

RESULTS
PRESENTATION
2022
22 February 2023



SUSTAINABLE
EVENT



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Legal notice





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This communication contains forward-looking information and statements about Iberdrola, S.A., including financial projections and estimates and their underlying assumptions, statements regarding plans, objectives and expectations with respect to future operations, capital expenditures, synergies, products and services, and statements regarding future performance. Forward-looking statements are statements that are not historical facts and are generally identified by the words "expects," "anticipates," "believes," "intends," "estimates" and similar expressions.

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Iberdrola, S.A. commits to carrying out its best efforts to achieve its ambition of carbon neutrality for its Scope 1 and 2 in 2030. For these purposes, it will align its strategy, investments, operations and public positioning with this ambition. Additionally, Iberdrola, S.A. is also committed to undertake the energy transition in a way that creates value for its shareholders, employees, clients, suppliers and the communities where it operates. Accordingly, Iberdrola, S.A. reserves the capacity to adapt its planning to successfully face its performance in key material aspects such as the value of Iberdrola, S.A., the quality of supply or the social, labor, and fair transition conditions. The abovementioned commitments are of aspirational nature.



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Core business figures





Networks

Asset Base (Local currency)		December 2022	December 2021
Spain	(EUR billion)	9.4	9.3
United Kingdom	(GBP billion)	8.2	7.1
United States	(USD billion)	12.8	11.9
Brazil	(BRL billion)	43.9	35.7

Distributed Electricity

ELECTRICITY (GWh)	2022	2021	vs. 2021
Spain	89,622	90,933	-1.4%
United Kingdom	31,020	32,221	-3.7%
United States	38,757	38,730	0.1%
Brazil	76,107	75,814	0.4%
Total	235,506	237,698	-0.9%
GAS (GWh)			
United States	64,892	61,365	5.7%
Total	64,892	61,365	5.7%

Managed Supply Points

ELECTRICITY (Millions)	2022	2021	vs. 2021
Spain	11.36	11.28	0.7%
United Kingdom	3.55	3.55	0.1%
United States	2.31	2.30	0.5%
Brazil	16.04	15.74	1.9%
Total Electricity	33.26	32.87	1.2%
GAS (Millions)			
United States	1.04	1.03	0.4%
Total Gas	1.04	1.03	0.4%
TOTAL SUPPLY POINTS	34.30	33.90	1.2%

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

	2022	2021	vs. 2021
Net Production (GWh)⁽¹⁾	163,031	164,266	-0.8%
Net owned production⁽¹⁾	125,540	129,359	-3.0%
Renewables ⁽¹⁾	74,525	73,718	1.1%
Onshore	45,195	41,343	9.3%
Offshore	4,497	4,617	-2.6%
Hydro	20,502	24,374	-15.9%
Minihydro	420	630	-33.4%
Solar	3,837	2,671	43.6%
Nuclear	23,886	23,193	3.0%
Gas combined cycle	21,306	25,289	-15.7%
Cogeneration	5,823	7,159	-18.7%
Net production for third parties	37,491	34,907	7.4%
Renewables	222	231	-3.9%
Onshore	222	231	-3.9%
Gas combined cycle	37,269	34,676	7.5%
Installed Capacity (MW)⁽²⁾	60,761	58,320	4.2%
Net owned installed capacity⁽²⁾	53,616	51,174	4.8%
Renewables ⁽²⁾	39,963	38,035	5.1%
Onshore	20,125	19,376	3.9%
Offshore	1,258	1,258	-
Hydro	13,849	13,849	-
Minihydro	255	285	-10.7%
Solar	4,264	3,060	39.4%
Batteries	198	193	2.6%
Nuclear	3,177	3,177	-
Gas combined cycle	9,291	8,777	5.9%
Cogeneration	1,185	1,185	-
Net installed capacity for third parties	7,146	7,146	-
Renewables	103	103	-
Onshore	103	103	-
Gas combined cycle	7,043	7,043	-
Electricity customers (No mill.)	13.72	13.61	0.8%
Gas customers (No mill.)	3.27	3.36	-2.8%
Gas Supplies (GWh)	53,840	58,844	-8.5%
Gas Storage (bcm)	0.10	0.13	-20.9%

(1) Including 73 GWh and 82 GWh of production from fuel cells in 2022 and 2021, respectively

(2) Including 13 MW installed capacity of fuel cells both in 2022 and 2021

Differences may arise due to rounding



Spain

	2022	2021	vs. 2021
Net Production (GWh)	56,698	60,967	-7.0%
Renewables	23,826	28,420	-16.2%
Onshore	11,744	11,937	-1.6%
Hydro	9,511	14,620	-34.9%
Minihydro	420	630	-33.4%
Solar	2,150	1,233	74.4%
Nuclear	23,886	23,193	3.0%
Gas combined cycle	7,082	7,023	0.8%
Cogeneration	1,904	2,331	-18.3%
Installed Capacity (MW)	29,013	28,427	2.1%
Renewables	19,796	19,210	3.1%
Onshore	6,209	6,124	1.4%
Hydro	10,700	10,700	-
Minihydro	255	285	-10.7%
Solar	2,612	2,086	25.2%
Batteries	19	14	35.7%
Nuclear	3,177	3,177	-
Gas combined cycle	5,695	5,695	-
Cogeneration	347	347	-
Electricity customers (No mill.)	10.88	10.76	1.1%
Gas customers (No mill.)	1.35	1.44	-6.0%
Gas Supplies (GWh)	30,921	32,911	-6.0%
Users	15,258	17,138	-11.0%
Gas Combined Cycle	15,663	15,774	-0.7%

Note: From January 1, 2022, the old Rest of the World marketing contracts are included in the marketing in Spain
Differences may arise due to rounding



United Kingdom

	2022	2021	vs. 2021
Net Production (GWh)	7,823	6,717	16.5%
Renewables	7,823	6,717	16.5%
Onshore	4,424	3,284	34.7%
Offshore	3,392	3,433	-1.2%
Solar	7	0	N/A
Installed Capacity (MW)	3,008	3,008	-
Renewables	3,008	3,008	-
Onshore	1,986	1,986	-
Offshore	908	908	-
Solar	10	10	-
Batteries	104	104	-
Electricity customers (No mill.)	2.83	2.84	-0.5%
Gas customers (No mill.)	1.91	1.92	-0.4%
Gas Supplies (GWh)	22,919	25,932	-11.6%
Gas Storage (bcm)	0.10	0.13	-20.9%

Differences may arise due to rounding

USA

	2022	2021	vs. 2021
Net Production (GWh)⁽¹⁾	22,711	22,590	0.5%
Renewables ⁽¹⁾	20,188	19,398	4.1%
Onshore	19,612	18,943	3.5%
Hydro	188	132	42.1%
Solar	314	242	3-
Gas combined cycle	7	8	-13.0%
Cogeneration	2,516	3,184	-21.0%
Installed Capacity (MW)⁽²⁾	9,542	9,149	4.3%
Renewables ⁽²⁾	8,702	8,309	4.7%
Onshore	8,061	7,945	1.5%
Hydro	118	118	-
Solar	509	232	119.0%
Gas combined cycle	204	204	-
Cogeneration	636	636	-

(1) Including 73 GWh and 82 GWh of production from fuel cells in 2022 and 2021, respectively

(2) Including 13 MW installed capacity of fuel cells both in 2022 and 2021

Differences may arise due to rounding



Mexico

	2022	2021	vs. 2021
Net Production (GWh)	55,938	54,297	3.0%
Net owned production	18,447	19,390	-4.9%
Renewables	2,899	2,716	6.7%
Onshore	1,662	1,528	8.8%
Solar	1,237	1,188	4.1%
Gas combined cycle	14,145	15,030	-5.9%
Cogeneration	1,403	1,644	-14.6%
Net production for third parties	37,491	34,907	7.4%
Renewables	222	231	-3.9%
Onshore	222	231	-3.9%
Gas combined cycle	37,269	34,676	7.5%
Installed Capacity (MW)	11,197	10,683	4.8%
Net owned installed capacity	4,051	3,537	14.5%
Renewables	1,232	1,232	-
Onshore	590	590	-
Solar	642	642	-
Gas combined cycle	2,617	2,103	24.4%
Cogeneration	202	202	-
Net installed capacity for third parties	7,146	7,146	-
Renewables	103	103	-
Onshore	103	103	-
Gas combined cycle	7,043	7,043	-

Differences may arise due to rounding



Brazil

	2022	2021	vs. 2021
Net Production (GWh)	14,751	15,129	-2.5%
Renewables	14,737	11,935	23.5%
Onshore	3,843	2,313	66.1%
Hydro	10,803	9,622	12.3%
Solar	91	0	N/A
Gas combined cycle	14	3,194	-99.6%
Installed Capacity (MW)	5,100	4,547	12.2%
Renewables	4,568	4,014	13.8%
Onshore	1,394	984	41.7%
Hydro	3,031	3,031	-
Solar	143	0	N/A
Gas combined cycle	533	533	-

Differences may arise due to rounding

Rest of the world (ROW)

	2022	2021	vs. 2021
Net Production (GWh)	5,111	4,565	12.0%
Renewables	5,053	4,531	11.5%
Onshore	3,910	3,339	17.1%
Offshore	1,105	1,184	-6.6%
Solar	38	8	341.3%
Gas combined cycle	58	34	71.4%
Installed Capacity (MW)	2,900	2,505	15.8%
Renewables	2,657	2,262	17.5%
Onshore	1,885	1,749	7.8%
Offshore	350	350	-
Solar	348	89	291.5%
Batteries	75	75	-
Gas combined cycle	243	243	-

Differences may arise due to rounding



Stock Market Data

		2022	2021
Market capitalisation	EUR (million)	69,538	66,271
Earnings per share (6,362,094,000 shares at 31/12/22 and 6,366,088,000 shares at 31/12/21)	EUR	0.652	0.584
Net operating cash flow per share	EUR	1.74	1.41
P.E.R.	Times	16.77	17,81
Price/Book value (capitalisation to NBV at the end of the period)	Times	1.69	1.64

Economic/Financial Data (*)

Income Statement		2022	2021
Revenues	EUR (million)	53,949.4	39,113.5
Gross Margin	EUR (million)	20,199.4	17,061.7
EBITDA	EUR (million)	13,228.1	12,005.7
EBIT	EUR (million)	7,983.9	7,342.8
Net Profit	EUR (million)	4,338.6	3,884.8
Net Operating Expenses / Gross Margin	%	25.8	24.8
Balance Sheet		2022	2021
Total Assets	EUR (million)	154,668	141,752
Equity	EUR (million)	58,114	56,126
Net Financial Debt	EUR (million)	44,185	39,360
Adjusted Net Financial Debt	EUR (million)	43,749	39,119
ROE	%	10.22	9.84
Ajusted Financial Leverage (Net Ajusted Financial Debt/(Ajusted Financial Debt + Ajusted Equity))	%	42.8	41.0
Net Financial Debt / Equity	%	76.0	70.1

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

Others

Others		2022	2021
Gross Organic Investments	EUR (million)	10,730.4	9,531.4
Employees	Number	40,602	39,789

Iberdrola's Credit Rating

Agency	Rating(*)	Outlook(*)
Moody's	Baa1 (15/06/2012)	Stable (14/03/2018)
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

Operating highlights





- Operating results in 2022 drove **the Iberdrola Group's Net Profit up to EUR 4,339 million**, (+12%), with growth in all countries except Spain (-19%).
- **Iberdrola's investments totalled EUR 10,730 million**, up 13% from 2021, and current issues in the global supply chain were overcome. This propelled the Group's Purchases to EUR 17,800 million to 20,000 suppliers, helping sustain 400,000 jobs around the world. Iberdrola also hired 4,500 new employees this year.
- **EBITDA grew by 10% to EUR 13,228 million**, with the US and Brazil offsetting negative performance in Spain and the slowdown in Mexico.
- The Group's **balance sheet and financial profile gained strength in 2022**, marked by a 25% increase in cash flow from operations reaching EUR 11,123, causing the FFO to net debt ratio to hit 25.4% (+240 bps). As a result of the above, the Group's liquidity position remained strong at EUR 23,530 million.
- The changes in Iberdrola's main **reference currencies** had a positive impact of EUR 736 million on EBITDA and EUR 87 million on Net Profit. Average exchange rates changed as follows:
 - The pound sterling appreciated by 0.8% against the euro to reach 0.85.
 - The US dollar appreciated by 12.4% against the euro to reach 1.05.
 - The Brazilian real appreciated by 17.3% against the euro to reach 5.44.
- **Total own CO₂ emissions in Europe fell to 59 g/kWh**, four times lower than the EU average.

Global environment and general considerations

As regards the performance of **electricity demand and output** for 2022, highlights for the company's main business areas include:

- The energy balance of the Spanish peninsular system throughout 2022 showed an increase in combined cycle (+61%), coal (+56%), solar (+30%), wind (+1%) and nuclear (+4%) production compared to the same period the previous year, while there was a drop in hydroelectric production (-40%).

Demand fell by 2.9% in 2022 compared to the previous year; when adjusted for labour and temperature, the decrease was 3.9%. The fourth quarter of 2022 closed with a producibility index of 0.7 and hydroelectric reserves at 44%, compared to an index of 0.9 and reserves at 36% for the same period in 2021.

- In the United Kingdom, electricity demand fell by 4.1% in 2022 compared to the previous year, while gas demand fell by 5.8% compared to 2021.
- In **Avangrid's** management areas on the East Coast of the United States, electricity demand grew slightly (+0.1% compared to 2021), while gas demand increased by 5.7%.
- In Brazil, **Neoenergia's** electricity demand in 2022 increased by 0.4% compared to the previous year.

In 2022, international commodities markets evolved as follows:

Average prices	2021	2022	vs 2021
Oil — USD/BBL	70.9	101.3	43%
Coal — USD/tonne	116.8	278.7	139%
CO ₂ — EUR/tonne	53.1	81.1	53%
NBP — p/th	118.3	207.9	76%
Henry Hub — USD/MMBtu	3.8	6.4	68%
TTF — EUR/MWh	39.7	113.4	186%



Significant events for the Iberdrola Group

The main items in the **Profit and Loss Account** were as follows:

Million EUR	2022	vs 2021
GROSS MARGIN	20,199.4	+18.4%
EBITDA	13,228.1	+10.2%
EBIT	7,983.9	+8.7%
NET PROFIT	4,338.6	+11.7%

Consolidated EBITDA grew by 10.2% compared to the figure posted in 2021, totalling EUR 13,228.1 million, with a positive exchange rate impact of EUR 736.4 million (+4.0% in local currency), with positive performance in all geographies except Spain.

Net Operating Expenses totalled EUR 5,209.1 million, up by 5.6% after excluding the impact of the exchange rate, non recurring effects of the asset rotation plan implemented in 2021 and extraordinary effects in the US; this effect was reconciled in Gross Margin. Said increase was due to growth of 3.6% in the workforce and more external services due to the inflation and the Group's growth.

Taxes increased by 112.7% compared to 2021, due to the accounting of favourable court rulings in the last quarter of 2021.

Amortisation, Depreciation and Provisions grew by 12.5%, totalling EUR 5,244.1 million, with a negative impact of EUR 285.7 million due to the exchange rate. Amortisation and Depreciation increased 5.7% excluding the exchange rate effect, as a consequence of the Group's growth, Networks' larger asset base, the growth in renewable capacity, and due to greater investment in acquisition costs. Follow up ratios for default provisions improved compared to 2021, despite the adverse economic environment, and the percentage of default debt over turnover reached 1.1% (3.18% improvement compared to 2021), while

past due debt (over 90 days) over turnover reached 4.1% (improving 6.04% vs. 2021).

The **Result of the Companies by Equity Method** totalled EUR +74.5 million mainly due to the positive impact of reorganising the offshore wind assets in the United States, which was partially offset by the Salem Harbour writedown (a past project carried out by Iberdrola Ingeniería y Construcción), and other smallscale effects.

As regards **Taxes**, the tax rate stood at 18.7%. The comparison was affected by an extraordinary negative effect in 2021 in the United Kingdom (EUR 470 million), by the nonrecurring effect of Neoenergia Brasilia's incorporation in 2022 and due to the after tax impact of the restructuring agreement on the offshore wind assets.

As a result, **Net Profit totalled EUR 4,338.6 million** (+11.7%) that year.

The key financial figures for the period are as follows:

- Net Adjusted Financial Debt* stood at EUR 43,749 million, an increase of 12% (EUR +4,630 million) compared to December 2021, due to the strong investment effort in the period and significant appreciation of currencies.
- Adjusted Funds From Operations came to EUR 11,123 million that year, up 25% compared to same period in the previous year.

Significant transactions

- In October 2022, Iberdrola signed the agreement reached with Energy Infrastructure Partners (EIP) for the sale of 49% of its offshore wind farm in German waters in the Baltic Sea (Wikinger) for EUR 700 million.
- In December 2022, Neoenergia reached an agreement with Eletrobras to exchange shareholdings

* Adjusted for treasury stock derivatives with physical settlement that, at the current date, are not expected to be executed (EUR 436 million in Dec 2022 and EUR 241 million in Dec 2021).



(asset swap) in assets in which both companies were partners. Neoenergia will receive 49% of the Neoenergia Dardanelos hydroelectric plant, which means it will hold 100% of the capital, as well as 0.04% in distributors Neoenergia Coelba, Neoenergia Cosern and Afluente T. In return, Neoenergia will give Eletrobras 50.56% of the share capital in the Teles Pires hydroelectric plant, as well as 51% of the Baguari hydroelectric plant consortium. No monetary payment shall be made by either party in swapping these shareholdings.

- In January 2023, Iberdrola reached an agreement with NBIM Iberian Reinfra AS, part of Norges Bank, to sell 49% of a total projects portfolio totalling 1,265 MW (137 MW of which is already in operation and 1,128 MW is under construction). The total value of this renewables project portfolio amounts to EUR 1,225 million. As such, NBIM Iberia's total investment in said portfolio, for a 49% shareholding, will be approximately EUR 600 million.
- Lastly, January 2023 also saw Iberdrola issue a hybrid bond with an option to buy back at par after five and a half years for EUR 1,000 million, with a coupon of 4.875%, to keep the number of hybrid bonds in circulation unchanged, in view of exercising the option to buy back 1,000 million hybrid bonds previously issued in 2017.

Operational performance
over the period





1. Networks business: energy distributed and supply points

The Group's Asset Base came to EUR 39,200 million at the end of 2022, up 10% compared to the end of 2021 at a constant exchange rate:

Asset Base (local currency)	Dec. 2022	Dec. 2021
Spain (EUR billion)	9.4	9.3
United Kingdom (GBP billion)	8.2	7.1
United States (USD billion)	12.8	11.9
Brazil (BRL billion)	43.9	35.7

Electricity distributed by the Group in 2022 totalled 235,506 GWh, representing a reduction of 0.9% compared to 2021.

Energy Distributed

Electricity (GWh)	2022	2021	vs 2021
Spain	89,622	90,933	-1.4%
United Kingdom	31,020	32,221	-3.7%
United States	38,757	38,730	0.1%
Brazil	76,107	75,814	0.4%
Total	235,506	237,698	-0.9%
GAS (GWh)			
United States	64,892	61,365	5.7%
Total	64,892	61,365	5.7%

Electricity and gas supply points increased by 1.2% compared to the previous year, thanks to organic growth in all geographies broken down as follows:

Supply points managed

ELECTRICITY (million)	2022	2021	vs 2021
Spain	11.36	11.28	0.7%
United Kingdom.	3.55	3.55	0.1%
United States	2.31	2.30	0.5%
Brazil	16.04	15.74	1.9%
Total electricity	33.26	32.87	1.2%
GAS (million)			
United States	1.04	1.03	0.4%
Total gas	1.04	1.03	0.4%
TOTAL SUPPLY POINTS			
	34.30	33.90	1.2%

1.1. Spain — i-DE

At the end of 2022, the networks business in Spain had 11.4 million supply points, while distributed energy totalled 89,622 GWh, down 1.4% compared to the end of 2021.

The table reflects the company's commitment to quality improvement, with an improvement in the regulatory SAIDI (System Average Interruption Duration Index), and the SAIFI (System Average Interruption Frequency Index). Exact data has not been published as it is commercially sensitive information:

i DE	2022	2021
Regulatory SAIDI (min.)	<38	<39
Regulatory SAIFI (no. inter.)	<0.9	<0.9

iDE launched the European project BeFlexible in 2022, with the aim of tackling the challenge of accelerating the Energy Transition and meeting the objectives of the Green Deal. The project has received funding of EUR 10 million from the European Commission through the Horizon Europe programme. Over its four year duration, BeFlexible will aim to increase the flexibility of the energy system, improve cooperation between distribution system operators (DSOs) and transmission system operators (TSOs) and facilitate the participation of all energy related stakeholders. To meet these



challenges, the project consortium brings together 21 partners and three affiliated entities from seven different European countries (Spain, Italy, Portugal, Belgium, Germany, Sweden and Denmark), including DSOs, TSOs, aggregators, R&D centres and universities specialising in technology applied in solutions, industrial suppliers of intelligent network technology and ICT developers.

With the aim of continuing to advance the energy transition toward a more sustainable model based on clean sources, 2022 saw i DE redesign the process of access and connection to the network, bringing more than 2,000 new generation plants to the network, with a combined installed capacity equivalent to the energy consumed by two million households. These facilities will prevent the emission of 3.6 million tonnes of CO₂ per year. By speeding up the connection to the network of new renewable plants, i DE also contributes to progress toward energy independence. The new standard also provides transparency and generates sufficient confidence to attract the investments needed for the development of the infrastructures that make the decarbonisation process possible.

In October, the European Investment Bank (EIB) and Iberdrola agreed to extend the green loan signed in 2021 to support the development, modernisation and digitisation of the company's electricity distribution networks, a project affecting twelve Spanish regions. With the increase of EUR 220 million, the EIB total financing amounts to around EUR 820 million, which will boost smart grids in Spain, contributing to a greater electrification of the economy. The project linked to the loan will allow the efficiency of the distribution network to be improved thanks to automation. With this loan, Iberdrola will boost the economy's recovery and employment in Spain, allowing around 10,000 jobs to be held annually in Spain during the implementation period, according to EIB estimates.

Global Smart Grids Innovation Hub

In its commitment to smart grids, in 2022, Iberdrola announced the winners of five new editions of its international challenge programme for startups, *Global*

Startup Challenge. This programme aims to find innovative solutions that improve operations and minimise environmental impact within the Iberdrola group. The winning companies (Drone by Drone, Highline Division, Automa, Minsait and Woza Labs) have proposed innovative solutions to improve line maintenance tasks, ensure supply continuity, identify non technical losses and predict, plan and quantify climate risks that may cause damage to network assets.

1.2. United Kingdom – SP Energy Networks

At the end of 2022, SP Energy Networks' supply points exceeded 3.5 million and its distributed energy volume totalled 31,020 GWh, down by 3.7% compared to the previous year.

Energy distributed (GWh)	2022	2021	%
ScottishPower Distribution (SPD)	16,895	17,462	-3.3%
ScottishPower Manweb (SPM)	14,125	14,759	-4.3%

Service quality indicators improved in both SPD and SPM compared to 2021. Customer Minutes Lost (CML) was as follows:

CML (min.)	2022	2021
ScottishPower Distribution (SPD)	24.60	28.98
ScottishPower Manweb (SPM)	28.41	40.77

Pending regulatory verification.

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

CI (no. of interruptions)	2022	2021
ScottishPower Distribution (SPD)	35.68	39.85
ScottishPower Manweb (SPM)	28.16	34.16

In February, the UK experienced the worst succession of rainstorms in decades with the passage of storms Dudley, Eunice and Franklin. The latter two storms recorded winds exceeding 135 kilometres per hour. Despite the extreme conditions, the company's



| Operational performance over the period

rapid response enabled it to mobilise all the necessary personnel to fully restore electricity supply to a total of 42,000 affected customers in just 24 hours.

SP Energy Networks was recently recognised by the UK regulator Ofgem for its speed and proactivity in its supply recovery efforts during the Arwen storm, which occurred in late 2021 and affected more than 200,000 customers.

1.3 United States – Avangrid

1.3.1 Electricity

At the end of 2022, AVANGRID Networks had around 2.3 million electricity supply points. Electricity distributed throughout the year amounted to 38,757 GWh, in line with the previous year:

Energy distributed (GWh)	2022	2021	%
Central Maine Power (CMP)	9,819	9,900	-0.8%
NY State Electric & Gas (NYSEG)	16,396	16,284	0.7%
Rochester Gas & Electric (RGE)	7,412	7,444	-0.4%
United Illuminating Company (UI)	5,129	5,103	0.5%

The Customer Average Interruption Duration Index (CAIDI) was as follows:

CAIDI (hrs)	2022	2021
Central Maine Power (CMP)	1.68	1.82
NY State Electric & Gas (NYSEG)	1.87	2.02
Rochester Gas & Electric (RGE)	1.64	1.80

The System Average Interruption Duration Index per customer (SAIDI) for UI was as follows:

SAIDI (min.)	2022	2021
United Illuminating Company (UI)	38.68	39.6

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

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

SAIFI	2022	2021
Central Maine Power (CMP)	1.71	2.01
NY State Electric & Gas (NYSEG)	1.45	1.46
Rochester Gas & Electric (RGE)	0.83	1.12
United Illuminating Company (UI)	0.44	0.46

AVANGRID's distribution areas were affected by numerous storms throughout 2022. In this quarter specifically, a state of emergency was declared in New York and Connecticut (among other states) due to Storm Elliott in late December. The unprecedented storm affected many U.S. utilities, and was classified as a "Major Storm". Over 600,000 AVANGRID customers were affected. Service was fully restored in Connecticut in less than 24 hours and within 72 hours in New York..

In the same vein, AVANGRID's emergency response has also been recognised by the Edison Electric Institute (EEI), for taking action in the face of the devastation caused by Hurricane Ida in the state of Louisiana in 2021. Distributors CMP, NYSEG, RG&E and UI each won the prestigious "Emergency Response Award", awarded annually to power companies that excel in their efforts to quickly restore service after a storm or natural disaster. On this occasion, more than 60 employees from the four distributors travelled to Louisiana to help restore service to the 895,000 affected customers, helping to repair poles and wires damaged by the hurricane. The EEI also recognised RG&E's efforts to restore service to more than 50,000 customers following the December 2021 wind storm, as well as the award cited above for NYSEG's response to the April 2022 snow storms.

1.3.2 Gas

AVANGRID supplies gas through more than 1 million supply points. By the end of 2022, 64,892 GWh of gas had been distributed, up 5.7% compared to the same period of the previous year, primarily due to the lower temperatures experienced during the first quarter of 2022:



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Energy distributed (GWh)	2022	2021	%
NY State Electric & Gas (NYSEG)	16,288	15,576	4.6%
Rochester Gas & Electric (RGE)	17,257	16,183	6.6%
Maine Natural Gas (MNG)	5,863	4,660	25.8%
Berkshire Gas (BGC)	3,023	2,933	3.1%
Connecticut Natural Gas (CNG)	11,282	11,153	1.2%
Southern Connecticut Gas (SCG)	11,177	10,859	2.9%

1.4. Brazil – Neoenergia

Neoenergia had a total of 16 million supply points in 2022. The volume of electricity distributed throughout 2022 totalled 76,107 GWh, an increase of 0.4% compared to the previous year, (including energy distributed by Neoenergia Brasilia since March 2021).

Energy distributed (GWh)	2022	2021	%
Neoenergia Elektro	20,033	20,077	-0.2%
Neoenergia Coelba	25,080	24,948	0.5%
Neoenergia Cosern	6,366	6,687	-4.8%
Neoenergia Pernambuco	17,135	17,628	-2.8%
Neoenergia Brasilia	7,494	6,475	15.7%

Efforts to improve the quality of supply have enabled it to be increased compared to 2021 in Elektro, Pernambuco and Brasilia, and all distributors comply with regulatory requirements in this regard.

The customer average interruption duration (*duração equivalente de interrupção por unidade consumidora* — DEC) was as follows:

DEC (hrs)	2022	2021
Neoenergia Elektro	6.97	7.36
Neoenergia Coelba	11.43	11.4
Neoenergia Cosern	7.93	6.78
Neoenergia Pernambuco	11.90	12.03
Neoenergia Brasilia	6.65	8.91

Variations may occur after regulatory reviews

The average number of interruptions per customer (*frequência equivalente de interrupção por unidade consumidora*, FEC) was:

FEC	2022	2021
Neoenergia Elektro	3.84	4.2
Neoenergia Coelba	5.02	5.16
Neoenergia Cosern	3.05	2.8
Neoenergia Pernambuco	4.79	5.76
Neoenergia Brasilia	5.71	7.05

Variations may occur after regulatory reviews

Progress continued as planned throughout 2022 with the transmission projects awarded at the auctions held by the Brazilian regulator (ANEEL), which, once completed, will ultimately involve expanding the transmission network by an additional 8,300 km. In this sense, the project corresponding to Lot 9 of the December 2019 auction (Rio Formoso) was energised at the end of the year. After its commercial commissioning, Neoenergia will have a total number of 10 projects in operation.

In late June, Neoenergia also participated in the auction held by ANEEL, winning lot 2 (the largest lot in the auction) and lot 11, which total around 2,000 km. Lot 2 includes the construction and commissioning of the 500 kV Nova Ponte 3 substation and 1,707 km of transmission lines in the states of Minas Gerais and São Paulo. These facilities will contribute to the expansion of transmission capacity in the northern region of Minas Gerais, with an estimated job creation of close to 10,000 direct jobs. Lot 11 corresponds to the construction and operation of 291 km of transmission lines and 300 MVA of transformation capacity. The objective of this lot is the integration of small hydroelectric power plants and the connection of distribution in the Paraíso region, in the state of Mato Grosso do Sul. These two projects are in addition to the 4,000 km of lines that Neoenergia already has under construction and the additional 2,300 km in operation.



2. Electricity production and customers business

At the end of 2022, Iberdrola's **installed capacity** grew by 4.2% compared to the end of 2021 and totalled 60,761 MW, with emission free capacity accounting for 71.2% (43,242 MW) of the total capacity, compared to 70.8% at the end of 2021:

MW	2022	vs 2021
Own capacity (*)	53,616	4.8%
Renewables (*)	39,963	5.1%
Onshore wind	20,125	3.9%
Offshore wind	1,258	-
Hydroelectric	14,104	-0.2%
Solar	4,264	39.4%
Batteries	198	2.6%
Nuclear	3,177	-
Gas combined cycle	9,291	5.9%
Cogeneration	1,185	-
Capacity for third parties	7,146	-
Renewables	103	-
Onshore wind	103	-
Gas combined cycle	7,043	-
Total (*)	60,761	4.2%

Discrepancies possible due to rounding

(*) Includes 13 MW of installed capacity from fuel cells

Net electricity production in 2022 stood at 163.031 GWh, practically in line with the figure recorded in the same period in 2021, with 60.5% of the total being emission free (98.633 GWh), compared to 59.6% at the end of 2021:

GWh	2022	vs 2021
Own production (*)	125,540	-3.0%
Renewables (*)	74,525	1.1%
Onshore wind	45,195	9.3%
Offshore wind	4,497	-2.6%
Hydroelectric	20,922	-16.3%
Solar	3,837	43.6%
Nuclear	23,886	3.0%
Gas combined cycle	21,306	-15.7%
Cogeneration	5,823	-18.7%
Production for third parties	37,491	7.4%
Renewables	222	-3.9%
Onshore wind	222	-3.9%
Gas combined cycle	37,269	7.5%
Total (*)	163,031	-0.8%

Discrepancies possible due to rounding.

(*) Includes 73 GWh of fuel cell production in 2022 and 82 GWh in 2021.

As at 31 December 2022, Iberdrola had 29.9 million contracts, 6.4% more than at the end of December 2021, broken down as follows:

Millions of contracts	Spain*	UK	Brazil	Total	vs Dec. 2021
Electricity contracts	10.9	2.8	-	13.7	1%
Gas contracts	1.4	1.9	-	3.3	-3%
Smart solutions	9.9	2.5(**)	0.5	12.9(**)	16%
Total	22.2	7.3	0.5	29.9	6.4%

Discrepancies possible due to rounding

(*) As of 1 January 2022, the old supply contracts of the Rest of the World are included in the supply in Spain.

(**) Includes 2.2 million smart meters installed.



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2.1 Spain

Renewable capacity and production

At year end, Iberdrola had an installed **renewable capacity** in Spain of 19,796 MW (+3.1%), broken down as follows:

SPAIN	Installed MW Consolidated at EBITDA level	MW managed by investee companies (*)	Total
Onshore wind	5,952	258	6,209
Solar PV	2,604	8	2,612
Hydroelectric (**)	10,700	-	10,700
Minihydroelectric	254	1	255
Batteries	19	-	19
Total capacity	19,529	266	19,796

Discrepancies possible due to rounding

(*) Includes the proportional MW share

(**) Includes 998 MW of installed capacity at the Gouvães and Daivões facility in Portugal.

In **onshore wind**, the last quarter of the year saw the 11 wind turbines forming the Valdemoro wind farm (50 MW) in Burgos be completed, and construction of the Buniel wind farm (104 MW) in the same provincial region continues. Meanwhile, in Andalucía, activities to commission the Martín de la Jara wind farm (36 MW) in Sevilla are ongoing.

In **photovoltaic solar**, commercial operation of the Majada Alta (50 MW) and San Antonio (50 MW) plants has begun in Cáceres, a province where the Almaraz I (50 MW) photovoltaic plant has already started production, and where work continues to commission Almaraz II (30 MW) and work has begun on the Cedillo photovoltaic plant, which will add 375 MW. Lastly, in the town of Alcántara, works are progressing for the construction of the four photovoltaic plants, Tagus I to IV (200 MW in total), where the installation of photovoltaic modules is in its final stages.

Construction continues on the photovoltaic plants of the Guillena complex (144 MW) in Sevilla, Cespедera

(27 MW) in Cádiz, Virgen de Areños III (50 MW) in Palencia, Manantiales I (30 MW) and Valbuena (50 MW) in Guadalajara, and Llanos Pelao 3 (7 MW), in Gran Canaria, all of which are in the module assembly phase. In Salamanca, work is being carried out on the evacuation line of the Villarino photovoltaic plant (50 MW) and, in Murcia, work has begun on the Salinas I, II and III photovoltaic plants (149 MW) in Cuenca and Peñarubia (50 MW) in Cantabria.

In **battery** storage projects, the Abadiño plant (6 MW) in Bizkaia is already in commercial operation and the Urkilla plant (5 MW) in Álava is expected to be commissioned in the next quarter.

In Portugal, in the Tâmega **hydroelectric** complex, following successful commissioning of both the Gouvães (880 MW) and Daivões (118 MW) installations, work has been carried out at Alto Tâmega, where notable aspects include the completed construction of the body of the dam and the assembly of the 2 groups (160 MW) has commenced.

Renewable production totalled 23,826 GWh (-16.2%), broken down as follows:

	GWh Consolidated at EBITDA level	GWh managed by investee companies (*)	Total
Onshore wind	11,254	490	11,744
Solar PV	2,150	-	2,150
Hydroelectric	9,511	-	9,511
Minihydroelectric	414	5	420
Total production	23,330	496	23,826

Discrepancies possible due to rounding

(*) Includes the proportional GWh share

Changes in production consolidated at EBITDA level by technology were as follows with respect to 2021:

- Onshore wind production totalled 11,254 GWh, down 2.1%, mainly due to the lower wind resource that period.
- Hydroelectric production stood at 9,511 GWh, down



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34.9% due to lower rainfall during the year.

- Solar photovoltaic production totalled 2,150 GWh, up 74.4% as a result of the commissioning of new capacity.

Sustainable capacity and production (Thermal)

The Iberdrola Group's **sustainable thermal capacity** in Spain at the end of the year totalled 9,218 MW, broken down as follows:

	MW Consolidated installed	MW Investee companies (*)	Total
Nuclear	3,177	-	3,177
Gas combined cycle	5,695	-	5,695
Cogeneration	296	51	347
Total Capacity	9,167	51	9,218

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

Iberdrola's **sustainable thermal production** in the period increased (+1%) compared to the end of 2021, marked by the increase in the nuclear contribution (+3%), since electricity generation in combined cycles remained flat and cogeneration decreased by 18%.

	GWh Consolidated at EBITDA level	GWh Investee companies (*)	Total
Nuclear	23,886	-	23,886
Gas combined cycle	7,082	-	7,082
Cogeneration	1,714	190	1,904
Total production	32,682	190	32,872

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

Retail supply.

As regards retail supply, the portfolio managed by Iberdrola in Spain^(*) totalled 22.2 million contracts at 31 December 2022, up 6.4% compared to the end of December 2021. The breakdown is as follows:

Thousands of contracts	Spain ^(*)
Electricity contracts	10,884
Gas contracts	1,351
Smart Solutions contracts	9,919
Total	22,154

Discrepancies possible due to rounding

By market type, they break down as follows:

Thousands of contracts	Spain ^(*)	%
Liberalised market	19,374	87%
Last resort	2,780	13%
Total	22,154	100%

Iberdrola's electricity sales* throughout 2022 decreased by 6.8%, as a result of lower sales to the Spot, distributed as follows:

	GWh Spain	Vs. 2021
Liberalised market	66,653	9.6%
Voluntary price for the small consumer (PVPC) market	6,866	-19.6%
Other markets	19,582	-35.8%
Total sales	93,101	-6.8%

Discrepancies possible due to rounding

With regard to gas^(*), Iberdrola managed a total gas production of 2.67 bcm in 2022, of which 0.04 bcm were sold in wholesale transactions, 1.28 bcm were sold to end customers and 1.35 bcm went towards electricity production.

* As of 1 January 2022, both electricity sales and gas management from the Rest of the World are included in Spain. Electricity sales in plant busbars. Gas including shrinkage



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2.2. United Kingdom

Renewable capacity and production

At the end of the year, Iberdrola had an installed **renewable capacity** in the United Kingdom of 3,008 MW (+0.0%).

	Installed MW Consolidated at EBITDA level	MW managed by investee companies (*)	Total
Onshore wind	1,971	15	1,986
Offshore wind	908	-	908
Solar PV	10	-	10
Batteries	104	-	104
Total capacity	2,993	15	3,008

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

In **solar photovoltaic**, works for the hybrid project in Coldham (9 MW) in England will be relaunched in the coming months, while in **battery** storage projects, once the Barnesmore project (3 MW) was fully commissioned, its commercial operation began.

The renewable business in the UK is currently developing **offshore wind** projects throughout the country, with projects called East Anglia, and land secured in Scotland.

In this regard, the East Anglia 1 offshore wind farm continues to supply power to the national grid. Divestment of the transmission assets, led by Ofgem, was completed in December 2022 — assets were acquired by Transmission Capital Partners.

East Anglia 3, having won a contract for difference in the fourth round of UK auctions, has continued to secure key contracts for the project, and engineering and design work and high voltage work (HVDC, establishment and manufacturing) continued during the last quarter and are showing good progress. Land research work for detecting mines has also been launched and is expected to be completed in early February 2023. The project is already moving toward the final invest-

ment decision (FID) and, once the decision is made, the contracts will be implemented. On 31 March 2022, permits were obtained for East Anglia 1 North and East Anglia 2, whose key engineering design works have continued for the rest of the year.

Following the successful award of the ScotWind seabed area auction, option contracts have been signed in 2022 with the Scottish State (“Crown Estate Scotland”) to develop the three offshore wind projects with a total capacity of 7 GW; two large scale floating projects in partnership with Shell (3 GW MarramWind and 2 GW CampionWind) and a fixed foundation project (2 GW, MachairWind). Work is currently under way to obtain permits for these activities.

Renewable production in the United Kingdom totalled 7,823 GWh (+16.5%), broken down as follows:

	GWh Consolidated at EBITDA level	GWh managed by investee companies (*)	Total
Onshore wind	4,415	9	4,424
Offshore wind	3,392	-	3,392
Solar and batteries	7	-	7
Total production	7,814	9	7,823

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

Consolidated production changes at EBITDA level were as follows:

- Onshore wind production totalled 4,415 GWh, up 34.8% compared to the previous year, following the normalisation of the wind resource, which was abnormally low in 2021.
- Offshore wind production decreased slightly (-1.2%) to 3,392 GWh.

Retail supply

As of 31 December 2022, the contract portfolio managed in the United Kingdom exceeded 7.2 million, up 3.8% compared to the same period last year, with the deployment of smart meters now under way with a



total of 2.2 million installed. The contract breakdown is as follows:

Thousands of contracts	UK
Electricity contracts	2,831
Gas contracts	1,915
Smart Solutions contracts	316
Smart meters	2,194
Total	7,256

Discrepancies possible due to rounding

As for sales, 18,484 GWh of electricity and 22,919 GWh of gas were supplied to customers at the end of 2022, down 4.8%^(*) and 11.6%^(*) respectively compared to the same period in 2021.

* Sales in busbars

** Including shrinkage

2.3. United States – Avangrid

Renewable capacity and production

At the end of 2022, Iberdrola had an installed **renewable capacity** in the United States of 8,702 MW (+4.7%), broken down as follows:

	Installed MW Consolidated at EBITDA level	MW managed by investee companies (*)	Total
Onshore wind	7,825	236	8,061
Hydroelectric	118	-	118
Solar PV	497	12	509
Total Capacity	8,440 (**)	248	8,702 (**)

Discrepancies possible due to rounding

(*) Includes the proportional MW share

(**) Includes 13 MW of installed capacity from fuel cells

In **onshore wind**, once the assembly of the Midland (105 MW) wind farm in Illinois is completed, it is simply awaiting completion of the connection to begin its commissioning.

For its part, in **solar photovoltaic**, the assembly and commissioning of the Lund Hill photovoltaic plant (194 MW) in the state of Washington was completed this quarter and has already entered into commercial operation, and assembly continues of the Montague

photovoltaic plant (211 MW), which will begin commissioning in the first few months of 2023. In the state of Oregon, the Bakeoven (80 MW) and Daybreak (189 MW) projects are expected to proceed with assembling modules in the second quarter of 2023.

In **offshore wind**, construction of Vineyard Wind 1 continues to progress on schedule, with the drilling of the export cable connection site completed and construction of the onshore substation under way. Park City Wind, Commonwealth Wind and Kitty Hawk Wind are currently in the process of obtaining permits from the federal government.

As regards Commonwealth Wind, due to the major challenges facing the offshore wind industry regarding the supply chain, rising inflation and interest rate hikes, Avangrid filed a motion on 12 December 2022 before the Massachusetts Department of Public Utilities requesting the review of the Power Purchase Agreements signed with state distributors to be overruled. Avangrid remains committed to submitting the Commonwealth Wind project to the upcoming Massachusetts auction, scheduled for 2023, and is confident, given the advanced status of the projects and their inherent benefits, that it will be able to address the existing economic challenges facing the project by offering the most competitive price, an appropriate schedule to help Massachusetts meet its ambitious climate targets by 2030, and creating thousands of jobs and opportunities for development.

Renewable production in the United States totalled 20,188 GWh (+4.1%), broken down as follows:

	GWh Consolidated at EBITDA level	GWh managed by investee companies (*)	Total
Onshore wind	19,040	573	19,612
Hydroelectric	188	-	188
Solar PV	288	26	314
Total production	19,516 (**)	599	20,188 (**)

Discrepancies possible due to rounding

(*) Includes the proportional GWh share

(**) Includes 73 GWh of production from fuel cells.



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Regarding the changes in production by technology consolidated at EBITDA level compared to the same period of the previous year:

- Onshore wind production totalled 19,040 GWh, up 3.5%.
- Production with photovoltaic solar technology totalled 288 GWh (+33.3%), thanks to new projects entering into operation.
- Hydroelectric production increased 42.1% to 188 GWh so far this year.

2.4. Mexico

Renewable capacity and production

At the end of 2022, Iberdrola had an installed **renewable capacity** in Mexico of 1,335 MW, unchanged from the end 2021, broken down as follows:

	Installed MW Consolidated at EBITDA level	MW managed by investee companies (*)	Total
Onshore wind	693	-	693
For own use	590	-	590
For third parties	103	-	103
Solar PV	642	-	642
Total Capacity	1,335	-	1,335

Discrepancies possible due to rounding

(*) Includes the proportional MW share

Renewable production generated in the period totalled 3,121 GWh (+5.9%), broken down as follows:

	GWh Consolidated at EBITDA level	GWh managed by investee companies (*)	Total
Onshore wind	1,884	-	1,884
For own use	1,662	-	1,662
For third parties	222	-	222
Solar PV	1,237	-	1,237
Total production	3,121	-	3,121

Discrepancies possible due to rounding

(*) Includes the proportional GWh share

Production at EBITDA level by technology was as follows at the end of the year:

- Onshore wind production totalled 1,884 GWh, up 7.1% due to a higher wind resource.
- In terms of solar photovoltaic production, production increased by 4.1%, due to a greater resource.

Thermal capacity and production

In Mexico, installed **thermal capacity** as of 31 December 2022 totalled 9,862 MW, having increased by 514 MW due to Tamazunchale II coming on stream at the beginning of May. Thermal production in 2022 totalled 52,818 GWh, up +2.9% compared to the same period a year earlier.

	MW	GWh
Gas combined cycle	9,660	51,414
For own use	2,617	14,145
For third parties	7,043	37,269
Cogeneration	202	1,403
Total	9,862	52,818

Discrepancies possible due to rounding.

Retail supply

Electricity sales in 2022 totalled 56,573 GWh (+3.5% vs. the same period of 2021), broken down as follows:

	GWh 2022	GWh 2021
CFE	37,523	34,908
Private	19,051	19,753
Total Sales	56,573	54,660

Discrepancies possible due to rounding

2.5. Brazil – Neoenergia

Renewable capacity and production

At the end of the year, installed **renewable capacity** in Brazil totalled 4,568 MW (+13.8%), broken down as follows:



| Operational performance over the period

	Installed MW Consolidated at EBITDA level	MW managed by investee companies (*)	Total
Onshore wind	1,394	-	1,394
Hydroelectric	836	2,194	3,031
Solar PV	143	-	143
Total capacity	2,373	2,194	4,568

Discrepancies possible due to rounding

(*) Includes the proportional MW share

In **onshore wind**, the last quarter of the year saw the continued installation and commissioning of the different wind farms comprising the Oitis wind complex (566 MW) in the state of Piauí. The year closed out with 352 MW commissioned. The complex will be fully operational in the first half of 2023.

In **solar photovoltaic**, the construction and commissioning of Luzia 3 (75 MW) in the state of Paraíba has been completed. The Luzia 2 project (75 MW), installed 69 MW throughout the year and will be completed in the first quarter of 2023.

In **hydroelectric**, an agreement has been reached for an asset swap in 2023, where Neoenergia will increase its stake in the Dardanelos plant to 100%, leaving its stake in the Baguari and Telespiles plants, thus optimising its generation portfolio with this technology.

Renewable production at the end of the year totalled 14,737 GWh (+23.5%), broken down as follows:

	GWh Consolidated at EBITDA level	GWh managed by investee companies (*)	Total
Onshore wind	3,843	-	3,843
Hydroelectric	2,632	8,171	10,803
Solar PV	91	-	91
Total production	6,565	8,171	14,737

Discrepancies possible due to rounding

(*) Includes the proportional GWh share

Regarding the changes in production by technology consolidated at EBITDA level:

- Onshore wind production totalled 3,843 GWh, an increase of 66.1%, thanks to the contribution of the new wind complexes.
- With regard to hydroelectric production, the increase in the hydroelectric resource increased production by 41% to 2,632 GWh.
- Photovoltaic solar production totalled 91 GWh, due to contributions from the new Luzia 2 and 3 plants.

Thermal capacity and production

In Brazil, thermal capacity at the end of 2022 remains at 533 MW, with 14 GWh being produced with this technology during the year:

	MW	GWh
Gas combined cycle	533	14
Total	533	14

Discrepancies possible due to rounding

Retail supply

Electricity sales in 2022 totalled 16,217 GWh (+9.4% vs. the same period of 2021), broken down as follows:

	GWh 2022	GWh 2021
PPA	10,381	10,381
Liberalised market	5,836	4,447
Total sales	16,217	14,828

Discrepancies possible due to rounding

2.6. Rest of the World

Renewable capacity and production

Installed **renewable capacity** in the Rest of the World totalled 2,657 MW, 17.5% more than in the same period of the previous year, with the following breakdown:



Rest of the World	MW
Onshore wind	1,885
Offshore wind	350
Solar	348
Batteries	75
TOTAL	2,657

Discrepancies possible due to rounding

The Port Augusta **hybrid** project (317 MW wind and solar PV technology) in Australia has completed commissioning and entered the commercial operation phase.

In terms of **photovoltaic solar** technology, in Portugal, the Conde photovoltaic plant (14 MW), located in the Setúbal district, in the town of Palmela, has been commissioned. Work also continues in Portugal on the Alcochete I and II photovoltaic plants (46 MW), where the installation of modules has been completed. In Australia, the installation of photovoltaic modules continues at the Avonlie project (245 MW). This work will continue into the first few months of 2023.

In **onshore wind**, works at the wind farms in Greece are progressing, with the commissioning of the Askio III wind farm (50 MW) having been completed. Its commercial operation phase is now under way and the assembly of wind turbines at the Rokani farm (18 MW), in Viotia, has been completed. Work also continues on the Askio II (37 MW) farm, where the assembly of 6 of its 9 wind turbines has already been completed. In Poland, work is still under way on the construction of the Korytnica II wind farm, where 6 wind turbines have been assembled this quarter and commissioning has begun. At the Flyers Creek wind farm (146 MW) in Australia, concrete works on the foundations are continuing.

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

- In **France**, the **Saint Brieuc** project (**496 MW**) commenced in 2023 with the installation of the underground cable and the foundations are still being built, which will allow the wind turbines to be put into service incrementally, meaning that the

offshore wind farm will be commissioned before the end of 2023.

Iberdrola continues to work on the three offshore wind auctions in France for which it has been pre-qualified: the 1 GW auction off the Normandy coast, which was submitted last November and is expected to be awarded in February; the auction of 250 MW in floating offshore wind in Brittany, the bidding date of which has been postponed to June; and the auction of two 250 MW areas of floating technology in the Mediterranean, with a bid submission date pending to be defined for the second half of 2023.

- In **Germany**, in the **Baltic Eagle (476 MW)** project, the piles and jacket of the substation have now been installed and the substation is expected to be completed in the first quarter of 2023. Construction work on the foundations is in its final phase. Monopiles have been completed, while the transition pieces will be completed during the first quarter of 2023 and their installation will commence mid-2023. Cable manufacturing has begun and will be completed in the first quarter of the year, while, as regards the turbines, numerous sub-components are already in production. The manufacture of nacelles will also begin in early 2023 and manufacture of blades and towers will begin in the first half of the year.
- In **Sweden**, to continue its commitment in the country and bolster its presence, Iberdrola has set up a subsidiary (Iberdrola Förnybar Sverige) and continues to develop the Utposten 2 project, through joint collaboration between Svea Vind Offshore and Iberdrola. The project was presented in the administrative court at the end of 2022, and said court has requested additional clarification regarding the process before issuing the environmental permit, meaning obtaining this permit has been delayed by several months. Work also continues on obtaining the environmental permit for Greta Klackar 1 (1,632 MW) and Greta Klackar 2 (795 MW).
- In **Ireland**, DP Energy is working on preparing to apply for MAC (Maritime Area Consent) permits for the three selected projects: Clarus, Shelmalere



and Inis, with a total maximum power of 2,600 MW. From a regulatory perspective, MAC permits for Phase 1 have already been awarded to 7 fixed foundation projects with a maximum capacity of 4.5 GW and the conditions for the tariff auction in which these projects will participate have been published (ORESS1). For Phase 2 projects, where Iberdrola has its portfolio, publication of the procedure that will allow applying for MAC permits is still pending.

- In **Poland**, the award process is expected to complete in 2023 for the different areas in which Iberdrola, together with its partner Sea Wind, is involved. Awarding of the seabed permits for the projects will allow the company to take part in the auctions to be held in Poland from 2025 onwards.
- In **Norway**, Iberdrola continues to work with its partners TotalEnergies and Norsk Havvind to compete in auction bids to develop floating wind and fixed foundation projects held by the Norwegian authorities, with an accumulated capacity of 4,500 MW at two sites announced by the government (Utsira Nord [floating] and Soerlige Nordsjoe [fixed]). The auction dates are yet to be set, although initial estimates suggest that the bid will be submitted throughout the year.
- In **Japan**, the Round 2 auction has resumed, which provides for a total of 4 different sites with a total expected capacity of 1.8 GW; proposals must be submitted by 30 June and the successful bidders will be announced at the end of the year. In this new auction, changes have been incorporated following Round 1, such as the change in the rate of the remuneration scheme, favouring proposals with an earlier commissioning and limiting the award within a round to 1 GW for the same consortium, to avoid the same outcomes as those seen in Round 1. Iberdrola continues to focus on developing its Round 3 portfolio projects with its Japanese partners (auction for 2024), and continues to analyse different opportunities to increase Iberdrola's presence in Japan, both for Round 2 and for other successive rounds.
- In **Taiwan**, the environmental impact studies of the projects under development for participation in the

2023 auction have been delivered. Likewise, the phase of geophysical and geotechnical studies has been completed, which allowed all the works planned to date to be completed. The local team's presence has enabled improved relations with local partners, both with the government and with suppliers, and the incorporation of a partner in Taiwan remains an option that is being analysed.

- In **Australia**, the Federal Administration has launched the first phase to award viability licenses in the Gippsland area in the state of Victoria. The deadline for filing applications is 27 April 2023. Iberdrola is making progress in preparing the documentation required for several projects.

Installed capacity breaks down as follows by country:

	Onshore Photovoltaic		Offshore		
	wind	solar	Batteries	wind	MW
Germany				350	350
Australia	880	232	75		1,187
Greece	403	6			409
Hungary	158				158
France	118				118
Portugal	92	86			178
Poland	134				134
Romania	80				80
Cyprus	20				20
Italy		23			23
Total	1,885	348	75	350	2,657

Discrepancies possible due to rounding

Renewable production in 2022 totalled 5,053 GWh, up 11.5% compared to the same period last year, broken down by technology as follows:

	GWh
Rest of the World	
Onshore wind	3,910
Offshore wind	1,105
Solar PV and batteries	38
Total production	5,053

Discrepancies possible due to rounding



| Operational performance over the period

By technology, onshore wind production increased (+17.1%) mainly due to new capacity additions, while offshore wind production decreased slightly (-6.6%).

to buy back those shares issued under the “Iberdrola Retribución Flexible” programme.

3. Other Aspects

3.1 Shareholder remuneration

In the 2020-2025 Plan, Iberdrola established a minimum shareholder remuneration of EUR 0.40 per share for the years 2020-2022, through its “*Iberdrola Retribución Flexible*” optional dividend scheme.

In this regard, at the end of January 2023, Iberdrola paid a retribution for the 2022 financial year amounting to **EUR 0.180 gross per share (+5.9% vs 2021)**. The support that Iberdrola shareholders continue to show to the Group’s management is noteworthy, since almost 80% of them chose to receive the dividend in shares.

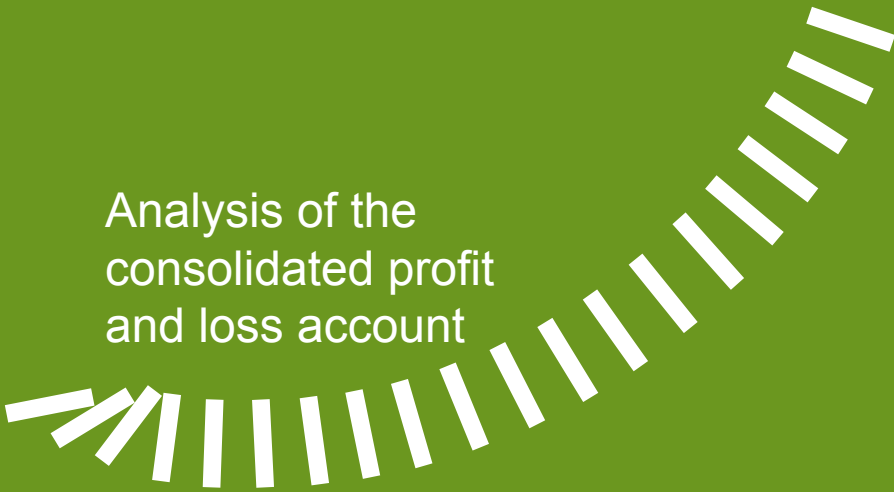
In light of the results posted, at the next General Shareholders’ Meeting, Iberdrola will propose a supplementary remuneration of **EUR 0.31 gross per share**, which will result in a total shareholder remuneration amounting to **EUR 0.49 gross per share**, against 2022 earnings, provided it is approved in the General Shareholders’ Meeting.

It is worth noting that the “Iberdrola Retribución Flexible” programme allows Iberdrola’s shareholders to choose from among the following options to collect the dividend (or to combine them, with the value of the remuneration to be received being equivalent):

- i. receive their remuneration in the form of fully paid up new shares;
- ii. sell all or part of their free allocation rights in the market; or
- iii. receive their remuneration in cash via the supplementary dividend payment.

With the aim of fulfilling the Group’s commitment to keep the number of shares in circulation at around 6,240 million, the last Shareholders’ Meeting approved a new treasury stock redemption programme

Analysis of the
consolidated profit
and loss account





As a result of the current situation of the energy markets and the actual operation of these markets in the electricity production end customer relationship, the group's businesses are reported on a segmental basis between network activities (regulated) and energy production customer activities as a whole (including both renewable and conventional sources), in order to better show how these businesses perform.

The most notable figures for 2022 are as follows:

Million EUR	2022	2021	%
NET REVENUE	53,949.4	39,113.5	+37.9
GROSS MARGIN	20,199.4	17,061.7	+18.4
EBITDA	13,228.1	12,005.7	+10.2
EBIT	7,983.9	7,342.8	+8.7
NET PROFIT	4,338.6	3,884.8	+11.7

EBITDA in 2022 increased by 10.2% compared to the figure recorded in 2021, driven by the evolution of the business in all geographies, except Spain, which fell by 19% at the Net Profit level.

1. Gross margin

Gross Margin grew by 18.4% to EUR 20,199.4 million, driven by the Networks business in the US and Brazil. This performance is a result of the following:

- The Gross Margin of the **Networks** business increased by 19.8% compared to 2021 to reach EUR 9,908.8 million:
 - In Spain it fell by 3.6% to EUR 1,909.1 million mainly due to the net impact derived from regulatory and legal issues of positive and negative sign.
 - The United Kingdom increased its contribution by 2.4% to EUR 1,415.2 million (+1.6% in local currency), as a result of a larger asset base in the business resulting from investments.

- The contribution of the United States in the period increased by 35.3% to EUR 3,939.4 million, due to the extraordinary positive effect of the new wording on the recognition of regulatory assets in the State of New York on the consolidated results, which decreased the differences between IFRS vs US GAAP (EUR +452 million) and the increase in the asset base due to the increased investments (EUR +99 million).
- Brazil's Gross Margin amounted to EUR 2,645.8 million (+32.3%, +12.8% in local currency) thanks to the positive effect of tariff adjustments in the distributors (EUR +255 million).
- The Gross Margin of the **Electricity Production and Customers** business grew by 17.2% to EUR 10,322.5 million:
 - In Spain it grew by 20.2% to EUR 5,340.5 million, considering the stable price policy under which the Group operates, despite the high cost environment, and the lower hydroelectric production in the period.
 - Gross margin in the United Kingdom increased by 8.8% to EUR 1,635.8 million (+7.9% in local currency), due to the higher contribution of wind assets, land as well as sea, partially offset by higher supply costs, recoverable in 2023.
 - The contribution made by the United States stands at EUR 1,120.5 million (+11.6%, -0.7% in local currency), the comparison affected by the Texas storm in the first quarter of 2021 (EUR 94 M), partially offset by higher production (+5.4%), thanks to the new capacity put into operation (+393 MW) and the largest wind resource in the year.
 - Gross Margin in Mexico grew by 12.5% to EUR 1,157.8 million (+17.8% in local currency), thanks to the positive effect of the cold snap at the beginning of 2021 in Texas and the greater contribution from renewable assets due to the improvement in



load factors on the comparison, effects partially offset by lower thermal production.

- Brazil rose by 47.5% to EUR 465.4 million (+25.7% in local currency), thanks to the operational improvement of the generation business and the new capacity put into operation, including the Chafariz wind complex and almost all of the Luzia solar plant (+554 MW).
- The contribution to the Gross Margin of the business in the rest of the world rose by 13.8% to EUR 602.3 million, thanks to the greater contribution of onshore and offshore wind in most geographies, following the increase in operating capacity in the year (+395 MW), highlighting the capacity incorporated in Poland in June 2021.

2. Gross operating result – EBITDA

Consolidated EBITDA rose by 10.2% versus 2021, standing at EUR 13.228.1 million.

To the evolution already explained of the Gross Margin, Net Operating Expense that stands at EUR 5,209.1 million and increases by 5.6% must be added, after excluding the effect of the exchange rate, non-recurring effects related to the 2021 asset turnover plan and extraordinary effects in the US (reconciled in Gross Margin), plus other minor effects. This growth is explained by the 3.6% increase in the workforce and the higher foreign services due to the growth of the group and inflation, effects partially offset by the reversal of a provision related to pensions in the network business in the United States, already mentioned in the nine-month results, and which has a positive impact on Net Operating Expense of EUR +82 million. The Tax item increased by 112.7% compared to 2021 as a result of favourable court rulings in the last quarter of 2021.

3. Net operating result – EBIT

EBIT increased by 8.7% compared to 2021 reaching EUR 7,983.9 million. Depreciation and Amortisation Charges and Provisions grew 12.5% to EUR 5,244.1 million, with a growth of 6.3% without the exchange rate:

- Depreciation and Amortisation increased by 11.5% to EUR 4,679.9 million, although only by 5.7% in local currency, driven by the Group's growth, due to the larger Networks asset base, higher capture costs and growth in the renewables business.
- Meanwhile, provisions increased by 21.0% due to the adverse economic environment, although the follow-up ratios of provisions for non-payments improved, since there is a decrease of 3.18% to reach 1.1% in the ratio of provisions for non-payments to billing and a decrease of 6.04% to reach 4.1% in debt due (more than 90 days) on billing.

4. Net finance income

The financial result increased by EUR –835 million compared to December 2021 to reach EUR –1,837.5 million.

- In 2021, EUR 207 million of extraordinary net revenue was collected in connection with late interest due to court rulings and the listing at market value of Wallbox's stake.
- The result of debt increased by EUR –511 million compared to December 2021, EUR –163 million due to the appreciation of currencies against the euro, EUR –145 million due to the highest average balance and EUR –202 million due to the increase in cost mainly in Brazil.
- Gains/(losses) on derivatives and others worsened



by EUR -117 million due to the weaker result of exchange rate hedges.

Net finance income	2022	2021	Diff.
Extraordinary items		207	-207
Debt	-1,822	-1,312	-511
<i>By exchange rates</i>			-163
<i>By average balance</i>			-145
<i>By cost</i>			-202
Derivatives and others	-15	102	-117
Total	-1,838	-1,003	-835

The cost of debt rises 67 basis points (from 3.60% to 4.27%) due to the increase in interest rates, mainly in Brazil. The cost excluding Brazil increased by 10 basis points (from 2.89% to 2.99%).

The impact of exchange rates on the debt result is managed at the net profit level by contracting derivatives. In Brazil, the impact of interest rates is offset by the operating profit of the distributors, which is linked to inflation.

5. Result of equity-accounted investees

Results of Companies accounted for using the Equity Method at the end of 2022 amounted to EUR 74.5 million, due to an extraordinary positive impact as a result of the restructuring agreement reached with CIP on the offshore wind assets in the United States, partially offset by the writedown of the Salem Harbour project at Iberdrola Ingeniería y Construcción, in addition to other effects of minor impact.

6. Profit in the period

Taxes in the period stood at EUR 1,161.3 million, compared to EUR 1,914.0 million at the close of 2021, affected by the extraordinary negative effect in 2021 of deferred tax in the United Kingdom due to the change of rates from 19% to 25% approved in the country (EUR 470 million), by the non-recurring effect in 2022 of the incorporation of Neenergia Brasília, and due to the after tax impact of the restructuring agreement with CIP, that puts the apparent rate at 18.7% compared to 30.5% the previous year.

Minorities increased by 54.5% to EUR 720.9 million, as a result of the greater contribution of businesses in the United States and Brazil.

Net Profit reached EUR 4,338.6 million in 2022, an increase of 11.7% from EUR 3,884.8 million compared to 2021.

Results by business





1. Networks Business

Key figures for the Networks Business are as follows:

(EUR million)	2022	vs 2021
Revenue	18,355.4	+23.3%
Gross margin	9,908.8	+19.8%
EBITDA	6,525.8	+21.0%
EBIT	4,151.3	+23.5%

The EBITDA for the Networks business increased by 21.0% to EUR 6,525.8 million. Excluding the exchange rate impact, EBITDA for Networks grew by 11.6%.

1.1 SPAIN

(EUR million)	2022	vs 2021
Revenue	1,935.2	-2.5%
Gross margin	1,909.1	-3.6%
EBITDA	1,608.0	-1.5%
EBIT	973.4	-5.0%

a) Gross margin

Gross Margin for the Networks business in Spain decreased by 3.6% to EUR 1,909.1 million, mainly due to net impact resulting from regulatory and legal issues, with both positive and negative impacts.

b) Operating profit / EBIT

EBITDA for this Business stood at EUR 1,608.0 million, a decrease of 1.5%, with Net Operating Expenses decreasing by 18.9% to EUR 220.6 million due to the efficiency measures carried out in the previous year, which affect negatively in 2021 and positively this year.

EBIT for the Networks Business in Spain amounted to EUR 973.4 million (-5.0%), after deducting Amortisation, Depreciation and Provisions, which amounted to EUR 634.6 million (+4.5%) due to an adjustment recorded in 2021 relating to the aforementioned court

ruling, which alters the useful life of the distribution assets.

1.2 UNITED KINGDOM

(EUR million)	2022	vs 2021	Local currency
Revenue	1,566.2	+9.3%	+8.3%
Gross margin	1,415.2	+2.4%	+1.6%
EBITDA	1,093.3	+3.8%	+3.0%
EBIT	691.9	+5.3%	+4.4%

a) Gross margin

Gross Margin for the Networks business in the United Kingdom increased by 2.4% (+1.6% in local currency) to EUR 1,415.2 million, due to the growth of the asset base.

b) Operating profit / EBIT

EBITDA totalled EUR 1,093.3 million (+3.8%, +3.0% in local currency), after discounting Net Operating Expenses, which fell by 3.6% (4.4% in local currency) due to fewer external and extraordinary services.

Amortisation, Depreciation and Provisions amounted to EUR 401.3 million (+1.5%; +0.6% in local currency) due to the larger asset base, with EBIT amounting to EUR 691.9 million (+5.3%; +4.4% in local currency).

1.3 UNITED STATES

(EUR millions)	IFRS (EUR MILLION)		
	2022	vs 2021	Local currency (M USD)
Revenue	6,553.8	44.5%	28.6%
Gross margin	3,939.4	35.3%	20.4%
EBITDA	1,888.7	51.0%	34.4%
EBIT	1,070.7	78.6%	58.9%

(EUR millions)	US GAAP (USD MILLION)	
	2022	vs 2021
Revenue	6,700.6	20.8%
Gross margin	3,959.3	9.3%
EBITDA	1,733.0	10.1%
EBIT	871.4	8.9%



a) Gross margin

Gross Margin increased by 35.3% to EUR 3,939.4 million, representing growth of 20.4% in local currency. This was due to the extraordinary positive impact of the new wording as regards the recognition of regulatory assets in consolidated results (EUR +452 million) in the State of New York, which decreased the differences between IFRS and US GAAP, and to the increase in the asset base owing to larger investments and rates (EUR +99 million).

b) Operating profit / EBIT

EBITDA for the Networks business in the United States grew by 34.4% to total EUR 1,888.7 million, after discounting Net Operating Expenses of EUR 1,504.3 million, which increased by 27.3% (+13.3% in local currency), due to higher external expenditure, mostly reconcilable, and partially offset by other non-recurring elements and by the recording of excess pension provisions (EUR +80 million).

EBIT increased by 78.6% to EUR 1,070.7 million (+58.9% in local currency), after deducting Amortisation, Depreciation and Provisions (up 11.8% in local currency due to the higher asset base and the increase in bad debt).

1.4. BRAZIL

(EUR million)	2022	vs 2021	Local currency
Revenue	8,300.8	+19.7%	+2.0%
Gross margin	2,645.8	+32.3%	+12.8%
EBITDA	1,935.9	+32.7%	+13.1%
EBIT	1,415.3	+31.0%	+11.7%

a) Gross margin

Gross Margin increased by 32.3% in the year (+12.8% in local currency) to EUR 2,645.8 million, thanks to the positive effect of rate readjustments and inflation at distributors (EUR +255 million).

b) Operating profit / EBIT

Net Operating Expenses increased by 31.2% to EUR 705.0 million (+11.8% in local currency) as a result of

increased activity, inflation and the consolidation of distribution company Brasília, with EBITDA amounting to EUR 1,935.9 million (+32.7% compared to 2021).

For its part, EBIT grew by 31.0% to EUR 1,415.3 million (+11.7% in local currency), after deducting Amortisation, Depreciation and Provisions, which rose by 37.4% to EUR 520.6 million (+17.1% in local currency), primarily due to the higher asset base and the incorporation of Neenergia Distribuição Brasília.

2. Electricity production and customers business

The key figures for the Electricity Production and Customers business are as follows:

(EUR million)	2022	vs 2021
Revenue	36,294.0	+46.5%
Gross margin	10,322.5	+17.2%
EBITDA	6,699.2	+4.3%
EBIT	3,963.1	+1.2%

EBITDA for the Electricity Production and Customers business increased by 4.3% to EUR 6,699.2 million.

2.1 SPAIN

(EUR million)	2022	vs 2021
Revenue	21,164.8	+48.9%
Gross margin	5,340.5	+20.2%
EBITDA	3,460.2	-4.1%
EBIT	2,430.9	-9.5%

First, it should be noted that, on 1 January 2022, a new intercompany agreement was signed and entered into force, whereby the Group's Retailer purchased all unregulated renewable production at a fixed price of EUR 66.24/MWh.



a) Gross margin

Gross margin for 2022 totalled EUR 5,340.5 million (+20.2% compared to 2021), due to the stable price policy under which the Group operates, despite the high cost environment, and the lower hydroelectric production of the period.

b) Operating profit / EBIT

Net Operating Expenses increased by 26.8% to EUR 1,107.3 million and Taxes increased to EUR 773.1 million, due to the positive impact in 2021 of the asset turnover plan in NOE and due to court rulings and legal measures in the Tax line. EBITDA therefore decreased by 4.1%, standing at EUR 3,460.2 million.

Amortisation, Depreciation and Provisions increased by 11.6% to EUR 1,029.2 million due to the entry into operation of the new capacity, mainly solar photovoltaic and the Támeaga gigabattery and the higher acquisition costs in the commercial business.

As a result of the above, EBIT amounted to EUR 2,430.9 million, down 9.5% compared to 2021.

2.2 UNITED KINGDOM

(EUR million)	2022	vs 2021	Local currency
Revenue	8,453.2	+72.2%	+70.8%
Gross margin	1,635.8	+8.8%	+7.9%
EBITDA	835.6	+21.6%	+20.6%
EBIT	230.1	+149.2%	+147.1%

a) Gross margin

Gross Margin for the business in the United Kingdom stood at EUR 1,635.8 million at year-end, up 8.8% compared to 2021 (+7.9% in local currency), and the greater contribution of both onshore and offshore wind assets was partially offset by higher electricity supply costs (these costs are recoverable in the first half of 2023).

b) Operating profit / EBIT:

EBITDA stood at EUR 835.6 million (+21.6%; +20.6% in local currency), with Net Operating Expenses fall-

ing by 5.1% compared to the previous year to EUR 653.3 million (-5.9% in local currency), as a result of the efficiency plan implemented at the end of 2021.

Taxes increased by 15.7% (14.7% in local currency) to EUR 146.9 million, due to higher expenses under the "Warm Home Discount" programme.

Amortisation, Depreciation and Provisions for the year remained practically flat at EUR 605.5 million (+1.8%), up 0.9% in local currency due to higher insolvencies following aid in the form of credit from the English government to customers in the United Kingdom. EBIT stood at EUR 230.1 million (+149.2%; +147.1% in local currency).

2.3 UNITED STATES

(EUR million)	2022	vs 2021	Local currency
Revenue	1,352.7	+11.2%	-1.1%
Gross margin	1,120.5	+11.6%	-0.7%
EBITDA	721.7	+0.3%	-10.7%
EBIT	104.4	-42.6%	-48.9%

a) Gross margin

Gross Margin for the business stood at EUR 1,120.5 million (+11.6%; -0.7% in local currency). The impact of the storm in Texas at the beginning of 2021 (EUR 94 million) affected this comparison, but was partially offset by higher production in 2022 (+5.4%), as a result of the new capacity put into operation (+ 393 MW) and the greater wind resource that year.

b) Operating profit / EBIT

Net Operating Expenses increased by 48.2% to EUR 344.0 million (+31.9% in local currency), mainly due to the larger workforce and provisions for the Commonwealth Win project (24 M\$). Taxes increased by 4.6% to EUR 54.8 million, due to the exchange rate (-7.0% in local currency). EBITDA amounted to EUR 721.7 million (+0.3%; -10.7% in local currency).

The business contributed EUR 104.4 million to the EBIT, after discounting Amortisation, Depreciation and



Provisions (EUR 617.3 million), which increased by 14.8% compared to 2021, affected by the exchange rate. Excluding the exchange rate, this increased slightly (+2.1%), in line with the installed capacity.

2.4 MEXICO

(EUR million)	2022	vs 2021	Local currency
Revenue	4,079.5	+16.9%	+4.0%
Gross margin	1,157.8	+12.5%	+0.1%
EBITDA	854.2	+9.7%	-2.4%
EBIT	616.9	+12.2%	-0.2%

a) Gross margin

Gross Margin stood at EUR 1,157.8 million in 2022 (+12.5%, +0.1% in local currency). The positive impact (in the comparison) of the cold snap in Texas in February last year and the higher contribution from renewable assets, due to improved load factors, were offset by lower thermal production.

b) Operating profit / EBIT

EBITDA in 2022 increased by 9.7% compared to last year (-2.4% in local currency) and totalled EUR 854.2 million. This is because, in addition to the Gross Margin developments mentioned above, we must add developments in Net Operating Expenses, which increased by 20.1% (6.9% in local currency) due to higher external services costs, as a result of the evolution of the USPP1.

Amortisation, Depreciation and Provisions totalled EUR 237.3 million, up 3.6% compared to 2021 due to the exchange rate, yet this item decreased in local currency (-7.8%). Lastly, EBIT for the year stood at EUR 616.9 million (+12.2% compared to 2021, -0.2% in local currency).

2.5 BRAZIL

(EUR million)	2022	vs 2021	Local currency
Revenue	714.2	+32.0%	+12.5%
Gross margin	465.4	+47.5%	+25.7%
EBITDA	401.7	+59.9%	+36.3%
EBIT	313.6	+63.2%	+39.1%

a) Gross margin

Gross Margin grew by 47.5% and totalled EUR 465.4 million (+25.7% in local currency), thanks to the operational improvement of the generation business and the new commissioned capacity, including the Chafariz wind complex (472 MW) and almost the entire Luzia solar plant (149 MW).

b) Operating profit / EBIT

Net Operating Expenses in the period totalled EUR 63.3 million, representing a decrease in local currency (-15.3%), due to lower expenditure on operations and maintenance of Termopernambuco's CCGT. As such, EBITDA increased by 59.9% to EUR 401.7 million (+36.3% in local currency).

Amortisation, Depreciation and Provisions increased to EUR 88.1 million (+49.3%), growing by 27.3% in local currency, as a result of the entry into operation of the new capacity previously discussed. As a result, EBIT amounted to EUR 313.6 million (+63.2%; +39.1% in local currency).

2.6 Rest of the world (ROW)

(EUR million)	2022	vs 2021
Revenue	801.5	+44.2%
Gross margin	602.3	+17.8%
EBITDA	427.3	+13.8%
EBIT	267.7	+29.0%

a) Gross margin

Gross Margin for the business in the Rest of the World grew to EUR 602.3 million (+17.8%), thanks to the



greater contribution from onshore and offshore wind in most geographies, following the increase in operating capacity that year, the standout contribution being that of Poland, whose capacity (113 MW) was incorporated in June 2021.

b) Operating profit / EBIT

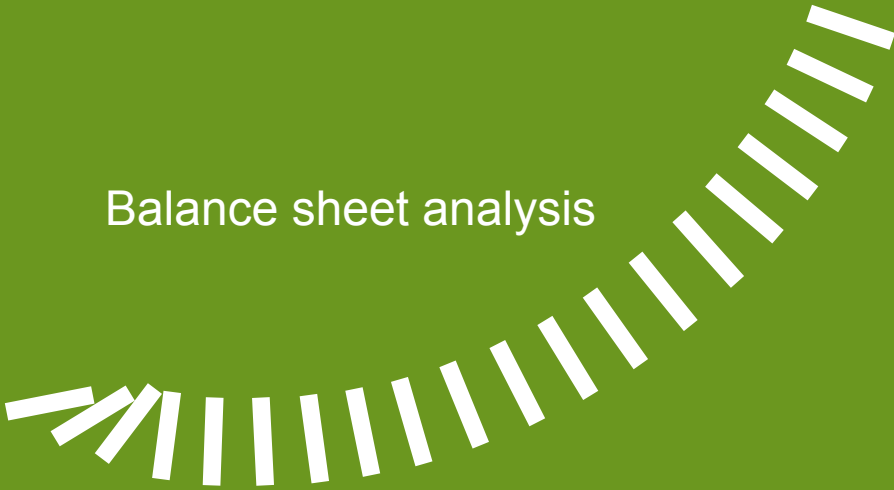
EBITDA totalled EUR 427.3 million (+13.8%) after deducting Net Operating Expenses, which increased by EUR 26.5 million to EUR 150.9 million in view of expanding the business and higher Taxes in Greece as a result of higher market prices.

Amortisation, Depreciation and Provisions fell by EUR 8.4 million, with no significant impact, meaning EBIT totalled EUR 267.7 million (+29.0%).

4. Corporate and other businesses

The Corporation heading includes the Group's overheads and the administrative costs of running the corporate areas, which are subsequently invoiced to the other companies, while the Other Businesses heading includes real estate activity, following the sale of the gas business in Canada at the end of 2021. The income statements of both divisions can be found in the *Income Statement Tables*.

Balance sheet analysis





January – December 2022

	Dec 2022	vs Dec 2021
TOTAL ASSETS	154,668	9.1%
TANGIBLE FIXED ASSETS	86,326	7.9%
INTANGIBLE FIXED ASSETS	20,118	1.1%
NON CURRENT FINANCIAL INVESTMENTS	10,508	61.7%
EQUITY	58,114	3.5%

At 31 December 2022, Iberdrola's balance sheet showed total assets of EUR 154,668 million, up EUR 12,916 million versus December 2021.

1. Fixed Assets

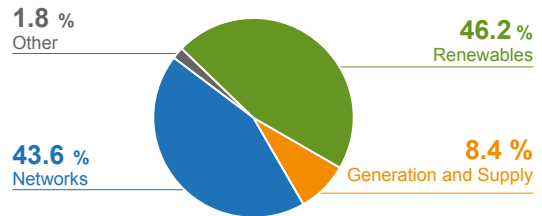
Total gross investments in 2022 amounted to EUR 10,730.4 million (+12.6%). The breakdown is as follows:

(EUR millions)	Jan Dec 2022	%
Networks business	4,676.9	43.6%
Spain	801.0	
United Kingdom	678.1	
United States	1,692.0	
Brazil	1,505.7	
Renewables business	4,956.9	46.2%
Spain	1,470.8	
United Kingdom	589.9	
United States	948.6	
Brazil	330.6	
Mexico	15.6	
Iberdrola Energía Internacional (IEI)	1,601.5	
Generation and supply business	905.3	8.4%
Spain	510.9	
United Kingdom	145.0	
Mexico	238.0	
Brazil	11.4	
Other businesses	9.1	0.1%
Corporation and adjustments	182.2	1.7%
Total gross investment	10,730.4	100.0%

Investments during the period focused on the Networks and Renewables Business, in line with the Group's strategy. These two businesses represent approximately 89.8% of the gross investments made during 2022.

Investments by business

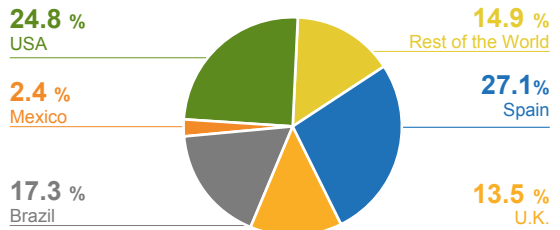
(January - December 2022)



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

Investments by geographical area

(January - December 2022)



Investment in the Renewables business totalled EUR 4,956.9 million, equivalent to 46.2% of the total.

In the "Networks Business" section, most investments were made in the United States and Brazil, totalling EUR 1,692.0 million and EUR 1,505.7 million, respectively.



2. Working capital

Working capital increased by EUR 3,454 million during the year. The variation is mainly due to favourable court rulings in Spain, together with the variation in commodity derivatives and the collection of the East Anglia 1 OFTO, which are partially offset by the increase in customer receivables and the impact of collateral in organised markets.

Current Assets	Dec-22	Dec-21	Varia.
Assets held for sale	308	124	184
Nuclear fuel	259	267	(8)
Inventories	2,159	2,639	(481)
Trade and other receivables	9,869	8,183	1,687
Current Financial Investments	2,839	1,420	1,419
Derivatives financial instruments	1,640	2,411	(771)
Taxes Payables	1,351	2,773	(1,422)
TOTAL Current Assets*:	18,426	17,818	607

* Does not include cash or debt derivatives

Current Liabilities	Dec-22	Dec-21	Varia.
Liabilities related to assets held for sale	27	0	27
Provisions	922	789	134
Derivatives Financial Instruments	3,013	1,588	1,425
Trade and other payables	12,282	9,780	2,502
Equity instruments with characteristics of financial liabilities	87	100	(13)
Taxes payables	1,418	1,432	(13)
TOTAL Current Liabilities**:	17,750	13,689	4,061

** Does not include financial debt or debt derivatives

Net Current Assets	675	4.130	(3.454)
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3. Share capital

Iberdrola's Share Capital at 31 December 2022 amounted to EUR 4,772 million, represented by 6,362,094,000 shares, each with a par value of EUR 0.75 and all fully subscribed and paid up.

4. Financial debt

Adjusted net financial debt as of December 2022 totalled EUR 43,749 million, increasing by EUR 4,630 million from EUR 39,119 million at December 2021.

Adjusted net leverage saw a deterioration of 1.8% to 42.8% versus the 41% reported in December 2021.

The ratings issued by the rating agencies are as follows:

Iberdrola's credit rating

Agency	Rating(*)	Outlook(*)
Moody's	Baa1 (15/06/2012)	Stable (14/03/2018)
Fitch IBCA	BBB+ (02/08/2012)	Stable (25/03/2014)
Standard & Poors	BBB+ (22/04/2016)	Stable (22/04/2016)

* Date of last modification

The financial debt structure by currency* can be broken down as follows:

	Dec 2022	Dec 2021
Euro	40.6%	42.7%
US dollar	27.6%	25.7%
British pound	15.0%	18.1%
Brazilian real and other currencies	16.8%	13.5%
Total	100.0%	100.0%

* Adjusted net debt including net investment hedging derivatives

The structure of financial debt by interest rate* can be broken down as follows:



| Balance sheet analysis

	Dec 2022	Dec 2021
Fixed rate	86.6%	92.0%
Variable rate	13.4%	8.0%
Total	100.0%	100.0%

* Adjusted net debt excluding Neoenergia and including future funding hedging derivatives to date (EUR 4,449 million in Dec 22 and EUR 4,672 million in Dec 21).

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 issuing debt at fixed rates and through derivatives and hedging of future borrowing rates.

Debt structure* by country is as follows:

	Dec 2022	Dec 2021
Corporate	73.2%	71.4%
UK	4.7%	5.9%
US	18.1%	18.9%
Other	4.0%	3.9%
Total	100.0%	100.0%

* Gross debt including hybrids, excluding leases and Neoenergia (EUR 7,753 million in Dec 22 and EUR 6,035 million in Dec 21)

This debt* is broken down by financing source as follows:

Market	Dec 2022	Dec 2021
EUR bonds	23.1%	25.0%
USD bonds	19.6%	20.0%
GBP bonds	6.8%	7.5%
Other bonds	5.4%	5.0%
Commercial paper	8.8%	8.3%
Multilateral banking and development	15.6%	15.2%
Structured financing	0.1%	1.2%
Banking	14.2%	12.2%
Leases and others	6.5%	5.6%
Total	100.0%	100.0%

* Adjusted gross debt

New ESG financing signed in 2022 (including 1,150 million new operations signed from 31 December to date) amounted to EUR 10,662 million. The breakdown by product is as follows:

Product (EUR million)	Q1	Q2	Q3	Q4	Total
Green	2,088	1,189	720	3,170	7,167
Hybrid bonds				1,000	1,000
Senior bonds	1,000	287		1,950	3,237
Multilateral loans	53	648	220	220	1,141
Development banks and ECAs loans	1,035		500		1,535
Structured financing		254			254
Indexed to sustainable indicators	3,220	100	175	3,495	3,495
Bank loans		720	100	175	995
Credit facilities		2,500			2,500
Total new ESG financing	2,088	4,409	820	3,345	10,662

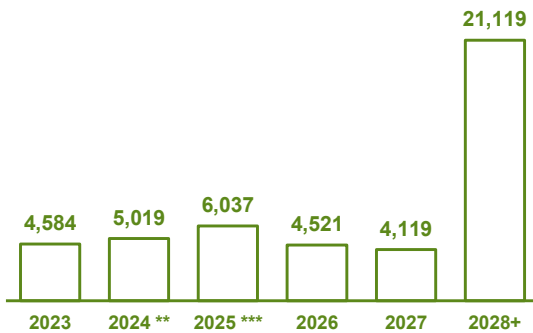
ESG financing therefore amounted to EUR 48,624 million including sustainable credit facilities, the sustainable European Commercial Paper (ECP) programmes and the new transactions signed to date. Iberdrola is the world's leading private group in green bonds issued.

Iberdrola has a strong liquidity position totalling EUR 23,530 million, including transactions signed to date. This liquidity comes mainly from syndicated credit facilities arranged with partner banks, undrawn loans arranged with multilateral credit institutions, development banks and export credit agencies, along with cash, cash equivalents and IFTs. These liquidity arrangements have been reached across all the main markets in which the Iberdrola Group operates (Europe, the United States and Brazil), in both the banking and capital markets. This liquidity covers financial needs for 26 months in the base case and 15 months in the risk scenario.

Liquidity	EUR million
Credit facilities	15,686
Cash, cash equivalents and IFTs	5,626
Committed financing	2,218
Total	23,530



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



* Long-term debt with credit institutions. Commercial paper maturities are shown in 2028+

** Includes USD 400 million with extension option for one year

*** Includes USD 500 million with extension option for one year

5. Adjusted net financial debt

EUR millions	Dec 22	Dec 21
Loans and borrowings with credit institutions and bonds or other marketable securities	46,587	41,163
Deposits securing the value of CSA derivatives	96	
Liability derivative instruments	960	760
Leases	2,439	2,411
Gross financial debt	50,082	44,334
Capitalised derivative instruments	1,083	764
Deposits securing the value of CSA derivatives	107	101
Non current financial deposits	80	65
Current financial investments (between 3 and 12 months)	18	12
Cash and cash equivalents	4,608	4,033
Total cash assets	5,896	4,975
Net financial debt	44,185	39,360
Treasury stock derivatives with physical settlement which, at the current date, are not expected to be executed	436	241
Adjusted net financial debt	43,749	39,119

6. Financial ratios

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

	Dec 22	Dec 21
Adjusted equity*	58,549	56,367
Adjusted net financial debt *	43,749	39,119
Adjusted net leverage	42.8%	41.0%
Adjusted funds from operations (FFO)**/ Adjusted net financial debt*	25.4%	23.0%
Adjusted retained cash flow (RCF)/ Adjusted net financial debt*	22.0%	20.6%
Adjusted net financial debt*/Adjusted EBITDA***	3.31x	3.23x

(*) Adjusted for treasury stock derivatives with physical settlement that, at the current date, are not expected to be executed (EUR 436 million in Dec 22 and EUR 241 million in Dec 21).

(**) Dec 21 data adjusted for the "Exit Plan" carried out in the fourth quarter of 2021 amounting to EUR 72.4 million, pro forma of the new additions to the group, corrected to reflect the net tax effect and the effect of Royal Decree Law 17-18/2021 on gas deduction. Dec 22 data corrected to reflect the Social Bonus Ruling. Dec 22 and Dec 21 data also corrected to reflect undue payment of the fee (accrual and ruling).

(***) Dec 21 data adjusted for the "Exit Plan" carried out in the fourth quarter of 2021 amounting to EUR 94.7 million, pro forma of the new additions to the group, corrected to reflect the effect of Royal Decree Law 17-18/2021 on gas deduction. Dec 22 data corrected to reflect the Social Bonus Ruling. Dec 22 and Dec 21 data corrected to reflect undue payment of the fee (accrual and ruling).



7. Funds from operations

Funds from operations (FFO) in the last 12 months amounted to EUR 11,123 million, up 23.7% compared to the previous year.

	Dec 22	Dec 21	Change
Net profit attributed to the parent company (+)	4,338.6	3,884.8	453.8
Amortisation, depreciation and provisions (+)	5,244.1	4,662.9	581.3
Results of companies accounted for using the equity method (-)	-74.5	74.1	-148.5
Gains/(losses) on non current assets (-)	0.0	0.0	0.0
Extraordinary corporate income tax (-)	0.0	0.0	0.0
Financial revision of provisions (+)	108.6	116.0	-7.5
Minority interests (+)	720.9	466.8	254.1
Adjustment for tax deductible items (+)	0.0	470.9	-470.9
Dividends on companies accounted for using the equity method (+)	67.5	48.7	18.8
Capital grants taken to profit or loss (-)	86.3	81.0	-5.3
Goodwill amortisation (+)	71.0	71.0	0.0
Other	733.5	-800.7	1,534.2
Funds from operations (FFO)	11,123.4	8,913.6	2,209.9
Exit plan (+)	-	72.4	-72.4
Proforma new acquisitions (+)	-	7.3	-7.3
Adjusted funds from operations (FFO)	11,123.4	8,993.2	2,130.2
Dividends* (-)	1,477.9	953.7	524.2
Adjusted retained cash flow (RCF)	9,645.5	8,039.5	1,606.0

* Cash dividends + Dividends paid to minority interests + Hybrid issue interest



8. Financial transactions

New financing

The Iberdrola Group has signed EUR 12,697 million in new operations (including those signed to date) through various financing sources.

Product (EUR million)	Q1	Q2	Q3	Q4	Total
Hybrid bonds				1,000	1,000
Senior bonds	1,591	995		1,950	4,536
Bank loans	285	875	237	175	1,572
Bank credit		2,500			2,500
Multilateral loans	53	648	220	220	1,141
Development banks and ECAs loans	1,035	124	500	35	1,693
Structured financing		254			254
Total new financing	2,963	5,396	957	3,380	12,697

Borrower	Transaction	Amount	Currency	Coupon	Maturity
First quarter					
UI ⁽⁶⁾	Private green bond	150.0	USD	2.25%	Jan 32
Iberdrola Finanzas	Private bond	100.0	EUR	1%	Feb 37
Iberdrola Finanzas	Public green bond	1,000.0	EUR	1.375%	Mar 32
Celpe ⁽⁶⁾	Public bond (debenture)	470.0	BRL	CDI+1.55%	Apr 27
Coelba ⁽⁶⁾	Public bond (debenture)	470.0	BRL	CDI+1.55%	Apr 27
Celpe ⁽⁶⁾	Public bond (debenture)	330.0	BRL	CDI+1.68%	Apr 29
Coelba ⁽⁶⁾	Public bond (debenture)	330.0	BRL	CDI+1.68%	Apr 29
Celpe ⁽⁶⁾	Public infrastructure bond (debenture)	400.0	BRL	HICP+6.279%	Apr 32
Coelba ⁽⁶⁾	Public infrastructure bond (debenture)	400.0	BRL	HICP+6.279%	Apr 32
Coelba ⁽¹⁾	Loan 4,131	19.8	USD		Feb 27
Neoenergia Itabapoana ⁽¹⁾	Loan 4,131	38.9	USD		Feb 23
Neoenergia Lagoa dos Patos ⁽¹⁾	Loan 4,131	15.6	USD		Feb 23
Coelba ⁽¹⁾	Loan 4,131	42.2	USD		Oct 23
Neoenergia	Loan 4,131	550.0	BRL		Sep 23
Coelba ⁽¹⁾	Loan 4,131	41.6	USD		Mar 24
Coelba	Loan 4,131	94.4	BRL		Mar 24
Neoenergia Guanabara ⁽²⁾	BNDES loan	693.0	BRL		Apr 42
Second quarter					
NYSEG	Tax exemption bond	67.0	USD	4%	Dec 28
Coelba	Commercial notes	190.0	BRL	CDI+1.39%	Jun 27
Coelba	Commercial notes	310.0	BRL	CDI+1.54%	Jun 29
Celpe	Green commercial notes	200.0	BRL	CDI+1.39%	Jun 27
Celpe	Green commercial notes	250.0	BRL	CDI+1.54%	Jun 29
CEB	Public green bond (debenture)	100.0	BRL	CDI+1.59%	Jun 27
CEB	Public green bond (debenture)	200.0	BRL	CDI+1.72%	Jun 29
Neoenergia Guanabara ⁽¹⁾	Loan 4,131	20.7	USD		May 23
Neoenergia Guanabara ⁽¹⁾	Loan 4,131	39.0	USD		Jul 23



| Balance sheet analysis

Borrower	Transaction	Amount	Currency	Coupon	Maturity
Neoenergia Lagoa dos Patos ⁽¹⁾	Loan 4,131	34.2	USD		Jun 23
Iberdrola Financiación ⁽⁶⁾	Bilateral loan	30.0	EUR		Apr 27
Iberdrola Financiación	Sustainable bilateral loan	600.0	EUR		Jun 27
Iberdrola Financiación ^{(2) (6)}	Green loan with EKF guarantee	1,000.0	EUR		Jul 31
Iberdrola Financiación ^{(2) (6)}	Green EIB loan	53.0	EUR		To be determined
Iberdrola Financiación ⁽⁶⁾	Green ICO loan	35.0	EUR		Apr 29
Coelba	Green International Finance Corporation (IFC) loan	550.0	BRL		Apr 30
Avangrid Renewables	Green TEI	71.8	USD		Dec 32
Avangrid Renewables	Green TEI	199.0	USD		Dec 32
Third quarter					
CMP ⁽⁶⁾	Green mortgage backed bond	75.0	USD	4.37%	Dec 32
CMP ⁽⁶⁾	Green mortgage backed bond	50.0	USD	4.76%	Dec 52
RG&E ⁽⁶⁾	Mortgage backed bond	125.0	USD	4.86%	Dec 52
NYSEG ⁽⁶⁾	Private bond	150.0	USD	4.62%	Dec 32
NYSEG ⁽⁶⁾	Private bond	125.0	USD	4.96%	Dec 52
UI ⁽⁶⁾	Private bond	50.0	USD	4.62%	Dec 32
Cosern ⁽⁶⁾	Public bond (debenture)	500.0	BRL	CDI+1.28%	Jul 27
Cosern ⁽⁶⁾	Public bond (debenture)	80.0	BRL	CDI+1.43%	Jul 29
Elektro ⁽⁶⁾	Public green bond (debenture)	104.0	BRL	CDI+1.28%	Jul 27
Elektro ⁽⁶⁾	Public green bond (debenture)	96.0	BRL	CDI+1.43%	Jul 29
Cosern ⁽⁶⁾	Public infrastructure bond (debenture)	220.0	BRL	HICP+6.623%	Jul 29
Elektro ⁽⁶⁾	Public infrastructure bond (debenture)	300.0	BRL	HICP+6.623%	Jul 29
Neoenergía Lagoa dos Patos ^{(1) (6)}	Loan 4,131	18.7	USD		Jul 23
Neoenergia Vale do Itajaí ^{(1) (6)}	Loan 4,131	7,614	JPY		Jul 23
Neoenergia Lagoa dos Patos ⁽¹⁾	Loan 4,131	7,820	JPY		Aug 23
Neoenergia Vale do Itajaí ⁽¹⁾	Loan 4,131	39.1	USD		Jul 23
Neoenergia Guanabara	Loan 4,131	270.0	BRL		Jan 23
Iberdrola Financiación ^{(3) (6)}	Sustainable bilateral loan	120.0	EUR		Jul 27
Iberdrola Financiación	Sustainable bilateral loan	100.0	EUR		Aug 29
Iberdrola Financiación ^{(4) (6)}	Sustainable syndicated credit facility	2,500.0	EUR		Jul 27
Iberdrola Financiación ⁽²⁾	Green EIB loan	550.0	EUR		To be determined
Iberdrola Financiación ⁽²⁾	Green EIB loan	220.0	EUR		To be determined
Fourth quarter					
Iberdrola Finanzas	Public green bond	750.0	EUR	3.125%	Nov 28
Iberdrola Finanzas	Public green bond	750.0	EUR	3.375%	Nov 32
Iberdrola Finanzas	Structured bond indexed to green shares	450.0	EUR	0.80%	Dec 27
Iberdrola Financiación	Sustainable bilateral loan	50.0	EUR		Dec 27
Iberdrola Financiación	Sustainable bilateral loan	125.0	EUR		Dec 29
Iberdrola Financiación ^{(2) (6)}	Green loan with CESCE guarantee	500.0	EUR		Oct 37
Neoenergia Itapabona ⁽²⁾	BNDES loan	195.0	BRL		Dec 45
Iberdrola Financiación ⁽²⁾	Green EIB loan	70.0	EUR		To be determined
Subsequent events ⁽⁷⁾					
Iberdrola Finanzas	Public hybrid green bond	1,000.0	EUR	4.875%	Perpetual
Iberdrola Financiación	Green EIB loan	150.0	BRL		To be determined



Extension of existing financing

Borrower	Transaction	Amount	Currency	Extension	Maturity
Iberdrola Financiación ⁽⁶⁾	Bilateral credit facility	125.0	EUR	-	Oct 23
Iberdrola Financiación ⁽⁶⁾	Sustainable syndicated credit facility	2,500.0	EUR	1 year	Apr 27
Iberdrola Financiación	Sustainable bilateral credit facility	16,000.0	JPY	1 year	Jun 27
Iberdrola México	Syndicated green loan	400	USD	1 year	May 24
Iberdrola Financiación ⁽⁶⁾	Bilateral credit facility	125	EUR	6 months	Jul 24
Iberdrola Financiación ⁽⁶⁾	Bilateral loan	300	EUR		Jul 23
Subsequent events ⁽⁷⁾					
Iberdrola México	Syndicated loan	500	USD	1 year	Dec 25

(1) Currency swaps arranged to the currency

(2) Funding planned to be available in 2023

(3) Option to extend for one year

(4) Option to extend for one year + one year

(5) Six options to extend for six months

(6) Included as a subsequent event in the previous quarter's prospectus

(7) Transactions signed after 31/12/2022.

Fourth quarter transactions

The transactions entered into between the date on which the prospectus was published in the third quarter of 2022 and the date of this prospectus are described below.

Capital market

Commercial paper

Volatility in the first three quarters of 2022 resulting from the Russia-Ukraine conflict eased slightly this last quarter, with inflation correcting downwards, but the Central Bank' targets were not met. This context led investors to show more appetite for Iberdrola's commercial paper, maintaining an outstanding balance of EUR 3,864 million at the end of 2022 with more adjusted levels. The average term of the issue was three months, with investors focusing on short terms due to uncertainty surrounding interest rate hikes by the ECB.

Bonds

The Iberdrola Group closed three green issues in November for a total of EUR 1,950 million:

- A public bond of EUR 1,500 million structured in two 750 million tranches, with coupons of 3.125% and 3.375% with terms of six and ten years, respectively. The funds obtained were used to finance renewable energy projects in Europe.
- One EUR 450 million bond indexed to the Iberdrola share price with a coupon of 0.80% and maturity in December 2027, to finance the investment plan for the Networks business in Spain in the 2021-2023 period.

Iberdrola also issued a green hybrid bond in January for EUR 1,000 million with a coupon of 4.875% to refinance the November 2017 issue, thus keeping the hybrid bond portfolio in line with the strategic plan.

Banking market

The Iberdrola Group signed three operations in December:

- Two sustainable bilateral loans totalling EUR 175 million, one for EUR 50 million maturing in December 2027 and another for EUR 125 million maturing in December 2029, linked to an environmental indicator related to water management.
- Renewal of a bilateral credit facility of EUR 125 million, the maturity of which is extended until July 2024 and including six options to extend for six months each.

Lastly, through its subsidiary in Mexico, the Iberdrola Group exercised the first one-year extension option for the USD 500 million loan in January; the contract includes the option to extend for another additional year.

Development and multilateral banks

Iberdrola signed a green loan worth EUR 70 million with the EIB in December to finance several photovoltaic solar plants in Portugal and signed in February another green loan worth EUR 150 million in order to finance renewable projects in Italy.

Furthermore, Neoenergia signed a loan with the BNDES (*banco nacional do desenvolvimento* — Brazilian national development bank) worth BRL 195 million with maturity in December 2045.



8. Credit ratings

	Moody's			Standard and Poor's			Fitch Ibc		
	Rating	Outlook	Date	Rating	Outlook	Date	Rating	Outlook	Date
Iberdrola S.A.	Baa1	Stable	Dec. 2022	BBB+	Stable	Dec. 2022	BBB+	Stable	May. 2021
Iberdrola Finance Ireland Ltd.(*)	Baa1	Stable	Dec. 2022	BBB+	Stable	Dec. 2022	BBB+	Stable	May. 2021
Iberdrola Finanzas S.A.U.(*)	Baa1	Stable	Dec. 2022	BBB+	Stable	Dec. 2022	BBB+	Stable	May 2021
Iberdrola International B.V.(*)	Baa1	Stable	Dec. 2022	BBB+	Stable	Dec. 2022	BBB+	Stable	May. 2021
Avangrid	Baa2	Stable	Nov. 2022	BBB+	Stable	Dec. 2022	BBB+	Negative	Oct. 2021
CMP	A2	Stable	Feb. 2022	A	Stable	July 2022	BBB+	Stable	Oct. 2021
NYSEG	Baa1	Stable	Nov. 2022	A-	Stable	Sep. 2022	BBB+	Stable	Oct. 2021
RG&E	Baa1	Stable	Nov. 2022	A-	Stable	Sep.2022	BBB+	Stable	Oct. 2021
UI	Baa1	Positive	Feb. 2022	A-	Stable	Mar. 2022	A-	Stable	Oct. 2021
CNG	A2	Stable	July 2021	A-	Stable	Mar. 2022	A-	Stable	Oct. 2021
SCG	A3	Stable	Dec. 2021	A-	Stable	Mar.2022	A-	Stable	Oct. 2021
BGC	A3	Stable	Dec. 2021	A-	Stable	Mar. 2022	A-	Stable	Oct. 2021
Scottish Power Ltd	Baa1	Stable	July 2022	BBB+	Stable	Mar. 2022	BBB+	Stable	May 2021
Scottish Power UK Plc	Baa1	Stable	July 2022	BBB+	Stable	Mar. 2022	BBB+	Stable	May 2021
Scottish Power Energy Networks Holdings Ltd			July 2022	BBB+	Stable	Mar. 2022			
SP Transmission plc	Baa1	Stable	July 2022	BBB+	Stable	Mar. 2022			
SP Manweb plc	Baa1	Stable	July 2022	BBB+	Stable	Mar. 2022			
SP Distribution plc	Baa1	Stable	July 2022	BBB+	Stable	Mar. 2022			
ScottishPower Energy Management Ltd.	Baa1	Stable	July 2022	BBB+	Stable	Mar. 2022			
ScottishPower Energy Retail Ltd.	Baa1	Stable	July 2022	BBB+	Stable	Mar. 2022			
ScottishPower Renewables (WODS) Limited	Baa1	Stable	Sep.2021						
Neoenergia				BB-	Stable	Mar. 2022			
Elektro				BB-	Stable	Mar. 2022			
Coelba				BB-	Stable	Mar. 2022			
Celpe				BB-	Stable	Mar. 2022			
Cosern				BB-	Stable	Mar. 2022			
Neoenergía (National scale)				brAAA	Stable	Mar. 2022			
Coelba (National scale)				brAAA	Stable	Mar. 2022			
Celpe (National scale)				brAAA	Stable	Mar. 2022			
Cosern (National scale)				brAAA	Stable	Mar. 2022			
Elektro (National scale)				brAAA	Stable	Mar. 2022			

(*) Guaranteed by Iberdrola S.A.

Date referred to last revision

Financial Statements Tables





Balance Sheet Dec.-2022 (Unaudited)

	EUR M		
ASSETS	Dec. 2022	Dec. 2021	Variation
NON-CURRENT ASSETS	131,300	119,369	11,932
Intangible assets	20,118	19,909	210
Goodwill	8,189	8,312	-123
Other intangible assets	11,929	11,596	333
Real Estate properties	307	310	-3
Property, plant and equipment	86,326	79,981	6,346
Property, plant and equipment	74,813	70,919	3,894
Property, plant and equipment in the course of construction	11,513	9,062	2,451
Right of use	2,370	2,260	110
Non current financial investments	10,508	6,499	4,009
Investments accounted by equity method	857	1,058	-200
Non-current financial assets	32	25	7
Other non-current financial assets	5,957	3,994	1,963
Derivative financial instruments	3,661	1,421	2,240
Non-current trade and other receivables	4,614	3,764	850
Tax receivables	736	729	8
Deferred tax assets	6,320	5,918	402
CURRENT ASSETS	23,367	22,384	984
Assets held for sale	308	124	184
Nuclear fuel	259	267	-8
Inventories	2,159	2,639	-481
Current trade and other receivables	11,220	10,956	265
Tax receivables	453	367	86
Other tax receivables	898	2,406	-1,508
Trade and other receivables	9,869	8,183	1,687
Current financial assets	4,813	4,364	449
Other current financial assets	2,964	1,533	1,431
Derivative financial instruments	1,849	2,831	-982
Cash and cash equivalents	4,608	4,033	575
TOTAL ASSETS	154,668	141,752	12,916



EUR M

EQUITY AND LIABILITIES	Dec. 2022	Dec. 2021	Variation
EQUITY:	58,114	56,126	1,987
Of shareholders of the parent	41,119	40,479	640
Share capital	4,772	4,775	-3
Adjustments for changes in value	- 932	547	-1,480
Other reserves	36,840	35,912	928
Treasury stock	- 1,756	-1,860	104
Translation differences	-2,143	-2,779	637
Interim dividend	-	-	0
Net profit of the period	4,339	3,885	454
Of minority interests	8,745	7,397	1,347
Hybrids	8,250	8,250	0
NON-CURRENT LIABILITIES	67,714	61,273	6,441
Deferred income	1,247	1,261	-15
Facilities transferred and financed by third parties	5,673	5,424	248
Provisions	4,225	5,330	-1,105
Provisions for pensions and similar obligations	1,226	1,592	-366
Other provisions	2,999	3,738	-739
Non Current Financial payables	44,216	37,175	7,041
Financial Debt- Loans and other	36,128	31,180	4,949
Equity Instruments having the substance of a financial liability	576	525	52
Leases	2,287	2,253	35
Derivative financial instruments	3,690	1,673	2,017
Other financial liabilities	1,534	1,545	-11
Other Non Current payables	309	418	-109
Tax payables	362	300	62
Deferred tax liabilities	11,682	11,363	319
CURRENT LIABILITIES	28,840	24,353	4,487
Liabilities related to assets held for sale	27	-	27
Provisions	922	789	134
Provisions for pensions and similar obligations	42	27	15
Other provisions	881	762	118
Current financial payables	25,079	21,297	3,782
Financial Debt- Loans and other	10,458	9,984	474
Equity Instruments having the substance of a financial liability	87	100	-13
Derivative financial instruments	3,398	2,111	1,287
Leases	151	158	-7
Trade payables	5,927	5,964	-38
Other financial liabilities	5,058	2,980	2,079
Other current payables	2,811	2,268	544
Current tax liabilities and other tax payables	156	227	-70
Other tax payables	1,262	1,205	57
Other current liabilities	1,393	836	557
TOTAL EQUITY AND LIABILITIES	154,668	141,752	12,916

**Profit and Loss** *(Unaudited)*

	EUR M		
	2022	2021	%
REVENUES	53,949.4	39,113.5	37.9
PROCUREMENTS	(33,750.0)	(22,051.7)	53.0
GROSS MARGIN	20,199.4	17,061.7	18.4
NET OPERATING EXPENSES	(5,209.1)	(4,227.4)	23.2
Personnel	(3,364.7)	(3,002.3)	12.1
Capitalized personnel costs	846.9	716.0	18.3
External Services	(3,601.9)	(2,935.7)	22.7
Other Operating Income	910.6	994.6	(8.5)
LEVIES	(1,762.2)	(828.6)	112.7
EBITDA	13,228.1	12,005.7	10.2
AMORTISATIONS AND PROVISIONS	(5,244.1)	(4,662.9)	12.5
EBIT / Operating Profit	7,983.9	7,342.8	8.7
Financial Expenses	(3,042.0)	(2,268.0)	34.1
Financial Income	1,204.5	1,264.8	(4.8)
FINANCIAL RESULT	(1,837.5)	(1,003.2)	83.2
RESULTS OF COMPANIES CONSOLIDATED BY EQUITY METHOD	74.5	(74.1)	(200.5)
PBT	6,220.9	6,265.6	(0.7)
Corporate Tax	(1,161.3)	(1,914.0)	(39.3)
Minorities	(720.9)	(466.8)	54.4
NET PROFIT	4,338.6	3,884.8	11.7



Results by Business (Unaudited)

	EUR M			
2022	Networks	Electricity Production and Customers	Other businesses	Corporation and adjustments
Revenues	18,355.4	36,294.0	42.1	(742.0)
Procurements	(8,446.6)	(25,971.5)	(21.5)	689.5
GROSS MARGIN	9,908.8	10,322.5	20.6	(52.5)
NET OPERATING EXPENSES	(2,637.8)	(2,617.5)	(10.5)	56.7
Personnel	(1,886.4)	(1,032.9)	(10.1)	(435.3)
Capitalized personnel costs	608.6	227.3	-	11.1
External Services	(1,981.8)	(2,144.7)	(4.2)	528.8
Other Operating Income	621.8	332.8	3.9	(47.9)
LEVIES	(745.1)	(1,005.8)	(0.7)	(10.6)
EBITDA	6,525.8	6,699.2	9.4	(6.4)
Amortisation and Provisions	(2,374.5)	(2,736.2)	(10.9)	(122.6)
EBIT/Operating Profit	4,151.3	3,963.1	(1.4)	(129.0)
Financial Result	(913.4)	(435.9)	2.3	(490.5)
Results of companies consolidated by equity method	12.6	150.9	(89.1)	-
PBT	3,250.5	3,678.0	(88.2)	(619.5)
Corporate tax and minority shareholders	(1,065.4)	(945.0)	(5.1)	133.2
NET PROFIT	2,185.1	2,733.0	(93.3)	(486.3)

	EUR M			
2021	Networks	Electricity Production and Customers	Other businesses	Corporation and adjustments
Revenues	14,887.4	24,776.5	59.6	(610.0)
Procurements	(6,614.3)	(15,970.0)	(34.3)	566.9
GROSS MARGIN	8,273.1	8,806.5	25.3	(43.1)
NET OPERATING EXPENSES	(2,207.2)	(2,224.0)	12.4	191.4
Personnel	(1,700.0)	(957.5)	(13.3)	(331.6)
Capitalized personnel costs	531.4	176.3	-	8.2
External Services	(1,513.5)	(1,945.8)	(5.3)	528.9
Other Operating Income	474.9	502.9	31.0	(14.1)
LEVIES	(671.5)	(156.8)	(.7)	0.4
EBITDA	5,394.4	6,425.7	37.0	148.7
Amortisation and Provisions	(2,032.8)	(2,510.1)	(10.0)	(110.1)
EBIT/Operating Profit	3,361.6	3,915.6	27.0	38.6
Financial Result	(589.9)	(135.2)	48.3	(326.2)
Results of companies consolidated by equity method	13.0	(56.5)	(28.6)	(1.9)
PBT	2,784.6	3,723.9	46.6	(289.5)
Corporate tax and minority shareholders	(1,318.6)	(1,243.4)	(13.8)	195.0
NET PROFIT	1,466.0	2,480.5	32.8	(94.5)



Networks business (Unaudited)

	EUR M			
2022	SPAIN	UNITED KINGDOM	USA	BRAZIL
Revenues	1,935.2	1,566.2	6,553.8	8,300.8
Procurements	(26.1)	(151.0)	(2,614.4)	(5,655.0)
GROSS MARGIN	1,909.1	1,415.2	3,939.4	2,645.8
NET OPERATING EXPENSES	(220.6)	(208.7)	(1,504.3)	(705.0)
Personnel	(295.0)	(273.5)	(858.0)	(459.8)
Capitalized personnel costs	147.8	173.0	287.0	-
External Services	(283.5)	(185.8)	(1,105.8)	(406.7)
Other Operating Income	210.3	77.6	172.6	161.4
LEVIES	(80.5)	(113.2)	(546.5)	(4.9)
EBITDA	1,608.0	1,093.3	1,888.7	1,935.9
Amortisation and Provisions	(634.6)	(401.3)	(818.0)	(520.6)
EBIT/Operating Profit	973.4	691.9	1,070.7	1,415.3
Financial Result	(44.4)	(157.9)	(120.8)	(590.3)
Results of companies consolidated by equity method	2.4	-	10.3	-
PBT	931.4	534.0	960.2	824.9
Corporate tax and minority shareholders	(154.3)	(107.4)	(386.0)	(417.6)
NET PROFIT	777.1	426.7	574.1	407.3

	EUR M			
2021	SPAIN	UNITED KINGDOM	USA	BRAZIL
Revenues	1,985.8	1,433.5	4,535.4	6,933.1
Procurements	(5.0)	(52.0)	(1,624.2)	(4,933.5)
GROSS MARGIN	1,980.8	1,381.4	2,911.2	1,999.6
NET OPERATING EXPENSES	(272.1)	(216.5)	(1,181.2)	(537.3)
Personnel	(326.4)	(253.2)	(781.3)	(339.1)
Capitalized personnel costs	138.3	162.2	231.0	-
External Services	(278.1)	(196.9)	(735.0)	(303.8)
Other Operating Income	194.1	71.3	104.1	105.6
LEVIES	(76.7)	(112.1)	(479.5)	(3.2)
EBITDA	1,632.0	1,052.8	1,250.5	1,459.1
Amortisation and Provisions	(607.4)	(395.5)	(650.9)	(379.0)
EBIT/Operating Profit	1,024.6	657.3	599.6	1,080.1
Financial Result	(59.8)	(116.4)	(116.4)	(297.3)
Results of companies consolidated by equity method	2.3	-	10.7	-
PBT	967.1	540.8	493.9	782.8
Corporate tax and minority shareholders	(197.9)	(430.9)	(208.5)	(481.2)
NET PROFIT	769.2	109.9	285.4	301.6



Electricity Production and Customers (Unaudited)

2022	UNITED					EUR M
	SPAIN	KINGDOM	US	Mexico	Brazil	*Rest of the world
Revenues	21,164.8	8,453.2	1,352.7	4,079.5	714.2	801.5
Procurements	(15,824.3)	(6,817.3)	(232.2)	(2,921.6)	(248.8)	(199.3)
GROSS MARGIN	5,340.5	1,635.8	1,120.5	1,157.8	465.4	602.3
NET OPERATING EXPENSES	(1,107.3)	(653.3)	(344.0)	(297.1)	(63.3)	(150.9)
Personnel	(465.7)	(167.8)	(224.5)	(64.1)	(34.4)	(76.0)
Capitalized personnel costs	70.7	28.8	44.5	10.9	3.6	48.9
External Services	(904.4)	(586.7)	(246.6)	(277.3)	(45.2)	(149.2)
Other Operating Income	192.0	72.4	82.6	33.4	12.8	25.5
LEVIES	(773.1)	(146.9)	(54.8)	(6.5)	(0.4)	(24.1)
EBITDA	3,460.2	835.6	721.7	854.2	401.7	427.3
Amortisation and Provisions	(1,029.2)	(605.5)	(617.3)	(237.3)	(88.1)	(159.5)
EBIT/Operating Profit	2,430.9	230.1	104.4	616.9	313.6	267.7
Financial Result	(27.9)	(27.7)	(78.5)	(221.6)	(60.0)	(22.7)
Results of companies consolidated by equity method	31.3	1.6	232.9	-	(91.5)	(23.4)
PBT	2,434.4	204.0	258.8	395.3	162.1	221.7
Corporate tax and minority shareholders	(639.0)	(127.8)	61.3	(58.6)	(88.5)	(91.8)
NET PROFIT	1,795.4	76.1	320.1	336.6	73.6	129.9

2021*	UNITED					EUR M
	SPAIN	KINGDOM	US	Mexico	Brazil	Rest of the world
Revenues	14,213.5	4,908.5	1,216.6	3,489.4	541.1	555.8
Procurements	(9,770.3)	(3,405.6)	(212.7)	(2,459.8)	(225.6)	(44.6)
GROSS MARGIN	4,443.2	1,502.9	1,003.9	1,029.6	315.5	511.2
NET OPERATING EXPENSES	(872.9)	(688.6)	(232.1)	(247.3)	(63.6)	(124.4)
Personnel	(485.8)	(182.4)	(154.2)	(54.4)	(25.3)	(55.4)
Capitalized personnel costs	65.6	27.9	14.7	14.5	3.2	27.5
External Services	(870.7)	(584.9)	(169.6)	(221.9)	(44.7)	(114.5)
Other Operating Income	417.9	50.8	77.0	14.5	3.1	18.0
LEVIES	38.2	(127.0)	(52.4)	(3.5)	(0.7)	(11.3)
EBITDA	3,608.5	687.3	719.4	778.7	251.2	375.6
Amortisation and Provisions	(922.3)	(595.0)	(537.7)	(229.0)	(59.0)	(168.0)
EBIT/Operating Profit	2,686.2	92.3	181.8	549.8	192.2	207.6
Financial Result	93.8	(43.0)	(60.9)	(58.5)	(36.1)	(30.5)
Results of companies consolidated by equity method	20.0	-	(4.3)	-	(68.4)	(3.8)
PBT	2,800.0	49.2	116.6	491.3	87.7	173.2
Corporate tax and minority shareholders	(654.1)	(267.5)	(64.5)	(146.4)	(57.5)	(51.9)
NET PROFIT	2,145.8	(218.3)	52.1	344.9	30.2	121.3

(*) Re-expressed



Results by country (Unaudited)

2022	EUR M					
	SPAIN	UNITED KINGDOM	US	MEXICO	BRAZIL	REST OF THE WORLD *
Revenues	22,980.2	9,812.9	7,906.5	4,079.5	8,613.4	801.5
Procurements	(16,216.9)	(6,788.0)	(2,846.6)	(2,921.6)	(5,502.6)	(199.3)
GROSS MARGIN	6,763.3	3,024.9	5,059.9	1,157.8	3,110.8	602.3
NET OPERATING EXPENSES	(1,295.5)	(803.3)	(1,859.1)	(288.0)	(819.7)	(136.4)
Personnel	(836.0)	(507.1)	(1,179.7)	(78.7)	(507.3)	(79.9)
Capitalized personnel costs	224.6	204.0	331.4	10.9	3.6	48.9
External Services	(1,094.7)	(655.6)	(1,267.6)	(253.6)	(489.7)	(150.5)
Other Operating Income	410.6	155.3	256.7	33.4	173.7	45.2
LEVIES	(855.3)	(263.0)	(600.4)	(7.1)	(5.5)	(24.1)
EBITDA	4,612.4	1,958.5	2,600.4	862.7	2,285.5	441.8

2021	EUR M					
	SPAIN	UNITED KINGDOM	US	MEXICO	BRAZIL	REST OF THE WORLD*
Revenues	16,081.8	6,171.6	5,751.9	3,489.4	7,167.0	555.8
Procurements	(9,669.2)	(3,306.0)	(1,836.8)	(2,459.8)	(4,852.1)	(44.6)
GROSS MARGIN	6,412.6	2,865.5	3,915.1	1,029.6	2,314.9	511.2
NET OPERATING EXPENSES	(1,125.7)	(748.3)	(1,426.3)	(241.3)	(635.0)	(128.6)
Personnel	(903.2)	(404.1)	(1,014.5)	(66.5)	(373.7)	(58.5)
Capitalized personnel costs	206.8	191.5	245.8	14.5	3.2	27.5
External Services	(1,044.8)	(663.1)	(840.4)	(203.8)	(372.9)	(115.3)
Other Operating Income	615.5	127.4	182.8	14.5	108.4	17.7
LEVIES	(40.7)	(242.5)	(522.3)	(3.9)	(4.4)	(11.3)
EBITDA	5,246.3	1,874.8	1,966.6	784.5	1,675.5	371.3

(*) Re-expressed



Quarterly results (Unaudited)

EUR M

	ENE-MAR 2022	ABR-JUN 2022	JUL-SEPT 2022	OCT-DEC 2022
REVENUES	12,150.0	12,279.9	13,473.3	16,046.2
PROCUREMENTS	(7,464.6)	(7,096.5)	(8,686.3)	(10,502.7)
GROSS MARGIN	4,685.4	5,183.4	4,787.1	5,543.5
NET OPERATING EXPENSES	(1,151.3)	(1,340.5)	(1,299.6)	(1,417.7)
Personnel	(723.4)	(864.3)	(880.6)	(896.5)
In house work on fixed assets	175.9	200.4	210.9	259.6
External services	(780.7)	(882.3)	(859.6)	(1,079.3)
Other operating results	176.8	205.6	229.6	298.4
LEVIES	(583.2)	(350.0)	(402.2)	(426.8)
EBITDA	2,950.9	3,492.9	3,085.2	3,699.0
AMORTISATIONS & PROVISIONS	(1,203.9)	(1,317.7)	(1,344.1)	(1,378.5)
EBIT / OPERATING PROFIT	1,747.1	2,175.2	1,741.1	2,320.5
Financial expenses	(706.1)	(816.6)	(1,307.3)	(399.3)
Financial income	306.6	300.1	844.2	(59.2)
FINANCIAL RESULT	(399.5)	(516.5)	(463.1)	(458.4)
RESULTS FROM CO. CONSOLIDATED BY EQUITY METHOD	215.8	(54.8)	10.4	(97.0)
PBT	1,563.4	1,603.9	1,288.4	1,765.1
Corporate Tax	(311.5)	(388.3)	(87.7)	(373.8)
Minorities	(193.6)	(198.9)	(172.2)	(156.3)
NET PROFIT	1,058.3	1,016.8	1,028.6	1,235.0

EUR M

	ENE-MAR 2021	ABR-JUN 2021	JUL-SEPT 2021	OCT-DEC 2021
REVENUES	10,088.4	8,663.7	9,247.6	11,113.7
PROCUREMENTS	(5,484.3)	(4,761.9)	(5,167.7)	(6,637.8)
GROSS MARGIN	4,604.1	3,901.9	4,079.9	4,475.8
NET OPERATING EXPENSES	(1,048.7)	(1,071.0)	(1,033.7)	(1,074.0)
Personnel	(699.3)	(749.8)	(746.5)	(806.8)
In house work on fixed assets	158.2	182.0	175.5	200.3
External services	(669.0)	(742.8)	(719.8)	(804.1)
Other operating results	161.4	239.7	257.0	336.6
LEVIES	(741.3)	(201.4)	(324.9)	438.9
EBITDA	2,814.1	2,629.5	2,721.3	3,840.8
AMORTISATIONS & PROVISIONS	(1,101.4)	(1,100.7)	(1,181.7)	(1,279.0)
EBIT / OPERATING PROFIT	1,712.7	1,528.8	1,539.6	2,561.7
Financial expenses	(823.5)	(224.0)	(732.9)	(487.5)
Financial income	558.2	17.8	508.5	180.4
FINANCIAL RESULT	(265.4)	(206.3)	(224.4)	(307.1)
RESULTS FROM CO. CONSOLIDATED BY EQUITY METHOD	(3.9)	2.1	6.9	(79.1)
PBT	1,443.4	1,324.6	1,322.0	2,175.5
Corporate Tax	(282.4)	(732.1)	(309.5)	(590.0)
Minorities	(135.8)	(86.3)	(135.6)	(109.0)
NET PROFIT	1,025.2	506.2	876.9	1,476.5

(*) Re-expressed



Statement of origin and use of funds (Unaudited)

	2022	2021	Variation
Net Profit	4,339	3,885	454
Depreciation and amortisation charges and provisions (+)	5,244	4,663	581
Results of companies accounted for using the equity method (-)	(74)	74	(149)
Gains/(losses) on non-current assets (-)	-	-	-
Financial revision of provisions (+)	109	116	(7)
Minority interests (+)	721	467	254
Adjustment for tax deductible items (+)	71	542	(471)
Dividends on companies accounted for using the equity method (+)	67	49	19
Capital grants taken to profit or loss (-)	(86)	(81)	(5)
Other adjustments P&L (+)	733	(801)	1,534
FFO	11,123	8,914	2,210
Dividends Paid to Iberdrola shareholders	(890)	(570)	(320,0)
Total Cash Flow allocations:	(12,417)	(8,569)	(3,848,2)
<i>Gross Investments</i>	<i>(10,730)</i>	<i>(9,531)</i>	<i>(1,199,0)</i>
<i>Non core Divestments</i>	-	521	(520,5)
<i>Treasury stock</i>	<i>(1,687)</i>	<i>(2,308)</i>	621,3
<i>Issuance/ Hybrid</i>	-	2,750	(2,750,0)
Capital Increase	-	-	-
Transactions w/minorities	646	133	513,1
Neoenergia Brasilia acquisition	-	(409)	408,7
Translation differences	(1,084)	(1,330)	245,9
Other variations	(2,008)	(2,146)	138,3
Increasing/Decreasing net debt(*)	(4,630)	(3,977)	(652)

Differences may arise due to rounding

Stock market evolution





IBERDROLA stock performance vs. Indexes



IBERDROLA's share

	2022	2021
Number of outstanding shares	6,362,094,000	6,366,088,000
Price at the end of the period	10.930	10.410
Average price of the period	10.209	10.507
Average daily volume	14,507,367	13,241,383
Maximum volume (04-22-2022 / 03-19-2021)	82,592,287	56,338,346
Minimum (05-17-2022 / 03-05-2021)	5,239,815	3,983,299
Dividends paid (€) ⁽¹⁾	0.449	0.422
Gross interim (02-02-2022 / 02-08-2021) ⁽²⁾	0.170	0.168
Complementary dividend (29-07-2022 / 29-07-2022)	0.274	0.254
Engagement (06-20-2022 / -)	0.005	0.000
Dividend yield ⁽³⁾	4.10%	4.05%

(1) Dividends paid in the last 12 months

(2) Purchase price of rights guaranteed by Iberdrola.

(3) Dividends paid in the last 12 months (including the Engagement Dividend) / period-end share price

Regulation





Regulation in the European Union

Throughout 2022 and within the framework of the European regulation, legislative effort continued for the Fit for 55 legislation package, which aims to define 2030 targets compatible with climate neutrality by 2050. This package is expected to be approved during the first quarter of 2023. However, the most remarkable development was the European response to the energy price crisis caused by the war in Ukraine, which has completely shifted the focus of the regulatory debate as it must be contextualised within the international evolution of gas prices that came along with the conflict. With regard to other matters, significant measures have been adopted in the area of sustainable finance.

Response to the consequences of the Ukraine crisis

The EU bodies have been very active in terms of the response to the exceptional nature of the Crisis since 8 March 2022, when the European Commission published **Communication COM (2022) 108, REPowerEU, with an analysis of potential tools and conditions for government intervention** in energy markets and consumer support. From that moment, the Commission has also raised the need for increasing the energy independence of the EU, shifting away from Russian gas and mostly replacing it with non-fossil options.

Days later, on 23 March 2022 and coinciding with the **extraordinary European Council held on 24 and 25 March**, the Commission announced **Communication COM (2022) 138 concerning security of supply and affordable energy prices** with an overview of potential means of public intervention in the markets and the effects thereof.

These proposals were completed with **Communication 2022/C 131 I/01** that sets out the **temporary and specific framework for State aid measures** in the context of the current Crisis and the proposal to reform the Gas Security Supply Regulation. The latter,

which set minimum gas storage levels (80-90%) as of 1 November of each year, was quickly processed, approved and published in the Official Journal of the European Union on 30 June (**Regulation (EU) 2022/1032 of 29 June 2022, amending Regulations (EU) 2017/1938 and (EC) No 715/2009 with regard to gas storage**).

Moreover, in the publication on 18 May of **Communication COM (2022) 230 concerning the REPowerEU Plan**, the Commission proposed to **accelerate the energy transition** and to join forces within the EU to achieve a more resilient and integrated electrical system. More specifically, the plan has four main lines of action: (a) saving energy, (b) diversifying gas supplies, (c) replacing fossil fuels with renewable energy, and (d) identifying the investments and funds needed to make the plan viable. Member States must include the strengthening of their ambition in the **review of their action plans on energy and climate** to be approved in June of 2024, according to the **Communication of the Commission (2022/C 495/02)** published on 29 December 2022.

In parallel with the REPower EU Plan, and to counter the effects of high electricity prices in the short-term, the Commission recommended, through **Communication COM (2022) 236 on Short-term Energy Market Interventions** to give priority to less intrusive measures, which, if applied, should be temporary and not extend beyond the next winter season, that is, until 1 May 2023.

On 20 July 2022, the Commission proposed, in **Communication COM (2022) 360, Save gas for a safe winter**, a plan to deal with a potential interruption of the Russian gas supply by means of gas savings, as well as **changes to the State Aid Temporary Crisis Framework to handle the Ukrainian War Crisis**. It also presented a draft of the **Regulation on coordinated demand-reduction measures for gas, which entered into effect several weeks later (Council Regulation (EU) 2022/1369 of 5 August 2022)**. The latter regulation establishes a voluntary gas demand reduction in each Member State (15%) between 1/8/22-31/3/23, which may become of man-



datory nature in case of an alert. The demand reduction target may be lowered to 8% if a Member State shows a low level of interconnection that it is mostly dedicated to export.

On 20 October 2022, **Regulation (EU) 2022/1854 on an emergency intervention to address high energy prices** was published. While cautioning against the risk of uncoordinated measures, the Regulation **gives a great deal of flexibility to the Member States to set their own measures** and benchmarks. The main elements of the measure are as follows:

- **Coordinated electricity demand reduction:** 10% indicative monthly reduction in gross consumption, and 5% binding reduction in peak consumption.
- **Price cap for infra-marginal technologies:** cap of EUR 180/MWh, applicable until 30 June 2023, on market revenues from wind, solar, nuclear, hydro, among others.
- **Mandatory solidarity contribution for the petroleum, gas, coal and refinery sector:** this contribution will be temporary, at least 33%, and applicable to profits in 2022 and/or 2023 that are more than 20% higher than the average profit made in the period between 2018-2021.
- **Consumer support measures:** Permit (while not obliging) the Member States to introduce regulated tariffs not only for domestic electricity consumers and micro-enterprises, but also for SMEs.

In December of 2022, three regulations were added to the European energy crisis response framework as follows:

- **Council Regulation (EU) 2022/2578 of 22 December 2022, which establishes a temporary European price ceiling mechanism on futures contracts** on organised virtual trading platforms. The mechanism shall be activated if the following is exceeded: 1/ EUR 180/MWh thresholds in the TTF market are exceeded during three consecutive days, and 2/ a one-month futures contract in the TTF market exceeds the international liquefied gas prices by EUR 35. This mechanism becomes effective on 15/2/23 and it shall be reviewed in

November of that year. **It shall not be activated in case of an emergency.**

- **Council Regulation (EU) 2022/2576 of 19 December 2022** establishing a **voluntary mechanism for coordinated gas purchases** by the Member States
- **Council Regulation (EU) 2022/2577 of 22 December 2022 laying down a framework to accelerate the deployment of renewable energy, accelerating the permit-granting timeline for small photovoltaic plants, self-consumption and heat pumps**, recognising new renewable energy development requests as being of overriding public interest (optional for each Member State is extension of advantages to all requests).

Sustainable finance

In 2022, regulation on taxonomy was enhanced (European classification of sustainable activities) with regard to European targets on climate change mitigation and adaptation, by specifying **conditions for the inclusion of nuclear and gas generation (Commission Delegated Regulation (EU) 2022/1288 of 6 April 2022, thus completing Regulation (EU) 2019/2088)**. At the same time, it **strengthens transparency of activities** by clearly differentiating gas and nuclear generation from other activities that are deemed sustainable (renewable energy, networks, renewable hydrogen etc.).

On 14 December 2022 the Official Journal of the European Union published the **Directive (EU) 2022/2464 establishing rules and formats as regards sustainability reporting** by large companies and certain SMEs, with inclusion of environmental and social factors, human rights and corporate governance.

Regulation in Spain

Royal Decree-Law 18/2022 of 18 October: stating measures to reinforce the protection of energy consumers and to contribute to the reduction of natural gas consumption in application of “Plan + Seguridad



para tu Energia (+SE)”. In addition, the sale price limit of EUR 67/MWh is extended until December of 2023.

- **Protection of vulnerable consumers**

- **Gas sector:** It created a **new temporary reduced rate for communities of neighbours with community boilers** and it **extended the limitation of Last Resort Gas Rate increases, both until 31 Dec 23**. Potential deficit is covered by an allocation of EUR 3,000 million charged to the National Budget. The allocation to thermal benefits is increased by EUR 225 million.

- **Electricity sector: A new social benefit campaign** permitting a 40% discount to households (1.5 million of them) whose income is between 1.5 and 2 times larger than IPREM Minimum Wage Index until 31 Dec 23. It does not entitle beneficiaries to receive thermal social benefits. **Current Social Benefits coverage is increased** from 60 to 65% (vulnerable) and from 70 to 80% (severely vulnerable). In addition, the subsidised energy limit is increased by 15%.

- **Easing of contractual conditions:** Termination of gas and related additional services is facilitated, while companies and self-employed individuals are permitted to make more than one change in power capacity within a 12-month period until December of 2023. Loss of revenue in this sector shall be covered by the National Budget.

- **New information on bills:** Information about the average consumption in the same post code, recommendations on energy savings and efficiency, information about tax reductions passed by the government and information about the decrease in Spot Price due to application of the Iberian adjustment mechanism; the presentation of the Iberian adjustment mechanism is standardised on invoices for the unregulated market. If the electric company transfers the cost of the adjustment mechanism to the client in a differential way (not included in the electricity price), it must indicate on the invoice that it has chosen this option and

list the average price of the adjustment during the last calendar month.

- **Self-consumption and processing of renewable energy:**

- Self-consumption through the grid: the distance for PV located on the roof or buildings is extended to 1 km and more than one installation at the same cadastral reference is enabled.

- A new obligation for grid managers to submit information on self-consumption installations connected to the grid to the System Operator on the quarterly basis.

- Direct lines: the obligation to pertain to the same business group is removed for renewable production installations connected with a consumer.

- Small-scale installations: Prior Administrative and Construction Authorisation is not required for installations up to 500 kW (previously 100 kW for Low Voltage).

- Freedom to amortise the investment in installations intended for self-consumption of electrical energy, as well as installations for self-consumption of thermal power, as long as they use energy from renewable sources and replace installations that use energy from non-renewable sources of fossil origin.

- **Access and connection:** developers with access permission granted for a capacity that is lower than the installed power at the network node are permitted to exceptionally inject a higher power as long as the node is covered by the tender, until completion. In addition, in tenders, the capacity shall be maintained even if the initial conditions are no longer met.

Remuneration of electrical energy production installations from renewable energy sources, co-generation and waste: updates were provided for remuneration corresponding to the second calendar half of 2020 and the first calendar half of 2021 (Order TED/989/2022 of 11 October), the value of



remuneration for operations corresponding to the first calendar half of 2019 (Order TED/990/2022 of 11 October) and remuneration for operations during the second half of 2021 for installations whose operating costs are essentially dependent on fuel price (Order TED/995/2022 of 14 October). Also published were the values for the extraordinary review of remunerative parameters as of 1 January 2022 (Order TED/1232/2022 of 2 December) as stipulated in Royal Decree Law 6/2022. Lastly, remuneration for the operation (RO) for co-generation and waste for the second half of 2022 was published (Order TED/1295/2022 of 22 December).

Main and dominant operators in the energy sector: Lists of main and dominant operators were published in the Resolutions of the CMNV Spanish Securities and Exchange Commission on 24 November. IBERDROLA remains a dominant operator in electricity and a main operator and electricity and gas. In the fuel and LPG sector, Repsol and CEPSA are dominant operators and they repeat as main operators, along with BP and Naturgy (GLP).

Electricity transportation and distribution network use tolls for 2023: Resolution of the Spanish Securities and Exchange Commission of 15 December 2022 reduces average tolls by -1% compared to those established for 2022.

Temporary levy: Law 38/2022 of 27 December was published establishing temporary levies on energy and on credit institutions and credit financial establishments. For companies in the electricity, gas and oil sector, the charge is set at 1.2% of their business volume in Spain, on a temporary basis for 2023 and 2024, affecting those with the status of main operators. Revenues of companies engaged in activities with regulated remuneration and revenues from other countries are released from this levy.

Royal Decree-Law 20/2022 of 27 December: on measures in response to the economic and social consequences of the war in Ukraine.

- It extends **tax and social measures** until 31 December 2023: suspension of electricity

generation tax (7%); decrease of VAT (5%) for domestic consumers and Electricity Tax (0.5%); and prohibition of cutting essential utilities (gas, electricity, water) for vulnerable customers.

- It extends a **80% reduction on toll charges** for electricity-intensive consumers until 30 June 2023
- **New State allocations to the Energy Sector Settlements:** EUR 2,000 million from the National Budget to settlements in 2022 and EUR 113 million to offset the reduction of toll charges to electricity-intensive vehicles. If there is a surplus in the 2022 settlements, it will be transferred to 2023.
- **Self-consumption:** The self-consumption limit is extended to almost 2,000 metres (previously 1,000 metres) for PV installations on roofs, industrial land and artificial structures (new).
- The extension of the **protection for strategic sectors** against foreign agents purchasing domestic companies is extended until 31 December 2024.
- **Renewable energy processing:** Administrative procedures initiated with regard to nodes reserved for the tender will be suspended for 18 months. Procedures for renewable energy projects handled by the State are also simplified
- **Co-generation:** Until the new calculation methodology is published, updates to the regulated Remuneration for Operation (RO) will take into account the semi-annual variations of raw materials and gas tolls.

Order TED/1312/2022 of 23 December: establishing the prices of the charges for the applicable electricity system from 1 January 2023 and establishing various regulated costs for the electricity system for financial year 2023.

Resolution of 22 December 2022 of the Directorate General for Energy Policy and Mines: it publishes the Last Resource Rate for natural gas, applicable starting from 1 January.

Regulation in the United Kingdom



Tariff cap: as required under the Domestic Gas and Electricity (Tariff Cap) Act 2018, Ofgem (Office of Gas and Electricity Markets) implemented a new price cap for default tariffs, including Standard Variable Tariffs (SVTs), on 1 January 2019. With effect from 1 October 2022, the tariff cap is adjusted every quarter, on 1 January, April, July and October (previously every 6 months). The Energy Prices Act which was enacted on 28 October 2022 removed the end date for the cap (previously end 2023) and gave the Secretary of State the power to terminate the tariff cap at any time. Ofgem issued a further consultation in November 2022 on its review of the EBIT margin allowance in the price cap methodology.

Energy bill support: The Government introduced three Government-funded schemes to help households and businesses with exceptionally high energy bills in the winter of 2022/23:

- An 'Energy Bill Support Scheme' (EBSS), whereby suppliers offer a £400 credit to domestic electricity customers over a six-month period (October 2022 to March 2023), worth £67 per month.
- An 'Energy Price Guarantee' (EPG) for household customers. This EPG caps a household's energy bill at £2,500 between October 2022 and March 2023 and £3,000 between April 2023 and March 2024. It was complemented by direct government support for low-income households.
- An 'Energy Bill Reduction Scheme' (EBRS) for non-domestic customers. This scheme runs from October 2022 to March 2023 and allows suppliers to offer a discount on energy prices to non-household customers. In January 2023, the Government announced that the EBRS would be replaced by a new Energy Bill Discount Scheme (EBDS) from April 2023 to March 2024 which would offer a lower level of support than the current EBRS.

RIO-ED2: The next five-year RIO-ED2 distribution network price control will run from 1 April 2023 to 31 March 2028. Ofgem published its final determinations for RIO-ED2 on 30 November 2022. Relative to the draft determinations, total expenditure ('totex') allowances for DNOs was increased by £1.2bn, with SP

Energy Networks' allowance increasing to £3bn. Ofgem's approach to the cost of capital was unchanged from the transmission network price control (RIO-T2); based on latest market indices, this gave a cost of equity of 5.23% and average cost of debt of 3.07%.

Contracts for Difference: Having announced its intention to start holding Contracts for Difference (CfD) allocation rounds on an annual basis, the UK Government is planning to open the eligibility window for the next CfD auction – Allocation Round 5-in March 2023. This will be based on two auction Pots: Pot 1 for 'established' renewable technologies, including fixed bottom offshore wind, onshore wind and solar PV; and Pot 2 for 'less established' renewable technologies, including floating offshore wind. However, the detailed final auction parameters and Budget Notice are still to be published.

Electricity Generator Levy: In November 2022 the UK Government announced the introduction of the infra-marginal Electricity Generation Levy (EGL), with application to renewable and nuclear generation from 1 January 2023 to 31 March 2028. It is a 45% levy on revenues from such generators above an annual benchmark of £75/MWh indexed to CPI inflation. This Levy rate does not apply to power sold under a Contract for Difference (CfD) with the Low Carbon Contracts Company Ltd (LCCC), but does apply to power sold on a merchant basis. The legislation implementing the Levy is expected to be enacted in Spring 2023.

Energy Bill: In Summer 2022 a new Energy Bill was introduced to Parliament and is currently progressing through the House of Lords ahead of being considered by the House of Commons. The main provisions of the Energy Bill are (i) to promote low carbon hydrogen production by facilitating the introduction of a new business support model, (ii) to establish a new independent Future System Operator, providing strategic oversight across electricity and gas systems during the Net Zero transition, (iii) to provide for a new obligation to be placed on fossil fuel boiler manufacturers to scale up their production of heat pumps over time, and (iv) to provide for the introduction of competition in onshore electricity networks.



Regulation in the USA

Infrastructure Investment and Jobs Act (IIJA) & Inflation Reduction Act (IRA) Implementation

In September, the Department of Energy (DOE) opened applications for the \$7 billion regional clean hydrogen hubs programme (H2Hubs) funded by the IIJA. Following the submission of concept papers in November, DOE sent notices to 33 (of 79) hydrogen hub applicants to formally “encourage” the submission of a full application for funding.

Additionally, on 17 November, DOE opened applications for the \$10.5 billion Grid Resilience and Innovation Partnerships (GRIP) Programme, also funded by the IIJA. GRIP will focus on three areas: Grid Resilience Utility & Industry Grants (\$2.5 billion), Smart Grid Grants (\$3 billion), and Grid Innovation (\$5 billion). Funding will be made available in tranches over the next few years with approximately \$3.8B for FY23.

Separately, the Treasury Department issued initial guidance on the prevailing wage and apprenticeship requirements contained in the IRA, interim guidance on the new corporate alternative minimum tax (CAMT), and solicited comments on guidance to implement the IRA’s energy tax provisions.

Offshore Wind Leasing: On 6 and 7 December, the BOEM held an auction for five lease areas off northern and central California. Additionally, in October, BOEM finalized two Wind Energy Areas in the Gulf of Mexico totaling approximately 700,000 acres (auction is expected in 2023) and initiated the comment process for eight draft lease areas in the Central Atlantic (off North Carolina, Virginia, Maryland, and Delaware). The target date for a Central Atlantic auction has been moved from late 2023 to Q1 2024.

Offshore Vessel Crewing: On 6 December, the Senate and House Armed Services Committees reached an agreement on the National Defense Authorization Act (NDAA), which removed harmful manning and crewing provisions passed by the House that would have stopped construction of Vineyard Wind 1 and

future projects. The House and Senate subsequently passed the agreement, and the NDAA was signed by President Biden without these provisions on 23 December.

FERC: On 15 December, FERC unanimously opened a rulemaking to address its backstop siting authority for transmission. The proposal includes requirements for developers to engage with landowners near potential transmission lines before they can acquire a right-of-way. FERC is aiming to revise as needed and finalize the rule in 2023. Additionally, FERC directed the North American Electric Reliability Corporation (NERC) to assess potential new requirements for safeguarding electric transmission stations and substations in light of the recent attack on a substation in North Carolina.

NY – Rate Case

On 18 October, companies submitted their comments to the NYPSC Staff proposal confirming their initial position.

The companies are currently negotiating the final amount of the increase with NYPSC Staff as well as the possibility of fixing rates for three years (May 23 to Apr 26), which would allow the agreed upon rate increase to be rolled out.

NY – CLCPA phase 1

The NYPSC has approved a USD 98 million package for NYSEG to finance the early development stages of 27 projects aimed at meeting the objectives of the Climate Leadership and Community Protection Act (CLCPA). This amount is in addition to the investment under negotiation in the rate case.

CT – Bill reduction plan for vulnerable customers

On 2 December, the Governor of Connecticut announced a series of measures to mitigate the rise in electricity bills as a result of rising energy prices:

- Eversource and UI will contribute USD 10 million and USD 3 million, respectively, to help pay vulnerable customers’ bills. The USD 3 million that UI will contribute comes from an agreement reached to close an open proceeding against UI for the payroll garnishment during the COVID moratorium.



- Bring forward to 1 January (vs. 1 May via annual rate adjustment) the return of a regulatory liability associated with the purchase of energy via PPAs that both UI (USD 28 million) and Eversource (USD 90 million) consider to recover.
- Work is under way to design a tariff focused on low income customers that could be applied in 2023.

CMP – Rate Case

On 5 December, the MPUC Staff published their initial assessment of the CMP rate proposal. The overall tone of the assessment was very positive and did not question any of the investments requested by the company; however, the Staff expressed concern regarding global supply chain issues and the impact that a rate increase could have on customers. The company submitted its response to the Staff's assessment on 7 February.

UI – Rate Case

On 13 December, the Office of Consumer Counsel (OCC) published its statement on the UI proposal; the OCC requested certain adjustments regarding the figures required by the UI.

On 6 January, UI sent PURA its comments on the OCC's statement rebutting the arguments that supported the amounts originally requested.

BGC Rate Case 2023 2025

In October, the Connecticut regulator ratified the agreement reached with the Attorney General for the new BGC rates (Rate Case 2023 25). Notably, a ROE of 9.70% and an Equity Factor of 54% were approved.

Regulation in Mexico

Mexico announced new climate commitments. In the context of COP 27, Mexico committed to increasing the Nationally Determined Contribution (NDC) to reduce its CO₂ emissions by 35% by 2030. This commitment involves the incorporation of 40 GW of new renewable energy capacity required to achieve this target.

Consultations under the USMCA regarding the energy policy of Mexico. In July of 2022, the United States and Canada made an announcement to the government of Mexico about consultations under the USMCA framework due to potential breaches of commitments in the energy field, particularly in regard to electricity, petroleum and natural gas. Consultations continue up to the present time and it is expected that an amicable solution will be reached or an arbitration panel will be initiated in 2023.

Regulation in Brazil

Readjustment of tariffs – Neoenergia Brasilia

On 1 November, ANEEL approved the tariff readjustment for Neoenergia Brasilia with an average effect on the consumer of 11.17% starting from 3 November 2022, including the exemptions that reduce the basis for ICMS (VAT) calculation. Plot A variation stood at 15.0%, totalling BRL 2,962.7 million due to the increase in sectoral charges (29.1%) and energy purchase costs (9.4%), while the average sale price of energy contracts was BRL 273.32/MWh. Plot B variation stood at 5.2% (BRL 583.7 million), reflecting mainly the accumulated inflation (IPCA) since the last readjustment of 7.17%, minus the Factor X of 0.57%, as well as other minor adjustments.

Review of the physical guarantee of hydroelectric power plants

On 2 December, the Ministry of Mines and Energy (MME) published Directive 709/2022 containing new amounts of the physical guarantee for hydroelectric power plants, effective 1 January 2023. The review covered 120 power plants dispatched by the National System Operator (ONS) in a centralised manner. In case of Neoenergia, Baguari, Corumbá III, Dardanelos, Itapebi and Teles Pires power plants underwent the review, as shown in the following table (values in average MW):



Hydroelectric Power Plant	Effective Physical Guarantee	Physical guarantee starting from 01/01/2023	Change
Baguari	84.7	81.9	-2.8
Corumbá III	49.3	47.0	-2.3
Dardanelos	154.9	147.2	-7.7
Itapebi	209.1	202.1	-7.0
Teles Pires	939.4	964.2	+24.8
Total	1,437.4	1,442.4	+5.0

Renewal of the authorisation period for Dardanelos hydroelectric power plant

The ANEEL Authorised Resolution No. 13,297/2022 was published on 19 December concerning the adjustment of the concession period for Dardanelos Hydroelectric power plant requested in December of 2020, since the company, whose supply date was awarded in the A-5 Auction in 2006, saw its supply start date set back due to the delay in transport network availability, obtaining the exclusion of liability recognition at the time of its entry into commercial operations. The resolution adds 220 days to the final end date of the concession, which shall remain effective until 11 August 2043. It should be noted that as the 2,148-day extension arising from Law 14,052/2020 has not yet taken place, the Electric Energy Trading Chamber must recalculate the GSF Extension to determine the effective final end date of the Dardanelos hydroelectric power plant concession, estimated as 28 June 2049.

Sustainability Performance - ESG

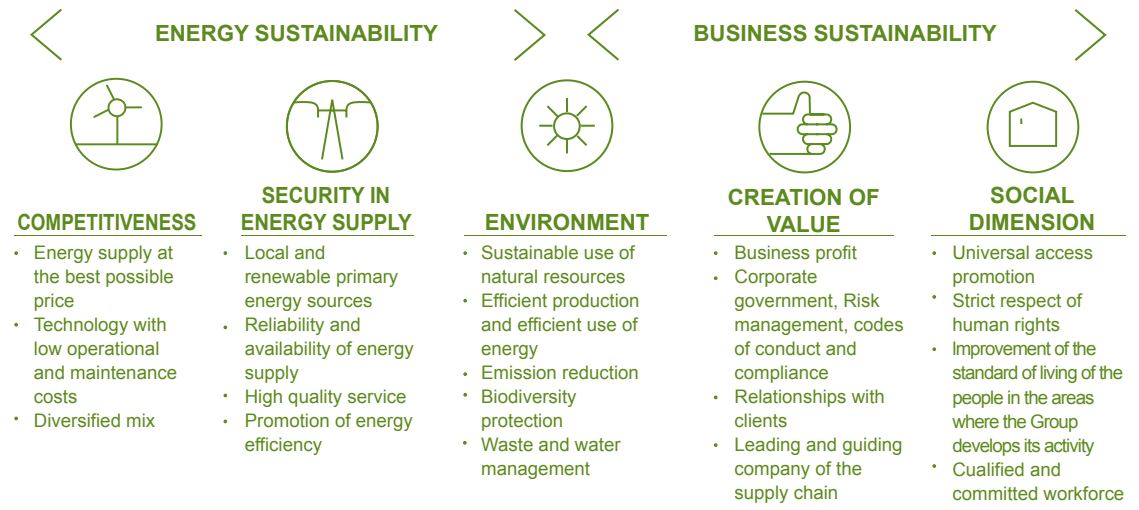




Iberdrola’s contribution to sustainable development is reflected in sustainable corporate responsibility practices that meet the needs and expectations of its stakeholders.

In this section, the company describes its performance in the non-financial (environmental, social and governance) areas that drive the sustainability of its operations, achievement of the social dividend and contribution to the United Nations Sustainable Development Goals.

Sustainability Policy:





ESG initiatives in the period

ESG initiatives in the period		FY 2022	Related SDGs
2022 Climate Summit	<i>COP27</i>		 
Climate action report	<i>Elements of the Climate Action Plan</i>		
Innovation	<i>Wind blade recycling</i>		  
Sustainability	<i>Decarbonised energy model</i>		 
Global Biodiversity Meeting	<i>COP15</i>		
Rational use of water	<i>Sustainable management</i>		
Sustainable mobility plan	<i>Leading the transition to sustainable mobility</i>		 
Social impact	<i>Partnership with UNICEF</i>		  
Talent	<i>People, our core value</i>		 
Training excellence	<i>Research commitment</i>		   
Good health and well-being	<i>People, our core value</i>		 
Equality	<i>Iberdrola Supera Awards</i>		 
Community action: volunteering	<i>International Volunteer Week</i>		   
Customers: Everything you need	<i>Customer service</i>		 
Foundations	<i>Our social commitment</i>		    



1. Sustainability Indicators

Financial Indicators	2022	2021
Contribution to GDP (Gross Margin) (*)	0.63%	0.51%
Contribution to GDP (Net Revenues) (*)	1.81%	1.32%
Net profit (EUR million)	4,338.6	3,884.8
Dividend yield (%) (**)	4.10%	4.05%
Sustainability Indicators	2022	2021
Own CO ₂ emissions over the period (gCO ₂ /kWh): Total	88	96
CO ₂ emissions over the period (gCO ₂ /kWh): Europe	59	61
CO ₂ emissions over the period (gCO ₂ /kWh): Spain	69	69
CO ₂ emissions over the period (gCO ₂ /kWh): UK	-	-
CO ₂ emissions over the period (gCO ₂ /kWh): US	46	58
CO ₂ emissions over the period (gCO ₂ /kWh): Brazil	1	61
Own CO ₂ emissions over the period (gCO ₂ /kWh): Mexico	326	307
CO ₂ emissions over the period (gCO ₂ /kWh): RoW	8	4
Ratio own emission-free production to total production: Total (%)	78%	75%
Ratio emission-free production to total production: Europe (%)	87%	87%
Ratio emission-free production to total production: Spain (%)	84%	85%
Ratio emission-free production to total production: UK (%)	100%	100%
Ratio emission-free production to total production: US (%)	89%	86%
Ratio emission-free production to total production: Brasil (%)	100%	79%
Ratio own emission-free production to total production: Mexico (%)	16%	14%
Ratio emission-free production to total production: RoW (%)	99%	99%
Ratio of own emission-free installed capacity: Total (%)	80%	81%
Ratio of emission-free installed capacity: Europe (%)	81%	82%
Ratio of emission-free installed capacity: Spain (%)	79%	79%
Ratio of emission-free installed capacity: UK (%)	100%	100%
Ratio of emission-free installed capacity: US (%)	91%	91%
Ratio of emission-free installed capacity: Brasil (%)	90%	88%
Ratio of own emission-free installed capacity: México (%)	30%	35%
Ratio of emission-free installed capacity: RoW (%)	92%	90%

Note: Third party installed capacity and production not included

(*) Source: Iberdrola Results and National Quarterly Accounting for Spain — INE (Base 2010. Last published data Q4 2022)

(**) Dividends paid in the last 12 months and attendance bonus/share price at end of period



E Environmental

Environmental highlights during this period are as follows:

Fight against climate change

COP27: Accelerating the energy transition

One of the major goals of COP27 has been to act with determination and ambition to **mitigate climate change**. In addition to doing everything possible to reduce emissions and reduce the pace of global warming, this **Climate Summit** addressed how countries are facing the climate consequences that have been felt in such basic sectors as agri-food. In this regard, the foremost agreement has been the creation of a compensation fund for losses and damages, known as the Sharm El Sheikh Implementation Plan, to help **“developing countries that are particularly vulnerable** to the adverse effects of climate change”. It remains to be seen how this fund will be financed and exactly which countries it will be aimed at for kick-off in 2023.

Iberdrola, which has participated in all editions of COP since 2015, has invested EUR 120,000 million in its commitment to clean energy over 20 years. In this edition, it has organised over 30 events, participating in the main events of climate ambition and decarbonisation and holding meetings with climate leaders as a leading company in the energy transition.

In Australia, Iberdrola will build one of the largest green hydrogen plants in the world

Iberdrola Australia will build one of the largest green hydrogen and green methanol plants in the world. The project, which requires an investment of over EUR 1,100 million and will create about 500 new jobs, will be located in Bell Bay, in northern Tasmania.

The plant will be built together with hydrogen developer ABEL Energy and will produce 200,000 tonnes of green methanol a year in its first phase of development, and 300,000 tonnes in its

second phase. Green methanol will serve to supply the maritime market, among other applications. Since 2021, the world’s leading shipping companies have committed to large ships designed to run on this ultra-clean fuel.

In addition, Iberdrola and Semptra Infrastructure have signed an agreement for the joint development of hydrogen and green ammonia projects in the United States powered by renewable sources.

Biodiversity

Iberdrola presents its plan to achieve a positive impact on ecosystems by 2030 at the Biodiversity Summit in Canada

Iberdrola has set for itself the goal of achieving a net positive impact on ecosystems and species where it operates by 2030. The new Biodiversity Plan was presented at the World Biodiversity Summit (COP 15) held in Canada. This strategic document establishes the necessary mechanisms to ensure that its activity contributes, by end of this decade, to generating better environmental conditions than those that existed previously.

S Social

As part of our commitment to the community, numerous initiatives have been launched in areas such as job creation and talent development, education, supply chain, cooperation and support for the most disadvantaged segments of society and sport:

Employment and wellbeing

As a driver of social transformation, Iberdrola has made a commitment to hire close to 20,000 new employees in the 2020-2025 period. In this sense, the energy company directly and indirectly employs more than 400,000 people worldwide. In this sense, it should be noted that the renewable energy sector already generates 12.7 million jobs according to the 9th edition of *Renewable Energy and Jobs: Annual Review 2022*. Jobs in the sector could reach 38.2



million by 2030. Iberdrola envisages an investment of 47,000 million between 2023 and 2025 to boost the energy transition, employment and net zero emissions

Training and research

Iberdrola carries out pilot projects with different companies to test new technologies and business models that are aligned with the areas of interest of its businesses. Every year it embarks on approximately 25 projects, as part of its Start-Up Programme. Through the PERSEO programme, Iberdrola powers the largest European wind blade recycling plant in Spain. The plant will be the first at industrial scale in Europe and will place the country at the technological forefront of the sector. It will also contribute to the creation of an innovative and dynamic value chain. It is expected to generate around 100 direct and indirect jobs over the decade and plans to invest close to EUR 10 million in the project. The plant is expected to enter into operation in 2024.

Suppliers

Iberdrola has become the first company to obtain the Sustainable Procurement Strategy Certificate granted by AENOR, based on ISO 20400:2017. It has thereby demonstrated that it procures products and services with the utmost responsibility and according to the best environmental, social and economic criteria.

Diversity and inclusion

- ScottishPower has launched a new edition of its Returner Programme, facilitating the return to work for professionals with experience in the STEM industry, i.e., in the fields of science, technology, engineering and mathematics, who have decided to pause their career for one or more years.
- The Iberdrola Supera Awards have been awarded, with an endowment of EUR 300,000 that will be used to make different projects for the promotion of equality through sport a reality.
- Iberdrola and UNICEF have launched an innovative and social impact partnership aimed at contributing to the socio-occupational inclusion of young peo-

ple and promoting the generation of training and employment opportunities, both in Spain and internationally. Iberdrola is contributing EUR 3 million over the next 3 years to the whole alliance, which will be launched together with other social entities.

- SPARC: New network of employees in the UK to support people with disabilities.

Legal pro bono programme for non-profit entities

Iberdrola's legal professionals will offer free voluntary legal advice to non-profit organisations where the group has a presence. The beneficiary entities must lack the resources to cope with the expenditure and have an end that pursues the common interest. This is the first time that the professionals of a Spanish business group have carried out this initiative jointly and globally.

Corporate volunteering

Corporate Volunteering actions continue for the improvement of the quality of life and integration of vulnerable groups, environmental care and recovery of natural environments, and the dissemination of the SDGs.

- International Week: Iberdrola volunteers took part in the more than 90 initiatives implemented in the various countries where the company is based. Over 7,000 volunteers expressed their interest in participating, 40% more than last year, from Spain to the United States, Mexico, Brazil, United Kingdom, Portugal, Greece, Italy, Germany, France, Belgium, Japan and Australia.
- For the World Day against Climate Change, reforestation, environmental education, recycling, awareness raising, calculation and reduction of the plastic footprint have been carried out.
- The project with the Envera Group's Training and Labour Insertion Service ends its first phase: Volunteers and people with disabilities have created the Disfriendly Classroom. The second phase begins with environmental workshops, renewable energy and approach to the economy and green jobs being taught in the Classroom.



- For another year, we retained our title as “Builders of the Future” with Children’s Villages and we continue to develop initiatives to support children such as donating Christmas gifts through the Red Cross in the campaign “Sus derechos en juego”, “Una Sonrisa por Navidad” where employees act as wise men for children in Children’s Villages.
- During the Christmas Campaign, volunteer activities were carried out so that the most vulnerable people could also enjoy the holidays.

Foundations

The Iberdrola Group’s foundations embody the company’s commitment to the development of the countries in which it operates and support for those most at risk, focusing its efforts on four work areas:

- Training and research: aimed at young people to support their studies, technical training or languages and opportunities for those with disabilities and/or fewer resources.
- Biodiversity and climate change: in this work stream, we collaborate with public institutions and bodies devoted to protecting the environment.
- Art and culture: collaboration with cultural bodies, renowned museums, public institutions and religious bodies in order to promote culture and restore and conserve artistic heritage, thereby driving local development.
- Social action: alliances with NGOs, foundations and development agencies to promote social projects aimed at more vulnerable people.

The most significant initiatives over the period in each one of the foundations are as follows:

Iberdrola Foundation Spain:

- **14 paralympic scholarships.**
- **Energy for Future Research Aid Programme:** promotes research projects focusing on technologies associated with the energy transition and green transformation. 2023 Call for bids open from 1 February.

- **‘Empieza por Educar’ (Start with Education) Programme, STEM Scholarships – Vocational Training:** to enable five STEM talents to immerse themselves in the world of education by becoming a teacher for two years on basic or intermediate vocational training courses.
- **Two socio-occupational insertion programmes financed by the Regional Ministry of Castilla La Mancha (European Social Fund): Inspira II project** in the region of La Sagra (Illescas, Ugena and Seseña) with the collaboration of Save the Children; and the **Reactiva project** in Puertollano with the collaboration of Ayuda en Acción. Programmes completed in December 2023.
 - **Inspira II Results:** 238 participants. 35% women. 95 completed the training in Green Economy. 70 entered the labour market and 40 returned to the education system.
 - **Reactive results:** 60 participants. 36% women. 13 participants found employment and 10 returned to the education system.
- **The awarding of diplomas** from the English language immersion course organised with the Education Department of the Regional Government of Castilla y León.
- **Collaboration with SEO/BirdLife** for the study of the migratory routes of the black kite, black-bellied sandgrouse and hobby in 2022.
- **Inauguration of the field** work of the Villatobas Air Surveillance Squadron (Escuadrón de Vigilancia Aérea de Villatobas)
- **Inauguration of the** Church of San Hipolito in Palencia.
- **Lighting works in progress:** Façade of CESEDEN, Church of Nuestra Señora de la Antigua (Monforte de Lemos), Esclusas del Canal de Castilla de Frómista, Capitanía General de Sevilla and Puente del Henares.
- **The lighting of the Cathedral of Sigüenza has been inaugurated.**



- **Inauguration of the lighting** of the historic mills of the Catastro del Marqués de la Ensenada in Campo de Criptana (Ciudad Real).
 - **Atlantic Romanesque works** in the churches of San Vicente and San Juan de Puerta Nueva.
 - **Inauguration of the exhibition area showcasing the garments of King Boabdil.**
 - **Restoration of the altarpiece** of the Virgin of the Rosary of the Church of Santa María del Olmo in Ceclavín.
 - **Presentation of the painting ‘Atalanta and Hippomenes’,** which has been restored thanks to collaboration with the Prado National Museum.
 - **“Un patrimonio de todos” (Everyone’s heritage) exhibition,** organised by the government of Castilla-La Mancha.
 - **Travelling exhibition ‘El Prado en las Calles’ (El Prado in the Streets) in Extremadura.**
 - **Inauguration of the travelling exhibition ‘El Prado en las Calles’ (El Prado in the Streets) in Andalusia.**
 - **Meeting of researchers for the presentation of projects for the international Energy for Future (E4F) programme.**
 - **Renewal of the agreement** with the Monastery of San Millán de la Cogolla for the restoration of six codices from the 15th, 16th and 17th centuries.
 - **Renewal of the STEM Women Chair (Iberdrola Foundation, EMT and Universidad Pontificia de Comillas) to increase the number of women in STEM-related areas.**
 - **Collaboration with the Thyssen-Bornemisza National Museum** in the launch of ‘Ficción Sonora’ within the Museo Fácil (Easy Museum) educational project.
 - **Opening of the exhibition “Sorolla, en negro” (Sorolla in Black).**
 - **Signing of an agreement with the Diocese of Orense** to highlight the reliquaries of the “Holy Nine Bishops” of the Santo Estevo Church.
 - **Signing of an agreement with the Integra Foundation** to promote the development of employment skills and access to opportunities for female victims of gender-based violence.
 - **Donation of EUR 1 million for the victims of the war in Ukraine:** EUR 500,000 to UNHCR. And EUR 500,000 to the Red Cross.
- ScottishPower Foundation in the UK:**
- **Wheeling for Independence:** a project to help young people with disabilities use wheelchairs and gain independence.
 - **Industrial Cadets Bronze and Our Green Garden Project:** an environmental challenge that uses gardening to inspire young people towards a future based on STEM and the environment.
 - **Fitting In and Standing Out:** the development of materials for teachers and local authorities’ sensory service providers to carry out structured training.
 - **Generation Science 2022:** a project to help improve primary science education for children in Scotland’s most disadvantaged areas.
 - **Fife Living Water:** a project to restore the Cowdenbeath wetland and create a freshwater habitat at Swan Pond.
 - **Wasted Space, an Urban Transformation:** a volunteer programme to take action to boost biodiversity and transform community spaces for wildlife.
 - **Ocean Recovery Project:** this project will expand on the successful pilot project carried out in the South West of England to prevent the dumping of unnecessary fishing nets at sea.
 - **Pollinators along the Tweed:** a project to protect endangered pollinating insects such as bees and butterflies in the Tweed catchment.
 - **Seagrass Restoration Cooperative:** a pilot project for an innovative and holistic process to enable large-scale restoration of the UK’s seagrass meadows.
 - **Inspire Disability Arts:** a project to establish equal access to the performing arts for people with learning difficulties in Scotland, creating a tiered structure



from primary school through to vocational training and employment.

- **Heritage Craft Skills Programme:** a project that provides training and employment opportunities to the local community.
- **Scotland's Tapes Go Digital:** a project to digitise the collection of cultural heritage audio and video tapes from the 1950s to the 2000s.
- **Linkage Sensory Outreach Project:** a bus that will visit 12 schools in Greater Lincolnshire to provide a sensory resource for children with special educational needs.
- **Green Shoots:** transformational opportunities for disadvantaged young people to engage in positive activities in nature.
- **Levelling the playing field: providing a digital lifeline for young people across Scotland:** a sport and employability programme to provide a second chance to young people who have dropped out of school following COVID-19.
- **One Step at a Time out of Mental Health:** a project supporting people who have suffered from brain injuries to reduce isolation and increase education and understanding within communities.
- **Links Community Food Project:** the creation of a community food distribution centre.
- **Music Connects Communities:** support for families living with dementia by expanding and supporting a network of Help Points across the UK to reach people with dementia in their own communities and use music to improve their health, wellbeing and social connections.
- **Freeing Up Ethical Enterprise Training – NEETs and Not Just Us:** creating *free* access to training resources for ethical entrepreneurs to be piloted with uneducated and unemployed young people in the Greater Manchester area.

Avangrid Foundation in the United States:

- **The RIT Electric Vehicle Team:** a student organisation at the Rochester Institute of Technology

focused on the design and manufacture of electronic systems and batteries.

- **Henry Ford Museum:** an alliance of organisations that teach students world problem solving and creative thinking skills through education about inventions and entrepreneurial activities.
- **Kennebec Valley Community College:** a one-year programme covering topics such as electrical theory, line construction, rigging, tree trimming and utility metering.
- **Avangrid Foundation/Central Maine Power Lineworker Technology Programs Scholarships:** a scholarship programme for women and other under-represented communities.
- **National Fish & Wildlife Foundation (NFWF) – Avangrid Foundation Partnership:** grant programmes for habitat conservation projects.
- **Curiosity Camps at the Rochester Museum & Science Center:** a summer camp programme for children of all ages to empower them and increase their interest in the areas of science, technology, engineering and mathematics (STEM).
- **Power the Future Programs:** field trips for students from Tompkins and Cayuga Counties to the Sciencenter Discovery Museum in Ithaca, NY.
- **Summer Intern Sustainability Projects:** summer sustainability research grants for three students from the Cornell Institute for Public Affairs.
- **Gulf of Maine Research (year 3):** a five-year collaboration that aims to advance research objectives related to ocean science, fisheries management and business and community resilience.
- **Youth Programming:** collaboration with the Connecticut Women's Hall of Fame to create women's empowerment programmes throughout the state.
- **Art for all at the Portland Museum of Art** to be an open, accessible, inclusive and welcoming museum for all through art and programmes that reflect the community and bring people together.
- **Ronald McDonald House:** Helps over 24,300 families who have travelled from cities in Connecticut



and western Massachusetts to rest of the United States and around the world to seek treatment for their sick or injured child not available in their local communities.

- **Restoration grants at Yale Museum of Natural History:** grants for the restoration of the Yale Museum of Natural History's iconic North American dioramas.
- **Habitat for Humanity National Partnership (Year 4):** a programme to address neighbourhood stabilisation and housing shortages for low-income people.
- **Energised for Good – Employee Giving – Match:** employee contributions to a variety of community organisations to promote the common good.
- **Collaboration with American Red Cross:** institutional pre-investment in disaster recovery, resilience and preparedness in communities served by AVANGRID.
- **All Together New Mexico Fund – Food Acquisition and Distribution:** support for the Santa Fe Community Foundation for the procurement and distribution of food in New Mexico.
- **The Secure Jobs initiative:** a collaboration with United Way – Greater New Haven to create initiatives for the social and occupational integration of 25,000 people at risk of social exclusion.

Iberdrola Foundation Mexico:

- **Impulso STEM:** 37 grants awarded between the first and second call for applications.
- **Altamira Scholarships:** support for low-income students with educational excellence at the Instituto Tecnológico de Monterrey Tampico Campus.
- **Young People Building the Future:** a programme led by the Ministry of Labour and Social Welfare (STPS) to provide work-related training opportunities for young people.
- **Fernández Canyon Conservation:** state park conservation programme to protect its thousand-year-old Sabino forest ecosystem.

- **Mangrove conservation:** the goal is to ensure the survival of flora and fauna in the mangrove ecosystem, and increase their numbers, through constant monitoring.
- **Feline protection:** guaranteeing the survival of jaguars, jaguarundis, ocelots and bobtail cats that inhabit the region.
- **Luces de esperanza (Lights of Hope):** to increase electrification in rural communities without access to electricity. In the third phase, 101 homes have been electrified in four municipalities of the Huatesca Potosina region.
- **Construir para educar (Build to Educate):** rebuilding schools struck by the earthquakes in Oaxaca. Two schools are currently under reconstruction.
- **Urology Brigades in the south and southeast of Mexico:** enhancing the wellbeing of Oaxacan women suffering from complex urological problems. In June, the second call for applications for advanced urological specialisation fellowships in Spain was launched for Mexican doctors and nurses in the state of Oaxaca.

Neoenergia Institute in Brazil:

- **'Balcão de Ideias e Práticas Educativas' Project:** school management for integral development and early childhood learning and development.
- **Flyways Brazil:** conservation of endangered water bird species in Brazil.
- **Coralizar Project:** with WWF-Brazil, conducting research on coral restoration.
- **Green Impact:** a socio-environmental acceleration programme for organisations to structure their management processes, innovate and increase their socio-environmental impact.
- Call for **'Transformando Energia em Cultura'** for socio-cultural projects that contribute to the SDGs and that value local culture.
- **Central de Editais do Instituto Neoenergia:** projects through the Energy Transformation in Culture call for proposals.



- **Inspire Award:** focusing on art and culture initiatives in marginalised communities led by women in Rio de Janeiro and Pernambuco.
- **Cultural and Artistic Offices – OCA:** empowering socially vulnerable young people aged between 16 and 24.
- **Caravana Energia que Transforma (Energy That Transforms Caravan):** a project to expand fundraising opportunities, optimising actions and impacting income generation.
- **Resgatando a História (Recovering History):** an initiative aimed at arousing the interest of the private sector in supporting projects to recover Brazil's historical and artistic heritage.
- **'Entre o céu e a favela' | Municipal Law on the Promotion of Culture in the City of Rio (ISS Law):** a project by one of the winners of the Inspire (Inspirar) Award to expand activities to serve children and youth from the communities surrounding Rio.
- Key **lighting** projects include the **interior lighting of the Guarany de Triunfo cultural theatre and cinema** (Pernambuco state) to safeguard the historical heritage and raise awareness of its importance.
- **Programa de Aceleração Social Impactô (Social Impact Acceleration Programme) 2022:** a social acceleration project for organisations to structure their management processes, innovate and increase the social impact generated.
- **Programa de Aceleração Impactô Mulheres (Women's Impact Acceleration Programme):** an acceleration programme for NGOs and social impact businesses to expand their positive impacts on society.
- **Territórios Saudáveis (Healthy Territories):** a project to improve the management, governance and sustainability capacities of community-based organisations.
- **Redes de Territórios pela Infância (Networks of Territories for Children):** a project to strengthen the territorial networks of civil society organisations and local public facilities that act in the care of minors

in order to expand and strengthen processes of social inclusion and comprehensive development.

- **Mentes Brilhantes (Brilliant Minds):** a project promoted through the São Paulo Sports Incentive Law that works with children and teenagers in the development of socio-emotional skills by practising Tai Chi Chuan.
- **Educando pelo Esporte (Educating through Sport):** a project promoted through the São Paulo Sports Incentive Law to develop socioemotional skills through the practising of sports.
- **GIFE – Grupo de Institutos y Fundaciones Empresariales:** participation in the association of social investors in Brazil, a network of differentiated relationships, with space for articulation, dialogue and exchange of experiences among partners.

G Governance

Governance and sustainability system

Iberdrola continuously updates its Governance and Sustainability System to ensure its ongoing suitability and adaptation to the facts and circumstances that so require, as well as to incorporate best practices in this area.

The following is a summary of the updates to the Governance and Sustainability System during the fourth quarter of 2022:

- The main amendments approved by the Board of Directors at its meeting of 25 October 2022:
 - Revision of the terminology used in the references to the holding company "Iberdrola, S.A." and its group of companies clarifying that the group does not have a different legal personality from that of each of the companies that make it up.
 - Technical improvements in the *Policy for the definition and coordination of the Iberdrola group and principles of corporate organisation* to adjust the functions attributed to the Company, to those of subholding companies and heads of business



in order to differentiate the functions of strategic definition and supervision from those of ordinary management and effective management.

- Update of the *Corporate Tax Policy* setting the scope of its application.
- Reference to the historical origin of the Company's different companies, dating back to 1840 in the United States of America and to 1901 in Spain and the United Kingdom.
- Main amendments approved by the Board of Directors at its meeting of 8 November 2022:
 - Identification of the functions and reporting lines of the executive chairman and CEO, and review of their respective succession plans, in the *General Corporate Governance Policy*;
 - Review of the *Shareholder Engagement Policy*, *Policy on Communication and Contact with Shareholders*, *Institutional Investors and Proxy Advisors*, *the Policy for the Definition and Coordination of the Iberdrola Group and Foundations of Corporate Organisation*, *the Senior Management Remuneration Policy*, *the Corporate Tax Policy*, *the Regulations of the Appointments Committee* and *the Regulations of the Remuneration Committee* as a result of the separation of the positions of executive chairman and CEO.
- Main amendments approved by the Board of Directors at its meeting on 20 December 2022:
 - Change of the name of the *Framework human resources and human capital policy* to the *People management and incorporation policy*, within the purpose of this policy of promoting the physical, mental and emotional well-being of the professionals of the Group.
 - Recognition of the possibility that the CEOs of the head companies of the business represent their respective companies before national institutions, in coordination with the CEO of the subholding company they're part of.
 - Incorporation into the *Policy of Respect for Human Rights* of an express declaration of Iberdrola's rejection of any form of modern slavery, as well

as the duty of suppliers and their professionals to adopt the necessary measures for this purpose.

All documents that comprise the Governance and Sustainability System are published (in their full or summarised version) in Spanish as well as English on the corporate website (www.iberdrola.com), which also offers the option of downloading them onto an e-book reader or any other mobile device.

Material information reported to the Spanish stock market commission (CNMV)

Highlights during the fourth quarter of 2022 were as follows:

- **On 11 October**, the Company announced that the presentation of the results for the first nine months of the 2022 financial year would take place on 26 October.
- **On 14 October**, **Iberdrola** published the energy balance for the first nine months of 2022 (IBEWATCH Fact SHEET 9M 2022).
- **On 25 October**, the following changes were communicated to the Company's Board of Directors:
 - Separate the positions of executive chairperson and CEO, with José Ignacio Sánchez Galán continuing as the Company's executive chairperson, at the proposal of the Appointments Committee.
 - Transfer and resignation of Francisco Martínez Córcoles from the role of board member, who said that his decision was solely to facilitate changes in the Company's governance, which he considered more appropriate at this time.
 - Appointment by co-opted nomination of Armando Martínez Martínez as board member, with the qualification of executive, at the proposal of the Appointments Committee.
 - Appointment of Armando Martínez Martínez as CEO (and, consequently, as a member of the Executive Committee), at the proposal of the Appointments Committee.
 - Transfer and resignation of the position of non-executive secretary of the Board of Directors (and,



- consequently, of its Executive Committee Delegate) of Julian Martínez-Simancas Sánchez, effective 1 January 2023, to ensure a smooth transition.
- Appointment of Santiago Martínez Garrido as non-executive secretary of the Board of Directors, dated 1 January 2023, at the proposal of the Executive Chairman and prior favourable report of the Appointments Committee.
 - **On 26 October**, the Company disclosed the results of the first nine months of 2022 (quarterly report and presentation of results).
 - On that same date, the terms and conditions of the second edition of the “Iberdrola Retribución Flexible” optional dividend system corresponding to 2022 were released.
 - **On 27 October**, the Company reported the closing of the sale by Iberdrola Renovables Deutschland GmbH of a 49% shareholding in the capital of the Wikinger offshore wind farm holding company of 350 MW of installed capacity, in the terms previously reported in the communication of other relevant information dated 14 September 2022 (official registration number 18,235).
 - **As part of the Capital Markets & ESG Day on 9 November**, Iberdrola published two presentations on its strategic vision, business prospects and financial management, which were communicated as privileged information notifications on strategic plans and forecasts. Also, a notice with other relevant information was disseminated with the update of the Company’s ESG objectives.
 - **On 11 November**, the notice regarding the Iberdrola Board of Directors Regulations was published, incorporating the amendments approved by the Board of Directors at its meeting on 25 October.
 - **On 15 November**, and after the market closed, ORI was published reporting the issuance of a new green bond in the Euromarket, structured in two tranches and for a joint amount of EUR 1,500 million, indicating the coupons and price of each of the corresponding tranches.
 - **On 30 November**, and before market opened, ORI was published indicating that Iberdrola had launched a green bond operation on the market, which was being executed that day.
 - **On 30 November**, additionally and after the execution of the operation described in the previous point, ORI confirming the amount and its coupon was published, also announcing new ORI around 14 December to account for the final price of the Iberdrola share that would be used as a reference in relation to the operation.
 - **On 15 December**, the market was notified by ORI of the final price of EUR 10.942 per share, which will be used as a reference in relation to the aforementioned operation.
 - **On 20 December**, the Company announced the ratification of the payment of an amount on account of the dividend corresponding to the financial year 2022 and the update of the execution schedule of the second edition of the “Iberdrola Retribución Flexible” optional dividend system of 2022.
 - **On the same date** the offer to the professionals of the Iberdrola group in Spain to receive the 2022 annual variable remuneration in shares of the Company was communicated.
 - **On 22 December, the financial calendar for 2023 was published** with the dates planned for the presentations of Iberdrola results during this year.
 - **Dated 11 October 2022**. Announcement of the presentation of results for the first nine months of 2022. (Registration number: 18654)
 - **Dated 14 October 2022**. Publication of the energy balance for the nine months of 2022. (Registration number: 18701). Dated 25 October 2022. Changes in the composition and positions of the Iberdrola, S.A. Board of Directors and the Executive Committee. (Registration number: 18826).
 - **Dated 26 October 2022**: Results for the first half of 2022. (Registration number: 18844).
 - **Dated 26 October 2022**. Submission of the results for the first six months of 2022. (Registration number: 18845).



- **Dated 26 October 2022.** Terms and conditions as part of the second round of the “Iberdrola Retribución Flexible” optional dividend scheme for the 2022 financial year. (Registration number: 18846).
- **Dated 27 October 2022.** Completion of the sale of a minority shareholding in the capital of the company that owns the Wikingør offshore wind farm. (Relating to communication No. 18235 dated 14/09/2022).
- **Dated 9 November 2022.** ESG Objective Update. (Registration number: 19127).
- **Dated 11 November 2022.** The company submits the Board of Directors Regulations. (Registration number: 19161).
- **Dated 20 December 2022.** Ratification of the agreement for distributing an interim dividend for the 2022 financial year as part of the second round of the “Iberdrola Retribución Flexible” optional dividend scheme of 2022. (Registration number: 19707), dated 20 December 2022. Offering of “Iberdrola, S.A.” shares to Iberdrola Group staff in Spain as part of the annual variable compensation for financial year 2022. (Registration number: 19708).

Board of Directors

Iberdrola’s Board of Directors, at its meeting held on 22 October 2022, adopted the following agreements related to its composition:

- Separate the positions of executive chairperson and CEO, with José Ignacio Sánchez Galán continuing as executive chairperson, at the proposal of the Appointments Committee.
- Accept the transfer of his position of board member presented by Francisco Martínez Córcoles and, therefore, to agree to his resignation from that position. Martínez Córcoles stated that his decision was solely to facilitate changes in the Company’s governance, which he considered most appropriate at this time.
- Appoint Armando Martínez Martínez as a board member, with the qualification of executive, at the proposal of the Appointments Committee. This appointment was adopted by the procedure of

co-opted nomination to fill the vacancy arising from the resignation of Francisco Martínez Córcoles and for the period remaining until the General Shareholders’ Meeting.

- Appoint Armando Martínez Martínez as CEO (and, consequently, member of the Executive Committee) at the proposal of the Appointments Committee.
- Accept the transfer presented by Julian Martínez-Simancas Sánchez of his position as non-executive secretary of the Board of Directors (and, consequently, of its Executive Committee) and, therefore, agree to his resignation from the aforementioned positions, effective 1 January 2023, to ensure a smooth transition.
- Appoint Santiago Martínez Garrido, dated 1 January 2023, non-executive secretary of the Board of Directors (and, consequently, of its Executive Committee), at the proposal of the Executive Chairman and prior favourable report of the Appointments Committee.

Information transparency

One of the core principles underlying Iberdrola’s corporate governance practices is to ensure maximum transparency in the financial and non-financial information disclosed to shareholders, investors and markets.

The company made considerable efforts in the 2022 financial year to ensure that institutional investors and financial analysts were kept fully informed of its business and activities. Thus, in the Non-financial Information Statement – Sustainability Report, IBERDROLA reported on the progress made in each of the four areas around which the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) are structured. Specifically, the potential financial impact of two scenarios in the 2030 horizon was analysed.



Information on the existence of instances of corruption during the year

Iberdrola has been collaborating with the justice system to establish the facts relating to contracting the company Cenyt by certain companies of the group, in order to determine any liability or responsibility that may arise and to defend its own good name and reputation.

After a long investigation that has been brought before the Central Court of Instruction No. 6 of the Spanish Court, no liability has been determined for Iberdrola or for any company of the Group or its administrators and directors. No company in the group is being investigated in these proceedings, in which Iberdrola, S.A. appeared as a damaged party.

In this procedure, the dismissal of the case of the Chairman of the Board of Directors and the other current and former administrators and directors of Iberdrola, S.A. was finally agreed upon, who at some point were being investigated in the proceedings, with the exception of a former head of the Company's security area, who is no longer linked to the company, which is pending resolution after the request for dismissal lodged before the aforementioned Court. Likewise, the action that has been taken by the Company due to criminal secret disclosure with respect to another former director, who is now not linked to the company in any way, who was performing duties in the accounting area, is pending resolution.

Following the review and analysis of internal processes, which have been carried out with the help of independent experts and in accordance with the governance and sustainability and compliance system, no internal control system breaches have been found, either of the Code of Ethics, or of any other rules or procedures in the contracting of Cenyt by some Group companies, all without prejudice to the impact of these events for Iberdrola, S.A. or for the companies within its group, in terms of reputation.



Notifications sent to the Spanish stock market commission (CNMV) from October to December 2022

Date	Event	Registration no.
11/10/2022	2022 nine months Results announcement.	18654
14/10/2022	The Company reports the energy balance 9M 2022	18701
25/10/2022	Changes in the composition and in the positions of the Board of Directors and of the Executive Committee of Iberdrola, S.A.	18826
26/10/2022	The Company reports the Q3 2022 Results	18844
26/10/2022	The Company reports the Q3 2022 results presentation.	18845
26/10/2022	Terms and conditions of the second edition of the "Iberdrola Retribución Flexible" optional dividend system corresponding to the fiscal year 2022.	18846
27/10/2022	Closing of the sale of a minority stake of 49% in the share capital of the owner company of the Wikingør offshore wind farm.	18904
09/11/2022	ESG targets update.	19127
09/11/2022	On strategic plans and profit forecasts – Strategic vision.	1651
09/11/2022	On strategic plans and profit forecasts - Business Environment.	1652
09/11/2022	On strategic plans and profit forecasts – Financial Management.	1653
11/11/2022	The Company submits the Regulations of the Board of Directors.	19161
15/11/2022	Issuance of notes in the euromarket by Iberdrola Finanzas, S.A. (Sociedad Unipersonal), structured in two tranches, for an aggregate amount of EUR 1,500 million.	19216
30/11/2022	Issuance of equity-linked green bonds to the shares of Iberdrola, S.A. by Iberdrola Finanzas, S.A. (Sociedad Unipersonal), for an approximate amount of EUR 400 million.	19394
30/11/2022	Closing of the offering of equity-linked green bonds to the shares of Iberdrola, S.A. by Iberdrola Finanzas, S.A. (Sociedad Unipersonal), for an amount of EUR 450 million.	19405
15/12/2022	Determination of the reference price of the shares of Iberdrola, S.A. and the resulting conversion price regarding the issuance of equity-linked green bonds by Iberdrola Finanzas, S.A. (Sociedad Unipersonal), for an amount of EUR 450 million.	19627
20/12/2022	Ratification of the resolution related to the payment of an interim dividend for fiscal year 2022 in the context of the second edition of the 2022 "Iberdrola Retribución Flexible" optional dividend system.	19707
20/12/2022	Offering of shares of "Iberdrola, S.A." to the employees of the Iberdrola Group in Spain as part of their annual variable remuneration for fiscal year 2022.	19708
22/12/2022	The Company publishes the financial calendar for 2023.	19744



Iberdrola's place in sustainability, reputation and corporate governance indexes and rankings

Sustainability	
	Ranking
Dow Jones Sustainability World Index 2022	Selected in the utility sector. Iberdrola member in all editions
Sustainability Yearbook 2023 S&P Global	Classified as "Silver Class" in the electricity sector.
MSCI Global Sustainability Index Series	Iberdrola selected AAA
CDP Climate Change 2022	A
CDP Supplier Engagement Leader 2021	Iberdrola Selected
Global 100 2022	Iberdrola Selected
Sustainalytics	Iberdrola among the utilities with the lowest risk
ISS-ESG	Iberdrola selected as Prime
FTSE4Good	Selected in the index since 2009
Bloomberg Gender Equality Index 2022	Iberdrola member in all editions
V.E-Euronext Vigeo indices: World 120, Eurozone 120 & Europe 120	Iberdrola selected
EcoVadis	Gold EcoVadis Medal. Iberdrola among companies with best performance
2022 World's Most Ethical Company	Iberdrola selected. Only Spanish utility
ECPI	Iberdrola lected in several Sustainability Indices
STOXX	Iberdrola selected in STOXX Global ESG Leaders and in several Sustainability indices
InfluenceMap	Iberdrola First company in the Climate Policy Engagement ranking
Standar Ethics	Iberdrola included in the SE European Utilities Index
Forbes	Iberdrola selected in Forbes 2022 GLOBAL 2000: World's Largest Public Companies
WBA Electric Utilities Benchmark	Iberdrola among the 10 of the most influential Electric utilities of the world
Brand Finance	Iberdrola among the 500 most valuable brands globally
WDi	Iberdrola 2021 disclosure score above the average
Fortune Global 500	Iberdrola selected



Recognition of Good ESG Performance

- **The only European utilities company to appear in all 23 editions of the Dow Jones 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 23 editions. This is reflected in the annual update published by the S&P Dow Jones Indices and RobecoSAM, who are responsible for its production. This demonstrates the group's commitment to the highest environmental, social and corporate governance standards, since, from an initial group of around 10,000 companies, only 10% of those listed with the best sustainability indices were eventually selected.

- **Selected as one of the most sustainable companies by the Global 100 index**

Iberdrola has been selected as one of the most sustainable utilities worldwide, according to the Global 100 Most Sustainable Corporations in the World index, produced annually by the Corporate Knights publication. The company led by Ignacio Galán is also positioned as one of the top 25 companies in the world within this classification.

- **Iberdrola ranked on the FTSE4Good index since 2009**

For another year, Iberdrola has been included in the prestigious international index FTSE4Good, designed to facilitate investment into the most sustainable companies in the world in terms of their ESG performance. The company has succeeded in meeting the requirements included in 204 indicators, which include environmental conservation, social commitment and good corporate governance. Iberdrola's inclusion in the FTSE4Good index reaffirms its success in working standards, human rights, health and safety, biodiversity, climate change, water and customer responsibilities and social aspects of the supply chain.

- **Iberdrola, once again included in the Bloomberg Gender Equality Index**

It remains a benchmark in equal opportunities, which is demonstrated by its inclusion, for the sixth consecutive year, in the Bloomberg Gender Equality Index (GEI). The company is once again a member of the Bloomberg Gender Equality Index, a market cap-weighted index developed to measure the performance of publicly traded companies reporting gender-related data.

- **Galán, recognised as one of the leaders most committed to climate action**

The chairperson of Iberdrola, Ignacio Galán, has been recognised as one of "the 100 Latin companies most committed to climate action." This ranking, prepared by the environmental organisation Sachamama, based in Miami (United States), highlights public figures who stand out for their positive impact on defending the environment, promoting sustainability and fighting against the climate crisis.

- **"Prever" National Prevention Award**

Iberdrola has been awarded in Mérida the "Prever" National Prevention Award, in the Companies and Institutions category. It was awarded by the General Council of Industrial Relations and Graduates in Labour Sciences, in recognition of the merits acquired by the company to promote improved health and safety conditions in renewable plant construction projects.

- **Iberdrola, awarded with the seal for fiscal responsibility**

Iberdrola has been hailed as one of the IBEX-35 companies to have obtained the 'T for Transparent' seal from the Haz Foundation, which accredits the transparency of up to twelve indicators that analyse various good practices in the area of responsible taxation.

- **The Corporate Development area, recognised in the CAPCorp Impulsa 2022 awards**

Iberdrola has been recognised in the CAPCorp Impulsa 2022 awards within the category of a Spanish company that has boosted its growth through mergers and acquisitions. The presentation



took place within the framework of the 22nd edition of the CAPCorp congress, which brings together 400 professionals from the private equity sector and mergers and acquisitions in Spain for two days.

- **Iberdrola Mexico, one of the companies with the best reputation in the energy sector**

For the second consecutive year, Iberdrola Mexico is among the companies with the best corporate reputation in the energy sector in the Companies and Leaders 2022 ranking, prepared by the Corporate Reputation Business Monitor (Merco) for Mexico.

- **Iberdrola Renovables, awarded on Sustainability Day for its sustainability initiative at the Extremadura photovoltaic plant.**

Iberdrola has been recognised with the Sustainability Day 22 award, in the Companies category, for the environmental and social integration measures implemented at its Francisco Pizarro photovoltaic plant (Cáceres, Extremadura).

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)
Adjusted Financial leverage	Net adjusted Financial Debt/(Net adjusted Financial Debt + Equity adjusted)
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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