Shareholder Newsletter

First half 2026

125 Iberdrola

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Iberdrola reports strong first-half 2026 growth, driven by Networks, higher earnings and shareholder remuneration.

Chairman's key points

Ignacio Galán
Chairman of Iberdrola

"The first-half results allow us to reaffirm our full-year outlook of more than 8% growth in net profit, excluding capital gains. If the positive trend seen in the second quarter continues in the coming quarters, we may revise this forecast upwards after the summer."

Shareholder remuneration in 2026

General Shareholders' Meeting

On 29 May 2026, Iberdrola held its General Shareholders' Meeting, at which all proposals submitted by the Board of Directors were approved with average support of 97.88% of votes cast. A total of 4.976 billion shares participated, reaching a quorum of 73.63% of share capital. This once again enabled payment of the engagement dividend to shareholders entitled to participate.

Total remuneration increases by 6.2% compared with the previous year

At the 2026 General Shareholders' Meeting, shareholder remuneration was submitted to a vote and approved. Item 6 of the agenda, corresponding to the "engagement dividend", received 99.89% of votes in favour. This dividend, paid to shareholders entitled to participate once the quorum threshold was met, amounted to €0.005 gross per share after exceeding the 70% quorum threshold on which its approval was conditional.

Item 7, on "Allocation of profit/loss and dividend" for 2025, received 99.81% of votes in favour, approving Iberdrola's 6.3% increase in shareholder remuneration.

Accordingly, shareholder remuneration charged to 2025 earnings was approved, setting a **final dividend** of €0.427 gross per share, to be paid on 27 July 2026.

This amount was added to the €0.253 gross per share distributed in January as an **interim dividend** and the €0.005 gross per share corresponding to the **engagement dividend**. Total shareholder remuneration charged to 2025 results therefore amounts to €0.685 gross per share, representing an increase of 6.2% compared with the previous year.

For this new edition of **Iberdrola Flexible Remuneration**, the final number of free allocation rights needed to receive one new share was set at 50. As the main new feature this year, an **adjustment dividend** has been introduced: a cash amount paid to all shareholders to ensure that remuneration corresponding to the final dividend reaches exactly €0.427 gross per share, regardless of the option chosen under the programme.

Dividend type		EUR / Share
Interim dividend	Paid	0.253
Engagement dividend	Paid	0.005
Complementary dividend	Payable on 27 july 2026	0.425
Adjusted dividend	Payable on 27 july 2026	0.002
TOTAL SHAREHOLDER REMUNERATION		0.685

Key highlights

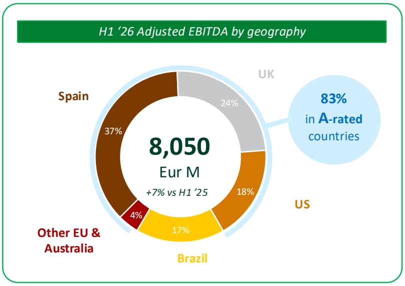
Adjusted EBITDA exceeds €8 billion (+7%)

Adjusted EBITDA reached €8.05 billion, up 7% compared with the same period of the previous year, driven by the excellent performance of the Networks business, the Group's main growth engine. Excluding the negative foreign exchange impact of €106 million, adjusted EBITDA would have increased by 9%.

The **Networks** business increased EBITDA by 13% (compared with 9% in the first quarter of 2026), supported by regulated asset base growth across all geographies. Performance also benefited from the contribution of the new RIIO-T3 framework in the United Kingdom from April, improved remuneration in the United States, including the contribution from NECEC, and tariff increases in Brazil and Spain.

The **Production and Customers** business returned to growth (+1%), improving on the performance recorded in the first quarter. This progress was supported by higher renewable output, particularly in the United Kingdom (+27%) and continental Europe (+12%), driven by onshore and offshore wind generation, as well as the excellent performance of pumped-storage hydro in Iberia, benefiting from reservoir levels close to record highs (73%, 8,200 GWh).

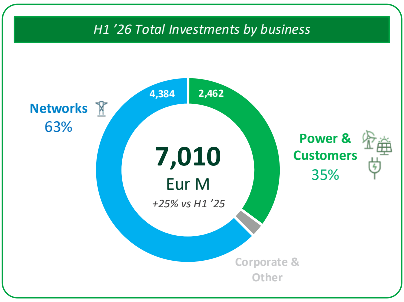
In addition, 83% of EBITDA is generated in countries with an A credit rating, reinforcing the quality and resilience of earnings.



Investments grow by 25%, focused on Networks and strategic markets

Iberdrola invested €7.01 billion during the first half of 2026 (+25% compared with 2025). More than 70% of these investments were allocated to the United Kingdom, the United States and Brazil, reinforcing the commitment to markets with stable regulatory frameworks and strong growth potential.

The **Networks** business accounts for the Group's main investment effort, with €4.384 billion (+42%), close to two thirds of total investment. This momentum continues to strengthen the regulated asset base (RAB), which grew by 11% to nearly €55 billion, driven by growth in transmission activity and increased investments in the United Kingdom, Brazil and the United States.



Over the last twelve months, investments stood at close to €16 billion, with more than two thirds allocated to Networks, reinforcing the visibility of future growth and the quality of the Group's regulated assets.

In **Renewables**, Iberdrola maintains a selective investment strategy, with €2.234 billion allocated mainly to wind projects, which represent more than 70% of the total invested in this area. During the first half, nearly 1,600 MW of new renewable capacity was added, with a further 2.1 GW expected in the second half of the year, 2.2 GW under construction and 3 GW ready for final investment decision in the coming months.

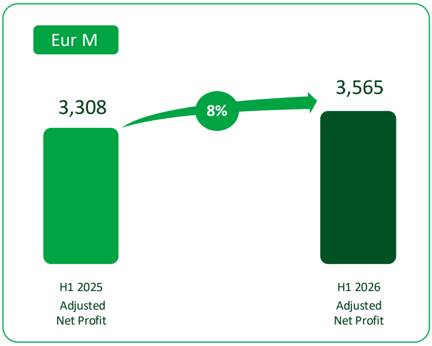
Net profit increases by 22%

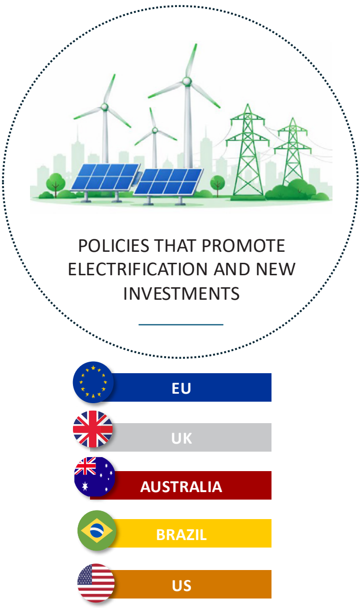
Iberdrola maintains a solid financial position, supported by earnings growth and credit ratios fully aligned with maintaining its BBB+ rating. **Adjusted net** profit reached €3.565 billion, up 8% compared with the same period of the previous year, while **reported net profit increased by 22%** to €4.336 billion, driven by the capital gain from the sale of the business in Mexico. Excluding the negative foreign exchange impact of €219 million, adjusted net profit would have increased by 14%.

Adjusted net debt stood at €53.9 billion, reflecting the Group's high pace of investment and the effect of currency movements. Even so, Iberdrola maintains a balanced financial structure, with an adjusted net debt-to-EBITDA ratio of 3.5 times and an FFO/adjusted net debt ratio of 22.4%, levels fully compatible with its current credit rating.

Liquidity reached €21.5 billion, sufficient to cover approximately 22 months of financing needs, providing the Group with significant flexibility to continue executing its investment and growth plan.

The company also strengthens its leadership in sustainable finance, with €5.3 billion signed during the year, of which €4.8 billion corresponds to green financing. The sustainable portfolio now exceeds €71 billion, consolidating Iberdrola as one of the international benchmarks in financing linked to the energy transition.





An increasingly favourable regulatory environment

Iberdrola's main markets continue to strengthen policies supporting electrification and the development of electricity networks.

In **Europe**, new initiatives are being launched to accelerate infrastructure investment and reinforce competitiveness.

The **United Kingdom** and the **United States** are also progressing with new regulatory frameworks that support Networks growth.

In **Brazil**, the 30-year renewal of concessions will enable a new investment plan of up to €9 billion through 2030. Together, these measures strengthen Iberdrola's growth prospects and support its investment strategy to respond to increasing demand for electricity.

Outlook for 2026: improved full-year guidance

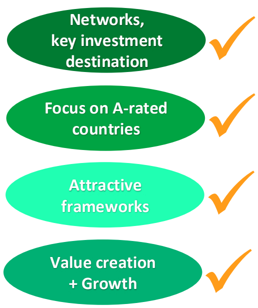
Following the solid results achieved during the first half, Iberdrola reaffirms its outlook for 2026 as a whole and expects to close the year with growth in adjusted net profit. This forecast is supported by several key factors:

- Strong performance of the Networks business and growth in the regulated asset base.
- Additional contribution from transmission and the 100% stake in Neoenergia.
- Commissioning of 2.1 GW of new renewable capacity during the second half of the year.
- Hydroelectric reserves close to record highs, together with expected improvements in operating margins and new efficiencies.
- A strong financial and liquidity position.

These results are further supported by progress in sustainability and innovation, including Iberdrola's inclusion in the Dow Jones Best-in-Class World & Europe 2026, its position as the only European utility included in every edition of the index, and its commitment to invest €1.6 billion in R&D&i between 2025 and 2028.

Iberdrola acquires Finland's largest electricity distribution company, valued at €5 billion

Iberdrola has reached an agreement to acquire an 80% stake in **Caruna Networks**, Finland's largest electricity distribution company, in a transaction valuing 100% of the company at approximately €5 billion, including financial debt. The transaction marks the Group's entry into Finland, a market with an AA+ credit rating, an attractive regulatory framework and strong growth prospects linked to electrification.



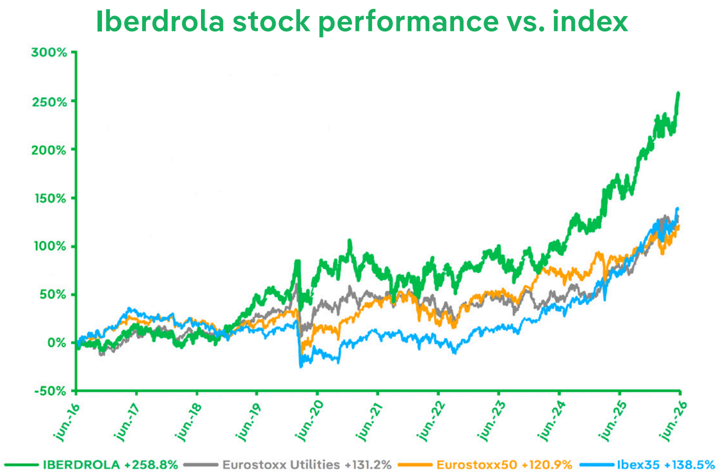
Caruna serves 1.5 million people—more than 20% of Finland's population—and operates 89,000 kilometres of distribution networks, 67% of which are underground. The company operates in high-potential areas such as the Helsinki metropolitan area and the Joensuu region, where demand is growing due to new data centres, industrial activity, residential development and renewable energy expansion.

The transaction is expected to make a positive contribution to earnings from the first year and strengthen the Group's growth prospects. Caruna expects its earnings to grow by around 7% annually, supported by investments of between €200 million and €300 million per year to reinforce and digitalise its network.

The acquisition is fully aligned with Iberdrola's strategy of strengthening its Networks business in countries with high credit ratings and stable, attractive regulatory frameworks. Finland, an AA+-rated eurozone country, has a regulatory framework in place until 2031 and a return on equity of close to 9%. The transaction will be financed with part of the proceeds from the divestment in Mexico.

Completion is expected in the first quarter of 2027, subject to customary regulatory approvals.

IBERDROLA and the stock market



Iberdrola's share

	H1 2026	H1 2025
Number of shares outstanding	6,757,845,603	6,440,561,000
Closing share price at period-end (€/share)	21.84	16.29
Average share price during the period (€/share)	19.75	14.72
Average daily volume	11,819,265	11,066,298
Maximum volume (29-05-2026 / 30-05-2025)	41,238,522	47,306,599
Minimum volume (14-05-2026 / 19-06-2025)	4,907,199	3,749,794
Dividends paid per share (€)	0.667	0.236
Gross interim dividend (02-02-2026 /31-01-2025) (1)	0.253	0.231
Dividend Yield (2)	3.05%	3.60%

(1) Price of rights guaranteed by Iberdrola.
(2) Dividends paid over the last 12 months / closing share price at period-end.

Stock market data

		H1 2026	H1 2025
Market capitalisation	MM€	147,591	104,917
Earnings per share (6.757.845.603 sh. at 30/06/2026 and 6.440.561.000 shares at 30/06/2025)	€	0.622	0.535
Net operating cash flow per share	€	1.41	1.66
P.E.R.	Times	21.58	21.72
Price/book value	Times	2.90	2.30

(1) Impacted by the capital increase carried out in July 2025.

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ALTERNATIVE PERFORMANCE MEASURES

In addition to the financial information prepared under IFRS, this presentation includes certain alternative performance measures ("APMs") for the purposes of Commission Delegated Regulation (EU) 2019/979, of March 14, 2019, and 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. In particular, please refer to https://www.iberdrola.com/documents/20125/6030708/alternative-performance-measures-26H1.pdf.