

# Results Presentation

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Nine months  
October 21, 2020

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# Core business figures

## Networks

RAB (Local currency)*		As of December 2019
Spain	(EUR billion)	9.2
United Kingdom	(GBP billion)	6.7
United States	(USD billion)	10.4
Brazil	(BRL billion)	21.5

\* 31,100 M Eur at the end of 2019

## Distributed Electricity

ELECTRICITY (GWh)	9M 2020	9M 2019	vs. 2019
Spain	65,538	70,357	-6.8%
United Kingdom	23,130	24,583	-5.9%
United States	28,599	28,936	-1.2%
Brazil	48,859	50,102	-2.5%
<b>Total</b>	<b>166,126</b>	<b>173,979</b>	<b>-4.5%</b>
GAS (GWh)			
United States	41,737	45,020	-7.3%
<b>Total</b>	<b>41,737</b>	<b>45,020</b>	<b>-7.3%</b>

Differences may arise due to rounding

## Managed Supply Points

ELECTRICITY (Millions)	9M 2020	9M 2019	vs. 2019
Spain	11.19	11.13	0.5%
United Kingdom	3.53	3.53	0.2%
United States	2.27	2.26	0.3%
Brazil	14.20	14.00	1.4%
<b>Total Electricity</b>	<b>31.19</b>	<b>30.92</b>	<b>0.9%</b>
GAS (Millions)			
United States	1.01	1.00	0.7%
<b>Total Gas</b>	<b>1.01</b>	<b>1.00</b>	<b>0.7%</b>
<b>TOTAL SUPPLY POINTS</b>	<b>32.20</b>	<b>31.93</b>	<b>0.9%</b>

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

### Total Group

	9M 2020	9M 2019	vs. 2019
<b>Net Production (GWh)</b>	<b>120,350</b>	<b>112,235</b>	<b>7.2%</b>
<b>Net owned production</b>	<b>90,600</b>	<b>84,126</b>	<b>7.7%</b>
Renewables	49,966	42,738	16.9%
Onshore	28,270	26,528	6.6%
Offshore	2,848	1,493	90.8%
Hydro	17,111	13,334	28.3%
Minihydro	567	510	11.0%
Solar and others	1,170	873	34.1%
Nuclear	17,810	18,916	-5.8%
Gas combined cycle	17,885	15,642	14.3%
Cogeneration	4,702	6,480	-27.4%
Coal	238	349	-32.0%
<b>Net production for third parties</b>	<b>29,750</b>	<b>28,109</b>	<b>5.8%</b>
Renewables	139	146	-4.3%
Onshore	139	146	-4.3%
Gas combined cycle	29,611	27,964	5.9%
<b>Installed Capacity (MW)</b>	<b>54,032</b>	<b>50,326</b>	<b>7.4%</b>
<b>Net owned installed capacity</b>	<b>46,886</b>	<b>44,833</b>	<b>4.6%</b>
Renewables	33,861	31,087	8.9%
Onshore	18,016	16,496	9.2%
Offshore	1,258	740	70.0%
Hydro	12,864	12,742	1.0%
Minihydro	306	306	-
Solar (dc) and others	1,417	803	76.4%
Nuclear	3,177	3,177	-
Gas combined cycle	8,657	8,361	3.5%
Cogeneration	1,191	1,335	-10.8%
Coal	-	874	-100.0%
<b>Net installed capacity for third parties</b>	<b>7,146</b>	<b>5,493</b>	<b>30.1%</b>
Renewables	103	103	-
Onshore	103	103	-
Gas combined cycle	7,043	5,390	30.7%
<b>Electricity customers (No mill.)</b>	<b>12.73</b>	<b>12.86</b>	<b>-1.0%</b>
<b>Gas customers (No mill.)</b>	<b>2.88</b>	<b>2.88</b>	<b>0.0%</b>
<b>Gas Supplies (GWh)</b>	<b>34.762</b>	<b>40.252</b>	<b>-13.6%</b>
<b>Gas Storage (bcm)</b>	<b>0.13</b>	<b>0.13</b>	<b>-2.2%</b>

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

	9M 2020	9M 2019	vs. 2019
<b>Net Production (GWh)</b>	<b>43,459</b>	<b>43,530</b>	<b>-0.2%</b>
Renewables	18,103	14,938	21.2%
Onshore	7,837	8,495	-7.7%
Hydro	9,346	5,933	57.5%
Minihydro	567	510	11.0%
Solar and others	353	-	N/A
Nuclear	17,810	18,916	-5.8%
Gas combined cycle	5,720	7,383	-22.5%
Cogeneration	1,589	1,945	-18.3%
Coal	238	349	-32.0%
<b>Installed Capacity (MW)</b>	<b>25,936</b>	<b>26,185</b>	<b>-0.9%</b>
Renewables	16,712	16,087	3.9%
Onshore	6,092	5,793	5.2%
Hydro	9,715	9,715	-
Minihydro	306	306	-
Solar (dc) and others	600	273	119.4%
Nuclear	3,177	3,177	-
Gas combined cycle	5,695	5,695	-
Cogeneration	353	353	-
Coal	-	874	-100.0%
<b>Electricity customers (No mill.)</b>	<b>10.02</b>	<b>10.09</b>	<b>-0.7%</b>
<b>Gas customers (No mill.)</b>	<b>1.07</b>	<b>1.04</b>	<b>2.7%</b>
<b>Gas Supplies (GWh)</b>	<b>18,743</b>	<b>22,874</b>	<b>-18.1%</b>
Users	5,859	6,891	-15.0%
Gas Combined Cycle	12,884	15,983	-19.4%

Differences may arise due to rounding

## United Kingdom

	9M 2020	9M 2019	vs. 2019
<b>Net Production (GWh)</b>	<b>4,717</b>	<b>3,211</b>	<b>46.9%</b>
Renewables	4,717	3,211	46.9%
Onshore	2,778	2,670	4.1%
Offshore	1,939	541	258.2%
<b>Installed Capacity (MW)</b>	<b>2,814</b>	<b>2,296</b>	<b>22.6%</b>
Renewables	2,814	2,296	22.6%
Onshore	1,906	1,906	-
Offshore	908	390	132.7%
<b>Electricity customers (No mill.)</b>	<b>2,71</b>	<b>2,77</b>	<b>-2.2%</b>
<b>Gas customers (No mill.)</b>	<b>1,81</b>	<b>1,84</b>	<b>-1.5%</b>
<b>Gas Supplies (GWh)</b>	<b>16,019</b>	<b>17,378</b>	<b>-7.8%</b>
<b>Gas Storage (bcm)</b>	<b>0.13</b>	<b>0.13</b>	<b>-2.2%</b>

Differences may arise due to rounding

## USA

	9M 2020	9M 2019	vs. 2019
<b>Net Production (GWh)</b>	<b>16,659</b>	<b>15,315</b>	<b>8.8%</b>
Renewables	14,750	12,881	14.5%
Onshore	14,396	12,467	15.5%
Hydro	87	128	-32.2%
Solar and others	268	286	-6.2%
Gas combined cycle	5	2	250.8%
Cogeneration	1,903	2,432	-21.8%
<b>Installed Capacity (MW)</b>	<b>8,622</b>	<b>8,324</b>	<b>3.6%</b>
Renewables	7,782	7,476	4.1%
Onshore	7,520	7,203	4.4%
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**

	9M 2020	9M 2019	vs. 2019
<b>Net Production (GWh)</b>	<b>42,848</b>	<b>37,347</b>	<b>14.7%</b>
<b>Net owned production</b>	<b>13,099</b>	<b>9,238</b>	<b>41.8%</b>
Renewables	1,117	1,074	4.0%
Onshore	575	494	16.3%
Solar and others	543	580	-6.4%
Gas combined cycle	10,771	6,061	77.7%
Cogeneration	1,210	2,103	-42.5%
<b>Net production for third parties</b>	<b>29,750</b>	<b>28,109</b>	<b>5.8%</b>
Renewables	139	146	-4.3%
Onshore	139	146	-4.3%
Gas combined cycle	29,611	27,964	5.9%
<b>Installed Capacity (MW)</b>	<b>10,662</b>	<b>8,603</b>	<b>23.9%</b>
<b>Net owned installed capacity</b>	<b>3,516</b>	<b>3,110</b>	<b>13.1%</b>
Renewables	1,211	842	43.9%
Onshore	569	473	20.2%
Solar (dc) and others	642	368	74.4%
Gas combined cycle	2,103	1,922	9.4%
Cogeneration	202	346	-41.6%
<b>Net installed capacity for third parties</b>	<b>7,146</b>	<b>5,493</b>	<b>30.1%</b>
Renewables	103	103	-
Onshore	103	103	-
Gas combined cycle	7,043	5,390	30.7%

Differences may arise due to rounding

**Brazil**

	9M 2020	9M 2019	vs. 2019
<b>Net Production (GWh)</b>	<b>10,387</b>	<b>10,859</b>	<b>-4.3%</b>
Renewables	9,001	8,661	3.9%
Onshore	1,323	1,387	-4.6%
Hydro	7,678	7,274	5.6%
Gas combined cycle	1,385	2,197	-37.0%
<b>Installed Capacity (MW)</b>	<b>4,079</b>	<b>3,957</b>	<b>3.1%</b>
Renewables	3,546	3,424	3.6%
Onshore	516	516	-
Hydro	3,031	2,908	4.2%
Gas combined cycle	533	533	-

Differences may arise due to rounding

**Iberdrola Energía Internacional (IEI)\***

	9M 2020	9M 2019	vs. 2019
<b>Net Production (GWh)</b>	<b>2,281</b>	<b>1,974</b>	<b>15.6%</b>
Renewables	2,277	1,974	15.4%
Onshore	1,361	1,015	34.1%
Offshore	909	951	-4.5%
Solar and others	7	7	-6.3%
Gas combined cycle	4	-	N/A
<b>Installed Capacity (MW)</b>	<b>1,918</b>	<b>961</b>	<b>99.5%</b>
Renewables	1,795	961	86.7%
Onshore	1,414	605	133.5%
Offshore	350	350	-
Solar (dc) and others	31	6	405.2%
Gas combined cycle	123	-	N/A
<b>Electricity customers (No mill.)</b>	<b>0.73</b>	<b>0.50</b>	<b>45.7%</b>
<b>Gas customers (No mill.)</b>	<b>0.26</b>	<b>0.15</b>	<b>65.3%</b>
<b>Gas Supplies (GWh)</b>	<b>859</b>	<b>290</b>	<b>196.1%</b>

Differences may arise due to rounding

\* Former Rest of the World

## Stock Market Data

		Q3 2020	Q3 2019
Market capitalisation	EUR (million)	66,739	60,669
Earnings per share (6,350,061,000 shares at 30/09/20 and 6,362,072,000 shares, at 30/09/19)	€	0.124	0.138
Net operating cash flow per share	€	0.321	0.306
P.E.R.	Times	19.11	17.72
Price/Book value (capitalisation to NBV at the end of the period)	Times	1.88	1.65

## Economic/Financial Data (\*)

Income Statement		9M 2020	9M 2019
Revenues	EUR (million)	24,248.0	26,457.5
Gross Margin	EUR (million)	11,841.3	12,086.7
EBITDA	EUR (million)	7,345.2	7,498.9
EBIT	EUR (million)	3,987.9	4,488.9
Net Profit	EUR (million)	2,681.0	2,560.9
Net Operating Expenses / Gross Margin	%	26.2	26.1
Balance Sheet		Sept. 2020	Dic. 2019
Total Assets	EUR ( million)	120,465	122,369
Equity	EUR ( million)	44,338	47,195
Net Financial Debt	EUR ( million)	38,844	38,138
Adjusted Net Financial Debt	EUR ( million)	37,883	36,518
ROE	%	9.63	9.17
Financial Leverage (Net Financial Debt/(Debt Financial Debt + Equity))	%	46.7	44.7
Net Financial Debt / Equity	%	87.6	80.8

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

## Others

		9M 2020	9M 2019
Gross Investments	EUR (million)	6,638.1	5,403.2
Employees	No.	35,816	34,589

## 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

# COVID-19 impact

During the COVID-19 crisis, the Iberdrola Group launched a comprehensive series of measures aimed at ensuring the protection of employees, suppliers and customers, as well as the security of supply:

- **Employees:** securing jobs, strengthening safety and protection measures, and achieving an infection rate considerably lower than the average in our markets. The investments made in the digitisation of processes and platforms enabled 95% of office employees to work remotely during the strictest period of the lockdown. For field personnel, all necessary actions were implemented to maintain distance and limit personal interaction, such as the dividing of teams and the organisation of work shifts.
- At present, and through plans for responsible re-entry that are aligned with local regulations, all employees in continental Europe have returned to their normal workplace, while progress is being made in the plans for other geographical regions.
- Last but not least, during the first half of the year the company was awarded the AENOR certification for excellence in anti-COVID measures.
- **Society:** strengthening electrical supply, above all in essential infrastructures such as hospital facilities, easing payment terms for our customers and implementing protective measures for the most vulnerable groups, while working in coordination with the authorities.
- **Suppliers and industrial fabric:** actions on the supply chain are particularly important due to the employment generated by our suppliers, owing especially to the major investment we are making. Thanks to the close collaboration between our teams, suppliers and the authorities, we have managed to continue construction activities, with no issues to report. Investments in the period increased by 22.9% to EUR 6.638 billion, and with no significant impacts on the commissioning dates of the projects under construction due to this.

An estimate of the impacts and potential risks based on the best information available at the date of issue of this report is presented below.

One of the **main effects** of COVID-19 has been decreased demand, the impact of which in some cases (such as in the United Kingdom and the United States) can be recovered in the coming years under current regulations. Additionally, there is the fall in commodity prices, which have exerted downwards pressure on spot prices in wholesale markets. This effect has been totally or partially offset by purchases made by liberalised supply businesses and by the existence of fixed price sales contracts (PPAs).

Other impacts include the temporary delay in the tariff review of some of our distributors in the United States (which will be partially recovered in upcoming tariff adjustments or reviews), lower income on connections of the supply business in Spain and lower net revenues due to delays on the launch of some projects.

In addition, with respect to net operating expenses, higher costs in employees' safety, health and transport, along with donations of health supplies and other social measures, have been partially offset by cost savings arising from lower levels of commercial activity, cancellation of travel and other savings in terms of operating expenses.

In aggregate, these effects have lowered EBITDA to EUR 216 million.

In addition, the estimated increase in bad debt provisions in the first nine months of 2020 due to COVID-19 amounts to EUR 92 million. The increase arose mainly from the growth in receivable balances compared to normal levels, although regulators—in Brazil (ANEEL), the United Kingdom (Ofgem) and the United States—have been asked to include measures to mitigate non-payment in the next regulatory review. This impact is reflected in the EBIT.

The breakdown of the aforementioned effects is as follows:

EUR millions	Demand		Bad Debt	
	Networks	Generation and Supply	Networks	Generation and Supply
Spain	8	28	-	13
United Kingdom	23	34	-	27
United States	61 <sup>(1)</sup>	-	9	-
Mexico	-	11	-	-
Brazil	30	2	31	-
IEI	-	19	-	12
<b>Total</b>	<b>122</b>	<b>94</b>	<b>40</b>	<b>52</b>

(1) Includes EUR 59 million eur corresponding to the delay in the New York State rate case

At the date of issue of this report corresponding to the close of the first nine months, a precise estimation cannot be made of the future impacts of COVID-19 on the company's earnings in the coming months owing to the uncertain pace at which the economies where the Group operates will recover, the duration of government measures currently in force and any additional measures that may be taken in the coming months.



# Highlights for the period

- In the first six months of 2020, the Iberdrola Group achieved a **Reported Net Profit** of EUR 2,681.0 million, up by 4.7%. **Adjusted Net Profit** rose by 8.8% to reach EUR **2,553.2** million.
- The results for the period were affected by the **COVID-19** pandemic. The main direct impacts of the pandemic on the Group's business were a fall in demand and late payments. Both effects had a combined impact of EUR 308 million in EBIT terms, or EUR 216 million and EUR 92 million, respectively.
- Despite the COVID-19 lockdown restrictions, **gross investment was up 22.9%** to EUR 6,638.1 million, mainly in the renewables business, with 1,300 MW of new capacity installed over the last quarter and more than 4,600 MW in the last 12 months.
- The Group maintains its **financially robust**, with a Funds From Operations (FFO) to Net Debt ratio improving on a like-for-like basis compared to September 2019.
- The average evolution of Iberdrola's main **reference currencies** has an impact on EBITDA of EUR 236.4 million, being the performance as follows:
  - The pound sterling appreciated by 0.3% against the euro to reach 0.882.
  - The US dollar appreciated by 0.5%, with the USD-EUR rate standing at 1.120.
  - The Brazilian real depreciated by 22.6%, with the BRL-EUR rate reaching 5.649.

## Global environment and general considerations

During the first nine months of 2020, international commodities markets performed as follows:

- The average price of Brent oil was USD 41.0 per barrel compared with USD 64.6 per barrel in the same period of last year (-37%).

- The average price of gas (TTF) over the period was EUR 7.6/MWh, compared with EUR 13.8/MWh in the first nine months of 2019 (-45%).
- The average price of API2 coal was USD 48.7/MT, compared with USD 63.8/MT in 2019 (-24%).
- The average price of CO2 emission allowances was EUR 23.8/MT, compared with EUR 24.9/MT in the first nine months of 2019 (-4%).

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

- The pound sterling gained +0.3% against the euro to reach 0.871.
- The US dollar appreciated by 2.9%, with the USD-EUR rate standing at 1.098.
- The Brazilian real depreciated by 18.6%, with the BRL-EUR rate reaching 5.347.

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 in the first nine months of 2020 was characterised by the increase in hydroelectric (+45%) and solar photovoltaic (+37%) production compared to the same period in the previous year, as well as a drop in coal (-56%), combined cycles (-23%), nuclear (-5%) and wind (-1%) output.

In the first nine months of 2020, demand decreased by -6.1% compared with the previous year, and by -6.4% in terms adjusted for labour and temperature, COVID-19 being the main cause.

These nine months of 2020 closed with a producibility index of 1.0 and hydroelectric reserves at 45.4% compared to an index of 0.7 and reserves at 34.9% at the end of the same period in 2019.

- In the **United Kingdom**, electricity demand fell by 6.2% in the first nine months of 2020 compared to the same period in 2019, the main reason being the COVID-19 pandemic. Demand for conventional gas

rose by +2.2% during this period in 2020 against the same period in the previous year.

- In **Avangrid's** management areas on the East Coast of the United States, electricity demand was down 1.2% against the first nine months of 2019, while gas demand dropped by 7.3%.
- Demand across **Neoen's** management areas in Brazil fell by 2.5%.

## Significant events for the Iberdrola Group

- On 4 February 2020, an agreement was reached with Siemens for the sale of Iberdrola's entire stake in Siemens Gamesa, representing 8.07% of its share capital. The transaction was completed and settled on 5 February, yielding a total of EUR 1,099.5 million, equivalent to EUR 20 per share. The capital gain on the sale amounted to EUR 485 million.
- Taxes were negatively affected by the effect on deferred tax of the change in tax rates in the United Kingdom (EUR 154 million), as in the end the corporate income tax rate of 19% has been maintained (there was expected to be a two percentage-point cut to 17%, but it has not been applied).
- On 22 June, Avangrid, following the agreement with NYPSC (New York State Department of Public Service) and about 20 other stakeholders, delivered the 'Joint Proposal' for the new Rate Case. Although the original proposal provided for the entry into force of the new rates from May 2020, the impact of the COVID-19 pandemic has delayed the implementation of the new rates. This delay will have no impact on Avangrid accounts since they will take effect retroactively once they become effective. The Rate Case will include an ROE of 8.8%, similar to the rest of the state's utilities, with an increase in the RAB and strong investments for the improvement of the network and digitalization.
- 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. 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 criteria were 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 a greater impact on debt. This effect does not alter the ratings of credit agencies because they had already included these adjustments in their calculations.
- From this quarter, the Iberdrola Group has reviewed the criteria for the recognition of the financial cost of the hybrid bond, which to date has been presented together with minority interests in the income statement. The Group has modified the interpretation of the accounting standard on the basis of normal market practice and has considered it appropriate to recognise gross expenditure directly on reserves. As this constitutes a change in accounting policy, in accordance with IAS 8, the change has a retroactive effect and has led to a change in net profit for 2019 of EUR 44.2 million.
- Finally, the new consideration of the use of the Iberdrola brand and its implications in different Group businesses should be highlighted:
  - The Generation and Supply business in Spain had a higher net operating expenses of EUR 66,5 million, the net result of payment to the Corporation for the use of the brand (EUR 100 million), from which the advertising expenses now covered by that Corporation are deducted (EUR 33 million).

- The IEI Generation and Supply business had a lower net operating expenses of EUR 11,6 million, an amount representing advertising now also borne by the Corporation.
- The Corporation improved its net operating expenses by EUR 54,9 million; EUR 66,5 million net that it receives from the Generation and Supply business in Spain and EUR 11,6 million that it must pay to IEI Generation and Supply for advertising expenses.

The main items in the **profit and loss account** were as follows:

EUR M	9M 2020	vs 9M 2019
GROSS MARGIN	11,841.3	-2.0
EBITDA	7,345.2	-2.0
ADJUSTED EBITDA	7,561.5	+3.2
EBIT	3,987.9	-11.2
NET PROFIT	2,681.0	+4.7
ADJUSTED NET PROFIT	2,553.2	+8.8

Consolidated **EBITDA** decreased by 2.0% to EUR 7,345.2 million, negatively affected by the impact of COVID-19 (EUR 216 million), and also by positive extraordinary effects recorded in the first half of 2019: the assignment of long-term LNG supply contracts to Pavillion (EUR 89 million) and the current optical fibre contracts to Lyntia (EUR 49 million), and the re-settlements in the Spanish network business (EUR 33 million). Stripping out these impacts, **adjusted EBITDA** was up 3.2%. Furthermore, the performance of the main currencies detracted EUR 236 million from EBITDA, mainly due to the depreciation of the Brazilian real, with the exchange rate effect 90% hedged at net profit level.

In terms of operations, key highlights included the stronger contribution of the transmission assets in Brazil, a growing regulatory asset base in the United Kingdom, higher installed renewable capacity, increased hydroelectric production in Spain, a growing contribution from offshore wind following the

start-up of East Anglia 1 and the solid performance of the Generation and Supply business across the main geographical areas. On the downside, the Networks business entered a new regulatory period in Spain, with lower expected remuneration, coupled with IFRS adjustments in the United States due to the deferment of the collection of certain costs, the impact of Tropical Storm Isaias, as well as temporary impacts due to lesser demand relating to the COVID-19 pandemic.

**Net operating expenses** improved by 1.8% with a positive exchange rate impact of 108 M Eur compared to the first nine months of 2019, thanks to cost containment in the period and efficiency plans implemented, even considering donations and other non-recurrent costs related to COVID-19 (43 M Eur).

**Taxes** fell by 2.4% mainly due to the effect of the fall in production and price in Spain related to the tax on generation.

**Depreciation and amortisation charges and provisions** rose by 11.5% due to the increase in activity across the Group, and higher provisioning to increased customer debt in the wake of COVID 19. This latter effect means EUR 40 million in the Networking business, mainly in Brazil, which is in negotiations with the regulator for its recovery, and EUR 52 million in the Generation and Supply business, an amount which can be managed through retail activity.

**Adjusted Net Profit** grew 8.8% to EUR 2,553.2 million. This item excludes the net impact of COVID 19 (EUR -203 million), the capital gain on the sale of Siemens Gamesa (EUR +485 million) and the non recurrent impact recorded on the UK tax line (EUR -154 million), the extraordinary items accounted for in the first half of 2019 for the assignment of long-term LNG contracts to Pavillion (EUR 66 million net) and optical fibre to Lyntia (EUR 123 million net), and positive re-settlements in the network business in Spain (EUR 25 million net).

**Reported Net Profit** amounted to EUR 2,681 million, with an increase of 4.7% compared to that obtained in the same period of 2019, affected by non-recurring elements (the capital gain on Siemens Gamesa

referred to above, partially offset by the impact of taxes in the United Kingdom).

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

- Adjusted Net Financial Debt\* totalled EUR 37,883 million, up EUR 1,365 million on the figure at closure of the third quarter last year, as cash generation and the asset rotation programme offset the Company's major investment drive. Adjusted net financial debt at 30 September 2019 is restated by including the same criteria as the IFRS 16 standard applied in December 2019.
- Funds From Operations in the first nine months of 2020 totalled EUR 5,957.5 million, up 2.3% on the same period of last year.

Finally, **gross investments** grew by 22.9% to EUR 6,638.1 million, mainly thanks to the renewables business. Of this amount, 92% was concentrated in the Networks and Renewables businesses.

## Other significant operations

A series of transactions within the framework of the 'Greenfield M&A' strategy being carried out by the Iberdrola Group have been closed during 2020 as a complement to the organic investment plan, with a view to expanding its global presence in renewable energies and ensuring growth in the medium and long term:

- On 7 May, the agreement was signed for the acquisition of 100% of the capital of the French company **Aalto Power** for an amount of EUR 100.1 million. Aalto Power owns land-based wind farms in France, with an installed and operating capacity of 118 MW and an additional 636 MW of land-based wind projects in varying degrees of development.
- On 17 June, the agreement was made public to acquire **Infigen**, the Australian company that owns land-based wind generation facilities with

an installed capacity of 670 MW, 268 MW of conventional generation assets and backup energy storage (firming). The production of 246 MW of third-party renewable generation capacity acquired by firm means of energy purchase contracts and a portfolio of wind and solar projects at different stages of development for a total capacity of more than 1 GW. On 22 and 24 July, 2020, the *Comisión Nacional del Mercado de Valores* (CNMV - the Spanish stock market commission) was informed of the final offer by the company, set at Australian dollars (AUD) 0.92, and finally, on 21 August, the takeover of Infigen by 'Iberdrola Renewables Australia Pty. Ltd.' of Infigen and its incorporation into the Iberdrola Group.

- On 22 June, a majority acquisition option was signed with the Swedish company **SVO** for the development of up to 9 GW of offshore wind capacity through eight projects. All these projects, which are in different stages of development, are expected to be operational from 2029.
- On 17 September Iberdrola reached an agreement with Macquarie's Green Investment Group (GIG) for the acquisition of 100% of the Japanese developer **Acacia Renewables**. The promoter currently has two marine wind farms under development, with a combined power of 1.2 GW, which could be operational in 2028. In addition, it has four other projects in its portfolio, with a capacity of 2.1 GW. Iberdrola will have a share equal to that of Macquarie GIG in these six facilities and both partners will be responsible for developing all the projects.

(\*) Adjusted for the effect of treasury stock derivatives with physical settlement that at the date are considered will not be executed (EUR 296 million in Jun-20 and EUR 457 million in Jun-19).

# Operational performance over the period

# 1. Energy distributed and supply points

During the first nine months of 2020, electrical energy distributed by the Group amounted to 166,126 GWh: a total that was heavily affected by the measures of population lockdown and the stoppage of economic activity as a result of the COVID-19 health crisis. Electricity demand is down 4.5% compared to the previous year.

## Distributed energy

ELECTRICITY (GWh)	9M 2020	9M 2019	vs 2019
Spain	65,538	70,357	-6.8%
United Kingdom	23,130	24,583	-5.9%
United States	28,599	28,936	-1.2%
Brazil*	48,859	50,102	-2.5%
<b>Total</b>	<b>166,126</b>	<b>173,979</b>	<b>-4.5%</b>
<b>GAS (GWh)</b>			
United States	41,737	45,020	-7.3%
<b>Total</b>	<b>41,737</b>	<b>45,020</b>	<b>-7.3%</b>

Since the beginning of the COVID-19 crisis, the Group's distribution business has taken numerous steps to maintain supply to its more than 32 million customers and ensure quality of service and the safety of both its customers and facilities and operations. These included the activation of emergency plans with special measures to protect critical facilities such as hospitals, care homes, the food industry, ministries of defence, prisons etc.

Special service plans were carried out in hospitals, with the installation of electrical generators and the inspection of the circuits serving essential facilities so as to ensure the non-interruptibility of service. Special operating stations were created exclusively dedicated to health services in collaboration with public authorities.

In addition, customer service channels were reinforced and the policy of cutting off customers'

supplies due to non-payment was suspended, with customers offered payment programmes and resources to reduce their energy consumption.

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

## Managed supply points

ELECTRICITY (million)	9M 2020	9M 2019	vs 2019
Spain	11.19	11.13	0.5%
United Kingdom	3.53	3.53	0.2%
United States	2.27	2.26	0.3%
Brazil	14.20	14.00	1.4%
<b>Total electricity</b>	<b>31.19</b>	<b>30.92</b>	<b>0.9%</b>
<b>GAS (million)</b>			
United States	1.01	1.00	0.7%
<b>Total gas</b>	<b>1.01</b>	<b>1.00</b>	<b>0.7%</b>
<b>TOTAL SUPPLY POINTS</b>	<b>32.20</b>	<b>31.93</b>	<b>0.9%</b>

### 1.1. Spain — i-DE

At the September close, the networks business in Spain had 11.19 million supply points, which is slightly above the September close of last year. In the first nine months of the year, distributed energy reached 65,538 GWh, down 6.8% on the same period in 2019. The lockdown measures have contributed to this drop in demand.

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	9M 2020	9M 2019
SAIDI (min)	34.45	32.47
SAIFI (no. inter.)	0.73	0.67

Note: Does not include force majeure events

These quality indicators were impacted in January by storm Gloria, affecting 600,000 customers, for whom service was restored within 30 minutes in 70% of



cases. Meanwhile, the strong winds recorded in early March in north-western parts of the peninsula had a negative impact on these indicators.

In line with regulatory requirements, in late February, i-DE presented its planned investment plans over the coming 2021-2023 three-year period for each of the autonomous communities of Spain in which it operates, with the aim of consolidating growth in grids by improving the quality of service it provides to its customers. The projects these comprise include investments in the development and renovation of power grid facilities and specific projects to promote and foster the energy transition, such as stepping up digitisation of the low voltage network, projects to facilitate the connection of renewable energies, the installation of charging stations for electric vehicles or the installation of power storage batteries across the grid. After receiving favourable information from the Autonomous Communities, the consolidated investment plan was sent to the CNMC in August.

In June, i-DE signed a partnership agreement with EMT, the Madrid Municipal Transport Company under which i-DE will provide advice on devising alternatives for the electrical supply to the infrastructures and urban mobility services managed by the EMT: bus operation centres, Bicimad, public and resident parking and any other municipal fleet that EMT may manage in the future. In addition to this agreement, i-DE is working with the Madrid City Council to boost the energy transition in the city.

At the end of July, the DATADIS platform was opened to the public, which allows more than 29 million consumers in Spain to access details of their consumption through an interface that is common to all distributors. DATADIS is developed as a digital solution providing free, secure and neutral access so that users can view information on their electricity consumption through a common channel, even if they have more than one supply point with different distributors.

In September, Iberdrola announced the launch of the Global Smartgrid Innovation Hub, establishing its global smart grid innovation centre in Spain to lead

the energy transition. The innovation hub will open its doors in the spring of 2021 and the company has already identified more than 120 innovation projects with a budget of EUR 110 million. The international work streams will allow innovative solutions to be developed and rolled out for Iberdrola's electricity grid activity around the world. The programme will bring together the innovative potential of more than 200 professionals in R&D and innovation projects to tackle the challenges of the future's electricity grids, including greater digitisation, the processing of the data generated by these infrastructures and the electricity grid's response, in terms of robustness and flexibility, to new consumption models, such as electric mobility and self-consumption.

## 1.2. United Kingdom – SPEN

On 30 September, Scottish Power Energy Networks (SPEN) surpassed 3.53 million supply points. The volume of energy distributed during the first nine months of the year was 23,130 GWh, down 5.9% on the same period in 2019, mainly owing to the spread of the pandemic:

Distributed Energy (GWh)	9M 2020	9M 2019	%
Scottish Power Distribution (SPD)	12,461	13,276	-6.14%
Scottish Power Manweb (SPM)	10,669	11,307	-5.64%

SPD service quality indicators are better than the levels in 2019 despite the effect of storms Ciara and Dennis in February, affecting more than 20,000 customers.

Customer Minutes Lost (CML) was as follows:

CML (min.)	9M 2020	9M 2019
Scottish Power Distribution (SPD)	23.73	24.97
Scottish Power Manweb (SPM)	25.58	26.53



The number of consumers affected by interruptions per every 100 customers (Customer Interruptions, CI) was as follows:

CI (no. of interruptions)	9M 2020	9M 2019
Scottish Power Distribution (SPD)	32.22	33.61
Scottish Power Manweb (SPM)	24.65	26.65

In January, bus firm First Glasgow commissioned its first two commercial electric buses in Glasgow, funded by ScottishPower Networks. The agreement also includes the installation of 22 charging stations at Glasgow Caledonia bus terminal so that new electric buses can be added to the transport network down the line. This project is part of the Green Economy Fund initiative, for which SPEN has presented more than 30 projects as it bids to champion the energy transition to a CO2-free economy in Scotland, focusing on the deployment of electric vehicles and the electrification of heating systems.

In February, SPEN announced plans to invest GBP 20 million in modernising Glasgow's power grid to increase its capacity and support the city's carbon-neutral target (2030 Net Zero). The Powering Glasgow's Future project will be undertaken over three years and will replace the old grid cables and substations dating back to the 1950s with a modern infrastructure capable of handling increased demand for electricity as the decarbonisation of the city's transport and heating systems takes shape.

In June, a strategic electric vehicle partnership was undertaken with the Scottish government with the launch of the PACE project. The objective of this pilot project is to show the benefits of an innovative model for recharging electric vehicles in the grid led by the operators of the distribution grid.

In September, SPEN announced that it will hold the largest flexibility auction to date, for the period 2023 to 2028, totalling 900 MW of active power in Scotland, England and North Wales. SPEN will commission generators, aggregators and energy storage providers to operate in a way that will make the system more

stable. All voltages, including, for the first time, low voltage, will be included in the auction. Contracts are expected to be awarded before the end of the year.

### 1.3 United States – Avangrid

#### 1.3.1 Electricity

At the end of September 2020, Avangrid Networks had more than 2.27 million supply points. The electricity distributed in the first nine months of the year came to 28,599 GWh — down 1.2% year on year, due to COVID-19:

Distributed Energy (GWh)	9M 2020	9M 2019	%
Central Maine Power (CMP)	7,161	7,196	-0.48%
NY State Electric & Gas (NYSEG)	12,008	12,232	-1.83%
Rochester Gas & Electric (RGE)	5,575	5,553	0.39%
United Illuminating Company (UI)	3,854	3,955	-2.54%

Avangrid's distribution area was hit by numerous storms, snow and strong winds in April, May, June and especially August, when storm Isaias battered all the areas in which Avangrid distributes power in the United States. Wind gusts of up to 70 mph were recorded, with more than 340,000 customers affected. There were also severe thunderstorms in late August, affecting more than 220,000 customers in all distribution areas.

In spite of this, Avangrid improved its overall Customer Average Interruption Duration Index (CAIDI) in both Central Maine Power and in Rochester Gas & Electric compared to September 2019. The Customer Average Interruption Duration Index (CAIDI) was as follows:

CAIDI (hrs)	9M 2020	9M 2019
Central Maine Power (CMP)	1.94	2.14
NY State Electric & Gas (NYSEG)	1.98	1.93
Rochester Gas & Electric (RGE)	1.77	1.83

UI's System Average Interruption Duration Index (SAIDI) was heavily altered by the August storms. At the end of September, it was as follows:

SAIDI (min)	9M 2020	9M 2019
United Illuminating Company (UI)	37.80	25.54

The regulatory indicator applied in Connecticut (UI) is the SAIDI

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

SAIFI	9M 2020	9M 2019
Central Maine Power (CMP)	1.50	1.17
NY State Electric & Gas (NYSEG)	1.12	1.05
Rochester Gas & Electric (RGE)	0.67	0.56
United Illuminating Company (UI)	0.46	0.32

NYSEG and RG&E—AVANGRID's distributors in New York State—have presented a new rate proposal that will pave the way to invest more in grid reinforcement and resilience and help achieve clean energy objectives in the state. The proposal is supported by the technical staff at the New York Public Service Commission (NYPSC), as well as more than 20 signatories, including customer associations, the industrial sector, the government and environmental groups, and is pending final approval by the New York Public Service Commission (NYPSC).

This agreement will allow 3.2 million smart electricity and gas meters to be rolled out and includes, among others, a three-year rate plan for residential and industrial customers. These guarantee the cheapest rates and special support measures such as flexible deferred payments for companies that have been most impacted by COVID-19, incentives for the use of heat pumps and strengthening of field teams.

### 1.3.2 Gas

Avangrid supplies gas through more than 1 million supply points. At the end of September 2020, gas distribution totalled 41,737 GWh, down 7.3% on the first nine months of the previous year, due to the

high temperatures recorded in comparison with the previous year (thus, demand corrected for this effect was down 3.6% on the same period of 2019, due to COVID-19):

Distributed Energy (GWh)	9M 2020	9M 2019	%
NY State Electric & Gas (NYSEG)	10,803	11,758	-8.1%
Rochester Gas & Electric (RGE)	11,668	12,712	-8.2%
Maine Natural Gas (MNG)	2,251	2,191	2.8%
Berkshire Gas (BGC)	1,994	2,150	-7.3%
Connecticut Natural Gas (CNG)	7,659	8,263	-7.3%
Southern Connecticut Gas (SCG)	7,362	7,947	-7.4%

### 1.4. Brazil – Neoenergia

Neoenergia's supply points totalled 14.2 million in September 2020, up 1.4% on September 2019. The volume of distributed electricity was 48,859 GWh, representing a drop of 2.5% in relation to the same period of the previous year, which was due to the measures taken to stem the spread of coronavirus from mid-March:

Distributed Energy (GWh)	9M 2020	9M 2019	%
Elektro	13,961	14,194	-1.6%
Coelba	17,702	18,489	-4.3%
Cosern	4,598	4,706	-2.3%
Celpe	12,597	12,713	-0.9%

Discrepancies possible due to rounding.

Efforts to improve quality of supply have led to an improved set of indicators at Elektro and Cosern when compared with 2019. The indicators of Coelba and Celpe were affected by heavy rains and atmospheric phenomena throughout 2020. The customer average interruption time (duração equivalente de interrupção por unidade consumidora — DEC) was as follows:

DEC (hours)	9M 2020	9M 2019
Elektro	5.09	5.58
Coelba	9.31	9.18
Cosern	7.08	8.53
Celpe	9.85	9.51

The customer average number of interruptions (frequência equivalente de interrupção por unidade consumidora — FEC) also showed an improvement when compared with the same period of the previous year for all distributors, as follows:

FEC	9M 2020	9M 2019
Elektro	3.07	3.23
Coelba	4.00	4.32
Cosern	3.02	4.03
Celpe	4.11	4.30

Over the quarter, progress was made with the transmission contracts awarded in the ANEEL auctions, which will entail expanding the transmission network by almost 5,000 km. Of the 11 projects awarded, three are already in service.

Itajá's Rio Grande do Norte electrical substation was inaugurated in September. The entry into operation of this new facility will facilitate the supply of electricity to some 100,000 consumers in the municipalities of Itajá, Ipanguazú, São Rafael, Angicos and Assú, all regions dedicated to fruit growing and ceramics activities.

## 2. Electricity production and customers

At the end of the first nine months of the year, Iberdrola's installed capacity was up 9.2% on the same period of 2019 and amounted to 54,032 MW, 69% (37,141 MW) of which from emission-free sources:

MW	9M 2020	vs 9M 2019
<b>Capacity for own use</b>	<b>46,886</b>	<b>6.6%</b>
Renewables	33,861	8.9%
Onshore wind	18,016	9.2%
Offshore wind	1,258	70.0%
Hydroelectric	12,864	1.0%
Mini-hydroelectric	306	-
Solar and other(*)	1,417	76.4%
Nuclear	3,177	-
Gas combined cycle	8,657	15.5%
Cogeneration	1,191	-10.8%
Coal	-	-100.0%
<b>Capacity for third parties</b>	<b>7,146</b>	<b>30.1%</b>
Renewables	103	-
Onshore wind	103	-
Gas combined cycle	7,043	30.7%
<b>Total</b>	<b>54,032</b>	<b>9.2%</b>

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

**Net electricity production** during the first three quarters of the year was 120,350 GWh — up 7.2% on the figure for the same period in 2019, with 56% of the total (67,915 GWh) coming from emission-free sources:

GWh	9M 2020	vs 9M 2019
<b>Own production</b>	<b>90,600</b>	<b>7.7%</b>
Renewables	49,966	16.9%
Onshore wind	28,270	6.6%
Offshore wind	2,848	90.8%
Hydroelectric	17,111	28.3%
Mini-hydroelectric	567	11.0%
Solar and other(*)	1,170	34.1%
Nuclear	17,810	-5.8%
Gas combined cycle	17,885	14.3%
Cogeneration	4,702	-27.4%
Coal	238	-32.0%
<b>Production for third parties</b>	<b>29,750</b>	<b>5.8%</b>
Renewables	139	-4.3%
Onshore wind	139	-4.3%
Gas combined cycle	29,611	5.9%
<b>Total</b>	<b>120,350</b>	<b>7.2%</b>

Discrepancies possible due to rounding

## 2.1 Spain

### Renewable capacity and production

At the close of the third quarter of the year, Iberdrola had an installed **renewable capacity** in Spain of 16,712 MW (+3.9%), broken down as follows:

	Installed MW Consolidated at EBITDA level	MW managed by investee companies (*)	Total
<b>SPAIN</b>			
Onshore wind	5,826	266	6,092
Solar PV (**)	600	-	600
Hydroelectric	9,715	-	9,715
Mini-hydroelectric	303	2	306
<b>Total Capacity</b>	<b>16,444</b>	<b>268</b>	<b>16,712</b>

Discrepancies possible due to rounding

(\*) Includes the proportional MW share

(\*\*) Reported in MWdc.

In the third quarter of the year, **onshore wind** activity included the installation of wind turbines at the Puylobo wind farm (49 MW) in Zaragoza and Fuenteblanca wind farm (10 MW) in Burgos. Work continues at the Herrera 2 wind farm complex (63 MW), also in Burgos.

Turning to **solar photovoltaic**, the Andévalo plant (50 MWdc) in Huelva has been inaugurated and work on commissioning the Teruel plant (50 MWdc) continues.

In addition, the rollout of 150 Mwdc of solar photovoltaic capacity in Castilla-La Mancha has started with work in Barcience, Romeral and Olmedilla. Projects with a capacity of over 1.5 GW are also due to commence, including the three photovoltaic plants in Arañuelos, the two plants in Cedillo and the Ceclavín project in Cáceres.

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

- At the **Daivões** dam (118 MW), filling of the reservoir is expected to begin this autumn. Concreting work for the power plant building is now over 80% complete and assembly of the metal roof structure is about to start.
- At the **Gouvães** plant (880 MW), 75% of the concreting work on the dam is complete, while 90% of the adduction tunnel has been lined. Work on assembling the four reversible groups continues apace, the first of which is now completed.
- At the **Alto Tâmega** facility (160 MW), concreting work for the power plant building has started, while the facility for producing the concrete slabs for the dam has also begun operations.

**Renewable output** totalled 18,103 GWh, broken down as follows:

SPAIN	GWh Consolidated at EBITDA level	GWh managed by investee companies (*)	Total
Onshore wind	7,626	211	7,837
Solar PV	353	-	353
Hydroelectric	9,346	-	9,346
Mini-hydroelectric	560	7	567
<b>Total production</b>	<b>17,885</b>	<b>218</b>	<b>18,103</b>

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 7,626 GWh over the period — down 7.7% on the third quarter of 2019 mainly due to lower wind resource.
- Hydroelectric production totalled 9,346 GWh, up 57.5% on the previous year. The production of mini-hydroelectric plants also increased to 560 GWh, which is 11% higher production compared to the same period of the previous year.

With regard to solar energy production, the Núñez de Balboa plant (500 MWdc) generated 353 GWh over the period, after its entry into operation this year.

### Thermal capacity and production

At the September close, Iberdrola Group's **thermal capacity** in Spain totalled 9,174 MW, broken down as follows:

SPAIN	MW Consolidated installed	MW Investee companies (*)	TOTAL
Nuclear	3,177	-	3,177
Gas combined cycle	5,695	-	5,695
Cogeneration	302	51	353
<b>Total Capacity</b>	<b>9,174</b>	<b>51</b>	<b>9,225</b>

Discrepancies possible due to rounding

(\*) Includes the proportional MW share

Iberdrola Generación Térmica has been authorised to shut down the Velilla 1 and 2 power plant in the town of Velilla del Río Carrión (Palencia) and the Lada power plant in La Felguera (Asturias).

Iberdrola's thermal production during the first nine months of 2020 was down 11% on the same period of the previous year, mainly due to reduced production at combined cycle (-23%), cogeneration (-18%) and (to a lesser extent) nuclear (-6%) plants.

Of the 25,356 GWh produced, Iberdrola consolidated 25,083 GWh at EBITDA level, with 274 GWh being consolidated using the equity method, broken down as follows:

	GWh Consolidated at EBITDA level	GWh Investee companies (*)	TOTAL
Nuclear	17,810	-	17,810
Gas combined cycle	5,720	-	5,720
Cogeneration	1,315	274	1,589
Coal	238	-	238
<b>Total production</b>	<b>25,083</b>	<b>274</b>	<b>25,356</b>

Discrepancies possible due to rounding

(\*) Includes the proportional GWh share

### Retail business

As regards retail, at 30 September 2020 the portfolio managed by Iberdrola in Spain totalled 17.1 million contracts, broken down as follows:

Thousands of contracts	Spain
Electricity contracts	10,020
Gas contracts	1,070
Contracts for other products and services	6,051
<b>Total</b>	<b>17,142</b>

By market type they can be split into the following:

Thousands of contracts	Spain
Free market	13,674
Last resort market	3,468
<b>Total</b>	<b>17,142</b>

Iberdrola's electricity sales\* in the first nine months of 2020 were up 1.7%, broken down as follows:

Spain	GWh
Free market	38,382
Voluntary price for small consumers (PVPC) market	6,583
Other markets	25,608
<b>Total Sales</b>	<b>70,572</b>

With regard to gas\*\*, in the first nine months of 2020 Iberdrola managed a total gas production of 2.05 bcm affected by the assignment of the contractual position in the long-term LNG supply contracts to Pavilion, of which 0.06 bcm were sold in wholesale transactions, 0.88 bcm were sold to end customers and 1.11 bcm went towards electricity production.

\*Sales in busbars

\*\*Including shrinkage

## 2.2. United Kingdom

### Renewable capacity and production

At the end of the third quarter, Iberdrola had a **renewable installed capacity** in the United Kingdom of 2,814 MW (+22,6%), due to the entry into operation of East Anglia 1:

UNITED KINGDOM	Installed MW Consolidated at EBITDA level	MW managed by investee companies (*)	Total
Onshore wind	1,891	15	1,906
Offshore wind	908	-	908
<b>Total Capacity</b>	<b>2,799</b>	<b>15</b>	<b>2,814</b>

Discrepancies possible due to rounding

(\*) Includes the proportional MW share

Work is continuing on **onshore wind** projects at Beinn an Tuirc 3 (50 MW) and at Halsary (30 MW), both in Scotland, and on **battery storage projects**, including that of Whitelee (50 MW), with commissioning estimated for 2021 and which will store energy for the largest wind farm installed in the United Kingdom to date (which will bear the same name).

In the **offshore wind** business, construction of the **East Anglia 1** project was completed in July 2020 with the start-up of all turbines. The wind farm's output is now being fed into the national grid through the transmission assets. Work is under way with OFGEM to divest these assets, in accordance with UK regulatory requirements.

A number of other projects in East Anglia are also in development. Applications for consents for the **East Anglia Hub** complex (3.1 GW) are being prepared, while site investigation work began in July and is expected to be completed in October. This has involved the first deployment of personnel and contractors for the EAHub project. Offers have also already been received from suppliers of wind turbines, converter stations and high voltage cabling, as well as for the supply and installation of foundations.

**Renewable production** in the United Kingdom came to 4,717 GWh, with the following breakdown:

UNITED KINGDOM	GWh Consolidated at EBITDA level	GWh managed by investee companies (*)	Total
Onshore wind	2,768	10	2,778
Offshore wind	1,939	-	1,939
<b>Total production</b>	<b>4,707</b>	<b>10</b>	<b>4,717</b>

Discrepancies possible due to rounding

(\*) Includes the proportional GWh share

Production at EBITDA level varied as follows:

- Onshore wind production totalled 2,768 GWh, up 4.1% on the same period of the previous year due to increased wind resource, especially in the first quarter.



- Offshore wind production was also up, gaining 258% to reach 1,939 GWh, largely as a result of East Anglia One (761 MW) coming on stream.

### Retail business

At the September close, the portfolio managed in the UK is broken down as follows:

Thousands of contracts	UK
Electricity contracts	2,712
Gas contracts	1,814
Contracts for other products and services	366
<b>Total</b>	<b>4,892</b>

Also, smart meters continue to be rolled out, with a total of 1.65 million meters installed as at 30 September 2020.

In the first nine months of 2020, 13,151 GWh of electricity and 16,019 GWh of gas was supplied to customers — down 9.6%\* and 7.8%\*\*\*, respectively, on the end of September 2019.

\*Sales in busbars

\*\*Including shrinkage

## 2.3. United States – Avangrid

### Renewable capacity and production

At the close of the third quarter, Iberdrola had an installed **renewable capacity** in the United States of 7,781 MW (+4.1%), broken down as follows:

United States	Installed MW Consolidated at EBITDA level	MW managed by investee companies (*)	Total
Onshore wind	7,303	217	7,520
Hydroelectric	118	-	118
Solar (PV(**)+TM) and others	131	12	143
<b>Total Capacity</b>	<b>7,552</b>	<b>229</b>	<b>7,781</b>

Discrepancies possible due to rounding

(\*) Includes the proportional MW share

(\*\*) Reported in MWdc.

In the **onshore wind** business, work continues at the wind farms of: La Joya (306 MW), New Mexico; Roaring Brook (80 MW) in New York State; and Tatanka (155 MW) in South Dakota, with the first wind turbines now in place. The Golden Hills (201 MW) wind farm in Oregon is also under way. Meanwhile, work is now in the preliminary phase to soon commence construction on more than 700 MW of additional capacity in both wind and solar photovoltaic technologies.

Moving to **offshore wind projects** in the United States, work is ongoing off the coast of Massachusetts. After publishing the revised permit schedule, the Bureau of Ocean Energy Management (BOEM) issued the supplement to the draft environmental impact statement (EIS), concluding in July with the 45-day public consultation period, during which several virtual public meetings were held. A detailed analysis is currently being carried out to review and align the plans and activities of the **Vineyard Wind ONE** project with the new schedule, which includes the issuance of the final EIS in November and the record of decision in December.

The initial development phase is also in progress for **Park City Wind**, with progress being made obtaining the main federal and state authorisation documents. Park City Wind has filed the Energy Facilities Siting Board (EFSB) petition and the Massachusetts Environmental Policy Act (MEPA) environmental notification form, while applications for the federal permits are mainly progressing as scheduled to pave the way for construction, slated to start in 2023/2024. The PPA signed between Park City Wind and Connecticut state distributors received final regulatory approval in September.

The development of **Kitty Hawk**, also in the United States, continues to make progress. A new field office has been opened in Virginia to support project development. The geotechnical studies campaign was also completed in September, the data from which will be included in the Construction and Operations Plan (COP) — the main federal permit to be submitted to the BOEM.

**Renewable production** in the United States came to 14,750 GWh, with the following breakdown:

United States	GWh Consolidated at EBITDA level	GWh managed by investee companies (*)	Total
Onshore wind	14,039	356	14,396
Hydroelectric	87	-	87
Solar (PV+TM) and others	247	21	268
<b>Total production</b>	<b>14,373</b>	<b>377</b>	<b>14,750</b>

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 totalled 14,039 GWh, up 15.5% on the same period of 2019 due to the commissioning of new wind farms in the period.
- Hydroelectric production fell 32.2% to 87 GWh from the 128 GWh reported in the same period of 2019.
- Production from solar and other technologies (including 54 GWh from fuel cells) came to 247 GWh (-13.9%).

## 2.4. Mexico

### Renewable capacity and production

At the close of the third quarter, Iberdrola had an installed **renewable capacity** in Mexico of 1,314 MW (+39.1%), broken down as follows:

MEXICO	Installed MW Consolidated at EBITDA level	MW managed by investee companies (*)	Total
Onshore wind	672	-	672
For own use	569	-	569
For third parties	103	-	103
Solar PV(**)	642	-	642
<b>Total Capacity</b>	<b>1,314</b>	<b>-</b>	<b>1,314</b>

Discrepancies possible due to rounding

(\*) Includes the proportional MW share

(\*\*) Reported in MWdc.

In relation to **onshore wind**, the commissioning of the Pier Park wind farm in Puebla has begun, while construction of the Santiago Eólico wind farm in the state of San Luis de Potosi continues. The necessary authorisation has already been received to bring this latter wind farm on stream. As regards **solar photovoltaic technology**, all the photovoltaic panels have been installed at the Cuyoaco plant (274 MWdc) in Puebla state, which is expected to be commissioned in the last quarter of the year.

**Renewable production** came to 1,257 GWh, with the following breakdown:

MEXICO	GWh Consolidated at EBITDA level	GWh managed by investee companies (*)	Total
Onshore wind	714	-	714
For own use	575	-	575
For third parties	139	-	139
Solar PV	543	-	543
<b>Total production</b>	<b>1,257</b>	<b>-</b>	<b>1,257</b>

Discrepancies possible due to rounding

(\*) Includes the proportional GWh share

Production at EBITDA level by technology has been as follows:

- Onshore wind production reached 714 GWh, representing an increase of 12% on the figure at the end of the same period in 2019, due to a higher average capacity in operation.
- Turning to solar energy production, the Hermosillo (136 MWdc) and Santiago (232 MWdc) facilities (installed at the end of 2018) generated 543 GWh over the period (-6.4%).

### Thermal capacity and production

In Mexico, **thermal capacity** at 30 September 2020 stood at 9,348 MW following the commissioning last year of the combined cycle plants of El Carmen (866 MW) and Topolobampo II (911 MW), the completion in the first quarter of 2020 of the combined cycle facility of Topolobampo III (779 MW, of which 766 MW are



for third parties) although it is pending to receive the license to start production and the shift of Enertek cogeneration from operating as a combined cycle to operating as a gas combined cycle, thus adding 144 MW to this technology. Thermal production in the first nine months of 2020 totalled 41,592 GWh — 15% higher than in the same period a year earlier.

MEXICO	MW	GWh
Gas combined cycle	9,146	40,381
For own use	2,103	10,771
For third parties	7,043	29,611
Cogeneration	202	1,210
<b>Total</b>	<b>9,348</b>	<b>41,592</b>

Discrepancies possible due to rounding

### Retail in Mexico

Electricity sales at the end of the third quarter 2020 totalled 39,012 GWh (+5.0%), broken down as follows:

	GWh
CFE	29,611
Private	9,401
<b>Total Sales</b>	<b>39,012</b>

## 2.5. Brazil – Neoenergia

### Renewable capacity and production

At the close of the third quarter of the year, Iberdrola had an installed **renewable capacity** in Brazil of 3,546 MW (+3.6%), broken down as follows:

	Installed MW Consolidated at EBITDA level	MW managed by investee companies (*)	Total
<b>BRAZIL</b>			
Onshore wind	516	-	516
Hydroelectric	836	2,194	3,031
<b>Total Capacity</b>	<b>1,352</b>	<b>2,194</b>	<b>3,546</b>

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

Work is continuing on the Chafariz onshore wind farm in the state of Paraíba, which has a total of 15 wind projects and 472 MW of capacity, expected to be commissioned in early 2022. In addition, at the Otis facility in the state of Piauí, 12 wind farms will be built for a total of 566 MW, where work is expected to be complete in the second half of 2022.

**Renewable production** in the first half of 2020 amounted to 9,001 GWh, with the following breakdown:

	GWh Consolidated at EBITDA level	GWh managed by investee companies (*)	Total
<b>BRAZIL</b>			
Onshore wind	1,323	-	1,323
Hydroelectric	1,268	6,411	7,678
<b>Total production</b>	<b>2,590</b>	<b>6,411</b>	<b>9,001</b>

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 reached 1,323 GWh, down 4.6% compared to the first nine months of 2019, due to lower recorded wind resources.
- Hydroelectric production came to 1,268 GWh (+19.5%), due to the entry into operation of Baixo Iguaçu.

### Thermal capacity and production

In Brazil, thermal capacity at the September close remained stable at 533 MW, while production came to 1,385 GWh (-37.0%).

BRAZIL	MW	GWh
Gas combined cycle	533	1,385
<b>Total</b>	<b>533</b>	<b>1,385</b>

### Retail business

Electricity sales in the first three quarters of 2020 totalled 10,978 GWh (-1.7%), broken down as follows:

Brazil	GWh
PPA	7,765
Free market	3,212
<b>Total Sales</b>	<b>10,978</b>

## 2.6. Iberdrola Energía Internacional (IEI)\*

### Renewable capacity and production

Installed **renewable capacity** at Iberdrola Energía Internacional\* reached the 1,795 MW (+86.7%) mark, broken down as follows:

Iberdrola Energía Internacional (IEI)	MW
Onshore wind	1,414
Offshore wind	350
Solar and other	31
<b>TOTAL</b>	<b>1,795</b>

Discrepancies possible due to rounding

Most notable in the **onshore wind** segment were the additions of more than 600 MW in Australia (with the consolidation of Infigen), and 118 MW in France, after the French company, Aalto Power, was bought. Onshore wind power is broken down as follows by country:

Iberdrola Energía Internacional (IEI)	MW
Greece	275
Portugal	92
Cyprus	20
Hungary	158
Romania	80
Australia	670
France	118
<b>Total</b>	<b>1,414</b>

Discrepancies possible due to rounding

As regards **solar photovoltaic**, construction has begun at Port Augusta, Australia: a 317-MW hybrid wind and solar facility, which will be one of the largest hybrid renewable energy plants in the southern hemisphere. Iberdrola has been allocated 186 MWdc

\* Formerly Rest of World

of solar photovoltaic capacity in the renewables auction held in Portugal in August.

In addition, after the acquisition of Infigen, Iberdrola has 25 MW of **battery** capacity, which is located at the Lake Bonney wind farm in Virginia state, Australia.

The development of **offshore wind projects** also continues:

- In France, the **Saint Brieuc** project (496 MW) has begun with the construction of the underwater substation and foundations, while investigations of unexploded ordnance (UXO) on the seabed at the site have been carried out in parallel. These investigations have been called for by the insurance companies to grant approval to start construction work.
- For the **Baltic Eagle** (476 MW) and **Wikinger Süd** (10 MW) projects in Germany, contracts for the supply and installation of the underwater substation have been signed, as well as contracts for the supply and installation of foundations and cabling.
- In **Japan**, Iberdrola closed an agreement in September with Macquarie's Green Investment Group (GIG) to purchase local developer, Acacia Renewables. Both partners have entered into a joint venture to develop a 3.3 GW offshore wind energy portfolio.
- In **Sweden**, Iberdrola closed a partnership agreement in June with Svea Vind Offshore to develop a portfolio of offshore wind energy projects of up to 9 GW.

**Renewable production** totalled 2,277 GWh at the end of the third quarter, up 15.4% on the same period of 2019, with the following breakdown by technology:

Iberdrola Energía Internacional (IEI)	GWh
Onshore wind	1,361
Offshore wind	909
Solar and other	7
<b>Total production</b>	<b>2,277</b>

Discrepancies possible due to rounding

By technology, onshore wind production is up (+34.1%) due to the additions of capacity following the acquisitions

in Australia and France, while solar photovoltaic (-6.3%) and offshore wind (-4.5%) production is down.

### Retail business

As regards retail sales, at 30 September 2020, the portfolio managed by Iberdrola in Portugal, France, Italy, Germany, Ireland and the United States totalled 1,742,006 contracts, up 36% on the close of September 2019, broken down as follows:

Thousands of contracts	IEI*
Electricity contracts	724
Gas contracts	256
Smart solutions contracts	762
<b>Total</b>	<b>1,742</b>

Sales at the international division were up 9.8% in the first three quarters of 2020 on the previous year. While electricity sales\* climbed to 7,767 GWh (+2.8%), gas sales\*\* jumped to 873 GWh (+181.2%), with the following breakdown by region:

GWh	9M 2020	9M 2019
<b>Electricity*</b>	<b>7,767</b>	<b>7,559</b>
Portugal	5,496	5,930
France	573	436
Germany	586	234
Italy	1,009	958
Ireland	54	-
United States	49	-
<b>Gas**</b>	<b>873</b>	<b>311</b>
Portugal	116	93
France	273	54
Italy	424	163
Ireland	60	-
<b>Total Sales</b>	<b>8,641</b>	<b>7,869</b>

Growth in this area has also been affected by the pandemic.

\* Sales in busbars

\*\* Including shrinkage

## Other aspects

### 3.1. Shareholder remuneration

On 20 October 2020, Iberdrola's Board of Directors agreed to carry out a new round of the '**Iberdrola Scrip Dividend**' scheme for 2020.

To this end, the company's Board of Directors agreed a gross interim dividend per share of at least EUR 0.168. The final dividend will be added to this amount, following its approval at the General Meeting (payable in 2021).

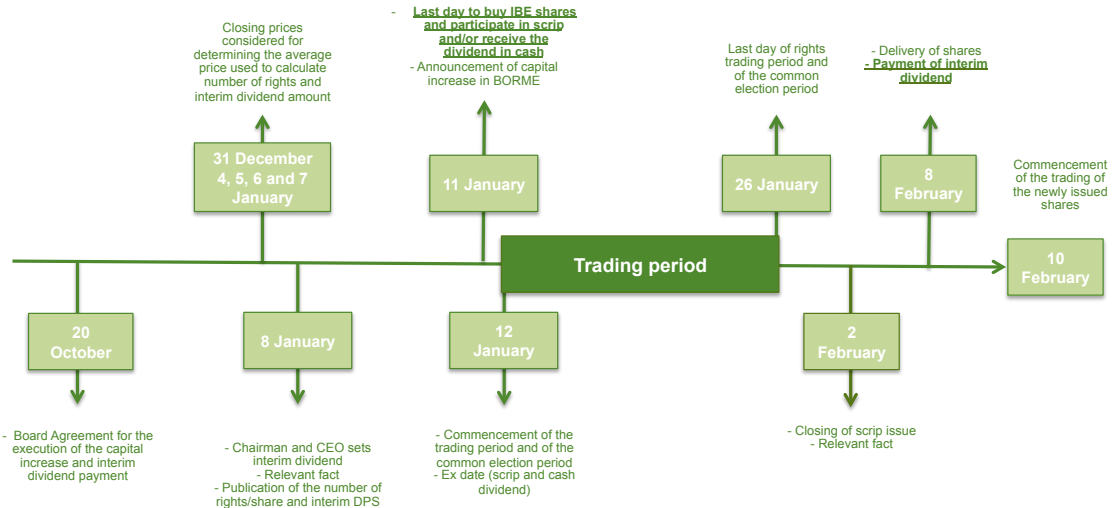
The Iberdrola Scrip Dividend scheme allows shareholders to choose from among the following options when collecting their dividend (or to combine them, with the value of the remuneration to be received being equivalent across all options):

- receive their remuneration in the form of fully paid-up new shares;
- sell all or part of their free allocation rights on the market;
- receive their remuneration in cash by collecting the Final Dividend.

To avoid stock dilution, Iberdrola has reaffirmed its commitment to keeping the number of shares at 6.24 billion. In this regard, at the last General Meeting shareholders approved the redemption of shares needed to fulfil this objective, totalling 213,592,000 shares (3.31% of capital), which was performed on 2 July 2020.

# Payment Calendar of the Final Dividend – January 2021

## “Iberdrola Retribución Flexible” program: January 2021



# Analysis of the consolidated profit and loss account

The most notable results figures for the nine months of 2020 are as follows:

EUR millions	9M 2020	9M 2019	%
NET REVENUE	24,248.0	26,457.5	(8.4)
GROSS MARGIN	11,841.3	12,086.7	(2.0)
EBITDA	7,345.2	7,498.9	(2.0)
ADJUSTED EBITDA	7,561.5	7,328.8	3.2
EBIT	3,987.9	4,488.9	(11.2)
REPORTED NET PROFIT	2,681.0	2,560.9	4.7
ADJUSTED NET PROFIT	2,553.2	2,446.0	8.8

In the first nine months of 2020, EBITDA was down 2.0% on the same period of the previous year, as it was adversely affected by the impact of COVID-19 (EUR 216 million) and by extraordinary positive effects recorded in 2019 in connection with the assignment of long-term LNG supply contracts (EUR 89 million), the assignment of fibre optic network agreements to Lyntia (EUR 49 million) and the re-settlements in the Networks Spain business (EUR 33 million). Stripping out these impacts, adjusted EBITDA was up 3.2%.

The performance of the main currencies lowered EBITDA by EUR 236 million, mainly due to the devaluation of the Brazilian real, with the exchange rate effect 90% hedged at Net Profit level.

The **Network** business is affected by: the lower remuneration in Spain after the start of the new regulatory period in 2020 and the extraordinary positive effects in 2019 (assignment of fibre optic networks and re-settlements); the lower remuneration in the United States due to negative IFRS adjustments, the impact of which will begin to be reversed in coming years; storm costs incurred this quarter; and the depreciation of the Brazilian real.

The **Renewables** business was driven by the results obtained in both the United Kingdom and the United States. Highlights include: the increase in average operating capacity (+7.4%); increased

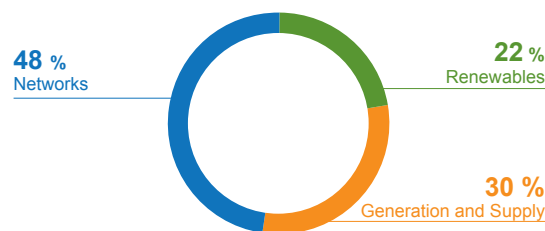
wind production volumes thanks to the contribution made by the East Anglia 1 offshore wind farm in the United Kingdom and the increase in the availability of wind turbines in the United States; as well as the higher of hydroelectric production in Spain (+53.9%) and of reserve levels, which stand at 5.7 TWh — 50% higher than last year. On the negative side, the lower sales prices in Spain stand out.

Meanwhile, the **Generation and Supply** business benefited from lower commodity prices with sales prices fixed thanks to hedges arranged in the previous year but with a negative impact on demand of EUR 94 million due to COVID-19.

## 1. Gross margin

Gross Margin amounted to EUR 11,841.3 million, down 2.0% compared to the same period in 2019, with an exchange rate impact of EUR 343 million, excluding this impact Gross Margin grows by 0.8%.

### Gross margin by business



This performance is the result of the following:

- The **Networks** business saw a 7.5% fall in its gross margin compared with the first nine months of 2019, to EUR 5,625.1 million.
  - In Spain, the gross margin came to EUR 1.47 billion (-9.2%), owing to a 50-basis point reduction in remuneration following the start of the new regulatory period (EUR -44 million), as well as the EUR 49 million impact

of the assignment of fibre optic networks in August 2019 and EUR 33 million of positive re-settlements recorded last year, which affect the year-on-year comparison. In addition, there was a negative impact of EUR 8 million due to the lower income from access rights as a consequence of COVID-19.

- The United Kingdom contributed EUR 963.8 million (+1.3%) owing to the higher income in transport and distribution as a result of the larger asset base due to investments made, which was partially offset by the impact of lower demand caused by COVID-19 (EUR -23 million), which will recover in 2022.
- The United States contributed EUR 2.12 billion in the period (-3.2% vs +5.6% in US GAAP) due to the adjustments recognised under IFRS (EUR -106 million) as a result of the different volumes and costs of energy recognised in the tariff, which will begin to be recouped in the coming years. The impact of COVID-19 on electricity demand is EUR -61 million, including EUR -59 million caused by the delay in the New York rate case, which is expected to be recouped from 2021 onwards.
- Brazil's gross margin was EUR 1.07 billion (-18.9%) squeezed by the depreciation of the Brazilian Real, which stripped off EUR 313 million, showing growth in the local currency (4.8%) thanks to the greater contribution of transmission assets, which compensates for the lower distribution results because of the impact of COVID-19 on demand (EUR 30 million).
- The **Renewables** business reported a gross margin of EUR 2.66 billion (+5.6%).
  - In Spain, it amounted to EUR 832.2 million (-9.5%), despite the higher production on the back of hydroelectric plants and the new solar capacity in operation, due to lower sale prices following the reduction in the pool price. These sales are made to our supply business, so the lower price in renewables is offset by the larger margin in the supply area.
  - The gross margin in the United Kingdom climbed 42.9% to reach EUR 652.4 million, thanks to higher production in both the onshore (+4.3%) and offshore (+258.2%) wind segments due to the contribution made by East Anglia 1.
  - The United States' contribution rose to EUR 702.1 million (+9.7%) off the back of an increase in production (+14.5%) resulting from the combined effect of higher average operating capacity (+695 MW), increased wind resource (+0.9 pp) and greater wind farm availability.
  - Brazil reported EUR 105.8 million (-22.6%), affected by the exchange rate since in local currency it remains flat, with higher hydroelectric production offset by a drop in wind production.
  - The gross margin in Mexico was down 7.8% to EUR 77.4 million, with a lower load factor in both solar (-1.6 pp) and wind (-0.8 pp) offsetting the increase in average operating capacity (+53 MW).
  - IBERDROLA Energía Internacional (IEI), reported EUR 290.0 million (+3.0%), following the consolidation of Infigen in Australia since 5 August.
- The gross margin of the **Generation and Supply** business widened by 2.6% to reach EUR 3.57 billion, broken down as follows:
  - In Spain it falls slightly to EUR 2.21 billion (-1.0%), with lower production and greater energy purchases at lower prices than in 2019, and an active management of the customer portfolio (energy and Smart solutions). In addition, the year-on-year comparison is negatively affected by the extraordinary positive impact of EUR 89 million posted in the second quarter of 2019 due to the assignment of long-term LNG supply contracts. The fall in demand caused by COVID-19 had an impact of EUR 28 million.

- The United Kingdom's gross margin came to EUR 566.3 million (+26.4%), showing a recovery since 2019 thanks to the review of the calculation method of the cap on SVT regulated rates and the lower procurement costs. COVID-19 has had a negative impact on demand of EUR 34 million.
- Mexico contributed EUR 665.7 million (-5.4%) to the gross margin, with the new capacity coming on stream offset by the unavailability of a plant and the impact of COVID-19 on demand (EUR 11 million).
- Brazil added EUR 69.6 million (+9.0%) to the gross margin, as the extraordinary conditions that had adversely impacted the previous year's earnings were no longer an issue in 2020. COVID-19 had an impact of EUR 2 million.
- Iberdrola Energía Internacional (IEI), contributed EUR 57.5 million (+76.8%) to the gross margin, with the number of contracts with customers exceeding 1.74 million. COVID-19 deducted EUR 19 million.
- The contribution of **Other Businesses** totalled EUR 15.2 million (-57.7%).

## 2. Gross operating result - EBITDA

Consolidated EBITDA dropped by 2.0% versus the first nine months of 2019 to EUR 7.35 billion.

Aside from the changes in the gross margin outlined above, it should be noted that there was a 1.8% improvement in the net operating expense to EUR 3.10 billion, as a result of cost containment due to COVID-19 and the efficiency plans implemented during 2019. The positive exchange rate effect (EUR 108 million) more than offsets the EUR 43 million in donations and other costs related to COVID-19.

Taxes decreased by 2.4% to EUR 1.4 billion, mainly due to the effect of the fall in the prices in Spain

related to the tax on generation (EUR 36 million). The temporary suspension in the first quarter of 2019 of the 7% tax on generation in Spain and the increase in the ENRESA levy following the nuclear agreement in Spain (EUR 17 million) offset re-settlements from previous years.

## 3. Net operating result - EBIT

EBIT totalled EUR 3.99 billion, down 11.2 % on the first nine months of 2019.

Depreciation and amortisation charges and provisions rose by 11.5 % to reach EUR 3.36 billion, broken down as follows:

- Depreciation and amortisation charges went up 8.7% to EUR 2.99 billion, following the increase in the Group's asset base and volume of activity (EUR 209 million).
- Provisions came to EUR 369.8 million, up EUR 108.3 million (+41.7%) due to an increase of EUR 92 million in customer debt caused by the impact of COVID-19. Of this figure, EUR 40 million is recorded in the Networks business, mainly in Brazil, Which is being negotiated with the regulator to recover it. Another EUR 52 million is recorded in the Generation and Customers business, an amount which can be managed through retail activity.

## 4. Financial result

The financial result totalled EUR 641 million, up 28% (EUR 250 million) from the third quarter of 2019.

- The cost of debt improved by EUR 69 million owing to a cost reduction of 42 basis points, despite an increase in the average debt balance of EUR 1.8 billion following the investments made and the full application of IFRS 16.
- Gains/(losses) on derivatives and others rose by EUR 181 million, largely because of the effect of exchange rate hedges, which are offset in other profit and loss items.



	Sep-20	Sep-19	Dif.
Debt	-880	-949	+69
<i>Cost</i>			+118
<i>Average balance</i>			-49
Derivatives and others	239	58	+181
<b>Total</b>	<b>-641</b>	<b>-891</b>	<b>+250</b>

The cost of debt dropped 42 basis points from 3.57% to 3.15% in response to lower interest rates and improved borrowing terms, despite an increase in the weight of non-euro currencies of close to 4%.

## 5. Results of companies accounted for using the equity method

Results of companies accounted for using the equity method came to EUR -19.3 million, compared to EUR -21.1 million in the first nine months of 2019.

## 6. Gains on disposal of non-current assets

Gains on Non-current Assets amounted to EUR 514.7 million, compared to EUR 122.4 million at the end of the third quarter of 2019. This includes the capital gain of EUR 484.5 million arising from the sale of Iberdrola's stake in Siemens Gamesa.

## 7. Profit in the period

Taxes totalled EUR 954.5 million, up 7.4% on the first nine months of 2019 due to the maintenance of the corporate rate of 19% in the United Kingdom (as against the expected 17%), which affects deferred tax (EUR 154 million). Meanwhile, Non-controlling Interests were down 17.3 % to EUR 207.1 million in response to lower earnings in the United States and Brazil.

Lastly, **Reported Net Profit** totalled EUR 2.68 billion, up 4.7% on the same period of 2019, affected by non-recurring items (the aforementioned gain on Siemens Gamesa, which was partially offset by the impact of tax in the United Kingdom).

**Adjusted Net Profit** grew 8.8% to EUR 2.55 billion. This item excludes the net impact of COVID-19 (EUR -203 million), the capital gain on the sale of Siemens Gamesa (EUR +485 million) and the non-recurrent impact recorded on the UK tax line (EUR -154 million), as well as the extraordinary items accounted for in the first nine months of 2019 for the assignment of long-term LNG contracts (EUR 66 million), the assignment of fibre optic networks (EUR 123 million) and positive re-settlements in the Network business in Spain (EUR 25 million net).

# Results by business

# 1. Networks Business

Key figures for the Networks business are as follows:

(EUR millions)	9M 2020	vs 9M 2019
Revenues	9,362.1	-7.3%
Gross margin	5,625.1	-7.5%
EBITDA	3,519.7	-10.7%
EBIT	2,033.3	-18.9%

The Gross Margin of the Network business is down 7.5% to EUR 5,625.1 million, affected by the impact of COVID-19 (EUR -122 million), which has led to a fall in demand, and by negative International Financial Reporting Standards (IFRS) adjustments in the United States (EUR -106 million), from which the Group stands to recover in future years. The exchange rate has also cut the Gross Margin by EUR 300.3 million, mainly due to the performance of the Brazilian Real.

## 1.1 SPAIN

(EUR millions)	9M 2020	vs 9M 2019
Revenues	1,467.6	-9.3%
Gross margin	1,467.3	-9.2%
EBITDA	1,202.9	-7.2%
EBIT	785.6	-11.2%

### a) Gross margin

The Gross Margin of the Network business in Spain has fallen by 9.2% to EUR 1,467.3 million. This is due to the reduction in remuneration following the start of the new regulatory period (EUR -44 million), as well as the extraordinary positive effects recorded last year—the assignment of fibre optic network agreements to Lyntia (EUR 49 million) and the positive re-settlements (EUR 33 million)—which affect the year-on-year comparison. There was also a negative impact of EUR 8 million due to lower net revenues from access rights as a consequence of COVID-19.

### b) Operating profit / EBIT

EBITDA for this business amounted to EUR 1,202.9 million — down by 7.2%. Net Operating Expenses fell by 21.0% to EUR 197.2 million, thanks to the savings obtained through the efficiency measures carried out last year. Taxes decreased by 4.0% to EUR 67.3 million.

Earnings before interest and taxes (EBIT) for the Networks business in Spain totalled EUR 785.6 million (-11.2%). Depreciation and amortisation charges and provisions totalled EUR 417.3 million (+1.5%) because of the new investments made.

## 1.2 UNITED KINGDOM

(EUR millions)	9M 2020	vs 9M 2019
Revenues	1,006.6	1.2%
Gross margin	963.8	1.3%
EBITDA	732.8	3.6%
EBIT	467.0	1.0%

### a) Gross margin

The Gross Margin of the Networks business in the United Kingdom (ScottishPower Energy Networks SPEN) reached EUR 963.8 million (+1.3%), due to higher net revenues from transmission and distribution as the result of a greater asset base through the investments made, partly offset by the impact of lower demand (EUR -23 million) due to COVID-19, which will be recovered in 2022.

### b) Operating profit / EBIT

EBITDA amounted to EUR 732.8 million (+3.6%) — up 3.3% in local currency. Net Operating Expenses improved by EUR 15 million (-9.2%) to EUR 148.3 million, with no significant foreign exchange effect. There are no significant variations in Taxes (+2.0% to EUR 82.7 million).

Depreciation and amortisation charges and provisions amounted to EUR 265.8 million (+8.6%), due to the new assets put into operation, increasing EBIT by 1.0% to EUR 467.0 million

### 1.3 UNITED STATES

	IFRS (EUR million)	
	9M 2020	vs 9M 2019
Revenues	3,077.7	-4.6%
Gross margin	2,120.0	-3.2%
EBITDA	835.2	-20.3%
EBIT	341.2	-43.5%

	US GAAP (USD million)	
	9M 2020	vs 9M 2019
Revenues	3,564.7	+1.8%
Gross margin	2,489.1	+5.6%
EBITDA	1,037.0	-1.1%
EBIT	481.4	-8.8%

#### a) Gross margin

Gross Margin fell by 3.2% to EUR 2,120.0 million as a result of IFRS adjustments (EUR -106 million) caused by different energy volumes and costs in relation to those recognised in the rates. This will be recovered over the next few years. However, under US Generally Accepted Accounting Principles (GAAP), it grows by 5.6%. The impact of COVID-19 on electricity demand is EUR -61 million, including EUR -59 million caused by the delay in the approval of the rate case in New York. This will be recouped from 2021 onwards.

#### b) Operating profit / EBIT

EBITDA of the Networks business in the United States totalled EUR 835.2 million (-20.3%). The aforementioned evolution of the Gross Margin is in addition to Net Operating Expenses of EUR 891.7 million, which are up by 16.6% due to higher expenses as a result of Storm Isaias and other storms this year (EUR 75 million). This will be recouped in the next few years. Meanwhile, Taxes rose by 4.4%, totalling EUR 393.1 million, due to an increase in tax rates.

EBIT stands at EUR 341.2 million (-43.5%), after deducting EUR 494.0 million (+11.2%) in Depreciation and Amortisation charges and Provisions, as a result of a higher asset base (EUR 37 million) and the provisions for late payments related to COVID-19 (EUR 9 million).

### 1.4. BRAZIL

(EUR millions)	9M 2020	vs 9M 2019
Revenues	3,810.2	-10.6%
Gross margin	1,074.0	-18.9%
EBITDA	748.8	-15.9%
EBIT	439.4	-20.9%

#### a) Gross margin

Gross Margin narrowed by 18.9% to EUR 1,074.0 million at the end of the first nine months of 2020, mainly impacted by the depreciation of the Brazilian Real (EUR -313.2 million), as there was slight growth in the business in local currency (4.8%). The greater contribution of transmission assets compensates for the lower distribution results caused by the impact of COVID-19 on demand (EUR 30 million).

#### b) Operating profit / EBIT

EBITDA in the area stands at EUR 748.8 million (-15.9%), with a sharp negative impact of the exchange rate (EUR -218.4 million), since in local currency EBITDA was 8.6% higher. Net Operating Expenses were down 25.0% to EUR 322.2 million (-3.1% in local currency), due to efficiency measures implemented in previous years.

Depreciation and amortisation charges and provisions fell by 7.7% to EUR 309.3 million, also affected by the exchange rate, given that in local currency they increased by 19.2% due to higher assets put into operation and late payments as a result of COVID-19 (EUR 31 million). EBIT totalled EUR 439.4 million (-20.9%).

## 2. Renewables Business

Key figures for the Renewables business are as follows:

(EUR millions)	9M 2020	vs 9M 2019
Revenues	2,937.7	+5.0%
Gross margin	2,660.0	+5.6%
EBITDA	1,771.5	+5.6%
EBIT	741.4	-10.7%

The Renewables business made a 5.6% higher contribution to Gross Margin, driven by the results in the United States and the United Kingdom.

Most notable were the increase in average operating capacity of 7.4%, good hydroelectric conditions in Spain and Brazil (reserves were 50% above last year's in Spain), the contribution of the East Anglia 1 offshore wind farm in the United Kingdom and the increase in turbine availability in the United States.

The main factors that explain the evolution of the renewable business at the end of September are as follows:

- **The average operating power** consolidated at EBITDA level during the period was 7.4% higher (+2,013.6 MW) compared to the first half of 2019, thanks to increases in onshore wind capacity in the United States and Spain (+719.6 MW and +229.1 MW, respectively), the gradual commissioning of photovoltaic solar capacity in Spain (259.7 MW) and East Anglia 1 in the United Kingdom (+526.3 MW), as well as the capacity acquisitions in France and Australia in the international sector (+198.2 MW).
- The consolidated **load factor** was 22.4% at the end of September, above the 20.1% recorded in the same period of 2019, although with differences according to the technology:

Technology	9M 2020	vs 9M 2019
Onshore wind	25.7%	-0.3 p.p.
Offshore wind	40.4%	-1.3 p.p.
Hydroelectric	15.7%	+5.1 p.p.
Solar FV	22.1%	-2.0 p.p.

Consolidated **production** therefore increased 19.8% to 42,947.3 GWh in the first nine months of 2020. Hydroelectricity in Spain makes an outstanding contribution to this performance, with production up by 53.9% compared to the first nine months of 2019.

- The **average sale price of renewable output across the world** stood at EUR 60.5/MWh, below that registered in the first nine months of 2019 (-11.0%).

### 1.1 SPAIN

(EUR millions)	9M 2020	vs 9M 2019
Revenues	886.8	-8.8%
Gross margin	832.2	-9.5%
EBITDA	444.8	-13.7%
EBIT	166.7	-41.4%

#### a) Gross margin

Gross Margin stands at EUR 832.2 million (-9.5%), due to the lower sale price to the supply business after the fall in the pool price, and despite the higher production (+22.6%) driven by improvement in hydroelectricity (+53.9%) and by increased solar photovoltaic capacity after the commissioning of the Núñez de Balboa plant in Badajoz.

#### b) Operating profit / EBIT

EBITDA totalled EUR 444.8 million (-13.7%). Aside from the aforesaid change in Gross Margin, Net Operating Expenses decreased (-9.9%) thanks to savings in operation and maintenance services.

Taxes rose slightly (+1.3%) given that the suspension of the 7% generation tax during the first quarter of 2019 was practically offset by lower spending due to the fall in the pool price and re-settlements of previous years.

Depreciation and amortisation charges and provisions increased to EUR 278.1 million, +20.2% with respect to the same period in 2019, due to the higher average operating power because of the increased installed wind and photovoltaic capacity, leaving EBIT at EUR 166.7 million (-41.4%).

## 1.2 UNITED KINGDOM

(EUR millions)	9M 2020	vs 9M 2019
Revenues	697.5	+41.5%
Gross margin	652.4	+42.9%
EBITDA	501.9	+47.3%
EBIT	321.1	+41.4%

### a) Gross margin

The Gross Margin of the United Kingdom business increased by 42.9% over the first nine months of the year compared to the same period of 2019, reaching EUR 652.4 million. This was the result of higher production of onshore wind (+4.3%) thanks to a higher load factor (+0.8 p.p.) and of offshore wind through the contribution of East Anglia 1 (+258.2%).

### b) Operating profit / EBIT:

Net operating expenses rose by 32.0% (EUR +31.8 million), largely because of the commissioning of East Anglia 1. Meanwhile, taxes were up by EUR 2.8 million (+17.4%), bringing EBITDA to EUR 501.9 million (+47.3%).

Depreciation and amortisation charges and provisions were 59.1% higher because of East Anglia 1 entering service, bringing EBIT to EUR 321.1 million (+41.4%).

## 1.3 UNITED STATES

(EUR millions)	9M 2020	vs 9M 2019
Revenues	851.3	+7.2%
Gross margin	702.1	+9.7%
EBITDA	456.3	+9.6%
EBIT	33.9	-40.8%

### a) Gross margin

Gross Margin is up 9.7% to EUR 702.1 million thanks to the increase in production (+14.5%), as a result of the combined effect of a higher average operating capacity (+695 MW) and the increase in wind resource (+0.9 p.p.).

### b) Operating profit / EBIT

Net operating expenses rose by 5.9% to EUR 191.8 million, due to increased business activity, while taxes were up 26.2% as a result of the commissioning of new wind farms. This resulted in EBITDA of EUR 456.3 million (+9.6%).

Depreciation and amortisation charges and provisions increased by 17.6% to EUR 422.4 million due to the new capacity commissioned. As a result of all this, EBIT amounted to EUR 33.9 million (-40.8%).

## 1.4 MEXICO

(EUR millions)	9M 2020	vs 9M 2019
Revenues	80.0	-7.4%
Gross margin	77.4	-7.8%
EBITDA	55.5	-1.3%
EBIT	20.9	-17.2%

### a) Gross margin

The gross margin was EUR 77.4 million (-7.8%), affected by the lower wind load factor (-0.8 p.p.) and photovoltaic solar (-1.6 p.p.) which compensated for the higher average operating power (+53 MW).

### b) Operating profit / EBIT

EBITDA was 1.3% lower than in the first nine months of 2019, reaching EUR 55.5 million, with net operating expenses down 22.7% (EUR 6.2 million) thanks to cost controls. Depreciation and amortisation charges and provisions increased by 11.6% (EUR 3.6 million) thanks to the commissioning of the Pier wind farm, which reduced the EBIT to EUR 20.9 million (-17.2%).

### 1.5 BRAZIL

(EUR millions)	9M 2020	vs 9M 2019
Revenues	124.4	-25.3%
Gross margin	105.8	-22.6%
EBITDA	79.5	-22.1%
EBIT	46.6	-22.6%

#### a) Gross margin

The gross margin stands at EUR 105.8 million (-22.6%) strongly affected by the exchange rate, given that in local currency it remained flat with an increase in production of 5.8%. The higher hydroelectric generation (+19.5%) compensated for the drop in wind production (-4.6%) due to the lower load factor (-2.1 p.p.), together with the normalisation of prices compared to the extremely high prices recorded in 2019.

#### b) Operating profit / EBIT

Net operating expenses decreased by 24.2% to EUR 25.9 million and was also affected by the exchange rate, given that the local currency fell by 2.1%. EBITDA totalled EUR 79.5 million (-22.1%, 0.7% in local currency).

Depreciation and amortisation charges and provisions have dropped to EUR 32.9 million (-21.3%), up 1.7% in local currency because of Baixo Iguazú gradually coming on stream in 2019, bringing EBIT to EUR 46.6 million (-22.6%, 0.1% in local currency).

### 1.6 IBERDROLA ENERGÍA INTERNACIONAL (IEI)\*

(EUR millions)	9M 2020	vs 9M 2019
Revenues	297.6	+3.9%
Gross margin	290.0	+3.0%
EBITDA	233.6	-5.5%
EBIT	151.3	-13.8%

#### a) Gross margin

The gross margin of the business at Iberdrola Energía Internacional reached EUR 290.0 million (+3.0%), thanks to higher production (+15.4%) following the incorporation of Infigen's assets in Australia and Aalto Power's in France, which offset the lower load factor at Wikinger.

#### b) Operating profit / EBIT

EBITDA fell 5.5% to EUR 233.6 million, after deducting net operating expenses, which were 66.9% higher (EUR 21.3 million) with 12 M Eur of higher expenses due to extraordinary costs related to the expansion of the business, together with the consolidation of Infigen and Aalto Power. For this reason, depreciation and amortisation charges and provisions increased to EUR 82.3 million (+14.9%) and EBIT reached EUR 151.3 million (-13.8%).

\* Formerly Rest of World



### 3. Generation and supply business

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

(EUR millions)	9M 2020	vs 9M 2019
Revenues	13,530.0	-11.2%
Gross margin	3,571.7	+2.6%
EBITDA	1,949.4 <sup>(1)</sup>	+7.2%
EBIT	1,201.9	+1.9%

(1) Pro-forma EBITDA reaches 2,004.3 M Eur (+10.3%), excluding the amounts related to the transaction of the use of the brand: Liberalized Spain -66.5 M Eur, Iberdrola Energía Internacional +11.6 M Eur. Neutral effect at group level.

The Generation and Supply business increased its contribution to the Gross Margin (+2.6%), with recoveries in the United Kingdom and Brazil, businesses affected in 2019 by adverse operating circumstances, and the growth of Iberdrola Energía Internacional. The impact of COVID-19 on this business at gross margin level was EUR 94 million, as a result of lower demand.

#### 3.1 SPAIN

(Million EUR)	9M 2020 (vs 9m 2019)	vs 9M 2019 Proforma
Revenues	7,869.4 (-17.1%)	
Gross margin	2,212.6 (-1.0%)	
EBITDA	1,163.6 (-1.0%)	1,230.1 (+3.9%)
EBIT	814.1 (-4.0%)	880.6 (+4.7%)

##### a) Gross margin

Iberdrola's Generation and Supply business in Spain recorded a 1.0% decrease in its gross margin to EUR 2,212.6 million, principally due to:

- An 11.3% drop in production versus the same period in the previous year to 25,356 GWh, as

energy purchases from third parties and from our renewables businesses have increased, given prevailing low prices. The Company traditionally maintains a short position vis-à-vis the balance between own production and production for third parties.

- It also must be taken into account that in the second quarter of 2019, a positive extraordinary impact of EUR 89 million was recorded for the placing of LNG long-term supply contracts at market value, following the agreement reached with Pavilion Energy Trading & Supply for the assignment of the contractual position in these agreements.
- Finally, it must be pointed out that the COVID-19 pandemic has led to a decline in demand with an impact on the business of EUR 28 million.

##### b) Operating profit / EBIT

EBITDA fell 1.0% to EUR 1,163.6 million due to the decrease in the Gross Margin noted above and the increase in Net Operating Expenses (+3.6%) to EUR 537.3 million mainly due to the increase of the External Services of EUR 66.5 million resulting from the net effect of the use of the Iberdrola brand, a service for which Iberdrola Comercial will pay the corresponding amount to Iberdrola Corporación starting this quarter. The effect of this transaction at the consolidated level is neutral.

Pro-forma EBITDA reached 1,230.1 M Eur (+4.7%), excluding the amounts related to the transaction of the use of the brand (-66.5 M Eur). The effect is neutral at group level.

Taxes were 5.4% lower, at EUR 511.7 million, mainly due to EUR 32 million of lower taxes associated with fiscal measures for energy sustainability (Law 15/2012), as a result of the reduction in both production and price over the same period of the previous year. The impact of the temporary suspension of the 7% (EUR -23 million) general production tax during the first quarter of 2019, as well as the EUR 17 million increase in the ENRESA rate, following the agreement on the orderly closure of the plants (RD 750/2019) of 27 December, which raises



the rate to EUR 7.98/MWh from 1 January 2020 (compared to EUR 6.69/MWh until December 2019), offset the higher ecotaxes recorded in 2019 after the settlement of items affecting different Autonomous Communities, with a positive impact on the year-on-year comparison (+EUR 29 million).

Depreciation and amortisation charges and provisions rose by 6.8% to EUR 349.5 million because of higher customer acquisition costs associated with increased marketing as well as higher depreciation charges of combined cycle plants due to them being in operation for longer in 2019, following the annual periodic review of useful lives at the end of last year. Provisions also rose over the period compared to 2019, as a result of the increase in debt due to the situation caused by COVID-19 (EUR 13 million).

As a result of all of the above, EBIT fell by 4.0%, compared to the same period of 2019, to EUR 814.1 million. Pro-forma EBIT, adjusted for amounts related to brand usage transactions, increases by 3.9% compared to the nine months of 2019.

### 3.2. UNITED KINGDOM

(EUR millions)	9M 2020	vs 9M 2019
Revenues	3,073.6	-4.7%
Gross margin	566.3	+26.4%
EBITDA	154.9	+266.7%
EBIT	(50.0)	-63.0%

#### a) Gross margin

ScottishPower's liberalised business posted a Gross Margin of EUR 566.3 million (+26.4%), recovering strongly from the results of the first nine months of 2019.

The key reasons for the operational improvement compared to the same period last year are:

- The stabilisation of sale prices of both supplies to our customers in part supported by the change in the methodology of the cap on SVTs in the fourth quarter of 2019.

- Lower supply costs, both for electricity and gas, as a result of changes in commodity prices and the effect of renewable production procurements.

This came about despite a 9.3% drop in gas sales and a 6.9% drop in electricity, reflecting both more benign weather conditions and the impact on demand of the COVID crisis (EUR 34 million).

#### b) Operating profit / EBIT

EBITDA for the liberalised business in the United Kingdom was up 266.7% at EUR 154.9 million, driven by the change in the gross margin described above. Net operating expenses grew (+3.2%) to EUR 332.2 million; EUR 18 million associated with the start-up of new call centres, higher metering costs associated with the increased number of third-party smart meters, and higher back-office costs. However, taxes were down by 5.5% to EUR 79.2 million, mainly due to a reduction of EUR 10 million corresponding to lower taxes related to Smart Meters, because of the lower number of installations due to the COVID and Warm Home Discount plans, that fights against energy poverty in the country.

Depreciation and amortisation charges and provisions rose 15.5% to reach EUR 204.9 million, caused by the larger operating assets (smart meters), higher acquisition costs and an increase in insolvencies, largely derived from COVID (EUR 27 million).

Consequently, the contribution to EBIT was EUR -50.0 million, improving from a negative contribution of EUR -135.2 million in the first nine months of 2019.

### 3.3 MEXICO

(EUR millions)	9M 2020	vs 9M 2019
Revenues	1,809.8	+3.8%
Gross margin	665.7	-5.4%
EBITDA	573.9	+0.8%
EBIT	463.8	-2.9%

### a) Gross margin

In Mexico, the gross margin totalled EUR 665.7 million, down 5.4% from the same period of the previous year. The contribution derived from the entry into operation in 2019 of Topolobampo II (911 MW), in the IPP category for the CFE, and El Carmen (866 MW), earmarked for private customers, has been more than offset by a negative impact caused by the breakdown in one of the Monterrey gas cycles. The problem has already been solved in the month of July and, in addition, it has been partially offset in the External Services item through the collection of the corresponding compensation. The business performance over the period can be explained by the effect of the lower demand caused by COVID-19 (EUR 11 million), together with other minor impacts, derived mainly from index adjustments in private clients.

### b) Operating profit / EBIT

EBITDA rose by 0.8% to EUR 573.9 million versus the first nine months of 2019. Net operating expenses decreased by 32.0% to EUR 89.8 million due to the collection of the insurance referred to above. Depreciation and amortisation charges and provisions increased by 20.3% to EUR 110.1 million due to the new assets commissioned over the last 12 months.

As a result of all this, the business's EBIT amounted to EUR 463.8 million (-2.9%).

## 3.4 BRAZIL

(EUR millions)	9M 2020	vs 9M 2019
Revenues	279.4	-35.4%
Gross margin	69.6	+9.0%
EBITDA	48.4	+5.9%
EBIT	34.3	+15.7%

EBITDA of the Generation and Supply business in Brazil climbed by 5.9%, to EUR 48.4 million, with the unusual conditions that negatively affected last year's results returning to normal in 2020. For the same reason, EBIT increased to EUR 34.3 million

from EUR 29.6 million at the end of September of 2019 (+15.7%).

## 3.5 IBERDROLA ENERGÍA INTERNACIONAL (IEI)\*

(EUR millions)	9M 2020 (vs 9M 2019)	9M 2019 (vs 9M 2019) Proforma
Revenues	910.5 (+7.8%)	
Gross margin	57.5 (+76.8%)	
EBITDA	8.7 (+160.5%)	-2.9 (+90.6%)
EBIT	-60.3 (-49.7%)	-71.9 (-78.5%)

IEI earnings improved compared to last year at the gross margin level. In addition, net operating expenses are growing very moderately, given that starting this quarter the advertising expenses incurred by this business will be borne by Iberdrola Corporación (no impact at the group level), as a result of the terms of the trademark use agreement mentioned above. As a result of both factors, and despite the EUR 19 million impact due to lower demand caused by COVID, IEI consolidated its positive contribution to EBITDA during this quarter.

Finally, it should be noted that the number of contracts with customers exceeds 1.74 million, at September 2020.

Pro-forma EBITDA reached -2.9 M Eur (+90.6%), excluding the amounts related to the transaction of the use of the brand (+11.6 M Eur), while EBIT stood at -71.9 M Eur. The effect is neutral at group level.

\* Formerly Rest of World

## 4. Other businesses

Other Businesses include the gas business in Canada and real estate activity.

(EUR millions)	9M 2020	vs 9M 2019
Revenues	38.2	-73.1%
Gross margin	15.2	-57.7%
EBITDA	2.5	-89.8%
EBIT	(5.8)	-135.6%

### a) Gross margin

The gross margin has dropped by 57.7% to EUR 15.2 million because of lower business revenue in the real estate business.

### b) Beneficio Operativo/EBIT

EBITDA was down to EUR 2.5 million from EUR 24.1 million in the same period of 2019. Depreciation and amortisation charges and provisions were EUR 0.3 million higher compared to the same period in the previous year, with EBIT standing at EUR -5.8 million.

## 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 September, the Corporation showed a positive contribution of EBITDA for the year of EUR 102.2 million, which contrasts with EUR 37.0 million for the same period of 2019, due to the positive net effect of the recognition of the Iberdrola brand by the commercial business in the Net Operating Expenses (+54.9 M Eur); 66.5 M Eur net received from the commercial business in Spain and 11.6 M Eur to be paid to the commercial business in IEI as advertising expenses.

Pro-forma EBITDA reached 49.7 M Eur, excluding amounts related to the transaction of the use of the brand (+54.9 M Eur). The effect is neutral at group level.

# Balance sheet analysis

## January-September 2020

	Sep 2020	vs Dec 2019
TOTAL ASSETS	120,465	(1.56%)
TANGIBLE FIXED ASSETS	71,725	0.61%
INTANGIBLE ASSETS	18,569	(8.8%)
NON-CURRENT FINANCIAL INVESTMENTS	5,220	(10.3%)
EQUITY	44,338	(6.1%)

At 30 September 2020, Iberdrola's balance sheet showed Total Assets of EUR 120,465 million, down EUR 1,904.1 million at December 2019.

## 1. Fixed Assets

Gross investments in the first nine months of 2020 amounted to EUR 6,638.1 million (+22.9%). They can be broken down as follows:

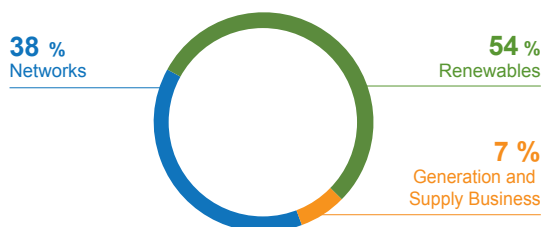
(EUR millions)	Jan-Sep 2020	%
<b>Networks business</b>	<b>2,504.1</b>	<b>37.7%</b>
Spain	360.6	
United Kingdom	388.9	
United States	1,139.4	
Brazil	615.3	
<b>Renewables business</b>	<b>3,576.4</b>	<b>53.9%</b>
Spain	715.4	
United Kingdom	466.4	
United States	789.5	
Brazil	99.8	
Mexico	202.8	
Iberdrola Energía Internacional (IEI)	1,302.6	
<b>Generation and Supply business</b>	<b>459.7</b>	<b>6.9%</b>
Spain	165.1	
United Kingdom	112.0	
Mexico	106.4	
Brazil	14.3	
Iberdrola Energía Internacional (IEI)	62.0	
<b>Other Businesses</b>	<b>2.1</b>	<b>0.0%</b>
<b>Corporation and Adjustments</b>	<b>95.7</b>	<b>1.4%</b>
<b>Total gross investment</b>	<b>6,638.1</b>	<b>100.0%</b>

\* Formerly Rest of World

Investments during the period were concentrated in the Networks and especially in Renewables business, in line with the group's strategy. These two businesses account for approximately 92% of the gross investment in the first nine months of 2020.

## Investments by business

(January-September 2020)



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

## Investments by geographical area

(January-September 2020)



(\*) Formerly Rest of World

Investment in the Renewables business totalled EUR 3,576.4 million, equivalent to 53.9% of the total. Iberdrola Energía Internacional's investment includes the acquisition (and subsequent full consolidation) of Infigen in Australia and Aalto Power in France.

In the Networks business section, most investments were made in the United States and Brazil, totalling EUR 1,139.4 million and EUR 615.3 million, respectively.

## 2. Share capital

Iberdrola's share capital totalled EUR 4,762 million at 30 September 2020, represented by 6,350,061,000 shares, each with a par value of EUR 0.75 and all fully subscribed and paid.

## 3. Financial debt

*Note: the figures at September 2019 shown here have been restated using the same IFRS 16 criteria applied at year-end and effective from 1 January.*

The adjusted net financial debt at September 2020 totalled EUR 37,883 million, up EUR 1,365 million from the EUR 36,518 million restated in September 2019. Cash generation and the asset rotation programme partially offset the investment made in the period.

The adjusted net leverage decreased by 1.6% to 45.5% compared to the 43.9% reported in September 2019.

The ratings issued by rating agencies are as follows:

### Iberdrola's credit rating

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

\* Date of last modification

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

	Sep. 2020	Sep. 2019
Euro	44.3%	42.5%
British pound	18.6%	18.1%
US dollar	28.6%	28.8%
Brazilian real and other currencies	8.5%	10.7%
<b>Total</b>	<b>100%</b>	<b>100%</b>
Fixed rate	63.2%	63.1%
Variable rate	36.8%	36.9%
<b>Total</b>	<b>100%</b>	<b>100%</b>

(\*) Adjusted net debt including derivatives on net investment.

(\*\*) Adjusted gross debt. Including forward interest rate derivatives (Sept-20: EUR 3,017 million; Sept-19: EUR 4,751 million), fixed-rate debt would climb to 70.6% (Sept-20) and 75.3% (Sept-19).

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

	Sep 2020	Sep 2019
Corporate	66.8%	69.7%
UK	7.2%	6.4%
USA	21.8%	21.2%
Mexico	2.5%	1.4%
Others	1.7%	1.3%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>

(\*) Adjusted gross debt excluding Neoenergia (EUR 3,883 million at Sep-20 and EUR 4,976 million at Sep-19).

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

	Sep 2020	Sep 2019
Euro bonds market	31.6%	33.1%
Dollar bonds market	18.9%	18.8%
British pound bonds market	8.0%	7.3%
Other capital markets	4.0%	5.3%
Commercial paper	8.4%	7.6%
Multilateral	11.3%	9.5%
Structured financing	1.1%	1.3%
Leases	4.6%	4.3%
Bank financing	12.2%	12.8%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>

(\*) Adjusted gross debt.

In 2020, the Group signed new green financing transactions worth EUR 2,600 million, bringing the total amount of green/sustainable financing (including sustainable credit facilities) to EUR 22,660 million. Iberdrola continues to be the world's leading private group in green bonds issued.

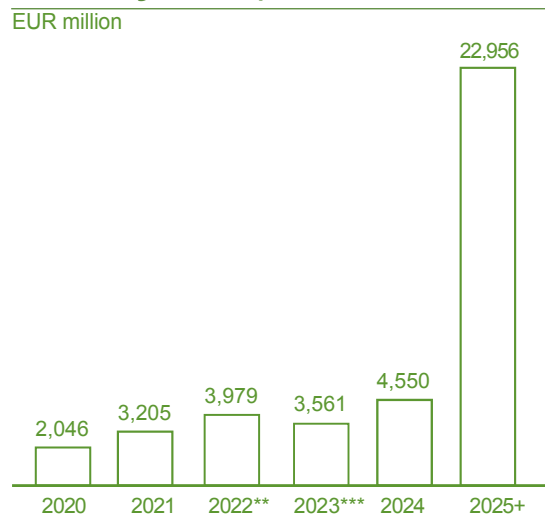
Iberdrola has a strong liquidity position totalling EUR 13,814 million. This liquidity comes mainly from syndicated credit facilities arranged with partner banks, undrawn loans arranged with multilateral credit institutions and development banks (EIB, ICO, BNDES), along with cash and equivalents. These liquidity arrangements have been reached across all the main markets in which the Iberdrola Group operates (Europe, United States and Brazil), in both the banking and capital markets. Liquidity is sufficient to cover 30 months of the Group's needs under the risk scenario.

Liquidity*	EUR million
Cash and cash equivalents	2,067
Back-up facilities	7,300
Credit facilities	2,306
Arranged financing	2,141
<b>Total</b>	<b>13,814</b>

\* Includes transactions signed after 30 September.

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

## Maturity debt profile



\* Adjusted gross debt excluding drawn credit facilities; commercial paper falls due in or after 2025.

\*\* Includes EUR 50 million with a 6-month extension option

\*\*\* Includes USD 400 million with a 1+1-year extension option

\*\*\* Includes USD 500 million with a 1+1-year extension option

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

	Sep 2020	Sep 2019
<b>Adjusted equity*</b>	<b>45,298</b>	<b>46,726</b>
Adjusted financial debt*	40,296	38,264
Credit line drawdowns	-	549
Unpaid accrued interest	337	384
Derivative liabilities	679	767
<b>Adjusted gross financial debt*</b>	<b>41,313</b>	<b>39,964</b>
Cash in hand	2,067	1,046
Derivative assets and short-term investments	1,363	2,400
<b>Adjusted net financial debt*</b>	<b>37,883</b>	<b>36,518</b>
Adjusted net leverage	45.5%	43.9%
Adjusted funds from operations (FFO)**/Adjusted net financial debt*	21.9%	21.7%
Adjusted retained cash flow (RCF)***"/Adjusted net financial debt*	19.9%	20.2%
Adjusted net financial debt*/Adjusted EBITDA****	3.8x	3.6x

(\*) Adjusted for treasury stock derivatives with physical settlement that, at the current date, are not expected to be executed (EUR 961 million in sept -20 and EUR 700 million in sept -19).

(\*\*) 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 - Adjustment of tax deductible items and other effects. Adjusted to Sept-20 on account of the "Exit Plan" implemented in the fourth quarter of 2019 (EUR 51.8 million) and the net tax adjustment for Mexico and UK (EUR 138.1 million). Contribution from Infigen, proforma for an entire year

(\*\*\*) Adjusted RCF = Adjusted FFO - Cash dividends - Dividends paid to minority interests - Hybrid issue interest.

(\*\*\*\*) Adjusted to Sept-20 on account of the "Exit Plan" implemented in the fourth quarter of 2019 (EUR 67.1 million). Contribution from Infigen, proforma for an entire year



## 4. Working capital

The working capital has increased by EUR 378 million over the last 12 months, as a result mainly, of transfers from short-term to long-term provisions:

CURRENT ASSETS	Sep-20	Sep-19	Change
Assets held for sale	-	69	(69)
Nuclear fuel	274	303	(29)
Inventories	2,362	2,260	102
Trade and other receivables	6,215	6,504	(290)
Current financial investments	504	559	(55)
Derivative financial instruments	251	122	129
Taxes receivable	1,408	1,271	136
<b>TOTAL CURRENT ASSETS*:</b>	<b>11,013</b>	<b>11,088</b>	<b>(75)</b>

\* Does not include cash or debt derivatives

CURRENT LIABILITIES	Sep-20	Se-19	Change
Liabilities associated with assets held for sale	-	1	(1)
Provisions	226	531	(305)
Derivative financial instruments	187	211	(24)
Trade and other payables	6,990	7,129	(139)
Taxes receivable	1,996	1,980	17
<b>TOTAL CURRENT LIABILITIES**:</b>	<b>9,399</b>	<b>9,852</b>	<b>(453)</b>

\*\* Does not include financial debt or debt derivatives

<b>NET CURRENT ASSETS</b>	<b>1,614</b>	<b>1,236</b>	<b>378</b>
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## 5. Funds from operations

Funds from operations at 30 September 2020 were up 2.3% to EUR 5,958.5 million.

	Sept 2020	Sept 2019	Change
(+)Net profit	2,681	2,561	120
(-)Depreciation and amortisation charges and provisions	3,357	3,010	347
(-)Profit/(loss), equity accounted companies	19	21	2
(-)Non-recurring items	-509	-95	-415
(-)Financial provisions capitalised	99	113	-15
(-)Profit/(loss), minority interests	207	250	-43
(+)Dividends, equity accounted companies	25	28	-3
(-)Capital grants taken to profit or loss	-60	-65	5
(+)Effect of rates on deferred corporate income tax items	138	-	138
<b>FFO</b>	<b>5,958</b>	<b>5,825</b>	<b>133</b>

## 6. Financial transactions

### Principal finance arranged in 2020

#### New financing

Borrower	Transaction	Amount	Currency	Coupon	Maturity
<b>First quarter</b>					
Itabapoana	Public infrastructure green bond	300.0	BRL	IPCA + 4.5%	15-Feb-45
Iberdrola Finanzas	Private bond	160.0	EUR	1.621%	29-Nov-29
Iberdrola Finanzas <sup>(1)</sup>	Public green bond	750.0	EUR	0.875%	16-Jun-25
Avangrid <sup>(1)</sup>	Public green bond	750.0	USD	3.20%	15-Apr-25
Celpe <sup>(2)</sup>	Loan 4131	62.5	USD		30-Jan-25
Celpe <sup>(2)</sup>	Loan 4131	52.0	USD		18-Mar-25
Coelba <sup>(2)</sup>	Loan 4131	62.5	USD		27-Feb-25
Coelba <sup>(2)</sup>	Loan 4131	52.0	USD		18-Mar-25
Iberdrola Financiación <sup>(1) (2)</sup>	Bilateral line of credit	23,528.0	JPY		6-Apr-22
Iberdrola Financiación <sup>(1) (3)</sup>	Bilateral line of credit	200.0	EUR		13-Apr-22
Iberdrola Financiación <sup>(1) (3)</sup>	Bilateral line of credit	200.0	EUR		24-Apr-22
Iberdrola Financiación <sup>(1) (3)</sup>	Bilateral loan	50.0	EUR		16-Apr-22
Iberdrola Financiación <sup>(4)</sup>	ICO Loan	300.0	EUR		30-May-31
Iberdrola Financiación <sup>(4)</sup>	EIB loan	145.0	EUR		29-Mar-29
Iberdrola Financiación <sup>(4)</sup>	EIB loan	440.0	EUR		29-Mar-29
Jalapão <sup>(5)</sup>	BNDES Loan	778.0	BRL		15-Nov-43
Avangrid Renewables	TEI Green	308.0	USD		28-Feb-30
<b>Second quarter</b>					
Elektro Redes	Public bond	260.0	BRL	CDI + 1.9%	4-May-22
Iberdrola International	Structured public bond	200.0	EUR	0.000%	11-Nov-22
NY State Electric & Gas	Tax exemption bond	65.0	USD	1.400%	1-Jul-26
NY State Electric & Gas	Tax exemption bond	34.0	USD	1.530%	1-Dec-27
NY State Electric & Gas	Tax exemption bond	37.5	USD	1.610%	1-Feb-29
NY State Electric & Gas	Tax exemption bond	63.5	USD	1.610%	1-Jun-29
Berkshire Gas Company <sup>(5)</sup>	Private bond	25.0	USD	3.680%	15-Sept-50
Coelba <sup>(2)</sup>	Loan 4131	3,858.0	JPY		22-Jun-21
Celpe <sup>(2)</sup>	Loan 4131	80.0	USD		23-Jun-25
Celpe	Bilateral loan	100.0	BRL		9-Jun-21
Avangrid	Syndicated line of credit	500.0	USD		27-Jun-22
Iberdrola Financiación <sup>(5) (6)</sup>	Green EIB loan	600.0	EUR		-
Iberdrola Financiación <sup>(5) (6)</sup>	Green ICO loan	200.0	EUR		7-Jul-29
Santa Luzia <sup>(5) (6)</sup>	BNDES Loan	369.0	BRL		2-Jul-44
<b>Third quarter</b>					
NYSEG	Public bond	200.0	USD	1.9500%	1-Oct-30
CMP <sup>(5)</sup>	Mortgage covered bond	50.0	USD	1.8700%	15-Dec-30
SCG <sup>(5)</sup>	Mortgage covered bond	50.0	USD	1.8700%	15-Dec-30
CNG <sup>(5)</sup>	Private bond	30.0	USD	2.0200%	15-Dec-30
UI <sup>(5)</sup>	Private bond	75.0	USD	2.0200%	15-Dec-30
Coelba <sup>(6)</sup>	Bilateral loan	155.0	BRL		2-Oct-23
Coelba <sup>(6)</sup>	Bilateral loan	50.0	BRL		2-Oct-23
PIER <sup>(4)</sup>	Project finance	44.6	USD		15-Aug-33
Iberdrola Financiación <sup>(5)</sup>	Green ICO loan	59.5	EUR		22-Jul-29
EKTT 12 <sup>(5)</sup>	FCO Loan	30.0	BRL		1-Feb-35
Coelba <sup>(5)</sup>	BNDES Loan	1,596.7	BRL		15-Jun-40
Celpe <sup>(5)</sup>	BNDES Loan	716.3	BRL		15-Jun-40
Elektro <sup>(5)</sup>	BNDES Loan	687.4	BRL		15-Jun-40
Oitis <sup>(5)</sup>	BNB Loan	387.6	BRL		15-Jun-40

(1) Transactions signed after 31/03/2020 to strengthen the liquidity position due to the situation arising from COVID-19

(2) Currency swaps arranged to the company's functional currency

(3) With an extension option of six months + six months

(4) Utilisation of loan transactions signed in prior years

(5) Financing planned to be drawn down in 2020/2022

(6) Transactions signed after 30/09/2020

### Extension of existing financing

Borrower	Transaction	Amount	Currency	Extension	Maturity
Iberdrola	Sustainable syndicated credit facility	2,979	EUR	-	13-Feb-25
Iberdrola	Sustainable syndicated credit facility	2,321	EUR	-	13-Feb-25
Iberdrola Financiación	Sustainable syndicated credit facility	1,500	EUR	1 year	27-Mar-25

## Third Quarter Transactions

### Capital market

#### Commercial paper

Commercial paper markets continued their recovery throughout the third quarter, buoyed by central bank support measures as well as reduced risk aversion. Money market funds are therefore returning to the commercial paper market after retaining high levels of cash during the second quarter of the year.

The average balance of the ECP programme remained stable at around EUR 2,500 million, with issuance levels lower than before COVID-19 struck. Demand for paper has recovered and Euribor spreads have narrowed, resulting in the average term rising from 97 to 129 days (at the end of September) in an environment of lower rates underpinned by the ECB.

The outstanding balance of the Avangrid USCP programme at the end of September was USD 1,000 million. The third quarter has continued to see a recovery in activity and narrowing of Libor spreads, fuelled by the Fed announcing it will keep rates lower and for a longer period of time.

#### Bonds

At the end of September, Avangrid distributors closed four private bond placements totalling USD 205 million expiring in 2030, which will be redeemed this year:

- Two mortgage-backed transactions of USD 50 million each, at a cost of 1.87%; and
- Two private bonds of USD 30 million and USD 75 million, at a cost of 2.02%.

In addition, Avangrid issued a ten-year public bond of USD 200 million, at a cost of 1.98% — the lowest in the company's history.

### Banking market

Neoenergía obtained two bank loans secured by a debenture totalling BRL 205 million, BRL 155 million and BRL 50 million, respectively, falling due in October 2023.

### Development and multilateral banks

During the third quarter, the Group obtained seven new loans:

- Iberdrola arranged a green loan with ICO in July for EUR 59.5 million, which matures in July 2029, to finance the rollout of electric vehicle recharging stations as part of the Smart Mobility project.
- Neoenergía signed a loan with the Western Constitutional Fund (FCO) amounting to BRL 30 million over a 23-year term.
- The four Neoenergía distributors each signed a loan with BNDES to partially fund investments over the next few years.
- Neoenergía signed a loan with the National Bank of the Northeast (BnB) to finance the Oitis wind complex (566 MW) for an amount of BRL 715 M at a term of 24 years.

## 7. Credit ratings

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

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

# Financial Statements Tables

**Balance Sheet 2020 (Unaudited)**

EUR M

ASSETS	Sept. 2020	December 2019	Variation
<b>NON-CURRENT ASSETS</b>	<b>106,771</b>	<b>108,811</b>	<b>-2,040</b>
Intangible assets	18,569	20,368	-1,799
Goodwill	7,779	8,153	-374
Other intangible assets	10,790	12,215	-1,425
Real Estate properties	337	342	-5
Property, plant and equipment	71,725	71,289	436
Property, plant and equipment	63,701	63,449	252
Property, plant and equipment in the course of construction	8,024	7,841	184
Right of use	1,751	1,782	-31
Non current financial investments	5,220	5,819	-599
Investments accounted by equity method	1,172	1,957	-785
Non-current financial assets	62	86	-24
Other non-current financial assets	2,699	3,019	-320
Derivative financial instruments	1,286	756	530
Non-current trade and other receivables	2,744	2,851	-107
Tax receivables	666	666	0
Deferred tax assets	5,760	5,695	65
<b>CURRENT ASSETS</b>	<b>13.694</b>	<b>13.558</b>	<b>136</b>
Nuclear fuel	274	306	-32
Inventories	2.362	2.542	-179
Current trade and other receivables	7.623	7.499	123
Tax receivables	644	318	326
Other tax receivables	764	507	257
Trade and other receivables	6.215	6.674	-459
Current financial assets	1.368	1.098	270
Other current financial assets	605	693	-88
Derivative financial instruments	764	405	358
Cash and cash equivalents	2.067	2.113	-46
<b>TOTAL ASSETS</b>	<b>120.465</b>	<b>122.369</b>	<b>-1.904</b>

EUR M

<b>EQUITY AND LIABILITIES</b>	<b>Sept. 2020</b>	<b>December 2019</b>	<b>Variation</b>
<b>EQUITY:</b>	<b>44,338</b>	<b>47,195</b>	<b>-2,857</b>
<b>Of shareholders of the parent</b>	<b>35,495</b>	<b>37,678</b>	<b>-2,183</b>
Share capital	4,763	4,772	-9
Liabilities revaluation reserve	-442	-544	102
Other reserves	34,229	33,522	708
Treasury stock	-1,385	-1,436	51
Translation differences	-4,351	-2,101	-2,250
Net profit of the year	2,681	3,466	-785
<b>Of minority interests</b>	<b>8,843</b>	<b>9,516</b>	<b>-674</b>
<b>NON-CURRENT LIABILITIES</b>	<b>56,652</b>	<b>56,043</b>	<b>608</b>
<b>Deferred income</b>	<b>1,282</b>	<b>1,399</b>	<b>-116</b>
<b>Facilities transferred and financed by third parties</b>	<b>4,982</b>	<b>4,987</b>	<b>-5</b>
<b>Provisions</b>	<b>6,157</b>	<b>5,990</b>	<b>167</b>
Provisions for pensions and similar obligations	2,615	2,661	-46
Other provisions	3,543	3,329	214
<b>Non Current Financial payables</b>	<b>34,208</b>	<b>33,639</b>	<b>569</b>
Financial Debt- Loans and other	30,104	30,126	-22
Equity Instruments having the substance of a financial liability	379	193	186
Leases	1,715	1,614	101
Derivative financial instruments	921	471	450
Other financial liabilities	1,089	1,235	-146
<b>Other non-current payables</b>	<b>399</b>	<b>407</b>	<b>-9</b>
Other deferred income	32	25	6
Contract liabilities	367	382	-15
<b>Tax payables</b>	<b>267</b>	<b>261</b>	<b>6</b>
<b>Deferred tax liabilities</b>	<b>9,355</b>	<b>9,359</b>	<b>-4</b>
<b>CURRENT LIABILITIES</b>	<b>19,476</b>	<b>19,131</b>	<b>345</b>
<b>Provisions</b>	<b>226</b>	<b>660</b>	<b>-434</b>
Provisions for pensions and similar obligations	10	25	-15
Other provisions	216	635	-419
<b>Current financial payables</b>	<b>16,717</b>	<b>16,534</b>	<b>183</b>
Financial Debt- Loans and other	9,649	8,800	848
Equity Instruments having the substance of a financial liability	40	22	17
Derivative financial instruments	447	478	-30
Leases	127	153	-26
Trade payables	4,692	5,098	-406
Other financial liabilities	1,762	1,983	-221
<b>Other current payables</b>	<b>2,532</b>	<b>1,937</b>	<b>596</b>
Current tax liabilities and other tax payables	471	243	229
Other tax payables	1,525	1,021	504
Other current liabilities	536	674	-138
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>120,465</b>	<b>122,369</b>	<b>-1,904</b>



**Profit and Loss (Unaudited)**

EUR M

	Sept. 2020	Sept. 2019	%
<b>REVENUES</b>	<b>24,248.0</b>	<b>26,457.5</b>	<b>(8.4)</b>
PROCUREMENTS	(12,406.7)	(14,370.8)	(13.7)
<b>GROSS MARGIN</b>	<b>11,841.3</b>	<b>12,086.7</b>	<b>(-2.0)</b>
<b>NET OPERATING EXPENSES</b>	<b>(3,100.9)</b>	<b>(3,158.2)</b>	<b>(1.8)</b>
<b>Net Personnel Expense</b>	<b>(1,595.7)</b>	<b>(1,598.1)</b>	<b>(.2)</b>
Personnel	(2,106.9)	(2,088.0)	.9
Capitalized personnel costs	511.2	489.8	4.4
<b>Net External Services</b>	<b>(1,505.2)</b>	<b>(1,560.1)</b>	<b>(3.5)</b>
External Services	(2,027.7)	(2,053.7)	(1.3)
Other Operating Income	522.4	493.6	5.8
<b>LEVIES</b>	<b>(1,395.2)</b>	<b>(1,429.6)</b>	<b>(2.4)</b>
<b>EBITDA</b>	<b>7,345.2</b>	<b>7,498.9</b>	<b>(2.0)</b>
AMORTISATIONS AND PROVISIONS	(3,357.3)	(3,010.1)	11.5
<b>EBIT / Operating Profit</b>	<b>3,987.9</b>	<b>4,488.9</b>	<b>(11.2)</b>
<b>Financial Expenses</b>	<b>(1,541.9)</b>	<b>(1,777.6)</b>	<b>(13.3)</b>
<b>Financial Income</b>	<b>901.2</b>	<b>887.2</b>	<b>1.6</b>
<b>FINANCIAL RESULT</b>	<b>(640.8)</b>	<b>(890.4)</b>	<b>(28.0)</b>
<b>RESULTS OF COMPANIES CONSOLIDATED BY EQUITY METHOD</b>	<b>(19.3)</b>	<b>(21.1)</b>	<b>(8.8)</b>
<b>RESULTS FROM NON-CURRENT ASSETS</b>	<b>514.7</b>	<b>122.4</b>	<b>320.4</b>
<b>PBT</b>	<b>3,842.6</b>	<b>3,699.8</b>	<b>3.9</b>
Corporate Tax	(954.5)	(888.5)	7.4
Minorities	(207.1)	(250.3)	(17.3)
<b>NET PROFIT</b>	<b>2,681.0</b>	<b>2,560.9</b>	<b>4.7</b>

**Results by Business (Unaudited)**

EUR M

Sept 2020	Networks	Renewables	Generation and Supply	Other businesses	Corporation & adjustments
Revenues	9,362.1	2,937.7	13,530.0	38.2	(1,620.0)
Procurements	(3,737.0)	(277.7)	(9,958.3)	(23.0)	1,589.4
<b>GROSS MARGIN</b>	<b>5,625.1</b>	<b>2,660.0</b>	<b>3,571.7</b>	<b>15.2</b>	<b>(30.6)</b>
NET OPERATING EXPENSES	(1,559.3)	(599.7)	(1,028.1)	(11.7)	98.0
Net Personnel Expense	(798.6)	(242.5)	(298.5)	(8.9)	(247.2)
Personnel	(1,210.5)	(303.2)	(325.3)	(8.9)	(259.0)
Capitalized personnel costs	412.0	60.8	26.7	-	11.7
Net External Services	(760.8)	(357.3)	(729.6)	(2.9)	345.3
External Services	(1,080.3)	(449.9)	(897.7)	(3.0)	403.3
Other Operating Income	319.6	92.7	168.1	0.2	(58.0)
LEVIES	(546.1)	(288.7)	(594.1)	(1.0)	34.7
<b>EBITDA</b>	<b>3,519.7</b>	<b>1,771.5</b>	<b>1,949.4</b>	<b>2.5</b>	<b>102.2</b>
Amortisation and Provisions	(1,486.4)	(1,030.1)	(747.5)	(8.2)	(85.1)
<b>EBIT/Operating Profit</b>	<b>2,033.3</b>	<b>741.4</b>	<b>1,201.9</b>	<b>(5.8)</b>	<b>17.1</b>
Financial Result	(351.5)	(128.6)	(74.9)	0.3	(86.0)
Results of companies consolidated by equity method	8.7	(21.3)	3.1	(9.4)	(0.3)
Results of non-current assets	5.4	8.7	15.0	485.6	-
<b>PBT</b>	<b>1,695.9</b>	<b>600.3</b>	<b>1,145.0</b>	<b>470.6</b>	<b>(69.2)</b>
Corporate tax and minority shareholders	(619.8)	(255.9)	(363.7)	31.4	46.4
<b>NET PROFIT</b>	<b>1,076.1</b>	<b>344.3</b>	<b>781.3</b>	<b>502.0</b>	<b>(22.8)</b>

EUR M

Sept. 2019	Networks	Renewables	Generation and Supply	Other businesses	Corporation & adjustments
Revenues	10,099.7	2,798.8	15,233.9	142.1	(1,816.9)
Procurements	(4,019.1)	(279.7)	(11,751.5)	(106.3)	1,785.9
<b>GROSS MARGIN</b>	<b>6,080.5</b>	<b>2,519.0</b>	<b>3,482.3</b>	<b>35.8</b>	<b>(31.1)</b>
NET OPERATING EXPENSES	(1,606.9)	(569.8)	(1,036.8)	(11.3)	66.7
Net Personnel Expense	(853.9)	(208.6)	(321.5)	(8.2)	(205.9)
Personnel	(1,245.7)	(270.6)	(344.9)	(8.2)	(218.5)
Capitalized personnel costs	391.8	62.0	23.4	-	12.6
Net External Services	(753.0)	(361.2)	(715.4)	(3.1)	272.5
External Services	(1,098.3)	(468.1)	(782.4)	(3.4)	298.6
Other Operating Income	345.3	107.0	67.1	0.4	(26.1)
LEVIES	(531.7)	(271.0)	(627.8)	(.5)	1.4
<b>EBITDA</b>	<b>3,941.9</b>	<b>1,678.3</b>	<b>1,817.7</b>	<b>24.1</b>	<b>37.0</b>
Amortisation and Provisions	(1,435.3)	(847.7)	(638.1)	(7.9)	(81.1)
<b>EBIT/Operating Profit</b>	<b>2,506.6</b>	<b>830.6</b>	<b>1,179.6</b>	<b>16.1</b>	<b>(44.1)</b>
Financial Result	(448.9)	(140.4)	(99.6)	(0.8)	(200.7)
Results of companies consolidated by equity method	9.5	2.0	4.9	(28.6)	(9.0)
Results of non-current assets	116.3	4.6	0.7	-	0.9
<b>PBT</b>	<b>2,183.6</b>	<b>696.8</b>	<b>1,085.5</b>	<b>(13.2)</b>	<b>(252.9)</b>
Corporate tax and minority shareholders	(669.1)	(193.2)	(311.8)	(5.5)	40.8
<b>NET PROFIT</b>	<b>1,514.5</b>	<b>503.6</b>	<b>773.7</b>	<b>(18.7)</b>	<b>(212.1)</b>

**Networks Business (Unaudited)****EUR M**

<b>Sept 2020</b>	<b>SPAIN</b>	<b>UNITED KINGDOM</b>	<b>USA</b>	<b>BRAZIL</b>
Revenues	1,467.6	1,006.6	3,077.7	3,810.2
Procurements	(0.3)	(42.8)	(957.7)	(2,736.3)
<b>GROSS MARGIN</b>	<b>1,467.3</b>	<b>963.8</b>	<b>2,120.0</b>	<b>1,074.0</b>
<b>NET OPERATING EXPENSES</b>	<b>(197.2)</b>	<b>(148.3)</b>	<b>(891.7)</b>	<b>(322.2)</b>
Net Personnel Expense	(141.8)	(68.5)	(416.7)	(171.6)
Personnel	(229.6)	(181.5)	(583.9)	(215.6)
Capitalized personnel costs	87.7	113.0	167.2	44.1
Net External Services	(55.3)	(79.8)	(475.1)	(150.6)
External Services	(199.7)	(127.7)	(536.9)	(216.1)
Other Operating Income	144.4	47.9	61.8	65.5
LEVIES	(67.3)	(82.7)	(393.1)	(3.0)
<b>EBITDA</b>	<b>1,202.9</b>	<b>732.8</b>	<b>835.2</b>	<b>748.8</b>
Amortisation and Provisions	(417.3)	(265.8)	(494.0)	(309.3)
<b>EBIT/Operating Profit</b>	<b>785.6</b>	<b>467.0</b>	<b>341.2</b>	<b>439.4</b>
Financial Result	(48.2)	(102.2)	(106.3)	(94.8)
Results of companies consolidated by equity method	2.0	-	6.7	-
Results of non-current assets	2.6	0.8	1.5	0.5
<b>PBT</b>	<b>742.0</b>	<b>365.7</b>	<b>243.0</b>	<b>345.2</b>
Corporate tax and minority shareholders	(132.0)	(168.7)	(104.5)	(214.5)
<b>NET PROFIT</b>	<b>610.0</b>	<b>196.9</b>	<b>138.5</b>	<b>130.7</b>

**EUR M**

<b>Sept. 2019</b>	<b>SPAIN</b>	<b>UNITED KINGDOM</b>	<b>USA</b>	<b>BRAZIL</b>
Revenues	1,618.7	995.1	3,224.9	4,261.0
Procurements	(3.1)	(43.4)	(1,035.4)	(2,937.2)
<b>GROSS MARGIN</b>	<b>1,615.6</b>	<b>951.7</b>	<b>2,189.5</b>	<b>1,323.8</b>
<b>NET OPERATING EXPENSES</b>	<b>(249.6)</b>	<b>(163.4)</b>	<b>(764.7)</b>	<b>(429.3)</b>
Net Personnel Expense	(188.0)	(64.8)	(385.3)	(215.8)
Personnel	(259.3)	(176.2)	(548.5)	(261.8)
Capitalized personnel costs	71.3	111.4	163.1	45.9
Net External Services	(61.7)	(98.6)	(379.3)	(213.4)
External Services	(209.3)	(133.3)	(451.1)	(304.7)
Other Operating Income	147.6	34.7	71.7	91.2
LEVIES	(70.0)	(81.1)	(376.6)	(3.9)
<b>EBITDA</b>	<b>1,295.9</b>	<b>707.2</b>	<b>1,048.2</b>	<b>890.6</b>
Amortisation and Provisions	(411.1)	(244.8)	(444.3)	(335.1)
<b>EBIT/Operating Profit</b>	<b>884.8</b>	<b>462.4</b>	<b>603.9</b>	<b>555.5</b>
Financial Result	(46.2)	(101.5)	(103.6)	(197.6)
Results of companies consolidated by equity method	1.8	-	7.7	-
Results of non-current assets	114.3	0.6	0.3	1.1
<b>PBT</b>	<b>954.8</b>	<b>361.5</b>	<b>508.3</b>	<b>359.0</b>
Corporate tax and minority shareholders	(198.0)	(70.8)	(187.2)	(213.1)
<b>NET PROFIT</b>	<b>756.8</b>	<b>290.7</b>	<b>321.1</b>	<b>145.9</b>

**Renewables Business (Unaudited)**

EUR M

Sept. 2020	UNITED		Iberdrola Energía			
	SPAIN	KINGDOM	USA	BRAZIL	MEXICO	Internacional (IEI)*
Revenues	886.8	697.5	851.3	124.4	80.0	297.6
Procurements	(54.5)	(45.1)	(149.2)	(18.6)	(2.6)	(7.6)
<b>GROSS MARGIN</b>	<b>832.2</b>	<b>652.4</b>	<b>702.1</b>	<b>105.8</b>	<b>77.4</b>	<b>290.0</b>
NET OPERATING EXPENSES	(176.6)	(131.4)	(191.8)	(25.9)	(21.1)	(53.0)
Net Personnel Expense	(86.5)	(26.5)	(106.6)	(11.3)	(1.2)	(14.4)
Personnel	(107.2)	(36.6)	(119.1)	(13.1)	(4.3)	(23.0)
Capitalized personnel costs	20.6	10.1	12.4	1.8	3.0	8.7
Net External Services	(90.1)	(104.9)	(85.1)	(14.6)	(19.8)	(38.7)
External Services	(134.2)	(111.8)	(137.1)	(14.6)	(21.9)	(60.6)
Other Operating Income	44.1	6.9	51.9	-	2.0	21.9
LEVIES	(210.9)	(19.1)	(54.1)	(0.4)	(0.8)	(3.5)
<b>EBITDA</b>	<b>444.8</b>	<b>501.9</b>	<b>456.3</b>	<b>79.5</b>	<b>55.5</b>	<b>233.6</b>
Amortisation and Provisions	(278.1)	(180.7)	(422.4)	(32.9)	(34.7)	(82.3)
<b>EBIT/Operating Profit</b>	<b>166.7</b>	<b>321.1</b>	<b>33.9</b>	<b>46.6</b>	<b>20.9</b>	<b>151.3</b>
Financial Result	(34.0)	(7.0)	(37.8)	(20.9)	(3.9)	(25.0)
Results of companies consolidated by equity method	(1.2)	0.3	(12.3)	(8.1)	-	-
Results of non-current assets	5.3	-	3.4	-	-	-
<b>PBT</b>	<b>136.8</b>	<b>314.4</b>	<b>(12.9)</b>	<b>17.7</b>	<b>17.0</b>	<b>126.3</b>
Corporate tax and minority shareholders	(37.7)	(141.0)	14.3	(8.1)	(39.2)	(43.9)
<b>NET PROFIT</b>	<b>99.1</b>	<b>173.4</b>	<b>1.4</b>	<b>9.5</b>	<b>(22.2)</b>	<b>82.4</b>

EUR M

Sept. 2019	UNITED		Iberdrola Energía			
	SPAIN	KINGDOM	USA	BRAZIL	MEXICO	Internacional (IEI)*
Revenues	972.4	493.0	793.9	166.5	86.4	286.5
Procurements	(52.5)	(36.4)	(153.6)	(29.9)	(2.5)	(4.8)
<b>GROSS MARGIN</b>	<b>919.9</b>	<b>456.6</b>	<b>640.3</b>	<b>136.6</b>	<b>84.0</b>	<b>281.7</b>
NET OPERATING EXPENSES	(196.0)	(99.6)	(181.0)	(34.2)	(27.3)	(31.8)
Net Personnel Expense	(86.6)	(16.8)	(90.4)	(15.0)	(2.9)	(7.9)
Personnel	(106.7)	(30.1)	(101.5)	(16.0)	(4.8)	(11.5)
Capitalized personnel costs	20.1	13.3	11.2	1.0	1.9	3.5
Net External Services	(109.4)	(82.8)	(90.6)	(19.2)	(24.4)	(23.8)
External Services	(158.2)	(91.4)	(157.4)	(19.2)	(25.9)	(42.7)
Other Operating Income	48.7	8.6	66.8	-	1.6	18.9
LEVIES	(208.3)	(16.3)	(42.8)	(0.4)	(0.4)	(2.7)
<b>EBITDA</b>	<b>515.6</b>	<b>340.7</b>	<b>416.5</b>	<b>102.0</b>	<b>56.3</b>	<b>247.2</b>
Amortisation and Provisions	(231.3)	(113.6)	(359.3)	(41.7)	(31.0)	(71.6)
<b>EBIT/Operating Profit</b>	<b>284.3</b>	<b>227.1</b>	<b>57.2</b>	<b>60.3</b>	<b>25.2</b>	<b>175.6</b>
Financial Result	(30.6)	(30.6)	(25.9)	(26.9)	(13.0)	(13.4)
Results of companies consolidated by equity method	5.7	0.4	(6.9)	2.9	-	-
Results of non-current assets	0.1	-	4.5	-	-	-
<b>PBT</b>	<b>259.5</b>	<b>196.9</b>	<b>28.8</b>	<b>36.2</b>	<b>12.3</b>	<b>162.2</b>
Corporate tax and minority shareholders	(88.7)	(38.7)	3.2	(20.7)	(3.3)	(44.8)
<b>NET PROFIT</b>	<b>170.8</b>	<b>158.2</b>	<b>32.0</b>	<b>15.6</b>	<b>9.0</b>	<b>117.4</b>

\* Former Rest of the World

## Generation and Supply Business (Unaudited)

EUR M

Sept. 2020	SPAIN	UNITED KINGDOM	MEXICO	BRASIL	Iberdrola Energía Internacional (IEI)*	Other
Revenues	7,869.4	3,073.6	1,809.8	279.4	910.5	(412.7)
Procurements	(5,656.8)	(2,507.3)	(1,144.1)	(209.8)	(853.0)	412.7
<b>GROSS MARGIN</b>	<b>2,212.6</b>	<b>566.3</b>	<b>665.7</b>	<b>69.6</b>	<b>57.5</b>	<b>-</b>
NET OPERATING EXPENSES	(537.3)	(332.2)	(89.8)	(21.0)	(47.9)	-
Net Personnel Expense	(195.6)	(63.9)	(16.9)	(6.2)	(16.0)	-
Personnel	(205.6)	(68.5)	(28.9)	(6.3)	(16.0)	-
Capitalized personnel costs	10.0	4.7	12.1	0.1	-	-
Net External Services	(341.6)	(268.3)	(72.9)	(14.8)	(31.9)	-
External Services	(441.3)	(283.1)	(133.5)	(14.9)	(42.7)	17.7
Other Operating Income	99.6	14.7	60.6	0.1	10.8	(17.7)
LEVIES	(511.7)	(79.2)	(2.0)	(0.2)	(1.0)	-
<b>EBITDA</b>	<b>1,163.6</b>	<b>154.9</b>	<b>573.9</b>	<b>48.4</b>	<b>8.7</b>	<b>-</b>
Amortisation and Provisions	(349.5)	(204.9)	(110.1)	(14.1)	(68.9)	-
<b>EBIT/Operating Profit</b>	<b>814.1</b>	<b>(50.0)</b>	<b>463.8</b>	<b>34.3</b>	<b>(60.3)</b>	<b>-</b>
Financial Result	(26.7)	5.0	(42.2)	(9.2)	(1.9)	-
Results of companies consolidated by equity method	3.1	-	-	-	-	-
Results of non-current assets	14.9	-	-	-	-	-
<b>PBT</b>	<b>805.5</b>	<b>(45.0)</b>	<b>421.6</b>	<b>25.0</b>	<b>(62.1)</b>	<b>-</b>
Corporate tax and minority shareholders	(199.3)	7.5	(168.9)	(13.4)	10.3	-
<b>NET PROFIT</b>	<b>606.2</b>	<b>(37.4)</b>	<b>252.7</b>	<b>11.6</b>	<b>(51.8)</b>	<b>-</b>

EUR M

Sept 2019	SPAIN	UNITED KINGDOM	MEXICO	BRASIL	Iberdrola Energía Internacional (IEI)*	Other
Revenues	9,487.0	3,225.7	1,743.9	432.8	845.0	(500.6)
Procurements	(7,252.7)	(2,777.9)	(1,040.1)	(368.9)	(812.5)	500.5
<b>GROSS MARGIN</b>	<b>2,234.3</b>	<b>447.9</b>	<b>703.8</b>	<b>63.9</b>	<b>32.5</b>	<b>-</b>
NET OPERATING EXPENSES	(518.5)	(321.8)	(132.1)	(18.1)	(46.3)	-
Net Personnel Expense	(214.7)	(72.6)	(19.6)	(5.5)	(9.0)	-
Personnel	(221.5)	(76.6)	(32.0)	(5.7)	(9.0)	-
Capitalized personnel costs	6.8	4.1	12.4	0.2	-	-
Net External Services	(303.8)	(249.3)	(112.4)	(12.6)	(37.3)	-
External Services	(353.7)	(271.4)	(119.9)	(14.3)	(37.3)	14.3
Other Operating Income	50.0	22.1	7.5	1.6	-	(14.2)
LEVIES	(540.8)	(83.8)	(2.7)	-	(0.5)	-
<b>EBITDA</b>	<b>1,174.9</b>	<b>42.2</b>	<b>569.1</b>	<b>45.7</b>	<b>(14.3)</b>	<b>-</b>
Amortisation and Provisions	(327.1)	(177.4)	(91.6)	(16.0)	(26.0)	-
<b>EBIT/Operating Profit</b>	<b>847.9</b>	<b>(135.2)</b>	<b>477.5</b>	<b>29.6</b>	<b>(40.3)</b>	<b>-</b>
Financial Result	(41.7)	8.6	(48.5)	(18.2)	0.1	-
Results of companies consolidated by equity method	4.9	-	-	-	-	-
Results of non-current assets	0.3	-	-	0.4	-	-
<b>PBT</b>	<b>811.3</b>	<b>(126.6)</b>	<b>429.1</b>	<b>11.9</b>	<b>(40.2)</b>	<b>-</b>
Corporate tax and minority shareholders	(201.1)	21.9	(135.6)	(5.0)	8.0	-
<b>NET PROFIT</b>	<b>610.2</b>	<b>(104.7)</b>	<b>293.5</b>	<b>6.9</b>	<b>(32.2)</b>	<b>-</b>

\* Former Rest of the World

**Quarterly Results 2020 (Unaudited)**

EUR M

	Ene-Mar 2020	Abr-Jun 2020	Jul-Sept 2020
Revenues	9,425.9	7,041.4	7,780.6
Procurements	(4,881.2)	(3,535.9)	(3,989.6)
<b>GROSS MARGIN</b>	<b>4,544.8</b>	<b>3,505.5</b>	<b>3,791.0</b>
NET OPERATING EXPENSES	(1,067.7)	(1,006.7)	(1,026.5)
Net Personnel Expense	(557.7)	(513.8)	(524.2)
Personnel	(730.0)	(688.0)	(688.9)
Capitalized personnel costs	172.3	174.2	164.7
Net External Services	(510.0)	(492.9)	(502.3)
External Services	(673.8)	(690.1)	(663.8)
Other Operating Income	163.8	197.2	161.4
LEVIES	(726.5)	(331.2)	(337.5)
<b>EBITDA</b>	<b>2,750.6</b>	<b>2,167.6</b>	<b>2,427.0</b>
Amortisation and Provisions	(1,108.0)	(1,135.4)	(1,113.9)
<b>EBIT/Operating Profit</b>	<b>1,642.6</b>	<b>1,032.2</b>	<b>1,313.1</b>
Financial Expenses	(649.5)	(427.4)	(465.0)
Financial Income	469.1	207.5	224.5
Financial Result	(180.3)	(219.9)	(240.6)
Results of companies consolidated by equity method	1.2	(9.9)	(10.6)
Results of non-current assets	505.4	(.2)	9.5
<b>PBT</b>	<b>1,968.9</b>	<b>802.2</b>	<b>1,071.5</b>
Corporate Tax	(624.5)	(155.8)	(174.1)
Minorities	(87.3)	(58.5)	(61.3)
<b>NET PROFIT</b>	<b>1,257.0</b>	<b>587.9</b>	<b>836.0</b>

EUR M

	Ene-Mar 2019	Abr-Jun 2019	Jul-Sept 2019
Revenues	10,138.9	8,142.1	8,176.5
Procurements	(5,815.8)	(4,235.3)	(4,319.8)
<b>GROSS MARGIN</b>	<b>4,323.1</b>	<b>3,906.9</b>	<b>3,856.7</b>
NET OPERATING EXPENSES	(1,081.3)	(1,064.5)	(1,012.4)
Net Personnel Expense	(553.4)	(530.1)	(514.7)
Personnel	(700.7)	(712.1)	(675.1)
Capitalized personnel costs	147.4	182.1	160.4
Net External Services	(527.9)	(534.5)	(497.7)
External Services	(668.4)	(722.3)	(663.0)
Other Operating Income	140.5	187.9	165.3
LEVIES	(642.5)	(452.0)	(335.1)
<b>EBITDA</b>	<b>2,599.4</b>	<b>2,390.4</b>	<b>2,509.2</b>
Amortisation and Provisions	(967.1)	(1,031.9)	(1,011.0)
<b>EBIT/Operating Profit</b>	<b>1,632.2</b>	<b>1,358.5</b>	<b>1,498.1</b>
Financial Expenses	(548.2)	(487.9)	(741.5)
Financial Income	249.9	175.3	462.1
Financial Result	(298.3)	(312.6)	(279.5)
Results of companies consolidated by equity method	1.6	(9.9)	(12.9)
Results of non-current assets	.3	6.5	115.6
<b>PBT</b>	<b>1,335.9</b>	<b>1,042.6</b>	<b>1,321.3</b>
Corporate Tax	(277.7)	(267.9)	(343.0)
Minorities	(94.3)	(94.2)	(61.8)
<b>NET PROFIT</b>	<b>963.9</b>	<b>680.5</b>	<b>916.6</b>

**Statement of origin and use of funds (Unaudited)**

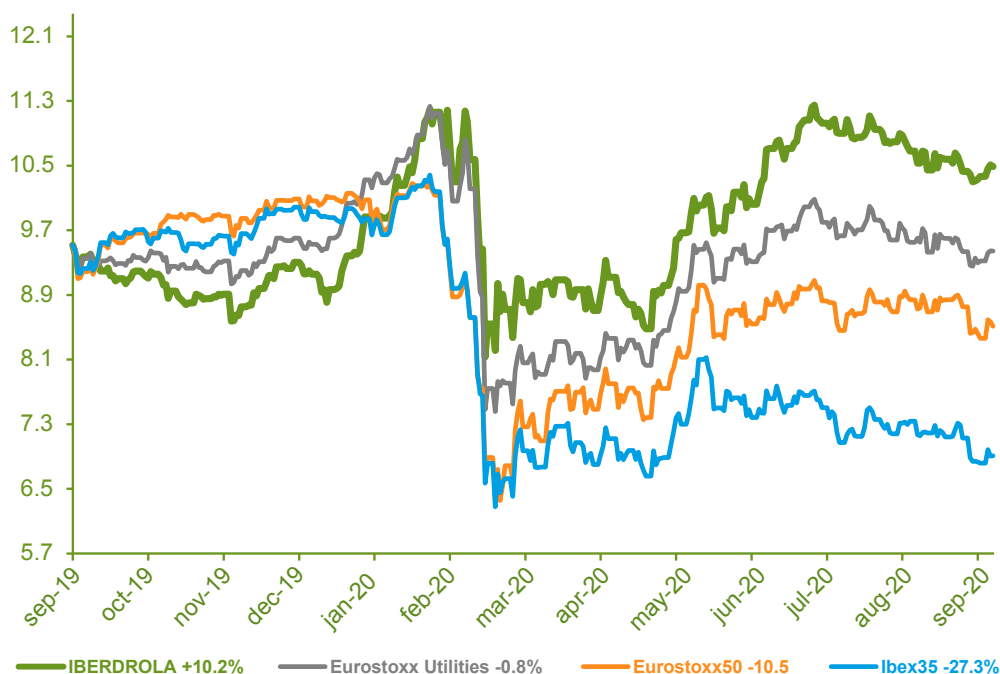
	September 2020	September 2019	Variation
<b>Net Profit</b>	<b>2.681</b>	<b>2.561</b>	<b>120</b>
<b>Adjustments to Net profit</b>	<b>3.454</b>	<b>3.295</b>	<b>159</b>
Minorities and Hybrid	76	69	7
Corporate Tax	375	164	211
Financials	116	125	-9
Equity Method	45	49	-5
Non-Current Assets results	-515	-122	-392
Amortisation and Provisions	3.357	3.010	347
<b>Adjustments to EBITDA</b>	<b>-557</b>	<b>-518</b>	<b>-39</b>
Deferred income	-208	-208	0
Other non-cash adjustments (Networks and Renewables)	-349	-310	-39
<b>Operating Cash Flow</b>	<b>5.579</b>	<b>5.339</b>	<b>240</b>
Dividends Paid to Iberdrola shareholders	-563	-330	-233
Total Cash Flow allocations:	-7.197	-5.011	-2.185
<i>Gross Investments</i>	<i>(6.638)</i>	<i>-5.403</i>	<i>-1.235</i>
<i>Divestments</i>	<i>1.349</i>	<i>1.580</i>	<i>-232</i>
<i>Treasury stock</i>	<i>(1.907)</i>	<i>-1.988</i>	<i>81</i>
<i>Issuance/ Hybrid</i>	<i>-</i>	<i>800</i>	<i>-800</i>
Exchange rate differentials	2.008	-278	2.287
IFRS 16 (first implementation)	0	-399	399
Other variations	-174	-603	430
<b>Decrease/(Increase) in net debt</b>	<b>-346</b>	<b>-1.283</b>	<b>937</b>

Differences may arise due to rounding

# Stock market evolution



## IBERDROLA stock performance vs. Indexes



## IBERDROLA's share

	9M 2020	9M 2019
Number of outstanding shares	6,350,061,000	6,362,072,000
Price at the end of the period	10.51	9.54
Average price of the period	9.84	9.33
Average daily volume	18,921,114	17,106,457
Maximum volume (03-20-2020 / 03-15-2019)	73,587,123	63,687,471
Minimum (01-06-2020 / 02-18-2019)	5,591,843	5,654,457
Dividends paid <sup>(1)</sup>	0.405	0.356
Gross Final dividend (02-05-2020 / 02-05-2019)	0.168	0.151
Gross interim (08-04-2020 / 08-01-2019) <sup>(1)</sup>	0.232	0.200
Shareholder's Meeting attendance bonus	0.005	0.005
Dividend yield <sup>(2)</sup>	3.85%	3.73%

(1) Purchase price of rights guaranteed by Iberdrola

(2) Dividends paid in the last 12 months and Shareholder's Meeting attendance bonus / price at the end of period

# Regulation

A raft of new regulations affecting the energy sector were enacted in the third quarter of 2020. This section sets out the most significant of these.

## Regulation in Spain

### Spanish electricity sector

**Protection measures for the vulnerable:** Royal Legislative Decree 26/2020 on measures to reactivate the economy includes two provisions affecting the electricity sector:

- **Extension of the social bonus until 30 September** for beneficiaries whose entitlement to the bonus was due to expire before that date (this is an extension of two weeks)
- **Supply to domestic consumers in their primary residence may not be suspended for reasons other than security of supply, people and facilities until 30 September** (the deadline for non-suspension ended on 20 June).

In turn, Royal Legislative Decree 30/2020 on social measures to protect jobs, which entered into force on 30 September, **widens the scope of eligibility for the social bonus to include certain groups until 30 June 2021**. The right to receive a social bonus has been given to those consumers who have lost their jobs, been furloughed or seen their working hours reduced because they needed to care for someone, if they are an employer. This is also the case for other similar circumstances resulting in a substantial loss of income to below certain minimum income thresholds, tied to the Public Multiple Effect Income Indicator (IPREM), equal to those applied for the current social bonus. These thresholds are raised for individuals with a disability, victims of gender violence or terrorism, or those who are dependent on a carer, as is the case with the current social bonus.

**RENOVE 2020 Plan call for applications:** The terms of reference have been published for the call for applications for grants under the RENOVE 2020 Plan, which has an initial budget of EUR 250 million. The plan is intended to encourage the replacement of

old and polluting vehicles (cars, vans, heavy vehicles and buses) with cleaner and safer vehicles (electric, hybrid, hydrogen, combustion, LPG and natural gas) with CO<sub>2</sub> emissions not exceeding 120 gCO<sub>2</sub>/km.

**Thermal power plant closures:** Authorisation for the closure of the Velilla, Teruel, Compostilla II, Lada 4, Meirama and Puente Nuevo plants has been issued, allowing a period of three years for total decommissioning in the first case, and four years in all others.

**Ministerial order on the funding of the 2020 social bonus:** Ministerial order TED/788/2020 on the percentage shares of the financing of the 2020 social bonus sets a quota for Iberdrola of 34.402402%, which is 0.22% lower than in 2019.

**Second National Climate Change Adaptation Plan (PNACC) for 2021-2030:** The main objective of this plan is to build a country that is less vulnerable, safer and more resilient to the impacts and risks of climate change. This new plan has been adapted in light of the post-COVID recovery policies.

The Plan is a basic planning instrument for risk management, establishing 81 lines of action in the various socio-economic sectors and organised into 18 work streams, including those concerning Energy: (i) integration in energy planning and management of changes in primary energy supply resulting from climate change; (ii) prevention of impacts of climate change on electricity generation; (iii) prevention of impacts of climate change on energy transmission, storage and distribution; and (iv) management of changes in electricity demand associated with climate change.

## Regulation in the United Kingdom

**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. Ofgem recommended to the Secretary of State in August 2020 that the default tariff cap should be extended for another 12 months into 2021. The Secretary of State is required to respond by 31 October and is expected to follow this recommendation. The CMA's cap for prepayment customers expires at the end of 2020 and prepayment customers will thereafter be covered by the default tariff cap. Ofgem published decisions on various aspects of the price cap methodology in August 2020 which will affect the level of the price cap with effect from Period 5 (October 2020 to March 2021), including a one-off adjustment to the wholesale cost allowance to correct an error in Q1 2019, and a revised allowance for smart metering costs. Ofgem launched a consultation in September 2020 on a potential adjustment to take effect from April 2021 to reflect additional debt-related costs due to COVID -19.

**RIIO-T2.** SP Energy Networks (SPEN) submitted its final RIIO-T2 Business Plan to Ofgem's Challenge Group (CG) on 6 December 2019. Ofgem published its draft determination on RIIO-T2 on 9 July 2020, which proposed unexpectedly tough reductions in totex and allowed rate of return. The draft determination proposes a reduction in the baseline totex allowance for SPT of 30%, from £1,388m to £969m, with part of the difference being transferred to new Uncertainty Mechanisms. It also proposes to reduce the cost of equity to 3.93% CPIH real (55% gearing) down from Ofgem's May 2019 value of 4.8% (60% gearing) and SPEN's Business Plan assumption of 6.5%. With an expected outperformance adjustment of 0.23%, this would result in an allowed equity return of 3.70 (notional gearing of 55%) and a WACC of 2.63% CPIH real. A final decision is expected in December 2020, and the new price control will run from 1 April 2021 to 31 March 2026.

## Regulation in the USA

**New York Public Service Commission (NYPSC) approves Climate Leadership and Community Protection Act:** The NYPSC has concluded its

review of the expected environmental impacts of the Climate Leadership and Community Protection Act (CLCPA). It aims to help the State of New York by imposing by law several ambitious Green New Deal clean energy targets set by Governor Andrew M. Cuomo. The CLCPA will create an orderly and fair transition to clean energy, create jobs and stimulate a green economy.

**Electric Vehicle Programme in NY:** The NYPSC has published an order approving a 'make-ready' programme for the **development of recharging infrastructure with the objective of reaching a volume of 850,000 electric vehicles across the State of New York by 2025.** This order culminates a regulatory process that started with the publication in 2018 of the EV Proceeding, continued with the proposal of the EV Program of NYSEG&RGE in the rate case of New York in 2019, and then the publication of the EV Program Whitepaper by the Department of Public Service Staff in January this year. The publication of the order was not planned until the end of 2020 but has become a priority for the State of New York, leading to the initially planned release date being brought forward significantly.

## Regulation in Mexico

**Agreement to guarantee the efficiency, quality, reliability, continuity and security of the National Electricity System, in recognition of the SARS-CoV2 virus epidemic (COVID-19):** After observing a reduction in electricity consumption resulting from the COVID-19 epidemic, on 1 May the National Energy Control Centre (CENACE) published an agreement to ensure the efficiency, quality, reliability, continuity and security of the National Electricity System. The Agreement established strategies and measures to be implemented during the pandemic that affected Iberdrola México, since it prohibited pre-operational testing of wind farms and solar photovoltaic plants, affecting the PIER and Santiago wind farms for several weeks.

Iberdrola México sought protection (via *amparo*) from the CENACE Agreement and secured definitive

precautionary measures in June 2020, which made it possible to resume the testing of the PIER and Santiago wind farms. The PIER wind farm was brought into commercial operation in August and the Santiago wind farm is expected to be brought into commercial operation in the last quarter of this year. We are currently waiting for the Judge to decide on the merits of the *amparo*.

**National Policy on Reliability, Security, Continuity and Quality of the National Electricity System:**

On 15 May 2020, the Secretary of Energy published in the Official Journal of the Federation the 'Agreement issuing the Policy on Reliability, Safety, Continuity and Quality of the National Electricity System' ('Reliability Policy' or 'SENER Policy'). Implementation of the policy would affect Iberdrola with regard to hedging contracts, existing permits and new applications, as well as the establishment of new interconnection requirements to the detriment of both Iberdrola and all private generators, unjustifiably benefiting the CFE. Due to its importance, note should be made of the constitutional dispute presented by the Federal Commission on Economic Competition (COFECE) to the Supreme Court of Justice of the Nation on 22 June. The Federal Commission was of the opinion that the Reliability Policy violated the principles of competition and free market participation for the participants of the electrical industry. On 29 June, the Supreme Court of Justice of the Nation granted COFECE the suspension of the SENER Policy.

Although this measure does not have a direct and immediate impact on the earnings of Iberdrola México, the company has applied for *amparo* against said Reliability Policy, along with other companies in the sector. In the case of Iberdrola México, we have been definitively granted precautionary measures in order to protect us against the possible implementation of the measure.

**Rates for transmission of electricity generated using renewable energy sources or efficient cogeneration, and the procedure for calculating transmission charges for conventional power:**

In May 2020, the Energy Regulatory Commission

(CRE) approved the increase in the rates for transporting electricity produced using renewables and cogeneration, as well as those for conventional technologies by issuing two resolutions. Iberdrola México has submitted two *amparos* against these two resolutions published by the CRE. With regard to the increase in the rates for transporting electricity produced using renewables and cogeneration, definitive precautionary measures have been obtained that have managed to prevent the new transport rates from applying to wind farms and efficient cogeneration plants, while in the case of conventional transport, the precautionary measures were denied by the judge, in response to which an appeal for review has been lodged. In both cases (rates for transporting electricity produced using renewables and cogeneration and those for conventional technologies), we are waiting for the judge to decide on the merits of the *amparo*.

## Regulation in Brazil

**COVID Account loan:** Following authorisation by the Brazilian Electricity Regulatory Agency (ANEEL), the Electric Energy Trade Chamber (CCEE) transferred BRL 1.664 billion to Neoenergia relating to the COVID Account loan. The group companies received: a) Elektro – BRL 614 million; b) COELBA – BRL 500 million; c) CELPE – BRL 455 million; and d) COSERN – BRL 95 million.

**Elektro rate adjustment:** In August, ANEEL approved the rate adjustment for the distributor Elektro—in force from 27 August—with an average effect of 5.36% for consumers. The funds from the COVID Account loan enabled this effect to be reduced by more than 9%, with a decrease in financial assets and credit valuation adjustments (credits) receivable.

**Transmission auction:** In August, ANEEL's Management Board approved transmission auction No 1/2020 scheduled for 17 December 2020. Eleven lots will be auctioned across nine states for a total of 1,958 km of new transmission lines, adding new capacity of 6,420 MVA and with a planned investment of around BRL 7.4 billion. Transfers of control of the

successful bidders will be prohibited before the assets are commissioned.

**Hydrological risk:** In September, Law No 14,052 was enacted, establishing, among other provisions, the conditions for bringing to an end the legal dispute concerning the allocation of BRL 8.7 billion of costs related to hydrological risk in the short-term market to generators (generation scaling factor). The law introduces compensation to hydroelectric generators by extending their concessions, provided they agree to withdraw their lawsuits. The extension of the concessions will be regulated by ANEEL, which must submit a proposal within 120 days.

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## Regulation in the European Union

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**Recovery Plan:** On 17 September 2020, the European Commission published Communication COM(2020) 575 on sustainable growth for 2021, providing guidelines and recommendations for **the presentation of Member States' plans to access the Recovery Plan funds (EUR 672.5 billion)**. The plans must guide their programmes towards economic transitions (especially energy and digital) and in particular **to achieving the objectives of the integrated national energy and climate plans (INECPs)** (a minimum of 37% should be earmarked to achieve climate objectives).

- The objectives are based on the targets set in the **Green Deal 2030** strategy, but for the period 2021-25.
- Member States must **submit a draft to the EC in October**, with plans scheduled for approval in April 2021. Funds will begin **to be received from June**.
- The Recovery Plan follow-up report will be produced in conjunction with the INECP compliance review and **coinciding with the 'European Semester'**, at the end of the first semester of each year together with the analysis of the evolution of each Member State's imbalances.
- **The European Union's financing mechanism for renewables:** On 15 September 2020, the European

Commission published in the Official Journal of the European Union, Commission Implementing Regulation (EU) 2020/1294 approving the EU renewable energy financing mechanism (URFM). This mechanism is provided for in the Clean Energy Package. The purpose of the regulation is to define the mechanism's functions, objectives and basic design.

# Iberdrola and Sustainability

## 1. Sustainability indicators

Iberdrola's contribution to sustainable development is materialized through social responsibility practices that meet the needs and expectations of its stakeholders, with whom the company maintains a set of communication and dialogue channels through which it achieves: communicating objectives, actions and achievements in the three aspects of sustainable development (economic, environmental and social), and receiving evaluations and requests from stakeholders.

Sustainability Indicators	9M 2020	9M 2019
Contribution to GDP (Gross Margin) (*)	0.60%	0.51%
Contribution to GDP (Net revenues) (*)	1.23%	1.27%
Net Profit (EUR million)	2,681.0	2,560.9
Dividend yield (%)(**)	3.85%	3.73%
CO <sub>2</sub> emissions over the period (gr. CO <sub>2</sub> /KWh): Total	98	108
CO <sub>2</sub> emissions over the period (gr. CO <sub>2</sub> /KWh): Spain	76	98
CO <sub>2</sub> emissions over the period (gr. CO <sub>2</sub> /KWh): UK	-	-
CO <sub>2</sub> emissions over the period (gr. CO <sub>2</sub> /KWh): US	51	70
CO <sub>2</sub> emissions over the period (gr. CO <sub>2</sub> /KWh): Brazil	39	59
CO <sub>2</sub> emissions over the period (gr. CO <sub>2</sub> /KWh): Mexico	325	325
Emission-free production: Total (GWh)	67,776	61,655
Emission-free production: Spain (GWh)	35,913	33,854
Ratio emission-free production to total production: Total (%)	75%	73%
Ratio emission-free production to total production: Spain (%)	83%	78%
Emission-free installed capacity: Total (MW)	37,037	34,264
Emission-free installed capacity: Spain (MW)	19,889	19,264
Emission-free installed capacity: Total (%)	79%	76%
Emission-free installed capacity: Spain (%)	77%	74%

Note: Third-party capacity and production not included

(\*) Source: Iberdrola Results and National Quarterly Accounting for Spain – INE (Last data published in Q2 2020)

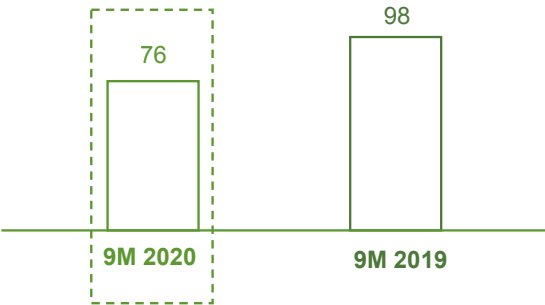
(\*\*) Dividends paid in the last 12 months and Shareholder' Meeting attendance bonus/price at the end of period.



**SPAIN: Development of specific thermal mix emissions, Global: CO<sub>2</sub>, SO<sub>2</sub>, particles and NO<sub>x</sub>.**

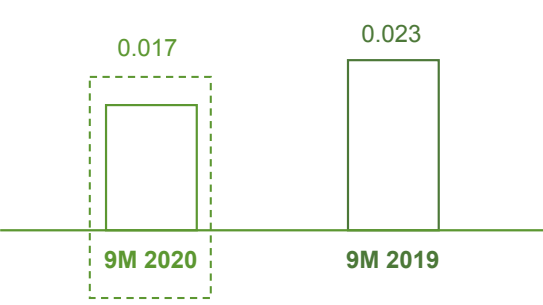
CO<sub>2</sub> specific emissions mix, GLOBAL

(g/kWh)



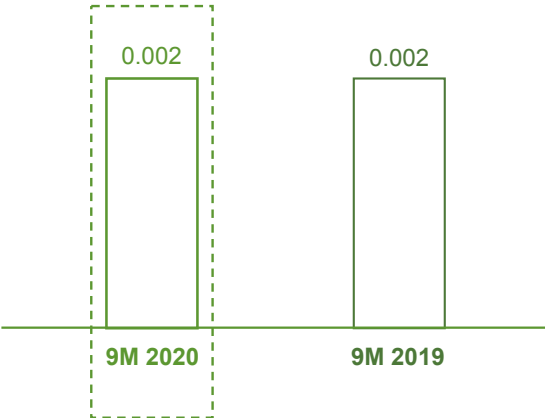
SO<sub>2</sub> specific emissions mix, GLOBAL

(g/kWh)



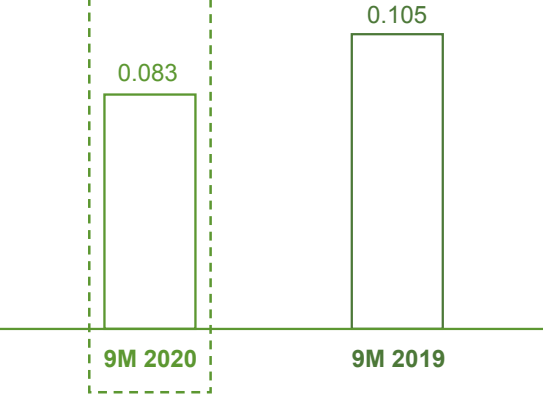
Specific particulate emissions Mix GLOBAL

(g/kWh)



NO<sub>x</sub> specific emissions mix, GLOBAL

(g/kWh)

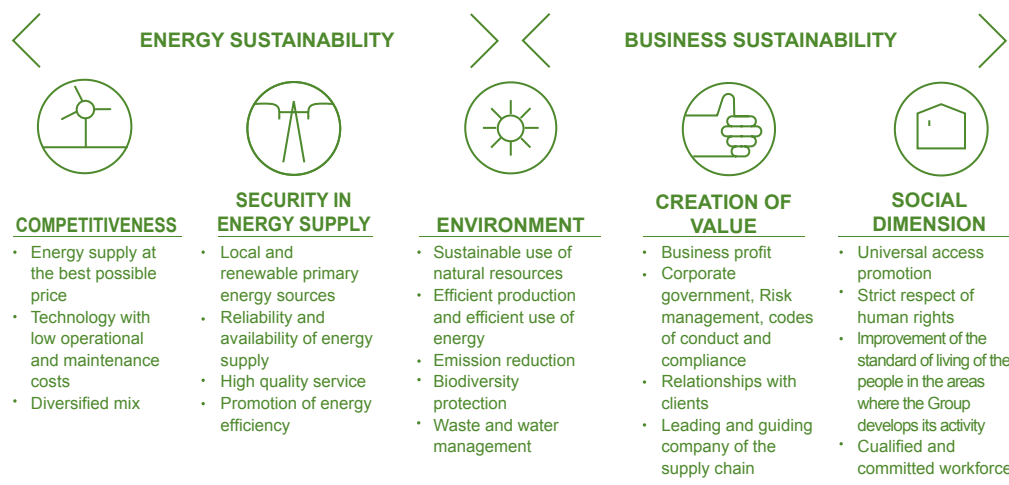


## 2. Index, rankings and recognitions

### 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-ekom	Iberdrola selected as Prime
FTSE4Good	Selected for 10 years
Bloomberg Gender Equality Index 2020	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
2020 World's Most Ethical Company	Iberdrola selected, Only Spanish utility
ECPI	Iberdrola selected in several Sustainability Indices
STOXX	Iberdrola selected in STOXX Global ESG Leaders and in several Sustainability indices
EcoAct	Iberdrola first Spanish company and first utility in the ranking
Influence Map	Iberdrola in the top 10 best qualified companies
MERCO 2019	mercoEmpresas: Leader among Spanish utilities: energy, gas, and water industry
standar ethics	Iberdrola included in the SE European Utilities Index
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
Brand Finance	Iberdrola among the 500 most valuable brands globally
WDi	Iberdrola 2019 disclosure score above the average
Fortune Global 500	Iberdrola selected

### Sustainability Management Policy



### 3. Contribution to society

Iberdrola's most outstanding actions and initiatives in response to the COVID-19 pandemic have been as follows:

#### 3.1.- Iberdrola, model of responsibility amidst the global health crisis

- **First multinational company of the IBEX 35 to certify its COVID-19 action protocol with AENOR**

Iberdrola is the first multinational company of the IBEX 35 whose protocol for COVID-19 has been certified by AENOR in accordance with the legal requirements established by the competent authorities and the best sector recommendations and guidelines. This certificate constitutes an endorsement of the action protocol put in place by the company for the coronavirus pandemic to ensure both the continuity and quality of the electricity supply and people's health and safety.

- **Iberdrola has donated essential medical equipment worth EUR 23 million**

Iberdrola has secured and delivered to the Spanish authorities an initial purchase of essential medical supplies worth EUR 23 million. By contributing all these essential medical supplies, Iberdrola will be helping to mitigate the impacts of this pandemic. The company has rolled out this initiative in close coordination with the Spanish authorities and other leading companies. At the same time, Iberdrola's subsidiaries are carrying out other local initiatives: NYSEG and RG&E have donated USD 275,000 to support the response of food banks in New York State to the crisis, and Avangrid has launched a campaign to increase donations. Meanwhile, Iberdrola Mexico has delivered 33,300 face masks to the state of Oaxaca. For their part, Neoenergia and companies in Brazil's electricity sector have joined forces in a campaign to raise funds to support the production and purchase of diagnostic equipment. Also, interns at ScottishPower have also worked as volunteers to keep elderly people connected and distribute the products they need.

- **Iberdrola: the utilities company with the strongest social commitment against the pandemic**

Iberdrola is the electricity sector company that has shown the strongest commitment and level of social responsibility during the health crisis. It is also one of the five leading companies in Spain for its actions in this regard, according to a special report from Monitor Merco. The evaluation carried out among more than 2,000 members of the public and 250 experts took into account factors such as maintaining jobs, the protection of workers, donations to the health system, support for essential services and collaboration with solidarity initiatives.

- **Iberdrola purchases an additional EUR 4 billion from suppliers**

Fully aware of the impact of the health crisis caused by the COVID-19 coronavirus, and given the Company's strategy of undertaking unprecedented levels of investment in 2020, Iberdrola decided to purchase more from its suppliers since mid-March, thus helping to maintain industrial activity and protect hundreds of thousands of jobs. The Company has placed orders worth nearly EUR 4 billion from over 10,000 suppliers during the first quarter of the year – twice as much as in 2019. By picking up the pace of these purchases of equipment, material, work and services, the Group has been effectively protecting 700 full-time jobs each day.

- **Iberdrola is part of 'Energía Positiva+', which will invest EUR 4 million in innovative projects to contribute to the economic and social recovery from coronavirus**

The Energía Positiva+ platform estimates an initial investment of EUR 4.19 million in the 14 start-ups selected from the contest launched in April. The initiative, which received nearly 400 proposals in only 13 days, was brought to a successful close on 19 April and some of the finalists were announced during the virtual event Energía Positiva+ Demo Day. Their projects were centred on the social impact of COVID-19, decarbonisation, renewable energies, energy efficiency, storage, sustainable mobility and the circular economy.

- **The Iberdrola SuperA awards broaden their scope with the SuperA+ category for projects carried out during the COVID-19 crisis**

Iberdrola has decided to create a new, SuperA+ category for projects carried out in relation to COVID-19. The new category will acknowledge and support the best solidarity initiative carried out during the COVID-19 crisis by sportsmen and women, federations or other entities related to the world of sport. It will carry an award of EUR 50,000, the same as the other five categories, which will go to the best sporting initiative for solidarity purposes carried out during the pandemic.

- **Seventh Carrera MasLarga race against cancer and COVID-19 beats record for participation**

The seventh Carrera Madrid race against cancer reached the finish line with a record participation of nearly 10,000 charity runners. Organised by the Spanish Association Against Cancer (AECC) and with Iberdrola as the main sponsor, the race raised more than EUR 60,000, which will be donated to care for cancer patients affected by COVID-19.

- **Iberdrola employees create a special volunteering network in the wake of COVID-19**

Iberdrola employees have set up a network of volunteers to manufacture protective screens using 3D printers, sew masks, donate production material and also manage the delivery of snorkelling masks to hospitals. Nearly 2,000 Iberdrola employees and their families are also taking part in volunteering initiatives to help mitigate the side effects that the disease and the lockdown are having among the elderly and people with disabilities by writing letters, donating tablets, sending messages of support or talking to them over the phone to check that they are okay each day. The company has also launched a new edition of 'Operation Kilo', which this time involves donating a kilo of aid that will take the form of food vouchers for the children of the charity Aldeas Infantiles. Iberdrola has also delivered the first 1,000 face masks adapted for deaf people. The interns at ScottishPower Energy

Networks are also working as volunteers to keep older people in Glasgow connected and distribute any products they may need. Other volunteers have also participated supporting the management and distribution of ventilators donated to hospitals throughout Spain.

- **Neoenergia launches online platform to prevent the spread of COVID-19 among employees**

Neoenergia has recently embarked on a project to prevent the spread of COVID-19 among its more than 12,000 employees across 18 states in Brazil, through the HealthCheck platform. The tool was initially available to employees of Cosern – the distribution company in Rio Grande do Norte – and will now be used by all the company's staff.

### 3.2. Recognition of Iberdrola's excellent performance

- **Ignacio Galán, among the 10 most influential world leaders in the fight against climate change**

Ignacio Galán is now among the top 10 of the 30 most influential people, organisations and trends worldwide in the fight against climate change, as ranked by the international agency Bloomberg. He is referred to as "one of Spain's most influential executives and one of the most outspoken on climate issues". Bloomberg highlights the transformation our company has undergone on the path to becoming "the world's largest wind power generator", with a presence in 30 countries. It states that "Galán is proof that large companies can cut emissions and remain profitable".

- **Iberdrola: the only European utilities company 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 utilities company 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.

- **Iberdrola receives Social Silver Medal from the Ministry of the Interior for its collaboration during the pandemic**

Spain's Ministry of the Interior has awarded Iberdrola the Social Silver Medal for its collaboration with Spanish penitentiary institutions during the state of alarm decreed due to the coronavirus health crisis. The accolade acknowledges Iberdrola's initiative to assign some of its medical personnel to state prisons, with the aim of strengthening medical teams in prisons.

- **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 newspaper for his long and successful career.

- **In Davos, Ignacio Galán highlights electrification as a key factor in the success of the EU's Green Deal**

During his address at the fiftieth edition of the World Economic Forum in Davos, Ignacio Galán stated that "electrification will be key to the success of Europe's Green Deal, encouraging European utilities to almost double investments in the coming decades". He claimed that while it certainly remains a huge challenge, "everyone will benefit: customers will have better service and more options to choose from; jobs will increase and be more skilled; suppliers will have increased workloads; and shareholders will see their investments grow".

- **Ignacio Galán: Best Executive of Castile and Leon**

The chairman of Iberdrola, Ignacio Galán, has received the Honorary Award of the 7th Awards for the Best Executive of Castile and Leon, organised by Castilla y León Económica.

- **Iberdrola: the company with the greatest corporate leadership in defence of climate policies**

The leading international coalition in defence of climate action from a corporate perspective, We Mean Business, has presented a study on success stories of private sector support for climate policies ('Climate Leadership Now'). The study concluded that Iberdrola demonstrates the best business leadership combined with its commitment to the climate policies it supports, along with its intense efforts to support an ambitious approach, according to the diagram on responsible behaviour in climate policies developed by Influence Map: an organisation dedicated to the systematic research and monitoring of companies' positions regarding climate action.

- **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 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, a total of 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 eleventh year in a row**

Iberdrola has been included for the eleventh consecutive year in the prestigious FTSE4Good international index, established to drive investments in the world's most sustainable companies. Inclusion in the FTSE4Good Index reaffirms 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.

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

Iberdrola has improved its score in the Study on the Sustainability Reporting Performance of the IBEX 35, prepared by the consultancy EcoAct España, ranking second among the companies in the Spanish index. Its success stems from the level of detail and transparency shown when preparing and publishing its 2019 Non-Financial Information Statement (EINF) - Sustainability Report and the company's website. Iberdrola ranked fifth in the Global Top 10 of companies with the best environmental performance.

- **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 included in the Institute's ranking.

- **Iberdrola included in the Global 100 Most Sustainable Corporations index**

Once again, Iberdrola has been included in the Global 100 Most Sustainable Corporations index, compiled and released by Corporate Knights each year. The company has been named one of the 100 most sustainable companies in the world and is the only Spanish company to earn this distinction. Corporate Knights appraises aspects such as the relationship between revenue and tonnes of CO2 emitted, and the percentage of women on the Board of Directors.

- **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.

- **ScottishPower receives award for integration of SDGs into its business strategy**

At the virtual event RELX SDG Inspiration Day, ScottishPower received the 2020 Customer Award, which recognises leadership in fulfilling the UN's Sustainable Development Goals (SDGs). The judges took account of the goals' integration in the ScottishPower business strategy and recognised its commitment as a responsible and sustainable company, along with its environmental management, which have both been certified under the standard ISO 14001.

- **Neoenergia receives the Golden Seal for greenhouse gas inventory transparency**

Neoenergia has been handed the Gold Seal for the transparency shown in preparing its greenhouse



gas inventory, Greenhouse gas inventories help when developing new emission reduction strategies and assessing the impact of those already in place.

- **Iberdrola Mexico recognised for its social responsibility practices**

The award is given for actions, projects, programmes or processes that contribute to business success and social, economic and environmental sustainability.

The recognition reaffirms Iberdrola Mexico's social commitment and its involvement in environmental protection, while highlighting the positive impact of the company on the communities in which it operates.

### 3.3. Contribution to achieving the Sustainable Development Goals

#### SDG 7 (Affordable and clean energy) and SDG 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 participates in New York Climate Week**

Iberdrola attended this summit with the conviction that the recovery can only be green and pledged to developing a more robust, sustainable and resilient economy.

The group's chairman, Ignacio Galán, has signed the Statement from Business Leaders for Renewed

Global Cooperation championed by the United Nations Global Compact to foster multilateralism to move towards a more equitable, inclusive, and sustainable world. Ignacio Galán participated in the Private Sector Forum organised by the UN Global Compact, at which he stated: "I only know one way to get over the crisis: by investing more in sectors with a future and becoming more productive and efficient. The recovery plans announced in Europe and the rest of the world have two clear priorities: the Green Deal and digitalisation. But we have to speed things up", he concluded.

- **Iberdrola supports 'Race to Zero', a global alliance for achieving a carbon-neutral economy by 2050**

Iberdrola, as a leader in the struggle against climate change, and to support the global climate agenda, has joined the "Race to Zero alliance organised by the United Nations with the aim of mobilising and joining forces among cities, regions, companies and investors to build a carbon-neutral recovery that is healthier and more resilient. The ultimate goal of the initiative is to achieve an emission-neutral economy before the end of the year 2050.

- **Iberdrola to commission largest green hydrogen plant for industrial use in Europe**

Iberdrola will construct the largest green hydrogen plant for industrial use in Europe employing a solution that combines a solar photovoltaic plant, a battery bank and a system for producing green hydrogen by electrolysis from 100% renewable sources. The budget for the project totals EUR 150 million. This initiative will generate up to 700 jobs and avoid emissions of 39,000 tCO<sub>2</sub>/year.

#### SDG 17 (Partnerships for the goals)

- **Iberdrola in the CEO Alliance, unlocking synergies for an emissions-free future**

Ignacio Galán and the top executives of 11 other European companies have joined forces for an emissions-free future and a more resilient Europe through the European CEO Alliance: an initiative

that supports the objectives of the Paris Agreement for 2050, the EU Green Deal and greater ambition for the Union's climate objectives, Member companies, from key industrial sectors, have decarbonisation plans in place with a total budget of over EUR 100 billion in the coming years to meet European targets. They generate upwards of EUR 600,000 million in revenues per annum and employ 1,7 million workers.

- **Iberdrola supports EU's greater climate ambition and joins calls to raise 2030 emissions reduction targets**

Iberdrola, along with more than 150 leading companies in its sectors, has signed a statement calling for the worst effects of climate change to be avoided and supporting a sustainable and competitive economic recovery. Iberdrola and its chairman's support for this statement demonstrates their commitment to climate ambition and the green recovery.

- **Iberdrola at the world summit to reignite investments in the energy sector**

The International Energy Agency has brought together 40 ministers and a select group of business leaders to discuss how to drive the recovery by accelerating the energy transition. During the summit, Ignacio Galán stated that: "We will need significant investment in infrastructure (networks and storage) to enable us to integrate this new renewable energy into the system, in order to maintain stability and security of supply". In this sense, "it is essential to have long-term remuneration periods and stable and predictable regulations to allow us to safely develop the technology we already have".

- **Iberdrola joins the Business Leaders for Renewed Global Cooperation initiative**

Iberdrola has signed a statement from business leaders for renewed global cooperation on the occasion of the 75th anniversary of the United Nations, calling for international cooperation to be mobilised across borders, sectors and generations to adapt to changing circumstances.

## SDG 12 (Responsible consumption and production)

- **Iberdrola presents the 2019 Supplier of the Year awards**

The Company has recognised the commitment of its suppliers in Spain, Brazil, Mexico and the United Kingdom in the realm of excellence, sustainable development, quality, internationalisation, innovation, corporate social responsibility, job creation and occupational risk prevention, among others.

## SDG 4 (Quality education)

- **Iberdrola announces 46 grants to pursue Master's degrees in five countries for the 2020-21 academic year**

Iberdrola has launched a new call for Master's degree scholarships and another for research grants for the 2020-21 academic year, with the aim of promoting excellence in the education of new generations and their employability in strategic innovation and technological development, both of which play a central role in the fight against climate change. This year, the Group will award a total of 46 grants for a grand total of EUR 1,5 million to Spanish, British, American, Mexican and Brazilian students.

- **EducaClima, Iberdrola's climate change education platform**

Just over a year ago, Iberdrola launched EducaClima: an online platform offering free educational resources on climate change to work on environmental concepts in schools, in order to achieve a more sustainable world and curb climate change.

## SDG 3 (Health and well-being)

- **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.

### SDG 5 (Gender equality)

- **The Universo Mujer tour backed by Iberdrola premiers digital version**

The programme, which is part of Universo Mujer (Women's Universe) of the National Sports Council (CSD) of the Fundación Deporte Joven and backed by Iberdrola, has adapted the project to a new audio-visual and digital format. The objective of the Universo Mujer Tour remains the same: to support women's participation in the world of sport and recognise their work and success, but it has adapted its format so as to pursue it on a digital basis. This new online event aims to further project the image of women as an active and vital part of sport in Spain.

- **ScottishPower 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.

### 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 Nations' 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 9 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 (Reduced inequalities)

- **The agreement between Iberdrola and Navantia will provide jobs to more than 2,000 people**

Iberdrola's awarding to Navantia for the building of 62 jackets for the offshore wind farm at Saint-Brieuc, in French Bretagne is the largest contract signed in offshore wind energy, generating more than 2,000 direct jobs. Nearly 1,000 of these will be jobs generated in Navantia-Windar in Galicia and Asturias, and more than 1,100 in a number of companies in France. The agreement includes the manufacture of the jackets by Navantia in its own facilities and of the piles by Windar in the city of Avilés.

- **Iberdrola employs over 34,500 people** and generates some 400,000 indirect jobs. In 2018, it contributed more than EUR 31.1 billion to gross domestic product (GDP). According to the Iberdrola Impact Study drawn up by PwC and based on 2018 data, the Company generates between EUR 9 and 10 of GDP for every euro it invests in the regions in which it operates, including both direct and indirect impacts.

### 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.

- **Iberdrola strengthens its sustainable mobility plan:** by allocating more investment – a total of EUR 150 million – to intensify the deployment of 150,000 electric vehicle charging stations over the coming five years. The company has included the electrification of transport within its strategy of transitioning towards a decarbonised economy supported by renewable energies and smart grids. To achieve this, it will focus on ramping up its plan to install charging infrastructure across Spain, while also extending the initiative to other markets in which it operates, such as the United Kingdom, Portugal and Italy. The group has begun to deploy what it has called Premium Stations, which have super-fast recharging points, along one of the main transport corridors of the peninsula (the A5 or Southwest Motorway and the Silver Route).

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

- Committed to the preservation of healthy ecosystems as a key element for sustainable growth, Iberdrola **has taken more than 1,450 actions related to the protection of biodiversity in the past two years.** This is shown in its Biodiversity Report 2018-2019, which was published on World Environment Day. These practices reflect the Biodiversity Policy approved by its Board of Directors, the ultimate objective of which is the preservation of biodiversity in the planning and subsequent execution of all the company's actions. In order to make progress in this area, Iberdrola has taken on the commitment of achieving zero net loss of biodiversity by the year 2030.

#### 3.4. Volunteering programme initiatives

The Iberdrola Volunteer Programme is organised through the *International Volunteer Portal*. Training and awareness projects to improve employability in underprivileged groups have been adapted to an online format to prevent them being interrupted. Highlights in this period:

- **Iberdrola involves 4,000 employees in International Volunteer Day:**

Iberdrola has completed a week of events, related to International Volunteer Day, which this year and despite the unusual circumstances due to COVID-19, involved more than 4,000 employees from 10 countries in which it operates. Over the week, staff from Spain, the United States, Mexico, Brazil, the United Kingdom, Ireland, Greece, Italy, Belgium and Portugal came together under the slogan 'Together we continue to build the world we want' to carry out more than 60 solidarity initiatives related to environmental protection, the inclusion of vulnerable groups and the social emergency, especially helping vulnerable families as children return to school with donations of food packs and school kits. Iberdrola volunteers and their families also helped other vulnerable groups, such as people with disabilities and the elderly, who are suffering most from the lockdown. This year, the restrictions imposed to control the pandemic required changes to the way the volunteers worked, with much of this work moving online. In Spain, volunteers participated in actions such as; charity runs; reforestation work; building shelters to protect endangered species; observing and registering birds; creating toys to develop the cognitive functions and psychomotor skills of people with intellectual disabilities and the elderly; sports workshops; inclusive leisure activities; storytelling using easy reading techniques; and offering support to the elderly and people reliant on carers to mitigate the emotional effects of the lockdown. In Mexico, Brazil, the United Kingdom and the United States, employees collaborated on global and local projects, focusing on the reforestation of natural spaces, environmental protection awareness, boosting social inclusion and providing help during the social emergency, especially with essential food and education. They also participated in various sponsored runs, raising funds for every kilometre completed to buy food parcels for at-risk families.

- **Lights, camera, action!** A new round of this project in digital format, in partnership with the Tomillo Foundation, to improve the education and job prospects of 14- to 18-year-olds on basic vocational training programmes with a history of academic failure.
- A workshop on digital tools and meeting basic needs using IT, as part of the **Iberdrola with refugees** project, which is now online.
- **INVOLVE** (International Volunteering Vacation for Education) Initiative, This volunteer programme to help young people has been adapted to a digital format, An international team of volunteers will train young people from Brazil and Mexico at risk of social exclusion to use IT tools and web applications, through training pills and online mentoring to improve their employability.

- More than 80 volunteers from all over the world joined the Div Band to play the song 'A Tu Lado', and thanks to the views of this **charity video clip** we have managed to help 22,000 children by providing them with essential equipment to protect them against COVID-19.

### 3.5. 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 STREAMS	SDGs
1. Support training and research in general, prioritising innovation to contribute to energy sustainability.	Training and research	
2. Support environmental protection and the improvement of biodiversity to actively contribute to the fight against climate change.	Biodiversity and climate change	
3. Protect and safeguard artistic and cultural heritage, promoting conservation and restoration, as well as supporting local development.	Art and culture	
4. Contribute to sustainable human development, supporting the most vulnerable individuals and groups.	Social action	
5. Promote alliances that make it possible to carry out actions to reach the SDGs associated with the foundations' activities in the local context	Alliances to achieve the SDGs	

The most significant initiatives in the first nine months of 2020 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 quarter on the call for applications for scholarships and grants:

- **Binghamton University Foundation – Senior Capstone Projects (New York):** Supporting projects to design the capstone at the Watson School of Engineering, involving energy and environmental projects.
- **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.
- **Henry Ford Museum - Invention Convention Worldwide (National):** ICW is a coalition of global affiliates that teach students real-world problem-solving and creative thinking skills through education in invention and entrepreneurship.
- **Monroe Community College Foundation - Scholarships (New York):** Funding students' higher education to help them achieve their ambition to find a skilled job.

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

- 20 grants for energy and environmental research, 20 researchers selected.
- 2 Fulbright grants,
- Three grants for restoration and conservation at the Prado Museum,
- One international grant for restoration and conservation at the Prado Museum.
- Two grants for restoration and conservation at the Bilbao Fine Arts Museum.
- 11 Paralympic grants.

Language Immersion Programmes in English, which aim to teach English to school students in their third and fourth years of compulsory secondary education, The Ministry of Education of various autonomous communities in Spain select students to take part in the programme, It follows objective and impartial selection criteria based on the academic merits and economic resources of the candidates, though with priority given to students from rural areas, since they

typically have the hardest time in accessing this type of education, Iberdrola opens the doors of its facilities over the summer and Easter periods as a venue for these courses in Castile-Leon, Extremadura and Medina-Sidonia.

### **Iberdrola Foundation Mexico:**

- **STEM Impulse:** Educational development of the south-southeast, encouraging younger students to study engineering careers, especially women.
- **Altamira Grants:** Support for underprivileged students with an excellent academic record to continue their studies at the Altamira campus of the Monterrey Institute of Technology,
- **Young People Building the Future:** A programme led by the **Ministry of Labour and Social Welfare** to provide training opportunities for young people between the ages of 18 and 29.

### **Instituto Neoenergía**

The ***Balcão de Ideias e Soluções Educativas*** (Educational Ideas and Solutions Platform) project created the web page 'Education in times of pandemic': a special space on the Balcão de Ideias online platform for teachers and school managers from all over Brazil to share best learning practices and find information on upcoming education events, such as webinars or content including news, books, courses, links to other websites, supporting Brazilian education professionals.

Because of the pandemic, teacher and manager training was moved onto a digital platform, Around 450 teachers and managers are receiving support through the digital training.

### **SPW Foundation:**

- **Bright Sparks:** A project for secondary school pupils in Wales, which uses interactive techniques to develop STEM knowledge and improve personal skills, thereby enhancing their employability,
- **Haringey Pirates:** A project to improve the literacy, confidence and engagement of underprivileged young people in Tottenham, London.

- **Spina Bifida Hydrocephalus Scotland 'Moving on up'**: The 'Moving on up' project of SBH Scotland works to provide support, guidance and promotion to children from ages 0 to 18 with spina bifida and/or hydrocephalus and to their parents.

## B. Biodiversity and climate change

In this work stream, 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.

**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.

Along with SEO/Birdlife's MIGRA programme, the parties have compiled the results of the process of fitting 79 white storks with GPS tags in Spain and Central Europe over seven years, with nearly three million locations shown. The initiative has revealed that the white stork has adjusted its migration patterns in recent decades in response to global man-made changes that have opened up new habitats in which to feed in winter. Now, adult white storks spend their winter in Spain and feed mainly in rubbish dumps and paddy fields, while the young continue to migrate to the Sahel, thousands of kilometres away from their nests.

The results of the 'Study on the effects of climate change on bearded vulture numbers in the Central Pyrenees' have now been presented in partnership with **Fundación para la Conservación del Quebrantahuesos** (Bearded Vulture Conservation Foundation). The scientists already proved the presence of insect vectors capable of transmitting avian malaria during an initial phase of the project, and have now confirmed the presence of the parasite that causes avian malaria among the insects to have been captured in the territories and during the breeding season of the bearded vulture. This shows that the bird, which is listed as an endangered species in the European Union, is effectively exposed to the disease.

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:

- In the first phase of the project, during 2019, the magnitude of thermal stress and its harmful effects on the ability of the immune systems of our endangered birds of prey to adapt were demonstrated, particularly affecting native sedentary species such as the Iberian Imperial Eagle,
- In the second phase of the project, research has focused on whether the proven damaging effects of heat waves on the immune system can actually weaken the defences of our endangered birds of prey against bacterial and viral diseases,

This project has run 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).

Following the signing of new agreements for reforestation projects in Cadiz and Albacete, the Sierra del Retén military training area project kicked off on 23 July 2020, while work is currently being carried out at the Albacete firing range, Chinchilla,

The Campaign for Steppe Birds together with SEO/Birdlife aims to launch a campaign to save agro-steppe birds by gathering intensive field data during the breeding period to locate as many nesting sites as possible of these species in decline, and identify those located in places affected by farming operations that may endanger the nesting of these birds. The report was presented with the results of this collaboration in September 2020,

At the Albacete Wildlife Recovery Centre, Iberdrola Foundation Spain has donated a digital radiographic imaging device to improve the work carried out by those working at the centre. It will allow for faster



diagnostic testing of injured animals, while providing a broad database of results and helping to reduce the quantity of chemicals otherwise used in non-digital radiography.

The LIFE project Wetlands for Future, in partnership with SEO Birdlife, aims to restore three wetlands in the regions of Valencia, Cantabria and Castile and León. The project will run for four years. The second round of the project was launched last July, and we are currently awaiting the results of the call for bids.

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

- **Youth Climate Ambassadors 2020: Taking the voices of the young people of Wales to world leaders at COP26:**

The Youth Climate Ambassadors 2020 will enable last year's cohort of Climate Change Champions to design an innovative and unique programme of MockCOP events for 2020. This will include at least two MockCOP events in Wales in the period leading up to COP26, involving more young people in the programme and giving them a voice on climate change, in addition to an exciting event at COP26 to give the young people of Wales a platform to make a commitment with climate change leaders from throughout the world.

- **Edinburgh – a Swift City:**

The number of swifts has declined by 57% in less than 30 years. A swift official will work with the community to set up a baseline of the number of swift nests in Edinburgh and work with communities to develop “swift streets” by encouraging public and private buildings to install swift boxes.

- **Saving the Great Yellow Bumblebee:**

Work in Scotland to protect endangered populations of one of the United Kingdom's rarest species of bee. The project has four main objectives: 1. Determine the current distribution and population of the great yellow bumblebee in Scotland 2. Increase awareness of the needs of the great yellow bumblebee and its use of the habitats where it lives 3. Create better

habitats for the great yellow bumblebee through agro-environmental funding, cultivation initiatives and/or volunteering measures. 4. Develop relationships, contacts and key networks with stakeholders in the areas of the great yellow bumblebee.

- **Generation Wild:**

The objective of the Generation Wild project is to provide children throughout the United Kingdom, especially in economically underprivileged communities, opportunities to experience and interact with wetlands and their wildlife. In visits to local centres for the preservation of the wetlands, children will take part in a series of “wild experiences”, such as the building of dens, tree climbing, wading in pools, barefoot hikes and feeding birds by hand.

- **On-site and Mobile Planetaria for Earth and Space Observation:**

Dynamic Earth is a charity science and educational centre committed to involving people of all ages and backgrounds. Our funding will help create a new, cutting-edge Planetarium in Dynamic Earth; and a Mobile Planetaria dissemination programme that will transform the way we inspire diverse audiences with our planet and the environmental challenges we face.

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

- **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.

- **Gulf of Maine Research Institute (GMRI) - Advancing Ocean-Climate Research: Strengthening community capacity for science-based decision making:** This five-year collaboration, with a conditional donation of

250,000 dollars will support progress towards the objectives of interdisciplinary research in the ocean sciences, fishery management and the resilience of companies and communities, with a focus on community participation and the social impact.

- **Rochester Museum and Science Center (New York):** Through a long-standing partnership with the Rochester Museum of Science (RMSC). This grant will provide support for STEM (science, technology, engineering and mathematics) and other educational activities as part of the “Curiosity Camps” at the RMSC (which are there to motivate local children to learn more about these subjects).
- **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.
- **Educational Outreach Programme – Climate Change Educational Programming:** This project brings together two lines of work concerning equitable impact and dealing with environmental and climate impacts, as well as boosting access for students from rural and disadvantaged areas to participate in scientific education programmes, giving them the opportunity to engage in practical STEM experiences,
- **Power the Future Programmes – Ithaca Sciencenter Discovery Museum:** The Sciencenter offers more than 250 interactive indoor and outdoor exhibitions that invite visitors to explore, build, experiment and create while learning about physics, engineering, biology, astronomy and many other topics related to science, technology, engineering and mathematics.

### Iberdrola Foundation Mexico

- **Fernandez Canyon Conservation:** State Park Conservation Programme to protect its thousand-year-old Sabino forest ecosystem.
- **Mangrove Conservation:** A programme to re-establish the ecosystem of the Estero tick in Altamira, safeguarding the flora and fauna in the area.

- **Big cat protection:** A programme to support the conservation of big cats in the Altamira region.

Instituto Neoenergía in Brazil is making good progress with the **Flyways Brasil** project, now in its third phase. In addition to technical work, it will involve a stronger commitment to and awareness of the community and of the people who live in this ecosystem. Despite the pandemic, the technical-scientific work on migratory and wader birds continues, although due to social distancing, activities with the local communities have been suspended.

Another of Instituto Neoenergía's projects is **Project Coralizar** (Coralise Project) 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 species depend on for survival. The project also has a stream of research to devise a method for restoring coral reefs that is being developed and tested in natural pools in Ipojuca, Pernambuco.

Continuing its work to protect Brazilian biodiversity, Instituto Neoenergía released an emergency budget for the Pantanal region, which suffers from major fires and where studies show that about 17% of the region has already been devastated by fire. To minimise the effects of the disaster, Instituto Neoenergía made a donation to the NGOs Instituto Arara Azul and SOS Pantanal, which contribute directly to helping wild species and communities living in the region.

### 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:**

- **Yale University – Institute for the Preservation of Cultural Heritage (IPCH) (Connecticut):** Support

for the Institute for the Preservation of Cultural Heritage at Yale University, one of the world's leading university institutions when it comes to the restoration and preservation of artistic and cultural heritage.

- **Northeast Indiana Foundation (Indiana/Ohio):** A professional artist and team in each county in northeast Indiana will create a mural on the side of a previously approved building. The accompanying activities and events will take place over 11 days, and the festival will culminate with the presentation and celebration of the artwork and award presentations.
- **Connecticut Women's Hall of Fame (Connecticut):** Connecticut Women's Hall of Fame is Connecticut's main resource chronicling the history of prominent women from Connecticut. CWHF's mission is to publicly honour the women of Connecticut, tell their stories, educate the public and inspire ongoing achievements by women and girls.
- **Adams Suffrage Centennial Celebration Committee, Town of Adams (ASCCC) (Massachusetts):** In 2020, the Avangrid Foundation will honour diversity and inclusion, focusing on women and girls, through a series of partnerships across the county.
- **Evicted (National, UIL):** The Avangrid Foundation will launch a new partnership with the historic Harriet Beecher Stowe House in Hartford, CT in order to bring the exhibition to CT this autumn. Other activities are under consideration.
- **Shubert Theatre Sustainability:** Due to the Covid-19 pandemic, the theatre's entire programme has been cancelled and postponed. This funding is aimed at developing strategies on new and innovative ways to ensure the survival of such a fundamental part of the region's economy and culture.
- **Peabody Museum of Natural History at Yale – Fiesta Latina (fourth year):** In 2020, this grant will support a month-long virtual streamed festival organised and hosted by Yale University's historic and world-renowned **Peabody Museum of Natural**

**History** to celebrate Hispanic American Heritage Month.

In Spain, the **Foundation** has unveiled the new lighting system at Basilica of Talavera de la Reina and the Guadalupe Monastery. Work is also under way to improve the lighting systems of Santiago Cathedral, Palencia Cathedral, the façade of Spain's Centre for Advanced National Defence Studies (CESEDEN) and Plaza Mayor de Sigüenza square. The lighting systems at Valdepeñas Church and the Altarpiece of the Old Cathedral of Salamanca are yet to be switched on.

The **Graphic Novel** project in partnership with the Thyssen Museum has been launched: an inclusive project that aims to improve accessibility for people with cognitive and learning disabilities through easy reading, **Weaving lives counting pictures**, an exhibition by artist and graphic narrator Aitor Saraiba, comprises a selection of works and life stories of project participants who were given different exercises and interviewed one by one by Saraiba to bring the texts and drawings to life.

In 2020, Iberdrola Foundation Spain and the local government of Castile and León ratified the continuation of the **Atlantic Romanic Plan** to preserve, restore and showcase the cultural heritage to be found within the provinces of Zamora and Salamanca and the border regions of Porto, Vila Real and Braganza.

The **Exhibitions Programme** was launched in Sigüenza on 13 July 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 cultural identity of the Prado Museum's heritage. Most notably, it includes education and cultural promotion activities as part of the institution's bicentenary commemorations programme.

After Sigüenza, the exhibition also visited Puertollano and Tomelloso. Forthcoming destinations include Ciudad Real, Toledo, Guadalajara, Cuenca and Talavera de la Reina.



In 2019-20, the exhibition visited Elche, Éibar, Cartagena, Palencia, Zamora, Jerez de la Frontera, Albacete and Mérida.

The exhibition '**Sorolla Feminine Plural**', sponsored by the Iberdrola Foundation Spain, has been opened to highlight the presence of women in the painter's work.

### Instituto Neoenergía

On 13 February, the new lighting system was delivered for the exterior façade of Memorial Câmara Cascudo, located in Cidade Alta, the historical centre of Natal (RN).

Due to the pandemic and municipal elections in Brazil, the **OCA project - Cultural and Artistic Offices**, which was scheduled to start in 2020, has been postponed to 2021. The OCA project will set up a cultural training centre focusing on creative economics, where socially vulnerable young people aged between 16 and 21 can obtain first-job training in the cities of Campos do Jordão, Santa Isabel and Ilhabela in the state of São Paulo.

Turning to the **Caravana Energia Que Transforma** (Energy That Transforms Caravan) project, a caravan was equipped to provide training to managers of socio-cultural organisations. Run in two phases, this project has been taken online. Two courses have already been run: the first on creating innovative social projects and the second on fundraising. A further course will be held in October and, in a second phase, work will take place in up to 24 socio-cultural organisations across the state to improve their management processes in a more bespoke manner. So far, more than 110 socio-cultural managers have attended the training.

Instituto Neoenergía also accompanied and offered support to the 18 initiatives selected in 2019 through the **Transformando Energia em Cultura** (Transforming Energy into Culture) competition under the Cascudo Chamber State Law, during the rearrangement of socio-cultural actions due to the pandemic.

The launch of the new 2020 competition was broadcast live in June, with 174 projects entering. These are now being analysed to choose the winning projects. The selected projects will be announced in November.

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

- **Paisley Care Project:** The Paisley Care Project is a unique partnership between the National Theatre of Scotland and the Renfrewshire Council that seeks to positively reimagine relations between young people with experience in care and care providers, thus exploring what caring and being cared for mean. The project seeks to boost young people's confidence and increase their creative opportunities.
- **Takeover 2020:** A one-week artistic experience in the 'Customs House' that is produced by, with and for young people, aimed at developing and showing their leadership skills. The absorption team is a group of young people between the ages of 13 and 18 who are recruited from different backgrounds and who have different experiences of leadership and of art.
- **Change Yer Tune:** Change Yer Tune is a partnership centred on increasing community cohesion among young people who are difficult to reach, including young care providers, refugees and local youth. The project uses music as an instrument of participation to help build skills and create confidence to encourage awareness and understanding of the cultures of others.
- **Artists in the Atrium:** Artists in the Atrium aims to bring the outside world to inside orphanages through artists, photographers, sculptors, poets, musicians, writers, florists and gardeners. This will be achieved through 1) Creative art workshops such as jewellery making, pottery, singing and floristry, 2) Markets where patients, their family and the local creative community can exhibit, show and offer to sell their work, 3) Exhibitions of the work of professionals and patients that can be viewed by the community.
- **Creative Kin:** Creative Kin is a unique, artist-led initiative to support small children living in

kinship care arrangements and their family of carers. Participation in the programme supports the development of vulnerable children who have experienced significant trauma.

#### 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 SDG 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 quality of life for people with serious illnesses, prioritising care for the most vulnerable groups. Significant partnerships include:

#### United Kingdom:

- **Expansion to Junior Citizen Award:** The Junior Citizen Award involves 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.
- **Adventure for All – Not every disability is visible:** This is an outward-bound residential education centre that works with disabled and disadvantaged people, whose objective is to promote inclusion, foster independence, build self-confidence and improve physical and mental health and well-being through adventure activities and residential stays.
- **Wheeling for Independence:** This project will help develop the skills needed to use wheelchairs for 300 disabled children and young people in England, ensuring that they have the confidence and aptitudes needed to make the best of their lives and become more independent.

- **Provision of an outreach counselling service in Northumberland for children and young people affected by domestic abuse:** Through this project, counselling will be provided to children and young people aged 4 to 18 who have been affected by experiences of domestic abuse. The counselling service will be provided in local schools and children's centres to make it more accessible to families in rural areas who may not have the necessary resources to travel to receive domestic services.
- **Sporting Memories Plus:** This project is aimed at getting older people involved on a weekly basis to increase their physical well-being and prolong their ability to live independently. In particular, the project will improve individuals' strength and balance to help prevent falls. Each participant will be provided with a tailored personal plan in the form of a booklet that will specify the type and frequency of physical activity that would be beneficial to incorporate into their daily lives, with the aim of working towards the agreed goals.
- **Help with Bullying Programme:** The Kidscape programme Help with Bullying will create communities of support to help schools, children and families put a stop to school bullying. The programme will recruit and train volunteers from the community to deliver awareness-raising workshops and provide a response to school bullying for children between the ages of 9 and 12.
- **Pledge to be Seen – Changing Attitudes to Visible Differences in Scotland:** The objective of Pledge to be Seen is to develop and deliver two key campaigns through both social media and the traditional media in Scotland: 1) Pledge to be Seen will develop and deliver a campaign to involve key companies throughout Scotland for them to sign a pledge to represent more people with a visible difference in their business, 2) Fight against hate crimes: a campaign activity in which schools, employers and the police are asked to work to reduce the stigma attached to people who look different and to fight against discrimination wherever it is found.

- **KEY Youth hubs:** Key Youth Hubs will develop shelters for socially excluded and underprivileged young people between the ages of 16 and 24 in South Tyneside.

#### United States:

- **Oregon Wildfire – Emergency Response Fund – American Red Cross**
- **A,C,L,U Foundation Know Your Rights:** The A,C,L,U, 'Know Your Rights' initiative provides the public with written and video information on a wide range of topics, including: voting rights, student rights, prisoner rights, protester rights, religious freedom, sexual discrimination and more. The goal is to keep these resources current and promote them online and across all social media channels.
- **Pine Tree Camp:** Summer camp for people with physical disabilities. At this camp, children and adults with disabilities can participate in all of the recreational activities Maine is known for year-round. In this case, a donation has been made to help offset all costs caused by Covid-19 and ensure that subsidies are available to campers.
- **SMART School Sponsorships:** Support with SMART, an organisation dedicated to improving literacy rates for all children in the state of Oregon, providing support with early reading, access to books, and community engagement in an equitable and inclusive environment for all involved.
- **Save the Children – Children in Emergencies (US):** Support for Save the Children's emergency response efforts and help for American children. When a disaster strikes, children are always the most vulnerable. Save the Children sends emergency response teams, delivers essential relief supplies and provides safe havens for children to learn, play and grow.
- **Cool Sweep:** A programme that offers opportunities to residents with limited resources to access the city's pools and water parks to cool off in the summer heat. Approximately 5,000 City of Rochester residents benefit from this programme.
- **Gold Centre – Support for Seniors' Centre:** The goal and mission of this collaboration with IBAAL's

Gold Seniors' Centre is to provide programmes and services that help the elderly and their families to grow and be more independent. The Gold Senior's Centre allows many of these elderly people to remain independent and live on their own.

- **Operating expenses to support Green Chimneys:** The Green Chimneys programmes help children with developmental and mental health problems. Green Chimneys provides a day school and residential treatment centre, but is best known for its ecological philosophy, which combines nature-based and animal-assisted therapy with horticultural education.
- **Foodlink's Backpack Programme:** A programme to address child hunger in the Rochester region. The city of Rochester has a child poverty rate of 56%, the third highest in the nation.
- **Food Bank of the Southern Tier – Purchase and distribution of food (Year 3):** This grant is given to fully support the food procurement and distribution programmes of the Food Bank of the Southern Tier (FBST). The Food Bank of the Southern Tier (NY) works to build and maintain hunger-free communities, reduce poverty and improve the quality of life for the most disadvantaged and at-risk people in the community.

**#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.

In the 2020-2021 season, employees were asked to nominate worthy non-profit organisations that support women, diversity and inclusion, and feedback was received from employees at all levels of the company and across all geographical regions. The 12 recipients of the USD 5,000 gifts were announced in early March.

The competition will be repeated in 2020:

1. **The Center for Grieving Children (Maine)**
2. **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.

3. **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.
4. **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.
5. **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.
6. **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.
7. **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, to develop life skills and to 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.

8. **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.
9. **Compeer (New York):** The Rochester family and youth mentoring programme offers support and guidance to disadvantaged young people dealing with mental illness, poverty and low academic performance.
10. **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, emotional and educational development.

The Avangrid Foundation has donated a million dollars during the COVID-19 pandemic. The Foundation partnered with four national organisations with well-known names and networks of local operations and branches throughout the United States. Many of these local branches received funding from corporate donations and/or as part of the regular donations of the Foundation, thus amplifying the real impact.

- **American Red Cross**
- **Meals on Wheels**
- **Americares**
- **Feeding America**

#### **Mexico:**

- **Luces de esperanza (Lights of Hope):** Electrification project in rural communities without access to electricity using solar panels.
- **Construir para educar (Build to Educate):** Programme to rebuild schools hit by the 2017 earthquakes in Oaxaca.
- **Urology Brigades in the south, southeast:** To enhance the well-being of Oaxacan women suffering from complex urological problems.

- **Educación con energía (Education with Energy):** Educational workshops for children, teachers and parents of the most vulnerable families to improve quality of learning.
- **Educational infrastructure:** Construction and fitting out of spaces suitable for learning.
- **COVID-19 Health Contingency Work:** Support from Iberdrola Mexico to public institutions, civil associations and communities.

### Brazil:

Because of the impact of the pandemic, the **DRoPS project** moved online for 35 initiatives concerning the social ecosystem and in areas relevant to developing impact projects or ideas. The programme supports different types of projects that work directly with the local community.

In the **Impactô** project, 16 social enterprises and institutions from the states of Rio de Janeiro and São Paulo were selected to participate in this social acceleration programme. In addition to training, all the organisations received BRL 20,000 in emergency aid to cover basic needs during the pandemic. The project began in August and a number of Neoenergia leaders have been involved sharing their experiences.

Instituto Neoenergia also developed two other initiatives to mitigate the impact of the pandemic:

1. A donation of BRL 600,000 to **Fundo Transforma Brasil** (Transform Brazil Fund), helping a thousand families in Bahia, Rio Grande do Norte, Pernambuco, São Paulo and Rio de Janeiro.
2. The **'Pessoas e Negócios Saudáveis'** (Healthy People and Business) project, which aims to feed socially vulnerable people during the pandemic while generating income for the poorest communities. Through this project, more than 70,000 meals will be delivered until 31 December across six communities in Rio and São Paulo, benefiting around 662 people.

In the second half of the year, we began to use the State Sports Incentive Law in São Paulo to support projects for the inclusion of children and young people

at social risk through sport. Through the **Educando pelo Esporte** (Educating for Sport) and **Mentes Brilhantes** (Brilliant Minds) projects, we hope to run handball, basketball, futsal and Tai Chi Chuan activities for more than 400 children and young people in schools across four cities of the state of São Paulo.

### Spain:

In response to the social emergency caused by the COVID-19 pandemic, the Iberdrola Foundation Spain launched the 'SOLIDARITY MEALS' initiative, mobilising its own capabilities by using the kitchens at its offices in Bilbao and Madrid to donate 90,000 meals to vulnerable families. They were handed out at Caritas Bizkaia's soup kitchens and through several parish churches in southern Madrid.

Another one-off initiative was the donation of 37 tablets with a GSM card to young people at the San Ildefonso boarding school in Madrid, as well as 15 laptops for the Parish of San Juan de Dios in Vallecas to bridge the digital learning gap.

At the beginning of 2020, the Iberdrola Foundation established 30 alliances with local, regional and national social entities to promote annual projects aimed at the most vulnerable children and socially excluded young people. These projects were put on hold during lockdown, but have gradually been restarted face-to-face or adapted to be run online so they can be completed, as planned, by the end of this year.

In September, the 2021 call for applications for the Iberdrola Foundation Spain's Social Programme was launched as part of its commitment to mitigate the consequences of the COVID-19 crisis, with the aim of helping to reduce its negative impact on the most vulnerable members of society. Priority is given to supporting children, young adults and especially women in thirty social projects focusing on:

- **Combating child poverty:** Comprehensive support to low-income households or the unemployed to meet basic needs, especially to guarantee that they



receive enough food and to reduce the impact of COVID-19 on these groups.

- Promotion of inclusive education: Contribute to bridging the learning gap in childhood and/or support training for young people to gain a foothold in the labour market. This work stream also involves promoting alternative leisure and free-time activities that include hygiene measures respecting the recommendation of social distancing to prevent the transmission of the virus.
- Social inclusion for people with disabilities: Special support for people with disabilities through innovation in occupational centres. The aim is to nurture their capabilities and provide relief for families.
- Good health and well-being: Support for vulnerable individuals with serious illnesses and young adults being treated for addiction.
- Support for women: Ending all forms of discrimination against women and giving them opportunities to access education and the labour market, focusing in particular on women who are victims of gender-based harassment and violence aggravated by the current health, economic and social crisis.

The joint project between Iberdrola Foundation Spain and **Save the Children** to build a child protection centre in the city of Nouadhibou has now been completed, thus providing a home for these children and protecting them from the dangers they would otherwise face on the streets. 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. The Iberdrola Foundation donated funds to this project to purchase medical supplies in response to COVID-19.

## 4. Corporate Governance

Corporate Governance highlights during the first nine months of financial year 2020 were as follows:

- On 30 October 2019, Iberdrola, S.A. ("IBERDROLA") notified the CNMV (*Comisión Nacional del Mercado de Valores* — the Spanish stock market commission) of an addendum to the prospectus containing the terms and conditions of the second round of the "Iberdrola Scrip Dividend" optional dividend scheme. IBERDROLA then published another addendum to that same prospectus on 7 January 2020.

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 by the Board of Directors, as part of the second round of the "Iberdrola Scrip Dividend" optional dividend scheme.

- On 4 February 2020, the CNMV was informed of the signing of an agreement between Iberdrola Participaciones, S.A. (Sociedad Unipersonal) ("Iberdrola Participaciones") and IBERDROLA on the one side, and Siemens Aktiengesellschaft, on the other, the said agreement governing the sale of the entire stake held by Iberdrola Participaciones in Siemens Gamesa Renewable Energy, S.A., representing 8,07% of its share capital.

Subsequently, on 5 February 2020, IBERDROLA reported the completion and settlement of the sale. It also disclosed an estimated gross capital gain (before tax) of approximately EUR 485 million. It was reported that the net capital gain (after tax) would be shown in the consolidated financial statements of the Iberdrola Group over the course of the financial year:

- On 14 February 2020, the Company submitted its energy production figures for 2019.
- On 24 February 2020, IBERDROLA notified the CNMV of the resolution of the Board of Directors to carry out a buyback programme of the Company's

treasury stock in accordance with the authorisation conferred by the General Shareholders' Meeting held on 13 April 2018, Up until 2 June 2020, when the programme ended, the Company had acquired 101,772,935 treasury shares, equating to 1,577% of its treasury stock.

- On 26 February 2020, the Company submitted its results for the financial year ended 31 December 2019 to the CNMV.
- Due to the pandemic caused by COVID-19, on 9 April 2020, IBERDROLA notified the postponement of the Capital Markets Day 2020, which was originally scheduled for 13 May 2020, On 22 June 2020, the Company published an update to the financial calendar for the year, with the Capital Markets Day set for 11 November 2020.
- On 17 April 2020, the Company submitted its energy production figures for the first quarter of financial year 2020.
- On 28 April 2020, IBERDROLA notified the CNMV of the terms and conditions of the first round of the "Iberdrola Scrip Dividend" optional dividend scheme for financial year 2020.
- On 29 April 2020, the Company submitted to the CNMV its presentation of results for the first quarter of financial year 2020.
- On 7 May 2020, IBERDROLA disclosed to the CNMV that "Iberdrola Renovables France, S.A.S.", a fully owned subsidiary of "Iberdrola Energía Internacional, S.A. (Sociedad Unipersonal)" signed an agreement with "Aiolos, S.A.S," and "Caisse de Dépôts et Consignations" (the "Sellers") for the acquisition of shares representing 100% of the share capital of the French company "Aalto Power, S.A.S," and the transfer of certain loans provided by the Sellers to Aalto Power.

On 1 July 2020, the Company reported the completion of the acquisition of the capital of "Aalto Power, S.A.S,".

- On the same date, IBERDROLA notified the CNMV of the implementation of the share capital reduction through the redemption of treasury stock approved

at the General Shareholders' Meeting, as filed with the Bizkaia Companies Register on 2 July 2020, The share capital after this reduction totalled EUR 4,680,000,000, corresponding to 6,240,000,000 common shares each of a nominal value of EUR 0,75.

- On 6 July 2020, IBERDROLA published the addendum to the prospectus regarding the terms and conditions of the first round of the "Iberdrola Scrip Dividend" optional dividend scheme for the 2020 financial year 2020.

Subsequently, on 29 July 2020 IBERDROLA completed the paid-up capital increase approved by the General Shareholders' Meeting of 2 April 2020, as well as the distribution of the final dividend for financial year 2019, all as part of the first round of the "Iberdrola Scrip Dividend" optional dividend scheme, This was filed with the Bizkaia Companies Register on the same day, 29 July, The share capital resulting from this paid-up capital increase totalled EUR 4,762,545,750, corresponding to 6,350,061,000 common shares each of a nominal value of EUR 0,75.

- On 10 July 2020, the Company submitted its production figures for the first half of financial year 2020.
- On 22 July 2020, the Company submitted to the CNMV its presentation of results for the first half of financial year 2020.
- On 17 June 2020, an agreement was announced between "Iberdrola Renewables Australia Pty Ltd.", on the one hand, and "Infigen Energy Limited" and "Infigen Energy RE Limited" ("Infigen"), on the other, under which "Iberdrola Renewables Australia Pty Ltd," agreed to make a bid for the cash acquisition of all the stapled securities issued by the two Infigen companies listed on the Australian stock exchange, amounting to AUD 840,6 million, equivalent to EUR 510,2 million for the entirety of the share capital of the two companies.

On 29 and 30 June 2020, it was disclosed that "Iberdrola Renewables Australia PTY, Ltd," had improved the price of the bid to acquire the entirety

of the stapled securities issued by Infigen and that it had decided to waive the terms of the bid other than the acquisition of more than 50% of the capital of Infigen and the approval of the bid by the Australian foreign investment authorities.

On 16 July, the decision of “Iberdrola Renewables Australia Pty Ltd,” to waive the last of the terms of the bid for all of Infigen’s stapled securities was disclosed, which involved acquiring a share of more than 50% of Infigen’s share capital.

Subsequently, on 22 and 24 July 2020 Iberdrola informed the CNMV of the decision of “Iberdrola Renewables Australia Pty, Ltd,” to improve the price of the bid from AUD 0,89 to AUD 0,92, equivalent to EUR 0,57, per Infigen stapled security, together with the fulfilment of the condition for the aforementioned improved price to acquire 100% of the stapled securities issued by Infigen.

Finally, on 21 August and taking into account the 72,76% stake attributable to “Iberdrola Renewables Australia Pty, Ltd,” In the share capital of Infigen, the boards of directors of “Infigen Energy Limited” and “Infigen Energy RE Limited” agreed to the appointment of new directors as proposed by “Iberdrola Renewables Australia Pty, Ltd,”. This completed the takeover by “Iberdrola Renewables Australia Pty, Ltd,” of Infigen and its incorporation into the Iberdrola Group.

## GENERAL SHAREHOLDERS’ MEETING

The Board of Directors of IBERDROLA, at its meeting of 24 February 2020, agreed to convene the General Shareholders’ Meeting to be held at first call on 2 April 2020, or at second call on 3 April 2020. In addition, the Board approved the payment of an attendance bonus for 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](http://www.iberdrola.com)) and in the Official Bulletin of the Companies Register on 28 February 2020.

On that same date, the *Annual Corporate Governance Report*, the *Annual Director Remuneration Report* and the financial information for 2019 were sent to the CNMV.

Subsequently, in response to the World Health Organization’s announcement that the coronavirus (COVID-19) outbreak qualified as a global pandemic, the Board of Directors agreed, on 18 March 2020 and under the terms of Article 41 of *Spanish Royal Decree-Law 8/2020, of 17 March 2020, on extraordinary and urgent measures to combat the economic and social impact of COVID-19*, to publish an addendum to the announcement of the General Shareholder’s Meeting as an extraordinary measure to ensure that the meeting would be held responsibly, given the overriding need to safeguard public interests and the health of the people involved in organising and staging the meeting, and to ensure that the Company continues to successfully carry on its business activities and accomplish its objectives in the interest of all shareholders and other stakeholders.

On 2 April 2020, the Company’s General Shareholders’ Meeting was held at first call, with a quorum of 77,04% of share capital (7,35% present and 69,69% represented). All the motions included on the meeting agenda were approved at the meeting, as shown below:

### Resolutions relating to the performance of the management and audit function

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1. Financial statements for 2019.
2. Management reports for 2019.
3. Statement of non-financial information for 2019.
4. Corporate management and performance of the Board of Directors in 2019.
5. Re-election of KPMG Auditores, S,L, as the financial auditor.

### Resolutions regarding the Corporate Governance System

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6. Amendment of Articles 6, 7 and 17 of the *Articles of Association* to redefine the concepts of social interest and social dividend.



7. Amendment of Article 8 of the *Articles of Association* in order to recognise the compliance system and the Compliance Unit.
8. Amendment of Article 10 of the *Articles of Association* to reflect the amount of share capital resulting from the share capital reduction achieved through the redemption of a maximum of 213,592,000 treasury shares (3,31% of share capital).
9. Amendment of Article 9 of the *Regulations of the General Shareholders' Meeting* to vest powers in the General Meeting to approve the statement of non-financial information.
10. Amendment of Articles 14, 19 and 39 of the *Regulations of the General Shareholders' Meeting* to update existing rules and regulations on the right to information and on the mechanisms enabling remote attendance of the meeting.
11. Amendments to Articles 6, 7, 15, 16, 17, 22, 33 and 44 of the *Regulations of the General Shareholders' Meeting* to introduce certain technical improvements.

#### Resolutions regarding remuneration

12. Allocation of earnings and distribution of the 2019 dividend, in relation to which the final dividend will be paid within the framework of the "Iberdrola Scrip Dividend" optional dividend scheme.
13. Initial increase of paid-up capital for a maximum reference market value of EUR 1,625 million, for the purpose of implementing the "Iberdrola Scrip Dividend" optional dividend scheme.
14. Second increase of paid-up capital for a maximum reference market value of EUR 1,415 million, for the purpose of implementing the "Iberdrola Scrip Dividend" optional dividend scheme.
15. Consultative vote on the 2019 *Annual Director Remuneration Report*.
16. Strategic bond aimed at Iberdrola Group employees and pegged to the Company's performance over the 2020-2022 horizon, to be settled through the delivery of shares.

#### Resolutions regarding the Board of Directors

17. Appointment of Nicola Mary Brewer as independent director.
18. Appointment of Regina Helena Jorge Nunes as independent director.
19. Re-election of Iñigo Víctor de Oriol Ibarra as other external director.
20. Re-election of Samantha Barber as independent director.
21. Setting the number of members of the Board of Directors at 14.

#### Resolution on authorisations and vesting of powers

22. Authorisation to increase the share capital under the terms and subject to the limits prescribed by law, with authority to disapply the pre-emptive right though limited to a combined maximum of 10% of the share capital.
23. Authorisation to issue bonds exchangeable for and/or convertible into shares and warrants of up to EUR 5,000 million and with a term of five years, with authority to disapply the pre-emptive right though limited to a combined maximum of 10% of the share capital.
24. Delegation of powers for the formalisation and notarisation of any resolutions adopted.

#### **BOARD OF DIRECTORS**

The Board of Directors, at its meeting on 1 April 2020, approved, upon a recommendation or report issued by the Appointments Committee, the following re-elections and appointments to internal positions, among other matters, subject to approval by the General Shareholders' Meeting of the resolutions for the appointment or re-election of directors:

- i. Appointment of lead independent director, Juan Manuel González Serna, as deputy chairman of the Board of Directors.
- ii. Re-election of independent director Samantha Barber and appointment of Mr González Serna as members of the Delegated Executive Committee.

- iii. Re-election of independent director Xabier Sagredo Ormaza and appointment of independent director Regina Helena Jorge Nunes as members of the Audit and Risk Oversight Committee, Sagredo Ormaza continues to serve as chairman of that committee.
- iv. Appointment of other external director Iñigo Víctor de Oriol Ibarra as member of the Remuneration Committee, who will step down from the Sustainable Development Committee,
- v. Appointment of independent director Nicola Mary Brewer as member of the Sustainable Development Committee.

On 21 July 2020, the Board of Directors agreed, upon a recommendation of the Appointments Committee, to appoint Sara de la Rica Goiricelaya as the new Chair of the Sustainable Development Committee to replace Samantha Barber, Barber was reappointed as other external director on 1 August 2020 after having served twelve years as an independent director.

## CORPORATE GOVERNANCE SYSTEM

IBERDROLA continually updates its Corporate Governance System, which comprises the following regulatory documents: *Articles of Association*, the *Purpose and Values of the Iberdrola Group*, *Corporate Policies*, the governance regulations of the corporate bodies and 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 enhanced in line with the strategy that the Company and the companies belonging to IBERDROLA Group have now been following for years.

On 24 February 2020, IBERDROLA's Board of Directors agreed to reform its Corporate Governance System so as to: (i) update the terms of various corporate policies to include the link between the *Code of Ethics* and social interest and to update the

definition of social dividend; (ii) eliminate—following the CNMV's decision to repeal its rules and criteria on discretionary transactions with own shares of 18 July 2013—the guidelines on this subject set out in the *Internal Rules of Conduct in the Securities Markets and in the Treasury Shares Policy*; (iii) replace all references to significant corporate events (*hechos relevantes*) in the rules and policies of the Corporate Governance System with the new categories established by the CNMV; (iv) update the treatment and disclosure of inside information in the rules that make up Compliance Book V; (v) update the *Regulations of the Board of Directors*—the amendment of which was communicated to the CNMV—and the regulations of the advisory committees attached to the Board to make clear that meetings held at various interconnected venues will be deemed to be held at the registered office; (vi) amend the *Policy on Respect for Human Rights* so as to update the core principles and establish the relationship with stakeholders; (vii) introduce various technical improvements; and (viii) review risk policies.

As mentioned in the section on the resolutions of the General Shareholders' Meeting, the amendment of the *Articles of Association* and the *Regulations of the General Shareholders' Meeting* was approved on 2 April 2020 and communicated to the CNMV.

On 28 April 2020, IBERDROLA's Board of Directors resolved to reform its Corporate Governance System so as to: (i) align the content of the *Policy on relations with Stakeholders* with the best practices and recommendations of the *Dow Jones Sustainability Index*; (ii) strengthen IBERDROLA's commitment to human rights; (iii) add the Occupational Health and Safety Risk Policy Appendix to the summary of corporate risk policies; and (iv) take note of the fact that "Neoenergia, S.A." is a listed company in the Introduction to the Corporate Governance System.

Lastly, on 24 June 2020, the Board of Directors resolved to once again reform the Corporate Governance System so as to: (i) amend the *Regulations of the Board of Directors*—with the amendment communicated to the CNMV—and

the regulations of its committees to implement the regulation of meetings in interconnected venues and to provide for the remote attendance of their members; and to (ii) include a new appendix in the *General corporate governance policy* to regulate the use of remote communication systems for the holding of meetings.

Lastly, on 21 July 2020, the Board of Directors of IBERDROLA approved the modification of the Corporate Governance System in order, among other matters, to: (i) align the content with the developments introduced in the revision of the *Good Governance Code of Listed Companies* published by the CNMV on 26 June 2020; (ii) incorporate a new *Iberdrola Group Non-Financial Information Preparation Policy* to define the process for preparing this type of consolidated information applicable to the Group; (iii) update the *Corporate Tax Policy* to tailor its content to the provisions of the UNE 19602:2019 *Tax Compliance Management Systems* standard published by AENOR; (iv) reform the *Internal Regulations for Conduct in the Securities Markets* to update its structure; and lastly (v) revise the *Internal Rules for the Processing of Inside Information* to include a number of technical improvements and incorporate in a single text the content of the *Action Protocol for the Management of News and Rumours* and the *Action Protocol in the Event of Detection of a Leak or Unlawful Use of Inside Information*.

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](http://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 the 2020

financial year to ensure that institutional investors and financial analysts are kept fully informed of its business and activities.

### Information on the existence of cases of corruption during the year

The Company received no reports in its ethics mailboxes of confirmed cases of corruption during the year. Nor did the company receive any reports through the legal channels of its Legal Services department of judicial resolutions in this area during the reporting period. No reports were received in the mailboxes set for this purpose recording incidents causing the cancellation of orders or contracts with group suppliers.

The Iberdrola Group is collaborating with the justice system in establishing the facts relating to the contracting of the company Cenyt with the aim of determining any liability or responsibility that is due and to defend its own good name and reputation.

The review and analysis of internal processes carried out with the assistance of independent experts and in accordance with the Group's corporate governance and compliance system revealed no violation of the systems of internal control, the Code of Ethics or any other rules or procedures. Therefore, the impact of such events, if any, would be limited to the sphere of reputation.

More information on the actions taken by IBERDROLA and Iberdrola Renovables with respect to the contracting of Club Exclusivo de Negocios Y Transacciones SL (CENYT) at: [https://www.iberdrola.com/wcorp/gc/prod/es\\_ES/corporativos/docs/cenyt\\_not\\_a\\_consejo\\_administracion.pdf](https://www.iberdrola.com/wcorp/gc/prod/es_ES/corporativos/docs/cenyt_not_a_consejo_administracion.pdf)

## 5. Significant Events

CNMV: Significant Events from January to March 2020		
Date	Event	Registration No
01/07/2020	Implementation of the reduction in share capital through the redemption of treasury stock, approved by the General Shareholders' Meeting held on 2 April 2020, under point number eight on the agenda,	3107
01/07/2020	Completion of the acquisition of the entire share capital of the French renewable energy company Aalto Power,	3124
02/07/2020	The Company submits the Regulations of the Board of Directors	3175
03/07/2020	Filing of the deed of reduction in share capital through the redemption of treasury stock, approved by the General Shareholders' Meeting held on 2 April 2020, under point number eight on the agenda,	3192
06/07/2020	Addendum to the prospectus regarding the terms and conditions of the first round of the "Iberdrola Scrip Dividend" optional dividend scheme for 2020,	3213
06/07/2020	Total voting rights and capital following the capital reduction approved by the General Shareholders' Meeting on 2 April 2020,	3224 3225
08/07/2020	The Company reports the announcement of the Presentation of Results for the First Half of 2020,	3259
10/07/2020	The Company reports its Energy Production figures for the first half of 2020,	3355
16/07/2020	Waiver of certain conditions of the bid for the acquisition of the entirety of the share capital of Infigen Energy Limited and Infigen Energy RE Limited,	3416
22/07/2020	Conditional improvement of the price of the bid for the acquisition of the entirety of the share capital of Infigen Energy Limited and Infigen Energy RE Limited,	3516
22/07/2020	Submission of the results for the first half of 2020,	3517
22/07/2020	Presentation of the results for the first half of 2020,	3522
24/07/2020	Fulfilment of the condition for the improvement of the price of the bid for the acquisition of the entirety of the share capital of Infigen Energy Limited and Infigen Energy RE Limited,	3581
24/07/2020	The Company submits financial information for the first half of 2020,	3608
27/07/2020	Appointment of the new Chair of the Sustainable Development Committee,	3625
29/07/2020	Implementation of the first round of the "Iberdrola Scrip Dividend" optional dividend system for 2020,	3717
30/07/2020	Total voting rights and capital following the increase in paid-up capital approved by the General Shareholders' Meeting on 2 April 2020,	3785
05/08/2020	The Company submits the Regulations of the Board of Directors,	4005
21/08/2020	Appointment by Infigen Energy Limited and Infigen Energy RE Limited of a majority of directors upon the recommendation of Iberdrola Renewables Australia Pty Ltd,	4102

# 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) + 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 for derivatives on treasury stock with physical settlement that at this date are not considered to be executed
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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