

RESULTS
PRESENTATION
First Quarter
April 26, 2023



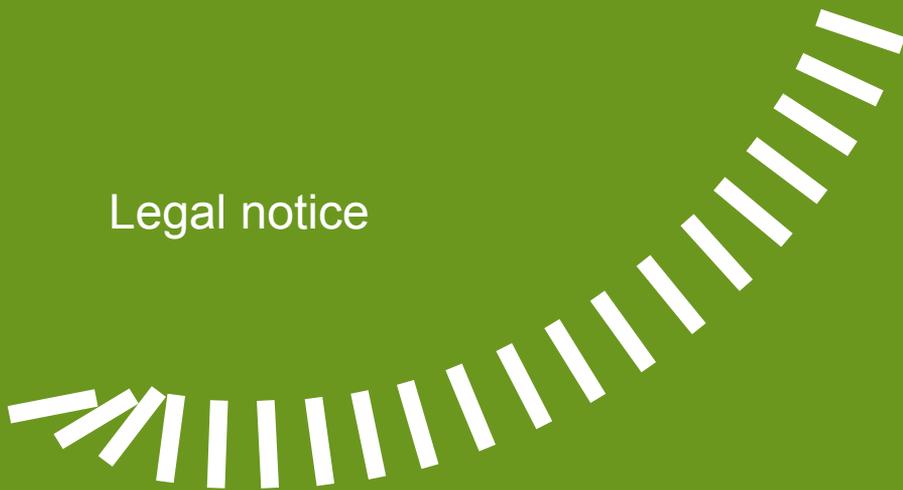
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This communication contains forward-looking information and statements about Iberdrola, S.A., including financial projections and estimates and their underlying assumptions, statements regarding plans, objectives and expectations with respect to future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

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

ALTERNATIVE PERFORMANCE MEASURES

In addition to the financial information prepared under IFRS, this presentation includes certain alternative performance measures ("APMs") for the purposes of Commission Delegated Regulation (EU) 2019/979, of March 14, 2019 and as defined in the *Guidelines on Alternative Performance Measures* issued by the European Securities and Markets Authority on 5 October 2015 (ESMA/2015/1415es). The APMs are performance measures that have been calculated using the financial information from Iberdrola, S.A. and the companies within its group, but that are not defined or detailed in the applicable financial information framework. These APMs are being used to allow for a better understanding of the financial performance of Iberdrola, S.A. but should be considered only as additional information and in no case as a substitute of the financial information prepared under IFRS. Moreover, the way Iberdrola, S.A. defines and calculates these APMs may differ from the way these are calculated by other companies that use similar measures, and therefore they may not be comparable. Finally, please consider that certain of the APMs used in this presentation have not been audited. Please refer to this presentation and to the corporate website (www.iberdrola.com) for further details of these matters, including their definition or a reconciliation between any applicable management indicators and the financial data presented in the consolidated financial statements prepared under IFRS. (<https://www.iberdrola.com/documents/20125/3103725/alternative-performance-measures-23Q1.pdf>)



Index

1. Legal notice	1
2. Core business figures	4
3. Operating highlights	12
4. Operational performance over the period	16
5. Analysis of the consolidated profit and loss account	30
6. Results by business	34
7. Balance sheet analysis	40
8. Financial Statements Tables	49
Balance Sheet Mar-2023	50
Profit and Loss	52
Results by Business	53
Networks Business	54
Electricity Production and Customers Business	55
Results by country	56
Statement of origin and use of funds	57
9. Stock market evolution	58
10. Regulation	60
11. Sustainability Performance - ESG	66
12. Glossary of terms	83

Core business figures





Networks

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

Distributed Electricity

ELECTRICITY (GWh)	Q1 2023	Q1 2022	vs. 2022
Spain	22,553	23,138	-2.5%
United Kingdom	8,410	8,717	-3.5%
United States	9,623	10,146	-5.2%
Brazil	19,511	19,475	0.2%
Total	60,097	61,475	-2.2%
GAS (GWh)			
United States	23,434	27,393	-14.5%
Total	23,434	27,393	-14.5%

Managed Supply Points

ELECTRICITY (Millions)	Q1 2023	Q1 2022	vs. 2022
Spain	11.38	11.30	0.7%
United Kingdom	3.55	3.55	0.1%
United States	2.31	2.31	0.3%
Brazil	16.11	15.80	1.9%
Total Electricity	33.35	32.96	1.2%
GAS (Millions)			
United States	1.04	1.04	0.5%
Total Gas	1.04	1.04	0.5%
TOTAL SUPPLY POINTS	34.40	34.00	1.2%

Note: In terms of operational data, IFRS11 do not apply (see details under Operational Performance for the period)
Differences may arise due to rounding



Generation Business and Customers

Total Group

	Q1 2023	Q1 2022	vs. Q1 2022
Net Production (GWh)⁽¹⁾	45,448	42,772	6.3%
Net owned production⁽¹⁾	36,548	33,809	8.1%
Renewables ⁽¹⁾	24,137	21,708	11.2%
Onshore	12,317	12,121	1.6%
Offshore	1,422	1,395	2.0%
Hydro	9,093	7,266	25.1%
Minihydro	121	112	8.9%
Solar	1,165	795	46.5%
Nuclear	6,444	6,105	5.6%
Gas combined cycle	4,244	4,399	-3.5%
Cogeneration	1,723	1,596	8.0%
Net production for third parties	8.899	8.963	-0.7%
Renewables	57	83	-31.2%
Onshore	57	83	-31.2%
Gas combined cycle	8.842	8.880	-0.4%
Installed Capacity (MW)⁽²⁾	61.142	58.590	4.4%
Net owned installed capacity⁽²⁾	53.996	51.444	5.0%
Renewables ⁽²⁾	40.344	38.305	5.3%
Onshore	20.202	19.447	3.9%
Offshore	1.258	1.258	-
Hydro	13.849	13.849	-
Minihydro	247	284	-12.9%
Solar	4.576	3.261	40.3%
Batteries	198	193	2.6%
Nuclear	3.177	3.177	-
Gas combined cycle	9.291	8.777	5.9%
Cogeneration	1.185	1.185	-
Net installed capacity for third parties	7.146	7.146	-
Renewables	103	103	-
Onshore	103	103	-
Gas combined cycle	7.043	7.043	-
Electricity customers (No mill.)	13,59	13,58	0.1%
Gas customers (No mill.)	3,20	3,38	-5.4%
Gas Supplies (GWh)	16.619	19.577	-15.1%
Gas Storage (bcm)	0.11	0.06	93.0%

(1) Including 19 GWh and 20 GWh of production from fuel cells in Q1 2023 and Q1 2022, respectively

(2) Including 13 MW installed capacity of fuel cells

Differences may arise due to rounding



Spain

	Q1 2023	Q1 2022	vs. Q1 2022
Net Production (GWh)	16,866	14,362	17.4%
Renewables	8,785	6,260	40.3%
Onshore	3,185	3,311	-3.8%
Hydro	4,868	2,455	98.3%
Minihydro	121	112	8.9%
Solar	611	382	59.9%
Nuclear	6,444	6,105	5.6%
Gas combined cycle	1,232	1,359	-9.3%
Cogeneration	404	639	-36.7%
Installed Capacity (MW)	29,171	28,527	2.3%
Renewables	19,953	19,309	3.3%
Onshore	6,209	6,124	1.4%
Hydro	10,700	10,700	-
Minihydro	247	284	-12.9%
Solar	2,777	2,187	27.0%
Batteries	19	14	35.7%
Nuclear	3,177	3,177	-
Gas combined cycle	5,695	5,695	-
Cogeneration	347	347	-
Electricity customers (No mill.)	10.79	10.70	0.9%
Gas customers (No mill.)	1.31	1.43	-8.7%
Gas Supplies (GWh)	7,360	9,611	-23.4%
Users	4,614	6,624	-30.3%
Gas Combined Cycle	2,746	2,987	-8.1%

Differences may arise due to rounding



United Kingdom

	Q1 2023	Q1 2022	vs. Q1 2022
Net Production (GWh)	2,272	2,529	-10.2%
Renewables	2,272	2,529	-10.2%
Onshore	1,211	1,492	-18.8%
Offshore	1,060	1,037	2.3%
Solar	1	1	50.9%
Installed Capacity (MW)	3,008	3,008	-
Renewables	3,008	3,008	-
Onshore	1,986	1,986	-
Offshore	908	908	-
Solar	10	10	-
Batteries	104	104	-
Electricity customers (No mill.)	2.80	2.88	-2.9%
Gas customers (No mill.)	1.89	1.95	-2.9%
Gas Supplies (GWh)	9,259	9,966	-7.1%
Gas Storage (bcm)	0.11	0.06	93.0%

Differences may arise due to rounding

USA

	Q1 2023	Q1 2022	vs. Q1 2022
Net Production (GWh)⁽¹⁾	6,665	6,017	10.8%
Renewables ⁽¹⁾	5,700	5,443	4.7%
Onshore	5,501	5,284	4.1%
Hydro	73	37	99.5%
Solar	107	103	3.8%
Gas combined cycle	1	1	17.3%
Cogeneration	964	573	68.3%
Installed Capacity (MW)⁽²⁾	9,562	9,205	3.9%
Renewables ⁽²⁾	8,722	8,365	4.3%
Onshore	8,061	7,956	1.3%
Hydro	118	118	-
Solar	529	278	90.6%
Gas combined cycle	204	204	-
Cogeneration	636	636	-

(1) Including 19 GWh and 20 GWh of production from fuel cells in Q1 2023 and Q1 2022, respectively

(2) Including 13 MW installed capacity of fuel cells

Differences may arise due to rounding



Mexico

	Q1 2023	Q1 2022	vs. Q1 2022
Net Production (GWh)	12,882	13,136	-1.9%
Net owned production	3,982	4,173	-4.6%
Renewables	620	754	-17.7%
Onshore	306	446	-31.4%
Solar	314	308	2.1%
Gas combined cycle	3,007	3,035	-0.9%
Cogeneration	354	384	-7.7%
Net production for third parties	8,899	8,963	-0.7%
Renewables	57	83	-31.2%
Onshore	57	83	-31.2%
Gas combined cycle	8,842	8,880	-0.4%
Installed Capacity (MW)	11,197	10,683	4.8%
Net owned installed capacity	4,051	3,537	14.5%
Renewables	1,232	1,232	-
Onshore	590	590	-
Solar	642	642	-
Gas combined cycle	2,617	2,103	24.4%
Cogeneration	202	202	-
Net installed capacity for third parties	7,146	7,146	-
Renewables	103	103	-
Onshore	103	103	-
Gas combined cycle	7,043	7,043	-

Differences may arise due to rounding



Brazil

	Q1 2023	Q1 2022	vs. Q1 2022
Net Production (GWh)	5,115	5,352	-4.4%
Renewables	5,115	5,352	-4.4%
Onshore	892	578	54.2%
Hydro	4,152	4,774	-13.0%
Solar	72	-	-
Gas combined cycle	-	-	-
Installed Capacity (MW)	5,151	4,602	11.9%
Renewables	4,618	4,069	13.5%
Onshore	1,438	1,039	38.5%
Hydro	3,031	3,031	-
Solar	149	-	N/A
Gas combined cycle	533	533	-

Differences may arise due to rounding

Rest of the world (ROW)

	Q1 2023	Q1 2022	vs. Q1 2022
Net Production (GWh)	1,648	1,375	19.9%
Renewables	1,644	1,370	20.1%
Onshore	1,223	1,010	21.1%
Offshore	362	358	1.1%
Solar	60	2	N/A
Gas combined cycle	4	5	-28.2%
Installed Capacity (MW)	3,053	2,565	19.1%
Renewables	2,810	2,322	21.0%
Onshore	1,917	1,753	9.4%
Offshore	350	350	-
Solar	468	144	N/A
Batteries	75	75	-
Gas combined cycle	243	243	-

Differences may arise due to rounding



Stock Market Data

		Q1 2023	Q1 2022
Market capitalisation	EUR (million)	74,036.5	63,860.6
Earnings per share (6,446,364,000 shares at 31/03/23 and 6,437,563,000 shares at 31/03/22)	EUR	0.223	0.158
Net operating cash flow per share	EUR	0.46	0.47
P.E.R.	Times	16.03	16.88
Price/Book value (capitalisation to NBV at the end of the period)	Times	1.77	1.52

Economic/Financial Data (*)

Income Statement		Q1 2023	Q1 2022
Revenues	EUR (million)	15,460.6	12,150.0
Gross Margin	EUR (million)	6,708.5	4,685.4
EBITDA	EUR (million)	4,064.5	2,950.9
EBIT	EUR (million)	2,738.0	1,747.1
Net Profit	EUR (million)	1,485.4	1,058.3
Net Operating Expenses / Gross Margin	%	21.8	24.6
Balance Sheet		March 2023	Dec 2022
Total Assets	EUR (million)	153,638	154,668
Equity	EUR (million)	59,385	58,114
Net Financial Debt	EUR (million)	44,191	44,185
Adjusted Net Financial Debt	EUR (million)	43,722	43,749
ROE	%	11.07	10.22
Ajusted Financial Leverage (Net Ajusted Financial Debt/(Ajusted Financial Debt + Ajusted Equity))	%	42.2	42.8
Net Financial Debt / Equity	%	74.4	76.0

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

Others

Others		Q1 2023	Q1 2022
Gross Organic Investments	EUR (million)	1.755,4	2.116.1
Employees	Number	40.920	39,692

Iberdrola's Credit Rating

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

* Date of last modification

Operating highlights





| Operating highlights

- In the first quarter of 2023 **the Iberdrola Group's net profit increased to EUR 1,485 million** (+40%), improving the results mainly in Spain and the United Kingdom.
- **EBITDA grew by 38% to EUR 4,064 million**, primarily due to the recovery of the tariff deficit in the United Kingdom, improved performance in the European Union due to the normalisation of production and fewer energy purchases at a lower cost compared to Q1 2022, as well as the growth in renewables and grids.
- **Gross investments** reached EUR 10,400 million in the last 12 months, with more than 90% allocated to grids (EUR 4,800 million) or renewables (EUR 4,600 million), of which 30% was for offshore wind projects.
- **Continuous improvement of financial ratios** thanks to strong cash flow generation of more than EUR 3,000 million within the quarter, which boosts the FFO to Net Debt ratio to 25.3% (+130 bps), while maintaining a good liquidity position that enabled the Group to cover 22 months of financing needs.
- Changes in Iberdrola's main **benchmark currencies** had a positive impact of EUR 37 million on EBITDA, and EUR 52 million on net profit from financial hedges:
 - Pound sterling depreciated by 5.4% against the euro to 0.88.
 - The US dollar appreciated by 5.4% against the euro to 1.07.
 - The Brazilian real appreciated by 8.7% against the euro to 5.57.
- The Group's total **CO₂ emissions in Europe fell to 36 g/kWh**, four times lower than the EU average.

Global environment and general considerations

Highlights for the company's main business areas

in terms of **electricity demand and output** for the period include:

- The energy balance of the Spanish peninsular system in the first quarter of 2023 was marked by an increase in hydroelectric (+70%), wind (+13%), solar (+44%) and nuclear (+1.4%) output compared to the same period of the previous year, while combined cycle (-31%) and coal based (-43%) output fell.

Demand fell by -2.7% in the first quarter of 2023 compared to the previous year. When adjusted for labour and temperature, the decrease was 3.1%.

The first quarter of 2023 closed with a producibility index of 1.0 and hydroelectric reserves at 55%, compared to an index of 0.5 and reserves at 39% for the same period of 2022.

- In the United Kingdom, electricity demand fell by -3.8% and demand for conventional gas fell by -7.0% in the first quarter of 2023 compared to the same period of the previous year.
- In the areas serviced by **Avangrid** on the east coast of the United States, electricity demand decreased (-5.2%) compared to the first quarter of 2022, while gas demand decreased by 14.5%.
- Meanwhile, electricity demand in the areas serviced by **Neoenergia** in Brazil increased by 0.2% in the first quarter of 2023 compared to the same period of the previous year.

International commodities markets performed as follows during the first quarter of 2023:

	Q1 2023	Q1 2022	vs Q1 2022
Oil – USD/BBL	81.2	102.2	-21%
Coal – USD/tonne	144.2	221.7	-35%
CO ₂ – EUR/tonne	89.9	83.3	8%
MIBGAS – EUR/MWh	52.1	97.4	-47%
NBP – p/th	133.3	231.6	-42%
Henry Hub – USD/million Btu	2.8	4.6	-39%
TTF – €/MWh	52.8	98.4	-46%



Significant events for the Iberdrola Group

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

Million EUR	Q1 2023	vs Q1 2022
GROSS MARGIN	6,708.5	+43.2%
EBITDA	4,064.5	+37.7%
EBIT	2,738.0	+56.7%
NET PROFIT	1,485.4	+40.4%

Consolidated EBITDA grew by 37.7% compared to the first quarter of 2022, reaching EUR 4,064.5 million, approximately 80% of which originated from countries with high credit ratings.

Net operating expenses were EUR 1,464.8 million, up by 7% after excluding the impact of the exchange rate, nonrecurring items and reconciliations in the US. Excluding the exchange rate effect and the nonrecurring impact of pensions in the US, net personnel expenses increased by 8,1% and external services by 7.4%.

Levies increased by 102.2% (EUR 583 million) compared to the first quarter of 2022 to EUR 1,179 million, primarily due to the new 1.2% revenue tax in Spain, recognised in its entirety in the quarter, and for other smaller effects explained below.

Amortisations and provisions grew by 10.2% to EUR 1,326.5 million, as a consequence of the Group's growth, larger grid asset base and growth in renewables. Moreover, bad debt provisions also increased due to higher energy bills.

The **Net Financial Result** increased by EUR 111 million to EUR 510 million at the end of March 2023, due to the higher debt balance and the increase in interest rates, partially offset by the results of currency derivatives.

The contribution from **equity accounted entities** was nil, compared to EUR 215.8 million at the end of March 2022, which included the positive non-recurring impact of the reorganisation of the offshore wind assets in the United States.

On the **tax** line, at the end of the first quarter of 2023 the tax rate stood at 26.5%, compared to 19.9% in the same period of 2022, the comparison being affected by the 1.2% tax on revenues in Spain and by the extraordinary positive effect in the first quarter of 2022 of the aforementioned reorganisation of offshore wind assets in the United States.

As a result of the above, **Net Profit** grew by 40.4% in the first quarter of 2023 to EUR 1,485.4 million.

The key financial figures for the period are as follows:

- Net adjusted financial debt^(*) was EUR 43,722 million, an increase of EUR 3,347 million compared to March 2022 (+8%) due to the strong investment in the period.
- Adjusted funds from operations (adjusted FFO) totalled EUR 11,081 million in the last 12 months, up by 15% compared to the same period in the previous year.

(*) Adjusted for physically settled treasury stock derivatives that are currently not expected to be executed (EUR 468 million in Mar 23 and EUR 152 million in Mar 22).

Significant transactions

- In January 2023, Iberdrola reached an agreement with NBIM Iberian Refinra AS, part of Norges Bank, to sell 49% of a total project portfolio of 1,265 MW (137 MW of which is already in operation, with 1,128 MW under construction). The total value of this renewables project portfolio is EUR 1,225 million. Therefore, NBIM Iberian's total investment in the portfolio will be approximately EUR 600 million, based on its 49% shareholding.
- In January 2023, Iberdrola issued a hybrid bond with an option to buy back at par after five and a half years for EUR 1,000 million, with a coupon of



4.875%. This was to keep the number of hybrid bonds in circulation unchanged in anticipation of the buyback option for 1,000 million hybrid bonds issued in 2017 being exercised in the first half of 2023.

- In March 2023, Iberdrola and Mapfre added 150 MW of solar power to their Energías Renovables Ibermap joint venture created two years ago, making a total of 445 MW (295 MW of wind and 150 MW of solar). The incorporated assets are solar power plants operating in Spain. Following this transaction, Iberdrola became the majority shareholder in the joint venture (51%).
- In April 2023, Iberdrola signed a memorandum of understanding between its subsidiary Iberdrola México and Mexico Infrastructure Partners (“MIP”) whereby Iberdrola agreed to divest a portfolio of 13 Mexican power plants, including combinedcycle plants and an onshore wind farm, for USD 6,000 million. Iberdrola still holds 40% of the business in Mexico with 15 plants in operation, 9 of which are renewables and continues to be the leading private sector renewable energy generator in Mexico.
- On 25 April 2023, Iberdrola's Brazilian subsidiary, Neoenergia S.A., reached an agreement with Warrington Investment Pte. Ltd., a company controlled by the Government of Singapore Investment Corporation (GIC), for the sale of 50% of the share capital of its subsidiary Neoenergia Transmissora 15 SPE S.A., which holds 8 transmission operating assets (1,865 km of lines). The agreed sale price was BRL 1,200 million, subject to possible adjustments at the closing of the transaction. In addition, both companies have signed a framework agreement to jointly evaluate their participation in future bids for electricity transmission assets in Brazil.

Operational performance
over the period





1. Networks business: energy distributed and supply points

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

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

At the end of March 2023, the Group's distributed electricity was 60,097 GWh, a reduction of 2.2% on the first quarter of 2022:

Distributed electricity

Electricity (GWh)	Q1 2023	Q1 2022	vs. 2022
Spain	22,553	23,138	-2.5%
United Kingdom	8,410	8,717	-3.5%
United States	9,623	10,146	-5.2%
Brazil	19,511	19,475	0.2%
Total	60,097	61,475	-2.2%

GAS (GWh)	Q1 2023	Q1 2022	vs. 2022
United States	23,434	27,393	-14.5%
Total	23,434	27,393	-14.5%

Electricity and gas supply points increased by 1.2% compared to the end of March 2022, thanks to organic growth in all territories, broken down as follows:

Supply points managed

ELECTRICITY (million)	Q1 2023	Q1 2022	vs. 2022
Spain	11.38	11.30	0.7%
United Kingdom.	3.55	3.55	0.1%
United States	2.31	2.31	0.3%
Brazil	16.11	15.80	1.9%
Total electricity	33.35	32.96	1.2%

GAS (million)	Q1 2023	Q1 2022	vs. 2022
United States	1.04	1.04	0.5%
Total gas	1.04	1.04	0.5%

TOTAL SUPPLY POINTS	Q1 2023	Q1 2022	vs. 2022
	34.40	34.00	1.2%

1.1. Spain — i-DE

At the end of the first quarter of 2023, the grid business in Spain had 11.4 million supply points (+0.7% vs. first quarter of 2022), while distributed energy totalled 22,553 GWh, 2.5% lower than the same period of the previous year.

The company is continuing its commitment to quality, maintaining low regulatory levels of medium voltage SAIDI (System Average Interruption Duration Index), and medium voltage SAIFI (System Average Interruption Frequency Index), in line with the previous year:

i DE	Q1 2023	Q1 2022
Regulatory SAIDI (min.)	<8	<8
Regulatory SAIFI (no. inter.)	<0.2	<0.2

Note: Commercially Sensitive Information

In January, the Iberian Peninsula was affected by the Gérard and Fien storms. A state of alert was declared in many provinces due to strong winds and snow, with the north of the peninsula hit hardest. In total, more than 197,000 i DE customers were affected, of whom 74% recovered service in less than 30 minutes.

1.2. United Kingdom – SP Energy Networks

At the end of the first quarter of 2023, SP Energy Networks had 3.6 million (+0.1%) supply points, while its



| Operational performance over the period

distributed energy was 8,410 GWh, down 3.5% on the previous year. By distributor, the data is as follows:

Energía Distribuida (GWh)	Q1 2023	Q1 2022	%
Scottish Power Distribution (SPD)	4,605	4,787	-3.8%
Scottish Power Manweb (SPM)	3,806	3,930	-3.2%

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

CML (min.)	Q1 2023	Q1 2022
ScottishPower Distribution (SPD)	7.50	6.31
ScottishPower Manweb (SPM)	8.10	6.20

Pending regulatory verification.

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

CI (no. of interruptions)	Q1 2023	Q1 2022
ScottishPower Distribution (SPD)	9.17	7.75
ScottishPower Manweb (SPM)	7.22	6.11

In 2023, SP Energy Networks completed two grid renewal and reinforcement projects in England and Wales. The first, focused on increasing the capacity of the grid to drive the introduction of clean technologies, involved an investment of over EUR 20 million and will benefit nearly 30,000 households and businesses. The second, with an investment of EUR 51 million, involved the inspection and renovation of some 190 towers and the replacement of more than 788 km of conductors and insulators. It is part of a broader investment plan of almost EUR 2,300 million over the next five years, aimed at modernising the transmission network in central and southern Scotland.

1.3 United States – Avangrid

1.3.1 Electricity

At the end of the first quarter of 2023, Avangrid Networks had more than 2.3 million supply points (+0.3%). Distributed electricity for the year was 9,623 GWh, down 5.2% year on year:

Energy distributed (GWh)	Q1 2023	Q1 2022	%
Central Maine Power (CMP)	2,460	2,608	-5.7%
NY State Electric & Gas (NYSEG)	4,181	4,436	-5.8%
Rochester Gas & Electric (RGE)	1,791	1,853	-3.3%
United Illuminating Company (UI)	1,191	1,249	-4.6%

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

CAIDI (hrs)	Q1 2023	Q1 2022
Central Maine Power (CMP)	1.78	2.02
NY State Electric & Gas (NYSEG)	2.21	2.09
Rochester Gas & Electric (RGE)	1.57	1.51

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

SAIDI (min.)	Q1 2023	Q1 2022
United Illuminating Company (UI)	8.90	8.63

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

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

SAIFI	Q1 2023	Q1 2022
Central Maine Power (CMP)	0.50	0.45
NY State Electric & Gas (NYSEG)	0.27	0.31
Rochester Gas & Electric (RGE)	0.16	0.19
United Illuminating Company (UI)	0.10	0.11

During the first quarter of 2023, Avangrid's distribution areas were affected by several storms. In February, the Maine and New York distribution areas were hit



| Operational performance over the period

by strong winds and extremely cold temperatures, affecting more than 80,000 customers, with the event being classified as a major storm in certain areas. Later that month, Winter Storm Olive ravaged New York State territories, affecting more than 100,000 NYSEG customers and more than 21,000 RGE customers.

Meanwhile, in March, New York State and Maine also experienced heavy snowfall and strong winds that mainly affected CMP's coastal areas (115,000 customers impacted) and New York (67,000 customers). Thanks to the company's emergency response efforts, no significant safety incidents were recorded in the recovery work carried out.

As a result of its operation and maintenance in response to these weather events, Avangrid received the prestigious Emergency Response Award, awarded each year by the Edison Electrical Institute (EEI) to those electricity companies that stand out for their resolve in the face of a storm or a natural disaster. Specifically, EEI recognised Avangrid's recovery of its electricity service in Canada after Hurricane Fiona in September 2022, one of the most violent hurricanes in the country's history.

1.3.2 Gas

Avangrid supplies gas through more than 1 million supply points (+0.5%). At the close of the first quarter of 2023, 23,434 GWh of gas had been distributed, down 14.5% on the same period of the previous year, primarily due to the higher temperatures experienced during the first quarter of 2023:

Energy distributed (GWh)	Q1 2023	Q1 2022	%
NY State Electric & Gas (NYSEG)	6,179	7,094	-12.9%
Rochester Gas & Electric (RGE)	6,684	7,692	-13.1%
Maine Natural Gas (MNG)	1,123	1,655	-32.2%
Berkshire Gas (BGC)	1,093	1,212	-9.8%
Connecticut Natural Gas (CNG)	4,274	4,952	-13.7%
Southern Connecticut Gas (SCG)	4,081	4,787	-14.8%

1.4. Brazil – Neoenergia

At the end of the first quarter of 2023, Neoenergia had more than 16 million (+1.9%) supply points. Distributed electricity for the first quarter of 2018 was 19,511 GWh, a 0.2% increase on the previous year:

Energy distributed (GWh)	Q1 2023	Q1 2022	%
Neoenergia Elektro	5,048	5,249	-3.8%
Neoenergia Coelba	6,548	6,301	3.9%
Neoenergia Cosern	1,615	1,627	-0.7%
Neoenergia Pernambuco	4,465	4,481	-0.4%
Neoenergia Brasilia	1,835	1,817	1.0%

Efforts to improve the supply quality have succeeded, as quality increased compared to the first quarter of 2022 in Coelba, Pernambuco and Brasilia, with all distributors meeting regulatory requirements.

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

DEC (hrs)	Q1 2023	Q1 2022
Neoenergia Elektro	2.35	2.30
Neoenergia Coelba	3.08	3.68
Neoenergia Cosern	2.60	2.36
Neoenergia Pernambuco	2.67	3.21
Neoenergia Brasilia	1.58	1.74

Variations may occur after regulatory reviews

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

FEC	Q1 2023	Q1 2022
Elektro	1.21	1.14
Coelba	1.25	1.38
Cosern	1.02	0.86
Pernambuco	1.24	1.25
Brasilia	1.44	1.30

Variations may occur after regulatory reviews



When considering the figures, note that Elektro's concession area was impacted by torrential rain in February when an emergency situation ("*calamidade pública*") was declared in the cities of the Paraíba Valley and on the north and south coasts of the state of São Paulo.

Neoenergia completed construction of the Rio Formoso transmission project in the first quarter, 14 months ahead of schedule. The project was part of Lot 9, acquired in the 002/2019 auction held by Aneel, the Brazilian electricity regulatory agency. This project, located in the state of Bahia, involved building the Rio Formoso II substation, expanding the Rio das Éguas substation and building a 105 km long transmission line connecting the two facilities.

2. Electricity production and customers business

At the close of the first quarter, Iberdrola's **installed capacity** had grown 4.4% compared to the end of the first quarter of 2022 and reached 61,142 MW, with emission free sources accounting for 71.3% (43,610 MW) of total capacity compared to 71.0% at the end of March 2022:

MW	Q1 2023	vs Q1 2022
Own capacity (*)	53,996	5.0%
Renewables (*)	40,344	5.3%
Onshore wind	20,202	3.9%
Offshore wind	1,258	-
Hydroelectric	14,096	-0.3%
Solar	4,576	40.3%
Batteries	198	2.6%
Nuclear	3,177	-
Gas combined cycle	9,291	5.9%
Cogeneration	1,185	-
Capacity for third parties	7,146	-
Renewables	103	-
Onshore wind	103	-
Gas combined cycle	7,043	-
Total (*)	61,142	4.4%

Discrepancies possible due to rounding

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

Net electricity production in the first quarter of 2023 was 45,448 GWh, up 6.3% on the same period in 2022, with 67.4% of production being emission free (30,620 GWh) compared to 65.2% at the close of the first quarter of 2022:



| Operational performance over the period

GWh	Q1 2023	vs Q1 2022
Own production (*)	36,548	8.1%
Renewables (*)	24,137	11.2%
Onshore wind	12,317	1.6%
Offshore wind	1,422	2.0%
Hydroelectric	9,215	24.9%
Solar	1,165	46.5%
Nuclear	6,444	5.6%
Gas combined cycle	4,244	-3.5%
Cogeneration	1,723	8.0%
Production for third parties	8,899	-0.7%
Renewables	57	-31.2%
Onshore wind	57	-31.2%
Gas combined cycle	8,842	-0.4%
Total (*)	45,448	6.3%

Discrepancies possible due to rounding.

(*) Includes 19 GWh of fuel cell production in Q1 2023 and 20 GWh in Q1 2022

As of 31 March 2023, Iberdrola had 29.6 million contracts, 3.7% more than at the end of March 2022, broken down as follows:

Millions of contracts	United Kingdom			Total	vs Q1 2022
	Spain	Kingdom	Brazil		
Electricity contracts	10.8	2.8	0.0	13.6	0.1%
Gas contracts	1.3	1.9		3.2	-5.4%
Smart solutions	9.8	2.6 ^(*)	0.5	12.8 ^(*)	10.6%
Total	21.9	7.3	0.5	29.6	3.7%

Discrepancies possible due to rounding

(*) Includes 2.3 million smart meters installed

2.1 Spain

Renewable capacity and production

At year end, Iberdrola had an installed **renewable capacity** in Spain of 19,953 MW (+3.3%), broken down as follows:

SPAIN	Installed MW Consolidated at EBITDA level	MW managed by investee companies (*)	Total
Onshore wind	5,952	258	6,209
Solar PV	2,777	-	2,777
Hydroelectric (**)	10,700	-	10,700
Minihydroelectric	247	-	247
Batteries	19	-	19
Total capacity	19,695	258	19,953

Discrepancies possible due to rounding

(*) Includes the proportional MW share

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

In terms of **solar photovoltaic**, the Almaraz I photovoltaic plant (50 MW) has commenced commercial operations in Cáceres, where work is continuing on the commissioning of Almaraz II (30 MW). Work continues on the Cediillo photovoltaic plant (375 MW), where the installation of photovoltaic modules has begun, while the installation of modules for the four photovoltaic plants, Tagus I to IV (200 MW in total), has been completed in Alcántara. Work is under way on the transmission line and on modifying the substation for the project's connection point.

Photovoltaic modules have been installed at the Virgen de Areños III plant (50 MW) in Palencia, the Manantiales I (30 MW) and Valbuena (50 MW) plants in Guadalajara, the Cespedera plant (27 MW) in Cádiz and the Llanos Pelaos 3 plant (7 MW) in Fuerteventura. Mechanical assembly of the Cornicabra and Poleo photovoltaic plants has also been completed. Together with Espliego, these plants form the Guillena complex (144 MW) in Seville. In Salamanca, work is under way on the Villarino photovoltaic plant (50 MW) transmission line.



Construction of the Peñarrubia photovoltaic plant (50 MW) in Murcia continues with the commencement of photovoltaic module assembly. Elsewhere, work continues on the Salinas I, II and III photovoltaic plants (149 MW) in Cuenca, where the assembly of trackers and modules has begun.

Work has also begun on the Velilla photovoltaic plant in Palencia, which will total 350 MW, the Fuentes plant (50 MW) in Guadalajara, where trackers and the panel mounting structures are being assembled, and at the Ballestas (41 MW) and Casetona (33 MW) hybrid plants in Burgos.

In **onshore wind**, progress continues on the Buniel wind farm (104 MW), and the Valdemoro wind farm (50 MW) in Burgos, where work on the shared transmission infrastructure is progressing.

In addition, the partnership between Iberdrola and MAPFRE has been strengthened, adding 150 MW of photovoltaic power to the company created two years ago, which already had 295 MW of wind power. This power is coming from the Olmedilla (50 MW) and Romeral (50 MW) photovoltaic plants in Cuenca, and Almaraz I (50 MW) in Cáceres. With the incorporation of these assets, Iberdrola will become the majority shareholder of the joint venture, with 51% of the company.

In **battery** storage projects, the Urkilla (5 MW) plant in Álava has been powered up, with commercial operation scheduled for the next quarter.

After the successful commissioning of both the Gouvães (880 MW) and Daivões (118 MW) facilities at the Tâmega **hydroelectric** complex in Portugal, work continues on Alto Tâmega where, after the dam body was concreted in 2022, spillway concreting has been completed in the first quarter of 2023. The assembly of the two groups with a total of 160 MW continues as planned.

As part of the divestment process, authorisation has been received for the change of ownership of the Torrecilla I (Palencia; 0.93 MW) and Las Rozas (Cantabria; 6.5 MW) power plants to Minicentrales

Hidroeléctricas de Galicia S.L. and Global Capablanca S.L.U. respectively.

Renewable production totalled 8,785 GWh (+40.3%), broken down as follows:

	GWh Consolidated at EBITDA level	GWh managed by investee companies (*)	Total
Onshore wind	3,039	146	3,185
Solar PV	611	-	611
Hydroelectric	4,868	-	4,868
Minihydroelectric	121	-	121
Total production	8,639	146	8,785

Discrepancies possible due to rounding

(*) Includes the proportional GWh share

Changes in production consolidated at EBITDA level by technology were as follows with respect to the first quarter of 2022:

- Onshore wind production was 3,039 GWh, down 3.7% due to the lower wind resource.
- Hydroelectric production stood at 4,989 GWh, up 94.5% due to increased water resources and the contribution of the new Gouvães and Daivões plants.
- Solar photovoltaic production totalled 611 GWh, up 59.8% due to the commissioning of new capacity.

Thermal capacity and production

The Iberdrola Group's **thermal capacity** in Spain at the end of March was 9,218 MW, unchanged from 31 March 2022 and broken down as follows:

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

Discrepancies possible due to rounding

(*) Includes the proportional MW share



Iberdrola's **thermal production** for the period was 8,081 GWh (−0.3%) compared to the end of the first quarter of 2022, with an increase in the nuclear contribution (+5.6%) and a decrease in the production of combined cycles (−9.3%) and cogeneration (−36.7%).

	GWh Consolidated at EBITDA level	GWh Investee companies (*)	Total
Nuclear	6,444	-	6,444
Gas combined cycle	1,232	-	1,232
Cogeneration	327	77	404
Total production	8,004	77	8,081

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

Retail supply

The retail supply portfolio managed by Iberdrola in Spain^(*) totalled 21.8 million contracts at 31 March 2023, up 3.5% on the end of March 2022. The breakdown is as follows:

Thousands of contracts	Spain ^(*)
Electricity contracts	10,792
Gas contracts	1,308
Smart Solutions contracts	9,774
Total	21,874

Discrepancies possible due to rounding

By market type, they break down as follows:

Thousands of contracts	Spain ^(*)	%
Liberalised market	18.435	84.3%
Last resort	3.439	15.7%
Total	21.874	100%

Iberdrola's electricity sales* during the first three months of 2023 fell by 4.4%, mainly as a result of fewer spot sales, being distributed as follows:

* Electricity sales measured at busbar cost. Gas sales do not include shrinkage

GWh Spain vs Q1 2022		
Liberalised market	18.121	9.5%
Voluntary price for the small consumer (PVPC) market	1.814	−13.1%
Other markets	2,542	−47.8%
Total sales	22,478	−4.4%

Discrepancies possible due to rounding

In the first quarter of 2023, Iberdrola managed a gas^(*) balance of 0.68 bcm, of which 0.05 bcm was sold in wholesale transactions, 0.40 bcm was sold to end customers and 0.24 bcm was used for electricity production.

(*) Electricity sales measured at busbar cost. Gas sales do not include shrinkage

2.2. United Kingdom

Renewable capacity and production

At the end of the quarter, Iberdrola had a **renewable installed capacity** in the United Kingdom of 3,008 MW.

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

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

In **solar photovoltaic**, preparations are under way for the relaunch of work on the Coldham hybrid project (9 MW) in England, where installation and commissioning are expected to take place in the third quarter. Furthermore, development continues on the 15 solar and **onshore wind** projects that were awarded contracts for difference in the fourth round of auctions that took place in 2022.



| Operational performance over the period

In **offshore wind**, the UK renewables business is currently developing projects with this technology throughout the country, with projects called **East Anglia**, and land secured in Scotland.

East Anglia 3, having won a contract for difference in the fourth round of UK auctions, has continued to secure key contracts for the project, in addition to engineering and design work and high voltage work (HVDC, establishment and manufacturing) that are showing good progress. All key contracts, including those for foundations, export cable and turbine supply and installation, have already been obtained.

Finally, following the successful awarding of the Scot-Wind seabed area auction, option contracts were signed in 2022 with the Scottish state ("Crown Estate Scotland") to develop the three offshore wind projects with a total capacity of 7 GW; two large scale floating projects in partnership with Shell (3 GW **MarramWind** and 2 GW **CampionWind**) and a fixed foundation project (2 GW, **MachairWind**). Work is still ongoing on the process to obtain permits.

Renewable production in the United Kingdom totalled 2,272 GWh (-10.2%), broken down as follows:

	GWh Consolidated at EBITDA level	GWh managed by investee companies (*)	Total
Onshore wind	1,207	4	1,211
Offshore wind	1,060	-	1,060
Solar and batteries	1	-	1
Total production	2,267	4	2,271

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

Production in EBITDA terms in the first quarter was as follows:

- Onshore wind production totalled 1,207 GWh, down 19% from the same period the previous year, mainly due to lower wind resource in the period.
- Offshore wind production increased by 2.3% to 1,060 GWh thanks to the higher load factor.

Retail supply

As of 31 March 2023, the contract portfolio managed in the United Kingdom exceeded 7.2 million, up 1.9% compared to the same period last year, with the deployment of smart meters under way with a total of 2.3 million installed. The contract breakdown is as follows:

Thousands of contracts	UK
Electricity contracts	2,800
Gas contracts	1,894
Smart Solutions contracts	297
Smart meters	2,266
Total	7,256

Discrepancies possible due to rounding

As for sales^(*), 4,651 GWh of electricity and 9,259 GWh of gas were supplied to customers at the end of March 2023, -15.8% and -7.1% less, respectively, than in the same period in 2022.

* Electricity sales in plant busbars. Gas sales do not include shrinkage

2.3. United States – Avangrid

Renewable capacity and production

At the end of the first quarter, Iberdrola had a **renewable installed capacity** in the United States of 8,722 MW (+4.3%), broken down as follows:

	Installed MW Consolidated at EBITDA level	MW managed by investee companies (*)	Total
Onshore wind	7,825	236	8,061
Hydroelectric	118	-	118
Solar PV	517	12	529
Total Capacity	8,474 (**)	248	8,722 (**)

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

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



| Operational performance over the period

Meanwhile, in **photovoltaic solar**, assembly of the Montague photovoltaic plant (211 MW) in Oregon was completed during this first quarter, while progress has been made with the commissioning works to achieve commercial operation in the coming months. In this same state, implementation of the Bakeoven (80 MW) and Daybreak (189 MW) projects continues, which are expected to be completed this year.

Moreover, in the state of Texas, development continues for the future construction of the True North photovoltaic plant (321 MW), where works are scheduled to begin soon.

In **offshore wind**, construction of **Vineyard Wind 1** continues to progress as planned, with drilling of the export cable connection site completed. Both construction of the onshore substation and installation of the export cable are in progress, with all components in the manufacture stage.

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

Renewable production in the United States totalled 5,700 GWh (+4,7%), broken down as follows:

	GWh Consolidated at EBITDA level	GWh managed by investee companies (*)	Total
Onshore wind	5,340	161	5,501
Hydroelectric	73	-	73
Solar PV	101	5	107
Total production	5,534 (**)	166	5,700 (**)

Discrepancies possible due to rounding

(*) Includes the proportional GWh share

(**) Includes 19 GWh of production from fuel cells.

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

- Onshore wind production totalled 5,340 GWh, up 4.3%.
- Production with photovoltaic solar technology totalled 101 GWh (+3%), thanks to new projects entering into operation.
- Hydroelectric production increased by 99.5% to 73 GWh from 37 GWh the year before at the end of March.

2.4. Mexico

Renewable capacity and production

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

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

Discrepancies possible due to rounding

(*) Includes the proportional MW share



Renewable production generated in the period totalled 678 GWh (-19.1%), broken down as follows:

	GWh Consolidated at EBITDA level	GWh managed by investee companies (*)	Total
Onshore wind	363	-	363
For own use	306	-	306
For third parties	57	-	57
Solar PV	314	-	314
Total production	678	-	678

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

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

- Onshore wind output totalled 363 GWh, down 31.4% due to a less wind resource.
- As for PV solar energy production, it has reached 314 GWh, an increase of 2.1% due to a higher load factor.

Thermal capacity and production

In Mexico, the installed **thermal capacity** as of 31 March 2023 amounted to 9,862 MW, which reflects an increase of 514 MW compared to the same period last year, due to Tamazunchale II entering production in early May 2022. Thermal production during the first three months of 2023 totalled 12,204 GWh – down -0.8% over the same period a year earlier.

	MW	GWh
Gas combined cycle	9,660	11,850
For own use	2,617	8,842
For third parties	7,043	3,007
Cogeneration	202	354
Total	9,862	12,204

Discrepancies possible due to rounding.

Retail supply

Electricity sales as of 31 March 2023 amounted to 12,814 GWh (-6.5% vs. the same period of 2022),

broken down as follows:

	GWh 2023	GWh 2022
CFE	8,926	8,963
Private	3,888	4,738
Total Sales	12,814	13,701

Discrepancies possible due to rounding

2.5. Brazil – Neoenergia

Renewable capacity and production

At the end of the quarter, **renewable installed capacity** in Brazil totalled 4,618 MW (+13.5%), broken down as follows:

	Installed MW Consolidated at EBITDA level	MW managed by investee companies (*)	Total
Onshore wind	1,438	-	1,438
Hydroelectric	836	2,194	3,031
Solar PV	149	-	149
Total capacity	2,424	2,194	4,618

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

In **photovoltaic solar technology**, in Santa Luzia, in the state of Paraíba in the northeast of the country, the Luzia photovoltaic complex (149.3 MW) has entered into commercial operation, thus completing Iberdrola's first hybrid complex in Brazil, the Renewable Neoenergia de Paraíba complex, which has a capacity of 600 MW and consists of 15 wind farms that have a total of 136 wind turbines and the two solar plants at Neoenergia Luzia with 228,000 panels.

In **onshore wind**, installation and commissioning of the various wind farms comprising the Oitis wind complex (566 MW) in the state of Piauí has continued, where a total of 82 wind turbines (435 MW) have already been installed and the complex is expected to be fully operational in the next quarter.

In **hydroelectric**, an agreement was reached at the



| Operational performance over the period

end of 2022 for an asset swap in 2023, where Neoen-ergia will increase its stake in the Dardanelos plant to 100%, leaving its stake in the Baguarí and Telespires plants, thus optimising its generation portfolio with this technology.

Renewable production at the end of March totalled 5,115 GWh (–4.4%), broken down as follows:

	GWh Consolidated at EBITDA level	GWh managed by investee companies (*)	Total
Onshore wind	892	0	892
Hydroelectric	782	3,370	4,152
Solar PV	72	0	72
Total production	1,746	3,370	5,115

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

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

- Onshore wind production totalled 892 GWh, an increase of 54.2%, thanks to the contribution of new wind complexes in operation.
- In terms of hydroelectric production, it has reached 782 GWh, slightly above the same period the previous year (+0.9%).
- Photovoltaic solar production totalled 72 GWh, due to contributions from the new Luzia 2 and 3 plants.

Thermal capacity and production

In Brazil, the thermal capacity in the first quarter of 2023 remains the same at 533 MW, with no energy produced with this technology during the year:

	MW	GWh
Gas combined cycle	533	-
Total	533	-

Discrepancies possible due to rounding

Retail supply

Electricity sales in the first three months of 2023 amounted to 4,250 GWh (+5.6% vs. the same period of 2022), broken down as follows:

	Q1 2023	Q1 2022
PPA	2,930	2,595
Liberalised market	1,320	1,428
Total sales	4,250	4,023

Discrepancies possible due to rounding

2.6. Rest of the World

Renewable capacity and production

Renewable installed capacity in the Rest of the World at the end of the quarter totalled 2,810 MW, 21.0% more than at the end of March 2022, broken down as follows:

Rest of the World	MW
Onshore wind	1,917
Offshore wind	350
Solar	468
Batteries	75
TOTAL	2,810

Discrepancies possible due to rounding

In terms of **photovoltaic solar** technology, in Portugal, mechanical assembly of the Montechoro 1 and 2 photovoltaic plants (37 MW) is under way in Paderne, and the substation works are also progressing. At the end of March, work began on the Carregado photovoltaic plant (64 MW) in the Lisbon district, while commissioning of the Alcochete I and II photovoltaic plants (46 MW) continues in the Setúbal district. In Italy, in the Lazio region, work has begun on the Montefiascone photovoltaic plant (7 MW), and in Australia, installation of photovoltaic modules in the Avonlie project (245 MW) is complete, which will begin the commissioning process.

Meanwhile, in **onshore wind**, in Poland, work is still under way on the construction of the Korytnica II wind farm, where assembly of the wind farm's 14 wind tur-



bines has been completed and work is being carried out on commissioning. The works on wind farms in Greece are progressing, with foundations works under way at the Askio II wind farm (37 MW), while commission work is being carried out at the Rokani wind farm (18 MW) in Viotia, which is expected to be completed in the next quarter. In Australia, assembly of wind turbines at the Flyers Creek wind farm (146 MW) has begun.

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

- In **Germany**, the offshore substation has been installed at the Baltic Eagle (476 MW) project and will be energised during the second quarter of the year. Construction work on the foundations has been completed and the monopiles are being delivered to the port of Mukran for installation in the second quarter, while production of the wind turbines has begun. From a commercial point of view, a long term power purchase agreement has been reached with Amazon for the aforementioned project and with Amazon and Mercedes Benz Group AG for the Windanker project (315 MW).
- In **France**, with the Saint Brieuc project (496 MW) having completed connection of the offshore substation to the RTE network, installation of the underground cable and the foundations continues, which will allow wind turbines to be put into service progressively, culminating with the commissioning of the offshore wind farm before the end of 2023.
- In **Sweden**, as regards development of the project portfolio, work continues through joint collaboration between Svea Vind Offshore and Iberdrola. Environmental permits and grid connection have been requested for the Utposten II (540 MW) and Gretas Klackar 1 (1,625 MW) projects, and work continues on submitting the Långgrund I & II environmental permit (2,925 MW).
- In **Ireland**, the development framework for Phase 2 projects (5 GW by 2030), where Iberdrola has its portfolio, has been published. Publication of the offshore areas (DMAP) by the government is

still pending. Subsequently, the conditions for the auction in which these projects can participate will be made known (ORESS 2).

- In **Norway**, the rules of the next auction for the development of two sites have been published (Utsira Nord – 1.5 GW floating and Soerlige Nordsjoe – 1.5 GW fixed), which will be held in the third quarter of 2023. Iberdrola continues to work with its partners, TotalEnergies and Norsk Havvind, to compete for bids for both auctions.
- In **Japan**, developers are working to submit bids for the Round 2 auction (expected capacity of 1.8 GW at four sites) by the end of June. Iberdrola continues to develop its portfolio projects for Round 3 with its Japanese partners (auction in 2024 and publication of the successful bidder in 2025), while it continues to analyse different opportunities to increase its presence in the country both in different offshore rounds and in other business areas.
- In **Australia**, Iberdrola will be submitting its application for the viability licence that has been convened by the Federal Administration in the Gippsland area in the state of Victoria, and continues to increase the chances of participation in future licences that are scheduled to be published by the Federal Government, such as the public consultation it has conducted for the proposed area in the Hunter region in the state of New South Wales.



| Operational performance over the period

Installed capacity breaks down as follows by country:

	Onshore Photovoltaic		Offshore		MW
	wind	solar	Batteries	wind	
Germany		-		350	350
Australia	884	352	75		1,311
Greece	403	6			409
Hungary	158				158
France	118			-	118
Portugal	92	86			178
Poland	163	-			163
Romania	80				80
Cyprus	20				20
Italy		23			23
Total	1,917	468	75	350	2,810

Discrepancies possible due to rounding

Renewable production in the first quarter totalled 1,644 GWh, up 20.1% compared to the same period last year, broken down by technology and country as follows:

Rest of the World	Onshore Photovoltaic		Offshore		GWh
	wind	solar	Batteries	wind	
Germany				362	362
Australia	572	39	0		611
Greece	238	2			240
Hungary	92				92
France	79				79
Portugal	64	13			77
Poland	110				110
Romania	61				61
Cyprus	6				6
Italy		6			6
Total	1,223	60	0	362	1,644

Discrepancies possible due to rounding

Onshore wind production by technology increased (+21.1%) mainly due to the incorporation of new capacity, primarily by the Port Augusta complex in Australia. Offshore wind production increased slightly (+1.1%).

3. Other Aspects

3.1 Shareholder remuneration

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

In this regard, at the end of January 2023, Iberdrola paid a retribution for the 2022 financial year amounting to **EUR 0.180 gross per share (+5.9% vs 2021)**.

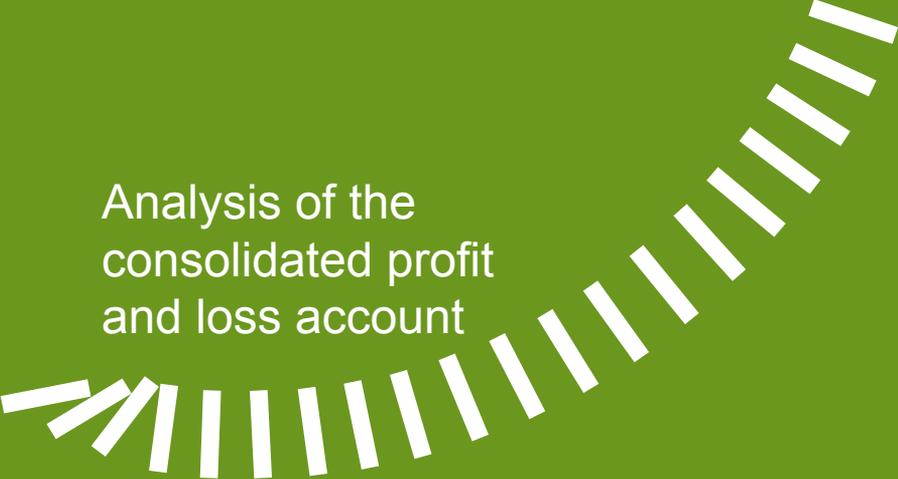
The support that Iberdrola shareholders continue to show to the Group’s management is noteworthy, since almost 80% of them chose to receive the dividend in shares.

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

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

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

With the aim of fulfilling the Group’s commitment to keep the number of shares in circulation at around 6,240 million, the last Shareholders’ Meeting approved a new treasury stock redemption programme to buy back those shares issued under the “Iberdrola Retribución Flexible” programme.



Analysis of the
consolidated profit
and loss account



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

In addition, it should be noted that, in the US business, certain reconciling expenses are increasingly relevant, as a result of the change in the US language on the recognition of these expenses (mainly storms), which allows for a reduction in the differences between US GAAP and IFRS. These reconciling expenses are offset by higher revenues recognised in the period, which will be collected in subsequent periods.

The standout figures in the first quarter results for 2023 are as follows:

Million EUR	Q1 2023	Q1 2022	%
NET REVENUE	15,460.6	12,150.0	+27.2
GROSS MARGIN	6,708.5	4,685.4	+43.2
EBITDA	4,064.5	2,950.9	+37.7
EBIT	2,738.0	1,747.1	+56.7
NET PROFIT	1,485.4	1,058.3	+40.4

EBITDA grew by 37.7% in the first quarter of 2023, compared to the same period of 2022, with growth in all territories. Eighty percent of the results were from A rated countries.

1. Gross margin

Gross margin grew by 43.2% to EUR 6,708.5 million, with growth of 40% excluding the exchange rate effect and reconcilables in the United States. This performance is a result of the following:

- The gross margin of the **grid** business was EUR 2,786.6 million, an increase of 14.5% on the first

quarter of 2022:

- In Spain it grew by 5.2% to EUR 515.2 million due to the recognition by the regulator of investments made in previous years.
- The UK contribution in the quarter was EUR 343.1 million (-11.3% or -6.3% in local currency), due to the lower contribution from transmission assets as a result of a temporary remuneration effect, to be collected at a later date.
- The United States increased its contribution over the period by 22.4% to EUR 1,166.5 million (+16.1% in local currency). This was a result of the reconciliation of storm costs (+EUR 103 million) and the recognition of arrearages (+EUR 37 million) to be collected from certain customers due to measures imposed during the COVID pandemic to ensure continuity of supply.
- Gross margin in Brazil increased by 26.5% to EUR 761.8 million (+26.5% or +16.4% in local currency), thanks to distribution tariff adjustments throughout 2022 and the greater contribution from transmission assets.
- The Gross Margin of the **electricity production and customers** business grew by 73.8% to EUR 3,929.4 million:
 - Spain's contribution to the gross margin grew by 124.2% to EUR 2,157.5 million. This was thanks to lower energy purchases at exceptionally high prices in 2022 due to higher production (+3.1 TWh), especially hydroelectric and nuclear, in addition to the greater energy supplied. The growth was further aided by the management of the gas business during the quarter.
 - Gross margin in the UK increased by 72.8% to EUR 893.9 million (+82.7% in local currency), thanks to collection of the deficit previously created by the regulated standard variable tariff, which had a negative impact in the final quarter of 2022 (+EUR 329 million). The business was



negatively affected by lower onshore wind production (-19.0%).

- The US contribution grew by 20.3% to EUR 310.4 million (+20.3% or +14.2% in local currency), with higher production thanks to the commissioning of increased capacity and improved prices.
- Gross margin in Mexico grew by 9.2% to EUR 290.1 million (+3.7% in local currency). This was thanks to the higher contribution of thermal facilities due to new capacity in operation since May 2022 (Tamazunchale II), partially offset by the lower wind load factor.
- Brazil's contribution rose by 11.5% to EUR 94.5 million (+2.6% in local currency), as a result of increased wind production (+54.2%) due to the new capacity commissioned during the period (+399 MW). This was partially offset by the lower contribution of the thermal business.
- The contribution to gross margin from business in the rest of the world increased by 5.7% to EUR 183.1 million. This was mainly due to the increased contribution of onshore wind as a result of the new capacity commissioned in Greece and the higher load factor in Australia.

2. Gross operating result – EBITDA

Consolidated EBITDA grew by 37.7% in the quarter compared to the first quarter of 2022, up to EUR 4,064.5 million.

In addition to the gross margin changes explained above, net operating expenses were EUR 1,464.8 million (+27.2%). This figure increased by 6.9% after excluding the exchange rate effect, the one off positive effect of the reversal of a provision for pensions on the US grid business in 2022 (+EUR 88 million) and the impact of reconcilables on US gross margin (-EUR 110 million). Levies increased by 102.2% on the first

quarter of 2022, including the annual impact of the new 1.2% revenue tax in Spain (-EUR 216 million). Other minor effects included the impact of the larger hydroelectric levy due to increased hydro production and higher spending on the *Bono Social* (electricity bill discount) after its approval at the end of March 2022.

3. Net operating result – EBIT

EBIT increased by 56.7% compared to the first quarter of 2022, up to EUR 2,738.0 million. Amortisations and provisions grew by 10.2% to EUR 1,326.5 million, adjusted to 8.6% when excluding the exchange rate effect:

- Amortisations increased by 5.5% to EUR 1,155.7 million (+4.0% in local currency), mainly due to the Group's growth, the larger asset base in grids and the growth of the renewables business.
- Meanwhile, provisions increased by EUR 62.4 million to EUR 170.7 million due to higher bad debt resulting from higher billing amounts.

4. Net finance income

The financial result increased by EUR -111 million from the EUR -399 million reported in the first quarter of 2022 to reach EUR -510 million.

- The result from debt increased EUR -164 million: EUR -22 million from the appreciation of currencies against the EUR, EUR -74 million from a higher average balance and EUR -68 million from higher interest rates.
- The result from derivatives and others improved by EUR +53 million due to the better result from exchange rate hedges, mainly in USD and BRL.



Net finance income	Q1 2023	Q1 2022	Dif.
Debt	-563	-399	-164
By exchange rates			-22
By average balance			-74
By interest rate			-68
Derivatives and others	+53		+53
Total	-510	-399	-111

The impact of the exchange rate on the debt result is managed at the level of net income through derivatives. The cost of debt rose 96 b.p. (from 4.12% to 5.08%); excluding Brazil it increased 78 b.p. (from 2.85% to 3.63%). This higher cost is due to the increase in interest rates as a result of the recent hikes by central banks to contain inflation. In Brazil, the impact of inflation on debt is offset by the operating profit of the distributors, which is linked to inflation.

5. Result of equity-accounted investees

Results from equity method investments stood at EUR 3.4 million at the end of March, compared to EUR 215.8 million in the first quarter of 2022. The latter figure included the one off impact of the restructuring agreement reached with CIP last year on offshore wind assets in the United States.

6. Profit in the period

Tax for the period was EUR 591.9 million, compared to EUR 311.5 million at the end of March 2022. This is mainly as a result of the higher pre tax profit, the inclusion of the 1.2% revenue tax in Spain, which is not deductible for the time being, and the recognition last year of the capital gain from the reorganisation of the offshore wind assets in the US, whose result was net of taxes.

Meanwhile, minority interests decreased due to the decrease in Avangrid's results due to the extraordinary positive impact related to pensions in the Networks business in the first quarter of 2022 and the capital gain recorded last year as a result of the restructuring agreement reached with CIP on the country's wind power assets.

Overall, **net profit** stood at EUR 1,485.4 million in the first quarter of 2023, an increase of 40.4% on the EUR 1,058.3 million recorded at the end of March 2022.

Results by business





1. Networks business

Key figures for the grid business are as follows:

(EUR million)	Q1 2023	vs. Q1 2022
Revenue	5,136.1	+17.1%
Gross margin	2,786.6	+14.5%
EBITDA	1,659.0	+4.5%
EBIT	1,040.1	-1.1%

EBITDA for the grid business increased by 4.5% to EUR 1,659.0 million.

1.1 SPAIN

(EUR million)	Q1 2023	vs. Q1 2022
Revenue	515.4	+4.9%
Gross margin	515.2	+5.2%
EBITDA	434.0	+6.1%
EBIT	271.7	+7.2%

a) Gross margin

The gross margin of the grid business in Spain increased by 5.2% to EUR 515.2 million, mainly due to the recognition of income from investments made in previous years.

b) Operating profit / EBIT

EBITDA for this business was EUR 434.0 million, an increase of 6.1%. Net operating expenses fell by 2.1% to EUR 55.9 million due to the efficiency measures carried out in previous years, which are having a positive impact this year.

EBIT for the grid business in Spain was EUR 271.7 million (+7.2%), after deducting amortisations and provisions, which amounted to EUR 162.3 million (+4.2%) due to larger investments.

1.2 UNITED KINGDOM

(EUR million)	Q1 2023	vs. Q1 2022	Local currency
Revenue	387.6	-3.0%	+2.6%
Gross margin	343.1	-11.3%	-6.3%
EBITDA	254.5	-14.9%	-10.1%
EBIT	156.2	-21.1%	-16.6%

a) Gross margin

The gross margin of the grid business in the UK decreased by 11.3% (-6.3% in local currency) to EUR 343.1 million, affected by the lower contribution from transmission assets as a result of a temporary remuneration effect to be collected in the future.

b) Operating profit / EBIT

EBITDA was EUR 254.5 million (-14.9% or -10.1% in local currency), after deducting net operating expenses, which increased by 3.4% (+9.3% in local currency) due to the increase in external services and a larger workforce.

Amortisations and provisions were EUR 98.4 million (-2.8% or +2.8% in local currency) due to the larger asset base. So, taking the EBITDA performance into account, EBIT was EUR 156.2 million (-21.1% or -16.6% in local currency).

1.3 UNITED STATES

(EUR millions)	IFRS (EUR MILLION)		
	Q1 2023	vs. Q1 2022	Local currency (USD million)
Revenue	1,984.5	20.9%	14.7%
Gross margin	1,166.5	22.4%	16.1%
EBITDA	380.1	-9.8%	-14.4%
EBIT	155.5	-38.5%	-41.6%

(EUR millions)	US GAAP (USD MILLION)	
	Q1 2023	vs. Q1 2022
Revenue	2,068.2	12.6%
Gross margin	1,198.2	15.5%
EBITDA	534.7	7.9%
EBIT	291.6	-4.0%



a) Gross margin

Gross margin increased by 22.4% to EUR 1,166.5 million, which was a growth of 16.1% in local currency, due to the larger assets base, the reconciliation of storm costs (+EUR 103 million) and the arrearages (+EUR 37 million) from certain customers due to measures imposed during the COVID pandemic to ensure continuity of supply.

b) Operating profit / EBIT

EBITDA for the grid business in the United States decreased by 9.8% to EUR 380.1 million, after deducting net operating expenses of EUR 490.0 million, which increased by 92.2% (+82.4% in local currency). These expenses were affected by the booking of the excess pension provision (+EUR 86 million) in 2022 and by higher expenditures for external services, mostly reconcilable and due to storms.

EBIT increased by 38.5% to EUR 155.5 million (-41.6% in local currency), after deducting amortisations and provisions, which increased by 26.5% in local currency due to the higher asset base and the increase in insolvencies.

1.4. BRAZIL

(EUR million)	Q1 2023	vs. Q1 2022	Local currency
Revenue	2,249.0	+21.2%	+11.6%
Gross margin	761.8	+26.5%	+16.4%
EBITDA	590.4	+29.0%	+18.7%
EBIT	456.8	+31.5%	+21.0%

a) Gross margin

Gross margin for the year increased by 26.5% (+16.4% in local currency) to EUR 761.8 million, thanks to the positive effect of tariff readjustments on distributors (+EUR 54 million) in April, August and October 2022, and the higher contribution from transmission assets.

b) Operating profit / EBIT

Net operating expenses increased by 18.8% to EUR 168.0 million (+9.3% in local currency) as a result

of increased activity and external services, leaving EBITDA at EUR 590.4 million (+29.0% compared to the first quarter of 2022).

EBIT grew by 31.5% to EUR 456.8 million (+21.0% in local currency), after deducting amortisations and provisions, which rose by 21.2% to EUR 133.7 million (+11.5% in local currency), mainly due to the higher asset base.

2. Electricity production and customers business

The key figures for the electricity production and customers business are as follows:

(EUR million)	Q1 2023	vs. Q1 2022
Revenue	10,499.4	+32.9%
Gross margin	3,929.4	+73.8%
EBITDA	2,413.5	+77.4%
EBIT	1,735.7	+139.3%

EBITDA for the electricity production and customers business increased by 77.4% to EUR 2,413.5 million.

It should be noted that, although Iberdrola SA is the taxpayer subject to the 1.2% revenue tax in Spain, for the purpose of improving the analysis, this is included within the production and electricity business in Spain, as it is the only business affected by this tax.

2.1 SPAIN

(EUR million)	Q1 2023	vs. Q1 2022
Revenue	5,337.2	+6.3%
Gross margin	2,157.5	+124.2%
EBITDA	1,190.1	+113.5%
EBIT	930.0	+186.1%



a) Gross margin

Gross margin for the first quarter of 2023 was EUR 2,157.5 million (+124.2% compared to 2022). This was due to increased production, especially hydroelectric and nuclear (+3.1 TWh), and higher sales, which reduced the energy purchases at exceptionally high prices that occurred in 2022. The positive effect of gas management in the quarter also contributed to the gross margin.

b) Operating profit / EBIT

Net operating expenses increased by 10.5% to EUR 282.4 million while levies rose to EUR 685.0 million. This was a result of the new 1.2% revenue tax and other minor effects, such as the higher hydroelectric levy due to increased hydro production and higher spending on the bono social (electricity bill discount) after its approval at the end of March 2022. EBITDA therefore totalled EUR 1,190.1 million.

Amortisations and provisions increased by 12.0% to EUR 260.2 million due to new capacity coming online—mainly solar photovoltaic—and higher acquisition costs in the commercial business.

As a result of the above, EBIT was EUR 930.0 million.

2.2 UNITED KINGDOM

(EUR million)	Q1 2023	vs. Q1 2022	Local currency
Revenue	3,682.4	+131.3%	+144.6%
Gross margin	893.9	+72.8%	+82.7%
EBITDA	655.7	+130.8%	+144.0%
EBIT	500.2	+302.6%	N/A

a) Gross margin

The gross margin of the UK business was EUR 893.9 million at the end of the first quarter, 72.8% higher than in 2022 (+82.7% in local currency). This was thanks to the collection of the deficit created by the regulated standard variable tariff, which had a negative impact in the final quarter of 2022 (+EUR 329 million), and the normalisation of margins in the sup-

ply business with a smaller contribution from onshore wind as a result of the lower load factor (-19.0%).

b) Operating profit / EBIT:

EBITDA was EUR 655.7 million (+130.8% or +144.0% in local currency), with net operating expenses falling by 14.6% on the previous year to EUR 165.9 million (-97% in local currency) due to the efficiency plans.

Levies increased by 85.2% (95.8% in local currency) to EUR 72.3 million, due to higher expenditures on the Energy Company Obligation scheme and the Warm Home Discount programme.

Amortisations and provisions for the year remained practically unchanged at EUR 155.4 million (-2.7% or +2.8% in local currency), leaving EBIT at EUR 500.2 million (+302.6%).

2.3 UNITED STATES

(EUR million)	Q1 2023	vs. Q1 2022	Local currency
Revenue	378.6	+35.7%	+28.8%
Gross margin	310.4	+20.3%	+14.2%
EBITDA	155.4	+19.2%	+13.1%
EBIT	9.8	N/A	N/A

a) Gross margin

The gross margin of the business was EUR 310.4 million (+20.3% or +14.2% in local currency), due to increased renewables production (+4.7%), as a result of the new capacity coming online (+357 MW) and greater wind resources, along with better prices.

b) Operating profit / EBIT

Net operating expenses increased by 21.4% to EUR 94.5 million (+15.3% in local currency), mainly due to the larger workforce and external services. Levies increased by 21.3% to EUR 60.5 million (+15.1% in local currency) due to the new installed capacity. As such, EBITDA was EUR 155.4 million (+19.2% or +13.1% in local currency).



EBIT was EUR 9.8 million after discounting amortisations and provisions (EUR 145.6 million), which increased by 11.7% on the previous year, affected by the exchange rate. Excluding the exchange rate, this item increased slightly (+6.0%), in line with installed capacity.

2.4 MEXICO

(EUR million)	Q1 2023	vs. Q1 2022	Local currency
Revenue	753.0	-2.3%	-7.3%
Gross margin	290.1	+9.2%	+3.7%
EBITDA	207.4	+9.2%	+3.7%
EBIT	154.4	+15.1%	+9.3%

a) Gross margin

Gross margin was EUR 753.0 million (+9.2% or +3.7% in local currency) for the first quarter of 2023. This increase was mainly due to the higher contribution of thermal facilities thanks to the new capacity in operation since May 2022 (Tamazunchale II, 514 MW), partially offset by a lower wind load factor.

b) Operating profit / EBIT

EBITDA increased by 9.2% compared to the previous year (+3.7% in local currency) to EUR 207.4 million, after deducting net operating expenses and levies, which had no significant impact.

Amortisations and provisions reached EUR 53.1 million, down 4.9% compared to 2022 (-9.8% in local currency) due to the denial of certain operating permits, which put amortisation on hold. Lastly, EBIT was EUR 154.4 million (+15.1% compared to 2022, +9.3% in local currency).

2.5 BRAZIL

(EUR million)	Q1 2023	vs. Q1 2022	Local currency
Revenue	168.9	19.6%	+10.0%
Gross margin	94.5	11.5%	+2.6%
EBITDA	73.9	6.5%	-2.0%
EBIT	53.3	3.8%	-4.5%

a) Gross margin

Gross margin grew by 19.6% to EUR 168.9 million (+10.0% in local currency), thanks to the operational improvement of the renewables business. Production increased by 54.2% as a result of the new capacity commissioned, in particular the installation of several wind farms at the Oitis wind complex (567 MW) and the Luzia solar plant (149 MW). These effects were partially offset by the lower contribution of the thermal business.

b) Operating profit / EBIT

Net operating expenses in the period were EUR 20.6 million, (+22.5% in local currency) as new capacity came online, increasing EBITDA by 6.5% to EUR 73.9 million (-2.0% in local currency).

Amortisations and provisions increased to EUR 20.7 million (+14.3%), growing by 5.2% in local currency as the aforementioned new capacity came online, with EBIT at EUR 53.3 million (+3.8% or -4.5% in local currency).

2.6 Rest of the world (ROW)

(EUR million)	Q1 2023	vs. Q1 2022
Revenue	226.0	+17.9%
Gross margin	183.1	+5.7%
EBITDA	131.0	+1.5%
EBIT	86.8	-3.4%

a) Gross margin

Gross margin for the business in the rest of the world grew to EUR 183.1 million (+5.7%), thanks to the



increased renewables capacity in Australia, Greece and Portugal, and the higher load factors in some territories.

b) Operating profit / EBIT

EBITDA was EUR 131.0 million (+1.5%) after deducting net operating expenses, which increased by EUR 12.4 million to EUR 49.5 million amid the international expansion of the business.

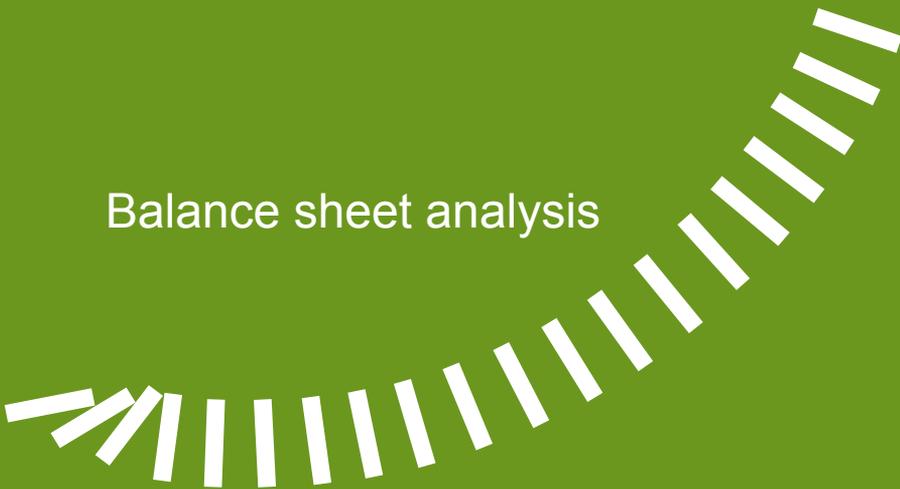
Amortisations and provisions increased by 12.6% to EUR 41.1 million, due to higher operating capacity, leaving EBIT at EUR 86.8 million (-3.4%).

4. Corporate and other businesses

The Corporation item includes the Group's overheads and the administrative costs of running the corporate areas, which are subsequently billed to the other companies. Although the Iberdrola Group's corporate entity Iberdrola, S.A. is the taxpayer subject to the 1.2% revenue tax in Spain, for the purpose of improving the analysis, this is included within the production and electricity business in Spain, as it is the only business affected by this tax.

The Other Businesses item includes the real estate business. The income statements of both divisions can be found in the *Income Statement Tables*.

Balance sheet analysis





Period from January to March 2023

	Mar 2022	vs Dec 2022
TOTAL ASSETS	153,638	-0.7%
TANGIBLE FIXED ASSETS	85,748	-0.7%
INTANGIBLE FIXED ASSETS	19,862	-1.3%
NONCURRENT FINANCIAL INVESTMENTS	9,856	-6.2%
EQUITY	59,385	2.2%

As at 31 March 2023, Iberdrola's balance sheet showed total assets of EUR 153,638 million, down EUR 1,030 million compared to December 2022.

1. Fixed Assets

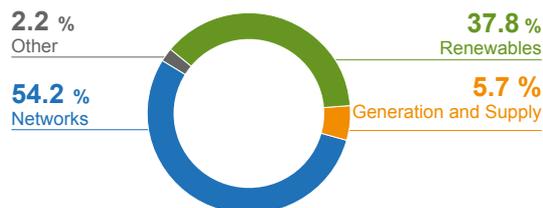
Total gross investment in the first quarter of 2023 amounted to EUR 1,755.4 million (-16.9%). The breakdown is as follows:

(EUR millions)	Jan Mar 2023	%
Networks business	952	54.2%
Spain	151	
United Kingdom	163	
United States	300	
Brazil	338	
Renewables business	664	37.9%
Spain	197	
United Kingdom	122	
United States	169	
Brazil	36	
Mexico	1	
Iberdrola Energía Internacional (IEI)	140	
Generation and Supply business	100	5.7%
Spain	54	
United Kingdom	35	
Mexico	10	
Brazil	1	
Other businesses	2	0.1%
Corporation and adjustments	37	2.1%
Total gross investment	1,755	100.0%

Investments during the period focused on the Networks and Renewables businesses, in line with the Group's strategy. These two businesses account for approximately 92.1% of gross investment made during the first quarter of 2023.

Investments by business

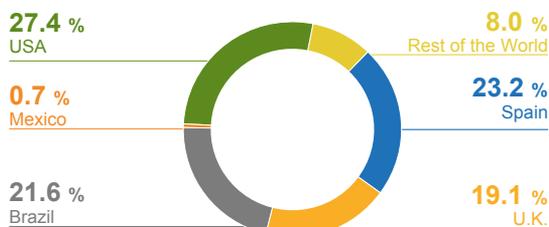
(Jan - Mar 2023)



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

Investments by geographical area

(Jan - Mar 2023)



Investment in the Renewables business totalled EUR 664.2 million, equivalent to 37.9% of the total.

In the Networks business section, most investments were made in the United States and Brazil, totalling EUR 299.9 million and EUR 337.6 million, respectively.



2. Working capital

Working capital increased by EUR 2,304 million in the period. The variation is mainly explained by the usual higher energy volumes in the first quarter, as well as by the decrease in fixed asset suppliers.

Current Assets	Mar-23	Dec-22	Var.
Assets held for sale	1,311	308	1,003
Nuclear fuel	267	259	8
Inventories	2,593	2,159	435
Trade and other receivables	10,130	9,869	261
Current Financial Investments	1,644	2,839	(1,195)
Derivatives financial instruments	1,888	1,640	248
Taxes Payables	1,969	1,351	618
TOTAL Current Assets*:	19,803	18,426	1,377

* Does not include cash or debt derivatives

Current Liabilities	Mar-23	Dec-22	Var.
Liabilities related to assets held for sale	599	27	572
Provisions	1,092	922	169
Derivatives Financial Instruments	2,568	3,013	(445)
Trade and other payables	9,590	12,282	(2,693)
Equity instruments with characteristics of financial liabilities	64	87	(23)
Taxes payables	2,910	1,418	1,492
TOTAL Current Liabilities**:	16,823	17,750	(927)
Net Current Assets	2,980	675	2,304

** Does not include financial debt or debt derivatives

3. Share capital

Iberdrola's Share Capital at 31 March 2023 amounted to EUR 4,835 million, represented by 6,437,563,000 shares, each with a par value of EUR 0.75 and all fully subscribed and paid up.

4. Financial debt

Adjusted net financial debt as of March 2023 totalled EUR 43,722 million, increasing by EUR 3,347 million from EUR 40,375 million as of March 2022.

Adjusted net leverage saw a deterioration of 1.3% down to 42.2% compared to the 40.9% reported in March 2022.

The ratings issued by the rating agencies are as follows:

Iberdrola's credit rating

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

* Date of last modification

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

	Mar 2023	Mar 2022
Euro	32.0%	35.3%
US dollar	29.6%	29.8%
British pound	20.4%	17.4%
Brazilian real and other currencies	18.0%	17.5%
Total	100.0%	100.0%

* Adjusted net debt including net investment hedging derivatives

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



| Balance sheet analysis

	Mar 2023	Mar 2022
Fixed rate	87.2%	89.1%
Variable rate	12.8%	10.9%
Total	100.0%	100.0%

* Adjusted net debt excluding Neoenergia and including future funding hedging derivatives to date (EUR 4,634 million in Mar 23 and EUR 4,420 million in Mar 22).

In accordance with the policy of minimising financial risks, the Group continues to mitigate exchange rate risk by financing the international businesses in local currencies (pound sterling, Brazilian real, US dollar etc.) or in their functional currencies (US dollar in the case of Mexico). Interest rate risk is mitigated by issuing debt at fixed rates and through derivatives and hedging of future borrowing rates.

Debt structure* by country is as follows:

	Mar 2023	Mar 2022
Corporate	72.8%	73.6%
UK	4.7%	5.4%
US	19.5%	17.5%
Other	3.0%	3.5%
Total	100.0%	100.0%

* Gross debt including hybrids, excluding leases and Neoenergia (EUR 7,452 million in Mar 23 and EUR 6,942 million in Mar 22)

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

Market	Mar 2023	Mar 2022
EUR bonds	22.2%	25.4%
USD bonds	19.5%	19.9%
GBP bonds	6.9%	7.4%
Other bonds	5.5%	5.4%
Commercial paper	10.0%	9.2%
Multilateral banking and development	14.6%	13.5%
Structured financing	0.1%	0.2%
Banking	15.1%	13.3%
Leases and others	6.1%	5.7%
Total	100.0%	100.0%

* Adjusted gross debt

New ESG financing signed in 2022 (including 1,150 New ESG financing signed in 2023 amounted to EUR 1,331 million. The breakdown by product is as follows:

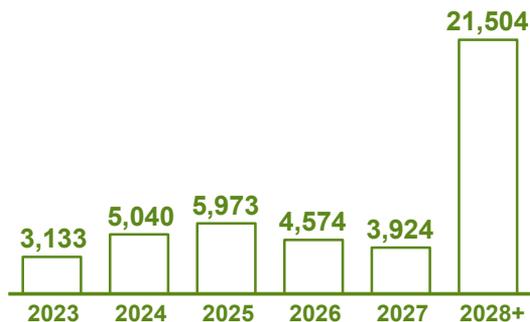
Product (EUR million)	Q1
Green	1,331
Hybrid bonds	1,000
Multilateral loans	205
Development banks and ECA loans	126
Indexed to sustainable indicators	0
Total new ESG financing	1,331

This brings total ESG financing to EUR 48,623 million, including sustainable credit facilities and the sustainable ECP programme. Iberdrola is the world's leading private group in terms of green bonds issued.

Iberdrola has a strong liquidity position totalling EUR 20,927 million. This liquidity comes mainly from syndicated credit facilities arranged with partner banks, loans arranged with multilateral credit institutions, development banks and export credit agencies, as well as cash, cash equivalents and IFTs. These liquidity arrangements have been reached across all the main markets in which the Iberdrola Group operates (Europe, the United States and Brazil), in both the banking and capital markets. This liquidity covers financial needs for 22 months in the base case and 15 months in the risk scenario.

Liquidity EUR million	Q1 2023	Q1 2022
Credit facilities	14,688	13,958
Cash, cash equivalents and IFTs	3,920	4,364
Committed financing	2,319	3,084
Total	20,927	21,406

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



* Long-term debt with credit institutions. Commercial paper maturities are shown in 2028+
Maturities include USD 400 million (2024) and USD 500 million (2025) with 1 year extension option.r

5. Adjusted net financial debt

EUR millions	Mar-23	Mar-22
Loans and borrowings with credit institutions and bonds or other marketable securities	45,759	42,434
Deposits securing the value of CSA derivatives	85	
Liability derivative instruments	907	930
Leases	2,457	2,510
Gross financial debt	49,207	45,874
Capitalised derivative instruments	907	754
Deposits securing the value of CSA derivatives	102	151
Non current financial deposits	87	78
Current financial investments (between 3 and 12 months)	20	16
Cash and cash equivalents	3,900	4,348
Total cash assets	5,016	5,347
Net financial debt	44,191	40,527
Treasury stock derivatives with physical settlement which, at the current date, are not expected to be executed	468	152
Adjusted net financial debt	43,722	40,375



6. Financial ratios

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

	Mar-23	Mar-22
Adjusted net equity*	59,853	58,417
Adjusted net financial debt *	43,722	40,375
Adjusted net leverage	42.2%	40.9%
Adjusted funds from operations (FFO)**/Adjusted net financial debt*	25.3%	24.0%
Adjusted retained cash flow (RCF)/Adjusted net financial debt*	21.2%	21.3%
Adjusted net financial debt*/Adjusted EBITDA***	3.07x	3.30x

(*) Adjusted for treasury stock derivatives with physical settlement that, at the current date, are not expected to be executed (EUR 468 million in Mar 23 and EUR 152 million in Mar 22).

(**) For details, see "Funds from operations" section

(***) Mar 22 data adjusted for the "Exit Plan" carried out in the fourth quarter of 2021 amounting to EUR 94.7 million, pro forma of the new additions to the group in the period from April 21 to March 22, corrected to reflect the effect of Royal Decree Law 17-18/2021 on gas deduction. Mar 23 data corrected to reflect the Social Bonus Ruling. Mar 22 data also corrected to reflect undue payment of the fee (accrual and ruling). Q1 2023 EBITDA is reduced by EUR 94.5 M Eur to eliminate the contribution from assets held for disposal.

7. Funds from operations

Funds from operations (FFO) in the last 12 months amounted to EUR 11,082 million, up 14.2% compared to the previous year.

	Mar-23	Mar-22	Change
Net profit attributed to the parent company (+)	4,765.7	3,917.9	847.9
Amortisation, depreciation and provisions (+)	5,366.8	4,765.3	601.4
Results of companies accounted for using the equity method (-)	137.9	-145.7	283.6
Financial revision of provisions (+)	125.9	118.7	7.2
Minority interests (+)	681.3	524.6	156.7
Adjustment for tax deductible items (+)	0.0	470.9	-470.9
Dividends on companies accounted for using the equity method (+)	66.0	50.9	15.1
Capital grants taken to profit or loss (-)	86.7	78.1	-8.6
Goodwill amortisation (+)	71.0	71.0	0.0
Otros (+)	(2.5)	(64.7)	-
Funds from operations (FFO)	11,125.4	9,630.9	1,494.5
Exit plan (+)	-	72.4	-72.4
Proforma new acquisitions (+) / Assets hel for sale	-43.8	2.2	-46.0
Adjusted funds from operations (FFO)	11,081.6	9,705.5	1,376.1
Dividends* (-)	-1,818.6	-1,105.3	-713.3
Adjusted retained cash flow (RCF)	9,263.0	8,600.2	662.8

Cash dividends + Dividends paid to minority interests + Hybrid debt interest



8. Financial transactions

New financing

The Iberdrola Group has signed new transactions worth EUR 1,644 million from various financing sources.

Product (EUR million)	Q1
Hybrid bonds	1,000
Bank loans	313
Multilateral loans	205
Development banks and ECA loans	126
Total new financing	1,644

Borrower	Transaction	Amount	Currency	Coupon	Maturity
First quarter					
Iberdrola Finanzas ⁽⁵⁾	Public hybrid green bond	1,000.0	EUR	4.875%	Perpetual
Neoenergia Distribuição Brasília ⁽¹⁾	Loan 4,131	38.4	USD		Mar-27
Coelba ⁽¹⁾	Loan 4,131	96.3	USD		Mar-26
Neoenergia Morro do Chapéu ⁽¹⁾	Loan 4,131	57.6	USD		Mar-24
Coelba ⁽¹⁾	Loan 4,131	89.0	EUR		Apr-25
Neoenergia Morro do Chapéu ⁽¹⁾	Loan 4,131	48.7	USD		May 24
Iberdrola Financiación ⁽³⁾⁽⁵⁾	Green EIB loan	150.0	EUR		To be determined
Buniel ⁽²⁾	Green EIB loan	55.0	EUR		To be determined
Celpe ⁽¹⁾	Green loan with JICA guarantee	18,175	JPY		Mar-33

Extension of existing financing

Borrower	Transaction	Amount	Currency	Extension	Maturity
Iberdrola México ⁽⁴⁾⁽⁵⁾	Syndicated loan	500.0	USD	1 year	Dec-25
Iberdrola Financiación	Sustainable syndicated credit facility	2,500.0	EUR	1 year	Apr-28

(1) Currency swaps arranged to the currency

(2) Funding planned to be available in 2023

(3) Funding planned to be available in 2024

(4) Option to extend for one year

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



First Quarter Transactions

The transactions entered into during the first quarter of 2023 are described below.

Capital market

Commercial paper

Iberdrola is still active in the commercial paper market, issuing at competitive costs with an outstanding balance of EUR 3,750 million at the end of the quarter; this is despite the instability caused by the financial crisis at the end of March in the US, the Credit Suisse share price crash, uncertainty about central banks' decisions and in a context of the ongoing conflict between Russia and Ukraine.

Bonds

Iberdrola issued a green hybrid bond in January amounting to EUR 1,000 million with a coupon of 4.875% to refinance the November 2017 issue. On 14 April, the company notified the market of the exercise of the option to buy said issue at par, which will take place on 18 May, thus maintaining the portfolio of hybrid bonds from that date at EUR 8,250 million, in line with what was announced in the strategic plan.

Banking market

The Iberdrola Group, through its subsidiary in Brazil, Neoenergia, signed five loans in March under the terms of Decree 4131 for a total of BRL 1,750 million with an average term of two years.

The Iberdrola Group also exercised two extension options:

- In January, through its subsidiary in Mexico, the Group exercised the first one year extension option for the USD 500 million loan until December 2025; the contract includes the option to extend for another additional year.
- In March, Iberdrola executed the second one year extension option for the EUR 2,500 million sustainable syndicated credit facility until April 2028.

Development and multilateral banks

The Iberdrola Group signed three loans:

- In February, it signed two green loans with the EIB for a total of EUR 205 million to finance renewables projects in Italy and Spain.
- Neoenergia signed a green loan with the Japan International Cooperation Agency (JICA) for JPY 18,175 million, maturing in March 2033.



8. Credit ratings

	Moody's			Standard and Poor's			Fitch Ibc		
	Rating	Outlook	Date	Rating	Outlook	Date	Rating	Outlook	Date
Iberdrola S.A.	Baa1	Stable	Mar 2023	BBB+	Stable	Dec 2022	BBB+	Stable	Mar 2023
Iberdrola Finance Ireland Ltd.(*)	Baa1	Stable	Mar 2023	BBB+	Stable	Dec 2022	BBB+	Stable	Mar 2023
Iberdrola Finanzas S.A.U.(*)	Baa1	Stable	Mar 2023	BBB+	Stable	Dec 2022	BBB+	Stable	Mar 2023
Iberdrola International B.V.(*)	Baa1	Stable	Mar 2023	BBB+	Stable	Dec 2022	BBB+	Stable	Mar 2023
Avangrid	Baa2	Stable	Nov 2022	BBB+	Stable	Dec2022	BBB+	Stable	Mar 2023
CMP	A2	Stable	Jan 2023	A	Stable	July 2022	BBB+	Stable	Mar 2023
NYSEG	Baa1	Stable	Nov 2022	A-	Stable	Sep 2022	BBB+	Stable	Mar 2023
RG&E	Baa1	Stable	Nov 2022	A-	Stable	Sep 2022	BBB+	Stable	Mar 2023
UI	Baa1	Positive	Feb 2022	A-	Stable	Mar 2023	A-	Stable	Mar 2023
CNG	A2	Stable	Mar 2023	A-	Positive	Mar 2023	A-	Stable	Mar 2023
SCG	A3	Stable	Mar 2023	A-	Positive	Mar 2023	A-	Stable	Mar 2023
BGC	A3	Stable	Dec 2021	A-	Negative	Feb 2023	A-	Stable	Mar 2023
Scottish Power Ltd	Baa1	Stable	April 2023	BBB+	Stable	Mar 2022	BBB+	Stable	Feb 2023
Scottish Power UK Plc	Baa1	Stable	April 2023	BBB+	Stable	Mar 2022	BBB+	Stable	Feb 2023
Scottish Power Energy Networks Holdings Ltd				BBB+	Stable	Mar 2022			
SP Transmission plc	Baa1	Stable	April 2023	BBB+	Stable	Mar 2022			
SP Manweb plc	Baa1	Stable	April 2023	BBB+	Stable	Mar 2022			
SP Distribution plc	Baa1	Stable	April 2023	BBB+	Stable	Mar 2022			
ScottishPower Energy Management Ltd.	Baa1	Stable	April 2023	BBB+	Stable	Mar 2022			
ScottishPower Energy Retail Ltd.	Baa1	Stable	April 2023	BBB+	Stable	Mar 2022			
ScottishPower Renewables (WODS) Limited	Baa1	Stable	April 2023						
Neoenergia				BB-	Stable	Mar 2023			
Elektro				BB-	Stable	Mar 2023			
Coelba				BB-	Stable	Mar 2023			
Pernambuco				BB-	Stable	Mar 2023			
Cosern				BB-	Stable	Mar 2023			
Neoenergia (national scale)				brAAA	Stable	Mar 2023			
Coelba (national scale)				brAAA	Stable	Mar 2023			
Pernambuco (national scale)				brAAA	Stable	Mar 2023			
Cosern (national scale)				brAAA	Stable	Mar 2023			
Elektro (national scale)				brAAA	Stable	Mar 2023			

(*) Guaranteed by Iberdrola S.A.

Date referred to last revision



Financial Statements Tables



Balance Sheet Mar-2023 (Unaudited)

EUR M

ASSETS	Mar 2023	Dic 2022	Variation %
NON-CURRENT ASSETS	129,660	131,300	-1,640
Intangible assets	19,862	20,118	-257
Goodwill	8,156	8,189	-33
Other intangible assets	11,705	11,929	-224
Real Estate properties	305	307	-1
Property, plant and equipment	85,746	86,326	-580
Property, plant and equipment	73,783	74,813	-1,030
Property, plant and equipment in the course of construction	11,963	11,513	449
Right of use	2,385	2,370	14
Non current financial investments	9,851	10,508	-656
Investments accounted by equity method	861	857	3
Non-current financial assets	32	32	-1
Other non-current financial assets	6,297	5,957	340
Derivative financial instruments	2,663	3,661	-998
Non-current trade and other receivables	4,123	4,614	-491
Tax receivables	736	736	0
Deferred tax assets	6,652	6,320	332
CURRENT ASSETS	23,978	23,367	610
Assets held for disposal	1,311	308	1,003
Nuclear fuel	267	259	8
Inventories	2,593	2,159	435
Current trade and other receivables	12,099	11,220	879
Tax receivables	777	453	324
Other tax receivables	1,192	898	294
Trade and other receivables	10,130	9,869	261
Current financial assets	3,807	4,813	-1,006
Other current financial assets	1,766	2,964	-1,198
Derivative financial instruments	2,041	1,849	192
Cash and cash equivalents	3,900	4,608	-707
TOTAL ASSETS	153,638	154,668	-1,030



EUR M

EQUITY AND LIABILITIES	Mar 2023	Dic 2022	Variation %
EQUITY:	59,385	58,114	1,272
Of shareholders of the parent	41,791	41,119	672
Share capital	4,835	4,772	63
Adjustments for changes in value	-416	-932	516
Other reserves	41,009	36,840	4,169
Treasury stock	-2,343	-1,756	-587
Translation differences	-2,544	-2,143	-401
Interim dividend	-235	0	-235
Net profit of the period	1,485	4,339	-2,853
Of minority interests	8,344	8,745	-401
Hybrids	9,250	8,250	1,000
NON-CURRENT LIABILITIES	65,172	67,714	-2,542
Deferred income	1,207	1,247	-39
Facilities transferred and financed by third parties	5,679	5,673	7
Provisions	4,183	4,225	-43
Provisions for pensions and similar obligations	1,182	1,226	-44
Other provisions	3,000	2,999	1
Non Current Financial payables	41,366	44,216	-2,850
Financial Debt- Loans and other	34,139	36,128	-1,990
Equity Instruments having the substance of a financial liability	611	576	35
Leases	2,310	2,287	23
Derivative financial instruments	2,788	3,690	-902
Other financial liabilities	1,518	1,534	-17
Other Non Current payables	300	309	-9
Tax payables	368	362	7
Deferred tax liabilities	12,069	11,682	387
CURRENT LIABILITIES	29,080	28,840	240
Liabilities related to assets held for disposal	599	27	572
Provisions	1,092	922	169
Provisions for pensions and similar obligations	24	42	-18
Other provisions	1,068	881	187
Current financial payables	23,331	25,079	-1,748
Financial Debt- Loans and other	11,620	10,458	1,162
Equity Instruments having the substance of a financial liability	64	87	-23
Derivative financial instruments	2,974	3,398	-424
Leases	147	151	-5
Trade payables	5,486	5,927	-441
Other financial liabilities	3,040	5,058	-2,018
Other current payables	4,059	2,811	1,247
Current tax liabilities and other tax payables	853	156	696
Other tax payables	2,058	1,262	795
Other current liabilities	1,148	1,393	-245
TOTAL EQUITY AND LIABILITIES	153,638	154,668	-1,030

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

	Mar-2023	Mar-2022	EUR M %
REVENUES	15,460.6	12,150.0	27.2
PROCUREMENTS	(8,752.1)	(7,464.6)	17.2
GROSS MARGIN	6,708.5	4,685.4	43.2
NET OPERATING EXPENSES	(1,464.8)	(1,151.3)	27.2
Personnel	(898.8)	(723.4)	24.2
Capitalized personnel costs	184.4	175.9	4.8
External Services	(954.2)	(780.7)	22.2
Other Operating Income	203.8	176.8	15.2
LEVIES	(1,179.2)	(583.2)	102.2
EBITDA	4,064.5	2,950.9	37.7
AMORTISATIONS AND PROVISIONS	(1,326.5)	(1,203.9)	10.2
EBIT / Operating Profit	2,738.0	1,747.1	56.7
Financial Expenses	(1,036.2)	(706.1)	46.8
Financial Income	526.1	306.6	71.6
FINANCIAL RESULT	(510.1)	(399.5)	27.7
RESULTS OF COMPANIES CONSOLIDATED BY EQUITY METHOD	3.4	215.8	(98.4)
PBT	2,231.3	1,563.4	42.7
Corporate Tax	(591.9)	(311.5)	90.0
Minorities	(154.0)	(193.6)	(20.5)
NET PROFIT	1,485.4	1,058.3	40.4



Results by Business (Unaudited)

Mar-2023	Electricity			EUR M
	Networks	Production and Customers (*)	Other businesses	Corporation and adjustments(*)
Revenues	5,136.1	10,499.4	7.3	(182.3)
Procurements	(2,349.5)	(6,570.0)	(0.1)	167.5
GROSS MARGIN	2,786.6	3,929.4	7.2	(14.7)
NET OPERATING EXPENSES	(774.9)	(692.3)	(3.4)	5.8
Personnel	(501.6)	(265.9)	(2.6)	(128.7)
Capitalized personnel costs	142.2	39.9	-	2.2
External Services	(557.8)	(539.2)	(0.7)	143.5
Other Operating Income	142.2	72.8	-	(11.2)
LEVIES	(352.8)	(823.5)	(0.5)	(2.4)
EBITDA	1,659.0	2,413.5	3.3	(11.3)
Amortisation and Provisions	(618.9)	(677.9)	(2.3)	(27.4)
EBIT/Operating Profit	1,040.1	1,735.7	1.0	(38.7)
Financial Result	(323.0)	(142.5)	2.7	(47.3)
Results of companies consolidated by equity method	3.6	5.2	(5.3)	-
PBT	720.6	1,598.3	(1.7)	(86.0)
Corporate tax and minority shareholders	(269.9)	(549.0)	(0.6)	73.6
NET PROFIT	450.7	1,049.4	(2.3)	(12.4)

* Although Iberdrola SA is the taxpayer subject to the 1.2% revenue tax in Spain, for the purpose of improving the analysis, this is included within the production and electricity business in Spain, as it is the only business affected by this tax.

Mar-2022	Electricity			EUR M
	Networks	Production and Customers	Other businesses	Corporation and adjustments
Revenues	4,387.4	7,902.0	14.7	(154.1)
Procurements	(1,954.7)	(5,640.6)	(12.5)	143.3
GROSS MARGIN	2,432.7	2,261.3	2.2	(10.8)
NET OPERATING EXPENSES	(512.4)	(652.9)	(3.0)	17.0
Personnel	(366.3)	(245.7)	(2.4)	(109.0)
Capitalized personnel costs	133.5	40.3	.0	2.2
External Services	(407.7)	(512.6)	(.7)	140.3
Other Operating Income	128.1	65.1	.1	(16.5)
LEVIES	(332.9)	(248.3)	(.5)	(1.6)
EBITDA	1,587.4	1,360.2	(1.3)	4.6
Amortisation and Provisions	(535.9)	(634.9)	(2.2)	(30.9)
EBIT/Operating Profit	1,051.6	725.3	(3.5)	(26.3)
Financial Result	(186.8)	(93.6)	.1	(119.1)
Results of companies consolidated by equity method	3.1	225.4	(12.6)	.0
PBT	867.8	857.1	(16.0)	(145.5)
Corporate tax and minority shareholders	(314.9)	(244.9)	.6	54.1
NET PROFIT	552.9	612.2	(15.4)	(91.3)



Networks Business (Unaudited)

	EUR M			
Mar-2023	SPAIN	UNITED KINGDOM	USA	BRAZIL
Revenues	515.4	387.6	1,984.5	2,249.0
Procurements	(.2)	(44.5)	(817.9)	(1,487.2)
GROSS MARGIN	515.2	343.1	1,166.5	761.8
NET OPERATING EXPENSES	(55.9)	(61.0)	(490.0)	(168.0)
Personnel	(77.0)	(66.8)	(242.9)	(114.9)
Capitalized personnel costs	35.1	39.2	67.9	-
External Services	(66.2)	(49.4)	(348.3)	(93.9)
Other Operating Income	52.1	16.0	33.2	40.9
LEVIES	(25.3)	(27.6)	(296.5)	(3.3)
EBITDA	434.0	254.5	380.1	590.4
Amortisation and Provisions	(162.3)	(98.4)	(224.6)	(133.7)
EBIT/Operating Profit	271.7	156.2	155.5	456.8
Financial Result	(18.6)	(68.7)	(37.8)	(198.0)
Results of companies consolidated by equity method	0.7	-	2.9	-
PBT	253.7	87.5	120.6	258.8
Corporate tax and minority shareholders	(45.5)	(21.6)	(48.5)	(154.3)
NET PROFIT	208.2	65.8	72.1	104.5

	EUR M			
Mar-2022	SPAIN	UNITED KINGDOM	USA	BRAZIL
Revenues	491.4	399.6	1,641.6	1,855.0
Procurements	(1.4)	(12.6)	(688.2)	(1,252.7)
GROSS MARGIN	490.0	387.0	953.4	602.3
NET OPERATING EXPENSES	(57.1)	(59.0)	(254.9)	(141.4)
Personnel	(72.1)	(66.3)	(132.1)	(95.7)
Capitalized personnel costs	29.7	40.4	63.3	-
External Services	(65.6)	(48.3)	(213.5)	(80.3)
Other Operating Income	50.8	15.2	27.4	34.6
LEVIES	(23.7)	(28.8)	(277.2)	(3.2)
EBITDA	409.1	299.2	421.4	457.7
Amortisation and Provisions	(155.8)	(101.2)	(168.6)	(110.3)
EBIT/Operating Profit	253.3	198.0	252.8	347.4
Financial Result	(8.5)	(35.0)	(29.7)	(113.5)
Results of companies consolidated by equity method	0.6	-	2.5	-
PBT	245.4	162.9	225.6	233.9
Corporate tax and minority shareholders	(49.4)	(38.9)	(84.7)	(142.0)
NET PROFIT	196.0	124.1	140.9	91.9



Electricity Production and Customers Business (Unaudited)

EUR M

Mar-2023	UNITED					
	SPAIN (*)	KINGDOM	US	Mexico	Brazil	ROW
Revenues	5,337.2	3,682.4	378.6	753.0	168.9	226.0
Procurements	(3,179.6)	(2,788.6)	(68.1)	(462.9)	(74.4)	(42.9)
GROSS MARGIN	2,157.5	893.9	310.4	290.1	94.5	183.1
NET OPERATING EXPENSES	(282.4)	(165.9)	(94.5)	(79.9)	(20.3)	(49.5)
Personnel	(118.4)	(39.7)	(60.1)	(16.8)	(8.4)	(22.5)
Capitalized personnel costs	9.6	8.0	10.0	0.2	0.6	9.2
External Services	(224.7)	(149.1)	(61.0)	(69.7)	(10.4)	(37.8)
Other Operating Income	51.1	14.9	16.6	6.4	(2.1)	1.6
LEVIES	(685.0)	(72.3)	(60.5)	(2.8)	(.3)	(2.6)
EBITDA	1,190.1	655.7	155.4	207.4	73.9	131.0
Amortisation and Provisions	(260.2)	(155.4)	(145.6)	(53.1)	(20.7)	(44.2)
EBIT/Operating Profit	930.0	500.2	9.8	154.4	53.3	86.8
Financial Result	(42.1)	(4.7)	(22.1)	(48.8)	(14.4)	(10.3)
Results of companies consolidated by equity method	6.6	0.5	(2.9)	-	2.3	(1.3)
PBT	894.4	496.0	(15.2)	105.5	41.2	75.2
Corporate tax and minority shareholders	(279.4)	(147.9)	(50.2)	(4.1)	(24.0)	(43.0)
NET PROFIT	615.0	348.1	(65.4)	101.4	17.2	32.2

* Although Iberdrola SA is the taxpayer subject to the 1.2% revenue tax in Spain, for the purpose of improving the analysis, this is included within the production and electricity business in Spain, as it is the only business affected by this tax.

EUR M

Mar-2022	UNITED					
	SPAIN	KINGDOM	US	Mexico	Brazil	ROW
Revenues	5,019.7	1,591.8	278.9	771.0	141.3	191.7
Procurements	(4,057.3)	(1,074.4)	(20.9)	(505.4)	(56.5)	(18.5)
GROSS MARGIN	962.4	517.3	258.1	265.6	84.7	173.2
NET OPERATING EXPENSES	(255.6)	(194.2)	(77.8)	(72.9)	(15.2)	(37.1)
Personnel	(113.1)	(44.0)	(50.3)	(14.4)	(7.8)	(16.1)
Capitalized personnel costs	12.6	7.2	6.0	1.9	0.8	6.8
External Services	(206.2)	(164.3)	(51.2)	(65.1)	(8.3)	(29.3)
Other Operating Income	51.2	6.9	17.7	4.6	0.1	1.6
LEVIES	(149.5)	(39.0)	(49.9)	(2.7)	(0.2)	(7.0)
EBITDA	557.4	284.1	130.3	189.9	69.4	129.1
Amortisation and Provisions	(232.3)	(159.8)	(130.3)	(55.8)	(18.1)	(39.3)
EBIT/Operating Profit	325.1	124.3	-	134.1	51.3	89.8
Financial Result	3.7	(12.0)	(19.5)	(40.9)	(15.5)	(9.4)
Results of companies consolidated by equity method	17.5	0.1	213.5	-	0.4	(6.0)
PBT	346.2	112.3	193.9	93.2	36.2	74.4
Corporate tax and minority shareholders	(96.0)	(53.5)	(46.4)	(4.8)	(21.6)	(22.4)
NET PROFIT	250.2	58.8	147.5	88.4	14.6	52.0



Results by country (Unaudited)

	EUR M					
Mar-2023	SPAIN	UNITED KINGDOM	US	MEXICO	Brazil	ROW
Revenues	5,823.4	4,016.5	2,363.0	753.0	2,321.8	226.0
Procurements	(3,176.7)	(2,787.8)	(886.1)	(462.9)	(1,465.6)	(42.9)
GROSS MARGIN	2,646.6	1,228.8	1,477.0	290.1	856.2	183.1
NET OPERATING EXPENSES	(329.0)	(206.6)	(586.9)	(78.3)	(200.9)	(50.8)
Personnel	(216.0)	(122.7)	(328.8)	(20.9)	(126.7)	(23.6)
Capitalized personnel costs	45.2	47.6	77.9	0.2	0.6	9.2
External Services	(264.4)	(164.4)	(385.7)	(64.0)	(113.6)	(38.1)
Other Operating Income	106.2	32.9	49.7	6.4	38.8	1.6
LEVIES	(711.4)	(100.6)	(356.3)	(2.9)	(3.8)	(2.6)
EBITDA	1,606.2	921.5	533.8	209.0	651.4	129.6

	EUR M					
Mar-2022	SPAIN	UNITED KINGDOM	US	MEXICO	Brazil	ROW
Revenues	5,482.4	1,955.1	1,920.5	771.0	1,910.5	191.7
Procurements	(4,229.4)	(1,055.7)	(709.0)	(505.4)	(1,223.5)	(18.5)
GROSS MARGIN	1,252.9	899.4	1,211.5	265.6	687.0	173.2
NET OPERATING EXPENSES	(304.1)	(235.9)	(336.9)	(70.6)	(164.6)	(18.2)
Personnel	(202.8)	(126.9)	(206.5)	(17.5)	(106.3)	(16.8)
Capitalized personnel costs	43.9	48.1	69.3	1.9	0.8	6.8
External Services	(247.6)	(180.7)	(245.0)	(59.7)	(93.8)	(29.4)
Other Operating Income	102.3	23.6	45.2	4.6	34.7	21.3
LEVIES	(174.7)	(68.6)	(325.0)	(2.8)	(3.5)	(7.0)
EBITDA	774.0	594.9	549.6	192.2	518.9	148.0


Statement of origin and use of funds (Unaudited)

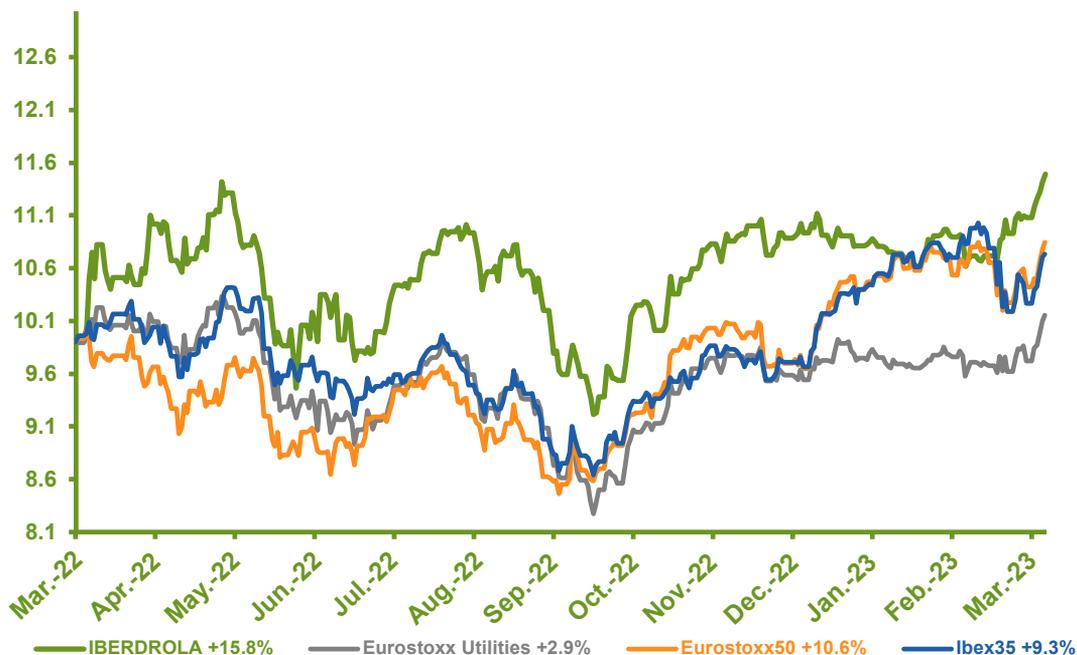
	Q1 2023	Q1 2022	Variación
Net Profit	1,485	1,058	427
Depreciation and amortisation charges and provisions (+)	1,326	1,204	123
Results of companies accounted for using the equity method (-)	(3)	(216)	212
Gains/(losses) on non-current assets (-)	-	-	-
Financial revision of provisions (+)	45	27	17
Minority interests (+)	154	194	(40)
Adjustment for tax deductible items (+)	18	18	-
Dividends on companies accounted for using the equity method (+)	2	4	(2)
Capital grants taken to profit or loss (-)	(20)	(20)	-
Other adjustments P&L (+)	(44)	736	(780)
FFO	2,963	3,005	(42)
Dividends Paid to Iberdrola shareholders	(235)	(353)	118
Total Cash Flow allocations:	(1,345)	(2,452)	1,106
<i>Gross Investments</i>	<i>(1,755)</i>	<i>(2,116)</i>	<i>361</i>
<i>Non core Divestments</i>	-	-	-
<i>Treasury stock</i>	<i>(590)</i>	<i>(336)</i>	<i>(255)</i>
<i>Issuance/ Hybrid</i>	<i>1,000</i>	-	<i>1,000</i>
Capital Increase	-	-	-
Transactions w/minorities	(18)	-	-
Neoenergia Brasilia acquisition	-	-	-
Translation differences	218	(1,150)	1,368
Other variations	(1,555)	(304)	(1,251)
Increasing/Decreasing net debt	27	(1,255)	1,282

Stock market evolution





IBERDROLA stock performance vs. Indexes



IBERDROLA's share

	Q1 2023	Q1 2022
Number of outstanding shares	6,446,364,000	6,437,563,000
Price at the end of the period	11.485	9.920
Average price of the period	10.899	9.743
Average daily volume	13,199,992	16,397,638
Maximum volume (28-03-2023 / 21-01-2022)	43,303,754	43,303,025
Minimum (24-01-2023 / 03-05-2021)	5,129,781	6,556,492
Dividends paid (€) ⁽¹⁾	0.459	0.424
Gross interim (31-01-2023 / 02-02-2022) ⁽²⁾	0.180	0.170
Complementary dividend (29-07-2022 / 29-07-2021)	0.274	0.254
Engagement (20-06-2022 / -)	0.005	-
Dividend yield ⁽³⁾	4.00%	4.27%

(1) Dividends paid in the last 12 months

(2) Purchase price of rights guaranteed by Iberdrola.

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

Regulation





Regulation in the European Union

During the first quarter of 2023, legislative effort continued for the Fit for 55 legislation package, initiated in July 2021, which aims to define 2030 targets compatible with climate neutrality by 2050. At present, negotiations between the European Commission, Council and Parliament on several of the dossiers (e.g. emissions trading, renewables and energy efficiency directives etc.) have ended, although none of them has been published in the OJEU. It is expected that, during the second quarter, the remaining dossiers will be closed and such a publication will be made, or at least the publication of those relating to most of the new regulations.

Furthermore, the Commission has developed proposals in two key areas: The Green Deal Industrial Plan for the Net-Zero Age and adjustments to the electricity market design.

On 2 February, the European Commission published the **Green Deal Industrial Plan for the Net-Zero Age**, which contains the EU's response lines to the US Inflation Reduction Act (IRA). This act combines a set of regulatory measures with USD 360,000 million in financial support for activities and technologies associated with the energy transition in the US. The European Industrial Plan is structured around the following sets of measures:

- **Regulatory:** highlighting a **Net Zero Industry Act**, aimed at promoting European technological autonomy for the energy transition and a **Critical Raw Materials Act**, with a view to ensuring the supply of the necessary materials for such technologies.
- **Financial:** although no new European funds are designated, **the reorientation of existing funds** towards the new plans and, in particular, **the application of the rules on state aid** by the Member States is made more flexible.
- **Training:** to promote the availability of workforces and technicians.

- **Cooperation:** international alliances to strengthen supply chains.

Furthermore, in connection with both previous policies and with the measures adopted in the energy markets regarding the crisis in Ukraine, the Commission has proposed an **adjustment in the electricity market design** that aims to:

- Facilitate the **free forward contracting** of renewable energy.
- Improve integration into the renewable energy market with support through **contracts for difference**.
- Increase the **liquidity of forward markets**.
- Promote **flexibility through demand-side response** and storage investments.
- Create greater **consumer protection**.

The changes in the market design will be processed using a procedure that is more agile than the usual in the EU, and may **be completed by the end of 2023**.

Finally, among those published in the OJEU in 2023, it is worth highlighting the following European standards:

- **Regulation (EU) 2023/435 of 27 February 2023** amending certain aspects of the Recovery and Resilience Facility to facilitate the funding of the REPowerEU plan (OJEU 28 February 2023). The Regulation sets out the facilities to contribute EUR 20,000 million to the REPowerEU Plan: 60% from the Innovation Fund (emission allowances made available to the Commission for auction for innovation and climate investments), and 40% from rights that Member States would have auctioned between 1 January 2027 and 31 December 2030. The first auctions will be held in July 2023.
- **Regulation (EU) 2023/706 of 30 March 2023** (OJEU 31 March), extending the **application of Regulation (EU) 2022/1369 of 5 August 2022**, by one year until 31 March 2024. The latter regulation established a voluntary gas demand reduction in each Member State (15%) between 1/8/22-31/3/23, which may become of mandatory nature in case



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

Regulation in Spain

Royal Decree-Law 3/2023 of 28 March: Extension of the production costs adjustment mechanism for the reduction of the price of electricity in the wholesale market (Iberian exception) until 31 December 2023, with reference prices for gas increasing from EUR 55/MWh gas (value in force in March 2023) to EUR 65/MWh gas (December 2023). A period of 15 business days (until 21 April) has been set out to submit a new statement of compliance, which includes the energy suppliers exempt from paying the costs of the mechanism for the months of June to December 2023.

2023 Provisional remuneration for distribution and transmission: On 19 January 2023, two resolutions of the Spanish National Markets and Competition Commission (CNMC) were published in Spain's Official State Gazette (BOE) establishing the provisional remuneration for transmission and distribution with amounts similar to those recognised in 2019, which will provisionally be paid to companies during the settlement process for regulated activities.

Order TMA/277/2023 of 21 March: Streamlines the processing of the authorisations of charging points in areas affected by the state roads, simplifying the requirements for obtaining the authorisations, by using the Statement of Compliance.

Resolution establishing the value of the 2023 global ratio index (*Índice Global de Ratios* — IGR): Applicable to companies that carry out activities concerning the transmission and distribution of electric energy as well as transmission, regasification, underground storage and natural gas distribution activities, calculated based on 2021 financial information. The IGR is a weighted average of the degree of compliance of several financial ratios, whose objective is to evaluate the level of risk of each regulated company in a way that encourages financial caution. It can take a value of between 0 and 1, and if it falls below 0.90

a penalty will be passed on to the remuneration of the company in question, which will apply from 2023 (electricity companies) or 2024 (gas companies).

According to the IGR calculated by the CNMC for 2023 (using data from 2021), all electricity companies exceed the financial caution requirement: Distribution companies have an IGR of 1, while the Spanish Electricity Network (Red Eléctrica de España — REE) achieves a value of 0.90 due to non-compliance with the 1 ratio (net debt/(net debt + net equity)).

Regulation in the United Kingdom

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

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

- An 'Energy Bill Support Scheme' (EBSS), whereby suppliers offered a £400 credit to domestic electricity customers over a six-month period (October 2022 to March 2023), worth £67 per month.
- An 'Energy Price Guarantee' (EPG) for household customers. This EPG capped a typical household's energy bill at £2,500 between October 2022 and March 2023 and it was complemented by direct government support for low-income households.
- An 'Energy Bill Reduction Scheme' (EBRS) for non-domestic customers. This scheme runs from



October 2022 to March 2023 and allows suppliers to offer a discount on energy prices to non-household customers

In January 2023, the Government announced that the EBRs would be replaced by a new Energy Bill Discount Scheme (EBDS) running from April 2023 to March 2024 which would offer a lower level of support than the current EBRs; whilst at the Spring Budget on 15 March 2023, the Government announced that the EPG would continue at the level of £2,500 from 1 April to 30 June 2023, from which time it would operate at the level of £3,000 for a typical household until 31 March 2024. At the Spring Budget, the Government also announced plans to align the charges paid by households using prepayment meters with those paid by comparable direct debit customers, due to take effect from 1 July 2023.

RIIO-ED2: The next five-year RIIO-ED2 distribution network price control will run from 1 April 2023 to 31 March 2028. Ofgem published its final determinations for RIIO-ED2 on 30 November 2022. Relative to the draft determinations, total expenditure ('totex') allowances for DNOs was increased by £1.2bn, with SP Energy Networks' allowance increasing to £3bn. Ofgem's approach to the cost of capital was unchanged from the transmission network price control (RIIO-T2); based on latest market indices, this gave a cost of equity of 5.23% and average cost of debt of 3.07%. Ofgem confirmed on 3 February 2023 its decision on licence modifications to give effect to the RIIO-ED2 control.

Renewables Deployment and the Contracts for Difference scheme: Having set out its intention to start holding Contracts for Difference (CfD) allocation rounds on an annual basis, the UK Government announced that the next CfD auction – Allocation Round 5- would start in March 2023 based on two auction Pots: Pot 1 for 'established' renewable technologies, including fixed bottom offshore wind, onshore wind and solar PV; and Pot 2 for 'less established' renewable technologies, including floating offshore wind. The initial Budget for AR5 was announced on 16 March 2023 with £170m for the

'established technologies' Pot 1 and £35m for the 'less established technologies' Pot 2 (which also has a minimum of £10m for Tidal Stream). The Administrative Strike Prices (£/MWh, 2012 prices) are: 44 (offshore wind); 53 (onshore wind); 47 (solar PV). The eligibility window for AR5 opened on 30 March and will run until 24 April. The Government has the ability to increase the initial AR5 budget once there is greater certainty about the participating pipeline at the valuation stage in the summer and ahead of the auction window opening. As part of the Government's updated Net Zero Strategy, 'Powering Up Britain', published on 30 March 2023, the Government also announced the launch of the Floating Offshore Wind Manufacturing Scheme to provide up to £160 million of public funding to incentivise private investment in port infrastructure projects.

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

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



Regulation in the USA

Inflation Reduction Act (IRA) Implementation: On March 31, Treasury issued a proposed rule for IRA electric vehicle tax credit qualification. The proposed rule separates the \$7,500 credit into two requirements, each allowing for half the credit amount:

1. at least 40% of critical minerals in an EV battery must be extracted or processed in U.S. (or a country that has a free-trade agreement with the U.S.);
2. 50% of EV battery components must be manufactured or assembled in North America.

The proposed rule will go into effect on April 17, but Treasury will hold a 60-day comment period to inform the final rule.

Also in March, senior Treasury officials indicated that other IRA related guidance including bonuses for domestic content, “energy communities,” transferability, direct pay, and hydrogen will be released in the coming months.

Permitting Reform: On March 30, the House voted 225-204 to pass the Republican-sponsored Lower Energy Costs Act, which focuses on energy and permitting reforms and would repeal several IRA spending provisions. The bill will not be considered in the Senate and President Biden has indicated that he would veto the legislation. Despite this, aspects of the bill, especially relating to permitting reform, have bipartisan interest in the Senate and could see action in 2Q.

Offshore wind energy: On February 22, the Department of the Interior issued an offshore wind Proposed Sale Notice for the Gulf of Mexico (three areas totaling ~300,000 acres) and initiated a 60-day public comment period. An auction is expected later in 2023 (3Q-4Q). In March, the Department of Energy released its Offshore Wind Energy Strategy, a comprehensive summary of agency efforts to meet President Biden’s goal to deploy 30 GW of offshore wind energy by 2030. The strategy focuses on four pillars:

1. Lowering offshore wind costs to \$51 per MWh by 2030

2. Lowering floating offshore wind costs to \$45 by 2035
3. Enabling reliable and resilient transmission solutions for offshore wind deployment
4. Expand offshore wind co-generation technologies for widespread electrification and decarbonization.

NY – CLCPA phase 2

The Public Service Commission (PSC) of New York has issued an order authorising 62 phase-2 initiatives of the Climate Leadership and Community Protection Act (CLCPA). These initiatives are in addition to those included in rate cases and involve an investment of USD 4,400 million (USD 2,200 million for NYSEG/RGE). The projects associated with these initiatives will be commissioned between 2024 and 2030.

NY – COVID-19 non-performing loans recognition

- In late January, the Governor of New York announced the approval of the second phase of the plan to compensate companies for the non-performing loans they endured as a result of COVID-19. This second phase will allow New York utilities to recover USD 672 million (USD 32 million NYSEG & RGE) via rates. The first phase authorised the recovery of USD 590 million (USD 50 million NYSEG & RGE).

ME – Rate Case

On 7 February, CMP submitted its response (Rebuttal Testimony) to the initial assessment made by MPUC of the rate proposal submitted by CMP. The response contained improvements to its initial proposal responding to various concerns voiced by staff and other agents. Among the proposed improvements, it is worth highlighting the introduction of a revenue adjustment mechanism based on the company’s performance in terms of supply quality. On 6 April, MPUC issued its assessment of CMP’s response; the assessment was positive, agreeing with many of the elements defended by CMP and proposing changes to the revenue adjustment mechanisms.



Regulation in Mexico

SENER and CRE resumed deadlines suspended due to COVID-19. On 1 March 2023, the Secretariat of Energy (*Secretaría de Energía* — SENER) and the Energy Regulatory Commission (CRE) resumed the deadlines for procedures that were suspended due to COVID-19. The deadlines had been suspended since March 2020 in the case of SENER, and since January 2021 in the case of the CRE.

For SENER, it was established that the procedures will be resolved according to the date of entry of the request. For the CRE, however, the procedures will be resolved gradually in order to be up-to-date by the end of 2024.

As regards new procedures, the agreement establishes that in order to be able to process the current requests, the CRE will limit the number of incoming applications per month, with only 15 for the electricity sector.

Regulation in Brazil

Regulatory return of capital remuneration

On 17 February, ANEEL Order no. 452/2023 was published, in which the regulatory returns (WACC) for the distribution, transmission and generation activities applicable in the period from 1 March 2023 to 29 February 2024 were approved. The actual rate before taxes was set at 11.2469% for distribution, and 10.9978% for generation and transmission. Real return (WACC) after taxes was set at 7.4230% for distributors and 7.2585% for generation and transmission activities.

Transmission auction announcement

On 16 February, ANEEL Order 409/2023 was published, which approved the draft tender for transmission auction no. 1/2023-ANEEL. The auction includes the Annual Allowable Revenues and the Technical Annexes corresponding to nine lots, with the aim of carrying out construction and maintenance work on transmission lines in the following states: Bahia, Espírito Santo, Minas Gerais, Pernambuco, Rio de Janeiro, São Paulo and Sergipe. The text adopted by ANEEL will be reviewed by the Federal Count of Accounts (*Tribunal de Contas da União* — TCU). It is expected to be approved by ANEEL's Board of Directors in May 2023, including the amendments proposed by the TCU.

Sustainability Performance - ESG

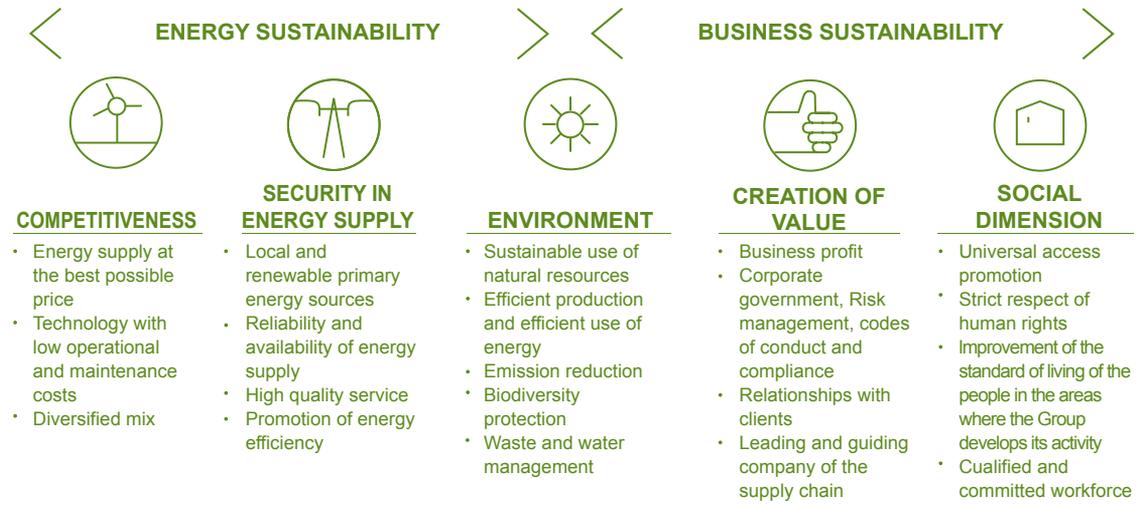




Ilberdrola’s contribution to sustainable development is reflected in sustainable corporate responsibility practices that meet the needs and expectations of its stakeholders.

In this section, the company describes its performance in the environmental, social and governance (ESG) areas that drive the sustainability of its operations, achievement of the social dividend (adding value for stakeholders) and contribution to the United Nations Sustainable Development Goals (SDGs).

Sustainability Policy:





ESG initiatives in the period

ESG+F targets: classified in four main blocks



ESG initiatives in the period	Q1 2023	Related SDGs
Benefits of the energy transition	<i>Energy transition</i>	7 AFFORDABLE AND CLEAN ENERGY, 13 CLIMATE ACTION
Support for the energy transition	<i>Partnership with Amazon</i>	7 AFFORDABLE AND CLEAN ENERGY, 13 CLIMATE ACTION
Green hydrogen production	<i>Green hydrogen</i>	7 AFFORDABLE AND CLEAN ENERGY, 13 CLIMATE ACTION
Innovation	<i>Wind blade recycling</i>	7 AFFORDABLE AND CLEAN ENERGY, 13 CLIMATE ACTION, 17 PARTNERSHIPS FOR THE GOALS
Circular economy	<i>Sustainable business model</i>	7 AFFORDABLE AND CLEAN ENERGY, 13 CLIMATE ACTION
Responsible taxation	<i>Tax Transparency Report</i>	8 DECENT WORK AND ECONOMIC GROWTH, 17 PARTNERSHIPS FOR THE GOALS
Rational use of water	<i>Sustainable management</i>	6 CLEAN WATER AND SANITATION
Sustainable mobility plan	<i>Accelerating deployment via alliances</i>	7 AFFORDABLE AND CLEAN ENERGY, 11 SUSTAINABLE CITIES AND COMMUNITIES, 17 PARTNERSHIPS FOR THE GOALS
Biodiversity	<i>Reforestation of the Fernández Canyon state park</i>	13 CLIMATE ACTION, 15 LIFE ON LAND, 17 PARTNERSHIPS FOR THE GOALS
Training excellence	<i>Master's scholarships</i>	1 NO POVERTY, 4 QUALITY EDUCATION, 10 REDUCED INEQUALITIES, 17 PARTNERSHIPS FOR THE GOALS
Equality	<i>Diversity and Inclusion Report</i>	5 GENDER EQUALITY, 10 REDUCED INEQUALITIES



ESG initiatives in the period	Q1 2023	Related SDGs
Community action: volunteering	<i>International Volunteer Week</i>	   
Customers: everything you need	<i>Customer service</i>	 
Foundations	<i>Our social commitment</i>	    

Sustainability Indicators

Financial Indicators	Q1 2023	Q1 2022
Contribution to GDP (Gross Margin) (*)	0.77%	0.39%
Contribution to GDP (Net Revenues) (*)	1.69%	1.71%
Net profit (EUR million)	1,485.4	1,058.3
Dividend yield (%) (**)	4.00%	4.27%
Sustainability Indicators	Q1 2023	Q1 2022
Own CO ₂ emissions over the period (gCO ₂ /kWh): Total	63	70
CO ₂ emissions over the period (gCO ₂ /kWh): Europe	36	51
CO ₂ emissions over the period (gCO ₂ /kWh): Spain	42	63
CO ₂ emissions over the period (gCO ₂ /kWh): UK	-	-
CO ₂ emissions over the period (gCO ₂ /kWh): US	59	40
CO ₂ emissions over the period (gCO ₂ /kWh): Brazil	-	-
Own CO ₂ emissions over the period (gCO ₂ /kWh): Mexico	299	291
CO ₂ emissions over the period (gCO ₂ /kWh): RoW	2	3
Ratio own emission-free production to total production: Total (%)	84%	82%
Ratio emission-free production to total production: Europe (%)	92%	89%
Ratio emission-free production to total production: Spain (%)	90%	86%
Ratio emission-free production to total production: UK (%)	100%	100%
Ratio emission-free production to total production: US (%)	85%	90%
Ratio emission-free production to total production: Brasil (%)	100%	100%
Ratio own emission-free production to total production: Mexico (%)	16%	18%
Ratio emission-free production to total production: RoW (%)	100%	100%
Ratio of own emission-free installed capacity: Total (%)	81%	81%
Ratio of emission-free installed capacity: Europe (%)	82%	82%
Ratio of emission-free installed capacity: Spain (%)	79%	79%
Ratio of emission-free installed capacity: UK (%)	100%	100%
Ratio of emission-free installed capacity: US (%)	91%	91%
Ratio of emission-free installed capacity: Brasil (%)	90%	88%
Ratio of own emission-free installed capacity: México (%)	30%	35%
Ratio of emission-free installed capacity: RoW (%)	92%	91%

Note: Third party installed capacity and production not included

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

(**) Dividends paid in the last 12 months divided by share price at end of period



E Environmental

Fight against climate change

Iberdrola: One of the world's greenest companies

Iberdrola continues to make progress in line with its commitment to reducing dependency on fossil fuels and accelerating the deployment of renewable energy worldwide. By the end of 2022, the company had almost 40,000 MW of green energy (39,963 MW to be exact), an increase of 5.1% compared to the same period in the previous year. As a result, it has solidified its standing as one of the world's leading electricity companies in terms of cleanest installed capacity, with an 80% emission-free installed capacity.

New floating solar farms in Brazil and France

Neoenergia and Companhia Pernambucana de Saneamento (Compesa) have announced the construction of the first floating photovoltaic plant in the Fernando de Noronha archipelago. The renewable energy generation system will be deployed on the body of water in the Xaréu reservoir. With a capacity of approximately 630 kWp (kilowatt peak) and an estimated output of 1,238 MWh/year, the floating plant will be responsible for supplying more than 50% of the energy consumed by Compesa on the island. The archipelago, which features on UNESCO's World Heritage List, will see annual CO₂ emissions in the area cut by 1,663 tonnes of CO₂ thanks to renewable energy generation. Furthermore, Iberdrola has secured its first floating photovoltaic plant project in France, with a total capacity of 25 MWp (megawatt peak). As part of its strategy to cement its position in France, Iberdrola will specialise in delivering floating photovoltaic solar projects on active industrial sites.

Lund Hill: The largest photovoltaic plant in Washington

The Lund Hill solar farm, which is based in Klickitat County and is the largest photovoltaic plant in the State of Washington (with a capacity of 150 MW), has come into commercial operation. The Avangrid

facility will supply Puget Sound Energy's Green Direct programme. This programme will allow large commercial and government stakeholders to obtain 100% of their energy from dedicated local renewable energy resources.

Portugal set to be home to the largest photovoltaic farm in Europe

In Portugal, Iberdrola has secured an environmental permit to build the largest photovoltaic project in Europe and the fifth largest in the world. With 1,200 MW of installed capacity, this project will set an example of strict compliance with all environmental standards. It will be located in the municipality of Santiago do Cacém, near Sines, a logistics hub for southern Europe. Iberdrola will partner with Prosolia Energy.

Alliance with Norges Bank to invest in 1,265 MW of new renewable capacity

Iberdrola has signed a strategic alliance with Norway's sovereign wealth fund, managed by Norges Bank Investment Management, to invest in 1,265 MW of new renewable capacity in Spain. Of this capacity, 20% will come from wind and 80% from photovoltaics. Both companies are joining forces to accelerate decarbonisation in Spain.

Biodiversity

Objective: Have a net positive impact on biodiversity by 2030

Iberdrola has published its 2022 *Biodiversity Report*, which features its goals and plans for continuing to build an energy model that coexists in harmony with nature and humankind. This plan sets out the roadmap for achieving the ambitious goal of having a net positive impact on biodiversity by 2030, as well as fostering the transformation of the energy system.

ScottishPower plants a native woodland for carbon capture

ScottishPower Energy Networks (SPEN) has begun planting a native woodland to restore Scotland's natural landscape. The company is carrying out a



pilot project to convert an area of pasture land in Hawkshaw, located in the Scottish Borders, into a wooded area that serves both as a refuge for wildlife and as a carbon capture sink. Natural regeneration will help to remove approximately 800 tonnes of CO₂ from the atmosphere over the next 100 years.

S Social

Research, development and innovation (R&D&i)

With EUR 337 million invested in research and development, Iberdrola understands that **innovation is a strategic variable** and a powerful tool to ensure the company's sustainability, efficiency and competitiveness. In fact, it is the world's leading private energy company when it comes to R&D&i investment, according to the European Commission's *2022 EU Industrial R&D Investment Scoreboard*. Iberdrola mainly channels its resources to projects relating to renewables, smart grids, digital transformation, green hydrogen, storage and developing customised solutions for our customers.

Training and research: Master's scholarships

Iberdrola has opened a new call for its master's scholarships for the academic year 2023-2024, with the aim of promoting excellence in the training of the next generation and bolstering young talent. In this sixth edition of the Iberdrola International Scholarship Programme, the company plans to grant 23 scholarships to graduates and final-year university students in Spain and the UK, with an investment of approximately EUR 1.5 million. Through this initiative, Iberdrola aims to further the professional qualifications of young people in the field of energy, with a special focus on areas of knowledge such as engineering, renewable energy, information technology, cybersecurity, sustainability and big data.

Diversity and inclusion

- **AVANGRID** and **Iberdrola México** set up their **Diversity and Inclusion Committees**: bringing together executives from different areas to drive the diversity and inclusion strategy, and tying it in with the business priorities.

SP Energy Networks was awarded the Inclusive Service certification: one of the first companies in the UK to achieve certification to the British Standards Institution (BSI) Inclusive Service Kitemark. This Kitemark assesses inclusive care initiatives, such as the identification of customer vulnerability, inclusive design of products and services, and methods of data collection and protection.

- **Iberdrola Australia** hosts the inaugural event of the Women in Energy Network: This event aims to **promote the advancement of women in the energy industry through relationships, knowledge sharing and generating leadership opportunities**.

Iberdrola México organised the programme **"Aliados por la Inclusión"** (Allies for Inclusion), developed as part of its activities for Diversity and Inclusion Week 2022, which aims to boost cohesion in the Company

Corporate volunteering

- The Iberdrola Group's International Corporate Volunteering Programme is an initiative created to channel our employees' spirit of solidarity and encourage them to participate in social projects aimed at boosting the integration of vulnerable groups, caring for the environment and fostering sustainable development. In 2022, more than 16,800 volunteers participated in the programme. This solidarity effort helped half a million people, with activities in all of the countries in which we operate: from Spain to Brazil, the US, the UK, Mexico and Japan (which took part for the first time).
- Among the projects run by the volunteers, the highlights were those related to training and improving the employability of disadvantaged groups: young people at risk of exclusion, refugees, women who



are victims of gender-based violence and/or at risk of severe exclusion, as well as women who return to work after a career break.

- Action has been taken in a variety of areas: empowering women, encouraging women to consider STEM careers, reforestation, restoring and cleaning up natural spaces, and education and environmental outreach.
- More than 870 kg of humanitarian material has been collected thanks to the more than 500 volunteers who participated in the emergency campaign to help the survivors of the earthquake in Türkiye and Syria, once again demonstrating their commitment to those who need it most.

Foundations

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

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

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

Iberdrola Foundation Spain:

- **10 paralympic scholarships.**
- **Energy for Future Research Aid Programme:** promotes research projects focusing on technologies associated with the energy transition and

green transformation. 2023 Call for bids open from 1 February.

- **Completion of two socio-occupational insertion programmes financed by the Regional Ministry of Castilla-La Mancha (European Social Fund): Inspira II project** in the region of La Sagra (Illescas, Ugena and Seseña) with the collaboration of Save the Children; and the **Reactiva project** in Puertollano with the collaboration of Ayuda en Acción. Programmes completed in December 2023.
 - **Inspira II results:** 238 participants. 35% women. 95 completed the training in Green Economy. 70 entered the labour market and 40 returned to the education system.
 - **Reactiva results:** 60 participants. 36% women. 13 participants found employment and 10 returned to the education system.
- **Diploma award ceremony** for the foundation's scholarships at Iberdrola's "Formación, Empleo y Excelencia" (Learning, Jobs and Excellence) event, a day that supports young talent and excellence.
- **Unveiling of the pioneering visual accessibility programme "Arte para Tocar"** (Art to Touch), in collaboration with the Bilbao Fine Arts Museum. Travelling exhibition aimed at visually impaired people.
- **Signed an agreement for the lighting around the quadruple lock on the Canal de Castilla in Frómista.**
- **Inauguration of the travelling exhibition "Museorum"** in Castilla-La Mancha. The exhibition aims to bring the art in C-LM museums closer to the people.
- **Inauguration of the lighting for the façade of the National Defence Advanced Studies Centre (CESEDEN).**
- **Restoration complete on the Sepulchre of the Boil family in the former Santo Domingo Convent.**
- **Renewal of the agreement** between the Iberdrola Foundation Spain and the Migres Foundation to support the project for reintroducing the osprey into the Comunitat Valenciana.



- **Presentation of the 2022 Restoration Programme** with the Bilbao Fine Arts Museum.
 - **Inauguration of the lighting inside the church of the Colegio de Monforte de Lemos.**
 - **Inauguration of the ornamental lighting on Guadalajara's Arab Bridge.**
 - **Travelling exhibition "El Prado en las Calles" (El Prado in the Streets) in Extremadura and start of Andalucía tour.**
 - **Agreement signed for the restoration of the courtyard of the Palacio de Polentinos, home to the Archivo General Militar, in Ávila.**
 - **Inauguration of the Sorolla x Manuel Vicent exhibition at the Sorolla Museum.**
- ScottishPower Foundation in the UK:**
- **SMEATON 300 designing Smeaton Park:** a project that will inspire children and young people to develop innovative solutions to real-life challenges.
 - **Generation Science 2023:** a project to help improve primary science education for children in Scotland's most disadvantaged areas.
 - **Ocean Extravaganza:** an educational enrichment programme that will inspire and empower the next generation to become more environmentally friendly adults.
 - **The Learning Communities Project:** a key initiative to help children living in poverty who are affected by the poverty-related attainment gap.
 - **Cuthbert Moor Restoration:** a project to restore peatland and wetland habitats. As part of this project, extensive baseline studies will be carried out, and volunteer opportunities and citizen participation activities will be organised in schools and communities.
 - **Earth Allies:** a course for young people aged 16 to 24 from disadvantaged communities, which aims to equip them with the necessary tools to advocate for climate action.
 - **Action for Nature in Ayrshire:** a project that promotes biodiversity activities and improves access to green spaces.
 - **Enrick Riverwoods Restoration:** a project that aims to set an innovative example of ecological restoration that increases carbon capture capacity and conserves the economic value of the land in local communities.
 - **Daisy Chain Rising Stars:** enriching the lives of autistic children and young people through the performing arts, encouraging participants to express themselves.
 - **Dance for Parkinson's Scotland:** a programme that supports people with Parkinson's through specialised movement classes that address specific Parkinson's concerns and provide a space for connection and community among participants.
 - **Creative Ageing in the Gorbals:** a project that will strengthen the sense of community, reduce loneliness and improve elderly people's physical and mental health.
 - **The Aspire Independent Living Service:** supporting people with spinal cord injuries, from their very first days in the hospital and for the rest of their lives, so that they can lead a full and independent life in their homes, with their families, at work and in their free time.
 - **Improving Men's Mental Health and Well-being and Reducing Inequalities following Family Separation or Domestic Abuse:** a project that helps tackle suicidal thoughts in men who have gone through family separation or have been victims of domestic abuse.
 - **Family Support Hubs:** a project that provides support to five family support centres in the most disadvantaged areas of Falkirk, focusing on families with at least one child under five years old, who are facing mental or physical health problems, financial difficulties, addiction etc.
 - **Magic Breakfast in Scotland:** providing unlimited access to healthy and nutritious breakfasts to stop children going to school hungry in the morning.
 - **Sands Befrienders:** a community support project for people affected by baby loss and miscarriage across the UK.



- **Supporting Black Minority Ethnic (BME) Women into Sustainable Employment:** helping women across Scotland develop the skills, confidence and self-belief they need to secure sustainable employment and financial independence.
- **Stable Life:** a structured programme for vulnerable young people in the Scottish Borders, offering horse-assisted therapy/learning, horse riding classes and psychosocial interventions.
- **Newham: United Against Food Waste:** preventing food waste by hiring a Food Waste Reduction Coordinator. They will obtain regular food donations for food banks, to save that food going to waste.

Avangrid Foundation in the US:

- **Energised for Good — Employee Giving — Match:** employee contributions to a variety of community organisations to promote the common good.
- **Collaboration with American Red Cross (for the past six years):** institutional pre-investment in disaster recovery, resilience and preparedness in communities served by AVANGRID.

Iberdrola Foundation Mexico:

- **Altamira Scholarships:** support for low-income students with educational excellence at the Instituto Tecnológico de Monterrey Tampico Campus.
- **Fernández Canyon Conservation:** state park conservation programme to protect its thousand-year-old Sabino forest ecosystem.
- **Mangrove Conservation:** ensuring the survival of flora and fauna in the mangrove ecosystem, and increasing their numbers, through constant monitoring.
- **Feline protection:** ensuring the survival of the jaguars, jaguarundis, ocelots and bobcats living in the area.
- **“Luces de Esperanza” (Lights of Hope):** providing electricity to rural communities not yet connected to the grid. In the third phase, 101 homes have been given access to electricity in 4 municipalities of the Huatesca Potosina region.
- **“Construir para Educar” (Build to Educate):** rebuilding schools struck by the earthquakes in

Oaxaca. Two schools are currently under reconstruction.

- **“Brigadas Urológicas” (Urology Brigades) in the south and southeast of Mexico:** enhancing the well-being of Oaxacan women suffering from complex urological problems. Advanced urological specialisation fellowships in Spain were launched for Mexican doctors and nurses in the state of Oaxaca.

Neoenergia Institute in Brazil:

- **“Balcão de Ideias e Práticas Educativas” (Ideas and Educational Practices Hub) project:** consolidating a network for sharing innovative ideas and practices in the world of education, through advice for education authorities and CPD for teachers and school management staff.
- **Flyways Brazil:** conservation of endangered water bird species in Brazil.
- **“Projecto Coralizar” (Coralise Project):** in conjunction with WWF-Brazil, this project raises awareness while developing a coral restoration methodology. The underlying aim is to conserve and shine a spotlight on this reef ecosystem in the Costa dos Corais environmental protection area.
- **“Impactô Verde” (Green Impact):** a socio-environmental acceleration programme for organisations to structure their management processes, innovate and increase their socio-environmental impact.
- **“Transformando Energia em Cultura” (Turning Energy into Culture)** call for socio-cultural projects that contribute to the SDGs and that value local culture.
- **“Premio Inspirar” (Inspire Award):** call aimed at recognising women leaders working in the field of arts and culture in vulnerable regions. In its third edition, the award will be held for the Federal District and the states of Pernambuco, Bahía, Rio Grande do Norte, Espírito Santo, Mato Grosso do Sul and Rio de Janeiro.
- **“Mulheres Inspiradoras” (Inspiring Women):** To continue celebrating and boosting the profile of women leaders who are finalists or winners of the Premio Inspirar (Inspire Award), the Neoenergia Institute has developed the “Mulheres Inspiradoras”



initiative. This initiative supports projects that are managed by inspiring women and approved by the Municipal Law on the Promotion of Culture in the City of Rio (ISS Law).

- **“Oficinas Culturais e Artísticas — OCA” (Cultural and Artistic Workshops):** a cultural programme aimed at pooling knowledge in the creative economy as a platform for human and social development in four cities of São Paulo.
- **Cultural illumination of the Senhora Santana church (Bahía).**
- **“Resgatando a História” (Recovering History):** an initiative aimed at generating interest within the private sector in supporting projects to recover Brazil’s historical and artistic heritage.
- **“Programa Impactô Social 2022” (Social Impact Programme 2022):** a social acceleration project for organisations to structure their management processes, innovate and increase the social impact generated.
- **“Territórios Saudáveis” (Healthy Territories):** a project to improve the management, governance and sustainability capacities of community-based organisations.
- **“Redes de Territórios pela Infância” (Networks of Territories for Children):** a project to strengthen the territorial networks of civil society organisations and local public facilities that act in the care of minors in order to expand and strengthen processes of social inclusion and comprehensive development.
- **“Mentes Brilhantes” (Brilliant Minds):** a project, promoted through the São Paulo Sports Incentive Law, that works with children and teenagers in the development of socio-emotional skills by practising Tai Chi Chuan.
- **“Educando pelo Esporte” (Educating through Sport):** a project promoted through the São Paulo Sports Incentive Law to develop socio-emotional skills through the practising of sports.
- **Grupo de Institutos y Fundaciones Empresariales (GIFE):** participation in the association of social investors in Brazil, a network of differentiated

relationships, with space for articulation, dialogue and exchange of experiences among partners.

G Governance

Governance and Sustainability System

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

To this end, **on 21 February 2023**, Iberdrola’s Board of Directors resolved to:

- Reform the *Environmental Policy* to include (among the principles related to the common environmental management model) precautionary, anti-pollution and continuous improvement principles. Likewise, its purpose was updated to cover the creation of an energy model that is more in harmony with nature and humankind.
- Modify the *Senior Management Remuneration Policy* to reflect our aspiration to attract and retain the most highly skilled professionals.
- Include in the *Regulations of the Appointments Committee*, within its powers related to talent management and promotion, a reference to attracting, developing, selecting and retaining talent. This was in line with the amendments to the *People Management Policy* and the *Selection and Hiring Policy* approved by the Board of Directors on 20 December 2022.
- Perform the annual review of the Risk Policies, and approve the thresholds and risk indicators for the 2023 financial year, upon the recommendation of the Audit and Risk Supervision Committee.

On **14 March 2023**, the Company’s Board of Directors approved a new reform of the *Governance and Sustainability System*. This reform amended the *Introduction to the Governance and Sustainability System*, the *Purpose and Values of the Iberdrola*



Group and the *Regulations of the Board of Directors*, in line with the proposals (referred to in the following section) to amend the *By-Laws*.

In addition, the update to the *Internal Rules on the Composition and Duties of the Operating Committee* was approved in order to update its duties, in accordance with the separation of executive positions and the appointment of a CEO, as well as with the duties performed by companies of the Group pursuant to the corporate and governance structure of the Iberdrola Group.

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

General Shareholders' Meeting

On 14 March 2023, Iberdrola's Board of Directors resolved to convene the General Shareholders' Meeting to be held at first call on Friday, 28 April 2023, or at second call the next day, stating that it was expected to be held at first call.

The announcement of the call was published by the Company on its corporate website (www.iberdrola.com), and also in the Official Gazette of the Commercial Registry and on the website of the Spanish stock market commission (CNMV) on 17 March 2023.

Agenda items relating to management results:

1. Annual financial statements for 2022.
2. Directors' reports for 2022.
3. Statement of non-financial information for 2022.
4. Corporate management and performance of the Board of Directors in 2022.

Agenda items relating to the Governance and Sustainability System

5. Amendment to the Preamble and the Preliminary Title of the *By-Laws* to adapt their content to the

current corporate, governance and compliance context and to incorporate editorial changes.

6. Amendment to Articles 4 and 32 of the *By-Laws* to accommodate the duties of the different corporate levels within the Iberdrola Group structure.
7. Amendment to Article 8 of the *By-Laws* to update references to internal rules and the Compliance System.

Agenda items relating to remuneration

8. Participation dividend: approval and payment.
9. Implementation of the 2022 result and dividend: approval and supplementary payment to be carried out within the framework of the "Iberdrola Retribución Flexible" optional dividend scheme.
10. First scrip issue for a maximum reference market value of EUR 2,275 million to implement the "Iberdrola Retribución Flexible" optional dividend scheme.
11. Second scrip issue for a maximum reference market value of EUR 1,500 million to implement the "Iberdrola Retribución Flexible" optional dividend scheme.
12. Capital reduction through the redemption of a maximum of 206,364,000 treasury shares (3.201% of the share capital).
13. Consultative vote on the 2022 *Annual Director Remuneration Report*.
14. Strategic bonus for professionals at companies of the Iberdrola Group, linked to the Company's performance during the 2023-2025 period, to be paid on a fractional and deferred basis through delivery of shares.

Agenda items relating to the Board of Directors

15. Re-election of Ms María Helena Antolín Raybaud as an external director.
16. Ratification and re-election of Mr Armando Martínez Martínez as an executive director.
17. Re-election of Mr Manuel Moreu Munaiz as an independent director.
18. Re-election of Ms Sara de la Rica Goiricelaya



as an independent director.

19. Re-election of Mr Xabier Sagredo Ormaza as an independent director.
20. Re-election of Mr José Ignacio Sánchez Galán as executive director.
21. Setting the number of members of the Board of Directors at 14.

Material information reported to the CNMV

The highlights during Q1 2023 were as follows:

- **On 4 January**, the addendum to the prospectus pertaining to the second round of the “Iberdrola Retribución Flexible” optional dividend scheme for the 2022 financial year was published.
- **On 9 January**, the revised text of the *Regulations of the Board of Directors* was published after the amendments, approved by the Board of Directors at its meeting on 20 December 2022, were placed on record with the Commercial Registry.
- **On 17 January**, the signing of a framework investment agreement was announced, relating to the acquisition by NBIM Iberian Reinfra AS (belonging to the Norges Bank Group) of a 49% stake in the capital of several companies of the Iberdrola Group who own photovoltaic solar and onshore wind projects in Spain.
- **On 18 January**, the price and terms and conditions of an issue of subordinated perpetual debentures amounting to a total of EUR 1,000 million were released.
- **On 26 January**, the end of the second round of the “Iberdrola Retribución Flexible” optional dividend scheme for the 2022 financial year was announced.
- **On 1 February**, following the communication of other relevant information on 26 January 2023, the new figures on the Company’s share capital and voting rights were released, following the scrip issue.
- **On 8 February**, the Company announced that the submission of the results for the 2022 financial year would take place on 22 February.
- **On 10 February**, Iberdrola published the energy balance for Q4 2022 (IBE-WATCH FACT SHEET 2022).
- **On 21 February**, the appointment of the Legal Advisor to the Board of Directors and various changes to the positions on its advisory committees were announced.
- **On 22 February**, the Company disclosed the results for the 2022 financial year (prospectus and submission of results).
- **On 24 February**, the 2022 *Annual Report* and mandatory financial reporting notifications, as well as the *Annual Corporate Governance Report* and the *Annual Director Remuneration Report*, were submitted.
- **On 2 March**, a strategic alliance with BP was announced for the deployment of a network of fast-charging points for electric vehicles in Spain and Portugal.
- **On 14 March**, the Company issued the call to, and released the agenda for, the General Shareholders’ Meeting, which is expected to be held at first call on Friday, 28 April 2023. The Company also announced, on the same date, the approval of a share buyback programme for redemption.
- **On 17 March**, Iberdrola published the notice of the call to the General Shareholders’ Meeting, as well as the documentation available to the Company’s shareholders.
- **On 22 March**, the revised text of the *Regulations of the Board of Directors* was published after the amendments, approved by the Board of Directors at its meeting on 14 March 2023, were placed on record with the Commercial Registry.
- **On 4 April**, the Company disclosed inside information about the memorandum of understanding signed for the sale of generation assets with an installed capacity of 8,539 MW in Mexico.
- **On 5 April**, a meeting with analysts and investors about “La Nueva Iberdrola México” (The New Iberdrola Mexico) was called and organised via the corporate website. The purpose was to outline the corporate transaction mentioned in the previous



point and give details about the corresponding disclosure.

Communications to the CNMV from January to April 2023. NB: If this table is published, the communication published on 18 January (issue of debentures) should be added.



Notifications sent to the Spanish stock market commission (CNMV) from January to March 2023

Date	Event	Registration no.
04/01/2023	Addendum to the prospectus pertaining to the second round of the "Iberdrola Retribución Flexible" optional dividend system for the 2022 financial year.	19868
09/01/2023	The Company submitted the Regulations of the Board of Directors.	19936
17/01/2023	Co investment framework agreement for the joint development of a portfolio of renewable assets in Spain.	20029
26/01/2023	End of the second round of the "Iberdrola Retribución Flexible" optional dividend scheme for the 2022 financial year.	20151
01/02/2023	Total voting rights and capital reported.	20238
08/02/2023	Submission of the results for the 2022 financial year.	20348
10/02/2023	Energy balance for Q4 2022.	20383
21/02/2023	Appointment of the Legal Advisor to the Board of Directors and changes to the positions on the advisory committees.	20534
22/02/2023		
	Results for the 12 months of 2022.	20543
	Submission of results for the 12 month period of 2022.	20546
24/02/2023	The Company submitted annual financial information for the 2022 financial year.	20707
	The Company submitted the Annual Corporate Governance Report.	20713
	The Company submitted the Annual Director Remuneration Report for the 2022 financial year.	20712
02/03/2023	Strategic alliance with BP for the deployment of a network of fast charging points for electric vehicles in Spain and Portugal.	21112
14/03/2023	Call to the 2023 General Shareholders' Meeting.	21342
	Approval of the Iberdrola, S.A. share buyback programme.	21343
17/03/2023	Publication of the notice of the call to the 2023 General Shareholders' Meeting as well as the documentation made available to the shareholders.	21406
22/03/2022	The Company submitted the Regulations of the Board of Directors.	21474
04/04/2023	Memorandum of understanding for the sale of generation assets with an installed capacity of 8,539 MW in Mexico.	1821
05/04/2023	The Company disclosed information about the corporate transaction in Mexico.	21795



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

Sustainability	
	Ranking
Dow Jones Sustainability World Index 2022	Selected in the utility sector. Iberdrola member in all editions
Sustainability Yearbook 2023 S&P Global	Top 5% S&P Global ESG Score
MSCI Global Sustainability Index Series	Iberdrola selected AAA
CDP Climate Change 2022	A
CDP Supplier Engagement Leader 2022	Iberdrola Selected
Global 100 2023	Iberdrola Selected
Sustainalytics	Iberdrola among the utilities with the lowest risk
ISS-ESG	Iberdrola selected as Prime
FTSE4Good	Selected in the index since 2009
Bloomberg Gender Equality Index 2023	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
2023 World's Most Ethical Company	Iberdrola selected. Only Spanish utility
ECPI	Iberdrola lected in several Sustainability Indices
STOXX	Iberdrola selected in STOXX Global ESG Leaders and in several Sustainability indices
InfluenceMap	Iberdrola First company in the Climate Policy Engagement ranking
Standar Ethics	Iberdrola included in the SE European Utilities Index
Forbes	Iberdrola selected in Forbes 2022 GLOBAL 2000: World's Largest Public Companies
WBA Electric Utilities Benchmark	Iberdrola among the 10 of the most influential Electric utilities of the world
Brand Finance	Iberdrola among the 500 most valuable brands globally
WDi 2022 responder	Iberdrola among the 10% of companies with the best score



Recognition of good ESG performance

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

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

- **Iberdrola becomes the second largest electricity company in the world by market cap**

As of last Friday, 24 February at close of trading, Iberdrola, with a market cap of more than EUR 70,000 million, became the second largest electricity company in the world, only behind the US company NextEra. The company ended the day on Friday, 25 February with a capitalisation of EUR 70,201 million, surpassing the US company Duke Energy, a close competitor. NextEra, with EUR 136,000 million, is the world's leading electricity company.

- **Iberdrola: One of the world's top 25 most sustainable companies**

Iberdrola has been selected as one of the world's most sustainable companies, according to the Global 100 Most Sustainable Corporations in the World index, produced annually by the Corporate Knights publication. The company has been ranked as one of the top 25 companies in the index. The publication is renowned for its track record in providing ESG information and analysis. It aims to promote a sustainable economy and is highly influential among business leaders, policymakers and investors.

- **AVANGRID awarded for its emergency response to Hurricane Fiona**

The company's quick response to join efforts to recover electricity service in Canada following the passage of Hurricane Fiona, one of the most brutal on record in the country. The company deployed

a total of 31 teams to Nova Scotia, in addition to support staff, through its distributors Central Maine Power (CMP) and United Illuminating (UI). The spirit of collaboration and the efforts of both entities to respond to the storm have now been recognised by the Edison Electric Institute (EEI).

- **Iberdrola wins an award at the enerTIC Awards 2022 for its project to conserve protected birds on wind farms in Spain**

The Iberdrola project "Preservación de aves protegidas en parques eólicos" (Conservation of protected birds on wind farms) has been selected as the winner in the Smart Solutions and Services category at the tenth edition of the enerTIC Awards, in 2022. These awards recognise the work of companies who are committed to innovation and improving energy competitiveness through digitalisation. Selected as the winner from among more than 70 candidates, this project involves detecting the presence of birds on the company's wind farms and identifies the bird families to take action on the wind turbines as necessary.

- **AVANGRID chosen as one of the fairest companies in the US**

AVANGRID has been included, for the third year in a row, on the JUST 100 list, which annually recognises the most ethically, socially and environmentally committed companies in the US. This award "demonstrates our dedication to creating clean energy projects while maintaining a deep commitment to socially responsible business practices". The JUST 100 ranking is the only comprehensive assessment in the US.

- **The PERSEO programme awarded for the seventh time at the Corporate Startup Stars awards**

Iberdrola has been awarded for the seventh year in a row at the Corporate Startup Stars awards, thanks to the work carried out through PERSEO, its start-up innovation programme. For the seventh time, Iberdrola was the only Spanish electricity company recognised for implementing best practices and open-innovation models through this programme. PERSEO aims to facilitate the



Group's access to the technologies of the future while encouraging the development of a global ecosystem of start-ups in the electricity sector.

- **Iberdrola México awarded for its “Impulso STEM” (Boosting STEM) programme**

The Fundación Iberoamericana para la Gestión de la Calidad (Fundibeq — the Ibero-American Foundation for Quality Management) has awarded Iberdrola México the Gold Award for Best Practices relating to the Sustainable Development Goals for its Impulso STEM programme. The initiative promotes education in science, technology, engineering and mathematics (STEM) careers in the state of Oaxaca.

Glossary of terms





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

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



Alternative Performance Measures	Definition
Funds from Operations (FFO)	See section 'Funds From Operations' in the report
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



If interested in knowing the **Definitions of the Alternative Performance Measures** click on the following link:



<https://www.iberdrola.com/documents/20125/42337/alternative-performance-measures-definitions.pdf>

If interested in finding out which are the **Alternative Performance Measures** for the quarter, please click on the following link:



<https://www.iberdrola.com/documents/20125/3103725/alternative-performance-measures-23Q1.pdf>

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