

Results Presentation

2020

February 24, 2021



**SUSTAINABLE
EVENT**



Legal Notice

DISCLAIMER

This document has been prepared by Iberdrola, S.A. exclusively for use during the presentation of financial results of the 2020 fiscal year. As a consequence thereof, this document may not be disclosed or published, nor used by any other person or entity, for any other reason without the express and prior written consent of Iberdrola, S.A.

Iberdrola, S.A. does not assume liability for this document if it is used with a purpose other than the above.

Except for the financial information included in this document (which has been extracted from the annual financial statements of Iberdrola, S.A. corresponding to the fiscal year ended on 31 December 2020, as audited by KPMG Auditores, S.L.), the information and any opinions or statements made in this document have not been verified by independent third parties; therefore, no express or implied warranty is made as to the impartiality, accuracy, completeness or correctness of the information or the opinions or statements expressed herein.

Neither Iberdrola, S.A. nor its subsidiaries or other companies of the Iberdrola Group or its affiliates assume liability of any kind, whether for negligence or any other reason, for any damage or loss arising from any use of this document or its contents.

Neither this document nor any part of it constitutes a contract, nor may it be used for incorporation into or construction of any contract or agreement.

Information in this document about the price at which securities issued by Iberdrola, S.A. have been bought or sold in the past or about the yield on securities issued by Iberdrola, S.A. cannot be relied upon as a guide to future performance.

IMPORTANT INFORMATION

This document does not constitute an offer or invitation to purchase or subscribe shares, in accordance with the provisions of (i) the restated text of the Securities Market Law approved by Royal Legislative Decree 4/2015, of 23 October; (ii) Regulation (EU) 2017/1129 of the European Parliament and of the Council, of 14 June 2017, on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC; (iii) Royal Decree-Law 5/2005, of 11 March; (iv) Royal Decree 1310/2005, of 4 November; and (v) their implementing regulations.

In addition, this document does not constitute an offer of purchase, sale or exchange, nor a request for an offer of purchase, sale or exchange of securities, nor a request for any vote or approval in any other jurisdiction.

The shares of Iberdrola, S.A. may not be offered or sold in the United States of America except pursuant to an effective registration statement under the Securities Act of 1933 or pursuant to a valid exemption from registration. The shares of Iberdrola, S.A. may not be offered or sold in Brazil except under the registration of Iberdrola, S.A. as a foreign issuer of listed securities, and a registration of a public offering of depositary receipts of its shares, pursuant to the Capital Markets Act of 1976 (Federal Law No. 6,385 of December 7, 1976, as further amended), or pursuant to a valid exemption from registration of the offering.

This document and the information presented herein was prepared by Iberdrola, S.A. solely with respect to the consolidated financial results of Iberdrola, S.A. and was prepared and is presented in accordance with the International Financial Reporting Standards ("IFRS"). This document does not contain, and the information presented herein does not constitute, an earnings release or statement of earnings of Avangrid, Inc. ("Avangrid") or Avangrid's financial results. Neither Avangrid nor its subsidiaries assume responsibility for the information presented herein, which was not prepared and is not presented in accordance with United States Generally Accepted Accounting Principles ("U.S. GAAP"), which differs from IFRS in a number of significant respects. IFRS financial results are not indicative of U.S. GAAP financial results and should not be used as an alternative to, or a basis for anticipating or estimating, Avangrid's financial results. For information regarding Avangrid's financial results for the 2020 fiscal year, please see the press release Avangrid issued on February 24, 2021, which is available on its investor relations website at www.avangrid.com and the Securities and Exchange Commission ("SEC") website at www.sec.gov.

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

This document does not contain, and the information presented herein does not constitute, an earnings release or statement of earnings of Neoenergia S.A. ("Neoenergia") or Neoenergia's financial results. Neither Neoenergia nor its subsidiaries assume responsibility for the information presented herein. For information regarding Neoenergia's financial results for the 2020 fiscal year, please see the press release Neoenergia issued on February 9, 2021, which is available on its investor relations website at www.fi.neoenergia.com and the Brazilian *Comissão de Valores Mobiliários* ("CVM") website at www.cvm.gov.br.

FORWARD-LOOKING STATEMENTS

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

Although Iberdrola, S.A. believes that the expectations reflected in such forward-looking statements are reasonable, investors and holders of Iberdrola, S.A. shares are cautioned that forward-looking information and statements are subject to various risks and uncertainties, many of which are difficult to predict and generally beyond the control of Iberdrola, S.A., that could cause actual results and developments to differ materially from those expressed in, or implied or projected by, the forward-looking information and statements. These risks and uncertainties include those discussed or identified in the documents sent by Iberdrola, S.A. to the Spanish Comisión Nacional del Mercado de Valores, which are accessible to the public.

Forward-looking statements are not guarantees of future performance. They have not been reviewed by the auditors of Iberdrola, S.A. You are cautioned not to place undue reliance on the forward-looking statements, which speak only as of the date they were made. All subsequent oral or written forward-looking statements attributable to Iberdrola, S.A. or any of its members, directors, officers, employees or any persons acting on its behalf are expressly qualified in their entirety by the cautionary statement above. All forward-looking statements included herein are based on information available to Iberdrola, S.A. on the date hereof. Except as required by applicable law, Iberdrola, S.A. does not undertake any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Index

1. Core business figures	4
2. COVID-19 impact	12
3. Highlights for the period	15
4. Operational performance over the period	20
5. Analysis of the consolidated profit and loss account	35
6. Results by business	40
7. Balance sheet analysis	50
8. Financial Statements Tables	61
Balance Sheet 2020	62
Profit and Loss NIIF Standar	64
Results by Business	65
Networks Business	66
Renewables Business	67
Generation and Supply Business	68
Quarterly Results 2020	69
Statement of origin and use of funds	70
9. Stock market evolution	71
10. Regulation	73
11. Iberdrola and Sustainability	78
12. Glossary of terms	110

Core business figures

Networks

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

Distributed Electricity

ELECTRICITY (GWh)	12M 2020	12M 2019	vs. 2019
Spain	88,390	93,509	-5.5%
United Kingdom	31,738	33,711	-5.9%
United States	38,012	38,441	-1.1%
Brazil	66,857	67,879	-1.5%
Total	224,998	233,541	-3.7%
GAS (GWh)			
United States	59,134	64,234	-7.9%
Total	59,134	64,234	-7.9%

Differences may arise due to rounding

Managed Supply Points

ELECTRICITY (Millions)	12M 2020	12M 2019	vs. 2019
Spain	11.21	11.15	0.6%
United Kingdom	3.54	3.53	0.3%
United States	2.27	2.26	0.3%
Brazil	14.28	14.05	1.6%
Total Electricity	31.30	30.99	1.0%
GAS (Millions)			
United States	1.02	1.02	0.6%
Total Gas	1.02	1.02	0.6%
TOTAL SUPPLY POINTS	32.32	32.01	1.0%

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

	12M 2020	12M 2019	vs. 2019
Net Production (GWh)	162,842	151,758	7.3%
Net owned production	123,463	114,250	8.1%
Renewables	67,846	59,072	14.9%
Onshore	39,183	37,216	5.3%
Offshore	4,380	2,211	98.0%
Hydro	22,034	17,941	22.8%
Minihydro	682	618	10.3%
Solar and others	1,568	1,086	44.3%
Nuclear	24,316	23,738	2.4%
Gas combined cycle	24,513	22,266	10.1%
Cogeneration	6,550	8,825	-25.8%
Coal	237	349	-32.0%
Net production for third parties	39,378	37,508	5.0%
Renewables	218	227	-3.9%
Onshore	218	227	-3.9%
Gas combined cycle	39,160	37,281	5.0%
Installed Capacity (MW)	55,111	52,082	5.8%
Net owned installed capacity	47,965	45,702	5.0%
Renewables	34,820	31,939	9.0%
Onshore	18,471	16,787	10.0%
Offshore	1,258	964	30.5%
Hydro	12,864	12,864	-
Minihydro	303	306	-0.8%
Solar (dc) and others	1,923	1,018	88.9%
Nuclear	3,177	3,177	-
Gas combined cycle	8,777	8,377	4.8%
Cogeneration	1,191	1,335	-10.8%
Coal	-	874	-100.0%
Net installed capacity for third parties	7,146	6,380	12.0%
Renewables	103	103	-
Onshore	103	103	-
Gas combined cycle	7,043	6,277	12.2%
Electricity customers (No mill.)	12,84	12,89	-0.4%
Gas customers (No mill.)	3,01	2,94	2.4%
Gas Supplies (GWh)	55,624	63,714	-12.7%
Gas Storage (bcm)	0,13	0,13	-

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

	12M 2020	12M 2019	vs. 2019
Net Production (GWh)	59,854	58,474	2.4%
Renewables	25,919	22,191	16.8%
Onshore	11,617	12,491	-7.0%
Hydro	13,111	9,082	44.4%
Minihydro	682	618	10.3%
Solar and others	509	-	N/A
Nuclear	24,316	23,738	2.4%
Gas combined cycle	7,216	9,697	-25.6%
Cogeneration	2,166	2,500	-13.4%
Coal	237	349	-32.0%
Installed Capacity (MW)	26,635	26,624	0.0%
Renewables	17,411	16,526	5.4%
Onshore	6,292	6,005	4.8%
Hydro	9,715	9,715	-
Minihydro	303	306	-0.8%
Solar (dc) and others	1,100	500	120.0%
Nuclear	3,177	3,177	-
Gas combined cycle	5,695	5,695	-
Cogeneration	353	353	-
Coal	-	874	-100.0%
Electricity customers (No mill.)	10.01	10.08	-0.6%
Gas customers (No mill.)	1.10	1.05	4.6%
Gas Supplies (GWh)	30,861	37,574	-17.9%
Users	14,583	16,727	-12.8%
Gas Combined Cycle	16,278	20,846	-21.9%

Differences may arise due to rounding

United Kingdom

	12M 2020	12M 2019	vs. 2019
Net Production (GWh)	6,677	4,640	43.9%
Renewables	6,677	4,640	43.9%
Onshore	3,581	3,706	-3.4%
Offshore	3,097	934	231.4%
Installed Capacity (MW)	2,858	2,520	13.4%
Renewables	2,858	2,520	13.4%
Onshore	1,950	1,906	2.3%
Offshore	908	614	47.9%
Solar (dc) and others	6	-	N/A
Electricity customers (No mill.)	2.83	2.82	0.4%
Gas customers (No mill.)	2.83	2.82	0.4%
Gas Supplies (GWh)	1.91	1.89	1.1%
Gas Storage (bcm)	24,762	26,140	-5.3%

Differences may arise due to rounding

USA

	12M 2020	12M 2019	vs. 2019
Net Production (GWh)	22,122	20,959	5.6%
Renewables	19,371	17,478	10.8%
Onshore	18,930	16,953	11.7%
Hydro	120	179	-33.0%
Solar and others	321	346	-7.3%
Gas combined cycle	6	3	88.2%
Cogeneration	2,745	3,477	-21.0%
Installed Capacity (MW)	8,822	8,361	5.5%
Renewables	7,982	7,521	6.1%
Onshore	7,721	7,259	6.4%
Hydro	118	118	-
Solar (dc) and others	143	143	-
Gas combined cycle	204	204	-
Cogeneration	636	636	-

Differences may arise due to rounding

Mexico

	12M 2020	12M 2019	vs. 2019
Net Production (GWh)	57,517	51,013	12.7%
Net owned production	18,138	13,505	34.3%
Renewables	1,658	1,424	16.4%
Onshore	929	693	34.0%
Solar and others	729	731	-0.2%
Gas combined cycle	14,841	9,233	60.7%
Cogeneration	1,640	2,848	-42.4%
Net production for third parties	39,378	37,508	5.0%
Renewables	218	227	-3.9%
Onshore	218	227	-3.9%
Gas combined cycle	39,160	37,281	5.0%
Installed Capacity (MW)	10,673	9,532	12.0%
Net owned installed capacity	3,527	3,152	11.9%
Renewables	1,222	860	42.1%
Onshore	579	492	17.8%
Solar (dc) and others	642	368	74.4%
Gas combined cycle	2,103	1,946	8.1%
Cogeneration	202	346	-41.6%
Net installed capacity for third parties	7,146	6,380	12.0%
Renewables	103	103	-
Onshore	103	103	-
Gas combined cycle	7,043	6,277	12.2%

Differences may arise due to rounding

Brazil

	12M 2020	12M 2021	vs. 2019
Net Production (GWh)	13,122	14,007	-6.3%
Renewables	10,681	10,674	0.1%
Onshore	1,878	1,993	-5.8%
Hydro	8,803	8,680	1.4%
Gas combined cycle	2,440	3,334	-26.8%
Installed Capacity (MW)	4,079	4,079	-
Renewables	3,546	3,546	-
Onshore	516	516	-
Hydro	3,031	3,031	-
Gas combined cycle	533	533	-

Differences may arise due to rounding

Iberdrola Energía Internacional (IEI)*

	12M 2020	12M 2021	vs. 2019
Net Production (GWh)	3,550	2,665	33.2%
Renewables	3,540	2,665	32.8%
Onshore	2,249	1,379	63.1%
Offshore	1,283	1,277	0.4%
Solar and others	8	9	-3.7%
Gas combined cycle	10	-	N/A
Installed Capacity (MW)	2,038	965	111.1%
Renewables	1,795	965	85.9%
Onshore	1,414	609	132.0%
Offshore	350	350	-
Solar (dc) and others	31	6	405.2%
Gas combined cycle	243	-	N/A
Electricity customers (No mill.)	0.74	0.60	23.0%
Gas customers (No mill.)	0.26	0.20	32.2%
Gas Supplies (GWh)	1,396	634	120.2%

Differences may arise due to rounding

* Former Rest of the World

Stock Market Data

		12M 2020	12M 2019
Market capitalisation	EUR (million)	74,296	58,404
Earnings per share (6,350,061,000 shares at 31/12/20 and 6,362,072,000 shares, at 31/12/19)	€	0.55	0.53
Net operating cash flow per share	€	1.29	1.27
P.E.R.	Times	21.19	17.20
Price/Book value (capitalisation to NBV at the end of the period)	Times	2.11	1.55

Economic/Financial Data (*)

Income Statement		12M 2020	12M 2019
Revenues	EUR (million)	33,145.1	36,437.9
Gross Margin	EUR (million)	16,145.1	16,263.4
EBITDA	EUR (million)	10,010.2	10,104.0
EBIT	EUR (million)	5,536.3	5,877.2
Net Profit	EUR (million)	3,610.7	3,466.4
Net Operating Expenses / Gross Margin	%	26.7%	26.6%
Balance Sheet		Dec, 2020	Dec, 2019
Total Assets	EUR (million)	122,518	122,369
Equity	EUR (million)	47,219	47,195
Net Financial Debt	EUR (million)	35,925	38,140
Adjusted Net Financial Debt	EUR (million)	35,142	37,537
ROE	%	9.69	9.17
Financial Leverage (Net Financial Debt/(Debt Financial Debt + Equity))	%	43.2	44.7
Net Financial Debt / Equity	%	76.1	80.8

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

Others

		12M 2020	12M 2019
Gross Investments	EUR (million)	9,245.9	8,157.7
Employees	No.:	36,915	35,120

Iberdrola's Credit Rating

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

* Date of last modification

COVID-19 impact

During the COVID-19 crisis, the Iberdrola Group launched a comprehensive series of measures aimed at ensuring the protection of employees, suppliers and customers, as well as the security of supply:

- **Employees:** securing jobs, strengthening safety and protection measures, and achieving an infection rate considerably lower than the average in our markets. The investments made in the digitisation of processes and platforms enabled 95% of office employees to work remotely during the strictest period of the lockdown. For field personnel, all necessary actions were implemented to maintain distance and limit personal interaction, such as the dividing of teams and the organisation of work shifts.
- At present, and through plans for responsible re-entry that are aligned with local regulations, all employees in continental Europe have returned to their normal workplace, while progress is being made in the plans for other geographical regions.
- Last but not least, during the first half of the year the company was awarded the AENOR certification for excellence in anti-COVID measures.
- **Society:** strengthening electrical supply, above all in essential infrastructures such as hospital facilities, easing payment terms for our customers and implementing protective measures for the most vulnerable groups, while working in coordination with the authorities.
- **Suppliers and industrial fabric:** actions on the supply chain are particularly important due to the employment generated by our suppliers, owing especially to the major investment we are making. Thanks to the close collaboration between our teams, suppliers and the authorities, we have managed to continue construction activities, with no issues to report. Investments in the period increased by 13.3% to EUR 9,245.9 million, and as a result there are no significant impacts on the commissioning dates of the projects under construction.

These efforts have not gone unnoticed by the market, as evinced by Merco's recognition of Iberdrola as one of the five companies in Spain with the strongest social commitment against the pandemic. This recognition is based on the assessments of corporate social responsibility experts, financial analysts, financial journalists, members of the Spanish Government and Administration, NGOs, trade unions, consumer associations, social media managers and the general population, as well as the company's excellence in the management indicators evaluated by Merco and an objective analysis of the actions carried out during the pandemic.

An estimate of the pandemic's main impacts and potential risks based on the best information available at the date of issue of this report is presented below.

One of the **main effects** of COVID-19 has been decreased demand, the impact of which in some cases (such as in the United Kingdom and the United States) can be recovered in the coming years under current regulations. Additionally, there is the fall in commodity prices, which have exerted downwards pressure on spot prices in wholesale markets. This effect has been totally or partially offset by purchases made by liberalised supply businesses and by the existence of fixed price sales contracts (PPAs).

Other impacts include the temporary delay in the tariff review of some of our distributors in the United States (which will be partially recovered in upcoming tariff adjustments or reviews), lower income on connections of the supply business in Spain and lower net revenues due to delays in the launch of some projects.

In addition, with respect to net operating expenses, higher costs in employees' safety, health and transport, along with donations of health supplies and other social measures, have been partially offset by cost savings arising from lower levels of commercial activity, cancellation of travel and other savings in terms of operating expenses.

In aggregate, these effects have lowered EBITDA to EUR 218 million.

In addition, the increase in bad debt provisions in 2020 due to COVID-19 amounts to EUR 124 million. The increase arose mainly from the growth in receivable balances compared to normal levels, although regulators—in the United Kingdom (Ofgem) and the United States—have been asked to include measures to mitigate non-payment in the next regulatory review. This impact is reflected in the EBIT.

The breakdown of the aforementioned effects is as follows:

Million EUR	Demand		Non-payment	
	Networks	Generation and Supply	Networks	Generation and Supply
Spain	9	28	-	18
United Kingdom	22	43	-	65
United States	55 ⁽¹⁾	-	8	-
Mexico	-	11	-	-
Brazil	25	2	19	-
IEI	-	23	-	14
Total	111	107	27	97

(1) Impact primarily attributed to the late approval of the New York rate case.

Highlights for the period

- In 2020, the Iberdrola Group achieved a **Reported Net Profit** of **EUR 3,610.7 million**, up by 4.2%. **Adjusted Net Profit** rose by 9.7% to reach **EUR 3,400.2 million**.
- The results for the period were affected by the **COVID-19 pandemic**, whose main direct impacts on the Group's business are the drop in demand and delinquency, whose combined impact is EUR 342 million at the EBIT level, EUR 218 million and EUR 124 million, respectively.
- Despite the COVID-19 lockdown restrictions, **gross investment** continued to accelerate, growing by 13.3% to **reach a record EUR 9,245.9 million**, mainly thanks to the renewables business, contributing with close to 1,000 MW of new capacity in the quarter and almost 3,000 MW in the last year.
- **Financial robustness** was maintained, with a Funds From Operations (FFO) to Net Debt ratio improving on a like-for-like basis by 190 b.p. compared to the end of 2019, reaching 23.5%.
- The average evolution of Iberdrola's main **reference currencies** has an impact on EBITDA of EUR 486.9 million, as follows:
 - The pound sterling depreciated by 1.3% against the euro to reach 0.890.
 - The US dollar depreciated by 1.9% against the euro to reach 1.142.
 - The Brazilian real depreciated by 25.1% against the euro to reach 5.896.
- The **company's own CO2 emissions decreased by 13%** compared to last year to 98 g/KWh.

Global environment and general considerations

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 2020 was characterised by an increase in hydroelectric (+26%), solar (+39%) and wind (+1%) production compared to the same period of the previous year, while coal (-55%) and combined cycle (-25%) production decreased. Nuclear remains stable (0%).

In 2020, demand decreased by 5.1% compared with the previous year, and in terms adjusted for labour and temperature it also fell by 5.1%, COVID-19 being the main cause.

The year 2020 closed with a producibility index of 1.0 and hydroelectric reserves at 50.8% compared to an index of 0.9 and reserves at 51.0% at the close of 2019.

- In the **United Kingdom**, electricity demand fell by 5.3% in 2020 compared to the same period in 2019, the main reason being the COVID-19 pandemic. Demand for conventional gas increased by 1.9%.
- In **Avangrid's** management areas on the East Coast of the United States, electricity demand was down 1.1% against 2019, while gas demand dropped by 7.9%.
- Electricity demand across **Neoenergía's** management areas in Brazil fell by 1.5%.

Significant events for the Iberdrola Group

- 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 1,099.5 million, equivalent to EUR 20 per share. The capital gain on the sale amounted to EUR 485 million.
- Taxes were affected by several effects related to **deferred taxes**: on the one hand, the negative impact of the rate change in the UK (EUR 154 million), since the corporate rate of 19% was maintained (a reduction of 2 p.p. to 17% was foreseen but did not occur), partially offset by the recognition of deferred taxes for impairment losses from previous years (EUR 118 million). Furthermore, in the fourth quarter of 2019 there was an extraordinary positive impact relating to US taxation on dividends (EUR 124 million), which negatively affected the year-on-year comparison.
- On 19 November, the New York Public Service Commission approved the **new Rate Case in New York State** for a duration of three years. The delay in approval due to the COVID-19 pandemic will not impact Avangrid's accounts, since it will have retroactive effect from 17 April 2020. This Rate Case includes an ROE of 8.8%, similar to other utilities in the State, and a significant increase in RAB and investments, with the aim of improving the network by increasing its resilience and digitalisation.
- From the third quarter of 2020, the Iberdrola Group has revised **the criteria for the recognition of the financial cost of the hybrid bond**, which to date has been presented together with minority interests in the income statement. The Group has carried out the interpretation of the accounting standard on the basis of normal market practice and has considered it appropriate to recognise gross expenditure directly on reserves. As this constitutes

a change in accounting policy, in accordance with IAS 8, the change has a retroactive effect and has led to a change in net profit for 2019 of EUR 60.1 million.

- Finally, the new consideration of **the use of the Iberdrola brand** and its implications in the different Group businesses should be highlighted:
 - The Generation and Supply business in Spain had higher net operating expenses of EUR 95 million, the net result of payment to the Corporation for the use of the brand (EUR 133 million), from which the advertising expenses now covered by that Corporation are deducted (EUR 38 million).
 - The IEI Generation and Supply business had lower net operating expenses of EUR 12 million, an amount representing advertising now also borne by the Corporation.
 - The Corporation improved its net operating expenses by EUR 83 million; EUR 95 million net that it receives from the Generation and Supply business in Spain and EUR 12 million that it must pay to IEI Generation and Supply for advertising expenses.

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

EUR M	12M 2020	vs 12M 2019
GROSS MARGIN	16,145.1	-0.7
EBITDA	10,010.2	-0.9
ADJUSTED EBITDA	10,228.2	+3.0
EBIT	5,536.3	-5.8
NET PROFIT	3,610.7	+4.2
ADJUSTED NET PROFIT	3,400.2	+9.7

Consolidated **EBITDA** decreased by 0.9% to EUR 10,010.2 million, negatively affected by the exchange rate, which subtracted EUR 487 million, mainly from the Brazilian real. Excluding this impact, EBITDA grew 3.9% despite COVID-19 (EUR 218 million)

and positive extraordinary effects recorded in 2019 corresponding to the transfer of the long-term LNG supply contracts (EUR 87 million), the transfer of the fibre optic contracts to Lyntia (EUR 49 million) and the re-settlements in the Networks Spain business (EUR 33 million). Excluding this non-recurring effects, **adjusted EBITDA** increased by 3.0%.

In terms of operations, key highlights included the stronger contribution of transmission shares in Brazil, a growing regulatory asset base in the United Kingdom, higher installed renewable capacity, increased hydroelectric production in Spain, a growing contribution from offshore wind following the start-up of East Anglia ONE and the increased contribution of Smart Solutions. 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 due to the deferment of the collection of certain costs, the impact of Tropical Storm Isaias, as well as temporary impacts due to lower demand relating to the COVID-19 pandemic.

Net Operating Expenses improved by 0.4% with a positive exchange rate impact of EUR 242 million. Excluding currency devaluation, net operating expenses grew 5.2% as a result of the Group's increased activity, including the consolidation of nearly five months of Infigen and other non-recurring effects such as EUR 49 million of donations and other COVID-19 related costs, as well as storms in the US, partially offset by the efficiency plans implemented in 2019.

Taxes fell by 0.4% mainly due to the effect of the fall in production and price in Spain related to the tax on generation.

Depreciation, amortisation charges and provisions rose by 5.8% due to the increase in activity across the Group, and mainly higher provisions, which grew by 41.7%, affected by the increase in bad debt caused by the COVID (EUR 124 million).

Adjusted Net Profit grew 9.7% to EUR 3,400.2 million. This item excludes the net impact of

COVID-19 (EUR -238 million), the capital gain on the sale of Siemens Gamesa (EUR +485 million) and the non-recurrent impact recorded on the tax line (net EUR -36 million) as well as the extraordinary items accounted for in 2019 for the assignment of long-term LNG contracts to Pavilion (EUR 66 million net) and optical fibre to Lyntia (EUR 151 million net) and positive re-settlements in the Networks business in Spain (EUR 25 million net) and the tax impact from the taxation of dividends in the USA (EUR 124 M).

Reported Net Profit amounted to EUR 3,610.7 million, with an increase of 4.2% compared to that obtained in 2019, affected by non-recurring elements (capital gain of Siemens Gamesa referred to above, partially offset by the impact of tax).

The key financial figures for the period are as follows:

- Adjusted Net Financial Debt* was EUR 35,142 million, EUR 2,395 million lower than at the close of the previous year, due to the EUR 3,000 million hybrid issuance.
- Adjusted Funds Generated from Operations** in 2020 stood at EUR 8,237 million, 2.0% higher than in the same period of the previous year.

Finally, **gross investments** grew by 13.3% to EUR 9,245.9 million, mainly thanks to the renewables business. Of this amount, 92% was concentrated in the Networks and Renewables businesses.

* Adjusted for treasury stock derivatives with physical settlement that, at the current date, are not expected to be executed (EUR 784 million in Dec-20 and EUR 602 million in Dec-19).

** Adjusted for exit plan and Infigen pro forma 1 year contribution.

Other significant operations

A series of transactions within the framework of the 'Greenfield M&A' strategy being carried out by the Iberdrola Group have been closed during 2020 as a complement to the organic investment plan, with a view to expanding its global presence in renewable energies and ensuring growth in the medium and long term:

- On 7 May, the agreement was signed for the acquisition of 100% of the capital of the French company **Aalto Power** for an amount of EUR 100.1 million. Aalto Power owns land-based wind farms in France, with an installed and operating capacity of 118 MW and an additional 636 MW of land-based wind projects in varying degrees of development.
- On 17 June, the agreement was made public to acquire **Infigen**, the Australian company that owns land-based wind generation facilities with an installed capacity of 670 MW, 268 MW of conventional generation assets and backup energy storage (firming). The production of 246 MW of third-party renewable generation capacity acquired by firm means of energy purchase contracts and a portfolio of wind and solar projects at different stages of development for a total capacity of more than 1 GW. On 22 and 24 July 2020, the Comisión Nacional del Mercado de Valores (CNMV — the Spanish stock market commission) was informed of the final offer by the company, set at Australian dollars (AUD) 0.92, and finally, on 21 August, the takeover was completed of Infigen by 'Iberdrola Renewables Australia Pty. Ltd.' and its incorporation into the Iberdrola Group.
- On 22 June, a majority acquisition option was signed with the Swedish company **SVO** for the development of up to 9 GW of offshore wind capacity through eight projects. All these projects, which are in different stages of development, are expected to be operational from 2029.
- On 17 September Iberdrola reached an agreement with Macquarie's Green Investment Group (GIG) for

the acquisition of 100% of the Japanese promoter **Acacia Renewables**. The promoter currently has two marine wind farms under development, with a combined power of 1.2 GW, which could be operational in 2028. In addition, it has four other projects in its portfolio, with a capacity of 2.1 GW. Iberdrola will have a share equal to that of Macquarie GIG in these six facilities and both partners will be responsible for developing all the projects.

- On 5 February 2021, an agreement was announced with **DP Energy** to acquire a majority stake in offshore wind projects on the east, west and south coasts of Ireland, which will be eligible for the next offshore wind capacity auctions in the country, which will take place between 2025 and 2030.

Operational performance over the period

1. Energy distributed and supply points

The Group's Regulatory Asset Base (RAB) stood at €31.1 billion at the end of 2020, which represents an increase of 6% compared to the end of 2019 at constant exchange rates:

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

In 2020, electricity distributed by the Group amounted to 224,998 GWh a total that was affected by the measures of population lockdown and the stoppage of economic activity as a result of the COVID 19 health crisis. Demand for electrical energy was down 3.7% on the previous year.

Distributed Energy

Electricity (GWh)	2020	2019	vs 2019
Spain	88,390	93,509	-5.5%
United Kingdom	31,738	33,711	-5.9%
United States	38,012	38,441	-1.1%
Brazil	66,857	67,879	-1.5%
Total	224,998	233,541	-3.7%
GAS (GWh)			
United States	59,134	64,234	-7.9%
Total	59,134	64,234	-7.9%

From the start of the COVID-19 crisis, the Group's distribution business has taken numerous actions aimed at maintaining service for its more than 32 million supply points and ensuring quality of service, and the security of both its customers and of installations and operations. These included the activation of emergency plans with special measures

to protect critical facilities such as hospitals, care homes, the food industry, ministries of defence, prisons etc.

Special service plans were carried out in hospitals, with the installation of electrical generators and the inspection of the circuits serving essential facilities so as to ensure the non-interruptibility of service. Special operating stations were created exclusively dedicated to health services in collaboration with public authorities.

In addition, customer service channels were reinforced and the policy of cutting off customers' supplies due to non-payment was suspended, with customers offered payment programmes and resources to reduce their energy consumption.

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

Managed supply points

ELECTRICITY (million)	2020	2019	vs 2019
Spain	11.21	11.15	0.6%
United Kingdom	3.54	3.53	0.3%
United States	2.27	2.26	0.3%
Brazil	14.28	14.05	1.6%
Total electricity	31.30	30.99	1.0%
GAS (million)			
United States	1.02	1.02	0.6%
Total gas	1.02	1.02	0.6%
TOTAL SUPPLY POINTS			
	32.32	32.01	1.0%

Discrepancies possible due to rounding.

Following the acquisition of PNM in the United States and CEB in Brazil in 2020, planned for integration in 2021, the number of supply points will be expanded by 1.9 million, of which 0.8 million are in the United States and 1.1 million in Brazil.

1.1. Spain — i-DE

At the close of 2020, the networks business in Spain had 11.21 million supply points, which is 0.6% more than in 2019. Distributed energy came to 88,390 GWh, which is a 5.5% decrease from 2019. The lockdown measures have contributed to this drop in demand.

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

i-DE	2020	2019
SAIDI (min)	48.3	48.1
SAIFI (no. inter.)	0.99	0.94

Note: Does not include force majeure events

These quality indicators were impacted in January by storm Gloria, a force majeure event for regulatory purposes (2.45 minutes of impact in SAIDI) affecting 600,000 customers, for whom service was restored within 30 minutes in 70% of cases. It should be noted that the impact of this event will be excluded from the regulatory SAIDI (45.9 min in 2020 vs 45.1 min in 2019), because it has been classified as a force majeure event. In addition, strong winds in early March in the north-western part of the Peninsula had a negative impact on these indicators, as did storm Barbara in October, whose strong wind spells affected 170,000 customers in the northern region.

In 2020, i-DE signed a partnership agreement with EMT, the Madrid Municipal Transport Company, under which i-DE will provide advice on devising alternatives for the electrical supply to the infrastructures and urban mobility services managed by the EMT such as bus operation centres, the Bicimad service, public and resident parking and any other municipal fleet that EMT may manage in the future. In addition to this agreement, i-DE is working with the Madrid City Council to boost the energy transition in the city.

The DATADIS platform was opened to the public, which allows more than 29 million consumers in Spain to access details of their consumption through an interface that is common to all distributors.

Also in 2020, Iberdrola announced the launch of the Global Smartgrid Innovation Hub, establishing its global smart grid innovation centre in Spain to lead the energy transition. The innovation hub will open its doors in the spring of 2021 and the company has already identified more than 120 innovation projects with a budget of EUR 110 million.

In addition, i-DE has been awarded the Big Data Talent Award 2020 for its project to use advanced data analytics to identify and reduce non-technical losses. I-DE has also obtained ISO 10002:2018 certification, which proves to have an effective and efficient system for responding to complaints and claims.

1.2. United Kingdom – SPEN

At year-end 2020, Scottish Power Energy Networks (SPEN) surpassed 3.54 million supply points. The volume of energy distributed during the year amounted to 31,738 GWh, 5.9% less than in 2019, mainly due to the course of the pandemic:

Distributed Energy (GWh)	2020	2019	%
Scottish Power Distribution (SPD)	17,121	18,249	-6.2%
Scottish Power Manweb (SPM)	14,617	15,462	-5.5%

SPD and SPM quality of service indicators improved from 2019, although they were affected in February by the storms Ciara and Dennis, with more than 20,000 customers affected.

Customer Minutes Lost (CML) was as follows:

CML (min.)	2020	2019
Scottish Power Distribution (SPD)	30.46	32.43
Scottish Power Manweb (SPM)	32.99	34.84

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

CI (no. of interruptions)	2020	2019
Scottish Power Distribution (SPD)	41.04	43.42
Scottish Power Manweb (SPM)	30.72	34.21

In January 2020, bus firm First Glasgow commissioned its first two commercial electric buses in Glasgow. 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.

In June, a strategic electric vehicle partnership was undertaken with the Scottish government with the launch of the PACE project. The objective of this pilot project is to show the benefits of an innovative model for recharging electric vehicles in the grid led by the operators of the distribution grid.

In September, SPEN announced that it will hold the largest flexibility auction to date, for the period 2023 to 2028, totalling 900 MW of active power in Scotland, England and North Wales.

Lastly, the deployment of smart meters in the UK continues, with more than 1.7 million of them now installed.

1.3 United States – Avangrid

1.3.1 Electricity

At the close of 2020 Avangrid Networks had 2.27 million electricity supply points. Electricity distributed during the year came to 38,012 GWh, down 1.1% on the previous year due to COVID-19.

Distributed Energy (GWh)	2020	2019	%
Central Maine Power (CMP)	9,590	9,596	-0.1%
NY State Electric & Gas (NYSEG)	16,056	16,319	-1.6%
Rochester Gas & Electric (RGE)	7,327	7,343	-0.2%
United Illuminating Company (UI)	5,039	5,184	-2.8%

Avangrid's distribution area was hit by numerous storms, snow and strong winds in April, May, June and especially August, when storm Isaias battered all the areas in which Avangrid distributes power in the United States. Wind gusts of up to 70 mph were recorded, with more than 340,000 customers affected. In addition, severe thunderstorms came at the end of August and in the last quarter of the year, affecting all distribution areas.

In spite of this, Avangrid improved its overall Customer Average Interruption Duration Index (CAIDI) in both Central Maine Power and in Rochester Gas & Electric compared to 2019. In addition, the distributors CMP, NYSEG and UI have received the Edison Electric Institute award in recognition of their response to the 2020 storms, Nor'easter and Isaias.

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

CAIDI (hrs)	2020	2019
Central Maine Power (CMP)	1.85	2.07
NY State Electric & Gas (NYSEG)	1.98	1.93
Rochester Gas & Electric (RGE)	1.79	1.84

UI's System Average Interruption Duration Index (SAIDI) was heavily altered by the August storms.

At the end of December, it was as follows:

SAIDI (min)	2020	2019
United Illuminating Company (UI)	45.36	38.4

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

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

SAIFI	2020	2019
Central Maine Power (CMP)	2.03	1.53
NY State Electric & Gas (NYSEG)	1.38	1.35
Rochester Gas & Electric (RGE)	0.89	0.72
United Illuminating Company (UI)	0.56	0.50

In November 2020, the new rate conditions were approved for NYSEG and RG&E, AVANGRID's distributors in New York State. The new rates will allow increased investment with the aim of bolstering the network, increasing resilience and supporting the attainment of clean energy targets in the State. It will also allow 3.2 million smart electricity and gas meters to be rolled out and includes, among others, a three-year rate plan for residential and industrial customers. These guarantee the cheapest rates and special support measures such as flexible deferred payments for companies that have been most impacted by COVID-19, incentives for the use of heat pumps and strengthening of field teams.

In 2020, progress was made in obtaining the main permits of the New England Clean Energy Connect (NECEC) project awarded in 2018. It will involve the construction of a 233-kilometre transmission line between Canada and New England that will supply 100% of 1,200 MW hydroelectric power to Massachusetts starting in 2023.

1.3.2 Gas

Avangrid supplies gas through more than 1 million supply points. At the close of 2020, 59,134 GWh of gas has been distributed, which is 7.9% less than the previous year, due to the high temperatures seen in 2020 compared to 2019:

Distributed Energy (GWh)	2020	2019	%
NY State Electric & Gas (NYSEG)	15,500	16,889	-8.2%
Rochester Gas & Electric (RGE)	16,448	18,026	-8.8%
Maine Natural Gas (MNG)	2,863	2,816	1.7%
Berkshire Gas (BGC)	2,864	3,099	-7.6%
Connecticut Natural Gas (CNG)	10,960	11,997	-8.6%
Southern Connecticut Gas (SCG)	10,499	11,407	-8.0%

1.4. Brazil – Neoenergia

Neoenergia's supply points totalled 14.28 million in 2020, up 1.6% on 2019. The volume of distributed electricity was 66,857 GWh, representing a drop of 1.5% in relation to the previous year, which was due to the measures taken to stem the spread of coronavirus from mid-March:

Distributed Energy (GWh)	2020	2019	%
Elektro	19,148	19,150	0.0%
Coelba	24,127	25,062	-3.7%
Cosern	6,350	6,424	-1.1%
Celpe	17,232	17,243	-0.1%

Discrepancies possible due to rounding

Efforts to improve the quality of supply have allowed indicators to be kept within the regulatory limit, despite the heavy rains and atmospheric phenomena occurring throughout 2020 in the Coelba and Celpe areas. The customer average interruption time (*duração equivalente de interrupção por unidade consumidora* — DEC) was as follows:

DEC (hours)	2020	2019
Elektro	7.57	7.54
Coelba	12.43	12.18
Cosern	9.21	10.20
Celpe	12.62	11.96

The customer average number of interruptions (*freqüência equivalente de interrupção por unidade consumidora — FEC*) showed an improvement when compared with the same period of the previous year in all Northeast distributors and is in line with 2019 in Elektro:

FEC	2020	2019
Elektro	4.50	4.43
Coelba	5.54	5.91
Cosern	3.87	4.95
Celpe	5.37	5.69

Neoenergía took part in the auction of transmission lines carried out by Brazil's regulator ANEEL in December 2020, winning lot 2 of BRL 2,000 million of investment for the construction of more than 1,000 km of transmission lines, and a substation in the states of Bahia, Espírito Santo and Minas Gerais. Altogether, Neoenergía has been awarded 12 projects in auctions since 2017, of which 3 are now in operation, and it is making progress in the licensing and building of the others. In total, these projects will involve the expansion of the transmission network by more than 6,000 km.

2. Electricity production and customers

At the close of 2020, Iberdrola's **installed capacity** was up 5.8% from the previous year to 55,111 MW, accounting for 69.1% of the total (38,100 MW) of emission-free sources, compared to 67.6% in 2019:

MW	2020	vs 2019
Capacity for own use	47,965	5.0%
Renewables	34,820	9.0%
Onshore wind	18,471	10.0%
Offshore wind	1,258	30.5%
Hydroelectric	12,864	-
Mini-hydroelectric	303	-0.8%
Solar and other(*)	1,923	88.9%
Nuclear	3,177	-
Gas combined cycle	8,777	4.8%
Cogeneration	1,191	-10.8%
Coal	-	-100.0%
Capacity for third parties	7,146	12.0%
Renewables	103	-
Onshore wind	103	-
Gas combined cycle	7,043	12.2%
Total	55,111	5.8%

(*) Reported in MWdc
Discrepancies possible due to rounding

Net electricity production in the year was 162,842 GWh, 7.3% up on that recorded in 2019, with 56.7% of the total emissions-free (92,380 GWh) compared to 54.7% in the previous year:

GWh	2020	vs 2019
Own production	123,463	8.1%
Renewables	67,846	14.9%
Onshore wind	39,183	5.3%
Offshore wind	4,380	98.0%
Hydroelectric	22,034	22.8%
Mini-hydroelectric	682	10.3%
Solar and other	1,568	44.3%
Nuclear	24,316	2.4%
Gas combined cycle	24,513	10.1%
Cogeneration	6,550	-25.8%
Coal	237	-32.0%
Production for third parties	39,378	5.0%
Renewables	218	-3.9%
Onshore wind	218	-3.9%
Gas combined cycle	39,160	5.0%
Total	162,842	7.3%

Discrepancies possible due to rounding

As of December 31, 2020, Iberdrola has 26.2 million contracts, 4.4% more than at the end of 2019, with the following breakdown:

	Spain	UK	Brazil	IEI**	Total	Vs. 2019
Electricity contracts	10.0	2.8	-	0.7	13.6	+1.0%
Gas contracts	1.1	1.9	-	0.3	3.3	+6.5%
Smart solutions	6.3	2.1*	0.2	0.8	9.3	+10.7%
Total	17.4	6.8	0.2	1.8	26.2	+4.4%

(*) Includes 1.7 million smart meters installed

(**) Iberdrola Energía Internacional

2.1 Spain

Renewable capacity and production

At year-end, Iberdrola had an installed **renewable capacity** in Spain of 17,411 MW (+5.4%), broken down as follows:

SPAIN	Installed MW Consolidated at EBITDA level	MW managed by investee companies (*)	Total
Onshore wind	6,094	199	6,292
Solar PV (**)	1,100	-	1,100
Hydroelectric	9,715	-	9,715
Mini-hydroelectric	301	2	303
Total Capacity	17,210	201	17,411

Discrepancies possible due to rounding

(*) Includes the proportional MW share

(**) Reported in MWdc.

In the last quarter of the year, **wind turbines** were installed in the wind farms of Capiechamartín (34 MW), Cordel-Vidural (34 MW) and Panondres (21 MW) in Asturias, and Huesa (18 MW) and Orbaneja (32 MW) in the Herrera II complex in Burgos. This was in addition to the commissioning of the Puylobo park (49 MW) in Zaragoza. Work is also continuing in the wind farms of Verdigueiro (37 MW) in Asturias, and in Valdesantos (14 MW) in the Herrera II complex in Burgos.

In **photovoltaic solar**, the installation of modules in Olmedilla (50 MW) and Romeral (50 MW) in the province of Cuenca has been completed, and work has begun in the photovoltaic plants in Ceclavín (328 MW), Arenales (150 MW), Campos Arañuelos (140 MW) and Cedillo (100 MW) in Cáceres, and Barciencia (50 MW) in Toledo. In addition, commissioning work continues in Teruel (50 MW). More than 1.1 GW are now in the work start-up phase, among them the photovoltaic plants Francisco Pizarro (590 MW) in Cáceres, and Puertollano (100 MW) in Ciudad Real, whose output will be used for the production of green hydrogen.

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

- In the **Daivões dam** (118 MW) the commissioning is now complete in all the spillway floodgates, and they are operational. The hydraulic circuits are virtually complete, with the intake floodgates remaining to be commissioned. After the metal closing structure and the plant roof have been completed, assembly of the main units will begin.
- In the **Gouvães** operation (880 MW), the concreting work on the dam has been completed, and the waterproofing shield and the assembly of the monitoring system are in their final phase. The lining work on the adduction tunnel is complete, as is the assembly of the penstock. Two of the four reversible pump turbines have been assembled and commissioning has been initiated.
- In the **Alto Tâmega** (160 MW) the concreting of the dam has begun and the hydraulic circuit sections crossing it have been assembled. The concrete construction of the intake structure upstream of the dam has begun and the two suction bends have now been installed in the plant.

Renewable production totalled 25,919 GWh (+16.8%), broken down as follows:

SPAIN	GWh Consolidated at EBITDA level	GWh managed by investee companies (*)	Total
Onshore wind	11,251	366	11,617
Solar PV	509	-	509
Hydroelectric	13,111	-	13,111
Mini-hydroelectric	673	8	682
Total production	25,545	374	25,919

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 11,251 GWh over the period, down 6.5% on the same period of 2019 mainly due to lower wind resource, particularly in the first half of the year.
- Hydroelectric production amounted to 13,111 GWh, while production at mini-hydro plants rose to 673 GWh, a total increase of 42.2% in this technology compared to last year.
- In solar energy production, the Nuñez de Balboa (500 MWdc) and Andévalo (50 MWdc) plants generated 509 GWh in the period following their commissioning during the year.

Thermal capacity and production

At 31 December 2020, Iberdrola Group's **thermal capacity** in Spain totalled 9,225 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
Total Capacity	9,163	62	9,225

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

During the year, Iberdrola Generación Térmica was authorised to shut down the Velilla 1 and 2 power plant in the town of Velilla del Río Carrión (Palencia) and the Lada power plant in La Felguera (Asturias) so that at year-end Iberdrola's coal-fired power plant capacity was 0 MW.

Iberdrola's **thermal production** in 2020 was down -6% on the same period of the previous year, mainly due to reduced production at combined cycle (-26%), coal-fired (-32%), cogeneration (-13%) and in spite of a small increase in nuclear (+2%) plants.

Of the 33,935 GWh produced, Iberdrola consolidated 33,561 GWh at EBITDA level, with 374 GWh being

consolidated using the equity method. They can be broken down as follows:

SPAIN	GWh Consolidated at EBITDA level	GWh Investee companies (*)	Total
Nuclear	24,316	-	24,316
Gas combined cycle	7,216	-	7,216
Cogeneration	1,791	374	2,166
Coal	237	-	237
Total production	33,561	374	33,935

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

Retail business

As regards retail, at 31 December 2020 the portfolio managed by Iberdrola in Spain exceeded 17.4 million contracts, 2% more than at year-end 2019. They can be broken down as follows:

Thousands of contracts	Spain
Electricity contracts	10,013
Gas contracts	1,097
Smart Solutions Contracts	6,298
Total	17,408

By market type they can be split into the following:

Thousands of contracts	Spain
Free market	13,942
Last resort market	3,466
Total	17,408

Iberdrola's electricity sales* during 2020 were up 0.5%, impacted by COVID-19, broken down as follows:

Spain	GWh
Free market	51,417
Voluntary price for small consumers (PVPC) market	8,926
Other markets	34,648
Total Sales	94,990

In gas**, Iberdrola managed a balance during 2020 of 2.71 bcm, affected by the assignment of the contractual position in the long-term LNG supply contracts to Pavilion, of which 0.06 bcm were sold in wholesale transactions, 1.25 bcm sold to end-customers and 1.40 bcm used for electricity production.

*Sales in busbars
**Including shrinkage

2.2. United Kingdom

Renewable capacity and production

At the end of the year, Iberdrola had a **renewable installed capacity** in the United Kingdom of 2,864 MW (+13.6%):

UNITED KINGDOM	Installed MW Consolidated at EBITDA level	MW managed by investee companies (*)	Total
Onshore wind	1,934	15	1,950
Offshore wind	908	-	908
Batteries	6	-	6
Total Capacity	2,849	15	2,864

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

In **onshore wind technology**, the installation and commissioning work continues on the projects of Beinn an Tuirc 3 (50 MW) and Halsary (30 MW), both in Scotland. In **photovoltaic solar**, the three hybrid projects to be located in the operational wind farms of Carland C are in the commissioning phase. (10 MW), Coldham (9 MW) and Coal C. (10 MW), in England.

In **battery storage projects**, the Carland Cross LEM battery (1 MW) has been put into operation and work continues at Whitelee (50 MW), Scotland, with the installation of the first MWs, and also at Gormans (50 MW) and Barnsmore (3 MW) in Ireland.

In **offshore wind technology**, the **East Anglia One** project continues to supply energy to the national network through transmission assets, where the divestment process with OFGEM continues, with the preferred bidder announced in December. Currently, the focus continues on the development of the portfolio of projects in the **East Anglia Hub** (3.1 GW) complex, with requests for consent following their due course. A strategic agreement has been signed with suppliers regarding the supply of turbines, and procurement processes continue. The site investigation work, begun in July, was completed in November and preparations for the fourth round of CFD auctions have started and will continue throughout 2021.

Renewable production in the United Kingdom came to 6,677 GWh, broken down as follows:

UNITED KINGDOM	GWh Consolidated at EBITDA level	GWh managed by investee companies (*)	Total
Onshore wind	3,567	14	3,581
Offshore wind	3,097	-	3,097
Total production	6,664	14	6,677

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

Consolidated production at EBITDA level varied as follows:

- Onshore wind production came to 3,567 GWh, down 3.1% from the same period the previous year, mainly due to curtailments.
- Offshore wind production was up, gaining 231% to reach 3,097 GWh, largely as a result of East Anglia One entry into operation.

Retail business

As at 31 December 2020, the contract portfolio managed in the UK surpassed 5 million (+4.2%), broken down as follows:

Thousands of contracts	UK
Electricity contracts	2,827
Gas contracts	1,912
Smart Solutions contracts	360
Smart Meters	1,720
Total	6,819

Moreover, at the 2020 close, 18,297 GWh of electricity and 24,762 GWh of gas had been supplied to customers – down 7.3%* and 5.3%***, respectively, on the end of 2019.

*Sales in busbars
**Including shrinkage

2.3. United States – Avangrid

Renewable capacity and production

At year-end, Iberdrola had an installed **renewable capacity** in the United States of 7,982 MW (+6.1%), broken down as follows:

United States	Installed MW Consolidated at EBITDA level	MW managed by investee companies (*)	Total
Onshore wind	7,485	236	7,721
Hydroelectric	118	-	118
Solar (PV(**)+TM) and others	131	12	143
Total Capacity	7,734	248	7,982

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

In **onshore wind**, work was completed at Tatanka Park (155 MW) in South Dakota, whose 85% sale to WEC Energy Group has been completed. Installation and commissioning work continues at La Joya wind farm (306 MW) in New Mexico, which is estimated to be completed at the beginning of 2021. Installation of

the wind turbines at Roaring Brook (80 MW) in New York State is continuing and commissioning is expected in the second quarter of 2021. Meanwhile, work is now in the preliminary phase to soon commence construction on more than 1,000 MW of additional capacity in both wind and solar photovoltaic technologies.

In addition, in **offshore wind projects** in the United States, significant progress in Atlantic coast projects continued throughout the last quarter of the year.

The **Vineyard ONE** project announced the selection of its GE Haliade-X (13 MW) wind turbine on 1 December, and progress continues according to plan. The **Park City Wind** project has completed more than 95% of its geotechnical and geophysical studies, with the study campaign scheduled to be completed in early 2021.

The **Kitty Hawk** project, with a total capacity of up to 2,500 MW, successfully completed its geotechnical, geophysical and wind study campaigns in November, and on December 11, the Construction and Operations Plan (COP) for the first phase (800 MW), expected to begin construction in 2024, was submitted to the Bureau of Ocean Energy Management (BOEM). The COP also included an economic impact study, which estimated that the wind farm would create nearly 800 jobs in Virginia and North Carolina and contribute \$2 billion to the local economy over the next 10 years.

Renewable production in the United States came to 19,371 GWh, broken down as follows:

United States	GWh Consolidated at EBITDA level	GWh managed by investee companies (*)	Total
Onshore wind	18,415	516	18,930
Hydroelectric	120	-	120
Solar (PV+TM) and others	305	26	321
Total production	18,840	542	19,371

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 came to 18,415 GWh, up 11.1% on 2019, mainly due to the coming on stream of the Otter Creek wind farm in the period.
- Hydroelectric production came to 120 GWh (-33.0%) from the 179 GWh of production recorded in 2019.
- Production from solar and other technologies (including 73 GWh from fuel cells) came to 321 GWh (-7.3%).

2.4. Mexico

Renewable capacity and production

At year-end, Iberdrola had an installed **renewable capacity** in Mexico of 1,325 MW (+37.6%), broken down as follows:

MEXICO	Installed MW Consolidated at EBITDA level	MW managed by investee companies (*)	Total
Onshore wind	682	-	682
For own use	579	-	579
For third parties	103	-	103
Solar PV(**)	642	-	642
Total Capacity	1,325	-	1,325

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

In **onshore wind technology**, the commissioning was completed of the Santiago Wind Park (105 MW) in the state of San Luis Potosí, and Pier (220 MW), in Puebla, Mexico, has started commercial operation.

In **photovoltaic solar technology**, the installation and commissioning of the Cuyoaco plant (274 MWdc) in the state of Puebla have been completed.

Renewable production generated in the period came to 1,876 GWh, broken down as follows:

MEXICO	GWh Consolidated at EBITDA level	GWh managed by investee companies (*)	Total
Onshore wind	1,147	-	1,147
For own use	929	-	929
For third parties	218	-	218
Solar PV	729	-	729
Total production	1,876	-	1,876

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

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

- Onshore wind production came to 1,147 GWh, up 24.6% on 2019, due to the coming on stream of the Pier and Santiago wind farms.
- In solar energy production, 729 GWh was generated, which is 0.2% lower than in the previous year, mainly due to curtailments.

Thermal capacity and production

In Mexico, **thermal capacity** at 31 December 2020 stood at 9,348 MW following the commissioning last year of the combined cycle plants of El Carmen (866 MW) and Topolobampo II (911 MW), the completion of the combined cycle facility of Topolobampo III (779 MW, of which 766 MW are for third parties) and the shift of Enertek cogeneration to operating as a gas combined cycle, thus adding 144 MW to this technology. Thermal production in 2020 totalled 55,641 GWh – 13% higher than in the same period a year earlier.

MEXICO	MW	GWh
Gas combined cycle	9,146	54,001
For own use	2,103	14,841
For third parties	7,043	39,160
Cogeneration	202	1,640
Total	9,348	55,641

Discrepancies possible due to rounding

Retail business

Electricity sales in 2020 came to 52,558 GWh (+4.6%), broken down as follows:

MEXICO	GWh
CFE	39,160
Private	13,398
Total Sales	52,558

2.5. Brazil – Neoenergia

Renewable capacity and production

At year-end, Iberdrola's renewable capacity in Brazil remained at 3,546 MW, broken down as follows:

BRAZIL	Installed MW Consolidated at EBITDA level	MW managed by investee companies (*)	Total
Onshore wind	516	-	516
Hydroelectric	836	2,194	3,031
Total Capacity	1,352	2,194	3,546

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

Work is continuing on the Chafariz **onshore wind** farm in the state of Paraíba, which has a total of 15 wind projects and 472 MW of capacity, expected to be commissioned in early 2022. In addition, at the Oitis facility in the state of Piauí, 12 wind farms will be built for a total of 566 MW, where work is expected to be complete in the second half of 2022.

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

Renewable production during 2020 came to 10,681 GWh (+0.1%), broken down as follows:

BRAZIL	GWh	GWh	Total
	Consolidated at EBITDA level	managed by investee companies (*)	
Onshore wind	1,878	-	1,878
Hydroelectric	2,043	6,760	8,803
Total production	3,921	6,760	10,681

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 1,878 GWh, down 5.8% on 2019, due to lower recorded wind resource.
- Hydroelectric production came to 2,043 GWh (+50.9%) thanks to the progressive entry into operation of Baixo Iguaçu in 2019.

Thermal capacity and production

In Brazil, thermal capacity at 31 December 2020 remained at 533 MW, while thermal production during this year came to 2,440 GWh (-27%).

BRAZIL	MW	GWh
Gas combined cycle	533	2,440
Total	533	2,440

Retail business

Electricity sales in 2020 came to 14,657 GWh (-2.5%), broken down as follows:

Brazil	GWh
PPA	10,410
Free market	4,248
Total Sales	14,657

2.6. Iberdrola Energía Internacional (IEI)*

Renewable capacity and production

Installed **renewable capacity** at Iberdrola Energía Internacional* reached 1,795 MW (+85.9%), broken down as follows:

* Formerly Rest of World

Iberdrola Energía Internacional (IEI)	MW
Onshore wind	1,414
Offshore wind	350
Solar	31
TOTAL	1,795

Discrepancies possible due to rounding

Most notable in the **onshore wind** segment were the additions of more than 600 MW in Australia (with the consolidation of Infigen), and 118 MW in France, after the French company, Aalto Power, was bought. Onshore wind power is broken down as follows by country:

Iberdrola Energía Internacional (IEI)	MW
Greece	275
Portugal	92
Cyprus	20
Hungary	158
Romania	80
Australia	670
France	118
Total	1,414

Discrepancies possible due to rounding

As regards **solar photovoltaic power**, construction continues at Port Augusta, Australia: a 317-MW hybrid wind and PV solar technology facility, which will be one of the largest hybrid renewable energy plants in the southern hemisphere. Iberdrola was also allocated 186 MWdc of solar photovoltaic capacity in the renewables auction held in Portugal in August.

In addition, after the acquisition of Infigen, Iberdrola has a **battery** of 25 MW in capacity, which is located at the Lake Bonney wind farm in Virginia state, Australia.

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

- In **France**, the **Saint Briec** project (496 MW) began preparation work for the laying of foundations in the first half of 2021.

- In **Germany**, the **Baltic Eagle** project (476 MW) is continuing the contracting and manufacturing work: suppliers of the manufacturing and installation contracts for both wind turbines and foundations and cables have been selected, and the offshore substation's manufacturing work has already begun and is progressing as planned.
- In **Japan**, Iberdrola purchased Acacia Renewables K.K in December for the development of a portfolio of offshore wind farms along with its partner Macquarie's Green Investment Group (GIG).
- In **Sweden**, Iberdrola, together with Svea Vind Offshore, has begun processing the Utposten 2 park in the Gävle region, while environmental studies are still being carried out for the rest of the projects in the portfolio.

Renewable production totalled 3,540 GWh at year-end 2020, up 32.8% vs. 2019, broken down as follows by technology:

Iberdrola Energía Internacional (IEI)	GWh
Onshore wind	2,249
Offshore wind	1,283
Solar and other	8
Total production	3,540

Discrepancies possible due to rounding

By technology, production increased in offshore wind (+0.4%) and onshore wind (+63.1%) due to the additions of capacity following the acquisitions in Australia and France, while solar photovoltaic is down (-3.7%).

Retail business

As regards retail sales, at 31 December 2020, the portfolio managed by Iberdrola in Portugal, France, Italy, Germany, Ireland and the United States totalled 1,793,954 contracts, up 19% on the close of 2019. They can be broken down as follows:

Thousands of contracts	IEI*
Electricity contracts	743
Gas contracts	264
Smart Solutions contracts	787
Total	1,794

Sales at the international division were up 9.9% in 2020 on the previous year. While electricity* came to 10,540 GWh (+3.1%), gas** came to 1,396 GWh (+120.2%), with growth affected in this area by the pandemic. This is geographically broken down as follows:

GWh	12M 2020	12M 2019
Electricity*	10,540	10,225
Portugal	7,374	7,977
France	836	641
Germany	777	307
Italy	1,369	1,300
Ireland	81	-
United States	103	-
Gas**	1,396	634
Portugal	162	136
France	482	179
Italy	650	319
Ireland	102	-
Total Sales	11,937	10,859

* Sales in busbars

** Including shrinkage

3. Other matters

For the 2021 financial year, EPS is expected to amount to 0.44 Eur/share.

3.1 Shareholder remuneration in 2020

Iberdrola, as part of its optional dividend system “Iberdrola Scrip Dividend”, paid in February the Interim Dividend for the financial year 2020, which amounted to EUR 0.168 gross per share, with shareholders holding 75.1% of Iberdrola’s share capital opting to receive new shares of the company.

In addition, Iberdrola will propose at the next General Shareholders’ Meeting a 5% increase in annual remuneration for the financial year 2020, amounting to EUR 0.42 gross per share. Thus, provided it is approved by the General Shareholders’ Meeting, the amount of EUR 0.252 gross per share as a final dividend to be paid in July 2021 will be added to the interim dividend paid in February.

3.2 Dividend policy

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

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

The different options that the shareholder may choose (or combine), through the “Iberdrola Flexible Remuneration” program, are as follows:

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

Analysis of the consolidated profit and loss account

The most notable results for 2020 are as follows:

EUR millions	12M 2020	12M 2019	%
NET REVENUE	33,145.1	36,437.9	(9.0)
GROSS MARGIN	16,145.1	16,263.4	(0.7)
EBITDA	10,010.2	10,104.0	(0.9)
ADJUSTED EBITDA *	10,228.2	9,935.0	3.0
EBIT	5,536.3	5,877.2	(5.8)
REPORTED NET PROFIT	3,610.7	3,466.4	4.2
ADJUSTED NET PROFIT	3,400.2	3,100.7	9.7

* EBITDA 2019 adjusted for the disposal of long-term LNG supply contracts (EUR 87 million), the disposal of fiber optic contracts (EUR 49 million) and positive re-settlements from previous years in Spain (EUR 33 million), while EBITDA 2020 is adjusted for the effect of COVID (EUR 218 million).

In 2020, EBITDA decreased by 0.9% compared to 2019, negatively affected by the exchange rate, which stripped off EUR 487 million, mainly due to the depreciation of the Brazilian real. Without this impact, EBITDA was up 3.9% in spite of COVID-19 (EUR 218 million) and of the extraordinary positive effects recorded in 2019 in connection with the assignment of long-term LNG supply contracts (EUR 87 million), the assignment of fibre optic network agreements to Lyntia (EUR 49 million) and the re-settlements in the Networks Spain business (EUR 33 million). Excluding non-recurring effects, adjusted EBITDA was up by 3.0%. If we also exclude the impact of the exchange rate, EBITDA would amount to EUR 10,715 million (+7.8%).

The **Networks** business is affected by the fall in demand due to COVID (EUR 111 million), lower remuneration in Spain after the start of the new regulatory period in 2020 and negative IFRS adjustments in the United States, along with the storm costs in that country, the impacts of which will be recovered in future years. All this despite the good performance in the UK and Brazil.

The **Renewables** business is being driven by the increase in installed capacity (34,920 MW, +9.0%), which, together with the larger consolidated load factor, has led to an increase in production of 18.3%, with a significant contribution from offshore

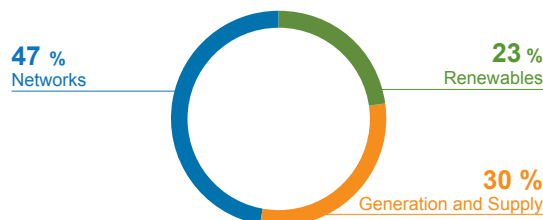
technology (EUR 585 million). In addition, Iberdrola Energía Internacional is increasing its contribution thanks to the contributions of Infigen (Australia) and Aalto Power (France).

For its part, the impact of COVID-19 on the **Generation and Supply** business amounted to EUR 107 million. EBITDA was up in most geographies (United Kingdom, Brazil, Mexico) compared to the previous year, while in Brazil the business is affected by the exchange rate and in Spain the contribution decreases in the year-on-year comparison due to the assignment of the LNG contracts in 2019 and the new consideration of the use of the Iberdrola brand (-95 M Eur impact). The contribution of Smart Solutions was up to EUR 220 million owing to the 0.9 million contracts increase (+10.3%).

1. Gross margin

The gross margin was EUR 16,145.1 million, which represents a decrease of 0.7% from 2019, with an exchange rate effect of EUR 744.0 million, without which the gross margin grew by 3.8%.

Gross margin by business



This performance is the result of the following:

- The **Networks business** saw a 6.3% decrease versus 2019, to EUR 7,615.4 million:
 - In Spain, the gross margin came to EUR 1,963.9 million (-7.2%), owing to a 50-basis point reduction in remuneration following the start of the new regulatory period (EUR -50 million), as well as

- the EUR 49 million impact of the assignment of fibre optic contracts in August 2019 and EUR 33 million of positive re-settlements recorded last year, which affect the year-on-year comparison. In addition, there was a negative impact of EUR 9 million due to the lower income from access rights as a consequence of COVID-19.
- The United Kingdom contributed EUR 1,302.3 million (-0.6%) affected by the exchange rate, as it was up 0.7% in the local currency, owing to the higher income in transport and distribution as a result of the larger asset base due to investments made, which was partially offset by the impact of lower demand caused by COVID-19 (EUR -22 million), which will be recouped in 2022.
 - The United States contributed EUR 2,774.6 million in the period (-3.5% vs +9.5% in US GAAP) due to the adjustments recognised under IFRS (EUR -130 million) as a result of the different volumes and costs of energy recognised in the rate, which will be recouped in the coming years. The impact of COVID-19 on electricity demand is EUR -55 million fundamentally caused by the delay in the New York rate case, which is expected to be recouped from 2021 onwards.
 - Brazil's gross margin was EUR 1,078.7 million (-12.6%) impacted by the depreciation of the Brazilian real, which stripped off EUR 529 million, and shows 15.1% growth in local currency owing to the positive effect of rate reviews on distributors and the larger contribution of transmission assets, which offset the impact of COVID-19 on demand (EUR -25 million).
 - The **Renewables business** reported a gross margin of EUR 3,758.4 million (+9.1%).
 - In Spain, it amounted to EUR 1,218.5 million (-2.6%), despite the higher production on the back of hydroelectric plants and the new solar capacity in operation, due to lower sale prices following the reduction in the pool price. These sales are made to our supply business, so the lower price in renewables is offset by the larger margin in the supply area.
 - The gross margin in the United Kingdom was up by 41.2% to EUR 957.0 million due to higher production mainly in offshore (+231.4%), resulting from the contribution of East Anglia ONE, which has been fully operational since April.
 - The United States' contribution rose to EUR 893.1 million (+4.8%) off the back of an increase in production (+10.6%) resulting from the combined effect of higher average operating capacity (+ 586 MW) and increased wind resource (+0.4 pp).
 - Brazil contributed EUR 144.7 million (-16.7%), affected by the exchange rate since in local currency it was up by 11.3%. Production was up by 17.1% owing to the entrance of Baixo Iguaçu during the year 2019, which offset the drop in wind production.
 - The gross margin in Mexico increased by 3.9% to EUR 117.5 million due to the increase in average operating capacity (+113 MW) with the coming on stream of the Pier wind farm (220 MW).
 - Iberdrola Energía Internacional (IEI) contributed EUR 427.5 million (+13.0%), mainly due to the consolidation of Infigen in Australia and Aalto Power in France.
 - The Gross Margin of the **Generation and Supply business** widened by 2.3% to reach EUR 4,793.7 million, broken down as follows:
 - In Spain it was down slightly to EUR 2,916.2 million (-0.5%), with lower production (-6.5%) and higher energy purchases at prices below those of 2019. In addition, the year-on-year comparison is negatively affected by an extraordinary positive impact of EUR 87 million and the assignment of long-term LNG supply contracts accounted for in the second quarter of 2019, and the new consideration of the use of the Iberdrola brand (EUR -95 million), without which EBITDA was up by 6.4%. The fall in demand caused by COVID-19 had an impact of EUR 28 million.
 - The United Kingdom's contribution to the gross margin increased to EUR 797.9 million (+16.6%),

showing a recovery of the margins since 2019 thanks to the review of the cap calculation method on SVT regulated rates and the lower procurement costs. COVID-19 has had a negative impact on demand of EUR 43 million.

- Mexico contributed EUR 913.3 million (-2.3%) to the gross margin, with the new capacity coming on stream offset by the temporary unavailability of a combined cycle plant and the impact of COVID-19 on demand (EUR 11 million).
- Brazil added EUR 89.1 million (-3.3%) to the gross margin, as the extraordinary conditions that had adversely impacted the previous year's earnings were no longer an issue in 2020. COVID-19 had an impact of EUR 2 million.
- Iberdrola Energía Internacional (IEI) contributed EUR 77.2 million (+70.4%) to the gross margin, with a total number of 1.8 million contracts with customers (+18% on the previous year). COVID-19 stripped off EUR 23 million.
- The contribution of **Other Businesses** totalled EUR 15.9 million (-64.2%).

2. Gross operating result - EBITDA

Consolidated EBITDA decreased by 0.9% versus 2019, to EUR 10,010.2 million.

In addition to the above-mentioned performance of the Gross Margin, net operating expenses improved by 0.4%, to EUR 4,314.0 million with a positive impact of the exchange rate (EUR 242 million). Stripping out currency devaluation, net operating expenses were up by 5.2% as a result of increased group activity and other non-recurring effects such as EUR 49 million of donations and other COVID-19 related costs, as well as storms in the United States, which were partially offset by efficiency plans implemented in 2019.

Taxes decreased by 0.4% to EUR 1,820.9 million, mainly due to the effect of the fall in production and the price in Spain related to the tax on generation

(EUR 29 million). The temporary suspension in the first quarter of 2019 of the 7% tax on generation in Spain (EUR 44 million in 2019) and the increase in the ENRESA levy following the nuclear agreement in Spain (EUR 38 million) are offset by re-settlements from previous years.

3. Net operating result - EBIT

EBIT was EUR 5,563.3 million, a 5.8% drop compared with 2019.

Depreciation, amortisation charges and provisions rose by 5.8% to reach EUR 4,473.9 million, broken down as follows:

- Depreciation and amortisation charges went up 2.6% to EUR 3,974.2 million, following the increase in the Group's asset base and volume of activity (EUR 310 million).
- Provisions came to EUR 499.7 million, up EUR 147.0 million (+41.7%) due to an increase of EUR 124 million in customer debt caused by the impact of COVID-19. EUR 27 million of this amount is recognised in the Networks business, mainly in Brazil. Another EUR 97 million is recognised in the Generation and Supply business, an amount which can be managed through retail activity.

4. Financial result

The financial result totalled EUR 991 million, up 23.8% (EUR 309 million) from year-end 2019.

- The cost of debt improved by EUR 112 million owing to a cost reduction of 32 basis points, despite an increase in the average debt balance of EUR 169 million.
- Gains/(losses) on derivatives and others rose by EUR 197 million, largely because of the effect of exchange rate hedges, which are offsetting other profit and loss items.

	Dec-20	Dec-19	Dif.
Debt	-1,175	-1,288	+112
Cost			+118
Average balance *			-6
Derivatives and others	184	-12	+197
Total	-991	-1,300	+309

* The average balance climbed from EUR 36,816 to EUR 36,985 million

The cost of debt dropped 32 basis points from 3.50% to 3.18% and improved borrowing terms, despite an increase in the weight of non-euro currencies of close to 9%.

5. Results of companies accounted for using the equity method

Results of companies accounted for using the equity method came to EUR -23.9 million, compared to EUR -51.4 million in 2019.

6. Gains on disposal of non-current assets

Gains on Non-current Assets amounted to EUR 512.5 million, compared to EUR 202.8 million in 2019. This includes the capital gain of EUR 484.5 million arising from the sale of Iberdrola’s stake in Siemens Gamesa.

7. Profit in the period

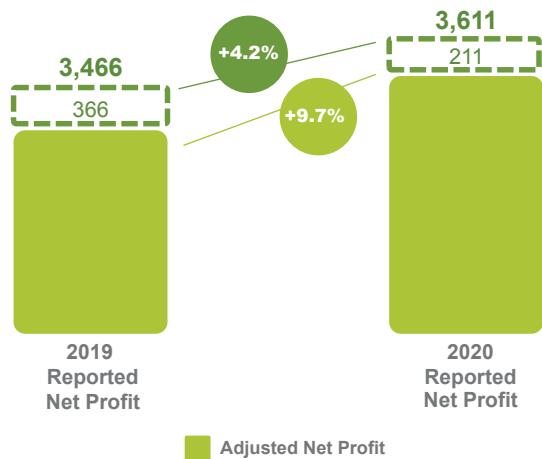
Tax came to EUR 1,082.6 million, up by 18.4% due to a number of impacts on deferred tax: the maintenance of the corporate rate at 19% in the United Kingdom compared to the expected 17% (EUR 154 million), which was partially offset by the recognition of deferred tax from impairment in prior years (EUR 118 million), and the extraordinary positive impact in 2019 on taxation in the United States on dividends

(EUR 124 million) which negatively affects the interannual comparison. For their part, minority interests decreased by 2.2% to EUR 340.6 million owing to the lower income in both the United States and Brazil, which exceeded the increase in minority interests from the contribution of East Anglia ONE.

Lastly, Reported Net Profit totalled EUR 3,610.7 million, up 4.2% on the same period of 2019, affected by non-recurring elements (the aforementioned gain on Siemens Gamesa, which was partially offset by the impact of tax).

Adjusted Net Profit grew 9.7% to EUR 3,400.2 million. This item excludes the net impact of COVID-19 (EUR -238 million), the capital gain on the sale of Siemens Gamesa (EUR +485 million) and the non-recurring impact recorded on the tax line (EUR -36 million, net), as well as the extraordinary items accounted for in 2019 relating to the assignment of long-term LNG contracts (EUR 66 million net), the assignment of fibre optic networks (EUR 151 million net) and positive re-settlements in the Networks business in Spain (EUR 25 million net) and the impact on tax of dividend taxation in the US (EUR 124 million).

EUR M



Results by business

1. Networks Business

Key figures for the Networks business are as follows:

(EUR millions)	12M 2020	vs 12M 2019
Revenue	12,899.9	-9.2%
Gross margin	7,615.4	-6.3%
EBITDA	4,777.5	-9.2%
EBIT	2,874.6	-12.8%

The gross margin of the Networks business was down by 9.2%, to EUR 12,899.9 million, affected by the impact of the exchange rate, mainly the Brazilian real, which stripped off EUR 600 million and without which the gross margin was up by 1.0%. Good operating performance in the United Kingdom and Brazil offset the lower remuneration in Spain after the start of the new regulatory period in 2020 and negative IFRS adjustments in the United States, the impact of which will be recouped in the coming years. In addition, COVID-19 has led to a drop in demand and stripped off EUR 111 million which, for the most part, will be recovered in the coming years.

1.1 SPAIN

(EUR millions)	12M 2020	vs 12M 2019
Revenue	1,965.1	-7.4%
Gross margin	1,963.9	-7.2%
EBITDA	1,611.8	-5.8%
EBIT	1,046.2	-10.0%

a) Gross margin

The gross margin of the Networks business in Spain has fallen by 7.2% to EUR 1,963.9 million. This is due to the reduction in remuneration following the start of the new regulatory period (EUR -50 million), as well as the extraordinary positive effects recorded last year—the assignment of fibre optic network contracts to Lyntia (EUR 49 million) and the positive re-settlements (EUR 33 million)—which affect the

year-on-year comparison. There was also a negative impact of EUR 9 million due to lower net revenues from access rights as a consequence of COVID-19.

b) Operating profit / EBIT

EBITDA in this Business amounted to EUR 1,611.8 million, down 5.8%. Net Operating Expenses fell 16.5% to EUR 264.1 million, thanks to the savings obtained through the efficiency measures carried out last year. Taxes were down by 2.1%, to EUR 88.0 million due to the drop in demand.

EBIT for the Networks Business in Spain totalled EUR 1,046.2 million (-10.0%). Depreciation, amortisation charges and provisions totalled EUR 565.6 million (+3.2%) because of the new investments made.

1.2 UNITED KINGDOM

(EUR millions)	12M 2020	vs 12M 2019
Revenue	1,361.9	-0.8%
Gross margin	1,302.3	-0.6%
EBITDA	1,000.0	+1.3%
EBIT	644.1	+0.5%

a) Gross margin

The gross margin of the Networks business in the United Kingdom (ScottishPower Energy Networks SPEN) sees a 0.6% decrease to EUR 1,302.3 million due to the devaluation of the pound sterling. In local currency, it grew by 0.7% owing to higher revenues in transmission and distribution as a result of a larger asset base due to investments made. The impact of lower demand caused by COVID-19 is EUR -22 million, which will be recouped in 2022.

b) Operating profit / EBIT

EBITDA came to EUR 1,000.0 million (+1.3%), up 2.7% in local currency. Net operating expenses improved by EUR 20 million (-9.6%) to EUR 194.3 million, with no significant effect on the exchange rate, thanks to savings made since the exchange rate does not have a relevant effect. There are no significant variations in Taxes (-0.8% to EUR 108.0 million).

Depreciation, amortisation charges and provisions amounted to EUR 355.9 million (+2.9%), due to the new assets put into operation, increasing EBIT by 0.5% to EUR 644.1 million.

1.3 UNITED STATES

(EUR millions)	IFRS (MILLION EUR)	
	12M 2020	vs 12M 2019
Revenue	4,077.5	-4.5%
Gross margin	2,774.6	-3.5%
EBITDA	1,087.0	-18.3%
EBIT	486.4	-31.8%

(EUR millions)	US GAAP (USD MILLION)	
	12M 2020	vs 12M 2019
Revenue	5,005.7	+5.1%
Gross margin	3,516.9	+9.5%
EBITDA	1,492.9	+7.5%
EBIT	749.0	+8.4%

a) Gross margin

The gross margin was down by 3.5% to EUR 2,774.6 million, due to adjustments accounted for in the IFRS regulation (EUR -130 million) as a result of the different energy volumes and costs compared to those recognised in the rate, which will be recouped in the next few years, and despite the increase in rates in the states of Connecticut, Maine and New York (EUR +71 million). However, in US GAAP the gross margin was up by 9.5%. The impact of COVID-19 on electricity demand is EUR -55 million, mainly due to the delay in the approval of the rate case in the state of New York. This will be recouped from 2021 onwards.

b) Operating profit / EBIT

EBITDA of the Networks business in the United States totalled EUR 1,087.0 million (-18.3%). The aforementioned evolution of the gross margin is in addition to net operating expenses of EUR 1,201.6

million, which are up by 13.0% due to higher expenses as a result of Storm Isaias and other storms this year (EUR 80 million). This will be recouped in the next few years. Meanwhile, Taxes rose by 0.8%, totalling EUR 486.0 million, due to an increase in tax rates.

EBIT came to EUR 486.4 million (-31.8%), following deduction of amortisations and provisions that are slightly down (-2.7%, -0.8% in local currency) and amount to EUR 600.6 million.

1.4. BRAZIL

(EUR millions)	12M 2020	vs 12M 2019	Local
			Currency
Revenue	5,495.5	-14.7%	+13.9%
Gross margin	1,574.8	-13.8%	+15.1%
EBITDA	1,078.7	-12.6%	+16.7%
EBIT	697.9	-10.5%	+19.6%

a) Gross margin

Gross margin narrowed by 13.8% to EUR 1,574.8 million at the end of the year, mainly impacted by the depreciation of the Brazilian real (EUR -528.8 million), as there was growth in the business of 15.1% in local currency. The larger contribution of transmission assets and reviews of distributors' rates more than offset the impact of COVID-19 on demand (EUR 25 million).

b) Operating profit / EBIT

EBITDA of the area came to EUR 1,078.7 million (-12.6%), with a sharp negative impact of the exchange rate (EUR -362.2 million), since in local currency EBITDA was 16.7% higher. Net operating expenses were down by 16.5% to EUR 492.7 million, and in local currency they were up by 11.6%.

Depreciation, amortisation charges and provisions fell by 16.3% to EUR 380.8 million, also affected by the depreciation of the Brazilian real, given that in local currency they were up by 11.9% due to higher assets put into operation and late payments as a result of COVID-19 (EUR 19 million). EBIT totalled EUR 697.9 million (-10.5%).

2. Renewables Business

Key figures for the Renewables business are as follows:

(EUR millions)	12M 2020	vs 12M 2019
Revenues	4,160.8	+8.5%
Gross margin	3,758.4	+9.1%
EBITDA	2,585.6	+8.4%
EBIT	1,185.8	-3.0%

The contribution to Gross Margin from the renewables business increased by 9.1%, driven by the increase in production (+18.3%), thanks to the contribution from offshore and the higher consolidated load factor (23.2% vs 21.2% in 2019), despite the lower average sale price. The increased contribution of the international IEI division is also noteworthy, thanks to the acquisitions of Infigen in Australia and Aalto Power in France.

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

- The **average operating power** consolidated at EBITDA level during the period was 8.1% higher (+2,203.5 MW) compared to 2019, thanks to the commissioning of onshore wind farms in the United States and Spain (+608.4 MW and +244.1 MW, respectively), the gradual commissioning of photovoltaic solar capacity in Spain (332.3 MW) and East Anglia ONE in the United Kingdom (+533.1 MW), as well as the capacity acquisitions in France and Australia in the international segment (+350.7 MW).
- The consolidated **load factor** was 23.2% at year-end, above the 21.2% recorded in 2019, although with differences according to the technology:

Technology	12M 2020	vs 12M 2019
Onshore wind	26.2%	-0.9 p.p.
Offshore wind	44.5%	+1.5 p.p.
Hydroelectric	16.6%	+4.9 p.p.
Solar PV	19.7%	-2.7 p.p.

Therefore, consolidated **production** increases by 18.3% to 60,181.5 GWh in 2020, where the contribution of offshore wind (231.4% compared to 2019) and the contribution of hydropower in Spain (+42.2%) stand out.

- The **average sale price of renewable output across the world** stood at EUR 61.3/MWh, below that registered in 2019.

2.1 SPAIN

(EUR millions)	12M 2020	vs 12M 2019
Revenues	1,290.1	-2.8%
Gross margin	1,218.5	-2.6%
EBITDA	697.6	-5.2%
EBIT	326.4	-17.3%

a) Gross margin

Gross Margin stands at EUR 1,218.5 million (-2.6%), due to 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 improvement in hydroelectricity (+42.2%) and by increased solar photovoltaic capacity after the commissioning of the N  fiez de Balboa plant in Badajoz.

b) Operating profit / EBIT

EBITDA stands at EUR 697.6 million (-5.2%), despite the reduction in net operating expenses (-3.5%), as a result of savings in operating and maintenance services. Taxes rose slightly (+5.4%) given that the suspension of the 7% generation tax during the first quarter of 2019 and the increase in hydro production was partially offset by the fall in the pool price and re-settlements of previous years.

Depreciation, amortisation charges and provisions increased to EUR 371.2 million, +8.8% with respect to 2019, due to the higher average operating power because of the increased installed wind and photovoltaic capacity, leaving EBIT at EUR 326.4 million (-17.3%).

2.2 UNITED KINGDOM

(EUR millions)	12M 2020	vs 12M 2019
Revenues	1,018.2	+40.1%
Gross margin	957.0	+41.2%
EBITDA	758.2	+44.4%
EBIT	503.5	+38.7%

a) Gross margin

The Gross Margin of the UK business grew by 41.2% over the year compared to 2019, reaching EUR 957.0 million, as a result of the higher production in offshore wind (+231.4%) thanks to the commissioning of East Anglia ONE, which has been fully operational since April 2020.

b) Operating profit / EBIT:

Net operating expenses rose by 36.4% (EUR +47.2 million), as a result of the commissioning of East Anglia ONE. Meanwhile, taxes decreased by EUR 0.9 million (-4.2%), bringing EBITDA to EUR 758.2 million (+44.4%).

Depreciation, amortisation charges and provisions increased 57.4% as a result of East Anglia ONE entering service, bringing EBIT to EUR 503.5 million (+38.7%).

2.3 UNITED STATES

(EUR millions)	12M 2020	vs 12M 2019
Revenues	1,115.5	+4.9%
Gross margin	893.1	+4.8%
EBITDA	592.3	+0.2%
EBIT	27.5	-76.4%

a) Gross margin

Gross Margin is up 4.8% to EUR 893.1 million thanks to the increase in production (+10.6%), as a result of the combined effect of a higher average operating capacity (+586 MW) and the increase in wind resource (+0.4 p.p.).

b) Operating profit / EBIT

Net operating expenses rose by 12.8% to EUR 246.3 million, due to increased business activity, while taxes were up 28.6% (EUR +12.1 million) as a result of the commissioning of new wind farms. This resulted in an EBITDA of EUR 592.3 million (+0.2%).

EBIT fell to EUR 27.5 million (-76.4%) after discounting Depreciation, amortisation charges and provisions, which increased by EUR 89.9 million (+18.9%) to EUR 564.8 million, due to higher depreciation for recently commissioned wind farms (Karankawa, Patriot and Montague and Otter Creek) and extraordinary provisions for 2020 and previous years. As a result of all this, EBIT amounted to EUR 27.5 million (-76.4%).

2.4 MEXICO

(EUR millions)	12M 2020	vs 12M 2019
Revenues	121.2	+4.2%
Gross margin	117.5	+3.9%
EBITDA	92.9	+8.5%
EBIT	44.5	+2.4%

a) Gross margin

Gross Margin stood at EUR 117.5 million (+3.9%), thanks to the higher average operating capacity (+113 MW) following the commissioning of the Pier wind farm (220 MW) and Santiago (105 MW), and partially offset by the lower solar PV load factor (-1.4 p.p.), as the wind load factor remained flat compared to 2019.

b) Operating profit / EBIT

EBITDA increased by 8.5% compared to 2019 and reached EUR 92.9 million, since in addition to the aforementioned evolution of the gross margin, net operating expenses decreased by 11.0% (EUR 2.9 million) because of cost control.

Depreciation, amortisation charges and provisions increased by 14.8% (EUR 6.3 million) thanks to the aforementioned commissioning of the Pier and Santiago wind farm, bringing EBIT to EUR 44.5 million (+2.4%).

2.5 BRAZIL

(EUR millions)	12M 2020	vs 12M 2019
Revenues	172.5	-19.9%
Gross margin	144.7	-16.7%
EBITDA	111.3	-10.9%
EBIT	66.6	-12.7%

a) Gross margin

Gross Margin stands at EUR 144.7 million (-16.7%), strongly affected by the exchange rate, given that in local currency it increased by 11.3% thanks to the 17.1% rise in production, especially the higher hydroelectric generation (+50.9%), for the progressive start-up of Baixo Iguaçu's operations in 2019 which more than offset the fall in wind power production (-5.8%) as a result of the lower load factor (-2.7 p.p.).

b) Operating profit / EBIT

Net operating expenses declined 31.2% to EUR 33.0 million (-8.1% in local currency), leaving EBITDA at EUR 111.3 million (-10.9%), also owing to the impact of the exchange rate, since in local currency it rose 19.0%.

Depreciation, amortisation charges and provisions decreased to EUR 44.7 million (-8.2%), up 22.6% in local currency because of Baixo Iguaçu's gradual entry into operation in 2019, bringing EBIT to EUR 66.6 million (-12.7%), with a positive evolution in local currency (+16.6%).

2.6 IBERDROLA ENERGÍA INTERNACIONAL (IEI)*

(EUR millions)	12M 2020	vs 12M 2019
Revenues	443.2	+15.3%
Gross margin	427.5	+13.0%
EBITDA	334.1	+3.4%
EBIT	217.1	-4.7%

a) Gross margin

Iberdrola Energía Internacional's gross margin reached EUR 427.5 million (+13.0%), thanks to higher production (+32.8%) following the incorporation of Infigen's assets in Australia and Aalto Power in France.

b) Operating profit / EBIT

EBITDA increased by 3.4% to EUR 334.1 million, discounting net operating expenses, which increased by 67.5% (+EUR 33.8 million) due to higher extraordinary costs related to the business expansion, together with the consolidation (EUR 21 million) of Infigen and Aalto Power. Depreciation, amortisation charges and provisions also increased to EUR 116.9 million (+22.8%), with EBIT reaching EUR 217.1 million (-4.7%).

It is worth noting that the EBITDA contribution is expected to triple by 2025.

* Formerly Rest of World

3. Generation and supply business

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

(EUR millions)	12M 2020	vs 12M 2019
Revenues	18,305.2	-11.7%
Gross margin	4,793.7	+2.3%
EBITDA	2,564.8	+3.9%
EBIT	1,520.2	+1.9%

The Generation and Supply business increased its contribution to the Gross Margin (+2.3%), with recoveries in the United Kingdom and Brazil, businesses affected in 2019 by adverse operating circumstances, and the growth of Iberdrola Energía Internacional in Mexico. It is worth noting the growing contribution to the results of this Smart Solutions business, which in 2020 reached EUR 220 million at EBITDA level. Finally, it should be noted that the overall impact of COVID-19 at the Gross Margin level has reached EUR 107 million, as a result of lower demand 204 million euros at EBIT level due to 97 million euros of provisions for non-performing loans.

3.1 SPAIN

(EUR millions)	12M 2020	vs 12M 2019
Revenues	10,467.6	-18.2%
Gross margin	2,916.2	-0.5%
EBITDA	1,468.7	-5.7%
EBIT	985.6	-11.6%

a) Gross margin

Iberdrola's Generation and Supply business in Spain recorded a 0.5% decrease in its gross margin to EUR 2,916.2 million, mainly due to:

- A 6.5% drop in production versus 2019 to 33,935 GWh, as energy purchases from third parties and from our renewables businesses have increased, given prevailing low prices. The company has traditionally maintained a short position between own production and sales to customers.
- It must also be taken into account that in the second quarter of 2019, a positive extraordinary impact of EUR 87 million was recorded for the placing of LNG long-term supply contracts at market value, following the agreement reached with Pavilion Energy Trading & Supply for the assignment of the contractual position in these agreements.
- Finally, it must be pointed out that the COVID-19 pandemic has led to a decline in demand with an impact on the business of EUR 28 million.

b) Operating profit / EBIT

EBITDA fell by 5.7% to EUR 1,468.7 million due to the aforementioned decrease in the gross margin and the increase in net operating expenses (+11.2%) to EUR 762.9 million, mainly due to the increase in external services, as a result of the net effect (EUR 95 million) of the use of the Iberdrola brand, a service for which Iberdrola Comercial has had to pay the corresponding amount to Iberdrola Corporación since the last quarter. The effect of this transaction at the consolidated level is neutral.

Recurrent EBITDA, discounting this effect and the aforementioned effect related to the agreement to transfer the gas contract portfolio, grew by 6.4% compared to 2019.

Levies decreased by 0.4% to EUR 684.6 million, due to lower taxes associated with the fiscal measures for energy sustainability (Law 15/2012), as a result of the reduction in both production and price compared to 2019, which offset the lower amount paid due to the suspension of the 7% general production tax in the first quarter of 2019. In addition, the EUR 38 million increase in the ENRESA levy, following the agreement on the orderly closure of power plants (RD 750/2019) of 27 December 2019, which raised this levy to 7.98 Eur/MWh from 2020 (compared to 6.69 Eur/MWh until December 2019).

Depreciation, amortisation charges and provisions increased by 9.1% to EUR 483.1 million as a result of higher customer acquisition costs associated with increased commercial activity and the accelerated depreciation of the Lada thermal power plant following its closure. Provisions also rose over the period compared to 2019 up to EUR 18 million as a result of the increase in defaults attributable to the situation caused by COVID-19.

As a result of the above, EBIT amounted to EUR 985.6 million, a decrease of 11.6% compared to 2019.

3.2. UNITED KINGDOM

(EUR millions)	12M 2020	vs 12M 2019
Revenues	4,215.2	-6.9%
Gross margin	797.9	+16.6%
EBITDA	249.5	+126.6%
EBIT	(53.3)	N/A

a) Gross margin

ScottishPower's liberalised business posted a gross margin of EUR 797.9 million (+16.6%), recovering strongly from the results of 2019.

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

- The stabilisation of sale prices of both supplies to customers in part supported by the change in the methodology of the cap on SVTs in the fourth quarter of 2019.
- Lower supply costs, both for electricity and gas, as a result of changes in commodity prices and the effect of renewable production procurements.

b) Operating profit / EBIT

Net operating expenses decreased (-4.2%) to EUR 438.3 million, due to the efficiency measures implemented, which offset the increase in costs associated with the higher number of smart meters and the rental of other metering equipment. However, taxes decreased by 5.7% to EUR 110.1 million,

mainly due to lower taxes related to smart meters, the decrease in the number of installations due to COVID and the Warm Home Discount plan, which targets energy poverty in the country. As a result, the EBITDA of the Liberalised Business in the UK amounted to EUR 249.5 million (+126.6%).

Depreciation, amortisation charges and provisions rose by 14.1% to reach EUR 302.8 million, caused by the larger operating assets (smart meters), higher acquisition costs and an increase in insolvencies, largely derived from COVID (EUR 65 million).

Consequently, the contribution to EBIT was EUR -53.3 million, improving from a negative contribution of EUR -242.6 million in 2019.

3.3 MEXICO

(EUR millions)	12M 2020	vs 12M 2019
Revenues	2,570.1	+10.4%
Gross margin	913.3	-2.3%
EBITDA	790.1	+3.7%
EBIT	641.5	+0.8%

a) Gross margin

In Mexico, the gross margin totalled EUR 913.3 million, down 2.3% from the previous year. The contribution derived from the entry into operation in 2019 of Topolobampo II (911 MW), in the IPP category for the CFE, and El Carmen (866 MW), earmarked for private customers, has been more than offset by a negative impact caused by the breakdown in one of the Monterrey gas cycles. The problem was solved in the third quarter and, in addition, it was partially offset in the External Services item through the collection of the corresponding compensation. The business performance over the period can be explained by the effect of the lower demand caused by COVID-19 (EUR 11 million), together with other minor impacts, derived mainly from index adjustments in rates for private customers.

b) Operating profit / EBIT

EBITDA reached EUR 790.1 million, an increase of 3.7% compared to 2019. Net operating expenses decreased by 28.9% to EUR 120.7 million, mainly due to the collection of the compensation referred to above. Depreciation, amortisation charges and provisions increased by 18.3% to EUR 148.6 million, due to the new assets brought into operation over the last 12 months, mainly the aforementioned Topolobampo II and El Carmen cycles.

As a result of all this, the business's EBIT amounted to EUR 641.5 million (+0.8%).

3.4 BRAZIL

(EUR millions)	12M 2020	vs 12M 2019
Revenues	374.6	-36.7%
Gross margin	89.1	-3.3%
EBITDA	59.1	-7.5%
EBIT	40.8	-2.0%

The EBITDA of the generation and supply business in Brazil declined by EUR 4.7 million to EUR 59.1 million. The normalisation of the extraordinary conditions that negatively affected last year's results in 2020 is offset by the exchange rate effect (EUR -20 million). For the same reason, EBIT fell to EUR 40.8 million from EUR 41.6 million accumulated at the end of 2019.

3.5 IBERDROLA ENERGÍA INTERNACIONAL (IEI)*

(EUR millions)	12M 2020	12M 2019
Revenues	1,250.4	+8.7%
Gross margin	77.2	+70.4%
EBITDA	0.3	-101.4%
EBIT	(91.4)	+57.3%

IEI earnings improved compared to last year at the gross margin level. In addition, net operating expenses are growing very moderately, since, as of last quarter, the advertising expenses incurred by this business are borne by Iberdrola Corporación, as a result of the terms of the trademark use agreement mentioned above, with no impact at the consolidated level. As a result of both factors, and despite the EUR 23 million impact due to lower demand caused by COVID, IEI consolidated its positive contribution to EBITDA over the year. Finally, it is noteworthy that the number of contracts with customers reached almost 1.8 million at year-end, an increase of 18% compared to 2019.

* Formerly Rest of World

4. Other businesses

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

(EUR millions)	12M 2020	vs 12M 2019
Revenues	106.8	-37.2%
Gross margin	15.9	-64.2%
EBITDA	(1.4)	-105.0%
EBIT	(12.1)	-173.0%

a) Gross margin

The gross margin has dropped by 64.2% to EUR 15.9 million because of lower business revenue in the real estate business.

b) Beneficio Operativo/EBIT

EBITDA contribution decreased to EUR -1.4 million, down from EUR 28.1 million in 2019. Depreciation, amortisation charges and provisions decreased by EUR 1 million compared to the previous year, resulting in an EBIT of EUR -12.1 million.

5. Corporation

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

At the end of December, the Corporation shows a positive EBITDA contribution for the year of EUR 83.8 million, in contrast to EUR -40.1 million in 2019, due to the positive net effect of the recognition of the Iberdrola brand by the commercial business on net operating expenses (+EUR 83 million); EUR 95 million net received from the commercial business in Spain and EUR 12 million to be paid to the commercial business in IEL for advertising expenses.

Balance sheet analysis

January-December 2020

	Dec 2020	vs Dec 2019
TOTAL ASSETS	122,518	0.1%
FIXED ASSETS	71,779	0.7%
INTANGIBLE ASSETS	18,222	(10.5%)
NON-CURRENT FINANCIAL INVESTMENTS	5,461	(6.1%)
EQUITY	47,219	0.1%

At 31 December 2020, Iberdrola's balance sheet showed total assets of EUR 122,518 million, up EUR 149 million versus December 2019.

1. Fixed Assets

Total gross investments in 2020 amounted to EUR 9,245.9 million (+13.3%). They can be broken down as follows:

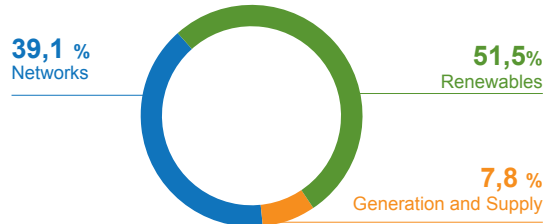
(EUR millions)	Jan-Dec 2020	%
Networks business	3,614.2	39.1%
Spain	553.9	
United Kingdom	566.8	
United States	1,588.7	
Brazil	904.8	
Renewables business	4,759.9	51.5%
Spain	1,173.2	
United Kingdom	597.4	
United States	1,026.6	
Brazil	165.7	
Mexico	242.5	
Iberdrola Energía Internacional (IEI)	1,554.6	
Generation and Supply business	721.3	7.8%
Spain	261.4	
United Kingdom	156.9	
Mexico	198.9	
Brazil	17.3	
Iberdrola Energía Internacional (IEI)	86.9	
Other businesses	11.2	0.1%
Corporation and adjustments	139.4	1.5%
Total gross investment	9,245.9	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 approximately 91% of the gross investment in 2020.

Investments by business

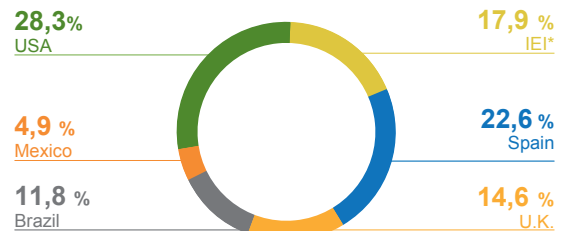
(January - December 2020)



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

Investments by geographical area

(January - December 2020)



(* Iberdrola Energía Internacional)

Investment in the Renewables business totalled EUR 4,759.9 million, equivalent to 51.5% of the total. Iberdrola Energía Internacional's investment includes the acquisition (and subsequent full consolidation) of Infigen in Australia and Aalto Power in France.

In the "Networks business" section, most investments were made in the United States and Brazil, for total amounts of EUR 1,588.7 million and EUR 904.8 million, respectively.

2. Share capital

Iberdrola's share capital totalled EUR 4,762 million at 31 December 2020, represented by 6,350,061,000 shares, each with a par value of EUR 0.75 and all fully subscribed and paid.

3. Financial debt

The adjusted net financial debt at year-end 2020 totalled EUR 35,142 million, down EUR 2,395 million from the EUR 37,537 million restated at year-end 2019.

The adjusted net leverage decreased by 3.9% to 42.3% compared to the 44.0% reported at year-end 2019.

The ratings issued by rating agencies are as follows:

Iberdrola's credit rating

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

(*) Date of last modification

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

	Dec. 2020	Dec. 2019
Euro	46.2%	46.0%
US dollar	23.9%	26.7%
British pound	19.9%	17.0%
Brazilian real and other currencies	9.9%	10.4%
Total	100%	100%
Fixed rate	64.1%	61.7%
Variable rate	35.9%	38.3%
Total	100%	100%

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

(**) Adjusted gross debt. Including derivatives hedging future borrowing rates (Dec 20: EUR 2,820 million, including those signed in 2021 to date; Dec 19: EUR 4,551 million), fixed-rate debt rose to 71.4% (Dec 2020) and 73.1% (Dec 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:

	Dec 2020	Dec 2019
Corporate	70.9%	69.2%
UK	6.8%	7.6%
USA	18.3%	20.7%
Mexico	2.4%	1.3%
Others	1.7%	1.2%
Total	100.0%	100.0%

(*) Gross debt including 50% hybrids, excluding IFRS 16 and Neoenergia (EUR 4,143 million in Dec 20 and EUR 5,012 million in Dec 19).

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

	Dec 2020	Dec 2019
Euro bonds market	31.1%	32.4%
Dollar bonds market	18.5%	18.2%
British pound bonds market	8.1%	8.5%
Other capital markets	4.0%	5.2%
Commercial paper	7.7%	6.9%
Multilateral	11.6%	10.0%
Structured financing	1.1%	1.3%
Leases	5.3%	4.5%
Bank financing	12.5%	13.0%
Total	100.0%	100.0%

(*) Adjusted gross debt.

The Group has signed new green transactions for a total amount of EUR 4,543 million (including EUR 2,000 million of the hybrid bond issued in February 2021). Green/sustainable funding amounts to EUR 24,529 million including sustainable credit facilities. Iberdrola is the world's leading group in green bonds issued.

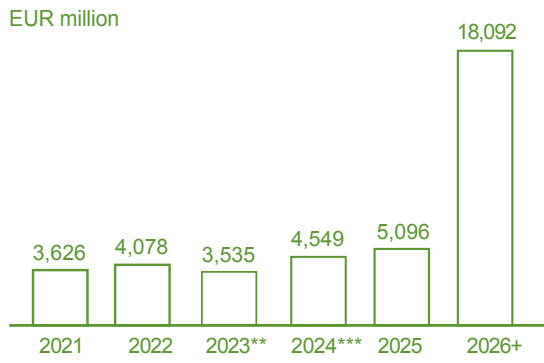
Iberdrola has a strong liquidity position totalling EUR 17,385 million, including subsequent events. This liquidity comes mainly from syndicated credit facilities arranged with partner banks, undrawn loans arranged with multilateral credit institutions and development banks (EIB, ICO, BNDES), along with cash, cash equivalents and IFTs. These liquidity arrangements have been reached across all the main markets in which the Iberdrola Group operates (Europe, United States and Brazil), in both the banking and capital markets. This liquidity covers in the base case 24 months and in the risk scenario 21 months of the financial needs of the Group, excluding payment for the purchase of PNM.

Liquidity*	EUR million
Cash, cash equivalents and IFTs	5,706
Back-up facilities	7,300
Credit facilities	2,385
Arranged financing	1,994
Total	17,385

(*) Includes transactions signed after 31 December included in Subsequent Events.

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

Maturity debt profile



* Adjusted gross debt excluding drawn credit facilities; commercial paper falls due in or after 2026+.

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

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

Adjusted net financial debt

Millions of euros	Dec 2020	Dec 2019
Loans and borrowings with credit institutions and debentures or other marketable securities	38,037	38,926
Liability derivative instruments	592	426
Leases	2,058	1,767
Gross financial debt	40,687	41,119
Capitalised derivative instruments	1,038	753
Deposits securing the value of CSA derivatives	50	113
Current financial investments (between three and 12 months)	247	–
Cash and cash equivalents	3,427	2,113
Total cash assets	4,762	2,979
Net financial debt	35,925	38,140
Treasury stock derivatives with physical settlement for which it is considered to date that they will not be executed	784	602
Adjusted net financial debt	35,142	37,537

Financial ratios

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

Millions of euros	Dec 2020	Dec 2019
Adjusted equity*	48,002	47,796
Adjusted financial debt*	38,976	39,692
Credit line drawdowns	-	-
Unpaid accrued interest	336	399
Derivative liabilities	592	425
Adjusted gross financial debt *	39,904	40,516
Cash, cash equivalents and IFTs	3,675	2,226
Current capitalised derivatives and escrow accounts (CSAs)	1,087	754
Adjusted net financial debt *	35,142	37,537
Adjusted net leverage	42.3%	44.0%
Adjusted funds from operations (FFO)**/ Adjusted net financial debt*	23.5%	21.6%
Adjusted retained cash flow (RCF)/Adjusted net financial debt*	21.3%	20.1%
Adjusted net financial debt*/Adjusted EBITDA***	3.5x	3.7x

(*) Adjusted for treasury stock derivatives with physical settlement that, at the current date, are not expected to be executed (EUR 784 million in Dec-20 and EUR 602 million in Dec-19).

(**) Adjusted to Dec-20 on account of the "Exit Plan" implemented in the fourth quarter for EUR 45 million (at Dec-19 adjusted by EUR 51.8 million) and the net tax adjustment for Mexico and UK (EUR 137.2 million). Proforma new additions to the perimeter.

(***) Adjusted to Dec-20 on account of "Exit Plan" implemented in the fourth quarter for EUR 59.7 million (at Dec-19 adjusted by EUR 67.1 million). Proforma new additions to the perimeter.

4. Working capital

Working capital shows an increase of EUR 65 million over the last 12 months, as variations in the different items offset each other.

CURRENT ASSETS	Dec-20	Dec-19	Change
Nuclear fuel	260	306	(46)
Inventories	2,443	2,542	(98)
Trade and other receivables	6,478	6,674	(197)
Current financial investments	281	580	(299)
Derivative financial instruments	324	156	168
Taxes payable	1,187	825	362
TOTAL CURRENT ASSETS*:	10,971	11,082	(111)

* Does not include balances that are deducted for net debt such as cash and debt asset derivatives

CURRENT LIABILITIES	Dec-20	Dec-19	Change
Provisions	579	660	(81)
Derivative financial instruments	129	370	(241)
Trade and other payables	7,759	7,755	5
Taxes payable	1,404	1,263	141
TOTAL CURRENT LIABILITIES**:	9,871	10,048	(176)

** Does not include financial debt or debt derivatives

NET CURRENT ASSETS	Dec-20	Dec-19	Change
	1,100	1,035	65

5. Funds from operations

Funds from operations adjusted at 31 December 2020 were up 1.6% to EUR 8,192 million.

	Dec 2020	Dec 2019	Change
(+) Net profit	3,611	3,466	145
(-) Depreciation and amortisation charges and provisions	4,474	4,227	247
(-) Results of companies accounted for using the equity method	24	51	(27)
(-) Gains/(losses) from non-current assets	(513)	(203)	(310)
(-) Extraordinary corporate income tax	9	25	(16)
(-) Financial provisions capitalized	130	165	(35)
(-) Minorities	341	348	(7)
(+) Adjustment for tax deductible items	137		137
(+) Dividends on companies accounted for using the equity method	57	60	(3)
(-) Allocation of capital subsidies to income	(78)	(81)	2
Funds from operations (FFO)	8,192	8,060	132

6. Financial transactions

Principal financial transactions signed in 2020

New financing

Borrower	Transaction	Amount	Currency	Coupon	Maturity
First quarter					
Itabapoana	Public infrastructure green bond	300.0	BRL	IPCA+4.5%	15-Feb-45
Iberdrola Finanzas	Private bond	160.0	EUR	1.621%	29-Nov-29
Iberdrola Finanzas ⁽¹⁾	Public green bond	750.0	EUR	0.875%	16-Jun-25
Avangrid ⁽¹⁾	Public green bond	750.0	USD	3.20%	15-Apr-25
Celpe ⁽²⁾	Loan 4131	62.5	USD		30-Jan-25
Celpe ⁽²⁾	Loan 4131	52.0	USD		18-Mar-25
Coelba ⁽²⁾	Loan 4131	62.5	USD		27-Feb-25
Coelba ⁽²⁾	Loan 4131	52.0	USD		18-Mar-25
Iberdrola Financiación ⁽¹⁾	Bilateral line of credit	23,528.0	JPY		6-Apr-22
Iberdrola Financiación ⁽¹⁾	Bilateral line of credit	200.0	EUR		13-Apr-22
Iberdrola Financiación ⁽¹⁾	Bilateral line of credit	200.0	EUR		24-Apr-22
Iberdrola Financiación ⁽¹⁾	Bilateral loan	50.0	EUR		16-Apr-22
Iberdrola Financiación ⁽³⁾	ICO Loan	300.0	EUR		30-May-31
Iberdrola Financiación ⁽³⁾	EIB loan	145.0	EUR		29-Mar-29
Iberdrola Financiación ⁽³⁾	EIB loan	440.0	EUR		29-Mar-29
Jalapão ⁽⁴⁾	BNDES loan	778.0	BRL		15-Nov-43
Avangrid Renewables	TEI Green	308.0	USD		28-Feb-30
Second quarter					
Elektro Redes	Public bond	260.0	BRL	CDI+1.9%	4-May-22
Iberdrola International	Structured public bond	200.0	EUR	0.000%	11-Nov-22
NY State Electric & Gas	Tax exemption bond	65.0	USD	1.400%	1-Jul-26
NY State Electric & Gas	Tax exemption bond	34.0	USD	1.530%	1-Dec-27
NY State Electric & Gas	Tax exemption bond	37.5	USD	1.610%	1-Feb-29
NY State Electric & Gas	Tax exemption bond	63.5	USD	1.610%	1-Jun-29
Berkshire Gas Company	Private bond	25.0	USD	3.680%	15-Sept-50
Coelba ⁽²⁾	Loan 4131	3,858.0	JPY		22-Jun-21
Celpe ⁽²⁾	Loan 4131	80.0	USD		23-Jun-25
Celpe	Bilateral loan	100.0	BRL		9-Jun-21
Avangrid	Syndicated line of credit	500.0	USD		27-Jun-22
Iberdrola Financiación ⁽⁴⁾	Green EIB loan	600.0	EUR		3-Aug-29
Iberdrola Financiación ⁽⁵⁾	Green ICO loan	200.0	EUR		7-Jul-29
Santa Luzia ⁽⁴⁾	BNDES loan	369.0	BRL		2-Jul-44

Borrower	Transaction	Amount	Currency	Coupon	Maturity
Third quarter					
NYSEG	Public bond	200.0	USD	1.9500%	1-Oct-30
CMP	Mortgage covered bond	50.0	USD	1.8700%	15-Dec-30
SCG	Mortgage covered bond	50.0	USD	1.8700%	15-Dec-30
CNG	Private bond	30.0	USD	2.0200%	15-Dec-30
UI	Private bond	75.0	USD	2.0200%	15-Dec-30
Coelba	Bilateral loan	155.0	BRL		2-Oct-23
Coelba	Bilateral loan	50.0	BRL		2-Oct-23
PIER ⁽³⁾	Project finance	44.6	USD		15-Aug-33
Iberdrola Financiación	Green ICO loan	59.5	EUR		22-Jul-29
EKTT 12	FCO Loan	30.0	BRL		1-Feb-35
Coelba ⁽⁵⁾	BNDES loan	1,596.7	BRL		15-Jun-40
Celpe ⁽⁵⁾	BNDES loan	716.3	BRL		15-Jun-40
Elektro ⁽⁵⁾	BNDES loan	687.4	BRL		15-Jun-40
Cosern ⁽⁵⁾	BNDES loan	387.6	BRL		15-Jun-40
Oitis ⁽⁵⁾	BNB loan	715.0	BRL		10-Sep-44
Fourth quarter					
Iberdrola International	Public hybrid bond	1,600.0	EUR	1.874%	Perpetual
Iberdrola International	Public hybrid bond	1,400.0	EUR	2.250%	Perpetual
RG&E	Mortgage covered bond	200.0	USD	1.850%	1-Dec-30
Coelba	Loan 4131	200.0	BRL		27-Dec-23
Celpe	Loan 4131	200.0	BRL		27-Dec-23
Celpe ^{(2) (5)}	Loan 4131	38.1	USD		8-Jan-24
Celpe ^{(2) (5)}	Loan 4131	38.3	USD		26-Jan-24
Cosern ^{(2) (5)}	Loan 4131	19.4	USD		8-Jan-24
Iberdrola Financiación	Bilateral loan	50.0	EUR		9-Dec-25
Coelba	Bilateral loan	195.0	BRL		26-Nov-23
Jalapão ⁽⁵⁾	BASA loan	214.0	BRL		15-Mar-40
Iberdrola Renovables Rioja	Project finance	23.3	EUR		3-Dec-27
Subsequent facts ⁽⁶⁾					
Iberdrola International	Public hybrid green bond	1,000.0	EUR	1.450%	Perpetual
Iberdrola International	Public hybrid green bond	1,000.0	EUR	1.825%	Perpetual
Neoenergía ⁽⁵⁾	Public bond	2,000.0	BRL	CDI+1.46%	18-Aug-22
Coelba ⁽²⁾	Loan 4131	3,884.0	JPY		13-Jan-22
Iberdrola Financiación	Bilateral loan	50.0	EUR		8-Feb-28
Iberdrola Financiación ^{(5) (7)}	EIB loan	100.0	EUR		Jan-33

(1) Transactions signed after 31/03/2020 to strengthen the liquidity position due to the situation arising from COVID-19

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

(3) Utilisation of transactions signed in prior years

(4) Part-funding

(5) Financing planned to be drawn down in 2021/2022

(6) Transactions signed after 31/12/20

(7) Up to 12 years if amortizable option is chosen

Extension of existing financing

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

* Remaining expiry extension option

Fourth quarter operations and subsequent facts

The market-formalised operations during the fourth quarter and up to the date of certification of the annual accounts are described below.

Capital market

Commercial paper

Commercial paper markets remained in good shape throughout the fourth quarter supported by increased investor optimism about economic recovery.

The average balance of the ECP programme was around EUR 2,500 million, with emission levels still conforming to the Euribor curve. The year-end outstanding balance was EUR 2,760 million with a portfolio average life of 94 days.

The average balance of the USCP programme was approximately EUR 840 million, reducing the outstanding balance at year-end to USD 309 million with a portfolio average life of 19 days.

Bonds

The Iberdrola Group carried out four issuances for a total equivalent of EUR 5,477 million:

- In October 2020, Iberdrola issued two tranches of a hybrid bond for a combined total of EUR 3,000 million, both perpetual, each worth EUR 1,600 million and EUR 1,400 million and 1.874% and 2.25% coupons, respectively. The funds will be used to finance the Group's future growth.
- In February 2021, Iberdrola issued the largest hybrid green bond in history totalling EUR 2,000 million, in two perpetual tranches of EUR 1,000 million each, with coupons of 1.45% and 1.825%, respectively.

- Avangrid issued a 10-year mortgage-backed bond worth USD 200 million at a cost of 1.85%.
- Neoenergía closed a public bond of BRL 2,000 million over an 18-month period and a margin of 1.46% above the CDI.

Banking market

The Iberdrola Group signed a total equivalent to EUR 303 million in nine bank loans:

- Neoenergía signed a total of six loans under the terms of Decree 4131, for a total equivalent to BRL 1,100 million over an average term of nearly three years.
- Neoenergía also signed a bilateral loan of BRL 195 million with a maturity in November 2023.
- Iberdrola signed two bilateral loans of EUR 50 million, each with maturities in December 2025 and February 2028, respectively.

Multilateral and structured market

The Group signed three new loans for an equivalent of EUR 157 million:

- Iberdrola signed a green Project Finance of EUR 23 million for the refinancing of wind farms in Spain with maturity in December 2027.
- Neoenergía signed a loan of BRL 214 million with Banco de Amazonia for the financing of a transmission line in Brazil.
- Iberdrola also signed a loan of EUR 100 million with the European Investment Bank, the terms of which will be determined on the settlement date. The purpose of this loan is to finance a set of RDI activities in Spain in the period 2020-2023.

7. Credit ratings

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

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

Financial Statements Tables

Balance Sheet 2020 (Unaudited)

EUR M

ASSETS	December 2020	December 2019	Variation
NON-CURRENT ASSETS	107.546	108.811	-1.265
Intangible assets	18.222	20.368	-2.146
Goodwill	7.613	8.153	-540
Other intangible assets	10.609	12.215	-1.606
Real Estate properties	301	342	-41
Property, plant and equipment	71.779	71.289	489
Property, plant and equipment	64.879	63.449	1.430
Property, plant and equipment in the course of construction	6.900	7.841	-941
Right of use	1.974	1.782	192
Non current financial investments	5.461	5.819	-357
Investments accounted by equity method	1.145	1.957	-811
Non-current financial assets	38	86	-48
Other non-current financial assets	2.909	3.019	-110
Derivative financial instruments	1.369	756	612
Non-current trade and other receivables	3.161	2.851	310
Tax receivables	666	666	0
Deferred tax assets	5.982	5.695	287
CURRENT ASSETS	14.972	13.558	1.415
Nuclear fuel	260	306	-46
Inventories	2.443	2.542	-98
Current trade and other receivables	7.664	7.499	165
Tax receivables	564	318	246
Other tax receivables	623	507	116
Trade and other receivables	6.478	6.674	-197
Current financial assets	1.178	1.098	80
Other current financial assets	578	693	-115
Derivative financial instruments	601	405	195
Cash and cash equivalents	3.427	2.113	1.314
TOTAL ASSETS	122.518	122.369	149

EUR M

EQUITY AND LIABILITIES	December 2020	December 2019	Variation
EQUITY:	47.219	47.195	24
Of shareholders of the parent	35.413	37.678	-2.265
Share capital	4.763	4.772	-9
Liabilities revaluation reserve	-242	-544	302
Other reserves	34.421	33.522	899
Treasury stock	-1.985	-1.436	-549
Translation differences	-5.154	-2.101	-3.053
Net profit of the year	3.611	3.466	144
Of minority interests	11.806	9.516	2.290
NON-CURRENT LIABILITIES	57.369	56.043	1.326
Deferred income	1.240	1.399	-158
Facilities transferred and financed by third parties	5.043	4.987	56
Provisions	5.836	5.990	-154
Provisions for pensions and similar obligations	2.318	2.661	-343
Other provisions	3.518	3.329	189
Non Current Financial payables	35.096	33.639	1.457
Financial Debt- Loans and other	30.335	30.126	209
Equity Instruments having the substance of a financial liability	334	193	141
Leases	991	1.614	-623
Derivative financial instruments	1.927	471	1.456
Other financial liabilities	1.510	1.235	275
Other non-current payables	262	407	-146
Tax payables	285	261	24
Deferred tax liabilities	9.607	9.359	248
CURRENT LIABILITIES	17.931	19.131	-1.200
Provisions	579	660	-81
Provisions for pensions and similar obligations	23	25	-2
Other provisions	557	635	-79
Current financial payables	15.469	16.534	-1.066
Financial Debt- Loans and other	7.703	8.800	-1.097
Equity Instruments having the substance of a financial liability	57	22	34
Derivative financial instruments	297	478	-181
Leases	131	153	-22
Trade payables	5.137	5.098	39
Other financial liabilities	2.144	1.983	161
Other current payables	1.882	1.937	-55
Current tax liabilities and other tax payables	178	243	-65
Other tax payables	1.226	1.021	205
Other current liabilities	478	674	-195
TOTAL EQUITY AND LIABILITIES	122.518	122.369	149

Profit and Loss NIIF Standar *(Unaudited)*

	Dec 2020	Dec 2019	EUR M %
REVENUES	33,145.1	36,437.9	(9.0)
PROCUREMENTS	(17,000.0)	(20,174.5)	(15.7)
GROSS MARGIN	16,145.1	16,263.4	(0.7)
NET OPERATING EXPENSES	(4,314.0)	(4,330.4)	(0.4)
Net Personnel Expense	(2,149.0)	(2,146.1)	0.1
Personnel	(2,809.7)	(2,841.2)	(1.1)
Capitalized personnel costs	660.7	695.1	(4.9)
Net External Services	(2,165.0)	(2,184.4)	(0.9)
External Services	(2,841.2)	(2,843.0)	(0.1)
Other Operating Income	676.2	658.6	2.7
LEVIES	(1,820.9)	(1,829.0)	(0.4)
EBITDA	10,010.2	10,104.0	(0.9)
AMORTISATIONS AND PROVISIONS	(4,473.9)	(4,226.7)	5.8
EBIT / Operating Profit	5,536.3	5,877.2	(5.8)
Financial Expenses	(2,029.5)	(2,163.7)	(6.2)
Financial Income	1,038.5	863.6	20.3
FINANCIAL RESULT	(991.0)	(1,300.1)	(23.8)
RESULTS OF COMPANIES CONSOLIDATED BY EQUITY METHOD	(23.9)	(51.4)	(53.4)
RESULTS FROM NON-CURRENT ASSETS	512.5	202.8	152.7
PBT	5,033.9	4,728.6	6.5
Corporate Tax	(1,082.6)	(914.0)	18.4
Minorities	(340.6)	(348.2)	(2.2)
NET PROFIT	3,610.7	3,466.4	4.2

Results by Business (Unaudited)

EUR M

Dec 2020	Networks	Renewables	Generation and Supply	Other businesses	Corporation and adjustments
Revenues	12,899.9	4,160.8	18,305.2	106.8	(2,327.6)
Procurements	(5,284.5)	(402.4)	(13,511.4)	(90.9)	2,289.3
GROSS MARGIN	7,615.4	3,758.4	4,793.7	15.9	(38.3)
NET OPERATING EXPENSES	(2,152.6)	(801.6)	(1,430.3)	(16.2)	86.7
Net Personnel Expense	(1,115.6)	(301.8)	(379.5)	(11.9)	(340.3)
Personnel	(1,601.6)	(402.0)	(448.9)	(11.9)	(345.3)
Capitalized personnel costs	486.0	100.2	69.5	-	5.0
Net External Services	(1,037.0)	(499.7)	(1,050.9)	(4.3)	426.9
External Services	(1,463.8)	(625.0)	(1,230.1)	(4.6)	482.3
Other Operating Income	426.8	125.2	179.2	0.3	(55.4)
LEVIES (NO NEGRITA)	(685.4)	(371.2)	(798.6)	(1.1)	35.4
EBITDA	4,777.5	2,585.6	2,564.8	(1.4)	83.8
Amortisation and Provisions	(1,902.9)	(1,399.8)	(1,044.6)	(10.6)	(116.1)
EBIT/Operating Profit	2,874.6	1,185.8	1,520.2	(12.1)	(32.2)
Financial Result	(471.1)	(190.0)	(88.3)	(0.8)	(240.9)
Results of companies consolidated by equity method	13.8	(22.5)	4.0	(15.0)	(4.2)
Results of non-current assets	5.5	10.4	14.9	485.6	(3.8)
PBT	2,422.9	983.6	1,450.9	457.7	(281.2)
Corporate tax and minority shareholders	(860.8)	(339.5)	(446.3)	23.7	199.7
NET PROFIT	1,562.0	644.2	1,004.5	481.5	(81.5)

EUR M

Dec 2019	Networks	Renewables	Generation and Supply	Other businesses	Corporation and adjustments
Revenues	14,209.9	3,834.3	20,726.2	169.9	(2,502.4)
Procurements	(6,079.3)	(388.7)	(16,038.6)	(125.5)	2,457.6
GROSS MARGIN	8,130.6	3,445.6	4,687.6	44.4	(44.8)
NET OPERATING EXPENSES	(2,184.0)	(719.1)	(1,411.2)	(15.5)	(.6)
Net Personnel Expense	(1,112.0)	(282.6)	(443.3)	(11.1)	(297.3)
Personnel	(1,661.8)	(367.3)	(486.8)	(11.1)	(314.1)
Capitalized personnel costs	549.8	84.7	43.5	-	16.9
Net External Services	(1,072.0)	(436.6)	(967.9)	(4.3)	296.7
External Services	(1,547.8)	(572.5)	(1,057.3)	(4.8)	339.4
Other Operating Income	475.5	135.9	89.4	0.4	(42.7)
LEVIES	(684.4)	(341.4)	(807.7)	(0.8)	5.3
EBITDA	5,262.2	2,385.1	2,468.7	28.1	(40.1)
Amortisation and Provisions	(1,965.8)	(1,163.2)	(976.6)	(11.6)	(109.5)
EBIT/Operating Profit	3,296.3	1,221.9	1,492.1	16.5	(149.6)
Financial Result	(601.4)	(225.4)	(124.3)	(0.2)	(348.8)
Results of companies consolidated by equity method	11.7	8.9	5.6	(65.3)	(12.2)
Results of non-current assets	139.0	63.7	(1.1)	(1.5)	2.7
PBT	2,845.6	1,069.1	1,372.2	(50.4)	(507.9)
Corporate tax and minority shareholders	(888.7)	(279.8)	(382.2)	(4.6)	293.2
NET PROFIT	1,956.9	789.3	989.9	(55.1)	(214.7)

Networks Business (Unaudited)

EUR M				
Dec 2020	SPAIN	UNITED KINGDOM	USA	BRAZIL
Revenues	1,965.1	1,361.9	4,077.5	5,495.5
Procurements	(1.2)	(59.6)	(1,302.9)	(3,920.7)
GROSS MARGIN	1,963.9	1,302.3	2,774.6	1,574.8
NET OPERATING EXPENSES	(264.1)	(194.3)	(1,201.6)	(492.7)
Net Personnel Expense	(193.1)	(89.3)	(550.1)	(283.1)
Personnel	(316.5)	(237.4)	(764.6)	(283.1)
Capitalized personnel costs	123.4	148.1	214.5	-
Net External Services	(71.0)	(105.0)	(651.5)	(209.6)
External Services	(265.8)	(165.7)	(736.6)	(296.1)
Other Operating Income	194.8	60.7	85.1	86.4
LEVIES	(88.0)	(108.0)	(486.0)	(3.3)
EBITDA	1,611.8	1,000.0	1,087.0	1,078.7
Amortisation and Provisions	(565.6)	(355.9)	(600.6)	(380.8)
EBIT/Operating Profit	1,046.2	644.1	486.4	697.9
Financial Result	(64.8)	(133.0)	(128.6)	(144.7)
Results of companies consolidated by equity method	2.9	-	10.9	-
Results of non-current assets	2.6	0.8	1.8	0.3
PBT	986.9	511.8	370.6	553.5
Corporate tax and minority shareholders	(181.9)	(200.1)	(141.6)	(337.2)
NET PROFIT	805.0	311.7	229.0	216.3

EUR M				
Dec 2019	SPAIN	UNITED KINGDOM	USA	BRAZIL
Revenues	2,122.2	1,372.6	4,271.8	6,443.3
Procurements	(5.3)	(62.0)	(1,396.4)	(4,615.7)
GROSS MARGIN	2,116.9	1,310.7	2,875.4	1,827.6
NET OPERATING EXPENSES	(316.3)	(214.9)	(1,063.0)	(589.7)
Net Personnel Expense	(225.9)	(83.8)	(511.3)	(291.0)
Personnel	(338.5)	(235.5)	(733.7)	(354.1)
Capitalized personnel costs	112.6	151.6	222.4	63.2
Net External Services	(90.4)	(131.1)	(551.7)	(298.8)
External Services	(286.9)	(177.6)	(666.9)	(416.7)
Other Operating Income	196.5	46.5	115.2	117.9
LEVIES	(89.9)	(108.9)	(482.0)	(3.6)
EBITDA	1,710.7	986.8	1,330.3	1,234.3
Amortisation and Provisions	(548.2)	(345.8)	(617.1)	(454.7)
EBIT/Operating Profit	1,162.4	641.0	713.3	779.6
Financial Result	(63.2)	(135.6)	(142.2)	(260.4)
Results of companies consolidated by equity method	2.3	-	9.4	-
Results of non-current assets	134.5	0.6	1.9	1.8
PBT	1,236.1	506.1	582.5	521.0
Corporate tax and minority shareholders	(242.4)	(96.6)	(243.7)	(305.9)
NET PROFIT	993.7	409.5	338.7	215.0

Renewables Business (Unaudited)

EUR M

Dec 2020	UNITED					Iberdrola Energía Internacional (IEI)*
	SPAIN	KINGDOM	USA	BRAZIL	MEXICO	
Revenues	1,290.1	1,018.2	1,115.5	172.5	121.2	443.2
Procurements	(71.7)	(61.3)	(222.4)	(27.7)	(3.7)	(15.7)
GROSS MARGIN	1,218.5	957.0	893.1	144.7	117.5	427.5
NET OPERATING EXPENSES	(237.1)	(176.6)	(246.3)	(33.0)	(23.8)	(84.0)
Net Personnel Expense	(110.7)	(35.1)	(132.5)	(14.7)	(2.4)	(19.5)
Personnel	(144.1)	(50.2)	(150.6)	(17.1)	(5.2)	(34.8)
Capitalized personnel costs	33.4	15.0	18.1	2.4	2.8	15.3
Net External Services	(126.4)	(141.5)	(113.8)	(18.2)	(21.4)	(64.5)
External Services	(186.9)	(155.0)	(185.4)	(18.2)	(23.3)	(88.8)
Other Operating Income	60.5	13.6	71.7	-	2.0	24.3
LEVIES	(283.8)	(22.2)	(54.5)	(0.5)	(0.8)	(9.5)
EBITDA	697.6	758.2	592.3	111.3	92.9	334.1
Amortisation and Provisions	(371.2)	(254.7)	(564.8)	(44.7)	(48.5)	(116.9)
EBIT/Operating Profit	326.4	503.5	27.5	66.6	44.5	217.1
Financial Result	(44.7)	(18.4)	(62.0)	(26.5)	(11.1)	(27.2)
Results of companies consolidated by equity method	0.3	1.4	(10.8)	(13.4)	-	-
Results of non-current assets	6.4	-	4.5	-	-	(0.6)
PBT	288.4	486.5	(40.8)	26.7	33.4	189.4
Corporate tax and minority shareholders	(74.8)	(200.0)	32.5	(13.9)	(21.5)	(61.8)
NET PROFIT	213.6	286.5	(8.3)	12.8	11.9	127.6

EUR M

Dec 2019	UNITED					Iberdrola Energía Internacional (IEI)*
	SPAIN	KINGDOM	USA	BRAZIL	MEXICO	
Revenues	1,327.8	726.9	1,063.6	215.2	116.3	384.5
Procurements	(76.8)	(49.3)	(211.6)	(41.5)	(3.3)	(6.2)
GROSS MARGIN	1,250.9	677.6	852.1	173.7	113.1	378.3
NET OPERATING EXPENSES	(245.6)	(129.4)	(218.4)	(47.9)	(26.7)	(50.2)
Net Personnel Expense	(117.2)	(25.4)	(118.3)	(20.9)	(3.5)	(10.1)
Personnel	(143.5)	(43.6)	(135.0)	(22.0)	(6.5)	(16.8)
Capitalized personnel costs	26.3	18.2	16.6	1.1	2.9	6.8
Net External Services	(128.4)	(104.1)	(100.0)	(27.0)	(23.2)	(40.1)
External Services	(194.4)	(117.3)	(182.6)	(27.0)	(25.2)	(61.6)
Other Operating Income	66.0	13.3	82.5	-	2.0	21.5
LEVIES	(269.2)	(23.1)	(42.4)	(0.9)	(.7)	(5.1)
EBITDA	736.1	525.0	591.3	125.0	85.6	323.0
Amortisation and Provisions	(341.2)	(161.8)	(474.9)	(48.7)	(42.2)	(95.2)
EBIT/Operating Profit	394.9	363.2	116.4	76.3	43.4	227.8
Financial Result	(54.4)	(41.3)	(61.4)	(33.2)	(17.1)	(17.9)
Results of companies consolidated by equity method	8.6	1.0	(7.5)	6.7	-	-
Results of non-current assets	1.3	-	62.4	-	-	-
PBT	350.5	322.8	109.9	49.9	26.3	209.9
Corporate tax and minority shareholders	(104.5)	(68.5)	(25.9)	(27.0)	0.4	(54.3)
NET PROFIT	246.0	254.3	84.0	22.9	26.8	155.5

* Former Rest of the World

Generation and Supply Business (Unaudited)

EUR M

Dec 2020	UNITED				Iberdrola Energía	
	SPAIN	KINGDOM	MEXICO	BRASIL	Internacional (IEI)*	Other
Revenues	10,467.6	4,215.2	2,570.1	374.6	1,250.4	(572.9)
Procurements	(7,551.4)	(3,417.4)	(1,656.7)	(285.5)	(1,173.3)	572.8
GROSS MARGIN	2,916.2	797.9	913.3	89.1	77.2	-
NET OPERATING EXPENSES	(762.9)	(438.3)	(120.7)	(29.9)	(75.6)	(2.9)
Net Personnel Expense	(271.2)	(86.0)	(10.0)	(7.7)	(22.6)	18.0
Personnel	(287.1)	(92.4)	(39.1)	(7.8)	(22.6)	-
Capitalized personnel costs	15.9	6.4	29.1	0.1	-	18.0
Net External Services	(491.8)	(352.3)	(110.8)	(22.2)	(53.0)	(20.9)
External Services	(618.8)	(374.5)	(173.9)	(22.3)	(65.9)	25.3
Other Operating Income	127.0	22.3	63.1	0.1	12.9	(46.2)
LEVIES	(684.6)	(110.1)	(2.5)	(0.2)	(1.3)	-
EBITDA	1,468.7	249.5	790.1	59.1	0.3	-
Amortisation and Provisions	(483.1)	(302.8)	(148.6)	(18.3)	(91.8)	-
EBIT/Operating Profit	985.6	(53.3)	641.5	40.8	(91.4)	-
Financial Result	(35.9)	7.6	(46.9)	(11.0)	(2.0)	-
Results of companies consolidated by equity method	4.0	-	-	-	-	-
Results of non-current assets	14.9	-	(0.1)	-	-	-
PBT	968.7	(45.7)	594.5	29.8	(93.5)	(3.0)
Corporate tax and minority shareholders	(238.4)	(.2)	(203.0)	(15.5)	10.0	0.7
NET PROFIT	730.3	(45.8)	391.6	14.3	(83.5)	(2.2)

EUR M

Dec 2019	UNITED				Iberdrola Energía	
	SPAIN	KINGDOM	MEXICO	BRASIL	Internacional (IEI)*	Other
Revenues	12,800.8	4,526.5	2,327.0	592.1	1,150.3	(670.6)
Procurements	(9,870.0)	(3,842.0)	(1,392.1)	(499.9)	(1,105.0)	670.5
GROSS MARGIN	2,930.8	684.4	934.9	92.2	45.3	-
NET OPERATING EXPENSES	(685.9)	(457.6)	(169.9)	(28.3)	(69.7)	-
Net Personnel Expense	(283.2)	(120.7)	(17.8)	(7.5)	(14.2)	-
Personnel	(297.0)	(126.4)	(41.5)	(7.7)	(14.2)	-
Capitalized personnel costs	13.8	5.8	23.8	0.2	-	-
Net External Services	(402.6)	(336.9)	(152.1)	(20.8)	(55.5)	-
External Services	(482.7)	(358.2)	(160.5)	(23.1)	(55.6)	22.7
Other Operating Income	80.0	21.3	8.4	2.3	0.1	(22.7)
LEVIES	(687.2)	(116.8)	(3.0)	-	(0.6)	-
EBITDA	1,557.7	110.1	762.0	63.8	(25.0)	-
Amortisation and Provisions	(443.0)	(352.7)	(125.6)	(22.2)	(33.2)	-
EBIT/Operating Profit	1,114.7	(242.6)	636.4	41.6	(58.1)	-
Financial Result	(57.1)	12.8	(56.6)	(23.6)	0.1	-
Results of companies consolidated by equity method	5.6	-	-	-	-	-
Results of non-current assets	(1.7)	0.2	-	0.4	-	-
PBT	1,061.5	(229.6)	579.8	18.5	(58.0)	-
Corporate tax and minority shareholders	(261.0)	43.0	(166.9)	(11.4)	14.1	-
NET PROFIT	800.5	(186.7)	412.9	7.1	(43.9)	-

* Former Rest of the World

Quarterly Results 2020 (Unaudited)

	Eur M			
	ENE-MAR	APR-JUN	JUL-SEPT	OCT-DEC
	2020	2020	2020	2020
Revenues	9,425.9	7,041.4	7,780.6	8,897.1
Procurements	(4,881.2)	(3,535.9)	(3,989.6)	(4,593.3)
GROSS MARGIN	4,544.8	3,505.5	3,791.0	4,303.8
NET OPERATING EXPENSES	(1,067.7)	(1,006.7)	(1,026.5)	(1,213.1)
Net Personnel Expense	(557.7)	(513.8)	(524.2)	(553.4)
Personnel	(730.0)	(688.0)	(688.9)	(702.9)
Capitalized personnel costs	172.3	174.2	164.7	149.5
Net External Services	(510.0)	(492.9)	(502.3)	(659.7)
External Services	(673.8)	(690.1)	(663.8)	(813.5)
Other Operating Income	163.8	197.2	161.4	153.8
LEVIES	(726.5)	(331.2)	(337.5)	(425.7)
EBITDA	2,750.6	2,167.6	2,427.0	2,665.0
Amortisation and Provisions	(1,108.0)	(1,135.4)	(1,113.9)	(1,116.6)
EBIT/Operating Profit	1,642.6	1,032.2	1,313.1	1,548.4
Financial Expenses	(649.5)	(427.4)	(465.0)	(487.6)
Financial Income	469.1	207.5	224.5	137.3
Financial Result	(180.3)	(219.9)	(240.6)	(350.2)
Results of companies consolidated by equity method	1.2	(9.9)	(10.6)	(4.7)
Results of non-current assets	505.4	(0.2)	9.5	(2.1)
PBT	1,968.9	802.2	1,071.5	1,191.4
Corporate Tax	(624.5)	(155.8)	(174.1)	(128.1)
Minorities	(71.6)	(42.7)	(92.8)	(133.5)
NET PROFIT	1,272.7	603.6	804.6	929.8
	ENE-MAR	APR-JUN	JUL-SEPT	OCT-DEC
	2019	2019	2019	2019
Revenues	10,138.9	8,142.1	8,176.5	9,980.4
Procurements	(5,815.8)	(4,235.3)	(4,319.8)	(5,803.7)
GROSS MARGIN	4,323.1	3,906.9	3,856.7	4,176.7
NET OPERATING EXPENSES	(1,081.3)	(1,064.5)	(1,012.4)	(1,172.2)
Net Personnel Expense	(553.4)	(530.1)	(514.7)	(547.9)
Personnel	(700.7)	(712.1)	(675.1)	(753.2)
Capitalized personnel costs	147.4	182.1	160.4	205.3
Net External Services	(527.9)	(534.5)	(497.7)	(624.3)
External Services	(668.4)	(722.3)	(663.0)	(789.3)
Other Operating Income	140.5	187.9	165.3	165.0
LEVIES	(642.5)	(452.0)	(335.1)	(399.4)
EBITDA	2,599.4	2,390.4	2,509.2	2,605.0
Amortisation and Provisions	(967.1)	(1,031.9)	(1,011.0)	(1,216.7)
EBIT/Operating Profit	1,632.2	1,358.5	1,498.1	1,388.4
Financial Expenses	(548.2)	(487.9)	(741.5)	(386.1)
Financial Income	249.9	175.3	462.1	(23.6)
Financial Result	(298.3)	(312.6)	(279.5)	(409.7)
Results of companies consolidated by equity method	1.6	(9.9)	(12.9)	(30.2)
Results of non-current assets	0.3	6.5	115.6	80.4
PBT	1,335.9	1,042.6	1,321.3	1,028.8
Corporate Tax	(277.7)	(267.9)	(343.0)	(25.5)
Minorities	(81.6)	(78.5)	(90.2)	(97.8)
NET PROFIT	976.6	696.2	888.2	905.5

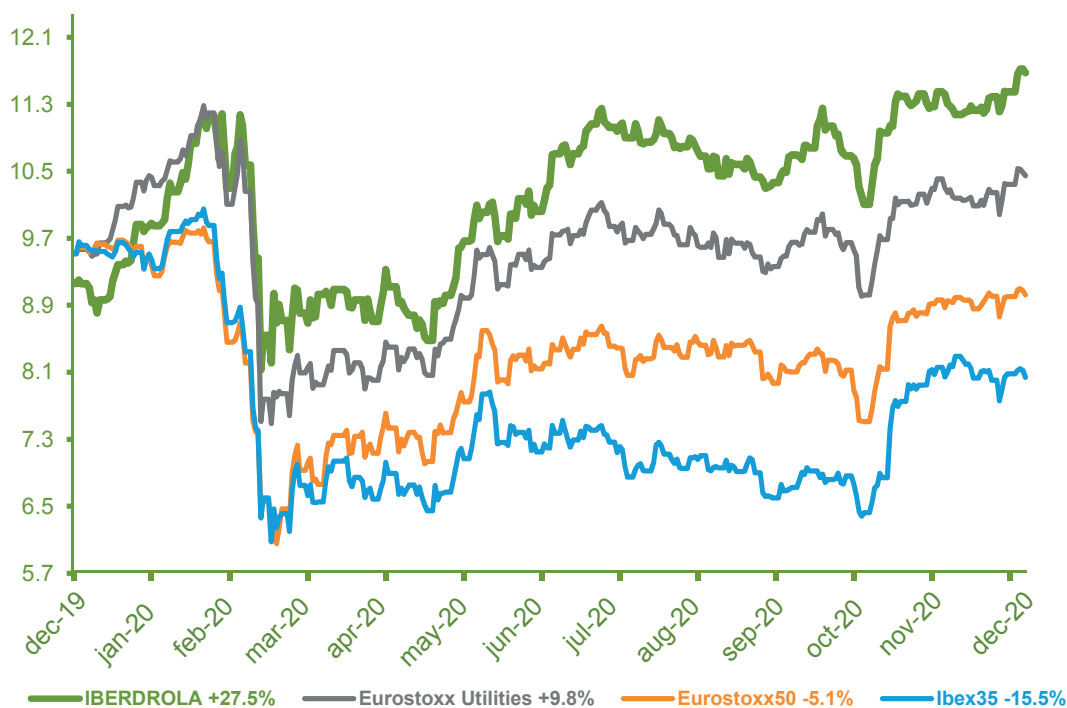
Statement of origin and use of funds (*Unaudited*)

	December 2020	December 2019	Variation
Net Profit	3.611	3.466	144
Adjustments to Net profit	4.553	4.497	56
Minorities and Hybrid	140	140	0
Corporate Tax	239	61	178
Financials	132	161	(-29)
Equity Method	81	112	(-31)
Non-Current Assets results	(-513)	(-203)	(-310)
Amortisation and Provisions	4.474	4.227	247
Adjustments to EBITDA	(-872)	(-709)	(-163)
Deferred income	(-280)	(-276)	(-4)
Other non-cash adjustments (Networks and Renewables)	(-593)	(-433)	(-159)
Operating Cash Flow	7.291	7.255	36
Dividends Paid to Iberdrola shareholders	(-563)	(-330)	(-233)
Total Cash Flow allocations:	(7.184)	(7.957)	773
<i>Gross Investments</i>	<i>(9.246)</i>	<i>(-8.158)</i>	<i>(-1.088)</i>
<i>Divestments</i>	<i>1.556</i>	<i>1.831</i>	<i>(-275)</i>
<i>Treasury stock</i>	<i>(2.494)</i>	<i>(-2.430)</i>	<i>(-64)</i>
<i>Issuance/ Hybrid</i>	<i>3.000</i>	<i>800</i>	<i>2.200</i>
Exchange rate differentials	2.515	(-685)	3.200
IFRS 16 (first implementation)	0	(-1.246)	1.246
Other variations	336	(-602)	938
Decrease/(Increase) in net debt	2.395	(3.564)	5.959

Differences may arise due to rounding

Stock market evolution

IBERDROLA stock performance vs. Indexes



IBERDROLA's share

	2020	2019
Number of outstanding shares	6,350,061,000	6,362,072,000
Price at the end of the period	11.700	9.180
Average price of the period	10.106	8.405
Average daily volume	17,868,633	16,905,335
Maximum volume (03-20-2020 / 09-20-2019)	73,587,123	63,687,471
Minimum (12-24-2020 / 12-24-2019)	1,247,598	2,303,761
Dividends paid (€) ⁽¹⁾	0.405	0.356
Gross Final dividend (02-05-2020 / 02-05-2019) ⁽²⁾	0.168	0.151
Gross interim (08-04-2020 / 08-01-2019) ⁽²⁾	0.232	0.200
Shareholder's Meeting attendance bonus	0.005	0.005
Dividend yield ⁽³⁾	3.46%	3.87%

(1) Dividends paid in the last 12 months

(2) Purchase price of rights guaranteed by Iberdrola

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

Regulation

In the last quarter of 2020, a number of new regulatory changes affecting the energy sector were approved. This section sets out the most significant of these.

Regulation in Spain

Spanish electricity sector

Protection measures for the vulnerable: The RDL 37/2020, on social and economic vulnerability in housing, guarantees the supply of electricity and natural gas, prohibiting cut-offs while the current state of alarm is in force (until 9 May 2021), to:

- i. the current recipients of the social bonus.
- ii. those who are not holders of the supply point but are entitled to the social bonus according to certification of social services.

Renewable energy auctions: RD 960/2020 regulates the remuneration framework for renewable electric power generation, called the Economic Renewable Energy Regime (REER), based on the long-term recognition of a price for energy as a result of a competitive tendering process. For its part, Order TED/1161/2020 regulates the first auction mechanism for the granting of REER and establishes the outline calendar for the period 2020-2025. Lastly, via resolution of 10 December 2020, the first auction was called under this regime, which took place on 26 January 2021.

Electro-intensive customers: RD 1106/2020 defines the requirements to be deemed an electro-intensive consumer and establishes a mechanism for compensating the costs of promoting renewables and cogeneration, as well as extra costs of off-peninsula generation, to be added to the current mechanisms (85% reduction in special electricity tax and compensation for sectors at risk of carbon leakage). It also implements the Spanish Reserve Fund for Guarantees of Electro-intensive Entities (FERGEI) for the promotion of State-guaranteed PPAs. This is a cost-free support mechanism for the electricity sector.

Expansion of CO2 auction limit for 2020: Royal Decree-Law 34/2020, on urgent measures to support the solvency of companies and the energy sector, raises the limit of transfers from CO2 auctions to the electricity sector to EUR 1,000 million for 2020.

General State Budget for 2021: The General State Budget Act for 2021 has been published, which provides for transfer of EUR 3,566 million to the electricity sector to cover charges in settlements.

Ministerial order on 2021 Electricity tolls: Order TED/1271/2020 has been published, which extends the current electricity access tolls for 2021 until the new tolls established by the CNMC and the new charges established by the Ministry are applied.

Hydrogen Roadmap: The government-approved strategy highlights renewable hydrogen as a key to decarbonisation of the economy, targeting niche sectors that are difficult to electrify. This will involve an investment of EUR 8,900 million.

Long-term decarbonisation strategy: This is a road map for Spain to achieve climate neutrality in 2050, in line with the European objective and on the basis of the NECP targets for 2030, and which envisions intermediate milestones in 2030 and 2040 in order to send signals to investors. Electrification is the main vector of decarbonisation, accounting for 52% of final energy.

Regulation in the United Kingdom

RIIO-T2. In December 2019, SP Energy Networks (SPEN) submitted its final Business Plan worth £1.4 billion to Ofgem for the RIIO-T2 price control, which will run from 1 April 2021 to 31 March 2026. Ofgem published its final determination in December 2020, proposing an allowed total expenditure (totex) of £1.3 billion (a significant improvement from its July draft determination) and a cost of equity of 4.02% CPIH real (net of a 0.23% 'outperformance adjustment'). There has been criticism in the public domain of Ofgem's proposed cost of equity allowance, and companies will have the opportunity to appeal to

the CMA against Ofgem's price control decision in March 2021.

Contracts for Difference renewables auctioning programme: As part of the UK Government's 'Ten Point Plan for a Green Industrial Revolution' and the Energy White Paper, the UK Government formalised its commitment to deploying 40 GW of offshore wind by 2030, including an aim to deploy 1 GW of innovative floating offshore wind by that date. In this context, the Government also announced its plans to open the next Contracts for Difference auction supporting renewable generation – including offshore and onshore wind and solar PV- in late 2021. The Government is aiming for this next auction to support up to double the capacity of renewable generation deployed in the last Contracts for Difference auction in 2019, that is, around 12 GW of renewable generation. To support the growth of the offshore wind sector in the UK, the Government is also taking forward plans to invest £160 million into developing offshore wind ports and manufacturing infrastructure, with the launch of a competitive process in December 2020.

Regulation in the USA

Tax credits: In December, Congress approved a financing package that included:

1. an extension of the Production Tax Credit (PTC) and the Investment Tax Credit (ITC) for land-based wind energy projects beginning construction prior to the end of 2021.
2. a two-year extension of the ITC for commercial and residential solar energy at 26%, to be progressively reduced to 22% in 2023 and fixed at 10% from 2024.
3. a new offshore wind energy ITC at 30% for projects beginning construction between 2017 and 2025. In addition, the Treasury Department issued guidance approving a 10-year extension of the safe harbour for offshore renewable wind energy projects and renewable energy projects developed on federal land.

Approval of CMP-T filing containing annual update to net revenue formula: In December 2020, the MPUC (Maine Public Utilities Commission) definitively approved a filing recognising CMP-T net revenues that are yet to be recovered on account of lower energy demand in New England in 2019 and 2020. It is estimated that there will be an additional net revenue of USD 21 million beginning in July 2021.

Approval of New York Rate Case: On 19 November, the NYPSC (New York Public Service Commission) approved the NYSEG and RG&E Electricity and Gas Rate Case. The approval is retroactive from 17 April 2020 and runs until 30 April 2023.

- An ROE of 8.8% has been established with an equity factor of 48%.
- Annual investments of approximately USD 1,000 million are to be recognised from 2020-2023, doubling as compared to the previous period.
- Annual spending on vegetation management has nearly doubled.
- It incorporates novel elements such as the Customer Relief Programme to mitigate the impact of COVID-19 on vulnerable families and small businesses and specific actions to advance the goals of the New York Climate Act.

New York expands the scope of the Clean Energy Standard: The New York Public Service Commission (NYPSC) published the Climate Leadership and Community Protection Act (CLCPA) on 15 October, which seeks to align state standards with new legislation on climate change, setting more ambitious targets. The new Act aims to achieve 70% renewable energy by 2030 and an electricity sector with zero net emissions by 2040. Some specific objectives include deploying 6 GW of solar generation by 2025, 3 GW of storage by 2030 and 9 GW of offshore wind by 2035.

Regulation in Mexico

Modification to general administrative provisions establishing the terms for requesting the modification or transfer of permissions for generation of electricity or electricity supply under self-supply scheme

In October 2020, the Energy Regulatory Commission (CRE) published an amendment to the rules for self-supply and cogeneration power companies, through A/1094/2020. The resolution precludes the commissioning of charging centres which have entered into a basic supply contract under the LIE. It prevents changes of persons authorised as beneficiaries of electricity or associated establishments, with respect to new persons other than those previously authorised in the permit.

It also restricts the right of licence holders to return to the previous regime once they have migrated to the wholesale electricity market.

This Resolution violates the principle of legality by not observing the terms of legacy contracts. It also alters current legislation to favour the CFE, thus limiting customers' freedom to contract the power supply that is the most competitive for them. Iberdrola has filed an appeal against this Resolution, and it is waiting for the First District Judge to admit the appeal and grant injunctive relief.

Regulation in Brazil

CEB: The Neoenergia group won the auction of the Brasilia Energética Company (CEB) with a bid of BRL 2,515 million made on the São Paulo Stock Exchange, adding another three million new customers in the market with the highest per-capita GDP in the country.

Tariff flags: In November, ANEEL decided to reactivate the tariff flags system due to the fall in the storage level in hydroelectric dams and the reactivation of energy consumption. Using the existing methodology, in December the flag was level

2 red, which is an additional charge to the rate of BRL 6,243 per 100 kWh/month.

Auction calendar: In December, the Ministry of Mines and Energy made public the New Energy (LEN) and Existing Energy (LEE) auction programme, according to the following table:

Auction	Indicative date
New Energy auction A-3 and A-4 (UHE, EOL, SOL, BIO)	June 2021
Existing Energy auction A-4 and A-5 (Thermal Coal and Natural Gas)	June 2021
New Energy auction A-5 and A-6 (UHE, EOL, SOL, BIO and UTE)	September 2021
Existing Energy auction A-1 and A-2	December 2021
New Energy auction A-4	April 2022
New Energy auction A-6	September 2022
Existing Energy auction A-1 and A-2	December 2022
New Energy auction A-4	April 2023
New Energy auction A-6	September 2023
Existing Energy auction A-1 and A-2	December 2023

Transport auction: On 17/12/2020, the transport auction number 1/2020 took place. Neoenergia was awarded lot 2 which provides for the construction of 1,091 km of transmission lines (three 500 kV lines and one 230 kV line) and 300 MVA of transformer capacity, with an estimated investment by ANEEL of BRL 2,000 million and an annual allowable income (*RAP*) of approximately BRL 160 million. Eleven lots were auctioned, with a planned total investment of BRL 7,300 million, to build a total of 1,959 km of new transmission lines and a new transformer capacity of 6,540 MVA, closing with an average discount of 55.2%.

Regulation in the European Union

Budget resolution: The Council of Heads of State and Government on 10-11 December reached an **agreement to unblock the negotiations on the European Multiannual Financial Framework 2021-27 (MFF)**. On 16 and 17 of the same month, Parliament and Council approved the budget proposal, and it has been operational since 1 January 2021.

- The MFF amounts to **EUR 1.824 trillion for the period 2021-27**, including EUR 750,000 million for the **Recovery Plan, of which EUR 140,000 million** corresponds to Spain.
- **30%** of budget allocations should be for investments in **climate target-related** assets and innovation.

Trade and Cooperation Agreement with the United Kingdom: The EU-UK negotiations reached an agreement on 24 December on the text that **will govern its trade relations as of 1 January 2021**, once Brexit becomes effective. In terms of energy, it is worth noting:

- **For the moment, market coupling** in electricity trading through UK-EU interconnections disappears.
- The **UK disassociates itself from ENTSOE, ENTSOE and ACER, as well as EU climate objectives** (it commits to honouring its Paris Agreement commitments).
- **It ceases to be part of the EU-ETS.** It will set in motion its own system, which may be linked to the European system in the future.
- A new platform for cooperation will be created for the development of offshore wind in the North Sea.

Iberdrola and Sustainability

Iberdrola's contribution to sustainable development is materialized through social responsibility practices that meet the needs and expectations of its stakeholders, with whom the company maintains a set of communication and dialogue channels through which it achieves: communicating objectives, actions and achievements in the three aspects of sustainable development (economic, environmental and social), and receiving evaluations and requests from stakeholders,

1. Sustainability indicators

Sustainability Indicators	2020	2019
Contribution to GDP (Gross Margin) (*)	0.55%	0.49%
Contribution to GDP (Net revenues) (*)	1.05%	1.23%
Net Profit (EUR million)	3,610.7	3,466.4
Dividend yield (%)(**)	3.46%	3.87%
CO ₂ emissions over the period (gr. CO ₂ /KWh): Total	98	110
CO ₂ emissions over the period (gr. CO ₂ /KWh): Spain	73	93
CO ₂ emissions over the period (gr. CO ₂ /KWh): UK	-	-
CO ₂ emissions over the period (gr. CO ₂ /KWh): US	51	73
CO ₂ emissions over the period (gr. CO ₂ /KWh): Brazil	53	70
CO ₂ emissions over the period (gr. CO ₂ /KWh): Mexico	324	327
Emission-free production: Total (GWh)	92,163	82,810
Emission-free production: Spain (GWh)	50,235	45,928
Ratio emission-free production to total production: Total (%)	75%	72%
Ratio emission-free production to total production: Spain (%)	84%	79%
Emission-free installed capacity: Total (MW)	37,997	35,116
Emission-free installed capacity: Spain (MW)	20,588	19,703
Emission-free installed capacity: Total (%)	79%	77%
Emission-free installed capacity: Spain (%)	77%	74%

Note: Third-party capacity and production not included

(*) Source: Iberdrola Results and National Quarterly Accounting for Spain – INE (2010 Base, Last data published in Q3 2020)

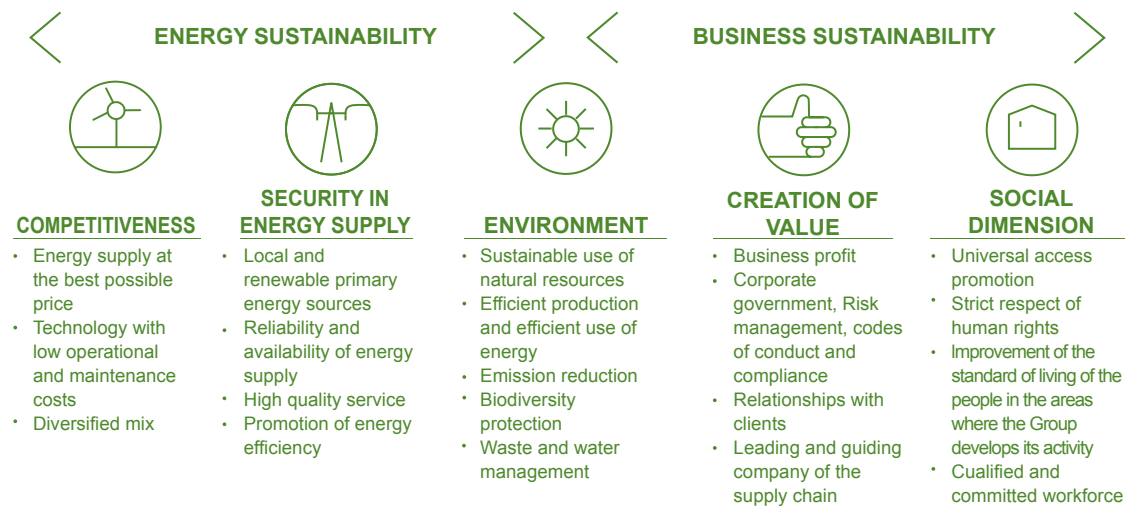
(**) Dividends paid in the last 12 months and Shareholder Meeting attendance bonus/price at the end of period.

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 2020	Selected in the utility sector, Iberdrola member in all editions
Sustainability Yearbook ROBECOSAM 2020	Classified as "Silver Class" in the electricity sector
MSCI Global Sustainability Index Series	Iberdrola selected AAA
CDP Climate Change 2020	A-
CDP Supplier Engagement Leader 2019	Iberdrola Selected
Global 100	Iberdrola Selected
Sustainalytics	Iberdrola among the highest rated utilities
ISS-oekom	Iberdrola selected as Prime
FTSE4Good	Selected for 11 years
Bloomberg Gender Equality Index 2020	Iberdrola selected in all editions
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 selected in several Sustainability Indices
STOXX	Iberdrola selected in STOXX Global ESG Leaders and in several Sustainability indices
EcoAct	Iberdrola first utility in the ranking
Influence Map	Iberdrola in the top 10 best qualified companies
MERCO 2020	mercoEmpresas: Leader among Spanish utilities: energy, gas, and water industry
STANDAR ETHICS	Iberdrola included in the SE European Utilities Index
Energy Intelligence	Iberdrola among the top four utilities in the EI New Green Utilities Report 2020
Forbes	Iberdrola selected in Forbes 2019: GLOBAL World's Largest Public Companies 2000
ET Carbon Rankings	Iberdrola selected in Emissions Transparency Index
WBA Electric Utilities Benchmark	Iberdrola among the 5 most influential utilities in the world
Brand Finance	Iberdrola among the 500 most valuable brands globally
WDI	Iberdrola 2020 disclosure score above the average
Fortune Global 500	Iberdrola selected

Sustainability Management Policy



3. Contribution to society

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

3.1. Iberdrola, a model of responsibility amidst the global health crisis

- **First multinational company of the IBEX-35 to certify its Covid-19 action protocol with AENOR**

Iberdrola is the first multinational company of the IBEX 35 whose protocol for COVID-19 has been certified by AENOR in accordance with the legal requirements established by the competent authorities and the best sector recommendations and guidelines. This certificate constitutes an endorsement of the action protocol put in place by the company for the coronavirus pandemic to ensure both the continuity and quality of the electricity supply and people's health and safety.

- **Iberdrola has donated essential medical equipment worth EUR 30 million**

Iberdrola, in coordination with the Spanish health authorities, has donated EUR 30 million in medical material and prevention equipment and has finished and delivered to the Spanish Administration basic medical material for the contribution of all of this essential equipment, 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. One of the most recent donations was the delivery to the Spanish army of 50 respiration units that will be sent to hospitals that the health authorities identify as a priority. Iberdrola's subsidiaries are carrying out a variety of initiatives: NYSEG and RG&E have donated USD 275,000 to support the response of New York State food banks to the crisis. It has launched a campaign to boost donations, and books have been collected for educational establishments by Central Maine Power company. Iberdrola Mexico has delivered a total of two million units of medical materials distributed among

20 states, 13 respirators, more than 12,000 food pantries for the neediest communities and committed MXN 60 million. Neoenergia is contributing to the vaccination campaign with the donation of vaccine refrigerators in 658 Brazilian municipalities. Companies in the Brazilian electricity sector have joined in a campaign to raise funds in support of the production and acquisition of diagnostic equipment. Also, interns at Scottish Power have also worked as volunteers to keep elderly people connected and distribute the products they need.

- **Iberdrola: the utility with the strongest social commitment against the pandemic**

Iberdrola is the electricity sector company that has shown the strongest commitment and level of social responsibility during the pandemic. It is also one of the five leading Spanish companies noted for its actions, according to a report carried out by Merco. The evaluation took into account factors such as maintaining jobs, the protection of workers, donations to the health system, support for essential services and collaboration with solidarity initiatives.

- **Iberdrola purchases an additional EUR 7,000 million 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 decided to purchase more from its suppliers since mid-March, thus helping to maintain industrial activity and protect hundreds of thousands of jobs. The company awarded orders for EUR 7,000 million to suppliers during the first half of the year. The group's acceleration of this contracting of equipment, materials, works and services gives visibility to a supply chain that generates 400,000 jobs worldwide.

- **Iberdrola México, awarded for its social responsibility principles and its commitment in the midst of the pandemic**

Iberdrola México has received the "Responsible Industry" and "Ethics and Values in Industry" awards, awarded by the Confederation of Industrial Cham-

bers of the United Mexican States (CONCAMIN) at the Annual Meeting of Industrialists (RAI). These awards recognise organisations with best practices for sustainable development during the Covid-19 emergency. In addition, Iberdrola México has been awarded the “Ethics and Values in Industry” prize, by which CONCAMIN recognises the efforts of companies in successfully applying the principles of corporate social responsibility in their operation.

- **Iberdrola employees create a special volunteering network for Covid-19**

Iberdrola employees set up a network of volunteers to manufacture protective screens using 3D printers, sew masks, donate production material and also manage the donation 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 isolation 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. Other volunteers have also participated supporting the management and distribution of ventilators donated to hospitals throughout Spain.

3.2. Recognition of Iberdrola’s excellent performance

- **Iberdrola: the only European utilities company to appear in all 21 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 utilities company to have been included in the selection throughout its 21 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

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 states that “Galán is proof that large companies can cut emissions and remain profitable”.

- **Ignacio Galán, Financial Personality of the Year Award for his key role in the company’s international growth**

Ignacio Galán has been awarded the Alfonso de Salas prize for Financial Personality of the Year for his key role at the helm of the Iberdrola Group. This prize is the most prestigious of those awarded annually by the Spanish newspaper “El Economista” to recognise the work of the top businesspeople and Spanish companies during the year.

- **Leadership Award from the Spanish Quality Association**

Iberdrola President Ignacio Galán has received the Leadership Award from the Spanish Quality Association (AEC) in recognition of his personal and professional commitment to excellence in management and to a career that serves as inspiration to new generations and positions Spain as a benchmark for excellence and quality. For the company, quality is the excellent management of all processes and resources as an indispensable lever for creating value for shareholders, employees and society as a whole.

- **Galán at the Davos Forum states that it is time to make green acceleration a reality**

The Iberdrola Chairman pointed out that, as the slogan chosen by the Davos Virtual Forum, ‘The Great Reset’, indicates, the world now needs to face the major challenges to continue moving forward, and he noted that the world’s major risks, such as the pandemic and climate change, are interconnected and require global solutions. “Now is the time to

make green acceleration a reality”, said Galán, who explained that to achieve this Iberdrola has the necessary technology, which is not only greener, but also cheaper than traditional fossil-fuel-based technologies.

- **Iberdrola: the company with the greatest corporate leadership in defence of climate policies**

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

- **Iberdrola, the most sustainable Spanish company according to the new edition of the Global 100 Index**

Iberdrola has been selected as the most sustainable Spanish company according to the Global 100 Index Most Sustainable Corporations in the World, according to this ranking drawn up and presented annually by Corporate Knights. The company has been named one of the 20 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.

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

For the fourth consecutive year, Iberdrola has been included in the Bloomberg Gender-Equality Index (GEI), created by Bloomberg to recognise companies that have undertaken a firm and solid commit-

ment 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 ranked in FTSE4Good Index for eleventh year in a row**

Iberdrola has been included for the eleventh consecutive year in the prestigious FTSE4Good international index, established to drive investments in the world’s most sustainable companies. Inclusion in the FTSE4Good Index reaffirms 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.

- **Iberdrola receives award for its commitment to inclusion**

Ignacio Galán received the “MAPFRE Inclusion Responsible” award, given to Iberdrola during the First Forum of the Mapfre Observatory of Sustainable Finance. This award recognises the company’s commitment to people with disabilities, in particular for the development of projects, policies and job adaptability.

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

Iberdrola has improved its score in the Study on the Sustainability Reporting Performance of the IBEX 35, prepared by the consultancy EcoAct España, ranking second among the companies in the Spanish index. Its success stems from the level of detail and transparency shown when preparing and publishing its 2019 Non-Financial Information Statement (EINF) - Sustainability Report and the company’s website. Iberdrola ranked fifth in the Global Top 10 of companies with the best environmental performance.

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

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.

- **The School of Electricians project in Brazil recognised by the Corresponsables prizes of Ibero-America**

Neoenergia has been awarded the Corresponsables Prize in Ibero-America for the School of Electricians project in the section of Major Companies, a category in which there were more than 200 candidates. In addition, Iberdrola México was a finalist in this category with the "Luces de Esperanza" project.

- **ScottishPower Renewables wins the Sustainable Development Award from Scottish Engineers**

ScottishPower Renewables has won the Scottish Engineering Awards Sustainable Development Award in recognition of its crucial role in an extremely challenging year in building the infrastructure needed to meet Scotland's zero net emissions goal for 2045.

3.3. Contribution to achieving the Sustainable Development Goals



- **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 eight million people. This action is part of the Electricity for All campaign launched by the company in 2014.

- **Two new local communities in Scotland benefit from clean energy thanks to SP Networks' Green Economy Fund**

SP Energy Networks has completed the first community micro-hydroelectricity plan in Dumfries & Galloway, Scotland. These facilities will generate 30 kW of renewable energy for the rural communities of Keir, Penpont and Tynron. The plan will benefit the local population by sending teams of volunteers to show how a hydroelectric facility works and the principles of renewable generation to local schools and colleges.

- **Iberdrola participates in Climate Week NYC**

Iberdrola attended this summit with the conviction that the recovery can only be green, and it pledged to developing a more robust, sustainable and resilient economy. The activities and campaigns of this edition were marked by the crisis brought about by Covid-19, its alignment with climate action and the defence of multilateralism on the 75th anniversary of the creation of the United Nations. Ignacio Galán participated in the Private Sector Forum organised by the UN Global Compact, where he said: **“I know only one way to overcome crises: invest more in sectors of the future and be more productive and efficient.** The recovery plans announced in Europe and the rest of the world have two clear priorities: the Green Deal and **digitalisation**. **But we have to speed things up**”, he concluded.

- **Iberdrola: at the forefront of green hydrogen in Europe**

The largest green hydrogen complex for industrial use in Europe will be operational in 2021 in Puertollano, following an investment of EUR 150 million. It will consist of a 100 MW photovoltaic solar plant, lithium-ion battery system with a storage capacity of 20 MWh and one of the largest hydrogen electrolysis production systems (20 MW). Its development and construction will generate 700 jobs and, once operational, will prevent the emission of 39,000 tCO₂/year. Iberdrola has submitted a request for this first project to gain access to aid from the European Innovation Fund.



- **Iberdrola reorganises its governance and sustainability system**

Iberdrola has reorganised its governance and sustainability system on the basis of ESG criteria. It has adapted the new name and its contents to the three main areas that the international investment community uses to measure the impact and sustainability of its investments: environmental, social and corporate governance (ESG) issues. This new initiative, which is aligned with its sustainable development strategy and social dividend, consolidates the company's position at the forefront of international best practices in corporate governance. This is in a context where the impact of COVID-19 has underlined the need for recovery from the crisis to be based on social and sustainability parameters. In addition, it has adopted a Diversity and Inclusion Policy and has strengthened digital disconnection practices in its organisation in accordance with the latest trends.

- **Iberdrola: the first Spanish issuer to join the Nasdaq Sustainable Bond Network**

- Nasdaq da la bienvenida a Iberdrola como primer emisor español en unirse a la red de bonos sostenibles** ([enlace externo, se abre en una ventana nueva](#))

Iberdrola is the first Spanish issuer to join the Nasdaq Sustainable Bond Network. The Nasdaq Sustainable Bond Network (NSBN) brings together various issuers and provides uniform information about their funding frameworks and the principles they follow (GBP or ICMA, for example), in addition to data on each emission's impacts on the Sustainable Development Goals (SDGs). The network has become a really useful tool for investors by making

it easy to access information and solutions for aggregating their portfolio data on a single platform.

- **The Iberdrola Group: a pioneer in the fight against climate change**

Fifteen years before the signing of the Paris Agreement, Iberdrola decided that the fight against climate change should be the basis of its strategy. For 20 years now, the company has been fully aligned with the commitments undertaken in Paris. A strategy based on the generation of clean energy and the development of networks that carry this energy to the final consumer. Iberdrola has worked to decarbonise energy. It has done so by multiplying renewable capacity by four, reducing the intensity of energy emissions by 70%, obtaining financing through green and sustainable products and participating in forums, alliances and international organisations that advocate the fight against climate change.

- **Iberdrola in the CEO Alliance: unlocking synergies for an emissions-free future**

Ignacio Galán and the top executives of 11 other European companies have joined forces for an emissions-free future and a more resilient Europe through the European CEO Alliance: an initiative that supports the objectives of the Paris Agreement for 2050, the EU Green Deal and greater ambition for the Union's climate objectives.

- **Iberdrola supports EU's greater climate ambition and joins calls to raise 2030 emissions reduction targets**

Iberdrola, along with more than 150 leading companies in its sectors, has signed a statement calling for the worst effects of climate change to be avoided and supporting a sustainable and competitive economic recovery. Iberdrola and its chairman's support for this statement demonstrates their commitment to climate ambition and the green recovery.

- **Iberdrola joins the global Countdown initiative for the fight against climate change**

Iberdrola has just joined an initiative that will make the group's climate commitment visible in multiple events and actions to inspire and foster action by more than a billion people around the world. Countdown, a coalition that encourages leaders to act on the challenges of climate change, aims to accelerate solutions to the climate crisis to halve emissions by 2030, on the road to a carbon-neutral world.



- **Iberdrola promotes ESG criteria among its more than 22,000 suppliers worldwide**

Iberdrola will promote ESG criteria among its 22,000 suppliers worldwide, from which it makes purchases worth EUR 20,000 million a year. The company has set itself a target that 70% of its more than 1,000 major suppliers worldwide - those with a business volume with the company of more than EUR 1 million - should be governed by ESG criteria by 2022. To do this, it has created a digital model and platform in which the company's suppliers can self-evaluate their performance based on 47 factors. Members of Iberdrola's supply chain who receive a low rating will receive support from the company in finding areas of improvement, and the company will propose an individualised action plan to implement policies, commitments and actions that will enable them to meet internationally established ESG criteria.



- **Iberdrola launches a new call for Master's scholarships to promote young talent in Spain, the United Kingdom and Mexico**

Iberdrola has launched a new call for Master's degree scholarships and another for research grants for the 2021-22 academic year. The aim is to foster excellence in the education of the new generations and their employability in strategic innovation and technological development fields, both of which play a central role in the fight against climate change. This year, the group will invest EUR 1 million to award a total of 35 grants to Spanish, British, American, Mexican and Brazilian students. This initiative has provided 1,400 scholarship students with the opportunity to intern in one of the world's leading energy companies.

- **EducaClima: Iberdrola's climate change education platform**

Just over a year ago, Iberdrola launched EducaClima: an online platform offering free educational resources on climate change to work on environmental concepts in schools, in order to achieve a more sustainable world and curb climate change.



- **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 Organization (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.



- **Iberdrola presents SuperA awards to boost equality through sport**

The first edition of the Iberdrola SuperA Awards recognised six civil society initiatives for their contribution to the promotion of gender equality and the empowerment of women through sport. With a total budget of EUR 300,000 (EUR 50,000 per category), the Panel selected, from a total of 400 candidates, the MAAVI Foundation Club de Fútbol (Andalucía), Promotion of Gender Equality (Castilla y León), Women, Life and Sport (Aragon), Much to do (Castilla-La Mancha), FUTFEM.COM and "Juntas Venceremos" projects.

- **Awareness campaign against violence against women in Brazil**

Advances in laws to protect women, behaviours that shape domestic violence, how to report, how to help victims or support networks were some of the topics covered in the employee internal awareness campaign. It was organised in collaboration with one of the most recognised institutions in Brazil for combating violence against women and supporting victims: Conceição de Maria, of the Maria da Penha Institute, for the International Day against Violence against Women.

- **The Iberdrola Group is leading initiatives for the empowerment of women and the promotion of STEM vocations**

The Iberdrola Group, where the number of women in managerial positions has grown by 31.30% in the last five years, according to the latest Diversity and Inclusion Report, maintains a strong commitment to women's professional development and equal opportunities. It takes the shape of international partnerships, the promotion of education, training and professional development; the promotion of specific programmes; participation in forums; and the development of internal support networks. Among many other actions are: Impulso Stem for the promotion of engineering studies, the school of electricians in Brazil, the Lineworker programmes, Eureka, the STEM Women's Chair. Iberdrola has also participated in the Women with Energy, Mexican 4.0, POWERful Women, SP Connected Women and Wom energy forums, among others.

- **The Universo Mujer tour backed by Iberdrola premiers digital version**

The programme, which is part of Universo Mujer (Women's Universe) of the National Sports Council (CSD) of the Fundación Deporte Joven and backed by Iberdrola, has adapted the project to a new audio-visual and digital format. The objective of the Universo Mujer Tour remains the same: to support women's participation in the world of sport and recognise their work and success, but it has adapted its format so as to pursue it on a digital basis. This new online event aims to further project the image of women as an active and vital part of sport in Spain.



- **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 Nations' CEO Water Mandate – an initiative that encourages sustainable practices in water use – and has participated in CDP Water since it was launched.



- **Digital Summit: The green and digital revolution, key to economic recovery**

For Iberdrola, the only possible path to recovery is to speed up the process of decarbonisation and digitisation, in line with the European Union road map. Ignacio Galán, during his speech at the Digital Summit, stated that “we must boost our ambition to combine the green and the digital revolution as centrepieces of the economic recovery” and “speed up the decarbonisation of transport, the residential segment and industry to leave a better and more sustainable world to the following generations, in which digitisation plays an essential role”.



- **The agreement between Iberdrola and Navantia will provide jobs to more than 2,000 people**

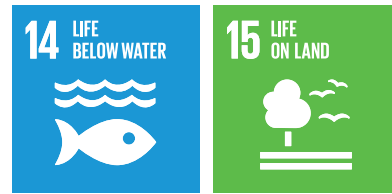
Iberdrola's awarding to Navantia for the building of 62 jackets for the offshore wind farm at Saint-Brieuc, in Brittany, is the largest contract signed in offshore wind energy, generating more than 2,000 direct jobs. Nearly 1,000 of these will be jobs gen-

erated in Navantia-Windar in Galicia and Asturias, and more than 1,100 in a number of companies in France. The agreement includes the manufacture of the jackets by Navantia in its own facilities and of the piles by Windar in the city of Avilés.

- **Iberdrola employs over 35,500 people** and generates some 400,000 indirect jobs. In 2019, it contributed more than EUR 34,100 million to gross domestic product (GDP). According to the Iberdrola Impact Study drawn up by PwC and based on 2019 data, the Company generates nearly EUR 9 of GDP for every euro it invests in the regions in which it operates, including indirect impacts.



- 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 investments - a total of EUR 150 million - to step up the deployment of 150,000 electric vehicle charging points by 2025. The company has included the electrification of transport within its strategy of transitioning towards a decarbonised economy supported by renewable energies and smart grids. To achieve this, it will mainly focus on ramping up its plan to install charging infrastructure across Spain, while also extending the initiative to other markets such as the United Kingdom, Portugal and Italy.



Iberdrola, committed to the preservation of healthy ecosystems as a key element for sustainable growth, has launched the **Trees Programme** to support the planting of 20 million trees by 2030, which will capture approximately 6 million tonnes of CO₂ in 30 years. These practices reflect the Biodiversity Policy approved by its Board of Directors, the ultimate objective of which is the preservation of biodiversity in the planning and subsequent execution of all the company's actions. In order to make progress in this area, Iberdrola has taken on the commitment of achieving zero net loss of biodiversity by the year 2030.

- **Iberdrola rolls out ambitious plan to protect the Tâmega ecosystem in Portugal**

Iberdrola has deployed an ambitious environmental offsetting plan in the region where it is developing the Tâmega hydroelectric complex in northern Portugal. The plan will improve the biological diversity of an area of 1,000 hectares. Among the actions that the company is carrying out, in collaboration with the Institute for the Conservation of Nature and Forests of Portugal (ICNF), are the management, recovery and conservation of forest populations of indigenous species, the improvement of protected fauna populations and aquatic ecosystems, connectivity between the riverside gallery and other forest areas, and forest recovery, among others.

3.4. Volunteering programme initiatives

The Iberdrola Volunteer Programme is organised through the *International Volunteer Portal*. Training and awareness projects to improve employability in underprivileged groups have been adapted to an online format to prevent them being interrupted.

Highlights in this period:

- **INVOLVE** (International Volunteering Vacation for Education) Initiative. The project in which Iberdrola employees from several countries help vulnerable teenagers to improve their employability through computer science and web applications. Now in digital format.
- **Lights, camera, action!** Project pursued since 2011 with Fundación Tomillo (Thyme Foundation), aimed at improving the training and employability of young people who study basic occupational training, targeting teenagers with experiences of school failure. It has adapted the classes to digital format, providing training in energy efficiency, English, mentoring of women, speed dating and more.
- A workshop on digital tools and basic needs through computer science within the project **“Iberdrola with refugees”** has been given in digital format. It provides support to the Integration Schools led by the Foundation for Development and Integration Promotion (FDI) and in collaboration with the Spanish Refugee Aid Commission.
- **“Volunteer Training”: Labour Ambassador Programme:** volunteers participated in the training

of people from the Multiple Sclerosis Foundation (FEM) who are seeking employment. The training consisted of online sessions on different topics.

- **Volunteering in the fight against climate change** in schools. The project, which was launched in Spain in 2017 to raise awareness of the consequences of climate change through talks and workshops in schools and institutions, is carried out virtually due to Covid-19.
- **SDGs at school:** Project to raise awareness of the SDGs and the 2030 Agenda in schools. The initiative is now a virtual experience that can be delivered from home.

3.5. Community Action

The ScottishPower Foundation, Avangrid Foundation, Iberdrola Foundation Mexico, Instituto Neoenergía 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 the first nine months of 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 contribute to reaching 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 capstone design at the Watson School of Engineering, designing energy and environmental projects.
- **Ithaca Sciencenter - Sciencenter Discovery Museum (New York):** Specifically supports the “Power of the Future” field trip series; a programme 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):** Provides the financial resources necessary for students to complete their higher education and meet their objectives in the search for a qualified job.

Iberdrola Foundation Spain:

- 20 grants for energy and environmental research. 20 researchers selected.
- 2 Fulbright grants.
- 3 grants for restoration and conservation at the Prado Museum.

- 1 international grant for restoration and conservation at the Prado Museum.
- 2 grants for restoration and conservation at the Bilbao Fine Arts Museum.
- 11 Paralympic grants.

A two-year chair of the Iberdrola Foundation Spain has been created with the collaboration of EMT and the Pontifical University of Comillas for the promotion of women in STEM vocations (Science, Technology, Engineering & Mathematics) in the field of vocational training for sustainable mobility.

Language 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 Castilla y León, Extremadura and Medina-Sidonia.

Iberdrola Foundation Mexico:

- **Impulso STEM:** Educational development of the south-southeast, encouraging more young students to study engineering careers, especially women.
- **Altamira Grants:** Support for underprivileged students with an excellent academic record to continue their studies at the Altamira campus of the Monterrey Institute of Technology.
- **Young People Building the Future:** A programme led by the **Ministry of Labour and Social Welfare** to provide training opportunities for young people between the ages of 18 and 29.

Instituto Neoenergía

The “**Balcão de Ideias e Práticas Educativas**” (Educational Ideas and Solutions Platform) project created the web page “Education in times of pandemic”: a special space on the Balcão de Ideias online platform for teachers and school managers from all over Brazil to share best learning practices and find information on upcoming education events, such as webinars or content including news, books, courses, links to other websites, supporting Brazilian education professionals.

Because of the pandemic, teacher and manager training was moved onto a digital platform. Around 450 teachers and managers are receiving support through the digital training.

SPW Foundation:

- **Bright Sparks:** A project for secondary school pupils in Wales which uses interactive techniques to develop STEM knowledge and improve personal skills, thereby enhancing their employability.
- **Haringey Pirates:** A project to improve the literacy, confidence and engagement of underprivileged young people in Tottenham, London.
- **Spina Bifida Hydrocephalus Scotland “Moving on up”:** The “Moving on up” project of SBH Scotland works to provide support, guidance and promotion to children from ages 0 to 18 with spina bifida and/or hydrocephalus and to their parents.

B. Biodiversity and climate change

In this work stream, we are collaborating with public institutions and bodies devoted to the protection of the environment, contributing to achieving specific aims of SDG 13 Climate Action and 15 Life on Land.

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 launch of the project “**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.

- In the first phase of the project, during 2019, the magnitude of thermal stress and its harmful effects on the ability of the immune systems of our endangered birds of prey to adapt were demonstrated, particularly affecting native sedentary species such as the Iberian Imperial Eagle.

- In the second phase of the project, research has focused on whether the proven damaging effects of heat waves on the immune system can actually weaken the defences of our endangered birds of prey against bacterial and viral diseases.

This project has run 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).

The Campo de Maniobra de la Sierra del Retín was inaugurated on 23 July 2020. Work is currently being carried out at the Albacete shooting range, Chinchilla, which is expected to open at the end of May 2021.

The Campaign for Steppe Birds together with SEO/Birdlife aims to launch a campaign to save agro-steppe birds by gathering intensive field data during the breeding period to locate as many nesting sites as possible of these species in decline, and identify those located in places affected by farming operations that may endanger the nesting of these birds. The report was presented with the results of this collaboration in September 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 Castilla-León. The project will run for four years. The second round of the project was launched last July, and we are currently awaiting the results of the call for bids.

Lastly, the reforestation project in the provinces of Cádiz and Málaga, called "Expansion of Abies Pinsapo in the Grazalema Biosphere Reserve", aims to strengthen the resilience of Pinsapo populations against the threat of climate change.

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

- **Youth Climate Ambassadors 2020: Taking the voices of the young people of Wales to world leaders at COP26:**

The Youth Climate Ambassadors 2020 will enable last year's cohort of Climate Change Champions to design an innovative and unique programme of MockCOP events for 2020. This will include at least two MockCOP events in Wales in the period leading up to COP26, involving more young people in the programme and giving them a voice on climate change, in addition to an exciting event at COP26 to give the young people of Wales a platform to make a commitment with climate change leaders from throughout the world.

- **Edinburgh – a Swift City:**

The number of swifts has declined by 57% in less than 30 years. A swift official will work with the community to set up a baseline of the number of swift nests in Edinburgh and work with communities to develop "swift streets" by encouraging public and private buildings to install swift boxes.

- **Saving the Great Yellow Bumblebee:**

Work in Scotland to protect endangered populations of one of the United Kingdom's rarest species of bumblebee. The project has four main objectives: 1. Determine the current distribution and population of the great yellow bumblebee in Scotland. 2. Increase awareness of the needs of the great yellow bumblebee and its use of the habitats where it lives. 3. Create better habitats for the great yellow bumblebee through agro-environmental funding, cultivation initiatives and/or volunteering measures. 4. Develop relationships, contacts and key networks with stakeholders in the areas of the great yellow bumblebee.

- **Generation Wild:**

The objective of the "Generation Wild" project is to provide children throughout the United Kingdom, especially in economically underprivileged communities, opportunities to experience and interact with

wetlands and their wildlife. In visits to local centres for the preservation of the wetlands, children will take part in a series of “wild experiences”, such as the building of dens, tree climbing, wading in pools, barefoot hikes and feeding birds by hand.

- **On-site and Mobile Planetaria for Earth and Space Observation:**

Dynamic Earth is a charity science and educational centre committed to involving people of all ages and backgrounds. Our funding will help create a new, cutting-edge Planetarium in Dynamic Earth; and a Mobile Planetaria dissemination programme that will transform the way we inspire diverse audiences with our planet and the environmental challenges we face.

The **Avangrid Foundation** has promoted the Riverkeeper project in New York, which highlights the importance of parks for urban biodiversity, health, access and equality, 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.
- **Gulf of Maine Research Institute (GMRI) - Advancing Ocean-Climate Research: Strengthening community capacity for science-based decision making:** This five-year collaboration, with a conditional donation of USD 250,000 will support progress towards the objectives of interdisciplinary research in the ocean sciences, fishery management and the resilience of companies and communities, with a focus on community participation and the social impact.
- **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.
- **Educational Outreach Programme – Climate Change Educational Programming:** This project brings together two lines of work concerning equitable impact and dealing with environmental and climate impacts, as well as boosting access for students from rural and disadvantaged areas to participate in scientific education programmes, giving them the opportunity to engage in practical STEM experiences.
- **Power the Future Programmes – Ithaca Sci-entcenter Discovery Museum:** The Sciencenter offers more than 250 interactive indoor and outdoor exhibitions that invite visitors to explore, build, experiment and create while learning about physics, engineering, biology, astronomy and many other topics related to science, technology, engineering and mathematics.

Iberdrola Foundation Mexico:

- **Fernández Canyon Conservation:** State Park Conservation Programme to protect its thousand-year-old Sabino forest ecosystem.
- **Mangrove Conservation:** A programme to re-establish the ecosystem of the Garrapatas Estuary in Altamira, safeguarding the flora and fauna in the area.
- **Big cat protection:** A programme to support the conservation of big cats in the Altamira region.

Instituto Neoenergía in Brazil is making good progress with the **Flyways Brasil** project, now in its third phase. In addition to technical work, it will involve a stronger commitment to and awareness of the community and of the people who live in this

ecosystem. Despite the pandemic, the technical-scientific work on migratory and wader birds continues, although due to social distancing, activities with the local communities have been suspended.

Another of Instituto Neoenergía's initiatives is **Project Coralizar** (Coralise Project) 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 species depend on for survival. The project also has a stream of research to devise a method for restoring coral reefs that is being developed and tested in natural pools in Ipojuca, Pernambuco.

Continuing its work to protect Brazilian biodiversity, Instituto Neoenergía released an emergency budget for the Pantanal region, which suffers from major fires and where studies show that about 17% of the region has already been devastated by fire. To minimise the effects of the disaster, Instituto Neoenergía made a donation to the NGOs Instituto Arara Azul and SOS Pantanal, which contribute directly to helping wild species and communities living in the region.

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:

- **Yale University - Institution for the Preservation of Cultural Heritage (IPCH) (Connecticut):** Support to the Institute for the Preservation of Cultural Heritage at Yale University, one of the world's leading university institutions for 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 honours diversity and inclusion, focusing on women and girls, through a series of partnerships throughout the county.
- **Evicted (National, UIL):** The Avangrid Foundation will launch a new partnership with the historic Harriet Beecher Stowe House in Hartford, CT in order to bring the exhibition to CT this autumn. Other activities are under consideration.
- **Shubert Theatre Sustainability:** Due to the COVID-19 pandemic, the theatre's entire programme has been cancelled and postponed. This funding is aimed at developing strategies on new and innovative ways to ensure the survival of such a fundamental part of the region's economy and culture.
- **Peabody Museum of Natural History at Yale – Fiesta Latina (fourth year):** In 2020, this grant will support a month-long virtual streamed festival organised and hosted by Yale University's historic and world-renowned Peabody Museum of Natural History to celebrate Hispanic American Heritage Month.

Foundation Spain has unveiled the new lighting system at Basilica of Talavera de la Reina, the Guadalupe Monastery, the Church of Valdepeñas and the Cathedral of Palencia. Work is also under way to improve the lighting systems of the Cathedral of Santiago, the façade of Spain's Centre for Advanced National Defence Studies (CESEDEN) and Plaza Mayor de Sigüenza square. The lighting system at the Altarpiece of the Old Cathedral of Salamanca is yet to be switched on.

The **Graphic Novel** project in partnership with the Thyssen Museum has been launched: an inclusive project that aims to improve accessibility for people with cognitive and learning disabilities through easy reading. ***Weaving lives counting pictures***, an exhibition by artist and graphic narrator Aitor Saraiba, comprises a selection of works and life stories of project participants who were given different exercises and interviewed one by one by Saraiba to bring the texts and drawings to life.

In 2020, Iberdrola Foundation Spain and the local government of Castilla y 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 in Sigüenza on 13 July 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 cultural identity of the Prado Museum's heritage. Most notably, it includes education and cultural promotion activities as part of the institution's bicentenary commemorations programme.

After Sigüenza, the exhibition also visited Puertollano and Tomelloso. Forthcoming destinations include Ciudad Real, Toledo, Guadalajara, Cuenca and Talavera de la Reina.

In 2019-2020, the exhibition visited Elche, Éibar, Cartagena, Palencia, Zamora, Jerez de la Frontera, Albacete and Mérida.

The exhibition **"Sorolla Feminine Plural"**, sponsored by the Iberdrola Foundation Spain, has been opened at the Sorolla Museum to highlight the presence of women in the painter's work. The **"Invited"** and **"Reunited"** exhibitions have also been opened at the National Prado Museum.

In **Mexico**, partnerships have been developed to carry out virtual visits to the most important museums in Oaxaca with the aim of bringing the culture of the region closer to the population. Examples include the Teotitlán del Valle Community Cultural Centre, the Oaxaca Museum of Popular Art and the former Santo Domingo Convent in Ocotlán.

Instituto Neoenergía

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).

Due to the pandemic and municipal elections in Brazil, the **OCA project - Cultural and Artistic Offices**, which was scheduled to start in 2020, has been postponed to 2021. The OCA project will set up a cultural training centre focusing on 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.

Turning to the **Caravana Energia Que Transforma** (Energy That Transforms Caravan) project, a caravan was equipped to provide training to managers of socio-cultural organisations. Run in two phases, this project has been taken online. Two courses have already been run: the first on creating innovative social projects and the second on fundraising. A further course will be held in October and, in a second phase, work will take place in up to 24 socio-cultural organisations across the state to improve their management processes in a more bespoke manner. So far, more than 140 socio-cultural managers have attended the training.

Instituto Neoenergia also accompanied and offered support to the 18 initiatives selected in 2019 through the **Transformando Energia em Cultura** (Transforming Energy into Culture) competition under the Cascudo Chamber State Law, during the rearrangement of socio-cultural actions due to the pandemic. In June 2020, the launch event of the new competition was held live, with the signing of 174 projects, of which 15 were chosen and are currently in the contracting stage. The competition gives priority to projects that work for the inclusion of children and young people at social risk and contribute to the reduction of inequalities through art.

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

- **Paisley Care Project:** The Paisley Care Project is a unique partnership between the National Theatre of Scotland and the Renfrewshire Council that seeks to positively reimagine relations between young people with experience in care and care providers, thus exploring what caring and being cared for mean. The project seeks to boost young people's confidence and resilience, and increase their creative opportunities.
- **Takeover 2020:** A one-week artistic experience in the "Customs House" that is produced by, with and for young people, aimed at developing and showing their leadership skills. The absorption team is a group of young people between the ages of 13 and 18 who are recruited from different backgrounds and who have different experiences of leadership and of art.
- **Change Yer Tune:** Change Yer Tune is a partnership centred on increasing community cohesion among young people who are difficult to reach, including young care providers, refugees and local youth. The project uses music as an instrument of participation to help build skills and create confidence to encourage awareness and understanding of the cultures of others.
- **Artists in the Atrium:** "Artists in the Atrium" aims to bring the outside world to inside orphanages

through artists, photographers, sculptors, poets, musicians, writers, florists and gardeners. This will be achieved through 1) Creative art workshops such as jewellery making, pottery, singing and floristry. 2) Markets where patients, their family and the local creative community can exhibit, show and offer to sell their work. 3) Exhibitions of the work of professionals and patients that can be viewed by the community.

- **Creative Kin:** Creative Kin is a unique, artist-led initiative to support small children living in kinship care arrangements and their family of carers. Participation in the programme supports the development of vulnerable children who have experienced significant trauma.

D. Social action

Within this work stream, the company collaborates with non-profit bodies, foundations and development agencies to promote social and humanitarian projects geared towards those who are most vulnerable and that contribute to achieving specific targets of SDG 1 (No poverty), 3 (Good health and well-being), 5 (Gender equality), 7 (Affordable and clean energy) and 10 (Reduced inequalities).

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 quality of life for people with serious illnesses, prioritising care for the most vulnerable groups. Significant partnerships include:

United Kingdom:

- **Expansion to Junior Citizen Award:** The "Junior Citizen Award" implements 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.
- **Adventure for All – Not every disability is visible:** This is an outward-bound residential education centre that works with disabled and disadvantaged

people, whose objective is to promote inclusion, foster independence, build self-confidence and improve physical and mental health and well-being through adventure activities and residential stays.

- **Wheeling for Independence:** This project will help build vital skills for the use of wheelchairs for 300 disabled children and young people in England, ensuring they have the necessary confidence and aptitudes to make the most of their lives and progress to the next level of independence.
- **Provision of an outreach counselling service in Northumberland for children and young people affected by domestic abuse:** This project will provide counselling to children and young people between the ages of 4 and 18 who have been affected by their experiences of domestic abuse. The counselling service will be provided in local schools and children’s centres to make it more accessible to families in rural areas who may not have the necessary resources to travel to receive domestic services.
- **Sporting Memories Plus:** This project is aimed at getting older people involved on a weekly basis to increase their physical well-being and prolong their ability to live independently. In particular, the project will improve individuals’ strength and balance to help prevent falls. Each participant will be provided with a tailored personal plan in the form of a booklet that will specify the type and frequency of physical activity that would be beneficial to incorporate into their daily lives, with the aim of working towards the agreed goals.
- **Help with Bullying Programme:** The Kidscape programme Help with Bullying will create communities of support to help schools, children and families put a stop to school bullying. The programme will recruit and train volunteers from the community to deliver awareness-raising workshops and provide a response to school bullying for children between the ages of 9 and 12.
- **Pledge to be Seen – Changing Attitudes to Visible Differences in Scotland:** Aims to develop and deliver two key campaigns through the social

media and traditional media in Scotland: 1) “Pledge to be Seen” will develop and deliver a campaign to involve key companies throughout Scotland for them to sign a pledge to represent more people with a visible difference in their business. 2) Fight against hate crimes: a campaign activity in which schools, employers and the police are asked to work to reduce the stigma attached to people who look different and to fight against discrimination wherever it is found.

- **KEY Youth hubs:** The project “KEY Youth Hubs” will develop shelters for socially excluded and underprivileged young people between the ages of 16 and 24 in South Tyneside.

United States:

- **Oregon Wildfire – Emergency Response Fund – American Red Cross**
- **A.C.L.U Foundation Know Your Rights:** The A.C.L.U. “Know Your Rights” initiative provides the public with written and video information on a wide range of topics, including: voting rights, student rights, prisoner rights, protester rights, religious freedom, sexual discrimination and more. The goal is to keep these resources current and promote them online and across all social media channels.
- **Pine Tree Camp:** Summer camp for people with physical disabilities. At this camp, children and adults with disabilities can participate in all of the recreational activities Maine is known for year-round. In this case, a donation has been made to help offset all costs caused by COVID-19 and ensure that subsidies are available to campers.
- **SMART School Sponsorships:** Support with SMART, an organisation dedicated to improving literacy rates for all children in the state of Oregon, providing support with early reading, access to books, and community engagement in an equitable and inclusive environment for all involved.
- **Save the Children – Children in Emergencies (US):** Support for Save the Children’s emergency response efforts and help for American children. When a disaster strikes, children are always the

most vulnerable. Save the Children sends emergency response teams, delivers essential relief supplies and provides safe havens for children to learn, play and grow.

- **Cool Sweep:** A programme that offers opportunities to residents with limited resources to access the city's pools and water parks to cool off in the summer heat. Approximately 5,000 City of Rochester residents benefit from this programme.
- **Gold Centre – Support for Seniors' Centre:** The goal and mission of this collaboration with IBAAL's Gold Seniors' Centre is to provide programmes and services that help the elderly and their families to grow and be more independent. The Gold Seniors' Centre allows many of these elderly people to remain independent and live on their own.
- **Operating expenses to support Green Chimneys:** The Green Chimneys programmes help children with developmental and mental health problems. Green Chimneys provides a day school and residential treatment centre, but is best known for its ecological philosophy, which combines nature-based and animal-assisted therapy with horticultural education.
- **Foodlink's Backpack Programme:** A programme to address child hunger in the Rochester region. The city of Rochester has a child poverty rate of 56%, the third highest in the nation.
- **Food Bank of the Southern Tier – Purchase and distribution of food (Year 3):** This grant is given to fully support the food procurement and distribution programmes of the Food Bank of the Southern Tier (FBST). The Food Bank of the Southern Tier (NY) works to build and maintain hunger-free communities, reduce poverty and improve the quality of life for the most disadvantaged and at-risk people in the community.

In 2019, the Avangrid Foundation launched an initiative called **#AVANGives** in which it asked employees, for the first time, to nominate non-profit organisations in their communities - those that were personally significant - for a grant and an opportunity to tell their shared story.

Ten grants of USD 5,000 were given to youth-centred organisations. These organisations were diverse in terms of their mission and geography, but with the underlying goal of serving the local communities in which AVANGRID has an operational presence - from Portland (Oregon) to Portland (Maine) and many other places in between.

In 2020-2021, the foundation expanded the #AVANGives programme to 12 organisations with a focus on diversity and inclusion, many with a special focus on women and girls, in the areas of:

- Art and culture (women in history, art and culture)
- Education (edification, training and educational programmes)
- Health and safety (support for the seriously ill, the disabled, addiction, mental health, violence, abuse and social justice)
- Social inclusion and poverty reduction

The year 2020 marks the centenary of the ratification of the 19th Amendment, which established the right of women to vote. It was also a historic milestone for gender parity.

The #AVANGives programme is expected to continue in 2021, with the funding expected to focus on Peace, Justice and Equality.

In addition, the Avangrid Foundation has donated USD 1 million in the COVID-19 pandemic through partnership with four national organisations mentioned below and local operations networks and subsidiaries throughout the United States. Many of these local subsidiaries received funding through corporate donations and/or as part of the Foundation's regular donations. The four organisations mentioned are:

- **American Red Cross**
- **Meals on Wheels**
- **Americares**
- **Feeding America**

Mexico:

- **Luces de esperanza** (Lights of Hope): Electrification project in rural communities without access to electricity using solar panels.
- **Construir para educar** (Build to Educate): Programme to rebuild schools hit by the 2017 earthquakes in Oaxaca.
- **Urology Brigades in the south, southeast:** To enhance the well-being of Oaxacan women suffering from complex urological problems.
- **Educación con energía** (Education with Energy): Educational workshops for children, teachers and parents of the most vulnerable families to improve quality of learning.
- **Educational infrastructure:** Construction and fitting out of spaces suitable for learning.
- **COVID-19 Health Contingency Work:** Support from Iberdrola Mexico to public institutions, civil associations and communities.

Brazil:

Because of the impact of the pandemic, the **DroPS project** moved online for 35 initiatives concerning the social ecosystem and in areas relevant to developing impact projects or ideas. The programme supports different types of projects that work directly with the local community.

In the **Impactô** project, 16 social enterprises and institutions from the states of Rio de Janeiro and São Paulo were selected to participate in this social acceleration programme. In addition to training, all the organisations received BRL 20,000 in emergency aid to cover basic needs during the pandemic. The project began in August and a number of Neoenergía leaders have been involved sharing their experiences.

Instituto Neoenergía also developed two other initiatives to mitigate the impact of the pandemic.

1. A donation of BRL 600,000 to **Fundo Transforma Brasil** (Transform Brazil Fund), helping a thousand 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. Through this project, more than 70,000 meals will be delivered until 31 December across six different communities in Rio and São Paulo, benefiting around 792 people.

In the second half of the year, we began to use the State Sports Incentive Law in São Paulo to support projects for the inclusion of children and young people at social risk through sport. Through the **Educando pelo Esporte** (Educating for Sport) and **Mentes Brilhantes** (Brilliant Minds) projects, we hope to run handball, basketball, futsal and Tai Chi Chuan activities for more than 400 children and young people in schools across four cities of the state of São Paulo.

The Institute also supported donations for Christmas hampers of essential items for the communities living near the Neoenergía wind farms in Paraíba and Rio Grande do Norte. In 2020, 1,079 families benefited from food and kits of hand sanitiser.

Spain:

In response to the social emergency caused by the COVID-19 pandemic, the Iberdrola Foundation Spain launched the **“SOLIDARITY MEALS”** initiative, mobilising its own capabilities by using the kitchens at its corporate offices in Bilbao and Madrid to donate 112,000 meals to vulnerable families for 112 days. They were handed out at Caritas Bizkaia’s soup kitchens and through several parish churches in southern Madrid.

Another one-off initiative was the donation of 37 tablets with a GSM card to young people at the San Ildefonso boarding school in Madrid, as well as 15 laptops for the Parish of San Juan de Dios in Vallecas to bridge the digital learning gap. In addition, 1,000 face masks accessible to disabled persons were donated to social organisations that participated in the Foundation’s Social Programme.

At the beginning of 2020, the Iberdrola Foundation established 30 alliances with local, regional and national social entities to promote annual projects aimed at the most vulnerable children and socially excluded young people. These projects were put on hold during lockdown, but have gradually been restarted face-to-face or adapted to be run online so they can be completed, as planned, by the end of this year.

In September, the 2021 call for applications for the Iberdrola Foundation Spain's Social Programme was launched as part of its commitment to mitigate the consequences of the COVID-19 crisis, with the aim of helping to reduce its negative impact on the most vulnerable members of society. Priority is given to supporting children, young adults and especially women in 30 social projects.

The foundation has made an investment of EUR 1.2 million, which is being channelled into 34 social projects of regional and local scope in various regions of Spain. Aid to the most vulnerable children is being prioritised, accounting for 43% of the projects. Another 23% is aimed at the social and labour inclusion of people with disabilities and 17% for health and well-being. The remainder is intended to reinforce our commitment to women in the fight against inequality and gender-based violence.

The joint project between Iberdrola Foundation Spain and **Save the Children** to build a child protection centre in the city of Nouadhibou, Mauritania, has now been completed, thus providing a home for these migrant children and protecting them from the dangers they would otherwise face on the streets. 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 Mauritania. The Iberdrola Foundation donated funds to this project to purchase medical supplies in response to COVID-19.

4. CORPORATE GOVERNANCE

Corporate governance highlights during financial year 2020 were as follows:

- On 30 October 2019, Iberdrola, S.A. ("IBERDROLA") notified the CNMV (*Comisión Nacional del Mercado de Valores* — the Spanish stock market commission) of an addendum to the prospectus containing the terms and conditions of the second round of the "Iberdrola Scrip Dividend" optional dividend scheme. IBERDROLA then published another addendum to that same prospectus on 7 January 2020.

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 by the Board of Directors, as part of the second round of the "Iberdrola Scrip Dividend" optional dividend scheme.

- 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 hand, 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 of the Board of Directors to carry out a buyback programme of the Company's

treasury stock in accordance with the authorisation conferred by the General Shareholders' Meeting held on 13 April 2018. Up until 2 June 2020, when the programme ended, the Company had acquired 101,772,935 treasury shares, equating to 1.577% of its treasury stock.

- On 26 February 2020, the Company submitted its results for the financial year ended 31 December 2019 to the CNMV.
- Due to the pandemic caused by COVID-19, on 9 April 2020, IBERDROLA notified the postponement of the Capital Markets Day 2020, which was originally scheduled for 13 May 2020. On 22 June 2020, the Company published an update to the financial calendar for the year, with the Capital Markets Day set for 11 Nov.2020.
- On 17 April 2020, the Company submitted its energy production figures for the first quarter of financial year 2020.
- On 28 April 2020, IBERDROLA notified the CNMV of the terms and conditions of the first round of the "Iberdrola Scrip Dividend" optional dividend scheme for financial year 2020.
- On 29 April 2020, the Company submitted its results for the first quarter of financial year 2020 to the CNMV.
- On 7 May 2020, IBERDROLA disclosed to the CNMV that "Iberdrola Renovables France, S.A.S.", an indirectly, fully owned subsidiary of "Iberdrola Energía Internacional, S.A." (Sociedad Unipersonal) signed an agreement with "Aiolos, S.A.S." and "Caisse des Dépôts et Consignations" (the "Sellers") for the acquisition of shares representing 100% of the share capital of the French company "Aalto Power, S.A.S." and the transfer of certain loans provided by the Sellers to Aalto Power.

On 1 July 2020, the Company reported the completion of the acquisition of the capital of "Aalto Power, S.A.S."

- On the same date, IBERDROLA notified the CNMV of the implementation of the share capital reduction through the redemption of treasury stock approved

at the General Shareholders' Meeting, as filed with the Bizkaia Companies Register on 2 July 2020. The share capital after this reduction totalled EUR 4,680,000,000, corresponding to 6,240,000,000 common shares each of a nominal value of EUR 0.75.

- On 6 July 2020, IBERDROLA published the addendum to the prospectus regarding the terms and conditions of the first round of the "Iberdrola Scrip Dividend" optional dividend scheme for the financial year 2020.

Subsequently, on 29 July 2020 IBERDROLA completed the paid-up capital increase approved by the General Shareholders' Meeting of 2 April 2020, as well as the distribution of the final dividend for financial year 2019, all as part of the first round of the "Iberdrola Scrip Dividend" optional dividend scheme. This was filed with the Bizkaia Companies Register on the same day, 29 July. The share capital resulting from this paid-up capital increase totalled EUR 4,762,545,750, corresponding to 6,350,061,000 common shares each of a nominal value of EUR 0.75.

- On 10 July 2020, the Company submitted its production figures for the first half of financial year 2020.
- On 22 July 2020, the Company submitted its results for the first half of financial year 2020 to the CNMV.
- On 17 June 2020, an agreement was announced between "Iberdrola Renewables Australia Pty Ltd.", on the one hand, and "Infigen Energy Limited" and "Infigen Energy RE Limited" ("Infigen"), on the other, under which "Iberdrola Renewables Australia Pty Ltd." agreed to make a bid for the cash acquisition of all the stapled securities issued by the two Infigen companies listed on the Australian stock exchange, amounting to AUD 840.6 million, equivalent to EUR 510.2 million for the entirety of the share capital of the two companies.

On 29 and 30 June 2020, it was disclosed that "Iberdrola Renewables Australia Pty, Ltd." had improved the price of the bid to acquire the entirety of the stapled securities issued by Infigen and that it had decided to waive the terms of the bid

other than the acquisition of more than 50% of the capital of Infigen and the approval of the bid by the Australian foreign investment authorities.

On 16 July, the decision of “Iberdrola Renewables Australia Pty Ltd.” to waive the last of the terms of the bid for all of Infigen’s stapled securities was disclosed, which involved acquiring a share of more than 50% of Infigen’s share capital.

Subsequently, on 22 and 24 July 2020 Iberdrola informed the CNMV of the decision of “Iberdrola Renewables Australia Pty. Ltd.” to improve the price of the bid from AUD 0.89 to AUD 0.92, equivalent to EUR 0.57, per Infigen stapled security, together with the fulfilment of the condition for the aforementioned improved price to acquire 100% of the stapled securities issued by Infigen.

- On 21 August and taking into account the 72.76% stake attributable to “Iberdrola Renewables Australia Pty. Ltd.” in the share capital of Infigen, the boards of directors of “Infigen Energy Limited” and “Infigen Energy RE Limited” agreed to the appointment of new directors as proposed by “Iberdrola Renewables Australia Pty. Ltd.”. This completed the takeover by “Iberdrola Renewables Australia Pty. Ltd.” of Infigen and its incorporation into the Iberdrola Group.

Lastly, on 21 October 2020, the Company disclosed that, following the end of the acceptance period for the takeover bid by “Iberdrola Renewables Australia Pty Ltd.” on all of the stapled securities issued by “Infigen Energy Limited” and “Infigen Energy RE Limited”, a 98.25% stake in the share capital of Infigen was achieved.

- On 9 October 2020, the Company submitted its energy production figures for the first nine months of financial year 2020.
- On 21 October 2020, IBERDROLA informed the CNMV of the announcement by the US subholding company “Avangrid, Inc.” regarding the signing with the company “PNM Resources, Inc.” of a merger agreement whereby the subholding company undertakes to acquire 100% of the share capital of “PNM Resources, Inc.”.

- On 21 October 2020, the Company submitted its results for the first nine months of 2020 to the CNMV.
- On 5 Nov.2020, the Company published its Outlook for 2020-2025.
- On 4 December 2020, IBERDROLA informed the CNMV that “Bahia Geração de Energia S.A.”, a company wholly owned by “Neoenergia, S.A.” was the winner in public auction of 100% of the share capital of the Brazilian company “CEB Distribuição S.A.”. The aggregate price for the entire share capital of this Brazilian company will amount to BRL 2,515 million (equivalent to EUR 399 million).
- On 15 December 2020, the Company notified the CNMV of the resolution carried by the Board of Directors to offer Iberdrola Group workers in Spain the voluntary option of receiving, in full or in part, their annual variable compensation corresponding to financial year 2020 in Iberdrola shares. This allocation of shares to staff forms part of the Company’s general remuneration policy.
- On 22 December 2020, the Company published the financial calendar for 2021.
- On 21 October 2020, IBERDROLA published the addendum to the prospectus regarding the terms and conditions of the second round of the “Iberdrola Scrip Dividend” optional dividend scheme for the financial year 2020. On 15 December 2020, it reported having verified compliance with the requirements of Article 277 of the Capital Companies Act for the distribution of an interim dividend for the financial year 2020.

Lastly, on 2 February 2021, IBERDROLA completed the paid-up capital increase approved by the General Shareholders’ Meeting of 2 April 2020, as well as the distribution of the final dividend for the 2020 financial year, all as part of the second round of the “Iberdrola Scrip Dividend” optional dividend scheme. The share capital resulting from this paid-up capital increase totalled EUR 4,813,617,000.00 corresponding to 6,418,156,000 common shares each of a nominal value of EUR 0.75.

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 bonus for shareholders present or represented at the General Shareholders' Meeting.

The announcement of the call to the General Shareholders' Meeting was published by the Company on its corporate website (www.iberdrola.com) and in the Official Bulletin of the Companies Register 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 coronavirus (COVID-19) outbreak qualified as a global pandemic, the Board of Directors agreed, on 18 March 2020 and under the terms of Article 41 of *Spanish 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 Shareholders' Meeting as an extraordinary measure to ensure that the meeting would be held responsibly, given the overriding need to safeguard public interests and 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 share 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 Iñigo 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 the share capital under the terms and subject to the limits prescribed by law, with authority to disapply the pre-emptive right 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:

- 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 continues 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 as member of the Sustainable Development Committee.
- v. Appointment of independent director Nicola Mary Brewer as member of the Sustainable Development Committee.

On 21 July 2020, the Board of Directors agreed, upon a recommendation of the Appointments Committee, to appoint Sara de la Rica Goiricelaya as the new Chair of the Sustainable Development Committee to replace Samantha Barber. Barber was reappointed as other external director on 1 August 2020 after having served 12 years as an independent director.

Lastly, on 20 October 2020, the Board of Directors adopted the following resolutions relating to its composition and that of the advisory committees:

- i. Acceptance of the resignation tendered by Georgina Yamilet Kessel Martínez.

- ii. Appointment of Ángel Jesús Acebes Paniagua as independent director by way of co-optation and, upon a recommendation of the Appointments Committee, to fill the vacancy caused by the resignation of Georgina Yamilet Kessel Martínez and for the period remaining until the Company's General Shareholders' Meeting.
- iii. The number of members of the Delegated Executive Committee shall be fixed at five upon a recommendation of the Appointments Committee.
- iv. Appointment, upon a recommendation of the Chairman and CEO and following a favourable report by the Appointments Committee, of the director Ángel Jesús Acebes Paniagua as a member of the Delegated Executive Committee.
- v. The number of members of the Audit and Risk Supervision Committee shall be fixed at three upon a recommendation of the Appointments Committee.
- vi. Appointment, upon a recommendation of the Appointments Committee and for the term of four years, of the director Ángel Jesús Acebes Paniagua as a member of the Appointments Committee, replacing Iñigo Víctor de Oriol Ibarra.

Governance and sustainability system

Iberdrola keeps its governance and sustainability system constantly up to date. 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 the IBERDROLA Group have now been following for years.

On 24 February 2020, the Board of Directors of IBERDROLA resolved to reform its corporate governance system in order 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—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 28 April 2020, IBERDROLA's Board of Directors resolved to reform its Corporate Governance System so as to: (i) align the content of the *Policy on relations with Stakeholders* with the best practices and recommendations of the *Dow Jones Sustainability Index*; (ii) strengthen Iberdrola's commitment to human rights; (iii) add the Occupational Health and Safety Risk Policy Appendix to the summary of corporate risk policies; and (iv) take note of the fact that "Neoenergia, S.A." is a listed company in the Introduction to the Corporate Governance System.

On 24 June 2020, the Board of Directors resolved to once again reform the Corporate Governance System so as to: (i) amend the *Regulations of the Board of*

Directors—with the amendment communicated to the CNMV—and the regulations of its committees to implement the regulation of meetings in interconnected venues and to provide for the remote attendance of their members; and to (ii) include a new appendix in the *General corporate governance policy* to regulate the use of remote communication systems for the holding of meetings.

On 21 July 2020, the Board of Directors of IBERDROLA approved the modification of the Corporate Governance System in order, among other matters, to: (i) align the content with the developments introduced in the revision of the *Good Governance Code of Listed Companies* published by the CNMV on 26 June 2020; (ii) incorporate a new *Iberdrola Group Non-Financial Information Preparation Policy* to define the process for preparing this type of consolidated information applicable to the Group; (iii) update the *Corporate Tax Policy* to tailor its content to the provisions of the UNE 19602:2019 *Tax Compliance Management Systems* standard published by AENOR; (iv) reform the *Internal Regulations for Conduct in the Securities Markets* to update its structure; and lastly (v) revise the *Internal Rules for the Processing of Inside Information* to include a number of technical improvements and incorporate in a single text the content of the *Action Protocol for the Management of News and Rumours* and the *Action Protocol in the Event of Detection of a Leak or Unlawful Use of Inside Information*.

Lastly, at its meeting of 15 December 2020, the Board of Directors resolved to change the name of the Corporate Governance System to Governance and Sustainability System and rearrange its contents around the following areas of its activity: environmental, social and corporate governance (ESG) issues. Following the reordering of policies and rules around these three areas, the Governance and Sustainability System is divided into the following five books:

- Book one of the *Articles of Association*.
- Book two of the Purpose, which, together with the Purpose and *Values of the Iberdrola Group* and the

Code of Ethics, incorporates the *General Policy on Sustainable Development* and the *Policy on Relations with Stakeholders*.

- Book three on the environment and against climate change, developed through environmental policies.
- Book four on social commitment, which covers social policies.
- Book five of corporate governance, which is now structured into four parts: (i) corporate governance and regulatory compliance policies; (ii) risk policies; (iii) governance standards of social bodies and other internal functions and committees (which included the revision of the *Regulations of the Board of Directors*—the amendment to which was communicated to the CNMV—); and (iv) market abuse prevention rules.

All documents that comprise the Corporate Governance and Sustainability System are published (in their full or summarised version) in both Spanish and English on the corporate website (www.iberdrola.com), which also offers the option of downloading them 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 the 2020 financial year to ensure that institutional investors and financial analysts were kept fully informed of its business and activities.

Information on the existence of cases of corruption during the year

The Company received no reports in its ethics mailboxes of confirmed cases of corruption during the year. Nor did the Company receive any reports through the legal channels of its Legal Services department of judicial resolutions in this area during the reporting period. No reports were received in the mailboxes set for this purpose recording incidents

causing the cancellation of orders or contracts with group suppliers.

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

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

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

Significant Events

Notifications sent to the Spanish stock market commission (CNMV) from October to December 2020		
Date	Event	Registration no.
09/10/2020	The Company reports its energy production figures for the nine-month period of 2020.	4957
13/10/2020	The Company notifies the announcement for submitting results for the nine-month period of 2020.	4964
21/10/2020	Signing by Avangrid, Inc. of a merger agreement for the acquisition of 100% of the share capital of PNM Resources, Inc. in cash.	5107
21/10/2020	Terms and conditions of the second edition of the 'Iberdrola Scrip Dividend' optional dividend scheme for 2020.	5108
21/10/2020	Changes in the composition of the Board of Directors of Iberdrola, S.A. and of its committees.	5109
21/10/2020	Earnings presentation for the first nine months of 2020.	5114
21/10/2020	Presentation of the merger between Avangrid and PNM Resources.	5115
21/10/2020	Stake achieved by Iberdrola Renewables Australia Pty Ltd in the share capital of Infigen following the completion of the takeover bid.	5121
21/10/2020	Issue of subordinated perpetual debentures by Iberdrola International, B.V., guaranteed on a subordinated basis by Iberdrola, S.A. for an amount of EUR 3,000 million.	5138
05/11/2020	Presentation of Outlook for 2020-2025.	5530
04/12/2020	The Neoenergia group is awarded 100% of the capital of Brazilian company CEB Distribuição S.A. in public auction.	6060
15/12/2020	Ratification of the agreement for distribution of an interim dividend corresponding to the 2020 financial year as part of the second round of the 'Iberdrola Scrip Dividend' optional dividend scheme of 2020.	6219
15/12/2020	Offering of Iberdrola shares to employees of Iberdrola Group in Spain as part of the annual variable compensation for financial year 2020.	6220
15/12/2020	Reform of the Company's regulations whereby its name is changed to Governance and sustainability system and its content is reorganised into three areas: environmental, social and corporate governance (ESG).	6221
22/12/2020	2021 Financial Calendar.	6341
23/12/2020	The Company submits the Regulations of the Board of Directors.	6371

Glossary of terms

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

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

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

Download the IBERDROLA Investor Relations app:



Available in
**Google
Play**



Available on the
App Store
(iPad)



Available on the
App Store
(iPhone)

IBERDROLA, S.A.

Investor relations

Phone: 00 34 91 784 2804

Fax: 00 34 91 784 2064

investor.relations@iberdrola.es

www.iberdrola.com