



General Shareholders' Meeting

30 May 2025



Report of the Board of Directors

Proposed authorisation to issue simple debentures and other fixed-income securities

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REPORT OF THE BOARD OF DIRECTORS REGARDING THE PROPOSED AUTHORISATION TO ISSUE SIMPLE DEBENTURES OR BONDS, COMMERCIAL PAPER AND OTHER FIXED-INCOME SECURITIES, NOT EXCHANGEABLE OR CONVERTIBLE INTO SHARES, AND TO GUARANTEE ISSUES BY SUBSIDIARIES, INCLUDED IN ITEM 17 ON THE AGENDA FOR THE GENERAL SHAREHOLDERS' MEETING

1. Object of the Report

This report is made by the Board of Directors of "Iberdrola, S.A." (the "**Company**") to provide a rationale for the proposed delegation to the Board of Directors, with express power of substitution, of the power to issue simple debentures or bonds, commercial paper and other fixed-income securities of similar nature, not exchangeable or convertible into shares, and authorisation for the Company to be able to guarantee obligations of any kind that might arise for its subsidiaries from issues of said fixed-income securities thereby.

2. Rationale for the proposal

Although the issue of simple debentures or bonds, commercial paper and other fixed-income securities of a similar nature, not redeemable or convertible into shares, is not a power that under the Spanish "Companies Act" (Ley de Sociedades de Capital) must necessarily belong to the shareholders acting at a General Shareholders' Meeting, the Company's "By-Laws" vest the ultimate decision on these types of issues thereto, without prejudice to the ability of the shareholders, when they so deem appropriate, to delegate the power to issue these types of securities to the Board of Directors.

In this regard, the Board of Directors considers this power to be indispensable in order to be able at all times to raise the funds necessary for the proper management of corporate interests in the primary securities markets, in accordance with widespread practice at listed companies (many of which assign this power directly to the Board of Directors).

The purpose of the delegation is to give the Company the manoeuvrability and responsiveness required by the current competitive environment, in which the success of a strategic initiative or a financial transaction often depends on the possibility of dealing with it quickly, without incurring the delays and costs that inevitably ensue from the call to and holding of a General Shareholders' Meeting.

Thus, the proposal submitted for approval of the shareholders at the General Shareholders' Meeting is intended to give the Board of Directors the power to raise, if necessary, a suitable level of funds within a short period of time, taking into account the potential future needs of the Company. In this way, the Company gains flexibility and agility in financing its activities and refinancing its financial liabilities, thereby facilitating an optimisation of the costs associated with raising funds in the markets.

For such purpose, pursuant to the provisions of Section 319 of the “Regulations of the Commercial Registry” and in accordance with Article 17.1.q) of the “By-Laws” (which gives the shareholders at the General Shareholders’ Meeting the ability to delegate to the Board of Directors the power to issue the marketable securities covered by the proposal), delegation to the Board of Directors to issue simple debentures or bonds, commercial paper and other fixed-income securities of similar nature, not exchangeable or convertible into shares, and, if it so deems appropriate, to guarantee issues of said fixed-income securities by the subsidiaries of the Company, is hereby submitted to the shareholders at the General Shareholders’ Meeting.

The proposed delegation to the Board of Directors is quantitatively limited in order to not undermine the provisions of the “By-Laws” and to allow the shareholders to better assess the scope of the authorisation requested of them at the General Shareholders’ Meeting. The Board of Directors believes that the limit of authorisation requested from the shareholders at the General Shareholders’ Meeting is reasonable and sufficiently broad and flexible to allow for raising the required funds in the capital market within the context of the financing requirements forecast for compliance with the “Outlook 2024-2026”, in view of the multinational reality that is currently made up of the Company and its group of companies, its planned investments, the volume of debt to finance and refinance, and the performance of the businesses.

Along these lines, the proposed maximum limit of the amount of the issue or issues of simple debentures or bonds and other fixed-income securities of a similar nature other than commercial paper approved under this delegation is a net amount of €40,000 million, or the equivalent thereof in another currency, which means that the amount corresponding to repayments or repurchases of the securities made or occurring during the effective period of the authorisation will be deducted from new issues in order to calculate said limit. This limit shall not apply to the issue of commercial paper, for which there is proposed a limit, autonomous and independent of the foregoing, of €8,000 million, or the equivalent thereof in another currency, which also refers to the net amount of the issue, meaning that the amount corresponding to repayments or repurchases of commercial paper made or occurring during the effective period of the authorisation will be deducted from new issues approved under this authorisation. This formula makes it possible to quantitatively limit the authorisation in a clear and objective manner and, at the same time, to give the Board of Directors a greater margin of flexibility, since issues repaid and repurchases of securities during the authorisation period are taken into account in calculating the limit.

Furthermore, it may sometimes be desirable to issue these securities through a subsidiary, with a guarantee from the Company. Accordingly, it is deemed to be of interest for the shareholders at the General Shareholders’ Meeting to authorise the Board of Directors to guarantee, in the name of the Company, all obligations as may arise from the issue of fixed-income securities by the Company’s subsidiaries during the effective period of this resolution, within the quantitative limits set out above, in order to give the Board of Directors the utmost degree of flexibility in structuring issues of securities in such manner as may be most appropriate in the specific circumstances in each case.

It is also provided that securities issued under this delegation may be admitted to trading on the appropriate Spanish or foreign, official or unofficial, organised or other secondary markets.

Finally, it is proposed to deprive of effect, in the unused amount of the issues, the authorisation to issue simple debentures or bonds and other fixed-income securities of a similar nature, given to the Board of Directors by the shareholders acting at the General Shareholders' Meeting held on 18 June 2021. For the sake of clarity, this shall not in any way affect the securities issued or the guarantees already provided under such authorisation (or any prior authorisations), which shall remain in force on their own terms, as long as such issues and/or guarantees remain.

3. Proposed resolution submitted to the shareholders at the General Shareholders' Meeting

The proposed resolution submitted to the shareholders for approval at the General Shareholders' Meeting reads as follows:

ITEM 17 ON THE AGENDA

Authorisation to issue simple debentures or bonds and other fixed-income securities, not exchangeable for or convertible into shares, with a limit of €8,000 million for commercial paper and €40,000 million for other fixed-income securities, as well as to guarantee issues of subsidiaries.

RESOLUTION

1. Authorisation to the Board of Directors to issue marketable securities

To authorise the Board of Directors to issue simple debentures or bonds, commercial paper and other fixed-income securities of a similar nature, not exchangeable or convertible into shares.

2. Term

The issuance of the securities covered by the authorisation may be effected on one or more occasions within a maximum period of five years following the date of approval of this resolution.

3. Maximum amount

- (a) The total maximum net amount of simple debentures or bonds and of other fixed-income securities of a similar nature (other than commercial paper) issued under this authorisation may not exceed €40,000 million or the equivalent thereof in another currency. This limit is independent of the limit set out in paragraph (b) below.*
- (b) The total maximum net amount of the commercial paper, issued under this authorisation, may not exceed €8,000 million or the equivalent thereof in another currency. This limit is independent of the limit set out in paragraph (a) above.*

In order to determine whether each of these limits has been reached, the amounts corresponding to repayments or repurchase made or occurring during the effective term of this authorisation term shall be deducted from new issues approved under this authorisation.

4. Scope

For each issue, the Board of Directors shall determine, among other things: the nominal value, the issue price, the redemption price, the currency, the form of representation, the interest rate, the repayment terms, the subordination clauses, the security, the place of issue, the applicable law, the setting of the internal rules of the bond syndicate and the appointment of the syndicate representative (comisario) (in the case of an issue of simple debentures or bonds), if required, as well as the performance of any formalities necessary for the implementation of the specific issues to be carried out under this authorisation.

In addition, the Board of Directors is authorised such that, when it deems it appropriate and subject, if applicable, to any appropriate authorisations being secured and to the consent of security-holders coming together at a meeting of the corresponding syndicates of security-holders, it may modify the terms and conditions applicable to the repayment of the fixed-income securities issued as well as the respective period thereof, and the rate of interest, if any, accrued by the securities included in each of the issuances effected under this authorisation.

5. Admission to trading

The Company shall, if it so deems appropriate, make application for the admission to trading of the securities issued within the framework of this authorisation on Spanish or foreign, organised or unorganised, and regulated or unregulated markets, and the Board of Directors shall be authorised, as broadly as required by law, to carry out all acts and formalities that may be required for these purposes with the appropriate authorities of the various Spanish or foreign securities markets.

It is expressly stated for the record that if application is subsequently made for delisting of the securities issued by the Company pursuant to this authorisation, it shall be made in compliance with the same formalities as the application for listing, to the extent any such formalities are required, and in such case, the interests of the shareholders, debenture-holders or other security-holders opposing or not voting on the resolution shall be safeguarded as provided by applicable law.

In addition, it is expressly stated that the Company undertakes to abide by stock market regulations, whether now existing or as may hereafter be issued, particularly as regards trading, continued trading and delisting.

6. Guarantee in support of issues of fixed-income securities

The Board of Directors is also authorised to guarantee, on behalf of the Company and within the limits set forth above, new issues of securities by subsidiaries during the effective period of this resolution.

7. Power of substitution

The Board of Directors is expressly authorised to further delegate the powers referred to in this resolution.

8. Revocation of current authorisation

This resolution deprives of effect, to the extent of the unused amount of the issues, the authorisation to issue simple debentures or bonds and other fixed-income securities of a similar nature, given for such purpose to the Board of Directors by the shareholders acting at the General Shareholders' Meeting held on 18 June 2021, without prejudice to the effectiveness thereof as to the amount already used for the issues made and the guarantees provided or promised prior to this resolution.

In Bilbao, on 25 March 2025