PRONATUR.

A partnership agreement has also been signed by the State Government of Durango, Secretary of Natural Resources and the Environment of Durango, Pronatura Noreste and CONAGUA to launch the **Cañón de Fernández State Park Conservation** programme to protect 600 hectares of ancient Montezuma cypress trees.

Meanwhile, the **Protection of Felines** project has been expanded to ensure the survival of species from the region of Altamira. The project received an honorary mention from the Mexican Centre of Philanthropy (CEMEFI) as a stand-out project in the field of environmental conservation and protection.

Instituto Neoenergía Brazil is working with ***Save Brasil*** to protect threatened wader species in priority areas in the cities of Guamaré (RN), Galinhos (RN), Macau (RN), Mostardas (RS) and Tavares (RS).

The agreement signed by the **WWF** and Instituto Neoenergia aims to generate a unique map of the deep reefs of Atol das Rocas (in the state of Rio Grande do Norte) and to assess their potential as an exporter of larvae to restore the shallow reefs and thus help conserve the coastline.

Phase 2 of the project **Flyways Brasil** has also been completed in partnership with Save Brasil to protect wader birds and their natural habitats. Key milestones of this phase were: The completion of 38 bird censuses, five children's events attended by 1,300 boys and girls, and the publication of two scientific articles of international note. In September, Instituto Neoenergia renewed the agreement for phase 3 of the project.

Another of Instituto Neoenergia's projects is **Project Coralizar**, in collaboration with WWF-Brazil, to protect the oceans. The aim of the project is to map areas of unexplored coral reef, understand the effects of climate change on this ecosystem, and determine what the species depend on for survival. The project also has a research arm to devise a method for restoring coral reefs.

C. Art and culture

In this field, the company works alongside cultural bodies, renowned museums, public institutions and religious bodies in order to promote culture and restore and conserve artistic heritage, thereby driving local development. These actions have a direct impact on SDGs 8 (Economic growth) and 11 (Sustainable cities and communities).

In the United States, **the Avangrid Foundation has partnered with**:

- **Rochester International Jazz Festival** (21-29 June 2019) to organise a festival comprising more than 300 concerts across 18 venues and attracting over 187,000 visitors from 30 states and 15 countries. Approximately USD 20,000 per year from the festival's takings are allocated as scholarships for disadvantaged students.
- **Wadsworth Atheneum Museum of Art (Connecticut)** to support the 175th anniversary of the oldest art museum in the United States. The initiative also involves restoring and illuminating monuments such as the statue of Nathan Hale, while also providing educational resources on the art of sculpture and the restoration of such works.
- **CT Association for the Performing Arts dba Shubert Theater (Connecticut)** funding paid work and internships for young people. Funds will also be provided for advertising to raise the profile of secondary education and pupil numbers.
- **Barnum Museum Foundation (Connecticut):** Phases 4 and 5 of the museum's restoration are coming to an end.

The **Foundation in Spain** has switched on the new lighting of Ávila Cathedral, Salamanca, the Colegio Mayor del Arzobispo Fonseca Chapel in Salamanca, the Barrena Palace in Ordizia, the Alcántara Convent and the Grand Staircase of the Spanish Army Headquarters. Work is also under way to provide lighting for the Madrid Supreme Court, Guadalupe Monastery, Santiago Cathedral, the façade of Spain's Centre for Advanced National Defence Studies (CESEDEN), Talavera de la Reina Basilica and Valdepeñas Church.

The **Iberdrola Museum Programme** collaborates with the Prado Museum and the Bilbao Fine Arts Museum Restoration Workshops on the conservation of paintings, sculptures and works of art on paper at their art galleries. The restorations of the Royal Drawing Room at the Prado Museum and the Villarmentero de Campos alterpiece (Palencia) were unveiled in April 2019.

The **Plan Románico Atlántico** (Atlantic Romanesque Plan) initiative for works on churches located in the north of Portugal, Salamanca and Zamora is ongoing, having unveiled over the last nine months the works carried out on the Muga de Alba Church (Zamora), Ciudad Rodrigo cathedral (Salamanca), and the Church of San Martín de Castañeda (Zamora). Renovation work continues on the Portuguese churches of Boticas and Guimaraes.

The **exhibitions programme** was launched with "El Prado en las calles" (El Prado in the streets), which is designed to raise awareness of, provide information on and share the collections and the cultural identity of the museum's heritage. Most notably, it includes education and cultural promotion activities as part of the institution's bicentenary commemorations programme.

This exhibition has been shown in Elche, Éibar, Cartagena, Palencia, Zamora and Jerez de la Frontera. It will also visit the cities of Albacete and Mérida in 2020.

Instituto Neoenergía in partnership with Natal (RN), Brasilis Producciones Culturales, the Jose Augusto Foundation and Neoeluz Ingeniería will begin to illuminate the Cámara Cascudo Memorial. On 25 April, the new lighting of the Santo Amaro da Barra Grande fort in Guarujá (Sao Paulo) was switched on.

The first class of the ***Mentes Brillantes*** (Brilliant Minds) project was held on 4 April. This project aims to enhance the socio-emotional skills of school children in state schools in Andradina, Rio Claro and Caieiras (SP), raising their academic performance and offering career advice and psychopedagogical support. The initiative is benefiting 12 schools – four in each city – and has reached around two thousand state school pupils. Activities under the project were completed in November and December of 2019.

On 9 August, Instituto Neoenergia and Cosern launched the 2019 round of **Transformando Energia en Cultura** (Transforming Energy into Culture) to fund, through the Câmara Cascudo State Cultural Promotion Act, socio-cultural projects that contribute to achieving the SDGs and unlock the value of local culture in the state of Rio Grande do Norte. The launch event was attended by

110 artists and providers of culture, who run activities across the state. By the deadline, 158 projects had applied for funding, well above the 2018 figure of 79. Subsequently, on 7 September the project selection committee, consisting of representatives from Instituto Neoenergia, Cosern and independent experts, pre-selected 23 projects to carry out work in around 50 municipalities across Rio Grande do Norte.

In **the United Kingdom, ScottishPower Foundation:**

- "Listen to us", a music development programme for young people in Wiltshire. This project will create a journey of musical opportunity for young people aged 7-18 who have significant caring responsibilities for a parent or family member. It will have two intensive phases of music workshops equivalent to a full year of music lessons and will culminate in three live performances at prominent venues in the region as part of the prestigious annual Bath International Music Festival.
- The international scenic arts festival, ***Futureproof,*** is aimed at young people from different backgrounds and communities. It is a multi-artistic and multi-platform space that will be set up in ten areas in Scotland and will be shared with the rest of the United Kingdom via social networks.

SEND a Message (Llangollen International Musical Eisteddfod) is based on previous work to promote art education, reduce unequal opportunities and make Eisteddfod a truly inclusive event. This project will improve the skills and confidence of participants, all of whom are facing challenges in their personal lives, and will result in a unique music and dance presentation celebrating diversity.

D. Social action

This work stream has entailed collaborations with NGOs, foundations and development agencies to promote social and humanitarian projects geared towards more vulnerable people, which contribute to achieving specific targets of Sustainable Development Goal 1: No poverty; 3: Good health and well-being; 5: Gender equality; 7: Affordable and clean energy; and 10: Reducing inequality.

The **Social Programme of the Foundations** is carried out in all five countries, providing support to projects that help tackle child poverty, promote the inclusion of the disabled, and enhance the quality of life of people with serious illnesses, prioritising care for the most vulnerable groups. Significant partnerships are as follows:

United Kingdom:

- **Inter Madrassah Organisation:** The Junior Citizen Award organises workshops, activities and group work to promote integration, shared values and a sense of belonging to combat extremism and improve self-esteem. The project will involve young people from 10 associated schools, who will form teams to achieve common goals.
- **Theatr Clwyd Development Trust:** This crime prevention programme combines three educational projects: Justice in a Day, Connor's Time and Junior Justice. The programme uses professional actors to create realistic and hard-hitting plays. Each one explores current themes around the justice system that affect young people.
- **Changing Faces:** This young champions project, "Face Equality", will identify and support 10-20 young people throughout Scotland, aged up to 25, to lead activities to stop bullying in school.

  The Customs House Trust Ltd: The Takeover is a week-long arts festival that aims to develop leadership skills among young people.
- **Youth Focus NW Ltd:** The POSH project has emerged in the last 12 months, led by members of Youthforia to involve young people in raising awareness about caring for the environment to ensure a sustainable future.
- **Bendrigg Trust:** an outdoor residential education centre that works with disabled and disadvantaged people. Its goal is to promote inclusion, encourage independence, build self-confidence and improve physical and mental health and well-being through adventure activities and residential experiences.

- **Hearts & Minds:** The Clowndoctors programme provides unique therapy by supporting children in hospital, hospices and schools for pupils with complex additional support needs. Clowndoctors work to promote creative, physical and mental stimulation adapted to each individual.
- **Birmingham Disability Resource Centre:** The Switched On project will support 200 disabled people to avoid situations of energy poverty.
- **The National Autistic Society:** The Young People's Social Group project is designed to address the isolation of young autistic people and provide them with opportunities for greater integration in their communities, and to improve their quality of life.
- **Music in Hospitals & Care:** The Rhythm for Recovery project holds live music sessions for patients of all ages. The year-long project will feature musicians with prior training and offer new training opportunities to another 12 musicians across the UK.
- **Young Women's Trust (formerly YWCA England):** the aim is to significantly increase the scope and impact of Work it Out: an innovative project promoting employability and confidence to support 3,000 disadvantaged young women. It includes two complementary services: self-confidence and employability coaching, and personalising CVs for job applications.
- **Maggie Keswick Jencks Cancer Caring Centres Trust:** The aim of this project is to help vulnerable people with cancer to access aid from the welfare system and provide them with legal defence.
- **Central Eltham Youth Project:** Fresh is Best is an educational project for distributing healthy food aimed at vulnerable young people aged between 16 and 30 who live independently but who cannot afford a healthy and balanced diet.

United States:

- **Boy Scouts Seneca Waterway Council (New York):** an event for Boy Scouts Seneca Waterway Council involving company volunteers and executive management. Support is offered to the Scouts movement in low-income neighborhoods of Greater Rochester, providing an outdoor school that offers a comprehensive education to equip young people with the leadership skills and values that will help them throughout their lives.
- **One City Fun City of Rochester – Cool Sweep (New York):** Support for Cool Sweep: an annual programme in the city of Rochester promoting neighborhood safety and customer services to help city residents who can find no relief from the summer heat.
- **Rape, Abuse & Incest National Network – RAINN (Washington, D.C./National):** RAINN is the largest anti-sexual violence organisation in the country. It sets up and runs the National Sexual Assault Hotline. RAINN is a dynamic non-profit organisation providing support to victims, public education, public policy guidance and training and advice services. The company is supporting RAINN programmes by helping to expand the direct helpline and provide education, support services and promotional activities.
- **Ronald McDonald House Charities (RMHCR) of New York – Rochester:** This end-to-end initiative provides help for families in the complex area of mental health care. RMHCR recently launched the first family lounge area specifically intended for children receiving care at the hospital psychiatric unit, and the partial hospitalisation programme. The Avangrid Foundation sponsors the organisation.
- **United Way Broome County (New York):** Provides backing for local human service and health programmes in Broome County, helping individuals and families to achieve a better quality of life.
- **Child Poverty and Education:** Four-year programme providing academic support and the opportunity to study science to 100 public college students in the district of New Haven and West Haven.
- **Camp Sunshine (Maine):** Funding is provided for the annual Camp Sunshine Pumpkin Festival at L.L. Bean to make a difference to the community

by organising a "free" and fun local event for the whole family, while also raising funds through sponsorship and donations for terminally-ill children and their families.

- **Oregon Food Bank (Oregon):** Support for the OFB to reduce food insecurity among residents of Oregon and Southwest Washington and improve access to healthy, nutritious food.
- **SMART (Oregon):** Intended to have a positive impact on literacy, supporting and encouraging reading among young children, access to books and the involvement of the community to live in an equal and inclusive society for everyone involved.
- **Operation Fuel:** Assures that struggling families have access to year-round energy in more than one hundred towns across Connecticut. Local government and community-based organisations take part in this project. It also includes other activities to guarantee basic needs are met, such as the distribution of food, clothes, etc.

#AVANGives is an initiative through which 10 grants are handed out to community organisations with different missions. These organisations have been selected through a competition open to AVANGRID employees:

- **The Center for Grieving Children (Maine)**
- **New Haven Pride Center (Connecticut):** Runs educational, cultural and social enrichment programmes for the LGBTQ+ community, their supporters and members to make a positive contribution to the entire Greater New Haven community.
- **Clifford Beers Child Guidance Clinic (Connecticut):** The Clifford Beers Clinic provides the latest solutions for children and families searching for social, physical and mental well-being, especially in the Greater New Haven region.
- **p: ear (Oregon):** This grant is intended to nurture personal value and build healthier lives and communities. It will be used to provide food every day to 70 young people for three months.
- **Pine Tree Camp (a programme run by the Pine Tree Society):** Known for continuously innovating to meet the needs of people with a wide range of disabilities, Pine Tree Camp has become a place where children and adults can take part in the recreational activities Maine is famous for: camping, hiking, swimming and many more.
- **EmBe – Girls on the Run (South Dakota/ Renewables):**

  EmBe was the first organisation to respond to women's needs in the area. In its early years as the YWCA, it was a place for girls and women to gather and learn, a place for them to live, find safety and shelter from violence through physical exercise, and a place to develop leadership skills and find friendship. Over the years, many community programmes and services have been developed to create a world in which every girl can be aware of and realise their limitless potential and be free to explore their dreams.
- **The Klein Memorial Auditorium Foundation (Connecticut):**

  This one-of-a-kind programme in the State of Connecticut provides a safe and nurturing environment with an emphasis on socialisation, team work and personal achievements. The programme aims to create a positive environment to equip students with tools for self-expression, build a community, develop life skills and enhance access to vocational training in theatre arts and learning support. Following six years of growth, Klein Theater Arts currently has 70 students per term from 32 schools in the area.
- **Crime Victims Assistance Center (New York):** This grant will support the Crime Victims Assistance Center (CVAC) to help more young people and provide more accurate data on treatments and results.
- **Compeer (New York):** The Rochester family and youth mentoring programme offers support and guidance to disadvantaged young people who are dealing with mental illness, poverty and low academic performance.

- **Tree Street Youth (Maine):** The grant will help Tree Street Youth to support a marginalised community in Lewiston, Maine, through arts and athletics-based programmes in a safe space. The aim: to encourage physical health and social and educational development.

Mexico:

- **Asociación Civil Excelencia Educativa**, which offers girls and boys a participative space where they can get actively involved in the learning process while experiencing new approaches to gaining knowledge. This initiative has been carried out throughout 2019 at 21 schools located near Iberdrola Mexico plants and installations.
- **Tamazunchale Firefighters:** Four grants have been awarded for take part in the 'Industrial Firefighter' course for fire brigade training in the city of Celaya (Guanajuato).
- **Electrification in rural communities:** Using solar power to bring electricity to off-the-grid rural communities in Huasteca Potosia, San Luis Potosí. Five communities, 110 families and approximately 500 people have benefited from the project.
- **Rebuilding in the south-south east:** Partnership with the Institute of Education Infrastructure (IIE) to rebuild schools affected by the 2017 earthquakes in Juchitán, Oaxaca. Five schools, 658 pupils and approximately 3,000 people have benefited from the project.
- **Urology Brigades in the south-south east:** Brigades of surgeons to carry out complex urological surgery on women in Oaxaca at the Oaxaca Regional Hospital of Specialist Services. Nine specialist urologists, 65 complex operations on women, two workshops for urologists, gynaecologists, nursing staff, health workers and medical students.
- **Education with energy:** Educational workshops for children, teachers and parents of the most vulnerable families to improve quality of learning.
  - Upwards of 2,000 parents, teachers and children have attended,
  - with over 45,000 direct beneficiaries.
- **Learning infrastructure:** Construction and fitting out of spaces for learning.
  - Building alliances and strengthening existing partnerships.
  - Extension to new centres: Baja California and Bajío.
- **Social and community support:** Backing for public institutions and non-profit associations with a positive impact on the communities where the group operates.

Brazil:

- The ***infancia*** social programme, enshrined in the country's Sports Act, runs basketball classes for 300 children and young people aged six to 14 at risk of social exclusion in the city of Caieiras (SP).
- **DroPS:** Monthly meetings on key subjects to train 50 social entrepreneurs. The projects supported have to contribute to fulfilling all the SDGs, i.e. the project will boost the impact in all the areas of environmental and social development listed by the UN. Thanks to this project, there has been 75% growth in new partnerships by the projects helped through training, which demonstrates how the beneficiary organisations have improved in quality and how being a member of a network helps in the development of social enterprises.
- **Impactô:** Acceleration of five initiatives with a positive social impact in the city of Salvador (BA) by enhancing their management processes. The enterprises and NGOs that will be accelerated through Impactô are: Acopamec, Bankman, Associação Clara Amizade, Punk Harzard Studios and Cipó Comunicação. The first class was held on 8 October.-The project is being run in conjunction with Instituto Ekloos, an expert in accelerating initiatives with a social impact.
- **Donation of hampers of essential items:** In 2019, Instituto Ekloos supported the campaign to collect donations for Christmas hampers of essential items for the communities living near the wind farms of Força Eólica do Brasil (FEB) in Paraíba and Rio Grande do Norte.

Spain:

- In the first nine months of the year, collaboration agreements were signed with the **Ampara** association, for integration, leisure and free-time activities for children with incarcerated mothers, and with the **Fundación Caballo Amigo**, for a hippotherapy programme geared towards children with disabilities and mental illnesses. Meanwhile, the Víctor Ullate Foundation grants have been renewed and expanded.

  The Convocatoria 2020 call for applications for social grants from the Foundation was also published and closed, with 136 entities applying.

  The Cooperation Programme for Human Development promotes projects to overcome situations of extreme poverty through the electrification of basic social infrastructure (schools, health centres and community centres, etc.), incorporating education and technical training that promotes productive local development actions. This programme also covers projects to provide aid during humanitarian crises.

  Child exploitation, begging, domestic servitude and child trafficking are some of the circumstances that thousands of children face every day in Mauritania. Many of these children leave their homes and birthplaces to escape from these conditions and many do so alone, running the risk of falling victim to all types of exploitation.

  Iberdrola Foundation Spain and ***Save the Children*** worked together in 2019 to build a child protection centre in the city of Nouadhibou, which will provide a home for these children and protect them from the dangers they would face on the street.

  The project is part of the European Union's AFIA Programme, which aims to protect children against trafficking and exploitation. The new centre is being built on land owned by the Ministry of Social Affairs, Childhood and Family (MASEF) in Mauritius.

  Iberdrola Foundation Spain is looking at potential ways of working with the Spanish Agency for International Development Cooperation (AECID) and has signed a Humanitarian Framework Agreement or Protocol to jointly and immediately respond to humanitarian emergencies and provide aid. The goal is to protect vulnerable victims of natural disasters, violence and coercion, or people with limited access to essential services during emergencies or humanitarian crises, focusing on children and women.

During Iberdrola's Third Solidarity Day, the Iberdrola Foundation Spain handed out the Iberdrola Solidarity Awards:

- Down Madrid Foundation received the Iberdrola Award under the *Inclusive education and reducing inequalities* category for its employment service aimed at helping people with learning difficulties gain a foothold in the workplace through the foundation's Supported Employment methodology.
- The Iberdrola *Health and Well-being* Award went to the Caballo Amigo Foundation. Iberdrola chairman, Ignacio Galán, visited this foundation's facilities and applauded its work using horses as a teaching resource for inclusive education and to foster children's independence.
- The award in the *Tackling poverty and social exclusion* category was given to the Navarra-based organisation, Ilunday Haritz Berri, for its approach to using training to help young people facing social exclusion into work and to reintegrate them into society. Its initiatives include actions to protect the environment and fight climate change.

In the United States, the company continues to collaborate with the Red Cross (American Red Cross Disaster Relief) to help reconstruct the areas affected by Hurricane Harvey in Florida.

4. CORPORATE GOVERNANCE

Corporate governance highlights during financial year 2019 were as follows:

- On 2 January 2019, Iberdrola informed the Spanish National Securities Market Commission (CNMV) of the completion of the sale, by Scottish Power Generation Holdings Ltd, of 100% of the share capital of Scottish Power Generation Ltd to Drax Smart Generation Holdco Ltd, a company belonging to the group of which the parent company is Drax Group Plc.
- On 4 January 2019, the Company published an addendum to the prospectus regarding the terms and conditions of the second round of the 'Iberdrola Scrip Dividend' optional dividend scheme for 2018.

  Subsequently, on 30 January 2019, Iberdrola completed the paid-up capital increase approved at the General Shareholders' Meeting of 13 April 2018, as well as the distribution of an interim dividend corresponding to the 2018 financial year agreed on 23 October 2018 by the Board of Directors, as part of the second round of the 'Iberdrola Scrip Dividend' scheme for 2018.
- On 8 February 2019, the Company submitted its energy production figures for 2018.
- On 19 February 2019, Iberdrola notified the CNMV of the resolution to carry out a buyback programme of the Company's treasury stock in accordance with the authorisation granted by the General Shareholders' Meeting of 13 April 2018, under point 12 of the agenda. Up until 14 June 2019, when the programme ended, the Company had acquired 129,078,807 treasury shares, equating to 1.980% of its treasury stock.
- On 20 February 2019, the Company submitted its results for the financial year ended 31 December 2018 to the CNMV.
- On 26 February, the Company also submitted the 2018-2022 Outlook update.
- On 6 March 2019, the CNMV was informed that Iberdrola España, S.A. (Sociedad Unipersonal, sole shareholder company), Iberdrola Distribución Eléctrica, S.A. (Sociedad Unipersonal) and Iberdrola Generación, S.A. (Sociedad Unipersonal), all belonging to the Iberdrola Group and acting as assignor companies, had reached an agreement with Lyntia Networks, S.A. (Sociedad Unipersonal) regarding the assignment of the right to use part of its dark fibre-optic network. Furthermore, it was announced that completion of the operation was subject to mandatory authorisation from the Spanish National Markets and Competition Commission (CNMC).

  Lastly, on 6 August 2019 IBERDROLA reported that the deal had been closed to assign the right to use the surplus capacity of its dark fibre-optic network in Spain to Lyntia Networks, S.A. (Sociedad Unipersonal) in exchange for EUR 260.0 million.
- On 12 April 2019, the Company submitted its energy production figures for the first quarter of 2019.
- On 24 April 2019, IBERDROLA informed the CNMV that Brazilian sub-holding company Neoenergia, S.A. ("Neoenergia") (52.45% owned by Iberdrola, S.A.) had announced the resolutions adopted by its board of directors needed to start this company's stock market flotation in Brazil. Notice was given on 30 April 2019 that Neoenergia's extraordinary General Shareholders' Meeting had approved the resolutions related to this flotation. Subsequently, on 7 June 2019, IBERDROLA announced the publication of the notice of the public offering of Neoenergia shares as per Brazilian legislation.

  Lastly, on 28 June 2019, the Company informed the CNMV that the final price of Neoenergia shares for the public offering in Brazil had been set at BRL 15.65, equivalent to EUR 3.576 per share.
- Meanwhile, on 24 April 2019, IBERDROLA published the prospectus containing the terms and conditions of the first round of the 'Iberdrola

Scrip Dividend' optional dividend scheme for financial year 2019.

- On 25 April 2019, the Company submitted its results for the first quarter of financial year 2019 to the CNMV.
- Meanwhile on 17 June, along with the announcement of the completion of the share buyback programme, the CNMV was informed that on 13 June 2019 IBERDROLA had acquired a total of 5,950,803 treasury shares (representing approximately 0.091% of its capital) through the settlement on expiration of certain treasury share derivatives arranged by the Company. This quantity of shares along with those acquired when the buyback programme was executed is sufficient to fulfil the share capital reduction objectives.
- On 18 June 2019, IBERDROLA notified the CNMV of the implementation of the capital reduction through the redemption of treasury stock approved at the General Shareholders' Meeting, as filed with the Bizkaia Companies Register on 20 June.
- On 20 June 2019, it was announced that IBERDROLA, Iberdrola Generación, S.A. (Sociedad Unipersonal) and Iberdrola Generación España, S.A. (Sociedad Unipersonal), acting as assignor companies, had reached an agreement with Pavilion Energy Trading & Supply Pte. Ltd. ("Pavilion") for the cession of its contractual position in its portfolio of long-term liquefied natural gas supply, sea freight and gas infrastructure usage contracts, and other supplementary contracts related with the supply of liquefied natural gas. Pavilion will pay the assignor companies the sum of EUR 115 million, and the transaction was completed on 1 January 2020.
- On 2 July 2019, IBERDROLA published a supplement to the prospectus regarding the first round of the 'Iberdrola Scrip Dividend' optional dividend scheme for 2019.

  Subsequently, on 25 July 2019 the Company announced the completion of the paid-up capital increase approved by the General Shareholders' Meeting of 29 March 2019, as well as the distribution of the final dividend for the 2018 financial year, all as part of the first round of the 'Iberdrola Scrip Dividend' optional dividend scheme for 2019.
- On 12 July 2019, the Company submitted its energy production figures for the first half of financial year 2019.
- On 24 July 2019, the Company submitted its Results Presentation for the first half of 2019 to the CNMV.
- IBERDROLA informed the CNMV on 11 August 2019 that ScottishPower Renewables (UK) Limited – the subsidiary and parent of the Iberdrola Group's UK renewables business, ScottishPower Renewable Energy, Ltd. – had signed an agreement to sell to Bilbao Offshore Holding Ltd. a 40% stake in East Anglia One Ltd., which owns the East Anglia One offshore wind farm project in the United Kingdom. It was reported that ScottishPower Renewables (UK) Limited will continue to control East Anglia One Ltd. and provide the services needed to complete construction and operate and maintain the wind farm.

  On 2 September 2019, once the necessary permission was granted by The Crown Estate, IBERDROLA announced that the sale of a minority stake in East Anglia One Ltd. (owner of the East Anglia One wind farm project) had been completed.
- On 15 October 2019, the Company submitted its energy production figures for the first nine months of financial year 2019.
- On 30 October 2019, the Company published an addendum to the prospectus containing the terms and conditions of the second round of the 'Iberdrola Scrip Dividend' optional dividend scheme for 2019. IBERDROLA then published another addendum to that same prospectus on 7 January 2020.

Meanwhile, on 18 December 2019, IBERDROLA's Board of Directors reported its ratification of the agreement on the distribution of an interim dividend for financial year 2019.

Subsequently, on 30 January 2020, Iberdrola completed the paid-up capital increase approved by the General Shareholders' Meeting of 29 March 2019, as well as the distribution of an interim dividend for 2019 as agreed on 29 October 2019 by the Board of Directors, as part of the second round of the 'Iberdrola Scrip Dividend' optional divided scheme for 2019.

- On 30 October 2019, the Company submitted its Results Presentation for the first nine months of 2019 to the CNMV.
- On 17 December 2019, the Company notified the CNMV of the resolution carried by the Board of Directors' to offer Iberdrola Group workers in Spain the voluntary option of receiving, in full or in part, their annual variable compensation corresponding to financial year 2019 in Iberdrola shares. This allocation of shares to staff forms part of the Company's general remuneration policy.
- On 19 December 2019, the Company published the financial calendar for financial year 2020.

General Shareholders' Meeting

The Board of Directors of Iberdrola, at its meeting of 19 February 2019, agreed to convene the General Shareholders' Meeting to be held at first call on 29 March 2019, or at second call on 30 March 2019. In addition, the Board approved the payment of a gross per diem of EUR 0.005 per share for the shareholders present or represented at the General Shareholders' Meeting.

The announcement of the call to the General Shareholders' Meeting was published by the Company on its corporate website (www.iberdrola.com) and in the Official Bulletin of the Companies Register on 22 February 2019.

On that same date, the *Annual Corporate Governance Report, the Annual Director Remuneration Report* and the financial information for 2018 were sent to the CNMV.

On 29 March 2019, the Company's General Shareholders' Meeting was held at first call, with a quorum of 74.12% of share capital (12.72% present and 61.40% represented). All the motions included on the meeting agenda were approved at the meeting, as shown below:

Resolutions regarding the annual accounts and company management

i. Approval of the annual accounts for 2018.
ii. Approval of the management reports for 2018.
iii. Approval of the non-financial information statement for 2018.
iv. Approval of the corporate management and performance of the Board of Directors in 2018.

Resolutions regarding the Corporate Governance System

v. Amendment to the preamble and to Articles 4, 6, 7, 8, 22, 32, 33, 34 and 49 of the Articles of Association in order to reflect the purpose and values of the Iberdrola Group, to its commitment to the Sustainable Development Goals (SDGs) approved by the United Nations and to improve its wording through the use of inclusive language.
vi. Amendments to Articles 37 and 41 of the Articles of Association to reflect the change in name of the Corporate Social Responsibility Committee, which is now called the Sustainable Development Committee.

Resolutions regarding remuneration

vii. Approval of the proposed allocation of earnings and distribution of dividends for 2018, the final dividend being distributed within the framework of the 'Iberdrola Scrip Dividend' optional dividend scheme.
viii. Approval of an initial increase of paid-up capital for a maximum reference market value of EUR 1,520 million, for the purpose of implementing the 'Iberdrola Scrip Dividend' optional dividend scheme.

ix. Approval of a second increase of paid-up capital for a maximum reference market value of EUR 1,235 million, for the purpose of implementing the 'Iberdrola Scrip Dividend' optional dividend scheme.

x. Approval of a capital reduction by redeeming a maximum of 280,457,000 treasury shares (4.30% of share capital).

xi. Advisory vote on the Annual Director Remuneration Report for 2018.

Resolutions regarding the Board of Directors

xii. Appointment of Ms Sara de la Rica Goiricelaya as an independent director.

xiii. Ratification of the appointment by co-option and re-election of Mr Xabier Sagredo Ormaza as an independent director.

xiv. Re-election of Ms María Helena Antolín Raybaud as an independent director.

xv. Re-election of Mr José W. Fernández as an independent director.

xvi. Re-election de Ms Denise Holt as an independent director.

xvii. Re-election of Mr Manuel Moreu Munaiz as an independent director.

xviii. Re-election of Mr Ignacio Sánchez Galán as executive director.

xix. Setting the number of members of the Board of Directors at fourteen.

Resolution regarding general matters

xx. Delegation of powers for the formalisation and notarisation of any resolutions adopted.

Board of Directors

On 19 February 2019, the Company announced the resolutions concerning changes to the composition of the advisory committees and posts on the Board of Directors.

i. Reclassification of Mr Xabier Sagredo Ormaza as an independent director. To that end, the Board of Directors recorded the resignation of Mr Sagredo Ormaza and agreed on his appointment, on the recommendation of the Appointments Committee and by co-option, as an independent director.

ii. Appointment, subject to the favourable report of the Appointments Committee, of Mr Xabier Sagredo Ormaza as the new Chairman of the Audit and Risk Monitoring Committee, replacing Ms Georgina Yamilet Kessel Martínez, after her term of office ran its course.

iii. Re-election of José Walfredo Fernández as a member of the Audit and Risk Monitoring Committee, of Ms María Helena Antolín Raybaud and Mr Iñigo Víctor de Oriol Ibarra as members of the Appointments Committee, and of Ms Inés Macho Stadler as a member of the Remunerations Committee, in all of the cases proposed by the Appointments Committee.

On 28 March 2019, board member Mr Ángel Jesús Acebes Paniagua tendered his resignation as a director of the Company.

On 29 March 2019, Iberdrola announced that the General Shareholders' Meeting had adopted the following resolutions regarding the composition of the Board of Directors.

i. Appointment of Ms Sara de la Rica Goiricelaya as an independent director, for a period of four years as stipulated in the Articles of Association.

ii. Ratification of the appointment by co-option and re-election of Mr Xabier Sagredo Ormaza as an independent director, for a period of four years as stipulated in the Articles of Association.

iii. Re-election of Ms María Helena Antolín Raybaud, Mr José Walfredo Fernández, Ms Denise Mary Holt and Mr Manuel Moreu Munaiz as independent directors, all for a period of four years as stipulated in the Articles of Association.

iv. Re-election of José Ignacio Sánchez Galán as executive director, for a period of four years as stipulated in the Articles of Association.

At its meeting also held on 29 March 2019, and at the proposal of or subject to a report from the Appointments Committee, the Board of Directors approved the resolutions stated below concerning the posts on the Board of Directors and its committees:

i. Re-election of Mr José Ignacio Sánchez Galán as Chairman and Chief Executive Officer.

ii. Re-election of Mr Sánchez Galán and Mr Manuel Moreu Munaiz as members of the Executive Committee and setting the number of members of this body at four.
iii. Appointment of Ms Sara de la Rica Goiricelaya as a member of the Appointments Committee, in order to fill the vacancy left by Mr Acebes Paniagua.

At its meeting of 24 April 2019, and subject to a supporting report from the Appointments Committee, the Board of Directors approved the resolutions stated below concerning the posts on the advisory committees:

i. Appointment of Ms Sara de la Rica Goiricelaya as a member of the Sustainable Development Committee, replacing Mr Anthony L. Gardner.
ii. Appointment of Mr Anthony L. Gardner as a member of the Appointments Committee, replacing Ms de la Rica Goiricelaya.

Corporate Governance System

Iberdrola continually updates its Corporate Governance System, which comprises the following regulatory documents: *Articles of Association*, the *Purpose and Values of Iberdrola Group*, the *corporate policies*, the governance regulations of the corporate bodies and the other functions and internal committees, and the Company's compliance. Generally recognised good governance recommendations in international markets have been taken into account when drafting these documents.

Corporate governance rules are drawn up, revised and improved in line with the strategy that the Company and the companies forming part of the Iberdrola Group have now been following for years.

In this regard, on 19 February 2019, IBERDROLA's Board of Directors agreed to reform its Corporate Governance System in order to: (i) review its corporate vision, drawing up the new Purpose and Values of the Iberdrola Group, replacing the Mission, Vision and Values of the Iberdrola Group; and (ii) carry out the annual review of its risk policies.

On 28 March 2019, the Board of Directors approved a reform of the Company's Corporate Governance System with a view to: (i) including the recommendations of *Technical Guide 1/2019 of the Spanish National Securities Market Commission, on appointments and remunerations committees*; (ii) introducing various one-off improvements in cyber resilience; (iii) updating and developing the content of the Quality policy to reflect the Iberdrola Group's new strategic quality guidelines; and (iv) introducing other technical improvements.

Finally, on 29 March 2019, the Company's General Shareholders' Meeting approved a reform of the *Articles of Association* in order to: (i) reflect the purpose and values of the Iberdrola Group, formalise its commitment to the Sustainable Development Goals (SDGs) approved by the United Nations and make improvements to the wording; and (ii) reflect the change in name of the Corporate Social Responsibility Committee, which is now called the Sustainable Development Committee.

On 24 April 2019, the Board of Directors approved a new version of the Corporate Governance System in order to: (i) update the terms of several sustainable development policies to formalise its commitment to upholding the highest safety standards for assets and people and include more references to the contribution to fulfilment of the SDGs; (ii) make technical improvements to the *Code of Ethics, Compliance Unit Regulations and Internal Regulations for Conduct in the Securities Markets*; and (iii) revise the description of the Group's governance and corporate structure set out in several corporate governance system rules.

Lastly, on 17 December 2019, the Board of Directors approved the last reform of the year of the Corporate Governance System in order to: (i) adapt the *General Corporate Governance Policy* to provide a wider overview of the Iberdrola Group's corporate governance strategy; (ii) simplify and standardise the regulation of the onboarding programme for board and committee members; (iii) update the content of the *Innovation Policy* to include the digital innovation strategy; (iv) include the publication of a preliminary report on the incorporation or acquisition of equity stakes in companies domiciled in countries on the European Union blacklist of non-cooperative tax jurisdictions, by the Audit and Risk Supervision Committee; and (v) update the content of the *Internal Regulations for the Processing of Inside Information* to bring them into line with the provisions of the *Internal Regulations for Conduct in the Securities Markets*.

All documents that comprise the Corporate Governance System are published (in their full or summarised version) in both Spanish and English on the corporate website (www.iberdrola.com), which also offers the option of downloading them for consultation onto an e-book reader or any other mobile device.

Information transparency

One of the core principles underlying Iberdrola's corporate governance practices is to ensure maximum transparency in financial and non-financial information provided to shareholders, investors and markets. The Company made considerable efforts in 2019 to ensure that institutional investors and financial analysts are kept fully informed of its business and activities.

On-Line Shareholders (OLS)

The interactive On-Line Shareholders system (OLS), accessible via the corporate website, has been operational since January 2012. This system allows shareholders not only to look up and request information relating to the Policy on communication and contact with shareholders, institutional investors and proxy advisors, but also to actively take part in meetings with Company representatives appointed by the Board of Directors or its Chairman and CEO, held online, on matters of corporate governance and other relevant issues in the life of the Company that impact stakeholders as well as the communities and locations where the Company operates.

Information on the existence of corruption cases in the year

Through the ethical mailboxes the company has not been informed of any case of corruption that has been confirmed during the year. Nor has the company been informed through the corresponding legal channels of its Legal Services of any judicial resolutions on this matter during the reporting period. Nor has any incident been recorded through the mailboxes set up for this purpose that has led to the cancellation of orders or contracts with suppliers of the group.

The Iberdrola group is collaborating with the Justice Administration in the clarification of the circumstances related to the contracting of the company Cenyt, to make effective the responsibilities that, in its case, would be necessary, as well as to defend its good name and reputation.

The review and analysis of the internal processes, which were carried out with the help of independent experts and in accordance with the Group's system of corporate governance and compliance, did not reveal any violation of the internal control systems, the Code of Ethics or any other rules or procedures. Therefore, the impact of these events, if any, would be limited to the area of reputation.

5. SIGNIFICANT EVENTS

CNMV: Significant Events from October to December 2019

Date	Event	Registration No
15/10/2019	The Company reports its energy production figures for the nine-month period of 2019.	282594
30/10/2019	The Company publishes the terms and conditions of the second round of the 'Iberdrola Scrip Dividend' optional dividend scheme for 2019.	283007
30/10/2019	The Company releases information on earnings for the third quarter of 2019.	283015
30/10/2019	Earnings presentation for the first nine months of 2019.	283018
17/12/2019	Publication of offering of Iberdrola shares to workers of Iberdrola Group in Spain as part of the annual variable compensation for financial year 2019.	284576
18/12/2019	Ratification of the agreement regarding the distribution of an interim dividend corresponding to the 2019 financial year as part of the second round of the 'Iberdrola Scrip Dividend' optional divided scheme.	284809
19/12/2019	The Company reports its Financial Calendar for 2020.	284850

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Glossary of terms

Alternative Performance Measures	Definition
Market capitalisation	Number of shares at the close of the period x price at the close of the period
Earnings per share	Net profit for the quarter / number of shares at the close of the period
PER	Price at the close of the period / Earnings per share for the last four quarters
Price / Book value	Market capitalisation / Equity of the parent company
Dividend yield (%)	Dividends paid in the last 12 months and attendance bonus / price at close of the period
Gross Margin	Net Revenue - Procurements
Net Operating Expenses	Personnel expense - Capitalized personnel expense + External services - Other Operating Income
Net Operating Expenses / Gross Margin	Net Operating Expenses / Gross Margin
Net Personnel Expense	Personnel Expense - Capitalized Personnel Expense
Net External Services	External Services - Other Operating Income
Gross Operating Profit (EBITDA)	Operating Profit + Depreciations. Amortisations and Provisions
Adjusted Gross Operating Profit (EBITDA)	Gross Operating Profit (EBITDA) adjusted by provisions for efficiency plans
Net Operating Profit (EBIT)	Operating Profit
Financial Result	Financial Revenue - Financial Expenses
Income from Non-Current Assets	Benefits from sale of non-current assets - Losses from sale of non-current assets
ROE	Net Profit of the four last quarters / Equity (average)
Financial leverage	Net Financial Debt/(Net Financial Debt + Equity)
Adjusted Equity	Shareholders' Equity adjusted by the market value of the accumulators
Gross Financial Debt	Financial Debt (loans and other) + equity instruments with certain characteristics of financial liability + Liability derivative debt instruments
Net Financial Debt	Gross Financial Debt – Asset derivative debt instruments - Other short-term credits(*) - Cash and other cash equivalents
Adjusted Net Financial Debt	Net Financial Debt adjusted by market value of treasury stock cumulative hedges
Net Financial Debt / Equity	Net Financial Debt / Equity
Net Financial Debt / EBITDA	Net Financial Debt / EBITDA for the last four quarters
Funds from Operations (FFO)	See section 'Funds From Operations' in the report

(*) Included in the Balance Sheet in "Other current financial assets"

Alternative Performance Measures	Definition
Adjusted Funds from Operations (Adjusted FFO)	Funds from Operations adjusted by provisions for efficiency plans
Funds From Operations (FFO) / Net Financial Debt	FFO for the last four quarters / Net Financial Debt
Net Operating Cash Flow per Share	FFO for the quarter / Number of shares at close of the period
Retained Cash Flow (RCF) / Net Financial Debt	RCF for the last four quarters / Net Financial Debt

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