



General Shareholders' Meeting

29 May 2026



Report of the Board of Directors

Proposed reduction in capital

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REPORT OF THE BOARD OF DIRECTORS REGARDING THE PROPOSED REDUCTION IN SHARE CAPITAL BY MEANS OF THE RETIREMENT OF OWN SHARES AND RECLASSIFICATION OF RESERVES INCLUDED IN ITEM 10 ON THE AGENDA FOR THE GENERAL SHAREHOLDERS' MEETING

1. Object of the report

This report has been prepared by the Board of Directors of "Iberdrola, S.A." (the "**Company**") pursuant to the provisions of Sections 286 and 318 of the Spanish "Companies Act" (*Ley de Sociedades de Capital*), in order to provide a rationale for the proposed: (i) reduction in share capital by means of the retirement of own shares; and (ii) reclassification of reserves from retired capital to voluntary reserves (the "**Reclassification**") being submitted for the approval of the shareholders at the General Shareholders' Meeting under sections 1 and 2 of item 10 on the agenda, respectively.

Each of the reductions in capital implemented under the resolution proposed to the shareholders at the General Shareholders' Meeting and forming the object of this report shall be referred to as a "**Reduction**". In turn, the total of all the reductions in capital ultimately implemented under the proposed resolution and during its effective term shall be referred to as the "**Reduction in Capital**".

Pursuant to such provisions of the "Companies Act", to the extent that each implementation of the Reduction entails the amendment of Article 10 of the "By-Laws" setting the share capital, the Board of Directors has prepared this report, which includes the purpose of and rationale for the proposal being submitted for the approval of the shareholders at the General Shareholders' Meeting under section 1 of item 10 on the agenda.

2. Purpose of and rationale for the proposals

Pursuant to the provisions of the "Shareholder Remuneration Policy", the Company maintains a strategy for growth in such remuneration in line with the increase in results, with a pay-out of between 65% and 75% of net profits attributed to the Company, as the controlling company, in its consolidated annual financial statements.

Therefore, since 2010, the Company has been implementing an optional dividend system currently called "Iberdrola Retribución Flexible", which consists of the implementation of two increases in share capital by means of scrip issues, combined with the ability of the shareholders to decide to receive all or part of their remuneration in cash, choosing in this case to receive a dividend instead of receiving shares of the Company or to sell their free-of-charge allocation rights on the market.

Without prejudice to the foregoing, and subject to the approval by the shareholders at the General Shareholders' Meeting of the proposed resolutions included under items

8 and 9 on the agenda¹, it is intended to introduce an amendment to the “Iberdrola Retribución Flexible” system so that, if applicable, all shareholders of the Company are paid a small component of the remuneration through the payment in cash of an adjustment dividend, regardless of the remuneration option that each of them has chosen under said system.

The aforementioned increases in share capital by means of scrip issues are complemented with reductions in share capital like the one now proposed and like those that the Company has implemented each year since 2013, which are intended to maintain the number of outstanding shares of the Company used to calculate earnings per share at approximately 6,575 million. This figure represents an increase of 335 million shares compared to the number on which earnings per share have been calculated since financial year 2013 (6,240 million shares). Such increase is a result of the increase in share capital through cash contributions and excluding pre-emptive rights approved by the Company's Board of Directors at its meeting held on 22 July 2025, in exercise of the authorisation granted by the shareholders at the Company's General Shareholders' Meeting held on 17 May 2024 under item 20 of its agenda, which was formalised through two public deeds executed on 23 and 24 July 2025 before the notary of the Madrid Notarial Association Mr Miguel Ruiz-Gallardón García de la Rasilla, under numbers 3,850 and 3,866 of his notarial record, respectively, and registered in the Commercial Registry of Biscay.

The Reduction in Capital avoids the dilution of interests in the share capital caused by the repeated issuance of new shares and contributes to maintaining the earnings per share of the Company, all of which has a positive impact for the shareholders. The Reduction in Capital also operates as a formula for shareholder remuneration (an essential pillar for the Company) that supplements the “Iberdrola Retribución Flexible” optional dividend system, insofar as the retirement of own shares has a concentration effect on the value of the Company's shares inherent to the decreased number of outstanding shares, with the resulting increase in certain ratios per share.

Therefore, the Board of Directors has resolved to propose the Reduction in Capital to the shareholders at the General Shareholders' Meeting, such that it offsets the effects of the increases in share capital by means of scrip issues approved by the shareholders at the General Shareholders' Meeting held on first call on 30 May 2025 under items 9 and 10 on the agenda², and which were implemented in the months of July 2025 and January 2026, respectively. If the Reduction in Capital is ultimately approved, the total number of shares that the Company will retire will be a maximum of 182,845,603 own shares, each with a nominal value of €0.75, representing not

¹ And under the section entitled “Common terms and conditions of the dividend payment and increase in share capital resolutions proposed under items 7, 8 and 9 on the agenda, pursuant to which the “Iberdrola Retribución Flexible” optional dividend system is implemented”.

² And under the section entitled “Common terms and conditions of the dividend payment and increase in share capital resolutions proposed under items 8, 9 and 10 on the agenda, pursuant to which the “Iberdrola Retribución Flexible” optional dividend system is implemented”.

more than 2.706% of the Company's share capital (the "**Maximum Limit**"), so that the number of outstanding shares is set at the target amount of 6,575 million.

Without prejudice to the foregoing, the Board of Directors considers it appropriate, for the achievement of the Company's corporate interest, to have available all necessary mechanisms to: (i) correctly implement any Buy-back Programme (as this term is defined below) that the Board of Directors may launch following the General Shareholders' Meeting; and/or (ii) retire other own shares acquired through other legal mechanisms, with respect to both the launch of the Buy-back Programme and the effective retirement of acquired shares and the corresponding Reduction in Capital. Notwithstanding the foregoing, the object of the Reduction in Capital remains unalterable and coincides with the reductions in capital that the Company has been implementing each year since 2013.

In relation to the proposed resolution regarding the Reclassification referred to in section 2 of item 10 on the agenda, it is appropriate to state for the record in this report that, in the reductions in capital implemented since 2013, the Company has provided the corresponding retired capital reserves to exclude the right of objection of creditors, in accordance with Section 335(c) of the Spanish "Companies Act". As a result of the successive allocations, the "retired capital reserve" amounted to €1,932,897,242.42 as at 31 December 2025.

The high amount of the "retired capital reserve" justifies the Reclassification proposal made by the Board of Directors, since the balance of "voluntary reserves" will be increased by €1,932,897,242.42 following the Reclassification.

Therefore, the Board of Directors considers the Reclassification to be beneficial for the achievement of the corporate interest, as it will allow the unrestricted use of the amount of the "retired capital reserve" and, if applicable, the implementation of the increases in share capital by means of a scrip issue proposed under items 8 and 9 on the agenda, with a partial charge to said amount. The Reclassification will also improve the Company's financial flexibility by allowing the reuse of previously restricted resources and the optimisation of equity.

3. Main terms and conditions of the Reduction in Capital

The Reduction in Capital is proposed to reduce the share capital of the Company, on one or more occasions, by a maximum of €137,134,202.25 through the retirement of a maximum of 182,845,603 own shares, each with a nominal value of €0.75, representing not more than 2.706% of the share capital at the time of approval of the corresponding resolution by the shareholders at the General Shareholders' Meeting.

Subject to the following, the Reduction in Capital shall be implemented by means of:

- (a) The acquisition of shares for their retirement through:
 - (i) the potential implementation of a programme for the buy-back of own shares, targeted at all the shareholders, approved by the Board of

Directors at its meeting held on 17 March³ 2026 (the “**Buy-back Programme**”), which will possibly be launched following the call to the General Shareholders' Meeting, provided that the Board of Directors deems its launch appropriate; and

- (ii) the settlement of certain derivatives on own shares acquired by the Company prior to the date on which the Board of Directors (or the body acting by delegation therefrom) launches the Buy-back Programme (the “**Settlement of Derivatives**”).
- (b) The retirement of own shares in treasury following the close of the trading session on the day before the Board of Directors (or the body acting by delegation therefrom) launches the Buy-back Programme (the “**Treasury Shares**”).

In this regard, in order to observe the Maximum Limit in any case, and provided the Board of Directors deems it appropriate to launch the Buy-back Programme, an overall limitation would apply to the maximum number of shares to be retired that have been acquired in implementation of the Buy-back Programme and pursuant to the Settlement of Derivatives (the “**Overall Limit**”).

Thus, if the number of shares acquired in implementation of the Buy-back Programme and by virtue of the Settlement of Derivatives does not exceed the Overall Limit, pursuant to Section 340.3 of the “Companies Act” it would be deemed that the share capital of the Company is reduced by the sum of the Treasury Shares and the total number of shares acquired in implementation of the Buy-back Programme and by virtue of the Settlement of Derivatives.

However, if the shares acquired in implementation of the Buy-back Programme and pursuant to the Settlement of Derivatives do exceed the Overall Limit, the Treasury Shares and all of the own shares acquired in implementation of the Buy-back Programme would be retired. On the other hand, a number equal to the difference between the Overall Limit and the shares actually acquired in implementation of the Buy-back Programme would be retired from the own shares acquired pursuant to the Settlement of Derivatives. In this way, the remainder of any own shares acquired as a result of the Settlement of Derivatives would not be subject to retirement upon the Reduction in Capital and will remain in treasury, always within the limits provided by applicable law.

³ Pursuant to: (i) “Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse” and “Commission Delegated Regulation (EU) No 2016/1052 of 8 March 2016 supplementing Regulation (EU) No 596/2014 of the European Parliament and of the Council with regard to regulatory technical standards for the conditions applicable to buy-back programmes and stabilisation measures”; and (ii) the authorisation granted by the shareholders at the General Shareholders' Meeting held on second call on 17 June 2022 under item 19 on the agenda and for a five-year period.

Without prejudice to the foregoing, under section 1 of item 10 on the agenda, which is the subject of this report, it is proposed for the Board of Directors to be able to resolve to implement the Reduction in Capital without the need to implement the Buy-back Programme, when own shares have been acquired by the Company in accordance with applicable legal provisions and pursuant to: (i) the authorisation granted by the shareholders at the General Shareholders' Meeting of the Company held on second call on 17 June 2022 under item 19 on the agenda and for a five-year period; and (ii) the authorisation submitted to the shareholders for approval at the General Shareholders' Meeting under item 20 on the agenda.

As a result of the foregoing, the own shares retired in each Reduction may: (a) have been acquired through the Buy-back Programme and the Settlement of Derivatives, and/or form part of the Treasury Shares; or (b) be other own shares legally acquired by the Company pursuant to: (i) the authorisation granted by the shareholders at the General Shareholders' Meeting of the Company held on second call on 17 June 2022 under item 19 on the agenda and for a five-year period; and (ii) the authorisation submitted to the shareholders for approval at the General Shareholders' Meeting under item 20 on the agenda.

The Company shall notify the market of both the approval and the launch of the Buy-back Programme by issuing the corresponding notices of other relevant information, which shall be published on the corporate website (www.iberdrola.com) and on the website of the National Securities Market Commission (*Comisión Nacional del Mercado de Valores*) (CNMV) (www.cnmv.es).

In the event that conditions prevent or make inadvisable the full or partial implementation of the Buy-back Programme, including but not limited to supervening circumstances, market conditions, the Company's own situation or any socially or economically material event, the Board of Directors may not implement all or part of the Buy-back Programme, reporting such decision to the shareholders at the next ordinary General Shareholders' Meeting. In any event, in this case, the Reduction in Capital would be implemented through the retirement of own shares that have been acquired by the Company in accordance with applicable legal provisions and pursuant to: (i) the authorisation granted by the shareholders at the General Shareholders' Meeting of the Company held on second call on 17 June 2022 under item 19 on the agenda; and (ii) the authorisation submitted to the shareholders for approval at the General Shareholders' Meeting under item 20 on the agenda.

The Board of Directors may also interrupt or terminate in advance the implementation of the Buy-back Programme in the event that any reasons make it advisable or necessary to do so in the corporate interest.

In the event of approval of the resolution regarding the Reduction in Capital that is the object of this report and if the Board of Directors decides to implement the corresponding reductions in capital, the Board of Directors (with express power of substitution): (a) would set the terms and conditions and the final amount of the Reduction; and (b) would amend Article 10 of the "By-Laws" setting the share capital such that it reflects the new amount of share capital and the new number of outstanding shares (after deducting the number of own shares proposed to be retired).

The Reduction in Capital would not entail a return of contributions to the shareholders because the Company itself is the holder of the retired shares, and it would be carried out with a charge to unrestricted reserves by funding a retired capital reserve in an amount equal to the nominal value of the retired shares; such reserve could only be used by complying with the same requirements as those applicable to a reduction in share capital, as provided by Section 335(c) of the "Companies Act".

Therefore, in order to simplify the implementation and in accordance with the provisions of such provision, creditors of the Company would not be entitled to assert the right of objection established in Section 334 of the "Companies Act" in connection with the corresponding Reduction.

It is also proposed that the shareholders at the General Shareholders' Meeting ratify the acts performed to date by the Board of Directors in connection with the Buy-back Programme approved on 17 March 2026 and that they authorise the Board of Directors to determine the most appropriate way to acquire the own shares that are subject to retirement pursuant to the Reduction in Capital, taking into account in any event the goals sought thereby, and to implement the Reduction in Capital (on the number of occasions and in the form that it deems suitable and most appropriate) (with express power of substitution pursuant to the provisions of Section 249 *bis.l*) of the "Companies Act"), which are ultimately performed pursuant to the resolution proposed to the shareholders at the General Shareholders' Meeting under item 10.1 on the agenda, within a maximum period of one year following the approval of the resolution or until the date of the next ordinary General Shareholders' Meeting, whichever occurs earlier.

Without prejudice to the foregoing, it is proposed to authorise the Board of Directors to implement the Reduction pursuant to which any own shares acquired in the context of the Buy-back Programme shall be retired, within one month following the expiration of said programme, pursuant to the provisions of Section 342 of the "Companies Act".

The Board of Directors is also authorised not to implement the Reduction in Capital if advisable due to the circumstances, on the terms established in the proposed resolution, and in any event reporting such decision to the shareholders at the next ordinary General Shareholders' Meeting.

All of the foregoing powers are granted to the Board of Directors (with express power of substitution), which may establish any terms that are not expressly set forth in the resolution approving the Reduction in Capital or that are a consequence thereof and approve the resolutions, publish the announcements, take the steps, and execute the public or private documents that may be required or appropriate for the successful implementation of each Reduction.

Specifically, it is proposed to authorise the Board of Directors, with express powers of substitution, to adopt the corresponding resolutions amending the "By-Laws" in order to reflect the new amount of share capital and the number of shares resulting from the implementation of each Reduction, as well as to take the steps and carry out the formalities required to cause the exclusion from trading of the retired shares from the

Spanish Stock Exchanges and the removal thereof from the book-entry registers once the corresponding resolution regarding the Reduction has been implemented.

4. Main terms and conditions of the Reclassification

By means of the Reclassification, it is proposed to reallocate and transfer the entirety of the balance of the “retired capital reserve” account (account 1,142 of “Royal Decree 1514/2007, of 16 November, approving the General Accounting Plan”), which at the date of this resolution amounts to €1,932,897,242.42, to convert such balance into “voluntary reserves” (account 113 of the “General Accounting Plan”), in order to allow the unrestricted use of the amount of the “retired capital reserve” and, if applicable, the implementation of the increases in share capital by means of a scrip issue that are submitted to the shareholders for approval at the General Shareholders' Meeting under items 8 and 9 on the agenda⁴, with a partial charge to said amounts.

In application of the provisions of Section 335(c) of the “Companies Act”, it is only possible to use the “retired capital reserve” by complying with the same requirements as those applicable to a reduction in share capital.

Pursuant to the foregoing, and in accordance with the provisions of Section 319 in relation to Section 335(c) of the “Companies Act”, the Reclassification resolution shall be published using at least the following means:

- (a) the Official Bulletin of the Commercial Registry (*Boletín Oficial del Registro Mercantil*); and
- (b) the Company's corporate website.

In addition, the Company shall communicate the approval of the Reclassification to the market by sending the corresponding notice of other relevant information regarding the resolutions approved by the shareholders at the General Shareholders' Meeting, which shall be published on the corporate website (www.iberdrola.com) and on the website of the National Securities Market Commission (*Comisión Nacional del Mercado de Valores*) (www.cnmv.es).

Finally, pursuant to Sections 334 and 336 in relation to Section 335(c) of the “Companies Act”, the creditors of the Company whose claims have arisen prior to the date of the last announcement of the Reclassification resolution and have not fallen due at that time shall have the right, until such credits are secured, to object to the Reclassification resolution within one month following the date of the last announcement of the Reclassification resolution. As a result, the Reclassification will

⁴ And under the section entitled “Common terms and conditions of the dividend payment and increase in share capital resolutions proposed under items 7, 8 and 9 on the agenda, pursuant to which the “Iberdrola Retribución Flexible” optional dividend system is implemented”.

be implemented after the conclusion of the period of the creditors' right to object, and in any event in compliance with the provisions of Section 337 of the "Companies Act".

It is also proposed that the shareholders at the General Shareholders' Meeting delegate to the Board of Directors (with express power of substitution pursuant to the provisions of Section 249 *bis.l*) of the "Companies Act") such powers as are required or appropriate to publish the announcements, pay the credits or sufficiently secure them in favour of those creditors who exercise the right to object, and take the steps that may be required or appropriate to implement the Reclassification.

5. Proposed resolutions submitted to the shareholders at the General Shareholders' Meeting

The proposed resolutions relating to the Reduction in Capital and the Reclassification submitted to the shareholders for approval at the General Shareholders' Meeting respectively read as follows:

ITEM 10 ON THE AGENDA

Reduction in capital linked to the "Iberdrola Retribución Flexible" optional dividend system.

ITEM 10.1 ON THE AGENDA

Reduction in capital by means of the retirement of a maximum of 182,845,603 own shares (2.706% of the share capital).

RESOLUTION

1. Reduction in share capital by means of the retirement of own shares

To reduce the share capital of "Iberdrola, S.A." (the "**Company**"), on one or more occasions, by a maximum of €137,134,202.25 through the retirement of a maximum of 182,845,603 own shares, each with a nominal value of €0.75, representing not more than 2.706% of the share capital at the time of approval of the corresponding resolution by the shareholders at the General Shareholders' Meeting.

Each of the reductions in capital implemented under this resolution shall be referred to as a "**Reduction**". In turn, the total of all the reductions in capital ultimately implemented under and during the effective term of this resolution shall be referred to as the "**Reduction in Capital**".

Subject to the following, the Reduction in Capital shall be implemented by means of:

- (a) The acquisition of shares for their retirement through:
 - (i) the potential implementation of a programme for the buy-back of own shares, targeted at all the shareholders, approved by the Board of

*Directors at its meeting held on 17 March⁵ 2026 (the “**Buy-back Programme**”), which will possibly be launched following the call to the General Shareholders' Meeting, provided that the Board of Directors deems its launch appropriate; and*

- (ii) the settlement of certain derivatives on own shares acquired by the Company prior to the date on which the Board of Directors (or the body acting by delegation therefrom) launches the Buy-back Programme (the “**Settlement of Derivatives**”).*
- (b) The retirement of own shares in treasury following the close of the trading session on the day before the Board of Directors (or the body acting by delegation therefrom) launches the Buy-back Programme (the “**Treasury Shares**”).*

Notwithstanding the foregoing, and provided it is in the corporate interest, the Reduction in Capital may also be implemented (without the need to launch the Buy-back Programme) through the retirement of own shares that have been acquired by the Company in accordance with applicable legal provisions and pursuant to: (i) the authorisation granted by the shareholders at the General Shareholders' Meeting of the Company held on second call on 17 June 2022 under item 19 on the agenda; and (ii) the authorisation submitted to the shareholders for approval at the General Shareholders' Meeting under item 20 on the agenda.

This flexibility when implementing the Reduction in Capital contributes to the proper achievement of the Company's corporate interest, insofar as it is appropriate for the Board of Directors to have available all necessary mechanisms to: (a) correctly implement any Buy-back Programme launched following the General Shareholders' Meeting; and/or (b) retire other own shares acquired through other legal mechanisms, with respect to both the launch of the Buy-back Programme and the effective retirement of acquired shares and the corresponding Reduction in Capital.

Without prejudice to the Board of Directors being granted greater flexibility with respect to the mechanisms to implement the Reduction in Capital, its object remains unalterable and coincides with the reductions in capital that the Company has been implementing each year since 2013. As a result, the purpose of the Reduction in Capital is still to maintain the number of outstanding shares of the Company used to calculate earnings per share at approximately 6,575 million. This figure represents an increase of 335 million shares compared to the number on which earnings per share have been calculated since financial year 2013 (6,240 million shares). Such increase

⁵ Pursuant to: (i) “Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse” and “Commission Delegated Regulation (EU) No 2016/1052 of 8 March 2016 supplementing Regulation (EU) No 596/2014 of the European Parliament and of the Council with regard to regulatory technical standards for the conditions applicable to buy-back programmes and stabilisation measures” (the “**Regulations**”); and (ii) the authorisation granted by the shareholders at the General Shareholders' Meeting held on second call on 17 June 2022 under item 19 on the agenda.

is a result of the increase in share capital through cash contributions and excluding pre-emptive rights approved by the Company's Board of Directors at its meeting held on 22 July 2025, in exercise of the authorisation granted by the shareholders at the Company's General Shareholders' Meeting held on 17 May 2024 under item 20 of its agenda, which was formalised through two public deeds executed on 23 and 24 July 2025 before the notary of the Madrid Notarial Association Mr Miguel Ruiz-Gallardón García de la Rasilla, under numbers 3,850 and 3,866 of his notarial record, respectively, and registered in the Commercial Registry of Biscay.

The Reduction in Capital avoids the dilution of interests in the share capital caused by the issuance of new shares as a result of the increases in share capital by means of scrip issues that are submitted for the approval of the shareholders at the General Shareholders' Meeting under items 8 and 9 on the agenda and contributes to maintaining the earnings per share of the Company, all of which has a positive impact for the shareholders. The Reduction in Capital also operates as a formula for shareholder remuneration (an essential pillar for the Company) that supplements the "Iberdrola Retribución Flexible" optional dividend system, insofar as the retirement of own shares has a concentration effect on the value of the Company's shares inherent to the decreased number of outstanding shares, with the resulting increase in certain ratios per share.

Once the Board of Directors (or the body acting by delegation therefrom) has determined the corresponding final amount of the Reduction, Article 10 of the "By-Laws" setting the share capital would be amended such that it reflects the new amount of share capital and the new number of outstanding shares.

2. Launch of Buy-back Programme

In the event that the Board of Directors decides to launch the Buy-back Programme, its terms and conditions (including the setting of the maximum number of shares that can be acquired within the framework thereof, the decision to launch it in part or in full (or not to launch it) and its effective period), the maximum potential amount of the Settlement of Derivatives, and the final figures for the Treasury Shares and the corresponding Reduction in Capital shall be set by the Company's Board of Directors (with express power of substitution).

The Company shall communicate both the approval and any launch of the Buy-back Programme to the market by issuing the corresponding notices of other relevant information, which shall be published on the corporate website (www.iberdrola.com) and on the website of the National Securities Market Commission (Comisión Nacional del Mercado de Valores) (www.cnmv.es).

In the event that conditions prevent or make inadvisable the full or partial implementation of the Buy-back Programme, including but not limited to supervening circumstances, market conditions, the Company's own situation or any socially or economically material event, the Board of Directors may not implement all or part of the Buy-back Programme, reporting such decision to the shareholders at the next ordinary General Shareholders' Meeting. In any event, in this case, the Reduction in Capital would be implemented through the retirement of own shares that have been acquired by the Company in accordance with applicable legal provisions and pursuant to: (i) the authorisation granted by the shareholders at the General

Shareholders' Meeting of the Company held on second call on 17 June 2022 under item 19 on the agenda; and (ii) the authorisation submitted to the shareholders for approval at the General Shareholders' Meeting under item 20 on the agenda.

The Board of Directors may also interrupt or terminate in advance the implementation of the Buy-back Programme in the event that any reasons make it advisable or necessary to do so in the corporate interest.

3. Procedure for acquisition of the shares that will be retired

The total number of shares that the Company will be able to retire will be the result of adding: (a) any shares acquired through the Buy-back Programme and the Settlement of Derivatives; and (b) the Treasury Shares. This number will be a maximum of 182,845,603 own shares, each with a nominal value of €0.75, representing not more than 2.706% of the Company's share capital (the "**Maximum Limit**").

As provided in the resolution of the Board of Directors approved at its meeting held on 17 March 2026, own shares would potentially be acquired within the framework of the Buy-back Programme subject to the terms as to price and volume established in the Regulations. In order to observe the Maximum Limit in any case, and provided the Board of Directors deems it appropriate to launch the Buy-back Programme, an overall limitation would apply to the maximum number of shares to be retired that have been acquired in implementation of the Buy-back Programme and pursuant to the Settlement of Derivatives (the "**Overall Limit**").

Thus, if the number of shares acquired in implementation of the Buy-back Programme and by virtue of the Settlement of Derivatives does not exceed the Overall Limit, pursuant to Section 340.3 of the "Companies Act" it would be deemed that the share capital of the Company is reduced by the sum of the Treasury Shares and the total number of shares acquired in implementation of the Buy-back Programme and by virtue of the Settlement of Derivatives.

However, if the shares acquired in implementation of the Buy-back Programme and pursuant to the Settlement of Derivatives do exceed the Overall Limit, the Treasury Shares and all of the own shares acquired in implementation of the Buy-back Programme would be retired. On the other hand, a number equal to the difference between the Overall Limit and the shares actually acquired in implementation of the Buy-back Programme would be retired from the own shares acquired pursuant to the Settlement of Derivatives. In this way, the remainder of any own shares acquired as a result of the Settlement of Derivatives would not be subject to retirement upon the Reduction in Capital and will remain in treasury, always within the limits provided by applicable law.

Without prejudice to the foregoing, the Company may retire own shares acquired pursuant to applicable legal provisions, always subject to the Maximum Limit, and on the terms authorised by the shareholders at the General Shareholders' Meeting and applicable legal provisions.

4. Period for the Reduction in Capital

The maximum period for the implementation of the Reductions finally carried under this resolution shall be one year following the approval thereof or until the date of the next ordinary General Shareholders' Meeting, whichever occurs earlier.

Without prejudice to the foregoing, the Reduction pursuant to which any own shares acquired in the context of the Buy-back Programme shall be retired must be implemented within one month following the expiration of said programme, pursuant to the provisions of Section 342 of the "Companies Act".

5. Procedure for the Reduction in Capital

The own shares retired in each Reduction may: (a) have been acquired through the Buy-back Programme and the Settlement of Derivatives, and/or form part of the Treasury Shares; or (b) be other own shares legally acquired by the Company pursuant to: (i) the authorisation granted by the shareholders at the General Shareholders' Meeting of the Company held on second call on 17 June 2022 under item 19 on the agenda; and (ii) the authorisation submitted to the shareholders for approval at the General Shareholders' Meeting under item 20 on the agenda.

6. Reserves with a charge to which the Reduction in Capital is carried out

The Reduction in Capital does not entail a return of contributions to the shareholders because the Company itself is the holder of the shares being retired, and it shall be carried out with a charge to unrestricted reserves by funding a retired capital reserve in an amount equal to the nominal value of the retired shares; such reserve may only be used by complying with the same requirements as those applicable to a reduction in share capital, as provided by Section 335 c) of the "Companies Act".

Therefore, in accordance with the provisions of such section, creditors of the Company will not be entitled to assert the right of objection contemplated by Section 334 of the "Companies Act" in connection with the corresponding Reduction.

7. Ratification of the resolutions of the Board of Directors

To ratify both the resolutions of the Board of Directors regarding the approval of the Buy-back Programme as well as the actions, statements and formalities regarding the public communication of the Buy-back Programme to date.

8. Delegation of powers

To delegate to the Board of Directors, with express power of substitution, the powers necessary to implement the Reduction in Capital during the established effective implementation period and in the form it deems most appropriate, within the limits established in this resolution and by law, within a period not to exceed that established in this resolution, with authority to establish any terms that are not expressly set forth in this resolution or that are a consequence hereof. In particular, and by way of example only, the following powers are delegated to the Board of Directors, with express power of substitution:

- (a) To perform any acts, make any statements or take any steps that may be required in connection with the public communication of the Buy-back*

- Programme (if the Board of Directors deems its launch appropriate) and with the formalities, if any, that must be carried out at Spanish regulatory agencies and Stock Exchanges; and negotiate, agree to and sign all contracts, agreements, commitments or instructions that may be necessary or appropriate for the successful completion of the Buy-back Programme.*
- (b) To cause all announcements required by law to be published for each Reduction, acquire the shares under the Buy-back Programme, if the Board of Directors deems its launch appropriate, and retire them within one month following the expiration of the Buy-back Programme, in accordance with the terms approved herein.*
 - (c) To declare each approved Reduction to be completed and implemented, establishing, for such purpose, the final number of shares that must be retired and, as a result, the amount by which the share capital of the Company in each Reduction must be reduced in accordance with the terms established in this resolution.*
 - (d) To set the final amount of each Reduction based on the provisions of this resolution, with the power to resolve not to implement the resolution in whole or in part (on the number of occasions and in the form it deems suitable and most appropriate) if: (i) own shares are not acquired for retirement; or (ii) having been acquired for such purpose, supervening circumstances, market conditions, the Company's own situation or any socially or economically material event make it advisable in the corporate interest or prevent the implementation thereof, in any event reporting such decision to the shareholders at the next ordinary General Shareholders' Meeting; and establish any other terms that may be required to implement it, including, without limitation, the setting of unrestricted reserves account that will be used to fund the retired capital reserve, all in accordance with the terms and conditions set forth above.*
 - (e) To amend Article 10 of the "By-Laws" setting the share capital such that it reflects the amount of share capital and the number of outstanding shares resulting from each Reduction.*
 - (f) In accordance with the terms of this resolution, to evaluate and agree on the most appropriate form to acquire the own shares that are subject to retirement pursuant to the Reduction in Capital, taking into account in any event the objectives pursued thereby.*
 - (g) To take such steps and carry out such formalities as may be required and submit such documents as may be necessary to the competent bodies such that, once the corresponding shares of the Company have been retired and the corresponding notarial instrument for the Reduction has been executed and registered with the Commercial Registry, the retired shares are delisted from the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges, through the Automated Quotation System (Continuous Market), and they removed from the corresponding book-entry registers of "Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A." (Sociedad Unipersonal) (IBERCLEAR).*

- (h) *To perform, in their broadest terms, all acts that may be necessary or appropriate to implement and formalise the corresponding Reduction before any Spanish or foreign public or private entities and agencies, including acts for purposes of representation, supplementation, or correction of defects or omissions that might prevent or hinder the full effectiveness of the foregoing resolutions.*

Pursuant to the provisions of Section 249 bis.l) of the “Companies Act”, to expressly authorise the Board of Directors to further delegate the powers referred to in this resolution, all without prejudice to the existing powers of attorney or those granted in relation to this resolution.

ITEM 10.2 ON THE AGENDA

Reclassification of reserves from amortised capital to voluntary reserves.

RESOLUTION

1. Reclassification

*To approve the reclassification of the entirety of the balance of the “retired capital reserve” account (account 1,142 of “Royal Decree 1514/2007, of 16 November, approving the General Accounting Plan”), which at the date of this resolution amounts to €1,932,897,242.42, to convert such balance into “voluntary reserves” (account 113 of the “General Accounting Plan”) (the “**Reclassification**”), in order to allow the unrestricted use of the amount of the “retired capital reserve” and, if applicable, the implementation of the increases in share capital by means of a scrip issue that are submitted to the shareholders for approval at the General Shareholders' Meeting under items 8 and 9 on the agenda, with a partial charge to said amounts.*

2. Amount of the “retired capital reserve” and procedure for Reclassification

In each of the reductions in capital approved by the shareholders at the General Shareholders' Meeting since 2013, the Company has provided the corresponding retired capital reserves to exclude the right of objection of creditors, in accordance with Section 335(c) of the “Companies Act”. As a result of the successive allocations, the “retired capital reserve” amounted to €1,932,897,242.42 as at 31 December 2025.

The Reclassification is proposed in order to allow the unrestricted use of the amount of the “retired capital reserve” and, if applicable, the implementation of the increases in share capital by means of a scrip issue proposed under items 8 and 9 on the agenda, with a partial charge to said amounts. The Reclassification will also improve the Company's financial flexibility by allowing the reuse of previously restricted resources and the optimisation of equity.

In application of the provisions of Section 335(c) of the “Companies Act”, it is only possible to use the “retired capital reserve” by complying with the same requirements as those applicable to a reduction in share capital.

Pursuant to the foregoing, and in accordance with the provisions of Section 319 in relation to Section 335(c) of the “Companies Act”, the Reclassification resolution shall be published using at least the following means:

- (a) the Official Bulletin of the Commercial Registry (Boletín Oficial del Registro Mercantil); and*
- (b) the Company’s corporate website.*

Additionally, the Company shall communicate the approval of the Reclassification to the market by issuing the corresponding notice of other relevant information regarding the resolutions approved by the shareholders at the Company’s General Shareholders’ Meeting, which shall be published on the corporate website (www.iberdrola.com) and on the website of the National Securities Market Commission (Comisión Nacional del Mercado de Valores) (www.cnmv.es).

Finally, pursuant to Sections 334 and 336 in relation to Section 335(c) of the “Companies Act”, the creditors of the Company whose claims have arisen prior to the date of the last announcement of the Reclassification resolution and have not fallen due at that time shall have the right, until such credits are secured, to object to the Reclassification resolution within one month following the date of the last announcement of the Reclassification resolution. As a result, the Reclassification will be implemented after the conclusion of the period of the creditors’ right to object, and in any event in compliance with the provisions of Section 337 of the “Companies Act”.

3. Delegation of powers

To delegate to the Board of Directors, with express power of substitution, such powers as may be necessary or appropriate to implement the Reclassification, to publish the legally required announcements for the implementation of the Reclassification and, where appropriate, to pay the credits of those exercising the right to object to the Reclassification resolution or, alternatively, to sufficiently secure them.

Pursuant to the provisions of Section 249 bis.l) of the “Companies Act”, to expressly authorise the Board of Directors to further delegate the powers referred to in this resolution, all without prejudice to the existing powers of attorney or those granted in relation to this resolution.

In Bilbao, on 17 March 2026