

Results Presentation

First half
July 21, 2021



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Core business figures

Networks

RAB (Local currency)		As of December 2020	As of December 2019
Spain	(EUR billion)	9.3	9.2
United Kingdom	(GBP billion)	6.9	6.7
United States	(USD billion)	10.9	10.4
Brazil	(BRL billion)	26.5	21.5

Distributed Electricity

ELECTRICITY (GWh)	H1 2021	H1 2020	vs. H1 2020
Spain	45,345	42,496	6.7%
United Kingdom	16,263	15,894	2.3%
United States	18,992	18,190	4.4%
Brazil	38,443	32,530	18.2%
Total	119,043	109,109	9.1%
GAS (GWh)			
United States	36,137	34,422	5.0%
Total	36,137	34,422	5.0%

Managed Supply Points

ELECTRICITY (Millions)	H1 2021	H1 2020	vs. H1 2020
Spain	11.25	11.17	0.8%
United Kingdom	3.54	3.53	0.3%
United States	2.30	2.27	1.3%
Brazil	15.55	14.14	10.0%
Total Electricity	32.64	31.10	4.9%
GAS (Millions)			
United States	1.03	1.02	1.0%
Total Gas	1.03	1.02	1.0%
TOTAL SUPPLY POINTS	33.67	32.12	4.8%

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

	H1 2021	H1 2020	vs. H1 2020
Net Production (GWh)⁽¹⁾	82,901	79,279	4.6%
Net owned production⁽¹⁾	66,390	60,729	9.3%
Renewables ⁽¹⁾	41,063	36,011	14.0%
Onshore	21,161	19,737	7.2%
Offshore	2,262	1,927	17.4%
Hydro	15,942	13,320	19.7%
Minihydro	399	389	2.5%
Solar	1,258	602	108.9%
Nuclear	11,575	11,245	2.9%
Gas combined cycle	10,484	10,213	2.7%
Cogeneration	3,268	3,022	8.1%
Net production for third parties	16,511	18,550	-11.0%
Renewables	110	103	6.3%
Onshore	110	103	6.3%
Gas combined cycle	16,401	18,446	-11.1%
Installed Capacity (MW)⁽²⁾	55,858	53,102	5.2%
Net owned installed capacity⁽²⁾	48,712	45,956	6.0%
Renewables ⁽²⁾	35,573	32,695	8.8%
Onshore	18,847	16,972	11.0%
Offshore	1,258	1,258	-
Hydro	12,864	12,864	-
Minihydro	302	306	-1.3%
Solar	2,207	1,282	72.2%
Batteries	82	-	N/A
Nuclear	3,177	3,177	-
Gas combined cycle	8,777	8,534	2.8%
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.)	13.45	13.47	-0.2%
Gas customers (No mill.)	3.24	3.06	6.1%
Gas Supplies (GWh)	29,453	27,175	8.4%
Gas Storage (bcm)	0.05	0.12	-57.9%

(1) Including 42 GWh of production from fuel cells

(2) Including 13 MW installed capacity of fuel cells

Note: In terms of operational data, IFRS11 do not apply (see details under Operational Performance for the period). Iberdrola Group has closed all its coal capacity in Spain by 2020

Differences may arise due to rounding

Spain

	H1 2021	H1 2020	vs. H1 2020
Net Production (GWh)	31,420	27,648	13.6%
Renewables	16,478	12,700	29.8%
Onshore	6,230	5,501	13.3%
Hydro	9,376	6,701	39.9%
Minihydro	399	389	2.5%
Solar	473	109	332.8%
Nuclear	11,575	11,245	2.9%
Gas combined cycle	2,226	2,438	-8.7%
Cogeneration	1,141	1,028	11.0%
Installed Capacity (MW)	26,936	26,222	2.7%
Renewables	17,718	16,640	6.5%
Onshore	6,269	6,019	4.1%
Hydro	9,715	9,715	-
Minihydro	302	306	-1.3%
Solar	1,429	600	138.1%
Batteries	3	-	N/A
Nuclear	3,177	3,177	-
Gas combined cycle	5,695	5,695	-
Cogeneration	347	353	-1.7%
Electricity customers (No mill.)	9.96	10.02	-0.6%
Gas customers (No mill.)	1.12	1.06	6.3%
Gas Supplies (GWh)	13,438	13,421	0.1%
Users	8,211	7,831	4.8%
Gas Combined Cycle	5,227	5,590	-6.5%

Differences may arise due to rounding

United Kingdom

	H1 2021	H1 2020	vs. H1 2020
Net Production (GWh)	3,377	3,266	3.4%
Renewables	3,377	3,266	3.4%
Onshore	1,701	2,036	-16.4%
Offshore	1,676	1,231	36.2%
Solar	-	-	N/A
Installed Capacity (MW)	2,948	2,814	4.8%
Renewables	2,948	2,814	4.8%
Onshore	1,986	1,906	4.2%
Offshore	908	908	-
Solar	-	-	N/A
Batteries	54	-	N/A
Electricity customers (No mill.)	2.73	2.78	-1.9%
Gas customers (No mill.)	1.84	1.87	-2.0%
Gas Supplies (GWh)	16,015	13,754	16.4%
Gas Storage (bcm)	0.05	0.12	-57.9%

Differences may arise due to rounding

USA

	H1 2021	H1 2020	vs. H1 2020
Net Production (GWh)⁽¹⁾	11,800	11,888	-0.7%
Renewables ⁽¹⁾	10,468	10,717	-2.3%
Onshore	10,223	10,481	-2.5%
Hydro	71	63	12.9%
Solar	132	138	-4.5%
Gas combined cycle	4	2	76.8%
Cogeneration	1,328	1,168	13.7%
Installed Capacity (MW)⁽²⁾	8,856	8,438	4.9%
Renewables ⁽²⁾	8,016	7,598	5.5%
Onshore	7,754	7,337	5.7%
Hydro	118	118	-
Solar	130	130	-
Gas combined cycle	204	204	-
Cogeneration	636	636	-

(1) Including 19 GWh of production from fuel cells

(2) Including 13 MW installed capacity of fuel cells

Differences may arise due to rounding

Mexico

	H1 2021	H1 2020	vs. H1 2020
Net Production (GWh)	25,572	26,709	-4.3%
Net owned production	9,061	8,159	11.1%
Renewables	1,375	679	102.5%
Onshore	727	328	121.3%
Solar	649	351	85.0%
Gas combined cycle	6,887	6,654	3.5%
Cogeneration	799	826	-3.4%
Net production for third parties	16,511	18,550	-11.0%
Renewables	110	103	6.3%
Onshore	110	103	6.3%
Gas combined cycle	16,401	18,446	-11.1%
Installed Capacity (MW)	10,683	10,566	1.1%
Net owned installed capacity	3,537	3,420	3.4%
Renewables	1,232	1,115	10.5%
Onshore	590	569	3.7%
Solar	642	546	17.6%
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

	H1 2021	H1 2020	vs. H1 2020
Net Production (GWh)	8,659	8,364	3.5%
Renewables	7,313	7,245	0.9%
Onshore	817	688	18.7%
Hydro	6,495	6,556	-0.9%
Gas combined cycle	1,347	1,119	20.3%
Installed Capacity (MW)	4,218	4,079	3.4%
Renewables	3,685	3,546	3.9%
Onshore	654	516	26.9%
Hydro	3,031	3,031	-
Gas combined cycle	533	533	-

Differences may arise due to rounding

Iberdrola Energía Internacional (IEI)

	H1 2021	H1 2020	vs. H1 2020
Net Production (GWh)	2,072	1,404	47.6%
Renewables	2,052	1,404	46.1%
Onshore	1,462	703	107.9%
Offshore	586	697	-15.9%
Solar	4	4	4.7%
Gas combined cycle	20	-	N/A
Installed Capacity (MW)	2,217	981	125.9%
Renewables	1,974	981	101.2%
Onshore	1,593	625	154.8%
Offshore	350	350	-
Solar	6	6	-
Batteries	25	-	N/A
Gas combined cycle	243	-	N/A
Electricity customers (No mill.)	0.76	0.67	12.7%
Gas customers (No mill.)	0.28	0.13	123.8%
Gas Supplies (GWh)	1,013	735	37.8%

Differences may arise due to rounding

Stock Market Data

		H1 2021	H1 2020
Market capitalisation	EUR (million)	65,979	66,601
Earnings per share (6,418,156,000 shares at 30/06/21 and 6,453,592,000 shares, at 30/06/20)	EUR	0.239	0.291
Net operating cash flow per share	EUR	1.33	1.26
P.E.R.	Times	20.87	18.32
Price/Book value (capitalisation to NBV at the end of the period)	Times	1.80	1.81

Economic/Financial Data (*)

Income Statement		H1 2021	H1 2020
Revenues	EUR (million)	18,752.2	16,467.4
Gross Margin	EUR (million)	8,506.0	8,050.3
EBITDA	EUR (million)	5,443.6	4,938.8
EBIT	EUR (million)	3,241.5	2,695.4
Net Profit	EUR (million)	1,531.3	1,876.4
Net Operating Expenses / Gross Margin	%	24.9%	25.5%
Balance Sheet		Jun, 2021	Dec, 2020
Total Assets	EUR (million)	129,503	122,518
Equity	EUR (million)	51,251	47,218
Net Financial Debt	EUR (million)	36,710	35,926
Adjusted Net Financial Debt	EUR (million)	36,581	35,142
ROE	%	8.74	9.70
Financial Leverage (Net Financial Debt/(Debt Financial Debt + Equity))	%	41.6	43.2
Net Financial Debt / Equity	%	71.6	76.1

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

Others

		H1 2021	H1 2020
Gross Organic Investments	EUR (million)	4,500.5	3,582.1
Employees	Number	38,916	35,217

* Including the purchase of Neoennergia Brasilia (CEB-D) for €409 million, the figure rises to Eur 4,909 million.

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 the first half of 2021, the Iberdrola Group posted an **adjusted Net Profit**, excluding non-recurring effects, of EUR 1,844 million, representing growth of 8.4%.
- Results in the period continue to be affected by **the COVID-19 pandemic**, albeit to a lesser extent. The total impact amounted to EUR 157 million at the EBIT level — EUR 108 million due to the fall in demand and EUR 49 million due to an increase in delinquency rates.
- **Gross investments** continue to accelerate, growing by 37% and **reaching a record six-month figure of EUR 4,909 million (including the purchase of Neoenergia Brasilia for EUR 409 million)**, mainly thanks to the renewables business, which represents 45% of the total, with more than 8,500 MW already under construction, and thanks to the networks business, which represents 46% of the total.
- **Financial robustness** was maintained, with a Funds From Operations (FFO) to Net Debt ratio improving on a like-for-like basis by 160 b.p. compared to the end of the first half of 2020, reaching 23.6%.
- The average evolution of Iberdrola's main **reference currencies** had an impact on EBITDA of EUR 287 million, as follows:
 - The pound sterling appreciated by 0.2% against the euro to reach 0.869.
 - The US dollar depreciated by 9.1% against the euro to reach 1.208.
 - The Brazilian real depreciated by 18.3% against the euro to reach 6.543.
- The company's **own CO₂ emissions in Europe in the period decreased by 25%** compared to last year, down to 43 g/KWh.
- The company's total **own CO₂ emissions in the period decreased by 9%** compared to last year, down to 79 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 balance of the Spanish mainland system** in the first half of 2021 was characterised by an increase in wind (+24%), solar (+30%) and hydroelectric (+9%) production compared to the same period of the previous year, and a decrease in coal (-35%), combined cycle (-9%) and a slight increase in nuclear production (+2%).
- In the first six months of 2021, demand increased by +5.5% compared to the previous year; when adjusted for labour and temperature, this increased by +5.1%.
- The first half of 2021 closed with a producibility index of 1.0 and hydroelectric reserves at 56.2%, compared to an index of 1.0 and reserves at 66.3% at the end of the same period in 2020.
- In the **United Kingdom**, electricity demand grew by 3.1% in 2021 compared to the same period in 2020. Demand for conventional gas increased by +10.1% in the first half of 2021 against the same period in the previous year.
- In **Avangrid's** management areas on the East Coast of the United States, electricity demand was up 4.4% compared to the first half of 2020, while gas demand grew by 5.0%.
- Electricity demand across **Neoenergia's** management areas in Brazil increased by 18.2%.

During the first half of 2021, **international commodities markets** performed as follows:

M Eur	H1 2021	H1 2020	2021 vs 2020
Oil - \$/BBL	65.0	40.1	62%
Coal - \$/ton	77.7	47.3	64%
CO ₂ - €/ton	44.0	22.1	99%
NBP - p/th	57.5	19.3	100%
Henry Hub - \$/MMBtu	3.1	1.8	74%
TTF - €/MWh	21.9	7.6	100%

Significant events for the Iberdrola Group

- In 2021, the Iberdrola Group changed 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. The change had an effect on EBITDA of EUR 87 million in June 2021 and EUR 21 million in June 2020 (which was restated for comparative purposes).

Iberdrola used the format required for 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.

- From the third quarter of 2020, the Iberdrola Group has revised the **criteria for recognising the financial cost of the hybrid bond**, which to date has been presented together with minority interests in the income statement. The Group has interpreted the accounting standard based on normal market practice and has considered it appropriate to recognise gross expenditure directly on reserves. As this constitutes a change in accounting policy, in accordance with IAS 8, the change has a retroactive effect and has led to a change in net profit for the first semester of 2020 of EUR 31 million.
- Finally, the new consideration of the **use of the Iberdrola brand** and its implications in the different Group businesses from September 2020 should be highlighted:
 - The Generation and Supply business in Spain had higher net operating expenses of EUR 51 million, the net result of payment to the Corporation for the use of the brand (EUR 68 million), from which the advertising expenses now covered by that Corporation are deducted (EUR 17 million).
 - The IEI Generation and Supply business had lower net operating expenses of EUR 10 million, an amount representing advertising now also borne by the Corporation.
 - The Corporation improved its net operating expenses by EUR 41 million; EUR 51 million net that it receives from the Generation and Supply business in Spain and EUR 10 million that it must pay to IEI Generation and Supply for advertising expenses.

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 two non-recurring effects recorded in the second quarter of the year:

1. Reversal of the hydroelectric levy in Spain, corresponding to the years 2013 and 2014, based on the ruling published on 23 April 2021. As a result of this, two positive effects were recorded: EUR 265 million recorded in the Renewables Tax line in Spain and EUR 60 million at the consolidated Net Financial Result level, as a result of accrued late payment interest.
2. 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 463 million, which was already recorded in this quarter. It must be emphasised, in this case, that in addition to being non-recurring, this item has no impact on cash.

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

EUR million	H1 2021 vs H1 2020	
GROSS MARGIN	8,506.0	+5.7%
EBITDA	5,443.6	+10.2%
ADJUSTED EBITDA ⁽¹⁾	5,286.8	+3.8%
EBIT	3,241.5	+20.3%
NET PROFIT	1,531.3	-18.4%
ADJUSTED NET PROFIT ⁽²⁾	1,844.4	+8.4%

(1) Adjusted EBITDA 2021: excludes the effect of COVID in the six-month period (EUR -108 million) and the impact of the reversal of the hydroelectric levy in Spain in 2013 and 2014 (EUR +265 million).

Adjusted EBITDA 2020: excludes the effect of COVID in the six-month period (EUR -157 million)

(2) Adjusted Net Profit 2021: excludes the effect of COVID (EUR -96 million), and the impact of the reversal of the hydroelectric levy in Spain in 2013 and 2014 (EUR +245 million) and deferred taxes in the United Kingdom (EUR -463 million).

Adjusted Net Profit 2020: excludes the effect of COVID (EUR -153 million), Siemens Gamesa gain (EUR +485 million) and extraordinary tax impacts (EUR -157 million).

Consolidated **EBITDA** increased by 10.2% to EUR 5,443.6 million. The change in this figure was affected by various factors: the negative impact of COVID on

demand (EUR 108 million), and the positive impact of the hydroelectric levy in Spain (EUR 265 million), without which the **adjusted EBITDA** grew by 3.8 %, and the exchange rate, which deducts EUR 287 million. Excluding these impacts, **EBITDA** was up 9.4%.

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, the Generation and Supply business stands out in particular, with a weaker six-month period in Spain due to lower thermal production and lower margins. As does Mexico, which was 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 increased by 3.3% as the Group's growth was offset by the positive impact of the exchange rate (EUR 143 million). Excluding the devaluation of currencies, net operating expenses grew by 10.2% as a result of the increase in the Group's activity, which includes the consolidation of the companies Infigen (Australia), Aalto Power (France) and CEB-D (Brasilia, Brazil).

Taxes decreased by 10.9% due to the impact resulting from the refund of the hydroelectric levy in Spain, as described above.

Amortisations and Provisions fell by 1.8%, with the exchange rate (EUR 111 million) offsetting the increase in the group's activity. It is also worth noting that, as collections improve, the amount of default provisions caused by COVID-19 has reduced compared to the same period last year.

Adjusted Net Profit grew 8.4% to EUR 1,844.4 million. This item excludes the net impact of COVID-19 in both periods, EUR -153 million in 2020 and EUR -96 million in 2021, as well as the extraordinary impacts accounted for:

- In 2021, the reversal of the hydroelectric levy in Spain in 2013 and 2014 (EUR +245 million) and deferred taxes in the United Kingdom (EUR -463 million).
- In 2020, the capital gain from selling the stake in Siemens Gamesa (EUR 485 million net) and the non-recurring impact recorded in the tax line (EUR -157 million).

Reported Net Profit totalled EUR 1,531.3 million, representing a decrease of 18.4% compared to the figure recorded in the same period last year, affected by the non-recurring elements mentioned above.

The key financial figures for the period are as follows:

- Adjusted Net Financial Debt* stood at EUR 36,581 million, with a reduction of EUR 515 million from June 2020 owing to the issuance of hybrid bonds, which offset investment for the period.
- Adjusted Funds Generated from Operations** totalled EUR 8,625 million, 5.6% higher than in the same period of the previous year.

Lastly, **gross investments** grew by 37% to 4,909 million euros (including the purchase of Neoenergia Brasilia for 409 million euros). Of this amount, 91% was concentrated in the Networks and Renewables businesses.

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**, 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 this year and 2022. 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 30 March 2021, **Iberdrola and MAPFRE signed a strategic alliance to jointly invest in renewable energy in Spain**. The company starts with 230 MW: 100 MW of operational wind and 130 MW of photovoltaic in development, with the objective of incorporating additional green projects from the energy portfolio, up to 1,000 MW. The vehicle will be 80% owned by MAPFRE, while Iberdrola will hold 20% and will also be responsible for developing, constructing and maintaining the wind farms. On 30 June, an additional 95 MW of wind power was added to said vehicle, which now has 325 MW in total.

* Adjusted for treasury stock derivatives with physical settlement that, at the current date, are not expected to be executed (EUR 129 million in Jun-21 and EUR 296 million in Jun-20).

** Last 12 months, adjusted for exit plan and proforma new additions.

Operational performance over the period

1. Energy distributed and supply points

The Group's Regulatory Asset Base (RAB) came to EUR 31,100 million at the end of 2020, up 6% compared to the end of 2019 at a constant exchange rate:

RAB (local currency)	Dec. 2020	Dec. 2019
Spain (EUR billion)	9.3	9.2
United Kingdom (GBP billion)	6.9	6.7
United States (USD billion)	10.9	10.4
Brazil (BRL billion)	26.5	21.5

In the first half of 2021, the electricity distributed by the Group amounted to 119,043 GWh, up 9.1% compared to the same period in 2020, broken down as follows:

Distributed Energy

Electricity (GWh)	H1 2021	H1 2020	vs H1 2020
Spain	45,345	42,496	6.7%
United Kingdom	16,263	15,894	2.3%
United States	18,992	18,190	4.4%
Brazil	38,443	32,530	18.2%
Total	119,043	109,109	9.1%
GAS (GWh)			
United States	36,137	34,422	5.0%
Total	36,137	34,422	5.0%

The number of gas and electricity supply points increased by 4.8% compared to June 2020, surpassing 33 million, thanks to organic growth in all geographies and the incorporation of CEB, which contributed 1.1 million supply points in Brasília (capital of Brazil) broken down as follows:

Managed supply points

ELECTRICITY (million)	H1 2021	H1 2020	vs H1 2020
Spain	11.25	11.17	0.8%
United Kingdom	3.54	3.53	0.3%
United States	2.30	2.27	1.3%
Brazil	15.55	14.14	10.0%
Total electricity	32.64	31.10	4.9%
GAS (million)			
United States	1.03	1.02	1.0%
Total gas	1.03	1.02	1.0%
TOTAL SUPPLY POINTS			
	33.67	32.12	4.8%

Following the acquisition of PNM in the United States, whose integration is expected by the end of 2021, the number of supply points will increase by 0.8 million.

1.1. Spain — i-DE

At the end of the first half of 2021, the networks business in Spain featured 11.3 million supply points, while distributed energy totalled 45,345 Gwh, up by 6.7% compared to the same period in 2020, affected by COVID-19.

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

i-DE	H1 2021	H1 2020
SAIDI (min)	20.7	22.9
SAIFI (no. inter.)	0.44	0.47

These quality indicators were impacted 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 was able to get services back up and running for 70% of affected customers in less than 30 minutes thanks to the network's level

of automation and to developments to automatically resume supply.

During the second quarter of 2021, the new Global Smart Grids Innovation Hub—the company's pioneering grid innovation centre—reached agreements with more than 30 tech partners to develop solutions for network digitisation, integrating renewables, deploying electric vehicles and energy storage systems. The smart grid hub is intended to be a reference for grid innovation and will act as a platform to drive both, more than 120 innovative projects have already been identified for future development.

1.2. United Kingdom – SPEN

At the end of June 2021, Scottish Power Energy Networks (SPEN) surpassed 3.5 million supply points. The volume of energy distributed during the first half of the year totalled 16,263 GWh, up 2.3% compared to the same period in 2020.

Distributed Energy (GWh)	H1 2021	H1 2020	%
Scottish Power Distribution (SPD)	8,833	8,615	2.5%
Scottish Power Manweb (SPM)	7,431	7,279	2.1%

Furthermore, while SPD's service quality indicators are in line compared to 2020, SPM was affected by Storm Christoph in January.

Customer Minutes Lost (CML) was as follows:

CML (min.)	H1 2021	H1 2020
Scottish Power Distribution (SPD)	16.30	16.19
Scottish Power Manweb (SPM)	18.83	15.97

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

CI (no. of interruptions)	H1 2021	H1 2020
Scottish Power Distribution (SPD)	21.92	21.85
Scottish Power Manweb (SPM)	17.41	15.21

With the aim of reviving economic activity following COVID-19 restrictions by driving investment in decarbonisation, in February 2021, the British government and Ofgem—the United Kingdom's regulator—asked distributors to identify sites where the lack of distribution grid capacity is limiting the development and adoption of low-carbon technologies. In its decision on 24 May 2021, Ofgem allocated GBP 300 million to distributors so that the latter can implement additional projects under the Green Recovery Fund up to March 2023. This quarter, SP Energy Networks received approval for 40 of the projects it submitted, totalling GBP 64.7 million. These projects focus on investments in the network to allow for deploying electrical vehicle charging points, installing heat pumps, connecting larger volumes of distributed renewable output and adapting home supply connections.

The new regulatory period for electricity transmission RII0-T2 commenced on 1 April and will be effective for 5 years (2021-2025). Under this new framework, the company plans to invest at least EUR 1,700 million (GBP 1,500 million) in the transmission network — the highest volume of investments in this area in history. This figure could even increase depending on final negotiations with the regulator. Meanwhile, the RII0-ED2 Draft Business Plan has been prepared. This is the regulatory framework for the distribution of electricity to commence in April 2023 through to March 2028. This draft was submitted to Ofgem on 1 July.

In June, Ofgem backed the Eastern Link project — an underwater energy super-highway between Scotland and North East England. The British regulator backed the initial development proposals for the project's first two sub-sea high-voltage direct current (HVDC) cables. Ofgem also recognised the crucial role that both links will play in boosting renewable energies and the United Kingdom's objectives on climate change. SP Energy Networks, in collaboration with NGET (National Grid Electricity Transmission) and SSEN Transmission (SSE), will now study the findings from the consultation with Ofgem and will endeavour to address the questions raised prior to the expected submission of the needs case by the end of the year.

Edinburgh’s first fully electric double decker buses were also officially unveiled, thanks to funding from SP Energy Networks’ Green Economy Fund, and in collaboration with Lothian — the United Kingdom’s largest municipal bus company.

1.3 United States – Avangrid

1.3.1 Electricity

At the end of the first half of 2021, Avangrid Networks has around 2.3 million supply points. The electricity distributed this year came to 18,992 GWh, up 4.4% compared to the first six months of the previous year.

Distributed Energy (GWh)	H1 2021	H1 2020	%
Central Maine Power (CMP)	4,866	4,613	5.5%
NY State Electric & Gas (NYSEG)	8,128	7,754	4.8%
Rochester Gas & Electric (RGE)	3,585	3,494	2.6%
United Illuminating Company (UI)	2,413	2,327	3.7%

Avangrid’s distribution area was hit by several storms during the first half of the year, which affected its Customer Average Interruption Duration Index (CAIDI). Despite this, however, the company improved its average number of interruptions per customer (SAIFI) at NYSEG and UI.

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

CAIDI (hrs)	H1 2021	H1 2020
Central Maine Power (CMP)	1.85	2.06
NY State Electric & Gas (NYSEG)	2.27	1.95
Rochester Gas & Electric (RGE)	1.98	1.77

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

SAIDI (min)	H1 2021	H1 2020
United Illuminating Company (UI)	17.66	18.45

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

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

SAIFI	H1 2021	H1 2020
Central Maine Power (CMP)	0.93	0.90
NY State Electric & Gas (NYSEG)	0.61	0.64
Rochester Gas & Electric (RGE)	0.45	0.39
United Illuminating Company (UI)	0.22	0.25

Under the New England Clean Energy Connect (NECEC), project permits were received from the Canada Energy Regulator (CER) and the International Boundary Commission in the second quarter in order to proceed with construction of the section that crosses the border between the United States and Canada.

This period has also seen progress in obtaining municipal permits (accumulating a total of 13), and progress continues in gradually obtaining the remaining permits in line with the construction schedule. Furthermore, all environmental inspections conducted by the Maine Department of Environmental Protection (MDEP) confirmed that requirements are being thoroughly met. This project aims to construct a 1,200-MW direct current transmission line stretching 233 kilometres between Canada and New England, which will enable the supply of 9.45 TWh of 100% hydroelectric energy to Massachusetts from 2023.

In the second quarter of the year, Avangrid received approval from the Federal Energy Regulatory Commission (FERC), the Public Utility Commission of Texas (PUCT) and the Nuclear Regulatory Commission (NRC) to move forward on its merger with PNM Resources. The only authorisation still pending is that of the New Mexico Public Regulation Commission (NMPRC), which has postponed hearings until August in order to be able to properly analyse the merger. Combined, Avangrid and PNM will have approximately 4.1 million supply points, a regulated asset base of USD 14,400 million and

more than 168,000 kilometres in transmission and distribution networks. The transaction is expected.

Meanwhile, in June, the Edison Electric Institute (EEI) awarded New York State Electric & Gas (NYSEG) the Emergency Response Award for its efforts in responding to the storm that hit over Christmas 2020. The storm caused heavy rain and gusts of wind exceeding 70 mph, affecting almost 60,000 NYSEG customers across the entire State of New York. Despite challenging conditions, the company was able to resume supply for approximately 77% of the customers affected within one day and restore supply for all customers within 48 hours.

1.3.2 Gas

Avangrid supplies gas through more than 1 million supply points. By the end of June, 36,137 GWh of gas had been distributed, up 5% compared to the same period in the previous year, primarily due to the lower temperatures experienced in the first quarter of 2021:

Distributed Energy (GWh)	H1 2021	H1 2020	%
NY State Electric & Gas (NYSEG)	9,345	9,095	2.8%
Rochester Gas & Electric (RGE)	9,765	9,808	-0.4%
Maine Natural Gas (MNG)	2,121	1,432	48.1%
Berkshire Gas (BGC)	1,711	1,639	4.4%
Connecticut Natural Gas (CNG)	6,663	6,410	3.9%
Southern Connecticut Gas (SCG)	6,532	6,038	8.2%

1.4. Brazil – Neoenergia

At the end of March 2021, Neoenergia had a total of 15.6 million supply points. The volume of electricity distributed during the quarter amounted to 38,443 GWh, up 18.2% compared to the same period in the previous year; this figure includes the energy distributed by Neoenergia Distribuição Brasília (NDB).

Distributed Energy (GWh)	H1 2021	H1 2020	%
Elektro	10,020	9,073	10.4%
Coelba	12,578	11,865	6.0%
Cosern	3,272	3,056	7.1%
Celpe	8,782	8,537	2.9%
Neoenergia Distribuição Brasília (NDB)	3,791	-	n/a

Discrepancies possible due to rounding

Efforts to improve supply quality resulted in improvements compared to 2020 for all Northwest distributors, while Neoenergia Distribuição Brasília (NDB) remained in line with 2020.

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

DEC (hours)	H1 2021	H1 2020
Elektro	3.72	3.76
Coelba	5.36	7.00
Cosern	3.95	5.27
Celpe	6.03	6.67
Neoenergia Distribuição Brasília (NDB)	3.91	3.91

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

FEC	H1 2021	H1 2020
Elektro	2.04	2.15
Coelba	2.52	2.88
Cosern	1.51	2.28
Celpe	2.83	2.76
Neoenergia Distribuição Brasília (NDB)	4.13	3.08

In March, Neoenergia took over Companhia de Eletricidade 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 (NDB). In its first 100 days of

operation, Neoenergia Distribuição Brasília (NDB) has already achieved concrete results and made significant progress. In May, the DEC quality index stood at 0.30 hours — it's all-time best record.

This quarter saw the completion of the commissioning of the facilities belonging to Lot 6 of the auction held in December 2017. As such, progress continued as planned with the transmission projects awarded during auctions held by the Brazilian regulator (ANEEL), which will involve expanding the transmission network by an additional 6,000 km. Since 2017, Neoenergia has been awarded a total of 12 transmission projects, 3 of which are now in operation.

Furthermore, Cosern was awarded more than a million supply points in June, 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 Agência Nacional de Energia Elétrica (ANEEL — Brazilian Electricity Regulatory Agency).

2. Electricity production and customers

At the end of the first half of 2021, Iberdrola's **installed capacity** grew by 5.2% compared to June 2020 and totalled 55,858 MW, with 69.6% of this total (38,853 MW) coming from emission-free sources, compared to 67.7% at the end of the first half of 2020:

Capacity for own use (*)	48,712	6.0%
Renewables (*)	35,573	8.8%
Onshore wind	18,847	11.0%
Offshore wind	1,258	-
Hydroelectric	12,864	-
Mini-hydroelectric	302	-1.3%
Solar	2,207	72.2%
Batteries	82	N/A
Nuclear	3,177	-
Gas combined cycle	8,777	2.8%
Cogeneration	1,185	-0.5%
Capacity for third parties	7,146	0.0%
Renewables	103	0.0%
Onshore wind	103	0.0%
Gas combined cycle	7,043	0.0%
Total (*)	55,858	5.2%

Discrepancies possible due to rounding

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

Net electricity production in the first half of the year amounted to 82,901 GWh, up 4.6% from the figure recorded in the same period of 2020, with 63.6% of this total being emission-free (52,700 GWh) compared to 59.7% the year before:

GWh	H1 2021	vs H1 2020
Own production (*)	66,390	9.3%
Renewables (*)	41,063	14.0%
Onshore wind	21,161	7.2%
Offshore wind	2,262	17.4%
Hydroelectric	15,942	19.7%
Mini-hydroelectric	399	2.5%
Solar	1,258	108.9%
Nuclear	11,575	2.9%
Gas combined cycle	10,484	2.7%
Cogeneration	3,268	8.1%
Production for third parties	16,511	-11.0%
Renewables	110	6.3%
Onshore wind	110	6.3%
Gas combined cycle	16,401	-11.1%
Total (*)	82,901	4.6%

Discrepancies possible due to rounding
 (*) Includes 42 MW of production from fuel cells

As at 30 June 2021, Iberdrola has 26.9 million contracts, up 5.9% compared to the end of June 2020, broken down as follows:

	Spain	UK	Mexico	Brazil	IEI	Total	vs H1 2020
Electricity contracts	10.0	2.7	-	-	0.8	13.5	-0.2%
Gas contracts	1.1	1.8	-	-	0.3	3.2	2.6%
Smart solutions	6.9	2.2 (*)	-	0.2	0.8	10.2	16.6%
Total	18.0	6.8	-	0.2	1.8	26.9	5.9%

Discrepancies possible due to rounding
 (*) Includes 1.84 million installed smart meters

2.1 Spain

Renewable capacity and production

At the end of the first half of the year, Iberdrola had an installed **renewable capacity** in Spain of 17,718 MW (+6.5%), broken down as follows:

SPAIN	Installed MW Consolidated at EBITDA level	MW managed by investee companies (*)	Total
Onshore wind	6,051	218	6,269
Solar PV	1,429	-	1,429
Hydroelectric	9,715	-	9,715
Mini-hydroelectric	299	2	302
Batteries	3	-	3
Total Capacity	17,498	220	17,718

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

With regard to **onshore wind**, the second quarter of 2021 saw the completion of works in the Capiechamartín (34 MW) and Panondres (21 MW) wind farms, and the installation and commissioning of the Verdigueiro (37 MW) and Cordel-Vidural (34 MW) farms in Asturias are ongoing. Works are ongoing at El Puntal 2 (15 MW), in Malaga, and Martín de la Jara (36 MW), in Seville, as are commissioning works at Fuenteblanca (10 MW) and at the farms in the Herrera II complex in Burgos: Huesa (18 MW), Orbaneja (32 MW) and Valdesantos (14 MW).

With regard to **photovoltaic solar** power, works at the Teruel (50 MW) and Campos Arañuelos I and II (100 MW) in Cáceres have been completed. Commissioning works are ongoing at the Campo Arañuelos III (40 MW) and Ceclavín (328 MW) farms in Cáceres, at Barciencia (50 MW) in Toledo, and at Olmedilla (50 MW) and Romeral (50 MW), in the province of Cuenca, as are works to install modules at Arenales (150 MW), Francisco Pizarro (590 MW) and Cedillo (100 MW), in Cáceres, and at Puertollano (100 MW), in Ciudad Real, whose output will be used for the production of green hydrogen.

Around 1 GW of capacity is also in the early stage of construction, the most notable of which include the photovoltaic plant of Ciudad Rodrigo (318 MW) in Salamanca, and the Buniel (115 MW) and Iglesias (94 MW) wind farms in Burgos, and the El Escudo (105 MW) wind farm in Cantabria.

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

- In the **Daivões** operation (118 MW), the dam is 90% full. With construction work at the plant practically complete, progress is being made on the electrical and mechanical installation of the three pump turbines; the two main pump turbines and the ecological flow.
- In the **Gouvães** operation (880 MW), the upper dam stores enough water to initiate the commissioning of the pump turbines. Three of the four reversible pump turbines have been assembled and commissioning has been initiated. The suction tunnel is now full of water.
- In the **Alto Tâmega** operation (160 MW), progress in concreting the dam is at 25%. Concreting work at the station is at 45%, and assembly of the first of the two spiral chambers is complete.

Renewable production totalled 16,478 GWh (+29.8%), broken down as follows:

SPAIN	GWh Consolidated at EBITDA level	GWh managed by investee companies (*)	Total
Onshore wind	6,025	206	6,230
Solar PV	473	-	473
Hydroelectric	9,376	-	9,376
Mini-hydroelectric	399	-	399
Total production	16,273	206	16,478

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

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

- Onshore wind production totalled 6,025 GWh during the first half of the year, up 13% compared to the same period in 2020, mainly due to the operation of new facilities.
- Hydroelectric production increased by 40% to total 9,376 GWh, and production at mini-hydroelectric plants increased by 2.5% to 399 GWh.
- Photovoltaic solar production totalled 473 GWh in the period, up 332% compared to the same period in 2020, mainly due to the coming on stream of new facilities.

Thermal capacity and production

At 30 June 2021, the 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 the first half of 2021 remained stable compared to the same period in the previous year, as the lower production in combined cycle (-9%) was offset by the higher nuclear production (+3%) and cogeneration production (+11%).

SPAIN	GWh Consolidated at EBITDA level	GWh Investee companies (*)	Total
Nuclear	11,575	-	11,575
Gas combined cycle	2,226	-	2,226
Cogeneration	976	165	1,141
Total production	14,777	165	14,942

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

Retail business

As regards retail, the portfolio managed by Iberdrola in Spain exceeded 18 million contracts at 30 June 2021, up 6% compared to June 2020. They can be broken down as follows:

Thousands of contracts	Spain
Electricity contracts	9,963
Gas contracts	1,124
Smart Solutions Contracts	6,933
Total	18,019

Discrepancies possible due to rounding

By market type they can be split into the following:

Thousands of contracts	Spain	%
Free market	14,618	81.1%
Last resort market	3,401	18.9%
Total	18,019	100%

Discrepancies possible due to rounding

Iberdrola's electricity sales* throughout the first half of 2021 increased by 4.2% and is broken down as follows:

Spain	GWh	%
Free market	25,083	54.7%
Voluntary price for small consumers (PVPC) market	4,497	9.8%
Other markets	16,306	35.5%
Total Sales	45,887	100%

Discrepancies possible due to rounding

With regard to gas**, in the first half of 2021, Iberdrola managed total gas production of 1.19 bcm, of which 0.04 bcm were sold in wholesale transactions, 0.71 bcm were sold to end customers and 0.44 bcm went towards electricity production.

*Sales in busbars

**Including shrinkage

2.2. United Kingdom

Renewable capacity and production

At the end of the second quarter, Iberdrola had a **renewable installed capacity** in the United Kingdom of 2,948 MW (+4.8%).

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
Batteries	54	-	54
Total Capacity	2,933	15	2,948

Discrepancies possible due to rounding

(*) Includes the proportional MW share

With regard to **onshore wind**, the commissioning process is now complete at the Beinn an Tuirc 3 farm (50 MW), in Scotland.

With regard to **photovoltaic solar**, work has commenced on two of the three hybrid projects to be located in the operational wind farms of Carland Cross (10 MW), Coldham (9 MW) and Coal Clough (10 MW), all in England.

Work is ongoing in **battery storage projects** in Gormans (50 MW) in Ireland, and works have now commenced at the Harestaness (50 MW) storage project in Scotland.

With regard to **offshore wind** technology, the **East Anglia One** farm continues to supply energy to the national grid through offshore transmission assets, where the divestment process is ongoing.

The focus on developing the portfolio of projects continues in the **East Anglia Hub** (3.1 GW) complex, where requests for consent for EA1N and EA2 are still pending having been delayed by three months. Key engineering, design and research works for the site have continued throughout the Hub during the first half of the year. Offers have been received from suppliers of packages for HVDC and HVAC

transmission cables, and the supply and installation of foundations. The preferred bidder was selected for the HVDC transmission cable contract to ensure manufacturing capacity during the Pre-FID stage. Detailed preparations continue for the fourth round of CfD auctions, and the process is slated to formally commence at the end of the fourth quarter this year.

Renewable production in the United Kingdom totalled 3,377 GWh, broken down as follows:

UNITED KINGDOM	GWh Consolidated at EBITDA level	GWh managed by investee companies (*)	Total
Onshore wind	1,695	6	1,701
Offshore wind	1,676	-	1,676
Total production	3,371	6	3,377

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

Consolidated production at EBITDA level varied as follows:

- Onshore wind production totalled 1,695 GWh, down 16% from the same period the previous year mainly due to lower wind levels in the period.
- Offshore wind production increased by 36% to total 1,676 GWh.

Retail business

As at 30 June 2021, the contract portfolio managed in the UK surpassed 6.8 million (+2.1%), broken down as follows:

Thousands of contracts	UK
Electricity contracts	2,732
Gas contracts	1,836
Smart Solutions contracts	347
Smart Meters	1,842
Total	6,758

Discrepancies possible due to rounding

At the end of June 2021, customers had been supplied with 9,896 GWh in electricity and 16,015

GWh in gas, up 6%* and 16.4%** respectively compared to 30 June 2020.

*Sales in busbars
**Including shrinkage

2.3. United States – Avangrid

Renewable capacity and production

At the end of the first half of the year, Iberdrola had an installed **renewable capacity** in the United States of 8,016 MW (+5.5%), broken down as follows:

United States	Installed MW Consolidated at EBITDA level	MW managed by investee companies (*)	Total
Onshore wind	7,518	236	7,754
Hydroelectric	118	-	118
Solar PV	118	12	130
Total Capacity (**)	7,768 (**)	248	8,016 (**)

Discrepancies possible due to rounding
(*) Includes the proportional MW share
(**) Includes 13 MW of installed capacity from fuel cells

With regard to **onshore wind**, commissioning works are ongoing at the La Joya wind farm (306 MW) in New Mexico, where completion is estimated for early in the third quarter this year. Work to install wind turbines at Roaring Brook (80 MW) in the state of New York is now complete, the commissioning of which is also expected in the third quarter this year.

With regard to **photovoltaic solar**, works are ongoing at the Lund Hill plant (194 MW) in the state of Washington, as well as at the Montague plant (211 MW) in Oregon, where works have also begun at the Bakeoven plant (269 MW). In the state of New York, work will soon begin on the Mohawk photovoltaic plant (125 MW).

Meanwhile, work is now in the preliminary phase for construction on more than 150 MW of additional capacity in both wind and solar photovoltaic technologies.

Increased activity in the **offshore wind** industry continued in the second quarter. The Bureau of Ocean Energy Management (BOEM) in the US provided a new stimulus for offshore wind energy storage opportunities in New York and in new markets in the east coast and in the Gulf of Mexico, with the aim of meeting the Biden-Harris Administration’s target of deploying 30 GW in offshore wind energy by 2030. The second quarter also marked the official launch of the third offshore wind energy acquisition in Massachusetts, of up to 1.6 GW, to which Avangrid Renewables is actively responding through the joint venture Vineyard Wind. May saw a key milestone for the offshore wind sector in the US with the publication of the *Record of Decision* to approve the **Vineyard ONE** Construction and Operations Plan, thus completing the federal authorisation process for the country’s first commercial-scale offshore wind project. **Park City Wind** also saw progress in terms of authorisation milestones in the second quarter; this included receipt of the *notice of intention* for BOEM to conduct an environmental impact study. Further south, the team behind the **Kitty Hawk** project continued to develop its offtake strategy, engaged the main parties involved and made significant advances in its geophysical and geotechnical ground study.

Renewable production in the United States totalled 10,468 Gwh (-2.3%), broken down as follows:

United States	GWh Consolidated at EBITDA level	GWh managed by investee companies (*)	Total
Onshore wind	9,951	272	10,223
Hydroelectric	71	-	71
Solar PV	117	14	132
Total production (**)	10,182 (**)	286	10,468 (**)

Discrepancies possible due to rounding
 (*) Includes the proportional GWh share
 (**) Includes 42 MW of production from fuel cells

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

- Onshore wind production totalled 9,951 GWh, down by 2% compared to the same period in 2020.
- Hydroelectric production totalled 71 GWh (+12.9%), up from 63 GWh of production recorded in the first half of 2020.
- Production through solar technology totalled 117 GWh (-4%).

2.4. Mexico

Renewable capacity and production

At the end of the first half of the year, Iberdrola had an installed **renewable capacity** in Mexico of 1,335 MW (+9.6%), 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 came to 1,485 Gwh (+89.8%) broken down as follows:

MEXICO	GWh Consolidated at EBITDA level	GWh managed by investee companies (*)	Total
Onshore wind	837	-	837
For own use	727	-	727
For third parties	110	-	110
Solar PV	649	-	649
Total production	1,485	-	1,485

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

By technology, the production at EBITDA level in the second semester performed as follows:

- Onshore wind production totalled 837 GWh, up 94% compared to the same period in 2020, due to the coming on stream of the Pier and Santiago wind farms.
- Solar energy production generated 649 GWh, up 85% compared to the previous period, due to the commissioning of the Cuyoaco photovoltaic plant.

Thermal capacity and production

In Mexico, **thermal capacity** at 30 June 2021 totalled 9,348 MW following the coming on stream over the past year of the combined cycle plants of El Carmen (866 MW) and Topolobampo II (911 MW) and the shift of the Enertek cogeneration to operating as a gas combined cycle, thus adding 144 MW to this technology. Thermal production in the first half of 2021 totalled 24,087 GWh, down -7% compared to the same period last year.

MEXICO	MW	GWh
Gas combined cycle	9,146	23,288
For own use	2,103	6,887
For third parties	7,043	16,401
Cogeneration	202	799
Total	9,348	24,087

Discrepancies possible due to rounding

Retail business

Electricity sales throughout the first half of 2021 totalled 25,170 GWh (+3% vs. same period of 2020) broken down as follows:

MEXICO	GWh
CFE	16,401
Private	8,769
Total Sales	25,170

Discrepancies possible due to rounding

2.5. Brazil – Neoenergia

Renewable capacity and production

At the end of June, Iberdrola's installed **renewable capacity** in Brazil totalled 3,685 MW (+3.9%), broken down as follows:

BRAZIL	Installed MW Consolidated at EBITDA level	MW managed by investee companies (*)	Total
Onshore wind	654	-	654
Hydroelectric	836	2,194	3,031
Total Capacity	1,491	2,194	3,685

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

Work is continuing on the Chafariz **onshore wind** farm in the state of Paraiba, with a total of 15 wind projects of 472 MW of capacity, the commissioning of which is expected to be completed by the end of the year. Work to install wind turbines at this facility is now complete for the wind farms Chafariz 1, 6 and 7, and work has now begun in the wind farms Chafariz 2, 3, 4 and 5, where commissioning is expected to finish in the third quarter of the year. In addition, at the Oitis facility in the state of Piauí, 12 wind farms are currently under construction with a total of 566 MW, where work is expected to be completed in the second half of 2022.

In **photovoltaic solar technology**, Luzia II and III (149 MW) are expected to be built in the state of Paraiba, with commissioning in the second half of 2022.

Renewable production in the first half of 2021 totalled 7,313 GWh (+0.9%), broken down as follows:

BRAZIL	GWh Consolidated at EBITDA level	GWh managed by investee companies (*)	Total
Onshore wind	817	-	817
Hydroelectric	822	5,673	6,495
Total production	1,639	5,673	7,313

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

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

- Onshore wind production totalled 817 GWh, up 19% compared to the same period in 2020, due to higher wind levels recorded at the beginning of the year.
- Hydroelectric production totalled 822 GWh (+19%)..

Thermal capacity and production

In Brazil, thermal capacity at 30 June 2021 remained at 533 MW, while thermal production during this period totalled 1,347 GWh (+20% vs. June 2020).

BRAZIL	MW	GWh
Gas combined cycle	533	1,347
Total	533	1,347

Retail business

Electricity sales during the first half of 2021 remained stable compared to the same period in 2020 and totalled 7,294 GWh (-0.05% vs. June 2020) broken down as follows:

Brazil	GWh
PPA	5,157
Free market	2,137
Total Sales	7,294

Discrepancies possible due to rounding

2.6. Iberdrola Energía Internacional (IEI)*

Renewable capacity and production

Installed **renewable capacity** at Iberdrola Energía Internacional* totalled 1,974 MW (+101.2%), broken down as follows:

Iberdrola Energía Internacional (IEI)	MW
Onshore wind	1,593
Offshore wind	350
Solar	6
Batteries	25
TOTAL	1,974

Discrepancies possible due to rounding

* Formerly Rest of World

In **onshore wind**, two operational farms were acquired in Poland (Zopowy and Korytnica 1), with 112.5 MW of capacity. Work is also ongoing at the Mikronoros wind farm (33.6 MW) in Greece.

Installed capacity is broken down as follows by country:

Iberdrola Energía Internacional (IEI)	MW
Australia	737
Greece	275
Hungary	158
France	118
Portugal	92
Poland	113
Romania	80
Cyprus	20
Total	1,593

Discrepancies possible due to rounding

In **solar photovoltaic power**, construction continues at Port Augusta, Australia: a 317-MW hybrid wind and PV solar technology facility, which will be one of the largest hybrid renewable energy plants in the southern hemisphere. Also in Australia, and following the acquisition of Infigen, Iberdrola will implement the **Wallgrove storage project**, of 50 MW, for which work has already commenced. Work has also commenced in the Montalto di Castro plant (23.4 MW) in Italy.

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

- In **France**, work began at sea for the **Saint Brieu** project (496 MW) in May, starting with the laying of the foundations and the opening an underwater trench for burying inter array cables.
- In **Germany**, the **Baltic Eagle** project (476 MW) has concluded the supply of wind turbines with Vestas, in addition to monopile contracts for the foundations and cables. Pending contracts are currently in progress. Manufacturing work for the offshore substation is progressing as planned.

- In **Japan**, Iberdrola Renewables Japan K.K continues to work on submitting its offer in the Aomori-Seihoku-Oki Offshore Wind, in collaboration with its partners Hitachi Zosen and Cosmo EcoPower. It also continues to develop the project portfolio with its partner Macquarie's Green Investment Group (GIG), paying special attention to the Saga project.
- In **Sweden**, Iberdrola, in collaboration with Svea Vind Offshore, has submitted the request for the Gretas Klackar 2 farm located in the Gävle region, where two projects are already being processed. Meanwhile, work continues on the other projects in the portfolio.
- In **Ireland**, geophysical studies are being planned for the projects in progress, Clarus, Shelmalere and Inis, with a total maximum capacity of 3,000 MW, in collaboration with our partner DP Energy.
- In **Denmark**, the consortium formed by Iberdrola Renovables Internacional and TOTAL is working to submit the best offer for the Thor wind project (1 GW) at the auction in November this year; this is expected to be awarded by the end of 2021.
- In **Poland**, we are working with our partner SeaWind on projects that will come into play in auctions to be held from the 2025 financial year.
- In **Taiwan**, the company Iberdrola Renewables Taiwan has been incorporated with the aim of submitting bids for offshore wind auctions.

Renewable production totalled 2,052 GWh at the end of the first half of 2021, up 46% on the same period of 2020, broken down by technology as follows:

Iberdrola Energía Internacional (IEI)	GWh
Onshore wind	1,462
Offshore wind	586
Solar PV	4
Total production	2,052

Discrepancies possible due to rounding

By technology, offshore wind production decreased (-16%) due to the lower wind levels observed, yet onshore wind increased (+108%) mainly due to additional capacity following acquisitions in Australia and France, as did photovoltaic solar power by 4 GWh (+4.7%).

Retail business

As regards retail sales, at 30 June 2021, the portfolio managed by Iberdrola in Portugal, France, Italy, Germany and Ireland totalled 1,849,210 contracts, up 14% compared to the end of June 2020. They can be broken down as follows:

Thousands of contracts	IEI*
Electricity contracts	756
Gas contracts	285
Smart Solutions contracts	809
Total	1,849

Sales at the international division were up 0.8% during the first six months of 2021 compared to the previous year. Although electricity* decreased to 4,806 GWh (-4.6%), gas** increased to 1,013 GWh (+37.8%). This is geographically broken down as follows:

GWh	H1 2021	H1 2020
Electricity*	4,806	5,037
Portugal	2,979	3,605
France	621	398
Germany	433	391
Italy	721	614
Ireland	52	29
Gas**	1,013	735
Portugal	104	85
France	428	229
Italy	392	381
Ireland	89	40
Total Sales	5,819	5,772

* Sales in busbars

** Including shrinkage

3. Other matters

3.1 Shareholder remuneration

Among the various resolutions carried at the last 2021 General Meeting, the motion included as item 17 on the agenda was approved with 99.17% of votes in favour in relation to shareholder remuneration charged to 2020 profits and to be paid out in 2021. Total minimum shareholder remuneration was therefore set at EUR 0.42 gross per share.

Of this amount, EUR 0.168 gross per share was already distributed in February. As such, EUR 0.254 gross per share will be paid out in July (up 9.5% compared to the supplementary dividend paid out in 2020). Total shareholder remuneration paid in 2021 based on 2020 results) will total EUR 0.422 gross per share (+5.5% vs. 2020)

The “Iberdrola Retribución Flexible” system allows shareholders to choose from or combine three options for their dividend payment. In the last session in July 2021, the options were to:

1. Receive a new Iberdrola share free of charge for every 40 free allocation rights.
2. Receive cash by selling their free allocation rights in the market; or
3. Receive cash by collecting the final dividend of EUR 0.254 gross per share.

In this regard, the last General Shareholders' Meeting approved the redemption of shares needed to fulfil this objective, totalling 178,156,000 shares (2.78% of capital), which was performed on 2 July 2021.

3.2 Dividend policy

On 5 November, as part of its Capital Markets Day 2020, Iberdrola revised its dividend policy, notably the following points:

- Dividend growth in line with the company's income, with a pay-out of between 65% and 75% on net profit per share.
- Dividend floor for the period 2020-2022 of EUR 0.40 per share, while for the period 2023-2025, this floor will increase by 10% to EUR 0.44 gross per share.
- Shareholder flexibility is maintained through the “Iberdrola Retribución Flexible” programme, which includes share buyback.

For the financial year 2021, the dividend per share (DPS) is expected to amount to EUR 0.44 gross.

Analysis of the consolidated profit and loss account

The most notable figures in the first half results of 2021 are as follows:

EUR millions	H1 2021	H1 2020	%
NET REVENUE	18,752.2	16,467.4	13.9
GROSS MARGIN	8,506.0	8,050.3	5.7
EBITDA	5,443.6	4,938.8	10.2
ADJUSTED EBITDA ⁽¹⁾	5,286.8	5,095.6	3.8
EBIT	3,241.5	2,695.4	20.3
REPORTED NET PROFIT	1,531.3	1,876.4	(18.4)
ADJUSTED NET PROFIT ⁽²⁾	1,844.4	1,701.6	8.4

(1) Adjusted EBITDA 2021 excludes the effect of Covid in the first half of the year (EUR -108 million) and the reversal of the hydroelectric levy of 2013 and 2014 in Spain (EUR +265 million). Adjusted EBITDA 2020 excludes the effect of Covid on the first half of the year (EUR -157 million).

(2) Adjusted Net Profit 2021 excludes the effect of Covid (EUR -96 million), the reversal of the hydroelectric levy of 2013 and 2014 in Spain (EUR +245 million) and the impact of deferred taxes in the United Kingdom (EUR -463 million). Adjusted Net Profit 2020 excludes the effect of Covid (EUR -153 million), Siemens Gamesa Gain (EUR +485 million) and extraordinary tax impacts (EUR -157 million).

In the first half of 2021, reported EBITDA grew by 10.2% compared to the same period of 2020, driven by the Renewables and Networks businesses, despite being negatively affected by the impact of Covid (EUR -108 million) and by the exchange rate, which deducted EUR 287 million, partially offset by the extraordinary positive effect of the hydroelectric levy in Spain corresponding to the years 2013 and 2014 (EUR +265 million). Excluding these effects EBITDA grew by 9.4% to EUR 5,574 million.

The **Networks** business saw positive changes in its operation in all countries due to the regulatory frameworks in force and higher investments, despite the negative impacts of the exchange rate (EUR -203 million) and the effect of COVID-19 on demand (EUR -56 million, though the latter is set to partially recover in the future).

The **Renewables** business was driven by the increase in installed capacity from 8.8% to 35,676 MW, which, together with the greater consolidated load factor (25.6% vs 23.8%), has led to a 16.8% increase in

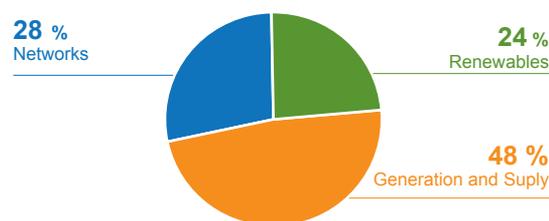
production with a significant contribution from offshore technology due to the entry into operation of East Anglia 1 despite the UK's weak wind resource, the worst in 30 years and the increase in hydroelectric generation in Spain. The average price has been higher in Spain and the United States. In addition, in the second quarter of the year, the reversal of the hydroelectric charge in Spain corresponding to the amounts paid in the financial years 2013 and 2014, following the Supreme Court's ruling, has been recorded, with an extraordinary positive impact of EUR 265 million on the tax line.

The **Generation and Customers** business was negatively affected by higher procurement prices due to higher commodity prices due to cold waves that influence the business in Spain and Mexico, and a COVID-19 impact on demand of EUR 52 million.

1. Gross margin

Gross margin grew by 5.7% to EUR 8,506.0 million, with a negative effect of the exchange rate of EUR 469.3 million. Excluding this impact and the impact of COVID-19 (EUR -108 million), this item grew by 10.6%.

Gross margin by business



This performance is the result of the following:

- The **Networks** business saw a 6.1% increase in its gross margin compared with the first half of 2020 to EUR 4,057.1 million.

- In Spain, it grew by 2.6% to EUR 1,001.4 million due to the fact that the lower remuneration established since 2021 at 5.58% (EUR -14 million) was offset by income from new investments, as well as by re-settlements from previous years due to the improvement of quality incentives and Opex (EUR +21 million).
- The United Kingdom increased its contribution by 3.4% to EUR 683.0 million, as a result of a larger asset base resulting from investments.
- The contribution of the United States in the period decreased slightly by 0.1% to EUR 1,461.0 million affected by the exchange rate, since in local currency it grew by 10.0% thanks to the new rate cases in force that include the rate recognition of new investments and compensation of regulatory assets and liabilities from previous years (EUR 110 million for both effects). The effect of the exchange rate deducted EUR 146.9 million.
- Brazil's Gross Margin stood at EUR 911.6 million (+26.0%) thanks to the positive effect of the rate readjustments and inflation in distributors (EUR 201 million) and the greater contribution of transmission assets (EUR 96 million), together with the consolidation of Neoenergia Distribuição Brasília, which has contributed EUR 30 million since the beginning of March. The effect of the exchange rate deducted EUR 203.9 million.
- **The Renewables business** increased by 31.3%, with a Gross Margin of EUR 2,406.0 million:
 - In Spain, it grew to EUR 1,016.2 million (+79.0%) thanks to higher production, driven by hydroelectric generation (+37.9%) mainly but also by wind power (+12.1%), together with the increase in solar installed capacity (+829 MW) and a higher selling price to the commercial business as a result of the increase in the price of the pool.
 - The Gross Margin in the United Kingdom stood at EUR 465.2 million (-0.9%), with lower onshore production (-16.4%), and lower prices, partially offset by the increase in offshore production (+36.2%) thanks to the entry into operation of East Anglia 1 in April last year.
- The U.S. Contribution increased to EUR 535.0 million (+12.8%) impacted primarily by the effect of the Texas storm on the first half of the year, 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 load factor in the first half was below last year (-1.9 p.p.). The effect of the exchange rate deducted EUR 53.8 million.
- Brazil reached EUR 67.8 million (-2.5%), affected by the exchange rate, since in local currency it grew by 19.3%, positively impacted by the agreement reached with the regulator to extend hydroelectric concessions to recover costs incurred in previous years.
- The Gross Margin in Mexico grew by 58.4% to EUR 83.4 million, thanks to the increase in average operating capacity (+579 MW), following the entry into operation of the Santiago (105 MW) and PIER (220 MW) wind farms and the Cuyoaco solar power plant (274 MW).
- Iberdrola Energía Internacional (IEI) placed its Gross Margin at EUR 238.4 million (+19.6%), thanks to the contribution of Infigen (Australia) and Aalto Power (France), partially offset by Wikinger's lower production (-15.9%) with a very low wind resource during the first half of the year.
- **The Generation and Customers Business** stood at EUR 2,022.2 million (-15.9%):
 - In Spain, it stood at EUR 1,110.3 million (-25.2%), with the same production as the previous year due to higher renewable production, together with higher energy purchases at prices higher than in 2020, affected by an increase in procurement costs, resulting mainly from the evolution of gas prices and of CO₂ while selling prices were mostly already fixed. It is worth highlighting the impact of storm Filomena on the rise in procurement costs.

- The United Kingdom increased its contribution to the Gross Margin to EUR 455.5 million (+10.3%), thanks to higher sales volumes due to a colder climate compared to last year, as well as improved margins due to falling procurement costs.
- Mexico contributed EUR 379.6 million (-11.8%) to the Gross Margin. 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 (69 million net impact) together with the increase in the cost of tolls. The exchange rate, on the other hand, deducted EUR 38.1 million.
- Brazil's contribution to the Gross Margin reached EUR 52.5 million (+19.3%), thanks to the good performance of the Termopernambuco combined cycle and the improvement in 2021 after the impact of COVID-19 last year.
- Iberdrola Energía Internacional (IEI) contributed EUR 24.3 million (-26.2%) to the Gross Margin, affected by the cold waves in the first quarter.
- The contribution of **Other Businesses** totalled EUR 42.0 million.

2. Gross operating result - EBITDA

Consolidated EBITDA rose by 10.2% versus the first half of 2020, to EUR 5,443.6 million.

To the evolution already explained in the Gross Margin, we must add Net Operating Expenses, which increased by 3.2% reaching EUR 2,119.7 million, since the increase in the activity of the Group was partially offset by the exchange rate variations. Excluding the depreciation of currencies, this item increased by 10.2% due to the contribution of new businesses such as Neo Distribuição Brasília, Infigen (Australia) and Aalto Power (France) and non-recurring costs related to storms (EUR -37 million). As mentioned above, since the first quarter of 2021, Net External Services includes, within Other Operating Results,

profits or losses from loss of control of consolidated shares, having recorded EUR +80 million in the second quarter, after the incorporation of 95 renewable MW into the company created with MAPFRE in Spain, an amount that was partially offset by EUR 57 million of positive extraordinary impacts recorded last year and EUR 37 million of higher storm costs in the US which are recognised in US GAAP but not in IFRS until they are collected. The sum of these impacts amounts to EUR 14 million of negative impact compared to 2020.

The Tax item decreased by 10.9% to EUR 942.7 million (-7.2% excluding the exchange rate), mainly due to the extraordinary positive effect of the reversal of the hydroelectric levy in Spain corresponding to the amounts paid in 2013 and 2014, after the Supreme Court ruling (EUR +265 million).

3. Net operating result - EBIT

EBIT totalled EUR 3,241.5 million, up 20.3% on the first half of 2020.

Depreciation and amortisation charges and provisions decreased by 1.8% to EUR 2,202.1 million, as the Group's increase in activity was offset by the impact from foreign currencies. Excluding the exchange rate, this item increased by 3.1%.

- The Depreciation item remained practically unchanged (+0.2%) at EUR 1,998.6 million, and increased by 7.3% excluding the exchange rate due to a larger asset base and the increased activity of the group (EUR 146 million).
- Provisions came to EUR 203.5 million, down by EUR 45.8 million (-18.4%), due to the improvement in bad debts affected in 2020 by COVID.

4. Financial result

The financial result increased by EUR -72 million on the EUR -400 million reported at the end of the first half of 2020, reaching EUR -472 million due to the positive result recorded in 2020 from exchange

rate hedges, which were partially offset by the extraordinary effect related to default interest due to the reversal of the hydroelectric levy (EUR 62 million).

- The debt result increased by EUR -3 million, with an increase in cost and a lower average debt balance.
- Income from derivatives and others was down EUR -69 million, primarily because of the effect of exchange rate hedges in Mexico, which are offset in other items on the income statement.

Financial result	Jun 2021	Jun 2020	Dif.
Debt	-596	-593	-3
Cost			-31
Average balance *			+28
Derivatives and others	124	193	-69
Total	-472	-400	-72

* The average balance decreased from EUR 37,374 to 35,590 million

The cost of debt rose by 19 basis points (from 3.19% to 3.38%), mainly due to the rise in the cost of inflation-linked debt in Brazil, which was more than offset by the operating profit of the distributors, also indexed to inflation and which is reflected in the gross margin.

5. Results of companies accounted for using the equity method

Results of companies accounted for using the equity method was EUR -1.9 million compared to EUR +475.9 million in the first half of 2020 after the sale of the minority 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 no impact on the net result of the period.

6. Profit in the period

The tax item reached EUR 1,014.6 million and increased by 30.0% due to the extraordinary negative impact of EUR 463 million on deferred tax after the rate change approved in the United Kingdom from 19% to 25% as of April 2023. Minority interests grew by 94.3% to EUR 222.1 million, due to improved results in the United States, Brazil and the East Anglia 1 offshore wind farm.

Finally, the **reported Net Profit** reached EUR 1,531.3 million, down by 18.4%, affected both by the impact on

deferred tax in the United Kingdom mentioned above and by the 2020 recognition of the capital gain on the sale of the stake in Siemens Gamesa.

Adjusted Net Profit grew by 8.4% to EUR 1,844.4 million. This item excludes the net impact of COVID-19 (EUR -96 million), the reversal of the hydroelectric fee of 2013 and 2014 in Spain (EUR +245 million) and the impact of deferred tax in the United Kingdom (EUR -463 million). Adjusted Net Profit 2020 excludes the effect of Covid (EUR -153 million), the capital gain of Siemens Gamesa (EUR +485 million) as well as extraordinary impacts in terms of tax (EUR -157 million).

Net Profit / Group

Adjusted Net Profit up 8.4%, to EUR 1,844 M ...



... and EUR 1,531 M of **Reported Net Profit**, affected by the increase of UK Corporate Tax Rate (non cash item)

(1) H1 2020 Reported Net Profit excludes EUR 31 M of hybrid bonds coupon previously included

(2) H1 2020 adjustments: COVID impact (EUR -153 M), Siemens Gamesa (EUR +485 M) and net tax impacts (EUR -157 M).

(3) H1 2021 adjustments: COVID impact (EUR -96 M), 2013&2014 Spanish hydro canon reversal (EUR +245 M) and UK deferred taxes impact (EUR -463 M).

Results by business

1. Networks Business

Key figures for the Networks business are as follows:

(EUR millions)	H1 2021	vs H1 2020
Revenue	6,845.8	+7.7%
Gross margin	4,057.1	+6.1%
EBITDA	2,567.9	+10.6%
EBIT	1,611.7	+23.9%

The EBITDA of the Networks business increased by 10.6% to EUR 2,567.9 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 both in terms of the exchange rate, which deducted EUR 203 million, and in terms of demand as a result of COVID-19 (EUR -56 million, which will partially recover in the coming years). Excluding both effects, the Networks EBITDA grew by 18.5%.

1.1 SPAIN

(EUR millions)	H1 2021	vs H1 2020
Revenue	1,003.9	+2.8%
Gross margin	1,001.4	+2.6%
EBITDA	836.3	+5.8%
EBIT	549.6	+6.7%

a) Gross margin

The Gross Margin of the Networks Business in Spain increased by 2.6% to EUR 1,001.4 million, due to the lower remuneration set from 2021 at 5.58% (EUR -14 million), offset by net revenues from new investments, as well as the recalculation of quality incentives and operating costs from previous years (EUR +21 million).

b) Operating profit / EBIT

EBITDA in this Business amounted to EUR 836.3 million, up 5.8%. Net Operating Expenses fell 11.8% to EUR 123.5 million, thanks to the savings obtained through the efficiency measures carried out last year.

EBIT for the Networks Business in Spain totalled EUR 549.6 million (+6.7%). Depreciation and amortisation charges and provisions totalled EUR 286.7 million (+3.9%) because of the new investments made.

1.2 UNITED KINGDOM

(EUR millions)	H1 2021	vs H1 2020	Local currency
Revenue	710.6	+3.0%	+2.8%
Gross margin	683.0	+3.4%	+3.2%
EBITDA	511.9	+3.2%	+3.0%
EBIT	324.4	+2.1%	+1.9%

a) Gross margin

The Gross Margin of the Networks business in the United Kingdom (ScottishPower Energy Networks-SPEN) increased by 3.4% and stood at EUR 683.0 million, due to the growth of the asset base as a result of the investments made and with less impact on demand as a result of COVID-19, which reached EUR -6 million this year, an amount that will be recovered from 2023 onwards.

b) Operating profit / EBIT

EBITDA totalled EUR 511.9 million (+3.2%, +3.0% in local currency). Net Operating Expenses increased by EUR 6.6 million (+6.0%, +5.8% in local currency) to EUR 115.7 million as a result, among other things, of higher spending on external services (EUR -10 million).

Depreciation and amortisation charges and provisions amounted to EUR 187.5 million (+5.3%; 5.1% in local currency) due to the increase in the asset base, with EBIT amounting to EUR 324.4 million (+2.1%; +1.9% in local currency).

1.3 UNITED STATES

(EUR millions)	IFRS		Local currency
	H1 2021	vs H1 2020	
Revenue	2,125.4	+0.8%	+10.9%
Gross margin	1,461.0	-0.1%	+10.0%
EBITDA	554.5	+3.3%	+23.0%
EBIT	249.7	+27.8%	+40.7%

(EUR millions)	US GAAP (USD MILLION)	
	H1 2020	vs H1 2019
Revenue	2,606.6	9.0%
Gross margin	1,764.9	5.0%
EBITDA	812.6	9.0%
EBIT	428.4	17.8%

a) Gross margin

The Gross Margin decreased slightly by 0.1% to EUR 1,461.0 million, affected by the devaluation of the dollar, since in local currency it increased by 10.0% thanks to the new regulatory frameworks in force that include the rate recognition of the new investments and the compensation of regulatory assets and liabilities from previous years (EUR 110 million for both effects).

b) Operating profit / EBIT

The EBITDA of the Networks business in the United States grew by 3.3% to EUR 554.5 million, after deducting Net Operating Expenses of EUR 569.7 million, which increased by 1.8%, affected by higher costs that will be recovered in the future under IFRS (EUR 39 million).

In local currency and IFRS, EBITDA increased by 13.7% to USD 699.9 million, while in US GAAP it reached USD 812.6 million. This divergence between IFRS and US GAAP is mainly due to the temporary difference in the accounting of taxes related to real estate (IFRIC 21): in IFRS they are recorded in the

first quarter, while in US GAAP they are recorded throughout the year, which means that the difference will decrease at the end of the year.

EBIT stood at EUR 249.7 million (+27.8%; +40.7% in local currency), after deducting Depreciation and amortisation charges and provisions. These charges and provisions fell by 10.7%, decreasing by 1.7% in local currency due to an improvement in non-performing loans due to COVID-19, which offset the increase in depreciation due to increased investment.

1.4. BRAZIL

(EUR millions)	H1 2021	vs H1 2020	Local currency
Gross margin	911.6	+26.0%	+54.1%
EBITDA	665.1	+33.7%	+63.6%
EBIT	487.9	+78.8%	+118.7%

a) Gross margin

The Gross Margin increased 26.0% (54.1% in local currency) to EUR 911.6 million at the end of June, thanks to the positive effect of the rate readjustments and inflation in distributors (EUR 201 million) and to the greater contribution of transmission assets (EUR 96 million), together with the consolidation of Neoenergia Distribuição Brasília, which has contributed EUR 30 million since the beginning of March. The effect of the exchange rate deducted EUR 203.9 million.

b) Operating profit / EBIT

The area's EBITDA increased by 33.7% to EUR 665.1 million, with a strong negative impact of the exchange rate (EUR -148.7 million), as EBITDA grew by 63.6% in local currency. Net Operating Expenses increased by 9.1% to EUR 243.8 million although, without the exchange rate, it grew by 33.7% as a result of the increased activity and consolidation of the Brasília distributor.

Depreciation and amortisation charges and provisions decreased by 21.1% to EUR 177.1 million, also affected by the depreciation of the real, and fell

by 3.4% in local currency as the improvement in non-performing loans due to a lower incidence of COVID-19 offset the increase in depreciation due to the larger asset base. EBIT grew by 78.8% to EUR 487.9 million (+118.7% in local currency).

2. Renewables Business

Key figures for the Renewables business are as follows:

(EUR millions)	H1 2021	vs H1 2020
Revenue	2,634.1	+29.3%
Gross margin	2,406.0	+31.3%
EBITDA	2,005.2	+63.0%
EBIT	1,317.9	+130.9%

The EBITDA of the renewables business grew by 63.0% to EUR 2,005.2 million, driven by the 16.8% increase in production, thanks to the increase in installed capacity to a total of 35,676 MW (+8.8%) and the higher consolidated load factor (25.6% vs. 23.8% in the first half of 2020), as well as higher prices in Spain and the United States. In addition, in the second quarter of the year, the reversal of the hydroelectric charge in Spain corresponding to the amounts paid in the financial years 2013 and 2014, following the Supreme Court's ruling, has been recorded, with an extraordinary positive impact of EUR 265 million on the tax line. In addition, the exchange rate deducted EUR 53.9 million from EBITDA, which grew 67.4% in local currency.

The main factors that explain the evolution of the renewables business at the end of June are as follows:

- The **average consolidated operating capacity** at EBITDA level during the period grew by 9.4% (+2,706.5 MW) compared to the first half of 2020 thanks to the commissioning of onshore wind farms in Mexico, the United States, and Spain, the progressive commissioning of solar photovoltaic capacity in Spain and Mexico as well as the East Anglia 1 offshore wind farm in the United Kingdom,

together with capacity acquisitions in France and Australia in the international segment.

- The consolidated **load factor** stood at 25.6% at the end of the semester, higher than the 23.8% recorded in the same period of 2020, although with differences depending on the technology:

Technology	H1 2021	vs H1 2020
Onshore wind	26.7%	-0.7 p.p.
Offshore wind	41.4%	-3.6 p.p.
Hydroelectric	22.5%	+5.8 p.p.
Solar PV	20.9%	-0.5 p.p.

Consolidated production therefore increased by 16.8% to 34,885.4 GWh in the first six months of 2021, with the highest contribution from hydroelectric in Spain (+37.9%), offshore wind (+17.4%) by higher average operating power even though the wind resource has dropped and solar photovoltaic (+111.6%).

- The **average sale price of renewable output across the world** stood at EUR 69/MWh (+12.4%).

2.1 SPAIN

(EUR millions)	H1 2021	vs H1 2020
Revenue	1,065.5	+75.7%
Gross margin	1,016.2	+79.0%
EBITDA	990.1	+229.2%
EBIT	824.4	+605.7%

a) Gross margin

The Gross Margin grew significantly (+79.0%) to EUR 1,016.2 million, thanks to the increase in production (+29.5%) driven mainly by hydroelectric generation (+37.9%), but also wind (+12.1%), together with the increase in installed solar capacity (+829 MW, +138.1%), which now stands at 1,429 MW, and a higher selling price to the commercial business as a result of the increase in the pool price.

b) Operating profit / EBIT

EBITDA grew 229.2% to EUR 990.1 million. In addition to the aforementioned evolution of the Gross Margin, Net Operating Expenses fell by 73.6% thanks to the increase in Other Operating Results. Taxes fell by 102.9%, due to the reversal of the hydroelectric charge in 2013 and 2014 after the Supreme Court ruling.

Depreciation and amortisation charges and provisions decreased by 9.9% to EUR 165.7 million, due to 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 PV solar installations. As a result, EBIT amounted to EUR 824.4 million (+605.7%).

2.2 UNITED KINGDOM

(EUR millions)	H1 2021	vs H1 2020	Local currency
Revenue	499.4	-0.2%	-0.4%
Gross margin	465.2	-0.9%	-1.1%
EBITDA	349.7	-7.5%	-7.7%
EBIT	212.5	-19.2%	-19.4%

a) Gross margin

The Gross Margin of the business in the United Kingdom amounted to EUR 465.2 million in the first half, down slightly by 0.9% (-1.1% in local currency) as a result of the lower load factor (-2.3 p.p.) and lower prices (-4.2%), effects offset by the commissioning of East Anglia 1, which entered into service in April 2020.

b) Operating profit / EBIT:

Net Operating Expenses increased by 30.6% compared to the first half of 2020, to EUR 102.6 million, due to the entry into operation of East Anglia 1. Taxes remained stable, so EBITDA stood at EUR 349.7 million (-7.5%; -7.7% in local currency).

Depreciation and amortisation charges and provisions increased by 19.4%, mainly due to the entry into service of East Anglia 1, leaving EBIT at EUR 212.5 million (-19.2%; -19.4% in local currency).

2.3 UNITED STATES

(EUR million)	H1 2021	vs H1 2020	Local currency
Revenue	649.1	+10.5%	+21.6%
Gross margin	535.0	+12.8%	+24.1%
EBITDA	371.2	+28.7%	+41.6%
EBIT	112.8	N/A	N/A

a) Gross margin

Gross Margin increased by 12.8% to EUR 535.0 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, although the load factor in the first half was below last year's (-1.9 p.p.). The exchange rate deducted EUR 53.8 million; without this effect, the Gross Margin of the business increased by 24.1%.

b) Operating profit / EBIT

Net Operating Expenses decreased by 13.0% to EUR 114.4 million (-4.3% in local currency), mainly due to higher efficiencies and due to fx effect. Taxes fell by 9.2% to EUR 49.5 million, also affected by the exchange rate; excluding this impact, they remained unchanged due to the entry into service of new wind farms, leaving EBITDA at EUR 371.2 million (+28.7%; +41.6% in local currency).

EBIT, on the other hand, increased to EUR 112.8 million from EUR -18.7 million in the first half of 2020, after deducting Depreciation and Amortisation charges and Provisions, which decreased by 4.2% to EUR 258.4 million, due to the exchange rate, excluding which they increased by 5.4% due to the higher business activity and certain provisions accounted for in the period related to the Texas storm.

2.4 MEXICO

(EUR million)	H1 2021	vs H1 2020	Local currency
Revenue	86.0	+59.7%	+75.7%
Gross margin	83.4	+58.4%	+74.4%
EBITDA	68.5	+92.9%	+112.3%
EBIT	40.9	+185.7%	+214.4%

a) Gross margin

Gross Margin grew by 58.4% to EUR 83.4 million (+74.4% in local currency), thanks to the increase in production (+89.8%), as a result of the higher average operating capacity (+579.5 MW, +78.8%) following the commissioning of the Pier (220 MW) and Santiago (105 MW) wind farms and the Cuyoaco photovoltaic plant (274 MW), the increase of the load factor (1.6 p.p) and despite the lower prices recorded in the period.

b) Operating profit / EBIT

EBITDA increased by 92.9% compared to the first half of 2020 (+112.3% in local currency) to EUR 68.5 million, as, in addition to the aforementioned evolution of the Gross Margin, Net Operating Expenses decreased by 14.8% to EUR 14.2 million due to efficiencies.

Depreciation and amortisation charges and provisions increased to EUR 27.6 million (+30.3%, +43.4% in local currency) due to the entry into service of the new power plant, bringing EBIT to EUR 40.9 million (+185.7%; +214.4% in local currency).

2.5 BRAZIL

(EUR million)	H1 2021	vs H1 2020	Local currency
Revenue	72.2	-16.2%	+2.5%
Gross margin	67.8	-2.5%	+19.3%
EBITDA	53.6	+6.3%	+30.1%
EBIT	34.6	+25.7%	+53.8%

a) Gross margin

Gross Margin amounted to EUR 67.8 million (-2.5%), strongly affected by the exchange rate, as in local currency it grew 19.3% thanks to the positive impact of the new agreement on the concessions of the hydroelectric plants to recover costs from previous years.

b) Operating profit / EBIT

Net Operating Expenses decreased by 25.4% to EUR 14.1 million, and in local currency it decreased by 8.7% (EUR 3.1 million), which meant that EBITDA grew by 6.3% to EUR 53.6 million, +30.1% in local currency.

Depreciation and amortisation charges and provisions decreased to EUR 19.0 million (-17.0%) and remained virtually flat in local currency as there were no significant variations, leaving EBIT at EUR 34.6 million (+25.7%, +53.8% in local currency).

2.6 IBERDROLA ENERGÍA INTERNACIONAL (IEI)

(EUR million)	H1 2021	vs H1 2020
Revenue	261.9	+29.2%
Gross margin	238.4	+19.6%
EBITDA	172.2	-2.9%
EBIT	91.9	-29.0%

a) Gross margin

The Gross Margin of the business at Iberdrola Energía Internacional stood at EUR 238.4 million (+19.6%), due to the contributions of Infigen in Australia and Aalto Power in France, which offset the lower production at Wikinger.

b) Operating profit / EBIT

EBITDA amounted to EUR 172.2 million (-2.9%) after deducting Net Operating Expenses, which increased by 40.9% to EUR 61.1 million, due to higher development expenses in view of the business expansion. As a result, depreciation and amortisation charges and provisions also increased to EUR 80.3 million (+67.7%), while EBIT reached EUR 91.9 million (-29.0%).

3. Generation and supply business

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

(EUR millions)	H1 2021	vs H1 2020
Revenue	10,807.6	+17.6%
Gross margin	2,022.2	-15.9%
EBITDA	808.3	-40.9%
EBIT	313.8	-63.7%

The Generation and Supply business reduced its contribution to EBITDA by 40.9%, affected by lower thermal production and lower margins in Spain, as a result of higher energy prices. In addition, it is worth highlighting the negative impact on the first quarter results of the cold spells that affected Europe and Texas, which had a negative impact of EUR 118 million, with repercussions on the Mexican business due to their effect on gas availability and prices. Finally, it should be noted that the overall impact of COVID-19 on EBITDA reached EUR 52 million, as a result of lower demand, to which another EUR 19 million of provisions for bad debts are added, which affect the EBIT level.

Excluding the impact of COVID and the exchange rate (EUR -33 million), EBITDA of the business decreased by 38.8%.

3.1 SPAIN

(EUR millions)	H1 2021	vs H1 2020
Revenue	5,695.0	+8.8%
Gross margin	1,110.3	-25.2%
EBITDA	349.8	-57.8%
EBIT	126.7	-78.5%

a) Gross margin

The Gross Margin of the Generation and Supply Business in Spain stood at EUR 1,110.3 million (-25.2%), mainly due to the following factors:

- Practically unchanged production compared to the first half of 2021, reaching 14,942 GWh, with nuclear production showing a slight recovery (+2.9%), offset by a reduction in combined cycles (-8.7%), due to increased renewable production.
- In addition, business margins have been affected by an increase in procurement costs, mainly due to trends in gas and CO2 prices, with production now being sold at fixed prices. In addition, the impact of storm Filomena on business procurement costs is worth noting.
- Finally, it should be noted that COVID-19 has led to a drop in demand with an impact on this business of EUR 13 million.

b) Operating profit / EBIT

EBITDA stood at EUR 349.8 million (-57.8%) due to the decrease in Gross Margin mentioned above, and the increase in Net Operating Expenses (+16.4%) to EUR 377.7 million, mainly due to the increase in External Services, resulting from the net effect of the use of the Iberdrola brand (EUR 51 million), a service for which Iberdrola Comercial must pay the corresponding amount to Iberdrola Corporación. The effect of this transaction at the consolidated level is neutral.

In addition, in 2020, EUR 15 million of extraordinary income was recorded, derived from the sale of gas contracts to Pavillion, with no equivalent in this quarter.

The Tax item increased 15.0%, to EUR 382.8 million, due to higher taxes associated with fiscal measures for energy sustainability (Law 15/2012), as a consequence of the aforementioned increase in prices with respect to the first half of 2020, the increase in the Enresa tax due to the recovery of nuclear production and the application of the Ecotax of Catalonia (EUR -8 million) since July 2020.

Depreciation and amortisation charges and provisions decreased by 6.8% to EUR 223.1 million, mainly due to the final closure of the coal-fired plants in 2020. EUR 9 million of provisions were also recorded in the semester, attributable to the increase in COVID-19-related defaults.

As a result of the above, EBIT amounted to EUR 126.7 million, down 78.5% compared to the first half of 2020.

3.2. UNITED KINGDOM

(EUR millions)	H1 2021	vs H1 2020	Local currency
Revenue	2,384.8	+2.9%	+2.7%
Gross margin	455.5	+10.3%	+10.1%
EBITDA	155.7	+20.8%	+20.6%
EBIT	25.8	N/A	N/A

a) Gross margin

ScottishPower's liberalised business achieved a Gross Margin of EUR 455.5 million (+10.3%), continuing the recovery that began in 2020. The main reasons for the operational improvement compared to last year are the improvement in margins and the increase in sales, both in electricity (+7.8%) and gas (+15.2%), as a result of the weather, with colder temperatures compared to those recorded in 2020. The foregoing was despite an impact of EUR 20 million on demand due to the COVID-19 crisis.

b) Operating profit / EBIT

Net Operating Expenses increased by 10.2% to EUR 247.1 million, due to the higher cost associated with the greater number of smart meters and some extraordinary effects recorded in 2020. Taxes decreased by 11.9% to EUR 52.8 million, due to the effect of the suspension of the Warm Home Discount between April and June 2021. As a result, the EBITDA of the Liberalised Business in the UK amounted to EUR 155.7 million (+20.8%).

Depreciation and amortisation charges and provisions fell by 5.5%, reaching EUR 129.9 million, due to the reduction in provisions for bad debts associated with COVID compared to the same period last year, with an impact on the comparison of EUR +16 million.

As a result of all of the above, the EBIT contribution was EUR 25.8 million, from the EUR -8.7 million reported in the first half of 2020, largely explained by the effects of COVID.

3.3 MEXICO

(EUR millions)	H1 2021	vs H1 2020	Local currency
Revenue	2,156.6	+91.4%	+110.6%
Gross margin	379.6	-11.8%	-3.0%
EBITDA	277.9	-27.9%	-20.6%
EBIT	199.0	-36.0%	-29.5%

a) Gross margin

In Mexico, Gross Margin in the first half was EUR 379.6 million (-11.8%, -3.0% in local currency) compared to the same period of the previous year. 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. The result was a net impact on results of EUR 69 million. In addition, there was an increase in the transport rates of EUR 20 million.

b) Operating profit / EBIT

EBITDA came to EUR 277.9 million (-27.9%), after discounting net operating expenses, which increased by 56.1% to EUR 99.5 million mainly due to revisions for inflation and extraordinary gains in 2020. Depreciation and amortisation charges and provisions grew by 6.0%, to EUR 78.8 million, (+16.7% in local currency) owing to new investments, including customer acquisition. As a result of all this, the business's EBIT amounted to EUR 199.0 million (-36.0%).

3.4 BRAZIL

(EUR millions)	H1 2021	vs H1 2020	Local currency
Revenue	177.8	-6.5%	+14.4%
Gross margin	52.5	+19.3%	+46.0%
EBITDA	38.3	+23.0%	50.5%
EBIT	30.1	+40.1%	71.4%

a) Gross margin

The Gross Margin of the Generation and Supply business in Brazil increased by 19.3% to EUR 52.5 million thanks to a good management of procurements from the Termopernambuco gas combined cycle and the reduction of negative impacts caused by COVID that affected the first half results of 2020.

b) Operating profit / EBIT

EBITDA grew by 23.0%, to EUR 38.3 million, with Net Operating Expenses that increased by 10.4%, due to the higher costs resulting from the operation and maintenance of Termope.

EBIT rose 40.1% to EUR 30.1 million in the semester, with Depreciation and amortisation charges and provisions falling 15.0% as a result of the devaluation of the real.

IEI's gross margin decreased from last year by 26.2%, mainly affected by cold spells. Additionally, Net Operating Expenses remained virtually unchanged (EUR 37.6 million compared to EUR 38.4 million in 2020). As a result, EBITDA was down compared to last year's comparable period (EUR -16.3 million vs EUR -6.4 million).

Depreciation and amortisation charges and provisions increased by 31.0% to EUR 54.5 million as a result of the increase in acquisition costs, with EBIT amounting to EUR -70.8 million compared to EUR -48.0 million in the first half of 2020.

Lastly, it is worth noting that the number of contracts with customers exceeded 1.8 million at the end of the semester, an increase of 14% compared to 2020.

3.5 IBERDROLA ENERGÍA INTERNACIONAL (IEI)*

(EUR millions)	H1 2021	vs H1 2020
Revenue	666.1	+13.0%
Gross margin	24.3	-26.2%
EBITDA	(16.3)	N/A
EBIT	(70.8)	N/A

* Formerly Rest of World

4. Other businesses

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

(EUR millions)	H1 2021	vs H1 2020
Revenue	130.3	19.5
Gross margin	42.0	10.5
EBITDA	33.2	1.8
EBIT	28.1	(4.0)

a) Gross margin

The Gross Margin grew to EUR 42.0 million, due to the higher volume in the real estate business.

b) Beneficio Operativo/EBIT

EBITDA contribution in the first half of the year increased to EUR 33.2 million, from EUR 1.8 million in the same period of 2020. Depreciation, amortisation charges and provisions decreased by EUR 0.6 million compared to the previous year, resulting in an EBIT of EUR 28.1 million.

5. Corporation

The Corporation item includes the Group's overheads and the cost of administration services of the corporate areas, which are subsequently billed to the other companies.

At the end of June, the Corporation showed a positive EBITDA contribution of EUR 29.1 million, up from EUR 19.2 million in the first half of 2020, due to the positive net effect (EUR 41 million) that the recognition of the Iberdrola brand by the commercial business had on the Net Operating Expenses and in spite of the payment of advertising expenses to that business.

Balance sheet analysis

January-June 2021

	Jun 2021	vs Dec 2020
TOTAL ASSETS	129,503	5.70%
TANGIBLE FIXED ASSETS	75,026	4.52%
INTANGIBLE FIXED ASSETS	19,182	5.27%
NON-CURRENT FINANCIAL INVESTMENTS	5,589	2.35%
EQUITY	51,251	8.5%

At 30 June 2021, Iberdrola's balance sheet showed total assets of EUR 129,503 million, up EUR 6,984 million compared to December 2020.

1. Fixed Assets

Gross investments grew 37% to EUR 4,909 million in the first half (including the acquisition of Neoenergia Brasilia for EUR 409 million).

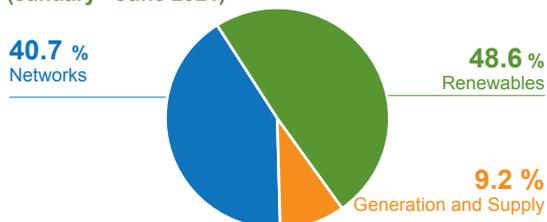
Gross organic investment in the first half of 2021 totalled EUR 4,500.5 million (+25.6%). This is broken down as follows:

(EUR millions)	Jan-Jun 2021	%
Networks business	1,831.4	40.7%
Spain	300.3	
United Kingdom	300.6	
United States	796.0	
Brazil	434.5	
Renewables business	2,189.0	48.6%
Spain	620.6	
United Kingdom	125.1	
United States	423.7	
Brazil	208.5	
Mexico	10.0	
Iberdrola Energía Internacional (IEI)	801.1	
Generation and Supply business	412.9	9.2%
Spain	171.7	
United Kingdom	97.8	
Mexico	93.9	
Brazil	5.3	
Iberdrola Energía Internacional (IEI)	44.1	
Other businesses	6.9	0.2%
Corporation and adjustments	60.4	1.3%
Total organic gross investment	4,500.5	100.0%

Investments during the period were concentrated in the Networks and Renewables business, in line with the Group's strategy. These two businesses accounted for more than 89% of gross investment made during the first half of 2021.

Organic investments by business

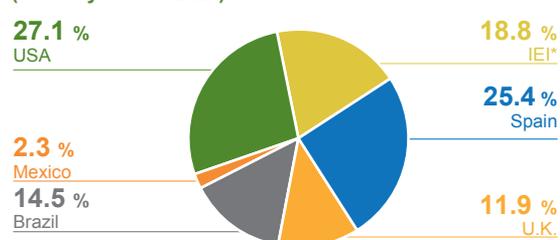
(January - June 2021)



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

Organic investments by geographical area

(January - June 2021)



(*) Iberdrola Energía Internacional

Investment in the Renewables business totalled EUR 2,189.0 million, equivalent to 48.6% of the total.

In the Networks business section, most investments were made in the United States and Brazil, totalling EUR 796.0 million and EUR 434.5 million, respectively.

2. Share capital

Iberdrola's share capital totalled EUR 4,814 million at 30 June 2021, represented by 6,418,156,000 shares, each with a par value of EUR 0.75 and all fully subscribed and paid.

3. Financial debt

Adjusted net financial debt at June 2021 came to EUR 36,581 million, down by EUR 515 million from EUR 37,096 million at June 2020.

Adjusted net leverage saw an improvement of 3.0% to 41.6% compared to the 44.6% reported at June 2020.

The ratings issued by rating agencies are as follows:

Iberdrola's credit rating

Agency	Rating ⁽¹⁾	Outlook ⁽¹⁾
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)

(1) Date of last modification

The financial debt structure can be broken down by currency⁽²⁾ and interest rate⁽³⁾ as follows:

	Jun 2021	Jun 2020
Euro	43.3%	44.7%
US dollar	24.1%	29.3%
British pound	19.8%	17.3%
Brazilian real and other currencies	12.8%	8.6%
Total	100%	100%
Fixed rate	62.4%	64.0%
Variable rate	37.6%	36.0%
Total	100%	100%

(2) Adjusted net debt including derivatives on net investment.

(3) Adjusted gross debt. Including derivatives hedging future borrowing rates (June 21: EUR 3,254 million, excluding those signed for Vineyard Wind; Jun-20: EUR 3,604 million), fixed-rate debt rose to 70.5% (June 2021) and 73.1% (June 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 through issuing debt at fixed rates, derivatives and hedging future borrowing rates.

Debt structure⁽⁴⁾ by country is shown in the following table:

	Jun 2021	Jun 2020
Corporate	73.1%	68.6%
UK	6.2%	7.4%
USA	17.6%	20.4%
Mexico	2.4%	2.6%
Other	0.7%	1.0%
Total	100.0%	100.0%

(4) Gross debt including 50% hybrid and excluding leases and Neoenergia (EUR 5,083 million in June 21 and EUR 4,753 million in June 20)

This debt⁽⁵⁾ can be broken down by financing source as follows:

	Jun 2021	Jun 2020
Euro bonds market	28.1%	31.9%
US Dollar bonds market	18.1%	19.8%
British pound bonds market	7.4%	8.1%
Other capital markets	4.8%	4.4%
Commercial paper	8.7%	7.6%
Multilateral	15.3%	13.8%
Structured financing	1.1%	1.2%
Leases	5.5%	4.6%
Bank financing	11.0%	8.7%
Total	100.0%	100.0%

(5) Adjusted gross debt.

Green/sustainable funding came to EUR 32,409 million including sustainable credit facilities and the sustainable ECP programme. Iberdrola is the world's leading group in green bonds issued.

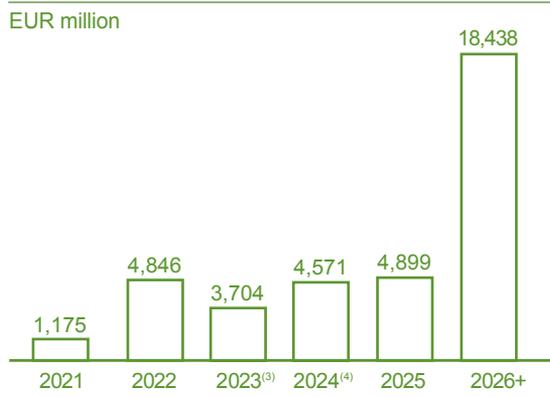
Iberdrola has a strong liquidity position totalling EUR 17,581 million including subsequent events. This liquidity comes mainly from syndicated credit facilities arranged with partner banks, undrawn loans arranged with multilateral credit institutions and development banks (EIB, ICO, BNDES), along with 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 covers in the base case 21 months and in the risk scenario 15 months of the Group's financial needs.

Liquidity ⁽¹⁾	EUR million
Cash, cash equivalents and IFTs	3,666
Back-up facilities	9,800
Credit facilities	2,626
Arranged financing	1,489
Total	17,581

(1) Includes transactions signed after 30 June.

Iberdrola has a comfortable debt maturity profile⁽²⁾, with an average term of nearly six and a half years, as shown in the table below.

Maturity debt profile



- (2) Adjusted gross debt excluding drawn credit facilities and leases; commercial paper falls due in or after 2026.
 (3) Includes USD 400 million with extension option for one or two years
 (4) Includes USD 500 million with extension option for one or two years

ADJUSTED NET FINANCIAL DEBT

Millions of euros	H1 2021	H1 2020
Loans and borrowings with credit institutions and debentures or other marketable securities	38,429	38,617
Liability derivative instruments	652	703
Leases	2,197	1,833
Gross financial debt	41,278	41,153
Capitalised derivative instruments	742	1,354
Deposits securing the value of CSA derivatives	115	87
Current financial investments (between 3 and 12 months)	294	
Cash and cash equivalents	3,417	2,320
Total cash assets	4,568	3,762
Net financial debt	36,710	37,392
Treasury stock derivatives with physical settlement for which it is considered to date that they will not be executed	129	296
Adjusted net financial debt	36,581	37,096

FINANCIAL RATIOS

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

	H1 2021	H1 2020
Adjusted equity*	51,380	46,109
Adjusted financial debt*	39,831	39,674
Credit line drawdowns	329	148
Unpaid accrued interest	337	332
Derivative liabilities	652	703
Adjusted gross financial debt*	41,149	40,857
Cash, cash equivalents and IFTs	-3,666	-2,320
Current capitalised derivatives and escrow accounts (CSAs)	-902	-1,441
Adjusted net financial debt*	36,581	37,096
Adjusted net leverage	41.7%	44.6%
Adjusted funds from operations (FFO)**/Adjusted net financial debt*	23.6%	22.0%
Adjusted retained cash flow (RCF)/Adjusted net financial debt*	21.2%	20.3%
Adjusted net financial debt*/Adjusted EBITDA***	3.43x	3.67x

- (*) Adjusted for treasury stock derivatives with physical settlement that, at the current date, are not expected to be executed (EUR 129 million in Jun-21 and EUR 296 million in Jun-20).
 (**) Adjusted at Jun-21 by the "Exit Plan" carried out in the fourth quarter of 2020 for EUR 45 million and at Jun-20 by the plan carried out in the fourth quarter of 2019 (EUR 51.8 million). Both proforma of the new additions to the group and corrected for the net tax adjustment for Mexico and the UK
 (***) Adjusted at Jun-21 by the "Exit Plan" carried out in the fourth quarter of 2020 for EUR 59.7 million and at Jun-20 by the plan carried out in the fourth quarter of 2019 (EUR 67.1 million). Both proforma of the new additions to the group.

4. Working capital

Working capital shows an increase of EUR 791 M in the last 12 months, mainly as a result of changes in derivative balances and the recording of the receivable for the refund of the 2013 and 2014 water levy.

CURRENT ASSETS	H1 21	H1 20	Change
Nuclear fuel	270	264	7
Inventories	2,558	2,587	(30)
Trade and other receivables	7,438	6,350	1,088
Current financial investments	541	478	63
Derivative financial instruments	539	303	235
Taxes payable	1,855	1,571	284
TOTAL CURRENT ASSETS*:	13,201	11,553	1,648

* Does not include cash or debt derivatives

CURRENT LIABILITIES	H1 21	H1 20	Change
Provisions	705	699	5
Derivative financial instruments	327	411	(84)
Trade and other payables	7,678	6,731	948
Taxes payable	2,200	2,212	(13)
TOTAL CURRENT LIABILITIES**:	10,910	10,053	857

** Does not include financial debt or debt derivatives

NET CURRENT ASSETS	H1 21	H1 20	Change
	2,291	1,500	791

5. Funds from operations

Funds from operations (FFO) amounted to EUR 4,245.7 million in the first half, 7.8% more than in the same period of 2020.

Funds from operations adjusted at 30 June 2021 were up 5.6% to EUR 8,625 million.

	H1 21	H1 20	Change
Net profit attributed to the parent company (+)	3,265.7	3,673.1	-407.4
Depreciation and amortisation charges and provisions (+)	4,432.6	4,471.1	-38.5
Results of companies accounted for using the equity method (-)	17.2	-432.7	449.9
Gains/(losses) from non-current assets (-)	0.0	-196.0	196.0
Extraordinary corporate income tax (-)	0.0	24.6	-24.6
Financial revision of provisions (+)	113.7	157.8	-44.1
Minorities (+)	448.4	299.2	149.2
Adjustment for tax deductible items (+)	477.5	139.4	338.1
Dividends on companies accounted for using the equity method (+)	51.9	61.3	-9.4
Allocation of capital subsidies to income (-)	-79.2	-81.5	2.3
Non-cash hydroelectric levy ruling (-)	-244.7		-244.7
Goodwill amortisation (+)	35.5		35.5
Funds from operations (FFO)	8,518.4	8,116.4	402.0
Exit plan	45.0	51.8	-6.8
Proforma new additions	26.3	0.0	26.3
Proforma goodwill amortisation 1 year	35.5		35.5
Adjusted funds from operations (FFO)	8,625.2	8,168.2	457.0
Dividends*	-879.6	-652.9	-226.7
Adjusted retained cash flow (RCF)	7,745.7	7,515.3	230.4

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

6. Financial transactions

New financing

Borrower	Transaction	Amount	Currency	Coupon	Maturity
First quarter					
Neoenergia	Public bond	2,000.0	BRL	CDI+1.46%	Aug-22
Iberdrola Internacional	Public hybrid green bond	1,000.0	EUR	1.450%	Perpetual
Iberdrola Internacional	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
CEB	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 ⁽³⁾	EIB loan	100.0	EUR		Jul-28
Second quarter					
Elektro	Public bond	405.0	BRL	CDI+1.60%	May-26
Elektro	Public bond	295.0	BRL	CDI+1.79%	May-28
Iberdrola Finanzas ⁽⁵⁾	Private bond	250.0	EUR	EUR+0.20% ⁽⁷⁾	Apr-23
CEB ⁽¹⁾	Loan 4,131	35.6	USD		Apr-26
Neoenergía Guanabara	Loan 4,131	200.0	BRL		Jun-22
Neoenergía Lagoa Dos Patos ⁽¹⁾⁽³⁾	Loan 4,131	31.3	USD		Jun-22
Neoenergía Vale Do Itajai ⁽¹⁾⁽³⁾	Loan 4,131	13.1	USD		Jun-22
Celpe ⁽¹⁾	Loan 4,131	39.1	USD		Jun-26
Neoenergía Guanabara ⁽¹⁾⁽³⁾	Loan 4,131	14.8	USD		Jul-22
Neoenergía Vale Do Itajai ⁽¹⁾⁽³⁾	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 ⁽⁴⁾⁽⁵⁾	Sustainable syndicated credit facility	2,500.0	EUR		Apr-26
Iberdrola Financiación ⁽⁴⁾	Sustainable bilateral credit facility	16,000.0	JPY		Jun-26
Iberdrola Financiación	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
Subsequent facts ⁽⁶⁾					
Iberdrola Financiación ⁽³⁾	Green ICO loan	6.0	EUR		Jul-30
Iberdrola Financiación ⁽³⁾	Sustainable bilateral loan	250.0	EUR		Jul-26

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

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

(3) Financing planned to be made available in 2021

(4) With option to extend 1 year + 1 year

(5) Transactions signed after 31 March included in the Q1 prospectus

(6) Transactions signed after 30 June

(7) The coupon amounts to Euribor 3M + 65pb because the fixed price is 100.916%.

Extension of existing financing

Borrower	Transaction	Amount	Currency	Extension	Maturity
Iberdrola Financiación	Sustainable syndicated credit facility	1,500	EUR	-	Mar-26

Transactions II Quarter and subsequent events

The operations formalised during the first quarter since the publication of the Q1 prospectus and up to the publication date of this prospectus are detailed below.

Capital market

Commercial paper

Commercial paper markets remained in good shape, supported by increased appetite thanks to economic recovery. In April, Iberdrola updated its framework programme for issuing commercial paper in the Euromarket, increasing its limit to EUR 5,000 million and adding the ESG aspect. This was well received by the market, which allowed for a EUR 550 million increase in the outstanding balance to EUR 3,500 million with competitive issuing rates.

Bonds

In June, the Iberdrola Group updated its programme under the Euromarket bond issuance framework (the “EMTN Programme”), thereby increasing its limit from EUR 20,000 million to EUR 30,000 million.

In April, the Iberdrola Group made a public issuance in Brazil through its subsidiary Neoenergía for a total equivalent to EUR 111 million in two tranches:

- BRL 405 million with a margin of 1.60% on the CDI, maturing in 2026; and
- BRL 295 million with a margin of 1.79% on the CDI, maturing in 2028.

Banking market

The Iberdrola Group signed a total equivalent to EUR 636 million in 11 bank loans:

- Neoenergía signed a total of seven loans under the terms of Decree 4,131, for a total equivalent to BRL 1,195 million over an average term of nearly 2.5 years.
- Iberdrola signed two bilateral loans: EUR 96 million maturing in December 2021 and EUR 100 million maturing in June 2026.
- In June, Iberdrola signed a sustainable bilateral loan for EUR 250 million maturing in July 2026.

Iberdrola also signed two bilateral credit lines in June for a total equivalent to EUR 245 million:

- JPY 16,000 million linked to sustainable indicators and maturing in April 2026, and
- EUR 125 million maturing in June 2026.

Development and multilateral banking market

Neoenergía signed its first loan from Japan International Cooperation Agency (JICA) in the private electricity sector in Brazil. This loan, for a total equivalent to EUR 122 million, is broken down into two tranches: one being direct financing from JICA maturing in March 2031, and the other being indirect through the Japanese bank MUFG and maturing in March 2026. It is intended to fund distribution investments in low-income areas in the state of Bahia.

In June, Iberdrola signed a green loan with the ICO for EUR 6 million maturing in July 2030 to finance a green hydrogen production and supply facility for Barcelona municipal transport.

7. Credit ratings

	Moody's			Standard and Poor's			Fitch IBCA		
	Rating	Outlook	Date	Rating	Outlook	Date	Rating	Outlook	Date
Iberdrola S.A.	Baa1	Stable	June 2021	BBB+	Stable	Feb. 2020	BBB+	Stable	May 2020
Iberdrola Finance Ireland Ltd.(*)	Baa1	Stable	June 2021	BBB+	Stable	Feb. 2020	BBB+	Stable	May 2020
Iberdrola Finanzas S.A.U.(*)	Baa1	Stable	June 2021	BBB+	Stable	Feb. 2020	BBB+	Stable	May 2020
Iberdrola International B.V.(*)	Baa1	Stable	June 2021	BBB+	Stable	Feb. 2020	BBB+	Stable	May 2020
Avangrid	Baa1	Negative	March 2020	BBB+	Stable	March 2021	BBB+	Stable	Oct. 2020
CMP	A2	Stable	Dec. 2020	A	Stable	Oct. 2020	BBB+	Stable	Oct. 2020
NYSEG	A3	Negative	Sep. 2020	A-	Stable	Oct. 2020	BBB+	Stable	Oct. 2020
RG&E	A3	Negative	Sep. 2020	A-	Stable	Oct. 2020	BBB+	Stable	Oct. 2020
UI	Baa1	Stable	Dec. 2020	A-	Stable	March 2021	A-	Stable	Oct. 2020
CNG	A3	Positive	Dec. 2020	A-	Stable	March 2021	A-	Stable	Oct. 2020
SCG	A3	Stable	Dec 2020	A-	Stable	March 2021	A-	Stable	Oct. 2020
BGC	A3	Stable	Dec 2020	A-	Stable	March 2021	A-	Stable	Oct. 2020
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. 2020						
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 2021 (Unaudited)

EUR M

ASSETS	June 2021	December 2020	Variation
NON-CURRENT ASSETS	112,382	107,546	4,835
Intangible assets	19,182	18,222	960
Goodwill	8,036	7,613	423
Other intangible assets	11,147	10,609	537
Real Estate properties	235	301	-66
Property, plant and equipment	75,026	71,779	3,247
Property, plant and equipment	66,676	64,879	1,797
Property, plant and equipment in the course of construction	8,350	6,900	1,450
Right of use	2,108	1,974	134
Non current financial investments	5,589	5,461	128
Investments accounted by equity method	1,248	1,145	103
Non-current financial assets	57	38	19
Other non-current financial assets	3,252	2,909	343
Derivative financial instruments	1,032	1,369	-337
Non-current trade and other receivables	3,531	3,161	370
Tax receivables	679	666	13
Deferred tax assets	6,031	5,982	49
CURRENT ASSETS	17,121	14,972	2,149
Nuclear fuel	270	260	11
Inventories	2,558	2,443	115
Current trade and other receivables	9,293	7,664	1,629
Tax receivables	781	564	217
Other tax receivables	1,074	623	451
Trade and other receivables	7,438	6,478	960
Current financial assets	1,583	1,178	405
Other current financial assets	905	578	328
Derivative financial instruments	678	601	77
Cash and cash equivalents	3,417	3,427	-10
TOTAL ASSETS	129,503	122,518	6,984

EUR M

EQUITY AND LIABILITIES	June 2021	December 2020	Variation
EQUITY:	51,251	47,219	4,032
Of shareholders of the parent	36,625	35,413	1,212
Share capital	4,814	4,763	51
Adjustments for changes in value	-37	-242	205
Other reserves	37,524	34,421	3,102
Treasury stock	-2,836	-1,985	-850
Translation differences	-4,371	-5,154	784
Net profit of the period	1,531	3,611	-2,079
Of minority interests	7,126	6,306	820
Hybrids	7,500	5,500	2,000
NON-CURRENT LIABILITIES	59,413	57,369	2,044
Deferred income	1,215	1,240	-26
Facilities transferred and financed by third parties	5,110	5,043	67
Provisions	6,082	5,836	246
Provisions for pensions and similar obligations	2,293	2,318	-25
Other provisions	3,789	3,518	271
Non Current Financial payables	35,958	35,096	862
Financial Debt- Loans and other	30,939	30,335	604
Equity Instruments having the substance of a financial liability	310	334	-24
Derivative financial instruments	840	991	-151
Leases	2,060	1,927	133
Other financial liabilities	1,809	1,510	299
Other non-current payables	321	262	59
Tax payables	289	285	4
Deferred tax liabilities	10,438	9,607	831
CURRENT LIABILITIES	18,839	17,930	908
Provisions	705	579	125
Provisions for pensions and similar obligations	17	23	-6
Other provisions	688	557	131
Current financial payables	15,359	15,469	-110
Financial Debt- Loans and other	7,490	7,703	-214
Equity Instruments having the substance of a financial liability	47	57	-9
Derivative financial instruments	582	297	285
Leases	137	131	6
Trade payables	5,278	5,137	141
Other financial liabilities	1,825	2,144	-320
Other current payables	2,775	1,882	893
Current tax liabilities and other tax payables	581	178	403
Other tax payables	1,619	1,226	393
Other current liabilities	575	478	97
TOTAL EQUITY AND LIABILITIES	129,503	122,518	6,984

Profit and Loss (*Unaudited*)

	Jun 2021	Jun 2020 (*)	EUR M %
REVENUES	18,752.2	16,467.4	13.9
PROCUREMENTS	(10,246.2)	(8,417.1)	21.7
GROSS MARGIN	8,506.0	8,050.3	5.7
NET OPERATING EXPENSES	(2,119.7)	(2,053.8)	3.2
Personnel	(1,449.1)	(1,418.0)	2.2
Capitalized personnel costs	340.2	346.5	(1.8)
External Services	(1,411.8)	(1,363.9)	3.5
Other Operating Results	401.0	381.7	5.1
LEVIES	(942.7)	(1,057.7)	(10.9)
EBITDA	5,443.6	4,938.8	10.2
AMORTISATIONS AND PROVISIONS	(2,202.1)	(2,243.4)	(1.8)
EBIT / Operating Profit	3,241.5	2,695.4	20.3
Financial Expenses	(1,047.6)	(1,076.9)	(2.7)
Financial Income	575.9	676.7	(14.9)
FINANCIAL RESULT	(471.7)	(400.2)	17.9
RESULTS OF COMPANIES CONSOLIDATED BY EQUITY METHOD	(1.9)	475.9	(100.4)
PBT	2,768.0	2,771.1	(0.1)
Corporate Tax	(1,014.6)	(780.4)	30.0
Minorities	(222.1)	(114.3)	94.3
NET PROFIT	1,531.3	1,876.4	(18.4)

(*) *Restated*

Results by Business (Unaudited)

EUR M

June 2021	Networks	Renewables	Generation and Supply	Other businesses	Corporation and adjustments
Revenues	6,845.8	2,634.1	10,807.6	130.3	(1,665.7)
Procurements	(2,788.7)	(228.1)	(8,785.4)	(88.3)	1,644.3
GROSS MARGIN	4,057.1	2,406.0	2,022.2	42.0	(21.4)
NET OPERATING EXPENSES	(1,052.7)	(336.8)	(773.1)	(8.2)	51.0
Personnel	(797.6)	(220.1)	(232.9)	(5.8)	(192.6)
Capitalized personnel costs	258.0	55.7	23.4	-	3.0
External Services	(737.1)	(310.4)	(631.1)	(2.3)	269.1
Other Operating Results	224.0	137.9	67.6	-	(28.5)
LEVIES (NO NEGRITA)	(436.5)	(64.0)	(440.9)	(0.7)	(0.6)
EBITDA	2,567.9	2,005.2	808.3	33.2	29.1
Amortisation and Provisions	(956.2)	(687.3)	(494.5)	(5.1)	(59.0)
EBIT/Operating Profit	1,611.7	1,317.9	313.8	28.1	(29.9)
Financial Result	(260.1)	(42.9)	(49.7)	33.2	(152.0)
Results of companies consolidated by equity method	7.8	(3.5)	1.0	(7.0)	(0.1)
PBT	1,359.3	1,271.4	265.0	54.2	(182.0)
Corporate tax and minority shareholders	(796.6)	(470.8)	(76.2)	(15.0)	121.9
NET PROFIT	562.8	800.6	188.9	39.2	(60.1)

EUR M

June 2020 (*)	Networks	Renewables	Generation and Supply	Other businesses	Corporation and adjustments
Revenues	6,357.6	2,036.9	9,193.8	19.5	(1,140.6)
Procurements	(2,534.9)	(203.8)	(6,788.1)	(9.1)	1,118.8
GROSS MARGIN	3,822.8	1,833.1	2,405.8	10.5	(21.8)
NET OPERATING EXPENSES	(1,032.5)	(381.1)	(643.3)	(7.8)	10.8
Personnel	(818.4)	(207.2)	(216.4)	(6.0)	(170.0)
Capitalized personnel costs	277.6	42.9	18.1	-	8.0
External Services	(710.6)	(286.6)	(544.2)	(1.9)	179.4
Other Operating Results	219.0	69.8	99.2	0.1	(6.5)
LEVIES	(469.5)	(221.6)	(395.7)	(0.9)	30.1
EBITDA	2,320.8	1,230.3	1,366.8	1.8	19.2
Amortisation and Provisions	(1,019.8)	(659.7)	(502.4)	(5.7)	(55.8)
EBIT/Operating Profit	1,301.0	570.7	864.4	(4.0)	(36.6)
Financial Result	(259.0)	(74.2)	(62.3)	0.2	(4.9)
Results of companies consolidated by equity method	5.6	(16.7)	2.0	485.1	(0.1)
PBT	1,047.6	479.7	804.1	481.4	(41.7)
Corporate tax and minority shareholders	(417.2)	(224.4)	(249.0)	0.7	(4.8)
NET PROFIT	630.4	255.3	555.1	482.1	(46.5)

(*) Restated

Networks Business (Unaudited)

EUR M

June 2021	SPAIN	UNITED KINGDOM	USA	BRAZIL
Revenues	1,003.9	710.6	2,125.4	3,005.9
Procurements	(2.5)	(27.5)	(664.4)	(2,094.3)
GROSS MARGIN	1,001.4	683.0	1,461.0	911.6
NET OPERATING EXPENSES	(123.5)	(115.7)	(569.7)	(243.8)
Personnel	(150.4)	(127.7)	(366.6)	(152.9)
Capitalized personnel costs	69.1	76.8	112.1	-
External Services	(141.3)	(97.3)	(358.2)	(140.3)
Other Operating Results	99.0	32.5	43.0	49.4
LEVIES	(41.5)	(55.4)	(336.8)	(2.7)
EBITDA	836.3	511.9	554.5	665.1
Amortisation and Provisions	(286.7)	(187.5)	(304.8)	(177.1)
EBIT/Operating Profit	549.6	324.4	249.7	487.9
Financial Result	(30.0)	(59.9)	(60.0)	(110.2)
Results of companies consolidated by equity method	1.3	-	6.4	-
PBT	521.0	264.5	196.2	377.7
Corporate tax and minority shareholders	(106.9)	(372.1)	(82.0)	(235.6)
NET PROFIT	414.1	(107.6)	114.2	142.1

EUR M

June 2020 (*)	SPAIN	UNITED KINGDOM	USA	BRAZIL
Revenues	976.6	689.6	2,108.8	2,582.6
Procurements	(0.2)	(29.0)	(646.8)	(1,858.8)
GROSS MARGIN	976.4	660.6	1,462.0	723.8
NET OPERATING EXPENSES	(140.1)	(109.1)	(559.9)	(223.4)
Personnel	(155.1)	(124.2)	(385.2)	(153.9)
Capitalized personnel costs	57.9	73.7	116.1	29.8
External Services	(138.3)	(86.7)	(337.0)	(148.7)
Other Operating Results	95.3	28.1	46.3	49.4
LEVIES	(45.6)	(55.6)	(365.4)	(3.0)
EBITDA	790.7	495.9	536.8	497.4
Amortisation and Provisions	(275.8)	(178.1)	(341.4)	(224.5)
EBIT/Operating Profit	514.9	317.7	195.4	272.9
Financial Result	(32.7)	(70.3)	(79.6)	(76.5)
Results of companies consolidated by equity method	1.3	-	4.3	-
PBT	483.6	247.4	120.1	196.5
Corporate tax and minority shareholders	(93.7)	(147.5)	(55.1)	(121.0)
NET PROFIT	389.9	99.9	65.0	75.5

(*) Restated

Renewables Business (Unaudited)

EUR M

June 2021	UNITED					Iberdrola Energía Internacional (IEI)
	SPAIN	KINGDOM	USA	BRAZIL	MEXICO	
Revenues	1,065.5	499.4	649.1	72.2	86.0	261.9
Procurements	(49.3)	(34.2)	(114.1)	(4.4)	(2.7)	(23.6)
GROSS MARGIN	1,016.2	465.2	535.0	67.8	83.4	238.4
NET OPERATING EXPENSES	(30.4)	(102.6)	(114.4)	(14.1)	(14.2)	(61.1)
Personnel	(76.4)	(32.3)	(73.6)	(7.5)	(3.1)	(27.2)
Capitalized personnel costs	17.2	10.9	7.9	1.5	0.9	10.3
External Services	(88.9)	(91.6)	(83.7)	(8.1)	(12.2)	(46.1)
Other Operating Results	117.7	10.4	35.0	-	0.2	1.9
LEVIES	4.3	(12.9)	(49.5)	(0.2)	(0.6)	(5.1)
EBITDA	990.1	349.7	371.2	53.6	68.5	172.2
Amortisation and Provisions	(165.7)	(137.2)	(258.4)	(19.0)	(27.6)	(80.3)
EBIT/Operating Profit	824.4	212.5	112.8	34.6	40.9	91.9
Financial Result	45.5	(19.1)	(27.3)	(11.4)	(14.7)	(15.9)
Results of companies consolidated by equity method	2.2	0.5	(4.5)	(1.4)	-	(0.3)
PBT	872.1	193.9	81.0	21.7	26.2	75.7
Corporate tax and minority shareholders	(206.7)	(219.5)	(4.6)	(12.8)	(3.3)	(23.6)
NET PROFIT	665.4	(25.7)	76.4	9.0	22.9	52.1

EUR M

June 2020 (*)	UNITED					Iberdrola Energía Internacional (IEI)*
	SPAIN	KINGDOM	USA	BRAZIL	MEXICO	
Revenues	606.3	500.5	587.3	86.2	53.9	202.7
Procurements	(38.7)	(31.0)	(112.9)	(16.6)	(1.3)	(3.4)
GROSS MARGIN	567.6	469.5	474.4	69.6	52.6	199.3
NET OPERATING EXPENSES	(115.3)	(78.6)	(131.5)	(18.8)	(16.7)	(20.2)
Personnel	(72.6)	(24.3)	(84.5)	(9.6)	(2.7)	(13.5)
Capitalized personnel costs	14.7	7.4	8.9	1.2	1.9	5.7
External Services	(86.9)	(66.9)	(93.8)	(10.4)	(17.5)	(30.1)
Other Operating Results	29.5	5.3	38.0	-	1.6	17.6
LEVIES	(151.6)	(13.0)	(54.5)	(0.4)	(0.4)	(1.8)
EBITDA	300.7	377.9	288.5	50.4	35.5	177.3
Amortisation and Provisions	(183.9)	(114.9)	(269.8)	(22.9)	(21.2)	(47.9)
EBIT/Operating Profit	116.8	263.0	18.7	27.5	14.3	129.5
Financial Result	(23.7)	(1.8)	(24.8)	(14.1)	(1.0)	(8.8)
Results of companies consolidated by equity method	(1.2)	0.7	(11.4)	(4.8)	-	-
PBT	91.9	261.8	(17.5)	8.6	13.3	120.7
Corporate tax and minority shareholders	(26.5)	(118.1)	(17.2)	(3.2)	(26.2)	(33.1)
NET PROFIT	65.5	143.8	(34.7)	5.4	(12.9)	87.6

(*) Restated

Generation and Supply Business (Unaudited)

EUR M

June 2021	UNITED				Iberdrola Energía Internacional (IEI)	
	SPAIN	KINGDOM	MEXICO	BRASIL	Other	
Revenues	5,695.0	2,384.8	2,156.6	177.8	666.1	(272.8)
Procurements	(4,584.7)	(1,929.3)	(1,777.1)	(125.4)	(641.7)	272.8
GROSS MARGIN	1,110.3	455.5	379.6	52.5	24.3	-
NET OPERATING EXPENSES	(377.7)	(247.1)	(99.5)	(14.1)	(37.6)	3.0
Personnel	(139.2)	(53.4)	(22.5)	(4.0)	(13.8)	-
Capitalized personnel costs	10.6	3.4	4.0	-	-	5.3
External Services	(295.3)	(209.5)	(93.2)	(10.2)	(34.6)	11.7
Other Operating Results	46.2	12.4	12.3	-	10.9	(14.1)
LEVIES	(382.8)	(52.8)	(2.2)	-	(3.1)	-
EBITDA	349.8	155.7	277.9	38.3	(16.3)	-
Amortisation and Provisions	(223.1)	(129.9)	(78.8)	(8.2)	(54.5)	-
EBIT/Operating Profit	126.7	25.8	199.0	30.1	(70.8)	-
Financial Result	(18.0)	(0.6)	(27.4)	(3.7)	(0.1)	-
Results of companies consolidated by equity method	1.0	-	-	-	-	-
PBT	109.7	25.2	171.7	26.4	(70.9)	3.0
Corporate tax and minority shareholders	(26.2)	(11.7)	(45.6)	(14.6)	22.6	(0.7)
NET PROFIT	83.5	13.5	126.1	11.9	(48.3)	2.2

EUR M

June 2020 (*)	UNITED				Iberdrola Energía Internacional (IEI)*	
	SPAIN	KINGDOM	MEXICO	BRASIL	Other	
Revenues	5,236.3	2,317.0	1,126.9	190.1	589.6	(266.1)
Procurements	(3,750.9)	(1,904.1)	(696.4)	(146.2)	(556.6)	266.1
GROSS MARGIN	1,485.4	412.9	430.5	44.0	33.0	-
NET OPERATING EXPENSES	(324.5)	(224.1)	(43.4)	(12.8)	(38.4)	-
Personnel	(141.3)	(43.8)	(16.8)	(4.4)	(10.1)	-
Capitalized personnel costs	6.6	3.1	8.3	-	-	-
External Services	(238.9)	(192.8)	(87.6)	(9.0)	(28.3)	12.4
Other Operating Results	49.1	9.3	52.6	0.5	-	(12.4)
LEVIES	(332.9)	(59.9)	(1.9)	-	(1.0)	-
EBITDA	828.0	128.9	385.2	31.2	(6.4)	-
Amortisation and Provisions	(239.3)	(137.5)	(74.3)	(9.6)	(41.6)	-
EBIT/Operating Profit	588.6	(8.7)	310.8	21.5	(48.0)	-
Financial Result	(14.9)	3.3	(40.9)	(8.0)	(1.7)	-
Results of companies consolidated by equity method	2.0	-	-	-	-	-
PBT	575.7	(5.4)	269.9	13.5	(49.7)	-
Corporate tax and minority shareholders	(143.1)	0.6	(105.9)	(6.5)	5.9	-
NET PROFIT	432.6	(4.8)	164.1	7.0	(43.8)	-

(*) Restated

Quarterly results (Unaudited)

	EUR M	
	Jan-Mar 2021	Apr-Jun 2021
Revenues	10,088.4	8,663.7
Procurements	(5,484.3)	(4,761.9)
GROSS MARGIN	4,604.1	3,901.9
NET OPERATING EXPENSES	(1,048.7)	(1,071.0)
Personnel	(699.3)	(749.8)
Capitalized personnel costs	158.2	182.0
External Services	(669.0)	(742.8)
Other Operating Income	161.4	239.7
LEVIES (NO NEGRITA)	(741.3)	(201.4)
EBITDA	2,814.1	2,629.5
Amortisation and Provisions	(1,101.4)	(1,100.7)
EBIT/Operating Profit	1,712.7	1,528.8
Financial Result	(823.5)	(224.0)
Results of companies consolidated by equity method	558.2	17.8
PBT	(265.4)	(206.3)
Corporate tax and minority shareholders	(3.9)	2.1
NET PROFIT	1,443.4	1,324.6
Revenues	(282.4)	(732.1)
Procurements	(135.8)	(86.3)
GROSS MARGIN	1,025.2	506.2

	EUR M	
	Jan-Mar 2020	Apr-Jun 2020
Revenues	9,425.9	7,041.4
Procurements	(4,881.2)	(3,535.9)
GROSS MARGIN	4,544.8	3,505.5
NET OPERATING EXPENSES	(1,046.8)	(1,007.0)
Personnel	(730.0)	(688.0)
Capitalized personnel costs	172.3	174.2
External Services	(673.8)	(690.1)
Other Operating Income	184.7	196.9
LEVIES (NO NEGRITA)	(726.5)	(331.2)
EBITDA	2,771.5	2,167.3
Amortisation and Provisions	(1,108.0)	(1,135.4)
EBIT/Operating Profit	1,663.5	1,032.0
Financial Result	(649.5)	(427.4)
Results of companies consolidated by equity method	469.1	207.5
PBT	(180.3)	(219.9)
Corporate tax and minority shareholders	485.7	(9.9)
NET PROFIT	1,968.9	802.2
Revenues	(624.5)	(155.8)
Procurements	(71.6)	(42.7)
GROSS MARGIN	1,272.7	603.6

Statement of origin and use of funds (Unaudited)

	June 2021	June 2020	Variation
Net Profit	1,531.3	1,876.4	-345.1
Adjustments to Net profit	3,075.7	2,199.0	876.7
Minorities and Hybrid	73.6	-17.9	91.5
Corporate Tax	786.5	331.7	454.8
Financials	2.1	103.5	-101.4
Equity Method	11.4	-461.7	473.1
Amortisation and Provisions	2,202.1	2,243.4	-41.3
Adjustments to EBITDA	-790.5	-413,1	-377.4
Deferred income	-141.5	-138.8	-2.7
Other non-cash adjustments (Networks and Renewables)	-649.0	-274.3	-374.7
Operating Cash Flow	3,816.5	3,662.3	154.0
Dividends Paid to Iberdrola shareholders	-266.0	-238.6	-27.4
Total Cash Flow allocations:	-4,023.1	-3,661.9	-361.2
<i>Gross Investments</i>	<i>-4,500.5</i>	<i>-3,582.1</i>	<i>-918.4</i>
<i>Non core Divestments</i>	<i>4.8</i>	<i>1,292.7</i>	<i>-1.287.9</i>
<i>Treasury stock</i>	<i>-1,527,4</i>	<i>-1,372.5</i>	<i>-154.9</i>
<i>Issuance/ Hybrid</i>	<i>2,000.0</i>	<i>-</i>	<i>2.000.0</i>
Capital Increase	610.4	-	610.4
CEB D acquisition	-408.7	-	-408.7
Exchange rate differentials	-653.2	1.119,4	-1.772.6
Other variations	-515.0	-445,0	-70.0
Decrease/(Increase) in net debt	-2,049.5	436.2	-1,875.7

Differences may arise due to rounding

Stock market evolution

IBERDROLA stock performance vs. Indexes



IBERDROLA's share

	H1 2021	H1 2020
Number of outstanding shares	6,418,156,000	6,453,592,000
Price at the end of the period	10.280	10.320
Average price of the period	11.097	9.580
Average daily volume	13,580,128	22,590,991
Maximum volume (03-19-2021 / 03-20-2020)	48,728,175	73,587,123
Minimum (11-02-2021 / 06-01-2020)	3,983,299	7,186,373
Dividends paid (€)	0.168	0.173
Gross interim (02-08-2021 / 02-05-2020)	0.168	0.168
Shareholder's Meeting attendance bonus	0.000	0.005
Dividend yield ⁽¹⁾	3.89%	3.61%

(1) Purchase price of rights guaranteed by Iberdrola.

(2) Dividends paid in the last 12 months and attendance premium / period-end share price

Regulation

In the second quarter of 2021 a number of new regulatory changes affecting the energy sector were approved. This section sets out the most significant of these.

Regulation in the European Union

Recovery and Resilience Facility:

On 16 June 2021, the European Commission approved Spain's recovery and resilience plan. A plan of EUR 69,500 million in grants (10.3% of the EU total) is consequently being implemented under the Recovery and Resilience Facility (RRF), aimed at making the investments and reforms outlined in the plan submitted by Spain.

The Commission considers that these actions will contribute effectively both to economic recovery following the COVID-19 crisis and to achieving the goals set out in the European Semester. Notably, 40% of the funds are earmarked for climate objectives and 28% for digitisation.

Publication of the First Delegated Act on Taxonomy

On 21 April 2021, the European Commission published a legislative "package" comprising the **Delegated Act (DA) on Taxonomy on the Climate Change Mitigation and Adaptation objectives, as well as** other legislative proposals with regard to **Sustainable Finance**.

This Delegated Act 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 each 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 (in accordance with the "Do No Significant Harm" principle [DNSH]).

This DA outlines the **technical criteria for including in mitigation and adaptation taxonomies** various industrial activities and services, **including energy production, distribution and transport, as well as hydrogen manufacture and transport**. The inclusion of gas (as a transition technology) and nuclear will be subject to a supplementary DA to be approved in the second half of 2021.

The European Parliament and Council have until October (extendible until December) to reject the application of the DA text (no amendments or proposals for partial application are permitted). After this deadline, the DA shall enter into force and **will be applicable from 1 January 2022**.

Regulations of the Just Transition Fund

The OJEU (Official Journal of the European Union) of 30 June 2021 published Regulation (EU) 2021/1056 establishing the **Just Transition Fund**. This instrument consists of **EUR 17,500 million** (EUR 790 million for Spain) to facilitate the **energy transition of the areas most dependent on activities linked to fossil fuels** (mostly Eastern European countries).

The fund is earmarked for **developing clean energy and alternative activities**, including innovation and education, preferably (but not exclusively) spearheaded by SMEs. Projects involving the production, distribution, transport, storage or combustion of **fossil fuels are excluded**.

Regulation in Spain

Royal Decree-Law on tax measures: This introduces urgent measures with regard to energy taxation and energy generation (*Royal Decree-Law 12/2021, of 24 June, adopting urgent measures with regard to energy taxation and energy generation, and on the management of the regulation levy and the water use rate*):

- i) **VAT is reduced from 21% to 10% until the end of the year for consumers with contracted power up to 10 kW**, if the average market price of the last calendar month prior to the last billing day **exceeds EUR 45 per MWh**.

- ii) **The tax on the value of electrical energy production (7%) is suspended during the third quarter.**
- iii) The extended protection for strategic sectors against foreign agents purchasing domestic companies is extended until 31 December.

Energy Transition and Climate Change Act: The **Energy Transition and Climate Change Act** has been published in the **BOE**. (Law 7/2021, of 20 May).

- i) **It sets climate objectives** in line with those of the PNIEC (Plan Nacional Integrado de Energía y Clima — National Integrated Energy and Climate Plan) (**23% reduction in CO₂, 42% renewables on final demand, 39.5% efficiency**). These objectives will be revised in 2023 and can only be modified upwards.
- ii) **The electricity sector will be adapted** to increase consumer participation, investment in renewable energy, distributed generation and storage, the use of electricity grids and the use of flexibility in grid management and local energy markets, customer access to data, and innovation.
- iii) Reversible hydroelectric plants will be promoted.
- iv) The contribution of EUR 450 million in CO₂ auction revenue to the electricity sector is reinforced.
- v) **Promoting electrification:** 150kW or 50kW charging points at petrol stations with the highest sales volumes in 2021, sales of zero-emission non-commercial vehicles in 2040 and promotion of zero-emission heating systems.
- vi) **Taxation:** Establishing a group of experts to evaluate a tax reform and reviewing all aid and measures favouring the use of fossil fuel-based energy products.

Extension of the ban on cutting supply: A Royal Decree Law has been published in the **BOE** to **extend certain social protection measures** for an additional 3 months once the State of Emergency has been lifted. (*Royal Decree-Law 8/2021, of 4 May*).

In terms of energy,

- i) **the ban on cutting off electricity**, natural gas and water **supplies is extended until 9 August.**
- ii) **The ability for consumers to apply for the rate subsidy in circumstances of unemployment, temporary layoffs, or reduced income, has also been extended until 9 August.**

Regulation in the United Kingdom

Applicable tariff cap: As required by the 2018 Domestic Gas and Electricity (Tariff Cap) Act, Ofgem introduced a new default tariff cap on 1 January 2019 to protect customers on default tariffs including standard variable tariffs (SVT). The applicable tariff cap is adjusted on 1 April and 1 October each year. It has been extended for a year until end 2021 and may be extended annually up to two more times. Ofgem confirmed in February 2021 that an adjustment would be included to reflect estimated additional debt-related costs due to COVID-19 in Period 6 (Apr-Sep 2021) and Period 7 (Oct 2021-Mar 2022). Ofgem issued a further consultation in June 2021 on its approach of “truing-up” the provision for COVID-19-related costs in light of actual costs.

RIIO-T2: In December 2019, SP Energy Networks (SPEN) submitted its final business plan worth GBP 1,400 million to Ofgem for the RIIO-T2 electricity transmission price control, which will run from 1 April 2021 to 31 March 2026. Ofgem published its final decision in December 2020, proposing an allowed total expenditure (TOTEX) of GBP 1,300 million (a significant improvement from its July preliminary decision) and a cost of capital of 4.02% CPIH (CPI, homes included) real (at 55% gearing and net of a 0.23% ‘outperformance adjustment’). All nine licensees affected by the RIIO-T2 gas and electricity price controls have been granted permission to appeal against Ofgem’s decisions to the UK’s Competition and Markets Authority (CMA). The CMA held hearings with the parties throughout June 2021 and has until the end of October 2021 to rule on the appeals.

RIIO-ED2: The RIIO-ED2 electricity distribution price control will run from 1 April 2023 to 31 March 2028. Distribution Network Operators (DNOs) are required to submit a full draft of their business plans to the RIIO-ED2 Challenge Group by 1 July 2021, and their final business plans to Ofgem by 1 December 2021.

UK target to reduce carbon emissions: In April 2021, the UK Government announced that it accepted the advice of the Climate Change Committee through the objective of establishing a 78% reduction in carbon emissions by 2035 compared to 1990 levels. The Government is legislating to give effect to this through setting the 6th Carbon Budget (2033-37) under the Climate Change Act. This builds on the UK's existing commitment - in its already announced Nationally Determined Contribution - of at least a 68% reduction in emissions by 2030.

Regulation in the USA

Mitigating the effects of COVID-19: During the second quarter, the United States Treasury Department has been allocating and distributing COVID aid packages under the American Rescue Plan Act, enacted in March. Funding includes USD 20,000 million for the Emergency Rental Assistance programme and USD 10,000 million for the Homeowner Assistance Fund. Both initiatives can be used to help tenants and homeowners with utility bills. This also includes USD 350,000 million to state and local governments for emergency funding and "necessary investments" in broadband and other infrastructure.

Infrastructure: On June 24, President Biden announced a bipartisan infrastructure package agreement developed by 11 Republican and 10 Democratic senators. The framework allows for \$1.2 trillion in spending over eight years, including \$15 billion for EV charging infrastructure, \$65 billion for broadband, and additional spending on port upgrades and infrastructure resilience. Additional climate, social, and tax priorities could move forward in a separate partisan bill. Congress will draft legislative

text in the coming months and aim to pass one or both packages by 30 September.

Tax: On 29 June, the Treasury Department and the IRS issued a new safe harbour notice for renewable energy tax credits in response to delays caused by the COVID pandemic. The notice extends the safe harbour for facilities that began construction in 2016-2019 to 6 years, and facilities that began construction in 2020 to 5 years. It also allows taxpayers not using a placed-in-service safe harbour to use the continuous efforts standard rather than the more restrictive continuous construction standard to demonstrate compliance.

Offshore wind energy: The Biden Administration brought forwards its previously announced goal of generating 30 gigawatts of offshore wind energy by 2030 as follows:

- On 11 May, the Administration issued a final Record of Decision approving the first commercial scale offshore wind project. Vineyard Wind 1 will have an installed capacity of 800 MW off the coast of Massachusetts, and is expected to begin commercial operation in 2023. Vineyard Wind is a joint venture between Avangrid Renewables and Copenhagen Infrastructure Partners.
- On 25 May, the Administration and California Governor Newsom announced plans for the first sale of offshore wind leases in 2022 off the coast of California. The plan focuses on areas in central and northern California totalling 600 square miles (1,553.9 km²) and could generate up to 4.6 gigawatts.
- On 11 June, the Administration announced a proposal for lease areas in the state of New York for a total of 7 gigawatts. Also on 11 June, the Bureau of Ocean Energy Management (BOEM) published a request for information on the potential for offshore wind development in the Gulf of Mexico.
- On 28 June, BOEM initiated the environmental review process for the Vineyard Wind South project, which could allow for 2000 MW offshore wind generation. The first phase of the project is Park City Wind, which would provide 804 MW to

Connecticut. The agency expects to issue a final environmental review decision by March 2023.

Duties: In June, the Biden Administration announced the creation of a working group with the EU to identify a process to eliminate the 25% steel duties and 10% aluminium duties applicable to European products. They set a goal to reach an agreement by 1 December. Also in June, the Administration added polysilicon to the Department of Labour's list of goods produced by forced or child labour after an investigation into the Uyghur population in the Xinjiang province of China.

Hydrogen: On 7 June, DOE launched the Hydrogen Shot initiative seeking to reduce the cost of green hydrogen to \$1 per kg (an 80% reduction) over a decade. As part of the initiative, DOE's Hydrogen Office announced a request for information on viable hydrogen demonstration projects which could lead to a funding opportunity announcement in the future.

New York – “Resiliency and Compensation Bill”: 21 June 2021. The new Customer Resiliency and Compensation Bill has been passed in New York (pending the Governor's signature):

- Utilities must prepare climate vulnerability studies and resilience plans outlining measures for the next 10 and 20 years.
- Utilities will have the right to recover compensation and a return calculated based on the regulatory ROE in force at any time.
- Costs associated with implementing the resiliency plan will be recovered through a specific fee in invoices.
- Customers that have no supply for more than 72 hours during a “major event” will be entitled to compensation for lost food and medicine (max. USD 240/customer) and USD 25/day from 96 hours onwards.
- Utility providers may be exempt from paying out compensation under exceptional circumstances to be assessed by the Committee.

Connecticut — UI-D Rate Review: PURA published the draft bill on 10 June, which contained no changes

compared to the previously circulated version. The final order is not expected to change, and rates will enter into effect on 1 July. PURA has amended its initial decision and has issued a draft order accepting the substantial part of the Settlement proposed by UI-D and the parties. The key points of the draft order are:

- ROE and equity factor values remain unchanged until the next rate case.
- Offsets the regulatory asset of the Rate Adjustment Mechanism with regulatory tax liabilities (Tax Reform/ADIT), compensating both amounts over 22 months.
- Allows tariffs to be reduced thanks to a lower corporate tax rate (34% to 21%) and the contribution of funds from COVID relief credit.

Connecticut — Storage Bill: 11 June 2021. Connecticut has passed a bill (pending the Governor's signature) to promote energy storage. The Bill aims to deploy 1,000 MW in energy storage by 2030, setting interim targets of 300 MW by 2024 and 650 MW by 2027.

New Mexico — Merger with PNM Resources:

- 26 April 2021. Avangrid has secured FERC approval to move forward with its merger with PNM Resources. This approval is in addition to approvals previously obtained by the Federal Communications Commission (FCC) and the shareholders of PNM Resources.
- 28 May 2021. The proposed merger between PNM Resources and Avangrid has been approved by the Nuclear Regulatory Commission (NRC). The only authorisation still pending is that of the New Mexico Public Regulation Commission (NMPRC); in this regard, the NMPRC has proposed delaying hearings until November in order to be able to properly analyse the merger. The Governor of New Mexico and 13 stakeholders have shown their support for this merger.

Regulation in Mexico

Reform to amend the Law on the Electrical Industry

At the end of the second quarter of 2021, judicial proceedings filed by individuals against the Reform of the Law on the Electrical Industry (LIE) continue. Until such processes are resolved, and while the constitutionality of the Reform is or is not defined, it remains on hold due to the precautionary measures granted by the courts.

Definitive suspension of the Amendment to the Legacy Contracts for Basic Supply

In November 2020, the Energy Secretariat (SENER) and the Energy Regulatory Commission (CRE) modified the terms, deadlines, criteria, bases and methodologies of the Legacy Contracts for Basic Supply (LCBS) in order to extend their enforcement, modify the terms of these contracts and incorporate new CFE (Comisión Federal de Electricidad — Federal Electricity Commission) generation centres as legacies.

In May 2021, the courts granted a precautionary measure with general effect, in light of the demand for protection filed by a private individual against the modification to the LCBSs, temporarily re-establishing the terms of the LCBSs that were previously in force.

On 20 May 2021, SENER issued a notice to the actors in the Wholesale Electrical Market announcing the suspension granted by the courts.

Regulation in Brazil

Rate adjustment in COELBA and COSERN

In April, ANEEL's Board of Directors ratified the tariff adjustment of distributors COELBA and COSERN, effective from 22 April. The average effect for Coelba consumers was 8.98%, with an average adjustment of 7.82% at low voltage and 12.28% at high and medium voltage. In COSERN, the average effect for consumers was 8.96%, with an average adjustment of 8.27% at low voltage and 11.18% at high and medium voltage.

Rate review at CELPE

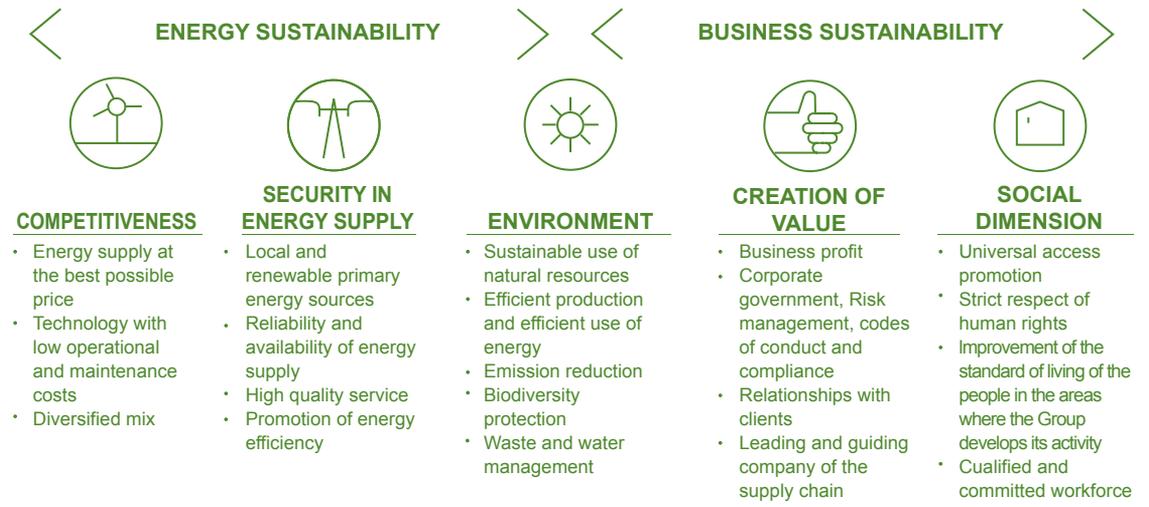
On 29 April 2021, the review of CELPE's tariffs entered into force, with an average effect for consumers of 8.99%, which breaks down into 11.89% for high and medium voltage and 8.01% for low vol

Sustainability Performance - ESG



Iberdrola’s contribution to sustainable development is reflected in corporate responsibility practices that meet the needs and expectations of its stakeholders, with whom the Company maintains a combination of open communication channels and dialogue. These channels are used for communicating goals, activities and successes achieved in the three areas of sustainable development (environmental, social, and good governance) as well as receiving evaluations and requests from stakeholders, thus contributing to the attainment of the United Nations Sustainable Development Goals.

Sustainability Management Policy:



ESG initiatives in the period

ESG initiatives in the period	H1 2021	Related SDGs
Fight against climate change	<u>Climate action</u>	 
Green Hydrogen Production	<u>Green hydrogen development</u>	 
Biodiversity Restoration	<u>Trees programme</u>	
Reducing effects on birds	<u>Air network improvement project</u>	
Rational use of water	<u>Utility with better productivity</u>	
Sustainable Mobility Plan	<u>Rollout of charging points</u>	 
COVID response	<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>	 
Employee training	<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>Coverage for vulnerable customers</u>	 
Action in the community	<u>Volunteering initiatives</u>	  
Social contribution	<u>Foundation actions</u>	    

1. Sustainability Indicators

Financial Indicators	H1 2021	H1 2020
Contribution to GDP (Gross Margin) (*)	1.08%	1.01%
Contribution to GDP (Net Revenues) (*)	2.34%	2.11%
Net profit (EUR million)	1,531.3	1,876.4
Dividend yield (%) (**)	3.80%	3.61%
Sustainability Indicators	H1 2021	H1 2020
CO ₂ emissions over the period (gCO ₂ /kWh): Total	79	87
CO ₂ emissions over the period (gCO ₂ /kWh): Europe	43	57
Ratio own emission-free production to total production: Total (%)	79%	78%
Ratio emission-free production to total production: Europe (%)	91%	89%
Ratio own emission-free installed capacity: Total (%)	80%	78%
Ratio emission-free installed capacity: Europe (%)	81%	79%

Note: Third-party installed capacity and production not included

(*) Source: Iberdrola Results and National Quarterly Accounting for Spain — INE (Base 2010. Last data published in Q4 2020)

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

E Environmental

The environmental highlights during this period are:

Fight against climate change

During the last General Shareholders' Meeting, held on 18 June, a number of amendments to the By-Laws concerning the group's climate action were approved. As such, **Iberdrola reformed its By-Laws to place responsibility for climate action on the Board of Directors**, thus strengthening its climate governance. The group's highest management body will be responsible for approving and updating a [climate action plan](#) that will allow the company to meet its environmental objectives, as well as for reporting annually on climate management.

The Board will set interim targets for reducing emissions, ensuring that said targets cover all direct and indirect emissions and are backed by science in terms of aligning with the Paris Agreement. It will also establish an investment strategy that is consistent with these objectives and will define the methodologies that will assess the extent to which said objectives are met.

The content of the Climate Action Policy, which was also backed by shareholders at the Meeting, is in line with the recommendations of the Task Force on Climate-Related Financial Disclosure (TCFD)—the benchmark platform for reporting climate-related information—and sets out guidelines for integrating climate change into internal strategic planning and decision-making processes, as well as into long-term risk analysis, management and reporting.

Through these measures, Iberdrola takes another step further on its Climate Action Policy, which establishes among its priority lines of action contributing to the electrification of the economy and bringing its global direct emissions levels to below 50 g of CO₂ per kWh by 2030, with the aim of achieving carbon neutrality by 2050. The Group will therefore support regulatory initiatives that promote, for example, electric mobility and heat pumps, the

“polluter pays” principle, the elimination of subsidies for high-emission technologies or sectors, the analysis of risks arising from climate change and, in general, a real, worldwide energy transition.

In the **framework of the European CEO Alliance**, Ignacio Galán and the top executives of 11 other European companies joined forces **for an emission-free future** and a more resilient Europe. The European CEO Alliance is an initiative that supports the Paris Agreement 2050 targets, the EU Green Deal and greater ambition for the European Union's climate objectives.

During the **Qatar Economic Forum**—a digital event organised by Bloomberg—the president of Iberdrola stressed the need for collaboration between companies, entrepreneurs and governments to meet climate targets. He highlighted the vital investment efforts in clean energy made by the company over the last 20 years, which will allow the group to reach around 95,000 MW in renewable energy by 2030.

The company led the launch of the **European Climate Pact in Spain** by organising one of the first **European Climate Pact** satellite events; a European Commission initiative within the framework of the European Green Deal to call for participation in the fight against climate change.

The company has also submitted 54 projects associated with [green hydrogen](#) to the **Next Generation EU programme**, which would activate investments of EUR 2,500 million to achieve annual production of 15,000 t/year in 2025 and 85,000 t/year in 2030.

Biodiversity

Iberdrola has joined the **International Day for Biological Diversity** to preserve ecosystems as key elements for sustainable growth. Iberdrola therefore aims to achieve zero net loss of biodiversity by 2030, committing to a net positive impact on new infrastructure developments.

It has also joined the **World Economic Forum's 1t.org Corporate Alliance platform**, which was

created to expedite nature-based solutions and support the work of the Decade on Ecosystem Restoration. The mission of this business alliance is to conserve, restore and grow 1 trillion trees by 2030.

Iberdrola recently convened a group of the company's major shareholders to explain to them first-hand the **Trees Programme** and the different technologies used to restore the ecosystem and safeguarding life on our planet. The Iberdrola Group organised the planning of more than 768,000 trees in 2020 under this programme.

Smart Cities

Iberdrola's *sustainable mobility plan* has been enhanced by allocating more investments - a total of EUR 150 million - to step up the deployment of 150,000 electric vehicle charging points by 2025. The company has included the electrification of transport within its strategy of transitioning towards a decarbonised economy supported by renewable energies and smart grids. To achieve this, it will mainly focus on ramping up its plan to install charging infrastructure across Spain, while also extending the initiative to other markets such as the United Kingdom, Portugal and Italy. As such, Edinburgh has launched the first two-storey electric city buses, supported by ScottishPower Energy Networks' Green Economy Fund, thus helping to improve the air quality of the urban hub.

S Social

The most significant actions in terms of their contribution to society during this period were:

Taking stock of a year marked by a pandemic: protecting employees, suppliers and society as a whole

Ignacio Galán defended the **energy transition as "an opportunity to transform production models and make them more sustainable and more competitive"** during his speech at the **Foro Tendencias 2021** (Trends Forum), where prominent political and business personalities were gathered

to discuss the outlook for next year, following the economic impact of the COVID-19 pandemic. The President of Iberdrola addressed the broad outlines of the transformation towards a green economy, which is key to recovery.

Iberdrola, a leading actor in tackling the global health crisis, has donated around EUR 52 million in medical supplies. It became the first Ibex 35 company whose COVID-19 Protocols have been certified by AENOR in accordance with the requirements established by the authorities and by sector guidelines. This certificate constitutes an endorsement of the action protocol put in place by the company, which has ensured both the continuity and quality of the electricity supply as well as people's health and safety. Iberdrola has also placed its own medical services at the disposal of the Spanish Autonomous Communities to assist in the COVID-19 vaccination process.

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 in 2022. The company has therefore created a model - validated by a third party - and a digital platform, developed by Spanish scaleup GoSupply, whereby the company's suppliers can self-evaluate their performance in this field.

Also, Iberdrola has awarded the **RETO awards** [RETO meaning 'CHALLENGE' in Spanish and standing for Recuperación (Recovery), Energía (Energy), Transición (Transition) and ODS (SDGs)], which recognise a global ecosystem of 22,000 suppliers. Through this award, Iberdrola wishes to highlight the work of the strategic partners in its value chain and to round out a unique year owing to the pandemic. 2020 was a year in which the company, in addition to providing stable, quality employment for nearly 39,000 professionals, hired 3,800 new professionals to join the group, made record-breaking investments of around EUR 10,000 million and brought forwards orders of EUR 14,000 million to its suppliers.

Access to energy for vulnerable groups

During the period, 2020 year-end data for the “*Electricity for all programme*” was made public. As such, since the programme was launched in January 2014, Iberdrola has helped 8.2 million people benefit from access to electricity through projects in different countries throughout Latin America and Africa. 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.

Training and employment

Iberdrola employs almost **39,000 people** and generates **some 400,000 indirect and induced jobs**. In 2019 it contributed more than EUR 34,100 million to gross domestic product (GDP). According to the widely recognised London Benchmarking Group (LGB) model, which measures and evaluates contributions made by businesses to the community, Iberdrola contributed EUR 83.8 million in 2020, up by 61% compared to 2019.

Neoenergia has opened a new round of its **Apprenticeship Programme to attract new talent**, whereby all selection processes will allow candidates to seek employment with all of the company’s distributors and businesses, in an effort to develop talent and opportunities for young people.

The company has been selected to lead a **European Round Table (ERT) training initiative called Reskilling 4 Employment (R4E)**. At a time when the job market in Europe is undergoing significant change, the initiative aims to make it easier for unemployed workers and workers “at risk of unemployment” to reskill.

Equality and Diversity

Iberdrola published a new edition of its [*Diversity and Inclusion Report*](#), which includes its initiatives to move towards a fairer, egalitarian environment. The company, which aims to create a working

environment that reflects the diversity of the society it serves, considers these matters to be a strategic priority in terms of its sustainable growth.

In 2020, Iberdrola’s workforce consisted of close to 39,000 workers of 72 different nationalities, with more than four generations working together. In the report, Ignacio Galán explains that “*being an inclusive, diverse company is a great advantage to us; it allows us to boast a very talented team, be more innovative and, above all, understand and best respond to the needs of society, which, naturally, is also diverse*”.

The Iberdrola group promotes initiatives for women’s empowerment and promotion of STEM

(science, technology, engineering and mathematics) vocations. According to the latest Diversity and Inclusion Report, the number of women in managerial positions within the company has grown by 31.30% in the last five years, all while maintaining a steadfast commitment to women’s professional development and equal opportunities. In this regard, ScottishPower Networks’ drive for STEM education in more than 50 schools in Fife, West Lothian and Edinburgh in Scotland is notable thanks to the online programme designed by Forth Valley College through its Green Economy Fund.

Iberdrola has also supported **European Diversity Month**, a pioneering initiative promoted by the European Commission that took place in May and aims to celebrate and promote diversity in the workplace. For Iberdrola, “*a diverse, inclusive company attracts and retains talent better and is more innovative, thus becoming more open to the society it serves*”.

Volunteering

The company has commissioned the “**My Social Footprint**” initiative, which measures the impact on society and the contribution of the Group’s volunteers to the SDGs. 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 volunteer actions they have completed and how they are contributing.

Volunteering at Iberdrola has continued in this six-month period through projects for training and improving employability for young people at risk of exclusion, **helping thousands of people from the most disadvantaged groups** (refugees, women who are victims of gender-based violence and/or at risk of severe exclusion). The projects are also helping women who have taken an extended break in their careers for maternity leave or family care return to work.

Meanwhile, the company continues to implement **environmental care activities** through reforestation, cleaning, recycling workshops and other awareness-raising activities; as well as through promoting diversity and inclusion, and responding to the food emergency through various global initiatives such as Operation Kilo.

Action in the community

The Iberdrola Volunteer Programme is organised through the International Volunteer Portal. All projects have been adapted to the circumstances of COVID so as to remain responsive to social needs. Highlights in this period:

- **“Protagonists of their future”**, aimed at women victims of gender-based violence and at risk of social exclusion.
- **SUM**: Aimed at reincorporating women into the labour market after a prolonged pause in their professional career due to maternity leave and/or family care.
- **INVOLVE** (International Volunteering Vacation for Education): The project in which Iberdrola employees from several countries help vulnerable teenagers to improve their employability through computer science and web applications.
- **Lights... and action!**: A project carried out since 2011 with the Tomillo Foundation aimed at improving the training and employability of young people who study basic vocational training, aimed at teenagers with experiences of school failure. Classes have been adapted to online classes, with training in

energy efficiency, English, mentoring of women, social skills and so on.

- **“Iberdrola with refugees”**: A workshop on digital tools and meeting basic needs using IT.
- **“Volunteering to Train” Job Ambassadors Programme**: Volunteers have participated in the training of people from the Multiple Sclerosis Foundation (EMF) who are seeking employment.
- **“Environmental Volunteering”**: Forest Restoration on **International Forest Day**, with **1,100 trees planted** through various initiatives in which people with intellectual and educational disabilities have also participated. In addition, volunteering related to climate change in schools continues, in addition to the **Garden of the Senses project**, which fuses the environment with inclusion and visibility of diversity.
- Initiatives to encourage science careers and equal opportunities on **International Women’s and Girls’ Day in Science** and on **Women’s Day**.
- On **World Cancer Day**, initiatives were developed to raise awareness and make people aware of the importance of supporting research and hair donation for vulnerable, underprivileged women. And on **International Happiness Day**, 1,600 meals were distributed to vulnerable families.
- **SDGs at school**: School awareness project on SDGs and Agenda 2030
- **I Can**: Project that prepares people with intellectual disabilities to secure and keep a job and lead an independent life.

Foundations

Iberdrola Foundation Spain, ScottishPower Foundation, Avangrid Foundation, Iberdrola Foundation Mexico and the Neoenergia Institute embody Iberdrola’s commitment to the development of the countries in which it operates, as well as solidarity with the people who are most vulnerable.

The most significant initiatives in the first half of 2021 by work stream are as follows:

- A. Training and research

This work stream focuses on young students, by supporting their degree, technical training or language studies and offering opportunities to those who have disabilities and/or fewer resources.

Iberdrola Foundation in Spain:

- **2 Grants for restoration and conservation at the Bilbao Fine Arts Museum.**
- **11 Paralympic grants.**
- **10 Carolina Foundation grants.**
- **12 Engineering scholarships at the ICAI.**
- **Chair of STEM Women Sustainability Mobility**, with the collaboration of EMT and the Pontifical University of Comillas, for promoting women in STEM vocations.
- **Energy for Future Research Grant Programme:** The project's combined funding totals more than EUR 4 million over the next five years and will promote research projects focusing on the main technologies associated with the energy transition and the green transformation of the economy: wind and photovoltaic energy, electric vehicle development, energy storage solutions and consolidation of smart grids.
- **“Empieza por Educar” (Start with Education) Programme, STEM Grants – Vocational Training:** In this programme, 5 STEM talents participate in the world of education, in order to practise as teachers for 2 years in basic or intermediate vocational training classrooms.

ScottishPower Foundation in the United Kingdom:

- **ScottishPower Foundation Planetarium Community Pass:** Intensifying deployment of the Dynamic Earth Planetarium project in its second year, offering free visits and learning support for disadvantaged people.
- **Affinity Coaching and Counselling:** Affinity will offer a counselling and guidance service for autistic people and their families throughout Scotland.
- **Tools for Transition:** This will provide tailored support, counselling, and advocacy to children aged 0 to 18 with spina bifida/hydrocephalus coping with

the shift from day care to primary and secondary school.

Avangrid Foundation in the United States:

- **Binghamton University Foundation – Senior Capstone Projects (New York):** Supporting capstone design at the Watson School of Engineering through energy and environmental projects.
- **Henry Ford Museum – Invention Convention Worldwide (National):** ICW is a coalition of global affiliates that teaches students real-world problem-solving and creative thinking skills.
- **Blue Hub Capital – Working Communities Challenge:** Collaboration between the public, private and non-profit sectors to address the complex challenges faced by post-industrial cities and to achieve large-scale impact focused on sustainable development.

Iberdrola Foundation in Mexico:

- **Impulso STEM (STEM Impulse):** In this programme, 100 scholarships will be awarded to young underprivileged Oaxacan people so that they have the opportunity to study at the Technological University of the Central Valleys of Oaxaca (2020-2024).
- **Altamira Grants:** Contributing towards the academic preparation of high-performing young people who require financial support to pursue their studies.
- **Young People Building the Future:** A programme led by the Ministry of Labour and Social Welfare to provide work-related training opportunities for young people between the ages of 18 and 29.

Neoenergía Institute in Brazil:

- **“Balcão de Ideias e Práticas Educativas” (Educational Ideas and Solutions Platform) Project:** To select teachers who will participate in this year's activities and in designing the programme's methodology.

- B. Biodiversity and climate change

In this work stream, we collaborate with public institutions and bodies devoted to protecting the environment.

Iberdrola Foundation in Spain:

- Collaborates with the Sociedad Española de Ornitología (Spanish Ornithological Society), **SEO/BirdLife** on the **MIGRA project**, aimed at studying the migratory patterns of birds.
- The **campaign to rescue stepparian birds in Extremadura** in collaboration with **SEO/BirdLife** aims to reduce the impacts that affect the populations of agro-steppe birds in the region.
- The project for **Reforestation in the Albacete shooting range** in Chinchilla is pending launch.
- Work is currently under way in the **Almagro and Villatobas Training Camp** (Toledo).
- “**Expansión de Abies Pinsapo en la Reserva de la Biosfera de Grazalema**” (Expansion of Abies Pinsapo in the Grazalema Biosphere Reserve), held the first reforestation day in the Biosphere Reserve in March 2021.
- **The Climate Change and raptor conservation project**, through research into vaccine prophylaxis, in collaboration with the Aquila Foundation.
- Collaboration with the **Rey Jaime I Awards** as a Panellist and promoter of the Environmental Protection Award, one of the six award categories.

ScottishPower Foundation in the United Kingdom:

- **Sustainable Futures**: Project to raise 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.

Avangrid Foundation in the United States:

- **Land Donation & Conservation**: Donation of land for conservation and public enjoyment in Portland, Maine.

Iberdrola Foundation in Mexico:

- **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 conservation**: Ensuring the survival of jaguars, jaguarundis, ocelots and bobtail cats that inhabit the region.

Neoenergía Institute in Brazil:

- **Flyways Brazil**: A study that maps important characteristics of the local community, the network of community activities and companies operating in the region.
- **Coralise Project**: In collaboration with WWF-Brazil, which continues to pursue research on the methodology of coral restoration.

- C. Art and culture

In this field, the company works alongside cultural bodies, renowned museums, public institutions and religious bodies in order to promote culture and restore and conserve artistic heritage, thereby driving local development.

Iberdrola Foundation in Spain:

- **Lighting** of the Cathedral of Santiago, the façade of the CESEDEN, the Plaza Mayor square and Cathedral of Sigüenza, and the Puente Viejo old bridge of Talavera.
- In the **Exhibition Programme**, “**El Prado en las calles**” (El Prado in the streets) has visited Castilla la Mancha and Castilla y León. The programme was inaugurated on 30 April in Salamanca and on 4 June in Valladolid. Over the course of 10 months, Valladolid, León, Aguilar de Campoo, Burgos, Soria, Segovia, Ávila and Benavente will also be able to enjoy this exhibition.
- Work to **Restore the San Antonio de Padua Altarpiece, Parish Church of Ceclavín, and**

the **Muga chapel**, which is **part of the Atlantic Romanesque Plan**.

- The “**Tàpies in Zabalaga**” exhibition at the **Chilida Leku Museum**, which the museum will host from 10 June 2021 to 10 January 2022.
- The lighting of the Old Cathedral of Salamanca and the Cathedral of Santiago de Compostela are pending inception.

ScottishPower Foundation in the United Kingdom:

- **Using creativity to inspire access to sustainable employment (CSE):** This will work with homeless people or people at risk of becoming homeless so that they feel less isolated, explore their creativity and access different forms of education, training and employment. There will be three lines of art-based projects that will offer learning programmes in film making, jewellery making and joinery.
- **The Dundee Dome Experience:** Spectacular new gallery at Discovery Point Museum.

Avangrid Foundation, in the United States:

- **New in PFY2021: NXTHN (Connecticut)**, providing reconciliation, awareness and economic empowerment through the arts.

Neoenergia Institute in Brazil:

- The **illuminations** programme should highlight the launch meeting for presenting and approving the **new project for State (PE) and Municipal Government (Triunfo)**.
- The **Caravana Energia Que Transforma** (Energy That Transforms Caravan) project provides training to socio-cultural managers, expanding fund-raising opportunities.
- In 2021, the Neoenergia Institute will also call for applications for **Transforming Energy in Culture** in Coelb: It prioritises projects that aim to include children and young people at social risk and contribute to reducing inequalities.
- Launch of the **Inspire Award**: A focus on art and culture initiatives in marginalised communities led by women in Rio de Janeiro and Pernambuco.

- **Oficinas Culturais e Artísticas – OCA (Cultural and Artistic Offices):** With project meetings with the new municipal authorities of Campos do Jordão, Santa Isabel and Ilhabela.

- D. Social action

This work stream has entailed collaborations with NGOs, foundations and development agencies to promote social and humanitarian projects geared towards more vulnerable people.

Iberdrola Foundation Spain:

The call for the 2022 Social Programme was launched on 2 June. The following new lines of work will be prioritised by the programme:

- **Child poverty and social exclusion:** Providing support to low-income households to cover basic needs of everyday life, as well as those developing initiatives to promote education and reduce the impact of inherited poverty on the younger population.
- **Social inclusion for people with disabilities:** Providing support to children and young people, and the occupational centres they attend, by offering them a space to develop their skills that allows them to integrate into society and join the labour market.
- **Health and well-being:** Accompanying vulnerable children and young people with serious illnesses and their families, as well as initiatives aimed at the prevention and/or treatment of people affected by various addictions.
- **Support for women:** Seeks to support and boost the self-esteem and personal autonomy of women who suffer or have been victims of gender-based harassment and violence through pre-labour training and support projects that advocate their competences for real autonomy and that, in turn, further gender equality.

ScottishPower Foundation in the United Kingdom:

- **Finding your Feet:** This emotion-focused programme aims to improve the welfare of amputees in Scotland through activities that reduce social isolation, increase fitness and improve self-reliance.

- **Disabled Entrepreneurs Business Start-up Service (DEBSS):** This project strengthens employment skills among 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.

Avangrid Foundation in the United States:

- **AVANGRID Foundation Employee Giving Programme:** Equal-share funding by the Foundation encourages employees to give back to organisations that are meaningful to them in their communities and across the country.
- **Emergency Preparedness & Sustainable Communities with the American Red Cross:** In times of weather-related disasters, our employees are on the front line working to restore critical services to our communities.
- **Power of our People + Housing, Neighbourhoods & Family Stabilisation: Habitat for Humanity International.** Some investments related to the national organisation will help align energies, increase outreach, boost engagement and enhance our reputation both locally and nationwide.

Iberdrola Foundation in Mexico:

- **Luces de esperanza (Lights of Hope):** Using solar panels to increase electrification in rural communities without access to electricity.
- **Construir para educar (Build to Educate):** Programme to rebuild schools hit by the 2017 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 suitable for learning.

Neoenergia Institute in Brazil:

- **Impactô (Impact):** Supports the campaign of 16 NGOs and businesses with social impact 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.
- **Saudáveis Territórios (Healthy Territories) Project:** Ensures food security for three months for people at risk of social exclusion in Salgueiro (Rio de Janeiro).

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 drafting 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.

In this regard, on 23 February 2021, IBERDROLA's Board of Directors of 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 of the second book entitled *Proposed 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 book, fourth social commitment book and fifth corporate governance book; (ii) revise the *Code of Ethics* to adapt 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 regarding Communication and Contacts with Shareholders, Institutional Investors and Proxy Advisors*, and *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*.

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

The highlights during the second quarter of 2021 were as follows:

- On 19 April 2021, the Company submitted its energy production figures for the first quarter of the 2021 financial year.
- On 20 April 2021, the Company reported the estimated calendar of the first edition of the "Iberdrola Retribución Flexible" optional dividend scheme for the 2021 financial year.
- On 11 May 2021, IBERDROLA notified the CNMV of the resolution of the Board of Directors to carry out a buyback programme of the Company's treasury stock in accordance with the authorisation conferred by the General Shareholders' Meeting held on 13 April 2018. Up until 10 June 2021, when the programme ended, the Company had acquired 14,799,092 treasury shares, equating to 0.23% of its treasury stock.
- On 12 May 2021, the Company submitted its results for the first quarter of the 2021 financial year to the CNMV.
- On 13 May 2021, IBERDROLA announced its commitment to subscribe 81.5% of the total share capital increase in the amount of USD 4,000 million, equivalent to approximately EUR 3,286.77 million announced by Avangrid, Inc. to finance its investment plan and the acquisition of PNM Resources, Inc., as well as to repay IBERDROLA's loan to Avangrid in December 2020 amounting to EUR 3,000 million.
- IBERDROLA sent similar notices related to the so-called Cenyt case. On 25 May 2021, notice was given of the decision taken by the Executive Committee of the Board of Directors to make the directors and employees of the Company available to the Central Court of First Instance No. 6 where preliminary hearing No. 96/2017 is taking place

(separate section 17). Subsequently, on 26 June 2021, IBERDROLA reported its response to the court summons to Ignacio Sánchez Galán and Francisco Martínez Córcoles, as well as Fernando Becker Zuazua and Rafael Orbeagozo Guzmán to testify under indictment. The Company stated that it continues to collaborate with the justice system and is monitoring developments in this case through its Governance and Sustainability System.

- On 29 June 2021, the Company notified the CNMV of the terms and conditions of the first edition of the “Iberdrola Retribución Flexible” optional dividend scheme for the 2021 financial year.

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 in the Official Bulletin of the Companies Register 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 results of management

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

Resolutions relating to 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 make other technical improvements.

6. Amendment of Article 10 of the By-Laws in order to reflect the amount of share capital resulting from the reduction therein by means of the redemption of a maximum of 178,156,000 own shares (2.776% of the share capital).
7. Amendment of Articles 12, 17, 28, 33, 39, 40 and 41 of the By-Laws to adapt the text thereof to the new legal provisions as regards the encouragement of 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.
10. Amendment of Articles 35 and 36 of the By-Laws to update the rules on the ways of holding meetings of the Board of Directors and of its committees.
11. Amendment of Articles 53 and 54 of the By-Laws and addition 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 make 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 for the General Shareholders’ Meeting in order to update the name of the Governance and Sustainability System and to make other technical improvements.
14. Amendment of Articles 9 and 20 of the Regulations for the General Shareholders’ Meeting to adapt the text thereof to the new legal provisions as regards the encouragement of 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 for the General Shareholders' Meeting and addition 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 compensation

17. Allocation of profits/losses and distribution of 2020 dividends, the supplementary payment of which will be made within the framework of the "Iberdrola Retribución Flexible" optional dividend scheme.

18. First increase in paid-up capital at a maximum reference market value of EUR 1,725 million in order to implement the "Iberdrola Retribución Flexible" optional dividend scheme.

19. Second increase in paid-up capital at a maximum reference market value of EUR 1,250 million in order to implement the "Iberdrola Retribución Flexible" optional dividend scheme.

Resolutions regarding the Board of Directors

20. Re-election of Juan Manuel González Serna as independent director.

21. Re-election of Francisco Martínez Córcoles as executive director.

22. Ratification and re-election of Ángel Jesús Acebes Paniagua as independent director.

23. Setting of the number of members of the Board of Directors at 14.

Resolutions on authorisations and vesting of powers

24. Authorisation to issue simple debentures or 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 of subsidiaries.

25. Delegation of powers to formalise and to convert the resolutions adopted into a public instrument.

Advisory votes

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, based on a proposal by the Appointments Committee, of 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, based on a proposal by the chairman and the chief executive officer and prior favourable report by the Appointments Committee, of the directors Juan Manuel González Serna and Ángel Jesús Acebes Paniagua as members of the Executive Committee.

Information transparency

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

The Company continued to work hard in the 2021 financial year to ensure that institutional investors and financial analysts are 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 in which the recommendations of the *Task Force and Climate-Related Financial Disclosure* (TCFD) are structured. Specifically, the potential financial impact of two scenarios in the 2030 horizon has been analysed.

Information on the existence of cases of corruption during the year

The Company received no reports in its ethics mailboxes of confirmed cases of corruption during the year. Nor did the Company receive any reports through the legal channels of its Legal Services

department of judicial resolutions in this area during the reporting period. No reports were received in the mailboxes set for this purpose recording incidents causing the cancellation of orders or contracts with group suppliers.

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

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

More information on the actions taken by Iberdrola and Iberdrola Renovables with respect to the contracting of Club Exclusivo de Negocios Y Transacciones SL (CENYT) can be found at: https://www.iberdrola.com/wcorp/gc/prod/en_US/corporativos/docs/cenynt_note_board_directors.pdf

Notifications sent to Spanish stock market commission (CNMV) from April to June 2021

Date	Event	Registration n°
19/04/2021	Reporting by the Company of its energy production figures for the first half of 2021	8720
20/04/2021	Estimated calendar of the first edition of the "Iberdrola Retribución Flexible" optional dividend scheme for the 2021 financial year	8734
28/04/2021	Reporting by the Company of the announcement of the presentation of results for the first half of 2021	8899
11/05/2021	Share buyback programme of Iberdrola, S.A. for up to a maximum of 0.234% of the share capital for redemption purposes	9361
11/05/2021	Call to the General Shareholders' Meeting (agenda)	9362
12/05/2021	Results for the first quarter of 2021	9367
12/05/2021	Presentation of results for the first quarter of 2021	9369
13/05/2021	Iberdrola, S.A.'s commitment to subscribe 81.5% of the share capital increase announced by its US subsidiary Avangrid, Inc. in the amount of USD 4,000 million	9394
14/05/2021	Publication of the announcement of the call to the General Shareholders' Meeting and documentation that will be made available to the shareholders	9443
21/05/2021	Transactions carried out by Iberdrola, S.A. under its share buyback programme between 12 and 20 May 2021	9536
25/05/2021	Communication from Iberdrola, S.A. in relation with the so-called 'Villarejo case'	9594
01/06/2021	Transactions carried out by Iberdrola, S.A. under its share buyback programme between 21 and 31 May 2021	9731
10/06/2021	Transactions carried out by Iberdrola, S.A. under its share buyback programme between 1 and 9 June 2021. End of programme	9917
18/06/2021	Resolutions passed by the General Shareholders' Meeting on 18 June 2021	10083
24/06/2021	Communication from Iberdrola, S.A. in connection with the so-called 'Villarejo case'	10174
25/06/2021	Reporting by the Company of the Regulations of the Board of Directors	10185
28/06/2021	Reporting by the Company of the Regulations for the General Shareholders' Meeting	10206
29/06/2021	Re-election of the lead director and members of the Executive Committee	10261
29/06/2021	Terms and conditions of the first edition of the "Iberdrola Retribución Flexible" optional dividend scheme for 2021	10263

Iberdrola's place in sustainability indices and rankings. Reputation and Corporate Governance

Sustainability	
	Rating/Ranking
Dow Jones Sustainability World Index 2020	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 2020	A-
CDP Supplier Engagement Leader 2020	Iberdrola Selected
Global 100	Iberdrola Selected
Sustainalytics	Iberdrola among the utilities with the lowest risk
ISS-oekom	Iberdrola selected as Prime
FTSE4Good	Selected for 11 years
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
EcoAct	Iberdrola first utility in the ranking
Influence Map	Iberdrola in the top 10 best qualified companies
MERCO 2020	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 2020
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 2020 edition
Fortune Global 500	Iberdrola selected

Recognition of Good ESG Performance

- **Galán, among the best business managers in Spain**

Ignacio Galán is among the best business managers and Iberdrola is once again among the leaders, according to the latest ranking issued by the consultancy Advice Strategic for companies that have shown a greater social commitment and that have helped Spanish society the most during the pandemic throughout 2020 and 2021. Social commitment, corporate responsibility and effective crisis management have become essential factors in order to be perceived as a good manager.

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

According to the list drawn up by the international agency Bloomberg, Galán is ranked as “one of Spain’s most influential executives and one of the most open to climate issues”. Bloomberg highlights the transformation our company has undergone on the path to becoming “the world’s largest wind power generator”, with a presence in 30 countries. It states that “Galán is proof that large companies can cut emissions and remain profitable”.

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

- **Iberdrola is the number one integrated electricity company and among the top 20 companies in the world by sustainability criteria, according to the Global 100 Most Sustainable Corporations in the World index**, which is produced annually by the Corporate Knights publication. It is also ranked as the leading Spain-based sustainable company.

- **Europe’s leading private power company for investment in R&D&I, according to the European Commission:** Iberdrola is solidifying its leadership in R&D&I investment within the energy sector as a key tool to drive the transition towards a green economy that stimulates recovery. According to the European Commission’s “The 2020 Industrial R&D Investment Scorecard” report, Iberdrola is once again the EU’s leading private utility for investment in R&D&I, having earmarked EUR 293 million for this area during the 2020 financial year.

- **Iberdrola: the only Spanish electricity company ranked in the 2021 Bloomberg Gender-Equality Index**

For the fourth consecutive year, Iberdrola has been included in the Bloomberg Gender-Equality Index (GEI) now in its 2021 edition. The index recognises companies that have undertaken a firm and solid commitment to gender equality. Its rating has improved compared to the previous year, in recognition of its practices in areas such as leadership and channelling of women’s talent, equal pay and inclusive culture.

- **Iberdrola rated once again as one of the World’s Most Ethical Companies**

Iberdrola has been selected in the 2021 World’s Most Ethical Company ranking produced by the Ethisphere Institute, a leading organisation in defining standards of good business practices. It is the only Spanish company included in the ranking, within the Energy and Utilities category, which only includes five other multinationals. For the third consecutive year, Avangrid also secured a place in the ranking.

- **Iberdrola, recognised for its leadership in financial sustainability**

Iberdrola has been doubly recognised as the best issuer of green corporate bonds and hybrid bonds at the latest edition of the Global Capital Awards, one of the most prestigious awards in the international financial sector. This recognition reflects the very favourable opinion that the financial markets have of the company, ratifying other awards granted in previous editions (2016, 2017, 2018), based on the Group's leadership and anticipation in its sustainable strategy, as well as on its financial strength and commitment to ESG finance.

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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