

SHAREHOLDER'S BULLETIN FIRST HALF 2021



**Iberdrola achieves adjusted net profit
of €1,844 million (+8.4%) in the first
half of the year**



Chairman's key points



Ignacio Galán
Chairman & CEO of Iberdrola

“ These results have come about through an unprecedented investment effort. In a very challenging period, we have accelerated investment in networks, renewables and storage, promoting economic activity and helping to create quality jobs around the world. ”



Shareholder remuneration in 2021

Iberdrola increases shareholder remuneration by 5.5%

Among the resolutions adopted at the last 2021 General Meeting, item 17 on the agenda was approved with 99.17% of votes in favor, corresponding to shareholder remuneration to be charged to 2020 and paid in 2021. Therefore, the minimum total shareholder remuneration was set at €0.42 gross per share.

Of this amount, €0.168 gross per share was already distributed in the form of an interim dividend last February. €0.254 gross euros per share will be paid in July (9.5% more than the final dividend paid in 2020).

Therefore, the total shareholder remuneration paid in 2021 **against 2020 results will be €0.422 gross per share, an increase of 5.5% compared to the 2020 remuneration.**

The “Iberdrola Remuneración Flexible” system allows shareholders to choose or combine three options for the payment of the dividend, which in this latest edition of July 2021 were as follows:

1. Receive one new Iberdrola share free of charge for every 40 free-of-charge allocation rights.
2. Receive cash by selling their free-of-charge allocation rights on the market.
3. Receive cash through the payment of the final dividend of €0.254 gross per share.

En este sentido, durante la pasada Junta de Accionistas se aprobó la amortización de acciones necesaria para cumplir este objetivo, que asciende a 178.156.000 acciones y se corresponde con el 2,78% del capital, y que se llevó a cabo el 2 de julio de 2021.

Dividend policy

On 5 November, as part of its *Capital Markets Day 2020*, Iberdrola updated its dividend policy, highlighting the following points:

- Dividend growth in line with the company's results, establishing the pay-out on net earnings per share between 65% and 75%.
- Dividend floor for the period 2020-2022 of €0.40 per share, while for the period 2023-2025, this floor will be increased by 10% to €0.44 gross per share.
- Shareholder optionality is maintained through the “Iberdrola Flexible Remuneration” programme, including share buybacks.

For the financial year 2021, the dividend per share (DPS) is expected to amount to €0.44 gross.



Highlights of the period

EI EBITDA crece un 10%

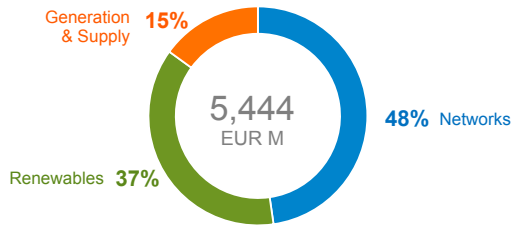
Iberdrola's EBITDA in the first half of 2021 increased by 10% to €5,444 million. It was impacted by the COVID effect and the impact of the reversal of the hydroelectric levy in Spain in 2013 and 2014.

By businesses, the reported EBITDA of the **Networks business** increased by 10.6% to €2,567.9 million, driven by the solid operating performance in all countries thanks to the regulatory frameworks and higher investments.

Renewables increased 63.0% to €2,005.2 million, driven by the contribution of the new assets in operation and the higher output from existing assets due to improved availability and load factors.

The **Generation and Supply business** achieved a reported EBITDA of €808.3 million.

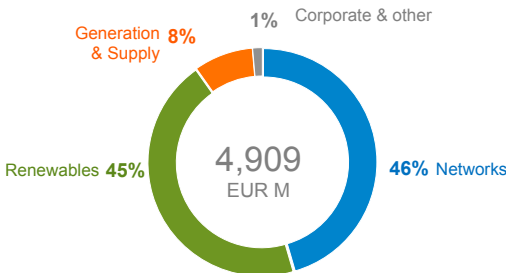
EBITDA BREAKDOWN BY BUSINESS



Record investments of Eur 4,909 million

Gross investments continued to accelerate, growing 37% to reach a record half-year figure of €4,909 million.

H1 GROSS INVESTMENTS BY BUSINESS



By business, 45% of the total was invested in the renewable business, with more than 8,500 MW already under construction, and 46% of the total in the networks business, in line with the plan.

In the first half of the year, Iberdrola has 80% of the capacity planned for 2025 under construction or ready for construction: 2,894 MW onshore wind, 6,570 MW offshore wind, 10,894 MW photovoltaic, 1,200 MW hydro and 391 MW in batteries.

This investment plan is the result of the constant effort to develop a diversified and quality portfolio of projects as the main backbone for future growth.



Improvement in key credit metrics

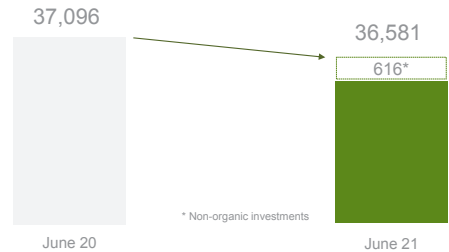
The Group's solid operating performance is fully reflected in cash flow generation, which reached €4,246 million in the first half of the year.

As a result, financial ratios improved, notably "FFO/adjusted net debt" increased by 160 basis points to 23.6%.

The Group has adequate and diversified liquidity amounting to €17.6 billion and covers 21 months of financing needs. It is a leader in green financing.

Adjusted net debt fell to €36.58 billion.

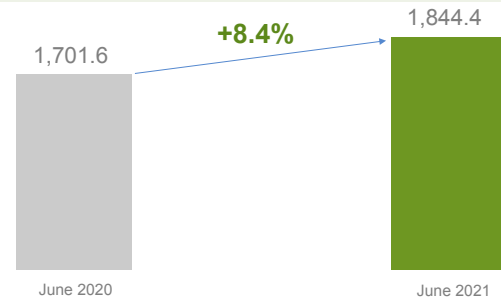
ADJUSTED NET DEBT¹ (M EUR)



¹ Adjusted for the market value of potential treasury stock accumulators that are "out of the money" (EUR 296 M as of Jun 20 and EUR 129 M as of Jun 21)

Net profit reached Eur 1,844.4 million

ADJUSTED NET PROFIT (EUR M)



Reported net profit amounted to €1,531.3 million.

Stripping out extraordinary effects (COVID-19, deferred taxes in the UK and reversal of the hydroelectric levy in Spain), adjusted net profit at the end of the first half amounted to €1,844.4 million (+8.4%).

H1 2020 Reported Net Profit excludes hybrid bonds coupon previously included, Spanish hydro canon reversal and UK deferred taxes impact. H1 2020 adjustments: COVID impact, Siemens Gamesa and net tax impacts

Sustainability: a business model in line with best practices



ENVIRONMENT

- All our **coal and fuel oil plants closed**
- Emissions of **43 g/kWh**, in the first half of 2021
- **Zero emissions by 2030**, 20 years ahead of EU target
- **Largest corporate issuer** of green bonds worldwide
- Pioneer in implementing TFCFD recommendations

SOCIAL

- **Record purchases** awarded since beginning 2020: **Eur 18 Bn**
- Supporting **400,000 jobs globally**
- **6,000 new hires** since January 2020
- **>50 hours** of training per employee

GOVERNANCE

- **Governance and Sustainability** system internationally recognized
- Reflecting **best practices** in Diversity & Inclusion
- **Climate Action Plan** included in By-laws



General Shareholders' Meeting 2021

Involvement of shareholders



The General Shareholders' Meeting took place on 18 June 2021. For the second year and due to the health situation, it was held remotely.

Iberdrola has been committed for years to strengthening dialogue with its more than 600,000 shareholders and to achieving their maximum involvement in the most significant decisions of the Company. To achieve this, digitalisation has been a key tool that has made it possible to introduce innovations and constant improvements.

Iberdrola was the first **first Ibex 35 company** to allow its shareholders **to exercise their voting and proxy rights using a QR code**, therefore establishing direct interaction between the shareholder and the company.

With this new option, we managed to enable all possible participation channels; through a call, by WhatsApp, by post, email, by mobile phone, by computer, etc. This, together with the involvement of all our shareholders gave a good result in terms of participation.

With regard to participation, which as you know is a priority for Iberdrola, the Meeting was constituted with the attendance of a total of 4,224,969,018 shares (414,298,800 present and 3,810,670,218 represented), reaching a **quorum of 65.83% of the share capital** (6.46 % present and 59.37% represented).

All the **proposals** made by the Board were **passed** by a large majority of votes in favour.

Once again, we would like to thank our shareholders and the entire investment community for the trust they have placed in us.

Climate Action Plan

Thanks to the support received, Iberdrola has become the **first energy company in Spain to include its commitment to the fight against climate change in its Bylaws**, adding the obligation to have a **Climate Action Plan**. This agenda item received the support of 97% of the quorum and the Company is particularly proud of the involvement of shareholders on this issue.

Massive support for the Group's management

All the proposed blocks of agreements have been endorsed with an **affirmative vote of more than 90%**. By theme, these are the percentages of support received:

- Management results: 98.52%
- Governance and sustainability system: 98.48%
- Shareholder remuneration: 99.49%
- Board of Directors: 94.23%
- Authorisations and delegation of powers: 99.68%
- Consultative votes: 91.67%



IBERDROLA and the stock market



Iberdrola shares

	1H 2021	1H 2020
Number of outstanding shares	6,418,156,000	6,453,592,000
Period-end closing price	10.280	10.320
Average price for the period	11.097	9.580
Average daily volume	13,580,128	22,590,991
Maximum volume (19-03-2021 / 20-03-2020)	48,728,175	73,587,123
Minimum volume (03-05-2021 / 25-05-2020)	3,983,299	7,186,373
Dividends paid (€)	0.168	0.173
Gross interim (08-02-2021 / 05-02-2020) ⁽¹⁾	0.168	0.168
Shareholders' meeting attendance bonus	0.000	0.005
Dividend yield ⁽²⁾	3.89%	3.61%

(1) Purchase price of rights guaranteed by Iberdrola.

(2) Dividends paid in the last 12 months and attendance bonus / period-end share price.

Stock Market Data

		1H 2021	1H 2020
Market Capitalisation	€Mn	65,979	66,601
Earnings per share (6,418,156,000 shares at 30/06/2021 and 6,453,592,000 shares at 30/06/2020)	€	0.239	0.291
Net operating cash flow per share	€	1.33	1.26
P.E.R.	x	20.87	18.32



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