

Results Presentation

First Quarter
April 29, 2020



Committed to:



SDG



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Core business figures

Networks

RAB (Local currency)		December 2019	December 2018
Spain	(EUR billion)	9.2	9.3
United Kingdom	(GBP billion)	6.7	6.5
United States	(USD billion)	10.4	9.7
Brazil	(BRL billion)	21.5	19.0

Distributed Electricity

ELECTRICITY (GWh)	1Q 2020	1Q 2019	vs. 2019
Spain	23,299	23,982	-2.8%
United Kingdom	9,104	9,260	-1.7%
United States	9,578	10,033	-4.5%
Brazil	17,418	17,406	0.1%
Total	59,400	60,681	-2.1%
GAS (GWh)			
United States	23,087	27,190	-15.1%
Total	23,087	27,190	-15.1%

Differences may arise due to rounding

Managed Supply Points

ELECTRICITY (Millions)	1Q 2020	1Q 2019	vs. 2019
Spain	11.16	11.04	1.1%
United Kingdom	3.53	3.52	0.2%
United States	2.26	2.25	0.5%
Brazil	14.11	13.88	1.7%
Total Electricity	31.06	30.69	1.2%
GAS (Millions)			
United States	1.02	1.01	0.3%
Total Gas	1.02	1.01	0.3%
TOTAL SUPPLY POINTS	32.08	31.70	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

	1Q 2020	1Q 2019	vs. 2019
Net Production (GWh)	43,305	39,321	10.1%
Net owned production	33,898	30,399	11.5%
Renewables	20,133	17,045	18.1%
Onshore	10,921	9,735	12.2%
Offshore	1,119	643	74.1%
Hydro	7,696	6,224	23.7%
Minihydro	165	193	-14.6%
Solar and others	232	251	-7.2%
Nuclear	6,546	6,405	2.2%
Gas combined cycle	5,188	4,299	20.7%
Cogeneration	1,794	2,301	-22.1%
Coal	237	349	-32.0%
Net production for third parties	9,407	8,922	5.4%
Renewables	72	75	-3.9%
Onshore	72	75	-3.9%
Gas combined cycle	9,335	8,847	5.5%
Installed Capacity (MW)	53,272	47,815	11.4%
Net owned installed capacity	46,126	42,322	9.0%
Renewables	32,350	29,442	9.9%
Onshore	16,915	15,646	8.1%
Offshore	1,174	544	115.7%
Hydro	12,864	12,416	3.6%
Minihydro	306	306	-
Solar (dc) and others	1,091	530	106.0%
Nuclear	3,177	3,177	-
Gas combined cycle	8,534	7,495	13.9%
Cogeneration	1,191	1,335	-10.8%
Coal	874	874	-
Net installed capacity for third parties	7,146	5,493	30.1%
Renewables	103	103	-
Onshore	103	103	-
Gas combined cycle	7,043	5,390	30.7%
Electricity customers (No mill.)	13.69	13.55	1.0%
Gas customers (No mill.)	3.28	3.14	4.6%
Gas Supplies (GWh)	16,579	18,790	-11.8%
Gas Storage (bcm)	0.06	0.07	-21.4%

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

Spain

	1Q 2020	1Q 2019	vs. 2019
Net Production (GWh)	15,593	15,114	3.2%
Renewables	7,237	6,251	15.8%
Onshore	3,168	3,344	-5.3%
Hydro	3,904	2,715	43.8%
Minihydro	165	193	-14.6%
Solar and others	0	0	-26.5%
Nuclear	6,546	6,405	2.2%
Gas combined cycle	982	1,432	-31.4%
Cogeneration	590	676	-12.7%
Coal	237	349	-32.0%
Installed Capacity (MW)	26,690	25,889	3.1%
Renewables	16,592	15,791	5.1%
Onshore	6,016	5,770	4.3%
Hydro	9,715	9,715	-
Minihydro	306	306	-
Solar (dc) and others	555	0	N/A
Nuclear	3,177	3,177	-
Gas combined cycle	5,695	5,695	-
Cogeneration	353	353	-
Coal	874	874	-
Electricity customers (No mill.)	10.03	10.14	-1.1%
Gas customers (No mill.)	1.05	1.03	1.5%
Gas Supplies (GWh)	5,852	7,155	-18.2%
Users	3,741	4,077	-8.3%
Gas Combined Cycle	2,112	3,078	-31.4%

Differences may arise due to rounding

United Kingdom

	1Q 2020	1Q 2019	vs. 2019
Net Production (GWh)	2,141	1,520	40.8%
Renewables	2,141	1,520	40.8%
Onshore	1,461	1,296	12.7%
Offshore	680	224	203.4%
Installed Capacity (MW)	2,730	2,100	30.0%
Renewables	2,730	2,100	30.0%
Onshore	1,906	1,906	-
Offshore	824	194	324.1%
Electricity customers (No mill.)	3.00	3.07	-2.3%
Gas customers (No mill.)	2.00	2.03	-1.5%
Gas Supplies (GWh)	10,727	11,635	-7.8%
Gas Storage (bcm)	0.06	0.07	-21.4%

Differences may arise due to rounding

USA

	1Q 2020	1Q 2019	vs. 2019
Net Production (GWh)	6,199	5,179	19.7%
Renewables	5,421	4,222	28.4%
Onshore	5,320	4,097	29.9%
Hydro	36	57	-37.5%
Solar and others	65	68	-3.9%
Gas combined cycle	0	1	-58.4%
Cogeneration	778	956	-18.6%
Installed Capacity (MW)	8,440	7,594	11.1%
Renewables	7,600	6,746	12.7%
Onshore	7,339	6,473	13.4%
Hydro	118	118	-
Solar (dc) and others	143	155	-7.6%
Gas combined cycle	204	212	-3.5%
Cogeneration	636	636	-

Differences may arise due to rounding

Mexico

	1Q 2020	1Q 2019	vs. 2019
Net Production (GWh)	13,390	12,183	9.9%
Net owned production	3,983	3,261	22.1%
Renewables	382	412	-7.3%
Onshore	217	232	-6.4%
Solar and others	165	180	-8.4%
Gas combined cycle	3,176	2,180	45.7%
Cogeneration	426	669	-36.4%
Net production for third parties	9,407	8,922	5.4%
Renewables	72	75	-3.9%
Onshore	72	75	-3.9%
Gas combined cycle	9,335	8,847	5.5%
Installed Capacity (MW)	10,367	7,639	35.7%
Net owned installed capacity	3,221	2,146	50.1%
Renewables	916	744	23.1%
Onshore	529	376	41.0%
Solar (dc) and others	387	368	4.9%
Gas combined cycle	2,103	1,056	99.1%
Cogeneration	202	346	-41.6%
Net installed capacity for third parties	7,146	5,493	30.1%
Renewables	103	103	-
Onshore	103	103	-
Gas combined cycle	7,043	5,390	30.7%

Differences may arise due to rounding

Brazil

	1Q 2020	1Q 2019	vs. 2019
Net Production (GWh)	5,120	4,497	13.9%
Renewables	4,090	3,811	7.3%
Onshore	334	359	-6.9%
Hydro	3,756	3,452	8.8%
Gas combined cycle	1,030	686	50.1%
Installed Capacity (MW)	4,079	3,631	12.3%
Renewables	3,546	3,098	14.5%
Onshore	516	516	-
Hydro	3,031	2,582	17.4%
Gas combined cycle	533	533	-

Differences may arise due to rounding

Iberdrola Energía Internacional (IEI)*

	1Q 2020	1Q 2019	vs. 2019
Net Production (GWh)	862	828	4.1%
Renewables	862	828	4.1%
Onshore	422	407	3.5%
Offshore	438	418	4.8%
Solar and others	2	2	-17.3%
Installed Capacity (MW)	965	961	0.4%
Renewables	965	961	0.4%
Onshore	609	605	0.7%
Offshore	350	350	-
Solar (dc) and others	6	6	-
Electricity customers (No mill.)	0.66	0.35	90.3%
Gas customers (No mill.)	0.23	0.08	207.6%
Gas Supplies (GWh)	557.35	134.23	315.2%

Differences may arise due to rounding

* Former Rest of the World

Stock Market Data

		1Q 2020	1Q 2019
Market capitalisation	EUR (million)	57,979	51,029
Earnings per share (6,453,592,000 shares at 31/03/2020 and 6,520,457,000 shares, at 31/03/2019)	€	0.195	0.148
Net operating cash flow per share	€	0.327	0.312
P.E.R.	Times	15.47	15.96
Price/Book value (capitalisation to NBV at the end of the period)	Times	1.54	1.37

Economic/Financial Data (*)

Income Statement		1Q 2020	1Q 2019
Revenues	EUR (million)	9,425.9	10,138.9
Gross Margin	EUR (million)	4,544.8	4,323.1
EBITDA	EUR (million)	2,750.6	2,599.4
EBIT	EUR (million)	1,642.6	1,632.2
Net Profit	EUR (million)	1,257.0	963.9
Net Operating Expenses / Gross Margin	%	23.5	25.0
Balance Sheet		March 2020	Dec. 2019
Total Assets	EUR (million)	124,514	122,369
Equity	EUR (million)	47,170	47,195
Net Financial Debt	EUR (million)	38,205	37,769
ROE	%	9.81	9.17
Financial Leverage (Net Financial Debt/(Debt Financial Debt + Equity))	%	44.7%	44.8%
Net Financial Debt / Equity	%	81.0%	81.3%

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

Others

		1Q 2020	1Q 2019
Gross Investments	EUR (million)	1,728.6	1,392.3
Employees	No.	35,107	33,736

Iberdrola's Credit Rating

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

* Date of last modification

Highlights for the period

- In the first quarter of 2020, the Iberdrola Group reported **EBITDA** of EUR 2,750.6 million, **up 5.8%**.
- **Adjusted net profit climbed 5.3%** to reach EUR 968.1 million.
- **Gross investment was up 24,2%** to EUR 1,728.6 million, mainly in the Networks and Renewables businesses, with 1,200 MW of new capacity installed over the quarter and more than 5,500 MW in the last 12 months.
- **Operating efficiency**, measured using the net operating expense/gross margin ratio, **improved by 150 b.p.** year-on-year.
- The Group has improved **financially robust**, with credit ratios improving on a like-for-like basis compared to March 2019.
- The General Shareholders' Meeting agreed to distribute a final dividend of EUR 0.232/share, bringing **total shareholder remuneration** to EUR 0.40/share against 2019 earnings — **14% higher** than a year earlier.

Global environment and general considerations

Due to the Covid-19 crisis, the Iberdrola Group has implemented a comprehensive series of measures to ensure the protection of employees, suppliers and customers, as well as security of supply

- **Employees:** ensuring employment, strengthening safety and security measures. The investments made in process and platform digitalization allow that, today, 95% of office employees are working remotely. For field staff, we have implemented all the necessary actions to maintain distance and limit personal interaction, such as dividing up teams and establishing work shifts.
- **Society:** reinforcing the electricity supply, especially in essential infrastructures such as hospitals, facilitating payment conditions for our customers

and implementing protection measures for the most vulnerable groups, while working in coordination with the authorities. In addition, the Iberdrola Group has donated 30 million euros in basic healthcare material.

- **Suppliers and industrial infrastructure:** actions on the supply chain are particularly important due to the employment generated in our suppliers, especially because of the great investment effort we are making. Thanks to the close collaboration between our teams, suppliers and authorities, we have been able to continue with the construction activities, without any mentionable incidents. Investments in the period increased by 24% to 1,729 M Euros, and we do not expect significant impacts on the start-up dates of the projects under construction. In addition, we are taking action to mitigate the impact of the crisis on our suppliers, accelerating purchases and signing contracts worth 3.8 billion euros in recent weeks in order to increase activity and employment at our suppliers.

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

- The average price of Brent oil was USD 50.4/barrel in the first three months of 2020, compared with USD 63.0/barrel in the same period of last year (-20%).
- The average price of gas (TTF) over the period fell to EUR 13.6/MWh, compared with EUR 18.4/MWh in the first quarter of 2019 (-26%).
- The average price of API2 coal was USD 50.1/t, compared with an average of USD 75.2/t in the first three months of 2019 (-33%).
- The average price of CO₂ emission allowances was EUR 22.9/t, compared with EUR 22.3/t in the first quarter of 2019 (+3%).

Iberdrola's main **reference currencies** fluctuated as follows against the euro:

- Pound sterling gained 3.0% against the euro to reach 0.849.
- The US dollar appreciated by 3.3%, with the USD-EUR rate standing at 1.102.
- The Brazilian real depreciated by 10.5%, with the BRL-EUR rate reaching 4.771.

The appreciation of the pound and the dollar offset the devaluation of the Brazilian real at EBITDA level, with the exchange rate effect 90% hedged at net profit level.

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

- The energy balance of the Spanish mainland system in the first quarter of 2020 was characterised by an increase in hydroelectric (+43%), solar (+13%) and nuclear (+2%) production, but a reduction in coal (-64%), combined cycle (-10%) and wind (-1%) production when compared with the same period a year earlier.

The first quarter of 2020 closed with a producibility index of 1.0 and hydroelectric reserves at 60.9%, compared to an index of 0.7 and reserves at 48.5% at the end of the same period of 2019.

Demand was down 3.1% year-on-year, or 2.7% when adjusted for working days and temperature.

- In the United Kingdom, electricity demand fell by 3.2% in the first quarter of 2020 compared to the same period in 2019, while conventional gas demand was down 0.5%.
- In Avangrid's area of influence on the East Coast of the United States, electricity demand was down 4.5% on the first quarter of 2019, while gas demand dropped by 15.1% due to the mild temperatures recorded during the winter.
- Demand across Neoenergia's areas of influence in Brazil grew slightly (+0.1%).

Significant events for the Iberdrola Group

- On 1 January 2019, the Iberdrola Group adopted **IFRS 16**, which changes the prior treatment of leases that qualified as operating leases, and requires assets and liabilities for future lease payments to be recognised in the same way as finance leases. Like other companies in the sector, at the 2018 close the Iberdrola Group interpreted that ceding use of land does not constitute a lease when the owner of the land is entitled to carry out an economic activity on it that does not involve the economic benefits of using the ceded asset (primarily wind farms) being substantially transferred. At the 2019 close, the policy was changed and now the contracts ceding use of the land where the wind farms are located are treated as leases subject to IFRS 16, with a greater impact on debt. This effect does not alter the ratings of credit agencies because they had already included these adjustments in their calculations.
- On 4 February 2020, an agreement was reached with Siemens for the sale of Iberdrola's entire stake in Siemens Gamesa, representing 8.07% of its share capital. The transaction was completed and settled on 5 February, yielding a total of EUR 1.0995 billion, equivalent to EUR 20 per share. The capital gain on the sale amounted to EUR 485 million.
- The tax item has been negatively affected by the effect on deferred taxes of the change in tax rates in the United Kingdom, which finally, the corporate rate of 19% is maintained (a reduction of 2 p.p. to 17% was foreseen).

The main items of the **statement of profit or loss** were as follows:

EUR M	Q1 2020	vs Q1 2019
GROSS MARGIN	4,544.8	5.1
EBITDA	2,750.6	5.8
EBIT	1,642.6	0.6
ADJUSTED NET PROFIT	968.1	5.3
NET PROFIT	1,257	30.4

Consolidated **EBITDA** was up 5.8% to EUR 2,750.6 million, buoyed by the sound performance of the Renewables business — thanks to the arrival of additional installed capacity and normalisation of hydroelectric production in Spain and also the Generation and Supply business due to lower costs.

In terms of operations, key highlights included tariff improvements in Brazil, a growing regulatory asset base in the United Kingdom, an increase in installed renewable capacity in all countries, normalisation of hydroelectric production in Spain, a growing contribution from offshore wind following the start-up of East Anglia 1, and the solid performance of the Generation and Supply business across all geographies. On the downside, the Networks business entered a new regulatory period in Spain, with lower expected remuneration, coupled with IFRS adjustments in the United States.

The **net operating expense** was down 1.3% on the first quarter of 2019, thanks to the cost savings achieved in the period. Combined with the increase in the gross margin, this led to an improvement of 150 basis points in the cost-to-income ratio (measured as NOE/Gross margin). Meanwhile, the allowance for attending the General Shareholders' Meeting will be recognised in the second quarter, since the meeting was held in April this year, whereas in 2019 it took place in March.

Taxes were up 13.1% due to the higher tax rate now payable in Spain – following the lifting of the suspension of the 7% general tax on generation in effect throughout the first quarter of 2019 – as well as the increase in the ENRESA tax to EUR 7.98/MWh following the nuclear agreement reached in Spain.

Depreciation and amortisation charges and provisions rose by 14.6% due to the increase in activity across the Group, and higher provisioning to cover rising levels of customer debt in the wake of COVID-19.

Adjusted net profit was up 5.3% to EUR 968.1 million. This item excludes the capital gain generated from the sale of Siemens Gamesa (EUR 484.5 million) and the non-recurring impacts recorded under the tax line (EUR -178.9 million), namely in the UK by the cancellation of the tax rate (from 19% to 17% as planned), as well as provisions to cover a possible increase in customer debt attributable to COVID-19 (EUR -16.7 million), and positive repayments accounted for in the first quarter of 2019 in the networks business

Reported net profit totalled EUR 1.257 billion, up 30.4% on the same period of 2019, largely as a result of the extraordinary gain arising from the sale of the 8.07% stake in Siemens Gamesa on 4 February.

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

- Adjusted net financial debt* came to EUR 38.065 billion, up EUR 1.363 billion on the first quarter of last year, mainly because of the Company's current major investment drive. It should be noted that the adjusted net financial debt at March 31, 2019 is restated by including the same criteria of IFRS16 applied at December 2019. The figure reported last year was EUR 35.559 billion, an increase of EUR 1.143 billion to EUR 36.702 billion.
- Funds generated from operations in the first three months of 2020 totalled EUR 2,111.9 million, up 3.7% on the same period of last year.

Lastly, net investment for the period totalled EUR 1.7286 billion (+24.2%). Of this amount, 91.2% was concentrated in the Networks and Renewables businesses.

(*) Adjusted by the effect of potential accumulator derivatives over treasury stock (EUR 140 million at 31/03/2020 and EUR 105 million at 31/03/2019)

Operational performance over the period

1. Energy distributed and supply points

The Group's Regulatory Asset Base (RAB) came to EUR 31.1 billion at the end of 2019, up 6.1% on the end of 2018:

RAB (local currency)		Dec. 2019	Dec. 2018
Spain	(EUR billion)	9.2	9.3
United	(GBP billion)	6.7	6.5
United States	(USD billion)	10.4	9.7
Brazil	(BRL billion)	21.5	19.0

During the first quarter of 2020, the Group distributed a total of 59,400 GWh in electrical power, down 2.1% on the previous year. If we take corrected demand (adjusting for temperature and working days), the indicator was down 0.8% on the same period a year earlier.

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

Managed supply points

ELECTRICITY (million)	1Q 2020	1Q 2019	vs 2019
Spain	11.16	11.04	1.1%
United Kingdom	3.53	3.52	0.2%
United States	2.26	2.25	0.5%
Brazil	14.11	13.88	1.7%
Total electricity	31.06	30.69	1.2%
GAS (million)			
United States	1.02	1.01	0.3%
Total gas	1.02	1.01	0.3%
TOTAL SUPPLY POINTS	32.08	31.70	1.2%

Discrepancies possible due to rounding.

1.1. Spain — i-DE

At the end of March, the networks business in Spain had 11.16 million supply points, up 1.1% on 2019. In the first quarter of the year, distributed energy reached 23,299 GWh, down 2.8% on the first quarter of 2019. The measures taken to counter the spread of coronavirus have contributed to this slump in demand, mainly during the month of March. At the end of March, 99.9% of the meters deployed by i-DE are smart meters.

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

i-DE	1Q 2020	1Q 2019
SAIDI (min.)	13.43	7.97
SAIFI (no. inter.)	0.27	0.15

Note: Does not include force majeure events

These quality indicators were impacted in January by storm Gloria, affecting 600,000 customers, for whom service was restored within 30 minutes in 70% of cases. Meanwhile, the strong winds recorded in early March in north-western parts of the peninsula had a negative impact on these indicators.

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

1.2. United Kingdom – SPEN

On 31 March, Scottish Power Energy Networks (SPEN) surpassed 3.53 million supply points. Total energy distributed in the quarter came to 9,104 GWh, down 1.7% on the same period of 2019, as follows:

Distributed Energy (GWh)	1Q 2020	1Q 2019	%
Scottish Power Distribution (SPD)	4,981	5,049	-1.4%
Scottish Power Manweb (SPM)	4,123	4,210	-2.1%

SPD service quality indicators were affected during the period by storms Ciara and Dennis in February, affecting more than 20,000 customers.

Customer Minutes Lost (CML) was as follows:

CML (min.)	Q1 2020	Q1 2019
Scottish Power Distribution (SPD)	9.24	7.93
Scottish Power Manweb (SPM)	8.57	9.53

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

CI (no. of interruptions)	1Q 2020	1Q 2019
Scottish Power Distribution (SPD)	11.27	10.13
Scottish Power Manweb (SPM)	7.60	9.31

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

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

1.3 United States – Avangrid

1.3.1 Electricity

At the end of March 2020, Avangrid Networks had more than 2.26 million electricity supply points. Electricity distributed during the first quarter came to 9,578 GWh, down 4.5% on the previous year, as a result of the milder temperatures recorded in 2020. Based on corrected demand, this change was somewhat less at 1.3%.

Distributed Energy (GWh)	1Q 2020	1Q 2019	%
Central Maine Power (CMP)	2,433	2,476	-1.7%
NY State Electric & Gas (NYSEG)	4,138	4,403	-6.0%
Rochester Gas & Electric (RGE)	1,797	1,863	-3.5%
United Illuminating Company (UI)	1,210	1,291	-6.3%

Compared to March 2019, Avangrid has improved its Customer Average Interruption Index (CAIDI) at all its distributors. The Customer Average Interruption Duration Index (CAIDI) was as follows:

CAIDI (hrs)	1Q 2020	1Q 2019
Central Maine Power (CMP)	1.74	1.83
NY State Electric & Gas (NYSEG)	1.92	1.95
Rochester Gas & Electric (RGE)	1.58	2.00

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

SAIDI (min)	1Q 2020	1Q 2019
United Illuminating Company (UI)	7.20	6.60

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

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

SAIFI	1Q 2020	1Q 2019
Central Maine Power (CMP)	0.38	0.31
NY State Electric & Gas (NYSEG)	0.25	0.27
Rochester Gas & Electric (RGE)	0.19	0.16
United Illuminating Company (UI)	0.11	0.11

1.3.2 Gas

Avangrid supplies gas through more than 1 supply points. At the end of March 2020, gas distribution totalled 23,087 GWh, down 15.1% on the first quarter of the previous year, due to the high temperatures recorded in comparison with the previous year (thus, demand corrected for this effect was down 3% on the same period of 2019):

Distributed Energy (GWh)	1Q 2020	1Q 2019	%
NY State Electric & Gas (NYSEG)	6,203	7,268	-14.7%
Rochester Gas & Electric (RGE)	6,644	7,805	-14.9%
Maine Natural Gas (MNG)	591	997	-40.7%
Berkshire Gas (BGC)	1,109	1,234	-10.1%
Connecticut Natural Gas (CNG)	4,422	5,105	-13.4%
Southern Connecticut Gas (SCG)	4,118	4,780	-13.8%

1.4. Brazil – Neoenergia

Neoenergia's supply points totalled 14.1 million in March 2020, up 1.7% on March 2019. Total power distribution came to 17,418 GWh, on a par with the values reported last year.

Distributed Energy (GWh)	1Q 2020	1Q 2019	%
Elektro	4,907	4,948	-0.8%
Coelba	6,304	6,437	-2.1%
Cosern	1,638	1,607	1.9%
Celpe	4,569	4,415	3.5%

Discrepancies possible due to rounding.

Efforts to improve quality of supply have led to an improved set of indicators at Elektro, Celpe and Cosern when compared with 2019. Coelba's indicators are slightly above those from last year, affected by heavy rainfall and other atmospheric phenomena during the quarter. The customer average interruption time (*duração equivalente de interrupção por unidade consumidora* — DEC) was as follows:

DEC (hours)	1Q 2020	1Q 2019
Elektro	2.29	2.63
Coelba	4.81	3.92
Cosern	3.32	3.75
Celpe	3.47	3.85

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

FEC	1Q 2020	1Q 2019
Elektro	1.24	1.43
Coelba	1.76	1.74
Cosern	1.54	1.69
Celpe	1.46	1.78

In this first quarter, progress continued on the transportation contracts awarded at the ANEEL auctions, which will entail the expansion of the transport network by almost 5,000 km. Of the 11 transportation projects awarded, two are already in service.

2. Electricity production and customers

At the end of the first quarter, Iberdrola's installed capacity totalled 53,272 MW (+11.4%), 60.7% of which (32,350 MW) came from own renewable sources:

MW	1Q 2020	vs 1Q 2019
Capacity for own use	46,126	9.0%
Renewables	32,350	9.9%
Onshore wind	16,915	8.1%
Offshore wind	1,174	115.7%
Hydroelectric	12,864	3.6%
Mini-hydroelectric	306	-
Solar and other(*)	1,091	106.0%
Nuclear	3,177	-
Gas combined cycle	8,534	13.9%
Cogeneration	1,191	-10.8%
Coal	874	-
Capacity for third parties	7,146	30.1%
Renewables	103	-
Onshore wind	103	-
Gas combined cycle	7,043	30.7%
Total	53,272	11.4%

(*) Reported in MWdc
Discrepancies possible due to rounding

Net electricity production during the period was 43,305 GWh – up 10.1% on the same figure at the close of first quarter of 2019, with 46.5% of the total (20,133 GWh) coming from own renewable sources:

GWh	1Q 2020	vs 1Q 2019
Own production	33,898	11.5%
Renewables	20,133	18.1%
Onshore wind	10,921	12.2%
Offshore wind	1,119	74.1%
Hydroelectric	7,696	23.7%
Mini-hydroelectric	165	-14.6%
Solar and other	232	-7.2%
Nuclear	6,546	2.2%
Gas combined cycle	5,188	20.7%
Cogeneration	1,794	-22.1%
Coal	237	-32.0%
Production for third parties	9,407	5.4%
Renewables	72	-3.9%
Onshore wind	72	-3.9%
Gas combined cycle	9,335	5.5%
Total	43,305	10.1%

Pueden producirse discrepancias debido al redondeo

2.1 Spain

Renewable capacity and production

At the close of the first quarter, Iberdrola had an installed **renewable capacity** in Spain of 16,592 MW, broken down as follows:

SPAIN	Installed MW Consolidated at EBITDA level	MW managed by investee companies (*)	Total
Onshore wind	5,762	254	6,016
Hydroelectric	9,715	-	9,715
Mini-hydroelectric	303	2	306
Solar PV (**)	555	-	555
Total Capacity	16,335	256	16,592

Discrepancies possible due to rounding
(*) Includes the proportional MW share
(**) Reported in MWdc.

In the first quarter of the year, the Padrillo wind farm (23 MW) in Zaragoza and the Núñez de Balboa photovoltaic plant (500 MWdc) in Badajoz were both commissioned.

As for projects under construction in relation to wind technology, work is continuing on the Cavar wind farm (111 MW) in Navarre, with start-up slated for June 2020, and on the Puylobo facility (49 MW) in Zaragoza, while for solar photovoltaic technology, work is progressing in Andévalo (50 MWdc) in Huelva, where the mechanical assembly of panels is now complete.

Work also got under way on various other projects in the first quarter of the year, including the Fuenteblanca wind farm (10 MW) in Burgos and the 50-MW photovoltaic plant in Teruel. Meanwhile, over 1 GW of solar photovoltaic and wind technology is currently under construction, with most of the projects located in Castile-La Mancha, Castile León, Andalusia and Extremadura.

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

- at the **Daivões dam** (118 MW), where the concreting of the main structure of the dam is now complete and the waterproofing treatment process is 95% complete;
- at the **Gouvães** facility (880 MW), concreting work is over 99% complete on the cavern of the facility and is 100% complete at the transformer cavern;
- at **Alto Tâmega** (160 MW), the excavation of the facility and reinforcement of the slope are now 98% complete.

Renewable output totalled 7,237 GWh, as follows:

SPAIN	GWh Consolidated at EBITDA level	GWh managed by investee companies (*)	Total
Onshore wind	3,098	70	3,168
Hydroelectric	3,904	-	3,904
Mini-hydroelectric	162	3	165
Total production	7,164	73	7,237

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

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

- Onshore wind production totalled 3,098 GWh over the period — down 5.3% on the first quarter of 2019 mainly due to lower wind resource.
- Hydroelectric production totalled 3,904 GWh, up 43.8% on the previous year.
- Production at the mini-hydroelectric plants was down 14.6% on the same period a year earlier, generating 162 GWh.

Thermal capacity and production

At 31 March 2020, Iberdrola Group's **thermal capacity** in Spain totalled 10,098 MW, broken down as follows:

SPAIN	MW Consolidated installed	MW Investee companies (*)	TOTAL
Nuclear	3,166	11	3,177
Gas combined cycle	5,695	-	5,695
Cogeneration	302	51	353
Coal	874	-	874
Total Capacity	10,036	62	10,098

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

Iberdrola's **thermal production** during the first three months of 2020 was down 6% compared to the same period of the previous year, mainly due to reduced

production at coal-fired (-32.0%) and combined cycle plants (-31.4%) and, to a lesser extent, at cogeneration facilities, (-12.7%). Nuclear production grows slightly (+2.2%) compared to the first three months of 2019.

Of the 8,356 GWh produced, Iberdrola consolidated 8,241 GWh at EBITDA level, with 115 GWh consolidated using the equity method broken down as follows:

	GWh Consolidated at EBITDA level	GWh Investee companies (*)	TOTAL
Nuclear	6,524	22	6,546
Gas combined cycle	982	-	982
Cogeneration	497	93	590
Coal	237	-	237
Total production	8,241	115	8,356

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

Retail: Spain

As regards retail, at 31 March 2020 the portfolio managed by Iberdrola in Spain totalled 16.9 contracts broken down as follows:

Thousands of contracts	Spain
Electricity contracts	10,029
Gas contracts	1,050
Contracts for other products and services	5,828
Total	16,906

By market type they can be split into the following:

Thousands of contracts	Spain
Free market	13,447
Last resort market	3,459
Total	16,906

Iberdrola's electricity sales* in the first three months of 2020 increased by 9.3% and are broken down as follows:

Spain	GWh
Free market	13,564
Voluntary price for small consumers (PVPC) market	2,381
Other markets	8,141
Total Sales	24,086

With regard to gas**, in the first quarter of 2020 Iberdrola managed a total gas production of 0.69 bcm, of which 0.04 bcm was sold in wholesale transactions, 0.47 bcm was sold to end customers and 0.18 bcm was used for electricity production.

*Sales in busbars
**Including shrinkage

2.2. United Kingdom

Renewable capacity and production

At the end of the first quarter, Iberdrola had a renewable installed capacity in the United Kingdom of 2,730 MW:

UNITED KINGDOM	Installed MW Consolidated at EBITDA level	MW managed by investee companies (*)	Total
Onshore wind	1,891	15	1,906
Offshore wind	824	-	824
Total Capacity	2,715	15	2,730

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

Work continues on the Beinn an Tuirc 3 (50 MW) and Halsary (30 MW) **onshore wind** farms, both in Scotland. Meanwhile, initial work is under way on battery storage projects, a notable example being Whitelee (50 MW), which will store energy for the largest wind farm installed to date in the United Kingdom.

Turning to **offshore wind technology**, construction is continuing on the **East Anglia 1** project, with 89

of the 102 wind turbines already installed by the end of the quarter. The plant has also been partly commissioned, since energy is now being delivered to the national grid through the transmission assets already up and running. The park is expected to become fully operational later in the year and provide clean energy to up to 630,000 households in the United Kingdom.

A number of other projects in East Anglia are also in development. The East Anglia 1 North, East Anglia 2 and East Anglia 3 projects are being jointly developed as the **East Anglia Hub** (3,100 MW). Consent applications have been sent and the main engineering, design and site investigation work is now in the development stage. Bids have also been received from wind turbine suppliers and activities have been initiated to purchase electrical components.

Renewable production in the United Kingdom came to 2,141 GWh, with the following breakdown:

UNITED KINGDOM	GWh Consolidated at EBITDA level	GWh managed by investee companies (*)	Total
Onshore wind	1,455	6	1,461
Offshore wind	680	-	680
Total production	2,135	6	2,141

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

Production at EBITDA level varied as follows:

- Onshore wind production totalled 1,455 GWh, up 12.9% on the previous year due to increased wind resource during the period.
- Offshore wind production was also up, gaining 203.4% to reach 680 GWh, largely as a result of the production generated by East Anglia One.

UK retail business

As at 31 March 2020, the portfolio managed in the UK is broken down as follows:

Thousands of contracts	UK
Electricity contracts	2,789
Gas contracts	1,878
Contracts for other products and services	384
Total	5,051

Smart meters continue to be rolled out, with a total of 1.6 million meters installed as at 31 March 2020.

Moreover, at the March 2020 close, 5,225 GWh of electricity and 10,727 GWh of gas had been supplied to customers – down 10.9%* and 7.8%***, respectively, on the end of March 2019.

*Sales in busbars
**Including shrinkage

2.3. United States – Avangrid

Renewable capacity and production

At the close of the first quarter, Iberdrola had an installed **renewable capacity** in the United States of 7,600 MW, broken down as follows:

United States	Installed MW Consolidated at EBITDA level	MW managed by investee companies (*)	Total
Onshore wind	7,126	213	7,339
Hydroelectric	118	-	118
Solar (PV(**)+TM) and others	131	12	143
Total Capacity	7,375	225	7,600

Discrepancies possible due to rounding
(*) Includes the proportional MW share
(**) Reported in MWdc.

In **wind technology**, the Otter Creek wind farm (158 MW) in Illinois was brought online in the first quarter and construction of the La Joya wind farm (306 MW) in New Mexico got under way. Meanwhile, work is now in the preliminary phase to soon commence construction on more than 800 MW of additional capacity in both wind and solar photovoltaic technologies.

Moving to **offshore wind projects** in the United States, work is ongoing off the coast of Massachusetts.

Bureau of Ocean Energy Management has released an updated permit grant schedule confirming that the **Vineyard Wind ONE** project will receive a Record of Decision (ROD) in December 2020. ROD is a key milestone for the project and a detailed analysis is now under way to review and align project plans and activities with the new timeline. The initial development phase is also in progress for **Park City Wind**, with the main federal and state authorisation documents to be submitted in 2020.

Additionally, further progress is being made on the development of **Kitty Hawk** wind projects. Initial geophysical and benthic surveys have been completed, covering the entire 191 square mile lease area and associated underwater cable route off the coast of North Carolina and Virginia.

Renewable production in the United States came to 5,421 GWh, broken down as follows:

United States	GWh Consolidated at EBITDA level	GWh managed by investee companies (*)	Total
Onshore wind	5,184	136	5,320
Hydroelectric	36	-	36
Solar (PV+TM) and others	59	6	65
Total production	5,279	142	5,421

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

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

- Onshore wind production totalled 5,184 GWh, up 30.0% on 2019 due to increased wind resource, the commissioning of new wind farms and higher availability.
- Hydroelectric production fell 37.5% to 36 GWh from the 57 GWh reported in the same period of 2019.
- Production from solar and other technologies (including 17 GWh from fuel cells) came to 59 GWh (-4.8%).

2.4. Mexico

Renewable capacity and production

At the close of the first quarter, Iberdrola had an installed **renewable capacity** in Mexico of 1,019 MW, broken down as follows:

MEXICO	Installed MW Consolidated at EBITDA level	MW managed by investee companies (*)	Total
Onshore wind	632	-	632
For own use	529	-	529
For third parties	103	-	103
Solar PV(**)	387	-	387
Total Capacity	1,019	-	1,019

Discrepancies possible due to rounding
(*) Includes the proportional MW share
(**) Reported in MWdc.

In relation to **wind technology**, work is continuing on the Pier project (221 MW) in Puebla and on the Santiago Eólico project (105 MW) in the state of San Luis de Potosí, while in the realm of solar photovoltaic technology construction is under way on the Cuyoaco plant (274 MWdc) in the state of Puebla, with the first solar panels now installed.

Renewable production generated during the period came to 454 GWh, down 6.8% on the first quarter of 2019 due to a lower wind resource in the period.

MEXICO	GWh Consolidated at EBITDA level	GWh managed by investee companies (*)	Total
Onshore wind	288	-	288
For own use	217	-	217
For third parties	72	-	72
Solar PV	165	-	165
Total production	454	-	454

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

Production at EBITDA level by technology has been as follows:

- Onshore wind production reached 288 GWh, down 5.8% on the end of March 2019, due to lower recorded wind resource.
- Turning to solar energy production, the Hermosillo (136 MWdc) and Santiago (232 MWdc) facilities (installed at the end of 2018) generated 165 GWh over the period (-8.4%).

Thermal capacity and production

In Mexico, thermal capacity at 31 March 2020 was 9,348 MW, following last year's entry into operation of the El Carmen (866 MW) and Topolobampo II (911 MW) combined cycles and the completion during first quarter of 2020 of the combined cycle of Topolobampo III (779 MW, of which 766 MW are for third parties). It should be noted that Enertek's cogeneration is now operating as a gas combined cycle, contributing 144 MW to this technology. Thermal production in the first three quarters of 2020 totalled 12,936 GWh – up 11% on the same period a year earlier.

MEXICO	MW	GWh
Gas combined cycle	9,146	12,511
For own use	2,103	3,176
For third parties	7,043	9,335
Cogeneration	202	426
Total	9,348	12,936

Discrepancies possible due to rounding

Retail in Mexico

Electricity sales in the first quarter of 2020 amounted to 12,525 GWh, broken down as follows:

	GWh
CFE	9,335
Private	3,190
Total Sales	12,525

2.5. Brazil – Neoenergia

Renewable capacity and production

At the close of the first quarter of the year, Iberdrola had an installed renewable capacity in Brazil of 3,547 MW, broken down as follows:

BRAZIL	Installed MW Consolidated at EBITDA level	MW managed by investee companies (*)	Total
Onshore wind	516	-	516
Hydroelectric	836	2,195	3,031
Total Capacity	1,352	2,195	3,547

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

Work is continuing on the Chafariz wind farm in the state of Paraiba, which has a total of 15 wind projects and 472 MW of capacity, expected to be commissioned in early 2022. In addition, 12 wind farms will be built in the state of Piauí for a total of 566 MW, with construction scheduled for completion in the latter half of 2022.

Renewable production in the first quarter of 2020 amounted to 4,090 GWh, broken down as follows:

BRAZIL	GWh Consolidated at EBITDA level	GWh managed by investee companies (*)	Total
Onshore wind	334	-	334
Hydroelectric	511	3,245	3,756
Total production	845	3,245	4,090

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

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

- Onshore wind production reached 334 GWh, down 6.9% versus the first quarter of 2019, due to lower recorded wind resource and availability.
- Hydroelectric production came to 511 GWh (+32.9%), following the commissioning during

2019 of Baixo Iguaçú and the largest hydroelectric resource in 2020.

Thermal capacity and production

In Brazil, thermal capacity at 31 March 2020 remained stable at 533 MW, while thermal production came to 1,030 GWh (+50%).

BRAZIL	MW	GWh
Gas combined cycle	533	1,030
Total	533	1,030

Retail business

Electricity sales in the first quarter of 2020 totalled 3,760 GWh, broken down as follows:

Brazil	GWh
PPA	2,615
Free market	1,145
Total Sales	3,760

2.6. Iberdrola Energía Internacional (IEI)*

Renewable capacity and production

Installed renewable capacity at Iberdrola Energía Internacional* reached the 965 MW mark, broken down as follows:

Iberdrola Energía Internacional (IEI)	MW
Onshore wind	609
Offshore wind	350
Solar	6
TOTAL	965

Discrepancies possible due to rounding

In **onshore wind technology**, construction is continuing at the Pyrgari wind farm (16 MW), which was awarded at the energy auctions held by the Greek government in July 2018.

In the realm of **solar photovoltaic technology**, Iberdrola was awarded 186 MWdc at the renewables auction that took place in Portugal. In Port Augusta, Australia, a 317-MW hybrid wind and solar facility will

be constructed, making it one of the largest hybrid renewable energy plants in the southern hemisphere.

Meanwhile, the development of the following offshore wind farms remains on track in France and Germany:

In France, the **Saint-Brieuc facility (496 MW)** is nearing the construction phase. The main suppliers (turbines, foundations, substation, interconnection cables and installation) have now been designated and the detail engineering work is in progress.

In Germany, the **Baltic Eagle (476 MW)** and **Wikinger Süd (10 MW)** projects remain in progress.

Onshore wind power is broken down as follows by country:

Iberdrola Energía Internacional (IEI)	MW
Greece	259
Portugal	92
Cyprus	20
Hungary	158
Romania	80
Total	609

Discrepancies possible due to rounding

Renewable production totalled 862 GWh at the end of the first quarter, up 4.1% on the same period of 2019, with the following breakdown by technology:

Iberdrola Energía Internacional (IEI)	GWh
Onshore wind	422
Offshore wind	438
Solar	2
Total production	862

Discrepancies possible due to rounding

By technology, onshore wind production was up (+3.5%), as was offshore production thanks to Wikinger (+4.8%). Solar photovoltaics was down (-17.3%).

* Formerly Rest of World

Retail business

As regards retail sales, at 31 March 2020, the portfolio managed by Iberdrola in Portugal, France, Italy, Germany and Ireland totalled 1,653,278 contracts, up 88.5% on the close of march 2019 and broken down as follows:

Thousands of contracts	IEI*
Electricity contracts	665
Gas contracts	234
Smart Solutions contracts	755
Total	1,653

Sales at the international division were up 22.4% in early 2020. While electricity sales* climbed to 2,653 GWh (+6.5%), gas sales** jumped to 558 GWh (316.4%), with the following breakdown by region:

GWh	Q1 2020	Q1 2019
Electricity*	2,653	2,491
Portugal	1,883	1,974
France	218	143
Germany	203	79
Italy	337	295
Ireland	12	-
Gas**	558	134
Portugal	50	31
France	168	17
Italy	311	86
Ireland	29	-
Total Sales	3,211	2,625

* Sales in busbars

** Including shrinkage

3. Other aspects

3.1. General Shareholders' Meeting

Iberdrola's General Shareholders' Meeting was held on 2 April, with the attendance of 4,971,540,894 shares (474,023,269 in person and 4,497,517,625 represented), giving a quorum of 77.04% of share capital (7.35% present and 69.69% represented), 2.91% more quorum than that obtained in 2019, thanks to the company's effort to encourage the participation of all its shareholders despite the confinement caused by the COVID19.

All motions submitted by the Board of Directors were approved by shareholders, with an average approval rate of 98.25%.

3.2. Remuneración al accionista

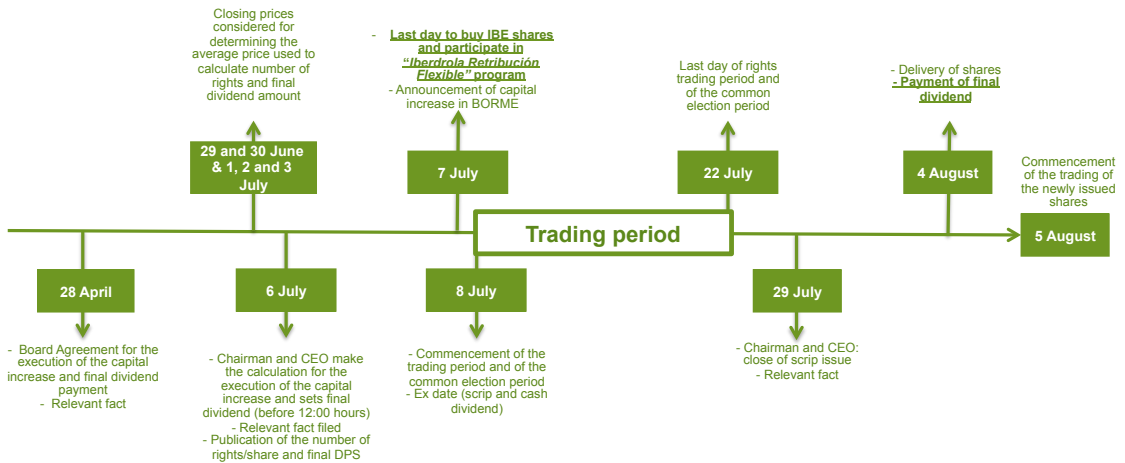
Among the various resolutions carried at the General Meeting, the motion included as item 12 on the agenda was approved with 99.75% of votes in favour in relation to shareholder remuneration charged to 2019 profits and to be paid out in 2020. It was therefore agreed a minimum remuneration for the shareholder of 0.40 gross per share, reaching the dividend target of 2022 three years in advance. Of this amount, 0.168 euros gross per share was already distributed as the interim dividend last January, so in July the remaining 0.232 euros gross per share will be paid.

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

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

To avoid stock dilution, Iberdrola has reaffirmed its commitment to keeping the number of shares at 6,240 million. To fulfil this objective, shareholders approved the redemption of 213,592,000 shares at the last General Meeting, accounting for 3.31% of the capital.

“Complementary Dividend Payment Calendar - Junio 2020”



Analysis of the consolidated profit and loss account

The most notable results figures for 2020 are as follows:

EUR millions	1Q 2020	1Q 2019	%
NET REVENUE	9,425.9	10,138.9	7.0
GROSS MARGIN	4,544.8	4,323.1	5.1
EBITDA	2,750.6	2,599.4	5.8
EBIT	1,642.6	1,632.2	0.6
ADJUSTED NET PROFIT	968.1	919.2	5.3
REPORTED NET PROFIT	1,257.0	963.9	30.4

In the first quarter of 2020, EBITDA was up 5.8% on the same period of the previous year, driven by growth across the Renewables and Generation and Supply businesses.

In the **Networks** business, the growth reported in the United Kingdom (greater asset base due to investments) and Brazil (tariff revisions and efficiency gains) was more than offset by the negative IFRS adjustments in the United States (this impact will be recovered during this year and in the coming years), together with the reduction in remuneration in Spain following the start of the new regulatory period in 2020 and positive settlements in 2019 (total impact of -37 M Eur).

The **Renewables** business was driven by the results obtained in both the United Kingdom and the United States. Highlights include: the new capacity rolled out across all geographical regions, with 2.8 GW installed in the last 12 months; increased wind production volumes thanks to the contribution made by the East Anglia 1 offshore wind farm in the United Kingdom, the largest wind resource and the greater availability of wind turbines in the United States; as well as the recovery of hydroelectric production in Spain and of reserve levels, which stand at 8 TWh – 50% higher than last year.

Meanwhile, the **Generation and Supply** business shows growth across all the main geographies in which the Group operates, benefiting from higher production and lower commodity prices, with sale

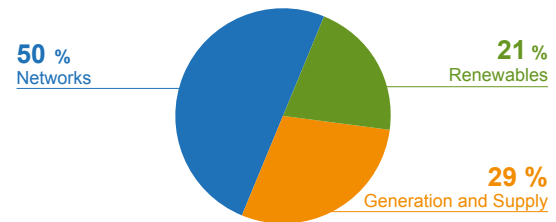
prices fixed thanks to the hedges arranged a year earlier. The supply business was positively impacted by lower procurement costs and the review of the price cap calculation methodology for regulated SVTs carried out in the United Kingdom in the final quarter of 2019.

Turning to the performance of the main currencies, the appreciation of the pound and the dollar offset the devaluation of the Brazilian real, with the exchange rate effect 90% hedged at net profit level.

1. Gross margin

The gross margin came to EUR 4,544.8 million, up 5.1% on the same period in 2020.

Gross margin by business



This performance is the result of the following:

- The **Networks business** saw a 3.0% reduction in its gross margin compared with the first quarter of 2019, to EUR 2,099.4 million.
 - In Spain, the gross margin came to EUR 488.2 million (-8.7%), owing to a 50-basis point reduction in remuneration following the start of the new regulatory period (EUR -14 million), as well as the EUR 23 million in positive repayments recorded in the first quarter of 2019, which affect the year-on-year comparison.
 - The United Kingdom contributed EUR 367.2 million (+11.8%) thanks to an increase in transmission and distribution revenues

stemming from a larger asset base due to the investments made.

- The United States contributed EUR 802.2 million in the period (-7.2%) due to the adjustments recognised under IFRS (EUR -79 million) as a result of the different volumes (due to a very mild winter that has strongly affected the demand for gas and electricity) and costs of energy, which will be recovered at the end of 2020 and during the following years.
- Brazil's gross margin was EUR 441.7 million (+0.9%), impacted by the devaluation of the Brazilian real, which stripped off EUR 52 million. Growth came to 12.8% in local currency thanks to the increase in revenues stemming from the tariff revisions in April and August 2019, along with a greater contribution from transmission assets.
- The **Renewables** business reported a gross margin of EUR 1,100.2 million (+9.3%).
 - In Spain, it amounted to EUR 341.2 million (-7.9%), despite the higher production, in response to lower sale prices following the reduction in the pool price. These sales are made to our commercial business, so the lower price in renewables is offset by the higher margin in the commercial area.
 - The gross margin in the United Kingdom climbed 37.5% to reach EUR 310.6 million, thanks to higher production in both the onshore (+12.9%) and offshore (+203.4%) wind segments due to the contribution made by East Anglia 1.
 - The United States' contribution rose to EUR 252.4 million (+22.6%) off the back of an increase in production (+29.6%) resulting from the combined effect of higher average operating capacity (+739 MW), increased wind resource and greater wind farm availability during the quarter.
 - Brazil reported EUR 36.9 million (-25.2%), because the effect of an increase in production (+13.7%) was wiped out by the normalisation
- of prices in the first quarter of 2020 when compared with the high levels recorded last year.
- Mexico saw a slight reduction in its gross margin to EUR 33.5 million (-1.8%) in response to lower production (-6.8%).
- IBERDROLA Energía Internacional (IEI), formerly Rest of the World, posted EUR 125.6 million (3.8%) due to an improved contribution from the Wikinger offshore wind farm in Germany.
- The gross margin of the **Generation and Supply** business widened by 16.9% to reach EUR 1,353.4 million, broken down as follows:
 - In Spain it grew to EUR 805.9 million (+11.1%), with lower production and greater energy purchases at lower prices than in the first quarter of 2019, and thanks also to active management of the customer portfolio (energy and Smart solutions).
 - The gross margin in the United Kingdom came to EUR 256.3 million (+27.8%), following the review of the price cap calculation methodology on regulated SVTs in the final quarter of 2019 and lower procurement costs.
 - Mexico contributed EUR 248.5 million (+16.6%) to the gross margin, mainly due to the commissioning of 1,777 MW of new capacity in 2019 (Topolobampo II and El Carmen).
 - Brazil added EUR 28.2 million (+79.4%) to the gross margin, as the extraordinary conditions that had adversely impacted the previous year's earnings were no longer an issue in 2020.
 - Iberdrola Energía Internacional (IEI), formerly Rest of the World, added EUR 14.6 million to the gross margin from its commercial activities in Europe, compared with its contribution of EUR 3.3 million in the same period of 2019.
- The total contribution of **Other Businesses** was EUR 3.6 million (-18.3%).

2. Gross operating result - EBITDA

Consolidated EBITDA came to-up 5.8% versus the first quarter of 2019, to EUR 2,750.6 million.

Aside from the changes in the gross margin outlined above, it should be noted that the net operating expense fell 1.3% to EUR 1,067.7 million. The Group's operational efficiency, measured through the net operating expense/gross margin ratio, improved by 150 b.p., falling from 25% in March 2019 to 23.5% at the close of the first quarter of 2020, thanks to cost containment measures and the increase in gross margin. It is also worth noting that the allowance for attending the General Shareholders' Meeting was recorded in the first quarter in 2019, while this year round the payment will be made in the second quarter.

Taxes were up 13.1% to EUR 726.5 million due to the higher taxes payable in Spain, partly because of the temporary suspension of the 7% generation tax in Spain (EUR 44 million) back in the first quarter of 2019, but also the increase in the ENRESA levy following the nuclear agreement reached in Spain (EUR 11 million), bringing the rate to EUR 7.98/MWh since January versus EUR 6.69/MWh the previous year.

3. Net operating result - EBIT

EBIT totalled EUR 1,642.6 million, up 0.6% on the first quarter of 2019.

Depreciation and amortisation charges and provisions rose by 14.6% to reach EUR 1,108.0 million, broken down as follows:

- Depreciation and amortisation charges went up 8.1% to EUR 1,012.6 million, following the increase in the Group's asset base and volume of activity (EUR 86 million) as well as the impact of IFRS 16 (EUR 14 million).

- Provisions came to EUR 95.5 million, up EUR 26.1 million (+37.6%) due to an increase in customer debt.

4. Financial result

The financial result totalled EUR 180.3 million, revealing an improvement of EUR 118.0 million (+40%) on the first quarter of 2019.

- The cost of debt worsens by 5.5 million euros due to the increase in the average debt balance of EUR 2,370 million, as a result of the investment effort and the full application of IFRS16, despite the reduction in cost by 20 basis points.
- Gains/(losses) on derivatives and others rose by EUR 123.5 million, largely because of the effect of exchange rate hedges, which are offset in other profit and loss items.

	Mar-20	Mar-19	Dif.
Cost of debt	-323.8	-318.3	+5.5
Cost			+21.5
Average balance*			-16.0
Derivatives and others	143.5	20.0	+123.5
Financial Result	-180.3	-298.3	+118.0

* The average balance climbed from EUR 35,034 to EUR 37,404 million

The cost of debt dropped 20 b.p. from 3.68% to 3.48% in response to improved borrowing terms, despite an increase in the weight of non-euro currencies of close to 5%.

5. Results of companies accounted for using the equity method

Results of companies accounted for using the equity method came to EUR 1.2 million, compared to EUR 1.6 million in the first quarter of 2019.

6. Gains on disposal of non-current assets

Gains on non-current asset amounted to EUR 505.4 million, compared to EUR 0.3 million in the first quarter of 2019. This includes the capital gain of EUR 484.5 million arising from the sale of Iberdrola's stake in Siemens Gamesa, which totalled EUR 1,099.5 million (EUR 20/share).

7. Profit in the period

The tax expense stood at EUR 624.5 million, up EUR 346.9 million on the first quarter of 2019, due to the maintenance of the corporate rate of 19% in the UK (compared to the 17% forecast) which affects deferred taxes (159 million euros) and corrections to the tax expense recorded in previous years in the USA. (20 million euros).

Meanwhile, non-controlling interests were down 7.4% to EUR 87.3 million in response to lower earnings in the United States.

Adjusted net profit grew 5.3% to EUR 968.1 million. This item excludes the capital gain generated from the sale of Siemens Gamesa (EUR 484.5 million) and the non-recurring impacts recorded under the tax line (EUR -178.9 million), mainly in the UK by keeping the corporate rate at 19% instead of 17% as originally planned, as well as provisions to cover a possible increase in customer debt attributable to COVID-19 (EUR -16.7 million), and positive repayments accounted for in the first quarter of 2019 in the Networks business.

Reported net profit totalled EUR 1,257.0 million, up 30.4% on the same period of 2019, largely as a result of the extraordinary gain arising from the sale of the 8.07% stake in Siemens Gamesa on 4 February.

Results by business

1. Networks Business

Key figures for the Networks business are as follows:

(EUR millions)	1Q 2020	vs 1Q 2019
Revenues	3,629.5	-1.9%
Gross margin	2,099.4	-3.0%
EBITDA	1,256.6	-4.7%
EBIT	757.7	-12.4%

The Gross Margin of the Networks business is down 3.0% at EUR 2,099.4 million, as growth in the UK and Brazil has been more than offset by the negative IFRS adjustments in the United States and the expected lower remuneration in Spain.

1.1 SPAIN

(EUR millions)	1Q 2020	vs 1Q 2019
Revenues	488.3	-8.7%
Gross margin	488.2	-8.7%
EBITDA	390.4	-10.6%
EBIT	252.9	-17.2%

a) Gross margin

The gross margin of the Networks business in Spain shrank by 8.7% to EUR 488.2 million, mainly due to the 50 basis-point reduction in remuneration after the start of the new regulatory period (EUR -14 million), and the EUR 23 million of positive repayments booked in the first quarter of 2019 affecting the year-on-year comparison.

b) Operating profit / EBIT

The EBITDA for this business totalled EUR 390.4 million, down 10.6%, with a virtually unchanged net operating expense (+ 0.3%) of EUR 72.2 million. Most notable are the savings achieved through efficiency measures implemented last year that offset the increased business activity. Taxes decreased by 1.9% to EUR 25.6 million.

EBIT for the Networks business in Spain totalled EUR 252.9 million (-17.2%). Depreciation and amortisation charges and provisions rose to EUR 137.5 million (+4.8%) because of the new investments made.

1.2 UNITED KINGDOM

(EUR millions)	1Q 2020	vs 1Q 2019
Revenues	381.9	11.6%
Gross margin	367.2	11.8%
EBITDA	281.2	13.4%
EBIT	191.3	15.4%

a) Gross margin

The gross margin of the Networks business in the United Kingdom (ScottishPower Energy Networks — SPEN) reached EUR 367.2 million (up 11.8%), thanks to higher revenues from transmission and distribution as a result of a larger asset base, arising from further investment in the business.

b) Operating profit / EBIT

EBITDA amounted to EUR 281.2 million (+13.4%), up 8.5% in local currency. The net operating expense rose by 7.1% to EUR 57.6 million, mainly due to increased levels of business and pound sterling appreciation. Taxes were up by 5.7% at EUR 28.4 million, also affected by the exchange rate.

Depreciation and amortisation charges and provisions totalled EUR 89.9 million (+9.5%) because of the new assets brought on stream and the exchange rate effect.

1.3 UNITED STATES

(EUR millions)	1Q 2020	vs 1Q 2019
Revenues	1,229.9	-8.9%
Gross margin	802.2	-7.2%
EBITDA	276.5	-21.1%
EBIT	114.6	-47.8%

a) Gross margin

The gross margin narrowed by 7.2% to EUR 802.2 million as a result of IFRS adjustments (EUR -79 million) and different energy volumes and costs, which will be recovered by the end of 2020 to be completed over the next few years.

b) Operating profit / EBIT

EBITDA of the Networks business in the United States reached EUR 276.5 million (-21.1%). Aside from the aforesaid change in the gross margin, there was a 1.4% rise in the net operating expense to EUR 263.6 million, driven by appreciation of the dollar. If this effect is stripped out, the net operating expense would have fallen by 1.8% because of fewer storm costs this year. Taxes rose by 3.3% to EUR 262.2 million, also affected by the exchange rate.

EBIT stands at EUR 114.6 million (-47.8%), after deducting depreciation and amortisation charges and provisions of EUR 161.9 million, which are EUR 31.0 million higher (+23.7%) because of a larger asset base, late payments and the exchange rate.

1.4. BRAZIL

(EUR millions)	1Q 2020	vs 1Q 2019
Revenues	1,529.5	4.0%
Gross margin	441.7	0.9%
EBITDA	308.5	8.8%
EBIT	198.8	14.0%

a) Gross margin

The gross margin increased by 0.9% to EUR 441.7 million at the end of the first quarter of 2020, impacted by the devaluation of the Brazilian real causing a EUR 52 million reduction. In local currency, the margin grew by 12.8% due to higher revenues following the tariff reviews (Coelba, Cosern and Celpe in April 2019 and Elektro in August 2019), as well as the larger contribution of transmission assets.

b) Operating profit / EBIT

EBITDA in the area totalled EUR 308.5 million

(+8.8%) with a negative exchange rate impact of EUR 36 million. The net operating expense dropped by 13.5% to EUR 130.5 million, due to the efficiency measures rolled out in prior years and the positive exchange rate impact.

Depreciation and amortisation charges and provisions amounted to EUR 109.6 million (+0.6%) due to the increase in assets in operation and delinquency rates, partially offset by depreciation of the Brazilian real.

2. Renewables Business

Key figures for the Renewables business are as follows:

(EUR millions)	1Q 2020	vs 1Q 2019
Revenues	1,206.4	9.5%
Gross margin	1,100.2	9.3%
EBITDA	725.5	6.1%
EBIT	394.2	-2.7%

The Renewables business's contribution to the gross margin was up by 9.3%, driven by the results in the United States and the United Kingdom. Operationally, higher production, due both to the increase in average operating capacity and load factor in the wind segment and normalisation of hydroelectric production, more than offset the lower prices recorded in the period. The key factors behind this are as follows:

- **Average operating capacity** consolidated at EBITDA level over the period grew by 5.3% (+1,421.9 MW) compared to the first quarter of 2019 thanks to increases in wind capacity in the United States and Spain (+763.1 MW and +215.6 MW respectively); the partial commissioning of East Anglia I (324.6 MW); and the progressive start-up of the Baixo Iguazú hydroelectric plant during 2019 (+138.8 MW).
- The consolidated **load factor** was 26.9% at the end of March, below the 23.5% recorded in the same period of 2019, although with differences

according to the technology:

Technology	1Q 2020	vs 1Q 2019
Onshore wind	30.5%	+1.4 p.p.
Offshore wind	58.9%	+4.3 p.p.
Hydroelectric	19.3%	+5.1 p.p.
Other technologies	19.5%	-1.2 p.p.

The combined effect of growth in average operating capacity, increased wind load factors and normalisation of hydroelectric production boosted **production** by 21.8% to 16,686.6 GWh in the first quarter of 2020.

- The **average sale price of renewable output across the world** stood at 65.9 EUR/MWh, below that registered in the first quarter of 2019 (-10.3%).

1.1 SPAIN

(EUR millions)	1Q 2020	vs 1Q 2019
Revenues	368.7	-8.2%
Gross margin	341.2	-7.9%
EBITDA	182.8	-16.5%
EBIT	93.4	-33.6%

a) Gross margin

The gross margin stands at EUR 341.2 million (-7.9%), affected by the lower sale price to the supply business after the fall in the pool price, and despite the higher production (+17.5%) driven by the normalisation of hydroelectric production that more than offset the lower wind load factor.

b) Operating profit / EBIT

EBITDA slumped 16.5% to EUR 182.8 million. Aside from the aforesaid change in gross margin, EBITDA was heavily affected by the significant increase in taxes paid versus the first quarter of 2019, during which the 7% tax on generation was suspended. This increase is partially offset by a reduction in the net

operating expense (-23.5%) off the back of savings on operations and maintenance services.

Depreciation and amortisation charges and provisions item were higher over the quarter at EUR 89.4 million (+14.3%) compared to the first three months of 2019 due to higher operating capacity, leaving EBIT at EUR 93.4 million (-33.6%).

1.2 UNITED KINGDOM

(EUR millions)	1Q 2020	vs 1Q 2019
Revenues	328.4	37.3%
Gross margin	310.6	37.5%
EBITDA	252.4	32.9%
EBIT	198.3	29.6%

a) Gross margin

The gross margin of the United Kingdom business widened by 37.5% over the first three months of the year (+33.5% in local currency) compared to the first quarter of 2019, reaching EUR 310.6 million. This was the consequence of higher production of onshore wind (+12.9%) thanks to a higher load factor (+3.7 p.p.) and of offshore wind because of the contribution of East Anglia 1 (+203.4%).

b) Operating profit / EBIT:

The net operating expense rose by 68.5% (EUR +51.5 million) fundamentally because of East Anglia 1. Meanwhile, taxes were up by EUR 1.4 million (+25.0%), leaving EBITDA at EUR 252.4 million (+32.9%).

Depreciation and amortisation charges and provisions were 46.4% higher because of East Anglia 1 entering service, leaving EBIT at EUR 198.3 million (+29.6%).

1.3 UNITED STATES

(EUR millions)	1Q 2020	vs 1Q 2019
Revenues	298.2	22.8%
Gross margin	252.4	22.6%
EBITDA	131.6	25.4%
EBIT	-10.3	N/A

a) Gross margin

The gross margin is up 22.6% at EUR 252.4 million thanks to the increase in production (+29%), as a result of the combined effect of a higher average operating capacity (+739.0 MW), increase in wind resource (4.3 p.p.) and higher availability of wind farms over the quarter.

b) Operating profit / EBIT

The net operating expense rose by 11.4% to EUR 70.2 million, due to increased business activity, while taxes were up 33.7% because new wind farms came on stream whose taxes are recognised in February under IFRIC 21. This resulted in EBITDA of EUR 131.6 million (+25.4%).

Depreciation and amortisation charges and provisions, meanwhile, climbed by 28.2% to EUR 141.9 million following the accelerated depreciation of certain wind farm assets due to repowering. As a result of all this, EBIT amounted to EUR -10.3 million.

1.4 MEXICO

(EUR millions)	1Q 2020	vs 1Q 2019
Revenues	34.3	-2.8%
Gross margin	33.5	-1.8%
EBITDA	25.1	-2.1%
EBIT	14.4	-11.8%

a) Gross margin

The gross margin dipped to EUR 33.5 million (-1.8%), mainly due to lower onshore wind and solar PV

production (-6.8%) because of lower load factors compared to the first quarter of 2019 (-2.6 p.p. and -2.1 p.p., respectively).

b) Operating profit / EBIT

EBITDA was down 2.1% on the first quarter of 2019 at EUR 25.1 million, with the net operating expense remaining virtually flat (+0.9%). Depreciation and amortisation charges and provisions increased by 15.0% (EUR +1.4 million). EBIT therefore shrank to EUR 14.4 million (-11.8%).

1.5 BRAZIL

(EUR millions)	1Q 2020	vs 1Q 2019
Revenues	49.2	-18.3%
Gross margin	36.9	-25.2%
EBITDA	25.2	-32.7%
EBIT	12.6	-49.0%

a) Gross margin

The gross margin amounted to EUR 36.9 million (-25.2%, -16.4% in local currency) despite higher production (+13.7%), which is more than offset by a normalisation of prices in this first quarter of 2020 compared to the high levels in the same period of 2019.

b) Operating profit / EBIT

The net operating expense is down 1.8% to EUR 11.5 million, although it is 9.7% higher in local currency due to the growth of the business after the start-up of Baixo Iguazú. Consequently, EBITDA stands at EUR 25.2 million (-32.7%, -24.8% in local currency).

Depreciation and amortisation charges and provisions have dropped to EUR 12.6 million (-1.2%), growing 10.4% in local currency because of Baixo Iguazú coming on stream, leaving EBIT at EUR 12.6 million (-49.0%).

1.6 IBERDROLA ENERGÍA INTERNACIONAL (IEI)*

(EUR millions)	1Q 2020	vs 1Q 2019
Revenues	127.5	3.9%
Gross margin	125.6	3.8%
EBITDA	108.5	1.5%
EBIT	84.9	12.5%

a) Gross margin

The gross margin of Iberdrola Energía Internacional reached EUR 125.6 million (+3.8%) due to the increase in total production (+4.1%), driven principally by Wikinger's greater load factor (2.0 p.p.).

b) Operating profit / EBIT

EBITDA rose by 1.5% to EUR 108.5 million, after deducting the net operating expense, which was 24.4% higher due to greater activity in the business because of Wikinger coming on stream. EBIT is up at EUR 84.9 million (+12.5%) because of lower depreciation and amortisation charges and provisions of EUR 23.6 million (-24.9%) as the useful life of Wikinger has changed to 25 years.

3. Generation and supply business

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

(EUR millions)	1Q 2020	vs 1Q 2019
Revenues	5,316.4	-12,7%
Gross margin	1,353.4	16.9%
EBITDA	759.6	26.5%
EBIT	513.2	30.5%

The Generation and Supply business increased its contribution to the gross margin (+16.9%) with growth in all the main geographies in which the Group operates. Spain and Mexico posted growth, while the United Kingdom and Brazil bounced back following the adverse operating conditions in 2019.

3.1 SPAIN

(EUR millions)	1Q 2020	vs 1Q 2019
Revenues	2,988.6	-15.8%
Gross margin	805.9	11.1%
EBITDA	445.6	14.4%
EBIT	326.0	16.5%

a) Gross margin

Iberdrola's Generation and Supply Business in Spain recorded an 11.1% increase in its gross margin to EUR 805.9 million, principally due to:

- A 5.7% drop in production versus the same period in the previous year to 8,356 GWh, as energy purchases from third parties have increased given prevailing low prices and our renewables business. The Company traditionally maintains a short position vis-à-vis the balance between own production and production for third parties.

* Formerly Rest of World

- Improved margins, with average forward sale prices similar to those in 2019 and lower procurement costs, accompanied by active customer portfolio management of both energy contracts and those associated with smart solutions.

b) Operating profit / EBIT

EBITDA was up 14.4% at EUR 445.6 million thanks to the aforementioned higher gross margin and the reduction in the net operating expense (-4.0%) to EUR 159.3 million. This decrease stemmed from both the effect of efficiency plans rolled out in 2019, cutting staff costs by 2.5%, and to outsourcing cost containment (-5%).

Taxes increased by 18.2% to EUR 201.0 million, due to EUR 23 million of additional taxes associated with tax measures for energy sustainability (Law 15/2012), as a result of the temporary suspension of the 7% general production tax during the first quarter of 2019, which was lifted in April last year. In addition, the Enresa levy rose by EUR 11 million (+24.5%), following the agreement on the orderly shutdown of plants (Royal Decree 750/2019) of 27 December raising this levy to 7.98 EUR/MWh from 1 January 2020 (compared to 6.69 EUR/MWh until December 2019).

Depreciation and amortisation charges and provisions rose by 9.0% to EUR 119.6 million because of higher customer acquisition costs associated with increased marketing as well as higher depreciation charges of combined cycle plants due to them being in operation for longer in 2019, following the annual periodic review of useful lives at the end of last year. There was also an increase in bad debt provisions compared to the historical average of the business from March, attributable to the increase in debt due to the situation caused by the COVID-19.

As a result of all of the above, there was a 16.5% increase in EBIT compared to the same period in 2019 to EUR 326.0 million.

3.2. UNITED KINGDOM

(EUR millions)	1Q 2020	vs 1Q 2019
Revenues	1,441.9	-14.9%
Gross margin	256.3	27.8%
EBITDA	95.9	90.3%
EBIT	29.7	N/A

a) Gross margin

ScottishPower's liberalised business posted a gross margin of EUR 256.3 million (+27.8%), recovering strongly from the results of the first quarter of 2019.

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

- Revision of the method for calculating the cap on Standard Variable Tariffs in the last quarter of 2019.
- Stabilisation of sale prices of both supplies to our customers.
- Lower supply costs, both for electricity and gas, as a result of changes in commodity prices and the effect of renewable production procurements.
- Despite a drop in sales of 7.8% in gas and 10.9% in electricity.

b) Operating profit / EBIT

EBITDA for the liberalised business in the United Kingdom was up 90.3% at EUR 95.9 million, driven by the change in the gross margin described above. Net operating expenses grew (+12.5%) to EUR 122.6 million; EUR 11 million associated with the start-up of new call centres, higher metering costs associated with the increased number of third-party smart meters, and higher back-office costs. However, taxes decreased by 8.0% to EUR 37.7 million, principally because of a EUR 5 million reduction in the cost of the Warm Home Discount plan.

Depreciation and amortisation charges and provisions climbed by 18.6%, reaching EUR 66.2 million because of the greater number of assets in operation (smart meters), higher customer acquisition costs

and an increase in delinquencies compared to the historical average.

Consequently, the contribution to EBIT was EUR 29.7 million compared with a negative contribution of EUR 5.4 million in the first quarter of 2019.

3.3 MEXICO

(EUR millions)	1Q 2020	vs 1Q 2019
Revenues	598.4	-4.2%
Gross margin	248.5	16.6%
EBITDA	201.4	24.0%
EBIT	163.8	22.9%

a) Gross margin

In Mexico, the gross margin totalled EUR 248.5 million, up 16.6% year-on-year, mainly explained by the commissioning in 2019 of Topolobampo II (911 MW), in the IPP category for the CFE, and El Carmen (866 MW), fully earmarked for private customers. In addition, there was an increase of EUR 16 million in the private customer business margin as a result of improved tariffs and a reduction in supply costs.

b) Operating profit / EBIT

EBITDA rose by 24.0% to EUR 201.4 million versus the first quarter of 2019. Net operating expenses fell by 7.8% to EUR 45.4 million thanks to certain reversals of staff-related provisions. Depreciation and amortisation charges and provisions increased by 28.8% to EUR 37.6 million due to the aforementioned new assets commissioned.

As a result of the above, EBIT for the business reached EUR 163.8 million (+22.9%).

3.4 BRAZIL

(EUR millions)	1Q 2020	vs 1Q 2019
Revenues	108.0	-23.0%
Gross margin	28.2	79.4%
EBITDA	18.1	95.3%
EBIT	13.2	N/A

EBITDA of the Generation and Supply business in Brazil climbed by 95.3%, to EUR 18.1 million, with the unusual conditions that negatively affected last year's results returning to normal in 2020. For the same reason, EBIT grew to EUR 13.2 million from EUR 3.7 million at the end of 1Q 2019.

3.5 IBERDROLA ENERGÍA INTERNACIONAL (IEI)*

(EUR millions)	1Q 2020	1Q 2019
Revenues	333.3	288.3
Gross margin	14.6	3.3
EBITDA	-1.4	-11.1
EBIT	-19.5	-18.0

IEI's earnings were up year-on-year but still make a negative contribution at EBITDA and EBIT level as they reflect the initial development costs that the business inevitably incurs in the different countries when establishing operations. However, the number of customer contracts exceeds 1.65 million, up 88.5%.

* Formerly Rest of World

4. Other businesses

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

(EUR millions)	1Q 2020	vs 1Q 2019
Revenues	10.8	-23.0%
Gross margin	3.6	-18.3%
EBITDA	-0.9	N/A
EBIT	-3.9	N/A

a) Gross margin

The gross margin has dropped by 23.0% to EUR 10.8 million because of lower turnover in both the gas business in Canada and the real estate business.

b) Beneficio Operativo/EBIT

EBITDA fell to EUR 3.9 million, with a net operating expense some EUR 0.4 million higher. Depreciation and amortisation charges and provisions were EUR 0.1 million higher compared to the same period in the previous year, with EBIT therefore standing at EUR -3.9 million.

5. Corporation

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

At year-end, the Corporation posted a positive EBITDA contribution of EUR 9.8 million, up on the same period of the previous year (EUR -3.6 million), mainly thanks to a lower net operating expense, and because this year the General Shareholders' Meeting per diem was booked in the second quarter as the event was held in April 2020 as opposed to March in 2019.

Balance sheet analysis

January-March 2020

	Mar 2020	vs Dec 2019
TOTAL ASSETS	124,514	1.8%
PROPERTY, PLANT AND EQUIPMENT	71,956	0.9%
INTANGIBLE ASSETS	20,015	-1.7%
NON-CURRENT FINANCIAL INVESTMENTS	6,134	5.4%
EQUITY	47,170	-0.1%

At 31 March 2020, Iberdrola's balance sheet showed total assets of EUR 124,514 million, up EUR 2,145 million versus December 2019.

1. Fixed Assets

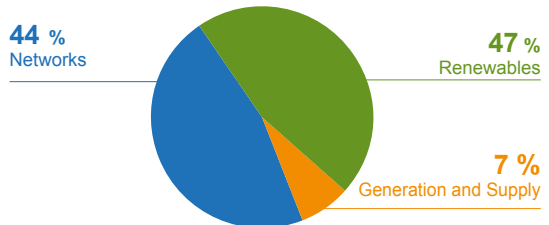
Gross investment in the first quarter of 2020 totalled EUR 1,728.6 million (+24.2%), broken down as follows:

(EUR millions)	Jan-Mar 2020	%
Networks business	765.9	44.3%
Spain	92.7	
United Kingdom	138.0	
United States	336.4	
Brazil	198.8	
Renewables business	810.2	46.9%
Spain	228.2	
United Kingdom	231.7	
United States	225.2	
Brazil	35.0	
Mexico	52.5	
Iberdrola Energía Internacional (IEI)*	37.6	
Generation and Supply business	121.0	7.0%
Spain	30.3	
United Kingdom	45.6	
Mexico	17.0	
Brazil	4.6	
Iberdrola Energía Internacional (IEI)*	23.6	
Other Businesses	1.4	0.1%
Corporation and Adjustments	30.0	1.7%
Total gross investment	1,728.6	100.0%

* Formerly Rest of World

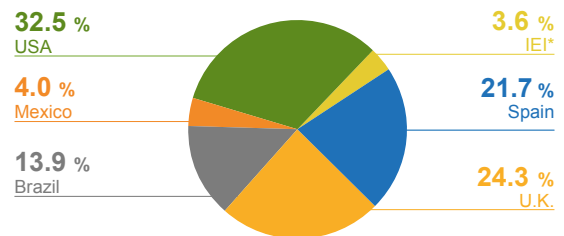
Investments during the period were concentrated in the Networks and Renewables business, in line with the group's strategy. These two businesses account for 91% of the gross investment in the first quarter of 2020.

Investments by business



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

Investments by geographical area



(* Iberdrola Energía Internacional)

Investment in the Renewables business totalled EUR 810.2 million, equivalent to 46.9% of the total. The United Kingdom, Spain and the United States account for 85% of total investment.

In the "Networks business" section, most investments were made in the United States and Brazil, for total amounts of EUR 336.4 million and EUR 198.8 million, respectively.

2. Share capital

Iberdrola's share capital totalled EUR 4,840 million

at 31 March 2019, represented by 6,453,592,000 shares, each with a par value of EUR 0.75 and all fully subscribed and paid.

3. Financial debt

Adjusted net financial debt at 31 March 2020 amounted to EUR 38,065 million, up EUR 1,363 million on the EUR 36,702 million restated in March 2019, largely due to the Group's major investment drive. It should be noted that the adjusted net financial debt at March 31, 2019 is restated by including the same criteria of IFRS16 applied at December 2019. The figure reported last year was EUR 35,559 million, an increase of EUR 1,143 million to EUR 36,702 million.

The adjusted net leverage ratio was up 1 b.p. to 44.6% versus the 44.5% reported at 31 March 2019.

The ratings issued by rating agencies are as follows:

Iberdrola's credit rating

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

* Date of last modification

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

	Mar. 2020	Mar. 2019
Euro	44.4%	39.3%
British pound	17.2%	18.6%
US dollar	28.8%	28.9%
Brazilian real and other currencies	9.6%	13.2%
Total	100%	100%
Fixed rate	63.5%	64.9%
Variable rate	36.5%	35.1%
Total	100%	100%

(*) Adjusted net debt including derivatives on intercompany finance and net investment.

(**) Adjusted net debt. Including forward interest rate derivatives (Mar 20: EUR 3,583 million; Mar 19: EUR 4,709 million), fixed-rate debt would climb to 72.9% (March 2020) and 77.8% (March 2019).

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

Debt structure* by country is shown in the following table:

	Mar 2020	Mar 2019
Corporate	66.4%	73.0%
UK	7.9%	6.7%
USA	21.9%	17.1%
Mexico	2.6%	1.4%
Others	1.2%	1.8%
Total	100.0%	100.0%

(*) Adjusted gross debt excluding Neoenergia (EUR 4,604 million at March 2020 and EUR 4,419 million at March 2019).

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

	Mar 2020	Mar 2019
Euro bonds market	28.5%	33.4%
Dollar bonds market	18.0%	18.0%
British pound bonds market	8.2%	7.5%
Other capital markets	4.9%	5.0%
Commercial paper	6.3%	6.4%
Multilateral	11.2%	8.2%
Structured financing	2.1%	1.7%
Leases	4.6%	2.9%
Bank financing	16.2%	16.9%
Total	100.0%	100.0%

(*) Adjusted gross debt.

At the end of March 2020, Iberdrola had a strong liquidity position totalling EUR 14,355 million. This liquidity comes mainly from syndicated credit facilities arranged with partner banks, undrawn loans arranged with multilateral credit institutions and development banks (EIB, ICO, BNDES), and cash and equivalents.

These liquidity arrangements have been reached across all the main markets in which the Iberdrola Group operates (Europe, United States and Brazil), in both the banking and capital markets and both before and during the COVID-19 crisis. Liquidity is sufficient to cover 21 months of the Group's needs under the risk scenario.

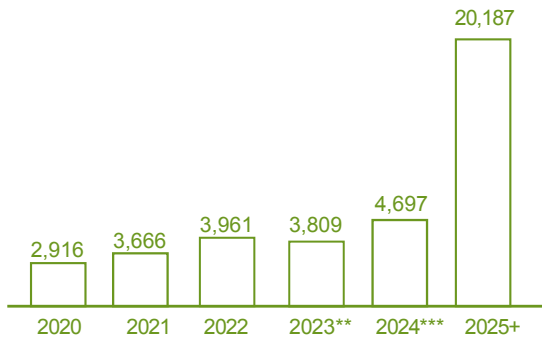
Liquidity*	EUR million
Cash and cash equivalents	2,188
Approved finance not drawn down	3,238
Credit facilities	8,929
Total	14,355

* Includes operations signed after 31 March.

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

Maturity debt profile

EUR million



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

** 2023 includes USD 400 million with a 1+1-year extension option

*** 2024 includes USD 500 million with a 1+1-year extension option

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

	Mar 2020	Mar 2019
Adjusted equity¹	47,310	45,806
Adjusted financial debt ¹	39,236	39,077
Credit line drawdowns	1,316	527
Unpaid accrued interest	299	302
Derivative liabilities	655	761
Adjusted gross financial debt¹	41,505	40,667
Cash in hand	2,304	3,181
Derivative assets and short-term investments	1,136	784
Adjusted net financial debt¹	38,065	36,702⁵
Adjusted net leverage	44.6%	44.5%
Adjusted funds from operations (FFO) ² /Adjusted net financial debt ¹	21.5%	20.4%
Adjusted retained cash flow (RCF) ³ /Adjusted net financial debt ¹	19.7%	19.1%
Adjusted net financial debt ¹ /Adjusted EBITDA ⁴	3.7x	3.8x

- (1) Adjusted by the effect of potential accumulator derivatives over treasury stock (EUR 140.0 million at 31/03/2020 and EUR 105.0 million at 31/03/2019).
- (2) Adjusted FFO = Net profit + Minority results + Dep. and amort. charges and prov. - Profit of companies consolidated using the equity method - Net non-recurring results - Financial prov. capitalisation + Dividends of companies consolidated using the equity method - Adjustment of tax deductible items and other effects. Adjusted to Mar20 on account of the "Exit Plan" implemented in the fourth quarter of 2019 (EUR 51.8 million) and the net tax adjustment for Mexico and UK (EUR 142.2 million).
- (3) Adjusted RCF = Adjusted FFO - Cash dividends - Dividends paid to minority interests - Hybrid issue interest.
- (4) Adjusted to Mar20 on account of the "Exit Plan" implemented in the fourth quarter of 2019 (EUR 67.1 million).
- (5) Restated to include the same criteria of IFRS16 applied at December 2019. The figure reported last year was EUR 35,559 million.

4. Working capital

The various working capital items offset each other, resulting in a year-on-year change of EUR -189 million.

CURRENT ASSETS	Mar-20	Mar-19	Change
Assets held for sale	-	64	(64)
Nuclear fuel	278	299	(21)
Inventories	2,666	2,438	228
Trade and other receivables	6,958	8,676	(1,718)
Current financial investments	564	532	31
Derivative financial instruments	372	169	203
Taxes receivable	1,400	1,059	341
TOTAL CURRENT ASSETS*:	12,237	13,238	(1,001)

* Does not include cash or debt derivatives

CURRENT LIABILITIES	Mar-20	Mar-19	Change
Liabilities associated with assets held for sale	-	1	(1)
Provisions	804	768	36
Derivative financial instruments	573	234	339
Trade and other payables	7,067	8,386	(1,319)
Taxes receivable	2,169	2,036	133
TOTAL CURRENT LIABILITIES**:	10,613	11,425	(811)

** Does not include financial debt or debt derivatives

NET CURRENT ASSETS	1,624	1,813	(189)
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5. Funds from operations

Funds from operations at 31 March 2020 were up 3.68% to EUR 2,111.9 million.

	Jan-Mar 2020	Jan-Mar 2019	Change
(+) Net profit	1,257	964	293
(-) Depreciation and amortisation charges and provisions	1,108	967	141
(-) Profit/(loss), equity accounted companies	- 1	- 2	0
(-) Non-recurring items	- 500	- 0	- 500
(-) Financial provisions capitalised	35	33	2
(-) Profit/(loss), minority interests	87	94	- 7
(+) Dividends, equity accounted companies	5	-	5
(-) Capital grants taken to profit or loss	- 20	- 19	- 1
(+) Effect of rates on deferred corporate income tax items	142	-	
FFO	2,112	2,037	662

6. Financial transactions

Principal finance arranged in 2020

New financing

Borrower	Transaction	Amount	Currency	Coupon	Maturity
First quarter					
Neoenergia Itabapoana Transmissão de Energia Elétrica	Green Public Infrastructure debenture	300.0	BRL	IPCA + 4.5%	15-Feb-45
Iberdrola Finanzas	Private bond	160.0	EUR	1.621%	29-Nov-29
Iberdrola Finanzas	Public green bond	750.0	EUR	0.875%	16-Jun-25
Avangrid	Public green bond	750.0	USD	3.20%	15-Apr-25
Celpe ⁽¹⁾	Loan 4131	62.5	USD	-	30-Jan-25
Celpe ⁽¹⁾	Loan 4131	52.0	USD	-	18-Mar-25
Coelba ⁽¹⁾	Loan 4131	62.5	USD	-	27-Feb-25
Coelba ⁽¹⁾	Loan 4131	52.0	USD	-	18-Mar-25
Iberdrola Financiación ^{(1) (3)}	Bilateral line of credit	23,528	JPY	-	6-Apr-22
Iberdrola Financiación ^{(2) (3)}	Bilateral line of credit	200.0	EUR	-	13-Apr-22
Iberdrola Financiación ^{(2) (3)}	Bilateral line of credit	200.0	EUR	-	17-Apr-22
Iberdrola Financiación ^{(2) (3)}	Bilateral loan	50.0	EUR	-	16-Apr-22
Iberdrola Financiación ⁽⁴⁾	ICO Loan	300.0	EUR	-	30-May-31
Iberdrola Financiación ⁽⁴⁾	EIB loan	145.0	EUR	-	29-Mar-29
Iberdrola Financiación ⁽⁴⁾	EIB loan	440.0	EUR	-	29-Mar-29
Neoenergia Jalapão Transmissão de Energia Elétrica ⁽⁵⁾	BNDES Loan	778.0	BRL	-	16-Dec-44
Avangrid Renewables	TEI Green	308	USD	-	28-Feb-30

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

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

(3) Transactions signed after 31/03/20

(4) Utilisation of loan transactions signed in 2019

(5) Financing to be utilised throughout 2020

Extension of existing financing

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

First Quarter Transactions

In addition to the transactions signed during the first quarter, we include the arrangements made by the Group to enhance its liquidity position and offset the potentially adverse effects of from the economic slowdown arising from COVID-19.

Capital market

Commercial paper

The commercial paper markets experienced a significant slowdown in the latter half of March due to the risk-off climate fuelled by uncertainties surrounding the COVID-19 crisis. This has prompted many investors not to renew their positions in commercial paper and to keep them in cash instead.

Significantly, both Iberdrola and Avangrid continued their commercial paper programmes, although issuance levels have been higher than before the crisis and generally with shorter terms to maturity. In the case of Iberdrola, the balance has remained at target levels (between EUR 2,000 and EUR 2,200 million), with issuances totalling EUR 544 million from 16 March to 16 April and with an average maturity of 46 days; short of the pre-crisis average of 90 days.

Bonds

Iberdrola Group completed two bond placements in the first quarter.

- In February, Neoenergia placed an issuance of infrastructure bonds under the CVM-400 standard in green format, for a total of BRL 300 million, maturing in February 2045 and paying a coupon of 4.5% on the IPCA.
- IBERDROLA increased an existing private bond issuance maturing in November 2029 and paying a coupon of 1.621% by a further EUR 160 million.

In addition, two public issuances under the green bond format were issued in early April, with excellent uptake despite the market instability.

- On 1 April, Iberdrola launched a green Euromarket issuance of EUR 750 million maturing in June 2025. The operation was heavily oversubscribed, with an

order book of approximately EUR 9,000 million, thus allowing for the successful execution of the operation and setting a coupon of 0.875% with no issue premium.

- On 7 April, Avangrid agreed to place a five-year issuance worth USD 750 million on the US public market. The operation attracted demand at 2.8 times the supply, ensuring good execution by fixing the coupon at 3.20%.

Banking market

During the first quarter, Neoenergia signed a total of four bilateral loans under the terms of Decree 4131, for a total equivalent amount of BRL 1,000 million repayable over a five-year term.

As for extending its existing funding arrangements, Iberdrola:

- in February made the last possible extension by a further year to two existing sustainable syndicated credit facilities worth EUR 5,300 million, both of which will now mature in February 2025; and
- extended the third sustainable syndicated credit facility of EUR 1,500 million for a further year in March, with the new maturity now being March 2025.

Since 31 March, Iberdrola has also completed four new transactions for a total equivalent amount of EUR 650 million:

- a bilateral credit facility denominated in JPY, equivalent to EUR 200 million and maturing in April 2022;
- two bilateral credit facilities, each worth EUR 200 million, both maturing April 2022; and
- a bilateral loan worth EUR 50 million, maturing in April 2022.

These transactions represent a small percentage of Iberdrola's total liquidity of over EUR 3,000 million, which the 20 main partner banks have offered the Company. Bilateral transactions show that the banks are firmly committed to Iberdrola's success and provide enormous flexibility by allowing it to acquire liquidity as and when needed.

Development and multilateral banks

In January, Neoenergía signed a loan with BNDES, worth BRL 778 million and maturing in December 2044, to finance the construction of a power transmission line.

In 2020, Neoenergía is confident that it will secure a total of BRL 4,650 million in new financing from BNDES to fund greenfield renewable and transmission line projects. This particular lender remains one of Iberdrola's main sources of long-term financing.

In addition, Iberdrola has effected the early drawdown of EUR 885 million corresponding to fund transactions arranged in 2019:

- an ICO loan of EUR 300 million due in May 2031; and
- two EIB loans for EUR 145 million and EUR 440 million, both maturing in March 2029.

In 2020, Iberdrola is confident that it will arrange new financing with the EIB for a total of EUR 700 million, on which due diligence processes are already under way. This is in addition to additional funding of EUR 275 million from the Spanish ICO, giving a grand total of EUR 975 million.

Structured financing

On 28 February, Avangrid arranged financing for Aeolus VII of USD 308 million in the form of tax equity investment to monetise the tax credits from various wind farms.

7. Credit ratings

	Moody's			Standard and Poor's			Fitch IBCA		
	Rating	Outlook	Date	Rating	Outlook	Date	Rating	Outlook	Date
Iberdrola, S.A.	Baa1	Stable	Nov. 2019	BBB+	Stable	January 2020	BBB+	Stable	May 2019
Iberdrola Finance Ireland, Ltd.(*)	Baa1	Stable	Nov. 2019	BBB+	Stable	January 2020	BBB+	Stable	May 2019
Iberdrola Finanzas, S.A.U.(*)	Baa1	Stable	Nov. 2019	BBB+	Stable	January 2020	BBB+	Stable	May 2019
Iberdrola International, B.V.(*)	Baa1	Stable	Nov. 2019	BBB+	Stable	January 2020	BBB+	Stable	May 2019
Avangrid	Baa1	Negative	March 2020	BBB+	Stable	August 2019	BBB+	Stable	May 2019
CMP	A2	Stable	Oct. 2019	A	Stable	August 2019	BBB+	Stable	May 2019
NYSEG	A3	Stable	July 2019	A-	Stable	August 2019	BBB+	Stable	May 2019
RG&E	A3	Stable	July 2019	A-	Stable	August 2019	BBB+	Stable	May 2019
UI	Baa1	Stable	Sep. 2019	A-	Stable	August 2019	A-	Stable	May 2019
CNG	A3	Positive	Oct. 2019	A-	Stable	August 2019	A-	Stable	May 2019
SCG	A3	Stable	Sep. 2019	A-	Stable	August 2019	A-	Stable	May 2019
BGC	A3	Stable	Oct. 2019	A-	Stable	August 2019	A-	Stable	May 2019
Scottish Power, Ltd.	Baa1	Stable	April 2019	BBB+	Stable	April 2019	BBB+	Stable	March 2018
Scottish Power UK, Plc.	Baa1	Stable	April 2019	BBB+	Stable	April 2019	BBB+	Stable	March 2018
Scottish Power Energy Networks Holdings, Ltd.				BBB+	Stable	April 2019			
SP Transmission, Ltd.	Baa1	Stable	April 2019	BBB+	Stable	April 2019			
SP Manweb, plc.	Baa1	Stable	April 2019	BBB+	Stable	April 2019			
SP Distribution, plc.	Baa1	Stable	April 2019	BBB+	Stable	April 2019			
ScottishPower Energy Management, Ltd.	Baa1	Stable	April 2019	BBB+	Stable	April 2019			
ScottishPower Energy Retail, Ltd.	Baa1	Stable	April 2019	BBB+	Stable	April 2019			
ScottishPower Renewables (WODS) Limited	Baa1	Stable	April 2019						
Neoenergía				BB-	Stable	April 2020			
Elektro				BB-	Stable	April 2020			
Coelba				BB-	Stable	April 2020			
Celpe				BB-	Stable	April 2020			
Cosern				BB-	Stable	April 2020			
Neoenergía (national scale)				brAAA	Positive	Dec 2019			
Coelba (national scale)				brAAA	Positive	Dec 2019			
Celpe (national scale)				brAAA	Positive	Dec 2019			
Cosern (national scale)				brAAA	Positive	Dec 2019			
Elektro (national scale)				brAAA	Positive	Dec 2019			

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

Financial Statements Tables

Balance Sheet 2020 (Unaudited)

EUR M

ASSETS	March 2020	December 2019	Variation
NON-CURRENT ASSETS	109.417	108.811	605
Intangible assets	20.015	20.368	-353
Goodwill	8.109	8.153	-44
Other intangible assets	11.906	12.215	-309
Real Estate properties	340	342	-3
Property, plant and equipment	71.956	71.289	667
Property, plant and equipment	63.968	63.449	519
Property, plant and equipment in the course of construction	7.989	7.841	148
Right of use	1.766	1.782	-16
Non current financial investments	6.134	5.819	316
Investments accounted by equity method	1.339	1.957	-618
Non-current financial assets	85	86	-1
Other non-current financial assets	2.968	3.019	-51
Derivative financial instruments	1.743	756	986
Non-current trade and other receivables	2.860	2.851	9
Tax receivables	666	666	0
Deferred tax assets	5.679	5.695	-16
CURRENT ASSETS	15.097	13.558	1.540
Assets held for sale	0	0	0
Nuclear fuel	278	306	-28
Inventories	2.666	2.542	124
Current trade and other receivables	8.358	7.499	859
Tax receivables	660	318	342
Other tax receivables	740	507	232
Trade and other receivables	6.958	6.674	284
Current financial assets	1.608	1.098	510
Other current financial assets	680	693	-12
Derivative financial instruments	928	405	522
Cash and cash equivalents	2.188	2.113	74
TOTAL ASSETS	124.514	122.369	2.145

EUR M

EQUITY AND LIABILITIES	March 2020	December 2019	Variation
EQUITY:	47.170	47.195	-25
Of shareholders of the parent	37.733	37.678	54
Share capital	4.840	4.772	69
Liabilities revaluation reserve	-605	-544	-60
Other reserves	36.883	33.582	3.301
Treasury stock	-2.167	-1.436	-731
Translation differences	-2.237	-2.101	-136
Interim dividend	-239	-	-239
Net profit of the year	1.257	3.406	-2.149
Of minority interests	6.918	6.968	-50
Hybrid Capital	2.520	2.549	-29
NON-CURRENT LIABILITIES	58.460	56.043	2.417
Deferred income	1.393	1.399	-6
Facilities transferred and financed by third parties	4.973	4.987	-15
Provisions	6.005	6.025	-20
Provisions for pensions and similar obligations	2.634	2.661	-28
Other provisions	3.372	3.364	8
Non Current Financial payables	35.846	33.639	2.207
Financial Debt- Loans and other	30.725	30.126	599
Equity Instruments having the substance of a financial liability	416	193	222
Leases	1.726	471	1.255
Derivative financial instruments	1.623	1.614	9
Other financial liabilities	1.357	1.235	122
Other non-current payables	392	407	-15
Other deferred income	22	25	-4
Contract liabilities	370	382	-12
Tax payables	272	226	46
Deferred tax liabilities	9.579	9.359	220
CURRENT LIABILITIES	18.885	19.131	-246
Liabilities held for sale	0	0	0
Provisions	804	660	144
Provisions for pensions and similar obligations	20	25	-4
Other provisions	784	635	149
Current financial payables	15.468	16.534	-1.066
Financial Debt- Loans and other	7.975	8.800	-825
Equity Instruments having the substance of a financial liability	17	22	-5
Derivative financial instruments	744	478	267
Leases	124	153	-29
Trade payables	5.109	5.098	11
Other financial liabilities	1.498	1.983	-485
Other current payables	2.612	1.937	675
Current tax liabilities and other tax payables	1.014	243	771
Other tax payables	1.155	1.021	134
Other current liabilities	443	674	-231
TOTAL EQUITY AND LIABILITIES	124.514	122.369	2.145

Profit and Loss (Unaudited)

	March 2020	March 2019	EUR M %
REVENUES	9,425.9	10,138.9	(7.0)
PROCUREMENTS	(4,881.2)	(5,815.8)	(16.1)
GROSS MARGIN	4,544.8	4,323.1	5.1
NET OPERATING EXPENSES	(1,067.7)	(1,081.3)	(1.3)
Net Personnel Expense	(557.7)	(553.4)	0.8
Personnel	(730.0)	(700.7)	4.2
Capitalized personnel costs	172.3	147.4	16.9
Net External Services	(510.0)	(527.9)	(3.4)
External Services	(673.8)	(668.4)	0.8
Other Operating Income	163.8	140.5	16.6
LEVIES	(726.5)	(642.5)	13.1
EBITDA	2,750.6	2,599.4	5.8
AMORTISATIONS AND PROVISIONS	(1,108.0)	(967.1)	14.6
EBIT	1,642.6	1,632.2	0.6
Financial Expenses	(649.5)	(548.2)	18.5
Financial Income	469.1	249.9	87.7
FINANCIAL RESULT	(180.3)	(298.3)	(39.6)
RESULTS OF COMPANIES CONSOLIDATED BY EQUITY METHOD	1.2	1.6	(25.6)
RESULTS FROM NON-CURRENT ASSETS	505.4	0.3	N/A
PBT	1,968.9	1,335.9	47.4
Corporate Tax	(624.5)	(277.7)	124.9
Minorities	(87.3)	(94.3)	(7.4)
NET PROFIT	1,257.0	963.9	30.4

Results by Business (Unaudited)

	EUR M				
March 2020	Networks	Renewables	Generation and Supply	Other businesses	Corporation & adjustments
Revenues	3,629.5	1,206.4	6,091.8	10.8	(737.1)
Procurements	(1,530.2)	(106.2)	(3,963.0)	(7.2)	725.4
GROSS MARGIN	2,099.4	1,100.2	1,353.4	3.6	(11.7)
NET OPERATING EXPENSES	(523.9)	(211.5)	(352.3)	(4.0)	24.1
Net Personnel Expense	(286.2)	(84.3)	(103.5)	(2.9)	(80.6)
Personnel	(426.5)	(105.1)	(111.3)	(2.9)	(84.1)
Capitalized personnel costs	140.2	20.8	7.8	-	3.5
Net External Services	(237.7)	(127.2)	(248.8)	(1.1)	104.7
External Services	(349.4)	(153.0)	(273.9)	(1.2)	103.7
Other Operating Income	111.8	25.8	25.1	0.1	1.1
LEVIES	(318.9)	(163.2)	(241.4)	(0.4)	(2.6)
EBITDA	1,256.6	725.5	759.6	(.9)	9.8
Amortisation and Provisions	(498.9)	(331.3)	(246.4)	(3.0)	(28.4)
EBIT/Operating Profit	757.7	394.2	513.2	(3.9)	(18.6)
Financial Result	(142.9)	(50.8)	(72.2)	0.3	85.3
Results of companies consolidated by equity method	2.6	(10.6)	0.5	9.0	(0.2)
Results of non-current assets	2.0	3.9	15.0	484.5	-
PBT	619.3	336.7	456.5	489.8	66.6
Corporate tax and minority shareholders	(305.0)	(170.5)	(145.3)	0.8	(91.9)
NET PROFIT	314.3	166.2	311.2	490.6	(25.3)

	EUR M				
March 2019	Networks	Renewables	Generation and Supply	Other businesses	Corporation & adjustments
Revenues	3,698.6	1,101.8	6,091.8	14.0	(234.9)
Procurements	(1,533.5)	(95.0)	(4,934.0)	(9.6)	224.1
GROSS MARGIN	2,165.1	1,006.8	1,157.8	4.4	(10.8)
NET OPERATING EXPENSES	(536.6)	(197.1)	(344.7)	(3.6)	0.7
Net Personnel Expense	(294.3)	(74.5)	(106.5)	(2.7)	(75.4)
Personnel	(417.1)	(90.5)	(110.9)	(2.7)	(79.6)
Capitalized personnel costs	122.8	16.0	4.5	-	4.1
Net External Services	(242.3)	(122.6)	(238.2)	(0.9)	76.1
External Services	(355.1)	(146.4)	(257.7)	(0.9)	83.1
Other Operating Income	112.7	23.7	19.4	0.1	(7.0)
LEVIES	(310.1)	(126.1)	(212.5)	(0.4)	6.6
EBITDA	1,318.4	683.6	600.5	.4	(3.6)
Amortisation and Provisions	(453.1)	(278.5)	(207.2)	(2.9)	(25.5)
EBIT/Operating Profit	865.3	405.2	393.3	(2.5)	(29.1)
Financial Result	(147.6)	(44.2)	(24.2)	-	(82.2)
Results of companies consolidated by equity method	2.0	4.9	2.4	(5.4)	(2.3)
Results of non-current assets	0.2	-	-	-	0.2
PBT	719.8	365.9	371.5	(7.9)	(113.4)
Corporate tax and minority shareholders	(212.1)	(88.4)	(94.0)	0.6	22.1
NET PROFIT	507.6	277.5	277.5	(7.4)	(91.3)

Networks Business (Unaudited)

EUR M

March 2020	SPAIN	UNITED KINGDOM	USA	BRAZIL
Revenues	488.3	381.9	1,229.9	1,529.5
Procurements	(0.1)	(14.7)	(427.6)	(1,087.7)
GROSS MARGIN	488.2	367.2	802.2	441.7
NET OPERATING EXPENSES	(72.2)	(57.6)	(263.6)	(130.5)
Net Personnel Expense	(53.0)	(24.5)	(138.7)	(70.1)
Personnel	(78.6)	(62.9)	(198.9)	(86.1)
Capitalized personnel costs	25.6	38.4	60.3	16.0
Net External Services	(19.2)	(33.1)	(124.9)	(60.4)
External Services	(67.2)	(48.7)	(146.0)	(87.5)
Other Operating Income	48.1	15.5	21.1	27.1
LEVIES	(25.6)	(28.4)	(262.2)	(2.7)
EBITDA	390.4	281.2	276.5	308.5
Amortisation and Provisions	(137.5)	(89.9)	(161.9)	(109.6)
EBIT/Operating Profit	252.9	191.3	114.6	198.8
Financial Result	(16.4)	(33.9)	(37.0)	(55.7)
Results of companies consolidated by equity method	0.6	-	1.9	-
Results of non-current assets	-	0.8	1.2	-
PBT	237.2	158.2	80.7	143.2
Corporate tax and minority shareholders	(45.7)	(131.7)	(39.9)	(87.6)
NET PROFIT	191.5	26.5	40.8	55.5

EUR M

March 2019	SPAIN	UNITED KINGDOM	USA	BRAZIL
Revenues	534.7	342.2	1,350.6	1,471.1
Procurements	0.1	(13.7)	(486.5)	(1,033.4)
GROSS MARGIN	534.8	328.5	864.1	437.7
NET OPERATING EXPENSES	(71.9)	(53.8)	(260.0)	(150.9)
Net Personnel Expense	(52.5)	(23.9)	(141.8)	(76.1)
Personnel	(80.0)	(58.8)	(187.0)	(91.2)
Capitalized personnel costs	27.5	35.0	45.2	15.1
Net External Services	(19.4)	(29.9)	(118.2)	(74.8)
External Services	(66.3)	(40.6)	(143.4)	(104.7)
Other Operating Income	46.9	10.7	25.3	29.9
LEVIES	(26.1)	(26.9)	(253.8)	(3.4)
EBITDA	436.8	247.9	350.3	283.4
Amortisation and Provisions	(131.2)	(82.1)	(130.8)	(109.0)
EBIT/Operating Profit	305.6	165.8	219.5	174.4
Financial Result	(15.5)	(29.2)	(37.4)	(65.5)
Results of companies consolidated by equity method	0.5	-	1.5	-
Results of non-current assets	-	-	0.1	0.1
PBT	290.6	136.6	183.7	109.0
Corporate tax and minority shareholders	(58.9)	(26.4)	(59.4)	(67.4)
NET PROFIT	231.7	110.2	124.2	41.6

Renewables Business (Unaudited)

EUR M

March 2020	UNITED					Iberdrola Energía
	SPAIN	KINGDOM	USA	BRAZIL	MEXICO	Internacional (IEI)*
Revenues	368.7	328.4	298.2	49.2	34.3	127.5
Procurements	(27.5)	(17.8)	(45.8)	(12.4)	(0.8)	(2.0)
GROSS MARGIN	341.2	310.6	252.4	36.9	33.5	125.6
NET OPERATING EXPENSES	(54.1)	(51.5)	(70.2)	(11.5)	(8.3)	(15.9)
Net Personnel Expense	(28.8)	(8.0)	(40.6)	(4.7)	(0.4)	(3.6)
Personnel	(35.9)	(12.4)	(43.9)	(5.3)	(1.7)	(6.0)
Capitalized personnel costs	7.1	4.4	3.3	0.6	1.2	2.3
Net External Services	(25.3)	(43.5)	(29.5)	(6.8)	(7.8)	(12.3)
External Services	(39.9)	(45.6)	(47.2)	(6.8)	(9.3)	(13.4)
Other Operating Income	14.6	2.1	17.7	-	1.5	1.1
LEVIES	(104.3)	(6.7)	(50.6)	(0.2)	(0.2)	(1.1)
EBITDA	182.8	252.4	131.6	25.2	25.1	108.5
Amortisation and Provisions	(89.4)	(54.1)	(141.9)	(12.6)	(10.7)	(23.6)
EBIT/Operating Profit	93.4	198.3	(10.3)	12.6	14.4	84.9
Financial Result	(12.8)	(8.4)	(12.3)	(9.3)	(3.8)	(4.3)
Results of companies consolidated by equity method	(1.0)	0.6	(8.7)	(1.5)	-	-
Results of non-current assets	-	-	3.9	-	-	-
PBT	79.6	190.5	(27.4)	1.8	10.6	80.6
Corporate tax and minority shareholders	(22.0)	(95.5)	(9.2)	(2.1)	(21.8)	(19.7)
NET PROFIT	57.6	95.0	(36.6)	(0.3)	(11.2)	60.9

EUR M

Marzo 2019	UNITED					Iberdrola Energía
	SPAIN	KINGDOM	USA	BRAZIL	MEXICO	Internacional (IEI)*
Revenues	401.5	239.1	242.9	60.2	35.3	122.7
Procurements	(30.8)	(13.3)	(37.0)	(10.9)	(1.2)	(1.7)
GROSS MARGIN	370.7	225.8	205.8	49.3	34.1	121.0
NET OPERATING EXPENSES	(70.8)	(30.6)	(63.0)	(11.7)	(8.2)	(12.8)
Net Personnel Expense	(29.9)	(5.3)	(33.4)	(4.8)	(1.2)	(1.7)
Personnel	(34.3)	(9.8)	(36.1)	(5.2)	(1.6)	(3.5)
Capitalized personnel costs	4.5	4.5	2.8	0.4	0.3	1.8
Net External Services	(40.9)	(25.3)	(29.6)	(6.9)	(7.0)	(11.1)
External Services	(53.8)	(27.7)	(46.2)	(6.9)	(7.1)	(12.6)
Other Operating Income	12.8	2.4	16.6	-	0.2	1.5
LEVIES	(81.0)	(5.3)	(37.9)	(0.2)	(0.4)	(1.2)
EBITDA	218.9	189.9	104.9	37.4	25.6	106.9
Amortisation and Provisions	(78.2)	(36.9)	(110.7)	(12.7)	(9.3)	(31.5)
EBIT/Operating Profit	140.6	153.0	(5.7)	24.7	16.3	75.5
Financial Result	(11.4)	(9.7)	(8.9)	(7.2)	(2.7)	(4.3)
Results of companies consolidated by equity method	3.4	0.2	(3.3)	4.6	-	-
Results of non-current assets	-	-	-	-	-	-
PBT	132.6	143.5	(17.9)	22.0	13.6	71.1
Corporate tax and minority shareholders	(35.2)	(27.9)	5.1	(12.6)	0.3	(17.8)
NET PROFIT	97.4	115.6	(12.8)	9.5	13.9	53.3

* Former Rest of the World

Generation and Supply Business (Unaudited)

EUR M

March 2020	UNITED				Iberdrola Energía	
	SPAIN	KINGDOM	MEXICO	BRASIL	Internacional (IEI)*	Other
Revenues	2,988.6	1,441.9	598.4	108.0	333.3	(153.8)
Procurements	(2,182.7)	(1,185.6)	(349.9)	(79.9)	(318.7)	153.8
GROSS MARGIN	805.9	256.3	248.5	28.2	14.6	-
NET OPERATING EXPENSES	(159.3)	(122.6)	(45.4)	(10.0)	(15.0)	-
Net Personnel Expense	(67.2)	(25.1)	(4.4)	(2.4)	(4.5)	-
Personnel	(69.6)	(26.6)	(8.3)	(2.4)	(4.5)	-
Capitalized personnel costs	2.4	1.5	3.9	-	-	-
Net External Services	(92.1)	(97.5)	(41.0)	(7.7)	(10.5)	-
External Services	(112.8)	(103.6)	(46.0)	(7.9)	(10.5)	6.9
Other Operating Income	20.8	6.1	5.0	0.2	-	(6.9)
LEVIES	(201.0)	(37.7)	(1.7)	-	(1.0)	-
EBITDA	445.6	95.9	201.4	18.1	(1.4)	-
Amortisation and Provisions	(119.6)	(66.2)	(37.6)	(5.0)	(18.1)	-
EBIT/Operating Profit	326.0	29.7	163.8	13.2	(19.5)	-
Financial Result	(12.1)	2.4	(56.8)	(4.7)	(1.0)	-
Results of companies consolidated by equity method	0.5	-	-	-	-	-
Results of non-current assets	14.9	-	-	-	-	-
PBT	329.3	32.2	107.0	8.5	(20.5)	-
Corporate tax and minority shareholders	(81.8)	(7.8)	(55.8)	(5.0)	5.0	-
NET PROFIT	247.5	24.4	51.2	3.5	(15.5)	-

EUR M

March 2019	UNITED				Iberdrola Energía	
	SPAIN	KINGDOM	MEXICO	BRASIL	Internacional (IEI)*	Other
Revenues	3,548.5	1,693.6	624.6	140.3	288.3	(203.5)
Procurements	(2,823.1)	(1,493.1)	(411.5)	(124.6)	(285.1)	203.5
GROSS MARGIN	725.4	200.4	213.0	15.7	3.3	-
NET OPERATING EXPENSES	(165.9)	(109.0)	(49.2)	(6.4)	(14.3)	-
Net Personnel Expense	(68.9)	(25.2)	(7.9)	(1.9)	(2.6)	-
Personnel	(70.5)	(26.4)	(9.6)	(1.9)	(2.6)	-
Capitalized personnel costs	1.6	1.2	1.6	-	-	-
Net External Services	(96.9)	(83.9)	(41.3)	(4.5)	(11.7)	-
External Services	(112.5)	(88.8)	(43.3)	(4.7)	(11.7)	3.2
Other Operating Income	15.5	4.9	2.1	0.1	-	(3.2)
LEVIES	(170.0)	(41.0)	(1.4)	-	(0.1)	-
EBITDA	389.5	50.4	162.4	9.3	(11.1)	-
Amortisation and Provisions	(109.7)	(55.8)	(29.2)	(5.5)	(6.9)	-
EBIT/Operating Profit	279.8	(5.4)	133.3	3.7	(18.0)	-
Financial Result	(13.5)	3.5	(9.6)	(4.6)	0.1	-
Results of companies consolidated by equity method	2.4	-	-	-	-	-
Results of non-current assets	-	-	-	-	-	-
PBT	268.6	(1.9)	123.7	(0.9)	(18.0)	-
Corporate tax and minority shareholders	(66.0)	(0.2)	(33.6)	1.3	4.3	-
NET PROFIT	202.7	(2.1)	90.1	0.4	(13.7)	-

* Former Rest of the World

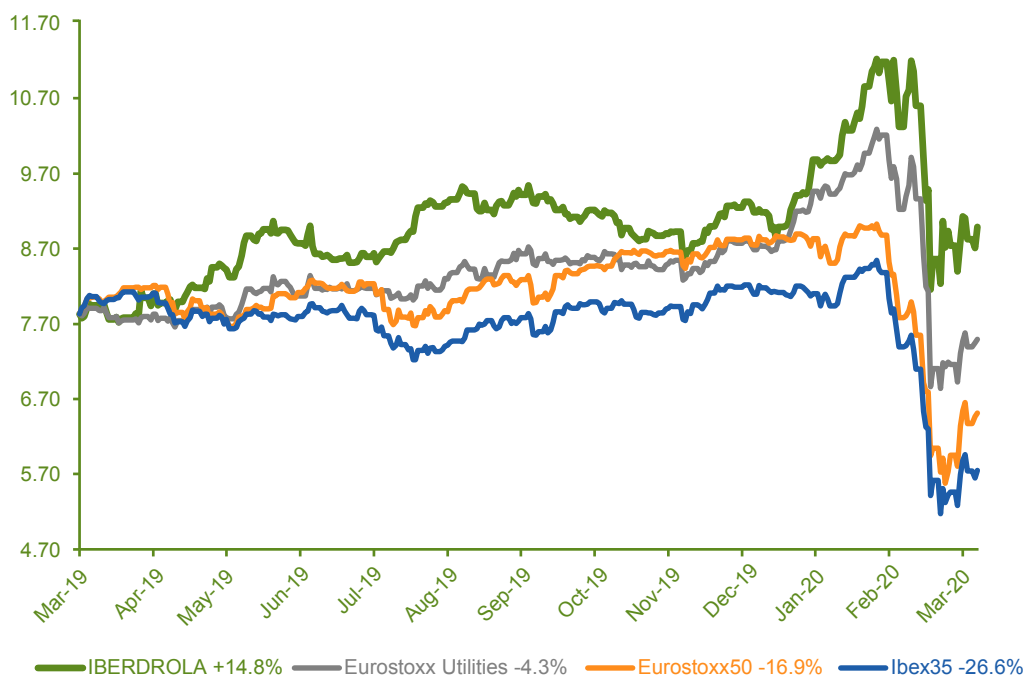
Statement of origin and use of funds (Unaudited)

	March 2020	December 2019	Variation
Net Profit	1.257	964	293
Adjustments to Net profit	1.223	1.238	-15
Minorities and Hybrid	26	15	11
Corporate Tax	519	225	294
Financials	72	29	43
Equity Method	3	2	1
Non-Current Assets results	-505	0	-505
Amortisation and Provisions	1.108	967	141
Adjustments to EBITDA	-208	-173	-35
Deferred income	-69	-68	-1
Other non-cash adjustments (Networks and Renewables)	-139	-105	-34
Operating Cash Flow	2.272	2.030	242
Dividends Paid to Iberdrola shareholders	-239	-131	-108
Total Cash Flow allocations:	-1.227	-1.024	-203
<i>Gross Investments</i>	<i>-1.729</i>	<i>-1.392</i>	<i>-337</i>
<i>Divestments</i>	<i>1.243</i>	<i>0</i>	<i>1.243</i>
<i>Treasury stock</i>	<i>-741</i>	<i>-432</i>	<i>-309</i>
<i>Issuance/ Hybrid</i>	<i>0</i>	<i>800</i>	<i>-800</i>
Exchange rate differentials	361	-584	945
IFRS 16 (first implementation)	0	-399	399
Other variations	-1.003	-1.355	352
Decrease/(Increase) in net debt	166	-1.465	1.631

Differences may arise due to rounding (quitar rojo y añadir g a roundin)

Stock market evolution

IBERDROLA stock performance vs. Indexes



IBERDROLA's share

	1Q 2020	1Q 2019
Number of outstanding shares	6,453,592,000	6,520,457,000
Price at the end of the period	8.984	7.82
Average price of the period	9.685	7,31
Average daily volume	26,199,522	17,893,030
Maximum volume (03-20-2020 / 03-15-2019)	73,587,123	57,141,894
Minimum (01-06-2020 / 02-18-2019)	9,389,610	8,499,324
Dividends paid ⁽¹⁾	0.168	0.151
Gross interim (02-05-2020 / 02-05-2019)	0.168	0.151
Dividend yield ⁽²⁾	4.15%	4.37%

(1) Purchase price of rights guaranteed by Iberdrola

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

Regulation

In the first quarter of 2020, a raft of new provisions affecting the energy sector became law. This section sets out the most significant of these.

Regulation in Spain

Spanish electricity sector

Measures relating to COVID-19: A set of new regulations has been pushed through to combat the crisis generated by COVID-19. The main measures are as follows:

- **Royal Decree 463/2020:** (i) declaring a State of Alarm; (ii) guaranteeing the supply of electricity, petroleum products and natural gas; (iii) ensuring the provision of critical and essential services; and (iv) suspending procedural and administrative deadlines.
- **Royal Decree-Law 8/2020:** introducing economic measures to help counter the impact of the health crisis. More precisely the RDL: (i) forbids utilities from cutting the supply of electricity and gas to vulnerable consumers for 1 month from the entry into force of the RDL; (ii) extends the *bono social* (rates subsidy) until 15 September for beneficiaries whose subsidy was to expire before that date; and (iv) suspends the system of liberalisation of foreign investment in critical infrastructure or energy supply in Spain, which will now require government approval.
- **Royal Decree-Law 10/2020:** extends the restrictions contained in Royal Decree 463/2020 and restricts industrial and service sector activity from 30/03 through to 09/04, though exempting the energy sector and its essential suppliers.
- **Royal Decree-Law 11/2020:** introduces further measures in the social and economic realm to protect vulnerable individuals, self-employed employees and companies, effective throughout the State of Alarm. Measures here include: (i) extending the group of potential recipients of the *bono social*; (ii) forbidding the suspension of supply to domestic consumers for their primary residence; (iii) allowing for the temporary suspension or adjustment of

supply contracts, including the possibility of reducing power for self-employed workers and companies without charging any penalty. This drop in income for the electricity sector (tariffs) will be funded by the State Budget; (iv) the possibility for this same group of beneficiaries to temporarily defer payment of their energy bills free of charge, while sales companies may be released from its obligation to pay tariffs, VAT and electricity tax; (vi) allowing distributors and sales companies to secure government-backed loans for the amount by which their revenues have declined; and (vii) extending grid access permits granted prior to the Electricity Sector Law.

- **Order SND/260/2020:** prevents companies from activating the interruptibility demand management service on economic grounds while the state of alarm state persists, with immediate effect.

In general, all of these measures will remain in force for a further one month once the state of alarm has been officially ended, except for those that have some other specific duration.

Integrated National Energy and Climate Plan:

The Government has now sent Brussels an updated national plan outlining the country's objectives in relation to greenhouse gas emission reductions, desired penetration of renewable energies and energy efficiency, in order to meet the European targets set for 2030.

Remuneration for renewable energy, cogeneration and waste:

Order TED/171/2020 reviews the remuneration parameters for estimating regulated remuneration payable for renewable energies and cogeneration over the 2020-2022 regulatory period, keeping the remuneration rate at 7.39% for facilities existing prior to 2013.

Electricity tolls methodology: CNMC Circular 3/2020 explains the methodology for the annual calculation of transmission and distribution tolls, based on the annual remuneration for these activities, and sets 1 November 2020 as the deadline for implementing the system set out in the Circular.

The Circular modifies the hourly periods, establishing a single option of three periods for low voltage (≤ 15

kW) domestic consumers and a single calendar of six periods for all other customers.

It also provides incentives for recharging of electric vehicles, establishes an explicit allocation of costs to the fixed and variable items that make up the tariffs and eliminates the generation tariff (EUR 0.5/MWh), though with explicit exemption for energy stored in pumping equipment (EUR 0.65/MWh) or in batteries. Tolls payments on own distribution consumption are also exempted.

Lastly, the Circular gives REE three months in which draw up a draft application to own generation consumption.

Electric vehicles: Order TMA/178/2020 governs the requirements that must be met in order to install charging stations at existing roadside services and facilities, with the authorisation of the Ministry of Transport, Mobility and the Urban Agenda now compulsory.

Charging stations may be positioned within the boundaries of existing building rights (less than 50 m from motorways or 25 m from conventional roads) and road accesses need not be adapted provided the stations are installed at existing and duly authorised service stations and facilities. Finally, the authorisation may be granted to the operator of the principal station or facility or to the operator of the refuelling facility, although additional provisions are provided to ensure added legal certainty.

Energy Efficiency: Order TED/287/2020 sets out the financial contributions to be made to the National Energy Efficiency Fund for 2020. These contributions stem from the transposition of the Energy Efficiency Directive (2012/27/EU), which requires each Member State to justify an amount of cumulative energy savings for the 2014-2020 period. Spain, for one, has opted to set up a National Fund, managed by the IDAE.

The fee calculated for IBERDROLA is 7.7%, for sales of 63.9 TWh (gas and electricity sales of IberCli and IberCur in 2018), while the payment obligation is around EUR 15.9 million, up EUR 0.4 million on last

year, due to a higher growth of our energy sales compared to the total for the system.

Spanish gas sector

Measures relating to COVID-19: RDL 11/2020 introduces urgent additional measures on the social and economic front to protect vulnerable consumers, the self-employed and businesses, effective over the state of alarm. On this point, the price of butane and the last resort tariff for gas may be lowered, following proper procedure in each case.

Regulation in the United Kingdom

Tariff cap: As required by the 2018 Domestic Gas and Electricity (Tariff Cap) Act, Ofgem introduced a new default tariff cap on 1 January 2019 to protect customers on default tariffs including standard variable tariffs (SVT). The tariff cap is adjusted on 1 April and 1 October each year and will stay in force until end 2020 and may be extended annually up to three times. Ofgem consulted in January 2020 on its approach to reassessing the wholesale cost allowance, in the first cap period (Q1 2019), in light of a November 2019 judicial review decision. It also consulted in March on proposals to extend the protection of the default tariff cap to prepayment customers, after the CMA's prepayment tariff cap ends in December 2020.

Renewable generation deployment: the Government has confirmed plans to run the next Contracts for Difference auction round for renewable generation in 2021. It also announced that this auction round would be open to onshore wind and solar projects as well as offshore wind, including proposals to introduce floating offshore wind. The Government is consulting on the detailed proposals for this auction round.

RIIO-T2. SP Energy Networks (SPEN) submitted its final RIIO-T2 Business Plan to Ofgem's Challenge Group (CG) on 6 December 2019. The RIIO-2 public hearings due to take place in March and April 2020

have been postponed until further notice in light of COVID-19.

Capacity market: The EMR Delivery Body restored the CM and during the first trimester of the year ran a T-1 auction (for delivery 2020/21) cleared at £1/kW/year procuring 1.0 GW, a T-3 auction (for delivery 2022/23) cleared at £6.44/kW/year procuring 45.1 GW and a T-4 auction (for delivery in 2023/24) cleared at £15.97/kW/year procuring 43.8 GW.

Carbon Pricing: It was announced in the UK Government's Spring Budget that the existing rate of the Carbon Price Support tax (ie £18t/CO₂) would be rolled forward into 2021/22. The Government also continues its preparatory work for a UK Emissions Trading Scheme (ETS) for the end of the EU Exit transitional period (ie 1 January 2021), which could be linked to the EU ETS. The Government also plans to legislate for a new Carbon Emissions Tax as an alternative carbon pricing policy (in case there are challenges with developing the UK ETS).

Regulation in the USA

Coronavirus:

In March, President Trump declared a national emergency in the United States due to the coronavirus outbreak. To date, President Trump signed into law three coronavirus related relief bills, including a \$2 trillion stimulus package that provides expanded emergency funding for states, paid sick leave and unemployment, direct payments to Americans, an additional \$900 million in funding for LIHEAP, and amendment of some business tax related items including interest expensing. On Mar. 17, the Administration also announced that Treasury would allow deferral of up to \$300 billion in tax payments for up to 90 days including up to \$10 million for corporations. Congress is expected to consider additional relief and/or economic stimulus bills in the months ahead.

FERC: On Mar. 18, FERC and NERC announced new regulatory discretion providing flexibility for bulk electric system operators in light of coronavirus.

The guidance allows the effects of coronavirus to be an acceptable basis for non compliance with certain requirements between Mar. 1 and July 31, 2020. Also, on Mar. 12, the Senate voted 52 – 40 to confirm James Danly as a Federal Energy Regulatory Commission (FERC) commissioner.

Trade tariffs. President Trump's tariffs on solar panels and cells, steel and aluminium, and Chinese products remain in place. In January 2020, U.S. and Chinese negotiators agreed to a "phase one" relaxation of certain tariffs in response to increased agricultural purchases by China and other reforms. On January 24 the President announced additional tariffs on a new list of steel and aluminium products (effective Feb. 8). Also in January, the president signed the U.S.-Mexico-Canada Agreement (USCMA) replacing NAFTA. On Feb. 6, the Commerce Department released preliminary determinations in its wind tower antidumping investigation. Rates assessed ranged from 5% to 65% for towers from Canada, Vietnam, Indonesia, and South Korea, which will result in the collection of cash deposits from wind tower importers from those countries. A final determination is expected in August 2020.

NY Rate Case: In May 2019, NYSEG & RGE filed a new rate case. The current rate case has been in place since 2015. In February 2020, NYSEG & RGE and the NYPSC staff ended the negotiation process with a verbal agreement and started to elaborate the Joint Proposal looking for other parties' support. In March 2020, parties and NYPSC staff agreed to postpone the Joint Proposal submission till May 21st in order to include COVID-19 pandemic impact in the submission. Information will be public at that moment. Final order is therefore expected in August with new tariffs effective from September 1st.

CMP Rate Case: In February 2020, MPUC published the Order with CMP rate case. Approved ROE of 9.25% The bill increase for a typical residential customer will be approximately 3%. Rate case period is established since 1st of March till 28th February 2021.

Transmission incentives: In March 2020, FERC issued a Notice of Proposed Rulemaking (NOPR) updating the Commission's transmission incentives policy. The new policy establishes that incentives could reach up to 250bp based on three drivers: economic benefits of the projects (100bp), reliability (50bp) and participation of the transmission owner in the RTO/ISO (100bp).

A public audience will take place before the final approval. There is no timeframe for final decision.

Regulation in Mexico

Measures relating to COVID-19

- Following the announcement of a global pandemic, on 30 March 2020 the Federal Government, acting through the General Health Council, declared the disease epidemic generated by the COVID-19 virus a health emergency, ordering the immediate suspension of non-essential activities effective 30 March through to 30 April. Note that the conservation, maintenance and repair of critical infrastructure for the **production and distribution of electricity**, among others, were classified as essential activities. As a result, all of Iberdrola Mexico's power generation plants in the country continue to operate as normal so as to guarantee the supply of electricity.

Meanwhile, federal public agencies published agreements to suspend work, as well as associated deadlines and procedures.

Methodology for calculating and adjusting final basic supply tariffs: On 18 December, the CRE (*Comisión Reguladora de Energía* — Mexican Energy Regulatory Commission) published its methodology for calculating and adjusting final basic supply tariffs, effective 1 January 2020 and to remain in effect until modified. It maintains the essential structure of the published methodology for 2019.

The expected cost of generation for 2020 comes to 352,993 million Mexican pesos, similar to the level observed in 2019, suggesting that tariffs in 2020 will

be largely the same as those seen in 2019 and will remain stable throughout all months of the year.

Tariff revenue continues to ensure the stability of core earnings at Iberdrola Mexico.

Transition Strategy to champion the use of cleaner technologies and fuels, under the terms of the Energy Transition Law: On 7 February 2020, the Secretariat of Energy published the Strategy in the Official Gazette of the Federation, which contains the medium- and long-term measures to achieve the clean energy targets laid out in the Energy Transition Law. The interim clean generation targets are updated to 35.1% for 2024, establishing a target of 39.9% for 2033 and ensuring that total clean generation accounts for 50% of total electricity generation by 2050. Iberdrola Mexico has taken the necessary steps to meet these clean energy targets.

Rules and criteria for calculating CELs (*Certificados de Energía Limpia* — Clean Energy Certificates) available to cover obligations, and implicit price of the CELs: On 4 March 2020, the CRE published in the Official Gazette the "*Resolution containing the rules and criteria for calculating the total number of clean energy certificates available to cover the total amount of clean energy obligations for each of the first two years of such obligations; and issuing the methodology for calculating the implicit price of the clean energy certificates referred to in transitional provision twenty-two of the Energy Transition Law*".

It thus determines the rules and criteria on how the total number of CELs registered in the Clean Energy Certificate and Compliance Management System (S-CEL) will be calculated for the purpose of compliance with obligations. It also defines the methodology of the implicit price of the CELs, determining the scenarios that would trigger the flexibility mechanism (FM) and allowing Obligated Participants to defer up to 50% of their Obligations for a period of two years at an annual interest of 5%, but without paying any penalty.

For the time being, Iberdrola Mexico has sufficient CELs to cover all of its Clean Energy Obligations and will therefore not avail itself of this benefit.

Regulation in Brazil

Measures relating to COVID-19

Decree no 10,282 (20 March): (i) defines essential services, including energy; (ii) ensures the free movement of teams operating within the electricity sector; and (iii) determines the need for a specific act emanating from the regulatory authority to limit or restrict essential services.

- **Regulatory Resolution No. 878 (25 March):** measures to remain in force for 90 days (which may be extended) to ensure the continuity of the electricity distribution service, thus guaranteeing the safety of consumers and employees of distribution companies during the pandemic. The main changes to the usual rules of operation are as follows:

1. **Metering and billing:** Hard copy invoice to be replaced with a digital invoice, more flexible meter reading intervals or use of average consumption over the last 12 months.
 2. **Customer service:** suspension of face-to-face service, focusing on digital and telephone channels and affording priority to health services.
 3. **Operations:** maintaining only those stoppages that are strictly necessary, while drawing up a specific contingency plan to ensure continuity of supply for health care services.
 4. **Supply cuts:** prohibition on cutting the supply due to non-payment by residential consumers in both urban and rural areas, as well as essential services.
- **Degree no. 134 (30 March):** the Ministry of Mines and Energy is postponing indefinitely the following auctions planned for this year: Existing Energy Auctions “A-4” and “A-5”; New Energy Auctions “A-4 and “A-6”; auctions for the concession of the electricity transmission public service and auctions

for the award of supply solutions for Isolated Systems.

Restrictions have also be imposed on the movement of persons and on the opening up of certain services.

Approval of the new WACC calculation methodology:

On 10 March 2020, ANEEL approved a new methodology for calculating the WACC. The main changes are as follows: (i) the use, whenever possible, of local financial parameters, such as Brazilian Treasury Bonds for risk-free rate (NTN-B), the average of electricity sector obligations for Third-Party Capital and the Theoretical Optimal Capital Structure; and (ii) the annual updating of the WACC based on the average over the last five years for the Cost of Own Capital and the most recent indicators for the Cost of Third-Party Capital and the Capital Structure. The tariff review rates effective in 2020 are 7.32% for distribution and 6.98% for generation and transmission.

Change in the methodology for calculating the productivity component (Pd) of factor X

On 17 March, a new methodology was approved for the calculation of the Productivity Component (Pd) of Factor X, which represents the productivity increases of distribution activity. The new methodology considers the effects of the increase in productivity as well as market changes over the six years prior to the current tariff review. Applying this methodology, it is estimated that the “Pd” could fall for all the Group’s distributors at the next tariff reviews (RTP 2021 – Celpe; and RTP 2023 – Other distributors), which would have a positive impact on them.

Regulation in the European Union

Draft Climate Law: on 4 March, the European Commission (EC) presented its draft Climate Law, one of the main elements of the European Green Deal. The law must now make its way through the Council and the Parliament. Key elements of this law include:

- **Target for 2050:** It sets a target and legally binding commitment for the EU of net zero emissions by 2050.
- **Target for 2030:** The EC envisions **toughening the target to 50-55%** (vs 40% at present) and plans to publish an **Impact Study** in September 2020. The Commission will specify what legislation must be changed to achieve this more lofty objective before 30 June 2021.
- **Trajectory of interim reduction targets:** The Commission may establish a **2030-2050** trajectory to set the path for accomplishing the carbon neutrality objective via **Delegated Acts** (legislative procedure headed by the Commission).
- **Adaptation:** Members States shall develop **adaptation strategies and plans** that include robust analyses and risk management frameworks under a broad focus.
- **Progress review:** From September 2023 and every five years, the Commission shall analyse collective progress towards the 2050 climate neutrality objective, as well as the consistency of the climate policy frameworks in place for achieving that objective, both across Europe and on a national scale (taking into account the measures set out in the National Energy and Climate Plans – NECPs).

The Law will take the form of a **Regulation (immediately and directly enforceable** across all Member States) and **will be part of the Governance Regulation.**

- **New Industrial Strategy for Europe:** on 10 March the Commission published the strategy for developing an industrial policy to support energy transition and competitiveness. The main measures include:
- **Assessment and, as the case may be, review of State Aid Guidelines,** including for energy and the environment, so that they become effective in 2021 and ensure a level playing field within Europe.
- **Review of the Rules on State Aid for so-called “Important Projects of Common European**

Interest” (IPCEIs¹) in 2021, so that Member States can ensure that the aid is handed out on a competitive and temporary basis to fund innovative projects.

- **Launch of a “Smart Sector Integration” strategy** to integrate the different energy sectors and vectors, and their connection with the industrial strategy.
- **Carbon Border Adjustment Mechanism:** the EC will look into a proposal to protect the industry’s competitiveness and prevent the risk of “carbon leakage”.

Communication on Sustainable Investment in Europe: on 14 January the Commission unveiled its Plan to **finance the European Green Deal** and a draft **Regulation on the Just Transition Fund;** one of the new features of this financing set-up.

The EU plans to **mobilise one trillion euros** through to 2030 for the energy transition, incorporating items of the **EU budget,** the **modernisation and innovation funds** (fed by emission allowances held by the EC), funding from the Member States and private investment backed by European guarantees.

Aside from the funds, various **regulatory measures** have been proposed, most notably:

- **Just Transition Mechanism:** Aims to **mobilise 100 billion euros** through **EC-State regional plans.** It includes a **Just Transition Fund** (7.5 billion euros) to support more sensitive regions, as well as EIB guarantee and credit facilities.
- **Strengthening the elements of the “sustainable finance initiative”** (enhancing the use of the so-called “taxonomy” and consolidating the use of reporting on climate and sustainability matters).
- **Reviewing the framework of State Aid**

¹ Projects that represent a very significant contribution to economic growth, jobs and competitiveness for EU industry and economy; that bring together knowledge, expertise, financial resources and economic actors throughout the Union so as to overcome important market or systemic failures and societal challenges that could not otherwise be addressed. These projects typically involve more than one Member State and their benefits should not be limited to the states that finance them.

Iberdrola and Sustainability

Iberdrola's contribution to sustainable development is reflected in several corporate responsibility practices that meet the needs and expectations of its interest groups, with whom the Company maintains a combination of open communication channels are used for: communicating goals, activities and successes achieved in the three areas of sustainable development (economic, environmental and social), as well as receiving evaluations and requests from the parties involved.

1. Sustainability indicators

Sustainability Indicators	1Q 2020	1Q 2019
Contribution to GDP (Gross Margin) (*)	0.52%	0.53%
Contribution to GDP (Net revenues) (*)	1.22%	1,26%
Net Profit (EUR million)	1.257,0	963,9
Dividend yield (%) (**)	4,15%	4,37%
CO ₂ emissions over the period (gr. CO ₂ /KWh): Total	85	98
CO ₂ emissions over the period (gr. CO ₂ /KWh): Spain	60	84
CO ₂ emissions over the period (gr. CO ₂ /KWh): UK	-	-
CO ₂ emissions over the period (gr. CO ₂ /KWh): US	56	82
CO ₂ emissions over the period (gr. CO ₂ /KWh): Brazil	59	45
CO ₂ emissions over the period (gr. CO ₂ /KWh): Mexico	322	320
Emission-free production: Total (GWh)	26.679	23.450
Emission-free production: Spain (GWh)	13.783	12.656
Ratio emission-free production to total production: Total (%)	79%	77%
Ratio emission-free production to total production: Spain (%)	88%	84%
Emission-free installed capacity: Total (MW)	35.527	32.618
Emission-free installed capacity: Spain (MW)	19.768	18.968
Emission-free installed capacity: Total (%)	77%	77%
Emission-free installed capacity: Spain (%)	74%	73%

Note: Third-party capacity and production not included

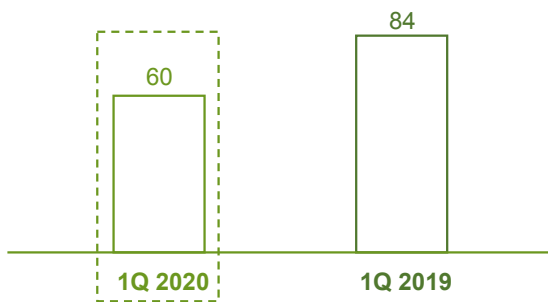
(*) Source: Iberdrola Results and National Quarterly Accounting for Spain – INE (Last data published in 4Q 2019)

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

SPAIN: Development of specific thermal mix emissions, Global: CO₂, SO₂, particles and NO_x.

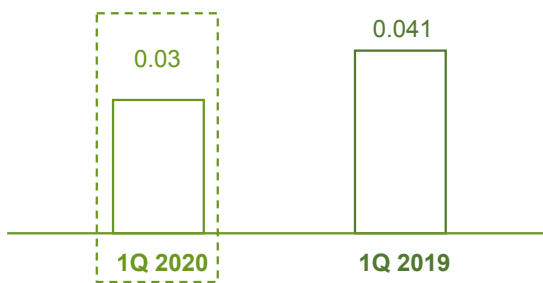
CO₂ specific emissions mix, GLOBAL

(g/kWh)



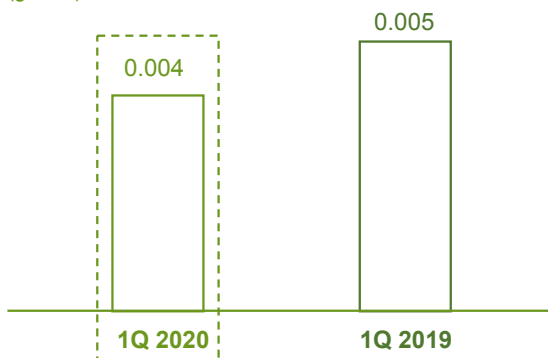
SO₂ specific emissions mix, GLOBAL

(g/kWh)



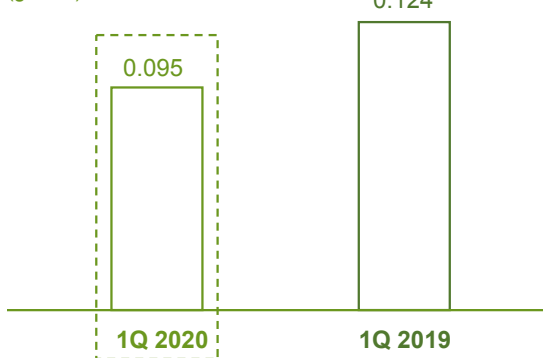
Specific particulate emissions Mix GLOBAL

(g/kWh)



NO_x specific emissions mix, GLOBAL

(g/kWh)











2. Index, rankings and recognitions

Presence of Iberdrola in Indices and Rankings of Sustainability, Reputation and Corporate Governance.

Sustainability	
Rating	Status
Dow Jones Sustainability World Index 2019	Selected in the utility sector. Iberdrola member in all editions
Sustainability Yearbook ROBECOSAM 2019	Classified as "Silver Class" in the electricity sector.
MSCI Global Sustainability Index Series	Iberdrola selected AAA
CDP Climate Change 2019	A-
CDP Supplier Engagement Leader 2019	Iberdrola Selected
Global 100	Iberdrola Selected
Sustainalytics	Iberdrola among the highest rated utilities
ISS-oekom	Iberdrola selected as Prime
FTSE4Good	Selected for 10 years
Bloomberg Equality Index 2020	Iberdrola selected
Euronext Vigeo Eiris index: World 120, Eurozone 120 & Europe 120	Iberdrola selected
Ecovadis	Iberdrola as one of the companies with the best performance
2020 World's Most Ethical Company	Iberdrola selected. Only Spanish utility
ECPI	Iberdrola lected in several Sustainability Indices
STOXX	Iberdrola selected in STOXX Global ESG Leaders and in several Sustainability indices
EcoAct	Iberdrola first Spanish company and first utility in the ranking
Influence Map	Iberdrola in the top 10 best qualified companies
MERCO 2019	mercoEmpresas: Leader among Spanish utilities: energy, gas, and water industry
Newsweek and Green Rankings	Iberdrola fifth utility worldwide
Energy Intelligence	Iberdrola among the top four utilities in the EI New Green Utilities Report 2019
Forbes	Iberdrola selected in Forbes 2019: GLOBAL World's Largest Public Companies 2000
ET Carbon Rankings	Iberdrola selected in Emissions Transparency Index
Fortune Global 500	Iberdrola selected

Sustainability Management Policy

 ENERGY SUSTAINABILITY		 BUSINESS SUSTAINABILITY 		
				
COMPETITIVENESS	SECURITY IN ENERGY SUPPLY	ENVIRONMENT	CREATION OF VALUE	SOCIAL DIMENSION
<ul style="list-style-type: none"> • Energy supply at the best possible price • Technology with low operational and maintenance costs • Diversified mix 	<ul style="list-style-type: none"> • Local and renewable primary energy sources • Reliability and availability of energy supply • High quality service • Promotion of energy efficiency 	<ul style="list-style-type: none"> • Sustainable use of natural resources • Efficient production and efficient use of energy • Emission reduction • Biodiversity protection • Waste and water management 	<ul style="list-style-type: none"> • Business profit • Corporate government, Risk management, codes of conduct and compliance • Relationships with clients • Leading and guiding company of the supply chain 	<ul style="list-style-type: none"> • Universal access promotion • Strict respect of human rights • Improvement of the standard of living of the people in the areas where the Group develops its activity • Qualified and committed workforce

3. Contribution to society

Iberdrola's most outstanding actions and initiatives in response to COVID-19 in the realm of sustainable development and social responsibility have been as follows:

3.1. Iberdrola, model of responsibility amid the COVID-19 global health crisis

- **Iberdrola's Global Action Plan in response to the pandemic**

As electrical infrastructure is a critical and strategic asset in all countries in which Iberdrola operates, and with the global health crisis now upon us, the Company is continuing to offer an essential service with the most rigorous safeguards of quality and continuity, thanks to the dedication, commitment, responsiveness and availability of its human team. The Group ensures the supply across all territories and to all customers and has also set up priority response channels for hospitals, health care centres and other essential community services in response to COVID-19. Here, it has activated a special plan for 268 hospitals so as to ensure the supply of electricity and has promptly implemented measures aimed at protecting the health and safety of the human team, employees, customers and society in general to help cushion the impact of the COVID-19 crisis.

- **Iberdrola donates first-aid medical equipment worth EUR 22 million**

Iberdrola has secured an initial purchase of first-aid medical equipment in China, worth EUR 22.1 million, which it will deliver to the Spanish authorities. By contributing all this first-aid equipment, Iberdrola will be helping to mitigate the impacts of this pandemic. The company has rolled out this initiative in close coordination with the Spanish authorities and other leading companies.

In tandem, Iberdrola's subsidiaries are carrying out local initiatives such as the one in Glasgow, where health care workers can now use the electric bicy-

cle hire service for free thanks to ScottishPower, thus keeping them off public transport and reducing the risk of contagion. Meanwhile, Neoenergía plans to deliver 220 new air conditioning and refrigeration units to health care centres in the states of Bahia and Pernambuco. And last but not least, Avangrid will be donating 31,000 masks for hospitals and health care centres in Connecticut, Maine, Massachusetts and New York.

- **Iberdrola launches a customer support plan to alleviate the COVID-19 crisis**

A few weeks ago, the Company launched a flexible scheme option for its more than 10 million customers in Spain, including households, self-employed workers and SMEs, in a bid to alleviate the impact of the crisis caused by COVID-19 by helping its customers pay their electricity and gas bills and other energy-related costs. It then enhanced this support plan by adding an emergency free electricity service for its two million customers aged over 65 in Spain, which will help ensure that no such customers are cut off. Before the state of emergency, Iberdrola already ensured the supply of energy to its vulnerable customers, and it has now applied this measure across all countries in which it operates. Lastly, the Company's relief actions in response to the COVID-19 crisis include an Advisory Plan so that customers can fine-tune their contract and pay less on their electricity bill.

- **Iberdrola purchases an additional EUR 2.9 billion from suppliers**

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

been effectively protecting 700 full-time jobs each day.

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

Iberdrola employees have set up a network of volunteers to manufacture protective screens using 3D printers, sew masks, donate production material and manage the delivery of snorkelling masks to hospitals. Iberdrola employees and their families are also taking part in volunteering initiatives to help mitigate the side effects that the disease and the lockdown are having among the elderly and people with disabilities, by writing letters, donating tablets, sending messages of support or talking to them over the phone to check that they are okay each day. The Company has also launched a new edition of Operación Kilo, a solidarity initiative whereby a kilo of aid is delivered through an economic donation that will be transformed into food vouchers for vulnerable children living in children's villages.

3.2. Acknowledgement of Iberdrola's excellent performance

- **Iberdrola: the only European utility to appear in all 20 editions of the Dow Jones Sustainability Index**

Iberdrola has once again been included in the Dow Jones Sustainability Index (DJSI), making it the only European utility to have been included in the selection throughout its 20 editions. The Company's inclusion highlights its unwavering commitment to the highest environmental, social and corporate governance standards.

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

Ignacio Galán is now among the top 10 of the 30 most influential people, organisations and trends worldwide in the fight against climate change, as ranked by the international agency Bloomberg. He is referred to as "one of Spain's most influential executives and one of the most outspoken on climate

issues". Bloomberg highlights the transformation our company has undergone on the path to becoming "the world's largest wind power generator", with a presence in 30 countries. It says that "Galán is proof that large companies can cut emissions and remain profitable".

- **Ignacio Galán receives 2019 award for innovation and best business management**

Iberdrola's chairman has been handed the 2019 National Design and Innovation Award in the Innovation Pathway category by Spain's Ministry of Science, Innovation and Universities. There were 79 candidates for the National Design and Innovation Awards, which recognise those individuals and organisations that have put innovation at the heart of their professional and business growth strategies. Galán has also received the León Award from El Español newspaper for his long and successful career.

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

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

- **Iberdrola: the only Spanish electricity company ranked in the 2020 Bloomberg Gender-Equality Index**

For the third consecutive year, Iberdrola has been included in the Bloomberg Gender-Equality Index (GEI), created by Bloomberg to recognise companies that have undertaken a firm and solid commitment to gender equality. During this third edition, a total of 325 companies across 42 countries and

11 business sectors were evaluated for their commitment to gender equality, demonstrated through policies, equal representation and transparency within their organisations.

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

Iberdrola has taken the top spot in Spain and is ranked fourth globally in the IBEX 35 Sustainability Reporting Performance Report prepared by consultancy firm EcoAct España, thanks to the detail and transparency of its Statement of Non-Financial Information – 2018 Sustainability Report and its corporate website. Companies are evaluated based on 61 criteria across four themes: measurement and reporting; strategy and governance; targets and reduction; and commitment and innovation.

- **Iberdrola ranked in FTSE4Good Index for tenth year in a row**

Iberdrola has been included for the tenth consecutive year in the prestigious FTSE4Good international index, established to drive investments in the world's most sustainable companies. Inclusion in the FTSE4Good Index ratifies Iberdrola's performance in the areas of working standards, human rights, health and safety, biodiversity, climate change, water and responsibility to the customer, as well as supply-chain related social aspects. The company has also met the organisation's requirements concerning corporate governance, risk management, anti-corruption mechanisms and tax transparency.

- **S&P Platts hands Iberdrola Energy Transition Award**

S&P Platts has given Iberdrola the Energy Transition Award, which is the only award that candidates do not need to be nominated for and is instead given based on independent objective analysis. The award was presented in recognition of the company's efforts to cut emissions and champion decarbonisation of the economy by boosting the uptake of clean energy.

- **Iberdrola: the Spanish company with the best corporate governance practices**

For the third time, Iberdrola has been named the Spanish firm with the best corporate governance practices by the publication World Finance, which held its ninth annual Corporate Governance Awards this year. The company's business model is based on ethics and transparency, a long-term vision and the integration of cultures and people, enabling it to generate financial benefits for all of the company's stakeholders.

- **Iberdrola acknowledged as one of the world's most ethical companies for the sixth consecutive year**

Iberdrola has been included in the 2019 World's Most Ethical Companies ranking drawn up by the Ethisphere Institute, which aims to promote a corporate culture built on ethical standards and the achievement of these aims. According to the Institute's criteria, the companies included in the ranking have record levels of stakeholder engagement and are truly committed to the utmost transparency, diversity and inclusion. The Ethisphere Institute's selection process involves evaluating candidates across five categories: compliance and ethics, ethical culture, corporate social responsibility, good governance and reputation and leadership. Iberdrola is the only Spanish company included in the Institute's ranking.

- **Iberdrola, included on the Global 100 Most Sustainable Corporations index**

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

- **The European Commission rewards Iberdrola for its work with startups**

For the third year in a row Iberdrola has been

named as one of the Top 12 Corporate Startup Stars. This ranking comprises the top 12 corporations in Europe that are leaders in this field and are committed to innovation; it forms part of the European Commission's competition titled Europe's Corporate Startup Stars. The company also received a special mention for its pilot projects with and procurements from startups.

- **Iberdrola Investor Relations recognised as the best in Europe for the third time in a row**

Iberdrola's Investor Relations team has been named the best in Europe in the IR Magazine Awards for the third straight year. It received awards in the best overall investor relations and best investor relations officer categories, and also as the best performing company in the utilities sector in this area. Its commitment to transparency and on-going dialogue with the financial community, and its efforts and professionalism in this regard were also recognised. The company was also a finalist in five other categories: best financial reporting; best use of technology in investor relations; best investor meetings; best corporate governance and disclosure; and best sustainability communications.

- **Neoenergia applauded for service quality and best practices in Brazil**

Neoenergia took centre stage with four of its subsidiaries as finalists at the 21st awards ceremony of the Brazilian Association of Electricity Distribution Companies (Abradee). Neoenergía's four distribution companies took the top slots in the Performance Improvement category. The Abradee awards recognise and share best practices among member distribution companies, leading to fast and long-lasting improvements in the quality of the electricity services offered to the country's citizens.

- **Spain's National Sports Council awards Iberdrola the Gold Plaque of the Royal Order of Sporting Merit**

The CSD (*Consejo Superior de Deportes* — National Sports Council) has presented Iberdrola with the Gold Plaque of the Royal Order of Sporting

Merit, as officially announced in a Resolution of the Ministry of Culture and Sport published in the Official State Gazette (BOE).

3.3. Contribution to achieving the Sustainable Development Goals

SDG 7 (Affordable and clean energy) and SDG 13 (Climate action)

- **Iberdrola to provide electricity to 16 million vulnerable people who currently have no supply**

By the year 2030, Iberdrola will supply electricity through modern and environmentally sustainable energy pathways to 16 million vulnerable people in developing or emerging countries who currently have no access to it. This comes after hitting the previous target of four million people. This action is part of the Electricity for All campaign launched by the company in 2014. Furthermore, Iberdrola has signed a new sustainable credit facility for EUR 1.5 billion related to SDG 7 on affordable clean energy and to carry out the Electricity for All programme. By year-end 2019, it had provided seven million people with access to electricity through this programme.

- **Iberdrola obtains new green credit facility with the EIB and ICO to fund Núñez de Balboa solar PV plant**

The European Investment Bank (EIB) and Spain's Official Credit Institute (ICO) will finance the development of the Núñez de Balboa solar PV plant that Iberdrola has built in Extremadura. The facility occupies around 1,000 hectares of land and will have a total capacity of 500 MW, making it the largest PV plant under construction in Europe. It will be capable of supplying clean energy to 250,000 people and will cut emissions of 215,000 tonnes of CO₂ per annum. The finance has been obtained from the EIB and ICO as part of Iberdrola's drive to build a sustainable energy model facilitating the transition to a low-carbon economy.

- **Iberdrola joins World Business Council for Sustainable Development to adopt best practices**

in response to potential climate-related risks

As an example of best practice, Iberdrola has worked alongside other companies in producing a report led by the World Business Council for Sustainable Development (WBCSD) on transparent reporting on the effects of climate change in the electricity sector. The report includes examples of the reporting currently being provided in this area and identifies areas for improvement. It also explores the challenges companies face in responding to the recommendations of the G20's Financial Stability Board and the expectations of users of climate-related information.

- **Luces de esperanza: Iberdrola to bring solar power to rural communities in Mexico**

Iberdrola Mexico and partner company Iluméxico have launched *Luces de Esperanza* (Lights of Hope), a project that will supply electricity to 30 rural communities across the sub-region of Huasteca Potosina who currently have no access to this service. The initiative will help them develop by providing power for productive activities while improving health, education and security. Off-grid solar arrays will be installed on homes, schools, health centres and in public spaces to the benefit of 6,000 individuals who are not connected to the national grid.

SDG 17 (Partnerships for the goals)

- **Iberdrola signs CEOs Call to Action agreement with CSR Europe**

Iberdrola's CEO has signed an agreement entitled *CEOs Call to Action*, which is a call to accelerate sustainable growth, tackle climate change and create inclusive prosperity. Brought together by CSR Europe, the 100-plus CEOs who have signed the agreement have called for stronger dialogue and interaction between politicians, civil society and their colleagues in the business and industrial sectors.

- **Iberdrola and the Basque Energy Agency found a company to implement renewables projects**

Iberdrola and the Basque Energy Agency (EVE)

have founded a joint venture to roll out projects through which they will invest in renewable energies in the Basque Country. Both organisations are interested in pushing ahead with the energy transition through the development of competitive, clean and sustainable energy, which will further reduce energy dependence and generate jobs.

SDG 12 (Responsible consumption and production)

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

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

SDG 4 (Quality education)

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

Iberdrola has launched a new call for Master's degree scholarships and another for research grants for the 2020-21 academic year, with the aim of promoting excellence in the education of new generations and their employability in strategic innovation and technological development, both of which play a central role in the fight against climate change. This year, the Group will award a total of 46 grants for a grand total of EUR 1.5 million to Spanish, British, American, Mexican and Brazilian students.

SDG 3 (Health and well-being)

- **Iberdrola becomes first multinational in the world to receive Healthy Workplace certificate**

Iberdrola has become the first multinational in the world to be certified by AENOR as a Healthy Workplace, as per the model developed by the World Health Organisation (WHO). This multi-site certification from AENOR has been validated for all the group's companies. The certification accredits the efforts of the group's management to roll out and

champion a process of continuous improvements to protect the health and safety of all staff and ensure workplace sustainability.

SDG 5 (Gender equality)

- **Iberdrola: top promoter of women in sport**

Iberdrola and the Spanish National Olympic Committee have signed a partnership agreement to foster equality in sport, helping sportswomen to inspire other women and society as a whole. Under the agreement, Iberdrola has become one of the Olympic Committee's Gender Equality Strategy Partners. Three years ago, the company became the leading champion of the *Universo Mujer* (Women's Universe) programme run by the CSD. It has also extended its backing of women's football for the next six seasons, becoming the headline sponsor of the national competition, which will be renamed Liga Iberdrola. Last but not least, Iberdrola has broadened its sustainability awareness programme to encompass the various federations it supports.

- **Scottish Power takes part in the POWERful Women initiative to encourage gender diversity**

Representatives of ScottishPower have attended a reception at the House of Lords with Greg Clark, the UK's Secretary of State for Business, Energy and Industrial Strategy, to promote the launch of the Energy Leaders Coalition. The initiative forms part of the POWERful Women campaign, focusing on direct measures to encourage gender equality and diversity in the UK's energy sector.

- **First Mujeres con Energía (Women with Energy) forum takes place in Mexico**

A group of 40 female leaders from Iberdrola Mexico have taken part in the first *Mujeres con Energía* forum. In line with Iberdrola's commitment to people (a key component for achieving the company's objectives and executing the new 2018-2022 Strategic Plan), *Mujeres con Energía* is an initiative of Iberdrola Mexico to strengthen equal opportunities for women and reiterates the company's commitment to the development of inclusive environments

that favour greater gender equality in positions of leadership in the sector.

SDG 6 (Clean water and sanitation)

- **Iberdrola applauded as one of the utilities with the best water productivity**

According to the Global 100 ranking, Iberdrola has been recognised as one of the utilities boasting the best water productivity. The company is also a signatory of the United Nation's CEO Water Mandate – an initiative that encourages sustainable practices in water use – and has participated in CDP Water since it was launched.

SDG 9 (Industry, innovation and infrastructure)

- **Portuguese Consumer Association recognises Iberdrola as the best in the industry for resolving claims**

Putting the customer at the centre of all its activities is one of the pillars upon which the company is built. The Portuguese Consumer Association (DECO) has named Iberdrola as the best performing business in the sector when it comes to handling claims. The Company scored 9 out of 10 based on its customers' feedback, the percentage of claims dealt with successfully, the response rate and the average response time.

SDG 1 (No poverty), SDG 2 (Zero hunger), SDG 8 (Decent work and economic growth) and SDG 10 (Reduced inequalities)

- **Iberdrola named as one of the companies with the finest talent:** The company ranks as one of the top five companies with the most talent in Spain, after climbing 10 places from last year. It is now the leader in its sector, according to the Merco Talent ranking of the 100 businesses most able to attract and retain talent.

- **Iberdrola employs over 34,500 people** and generates some 400,000 indirect and indirect jobs. In 2018, it contributed more than EUR 31.1 billion to gross domestic product (GDP). According to the Iberdrola Impact Study drawn up by PwC and based

on 2018 data, the Company generates between 9 and 10 euros of GDP for every euro it invests in the regions in which it operates, including both direct and indirect impacts.

SDG 11 (Sustainable cities and communities)

- Through its new i-DE electricity distribution brand, **Iberdrola** will invest EUR 600 million over the next 10 years to play a role in the transition of towns and cities across Spain towards smart cities in four areas: **e-mobility, network infrastructures, efficient energy use and citizen awareness**. The funds set aside for this project are primarily earmarked to develop the electricity distribution network and increase the intelligence of the distribution network through digitalisation.
- **Iberdrola strengthens its sustainable mobility plan:** by allocating more investment—a total of EUR 150 million—to intensify the deployment of electric vehicle charging stations over the coming five years. The Company has included the electrification of transport within its strategy of transitioning towards a decarbonised economy supported by renewable energies and smart grids. To achieve this, it will focus on ramping up its plan to install charging infrastructure across Spain, while also extending the initiative to other markets in which it operates, such as the United Kingdom, Portugal and Italy.

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

- Conserving biodiversity is one of the Group's core corporate values. In its endeavours to boost biodiversity in natural ecosystems, **Iberdrola has allocated EUR 40 million to use air-bubble curtains to reduce noise when installing offshore wind turbines**. These are produced using circular tubes with micro-perforations connected to a ship with compressors that pump air into them. Air is forced through the holes and rises to the surface creating a curtain of air bubbles.

3.4. Volunteering programme initiatives

Stand-out activities as part of Iberdrola's Corporate Volunteering Programme, implemented through the

International Volunteer Portal in this period include:

- **Smiling in response to the Coronavirus:** Initiative to help combat the side effects that isolation and loneliness can cause among older generations. The project consists of sending letters of support via e-mail to different care homes in Spain. These e-mails are then printed at the care homes and handed out to the elderly residents like traditional letters. Meanwhile, the in-house staff helps them respond to the volunteers and strike up regular correspondence. When the situation returns to normal, the plan is to arrange visits so that Iberdrola's employees can get to meet the elderly people with whom they have been talking.
- **Telephone support during the lockdown for people with intellectual disabilities and/or mental illness.** Initiative to give support and guidance to people with intellectual disabilities and mental illness so that they are able to cope emotionally with their confinement. Other initiatives include storytelling through the easy reading method to help children with intellectual disabilities cope with the lockdown.
- **Mirarte otra vez (Looking at you again) initiative for COVID-19 sufferers.** Initiative to have tablets donated to hospitals and care homes so that elderly patients can see and talk to their families. Another initiative involves the sending of support messages to make patient isolation more bearable.
- **Cheering on our health care workers.** An initiative to cheer on our health professionals, whereby volunteers send drawings and messages of encouragement to be hung up at hospitals and health centres. This action is aimed above all at the youngest members of the community by helping them accept the situation and better cope with the confinement.
- **Support for our heroes taking the fight to COVID-19.** We have set up a network of volunteers who make protective screens on 3D printers, sew masks or donate production material. We are also overseeing the donation and delivery of snorkelling masks to hospitals, which can then use them as respirators.

- **Lights, camera... action!** The Company has taken part in a new round of this project, which was first launched in 2011 in partnership with the Tomillo Foundation to improve the education and job prospects of 14 to 18-year-olds on basic vocational training programmes with a history of academic failure.
- **Workshops on digital tools and IT to meet basic needs**, as part of the 'Iberdrola with refugees' project.
- **Tree Day 2020.** A new edition of the Tree Day has been held, in collaboration with Asociación Gorabide and the Lurgaia Foundation, thus continuing with the *Bosque Iberdrola* (Iberdrola Forest) project.
- **Volunteering in the fight against climate change in schools.** The project was launched in Spain in 2017 to raise awareness of the consequences of climate change through talks and workshops at schools and institutions. They are now delivered online due to the COVID-19 outbreak.
- **The SDGs at school:** Project to raise awareness in schools of the SDGs and the 2030 Agenda. Volunteers receive training on how to deliver effective workshops at schools, using fun audio-visual and hands-on resources to raise awareness

of the SDGs and the importance of achieving them. The initiative is now a virtual experience that can be given from home.

- **INVOLVE** (INternational VOLunteering Vacation for Education) initiative. The Company has launched a new round of this corporate volunteering programme, in which Iberdrola employees from other countries travel to Brazil and Mexico during their holidays to help teenagers at risk of social exclusion to improve their employability through IT and web applications.
- **Know your law.** An initiative that seeks to provide immigrants with knowledge of Spanish legal principles to help them become part of our society.

3.5. Community Action

The ScottishPower Foundation, Avangrid Foundation, Iberdrola Foundation Mexico, Instituto Neoenergia and Iberdrola Foundation Spain embody Iberdrola's commitment to the development of the countries where it operates, as well as to solidarity with those people who are most vulnerable. The 2018-2021 Foundations Master Plan commits to the SDGs in order to contribute to tackling the planet's social and environmental challenges, establishing the following objectives in each work stream:

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

The most significant initiatives in 2020 by work stream are as follows:

A. Training and research

This work stream focuses on young students, by supporting their degree, technical training or language studies and offering opportunities to those who have disabilities and/or fewer resources. It also includes grants for research and for restoration and conservation in partnership with museums. These initiatives will help reach specific targets of SDG 4: Quality education.

Avangrid Foundation: Work has been carried out this quarter on the call for applications for scholarships and grants:

- **Binghamton University Foundation – Senior Capstone Projects (New York):** Supporting projects to design the capstone at the Watson School of Engineering, involving energy and environmental projects.
- **Ithaca Sciencenter - Sciencenter Discovery Museum (New York):** Specifically supports the Power of the Future field trip series; a programme for students focusing on renewable energy and involving 350 students and 17 teachers.
- **Henry Ford Museum - Invention Convention Worldwide (National):** ICW is a coalition of global affiliates that teach students real-world problem-solving and creative thinking skills through education in invention and entrepreneurship.
- **Monroe Community College Foundation - Scholarships (New York):** Funding students' higher education to help them achieve their ambition to find a skilled job.

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

- 20 grants for energy and environmental research. Twenty researchers selected.
- Three Fullbright grants (2020-2021).
- Four grants for restoration and conservation at the Museo del Prado.

- Two grants for restoration and conservation at the Bilbao Fine Arts Museum.

Linguistic Immersion Programmes in English, which aim to teach English to school students in their third and fourth years of compulsory secondary education. The Ministry of Education of various autonomous communities in Spain select students to take part in the programme. It follows objective and impartial selection criteria based on the academic merits and economic resources of the candidates, though with priority given to students from rural areas, since they typically have the hardest time in accessing this type of education. Iberdrola opens the doors of its facilities over the summer and Easter periods as a venue for these courses in Castile-León, Extremadura and Medina-Sidonia.

Iberdrola Foundation Mexico:

- Collaboration agreement with the **Renewable Energy Institute at the Autonomous National University of Mexico (UNAM)**.
- Partnership with the **Renewable Energies Institute of the Autonomous National University of Mexico**, the Valles Centrales de Oaxaca Technology University and the General Coordination Department of Secondary Education, Science and Technology to support the development of education in the south-southeast region, and encourage the uptake of engineering studies, especially among women. Programme of 20 professional scholarships per annum (over five years) for young people in Oaxaca de Juárez.
- Professional scholarships for five young people and one university scholarship for one individual (2019-2020 academic year) in partnership with the **Monterrey Institute of Technology, Tampico campus**.

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The **Balcão de Ideias e Soluções Educativas** (Educational Ideas and Solutions Platform) project: On 11 March, a Good School Practices Exchange Seminar was held with teachers assigned to the municipal networks of Caieiras and Francisco Morato,

in São Paulo. More than 350 people involved in the event attended the seminar.

In late March 2020, another major milestone in the project was reached: The launch of a national online platform for the exchange of more than 100 good pedagogical practices created as part of the training delivered by teachers attached to the project.

SPW Foundation:

- Together with **Bangor University**, a project is being carried out for secondary school students in Wales that uses interactive techniques to develop STEM knowledge, improve personal skills and thus enhance their employability.
- **The Literacy Pirates**: A project aimed at improving the literacy, confidence and perseverance of disadvantaged young people in Tottenham, London
- **Spina Bifida Hydrocephalus Scotland “Moving on up”**: SBH Scotland’s “Moving on Up” project aims to provide support, advice and advocacy for children aged 0-18 with spina bifida and/or hydrocephalus and their parents.

B. Biodiversity and climate change

In this area of work, the group is collaborating with public institutions and bodies devoted to the protection of the environment, contributing to achieving specific targets of SDG 13: Climate action and SDG 15: Life on land.

The **Iberdrola Foundation Spain** collaborates with Sociedad Española de Ornitología (Spanish Ornithological Society - SEO/BirdLife) on the MIGRA project, aimed at studying the migratory patterns of birds.

Along with SEO/Birdlife’s MIGRA programme, the parties have compiled the results of the process of fitting 79 white storks with GPS tags in Spain and Central Europe over seven years, with nearly three million locations shown. The initiative has revealed that the white stork has adjusted its migration patterns in recent decades in response to global man-made changes that have opened up new habitats in which

to feed in winter. Now, adult white storks spend their winter in Spain and feed mainly in rubbish dumps and paddy fields, while the young continue to migrate to the Sahel thousands of kilometres away from their nests.

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

Another key initiative is the signing of the **Study of thermal stress, immunosuppression and climate change in endangered birds of prey** with the Aquila Foundation. This research project is primarily aimed at determining how thermal stress (increase in temperatures due to climate change) affects the basic humoral immune response in endangered birds of prey. This project runs for two years and the results of the first year have been published in scientific journals and shared through talks at several universities’ veterinary departments (Valencia, Murcia, Cáceres and Madrid).

New agreements have been signed to undertake reforestation projects at Campo de Maniobra de la Sierra del Retín (Cádiz) and Albacete, starting in 2020.

At the Albacete Wildlife Recovery Centre, Iberdrola Foundation Spain has donated a digital radiographic imaging device to improve the work carried out by those working at the centre. It will allow for faster diagnostic testing of injured animals, while providing a broad database of results and helping to reduce the quantity of chemicals otherwise used in non-digital

radiography.

The LIFE project Wetlands for Future in partnership with SEO Birdlife aims to restore three wetlands in the regions of Valencia, Cantabria and Castile-Leon. The project runs for four years from September 2020 to August 2024. Phase I has been completed successfully and was handed over in June 2019. Phase II was delivered in February 2020.

In the United Kingdom, the **ScottishPower Foundation** and **Sussex Wildlife Trust** have launched Wild Side of the Track: an environmental and educational project aiming to enhance the habitat of a large number of species and ensure their survival through the improvements being introduced. It also supports schools in teaching pupils about caring for and respecting wildlife.

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

- **National Fish & Wildlife Federation (NFWF) (Washington, D.C. / National)** in a series of programmes for the protection of important wild animals threatened with extinction, including hibernating bats across North America, as well as grassland-dependent birds and mammals in the west.
- We are collaborating with the **Portland Trail Blazers Foundation** on the Live Greener grants programme, which will provide general support and funding for programmes for 501(c)3 organisations that connect young unemployed people in rural communities throughout the entire Pacific Northwest to the environment.
- **Rochester Museum and Science Center (New York):** Through a long-standing partnership with the Rochester Museum of Science (RMSC). This grant will provide support for STEM (science, technology, engineering and mathematics) and other educational activities as part of the “Curiosity Camps” at the RMSC (which are there to motivate local children to learn more about these subjects).

- **Riverkeeper (New York):** The goal of this project is to protect the environment and commercial and recreational assets of the Hudson River and its tributaries, while also ensuring access to clean drinking water for the nine million residents of New York and the Hudson Valley.

Iberdrola Foundation Mexico has held meetings with the new Secretary for the Environment and Natural Resources (SEMARNAT) to work together on programmes already in motion in the Altamira area, such as the **Conservation of Felines** and the **Conservation of Mangroves**.

Meanwhile, the following objectives are being pursued through the **Cañón de Fernández State Park Conservation Project**: Diagnosis for the ecological restoration of juniper forests and riparian vegetation, visits to local communities living within Cañón de Fernández and meetings with the advisory body of Cañón de Fernández.

Instituto Neoenergía has made further progress in Brazil on the project **Flyways Brasil**, in partnership with Save Brasil to protect wader birds and their natural habitats. Key milestones of this phase were: The completion of 38 bird censuses, five children’s events attended by 1,300 boys and girls, and the publication of two scientific articles of international note. In September, Instituto Neoenergía renewed the agreement for phase 3 of the project.

Another of Instituto Neoenergía’s projects is **Project Coralizar**, in collaboration with WWF-Brazil, to protect the oceans. The aim of the project is to map areas of unexplored coral reef, understand the effects of climate change on this ecosystem, and determine what the species depend on for survival. The project also has a research arm to devise a method for restoring coral reefs.

C. Art and culture

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

driving local development. These actions have a direct impact on SDGs 8 (Economic growth) and 11 (Sustainable cities and communities).

In the United States, **the Avangrid Foundation has partnered with:**

- **International Festival of Arts & Ideas (Connecticut):** Each June, the International Festival of Arts & Ideas – New Haven welcomes people from all across Connecticut and indeed from around the world to this prestigious and internationally renowned festival in New Haven featuring world-class artists, thinkers and leaders. The event attracts and engages a broad and diverse audience to make progress on the subject of economic development.
- **National Building Museum – The Wall Exhibit (National):** The exhibition will showcase photographs, videos and immersive installations to help visitors understand and ponder the borders with Mexico. A variety of photos and artefacts will be on display, ranging from images of border crossings in the 1910s and 1950s, to items such as a bag of Mexican silver confiscated by the border patrol, pieces of the original barbed wire fence, and articles of clothing left behind by migrants on their 21st century journeys through the Arizona desert.
- **Yale University – Institution for the Preservation of Cultural Heritage (IPCH) (Connecticut):** Support for the Institute for the Preservation of Cultural Heritage at Yale University, one of the world's leading university institutions when it comes to the restoration and preservation of artistic and cultural heritage.
- **Northeast Indiana Foundation (Indiana/Ohio):** A professional artist and team in each county in northeast Indiana will create a mural on the side of a previously approved building. The accompanying activities and events will take place over 11 days, and the festival will culminate with the presentation and celebration of the artwork and award presentations.
- **Connecticut Women's Hall of Fame (Connecticut):** Connecticut Women's Hall of Fame

is Connecticut's main resource chronicling the history of prominent women from Connecticut. CWHF's mission is to publicly honour the women of Connecticut, tell their stories, educate the public and inspire ongoing achievements by women and girls.

- **Adams Suffrage Centennial Celebration Committee, Town of Adams (ASCCC) (Massachusetts):** In 2020, the Avangrid Foundation will honour diversity and inclusion, focusing on women and girls, through a series of partnerships across the county.

In Spain, the **Foundation** has unveiled the new lighting system at Basilica of Talavera de la Reina. Work is also under way to improve the lighting systems of the Madrid Supreme Court, Guadalupe Monastery, Santiago Cathedral, the façade of Spain's Centre for Advanced National Defence Studies (CESEDEN), and Valdepeñas Church.

The **Iberdrola Museum Programme** collaborates with the Prado Museum and the Bilbao Fine Arts Museum Restoration Workshops on the conservation of paintings, sculptures and works of art on paper at their art galleries. At the Bilbao Fine Arts Museum, notable examples of new artwork featured in the collection include a piece by Mamerto Seguí acquired in 2018, allowing this unique Bilbao artist to join the museum's collection with one of his most important works. Regoyos now features more prominently in the collection following the landscape donated in 2019. Last but not least, 24 drawings by Roberto Laplaza from the mid-19th century are on display, concluding the process of recovering the set of 112 drawings that began in the 2014 Iberdrola-Museum programme.

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

The **exhibitions programme** was launched with *El Prado en las calles* (El Prado in the streets), which is

designed to raise awareness of, provide information on and share the collections and the cultural identity of the museum's heritage. Most notably, it includes education and cultural promotion activities as part of the institution's bicentenary commemorations programme. This exhibition has been shown in Elche, Eibar, Cartagena, Palencia, Zamora and Jerez de la Frontera. It has also visited the cities of Albacete and Mérida in 2020.

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

The **OCA – Oficinas Culturais e Artísticas** (Cultural and Artistic Offices) project will set up a cultural training centre focused on knowledge of creative economics, where socially vulnerable young people aged between 16 and 21 can obtain first-job training in the cities of Campos do Jordão, Santa Isabel and Ilhabela in the state of São Paulo. In February 2020, the draft project was presented to the local councils of the cities involved.

Turning to the **Caravana Energia Que Transforma** (Energy That Transforms Caravan) project, a caravan to provide training in cultural project management will travel to various areas of Rio Grande do Norte, with the training to be delivered through local offices specialising in the social cultural realms. The scope of the project and the beneficiary cities were defined in March.

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

- International scenic arts festival *Futureproof* is aimed at young people from different backgrounds and communities. It is a multi-artistic and multi-platform space that will be set up in ten areas in Scotland and will be shared with the rest of the United Kingdom via social networks.
- National Museums Scotland: The "Powering Forward 2019-2020" project will develop a travelling exhibition in school classrooms to encourage

engagement with contemporary science and develop curiosity and critical thinking skills. This travelling project for primary schools will bring contemporary science to local communities.

- **SEND a Message (Llangollen International Musical Eisteddfod)** is based on previous work to promote art education, reduce unequal opportunities and make Eisteddfod a truly inclusive event. This project will improve the skills and confidence of participants, all of whom are facing challenges in their personal lives, and will result in a unique music and dance presentation celebrating diversity.

D. Social action

This work stream has entailed collaborations with NGOs, foundations and development agencies to promote social and humanitarian projects geared towards more vulnerable people, which contribute to achieving specific targets of Sustainable Development Goal 1: No poverty; 3: Good health and well-being; 5: Gender equality; 7: Affordable and clean energy; and 10: Reducing inequality.

The **Social Programme of the Foundations** is carried out in all five countries, providing support to projects that help tackle child poverty, promote the inclusion of the disabled, and enhance the quality of life of people with serious illnesses, prioritising care for the most vulnerable groups. Significant partnerships are as follows:

United Kingdom:

- **Inter Madrassah Organisation:** The Junior Citizen Award organises workshops, activities and group work to promote integration, shared values and a sense of belonging to combat extremism and improve self-esteem. The project will involve young people from 10 associated schools, who will form teams to achieve common goals.
- **Changing Faces:** Young champions project Face Equality will identify and support 10-20 young people across all of Scotland, aged up to 25, to lead activities to stop bullying in school.
- **Bendrigg Trust:** an outdoor residential education

centre that works with disabled and disadvantaged people. Its goal is to promote inclusion, encourage independence, build self-confidence and improve physical and mental health and well-being through adventure activities and residential experiences.

United States:

- **American Red Cross (National):** Institutional pre-investment in disaster recovery, resilience and preparedness in communities served by AVANGRID, across the length and breadth of the United States.
- **Habitat for Humanity International (National):** To support ownership of affordable housing throughout more than a dozen communities in which AVANGRID operates.
- **Rape, Abuse & Incest National Network - RAINN (Washington, D.C./National):** RAINN is the largest anti-sexual violence organisation in the country. It sets up and runs the National Sexual Assault Hotline. RAINN is a dynamic non-profit organisation providing support to victims, public education, public policy guidance and training and advice services. The company is supporting RAINN programmes by helping to expand the direct helpline and provide education, support services and promotional activities.
- **United Way Worldwide – Truist – Employee Match (Connecticut):** Employee donation campaign (CT and Massachusetts only).
- **Yale New-Haven Hospital (Connecticut):** Latest campaign support package for the McGivney Center for Musculoskeletal Care at Yale-New Haven Hospital. This five-year commitment is for a total pledge of USD 250,000 through to 2020.
- **United Way – Greater New Haven (Connecticut):** The United Way-Greater New Haven will celebrate the Centennial over the course of 2020 to raise awareness and funds to support the diverse needs of families struggling to survive, including the Centennial Fund.
- **Operation Fuel:** Assures that struggling families have access to year-round energy in more than one hundred towns across Connecticut. Local government and community-based organisations

take part in this project. It also includes other activities to guarantee basic needs are met, such as the distribution of food, clothes, etc.

#AVANGives is an initiative through which 10 grants are handed out to community organisations with different missions. These organisations have been selected through a competition open to AVANGRID employees.

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

The event will be repeated in 2020 but has yet to commence.

1. **The Center for Grieving Children (Maine)**
2. **New Haven Pride Center (Connecticut):** Runs educational, cultural and social enrichment programmes for the LGBTQ+ community, their supporters and members to make a positive contribution to the entire Greater New Haven community.
3. **Clifford Beers Child Guidance Clinic (Connecticut):** The Clifford Beers Clinic provides the latest solutions for children and families searching for social, physical and mental well-being, especially in the Greater New Haven region.
4. **p: ear (Oregon):** This grant is intended to nurture personal value and build healthier lives and communities. It will be used to provide food every day to 70 young people for three months.
5. **Pine Tree Camp (a programme run by the Pine Tree Society):** Known for continuously innovating to meet the needs of people with a wide range of disabilities, Pine Tree Camp has become a place where children and adults can take part in the recreational activities Maine is famous for: camping, hiking, swimming and many more.

6. **EmBe - Girls on the Run (South Dakota/ Renewables):** EmBe was the first organisation to respond to women's needs in the area. In its early years as the YWCA, it was a place for girls and women to gather and learn, a place for them to live, find safety and shelter from violence through physical exercise, and a place to develop leadership skills and find friendship. Over the years, many community programmes and services have been developed to create a world in which every girl can be aware of and realise their limitless potential and be free to explore their dreams.
7. **The Klein Memorial Auditorium Foundation (Connecticut):** This one-of-a-kind programme in the State of Connecticut provides a safe and nurturing environment with an emphasis on socialisation, team work and personal achievements. The programme aims to create a positive environment to equip students with tools for self-expression, to develop life skills and to enhance access to vocational training in theatre arts and learning support. Following six years of growth, Klein Theater Arts currently has 70 students per term from 32 schools in the area.
8. **Crime Victims Assistance Center (New York):** This grant will support the Crime Victims Assistance Center (CVAC) to help more young people and provide more accurate data on treatments and results.
9. **Compeer (New York):** The Rochester family and youth mentoring programme offers support and guidance to disadvantaged young people dealing with mental illness, poverty and low academic performance.
10. **Tree Street Youth (Maine):** The grant will help Tree Street Youth to support a marginalised community in Lewiston, Maine, through arts and athletics-based programmes in a safe space. The aim: to encourage physical health and social and educational development.

Mexico:

- **LUCES DE ESPERANZA:** A project that will bring electricity to 30 communities in Huasteca Potosina, a remote area that has not had this basic service for 10 years, if not more, due to geographical constraints.
- **Tamazunchale Firefighters:** Four grants have been awarded for take part in the 'Industrial Firefighter' course for fire brigade training in the city of Celaya (Guanajuato).
- **Electrification in rural communities:** Using solar power to bring electricity to off-the-grid rural communities in Huasteca Potosia, San Luis Potosí. Five communities, 110 families and approximately 500 people have benefited from the project.
- **Education with energy:** Educational workshops for children, teachers and parents of the most vulnerable families to improve quality of learning.
 - Upwards of 2,000 parents, teachers and children have attended,
 - with over 45,000 direct beneficiaries.
- **Learning infrastructure:** Construction and fitting out of spaces and infrastructure for learning.
 - Building alliances and strengthening existing partnerships.
 - Extension to new centres: Baja California and Bajío.
- **Social and community support:** Backing for public institutions and non-profit associations with a positive impact on the communities where the group operates.

Brazil:

- **DroPS:** Monthly meetings on key subjects to train 50 social entrepreneurs. The projects supported have to contribute to fulfilling all the SDGs, i.e. the project will boost the impact in all the areas of environmental and social development listed by the UN. Thanks to this project, there has been 75% growth in new partnerships by the projects helped through training, which demonstrates how the beneficiary organisations have improved in quality

and how being a member of a network helps in the development of social enterprises.

- **Impactô:** Acceleration of five initiatives with a positive social impact in the city of Salvador (BA) by enhancing their management processes. The enterprises and NGOs that will be accelerated through Impactô are: Acopamec, Bankman, Associação Clara Amizade, Punk Harzard Studios and Cipó Comunicação. The first class was held on 8 October. The project is being run in conjunction with Instituto Ekloos, an expert in accelerating initiatives with a strong social impact.
- **Fight against COVID-19:** Aside from Impactô, Instituto Neoenergia will roll out a further two initiatives to cushion the impact of the pandemic. 1. Donation of BRL 600,000 to the Transforma Brasil Fund, which will assist 24,000 families in Bahia, Rio Grande do Norte, Pernambuco, São Paulo and Rio de Janeiro; 2. The *Pessoas e Negócios Saudáveis* (Healthy People and Business) project, which aims to feed socially vulnerable people during the pandemic while generating income for the poorest communities.

Spain:

In May 2020, Iberdrola Foundation Spain will invite applicants to submit their social projects to compete for funding under the programme for 2021.

The joint project between Iberdrola Foundation Spain and **Save the Children** to build a child protection centre in the city of Nouadhibou has now been completed, thus providing a home for these children and protecting them from the dangers they would otherwise face on the street.

The project is part of the European Union's AFIA Programme, which aims to protect children against trafficking and exploitation. The new centre is being built on land owned by the Ministry of Social Affairs, Childhood and Family (MASEF) in Mauritius.

Iberdrola Foundation Spain is looking at potential ways of working with the Spanish Agency for International Development Cooperation (AECID) and

has signed a Humanitarian Framework Agreement or Protocol to jointly and immediately respond to humanitarian emergencies and provide aid. The goal is to protect vulnerable victims of natural disasters, violence and coercion, or people with limited access to essential services during emergencies or humanitarian crises, focusing on children and women.

4. Corporate Governance

Corporate governance highlights during financial year 2020 were as follows:

- On 30 October 2019, IBERDROLA notified the Spanish National Securities Market Commission (“CNMV”) of an addendum to the prospectus containing the terms and conditions of the second round of the Iberdrola Scrip Dividend optional dividend scheme for 2019. IBERDROLA then published another addendum to that same prospectus on 7 January 2020.
- Meanwhile, on 18 December 2019, the Company’s Board of Directors reported its ratification of the agreement on the distribution of an interim dividend for financial year 2019.
- Subsequently, on 30 January 2020, Iberdrola completed the paid-up capital increase approved by the General Shareholders’ Meeting of 29 March 2019, as well as the distribution of an interim dividend for 2019 as agreed on 29 October 2019 by the Board of Directors, as part of the second round of the Iberdrola Scrip Dividend optional divided scheme for 2019.
- On 4 February 2020, the CNMV was informed of the signing of an agreement between Iberdrola Participaciones, S.A. (Sociedad Unipersonal) (“Iberdrola Participaciones”) and IBERDROLA on the one side, and Siemens Aktiengesellschaft, on the other, the said agreement governing the sale of the entire stake held by Iberdrola Participaciones in Siemens Gamesa Renewable Energy, S.A., representing 8.07% of its share capital.
Subsequently, on 5 February 2020, IBERDROLA reported the completion and settlement of the sale. It also disclosed an estimated gross capital gain (before tax) of approximately EUR 485 million. It was reported that the net capital gain (after tax) would be shown in the consolidated financial statements of the Iberdrola Group over the course of the financial year.

- On 14 February 2020, the Company submitted its energy production figures for 2019.
- On 24 February 2020, Iberdrola notified the CNMV of the resolution to carry out a buyback programme of the Company’s treasury stock in accordance with the authorisation granted by the General Shareholders’ Meeting of 13 April 2018, under point 12 of the agenda. Since that date, Iberdrola has been periodically submitting information to the CNMV regarding the share buyback programme, which may remain in effect until 12 June 2020 (though it may be concluded prior to said date in the event that the authorised maximum number of shares is acquired, or if there is any other circumstance warranting an earlier end to the programme).
- On 26 February 2020, the Company submitted its results for the financial year ended 31 December 2019 to the CNMV.

GENERAL SHAREHOLDERS’ MEETING

The Board of Directors of Iberdrola, at its meeting of 24 February 2020, agreed to convene the General Shareholders’ Meeting to be held at first call on 2 April 2020, or at second call on 3 April 2020. In addition, the Board approved the payment of an attendance allowance for shareholders present or represented at the General Shareholders’ Meeting.

The announcement of the convening of the General Shareholders’ Meeting was posted by the Company on its corporate website (www.iberdrola.com) and in the Official Bulletin of the Companies Register on 28 February 2020.

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

Subsequently, in response to the World Health Organization’s announcement that the outbreak of the coronavirus (COVID-19) qualified as a global pandemic, the Board of Directors agreed, on 18 March 2020 and under the terms of Article 41 of *Royal*

Decree-Law 8/2020, of 17 March, on extraordinary and urgent measures to combat the economic and social impact of COVID-19, to publish an addendum to the announcement of the General Shareholder's Meeting as an extraordinary measure to ensure that the meeting would be held responsibly, given the overriding need to safeguard public interests, the health of the people involved in organising and staging the meeting and to ensure that the Company continues to successfully carry on its business activities and accomplish its objectives in the interest of all shareholders and other stakeholders.

On 2 April 2020, the Company's General Shareholders' Meeting was held at first call, with a quorum of 77.04% of share capital (7.35% present and 69.69% represented). All the motions included on the meeting agenda were approved at the meeting, as shown below:

Resolutions relating to the performance of the management and audit function

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

Resolutions regarding the corporate governance system

6. Amendment of Articles 6, 7 and 17 of the *Articles of Association* to redefine the concepts of social interest and social dividend.
7. Amendment of Article 8 of the *Articles of Association* in order to recognise the compliance system and the Compliance Unit.
8. Amendment of Article 10 of the *Articles of Association* to reflect the amount of share capital resulting from the capital reduction achieved through the redemption of a maximum of 213,592,000 treasury shares (3.31% of share

capital).

9. Amendment of Article 9 of the *Regulations of the General Shareholders' Meeting* to vest powers in the General Meeting to approve the statement of non-financial information.
10. Amendment of Articles 14, 19 and 39 of the *Regulations of the General Shareholders' Meeting* to update existing rules and regulations on the right to information and on the mechanisms enabling remote attendance of the meeting.
11. Amendments to Articles 6, 7, 15, 16, 17, 22, 33 and 44 of the *Regulations of the General Shareholders' Meeting* to introduce certain technical improvements.

Resolutions regarding remuneration

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

Resolutions regarding the Board of Directors

17. Appointment of Nicola Mary Brewer as independent director.
18. Appointment of Regina Helena Jorge Nunes as independent director.
19. Re-election of Ifigo Víctor de Oriol Ibarra as other external director.

20. Re-election of Samantha Barber as independent director.
21. Setting the number of members of the Board of Directors at 14.

Resolution on authorisations and vesting of powers

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

BOARD OF DIRECTORS

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

- i. Appointment of lead independent director, Juan Manuel González Serna, as deputy chairman of the Board of Directors.
- ii. Re-election of independent director Samantha Barber and appointment of Mr González Serna as members of the Delegated Executive Committee.
- iii. Re-election of independent director Xabier Sagredo Ormaza and appointment of independent director Regina Helena Jorge Nunes as members of the Audit and Risk Oversight Committee. Sagredo Ormaza will continue to serve as chairman of that committee.
- iv. Appointment of other external director Iñigo Víctor de Oriol Ibarra as member of the Remuneration Committee, who will step down from the Sustainable Development Committee.
- v. Appointment of independent director Nicola Mary Brewer as member of the Sustainable Development Committee.

CORPORATE GOVERNANCE SYSTEM

Iberdrola continually updates its corporate governance system, which comprises the following regulatory documents: *Articles of Association*, *the Purpose and Values of Iberdrola Group*, the corporate policies, the governance regulations of the corporate bodies and the other functions and internal committees, and the Company's compliance function. Generally recognised good governance recommendations in international markets have been taken into account when drafting these documents.

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

On 24 February 2020, IBERDROLA's Board of Directors agreed to reform its Corporate Governance System so as to: (i) update the terms of various corporate policies to include the link between the Code of Ethics and social interest and to update the definition of social dividend; (ii) eliminate—following the CNMV's decision to repeal its rules and criteria on discretionary transactions with own shares of 18 July 2013—the guidelines on this subject set out in the *Internal Rules of Conduct in the Securities Markets* and in the *Treasury Shares Policy*; (iii) replace all references to significant corporate events (*hechos relevantes*) in the rules and policies of the corporate governance system with the new categories established by the CNMV; (iv) update the treatment and disclosure of inside information in the rules that make up Compliance Book V; (v) update the *Regulations of the Board of Directors*—the amendment of which was communicated to the CNMV on that date—and the regulations of the advisory committees attached to the Board to make

clear that meetings held at various interconnected venues will be deemed to be held at the registered office; (vi) amend the *Policy on Respect for Human Rights* so as to update the core principles and establish the relationship with stakeholders; (vii) introduce various technical improvements; and (viii) review risk policies.

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

All documents that comprise the corporate governance system are posted (in their full or abridged version) in both Spanish and English on the corporate website (www.iberdrola.com), which allows users to download them for consultation onto an e-book reader or any other mobile device.

Information transparency

One of the core principles underlying IBERDROLA's corporate governance practices is to ensure maximum transparency in financial and non-financial information provided to shareholders, investors and markets. The Company made considerable efforts in 2020 to ensure that institutional investors and financial analysts are kept fully informed of its business and activities.

Information on the existence of corruption cases during the year

Through the ethical mailboxes the company has not been informed of any case of corruption that has been confirmed during the year. Nor has the company been informed through the corresponding legal channels of its Legal Services of any judicial resolutions on this matter during the reporting period. Nor has any incident been recorded through the mailboxes set up for this purpose that has led to the cancellation of orders or contracts with suppliers of the group.

The Iberdrola group is collaborating with the Justice Administration in the clarification of the circumstances related to the contracting of the company Cenyt, to

make effective the responsibilities that, in its case, would be necessary, as well as to defend its good name and reputation.

The review and analysis of the internal processes, which were carried out with the help of independent experts and in accordance with the Group's system of corporate governance and compliance, did not reveal any violation of the internal control systems, the Code of Ethics or any other rules or procedures. Therefore, the impact of these events, if any, would be limited to the area of reputation.

More information about the actions carried out by Iberdrola and Iberdrola Renovables in relation to the contracting of Club Exclusivo de Negocios Y Transacciones SL (CENYT) can be found at: https://www.iberdrola.com/wcorp/gc/prod/es_ES/corporativos/docs/cenyt_nota_consejo_administracion.pdf

5. Significant Events

CNMV: Significant Events from January to March 2020		
Date	Event	Registration No
07/01/2020	Supplement to the information booklet regarding the second round of the "Iberdrola Scrip Dividend" optional dividend system for 2019	285629
30/01/2020	Implementation of the second round of the "Iberdrola Scrip Dividend" optional dividend system for 2019	286315
04/02/2020	Sale of the stake held by Iberdrola Participaciones, S.A. in Siemens Gamesa Renewable Energy, S.A. to Siemens AG and termination of the shareholders' agreement in effect with Siemens AG	286473
05/02/2020	Completion and settlement of the sale of stake held by Iberdrola Participaciones, S.A. in Siemens Gamesa Renewable Energy, S.A. to Siemens AG and estimation of gross capital gain	286526
07/02/2020	The Company reports the release date for 2019 earnings	286627
14/02/2020	The Company reports its energy balance for all 12 months of 2019	86
24/02/2020	Iberdrola announces the call of the General Shareholders' Meeting (agenda)	236
24/02/2020	Buyback programme for Iberdrola, S.A. shares, with a maximum of 1.733% of the share capital to be redeemed	237
26/02/2020	The Company reports its 2019 results	312
26/02/2020	The Company submits its presentation of earnings for 2019	317
28/02/2020	Publication of the announcement of the General Shareholders' Meeting and documentation to be made available to shareholders	522
28/02/2020	The Company publishes the Annual Corporate Governance Report for 2019	625
28/02/2020	The Company submits the Annual Report on Director Remuneration for 2019	627
28/02/2020	The Company submits financial information for the second half of 2019	628
02/03/2020	The Company submits the Regulations of the Board of Directors	703
05/03/2020	Transactions carried out by Iberdrola, S.A. under its share buyback programme between 25 February and 4 March 2020	765
13/03/2020	Transactions carried out by Iberdrola, S.A. under its share buyback programme between 5 and 12 March 2020	954
18/03/2020	Additional notice to the announcement of the General Shareholders' Meeting to address the coronavirus pandemic	1056
20/03/2020	Transactions carried out by Iberdrola, S.A. under its share buyback programme between 13 and 19 March 2020	1097
27/03/2020	Transactions carried out by Iberdrola, S.A. under its share buyback programme between 20 and 26 March 2020	1223

Glossary of terms

Alternative Performance Measures	Definition
Market capitalisation	Number of shares at the close of the period x price at the close of the period
Earnings per share	Net profit for the quarter / number of shares at the close of the period
PER	Price at the close of the period / Earnings per share for the last four quarters
Price / Book value	Market capitalisation / Equity of the parent company
Dividend yield (%)	Dividends paid in the last 12 months and attendance bonus / price at close of the period
Gross Margin	Net Revenue - Procurements
Net Operating Expenses	Personnel expense - Capitalized personnel expense + External services - Other Operating Income
Net Operating Expenses / Gross Margin	Net Operating Expenses / Gross Margin
Net Personnel Expense	Personnel Expense - Capitalized Personnel Expense
Net External Services	External Services - Other Operating Income
Gross Operating Profit (EBITDA)	Operating Profit + Depreciations, Amortisations and Provisions
Adjusted Gross Operating Profit (EBITDA)	Gross Operating Profit (EBITDA) adjusted by provisions for efficiency plans
Net Operating Profit (EBIT)	Operating Profit
Financial Result	Financial Revenue - Financial Expenses
Income from Non-Current Assets	Benefits from sale of non-current assets - Losses from sale of non-current assets
ROE	Net Profit of the four last quarters / Equity (average)
Financial leverage	Net Financial Debt/(Net Financial Debt + Equity)
Adjusted Equity	Shareholders' Equity adjusted by the market value of the accumulators
Gross Financial Debt	Financial Debt (loans and other) + equity instruments with certain characteristics of financial liability + 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 by market value of treasury stock cumulative hedges
Net Financial Debt / Equity	Net Financial Debt / Equity
Net Financial Debt / EBITDA	Net Financial Debt / EBITDA for the last four quarters
Funds from Operations (FFO)	See section 'Funds From Operations' in the report

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

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

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