

Results Presentation

2021

February 23, 2022



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EVENT



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Core business figures

Networks

RAB (Local currency)		As of December 2021	As of December 2020
Spain	(EUR billion)	9.29	9.27
United Kingdom	(GBP billion)	7.14	6.87
United States	(USD billion)	11.87	10.86
Brazil	(BRL billion)	25.95	22.36

Distributed Electricity

ELECTRICITY (GWh)	2021	2020	vs. 2020
Spain	90,962	88,361	2.9%
United Kingdom	32,221	31,738	1.5%
United States	38,756	38,012	2.0%
Brazil	75,813	66,860	13.4%
Total	237,752	224,971	5.7%
GAS (GWh)			
United States	61,365	59,134	3.8%
Total	61,365	59,134	3.8%

Managed Supply Points

ELECTRICITY (Millions)	2021	2020	vs. 2020
Spain	11.28	11.21	0.7%
United Kingdom	3.55	3.54	0.2%
United States	2.30	2.27	1.4%
Brazil	15.74	14.28	10.2%
Total Electricity	32.87	31.29	5.0%
GAS (Millions)			
United States	1.03	1.02	0.7%
Total Gas	1.03	1.02	0.7%
TOTAL SUPPLY POINTS	33.90	32.32	4.9%

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

	2021	2020	vs. 2020
Net Production (GWh) ⁽¹⁾	164,266	162,790	0.9%
Net owned production ⁽¹⁾	129,331	123,421	4.8%
Renewables ⁽¹⁾	73,719	67,844	8.7%
Onshore	41,343	39,183	5.5%
Offshore	4,617	4,380	5.4%
Hydro	24,374	22,032	10.6%
Minihydro	630	682	-7.5%
Solar	2,671	1,494	78.8%
Nuclear	23,193	24,316	-4.6%
Gas combined cycle	25,259	24,473	3.2%
Cogeneration	7,159	6,550	9.3%
Net production for third parties	34,935	39,369	-11.3%
Renewables	231	218	5.9%
Onshore	231	218	5.9%
Gas combined cycle	34,704	39,151	-11.4%
Installed capacity (MW) ⁽²⁾	58,320	55,111	5.8%
Net owned installed capacity ⁽²⁾	51,174	47,965	6.7%
Renewables ⁽²⁾	38,035	34,820	9.2%
Onshore	19,376	18,471	4.9%
Offshore	1,258	1,258	-
Hydro	13,849	12,864	7.7%
Minihydro	285	303	-6.0%
Solar	3,060	1,878	62.9%
Batteries	193	31	N/A
Nuclear	3,177	3,177	-
Gas combined cycle	8,777	8,777	-
Cogeneration	1,185	1,191	-0.5%
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.)	12.83	12.84	-0.1%
Gas customers (No mill.)	3.07	3.01	2.1%
Gas Supplies (GWh)	57,525	55,302	4.0%
Gas Storage (bcm)	0.13	0.13	0.6%

(1) Including 83 GWh of production from fuel cells in 2021 and 73GWh in 2020

(2) Including 13 MW installed capacity of fuel cells both in 2021 and 2020

Note: Iberdrola Group has closed all its coal capacity in Spain by 2020. Differences may arise due to rounding

Spain

	2021	2020	vs. 2020
Net Production (GWh)	60,968	59,851	1.9%
Renewables	28,420	25,919	9.7%
Onshore	11,937	11,617	2.7%
Hydro	14,620	13,111	11.5%
Minihydro	630	682	-7.5%
Solar	1,233	509	142.3%
Nuclear	23,193	24,316	-4.6%
Gas combined cycle	7,023	7,213	-2.6%
Cogeneration	2,331	2,166	7.7%
Installed Capacity (MW)	28,427	26,635	6.7%
Renewables	19,210	17,411	10.3%
Onshore	6,124	6,292	-2.7%
Hydro	10,700	9,715	10.1%
Minihydro	285	303	-6.0%
Solar	2,086	1,100	89.6%
Batteries	14	-	N/A
Nuclear	3,177	3,177	-
Gas combined cycle	5,695	5,695	-
Cogeneration	347	353	-1.8%
Electricity customers (No mill.)	9.99	10.01	-0.3%
Gas customers (No mill.)	1.15	1.10	4.8%
Gas Supplies (GWh)	31,431	30,877	1.8%
Users	15,361	14,585	5.3%
Gas combined cycle	16,070	16,292	-1.4%

Differences may arise due to rounding

United Kingdom

	12M 2021	12M 2020	vs. 2020
Net Production (GWh)	6,717	6,677	0.6%
Renewables	6,717	6,677	0.6%
Onshore	3,284	3,581	-8.3%
Offshore	3,433	3,097	10.9%
Solar	-	-	N/A
Installed Capacity (MW)	3,008	2,864	5.0%
Renewables	3,008	2,864	5.0%
Onshore	1,986	1,950	1.9%
Offshore	908	908	-
Solar	10	-	N/A
Batteries	104	6	1633.3%
Electricity customers (No mill.)	2.84	2.83	0.6%
Gas customers (No mill.)	1.92	1.91	0.6%
Gas Supplies (GWh)	26,094	24,425	6.8%
Gas Storage (bcm)	0.13	0.13	0.6%

Differences may arise due to rounding

USA

	12M 2021	12M 2020	vs. 2020
Net Production (GWh) ⁽¹⁾	22,591	22,120	2.1%
Renewables ⁽¹⁾	19,400	19,369	0.2%
Onshore	18,943	18,930	0.1%
Hydro	132	118	12.2%
Solar	242	248	-2.4%
Gas combined cycle	7	6	17.0%
Cogeneration	3,184	2,745	16.0%
Installed Capacity (MW) ⁽²⁾	9,149	8,822	3.7%
Renewables ⁽²⁾	8,309	7,982	4.1%
Onshore	7,945	7,721	2.9%
Hydro	118	118	-
Solar	232	130	79.3%
Gas combined cycle	204	204	-
Cogeneration	636	636	-

(1) Including 83 GWh of production from fuel cells in 2021 and 73GWh in 2020

(2) Including 13 MW installed capacity of fuel cells both in 2021 and 2020

Differences may arise due to rounding

Mexico

	12M 2021	12M 2020	vs. 2020
Net Production (GWh)	54,296	57,522	-5.6%
Net owned production	19,361	18,153	6.7%
Renewables	2,716	1,658	63.8%
Onshore	1,528	929	64.5%
Solar	1,188	729	62.9%
Gas combined cycle	15,001	14,855	1.0%
Cogeneration	1,644	1,640	0.2%
Net production for third parties	34,935	39,369	-11.3%
Renewables	231	218	5.9%
Onshore	231	218	5.9%
Gas combined cycle	34,704	39,151	-11.4%
Installed Capacity (MW)	10,683	10,673	0.1%
Net owned installed capacity	3,537	3,527	0.3%
Renewables	1,232	1,222	0.9%
Onshore	590	579	1.8%
Solar	642	642	-
Gas combined cycle	2,103	2,103	-
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

	12M 2021	12M 2020	vs. 2020
Net Production (GWh)	15,129	13,070	15.8%
Renewables	11,935	10,681	11.7%
Onshore	2,313	1,878	23.2%
Hydro	9,622	8,803	9.3%
Gas combined cycle	3,194	2,389	33.7%
Installed Capacity (MW)	4,547	4,079	11.5%
Renewables	4,014	3,546	13.2%
Onshore	984	516	90.7%
Hydro	3,031	3,031	-
Gas combined cycle	533	533	-

Differences may arise due to rounding

Iberdrola Energía Internacional (IEI)

	12M 2021	12M 2020	vs. 2020
Net Production (GWh)	4,565	3,550	28.6%
Renewables	4,531	3,540	28.0%
Onshore	3,339	2,249	48.5%
Offshore	1,184	1,283	-7.7%
Solar	8	8	1.0%
Gas combined cycle	34	10	251.9%
Installed Capacity (MW)	2,505	2,038	23.0%
Renewables	2,262	1,795	26.1%
Onshore	1,749	1,414	23.7%
Offshore	350	350	-
Solar	89	6	N/A
Batteries	75	25	200.0%
Gas combined cycle	243	243	-
Electricity customers (No mill.)	0.78	0.73	7.2%
Gas customers (No mill.)	0.29	0.26	9.0%
Gas Supplies (GWh)	1,870	1,401	33.5%

Differences may arise due to rounding

Stock Market Data

		Dec. 2021	Dec. 2020
Market capitalisation	EUR (million)	66,271	74,296
Earnings per share (6,366,088,000 shares at 30/12/21 and 6,350,061,000 shares at 31/12/20)	EUR	0.584	0.552
Net operating cash flow per share	EUR	1.41	1.30
P.E.R.	Times	17.81	21.18
Price/Book value (capitalisation to NBV at the end of the period)	Times	1.64	2.10

Economic/Financial Data (*)

Income Statement		2021	2020
Revenues	EUR (million)	39,113.5	33,145.1
Gross Margin	EUR (million)	17,061.7	16,145.1
EBITDA	EUR (million)	12,005.7	10,038.2
EBIT	EUR (million)	7,342.8	5,564.3
Net Profit	EUR (million)	3,884.8	3,610.7
Net Operating Expenses / Gross Margin	%	24.8%	26.5%
Balance Sheet		Dec. 2021	Dec. 2020
Total Assets	EUR (million)	141,752	122,518
Equity	EUR (million)	56,126	47,219
Net Financial Debt	EUR (million)	39,360	35,925
Adjusted Net Financial Debt	EUR (million)	39,119	35,142
ROE	%	8.62	9.69
Financial Leverage (Net Financial Debt/(Debt Financial Debt + Equity))	%	41.2	43.2
Net Financial Debt / Equity	%	70.1	72.4

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

Others

		2021	2020
Gross Organic Investments*	EUR (million)	9,531.4	9,245.9
Employees	Number	39,789	36,915

* Including the purchase of Neoennergia Brasilia (CEB-D) for €409 million, the figure rises to Eur 9,940.4million.

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

Highlights for the period

- In 2021, the Iberdrola Group achieved an **Adjusted Net Profit**, excluding tax and efficiency measures carried out in the fourth quarter, **of EUR 3,705 million, in line with the expectations published by the company at the beginning of 2021.**
- **Gross investments continue to accelerate, reaching a record figure of almost EUR 10,000 million (EUR 9,941 million)** (including EUR 409 million for non-organic investments), mainly thanks to the renewables business, which represents 43.9% of the total, with 3,500 MW commissioned and 7,800 MW already under construction, and thanks to the networks business, which represents 40.5% of the total, growing the asset base by 6%.
- **Financial robustness** was maintained, with a Funds From Operations (FFO) to Net Debt ratio reaching 23.0%.
- The evolution of Iberdrola's main **reference currencies** had an impact on EBITDA of EUR 169 million, being the evolution of the average exchange rates is as follows:
 - The British pound appreciated 3.5% to 0.86 per euro.
 - The dollar has depreciated 3.5% to 1.18 per euro.
 - The Brazilian real depreciated by 7.6% to 6.38 per euro.
- The **company's total own CO2 emissions in the period decreased by 2.0%** compared to last year, down to 96 g/KWh.

Global environment and general considerations

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

- The energy production figures for the Spanish mainland system for 2021 are characterised by an increase in wind production (+10.0%), solar production (+29.3%) and carbon production (+3.0%) compared to the previous year, as well as a drop in hydroelectric production (-3.4%), combined cycles (-2.0%) and nuclear production (-3.1%).

In 2021, demand will increase by +2.4% with respect to the previous year, maintaining in terms adjusted for labor and temperature.

Year 2021 closed with a producibility index of 0.9 and hydroelectric reserves at 50.8%, compared to an index of 1.0 and reserves at 51.0% for the same period of 2020.

- In the United Kingdom, electricity demand grew by 2.2% in 2021 compared to the same period in 2020. Demand for conventional gas rose by +2.0% in 2021 compared to 2020.
- In **Avangrid's** management areas on the East Coast of the United States, electricity demand was up 2.0% compared to 2020, while gas demand increased by 3.8%.
- Electricity demand across **Neoenergia's** management areas in Brazil increased by 13.4% in 2020.

In 2021, **international commodities markets** evolved as follows:

Average prices	12M 2021	12M 2020	2021 vs 2020
Oil — \$/BBL	70.9	41.8	70%
Coal — \$/ton	116.8	51.4	127%
CO2 — EUR/ton	53.1	24.8	114%
NBP — p/th (gas)	118.3	25.4	366%
Henry Hub — USD/MM-Btu (gas)	3.8	2.0	90%
TTF — EUR/MWh (gas)	39.7	9.5	317%

Significant events for the Iberdrola Group

- In 2021, the Iberdrola Group redefined the format of its income statement, eliminating the section “Gains/(losses) on non-current assets”.

The items comprising this entry are now classified as follows:

- (Gains)/losses on disposal of fixed assets and on loss of control of consolidated holdings are presented under the section “Other operating results”, forming part of EBITDA.
- Profit (loss) sharing and results from significant loss of influence of equity holdings are presented under the heading “Results of companies accounted for using the equity method”.

In accordance with regulations, the previous accounting criteria have been applied retroactively to 2020, with an effect of EUR 28 million in EBITDA as of the close of 2020 (which was re-stated for comparative purposes).

Iberdrola has used the format required in the periodic public information submitted in accordance with Spanish stock market commission (CNMV) Circular 3/2018, since to date a reconciliation of EBIT was required between the format historically used by the Group and that required in the circular.

It also takes the view that the new criterion provides information that is more useful and consistent with general market practices.

In addition, draft amendments to IAS 1 (IASB ED/2019/7 General Presentation and Disclosures) have been used so that, if approved, any changes to the presentation of financial statements are minor.

Before describing the changes in the Profit and Loss Account in the period, due to their impact on the adjusted figures included therein, it is necessary to highlight three non-recurring effects recorded in the year at net profit level:

- Net effect of court rulings and legal measures in Spain during the year (EUR 800 million).
- Increase of the corporate tax rate in the United Kingdom from 19% to 25%, effective 1 April 2023. This modification involved recalculating the Group’s deferred taxes and represented a negative impact of EUR 455 million.
- The implementation of efficiency measures, with an impact of EUR 166 million, which will allow for the optimisation of future results.

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

EUR million	2021	vs 2020
GROSS MARGIN	17,061.7	+5.7
EBITDA	12,005.7	+19.6
ADJUSTED EBITDA ⁽¹⁾	11,187.4	+11.4
EBIT	7,342.8	+32.0
NET PROFIT	3,884.8	+7.6

(1) Adjusted EBITDA 2021 excludes efficiency measures implemented to optimize future results (-94.7 M Eur) and court rulings and legal measures in Spain (+912.9 M Eur).

Consolidated **EBITDA** grew by 19.6% to EUR 12,005.7 million. The evolution of this magnitude is affected by a series of court rulings and legal measures in Spain, resulting in a net positive effect of EUR 912.9 million. In addition, the Group has decided

to implement a series of efficiency measures, for a total amount of EUR 94.7 million, which will allow the optimization of future results. Excluding these three effects, **adjusted EBITDA** grew by 11.4%.

From an operational point of view, positive factors included the larger contribution of network assets in the United States and Brazil, increased renewable installed capacity and the increase in renewable production in Spain at higher prices. On the negative side, of particular note is the business in the United Kingdom, with lower margins due to the need to purchase energy in the spot market at high prices as a result of low wind power production, lower than expected, the higher demand due to lower temperature and because the last resort tariff was artificially low; and in Mexico, temporarily affected by a surge in gas costs as a result of the cold wave that hit the US state of Texas in February, an impact that will see recovery over the next few months as electricity rates incorporate these fuel prices into their calculation.

Net Operating Expenses decreased by 1.4% as the Group's growth, increased staffing and efficiency plans more than offset by the positive impact of the exchange rate (EUR 86 million) and the turnover of assets in Spain (EUR 230 million). Excluding the devaluation of currencies, net operating expenses grew by 0.6% as a result of the increase in the Group's activity, which includes the consolidation of the companies in Australia, France and Brazil.

Taxes decreased by 54.5% due to the impact of the non-recurring court rulings in Spain between 2013 and 2020 (EUR 951 million).

Depreciation and Amortisation Charges and Provisions grew by 4.2% due to the increase in group activity and despite the fact that, as collections have improved, the number of default provisions caused by COVID-19 has reduced compared to the same period last year.

Adjusted Net Profit reached EUR 3,705 million, in line with the expectations published by the Company at the beginning of 2021. This item excludes certain

recognised extraordinary impacts: the net effect of court rulings and regulatory measures in Spain (+EUR 800 million), deferred taxes in the United Kingdom (EUR -455 million), and the non-recurring supply and efficiency plans implemented by the company in the last quarter of the year (EUR -166 million).

The **reported Net Profit** is EUR 3,885 million, an increase of 8% compared to that obtained in 2020.

The key financial figures for the period are as follows:

- The Adjusted Net Financial Debt* stands at EUR 39,119 million, which is an increase of EUR 3,977 million in comparison with December 2020 and is due to the significant investment effort during the period, the appreciation of the currencies and the increase in working capital due to the regulatory changes in Spain, partially offset by the issuance of hybrids.
- Adjusted Funds From Operations totalled EUR 8,913.6 million, up by 8.6% compared to the same period in the previous year.

Finally, **gross investment** grew by 7.5%, reaching almost **EUR 10,000 million** (including EUR 409 million in inorganic investments). Nearly 85% of this investment was concentrated in the Networks Business and in renewable generation activities.

* Adjusted for treasury stock derivatives with physical settlement that, at the current date, are not expected to be executed (EUR 241 million in Dec 2021 and EUR 784 million in Dec 2020).

Other significant operations

In recent months, a series of operations have been concluded within the framework of the “Greenfield M&A” strategy being carried out by the Iberdrola Group as a complement to the organic investment plan, with a view to expanding its global presence in renewable energies and ensuring growth in the medium and long term. Specifically, the following operations have taken place in 2021:

- On 5 February 2021, an agreement was announced with **DP Energy** to acquire a majority stake in offshore wind projects on the east, west and south coasts of **Ireland**, projects which will be eligible for the next offshore wind capacity auctions in the country, which will take place between 2025 and 2030.
- On 17 March 2021, Iberdrola reached an agreement with the **Japanese renewable energy developer Cosmo Eco Power** (a subsidiary of Cosmo Energy Holdings Co. Ltd.) and the engineering firm Hitz for the joint development of the Seihoku-oki offshore wind project (600 MW) in Aomori prefecture, in the north-west of the country. This project will participate in round 2 of the auction planned by the Japanese government for in the first half of 2023. The operation comes six months after the acquisition of 100% of the Japanese developer Acacia Renewables, with an offshore wind portfolio of 3,300 MW in the south of the country.
- On 29 March, Iberdrola reached an agreement with **CEE Equity Partner** for the acquisition of new renewable capacity in **Poland**, with three wind farms totalling 163 megawatts (MW) in capacity, the production of which is essentially associated with ten-year power purchase agreements (PPAs). Two of the projects—with a capacity of 112.5 MW—were already in operation, while the third—with a capacity of 50 MW—was confirmed when it was awarded at the auction held last June. The agreement strengthens the company’s commitment to this growing market, where it already has a privileged position to lead its decarbonisation process, after acquiring 70% of the developer Sea Wind, which has a portfolio of seven offshore projects, with a potential capacity of up to 7,300 MW.
- On 30 March 2021, **Iberdrola and MAPFRE signed a strategic alliance to jointly invest in renewable energy in Spain**. The vehicle is 80% owned by MAPFRE, while Iberdrola will hold 20% and will also be responsible for developing, constructing and maintaining the wind farms with the aim of incorporating green projects to total 1,000 MW. The company has already reached a total of 295 MW in wind and solar photovoltaic capacity and is still jointly studying the possibility of adding more MWs
- On 21 September, through the American subsidiary Avangrid, Iberdrola reached an agreement with Copenhagen Infrastructure Partners to reorganise the assets of Vineyard Wind, the joint venture held 50% by the Avangrid Group and 50% by Copenhagen Infrastructure Partners for developing certain offshore wind projects on the East Coast of the United States of America. Vineyard Wind (800 MW) will continue to be held by the two partners, each with a 50% share; (ii) Avangrid will acquire 100% ownership of the rights over leased area OCS-A 0534, which includes projects Park City Wind (804 MW) and Commonwealth Wind (1,232 MW), awarded retrospectively as indicated below. For its part, Copenhagen Infrastructure Partners will acquire 100% ownership of the rights over leased area OCS-A 0522, which has project development potential of approximately 2,500 MW. Avangrid Renewables will pay a net fee of approximately USD 167.5 million when the operation completes.
- On November 3, Iberdrola, TotalEnergies and Norsk Havvind announced the creation of a consortium to bid for the Norwegian authorities’ tender to develop floating and fixed-bottom wind projects in the country. They will jointly compete for a cumulative capacity of 4.5 GW at two offshore sites in southern Norway.
- On December 17, Iberdrola, through its subsidiary Avangrid, was awarded in the US the construction of Commonwealth Wind, a 1,232 MW offshore wind farm in the state of Massachusetts.

Operational performance of the period

1. Energy distributed and supply points

The Group's Regulatory Asset Base (RAB) came to EUR 31,700 million at the end of 2021, up 6% compared to the end of 2020 at a constant exchange rate:

RAB (local currency)		Dec. 2021	Dec. 2020
Spain	(EUR billion)	9.29	9.27
United Kingdom	(GBP billion)	7.14	6.87
United States	(USD billion)	11.87	10.86
Brazil	(BRL billion)	25.95	22.36

Estimated 2021 close

At the close of 2021 the electrical energy distributed by the Group totalled 237,752 GWh, up 5.7% compared to 2020. A highlight is growth in Brazil thanks to the integration of Neoenergia Brasília from March 2021:

Distributed Energy

Electricity (GWh)	2021	2020	vs 2020
Spain	90,962	88,361	2.9%
United Kingdom	32,221	31,738	1.5%
United States	38,756	38,012	2.0%
Brazil	75,813	66,860	13.4%
Total	237,752	224,971	5.7%

GAS (GWh)			
United States	61,365	59,134	3.8%
Total	61,365	59,134	3.8%

The number of gas and electricity supply points increased by 4.9% compared to the previous year, thanks to organic growth in all geographies and the incorporation of Neoenergia Brasília, which contributed 1.1 million supply points in the capital of Brazil broken down as follows:

Supply points managed

ELECTRICITY (million)	2021	2020	vs 2020
Spain	11.28	11.21	0.7%
United Kingdom	3.55	3.54	0.2%
United States	2.30	2.27	1.4%
Brazil	15.74	14.28	10.2%
Total electricity	32.87	31.29	5.0%

GAS (million)			
United States	1.03	1.02	0.7%
Total gas	1.03	1.02	0.7%

TOTAL SUPPLY POINTS			
	33.90	32.32	4.9%

1.1. Spain — i-DE

At the end of 2021, the networks business in Spain has some 11.3 million supply points, while distributed energy has reached 90,962 GWh. This figure represents an increase of 2.9% compared to the previous year.

The table shows the change in the regulatory SAIDI (System Average Interruption Duration Index) and the SAIFI (System Average Interruption Frequency Index) for medium voltage supply:

i-DE	2021	2020
Regulatory SAIDI (min.)	<39	42
Regulatory SAIFI (no. inter.)	<0.9	0.9

Note: commercially sensitive information

The i-DE network was heavily affected in January by Storm Filomena, an unprecedented snowstorm, that affected a total of 270,000 customers across the entire peninsula. In this context, i-DE managed to restore service to 70% of affected customers in fewer than 30 minutes thanks to the degree of network automation and the development of automatic supply restoration.

In September, the cold drop led to heavy storms and flooding. It affected a total of 120,000 customers in

central and eastern Spain. Supply to 75% of affected customers was restored in fewer than 30 minutes, thanks again to the capabilities of the i-DE intelligent network that was launched in the last few years.

In 2021, significant agreements have been reached. First, Iberdrola and the European Investment Bank (EIB) signed a green loan of EUR 550 million to support the development, modernisation and digitisation of the Company's electricity distribution grids. This agreement adds further value to the network investment plan that i-DE will implement between 2021 and 2023 totalling EUR 1,472 million, the aim of which is to improve the reliability, efficiency and safety of renewable and sustainable electricity distribution.

Iberdrola also announced that it will lead the development of the first Mediterranean corridor for fully electric heavy road transport. This project, which will be developed in eastern Spain and span more than 450 kilometres, will involve i-DE, since it will require the development of a smart electricity grid infrastructure to bring power to the ultra-rapid charging infrastructure, ensuring maximum efficiency.

In September, the new Global Smart Grids Innovation Hub—the Company's pioneering grid innovation centre—was inaugurated to become a reference for grid innovation and will act as a driving platform for R&D&I and local and international talent. In this space, promoted by Iberdrola and the Provincial Council of Bizkaia, and located in the headquarters of Larraskitu, more than 50 companies, technology centres and universities are already working on 120 projects worth EUR 110 million.

Royal Decree 1125/2021, which regulates the granting of subsidies from European funds to distribution companies, was published in December. It represents a total of EUR 525 million from 2021-2023, of which approximately 34% corresponds to i-DE. These amounts shall subsidise 50% of the investments submitted for digitising and automating the networks and reinforcements required for >250 kW charging points. The subsidised amount will enable investment to be increased above the current limit (0.14% of GDP).

Finally, in December, i-DE received the AENOR ISO 9001 Quality Management System certification, one of the most widely recognised in terms of quality in the world. i-DE has been receiving the quality certificate for 20 years. On this occasion, unlike previous years in which the certification of specific processes had been received, the certification was extended to the entire i-DE activity: planning, development, operation and customer services of the distribution grid. This is the third certification that i-DE has with AENOR together with ISO 14001 for Environmental Management and ISO 10002 for Claims and Complaints Management.

1.2. United Kingdom – SPEN

At year-end 2021, Scottish Power Energy Networks (SPEN) surpassed 3.5 million supply points. The volume of energy distributed during the year totalled 32,221 GWh, up 1.3% compared to the previous year.

Energy distributed (GWh)	2021	2020	%
Scottish Power Distribution (SPD)	17,462	17,121	2.0%
Scottish Power Manweb (SPM)	14,759	14,617	1.0%

Regarding quality of service indicators, SPD indicators improved compared to 2020. SPM was affected in early 2020 by the impact of storm Christoph, with heavy snow and rain. Customer Minutes Lost (CML) was as follows:

CML (min.)	2021	2020
Scottish Power Distribution (SPD)	28.91	30.46
Scottish Power Manweb (SPM)	40.77	32.99

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

CI (no. of interruptions)	2021	2020
Scottish Power Distribution (SPD)	39.79	41.04
Scottish Power Manweb (SPM)	34.32	30.72

Both the SPM and SPD networks were affected by the storms that hit the country. In particular, storm Arwen, which took place in late November, affected more than 200,000 customers on the SPM network. The storm was classified by Ofgem as a “Severe Weather Exceptional Event”.

ScottishPower Energy Networks presented to Ofgem its 2023-2028 network investment plan within the framework of the RIIO-ED2 regulatory cycle. The company will invest GBP 3,200 million (EUR 3,700 million) over five years to continue driving the UK’s energy and digital transformation in its transition to a carbon-free, electrified economy.

The objectives of SP Energy Networks’ investment plan include: developing a Net Zero-ready network; continuing to adapt the infrastructure to make it more resilient and reliable by using innovative, flexible and efficient solutions; supporting customers and communities in which the company operates through the provision of improved services tailored to their needs; and readying the business for a digital and sustainable future through the incorporation of new digital approaches, innovation and process redesign.

With the aim of reviving economic activity following COVID-19 restrictions by driving investment in decarbonisation, the British government and Ofgem asked distributors to identify sites where the lack of distribution grid capacity was limiting the development and adoption of low-carbon technologies. Ofgem made GBP 300 million available to distributors to execute additional Green Recovery projects in the time that remains of the RIIO-ED1 regulatory cycle (until March 2023), in recognition of the recovery of these funds through the tariff. SPEN received approval for 40 of the projects it submitted for a total of GBP 64.7 million (GBP 34.7 million in SPD and GBP 30.0 million in SPM). These projects involve investments in the network to allow for the deployment of electrical vehicle charging points, the installation of heat pumps, the connection of larger volumes of distributed renewable output and also the adaptation of home supply connections.

In November, Ofgem expressed support for initial proposals for the development of the first two sub-sea

high-voltage direct current cables in the Eastern HVDC link project, the large underwater energy super-highway between Scotland and North East England. Ofgem recognised the crucial role both links would play in boosting renewable energies and in the UK’s climate change goals. Following Ofgem’s support for the development of Eastern Link, SP Energy Networks presented the Final Needs Case at the end of the year. Ofgem is expected to make its final decision on the project in 2024.

Furthermore, the investigation carried out by Ofgem on the delay of the Western Link project concluded with the agreement reached with National Grid Electricity Transmission and Scottish Power Transmission, confirming that none of these companies would have caused or aggravated the delay. The investigation noted that the root causes of the two-year delay were attributable to supply chain problems, manufacturing, cable installation and commissioning testing. Ofgem also recognises that consumers have benefited to the tune of GBP 100 million due to the project’s financial management and contract management strategy.

1.3 United States – Avangrid

1.3.1 Electricity

At the close of 2021, Avangrid Networks had around 2.3 million electricity supply points. The electricity distributed over the year came to 38,756 GWh, up 2% year on year.

Energy distributed (GWh)	2021	2020	%
Central Maine Power (CMP)	9,900	9,590	3.2%
NY State Electric & Gas (NYSEG)	16,310	16,056	1.6%
Rochester Gas & Electric (RGE)	7,444	7,327	1.6%
United Illuminating Company (UI)	5,103	5,039	1.3%

During 2021, Avangrid’s distribution area was battered by several storms that affected its Customer Average Interruption Duration Index (CAIDI), especially among New York state distributors.

The CAIDI was as follows during the period:

CAIDI (hrs)	2021	2020
Central Maine Power (CMP)	1.81	1.85
NY State Electric & Gas (NYSEG)	2.02	1.98
Rochester Gas & Electric (RGE)	1.81	1.79

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

SAIDI (min.)	2021	2020
United Illuminating Company (UI)	39.61	45.36

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

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

SAIFI	2021	2020
Central Maine Power (CMP)	2.02	2.03
NY State Electric & Gas (NYSEG)	1.46	1.38
Rochester Gas & Electric (RGE)	1.13	0.89
United Illuminating Company (UI)	0.46	0.56

Throughout 2021, AVANGRID’s distributors received several awards: NYSEG won the New York State Platinum Engineering Award in the Energy category for its reconstruction of the electric cable under Seneca Lake, given by the New York Council of Engineering Companies to the year’s leading initiatives for innovation, complexity and overall value to society. UI, NYSEG and CMP each won the prestigious Emergency Response Award for their response in the face of the storms that hit certain areas of the country in late 2019 and 2020. This award, given out each year by the Edison Electrical Institute (EEI), is given to electric utility companies that excel in their efforts to quickly restore service after a storm or natural disaster.

In July, AVANGRID, through its distributors, joined the Electric Highway Coalition; an initiative that aims to expand the network of electric vehicle charging points on US highways. The company will help construct

the charging infrastructure in its service areas, with the aim of installing more than 400 fast direct current charging points from the Atlantic coast to the Gulf regions, through the South and Midwest.

1.3.2 Gas

Avangrid supplies gas through more than 1 million supply points. At the close of 2021, 61,365 GWh of gas had been distributed, up 3.8% compared to the same period of the previous year, primarily due to the lower temperatures experienced during the first quarter of 2021:

Energy distributed (GWh)	2021	2020	%
NY State Electric & Gas (NYSEG)	15,576	15,500	0.5%
Rochester Gas & Electric (RGE)	16,183	16,448	-1.6%
Maine Natural Gas (MNG)	4,660	2,863	62.8%
Berkshire Gas (BGC)	2,933	2,864	2.4%
Connecticut Natural Gas (CNG)	11,153	10,960	1.8%
Southern Connecticut Gas (SCG)	10,859	10,499	3.4%

1.4. Brazil – Neoenergia

At the end of 2021, Neoenergia had a total of 15.7 million supply points. The volume of electricity distributed during the year was 75,814 GWh, representing growth of 13.4% compared to the previous year, including Neoenergia Brasília’s distributed energy. Factoring out the effect of the incorporation of Brasília, in March 2021, the variation in demand compared to 2020 represented an increase of 3.71%.

Energy distributed (GWh)	2021	2020	%
Elektro	20,077	19,150	4.8%
Coelba	24,948	24,127	3.4%
Cosern	6,686	6,349	5.3%
Pernambuco	17,628	17,233	2.3%
Brasília	6,475	-	-

Discrepancies possible due to rounding

Efforts to improve supply quality have resulted in improvements compared to 2020 for all distributors in the north east and Elektro.

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

DEC (hours)	2021	2020
Elektro	7.38	7.57
Coelba	11.40	12.45
Cosern	6.79	9.24
Pernambuco	12.03	12.68
Brasília	8.91	8.45

The average number of interruptions per customer (frequência equivalente de interrupção por unidade consumidora — FEC) was as follows:

FEC	2021	2020
Elektro	4.21	4.49
Coelba	5.16	5.54
Cosern	2.80	3.85
Pernambuco	5.76	5.40
Brasília	7.05	6.20

In March, Neoenergia took over the operation of Companhia Energética de Brasília (CEB-D), which distributes energy to 1.1 million customers in the Federal District of the country’s capital, Brasília. Neoenergia completed the process of integrating CEB-D during the second quarter of the year to become Neoenergia Distribuição Brasília. In its first 100 days of operation, Neoenergia Distribuição Brasília already achieved concrete results and made significant progress, both in operational improvements and in various actions and investments, which make this integration a success story.

In August, Neoenergia unified its brand by changing the name of its five distributors: Neoenergia Coelba, Neoenergia Cosern, Neoenergia Elektro, Neoenergia Pernambuco and Neoenergia Brasília.

This is a further step in building a management model based on modernisation, technological innovation, sustainability and service quality.

In addition, Neoenergia was awarded with the following honours in 2021:

- In June, Cosern was awarded more than a million supply points, thanks to its response to customer demand in the category of large distributors. The award, called the Ombudsman Award, is granted each year by the Agencia Nacional de Energia Eléctrica (ANEEL — Brazilian Electricity Regulatory Agency).
- In August, Neoenergia Distribuição Brasília was the winner in the Midwest category of the 2020 Aneel Quality Award – Aneel Consumer Satisfaction Index. The award assesses the level of consumer satisfaction, quality of power supply and services provided, customer service and trust.
- In September, Neoenergia’s distributors received the 2021 Abradee Award in recognition of their operational performance, which is among the best in the country. In addition, Neoenergia was awarded silver at the Premio Cliente SA 2021 awards in the “Leader in Customer Management Project” category of digital excellence.
- In December, Neoenergia received the Empresa Pro-Ética seal for the fourth time in a row. In this edition, the distributors Neoenergia Coelba, Neoenergia Pernambuco, Neoenergia Elektro and Neoenergia Cosern—who were also included under the brand—came together, a further example of energy’s efficient anti-bribery management system. This recognition is granted by the Comptroller General of the Federation (CGU), the federal government body responsible for the defence of public heritage, transparency and the fight against corruption with the aim of promoting more integrated, ethical and transparent corporate environments in Brazil.

Finally, Neoenergia participated in the auction organised by Brazil’s regulator ANEEL in December

2021, winning lot four of BRL 661 million worth of investment in Minas Gerais state. This facility will provide greater reliability and operational flexibility in critical high energy import scenarios from the south east region, as well as guaranteeing voltage control in the São Paulo high and medium voltage system. Through its participation in auctions, since 2017, Neoenergia has been awarded a total of 13 projects, five of which are already in operation and progress is being made in terms of obtaining licences and construction of the other projects. These projects will involve the expansion of the transmission network by more than 6,000 km.

2. Electricity production and customers

By the end of 2021, Iberdrola's **installed capacity** will grow by 5.8% compared to the end of 2020, reaching 58,320 MW, with 70.8% of the total (41,315 MW) coming from emission-free sources, compared to 69.1% in 2020:

MW	2021	vs 2020
Capacity for own use (*)	51,174	6.7%
Renewables (*)	38,035	9.2%
Onshore wind	19,376	4.9%
Offshore wind	1,258	-
Hydroelectric	13,849	7.7%
Mini-hydroelectric	285	-6.0%
Solar	3,060	62.9%
Batteries	193	N/A
Nuclear	3,177	-
Gas combined cycle	8,777	-
Cogeneration	1,185	-0.5%
Capacity for third parties	7,146	-
Renewables	103	-
Onshore wind	103	-
Gas combined cycle	7,043	-
Total (*)	58,320	5.8%

Discrepancies possible due to rounding

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

Net electricity production in 2021 amounted to 162,266 GWh, up 0.9% from the figure recorded in 2020, with 59.1% of this total being emission-free (91,143 GWh) compared to 56.7% the previous year:

GWh	2021	vs. 2020
Own production (*)	129,331	4.8%
Renewables (*)	73,719	8.7%
Onshore wind	41,343	5.5%
Offshore wind	4,617	5.4%
Hydroelectric	24,374	10.6%
Mini-hydroelectric	630	-7.5%
Solar	2,671	78.8%
Nuclear	23,193	-4.6%
Gas combined cycle	25,259	3.2%
Cogeneration	7,159	9.3%
Production for third parties	34,935	-11.3%
Renewables	231	5.9%
Onshore wind	231	5.9%
Gas combined cycle	34,704	-11.4%
Total (*)	164,266	0.9%

Discrepancies possible due to rounding

(*) Includes 83 GWh of production from fuel cells in 2021 and 73 GWh in 2020

As at 31 December 2021, Iberdrola had 28.1 million contracts, 7.2% more than at the end of December 2020, broken down as follows:

	Spain	UK	Brazil	IEI	Total	vs 2020
Electricity contracts	10.0	2.8	-	0.8	13.6	0.2%
Gas contracts	1.1	1.9	-	0.3	3.4	2.7%
Smart solutions	7.8	2.2(*)	0.3	0.8	11.1	19.1%
Total	18.9	7.0	0.3	1.9	28.1	7.2%

Discrepancies possible due to rounding.

(*) Includes 1.86 million smart meters installed

2.1 Spain

Renewable capacity and production

At year-end, Iberdrola had an installed **renewable capacity** in Spain of 19,210 MW (+10.3%), broken down as follows:

SPAIN	Installed MW Consolidated at EBITDA level	MW managed by investee companies (*)	Total
Onshore wind	5,866	258	6,124
Solar PV	2,086	-	2,086
Hydroelectric (**)	10,700	-	10,700
Mini-hydroelectric	283	2	285
Batteries	14	-	14
Total capacity	18,950	260	19,210

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 El Puntal II wind farm (15 MW) in Málaga was completed during the fourth quarter of 2021 and work continues at the Martín de la Jara park (36 MW) in Seville.

In **photovoltaic solar**, the installation of modules at the Puertollano plant (100 MW) in Ciudad Real has been completed, while the installation of modules continues at Francisco Pizarro (590 MW), in Cáceres, which closed the year with 517 MW installed. In the province of Cuenca, the first 2 MW of the Revilla-Vallejera project (50 MW) have been installed. Commissioning at the Olmedilla (50 MW) and Romeral (50 MW) plants continues and the commercial operation of Campo Arañuelo III (40 MW) has been achieved.

Regarding **battery storage projects**, work has been completed on the installation of the Abadiño battery (6 MW) in Bizkaia.

In addition, more than 1 GW of capacity is in the start-up works stage, including the Ciudad Rodrigo photovoltaic plant (318 MW) in Salamanca, the Revilla-Vallejera (50 MW) and Almaraz 1 and 2 (80 MW)

photovoltaic plants and the Buniel (115 MW) and Iglesias (94 MW) wind farms, in Burgos.

In Portugal, work is also continuing on the Tâmega hydroelectric complex, with Daivões (118 MW) and Gouvães (880 MW) expected to become fully operational during the first half of 2022. Once the system operator (REN) energises the evacuation lines to the national transmission network at the end of January, at which time each of the three Daivões groups and four Gouvães groups will enter into operation. In the Alto Tâmega (160 MW) operation, progress regarding the concreting of the dam is at close to 60%, while in the plant, the concreting process is already at more than 75%.

Renewable production totalled 28,420 GWh (+9.7%), broken down as follows:

SPAIN	GWh Consolidated at EBITDA level	GWh managed by investee companies (*)	Total
Onshore wind	11,501	436	11,937
Solar PV	1,233	-	1,233
Hydroelectric	14,620	-	14,620
Mini-hydroelectric	624	6	630
Total production	27,978	442	28,420

Discrepancies possible due to rounding.

(*) Includes the proportional GWh share

Changes in production consolidated at EBITDA level by technology are as follows:

- Onshore wind production in the year totalled 11,501 GWh, up 2.2% from 2020, mainly due to the commissioning of new facilities, by increasing the average operating capacity by 146 MW.
- Hydroelectric production was up 11.5% to 14,620 GWh, while production at mini-hydroelectric plants decreased 7.3% to 624 GWh.
- Photovoltaic solar production totalled 1,233 GWh, up 143% from 2020 mainly due to the commissioning of new facilities, as there was an increase of 474 MW in average operating capacity in 2021.

Thermal capacity and production

At 31 December 2021, Iberdrola Group's **thermal capacity** in Spain totalled 9,218 MW, broken down as follows:

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

Discrepancies possible due to rounding.

(*) Includes the proportional MW share

Iberdrola's **thermal production** in 2021 decreased compared to the same period last year, since the increase in cogeneration (+8%) did not compensate for the decrease in combined cycle production (-3%) and nuclear generation (-5%).

SPAIN	GWh Consolidated at EBITDA level	GWh Investee companies (*)	Total
Nuclear	23,193	-	23,193
Gas combined cycle	7,023	-	7,023
Cogeneration	1,992	340	2,331
Total production	32,208	340	32,548

Discrepancies possible due to rounding.

(*) Includes the proportional GWh share

Retail supply

As regards retail supply, the portfolio managed by Iberdrola in Spain totalled 18.9 million contracts at 31 December 2021, up 9% compared to December 2020. The breakdown is as follows:

Thousands of contracts	Spain
Electricity contracts	9,985
Gas contracts	1,150
Smart Solutions Contracts	7,796
Total	18,931

Discrepancies possible due to rounding

By market type, they break down as follows:

Thousands of contracts	Spain	%
Liberalised market	15,747	83.2%
Last resort market	3,184	16.8%
Total	18,931	100%

Discrepancies possible due to rounding

Iberdrola's electricity sales* in 2021 decreased 7.9%, broken down as follows:

2021	GWh Spain
Liberalised market	50,594
Voluntary price for small consumers (PVPC) market	8,537
Other markets	28,350
Total Sales	87,481

Discrepancies possible due to rounding

With regard to gas**, in 2021 Iberdrola managed a total gas production of 2.80 bcm, of which 0.09 bcm were sold in wholesale transactions, 1.32 bcm were sold to end customers and 1.38 bcm went towards electricity production.

2.2. United Kingdom

Renewable capacity and production

At the end of the 2021, Iberdrola had a **renewable installed capacity** in the United Kingdom of 3,008 MW (+5.0%).

*Sales in busbars

**Including shrinkage

UNITED KINGDOM	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 **photovoltaic solar**, the installation of the Carland Cross hybrid project (10 MW) has been completed and work is continuing on the hybrid project to be located in the operational wind farms of Coldham (9 MW), all in England.

Battery storage projects continue with the commissioning of the Gormans (50 MW) project in Ireland and the Whitelee (50MW) project in Scotland.

In addition, the renewable business in the UK is currently developing **offshore wind projects** in the country, focusing on the East Anglia North Sea project group, of which the following stand out:

- The **East Anglia 1 (714 MW)** continues fully operative, and continues the process of divestment of transmission assets.
- East Anglia 1 North, East Anglia 2 and East Anglia 3 are being developed simultaneously as **East Anglia Hub (3,100 MW)**, with the following development:
 - East Anglia 3 (1,400 MW) will participate in the next CfD auction this year, having received the relevant permits.
 - The permit application assessment period for East Anglia 1 North and East Anglia 2 has concluded, and final decisions are expected to be made by March 31, 2022.
 - Key contracted engineering, design and network work continued during the fourth quarter, while marine and onshore site investigation work has now been completed. In terms of suppliers, bids have been received for the supply of foundations,

inter-turbine cabling and turbine transportation and installation, and the contract for the high-voltage export cable has been awarded.

Renewable production in the United Kingdom came to 6,717 GWh (+0.6%), with the following breakdown:

UNITED KINGDOM	GWh Consolidated at EBITDA level	GWh managed by investee companies (*)	Total
Onshore wind	3,275	9	3,284
Offshore wind	3,433	-	3,433
Total production	6,709	9	6,717

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

Consolidated production at EBITDA level was as follows:

- Onshore wind production totalled 3,275 GWh, down 8.2% compared to the previous year mainly due to lower wind resource in the period.
- Offshore wind production increased 10.9% to 3,433 GWh thanks to the contribution of East Anglia 1.

Retail supply

As at 31 December 2021, the UK-managed contract portfolio exceeded 6.9 million (+3%) compared to the same period the previous year, with the following breakdown:

Thousands of contracts	UK
Electricity contracts	2,844
Gas contracts	1,923
Smart Solutions contracts	363
Smart Meters	1,859
Total	6,990

Discrepancies possible due to rounding

In addition, at the end of 31 December 2021, 19,383 GWh of electricity and 26,094 GWh of gas were supplied to customers, 4.6%* and 6.8%** more than at 31 December 2020, respectively.

*Sales in busbars
**Including shrinkage

2.3. United States – Avangrid

Renewable capacity and production

At year-end, Iberdrola had an installed **renewable capacity** in the United States of 8,309 MW (+4.1%), broken down as follows:

United States	Installed MW Consolidated at EBITDA level	MW managed by investee companies (*)	Total
Onshore wind	7,708	236	7,945
Hydroelectric	118	-	118
Solar PV	220	12	232
Total Capacity (**)	8,061	248	8,309

Discrepancies possible due to rounding.

(*) Includes the proportional MW share

(**) Includes 13 MW of installed fuel cell capacity

In **onshore wind**, the installation of wind turbines continues at Golden Hills (201 MW), in Oregon, having ended the year with 190 MW of installed capacity, as well as works at Midland Park (105 MW), in Illinois.

In **photovoltaic solar**, the installation of modules at the Lund Hill plant (194 MW) in Washington state continues, which has completed the year with 103 MW of installed capacity. Furthermore, work continues at the Montague (211 MW), Bakeoven (269 MW) and Daybreak (189 MW) plants, in Oregon.

At the end of 2021, there were great achievements in offshore wind technology in the United States, as the land construction of **Vineyard Wind 1 (800 MW)**, the country's first commercial-scale offshore wind project, was started, and the State of Massachusetts announced the selection of the **Commonwealth Wind (1,232 MW)** offshore wind project. The proposal includes the construction of a cable factory, the development of a second offshore wind port in Massachusetts, as well as other economic development initiatives, the creation of local employment and environmental commitments. Meanwhile, **Park City Wind (804 MW)** and **Kitty Hawk Offshore Wind (800 MW)** made progress in the study process on their way to becoming fully authorised projects.

In addition, the company will explore new growth opportunities in the face of the announcement last October and by the United States' Bureau of Ocean Energy Management (BOEM) of a lease area plan. This plan supports President Biden's goal of deploying 30 GW of offshore wind power by 2030 and has the New York Bight area, one of the most sought-after lease areas on the east coast, to be auctioned in the first quarter of 2022, followed by Carolina Long Bay in the second quarter of 2022 and California in the third quarter. Other lease areas under study and expected to be auctioned are the Gulf of Mexico (fourth quarter 2022), Central Atlantic (second quarter 2023), Oregon (third quarter 2023) and the Gulf of Maine (third quarter 2024).

Renewable production in the United States totalled 19,400 GWh (+0.2%), broken down as follows:

United States	GWh Consolidated at EBITDA level	GWh managed by investee companies (*)	Total
Onshore wind	18,399	544	18,943
Hydroelectric	132	-	132
Solar PV	216	26	242
Fuel cells	83	-	83
Total production (**)	18,830	570	19,400

Discrepancies possible due to rounding.

(*) Includes the proportional GWh share

(**) Includes 83 MW of installed capacity of fuel cells.

Production by technology consolidated at EBITDA level was as follows:

- Onshore wind production came to 18,399 GWh, down 0.1% compared to 2020 due to less wind over the period.
- Photovoltaic solar technology production stood at 216 GWh (-2.3%) due to the lower load factor during the year.
- Hydroelectric production reached 132 GWh, up 12.2% on the same period in 2020.

2.4. Mexico

Renewable capacity and production

At the end of the year, Iberdrola had an installed **renewable capacity** in Mexico of 1,335 MW (+0.8%), broken down as follows:

MEXICO	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 came to 2,947 GWh (+57.1%), broken down as follows:

MEXICO	GWh Consolidated at EBITDA level	GWh managed by investee companies (*)	Total
Onshore wind	1,759	-	1,759
For own use	1,528	-	1,528
For third parties	231	-	231
Solar PV	1,188	-	1,188
Total production	2,947	-	2,947

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 came to 1,759 GWh, up 53.4% on 2020, due to the coming on stream of the Pier and Santiago wind farms.
- Solar energy production totalled 1,188 GWh, 62.9% more than in 2020, following the commissioning of the Cuyoaco solar PV plant.

Thermal capacity and production

In Mexico, **thermal capacity** at 31 December 2021 stood at 9,348 MW, in line with last year's figure. Thermal production in 2021 totalled 51,349 GWh – 8% lower than in the previous year.

MEXICO	MW	GWh
Gas combined cycle	9,146	49,705
For own use	2,103	15,001
For third parties	7,043	34,704
Cogeneration	202	1,644
Total	9,348	51,349

Discrepancies possible due to rounding.

Retail supply

Electricity sales in 2021 totalled 55,046 GWh (+2.9% vs. 2020), broken down as follows:

	GWh
CFE	34,903
Private	20,143
Total sales	55,046

Discrepancies possible due to rounding

2.5. Brazil – Neoenergia

Renewable capacity and production

At the end of 2021, Iberdrola's installed **renewable capacity** in Brazil totalled 4,014 MW (+13.2%), broken down as follows:

BRAZIL	Installed MW Consolidated at EBITDA level	MW managed by investee companies (*)	Total
Onshore wind	984	-	984
Hydroelectric	836	2,194	3,031
Total Capacity	1,820	2,194	4,014

Discrepancies possible due to rounding.

(*) Includes the proportional MW share

Onshore wind projects continue at the Chafariz complex in Paraiba state, consisting of a total of 15

wind projects with a total capacity of 472 MW, having closed the year with 468 MW installed and leaving only 3 MW of the Chafariz 3 project pending, meaning that the park has already started to partially produce.

In addition, the construction of the Oitis complex, consisting of 12 wind farms for a total of 566 MW, continues in the state of Piauí, where work will be completed in the second half of 2022.

Turning to **photovoltaic solar** technology, construction has begun on Luzia II and III (149 MW) in the state of Paraíba, with commissioning expected in the second half of 2022.

Renewable production at the end of 2021 totalled 11,935 GWh (+11.7%), broken down as follows:

BRAZIL	GWh Consolidated at EBITDA level	GWh managed by investee companies (*)	Total
Onshore wind	2,313	-	2,313
Hydroelectric	1,867	7,755	9,622
Total production	4,180	7,755	11,935

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

Production consolidated at EBITDA level by technology was as follows during the period:

- Onshore wind production totalled 2,313 GWh, up 23.2% from 2020, due to the higher wind resource recorded during the year and the partial commissioning of the Chafariz complex.
- Hydroelectric production reached 1,867 GWh, below the figure recorded in 2020 (-8.6%).

Thermal capacity and production

In Brazil, thermal capacity at 31 December 2021 remained at 533 MW, while thermal production during the period totalled 3,194 GWh (+34% vs. 2020).

BRAZIL	MW	GWh
Gas combined cycle	533	3,194
Total	533	3,194

Retail supply

Electricity sales in 2021 remained stable compared to the same period in 2020 and totalled 14,828 GWh (+0.46% vs. December 2020), broken down as follows:

	2021
PPA	10,381
Liberalised market	4,447
Total sales	14,828

Discrepancies possible due to rounding

2.6. Iberdrola Energía Internacional (IEI)*

Renewable capacity and production

Iberdrola Energía Internacional installed **renewable capacity** stood at 2,262 MW, up 26.1% from December 2020, with the following breakdown:

Iberdrola Energía Internacional (IEI)	MW
Onshore wind	1,749
Offshore wind	350
Solar	89
Batteries	75
TOTAL	2,262

Discrepancies possible due to rounding

In **photovoltaic solar** technology, construction continues at Port Augusta, Australia, of a 317 MW hybrid wind and PV solar technology project, which will be one of the largest hybrid renewable energy plants in the southern hemisphere with 54 MW of the 106.9 MW photovoltaic solar plants having already been installed. Meanwhile, in **wind energy**, all the wind turbines of this hybrid project (210 MW) have been installed, with the first GWh having already been exported in December.

In addition, work is continuing at the Mikronoros wind farm (33.6 MW) in Greece, which has finished the year with 13 MW installed.

Installed capacity breaks down as follows by country:

* Formerly Rest of World

	MW
Australia	880
Greece	288
Hungary	158
France	118
Portugal	92
Poland	113
Romania	80
Cyprus	20
Total	1,749

Discrepancies possible due to rounding

Also in Australia and following the acquisition of Infigen, Iberdrola has completed the 50 MW **Wallgrove storage project**, which went into commercial operation in December and works have begun on the Avonlie project (245.5 MW).

In Italy, 19.8 MW have been installed at the Montalto di Castro plant (23.4 MW) and in Portugal, the first 9.4 MW of the Algeruz 2 plant (27.4 MW) have been installed.

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

- In **France**, at the **Saint Brieuc (496 MW)** project, work continues at sea for the installation of foundations, which will run until the end of October, while the first campaign to open underwater trenches to bury the cables between turbines has been successfully completed. Iberdrola is also taking part in the auction for 1 GW of fixed-foundation offshore wind capacity off the Normandy coast. Competitive dialogue is under way, and recently 250 MW of floating offshore wind capacity in Brittany was pre-qualified for auction. Competitive bidding is now beginning. Both auctions will be awarded in 2022.
- In **Germany**, the main supply contracts for the **Baltic Eagle project (476 MW)** have been agreed. Manufacture of the foundations will begin in October while the manufacture of the offshore substation progresses with a view to it being installed in mid-2022.

- In **Japan**, Iberdrola Renewables Japan K.K continues to work alongside its partners, Hitachi Zosen and Cosmo EcoPower, to submit the best bid for the Aomori project, which is expected to be auctioned off in the first half of 2023. It also continues to develop the project portfolio with its partner Macquarie's Green Investment Group (GIG), paying special attention to the Saga project, whose areas have been designated as a candidate for the forthcoming rounds of auctions, as well as with the analysis for the entry of other projects. The results of the first auction, which were published at the end of December last year, will undoubtedly have a major impact on the future of Japan's auctions.
- In **Sweden**, the Utposten 2 project, which is being developed by Svea Vind Offshore together with Iberdrola, was publicly announced at the end of July, and is pending approval by the authorities once the oral hearings end and administrative procedures are finalised. Meanwhile, work continues on the other projects in the portfolio.
- In **Ireland**, site characterisation campaigns continue for the three projects in progress in collaboration with our partner DP Energy: Clarus, Shelmalere and Inis, with a total maximum capacity of 3,000 MW.
- In **Poland**, the company Iberdrola Renewables Polska has now been incorporated. We continue to work with our partner SeaWind on the completion of land use permit applications for projects that will be included in the auctions to be held from financial year 2025.
- In **Taiwan**, progress is still being made in the environmental impact studies, and geotechnical studies and the resource campaign have just been contracted at two sites, a necessary prerequisite for Iberdrola Renewables Taiwan to be able to bid in the offshore wind auctions next year.

Renewable production reached a total of 4,531 GWh at the close of 2021, up 28.0% from the close of 2020, with the following breakdown by technology:

Iberdrola Energía Internacional (IEI)	GWh
Onshore wind	3,339
Offshore wind	1,184
Solar PV	8
Total production	4,531

Discrepancies possible due to rounding

By technology, onshore wind production increased (+48.5%) mainly due to additional capacity following acquisitions in Australia, France and Poland, and decreases with offshore wind (-7.7%), due to the lower wind resource recorded in the year. Photovoltaic solar production increased by 1.0% to 8.5 GWh up from the figure recorded in 2020.

Retail supply

As regards retail supply, at 31 December 2021, the portfolio managed by Iberdrola in Portugal, France, Italy, Germany and Ireland totalled 1.9 million contracts, up 5% compared to the close of December 2020. The breakdown is as follows:

Thousands of contracts	IEI*
Electricity contracts	778
Gas contracts	288
Smart Solutions contracts	816
Total	1,882

Sales at the international division were up 2.7% in 2021 compared to the previous year. While electricity sales* dropped to 10,230 GWh (-1.4%), gas sales** increased to 1,870 GWh (+33.5%). This is geographically broken down as follows:

	12M 2021	12M 2020
Electricity*	10,230	10,375
Portugal	6,084	7,370
France	1,313	829
Germany	869	776
Italy	1,733	1,319
Ireland	112	81
United States	118	1
Gas**	1,870	1,401
Portugal	192	166
France	801	475
Italy	715	659
Ireland	161	100
Total sales	12,099	11,776

* Sales in busbars

** Including shrinkage

3. Other Aspects

3.1 Shareholder remuneration

As part of the “Iberdrola Retribución Flexible” optional dividend scheme, at the beginning of February 2022, Iberdrola paid the Interim Dividend for the 2021 financial year, which amounted to EUR 0.170 per share, with shareholders holding 67.4% of Iberdrola’s share capital opting to receive new shares.

In addition, Iberdrola will propose at the next General Shareholders’ Meeting a 4.8% increase in annual remuneration for the financial year 2021, amounting to EUR 0.44 gross per share. Thus, provided it is approved by the General Shareholders’ Meeting, the amount of EUR 0.270 gross per share as a final dividend to be paid in July 2022 will be added to the interim dividend paid in February.

The “Iberdrola Retribución Flexible” dividend scheme allows shareholders to choose from various options when collecting their dividend (or to combine them, with the value of the remuneration to be received being equivalent across all options):

- 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 final dividend payment.

Analysis of the consolidated profit and loss account

As a consequence of the current situation of the energy markets and the actual operation of these markets in the electricity production- final customer relationship, the Group's businesses are reported with a differentiation between network activities (regulated) and energy production-customer activities as a whole (both with renewable and conventional sources), in order to better reflect the evolution of these businesses.

The most notable figures for 2021 are as follows:

EUR millions	2021	2020	%
NET REVENUE	39,113.5	33,145.1	+18.0
GROSS MARGIN	17,061.7	16,145.1	+5.7
EBITDA	12,005.7	10,038.2	+19.6
EBIT	7,342.8	5,564.3	+32.0
REPORTED NET PROFIT	3,884.8	3,610.7	+7.6

The EBITDA reported in 2021 increased by 19.6% compared to 2020, with growth in both the Networks and Electricity Production and Customers business.

The **Networks** business turned in a strong operating performance in all countries thanks to the regulatory frameworks in force and increased investments, despite the negative impacts of the exchange rate effect (EUR -129 million) and COVID-19 on demand (EUR -54 million).

The **Electricity Production and Customers** business was driven by the increase in renewable installed capacity of 10% to 38,035 MW, which has led to an increase in production of 9.2%, 38,138 MW with a significant contribution from offshore technology due to the entry into operation of East Anglia 1 despite the weak wind resource in the United Kingdom. In addition, there has been registered an extraordinarily positive impact on the tax line due to positive court rulings in Spain. The rotation of assets in Spain continues, reaching 295 MW of both wind and solar photovoltaic power thanks to the joint venture created with MAPFRE and we are jointly studying

the possibility of adding more. On the negative side, the higher cost of procurements due to higher energy prices had an impact, along with the maintenance of contracts that were closed with customers at a fixed price in Spain and the United Kingdom and the effect of the cold snaps in the first quarter of 2021 that influenced the Spain, Mexico and IEI businesses. The overall impact of COVID-19 on EBITDA totalled EUR 105 million as a result of lower demand.

1. Gross margin

Gross Margin grew by 5.7% to EUR 17,061.7 million, with a negative exchange rate effect of EUR 267 million. Excluding this impact, this item grew by 7.3%.

This performance is a result of the following:

- **The Networks Business** saw an 8.6% increase versus 2020 to reach EUR 8,273.1 million.
 - In Spain, it grew by 0.9% to EUR 1,980.8 million, due to the fact that the lower remuneration in effect since 2021 at 5.58% (EUR -29 million) was offset by income from new investments, (EUR +18 million).
 - The United Kingdom increased its contribution by 6.1% to EUR 1,381.4 million, as a result of a larger asset base in the distribution business resulting from investments.
 - The contribution made by the United States over the period rose by 4.9% to EUR 2,911.2 million, affected by the exchange rate effect, since it grew by 8.7% in local currency thanks to the new rate cases in force, which include the rate recognition of new investments and compensation of regulatory assets and liabilities from previous years (EUR 216 million for both effects). The exchange rate had a negative impact of EUR 105.6 million.
 - Brazil's Gross Margin stood at EUR 1,999.6 million (+27.0%), thanks to the positive effect of rate readjustments and inflation at distributors (EUR 391 million) and the increased contribution made by transmission assets (EUR 92 million), together with the consolidation of Neoenergia

Distribuição Brasília, which has contributed EUR 67 million since the beginning of March. The exchange rate had a negative impact of EUR 163.7 million.

• **The Electricity Production and Customers Business** increased by 3.0% and its Gross Margin stood at EUR 8,806.5 million:

- In Spain, it grew to EUR 4,405.3 million (+6.7%) thanks to higher renewable production (+9.5%), driven by the higher hydroelectric generation and the increase in the average operating capacity, mainly solar (+474 MW), effects that were offset by lower thermal production (-4.8%), together with an increase in procurement costs, mainly the result of the evolution of gas and CO2 prices, while the majority of sales prices were already fixed.
- Gross margin in the United Kingdom stood at EUR 1,502.9 million (-14.3%), due to higher procurement costs as a result of higher market prices and greater purchasing volume, as a result of the lower wind production, bigger demand due to weather conditions and by having to accept customers on the SVT tariff, the price of which is lower than the provisioning price. These effects were offset by the increase in offshore (+10.9%) thanks to the coming on stream of East Anglia 1 in April last year.
- The contribution made by the United States rose to EUR 1,003.9 million (+12.4%), positively impacted by the effect of the storm in Texas in the first quarter of the year. The growth in renewable installed capacity (+327 MW) was offset by a lower load factor compared to last year (-1.2%). The exchange rate had a negative impact of EUR 36.4 million.
- Brazil stood at EUR 315.5 million (+34.9%), affected by the exchange rate, since in local currency it increased by 45.9%, with a positive impact due to the agreement reached with the regulator to extend hydroelectric concessions to recover costs incurred in previous years, the improvement of the wind resource (+2.4%) and

the good performance of the Termopernambuco combined cycle due to the drought in the country.

- The Gross Margin in Mexico decreased by 0.4% to EUR 1,029.6 million, mainly due to the impact of the cold nap that took place in Texas in February this year. It affected the supply and prices of gas at some of the combined cycle plants in Mexico (net impact on results of EUR 58 million) along with the increase in the cost of tariffs and the non-increase in rates. These impacts were offset by the increase in average renewable operating capacity (+477 MW), following the coming on stream of the Santiago (105 MW) and PIER (220 MW) wind farms and the Cuyoaco (274 MW) solar plant. The exchange rate, on the other hand, had a negative impact of EUR 37.4 million.
- Iberdrola Energía Internacional's (IEI) Gross Margin stood at EUR 549.1 million (+8.8%), thanks to contributions from Australia, France and Poland, partially offset by lower production in Germany (-7.7%) due to the low wind resource during the year and lower margins in the supply activity affected by the cold snaps in the first quarter, development costs and higher procurement costs.
- The contribution of **Other Businesses** totalled EUR 25.3 million.

2. Gross operating result - EBITDA

Consolidated EBITDA rose by 19.6% versus 2020, standing at EUR 12,005.7 million.

To the aforementioned evolution of the Gross Margin, we must add a Net Operating Expense that decreased by 1.4% to EUR 4,227.4 million, since the contribution of new businesses such as Neoenergia Distribuição Brasília, Infigen (Australia) and Aalto Power (France), the growth in the workforce and the efficiency plans are more than offset by the impact of the exchange rate and the contribution to Other

Operating Results of the addition of new renewable capacity to the joint venture with MAPFRE. As mentioned earlier, since the first quarter of 2021, Net External Services includes, within Other Operating Results, profits or losses from the loss of control of consolidated holdings having recorded EUR +230 million due to asset rotation including the inclusion during the year of a further 295 MW in renewable energy into the company set up with MAPFRE in Spain although the possibility of adding more capacity is still under joint consideration.

The Tax item decreased by 54.5% to EUR 828.6 million mainly due to the extraordinarily positive effect of court rulings in Spain.

Adjusted EBITDA 2021, which excludes efficiency measures implemented to optimize future results (-94.7 M €) and court rulings and legal measures in Spain (+912.9 M €) grows by 11.4% to 11,187.4 M € compared to 2020.

3. Net operating result - EBIT

EBIT was EUR 7,342.8 million, up 32.0% compared with 2020.

Depreciation and amortisation charges and provisions grew 4.2% to EUR 4,662.9 million, as the Group's increase in activity partially offset by the impact from foreign currencies. Excluding the exchange rate, this item increased by 5.3%.

- The Depreciation and Amortisation item increased by 5.6% to EUR 4,196.2 million and increased by 6.7% if we exclude the exchange rate effect, due to a higher asset base and an increase in Group activity (EUR 275 million).
- Provisions came to EUR 466.7 million, down EUR 32.9 million (-6.6%), due to the improvement in non-performing loans, which was driven in 2020 by COVID-19.

4. Financial result

The financial result increased by EUR -12 million over the EUR -991 million reported at the end of 2020, to EUR -1,003 million.

- The cost of debt rose by EUR -136 million: EUR -155 million due to the increase in cost partially offset by EUR +19 million due to a lower average balance of EUR 586 million.
- Income from derivatives and others rose by EUR +124 million mainly due to the collection of default interest and the listing at market value of shares (Wallbox), partially offset by the worst result of the exchange rate hedges.

Financial result	2021	2020	Dif.
Debt	-1,312	-1,175	-136
<i>By cost</i>			-155
<i>By average balance *</i>			+19
Derivatives and others	309	184	+124
Total	-1,003	-991	-12

* The average balance dropped from EUR 36,985 million to EUR 36,399 million

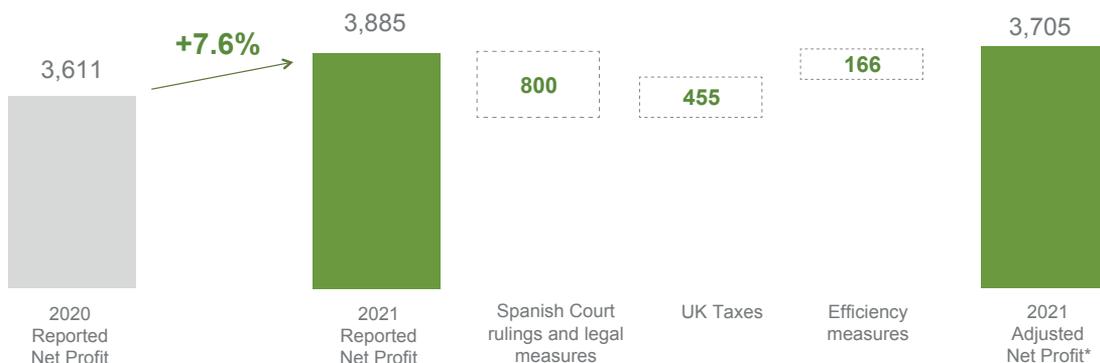
The cost of debt rose by 42 basis points (from 3.18% to 3.60%), due to rising inflation in Brazil, which was more than offset by the operating profit earned by the distributors, which is also indexed to inflation. Without Brazil, the cost was down by 4 basis points (from 2.93% to 2.89%).

5. Results of companies accounted for using the equity method

Results of Companies accounted for using the equity method was EUR 74.1 million compared to EUR +460.6 million in 2020 after the sale of the stake in Siemens-Gamesa last year. As mentioned above in the section Operating highlights, as of this year and taking into account both the format required in the periodic public information submitted in accordance with Spanish stock market commission (CNMV) circular 3/2018 and the draft of amendments to IAS 1, the format of the income statement has been modified by eliminating the heading “Income from non-current assets”. Profit (loss) sharing and results from significant loss of influence of equity holdings are presented under the heading “Results of companies accounted for using the equity method”. According to the regulations, the previous accounting criterion has been applied retroactively to 2020, having an impact of Eur 28 M.

Net Profit / Group

Adjusted Net Profit up 7.6%, to EUR 3,885 M ...



... and Adjusted Net Profit achieving guidance, at EUR 3,705 M

* 2021 adjustments: Spanish Court rulings and legal measures (EUR +800 M), UK deferred taxes (EUR -455 M) and efficiency measures & one-off provisions (EUR -166 M).

6. Profit in the period

Taxes totalled EUR 1,914.0 million (an increase of 76.8%) due to the extraordinarily negative impact of EUR 455 million on deferred tax following the rate change approved in the United Kingdom from 19% to 25% effective from April 2023. Minority interests grew by 37.1% to EUR 466.8 million, due to improved results in the United States, Brazil and the East Anglia 1 offshore wind farm.

Finally, **reported net profit** stood at EUR 3,884.8 million, with an increase of 7.6% from EUR 3,610.7 million. **Adjusted net profit** in 2021 grew by 17.2% and stood at EUR 3,705.2 million and excludes the impact of deferred taxes in the United Kingdom (-455 million euros), and efficiency measures and non-recurring provisions (-166 million euros) and of court rulings and regulatory measures in Spain (+800 million euros).

Results by business

As a consequence of the current situation of the energy markets and the actual operation of these markets in the electricity production- final customer relationship, the Group's businesses are reported with a differentiation between network activities (regulated) and energy production-customer activities as a whole (both with renewable and conventional sources), in order to better reflect the evolution of these businesses.

1. Networks Business

Key figures for the Networks Business are as follows:

(EUR millions)	2021	vs 2020
Revenue	14,887.4	+15.4%
Gross margin	8,273.1	+8.6%
EBITDA	5,394.4	+12.8%
EBIT	3,361.6	+16.7%

The EBITDA of the Networks Business increased by 12.8% to EUR 5,394.4 million, thanks to the good operating performance of the business in all locations as a result of the investments made and the rate cases in force, despite the negative impacts in terms of both the exchange rate, which had a negative impact of EUR 129 million, and demand as a result of COVID-19 (EUR -49 million). Excluding both effects, Networks EBITDA grew by 14.5%.

1.1 SPAIN

(EUR millions)	2021	vs 2020
Revenue	1,985.8	+1.1%
Gross margin	1,980.8	+0.9%
EBITDA	1,632.0	+1.1%
EBIT	1,024.6	-2.3%

a) Gross margin

The Gross Margin of the Networks Business in Spain increased by 0.9% to EUR 1,980.8 million, due to the

lower remuneration set from 2021 at 5.58% (EUR -29 million), offset by net revenues from new investments, as well as the recalculation of quality incentives and operating expenses from previous years (EUR +18 million).

b) Operating profit / EBIT

EBITDA for this Business reached EUR 1,632.0 million, which represents an increase of 1.1%, with Net Operating Expenses that increased by 4.1% and stands at EUR 272.1 million, due to the efficiency measures implemented during this financial year, along with a higher cost of external services.

EBIT for the Networks Business in Spain totalled EUR 1,024.6 million (-2.3%). Depreciation and amortisation charges and provisions totalled EUR 607.4 million (+7.4%) due to the new investments made.

1.2 UNITED KINGDOM

(EUR millions)	2021	vs 2020	Local currency
Revenue	1,433.5	+5.3%	+1.7%
Gross margin	1,381.4	+6.1%	+2.5%
EBITDA	1,052.8	+5.2%	+1.6%
EBIT	657.3	+1.9%	-1.5%

a) Gross margin

The Gross Margin of the Networks Business in the UK increased by 6.1% (+2.5% in local currency), and stands at EUR 1,381.4 million, due to the growth of the asset base as a result of the investments made and with improved demand that was affected by COVID-19 last year.

b) Operating profit / EBIT

EBITDA totalled EUR 1,052.8 million (+5.2%, +1.6% in local currency). Net Operating Expenses increased by EUR 23 million (+11.9%, +8.1% in local currency) to EUR 216.5 million as a result, inter alia, of higher spending on external services (EUR -31 million).

Depreciation and amortisation charges and provisions amounted to EUR 395.5 million (+11.1%; +7.4% in local currency) due to the increase in the asset base and affected by insolvencies due to the bankruptcy

of suppliers, the impact of which will recover in the future. EBIT amounted to EUR 657.3 million (+1.9%, -1.5% in local currency).

1.3 UNITED STATES

	IFRS (EUR millions)		Local currency
	2021	vs 2020	
Revenue	4,535.4	+11.2%	+15.3%
Gross margin	2,911.2	+4.9%	+8.7%
EBITDA	1,250.5	+14.8%	+19.0%
EBIT	599.6	+22.8%	+27.2%

	US GAAP (USD MILLION)	
	2021	vs 2020
Revenue	5,543.3	+10.8%
Gross margin	3,444.0	-2.1%
EBITDA	1,573.8	+5.4%
EBIT	799.8	+6.8%

a) Gross margin

The Gross Margin increased by 4.9% to EUR 2,911.2 million, affected by the devaluation of the dollar, since in local currency it increased by 8.7% thanks to the new regulatory frameworks in force that include the rate recognition of the new investments and the recognition of costs from previous years in IFRS.

b) Operating profit / EBIT

EBITDA of the Networks Business in the United States grew by 14.8% to EUR 1,250.5 million, after deducting Net Operating Expenses of EUR 1,181.2 million, which were down 1.5% due to the devaluation of the US dollar, as in local currency it grew by 2.0% following the increase in the workforce as a result of increased activity and higher costs some of which will be recovered in the future under IFRS.

EBIT amounted to EUR 599.6 million (+22.8%; +27.2% in local currency), after deducting depreciation

and amortisation charges and provisions, which increased by 8.4% because of higher amortisation due to higher investment.

1.4. BRAZIL

	(EUR millions)	2021	vs 2020	Local currency
Revenue		6,933.1	+26.2%	+36.5%
Gross margin		1,999.6	+27.0%	+37.4%
EBITDA		1,459.1	+35.2%	+46.3%
EBIT		1,080.1	+54.7%	+67.4%

a) Gross margin

The Gross Margin increased by 27.0% (37.4% in local currency) to EUR 1,999.6 million at the end of December, thanks to the positive effect of rate adjustments and inflation at distributors (EUR 391 million) and the higher contribution from transmission assets (EUR 92 million), together with the consolidation of Neoenergia Distribuição Brasília, which contributed EUR 67 million since the beginning of March. The effect of the exchange rate deducted EUR 163.7 million.

b) Operating profit / EBIT

The area's EBITDA increased by 35.2% to EUR 1,459.1 million, with the exchange rate effect having a heavily negative impact (EUR -119.4 million), seeing as though EBITDA grew by 46.3% in local currency. Net Operating Expenses increased by 9.1% to EUR 537.3 million, although, without the exchange rate effect, it grew by 18.1% as a result of the increased activity consolidation of the Brasília distributor.

Depreciation and amortisation charges and provisions decreased slightly by -0.5% to EUR 379.0 million, also affected by the real's depreciation, and increased in local currency (7.7%) as the improvement in non-performing loans due to the lower impact of COVID-19 was offset by the increase in amortisation due to the larger asset base. EBIT grew by 54.7% to EUR 1,080.1 million (+67.4% in local currency).

2. Electricity production and customers business

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

(EUR millions)	2021	vs 2020
Revenue	24,822.2	+20.3%
Gross margin	8,806.5	+3.0%
EBITDA	6,422.9	+24.2%
EBIT	3,912.8	+43.4%

The EBITDA of the Electricity Production and Customers increased by 24.2% to EUR 6,422.9 million, mainly due to the increase in renewable production and the positive impact of the storm in Texas in the United States, and despite the lower contribution of the United Kingdom and Mexico, due to the lower margins in the United Kingdom, and the negative impact of the storm in Texas in Mexico. The positive effect of court rulings in Spain is noteworthy.

2.1 SPAIN

The income statement of the Electricity Generation and Customers business in Spain is presented excluding the impact of court rulings and regulatory measures.

(EUR millions)	2021	vs 2020
Revenue	13,506.7	+25.5%
Gross margin	4,405.3	+6.7%
EBITDA adjusted*	2,744.5	+25.6%
EBIT adjusted*	1,942.8	+46.0%

* Excludes the non-recurring effect of court rulings and regulatory measures in Spain, EUR 912,9 million at EBITDA and EBIT level.

a) Gross margin

The Gross Margin grew by 6.7% to EUR 4,405.3 million, with the following main reasons:

- Renewable production increased at the expense of the reduction in thermal production as, while hydroelectric generation (+10.6%), wind generation (+2.2%) and solar generation (142.3%) increased, the latter thanks to the increase in average operating capacity (+146 MW and +474 MW, respectively), thermal production decreased 4.1% from last year to 32,548 GWh, due to the reduction in nuclear production (-4.5%) and combined cycles production (-2.7%).

b) Operating profit / EBIT

Adjusted EBITDA increased and stood at EUR 2,744.5 million, since, to the aforementioned evolution of the Gross Margin, we must add the reduction in Net Operating Expenses, which decreased by 19.5% due to the increase in Other Operating Results due to the contribution of the rotation of assets and despite the higher activity costs.

Taxes, on the other hand, decreased by 5.8% thanks to the exemption from the 7% tax on the value of production from July 1, 2021.

Reported EBITDA for the business amounted to EUR 3,657.4 million.

Depreciation and amortisation charges and provisions decreased by 6.1% to EUR 801.7 million, due to the closure of the coal-fired plants in 2020 and the extension of the useful life from 25 to 30 years in wind turbines of less than 1 MW and photovoltaic installations, partly offset by the entry into service of the new wind farms and photovoltaic solar installations. EUR 22.6 million of provisions were also recorded, attributable to COVID-19-related defaults.

As a result of the above, EBIT stands at EUR 1,942.8 million.

2.2 UNITED KINGDOM

(EUR millions)	2021	vs 2020	Local currency
Revenue	4,908.5	7.7%	+4.1%
Gross margin	1,502.9	-14.3%	-17.2%
EBITDA	687.3	-31.8%	-34.1%
EBIT	92.3	-79.5%	-80.2%

a) Gross margin

The gross margin of the business in the United Kingdom stood at EUR 1,502.9 million at year-end, a decrease of 14.3% (-17.2% in local currency) as a result of the fall in onshore wind production (-8.2%), due to the lower resource compared to 2020 and the lower margins in the commercial segment, because we bought energy at high prices on the market in the face of lower own production. This effect was partially offset by higher offshore wind production (+10.9%) thanks to the commissioning of East Anglia 1, which came on stream in April 2020 and the higher volume of gas sold, due to cooler weather in 2021 than in 2020.

b) Operating profit / EBIT:

Net Operating Expenses increased by 12.0% compared to 2020, to EUR 688.6 million, mainly due to the coming on stream of East Anglia 1 and the higher cost associated with the greater number of smart meters, in addition to some extraordinary effects recorded in 2020.

Taxes decreased by 4.0%, to EUR 127.0 million, due to the suspension of the Warm Home Discount between April and June 2021, so EBITDA stood at EUR 687.3 million (-31.8%; -34.1% in local currency).

On the other hand, depreciation and amortisation charges and provisions increased by 6.7% mainly due to the coming on stream of East Anglia 1, offset by the reduction in provisions for bad debts associated with COVID compared with the same period last year. They went from EUR 65 million in 2020 to EUR 16 million in 2021, leaving EBIT at EUR 92.3 million (-79.5%; -80.2% in local currency).

2.3 UNITED STATES

(EUR million)	2021	vs 2020	Local currency
Revenue	1,216.6	9.1%	+13.0%
Gross margin	1,003.9	12.4%	+16.5%
EBITDA	719.4	20.6%	+24.9%
EBIT	181.8	N/A	N/A

a) Gross margin

The Gross Margin increased by 12.4% to EUR 1,003.9 million, mainly due to the effect of the storm in Texas, where the Group's wind farms did not suffer outages and obtained a higher than usual production quota, being able to meet the contracted energy delivery and even selling surpluses on the market. The growth in average operating capacity (+320 MW) is offset by a lower average load factor during the year (-1.2 p.p). The exchange rate had a negative impact of EUR 36.4 million.

b) Operating profit / EBIT

Net Operating Expenses were down 4.0% to EUR 232.1 million (+1.8% in local currency). Taxes fell 3.9% to EUR 52.4 million, also affected by the exchange rate impact, as excluding this impact it would be almost flat, with EBITDA standing at EUR 719.4 million (+20.6%; +24.9% in local currency).

EBIT, on the other hand, grew to EUR 181.8 million from EUR 32.0 million in 2020 after deducting depreciation and amortisation charges and provisions, which fell by 4.8% to EUR 537.7 million (-1.3% in local currency) due to certain provisions booked in 2020 but not reflected in the current year.

2.4 MEXICO

(EUR million)	2021	vs 2020	Local currency
Revenue	3,489.4	29.5%	+34.2%
Gross margin	1,029.6	-0.4%	+3.2%
EBITDA	778.7	-11.8%	-8.6%
EBIT	549.8	-19.9%	-16.9%

a) Gross margin

In Mexico, the Gross Margin in 2021 stood at EUR 1,029.6 million (-0.4%, +3.2% in local currency). This drop was mainly due to the impact of the cold snap in Texas in February this year, which affected gas supply and prices at some of the combined cycle plants in Mexico with a net impact on results of EUR -57 million and the increase in transport rates, (EUR -21 million). Furthermore, it should be noted that the impact of the higher cost of gas has not yet had an effect on electricity rates, as they are frozen pending a judicial appeal. These effects were partially offset by the increase in renewable production (+57.1%), as a result of the higher average operating capacity (+477 MW, +56.2%) following the commissioning of the Pier (220 MW) and Santiago (105 MW) wind farms and the Cuyoaco photovoltaic plant (274 MW).

b) Operating profit / EBIT

EBITDA decreased by 11.8% from 2020 (-8.6% in local currency) and stood at EUR 778.7 million, despite the evolution of Net Operating Expenses, which increased by 67.8% mainly due to the extraordinarily positive results of 2020 associated with the collection of insurance due the breakdown at the Monterrey plant and the commissioning of the new renewable generation plants.

Depreciation and amortisation charges and provisions increased to EUR 229.0 million (+16.2%, +20.4% in local currency) due to the coming on stream of the new renewable power plant and partially offset by the extension of the useful life from 25 to 30 years in turbines of less than 1 MW. In addition, EUR 17.8

million of write-offs were included, so EBIT fell by 19.9% to EUR 549.8 million.

2.5 BRAZIL

(EUR million)	2021	vs 2020	Local currency
Revenue	541.1	12.0%	+21,1%
Gross margin	315.5	34.9%	+45,9%
EBITDA	251.2	47.4%	+59,5%
EBIT	192.2	78.9%	+93,6%

a) Gross margin

The Gross Margin stood at EUR 315.5 million (+34.9%) affected by the fx, as in local currency, it increased by 45.9% thanks to the positive impact of the new agreement on the concessions of hydroelectric plants to recover costs from previous years, in addition to the greater onshore wind resource (+2.4%), the increase in the rates of the Termopernambuco PPA contract and the improvement of the Commercial business.

b) Operating profit / EBIT

Net Operating Expenses increased by 1.3% to EUR 63.6 million (+9.5% in local currency), due to the higher costs arising from the operation and maintenance of Termopernambuco. Therefore, EBITDA grew by 47.4% to EUR 251.2 million, +59.5% in local currency.

On the other hand, depreciation and amortisation charges and provisions decreased to EUR 59.0 million (-6.3%), increasing by 1.4% in local currency due to the installation of the new wind turbines that came on stream. As a result of all this, EBIT amounted to EUR 192.2 million (+78.9%, +93.6% in local currency).

2.6 IBERDROLA ENERGÍA INTERNACIONAL (IEI)

(EUR million)	2021	vs 2020
Revenue	2,160.3	+31.0%
Gross margin	549.1	+8.8%
EBITDA	326.6	-2.2%
EBIT	38.0	-69.6%

a) Gross margin

The Gross Margin of the business at Iberdrola Energía Internacional grew to EUR 549.1 million (+8.8%), due to the contributions of Infigen in Australia, Aalto Power in France and Poland, which offset the lower production at Wikinger in Germany and the negative impact of the cold snaps that took place in the first quarter of the year and the drop in margins in the commercial business.

b) Operating profit / EBIT

EBITDA amounted to EUR 326.6 million (-2.2%) after deducting Net Operating Expenses, which increased by EUR 50.2 million to EUR 210.3 million, due to higher development expenses in view of the expansion of the renewable and supply business.

The consolidation of new businesses and the higher depreciation of the acquisition costs also increased the depreciation and amortisation charges and provisions to EUR 288.6 million (+38.3%), with EBIT standing at EUR 38.0 million (-69.6%).

3. Other businesses

Other Businesses include at the end of 2021, the real estate activity and the gas business in Canada (sold before the end of the year).

(EUR millions)	2021	vs 2020
Revenue	59.6	106.8
Gross margin	25.3	15.9
EBITDA	37.0	(0.4)
EBIT	27.0	(11.0)

a) Gross margin

The Gross Margin grew to EUR 25.3 million, due to an increase in volume at the real estate business.

b) Operating profit/EBIT

The contribution to EBITDA in 2021 grew to EUR 37.0 million from null contribution of 2020. Depreciation and amortisation charges and provisions were down EUR 0.6 million compared to the previous year, resulting in EBIT of EUR 27.0 million.

4. Corporation

The Corporation heading includes the Group's overheads and the administrative costs of running the corporate areas, which are subsequently billed to the other companies.

At year-end, the Corporation showed a positive EBITDA contribution of EUR 148.6 million, an increase from the EUR 80.0 million recorded in 2020, mainly due to the impact of the index change for the updating of pensions for UK (from the RPI to the CPI).

Balance sheet analysis

January–December 2021

	Dec 2021	vs Dec 2020
TOTAL ASSETS	141,752	+15.7%
TANGIBLE FIXED ASSETS	79,981	+11.4%
INTANGIBLE FIXED ASSETS	19,909	+9.3%
NON-CURRENT FINANCIAL INVESTMENTS	6,499	+19.0%
EQUITY	56,126	+18.9%

At 31 December 2021, Iberdrola's balance sheet showed total assets of EUR 141,752 million, up EUR 19,234 million versus December 2020.

1. Fixed Assets

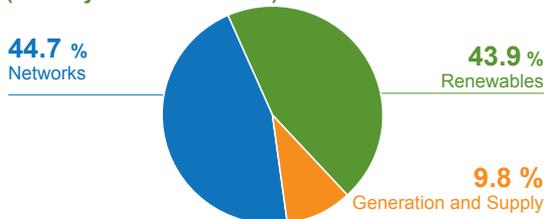
Total gross investments in 2021 amounted to EUR 9,940.6 million (+7.5%). The breakdown is as follows:

(EUR millions)	Jan-Dec 2021	%
Organic investments		
Networks business	4,029.6	40.5%
Spain	657.3	
United Kingdom	627.0	
United States	1,777.1	
Brazil	968.2	
Renewables business	4,368.3	43.9%
Spain	1,156.8	
United Kingdom	254.8	
United States	954.6	
Brazil	491.4	
Mexico	25.1	
Iberdrola Energía Internacional (IEI)	1,485.6	
Generation and Supply business	969.8	9.8%
Spain	457.5	
United Kingdom	199.6	
Mexico	219.4	
Brazil	13.2	
Iberdrola Energía Internacional (IEI)	80.0	
Other businesses	10.5	0.1%
Corporation and adjustments	153.2	1.5%
Inorganic investment	409.0	4.1%
Total gross investment	9,940.4	100.0%

Investments during the period focused on the Networks and Renewables Business, in line with the Group's strategy. These two businesses account for approximately 88.6% of gross investments in 2021.

Investments by business

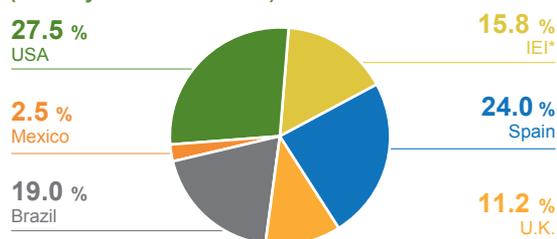
(January - December 2021)



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

Investments by geographical area

(January - December 2021)



(* Iberdrola Energía Internacional)

Investment in the Renewables business totalled EUR 4,368.3 million, equivalent to 43.9% of the total.

In the Networks Business section, most investments were made in the United States and Brazil, totalling EUR 1,777.1 million and EUR 1,377.2 million, respectively.

2. Share capital

Iberdrola's share capital totalled EUR 4,775 million at 31 December 2021, represented by 6,366,088,000 shares, each with a par value of EUR 0.75 and all fully subscribed and paid.

3. Financial debt

Adjusted net financial debt at December 2021 reached EUR 39,119 million, up EUR 3,977 million from EUR 35,142 million at December 2020.

The adjusted net leverage saw an improvement of 1.3%, up to 41.0% versus the 42.3% reported in December 2020:

The ratings issued by the rating agencies are as follows

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 can be broken down by currency* and interest rate** as follows:

	Dec 2021	Dec 2020
Euro	42.7%	46.2%
US dollar	25.7%	23.9%
British pound	18.1%	19.9%
Brazilian real and other currencies	13.5%	10.0%
Total	100%	100%
Fixed rate	68.1%	70.8%
Variable rate	31.9%	29.2%
Total	100%	100%

* Adjusted net debt including derivatives on net investment.

** Adjusted net debt. Including derivatives hedging future borrowing rates to date (Dec 2021: EUR 4,672 million; Dec 2020: EUR 2,820 million), net fixed rate debt would rise to 80.1% (Dec 2021) and 78.8% (Dec 2020).

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 2021	Dec 2020
Corporate	71.4%	70.9%
UK	5.9%	6.8%
US	18.9%	18.3%
Mexico	2.4%	2.4%
Other	1.5%	1.7%
Total	100.0%	100.0%

* Gross debt including 50% hybrid and excluding leases and Neoenergia (EUR 6,035 million at Dec 2021 and EUR 4,143 million at Dec 2020).

This debt* breaks down by financing source as follows:

	Dec 2021	Dec 2020
Euro bonds market	26.2%	31.1%
Dollar bonds market	19.2%	18.5%
British pound bonds market	7.1%	8.1%
Other capital markets	5.0%	4.0%
Commercial paper	8.3%	7.7%
Multilateral	15.2%	15.6%
Structured financing	1.2%	1.1%
Leases	5.6%	5.3%
Bank financing	12.2%	8.6%
Total	100.0%	100.0%

* Adjusted gross debt.

ESG financing signed in the year amounted to EUR 15,904 million, including EUR 5,000 million from the Euromarket Commercial Paper (ECP) framework program, which has been updated this year by introducing the sustainable component and increasing the maximum outstanding limit from the previous EUR 3,000 million. The breakdown by product is as follows.

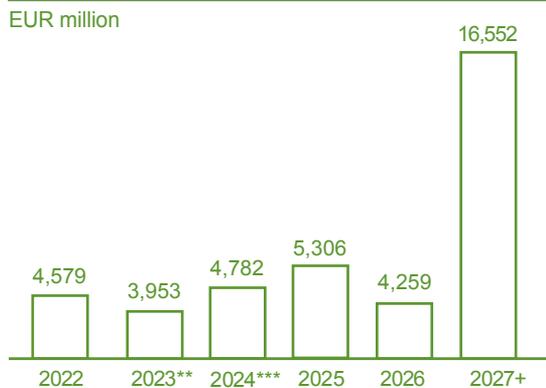
Product (M EUR)	Green	Sustainable	Total
Hybrid Bonds	2,750		2,750
Senior Bonds	860		860
Commercial paper		5,000	5,000
Bank Loans		250	250
Bank credits		3,574	3,574
Multilateral development banks	806		806
Project Finance	2,664		2,664
Total nueva financiación ESG	7,080	8,824	15,904

Iberdrola has a robust liquidity position totalling EUR 19,521 million, including subsequent events. This liquidity comes mainly from syndicated credit facilities arranged with partner banks, undrawn loans arranged with multilateral credit institutions and development banks (EIB, ICO, BNDES), along with cash, 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 is enough to cover 24 months of the Group's financial needs in the base case and 16 months in the risk scenario.

Liquidity	EUR million
Cash, cash equivalents and IFTs	4,161
Back-up facilities	9,800
Credit facilities	3,905
Committed financing	1,655
Total	19,521

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

Maturity debt profile



* Adjusted financial debt excluding leases, short-term debt and accounting adjustments; commercial paper falls due in or after 2027.

** Includes USD 400 million with extension option for one or two years.

*** Includes USD 500 million with extension option for one or two years

ADJUSTED NET FINANCIAL DEBT

Millions of euros	Dec 2021	Dec 2020
Loans and borrowings with credit institutions and bonds or other marketable securities	41,163	38,037
Liability derivative instruments	760	592
Leases	2,411	2,058
Gross financial debt	44,334	40,687
Non-current financial investments	65	-
Capitalised derivative instruments	763	1,037
Deposits securing the value of CSA derivatives	101	50
Current financial investments (between 3 and 12 months)	12	247
Cash and cash equivalents	4,033	3,427
Total cash assets	4,974	4,761
Net financial debt	39,360	35,926
Treasury stock derivatives with physical settlement which, at the current date, are not expected to be executed	241	784
Adjusted net financial debt	39,119	35,142

4. Financial ratios

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

	Dec 2021	Dec 2020
Adjusted equity*	56,367	48,002
Adjusted net financial debt*	39,119	35,141
Adjusted net leverage	41.0%	42.3%
Adjusted funds from operations (FFO)**/Adjusted net financial debt*	23.0%	23.6%
Adjusted retained cash flow (RCF)/Adjusted net financial debt*	20.6%	21.4%
Adjusted net financial debt*/Adjusted EBITDA***	3.2x	3.5x

(*) Adjusted for treasury stock derivatives with physical settlement that, at the current date, are not expected to be executed (EUR 241 million in Dec 2021 and EUR 784 million in Dec 2020).

(**) Adjusted at Dec 2021 on account of the "Exit Plan" carried out in the fourth quarter of 2021 for EUR 72.4 million and at Dec 2020 on account of the plan carried out in the fourth quarter of 2020 (EUR 45 million). Both proforma of the new additions to the group and corrected for the net tax adjustment and for the effect of court rulings and regulatory measures in Spain

(***) Adjusted at Dec 2021 on account of the "Exit Plan" carried out in the fourth quarter of 2021 for EUR 94.7 million and at Dec 2020 on account of the plan carried out in the fourth quarter of 2020 (EUR 59.7 million). Both proforma of the new additions to the group and netted, in 2021, for the effect of court rulings and regulatory measures in Spain.

5. Working capital

Working capital increased by 3,086 Eur M due to temporary effects, most of which will be recovered in 2022. The most significant variations include the reversal of the Spanish Court rulings and legal measures, the collection of court rulings which (1,106 Eur M) was made in January 2022, as well as the balances of input VAT, guarantees and trade debtors arising from legal changes in Spain high spot market prices, which will be regularized in 2022.

CURRENT ASSETS	Dic 21	Dic 20	Variation
Assets held for sale	124	-	124
Nuclear fuel	267	260	8
Inventories	2,639	2,443	196
Trade and other receivables	8,183	6,478	1,705
Current Financial Investments	1,420	281	1,139
Derivatives financial instruments	2,411	324	2,088
Taxes Payables	2,773	1,187	1,586
TOTAL CURRENT ASSETS*:	17,818	10,971	6,847

* Does not include cash or debt derivatives assets

CURRENT LIABILITIES	Dic 21	Dic 20	Variation
Provisions	789	579	209
Derivatives financial instruments	1,588	129	1,460
Trade and other payables	9,780	7,759	2,021
Equity instruments with characteristics of financial liabilities	100	57	43
Taxes Payables	1,432	1,404	28
TOTAL Current Liabilities **::	13,689	9,928	3,761

**Does not include financial debt or debt derivatives liabilities

NET CURRENT ASSETS	4,130	1,043	3,086
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6. Funds from operations

Funds from Operations (FFO) amounted to EUR 8,913,6 million in 2021, up 8.6% versus in 2020.

	Dec 21	Dec 20	Change
Net profit attributed (+)	3,884.8	3,610.7	274.1
Depreciation and amortisation charges and provisions (-)	4,662.9	4,473.9	189.0
Results of companies accounted for using the equity method (-)	74.1	-460.6	534.6
Gains/(losses) on non-current assets (-)	-	-	-
Extraordinary corporate income tax (-)	-	-	-
Discount to present value of provisions (-)	116.0	130.2	-14.2
Minorities (-)	466.8	340.6	126.2
Adjustment for tax deductible items (-)	470.9	137.2	333.8
Dividends on companies accounted for using the equity method (+)	48.7	56.6	-8.0
Capital grants taken to profit or loss (+)	-81.0	-78.2	-2.7
Other P&L adjustments (+)	-729.7	-	-729.7
Funds from operations (FFO)	8,913.6	8,210.4	703.2
Exit plan	72.4	45.0	27.4
Proforma new acquisitions	7.3	36.5	-29.2
Adjusted funds from operations (FFO)	8,993.2	8,291.9	701.3
Dividends*	-953.7	-786.7	-203.4
Adjusted retained cash flow (RCF)	8,039.5	7,505.2	499.5

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

7. Financial transactions

New financing

The Iberdrola Group has signed new transactions worth EUR 16,412 (including subsequent events) million from various financing sources

Product (EUR million)	Q1	Q2	Q3	Q4	Total
Hybrid Bonds	2,000			750	2,750
Senior bonds	563	109	1,001	639	2,312
Commercial paper*	2,000				2,000
Bank loans	303	632	63	353	1,351
Bank credits	2,625	248	203	1,029	4,105
Multilateral development banks	100	126	550	454	1,230
Structured financing			2,190	474	2,664
Total new financing	7,591	1,113	4,006	3,699	16,412

* Extension of ECP program limit up to EUR 5,000 M

Borrower	Transaction	Amount	Currency	Coupon	Maturity
First quarter					
Neoenergia	Public bond (debenture)	2,000.0	BRL	CDI+1.46%	Aug-22
Iberdrola International	Public hybrid green bond	1,000.0	EUR	1.450%	Perpetual
Iberdrola International	Public hybrid green bond	1,000.0	EUR	1.825%	Perpetual
Neoenergia	Loan 4,131	500.0	BRL		Mar-22
Coelba (1)	Loan 4,131	3,884.0	JPY		Jan-22
Coelba (1)	Loan 4,131	36.8	USD		Feb-24
Elektro	Loan 4,131	200.0	BRL		Mar-26
Neoenergia Distribuição Brasília	Loan 4,131	200.0	BRL		Mar-26
Iberdrola Financiación	Bilateral loan	50.0	EUR		Feb-28
Iberdrola Financiación	Bilateral loan	50.0	EUR		Mar-28
Iberdrola Financiación (2)	Bilateral credit facility	125.0	EUR		Oct-22
Iberdrola Financiación	EIB loan	100.0	EUR		Jul-28
Second quarter					
Elektro	Public bond (debenture)	405.0	BRL	CDI+1.60%	May-26
Elektro	Public bond (debenture)	295.0	BRL	CDI+1.79%	May-28
Iberdrola Finanzas (6)	Private bond	250.0	EUR	EUR+0.65% (3)	Apr-23
Neoenergia Distribuição Brasília (1)	Loan 4,131	35.6	USD		Apr-26
Neoenergia Guanabara	Loan 4,131	200.0	BRL		Jun-22
Neoenergia Lagoa Dos Patos (1)	Loan 4,131	31.3	USD		Jun-22
Neoenergia Vale Do Itajaí (1)	Loan 4,131	13.1	USD		Jun-22
Celpe (1)	Loan 4,131	39.1	USD		Jun-26
Neoenergia Guanabara (1)	Loan 4,131	14.8	USD		Jul-22
Neoenergia Vale Do Itajaí (1)	Loan 4,131	60.2	USD		Jul-22
Energías Renovables Ibermap	Bilateral loan	96.0	EUR		Dec-21
Iberdrola Financiación	Bilateral loan	100.0	EUR		Jun-26
Iberdrola Financiación (2) (6)	Sustainable syndicated credit facility	2,500.0	EUR		Apr-26
Iberdrola Financiación (2)	Sustainable bilateral credit facility	16,000.0	JPY		Jun-26
Iberdrola Financiación(2)	Bilateral credit facility	125.0	EUR		Jan-23
Coelba (1)	Development bank loan	9,900.0	JPY		Mar-31
Coelba (1)	Development bank loan	5,053.0	JPY		Mar-26
Third quarter					
Neoenergia Distribuição Brasília	Public bond (debenture)	300.0	BRL	CDI+1.60%	Aug-28
Elektro	Green promissory notes	500.0	BRL	CDI+1.58%	Aug-26
RG&E	Private bond	125.0	USD	2.100%	Dec-31
RG&E	Private green bond	125.0	USD	2.910%	Dec-51
CMP)	Private bond	200.0	USD	2.050%	Dec-31
SCG	Private bond	40.0	USD	2.050%	Dec-31

Borrower	Transaction	Amount	Currency	Coupon	Maturity
UI	Private green bond	150.0	USD	2.250%	Jan-32
NYSEG	Public green bond	350.0	USD	2.150%	Oct-31
Celpe (1)	Loan 4, 131	38.0	USD		Aug-26
Coelba (1)	Loan 4, 131	38.4	USD		Sep-26
Celpe	Bilateral credit facility	200.0	BRL		Aug-24
Coelba	Bilateral credit facility	300.0	BRL		Aug-24
Cosern	Bilateral credit facility	100.0	BRL		Aug-24
Elektro	Bilateral credit facility	200.0	BRL		Aug-24
Neoenergia Distribuição Brasília	Bilateral credit facility	200.0	BRL		Aug-24
Neoenergia	Bilateral credit facility	300.0	BRL		Aug-24
Iberdrola Financiación (6)	Sustainable bilateral loan	250.0	EUR		Jul-26
Iberdrola Financiación (6)	Green ICO loan	6.0	EUR		Jul-30
Iberdrola Financiación (4)	Green EIB loan	550.0	EUR		15 years
Avangrid Renewables	Green TEI	130.9	USD		Sep-31
Vineyard Wind 1 LLC	Green project finance	2,344.0	USD		-
Fourth quarter					
Coelba	Public green bond (debenture)	160.0	BRL	CDI+1.34%	Oct-26
Coelba	Public green bond (debenture)	320.0	BRL	CDI+1.49%	Oct-28
Coelba	Green public infrastructure bond (debenture)	320.0	BRL	IPCA+5.82%	Oct-31
Coelba	Public green bond (debenture)	266.0	BRL	CDI+1.34%	Dec-26
Coelba	Public bond (debenture)	534.0	BRL	CDI+1.49%	Dec-28
Celpe	Public bond (debenture)	100.0	BRL	CDI+1.39%	Oct-26
Celpe	Public bond (debenture)	200.0	BRL	CDI+1.54%	Oct-28
Celpe	Green public infrastructure bond (debenture)	200.0	BRL	IPCA+5.88%	Oct-31
Celpe	Public bond (debenture)	166.7	BRL	CDI+1.39%	Dec-26
Celpe	Public bond (debenture)	333.3	BRL	CDI+1.54%	Dec-28
Elektro	Public bond (debenture)	130.0	BRL	CDI+1.29%	Oct-26
Elektro	Public bond (debenture)	260.0	BRL	CDI+1.44%	Oct-28
Elektro	Public infrastructure bond (debenture)	260.0	BRL	IPCA+5.77%	Oct-31
Cosern	Public green bond (debenture)	66.7	BRL	CDI+1.29%	Dec-26
Cosern	Public green bond (debenture)	133.3	BRL	CDI+1.44%	Dec-28
Iberdrola Finanzas	Public hybrid green bond	750.0	EUR	1.575%	Perpetual
Coelba(1)	Loan 4131	17.7	USD		Dec-26
Celpe(1)	Loan 4131	17.7	USD		Dec-26
Elektro(1)	Loan 4131	35.2	USD		Jan-27
Neoenergia Distribuição Brasília(1)	Loan 4131	53.1	USD		Dec-26
Iberdrola Financiación	Bilateral loan	100.0	EUR		Nov-23
Iberdrola	Syndicated loan	127.0	EUR		Dec-27
Coelba	Bilateral credit facility	200.0	BRL		Dec-24
Cosern	Bilateral credit facility	100.0	BRL		Dec-24
Elektro	Bilateral credit facility	200.0	BRL		Dec-24
Avangrid(2)	Sustainable syndicated credit facility	1,075.0	USD		Nov-26
Iberdrola Financiación (4)	Green EIB loan	50.0	EUR		Dec-38
Neoenergia (4)	Green EIB loan	200.0	EUR		Dec-34
Neoenergia Vale Do Itajai (4)	BNDES loan	1,305.0	BRL		Dec-45
Avangrid Renewables	Green TEI	199.3	USD		Nov-31
Alto de Layna wind farms	Green project finance	106.0	EUR		Dec-32
Energías Renovables Ibermap	Green project finance	192.0	EUR		Jun-35
Subsequent events (7)					
Iberdrola Finanzas	Private bond	100.0	BRL	1.00%	Feb-37
Coelba	Loan 4131	19.8	USD		Feb-27

- (1) Currency swaps arranged to the company's functional currency.
(2) With extension option.
(3) The coupon amounts to Euribor 3M + 65 bp because the fixed price is 100.916%.
(4) Financing planned to be drawn down between 2022-2024. Maximum maturity possible if the amortisable option is chosen.

- (5) Extension of the ECP programme limit to EUR 5,000 million and incorporation of the sustainable seal.
(6) Transactions included in the previous quarter's prospectus as a subsequent event.
(7) Transactions signed after 31/12/2021.

Extension of existing financing

Borrower	Transaction	Amount	Currency	Extension*	Maturity
Iberdrola Financiación	Sustainable syndicated credit facility	1,500	EUR	-	Mar-26
Iberdrola Financiación	Bilateral credit facility	125	EUR	-	Oct-23
Iberdrola Financiación	Bilateral credit facility	125	EUR	6 months	Jul-23

* Remaining maturity extension option

Fourth quarter transactions

The transactions formalised from the date of publication of the third-quarter prospectus to the date of the current prospectus are described below.

Capital market

Commercial paper

The commercial paper markets remained stable throughout the fourth quarter, with an average ECP balance of EUR 3,600 million and competitive issuance levels across all terms. The programme ended the year with an outstanding balance of EUR 3,553 million and a half-life of approximately four months.

Bonds

The Iberdrola Group concluded 12 bond issuances during the fourth quarter through its subsidiary in Brazil, with a total equivalent to EUR 539 million:

- Nine public bonds totalling BRL 2,670 million with an average cost equivalent to 1.44% above the CDI with maturities in 2026 (BRL 889 million) and 2051 (BRL 1,781 million), with BRL 946 million of this being green.
- Three public infrastructure bonds for a total of BRL 780 million, with an average cost equivalent to the IPCA plus 5.82% and maturity in October 2031, of which BRL 520 million is green.

The green bonds will be used to finance various distribution projects in Brazil.

Iberdrola also made two issuances:

- In November, it issued a hybrid green bond worth EUR 750 million, with a coupon of 1.575%, to finance renewable projects in Australia and Poland.

- In January, it concluded a private placement worth EUR 100 million, with a coupon of 1% and maturity in February 2037.

Banking market

The Iberdrola Group signed six bank loans for a total equivalent to EUR 336 million:

- Four Neoenergia loans under the terms of Decree 4131 for a total equivalent to BRL 700 million with an average term of approximately five years.
- Two Iberdrola loans for a total of EUR 227 million: one bilateral loan with maturity in November 2023 and a syndicated loan with maturity in December 2027

In addition, in December, Neoenergia signed three bilateral credit lines for a total of BRL 500 million with maturity in December 2024, in order to enable more efficient management of the Group's cash and liquidity.

Finally, the Iberdrola Group granted two credit line extensions in November and a third in February 2022:

- Avangrid increased the limit of its sustainable syndicated line by USD 1,075 million to USD 3,575 million, and postponed its maturity until November 2026 with a 1+1-year extension option.
- Iberdrola extended its new EUR 125 million bilateral line of credit, arranged in the second quarter, by six months, with the option of extending the contract again for a further six months.
- In February 2022, Iberdrola triggered the second six-month extension option for the new EUR 125 million bilateral line of credit arranged in the first quarter.

Development and multilateral banks

The Iberdrola Group signed the following with the EIB in December:

- A green loan worth EUR 200 million for the financing of various land-based wind energy and photovoltaic projects in Brazil.
- A EUR 50 million extension to the green loan worth EUR 550 million arranged in July to finance the new distribution investment programme in Spain from 2021 to 2023.

In addition, in December, Neoenergia signed a loan with the BNDES (*banco nacional do desenvolvimento* — Brazilian national development bank) worth EUR 1,305 million with maturity in December 2035.

Structured financing

In the fourth quarter, the Iberdrola Group signed two green project finance loans totalling EUR 298 million to finance various onshore wind farms in Spain with maturities in December 2032 and June 2035.

Finally, in November, Avangrid arranged financing for Aeolus VIII of USD 199 million in the form of tax equity investment to monetise the tax credits from various wind farms.

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	June 2021	BBB+	Stable	Oct. 2021	BBB+	Stable	May 2021
Iberdrola Finance Ireland Ltd.(*)	Baa1	Stable	June 2021	BBB+	Stable	Oct. 2021	BBB+	Stable	May 2021
Iberdrola Finanzas S.A.U.(*)	Baa1	Stable	June 2021	BBB+	Stable	Oct. 2021	BBB+	Stable	May 2021
Iberdrola International B.V.(*)	Baa1	Stable	June 2021	BBB+	Stable	Oct. 2021	BBB+	Stable	May 2021
Avangrid	Baa2	Stable	July 2021	BBB+	Stable	March 2021	BBB+	Negative	Oct. 2021
CMP	A2	Stable	Feb. 2022	A	Stable	Sep. 2021	BBB+	Stable	Oct. 2021
NYSEG	Baa1	Stable	July 2021	A-	Stable	Oct. 2021	BBB+	Stable	Oct. 2021
RG&E	Baa1	Stable	July 2021	A-	Stable	Oct. 2021	BBB+	Stable	Oct. 2021
UI	Baa1	Positive	Feb. 2022	A-	Stable	March 2021	A-	Stable	Oct. 2021
CNG	A2	Stable	July 2021	A-	Stable	March 2021	A-	Stable	Oct. 2021
SCG	A3	Stable	Dec. 2021	A-	Stable	March 2021	A-	Stable	Oct. 2021
BGC	A3	Stable	Dec. 2021	A-	Stable	March 2021	A-	Stable	Oct. 2021
Scottish Power Ltd	Baa1	Stable	July 2021	BBB+	Stable	Dec. 2020	BBB+	Stable	May 2021
Scottish Power UK Plc	Baa1	Stable	July 2021	BBB+	Stable	Dec. 2020	BBB+	Stable	May 2021
Scottish Power Energy Networks Holdings Ltd				BBB+	Stable	Dec. 2020			
SP Transmission plc	Baa1	Stable	July 2021	BBB+	Stable	Dec. 2020			
SP Manweb plc	Baa1	Stable	July 2021	BBB+	Stable	Dec. 2020			
SP Distribution plc	Baa1	Stable	July 2021	BBB+	Stable	Dec. 2020			
ScottishPower Energy Management Ltd.	Baa1	Stable	July 2021	BBB+	Stable	Dec. 2020			
ScottishPower Energy Retail Ltd.	Baa1	Stable	July 2021	BBB+	Stable	Dec. 2020			
ScottishPower Renewables (WODS) Limited	Baa1	Stable	Sep. 2021						
Neoenergía				BB-	Stable	March 2021			
Elektro				BB-	Stable	March 2021			
Coelba				BB-	Stable	March 2021			
Celpe				BB-	Stable	March 2021			
Cosern				BB-	Stable	March 2021			
Neoenergía (national scale)				brAAA	Stable	March 2021			
Coelba (national scale)				brAAA	Stable	March 2021			
Celpe (national scale)				brAAA	Stable	March 2021			
Cosern (national scale)				brAAA	Stable	March 2021			
Elektro (national scale)				brAAA	Stable	March 2021			

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

Financial Statements Tables

Balance Sheet Dec-2021 (Unaudited)

EUR M

ASSETS	December 2021	December 2020	Variation
NON-CURRENT ASSETS	119,369	107,546	11,822
Intangible assets	19,909	18,222	1,686
Goodwill	8,312	7,613	699
Other intangible assets	11,596	10,609	987
Real Estate properties	310	301	8
Property, plant and equipment	79,981	71,779	8,202
Property, plant and equipment	70,919	64,879	6,040
Property, plant and equipment in the course of construction	9,062	6,900	2,162
Right of use	2,260	1,974	286
Non current financial investments	6,499	5,461	1,038
Investments accounted by equity method	1,058	1,145	-87
Non-current financial assets	25	38	-12
Other non-current financial assets	3,994	2,909	1,085
Derivative financial instruments	1,421	1,369	52
Non-current trade and other receivables	3,764	3,161	603
Tax receivables	729	666	63
Deferred tax assets	5,918	5,982	-64
CURRENT ASSETS	22,384	14,972	7,411
Assets held for disposal	124	-	124
Nuclear fuel	267	260	8
Inventories	2,639	2,443	196
Current trade and other receivables	10,956	7,664	3,291
Tax receivables	367	564	-197
Other tax receivables	2,406	623	1,784
Trade and other receivables	8,183	6,478	1,705
Current financial assets	4,364	1,178	3,186
Other current financial assets	1,533	578	955
Derivative financial instruments	2,831	601	2,230
Cash and cash equivalents	4,033	3,427	606
TOTAL ASSETS	141,752	122,518	19,234

EUR M

EQUITY AND LIABILITIES	December 2021	December 2020	Variation
EQUITY:	56,126	47,219	8,907
Of shareholders of the parent	40,479	35,413	5,066
Share capital	4,775	4,763	12
Adjustments for changes in value	547	-242	789
Other reserves	35,912	34,421	1,491
Treasury stock	-1,860	-1,985	125
Translation differences	-2,779	-5,154	2,375
Net profit of the period	3,885	3,611	274
Of minority interests	7,397	6,306	1,091
Hybrids	8,250	5,500	2,750
NON-CURRENT LIABILITIES	61,273	57,369	4,538
Deferred income	1,261	1,240	21
Facilities transferred and financed by third parties	5,424	5,043	381
Provisions	5,330	5,836	-506
Provisions for pensions and similar obligations	1,592	2,318	-725
Other provisions	3,738	3,518	220
Non Current Financial payables	37,318	35,096	2,857
Financial Debt- Loans and other	31,180	30,335	845
Equity Instruments having the substance of a financial liability	525	334	191
Derivative financial instruments	1,673	991	1,317
Leases	2,253	1,927	326
Other financial liabilities	1,688	1,510	179
Other non-current payables	275	262	14
Tax payables	300	285	14
Deferred tax liabilities	11,363	9,607	1,757
CURRENT LIABILITIES	24,353	17,930	5,789
Provisions	789	579	209
Provisions for pensions and similar obligations	27	23	4
Other provisions	762	557	205
Current financial payables	21,297	15,469	5,194
Financial Debt- Loans and other	9,984	7,703	2,281
Equity Instruments having the substance of a financial liability	100	57	43
Derivative financial instruments	2,111	297	1,814
Leases	158	131	27
Trade payables	5,964	5,137	827
Other financial liabilities	2,980	2,144	835
Other current payables	2,268	1,882	386
Current tax liabilities and other tax payables	227	178	49
Other tax payables	1,205	1,226	-21
Other current liabilities	836	478	358
TOTAL EQUITY AND LIABILITIES	141,752	122,518	19,234

Profit and Loss *(Unaudited)*

	Dec 2021	Dec 2020 (*)	EUR M %
REVENUES	39,113.5	33,145.1	18.0
PROCUREMENTS	(22,051.7)	(17,000.0)	29.7
GROSS MARGIN	17,061.7	16,145.1	5.7
NET OPERATING EXPENSES	(4,227.4)	(4,286.0)	(1.4)
Personnel	(3,002.3)	(2,809.7)	6.9
Capitalized personnel costs	716.0	660.7	8.4
External Services	(2,935.7)	(2,841.2)	3.3
Other Operating Income	994.6	704.2	41.2
LEVIES	(828.6)	(1,820.9)	(54.5)
EBITDA	12,005.7	10,038.2	19.6
AMORTISATIONS AND PROVISIONS	(4,662.9)	(4,473.9)	4.2
EBIT / Operating Profit	7,342.8	5,564.3	32.0
Financial Expenses	(2,268.0)	(2,029.5)	11.8
Financial Income	1,264.8	1,038.5	21.8
FINANCIAL RESULT	(1,003.2)	(991.0)	1.2
RESULTS OF COMPANIES CONSOLIDATED BY EQUITY METHOD	(74.1)	460.6	(116.1)
PBT	6,265.6	5,033.9	24.5
Corporate Tax	(1,914.0)	(1,082.6)	76.8
Minorities	(466.8)	(340.6)	37.1
NET PROFIT	3,884.8	3,610.7	7.6

(*) Restated

Results by Business (Unaudited)

EUR M

2021	Networks	Electricity Production and Customers	Other businesses	Corporation and adjustments
Revenues	14,887.4	24,888.2	59.6	(721.7)
Procurements	(6,614.3)	(16,081.7)	(34.3)	678.6
GROSS MARGIN	8,273.1	8,806.5	25.3	(-43.1)
NET OPERATING EXPENSES	(2,207.2)	(2,226.9)	12.4	194.3
Personnel	(1,700.0)	(957.5)	(13.3)	(331.6)
Capitalized personnel costs	531.4	176.3	-	8.2
External Services	(1,513.5)	(1,946.1)	(5.3)	529.2
Other Operating Income	474.9	500.3	31.0	(11.5)
LEVIES	(671.5)	(156.8)	(0.7)	0.4
EBITDA	5,394.4	6,422.9	37.0	151.5
Amortisation and Provisions	(2,032.8)	(2,510.1)	(10.0)	(110.1)
EBIT/Operating Profit	3,361.6	3,912.8	27.0	41.4
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	3,721.0	46.6	(286.7)
Corporate tax and minority shareholders	(1,318.6)	(1,242.7)	(13.8)	194.3
NET PROFIT	1,466.0	2,478.3	32.8	(92.4)

EUR M

2020 (*)	Networks	Electricity Production and Customers	Other businesses	Corporation and adjustments
Revenues	12,899.9	20,691.6	106.8	(553.3)
Procurements	(5,284.5)	(12,141.3)	(90.9)	516.7
GROSS MARGIN	7,615.4	8,550.4	15.9	(-36.6)
NET OPERATING EXPENSES	(2,147.0)	(2,207.9)	(15.2)	84.1
Personnel	(1,601.6)	(851.0)	(11.9)	(345.3)
Capitalized personnel costs	486.0	169.7	-	5.0
External Services	(1,463.8)	(1,841.7)	(4.6)	468.9
Other Operating Income	432.4	315.1	1.3	(44.6)
LEVIES	(685.4)	(1,169.8)	(1.1)	35.4
EBITDA	4,783.0	5,172.7	(0.4)	82.9
Amortisation and Provisions	(1,902.9)	(2,444.3)	(10.6)	(116.1)
EBIT/Operating Profit	2,880.1	2,728.4	(11.0)	(33.1)
Financial Result	(471.1)	(271.0)	(0.8)	(248.2)
Results of companies consolidated by equity method	13.8	(18.5)	469.5	(4.2)
PBT	2,422.9	2,438.9	457.7	(285.5)
Corporate tax and minority shareholders	(860.8)	(786.9)	23.7	200.8
NET PROFIT	1,562.0	1,651.9	481.5	(84.7)

(*) Restated

Networks Business (Unaudited)

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

EUR M				
2020 (*)	SPAIN	UNITED KINGDOM	USA	BRAZIL
Revenues	1,965.1	1,361.9	4,077.5	5,495.5
Procurements	(1.2)	(59.6)	(1,302.9)	(3,920.7)
GROSS MARGIN	1,963.9	1,302.3	2,774.6	1,574.8
NET OPERATING EXPENSES	(261.5)	(193.5)	(1,199.7)	(492.4)
Personnel	(316.5)	(237.4)	(764.6)	(283.1)
Capitalized personnel costs	123.4	148.1	214.5	-
External Services	(265.8)	(165.7)	(736.6)	(296.1)
Other Operating Income	197.4	61.5	86.9	86.7
LEVIES	(88.0)	(108.0)	(486.0)	(3.3)
EBITDA	1,614.4	1,000.8	1,088.8	1,079.0
Amortisation and Provisions	(565.6)	(355.9)	(600.6)	(380.8)
EBIT/Operating Profit	1,048.8	644.8	488.3	698.2
Financial Result	(64.8)	(133.0)	(128.6)	(144.7)
Results of companies consolidated by equity method	2.9	-	10.9	-
PBT	986.9	511.8	370.6	553.5
Corporate tax and minority shareholders	(181.9)	(200.1)	(141.6)	(337.2)
NET PROFIT	805.0	311.7	229.0	216.3

(*) Restated

Electricity Production and Customers (Unaudited)

EUR M

2021	UNITED					Iberdrola Energía Internacional (IEI)	Adjustments*
	SPAIN	KINGDOM	US	BRAZIL	MEXICO		
Revenues	13,506.7	4,908.5	1,216.6	3,489.4	541.1	2,160.3	-
Procurements	(9,101.3)	(3,405.6)	(212.7)	(2,459.8)	(225.6)	(1,611.2)	-
GROSS MARGIN	4,405.3	1,502.9	1,003.9	1,029.6	315.5	549.1	-
NET OPERATING EXPENSES	(787.0)	(688.6)	(232.1)	(247.3)	(63.6)	(210.3)	-
Personnel	(460.0)	(182.4)	(154.2)	(54.4)	(25.3)	(81.2)	-
Capitalized personnel costs	65.6	27.9	14.7	14.5	3.2	27.5	-
External Services	(805.0)	(584.9)	(169.6)	(221.9)	(44.7)	(192.2)	-
Other Operating Income	412.4	50.8	77.0	14.5	3.1	35.5	-
LEVIES	(873.9)	(127.0)	(52.4)	(3.5)	(0.7)	(12.2)	912.9
EBITDA	2,744.5	687.3	719.4	778.7	251.2	326.6	912.9
Amortisation and Provisions	(801.7)	(595.0)	(537.7)	(229.0)	(59.0)	(288.6)	-
EBIT/Operating Profit	1,942.8	92.3	181.8	549.8	192.2	38.0	912.9
Financial Result	(60.2)	(43.0)	(60.9)	(58.5)	(36.1)	(31.1)	154.5
Results of companies consolidated by equity method	20.0	-	(4.3)	-	(68.4)	(3.8)	0.1
PBT	1,902.6	49.2	116.6	491.3	87.7	3.1	1,067.5
Corporate tax and minority shareholders	(449.8)	(267.5)	(64.5)	(146.4)	(57.5)	10.7	(266.9)
NET PROFIT	1,452.8	(218.3)	52.1	344.9	30.2	13.7	800.6

EUR M

2020 (*)	UNITED					Iberdrola Energía Internacional (IEI)	Adjustments*
	SPAIN	KINGDOM	USA	BRAZIL	MEXICO		
Revenues	10,765.4	4,556.8	1,115.5	2,694.1	483.3	1,649.4	-
Procurements	(6,635.1)	(2,802.1)	(222.4)	(1,660.4)	(249.4)	(1,144.7)	-
GROSS MARGIN	4,130.3	1,754.7	893.1	1,033.7	233.9	504.7	-
NET OPERATING EXPENSES	(977.3)	(614.7)	(241.8)	(147.4)	(62.9)	(160.1)	-
Personnel	(431.2)	(142.5)	(150.6)	(44.3)	(24.9)	(57.4)	-
Capitalized personnel costs	49.3	21.4	18.1	31.9	2.5	15.3	-
External Services	(802.8)	(521.1)	(185.4)	(195.3)	(40.5)	(154.7)	-
Other Operating Income	207.4	27.5	76.2	60.3	0.1	36.7	-
LEVIES	(968.3)	(132.2)	(54.5)	(3.3)	(0.7)	(10.7)	-
EBITDA	2,184.7	1,007.8	596.8	883.0	170.4	333.9	-
Amortisation and Provisions	(854.3)	(557.5)	(564.8)	(197.1)	(63.0)	(208.7)	-
EBIT/Operating Profit	1,330.5	450.2	32.0	685.9	107.4	125.2	-
Financial Result	(73.2)	(10.8)	(62.0)	(58.0)	(37.6)	(29.3)	-
Results of companies consolidated by equity method	4.2	1.4	(10.8)	-	(13.4)	-	-
PBT	1,261.5	440.8	(40.8)	627.9	56.4	95.9	-
Corporate tax and minority shareholders	(314.3)	(200.2)	32.5	(224.4)	(29.4)	(51.8)	-
NET PROFIT	947.2	240.6	(8.3)	403.5	27.0	44.1	-

* Court rulings and legal measures impacts in Spain

Quarterly Results (Unaudited)

	Eur M			
	JAN-MAR	APR-JUN	JUL-SEPT	OCT-DEC
	2021	2021	2021	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)
Capitalized personnel costs	158.2	182.0	175.5	200.3
External Services	(669.0)	(742.8)	(719.8)	(804.1)
Other Operating Income	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
Amortisation and 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 Result	(265.4)	(206.3)	(224.4)	(307.1)
Results of companies 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
	JAN-MAR	APR-JUN	JUL-SEPT	OCT-DEC
	2020	2020	2020	2020
Revenues	9,425.9	7,041.4	7,780.6	(24,248.0)
Procurements	(4,881.2)	(3,535.9)	(3,989.6)	12,406.7
GROSS MARGIN	4,544.8	3,505.5	3,791.0	(-11,841.3)
NET OPERATING EXPENSES	(1,046.8)	(1,007.0)	(1,017.0)	3,070.8
Personnel	(730.0)	(688.0)	(688.9)	2,106.9
Capitalized personnel costs	172.3	174.2	164.7	-511.2
External Services	(673.8)	(690.1)	(663.8)	2,027.7
Other Operating Income	184.7	196.9	170.9	-552.6
LEVIES	(726.5)	(331.2)	(337.5)	1,395.2
EBITDA	2,771.5	2,167.3	2,436.5	(7,375.4)
Amortisation and Provisions	(1,108.0)	(1,135.4)	(1,113.9)	3,357.3
EBIT/Operating Profit	1,663.5	1,032.0	1,322.6	(4,018.1)
Financial Result	(180.3)	(219.9)	(240.6)	640.8
Results of companies consolidated by equity method	485.7	(9.9)	(10.6)	(465.2)
PBT	1,968.9	802.2	1,071.5	(3,842.6)
Corporate Tax	(624.5)	(155.8)	(174.1)	954.5
Minorities	(71.6)	(42.7)	(92.8)	207.1
NET PROFIT	1,272.7	603.6	804.6	(2,681.0)

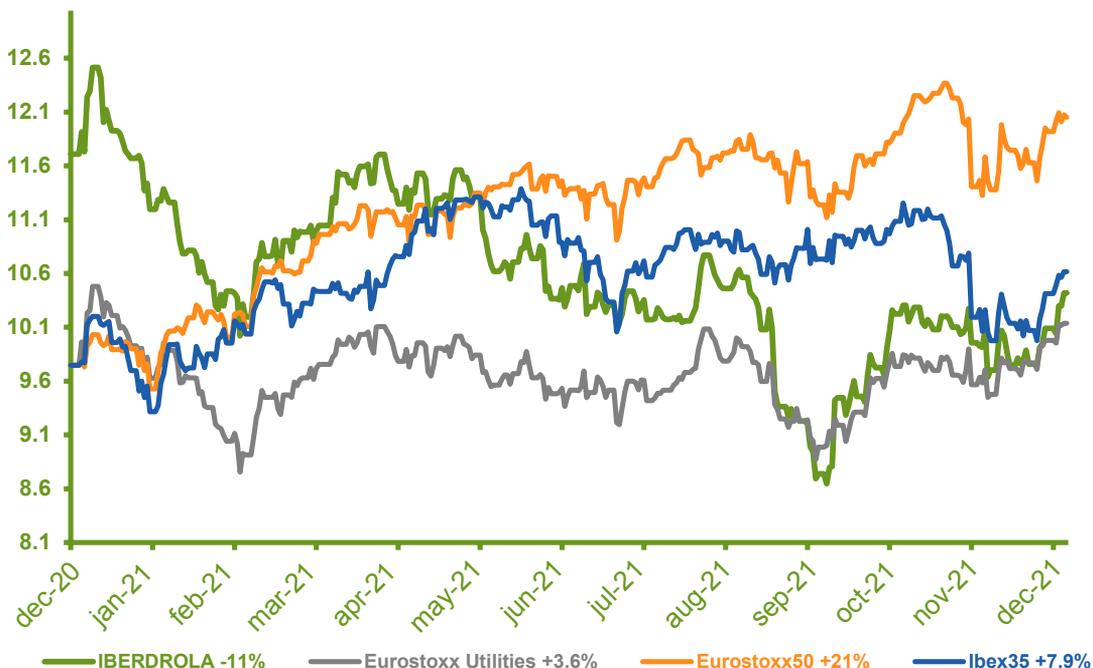
Statement of origin and use of funds (Unaudited)

	2021	2020	Variation
Net Profit	3,885	3,611	274
Depreciation and amortisation charges and provisions (+)	4,663	4,474	189
Results of companies accounted for using the equity method (-)	74	(461)	535
Gains/(losses) on non-current assets (-)	-	-	-
Financial revision of provisions (+)	116	130	(14)
Minority interests (+)	467	341	126
Adjustment for tax deductible items (+)	542	137	405
Dividends on companies accounted for using the equity method (+)	49	57	(8)
Capital grants taken to profit or loss (-)	(81)	(78)	(3)
Other adjustments P&L (+)	(801)	-	(801)
FFO	8,914	8,210	703
Dividends Paid to Iberdrola shareholders	(570)	(563)	(7)
Total Cash Flow allocations:	(8,956)	(7,238)	(1,718)
<i>Gross Investments</i>	<i>(9,531)</i>	<i>(9,246)</i>	<i>(286)</i>
<i>Non core Divestments</i>	<i>133</i>	<i>1,321</i>	<i>(1,188)</i>
<i>Treasury stock</i>	<i>(2,308)</i>	<i>(2,313)</i>	<i>5</i>
<i>Issuance/ Hybrid</i>	<i>2,750</i>	<i>3,000</i>	<i>(250)</i>
Capital Increase	521	-	521
Neoenergia Brasilia acquisition	(409)	-	(409)
Translation differences	(1,330)	2,476	(3,806)
Other variations	(2,146)	(492)	(1,655)
Increasing/Decreasing net debt	(3,977)	2,394	(6,371)

Differences may arise due to rounding

Stock market evolution

IBERDROLA stock performance vs. Indexes



IBERDROLA's share

	2021	2020
Number of outstanding shares	6,366,088,000	6,350,061,000
Price at the end of the period	10.410	11.700
Average price of the period	10.507	10.106
Average daily volume	13,241,383	17,868,633
Maximum volume (03-19-2021 / 03-20-2020)	56,338,346	73,587,123
Minimum (11-02-2021 / 06-01-2020)	3,983,299	1,247,598
Dividends paid (€) ⁽¹⁾	0.422	0.405
Gross final (02-08-2021 / 02-05-2020) ⁽²⁾	0.168	0.168
Gross interim (07-29-2021 / 08-01-2019) ⁽²⁾	0.254	0.232
Shareholder's Meeting attendance bonus	-	0.005
Dividend yield ⁽³⁾	4.05%	3.46%

(1) Dividends paid in the last 12 months.

(2) Purchase price of rights guaranteed by Iberdrola.

(3) Dividends paid in the last 12 months and attendance bonus / period-end share price.

Regulation

A In the fourth quarter of 2021 a set of provisions was approved affecting the energy sector. This section sets out the most significant of these.

Regulation in the European Union

Publication of the First Delegated Act on Taxonomy

Having been examined by the Council and Parliament, the European Commission published in the OJEU of 9/12/2021 **Delegated Regulation (EU) 2021/2139** on taxonomy of climate change mitigation and adaptation objectives.

This standard is the first development of the Taxonomy Regulation. Note that said regulation provides for the creation of a **classification system of sustainable activities based on the significant contribution to one of the EU's six environmental objectives** (climate change mitigation, climate change adaptation, air quality, protecting aquatic environments, circular economy and biodiversity), **without negatively impacting any** of the other objectives ("Do No Significant Harm" principle [DNSH]).

The inclusion of gas (as transitional technology) and **nuclear in the taxonomy will be subject to a supplementary standard**. The Commission put this proposal forward to a restricted consultation process (countries and "sustainable finance platform" expert) on 31/12/2021. It has been approved on the 02/02/2022.

Delivering the European Green Deal package of legislation

On 14 July 2021 and 15 December 2021, the European Commission published a package of legislation that details its regulatory proposal to **reduce emissions by 55% by 2030 vs. 1990 levels under the terms established in the "European Climate Law"**. The standards will be negotiated over the next two years, with their proposals focusing on the following aspects:

- Market rules on **CO₂ emission allowances to reduce emissions by 61%** vs. 2005 levels in the so-called "EU-ETS sectors", now including **maritime transport, land transport and construction**.
- **Increasing the renewable target to 40%** by 2030.
- Better energy efficiency with **primary and final energy savings targets of 39% and 36%** by 2030, respectively, vs. business-as-usual scenario.
- **Decarbonisation of the stock of buildings by 2050** (2030 for new ones); **prohibition of financial incentives for the installation of gas boilers** from 2027.
- **Energy taxes** based on the "polluter pays" principle.
- **Further development of recharging infrastructure for clean vehicles in cities, major road networks, ports and airports**.
- 100 percent of new cars and vans to be **zero emission by 2035**.
- **Gas and hydrogen** regulation and directive:
 - **Harmonisation of the retail gas market** with the "Clean Energy Package" for electricity;
 - Demanding that "low carbon" gases reduce emissions by 70% vs. reference fossil fuels;
 - Facilitating access to the gas system for renewable and "low carbon" gases;
 - New standards for the hydrogen market
- **With a view to net zero emissions by 2050, promoting CO₂ absorption** and replacing fossil CO₂ that feeds industrial processes with CO₂ from biomass, waste or the atmosphere.

Regulation in Spain

RD-Law 23/2021 on Consumer protection and transparency in markets and RD-Law 21/2021

Social shield: RD-Law 21/2021, of 26 October, was published in Spain's Official State Gazette (BOE). This extends social protection measures to address situations of social and economic vulnerability. RD-Law 23/2021, of 26 October, was also published, concerning urgent energy measures for consumer

protection and introducing transparency in the wholesale and retail markets for electricity and natural gas. These new pieces of legislation include various measures:

- **Measures to lower electricity bills:** RDL 23/2021 reviews the scope of application of the gas price reduction from RDL 17/2021, making energy from non-emitting facilities contracted on a fixed-price basis exempt from reductions.
- **Consumer protection measures:** In RDL 21/2021, social tariff discounts on electricity have been temporarily increased from 40 to 70% for extremely vulnerable consumers and from 25 to 60% for vulnerable consumers, initially until 28 February. This measure was extended until 30 April 2022 in RDL 29/2021.

RD-Law 27/2021 on Economic recovery measures: Royal Decree-Law 27/2021, of 23 November, extending certain economic measures to support recovery, has been published in the BOE. This new legislation includes various measures:

- i Oil operator exclusivity clauses regarding the installation of EV charging points at their franchised service stations are prohibited.
- ii The gas system is included as a guarantor to recover any deficits that may arise for the reference retailers (CORs) as a result of the restriction on raising the last resort gas tariff.
- iii The coverage by the reference retailers (CORs) of essential natural gas supplies has been extended.
- iv The suspension of the foreign investment liberalisation regime has been extended until 31 December 2022.

RDL 29/2021 Mobility, self-consumption and tax reduction measures: RDL 29/2021 has been published in the BOE. This adopts urgent measures in the energy field for the promotion of electric mobility, self-consumption and the deployment of renewable energies. This new legislation includes various measures:

- i. Extension of the measures to reduce electricity bills during the early part of 2022.

- VAT at 10% and IEE (Special tax on electricity) at 0.5% until 30 April. The generation tax remains suspended during the first quarter.
- Social tariff discounts of 60% for vulnerable customers and 70% for extremely vulnerable customers are extended until 30 April.
- Measures to promote the fulfilment of renewable objectives.
- Measures to encourage the installation of recharging infrastructure for electric vehicles.
- Measures to promote self-consumption.

Resolution tolls T & D 2022: The CNMC resolution establishing transport and distribution tolls for 2022 has been published in the BOE. (CNMC resolution of 16 December 2021 establishing the values of tolls for access to the applicable electricity transport and distribution networks from 1 January 2022.)

- The calculation of tolls is based on an estimate of network costs, as the resolution to set the 2022 rate has not yet been published.
- Toll prices **have been reduced by an average of -4.5%** compared to current prices, taking into account a reduction in transport pay (-13%) and maintenance of distribution (+0.5%).

Order of charges 2022: The Order publishes the values of charges, without information on expected costs and revenues. (Order TED/1484/2021, of 28 December, establishing the prices of the charges for the applicable electricity system from 1 January 2022 and establishing various regulated costs for the electricity system for the 2022 financial year.)

- **Current charges are increased from 1 January to a level 31% below the pre-RDL 17/2021 charges** (which reduced them by 96%). This increase in current charges increases the average voluntary price for small consumers (PVPC) bill by 10%.

Loss incentive parameters: The CNMC resolution of 30 November 2021, establishing an incentive for distribution losses for the second period 2022-2025, has been published. The incentive calculation methodology is a "sum 0" system. (CNMC resolution of 30 November 2021, establishing the adjustment

of the incentive to reduce losses provided for in the DA.8 of Circular 6/2019, of 5 December, establishing the methodology for calculating the remuneration of electricity distribution activities.)

- i. Rewards agents below the required industry averages and penalises those above.
- ii. There is an area-based coefficient, which weights the type of network in each area (urban, semi-urban or rural).
- iii. An adaptation coefficient is established, as well as limits on penalties/increasing annual bonuses.

Major and dominant operators: The lists of major and dominant operators in electricity and gas that the CNMC has approved by Resolution have been published in the BOE. IBERDROLA remains the dominant operator in electricity and a major operator in electricity and gas. (CNMC Resolution of 16 December 2021).

Roadmap for offshore wind development: This sets the target of reaching between 1 and 3 GW of floating offshore wind by 2030. To achieve this, a minimum first allocation of EUR 200 million will be made available until 2023 for R&D, and the needs of the port infrastructure will be assessed, where EUR 500 million to EUR 1,000 million will have to be invested to meet the new logistical needs. In addition, the objectives, lines of action and measures for the development of offshore wind are defined.

Self-consumption roadmap: Identifying challenges and opportunities, and establishing measures to ensure mass deployment in Spain. The forecast is to reach 9 GW of self-consumption installed capacity by 2030 (14 GW in a high penetration scenario), from the current ~2.5 GW.

Regulation in the UK

Applicable 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. The tariff cap is adjusted on 1 April and 1 October each year

and can be extended annually until 2023. Ofgem must publish a review of market conditions each year to assess whether the cap should be extended for a further year and provide a recommendation to the Secretary of State for BEIS. In October 2021, Ofgem's recommendation was accepted and the current cap price was extended for a year to the end of 2022. The UK Government announced in July 2021 that it intends to legislate to allow the cap to be extended past the end of 2023. Ofgem has consulted, and continues to consult, on the price cap methodology for future periods including for the smart meter allowance and COVID-19-related costs. In November 2021, Ofgem consulted on whether there is a case for short-term adjustments to the price cap to better reflect the costs, risks and uncertainties faced by suppliers in volatile wholesale markets, with a view to implementing changes from April 2022 if appropriate. In mid-December 2021, Ofgem issued consultations on how the current design and operation of the price cap might evolve from October 2022, given the increased volatility of energy prices, and on temporary options ahead of October 2022 to mitigate the impact of a falling wholesale market.

RIIO-T2: During 2021, ScottishPower Energy Networks (SPEN) transitioned to the first year of the five-year RIIO-T2 transmission network price control which runs from 1 April 2021 to 31 March 2026. In October 2021, the Competition and Markets Authority (CMA) published its final determination on the RIIO-T2 appeals made by SPT, National Grid Electricity Transmission and SSEN Transmission, among others. We welcomed the CMA's findings supporting a number of the areas we appealed on but we were disappointed that the CMA did not uphold our case on the cost of equity, given the international competition for investment to deliver net zero.

RIIO-ED2: The next five-year RIIO-ED2 distribution network price control will run from 1 April 2023 to 31 March 2028. SPEN has been working hard to ensure that the price control is set in a way which readies the UK for an electric future. Our final business plan was submitted to Ofgem in December 2021. Over ED2 we have proposed to spend GBP 3.3 billion to

make sure that we can enable the path to net zero. We now await Ofgem's draft determination which will be published in summer 2022.

Carbon pricing: in the UK Government's Autumn Budget it was announced that the current value of the Carbon Price Support Tax (GBP 18 per tCO₂) would be extended until 2023/2024.

Contracts for Difference: The Government proceeded with its plans to hold the next Contracts for Difference auction at the end of 2021 to support renewable generation, including offshore and onshore wind power and solar photovoltaics. The eligibility window for the auction opened on 13 December 2021 running up to 14 January 2022. The Government has indicated that the target for this auction is to support up to double the renewable generation capacity secured in the last Contracts for Difference auction held in 2019, i.e. around 12 GW of renewable generation. Meanwhile, to support the growth of the UK offshore wind sector, the Government has taken forward public investment through a GBP 160 million fund to support the development of offshore wind ports and manufacturing infrastructure. Indeed, the Government announced at the Autumn Spending Review that this fund would be scaled up in future years with a total budget of over GBP 300 million.

Regulation in the USA

Executive Branch: On December 8, President Biden issued an Executive Order requiring the federal government to reach net-zero emissions by 2050. The order directs federal agencies to take multiple steps to achieve this goal including procuring carbon-free electricity by 2030, acquiring zero-emissions vehicles by 2035, and achieving net-zero emissions buildings by 2045.

Congress: On November 5, Congress passed the Infrastructure Investment and Jobs Act, commonly referred to as the Bipartisan Infrastructure Framework (BIF). The BIF is a \$1,200 b spending program over the 2022-2030 horizon, with \$74 b earmarked for energy infrastructure. Some of the most relevant initiatives are:

- Road transport emissions reduction programs (\$18b) aimed at renewing bus fleets and deploying refueling infrastructures with low-emission fuels (electricity, hydrogen or gas).
- Grid improvement programs focused on resilience and smart grids (\$14b).
- Federal Columbia River Power System renewal and upgrade program (\$10b).
- Hydrogen promotion programs (\$9b).
- Nuclear energy support programs (\$8.5b).
- Energy efficiency programs (\$4.8M).
- Port/ferry electrification program (\$2.5b).

The bill also includes provisions supporting the authorization of transmission lines that are deemed to be in the national interest. Federal agencies will begin implementing the legislation in 2022 and federal funding will be spread over the next five years.

In December, Congress passed the Uyghur Forced Labor Prevention Act. The legislation prohibits all imports of goods from China's Xinjiang Uyghur Autonomous Region, including solar products, unless U.S. Customs and Border Protection determines they were not produced with forced labor.

Throughout Q4, Congress worked on the Build Back Better Act. In November, the House passed a \$2T version of the package, including over \$500b for climate and clean energy. While the package stalled in the Senate, Congress is expected to continue work on climate and other provisions in 2022. The measure could include support for climate and clean energy, including long term tax credits for renewable energy deployment.

Offshore wind energy: On October 13, Interior Secretary Deb Haaland announced plans for the Bureau of Ocean Energy Management (BOEM) to hold up to seven offshore wind lease sales by 2025. The lease areas include the Gulf of Maine, New York Bight, Central Atlantic, the Carolinas, Gulf of Mexico, California, and Oregon.

Solar Tariffs: In November, the U.S. Court of International Trade reinstated the exclusion of bifacial

solar modules. The action reverses the Trump-era decision to impose tariffs (18%) on bifacial solar panels. In January 2022, the Biden administration appealed the court's ruling. Separately, the U.S. International Trade Commission is considering a petition to extend solar tariffs for single and bifacial tariffs for an additional four years. Any recommendation will need to be accepted by President Biden.

FERC: In November, the Senate confirmed Willie Phillips as a commissioner bringing FERC to a full complement with a 3 – 2 Democrat to Republican appointee majority. The new majority could lean the Commission toward facilitating transmission needs for increased clean energy deployment.

ME - Customer service metrics and 100-bp ROE adjustment: In September, CMP met its customer service quality targets over 18 months: more than 80% of calls answered in 30 seconds, call abandonment rate below 7%, percentage of estimated bills below 1% and bill error rate below 0.4%. The regulator, MPUC, was formally requested to remove the 100-bp ROE adjustment, thus restoring the ROE of 9.25% for CMP-D with effect from 1 September.

NY - Implementation of CLCPA objectives: In September, the Public Service Commission (PSC) of New York issued an order relating to the implementation of the Accelerated Renewable Energy Growth and Community Benefit Act to comply with the objectives of the Climate Leadership and Community Protection Act (CLCPA). This Order regulates two aspects:

- It directs utilities to consult with the corresponding agents in each case (LIPA, DSP Staff, NYISO etc.) on different issues related to the realisation of future investments.
- It directs utilities to update (before February 2022) their capacity maps based on the methodology recently published by PSC staff.

Regulation in Mexico

Increase in electricity transport charges: In May 2020, the Energy Regulatory Commission (CRE) approved the increase in rates for transporting electricity (transport tolls) for renewable technologies and efficient cogeneration. A first-instance resolution of the petition for injunctive relief filed by Iberdrola Mexico is still pending. In the meantime, we are protected by the precautionary measure granted by the courts not to pay the new increased rates.

Increase in conventional transport charges: In May 2020, the CRE approved the increase in rates for transporting electricity (transport tolls) for conventional technology (combined cycles). A request for injunctive relief was filed. This was dismissed in the first instance and appealed in the second instance, and the outcome is pending. Since June 2020, the new increased rates are being paid.

Reform to amend the Law on the Electrical Industry: In March 2021, a reform to the Law on the Electrical Industry (LIE) was published. This has been suspended due to the judicial proceedings brought by individuals against them and the granting of precautionary measures by the courts, because the proposed amendments distort free competition and slow the growth of renewable energies.

Mechanism for correcting payment of the Revenue Sufficiency Guarantee: In July 2021, the CRE issued an agreement regarding the payment of Revenue Sufficiency Guarantee to generators affected by the increase in natural gas prices caused by the polar vortex in Texas in February 2021. Iberdrola Mexico's generation plants recovered the variable cost that they incurred as a result of high natural gas prices.

Constitutional reform within the electricity sector: On 30 September 2021, the Executive sent to Congress an initiative to reform the Political Constitution on electricity with the fundamental aim of making the CFE the only company that can sell energy to the end customer (sales monopoly), reducing the role of private companies to mere energy suppliers to CFE (purchasing monopoly), as well as eliminating

the regulator (CRE) and incorporating the system operator (CENACE) into the CFE. There is no fixed date for negotiating this initiative in the Chamber of Deputies and the Senate, but it could be from the second quarter of 2022.

Regulation in Brazil

Periodic review of Neoenergia Brasília's rates:

On 21 October, ANEEL approved a rates review for Neoenergia Brasília, with an average increase for consumers of 11.10% and a Parcel B of BRL 553 million. The most representative parts of the rates review were industry charges and energy acquisition, the latter particularly impacted by bilateral energy purchase contracts, updated by the IGP-M and affected by the exchange rate.

Provisional measure no. 1,078: Provisional measure no. 1,078 was published on 13 December. This authorises the structuring of credit operations to cover distributors' additional costs arising from the water crisis, in order to mitigate the impacts of this increase on the end consumer. The measure envisages that

these credit operations will be paid off over time by a specific tariff charge, the resources from which will be allocated to the Energy Development Account (CDE). This will make it possible to reduce short-term tariff adjustments while ensuring that the balance of concession agreements is maintained. Authorisation is also expected for the Electricity Sector Monitoring Committee (CMSE) to establish new rate bands, such as the current "Water Scarcity Band", to cover the extraordinary costs arising from the water shortage situation. This special rate band does not apply to consumers registered for the Social Electricity Tariff (TSEE).

Transmission auction 2/2021: The 2nd Transmission Auction of 2021 was held on 17 December, offering Neoenergia in five lots in the states of Amapá, Bahía, Minas Gerais, Paraná and São Paulo. Lot 4, located in the state of Minas Gerais, was won with a bid of BRL 37.1 million and a discount of 58.63%, compared to an Annual Allowable Revenue (RAP) of BRL 89.7 million. The estimated investment is around BRL 661 million.

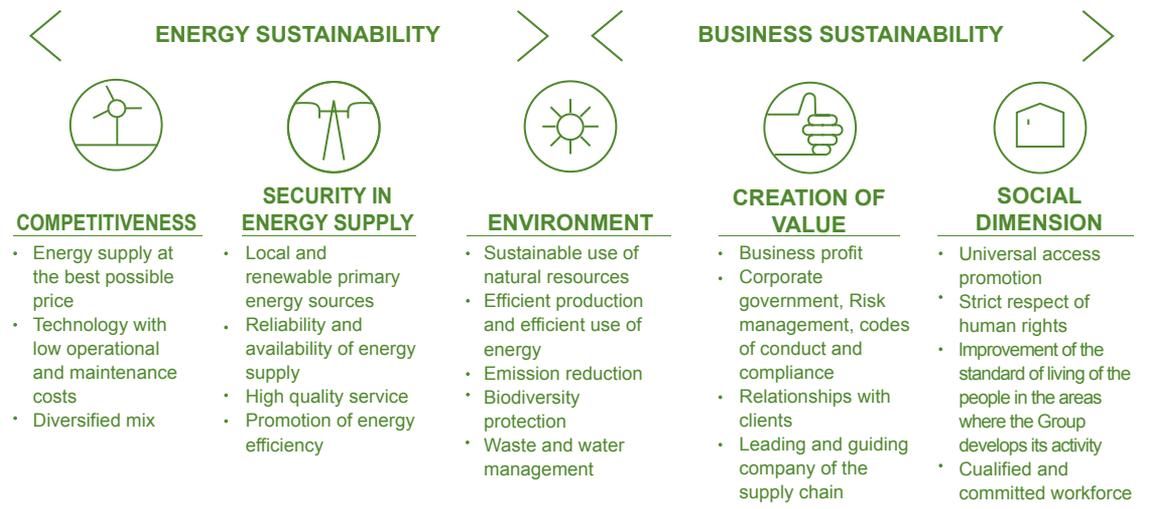
Sustainability Performance - ESG



Iberdrola’s contribution to sustainable development is reflected in several 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 2021	Related SDGs
Climate Summit	<u>COP26: United Nations Conference</u>	 
Fight against climate change	<u>Global leader in climate action</u>	 
Green Hydrogen Production	<u>Green hydrogen, the key to decarbonisation</u>	 
Biodiversity Restoration	<u>Trees programme</u>	
Reducing effects on birds	<u>Protection of biodiversity</u>	
Rational use of water	<u>Utility with best water productivity</u>	
Sustainable Mobility Plan	<u>Rollout of charging points</u>	 
COVID response: balance	<u>Social responsibility model</u>	 
Access to energy	<u>Electricity for all</u>	 
Training and employment	<u>Master's scholarships, impacts and talent retention</u>	 
Training excellence	<u>Research commitment</u>	   
Good Health and Well-being	<u>Occupational health and safety</u>	 
Equality and diversity	<u>Diversity and Inclusion Report</u>	 
Vulnerable customers	<u>Support for vulnerable customers</u>	 
Action in the community	<u>Volunteering initiatives</u>	  
Social contribution	<u>Foundation actions</u>	    

1. Sustainability Indicators

Financial Indicators	4Q 2021	4Q 2020
Contribution to GDP (Gross Margin) (*)	0.56%	0.55%
Contribution to GDP (Net Revenues) (*)	1.46%	1.05%
Net profit (EUR million)	1,476.5	929.8
Dividend yield (%)(**)	4.05%	3.46%
Sustainability Indicators	2021	2020
Own CO2 emissions over the period (gCO2 /kWh): Total	96	98
CO2 emissions over the period (gCO2 /kWh): Europe	60	64
CO2 emissions over the period (gCO2 /kWh): Spain	69	73
CO2 emissions over the period (gCO2 /kWh): UK	-	-
CO2 emissions over the period (gCO2 /kWh): US	58	51
CO2 emissions over the period (gCO2 /kWh): Brazil	61	53
Own CO2 emissions over the period (gCO2 /kWh): Mexico	307	324
CO2 emissions over the period (gCO2 /kWh): IEI	4	0
Ratio own emission-free production to total production: Total (%)	75%	75%
Ratio emission-free production to total production: Europe (%)	87%	86%
Ratio emission-free production to total production: Spain (%)	85%	84%
Ratio emission-free production to total production: UK (%)	100%	100%
Ratio emission-free production to total production: US (%)	86%	88%
Ratio emission-free production to total production: Brasil (%)	79%	82%
Ratio own emission-free production to total production: Mexico (%)	14%	9%
Ratio emission-free production to total production: IEI (%)	99%	100%
Ratio of own emission-free installed capacity: Total (%)	81%	79%
Ratio of emission-free installed capacity: Europe (%)	82%	80%
Ratio of emission-free installed capacity: Spain (%)	79%	77%
Ratio of emission-free installed capacity: UK (%)	100%	100%
Ratio of emission-free installed capacity: US (%)	91%	90%
Ratio of emission-free installed capacity: Brasil (%)	88%	87%
Ratio of own emission-free installed capacity: México (%)	35%	35%
Ratio of emission-free installed capacity: IEI (%)	90%	88%

Note: Third-party installed capacity and production not included

(*) Source: Iberdrola Results and National Quarterly Accounting for Spain — INE (Base 2010, Latest published figures for 4Q 2021)

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

E Environmental

Environmental highlights during this period are as follows:

COP26: Iberdrola at the 2021 Climate Summit

The United Nations Climate Change Conference was held in Glasgow from 31 October to 12 November 2021, bringing together representatives of some 200 governments with the aim of accelerating climate action to comply with the Paris Agreement. The Iberdrola Group actively participated in this event, showing its commitment to a sustainable energy model and generating opportunities. COP26 emphasised the urgency and opportunities to move towards a carbon-neutral economy and called for transparency and rigour in climate action plans by both governments and businesses. This gave rise to the Glasgow Climate Pact, a document containing the political action guidelines agreed between all countries.

As the main partner of the Glasgow Summit—through its UK subsidiary, ScottishPower—Iberdrola was part of several initiatives, forums and high-level meetings with the British Government, the United Nations International Energy Agency and the European Climate Foundation, among others, maintaining leadership at the institutional, business and academic levels.

In total, Iberdrola organised more than 100 events with international and local institutions—more than half at ScottishPower headquarters—such as the energy transition meeting held in collaboration with the British government and the Electric Mobility Revolution event, in partnership with the World Business Council for Sustainable Development (WBCSD).

As a main partner of COP26, the Company has driven climate action to increase ambition and accelerate the measures needed to move towards a safer climate for all. In addition, it has contributed to raising public awareness of the importance and urgency of this

challenge and how the need for a sustainable and fairer future should be at the centre of the recovery of the global economy.

Fight against climate change

In the area of green hydrogen, as part of the development of innovative projects that contribute to climate change, Iberdrola's agreement with more than 150 small and medium-sized enterprises stands out. The agreement includes a portfolio of 90 projects related to innovation in renewable energy, including storage and green hydrogen following the guidelines set by the Strategic Project for the Economic Transformation and Recovery (PERTE) for Renewable Energies, Renewable Hydrogen and Storage (ERHA) presented today by the Government. The projects may involve an investment of around EUR 15,000 million in floating offshore wind capacity, floating photovoltaic capacity, storage and green hydrogen to produce fertilisers, industrial processes, heavy transport and large-scale electrolyser manufacturing.

Last December, through its subsidiary Avangrid, Iberdrola was awarded the energy supply to the future Commonwealth Wind Park, the third offshore wind tender in Massachusetts. The 1,232 megawatt project, New England's largest offshore wind project to date, will create the equivalent of 11,000 full-time jobs over the life of the project and generate enough energy to supply 750,000 homes.

In Spain, the province of Cáceres has become one of the epicentres of solar energy with the implementation of several Iberdrola projects. The Arenales photovoltaic plant has a capacity of 150 MW, in addition to the 80 MW added to the two Almaraz plants. More than 700 jobs have been created and will be created during construction alone. Within the global commitment to reduce emissions and combat climate change, these plants will prevent more than 55,500 tonnes of CO₂ from being released into the atmosphere each year.

In Poland, one of the Company's new growth markets, Iberdrola awarded Vestas with a new turbine supply

and installation contract for the Korytnica II wind farm and is making progress in its commitment to renewable energy, The 50,4 megawatt (MW) project, located in the province of Mazowieckie, north-east of Warsaw, will consist of 14 V126-3,45 MW turbines, whose capacity has been extended to 3,6 MW, and a hub height of 132 metres.

Sustainable use of water resources and transition to a circular economy

Iberdrola has negotiated the **first energy sector loan in Europe linked to the reduction of water consumption**: a EUR 250 million financing operation over five years. The deal, signed last August, includes an incentive linked to the achievement of circular economy objectives: Iberdrola undertakes to progressively reduce its water use to not exceed the threshold of 420 m³/GWh by 2025. If met, Intesa Sanpaolo will apply a discount to the loan, if not, the cost of financing will increase. The circular loan with Iberdrola is the largest operation in Spain under the EUR 6,000 million Circular Economy programme launched by Intesa Sanpaolo as part of its 2018-2021 Business Plan.

Biodiversity

Iberdrola's objective in this area is **to achieve a "zero net loss" of biodiversity by 2030**, committing, whenever possible, to a positive net impact on new infrastructure developments, where all projects come with a comprehensive environmental plan to minimise the effect on flora and fauna, Iberdrola's "Arboles" programme, which includes planting more than 20 million trees by 2030, capturing approximately 6 million tonnes of CO₂ in 30 years, is one of the highlights.

Finally, the Company has acquired a stake in CO₂ Revolution, a company leading the way in the use of drones and smart seeds for reforestation, The acquisition was completed through Iberdrola's International Start-Ups-PERSEO Programme, through which it has been identifying and promoting energy-related technologies of the future for just over a decade.

S Social

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

ESG criteria in the supply chain

The Group has set a target for at least 70% of Iberdrola's major suppliers (estimated to total more than 1,000 worldwide) to be subject to ESG policies and standards by 2022, The Company has therefore created a model – validated by a third party – and a digital platform, developed by Spanish scale-up **GoSupply**, that the Company's suppliers can use to self-evaluate their performance in this field.

Turning to human rights in the supply chain, Iberdrola Group companies have reacted to the risk of Uyghur forced labour in the manufacturing of solar panels in the Chinese province of **Xinjiang** by demanding their suppliers strictly comply with the commitments entered into regarding their employment practices.

Graduate: A commitment to international talent

During the last quarter of 2021, Iberdrola launched the first edition of the Graduate Programme in Spain, involving the selection and development of international talent with the hiring of more than 130 recently graduated professionals.

Through this initiative, the Company aims to train young talents to help in their international development and, therefore, respond to the future needs of the Iberdrola Group.

The graduates, who have studied at well-known universities, such as the Comillas Pontifical University, the University of the Basque Country and the Valencia Polytechnic University, among others, will join the Iberdrola Group's different areas and businesses in the Company's offices in Madrid, Bilbao and Valencia.

Access to energy for vulnerable groups

The *Electricity for All* programme is Iberdrola's response to the international community's call to extend universal access to modern forms of energy through environmentally sustainable, economically acceptable and socially inclusive models. **Under this programme, the Group aims to use environmentally sustainable forms of energy to provide electricity to 16 million vulnerable people without access to this resource in emerging or developing countries by the year 2030. So far, the Company has helped 8,2 million people benefit from access to electricity, mainly in Latin American and African countries.**

Diversity and equality

On 30 November, Ignacio Galán presented the six awards that will be used to finance the winning projects of each of the categories in which the **Iberdrola SuperA Prizes** are divided. This is an initiative that is in its second edition and that is part of the Company's commitment to promoting gender equality and, in particular, to promoting the excellence of women in sports. In 2020, the Company launched the Iberdrola SuperA Awards with the aim of recognising and giving visibility to **the best initiatives launched in Spain in favour of the equality and the empowerment of women** through sport.

Iberdrola is among the 10 best companies in the world when it comes to the integration of women. This was the conclusion of the **World's Top Female Friendly Companies 2021** study, in which Forbes teamed up with the market research company Statista to identify companies who are leading the way when it comes to supporting women in and out of the workplace. Gender equality is one of the commitments Iberdrola has made in its employment policy and, through various initiatives, it adheres to this agreement in four areas of its management, in the fields of recruitment and selection, as well as in salary conditions, training, and professional development and communication.

Community impact: volunteering

Iberdrola's Corporate Volunteering Programme has been recognised by the United Nations, as it is included in the Transforming Lives and Communities report, published by IMPACT2030 in collaboration with the United Nations Office for Cooperation.

This report recognises Iberdrola's Corporate Volunteering Programme as a pioneering practice to harness the skills, passion and experience of its employees in working towards the Sustainable Development Goals (SDGs).

Notably, Iberdrola is the only Spanish company and the only energy company from among the 19 companies selected in the report published on the occasion of the Global Goals Week 2021.

Iberdrola has responded to individuals **affected by the La Palma volcano**, collaborating in different crowdfunding campaigns with the Red Cross, together with the collective cooperation platform for employees of the Iberdrola Group, where they can choose the contributions they want to make to any causes that interest them. And it has also participated in campaigns to protect children, with Save the Children and Ayuda en Acción, and for rare diseases, with Prader Willi, through the COOP.

Iberdrola brought together more than **5,000 employees** – 25% more than in 2020 – during the **International Volunteers Week**, across a total of 64 solidarity initiatives, which has been run in a dozen countries where it operates, including Spain, the United States, Mexico, Brazil, the United Kingdom, Australia, Belgium, France, Germany, Greece, Italy and Portugal.

The Company has launched the **"My Social Footprint"** initiative to measure the impact on society and contribution to achieving the SDGs of the Group's volunteers. Each volunteer can therefore see how many hours are dedicated to achieving each of the SDGs, as well as the number of people who have benefited thanks to their help, how many actions they have been involved in and how they are contributing.

Volunteering at Iberdrola has continued through projects to train and improve the employability of young people at risk of exclusion, thus **helping thousands of people from the most disadvantaged segments** (refugees, women who are victims of gender-based violence and/or at risk of severe exclusion). The projects are also helping women to return to work after taking an extended break in their careers for maternity leave or to care for family members.

Meanwhile, the Company continues to **carry out actions to care for the environment** such as reforestation, clean-ups, recycling workshops and other awareness-raising activities, and to **promote diversity and inclusion**, while also responding to the food emergency through various global initiatives such as Operation Kilo.

Finally, a highlight in the last quarter includes **Operación Navidad**, where volunteer activities were carried out to help the most vulnerable people enjoy this period of the year from both an emotional and assistance point of view.

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:** This work stream focuses on young students, by supporting their degree, technical training or language studies and offering opportunities to those who have disabilities and/or limited resources.
- **Biodiversity and climate change:** In this work stream, we collaborate with public institutions and bodies devoted to protecting the environment.
- **Art and culture:** In this field, the Company works alongside cultural bodies, renowned museums, public institutions and religious bodies in order to promote culture and restore and conserve artistic heritage, thereby driving local development.
- **Social action:** This work stream has entailed collaborations 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:

- **3 national scholarships and 1 international scholarship** for restoration and conservation at the Prado Museum, and two for the Museum of Fine Arts in Bilbao.
- **2 Fulbright scholarships.**
- **11 Paralympic scholarships.**
- **10 Carolina Foundation scholarships.**
- **12 engineering scholarships at the ICAI.**
- **Chair of STEM Women Sustainability Mobility**, with the collaboration of EMT and the Comillas Pontifical University.
- **Energy for Future Research Aid Programme:** to support research projects focusing on technologies associated with the energy transition and green transformation over the next five years.
- **“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.
- **Programme to help young people integrate into society and the labour market in partnership with Save the Children:** an educational programme on the green economy for young people at risk of exclusion.
- **Two social and occupational programmes co-financed by the Regional Government Department of Castilla La Mancha (the programmes will begin in 2022):**
 - **Inspira II Project** in the Region of La Sagra (Illescas, Ugena and Sesefía) with the collaboration of Save the Children.
 - **Reactiva Project** in Puertollano with the collaboration of Ayuda en Acción.

- Collaboration with **SEO/BirdLife** on the **MIGRA Project**, aimed at studying the migratory patterns of birds.
- The **campaign to rescue steppe birds in Extremadura**.
- **Reforestation of the Albacete military training area** in Chinchilla has been completed and contracts have been signed to reforest the **Almagro and Villatobas military training areas** (Toledo), Work will start in January 2022.
- **“Expansión de Abies Pinsapo en la Reserva de la Biosfera de Grazalema” (Expansion of Abies Pinsapo in the Grazalema Biosphere Reserve)**: the first reforestation day has been held at the Biosphere Reserve.
- **The climate change and birds of prey conservation project**, through research into vaccine prophylaxis, in collaboration with the Aquila Foundation.
- Collaboration with the **Rey Jaime I Awards** as a member of the Environmental Protection Award, one of the six award categories.
- Agreement to partner with the **MIGRES Foundation** on a project to reintroduce ospreys in the Valencian Community.
- Agreement with **the Madrid City Council** for the recovery of the impact caused by the meteorological phenomenon “Filomena” (reforestation).
- **Lighting** of the façade of the CESEDEN, Sigüenza Cathedral, the Puente Viejo old bridge of Talavera and the Prado Museum, as well as **Salamanca’s Old Cathedral**.
- **Agreements have been signed for upcoming lightings**: The Church of Colegio Monforte de Lemos, the Capitanía General in Seville and the Church of Támara de Campos.
- **Inauguration** of Santiago de Compostela Cathedral, the Plaza Mayor of Sigüenza and the Carrascal Church of Velambélez.
- **“Un patrimonio de todos” (Everyone’s heritage) exhibition**, organised by the government of Cas-

tilla-La Mancha, The Iberdrola Foundation Spain is the sole sponsor.

- **A travelling exhibition “El Prado en las Calles” through Castilla y León**.
- **Restoration of the San Antonio de Padua Altarpiece, Villarmentero de Campos, Parish Church of Ceclavín and the Muga Chapel, which is part of the Atlantic Romanesque Plan**.
- **The “Tàpies en Zabalaga” exhibition at the Chillida Leku Museum**, which the museum will host from 10 June 2021 to 10 January 2022.
- The **2022 Social Programme** is now closed, Thirty-five selected projects benefiting more than 40,000 people, Of all the projects, 40% are aimed at preventing situations of poverty and social exclusion, prioritising the fight against child poverty; 10% address improving health and well-being; another 38% address the social inclusion of individuals with disabilities and the remaining 12% address support for women.

ScottishPower Foundation in the UK:

- **ScottishPower Foundation Planetarium Community Pass**: significantly ramping up deployment of the Dynamic Earth Planetarium project in its second year.
- **Affinity Coaching and Counselling**: Affinity will offer a counselling and guidance service for autistic people and their families throughout Scotland.
- **Tools for Transition**: support and advocacy for children with spina bifida/hydrocephalus.
- **Figurenotes – Everyone can play!**: inclusive project to transform music education in Scotland.
- **Restoration Forth**: multi-year project with the WWF (World Wildlife Fund) to restore and sustainably manage seagrass and oyster habitats.
- **Sustainable Futures**: raising awareness among children and young people of the fight against climate change.
- **A River for All**: creating a path to facilitate public access to previously inaccessible forests and rivers.

- **Connecting the UK on Climate Change:** Sharing the MockCOP model nationally: young people come together to start their own projects for change in schools and communities.
- **Action for Nature in Ayrshire:** activities to boost biodiversity.
- **Heritage Horizons:** this project will offer the most vulnerable young people in the Argyll and Bute areas the possibility of collaborating with museums and heritage centres.
- **The Dundee Dome Experience:** a spectacular new gallery at Discovery Point Museum.
- **Finding Your Feet:** this programme aims to improve the emotional well-being of amputees in Scotland.
- **Disabled Entrepreneurs Business Start-up Service (DEBSS):** enhancing the occupational skills of 75 people with disabilities living in Bournemouth, Christchurch and Poole.
- **Street League:** this project works with underperforming secondary schools in six regions of Scotland, involving more than 700 young people.
- **M.E. Advocacy Service:** to empower young people and adults with self-advocacy skills to make informed choices and increase their self-worth and well-being.
- **Edward's Trust Reaching Out:** support for 5-16 year-olds who have lost a close loved one (parents, siblings, grandparents, etc.).
- **Using creativity to inspire access to sustainable employment:** financial assistance to help people who are homeless or at risk of exclusion be less isolated and access different types of training and employment.
- **Blue Hub Capital – Working Communities Challenge:** collaboration between the public, private and non-profit sectors to make an impact on sustainable development.
- **Power the Future Programs at the Ithaca Science Center:** to extend the reach of the Ithaca project.
- **Vital Recovery Actions for California Condors** for the recovery and reintroduction of condors.
- **Climate Change Education Programming:** a programme for the Oregon Science Museum to undertake educational initiatives and provide easier access for rural students.
- **Advancing Ocean-Climate Research: Strengthening community capacity for science-based decision making (Year 3):** year three of a five-year partnership with the Gulf of Maine Research Institute (GMRI).
- **Hancock Shaker Village – Outdoor Trail Initiative:** funding for trail upkeep to ensure a safe space.
- **Playwright Mentoring Project (PMP):** a six-month intensive out-of-school initiative that uses theatre tools to teach new skills.
- **AVANGRID Foundation Employee Giving Program:** encouraging employees to give back to organisations that are meaningful to them in their communities and across the country.
- **Camp Sunshine Pumpkin Festival:** camp offering recreational activities, support and happiness to children with potentially terminal illnesses and their families.

Avangrid Foundation in the United States:

- **Binghamton University Foundation – Senior Capstone Projects (New York):** supporting energy and environmental projects at the Watson School of Engineering.
- **Henry Ford Museum – Invention Convention Worldwide (National):** ICW is a coalition of affiliates that teaches students real-world problem-solving and creative thinking skills.
- **Employer Resources Network (ENR) – Rochester – Growth & Expansion:** resources for staff whose personal circumstances may affect their work.
- **Social Call – Reconciliation & Recovery (2021):** supporting the Black Resilience Fund, which provides paperwork-free direct financial assistance to black Portlanders.
- **Cool Sweep Community Cooling & Public Safety Program (Rochester):** opening places where people can cool down during days of extreme heat.

- **Advancing JMG's Reach (2019-2023); strengthening JMG's financial position and sustainability:** a partnership to ensure that all Maine students graduate and pursue meaningful careers.
- **General Operating Funds in Support of Emergency Refugee Resettlement (Connecticut – Afghan Crisis):** supporting the resettlement of Afghans at the national level and providing them with the help they need to rebuild their lives in the country.
- **SMART Schools Reading Support:** a programme to boost literacy by providing support for early reading.

Iberdrola Foundation Mexico:

- **STEM Impulse:** One hundred scholarships will be awarded to young underprivileged Oaxacan people.
- **Altamira scholarships:** contributing towards the academic readiness of high-performing young people who require financial support.
- **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.
- **Support for the development of young Mexicans:** support for research students from the Institute of Renewable Energies at the Autonomous University of Mexico (UNAM).
- **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, and foster the growth of flora and fauna in the mangrove ecosystem 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.
- **Energy education:** students, teachers and parents attend workshops so that children have a space where they can learn.

- **Construir para educar (Build to Educate):** rebuilding schools struck by the earthquakes in Oaxaca.
- **Urology Brigades in the south and southeast of Mexico:** enhancing the well-being of Oaxacan women suffering from complex urological problems.
- **Educational infrastructure:** construction and fitting out of spaces for learning.
- **Dulces Nombres baseball and football field:** improvements to the condition of the Dulces Nombres baseball and football field through the installation of an irrigation system.
- **Health houses in Altamira:** extending medical coverage to families in the most remote areas of the municipality and those living in precarious conditions.
- **Civil Protection Ensenada:** contributing to the development of Civil Protection in the area,
- **Down Laguna Foundation:** donation for support of the annual calendars.

Neoenergia Institute in Brazil:

- **Project “Balcão de Ideias e Práticas Educativas”:** school management for integral development and early childhood learning and development.
- **Flyways Brasil:** conservation of wading birds, focusing on priority sites and threatened species in Brazil.
- **Proyecto Coralizar (Coralise Project):** in collaboration with WWF-Brazil, which continues to pursue research on the methodology of coral restoration.
- **Key lighting projects** include the Guarany de Triunfo cultural theatre and cinema (Pernambuco state) to safeguard the historical heritage and raise awareness of its importance.
- Call for the **Transformando Energia em Cultura (Transforming Energy in Culture)** competition in Coelba to support projects for the inclusion of children and young people at social risk and reduce inequalities.
- Launch of the **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.
- **Resgatando a História (Recovering History):** an initiative to arouse the interest of the private sector in supporting projects to recover Brazil's historical and artistic heritage.
- **Impactô (Impact):** helping 16 NGOs and social impact companies in Rio and São Paulo.
- **PLIS (Social Impact Leaders Programme):** provides training on the social ecosystem and areas relevant to the development of ideas or impactful projects.
- **Territórios Saudáveis (Healthy Areas):** distribution of more food to people at risk of social exclusion in different territories of Brazil.
- **São João e Boas Energías:** donation of food baskets in the State of Peralba (Rio Grande do Norte).
- **Mentes Brilhantes (Brilliant Minds):** developing socio-emotional skills in children and teenagers with after-school activities and help with their training.
- **Programa SER (SER Programme):** workshops on entrepreneurship and financial education in the communities of Latadinha, Redinha de Cima e de Baixo, Umbuzeiro Doce, Saco dos Goitis and Serra do Talhado.

G Governance

Governance and sustainability system

IBERDROLA continually updates its Governance and Sustainability System, Generally recognised good governance recommendations in international markets have been taken into account when drawing up these documents.

Internal rules and regulations are drawn up, revised and enhanced in line with the strategy that the Company and the companies belonging to the IBERDROLA Group have now been following for years.

On 23 February 2021, IBERDROLA's Board of Directors agreed to reform its Governance and Sustainability System to: (i) adapt the *Regulations of the Board of Directors* – the amendment of which was reported to the Spanish stock market commission (CNMV) as a disclosure of other material information – so that each board committee can submit for the Board's approval the comprehensive report on their work during the previous financial year within the first six months of the year; (ii) review risk policies; and (iii) introduce other technical improvements.

Subsequently, on 19 April 2021, the Company's Board of Directors approved a new version to: (i) revise the preamble to the second book titled *Purpose and values of the Iberdrola Group*; (ii) amend the *Regulations of the Compliance Unit* to regulate market research; (iii) revise corporate policies to ensure that their content is organised following a standard structure; (iv) unify the *Diversity and Inclusion Policy* and the *Equal Opportunities and Reconciliation Policy* in the new *Equality, Diversity and Inclusion Policy*; (v) change the name of the *Climate Change Policy* to *Climate Action Policy* and include a new line of action based on the drawing up of a climate action plan; and (vi) change the name of the *Recruitment and Selection Policy* to the *Selection and Hiring Policy*.

On 11 May 2021, the Company's Board of Directors approved a new reform to: (i) update the preamble to the Corporate Governance and Sustainability System and the preambles to the third environment and climate change book, fourth social commitment book and fifth corporate governance book; (ii) revise the *Code of Ethics* to adjust the categories for classifying non-public information; and (iii) revise the *General Sustainable Development Policy* and *Stakeholder Engagement Policy* to adjust their content to a standard structure.

On 17 June 2021 the Board of Directors also approved a reform of the Governance and Sustainability System, conditional upon the approval of certain resolutions by the General Shareholders' Meeting to: (i) amend the *Regulations of the Board of Directors* –

the amendment of which was reported to the Spanish stock market commission (CNMV) as a disclosure of other material information – pursuant to the reform of the *Spanish Corporate Enterprises Act* and in line with the proposed amendment of the *By-laws*, submitted for approval by the General Shareholders' Meeting; (ii) reform the regulations of the advisory committees to update the powers conferred on each committee; and (iii) update the *Shareholder Engagement Policy*, *Policy on Communication and Contact with Shareholders*, *Institutional Investors and Proxy Advisors*, and the *Policy for the Definition and Coordination of the Iberdrola Group and Foundations of Corporate Organisation*, in line with the reform of the *Regulations of the Board of Directors*.

On 16 December 2021, the Board of Directors of the Company approved a reform in order to: (i) strengthen the transparency of foundation-based entities linked to the Company group and give visibility to the Iberdrola Group's Foundations Committee; (ii) update the *Brand Policy* to align its content with the new invoicing model for intra-group services; (iii) incorporate certain technical adjustments as a result of the appointments of the Iberdrola Group's second vice-president of the Board of Directors and the non-board member Business CEO; (iv) amend *the Internal rules of conduct in the securities markets* to remove the restriction of operating on affected securities within 30 days prior to the publication of the quarterly results and clarify the method of calculating the threshold that determines being subject to the obligation to report personal transactions on affected securities; and (v) include other technical improvements, including the amendment of *the Regulations of the Board of Directors* - the amendment of which was reported to the Spanish stock market commission (CNMV) as a disclosure of other material information.

All documents that comprise the Governance and Sustainability System are published (in their full or summarised version) in both Spanish and 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 CNMV

Highlights during the fourth quarter of 2021 were as follows:

- On 27 October 2021, the Company submitted its results for the first nine months of 2021 to the CNMV.
- On 27 October 2021, IBERDROLA reported the agreements adopted by the Board of Directors, upon the recommendation of the chairman and chief executive officer and following a favourable report by the Appointments Committee, with regard to the composition of the senior management:
 - i. appointment of Mr Armando Martínez Martínez as new non-board member Business CEO of the Iberdrola Group, effective 1 November 2021; and
 - ii. appointment of Ms Elena León Muñoz as director of the networks business of the Iberdrola Group, replacing Mr Armando Martínez Martínez, and with effect from 1 November 2021, at which time Ms León Muñoz becomes part of the Company's senior management.
- On 27 October 2021, the Company reported the terms and conditions as part of the second round of the "Iberdrola Retribución Flexible" optional dividend scheme for the 2021 financial year. On 16 December 2021, it reported ratification of the agreement on the distribution of an interim dividend. In addition, on 31 January 2022, the addendum to the prospectus containing the terms and conditions of the scheme was reported.

On 31 January 2022, IBERDROLA completed the second round of scrip issue approved by the General Shareholders' Meeting of 18 June 2021, as well as the distribution of the final dividend for financial year 2021, all as part of the second round of the "Iberdrola Retribución Flexible" optional dividend scheme. This was filed with the Bizkaia Companies Register on 31 January 2022.

The share capital of Iberdrola, S.A, after this scrip issue totals EUR 4,828,172,250,00, corresponding to 6,437,563,000 common shares, each of a nominal value of EUR 0,75.

- On 10 December 2021, the Company informed the CNMV of the communication from Avangrid, Inc, to the Securities Exchange Commission of the New Mexico Public Regulation Commission resolution, dated 9 December 2021, rejecting the amended stipulated agreement signed between Avangrid, PNM Resources, Inc., some of its subsidiaries and certain third parties submitted in the framework of the procedure for the authorisation of the merger between PNM and Avangrid.

On 4 January 2022, Avangrid, Inc, reported to the Securities Exchange Commission the agreement reached with PNM Resources, Inc, to extend the maturity of the merger agreement signed by the two companies until 20 April 2023, which may be extended at the agreement of both parties under certain circumstances for an additional period of three months.

- On 16 December 2021, the Company notified the CNMV of the resolution carried by the Board of Directors to offer Iberdrola Group employees in Spain the voluntary option of receiving, in full or in part, their annual variable compensation corresponding to financial year 2021 in Iberdrola shares, This allocation of shares to staff forms part of the Company's general remuneration policy.
- On 21 December 2021, the Company published the financial calendar for 2022.

General Shareholders' Meeting

The Board of Directors of Iberdrola, at its meeting of 11 May 2021, agreed to convene the General Shareholders' Meeting to be held at first call on 17 June 2021, or at second call on 18 June 2021.

The announcement of the call to the General Shareholders' Meeting was published by the Company on its corporate website (www.iberdrola.com) and also in the Official Gazette of the Companies Registry and on the CNMV's website on 14 May 2021.

On 18 June 2021, the Company's General Shareholders' Meeting was held at second call, with a quorum of 65,83% of share capital (6,46% present and 59,37% represented), All the motions included on the meeting agenda were approved at the meeting, as shown below:

Resolutions relating to management performance

1. Annual financial statements for 2020.
2. Directors' reports for 2020.
3. Statement of non-financial information for 2020.
4. Corporate management and performance of the Board of Directors in 2020.

Resolutions regarding the governance and sustainability system and the climate action plan

5. Amendment of the Preamble and of Articles 1, 4, 8, 9, 12, 14, 15, 17, 19, 21, 23, 24, 27, 30, 31, 32, 33, 35, 36, 37, 38, 42, 43, 44, 45, 46, 47 and 49 of the *By-Laws* to update the name of the Governance and Sustainability System and introduce other technical improvements.
6. Amendment of Article 10 of the *By-Laws* in order to reflect the amount of share capital resulting from the capital reduction through the redemption of a maximum of 178,156,000 own shares (2,776% of share capital),
7. Amendment of Articles 12, 17, 28, 33, 39, 40 and 41 of the *By-Laws* to adapt the wording to the new regulations there to foster long-term shareholder engagement,
8. Amendment of Articles 18, 19, 20, 22, 23, 24, 26 and 27 of the *By-Laws* to regulate remote attendance at the General Shareholders' Meeting,
9. Amendment of Article 32 of the *By-Laws* to include the approval of a climate action plan into the statutory regulation,
10. Amendment of Articles 35 and 36 of the *By-Laws* to update the rules on how meetings of the Board of Directors and of its committees may be held,
11. Amendment of Articles 53 and 54 of the *By-Laws* and inclusion of six new articles numbered from 55 to 60, reorganising the chapters of Title V, to establish the regulations for the drafting, verification and approval of the annual financial and non-financial information,
12. Amendment of Articles 55 and 56 of the *By-Laws*, which will become Articles 61 and 62, to introduce

technical improvements and group them within a new Title VI,

13. Amendment of Articles 4, 6, 7, 8, 9, 19, 20, 28, 29, 30, 38, 39, 40 and 41 of the *Regulations of the General Shareholders' Meeting* in order to update the name of the Governance and Sustainability System and to introduce other technical improvements,
14. Amendment of Articles 9 and 20 of the *Regulations of the General Shareholders' Meeting* to adapt the wording to the new regulations there to foster long-term shareholder engagement,
15. Amendment of Articles 11, 14, 18, 19, 21, 22, 23, 24, 25, 26, 29, 31, 33, 34, 35, 36, 40 and 43 of the *Regulations of the General Shareholders' Meeting* and inclusion of a new Article 37 to establish the rules for remote attendance and numbering of the articles,
16. *Director Remuneration Policy*

Resolutions relating to shareholder remuneration

17. Allocation of earnings and distribution of the 2020 dividend, in relation to which the final dividend will be paid within the framework of the "Iberdrola Retribución Flexible" optional dividend scheme.
18. First scrip issue for a maximum reference market value of EUR 1,725 million, under the terms of the "Iberdrola Retribución Flexible" optional dividend scheme.
19. Second scrip issue for a maximum reference market value of EUR 1,250 million, under the terms of the "Iberdrola Retribución Flexible" optional dividend scheme.

Resolutions regarding the Board of Directors

20. Re-election of Mr Juan Manuel González Serna as independent director.
21. Re-election of Mr Francisco Martínez Córcoles as executive director.
22. Ratification and re-election of Mr Ángel Jesús Acebes Paniagua as independent director.
23. Setting the number of members of the Board of Directors at 14.

Resolutions on authorisations and vesting of powers

24. Authorisation to issue simple long- or short-term bonds and other fixed-income securities, not exchangeable for or convertible into shares, with a limit of EUR 6,000 million for promissory notes and EUR 30,000 million for other fixed-income securities, as well as to guarantee issues carried out by subsidiaries.
25. Delegation of powers to formalise and to convert the resolutions adopted into a public instrument.

Advisory voting

26. *Annual Director Remuneration Report for 2020.*
27. *Climate Action Policy.*

Board of Directors

At its meeting on 29 June 2021, the Board of Directors adopted, among others, the following resolutions:

- i. re-election, upon the recommendation of the Appointments Committee, of Mr Juan Manuel González Serna as lead director of the Company, with the responsibilities attributed to that post in the *By-Laws* and the *Regulations of the Board of Directors*; and
- ii. re-election, upon the recommendation of the chairman and the chief executive officer and following a favourable report by the Appointments Committee, of directors Mr Juan Manuel González Serna and Mr Ángel Jesús Acebes Paniagua as members of the Executive Committee

On 6 August 2021, Mr José Walfredo Fernández tendered his resignation as a board member and as a member of the Company's Audit and Risk Oversight Committee, Mr Fernández stated that the sole reason for his resignation was his appointment as the Under Secretary of State (Economic Growth, Energy and the Environment) of the United States of America – a position incompatible with his seat on the Company's Board of Directors.

On 26 October 2021, the Board of Directors adopted the following resolutions concerning the composition of the Board of Directors and its committees:

- i. the appointment, upon the recommendation of the chairman and chief executive officer and following a favourable report by the Appointments Committee, of the director Mr Anthony Luzzatto Gardner as the second vice-chairman of the Board of Directors, with Mr Juan Manuel González Serna taking the position of first vice-chairman of the Board of Directors;
- ii. the appointment of Ms María Ángeles Alcalá Díaz as independent director by way of co-option and, upon a recommendation of the Appointments Committee, to fill the vacancy caused by the resignation of Mr José Walfredo Fernández and for the period remaining until the Company's General Shareholders' Meeting;
- iii. the appointment, upon the recommendation of the Appointments Committee, of Ms María Ángeles Alcalá Díaz as a member of the Audit and Risk Supervision Committee for a term of four years;
- iv. acknowledgement of the resignation tendered by Ms Samantha Barber, with effect from the end of the meeting, from her posts as director of the Company and member of its Executive and Sustainable Development Committees, related to forthcoming professional commitments that are incompatible with the position of director of the Company;
- v. the appointment, upon a recommendation of the chairman and chief executive officer and following a favourable report by the Appointments Committee, of Mr Anthony Luzzatto Gardner as a member of the Executive Committee; and
- vi. the re-qualification, upon the recommendation of the Appointments Committee, of the executive director Mr Francisco Martínez Córcoles as another external director, with effect from 1 November 2021.

Lastly, the Board of Directors of IBERDROLA, at its meeting held on 16 December 2021, adopted the following resolutions concerning the composition of the Board of Directors and its committees:

- i. the appointment of Ms Isabel García Tejerina as independent director by way of co-option and, upon a recommendation of the Appointments Committee, to fill the vacancy caused by the resignation of Ms Samantha Barber and for the period remaining until the Company's General Shareholders' Meeting; and
- ii. the appointment of Ms García Tejerina as a member of the Sustainable Development Committee, upon the recommendation 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 continued to work hard in the 2021 financial year to ensure that institutional investors and financial analysts were kept fully informed of its business and activities. Thus, in the 2020 Sustainability Report, published in the first quarter of 2021, Iberdrola has reported on the progress made in each of the four thematic 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 has been analysed.

Information on the existence of instances of corruption during the year

The Iberdrola group is collaborating with the Administration of Justice in the clarification of the circumstances related to the contracting of the company Cenyt, in order to make effective the responsibilities that, if applicable, may arise, as well as to defend its good name and reputation.

The corresponding legal proceedings are being conducted before the Central Court of Instruction No. 6. Iberdrola, S.A. has been named as an injured party in these proceedings. The parent company of the businesses Iberdrola Renovables Energía, S.A.U.,

for its part, has the status of investigated party. The Chairman and CEO, an external director, two executives and five former executives of Iberdrola, S.A., among other individuals and entities, also have this status.

From the review and analysis of the internal processes, which have been carried out with the

help of independent experts and in accordance with the Group's Governance and Sustainability and Compliance System, no violation of the internal control systems, the Code of Ethics or any other rules or procedures has been revealed. Therefore, the impact of these events for Iberdrola, S.A. or for the companies of its group would be limited to the area of reputation.

Significant Events

Notifications sent to the Spanish stock market commission (CNMV) from October to December 2021		
Date	Event	Registration no.
13/10/2021	The Company notifies the announcement for submitting results for the nine months of 2021.	12140
15/10/2021	The Company reports its energy production figures for the nine months of 2021.	12213
27/10/2021	Notification on the composition of the Board of Directors, its committees and senior management.	12383
27/10/2021	The Company makes public the results for the nine months of the 2021 financial year.	12384
27/10/2021	Earnings presentation for the nine months of 2021.	12385
27/10/2021	Terms and conditions as part of the second round of the "Iberdrola Retribución Flexible" optional dividend scheme for the 2021 financial year.	12386
09/11/2021	Issuance of subordinated perpetual debentures by Iberdrola Finanzas, S.A, (Sociedad Unipersonal), with the subordinated guarantee of Iberdrola, S.A., for EUR 750 million.	12679
10/12/2021	Resolution of the New Mexico Public Regulation Commission rejecting the amended stipulated agreement signed, among others, by Avangrid, Inc, and PNM Resources, Inc, submitted in the procedure for the authorisation of the merger.	13108
16/12/2021	Appointment of an independent director by way of co-option and as member of the Sustainable Development Committee.	13220
16/12/2021	Ratification of the agreement for distribution of an interim dividend for the 2021 financial year as part of the second round of the "Iberdrola Retribución Flexible" optional dividend scheme of 2021.	13221
16/12/2021	Offering of Iberdrola shares to staff of Iberdrola Group in Spain as part of the annual variable compensation for financial year 2021.	13222
21/12/2021	The Company publishes the financial calendar for 2022.	13293
30/12/2021	The Company submits the Regulations of the Board of Directors.	13430

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

Sustainability	
	Rating/Ranking
Dow Jones Sustainability World Index 2021	Selected in the utility sector. Iberdrola member in all editions
Sustainability Yearbook 2021 S&P Global	Classified as "Silver Class" in the electricity sector.
MSCI Global Sustainability Index Series	Iberdrola selected AAA
CDP Climate Change 2021	A
CDP Supplier Engagement Leader 2020	Iberdrola Selected
Global 100	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 2021	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
2021 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
Influence Map	Iberdrola First company in the Climate Policy Engagement ranking
MERCO 2021	mercoEmpresas: Leader among Spanish utilities: energy, gas, and water industry
Standar Ethics	Iberdrola included in the SE European Utilities Index
Energy Intelligence	Iberdrola as the second utility worldwide in the EI Green Utilities Report 2021
Forbes	Iberdrola selected in Forbes 2021 GLOBAL 2000: World's Largest Public Companies 2000
WBA Electric Utilities Benchmark	Iberdrola among the 5 of the most influential Electric utilities of the world
Brand Finance	Iberdrola among the 500 most valuable brands globally
WDi	Iberdrola 2020 disclosure score above the average
OpenODS Index	Iberdrola Ranked first in the 2021 edition
Fortune Global 500	Iberdrola selected

Recognition of Good ESG Performance

- **The only European utilities company to appear in all 22 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 22 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.

- **CDP: Highest score on the most prestigious climate change indicator**

The Iberdrola Group has been included in CDP's A List 2021, which recognises Iberdrola as a leading company in managing and measuring the climate and environmental impacts of its activity. The classification measures the thoroughness of the disclosure, awareness and management of environmental risks, and best practices associated with the environment, such as setting ambitious and significant targets.

- **Included in the Bloomberg Gender Equality Index for the 5th consecutive year**

Iberdrola remains a benchmark for equal opportunities, and this is demonstrated by its inclusion, for the fifth consecutive year, in the Bloomberg Gender Equality Index (GEI), which recently released the results of its 2021 edition. The Group has improved its score from the previous year, thanks to its informative transparency of the indicators required by the index and its increase in the scores related to an inclusive culture and women's leadership.

- **ScottishPower, 'gold star' for its actions in favour of the most vulnerable groups**

ScottishPower has obtained the 'gold star' for its actions in favour of the most vulnerable groups in the UK. ScottishPower's numerous vulnerability activities include its prepaid bonus programme, which provides financial support to customers at risk of disconnection, and its sophisticated telephone routing system, which uses flags to automatically direct vulnerable customers to specialised teams that can provide expert assistance to those who need it most.

- **Iberdrola leader in ESG Credit Indicator according to Standard & Poor's**

Iberdrola obtained the best score among all companies globally, tied only by Nextera and Orsted. In addition, the company remains in the top 10 of the Global Clean Energy Index of the rating agency Standard & Poor's (S&P), considered the main reference in sustainability. In fact, this index is used by numerous funds to make up their investment portfolios.

- **Best company in the OpenODS index for the second year running**

Iberdrola has been awarded for its commitment to achieving the Sustainable Development Goals (SDGs). The Company has been selected as the OpenODS Index's reference company. The OpenODS Index is the first rating and transparency platform to be set up in the area of fulfilling sustainable development goals. It ranks first among a total of 35 Spanish companies in the Spanish Ibx 35 index, with the highest score in all of the three implementation phases of the 2030 Agenda of the OpenODS system: alignment, localisation, and implementation and monitoring. Iberdrola is advocating for a transition to a new socio-economic model that is climate neutral, resilient, sustainable and inclusive. That's why, and in line with its activity, the Group focuses mainly on SDG 7 (affordable, clean energy) and SDG 13 (climate action).

- **Corporate Social Responsibility Best Practices Award 2021**

Iberdrola Mexico has received the 2021 Best Practices in Corporate Social Responsibility award

from the *Centro Mexicano para la Filantropía* (Mexican Center for Philanthropy) (Cemefi) and the *Alianza por la Responsabilidad Social Empresarial en México* (Alliance for Corporate Social Responsibility in Mexico) (AliaRse), The aim of this award is to recognise companies that are implementing initiatives and programmes that contribute to the social, economic and environmental sustainability of their stakeholders, They contribute to spreading a new culture of socially responsible businesses and inspire more companies to adopt and develop similar strategies that strengthen the culture of Corporate Social Responsibility, especially in education, The Company has been awarded this award for two of its initiatives: Luces de Esperanza and Impulso STEM.

- **The only Spanish enterprise recognised as a leading company by the UN Global Compact**

Iberdrola has been recognised as one of the member companies of the Global Compact LEAD for its ongoing commitment to the UN Global Compact and the 10 principles for driving responsible business activity, The Company features on this select ranking, which represents 18 sectors of industry across all regions of the world, for five years in a row and is the only Spanish company to do so, Iberdrola has been selected as one of the organisations most focused on promoting a model of sustainable development and has formed part of the climate ambition and sustainable financing platforms – two areas where it has demonstrated its leadership.

- **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 when it comes to work standards, human rights, health and safety, biodiversity, climate change, water and customer responsibilities and social aspects of the supplier chain.

- **Iberdrola the only Spanish company to make the ranking of the world's best 100 integrated reports**

The Iberdrola Group has been awarded the Platinum Award for its Integrated Report, as part of the 2020 Vision Awards hosted by the League of American Communications Professionals (LACP), This organisation assessed nearly 1,000 annual reports from different companies in more than a dozen countries around the world.

- **Iberdrola's Investor Relations team the best among European utilities according to IR Magazine**

The prestigious publication, IR Magazine, has selected Iberdrola's Investor Relations division as the best among all European utilities, handing it the IR Magazine Awards Europe in its sector ahead of Iberdrola's most direct competitors, These awards acknowledge the professionalism, transparency and attention paid to the financial community by the listed companies operating across the continent.

Glossary of terms

Alternative Performance Measures	Definition
Market capitalisation	Number of shares at the close of the period x price at the close of the period
Earnings per share	Net profit for the quarter / number of shares at the close of the period
PER	Price at the close of the period / Earnings per share for the last four quarters
Price / Book value	Market capitalisation / Equity of the parent company
Dividend yield (%)	Dividends paid in the last 12 months and attendance bonus / price at close of the period
Gross Margin	Net Revenue - Procurements
Net Operating Expenses	Personnel expense - Capitalized personnel expense + External services - Other Operating Income
Net Operating Expenses / Gross Margin	Net Operating Expenses / Gross Margin
Net Personnel Expense	Personnel Expense - Capitalized Personnel Expense
Net External Services	External Services - Other Operating Income
Gross Operating Profit (EBITDA)	Operating Profit + Depreciations, Amortisations and Provisions
Adjusted Gross Operating Profit (EBITDA)	Gross Operating Profit (EBITDA) adjusted by provisions for efficiency plans
Net Operating Profit (EBIT)	Operating Profit
Financial Result	Financial Revenue - Financial Expenses
Income from Non-Current Assets	Benefits from sale of non-current assets - Losses from sale of non-current assets
ROE	Net Profit of the four last quarters / Equity (average)
Financial leverage	Net Financial Debt/(Net Financial Debt + Equity)
Adjusted Equity	Shareholders' Equity adjusted by the market value of the accumulators
Gross Financial Debt	Financial Debt (loans and other) Liability derivative debt instruments
Net Financial Debt	Gross Financial Debt – Asset derivative debt instruments - Other short-term credits(*) - Cash and other cash equivalents
Adjusted Net Financial Debt	Net financial debt adjusted for derivatives on treasury stock with physical settlement that at this date are not considered to be executed
Net Financial Debt / Equity	Net Financial Debt / Equity
Net Financial Debt / EBITDA	Net Financial Debt / EBITDA for the last four quarters
Funds from Operations (FFO)	See section 'Funds From Operations' in the report

(*) Included in the Balance Sheet in "Other current financial assets"

Alternative Performance Measures	Definition
Adjusted Funds from Operations (Adjusted FFO)	Funds from Operations adjusted by provisions for efficiency plans
Funds From Operations (FFO) / Net Financial Debt	FFO for the last four quarters / Net Financial Debt
Net Operating Cash Flow per Share	FFO for the quarter / Number of shares at close of the period
Retained Cash Flow (RCF) / Net Financial Debt	RCF for the last four quarters / Net Financial Debt

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