



# Results Presentation 2023

February 22, 2024

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## ALTERNATIVE PERFORMANCE MEASURES

In addition to the financial information prepared under IFRS, this presentation includes certain alternative performance measures (“APMs”) for the purposes of Commission Delegated Regulation (EU) 2019/979, of March 14, 2019 and as defined in the *Guidelines on Alternative Performance Measures* issued by the European Securities and Markets Authority on 5 October 2015 (ESMA/2015/1415es). The APMs are performance measures that have been calculated using the financial information from Iberdrola, S.A. and the companies within its group, but that are not defined or detailed in the applicable financial information framework. These APMs are being used to allow for a better understanding of the financial performance of Iberdrola, S.A., but should be considered only as additional information and in no case as a substitute of the financial information prepared under IFRS. Moreover, the way Iberdrola, S.A. defines and calculates these APMs may differ from the way these are calculated by other companies that use similar measures, and therefore they may not be comparable. Finally, please consider that certain of the APMs used in this presentation have not been audited. Please refer to this presentation and to the corporate website ([www.iberdrola.com](http://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. In particular, please refer to <https://www.iberdrola.com/documents/20125/3894078/alternative-performance-measures-23FY.pdf>

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# Core business figures

## Networks

Asset Base (Local currency)		December 2023	December 2022
Spain	(EUR billion)	9.4	9.4
United Kingdom	(GBP billion)	9.0	8.2
United States	(USD billion)	14.0	12.8
Brazil	(BRL billion)	51.6	43.9

## Distributed Electricity

ELECTRICITY (GWh)	2023	2022	vs. 2022
Spain	87,866	89,789	-2.1%
United Kingdom	30,321	31,043	-2.3%
United States	37,174	38,769	-4.1%
Brazil	78,343	76,107	2.9%
<b>Total</b>	<b>233,704</b>	<b>235,695</b>	<b>-0.8%</b>
GAS (GWh)			
United States	59,901	64,892	-7.7%
<b>Total</b>	<b>59,901</b>	<b>64,892</b>	<b>-7.7%</b>

Differences may arise due to rounding

## Managed Supply Points

ELECTRICITY (Millions)	2023	2022	vs. 2022
Spain	11.44	11.36	0.7%
United Kingdom	3.56	3.56	0.1%
United States	2.32	2.31	0.4%
Brazil	16.35	16.04	2.0%
<b>Total Electricity</b>	<b>33.67</b>	<b>33.26</b>	<b>1.2%</b>
GAS (Millions)			
United States	1.04	1.03	0.4%
<b>Total Gas</b>	<b>1.04</b>	<b>1.03</b>	<b>0.4%</b>
<b>TOTAL SUPPLY POINTS</b>	<b>34.71</b>	<b>34.30</b>	<b>1.2%</b>

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

	2023	2022	vs. 2022
<b>Net Production (GWh)<sup>(1)</sup></b>	<b>168,599</b>	<b>163,609</b>	<b>3.0%</b>
<b>Net owned production<sup>(1)</sup></b>	<b>128,668</b>	<b>126,120</b>	<b>2.0%</b>
Renewables <sup>(1)</sup>	79,339	74,620	6.3%
Onshore	44,091	45,287	-2.6%
Offshore	5,073	4,497	12.8%
Hydro	24,055	20,502	17.3%
Minihydro	402	420	-4.1%
Solar	5,639	3,840	46.8%
Nuclear	23,784	24,382	-2.5%
Gas combined cycle	19,440	21,293	-8.7%
Cogeneration	6,105	5,824	4.8%
<b>Net production for third parties</b>	<b>39,931</b>	<b>37,490</b>	<b>6.5%</b>
Renewables	210	222	-5.4%
Onshore	210	222	-5.4%
Gas combined cycle	39,721	37,268	6.6%
<b>Installed Capacity (MW)<sup>(2)</sup></b>	<b>62,883</b>	<b>60,760</b>	<b>3.5%</b>
<b>Net owned installed capacity<sup>(2)</sup></b>	<b>55,737</b>	<b>53,615</b>	<b>4.0%</b>
Renewables <sup>(2)</sup>	42,084	39,962	5.3%
Onshore	20,780	20,125	3.3%
Offshore	1,793	1,258	42.5%
Hydro	13,103	13,849	-5.4%
Minihydro	244	255	-4.3%
Solar	5,953	4,264	39.4%
Batteries	198	198	-
Nuclear	3,177	3,177	-
Gas combined cycle	9,291	9,291	-
Cogeneration	1,185	1,185	-
<b>Net installed capacity for third parties</b>	<b>7,146</b>	<b>7,146</b>	<b>-</b>
Renewables	103	103	-
Onshore	103	103	-
Gas combined cycle	7,043	7,043	-
<b>Electricity contracts (No mill.)</b>	<b>13.22</b>	<b>13.72</b>	<b>-3.6%</b>
<b>Gas contracts (No mill.)</b>	<b>3.09</b>	<b>3.27</b>	<b>-5.2%</b>
<b>Gas Supplies (GWh)</b>	<b>45,071</b>	<b>53,845</b>	<b>-16.3%</b>
<b>Gas Storage (bcm)</b>	<b>0.12</b>	<b>0.10</b>	<b>17.9%</b>

(1) Including 78 GWh and 74 GWh of production from fuel cells in 2023 and 2022, respectively

(2) Including 13 MW installed capacity of fuel cells

Differences may arise due to rounding



## Spain

	2023	2022	vs. 2022
<b>Net Production (GWh)</b>	<b>61,263</b>	<b>57,193</b>	<b>7.1%</b>
Renewables	29,462	23,826	23.7%
Onshore	10,726	11,744	-8.7%
Hydro	15,460	9,511	62.5%
Minihydro	402	420	-4.1%
Solar	2,873	2,150	33.6%
Nuclear	23,784	24,382	-2.5%
Gas combined cycle	6,452	7,082	-8.9%
Cogeneration	1,565	1,904	-17.8%
<b>Installed Capacity (MW)</b>	<b>30,807</b>	<b>29,013</b>	<b>6.2%</b>
Renewables	21,589	19,796	9.1%
Onshore	6,550	6,209	5.5%
Hydro	10,826	10,700	1.2%
Minihydro	244	255	-4.3%
Solar	3,951	2,612	51.2%
Batteries	19	19	-
Nuclear	3,177	3,177	-
Gas combined cycle	5,695	5,695	-
Cogeneration	347	347	-
<b>Electricity contracts (No mill,)</b>	<b>10.54</b>	<b>10.88</b>	<b>-3.2%</b>
<b>Gas contracts (No mill,)</b>	<b>1.27</b>	<b>1.35</b>	<b>-6.3%</b>
<b>Gas Supplies (GWh)</b>	<b>24,635</b>	<b>30,926</b>	<b>-20.3%</b>
Users	10,289	15,263	-32.6%
Gas combined cycle	14,345	15,663	-8.4%

Differences may arise due to rounding

Note: As of January 1, 2022, all commercial business activity in the Rest of the World is included in Spain.

## United Kingdom

	2023	2022	vs. 2022
<b>Net Production (GWh)</b>	<b>7,459</b>	<b>7,823</b>	<b>-4.7%</b>
Renewables	7,459	7,823	-4.8%
Onshore	3,609	4,424	-18.4%
Offshore	3,844	3,392	13.3%
Solar	5	7	-29.6%
<b>Installed Capacity (MW)</b>	<b>3,002</b>	<b>3,008</b>	<b>-0.2%</b>
Renewables	3,002	3,008	-0.2%
Onshore	1,971	1,986	-0.8%
Offshore	908	908	-
Solar	19	10	90.0%
Batteries	104	104	-
<b>Electricity contracts (No mill,)</b>	<b>2.68</b>	<b>2.83</b>	<b>-5.4%</b>
<b>Gas contracts (No mill,)</b>	<b>1.83</b>	<b>1.91</b>	<b>-4.5%</b>
<b>Gas Supplies (GWh)</b>	<b>20,437</b>	<b>22,919</b>	<b>-10.8%</b>
<b>Gas Storage (bcm)</b>	<b>0.12</b>	<b>0.10</b>	<b>17.9%</b>

Differences may arise due to rounding

## USA

	2023	2022	vs. 2022
<b>Net Production (GWh) <sup>(1)</sup></b>	<b>23,326</b>	<b>22,807</b>	<b>2.3%</b>
Renewables <sup>(1)</sup>	20,176	20,284	-0.5%
Onshore	19,019	19,704	-3.5%
Hydro	245	188	30.3%
Solar	834	318	162.3%
Gas combined cycle	6	7	-12.7%
Cogeneration	3,144	2,516	24.9%
<b>Installed Capacity (MW) <sup>(2)</sup></b>	<b>9,673</b>	<b>9,541</b>	<b>1.4%</b>
Renewables <sup>(2)</sup>	8,833	8,701	1.5%
Onshore	8,045	8,061	-0.2%
Offshore	39	-	-%
Hydro	118	118	-
Solar	618	509	21.5%
Gas combined cycle	204	204	-
Cogeneration	636	636	-

(1) Including 78 GWh and 74 GWh of production from fuel cells in 2023 and 2022, respectively

(2) Including 13 MW installed capacity of fuel cells

Note: 100% Avangrid Inc. (81.5% owned by Iberdrola S.A.)

Differences may arise due to rounding

**Mexico**

	2023	2022	vs. 2022
<b>Net Production (GWh)</b>	<b>56,797</b>	<b>55,938</b>	<b>1.5%</b>
<b>Net owned production</b>	<b>16,866</b>	<b>18,448</b>	<b>-8.6%</b>
Renewables	2,633	2,899	-9.2%
Onshore	1,394	1,662	-16.1%
Solar	1,239	1,237	0.2%
Gas combined cycle	12,836	14,145	-9.3%
Cogeneration	1,397	1,404	-0.6%
<b>Net production for third parties</b>	<b>39,931</b>	<b>37,490</b>	<b>6.5%</b>
Renewables	210	222	-5.4%
Onshore	210	222	-5.4%
Gas combined cycle	39,721	37,268	6.6%
<b>Installed Capacity (MW)</b>	<b>11,197</b>	<b>11,197</b>	<b>-</b>
<b>Net owned installed capacity</b>	<b>4,051</b>	<b>4,051</b>	<b>-</b>
Renewables	1,232	1,232	-
Onshore	590	590	-
Solar	642	642	-
Gas combined cycle	2,617	2,617	-
Cogeneration	202	202	-
<b>Net installed capacity for third parties</b>	<b>7,146</b>	<b>7,146</b>	<b>-</b>
Renewables	103	103	-
Onshore	103	103	-
Gas combined cycle	7,043	7,043	-

Note: 100% Neoenergia (53.5% owned by Iberdrola S.A.)

Differences may arise due to rounding

## Brazil

	2023	2022	vs. 2022
<b>Net Production (GWh)</b>	<b>13,653</b>	<b>14,737</b>	<b>-7.4%</b>
Renewables	13,568	14,737	-7.9%
Onshore	4,976	3,843	29.5%
Hydro	8,350	10,803	-22.7%
Solar	243	91	166.5%
Gas combined cycle	85	-	-
<b>Installed Capacity (MW)</b>	<b>4,395</b>	<b>5,101</b>	<b>-13.8%</b>
Renewables	3,862	4,568	-15.5%
Onshore	1,554	1,394	11.4%
Hydro	2,159	3,031	-28.8%
Solar	149	143	4.3%
Gas combined cycle	533	533	-

Differences may arise due to rounding

## Rest of the world (ROW)

	2023	2022	vs. 2022
<b>Net Production (GWh)</b>	<b>6,102</b>	<b>5,111</b>	<b>19.4%</b>
Renewables	6,041	5,053	19.6%
Onshore	4,366	3,910	11.7%
Offshore	1,229	1,105	11.2%
Solar	446	38	-
Gas combined cycle	60	58	4.0%
<b>Installed Capacity (MW)</b>	<b>3,809</b>	<b>2,900</b>	<b>31.3%</b>
Renewables	3,566	2,657	34.2%
Onshore	2,072	1,885	9.9%
Offshore	846	350	141.7%
Solar	573	348	64.9%
Batteries	75	75	-
Gas combined cycle	243	243	-

Differences may arise due to rounding

## Stock Market Data

		12M 2023	12M 2022
Market capitalisation	€ (million)	75,378	69,538
Earnings per share (6.350.278.000 shares a 30/09/2023 y 6.362.094.000 shares a 30/09/2022)	€	0.719	0.652
Net operating cash flow per share	€	1.73	1.74
P.E.R.	Times	16.51	16.77
Price/Book value (capitalisation to NBV at the end of the period)	Times	1.75	1.69

## Economic/Financial Data (\*)

Income Statement		2023	2022
Revenues	M €	49,334.9	53,949.4
Gross Margin	M €	23,301.5	20,199.4
EBITDA	M €	14,417.4	13,228.1
EBIT	M €	8,973.1	7,983.9
Net Profit	M €	4,802.8	4,338.6
Net Operating Expenses / Gross Margin	%	26.3	25.8
Balance Sheet		2023	2022
Total Assets	M €	150,033	150,114
Equity	M €	60,292	58,114
Net Financial Debt	M €	47,914	44,185
Adjusted Net Financial Debt	M €	47,832	43,749
ROE	%	10.93	10.22
Ajusted Financial Leverage (Net Ajusted Financial Debt/ (Ajusted Financial Debt + Ajusted Equity))	%	44.2	42.8
Net Financial Debt / Equity	%	79.5	76.0

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

## Others

Others		2023	2022
Gross Organic Investments	EUR (million)	11,382	10,730
Employees	Number	42,276	40,721

## Iberdrola's Credit Rating

Agency	Rating(*)	Outlook(**)
Moody's	Baal (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



# Operating highlights for the period

## | Operating highlights for the period

- In 2023, the **net profit of the Iberdrola Group rose by 10.7% to EUR 4,803 million**, and if we exclude the impact of the asset rotation, it rose by **10.8% to EUR 4,809 million**.
- **Gross investments** totalled **EUR 11,382 million (+6.0%)**, with RAB in the network business growing by 8% to EUR 42,200 million, having installed more than 3,250 MW of renewables in 2023, resulting in a total installed capacity of 42,187 MW worldwide.
- **EBITDA grew by 9.0% to EUR 14,417 million** due to the recovery of production and operational efficiency. This includes EUR 117 million of expenditure included in the fourth quarter for future years.
- **The Asset Rotation Plan** has been completed with the closing of the transaction in Mexico (February 2024), and the expected cash inflow in the following days of (c.6,000 M USD) in cash, in addition to increasing international alliances with **Norges Bank, Masdar and GIC**.
- **There was a continued financial strength and cash generation**, improving regarding the same period in the previous year. Excluding the impact in the collections accounts of the hydroelectric levy of 2022, the Funds From Operations (FFOs) totalled EUR 11,096 million in the last twelve months, which represents an increase of 8.0%. The **pro forma financial ratios improved considering Mexico's operation**, with the FFO to Net Debt ratio standing at 25.8% and the Net Debt to EBITDA ratio at 3.03 times. Excluding Mexico's operation the FFO/Net Debt stands at 23.2% and a Net Debt to EBITDA ration of 3.3times.
- **Net adjusted financial debt** stands at EUR 47,832 million<sup>(1)</sup>, although taking into account Mexico, the net adjusted financial debt proforma stands at EUR 42,000-42,500 million.
- **A supplementary dividend of EUR 0.348 per share is proposed**, pending approval at the General Shareholders' Meeting, which together with the interim dividend of **EUR 0.202 per share, provides a total dividend of EUR 0.550 per share** with charge to 2023 results. This represents an increase of 10.8%, in line with the growth in earnings, compared to EUR 0.496 per share in 2022.
- **Total CO<sub>2</sub> emissions in Europe stood at 55 g/kWh**, 80% lower than those of our competitors.
- The total number of **employees** in the group **reaches 42,376**, with close to 4,653 **new employees** hired in 2023.
- The company has made **purchases worth EUR 18,111 million** from **several thousand suppliers** worldwide, which employ 500,000 people worldwide (according to a report from PWC) following the increase in investments and purchases in the past year.
- In terms of **Research and Development (R&D)**, Iberdrola **has invested EUR 385 million**, being the private European utility with the highest investment in innovation worldwide, according to the European Union.
- The company has **made tax contributions globally** of approximately **EUR 9,281 million (+24% compared to 2022)**.
- Iberdrola has won **several ESG performance awards**: 1) ESG Leadership Award from the Foreign Policy Association (FPA) 2) Reaching the Top 5% of the Global ESG S&P and 3) Best Corporate Governance Company from W. Finance. and 4) Rating A in the Sustainable Climate Index of CDP in 2023.

## Global environment and general considerations

Highlights for the company's main business areas in terms of **electricity demand and output** for the period include:

- The energy balance of the Spanish peninsula system during 2023 was marked by an increase in hydroelectric (+42%), solar pv (+31%) and wind (+2.4%) output compared to the same period in the previous year, compared to a fall in nuclear (-3%), combined cycle (-35%) and coal-based (-50%) output.

(1) Adjusted for treasury stock derivatives with physical settlement which, at the current date, are not expected to be executed (EUR 0 million to Dec-23 and EUR 392 million to Dec-22).

## | Operating highlights for the period

- Demand fell by 2.5% in 2023 compared to the previous year; when adjusted for labour and temperature, the decrease was 2.1%.
- The year 2023 closed with a producibility index of 0.9 and hydroelectric reserves at 51%, compared to an index of 0.7 and reserves at 44% at the end of 2022.
- In the United Kingdom, electricity demand fell by 1.8% in 2023 compared to the previous year, while gas demand fell by 8.1% compared to 2022.
- In **Avangrid's** management areas, on the East Coast of the United States, electricity demand was down 4.1% compared to 2022, while gas demand fell by 7.7% due to the more favourable climate during 2023.
- Meanwhile, electricity demand in the areas serviced by **Neoenergia** in Brazil increased by 3.0% in 2023.
- Changes in Iberdrola's main **benchmark currencies** being as follows:
  - Pound sterling depreciated by 2.0% to reach 0.870 to the euro.
  - The US dollar depreciated by 2.6% to reach 1.081 to the euro.
  - The Brazilian real appreciated by 0.6% to 5.403 to the euro.
- During 2023, international commodities markets performed as follows:

	2023	2022	2023 vs. 2022
Oil – USD/BBL	82.6	101.3	-18%
Coal – USD/tonne	124.3	278.7	-55%
CO2 – EUR/tonne	85.5	81.1	5%
NBP – p/th	100.5	207.9	-52%
Henry Hub – USD/ million Btu	2.5	6.4	-61%
TTF – EUR/MWh	40.6	123.8	-67%
MIBGAS – EUR/MWh	39.4	99.6	-60%

## Significant transactions

- On 4 April 2024, Iberdrola Mexico signed a bidding agreement with Mexico Infrastructure Partners (MIP) to sell 55% of its business in Mexico for 6,000 million dollars. The agreement consists of the sale of 55% of the Mexican business and includes the combined cycle plants that supply energy to the CFE. Iberdrola will retain 45% plants, all its activity with private customers and its portfolio of c.6,000 MW renewable projects in order to continue increasing its wind and solar assets in the country in the coming years. Within the agreement, 99% corresponds to combined gas cycles and 87% to plants operating under the Independent Power Producer regime, contracted with the CFE. The transaction is financially supported by Mexico's National Infrastructure Fund (Fonadin) and other public financial entities linked to the Mexican government. The transaction is expected to close on 26th of February 2024, once authorization has been obtained from the Mexican competition authority COFECE, last 15 of February.
- On 2 January 2024, Avangrid, Inc., a company with 81.5% of its share capital owned by Iberdrola, S.A., announced its decision to terminate the merger agreement signed with PNM Resources, Inc. on 20 October 2020, as the conditions set forth in said agreement for completion of the operation had not been met by the deadline set for that purpose.
- Following the co-investment agreement reached on 26 July 2023 for the sale to Masdar of a 49% stake in the Baltic Eagle offshore wind project (Germany), valued at approximately EUR 1,600 million, on 5 December 2023, Iberdrola signed a strategic agreement with Masdar to jointly invest up to EUR 15,000 million. The first milestone of this alliance will be to co-invest in the British East Anglia 3 offshore wind project, of 1,400 megawatts (MW). Beyond the East Anglia 3 transaction, both companies will work to jointly invest in future offshore wind and green hydrogen projects in Europe and other markets.



## | Operating highlights for the period

- On 17 January 2024, Iberdrola announced a partnership with Norges Bank Investment Management (NBIM) to co-invest more than EUR 2,000 million in renewables on the Iberian Peninsula within three years. The agreement envisages the acquisition by NBIM Iberian of a 49% stake in onshore wind and photovoltaic solar projects in Spain and Portugal, while Iberdrola will have a majority percentage of 51%. The total portfolio of projects amounts, in its first phase, to 673.6 MW under development (40% wind and the remaining 60% photovoltaic solar), with the possibility of including, in later phases, additional projects reaching 1,316 MW if these are executed. The valuation of 100% of this portfolio of renewable projects amounts to around EUR 627 million. The completion of the transaction is conditional on NBIM Iberian obtaining the necessary authorisations for foreign direct investment.
- On 9 January 2024, Iberdrola issued hybrid bonds amounting to EUR 700 million. The bond is perpetual, but has a repurchase option within 7 years, with a coupon of 4.871%. This transaction will be used to refinance the EUR 700 million issued in 2018, the repurchase of which will take place soon, thus keeping the volume of the company's hybrids stable at EUR 8,250 million. The funds obtained will therefore be used to refinance the same renewable assets that were financed through the transaction carried out in 2018.



# Operational performance over the period

## 1. Networks Business: distributed energy and supply points

The Group's asset base was EUR 42,210 million at the end of 2023, up 8% on the end of 2022 at a constant exchange rate:

Asset base (local currency)		Dec. 2023	Dec. 2022
Spain	(EUR billion)	9.4	9.4
United Kingdom	(GBP billion)	9.0	8.2
United States	(USD billion)	14.0	12.8
Brazil	(BRL billion)	51.6	43.9

At the end of December 2023, the Group's distributed electricity was 233,704 GWh, decreasing 0.8% with regard to the same period in the previous year:

### Energy Distributed

ELECTRICITY (GWh)	2023	2022	vs 2022
Spain	87,866	89,789	-2.1%
United Kingdom	30,321	31,043	-2.3%
United States	37,174	38,769	-4.1%
Brazil*	78,343	76,107	2.9%
<b>Total</b>	<b>233,704</b>	<b>235,695</b>	<b>-0.8%</b>
GAS (GWh)			
United States	59,901	64,892	-7.7%
<b>Total</b>	<b>59,901</b>	<b>64,892</b>	<b>-7.7%</b>

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

### Managed supply points

ELECTRICITY (millions)	2023	2022	vs 2022
Spain	11.44	11.36	0.7%
United Kingdom	3.56	3.56	0.1%
United States	2.32	2.31	0.4%
Brazil	16.35	16.04	2.0%
<b>Total electricity</b>	<b>33.67</b>	<b>33.26</b>	<b>1.2%</b>
GAS (millions)			
United States	1.04	1.03	0.4%
<b>Total gas</b>	<b>1.04</b>	<b>1.03</b>	<b>0.4%</b>
<b>TOTAL SUPPLY POINTS</b>	<b>34.71</b>	<b>34.30</b>	<b>1.2%</b>

#### 1.1. Spain – i-DE

At the end of 2023, the Networks business in Spain had 11.4 million supply points (+0.7% vs the end of the fourth quarter of 2022), while distributed energy totalled 87,866 GWh, down 2.1% on the same period in the previous year.

The company remains committed to quality, maintaining low SAIDI (System Average Interruption Duration Index) and SAIFI (System Average Interruption Frequency Index) levels, outperforming regulatory thresholds and the figures from the previous year:

i-DE	12M 2023	12M 2022
Regulatory SAIDI (min.)	<36	<38
Regulatory SAIFI (no. inter.)	<0.7	<0.9

#### 1.2. United Kingdom – SP Energy Networks

At the end of 2023, SP Energy Networks had 3.6 million supply points (in line with 2022), while its distributed energy was 30,321 GWh, down 2.3% on the previous year. By distributor, the figures are as follows:

## Operational performance over the period

Energy distributed (GWh)	2023	2022	%
ScottishPower Distribution (SPD)	16,596	16,905	-1.8%
ScottishPower Manweb (SPM)	13,725	14,137	-2.9%

Service quality indicators remain below regulatory limits. Customer Minutes Lost (CML) was as follows:

CML (min.)	2023	2022
ScottishPower Distribution (SPD)	26.0	25.2
ScottishPower Manweb (SPM)	35.7	29.0

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

CI (n°. of interruptions)	2023	2022
ScottishPower Distribution (SPD)	33.0	36.1
ScottishPower Manweb (SPM)	33.8	28.2

### 1.3 United States – Avangrid

Before detailing the Avangrid's operational performance, it is worth noting that the company has continued with negotiations for the new regulatory frameworks (rate cases). More information on this is provided in the "Regulations" section. The states of Maine, New York and Connecticut have approved regulatory frameworks for the coming years.

#### 1.3.1 Electricidad

At the close of 2023, Avangrid Networks had more than 2 million supply points (+0.4% vs close 2022). Distributed electricity for the year totalled 37,174 GWh, down 4.1% on the previous year:

Energy distributed (GWh)	2023	2022	%
Central Maine Power (CMP)	9,314	9,819	-5.1%
NY State Electric & Gas (NYSEG)	15,734	16,403	-4.1%
Rochester Gas & Electric (RGE)	7,184	7,417	-3.1%
United Illuminating Company (UI)	4,943	5,129	-3.6%

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

CAIDI (hrs)	2023	2022
Central Maine Power (CMP)	1.74	1.68
NY State Electric & Gas (NYSEG)	1.96	1.88
Rochester Gas & Electric (RGE)	1.70	1.64

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

SAIDI (min.)	2023	2022
United Illuminating Company (UI)	42.80	38.66

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

## | Operational performance over the period

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

SAIFI	2023	2022
Central Maine Power (CMP)	1.82	1.71
NY State Electric & Gas (NYSEG)	1.29	1.45
Rochester Gas & Electric (RGE)	0.71	0.83
United Illuminating Company (UI)	0.58	0.44

### 1.3.2 Gas

At the end of 2023, Avangrid had distributed gas to more than 1 million supply points and distributed 59,901 GWh of gas, which is 7.7% lower than the same period in the previous year.

Energy distributed (GWh)	2023	2022	%
NY State Electric & Gas (NYSEG)	14,927	16,288	-9.2%
Rochester Gas & Electric (RGE)	15,733	17,257	-9.3%
Maine Natural Gas (MNG)	5,570	5,863	-17.9%
Berkshire Gas (BGC)	2,858	3,023	-6.3%
Connecticut Natural Gas (CNG)	10,499	11,282	-8.7%
Southern Connecticut Gas (SCG)	10,314	11,177	-9.4%

## 1.4. Brazil – Neoenergia

At the end of 2023, Neoenergia had more than 16 million (+2.0% vs 2022) supply points. The volume of Distributed energy for the year was 78,343 GWh, up 2.9% on the previous year:

Energy distributed (GWh)	2023	2022	%
Neoenergia Coelba	26,526	25,080	5.8%
Neoenergia Elektro	20,280	20,032	1.2%
Neoenergia Pernambuco	17,403	17,135	1.6%
Neoenergia Brasília	7,664	7,494	2.3%
Neoenergia Cosern	6,468	6,366	1.6%

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

DEC (hrs)	2023	2022
Neoenergia Coelba	10.74	11.41
Neoenergia Elektro	7.33	6.97
Neoenergia Pernambuco	11.31	11.75
Neoenergia Brasília	7.01	6.64
Neoenergia Cosern	7.62	7.94

Variations may occur after regulatory reviews

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

FEC	2023	2022
Neoenergia Coelba	4.98	4.99
Neoenergia Elektro	3.73	3.84
Neoenergia Pernambuco	5.16	4.77
Neoenergia Brasília	4.74	5.72
Neoenergia Cosern	3.23	3.05

## 2. Electricity production and customers

At the end of 2023, Iberdrola's **installed capacity** was up by 3.5% compared to the end of the same period in 2022 and totalled 62,883 MW, with emission-free sources accounting for 72.1% (45,364MW) of the total capacity, compared to 71.2% at the end of December 2022:

MW	2023	vs. 2022
<b>Capacity for own use <sup>(1)</sup></b>	<b>55,737</b>	<b>4.0%</b>
Renewables <sup>(1)</sup>	42,072	5.3%
Onshore wind	20,780	3.3%
Offshore wind	1,793	42.5%
Hydroelectricity	13,103	-5.4%
Mini-hydro	244	-4.3%
Solar	5,953	39.6%
Batteries	198	-
Nuclear	3,177	-
Gas combined cycle	9,291	-
Cogeneration	1,185	-
<b>Capacity for third parties</b>	<b>7,146</b>	<b>-</b>
Renewables	103	-
Onshore wind	103	-
Gas combined cycle	7,043	-
<b>Total (*)</b>	<b>62,883</b>	<b>3.5%</b>

Discrepancies possible due to rounding.

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

**Note:** Total capacity additions: 3,250 MW. Figures reported in the brochure net of operations during the period.

**Net electricity production** in 2023 totalled 168,599 GWh, up 3.0% from the figure recorded in the same period of 2022, with 61.3% of this total being emission-free (103,333 GWh) compared to 60.5% the year before:

GWh	2023	vs. 2022
<b>Own production <sup>(2)</sup></b>	<b>128,668</b>	<b>2.0%</b>
Renewables <sup>(2)</sup>	79,339	6.3%
Onshore wind	44,091	-2.6%
Offshore wind	5,073	12.8%
Hydroelectricity	24,055	17.3%
Mini-hydro	402	-4.1%
Solar	5,639	46.8%
Nuclear	23,784	-2.5%
Gas combined cycle	19,440	-8.7%
Cogeneration	6,105	4.8%
<b>Production for third parties</b>	<b>39,931</b>	<b>6.5%</b>
Renewables	210	-5.4%
Onshore wind	210	-5.4%
Gas combined cycle	39,721	6.6%
<b>Total (*)</b>	<b>168,599</b>	<b>3.0%</b>

Discrepancies possible due to rounding.

(2) Includes 20 GWh and 19 GWh of fuel cell production in Q4 2023 and Q4 2022, respectively, totalling 78 GWh and 74 GWh in 2023 and 2022, respectively.

As of 31 December 2023, Iberdrola had 30.4 million contracts, 1.55% more than at the end of December 2022, broken down as follows:

Millions of Contracts	United Kingdom			Total	Vs. 9M 2022
	Spain <sup>(1)</sup>	Brazil	Kingdom		
Electricity contracts	10.5	2.7		13.2	-4,0%
Gas contracts	1.3	1.8		3.1	-6,4%
Smart Solutions	10.7	2.8 <sup>(2)</sup>	0.7	14.1 <sup>(2)</sup>	9,5%
<b>Total</b>	<b>22.4</b>	<b>7.3</b>	<b>0.7</b>	<b>30.4</b>	<b>1,55%</b>

Discrepancies possible due to rounding.

(1) As of 1 January 2022, the old supply contracts of the Rest of the World are included in the supply in Spain

(2) Includes 2.5 million smart meters installed

## | Operational performance over the period

### 2.1 Spain

#### Renewable capacity and production

At the end of 2023, Iberdrola had installed **renewable capacity** in Spain totalling 21,589 MW (+9.1% compared to the same period last year), broken down as follows:

SPAIN	Installed MW Consolidated at EBITDA level	MW managed by investee companies <sup>(1)</sup>	Total
Onshore wind	6,351	199	6,550
Solar PV	3,951	-	3,951
Hydroelectric <sup>(2)</sup>	10,826	-	10,826
Mini-hydroelectric	244	-	244
Batteries	19	-	19
<b>Total capacity</b>	<b>21,391</b>	<b>199</b>	<b>21,589</b>

Discrepancies possible due to rounding.

(1) Includes the proportional MW share

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

**Photovoltaic solar** power is up 51% from 2022, totalling 3,951 MW.

In the last quarter of 2023, the Villarino photovoltaic plant in Salamanca (50 MW), and the four plants, Tagus I to IV in Cáceres (200 MW), were commissioned. Additionally, progress has been made with the commissioning procedures in Peñarubia (50 MW) in Murcia, Cespedera (27 MW) in Cadiz, Cedillo (375 MW) in Cáceres and the hybrid plants Ballestas (41 MW) and Castona (33 MW), in Burgos.

Construction continues for transmission at the plants Virgen de Arenos III (50 MW) in Palencia, Fuentes (50 MW), Manantiales I (30 MW) and Valbuena (50 MW) in Guadalajara and the Guillena complex (144 MW) in Sevilla and the Salinas complex (148 MW) in Cuenca, where the mechanical installation of all three of the plants forming the complex has been completed.

The mechanical installation of Phase III of Francisco Pizarro (36 MW) in Cáceres has also been completed and work on the Velilla project (350 MW) in Palencia is progressing. Works continue on the Balsicas plant (100 MW) in Murcia.

In addition, work continues at the Caparacena plant (330 MW) in Granada and the Tagus plant (380 MW) in Cáceres. Fuendetodos (125 MW) in Zaragoza has begun clearing and earth-moving works.

In **onshore wind**, capacity is up 5% from 2022, totalling 6,550 MW. In the quarter, progress was made in the construction of the shared transmission infrastructures at the Buniel (104 MW) and Valdemoro (50 MW) farms in Burgos.

In **hydroelectric**, once Group I at the Valparaiso hydroelectric plant (30 MW) in Zamora has been refurbished, refurbishing works will continue for Group 2 (30 MW). This will allow renewable energy storage capacity to increase to 800 MWh (18 hours).

In Portugal, the Tãmega **hydroelectric** complex (1,158 MW) is progressing as planned, with the completion of construction works and the filling of the Alto Tãmega reservoir (160 MW), commissioning is scheduled for the first quarter of 2024.

**Renewable production** totalled 29,462 GWh (+23.7%), broken down as follows:

SPAIN	GWh Consolidated at EBITDA level	GWh managed by investee companies <sup>(1)</sup>	Total
Onshore wind	10,341	385	10,726
Solar PV	2,873	-	2,873
Hydroelectric	15,460	-	15,460
Mini-hydroelectric	402	-	402
<b>Total production</b>	<b>29,076</b>	<b>385</b>	<b>29,461</b>

Discrepancies possible due to rounding.

(1) Includes the proportional GWh share

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

- **Onshore wind production** totalled 10,341 GWh, down -8.1% due to lower wind resource.
- **Hydroelectric production** totalled 15,460 GWh, up +62.5% due to increased water resource, better utilisation of pumps and the contribution from the new Gouvães and Daivões plants.

## | Operational performance over the period

- **Solar photovoltaic production** totalled 2,873 GWh, up +33.6% due to the commissioning of new capacity.

### Thermal capacity and production.

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

	MW Consolidated installed	MW Investee companies <sup>(1)</sup>	Total
Nuclear	3,177	-	3,177
Gas combined cycle	5,695	-	5,695
Cogeneration	296	51	347
<b>Total capacity</b>	<b>9,167</b>	<b>51</b>	<b>9,218</b>

Discrepancies possible due to rounding.

(1) Includes the proportional MW share

Iberdrola's **thermal production** for the period totalled 31,801 GWh, decreased -4.7% compared to the end of the 2022; marked by the decrease in the nuclear contribution (-2.5%) and a decrease in the production of the combined cycles (-8.9%) and cogeneration (-17.8%).

	GWh Consolidated at EBITDA level	GWh Investee companies <sup>(1)</sup>	Total
Nuclear	23,784	-	23,784
Gas combined cycle	6,452	-	6,452
Cogeneration	1,325	240	1,565
<b>Total production</b>	<b>31,561</b>	<b>240</b>	<b>31,801</b>

Discrepancies possible due to rounding.

(1) Includes the proportional GWh share

### Retail supply

As regards retail, at 31 December 2023 the portfolio managed by Iberdrola on the Spain<sup>(1)</sup> totalled 22.4 million contracts. The breakdown is as follows:

Thousands of contracts	Spain <sup>(1)</sup>
Electricity contracts	10,473
Gas contracts	1,260
Smart Solutions contracts	10,663
<b>Total</b>	<b>22,395</b>

By market type, they break down as follows:

Thousands of contracts	Spain <sup>(1)</sup>	%
Liberalised market	18,800	84%
Last resort	3,595	16%
<b>Total</b>	<b>22,395</b>	<b>100%</b>

Iberdrola's electricity revenue<sup>(1)</sup> in 2023 decreased slightly by 0.3%, largely as a result of lower spot sales and forward-market sales, broken down as follows:

	Spain <sup>(1) (2)</sup>	vs 12M 2022
Liberalised market	65,183	7.0%
Voluntary price for the small consumer (PVPC) market	6,535	-4.9%
Other markets	14,599	-25.4%
<b>Total sales</b>	<b>86,318</b>	<b>0.3%</b>

Discrepancies possible due to rounding

With regard to gas<sup>(1)</sup>, throughout the twelve months of 2023 Iberdrola managed a total gas production of 2.63 bcm, of which 0.53 bcm were sold in wholesale transactions, 0.87 bcm were sold to end customers and 1.23 bcm went towards electricity production.

- (1) Electricity sales at busbar cost. Gas sales do not include shrinkage
- (2) As of 1 January 2022, the supply contracts of the Rest of the World are included in the supply in Spain



## 2.2. United Kingdom

### Renewable capacity and production

At the end of the year, Iberdrola had installed renewable capacity in the United Kingdom of 3,002 MW (-0.6%).

	Installed MW Consolidated at EBITDA level	MW managed by investee companies <sup>(1)</sup>	Total
Onshore wind	1,956	15	1,971
Offshore wind	908		908
Solar PV	19		19
Batteries	104		104
<b>Total capacity</b>	<b>2,975</b>	<b>15</b>	<b>3,002</b>

Discrepancies possible due to rounding.

(1) Includes the proportional MW share

In **solar photovoltaic**, work has recommenced on the Coldham plant (9 MW) in England, where commissioning is expected to conclude in early 2024.

In **onshore wind** and **solar photovoltaic**, work continued on projects awarded Contracts for Difference (CfD) in the fourth round of auctions held in 2022. The first two wind projects in construction are the Cumberhead West (113 MW) and Hagshaw Hill Repowering (80 MW) projects, both in the South Lanarkshire region in Scotland. Decommissioning of the Hagshaw Hill wind farm (16 MW) has now finished to make way for repowering works.

The renewable business in the United Kingdom is currently developing **offshore wind** projects in the country, with our English projects in the **East Anglia** area and sites secured in Scotland.

After having won a contract for difference in the fourth round of auctions in the United Kingdom, **East Anglia 3** began construction and closed key contracts (foundations, export transmission cable, supply and installation of wind turbines) with detailed engineering and design work as planned. HVDC (installation and manufacturing) works continued throughout the latter months of 2023 and are progressing well. Providers have commenced

construction work on the foundations and this will continue into 2024.

Good progress is being made in the key engineering and design work for the **East Anglia 1 North and East Anglia 2** offshore wind farms. The projects were not presented in the UK CFD Auction Round 5, but preparations are being made to take part in the UK CFD Auction Round 6.

Following the success at ScotWind's 2022 seabed lease auction, our three offshore wind projects are progressing well (total capacity of 7 GW). These involve two large scale floating projects shared with Shell (3 GW **MarramWind** and 2 GW **Cam-pionWind**) and a fixed foundation project (2 GW **MachairWind**). Actions to obtain the planning consents for these projects are already under way, with metocean studies and the installation of floating LiDAR buoys and preliminary geophysical studies commencing in the vicinity of **MachairWind**, and preliminary geophysical and geotechnical studies commencing at **MarramWind**.

**Renewable production** in the United Kingdom totalled 7,459 GWh (4.7% vs 2022), broken down as follows:

	GWh Consolidated at EBITDA level	GWh managed by investee companies <sup>(1)</sup>	Total
Onshore wind	3,599	10	3,609
Offshore wind	3,844		3,844
Solar and batteries	5		5
<b>Total production</b>	<b>7,448</b>	<b>10</b>	<b>7,459</b>

Discrepancies possible due to rounding.

(1) Includes the proportional GWh share

Consolidated production changes at EBITDA level were as follows:

- Onshore wind production totalled 3,599 GWh, down 18.5% compared to the previous year, mainly due to lower wind resource and curtailments.
- Offshore wind production increased by 13.3% to 3,844 GWh thanks to the higher offshore winds, predominantly on the east coast.

## Retail supply

As at 31 December 2023, the contract portfolio managed in the United Kingdom totalled 7.3 million, down 1.6% compared to 2022, with the deployment of smart meters under way with a total of 2.5 million installed. The contract breakdown is as follows:

	Thousands of contracts
Electricity contracts	2,680
Gas contracts	1,829
Smart Solutions contracts	274
Smart meters	2,484
<b>Total</b>	<b>7,266</b>

Discrepancies possible due to rounding.

As regards sales<sup>(1)</sup>, at the end of December 2023 14,727 GWh of electricity and 18,345 GWh of gas were supplied to customers, down 13.8% and 13.1% respectively on 2022 due to lower average demand (customer behaviour and mild weather), lower customers, and the discontinuation of the I&C (Industrial & Commercial) business.

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

## 2.3. United States – Avangrid

### Renewable capacity and production

At the end of the fourth quarter of 2023, Iberdrola had installed **renewable capacity** in the United States of 8,833 MW (+2% on FY 2022), broken down as follows:

	Installed MW Consolidated at EBITDA level	MW managed by investee companies <sup>(1)</sup>	Total
Onshore wind	7,808	236	8,045
Offshore wind	-	39	39
Hydroelectric	118		118
Solar PV	606	12	618
<b>Total capacity</b>	<b>8,545<sup>(2)</sup></b>	<b>287</b>	<b>8,833<sup>(2)</sup></b>

Discrepancies possible due to rounding.

(1) Includes the proportional MW share

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

In **onshore wind**, the Midland wind farm (105.5 MW) in Illinois achieved COD on December 21, 2023.

In **photovoltaic solar**, construction work at the True North photovoltaic plant (321 MW) in the state of Texas continues: module installation progressed, steel structures continued to be installed, receipt of remaining photovoltaic modules continued and, meanwhile, substation work continued. In Oregon, implementation of the Bakeoven (80 MW) and Daybreak (189 MW) projects continued, the installation of photovoltaic panels continued, and the modules continued to be received at the site. Lastly, in Ohio, construction has commenced at the Powell Creek photovoltaic project (202 MW): access road has been completed and inverter piles continued to be installed.

In **offshore wind**, the construction of Vineyard Wind 1 off the coast of Massachusetts achieved first power on December 31, 2023. The recurrent power flow began on January 2nd, 2024. All common facilities have been energized and are operational. As of December 31, 2023, six turbines have been installed with the seventh turbine installed in early January 2024. The installation of the interconnection cables has been completed and the laying of the foundations and commissioning of the onshore and offshore substations are progressing well.

## | Operational performance over the period

Despite having cancelled the PPAs for Park City Wind and Commonwealth Wind, good progress continues to be made in obtaining permits for both those facilities and for the Kitty Hawk Wind project, awaiting ROD (Record of Decision) in 2024 and 2025.

**Renewable production** in the United States totalled 20,176 GWh (-0.5% on the same period in 2022), broken down as follows:

	GWh Consolidated at EBITDA level	GWh managed by investee companies <sup>(1)</sup>	Total
Onshore wind	18,523	497	19,020
Offshore wind	-	-	-
Hydroelectric	245		245
Solar PV	807	26	833
<b>Total production</b>	<b>19,653<sup>(2)</sup></b>	<b>523</b>	<b>20,176<sup>(2)</sup></b>

Discrepancies possible due to rounding.

(1) Includes the proportional GWh share

(2) Includes 78 GWh of production from fuel cells

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

- **Onshore wind production** totalled 18,523 GWh, slightly lower to that recorded at the end of December last year (-2.7%).
- **Photovoltaic solar production** totalled 807 GWh (+180.3% over the prior year) due to greater solar resource and the operation of new projects (Lundhill and Montague Solar).
- **Hydroelectric production** increased by 30.6% to 245 GWh, up from 188 GWh at the end of December last year.

## 2.4. Mexico

### Renewable capacity and production

At the end of 2023, Iberdrola had an installed **renewable capacity** in Mexico of 1,335 MW, broken down as follows:

	Installed MW Consolidated at EBITDA level	MW managed by investee companies <sup>(1)</sup>	Total
Onshore wind	693	-	693
For own use	590	-	590
For third parties	103	-	103
Solar PV	642	-	642
<b>Total capacity</b>	<b>1,335</b>	<b>-</b>	<b>1,335</b>

Discrepancies possible due to rounding.

(1) Includes the proportional MW share

**Renewable production** generated in the year totalled 2,843 GWh (-8.9% on the same period in 2022), broken down as follows:

	GWh Consolidated at EBITDA level	GWh managed by investee companies <sup>(1)</sup>	Total
Onshore wind	1,604	-	1,604
For own use	1,394	-	1,394
For third parties	210	-	210
Solar PV	1,239	-	1,239
<b>Total production</b>	<b>2,843</b>	<b>-</b>	<b>2,843</b>

Discrepancies possible due to rounding.

(1) Includes the proportional GWh share

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

- Onshore wind production reached 1,604 GWh, down -14.8% mainly due to the disconnection of the Santiago wind farm from 31 October 2022 to 30 August 2023 and also to less wind resource.
- PV solar energy production totalled 1,239 GWh, increasing up to 0.16% due to the higher load factor.

## | Operational performance over the period

### Thermal capacity and production

In Mexico, installed thermal capacity at the end of 2023 totalled 9,862 MW. **Thermal production** during the first nine months of 2023 totalled 39,899 GWh, -0.4% vs the same period last year:

	MW	GWh
Gas combined cycle	9,660	52,557
For own use	2,617	12,836
For third parties	7,043	39,721
Cogeneration	202	1,397
<b>Total</b>	<b>9,862</b>	<b>53,954</b>

Discrepancies possible due to rounding

### Retail supply

Electricity sales as of 31 December 2023 amounted to 56,825 GWh (+1.7% vs. the same period of 2022), broken down as follows:

	2023	2022
CFE	39,963	37,468
Private	16,862	18,405
<b>Total Sales</b>	<b>56,825</b>	<b>55,873</b>

Discrepancies possible due to rounding

## 2.5. Brazil – Neoenergia

### Renewable capacity and production

At the end of 2023, installed **renewable capacity** in Brazil totalled 3,862 MW (down 15.5% vs 2022), broken down as follows:

	Installed MW		Total
	Consolidated at EBITDA level	MW managed by investee companies <sup>(1)</sup>	
Onshore wind	1,554	-	1,554
Hydroelectric	1,036	1,123	2,159
Solar PV	149	-	149
<b>Total capacity</b>	<b>2,739</b>	<b>1,123</b>	<b>3,862</b>

Discrepancies possible due to rounding.

(1) Includes the proportional MW share

In **onshore wind and solar**, we completed the investment cycle with the commissioning of the Neoenergia Renewable Complex in the state of Paraíba, its first hybrid generation plant in Brazil, which combines the Chafariz wind farm with the Luzia solar farm, resulting in more than 570 MW of capacity, optimising the use of transmission networks and increasing the profitability of the projects. We also finished the Oitis Wind Complex, between Bahia and the state of Piauí, which added another 566 MW to our renewable capacity.

In **hydroelectric**, an agreement was reached in 2022 for an asset swap during 2023, where Neoenergia increased its stake in the Dardanelos plant to 100%, leaving its stake in the Baguarí and Teles Pires plants and thus optimising its generation portfolio through this technology. In September, all conditions were met to complete the first step of the asset swap agreement whereby Eletrobras acquires 51% of the Teles Pires hydroelectric plant and Neoenergia acquires 49% of the Dardanelos hydroelectric plant, thus allowing Neoenergia to assume 100% ownership. The second and final step of the agreement was completed in October, whereby Eletrobras took a 51% stake in the Baguarí hydroelectric plant.

In 2023, **renewable production** reached 13,568 GWh (down 7.9% compared to the previous year), due to the asset swap agreement with Eletrobras and the lower resource, as broken down below:

	GWh Consolidated at EBITDA level	GWh managed by investee companies <sup>(1)</sup>	Total
Onshore wind	4,976	-	4,976
Hydroelectric	2,700	5,650	8,350
Solar PV	243	-	243
<b>Total production</b>	<b>7,919</b>	<b>5,650</b>	<b>13,568</b>

Discrepancies possible due to rounding.

(1) Includes the proportional GWh share

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

- **Onshore wind production** totalled 4,976 GWh, an increase of 29.5% thanks to the contribution from new wind complexes.

## | Operational performance over the period

- **Hydroelectric production** totalled 2,700 GWh.
- **Photovoltaic solar production** reached 243 GWh, increases 166.5% thanks to the contributions from the new plants in the Luzia Solar Complex.

### Thermal capacity and production

In Brazil, thermal capacity through to December 2023 remained at 533 MW.

### Retail supply

Electricity sales in 2023 totalled 16,608 GWh (+2.4% vs. 2022), broken down as follows:

	GWh 2023	GWh 2022
PPA	11,128	10,381
Liberalised market	5,481	5,836
<b>Total sales</b>	<b>16,608</b>	<b>16,217</b>

Discrepancies possible due to rounding.

## 2.6. Rest of the World

### Renewable capacity and production

Installed **renewables capacity** in the rest of the world totalled 3,566 MW, up 34.2% on the same period last year, broken down as follows:

Rest of the World	MW
Onshore wind	2,072
Offshore wind	846
Solar	573
Batteries	75
<b>TOTAL</b>	<b>3,566</b>

Discrepancies possible due to rounding.

In terms of **photovoltaic solar technology**, in Italy, in the Lazio region, the construction of the Montefiascone photovoltaic plant (7 MW) continues. Photovoltaic modules have been installed and commissioning is progressing. In the same region, work has begun on the Tarquinia project (33 MW). In Portugal, in Paderne, after the completion of the medium voltage works and the plant substation for the Montechoro 1 and 2 projects (37 MW) last quarter, mechanical installation was completed with the installation of all the photovoltaic modules and preparations are underway for the commissioning

of the projects at the beginning of the year. Also in Portugal, in the Lisbon district, the photovoltaic modules for the Carregado project (64 MW) have been installed.

In terms of **onshore wind**, in Australia, the wind turbines at the Flyers Creek wind farm (146 MW) are still being installed, while commissioning activities are progressing.

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

- In **Germany**, for the **Baltic Eagle project (476 MW)**, the installation and undergrounding of the interconnection cables was completed; testing and completion of the cabling will be carried out in the next quarter. In addition, good progress is being made in the manufacturing of the wind turbine nacelles, towers and blades. In the meantime, work continues on the **Windanker project (315 MW)**.
- In **France**, as part of the **Saint Brieu project (496 MW)**, 62 wind turbines have been installed, and they are now being commissioned. This will take place in the first half of 2024. The first part of the PPA with EDF came into force in November 2023.

**Installed capacity** breaks down as follows by country:

	Onshore wind	Photovoltaic solar	Batteries	Offshore wind	MW
Germany				350	350
Australia	976	352	75		1,403
Greece	415	6			421
Hungary	158				158
France	118			496	614
Portugal	92	185			277
Poland	213				213
Romania	80				80
Cyprus	20				20
Italy		30			30
<b>Total</b>	<b>2,072</b>	<b>573</b>	<b>75</b>	<b>846</b>	<b>3,566</b>

Discrepancies possible due to rounding.

**Renewable production** in 2023 totalled 6,041 GWh, up 19.6% compared to the same period last year, broken down by technology and country as follows:

	Onshore wind	Photovoltaic solar	Offshore wind	MW
Germany			1,115	1,115
Australia	2,071	297		2,368
Greece	890	7		897
Hungary	292			292
France	251		114	365
Portugal	210	108		318
Poland	455			455
Romania	173			173
Cyprus	25			25
Italy		33		33
<b>Total</b>	<b>4,366</b>	<b>446</b>	<b>1,229</b>	<b>6,041</b>

Discrepancies possible due to rounding.

For technologies, onshore wind production increased in the period by 11.6% compared to the same period in 2022, primarily thanks to new capacity additions, above all the Port Augusta complex in Australia, Askios II and III in Greece and Korytnica II in Poland. Offshore wind production (France and Germany) is up by 12.0%, totalling 1,237 GWh. This is due to the addition of new capacity at the Saint Briec farm in France. Production using photovoltaic solar stood at 446 GWh in the period compared to 38 GWh in the same period of 2022.

## 3. Other aspects

### 3.1 Shareholder remuneration

In this regard, at the end of January 2024, paid a retribution Iberdrola paid a retribution for the 2023 financial year, amounting to **EUR 0.202 gross per share (+12.2% vs previous period)**. The support that Iberdrola shareholders continue to show to the Group's management is noteworthy, since almost 70% of them chose to receive the dividend in shares.

In light of the results posted, at the next General Shareholders' Meeting, Iberdrola will propose an increase of 10,8% in the dividend charged to 2023, which implies supplementary remuneration of +10,8%, which results on **EUR 0.348 gross per share**, which will result in a total shareholder remuneration, amounting to **EUR 0.55 gross per share**, against 2022 earnings, provided it is approved by the General Shareholders' Meeting.



# Analysis of the consolidated profit and loss account

## | Analysis of the consolidated profit and loss account

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

The most notable figures for 2023 are as follows:

EUR million	2023	2022	vs. 2022
NET REVENUE	49,334.9	53,949.4	-8.6%
GROSS MARGIN	23,301.5	20,199.4	+15.4%
EBITDA	14,417.4	13,228.1	+9.0%
EBIT	8,973.1	7,983.9	+12.4%
NET PROFIT	4,802.8	4,338.6	+10.7%

In 2023, EBITDA increased by 9.0% to EUR 14,417.4 million compared to the same period in 2022, driven by production returning to normal levels and operational efficiency, and including EUR 117 million under efficiency plans in Spain in the fourth quarter of the year. Net Profit increased by 10.7% totalling EUR 4,802.8 million, due to the same effect (EUR 90 million after taxes), and a non-recurring impact expected to be recovered in 2024 (EUR 51 million after tax).

## 1. Gross margin

Gross margin grew by 15.4% totalling EUR 23,301.5 million, thanks to higher production and lower procurement costs, with growth standing at 16.6% (excluding the exchange rate effect). This performance is a result of the following:

- The gross margin in the **Networks** business increased by 0.7% compared to 2022 to reach EUR 9,976.2 million:
    - In Spain, gross margin increased by 1.3% totalling EUR 1,933.0 million, mainly due to the larger asset base, and due to incentive adjustments, which offset the lower remuneration of COMGES due to the change of criteria in application of IFRS 15.
  - The United Kingdom's contribution in the period stood at EUR 1,658.1 million, up by +17.2% (+19.6% in local currency), thanks to a greater contribution from the distribution and transmission businesses as a result of the new ED2 regulatory framework and the larger asset base.
  - The contribution of the United States decreased in the period by 4.8% (-2.3% in local currency) to EUR 3,749.0 million, negatively affected by the positive extraordinary effect in 2022 as a result of the new wording on the recognition of regulatory assets in consolidated results, which reduces the differences between IFRS vs US GAAP (EUR +508 million), partially offset by the reconciliation of storm costs in 2023 (EUR +150 million), the positive impact of the entry into force of the New York rate case in October, but only applied retroactively since May (EUR +142 million) and the recognition of other reconcilable costs, for example "arrearages" to collect amounts not paid by certain customers as a result of not being able to cut supply due to measures imposed during the COVID pandemic.
  - Brazil's gross margin fell by 0.3% (-0.9% in local currency) standing at EUR 2,637.2 million due to a lower contribution from the transmission business due to the deconsolidation of transportation assets sold to GIC and a non-recurring impact caused by deviations on transmission recognised in this quarter (EUR 306 million), effects that have been partially offset by the increased contribution of the distribution business (EUR 217 million), mainly due to rate readjustments.
- Gross margin in the **electricity production and customers** business grew by 30.4% to total EUR 13,455.8 million:
    - Spain's contribution to gross margin grew by +31.3% compared to the same period last year to total EUR 7,010.0 million. This was thanks to production returning to normal levels, mainly hydroelectric (+6 TWh), which more than offsets lower wind production (-1 TWh), and more sales in the commercial business due to in-



creased market share in the liberalised market (27.3% in 2023 vs 25.5% in 2022). Additionally in the procurements section, energy purchases have been made at a lower price, what is to say, more sales at a lower cost of purchases.

- Gross margin in the United Kingdom increased by 89.8% to EUR 3,104.4 (+93.7% in local currency), thanks to recovery of the deficit generated (EUR +400 million) in the past by the regulated standard variable tariff (SVT), which had a negative impact in the last quarter of 2022, normalisation of margins in the supply business, and higher offshore wind production, which more than offsets the lower load factor in onshore wind.
- The US' contribution remained the same as in the previous year and stood at EUR 1,119.1 million (+2.5% in local currency), with a lower load factor in onshore wind production and an increase in commissioned photovoltaic solar capacity.
- Gross margin in Mexico fell by 2.3% to EUR 1,131.3 million (+0.3% in local currency), with various changes depending on activity. While the assets included in the sale agreement with MIP decreased their contribution to Gross Margin by 14.9% due to their lower availability, the assets retained by Iberdrola contributed 19.7% more than in 2022, as the higher results of the thermal assets more than offset the lower contribution of the renewable business.
- Brazil's contribution fell by 4.9%, to EUR 442.7 million (-5.5% in local currency), as the extraordinary results of the Termopernambuco thermal power plant in 2022 were not offset by the increased contribution of the renewable business, a consequence of commissioning new capacity (part of the Oitis wind complex (567 MW) and the Luzia solar plant (149 MW) and a larger contribution by Dardanelles in 2023 compared to Baguari in 2022, following the asset swap with Eletrobras.

- The contribution to the business' gross margin in the rest of the world increased by 7.1% to total EUR 644.9 million, mainly due to the gradual commissioning of the Saint Brieuc offshore wind farm in France and the higher average operating capacity in Poland and Greece.

## 2. Gross operating result – EBITDA

Consolidated EBITDA in the quarter grew by 9.0% compared to 2022, totalling EUR 14,417.4 million.

In addition to the developments in gross margin explained above, net operating expenses stood at EUR 6,136.3 million (+17.8%), mainly as a result of the efficiency plan in Spain (EUR 117 million), due to the excess provision for pensions recorded in 2022 in the US (EUR 84 million) and due to higher reconcilable expenses in gross margin in the US (EUR 145 million). Taxes stood at EUR 2,747.9 million in 2023, 55.9% higher than in 2022, mainly due to the higher taxes paid in Spain, which increased by 99.1%, representing 62% of the Group's total taxes and totalling EUR 1,702.7 million, broken down as follows:

	EUR million.
Mechanism for reducing the remuneration of gas prices	225
1.2% tax on sales	213
Hydroelectric levy	191
Social Bonus	274
Nuclear levy (Enresa)	203
Ecotaxes	143
Tax on spent nuclear fuel	120
Public price	183
Other <sup>1</sup>	151

1. Property tax etc.

It is worth noting that Taxes paid in Spain are higher than the net operating expenses (NOE) in the country, resulting in a Taxes/NOE ratio of 123%, while in the rest of the Group's countries this ratio is 22% on average.

### 3. Net operating result – EBIT

EBIT increased by 12.4% compared to 2022 to total EUR 8,973.1 million. Amortisation, depreciation and provisions rose by 3.8% to total EUR 5,444.3 million, broken down as follows:

- Amortisation and depreciation remained practically unchanged, increasing by 0.5% to total EUR 4,703.4 million (+1.6% in local currency), mainly due to the Group's growth, the larger asset base in Networks and growth in Renewables. This has been offset by the deconsolidation of Mexico.
- Provisions increased by 31.2% and stood at EUR 740.9 million due to the higher default provisions as a result of the higher bill amount and an extraordinary event in the United Kingdom in the fourth quarter (EUR -68 million), which is expected to be recovered in 2024.

### 4. Net financial income

Financial income varied by EUR -349 million compared to EUR 1,838 million from last quarter of 2022 and amounts to EUR -2,187 million.

- Gains/(losses) on debt instruments increased by EUR -477 million: EUR +16.4% million due to the higher financial cost, with the average debt balance increasing by +8.4%, to stand at EUR 3,574 million.
- Gains/loses on derivatives and others improved by +128 M Eur due to the exchange rate hedges, mainly in US dollar and Brazilian reais, and the increase of the capitalized interest rates.

Net financial income	2023	2022	Dif.
Debt	-2,299	-1,822	-477
<i>By exchange rates</i>			+20
<i>By average balances</i>			-194
<i>By costs</i>			-303
Derivatives and others	+112	-16	+128
<b>Total</b>	<b>-2,187</b>	<b>-1,838</b>	<b>-349</b>

The cost of debt rises 70 basis points (from 4.27% to 4.97%); increasing by 77 basis points without taking into account Brazil. This higher cost is due to higher interest rates as a result of recent increases by central banks to contain inflation, despite having 85.6% of debt at a fixed interest rate.

Total cost of debt falls from the high of 1H2023 (5.05%). In Brazil, the cost of debt started to fall, improving by 47 basis points compared to September 2023. In this country, the impact of inflation on debt is offset by the operating profit of distributors, which is linked to inflation.

### 5. Result of equity-accounted investees

Results of equity-accounted investees at the end of December stood at EUR 217.8 million due to the asset swap carried out in Brazil with Eletrobras in 2023, which is relative to the extraordinary positive impact of the restructuring agreement reached with CIP last year on offshore wind assets in the United States and the completion of the Salem Harbor Engineering project in 2022. The impact of the asset swap in Brazil offset the negative impact on the transmission business in terms of EBITDA as mentioned above (EUR 306 million).

## 6. Profit in the period

Taxes in the period totalled EUR 1,609.9 million, compared to EUR 1,161.3 million at the end of December 2022. This was mainly the result of the deferred tax from the “Hispano” operation in Mexico (EUR -156 million) in 2023, an effect that will be reversed in the future and arises from the difference between the book value and the tax value of shares of the companies involved in the transaction and which not involve any cash outflow, and from the extraordinary positive impact of Brasilia’s reverse merger in 2022 (EUR +125 million). Furthermore, the tax base is higher as a result of the group’s higher operating results (EUR -167 million).

Minority groups decreased mainly due to Avangrid’s lower contribution as a result of the impact of the extraordinary positive effects in 2022.

As a result, net profit totalled EUR 4,802.8 million compared to EUR 4,338.6 at the end of 2022, increasing by 10.7%. Excluding the effects of asset rotation, which amounted to EUR -98 million for the transaction in Mexico and EUR +91 million for the agreement with GIC and the asset swap with Eletrobras, net profit totalled EUR 4,809.3 million, up by 10.8% compared to the 2022 result, confirming the double-digit net profit target for 2023.



# Results by Business

# 1. Networks Business

Key figures for the Networks business are as follows:

(EUR million)	2023	vs 2022
Revenue	18,363.1	+0.0%
Gross margin	9,976.2	+0.7%
EBITDA	6,011.0	-7.9%
EBIT	3,484.8	-16.1%

EBITDA for the Networks business stood at EUR 6,011 million, decreasing by 7.9%, but increasing +9% on a homogenous basis, after excluding positive impacts in the United States in 2022 (EUR 605 million) and negative impacts in Brazil in 2023 (EUR -450 million), both non-recurring.

## 1.1 Spain

(EUR million)	2023	vs 2022
Revenue	1,939.5	+0.2%
Gross margin	1,933.0	+1.3%
EBITDA	1,552.7	-3.4%
EBIT	898.7	-7.7%

### a) Gross margin

Gross margin for the Network Business in Spain increased by 1.3% totalling EUR 1,933.0 million, mainly due to the bigger asset base and due to incentive adjustments, which offset the ones in operational and maintenance costs from previous years.

### b) Operating profit/EBIT:

EBITDA for this Business totalled EUR 1,552.7 million, a decrease of 3.4%, with Net Operating Expenses increasing by 31.2% and totalling EUR 289.4 million, due to higher staff expenses and the effect of the efficiency plan included in the quarter (EUR 33 million), since operational performance is now in line with 2022.

EBIT for the Networks business in Spain totalled EUR 898.7 million (-7.7%), after deducting Amortisation, Depreciation and Provisions, which amounted to EUR 654.0 million (+3.1%).

## 1.2 United Kingdom

(EUR million)	2023	vs 2022	Local currency
Revenue	1,772.9	+13.2%	+15.5%
Gross margin	1,658.1	+17.2%	+19.6%
EBITDA	1,231.8	+12.7%	+15.0%
EBIT	815.2	+17.8%	+20.2%

### a) Gross margin

Gross Net Margin for the Networks business in the UK increased by 17.2% (+19.6% in local currency) to EUR 1,658.1 million, thanks to the greater contribution of the distribution and transmission businesses due to the new ED2 regulatory framework and the increase in the asset base.

### b) Operating profit/EBIT:

EBITDA totalled EUR 1,231.8 million (+12.7%; +15.0% in local currency), with net operating expenses increasing by 45.8% (+48.8% in local currency) due to the increase in external services and a larger workforce.

Amortisation, Depreciation and Provisions totalled EUR 416,6 million (+3.8%; +5.9% in local currency) due to the larger asset base. So, taking EBITDA performance into account, EBIT totalled EUR 815.2 million (+17.8%; 20.2% in local currency).

### 1.3 United States

	IFRS (EUR MILLION)		Local currency (M USD)
	2023	vs 2022	
Revenue	5,977.2	-8.8%	-6.4%
Gross margin	3,749.0	-4.8%	-2.3%
EBITDA	1,400.3	-25.9%	-23.9%
EBIT	526.9	-50.8%	-49.5%

	US GAAP (USD MILLION)	
	2023	vs 2022
Revenue	6,768	1.0%
Gross margin	4,365	10.3%
EBITDA	1,951	12.6%
EBIT	1,014	16.4%

#### a) Gross margin

Gross Margin decreased by 4.8% (-2.3% in local currency) to EUR 3,749.0, affected by the positive extraordinary effect in 2022 as a result of the new wording on the recognition of regulatory assets in consolidated results, which reduces the differences between IFRS vs US GAAP (+EUR 508 million), and partially offset by the reconciliation of storm costs in 2023 (+EUR 150 million), the entry into force of the New York rate case in October, but which had retroactive effect from May (+EUR 142 million), and the recognition of other reconcilable costs, in particular rights to collect (“arrearages”) amounts not paid by certain customers as a result of not being able to cut supply due to measures imposed during the COVID pandemic.

#### b) Operating profit/EBIT

EBITDA for the Networks business in the United States stood at EUR 1,400.3 million (-25.9%; -23.9% in local currency), affected by the non-recurring effects mentioned above. Net Operating Expenses totalled EUR 1,832.9 million, increasing by 21.8% (+25.1% in local currency), affected by the excess pension provision recorded (EUR 83 million) in 2022 and by the increase in external services ex-

penses in the period, most of which were reconcilable in Gross Margin within the regulatory framework (“Rate case”).

EBIT decreased by 50.8% to EUR 526.9 million (-49.5% in local currency), after deducting Amortisation, Depreciation and Provisions which were up 6.8% (9.6% in local currency) due to the higher asset base.

### 1.4. Brazil

	(EUR million)	2023	vs 2022	Local currency
Revenue		8,674.5	+4.5%	+3.9%
Gross margin		2,637.2	-0.3%	-0.9%
EBITDA		1,826.1	-5.7%	-6.2%
EBIT		1,244.0	-12.1%	-12.6%

#### a) Gross margin

Gross Margin decreased by 0.3% (-0.9% in local currency) totalling EUR 2,637.2 million, due to a lower contribution from the transmission business as a result of the deconsolidation of the transmission assets sold to GIC and a non-recurring impact due to deviations due to Covid which is expected to be recovered because it is being reclaimed from ANEEL quarter (EUR +306 million) which were partially offset by the higher contribution from the distribution business (EUR +217 million), mainly due to tariff readjustments.

#### b) Operating profit/EBIT

Net Operating Expenses increased by 14.2% totalling EUR 804.9 million (+13.5% in local currency) as a result of the larger workforce and due to the market valuation of transmission assets due to the transaction signed with GIC in March 2023, which were classified as held for sale (EUR -54 million), so EBITDA stands at EUR 1,826.1 million (-5.7% compared to the same period in 2022).

EBIT decreased by 12.1% to EUR 1,244.0 million (-12.6% in local currency), after deducting Amortisation, Depreciation and Provisions, which increased 11.8% to EUR 582.1 million (+11.1% in local currency),

primarily due to the higher asset base and greater insolvencies as a result of bill amounts increasing.

## 2. Electricity Production and Customers Business

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

(EUR million)	2023	vs 2022
Revenue	24,243.3	-3.5%
Gross margin	9,942.9	+33.2%
EBITDA	6,373.7	+34.2%
EBIT	4,385.7	+59.2%

EBITDA for the Electricity Production and Customers business stood at EUR 8,601.2 million (+28.4%).

It should be noted that, although Iberdrola S.A. is the taxpayer subject to the 1.2% revenue tax in Spain, in order to achieve a better analysis, this is included within the production and electricity business in Spain, as it is the only business affected by this tax.

### 2.1 Spain

(EUR million)	2023	vs 2022
Revenue	16,512.5	-22.0%
Gross margin	7,010.0	+31.3%
EBITDA	4,276.6	+23.6%
EBIT	3,258.7	+34.1%

#### a) Gross margin:

Gross Margin stood at EUR 7,010.0 million (+31.3% compared to 2022), thanks to the standardisation of production, mainly hydroelectric production (+6 TWh), which more than compensates for the lower wind production (-1 TWh), and increased sales in the commercial business as a result of the increase in market share in the liberalised market (27.3% in 2023 vs 25.5% in 2022). Additionally in the procurements section, energy purchases have been made at a lower price, what is to say, more sales at a lower cost.

#### b) Operating profit/EBIT:

Net operating expenses remained practically unchanged at EUR 1,122.8 million (+1.3%) despite the efficiency plan deployed in the last quarter. Taxes increased by 108.3% to EUR 1,610.6 million, broken down as follows:

	M Eur
Mechanism for the reduction of remuneration of the price of gas	225
1.2% revenue tax	213
Hydro canon	191
Social bonus	274
Nuclear tax (Enresa)	203
Ecotax	143
Nuclear waste tax	120
Local land use tax	183
Other <sup>1</sup>	151

1. Property tax, etc

It is worth noting that in Spain the Taxes/ Net Operating Expenses ratio is 123%, while in the rest of the group this ratio is, on average, 22%.

As a result of the above, EBITDA totalled EUR 4,276.6 million (+23.6%).

Amortisation, Depreciation and Provisions increased by 1.1% to EUR 1,018.0 million, mainly due to an increase in investments in acquisition costs, and to new wind, solar photovoltaic and hydroelectric (Támega) production. As a result of the above, EBIT amounted to EUR 3,258.7 million.

### 2.2 United Kingdom

(EUR million)	2023	vs 2022	Moneda local
Revenue	9,244.4	+9.4%	+11.6%
Gross margin	3,104.4	+89.8%	+93.7%
EBITDA	2,086.8	+149.7%	+154.9%
EBIT	1,353.6	+488.3%	+500.4%

#### a) Gross margin:

Gross margin in the United Kingdom increased by 89.8% to EUR 3,104.4 million (+93.7% in local cu-

## | Results by Business

rrency). This was thanks to recovery of the deficit generated in the past by regulated standard variable tariff (SVT) rates (EUR +400 million), which had a negative impact in 2022, normalisation of margins in the supply business and higher offshore wind production, which, offset the lower load factor in onshore wind.

### b) Operating profit/EBIT:

EBITDA totalled EUR 2,086.8 million (+149.7%; +154.9% in local currency), with net operating expenses increasing by 8.4% on the previous year to EUR 708.3 million (+10.6% in local currency) due to the increase in the average payroll and an increase in external services.

Levies increased by 110.5% (+114.8% in local currency) to EUR 309.3 million, due to higher expenditures on the winfall tax (Energy Generation Levy) of EUR 65 M and the programs of “Energy Company Obligation” and “Warm Home Discount” programmes.

Amortisation, Depreciation and Provisions increased by 21.1% and stood at EUR 733.3 million (+23.6% in local currency), due both to an increase in insolvencies due to the average bill amount and to a non-recurring impact, which is expected to be recovered in 2024 (EUR 68 million), so EBIT remained at EUR 1,353.6 million (+488.3%).

## 2.3 United States

(EUR million)	2023	vs 2022	Local currency
Revenue	1,373.5	+1.5%	+4.3%
Gross margin	1,119.1	-0.1%	+2.5%
EBITDA	686.0	-4.9%	-2.4%
EBIT	94.5	-9.5%	-7.1%

### a) Gross margin:

The contribution of the renewable business in the US is in line with the same period of the previous year and stood at EUR 1,119.1 million (+2.5% in local currency), with a less load factor in operation.

### b) Operating profit/EBIT:

Net Operating Expenses increased by 9.5% to EUR 376.8 million (+12.5% in local currency), mainly due to the costs for terminating the PPA contracts in the Park City Wind (EUR 15 million) and Commonwealth Wind (EUR 24 million) offshore wind projects, while taxes increased by 2.7% to EUR 56.3 million (+5.5% in local currency). EBITDA therefore stood at EUR 686.0 million (-4.9%; -2.4% in local currency), although it would have remained practically unchanged if these non-recurring costs were excluded.

The business' contribution to EBIT totalled EUR 94.5 million, after discounting Amortisation, Depreciation and Provisions (EUR 591.5 million), which increased by 4.2% compared to the previous year (+1.6% in local currency) due to greater operating capacity.

## 2.4 Mexico

(EUR million)	2023	vs 2022	Local currency
Revenue	3,010.9	-26.2%	-24.2%
Gross margin	1,131.3	-2.3%	0.3%
EBITDA	785.6	-8.0%	-5.6%
EBIT	646.3	+4.8%	+7.6%

### a) Gross margin:

Gross Margin in Mexico decreased by 2.3% to EUR 1,131.3 million (0.3% in local currency). While the assets included in the sale agreement with MIP decreased their contribution to Gross Margin by 14.9% due to their lower availability, the assets retained by Iberdrola contributed 19.7% more than in 2022, as the higher results of the thermal assets more than offset the lower contribution of the renewable business.

### b) Operating profit/EBIT:

Net operating expenses increased by 14.4% (+17.5% in local currency) reaching EUR 340.0 million, linked to an increase in staff costs, affected by the exchange rate and an increase in external services. Amortisation, Depreciation and Provisions totalled EUR 139.3 million, decreasing -41.3% compared to the same period in 2022 (-39.7% in local currency), affected by the classification of assets as held for sale under the scope



of the sales agreement announced this year. Lastly, EBIT totalled EUR 646.3 million (+4.8% compared to 2022.; +7.6% in local currency).

## 2.5 Brazil

(EUR million)	2023	vs 2022	Local currency
Revenue	739.1	+3.5%	+2.9%
Gross margin	442.7	-4.9%	-5.5%
EBITDA	347.9	-13.4%	-13.9%
EBIT	245.3	-21.8%	-22.3%

### a) Gross margin:

Gross Margin decreased by 4.9% in Brazil and stood at EUR 442.7 million (-5.5% in local currency), given that extraordinary results in the Termopernambuco thermal power plant in 2022 have not been offset by the increase in the contribution of the renewable business, as a result of, the new capacity in operation part of Oitis wind complex (567 MW) and the Luzia solar plant (149 MW) and by the bigger contribution of the Dardanelos hydroelectric plant, after the asset swap with Eletrobras.

### b) Operating profit/EBIT:

Net Operating Expenses in the period stood at EUR 94.4 million (49.2%), increasing in local currency (+48.3%), due to the introduction of new capacity and a change in Baguari's results in 2023, which was accounted for as an asset held for sale, and the result was recognised under Net Operating Expenses. Amortisation, Depreciation and Provisions increased to EUR 102.7 million (+16.5%), growing by 15.8% in local currency as the aforementioned new capacity was commissioned, with EBIT at EUR 245.3 million (-21.8% or -22.3% in local currency).

## 2.6 Rest of the world (RoW)

(EUR million)	2023	vs 2022
Revenue	1,006.7	+25.6%
Gross margin	644.9	+7.1%
EBITDA	420.1	-1.7%
EBIT	225.4	-15.8%

### a) Gross margin:

Gross Margin for the business in the rest of the world increased by 7.1%, totalling EUR 644.9 million due to the gradual entry of the offshore wind farm Saint Brieuc (France) and to the increase in average operating power in Poland and Greece.

### b) Operating profit/EBIT:

EBITDA stood at EUR 420.1 million (-1.7%) after deducting Net Operating Expenses, which stood at EUR 212.7 million (+41.0%) due to the increase in staff and expenses for external services.

Amortisation, Depreciation and Provisions increased by 22.0% to EUR 194.7 million, mainly due to higher installed capacity, leaving EBIT at EUR 225.4 million (-15.8%).

## 3. The corporation and other businesses

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

Although the Iberdrola Group's corporate entity Iberdrola S.A. is the taxpayer subject to the 1.2% revenue tax in Spain, in order to achieve a better analysis, this is included within the production and electricity business in Spain, as it is the only business affected by this tax.

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



# Balance sheet analysis

## January to December 2023

	Dec 2023	vs. Dec 2022
TOTAL ASSETS	150,033	-0.1%
TANGIBLE FIXED ASSETS	87,821	+1.7%
INTANGIBLE FIXED ASSETS	20,255	+0.7%
NON CURRENT FINANCIAL INVESTMENTS	9,740	-8.5%
EQUITY	60,292	3.7%

Note: "In the Consolidated financial statement as of 31 December 2023, the Iberdrola Group has decided to present deferred tax assets and deferred tax liabilities offset by tax groups. In this regard and in application of IAS 8 "Accounting policies, changes in accounting estimates and errors", comparative information corresponding to 31 December 2022 is re expressed"

As of 31 December 2023, Iberdrola's balance sheet showed Total Assets of EUR 150,033 million, down by EUR 82 million compared to December 2022.

## 1. Fixed assets

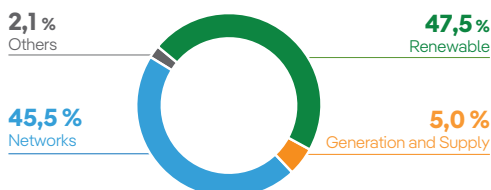
Gross investment during the year 2023 amounted to EUR 11,382.2 million. The breakdown is as follows:

(EUR millions)	Jan-Dec 2023	%
<b>Networks business</b>	<b>5,177.6</b>	<b>45.5%</b>
Spain	656.2	
United Kingdom	1,014.4	
United States	1,979.6	
Brazil	1,527.3	
<b>Renewables business</b>	<b>5,403.1</b>	<b>47.5%</b>
Spain	1,230.9	
United Kingdom	998.5	
United States	1,008.7	
Brazil	117.5	
Mexico	54.5	
Iberdrola Energía Internacional (IEI)	1,992.9	
<b>Generation and Supply business</b>	<b>568.2</b>	<b>5.0%</b>
Spain	292.5	
United Kingdom	157.6	
Mexico	106.7	
Brazil	11.4	
<b>Other businesses</b>	<b>21.2</b>	<b>0.2%</b>
<b>Corporation and adjustments</b>	<b>212.2</b>	<b>1.9%</b>
<b>Total gross investment</b>	<b>11,382.2</b>	<b>100%</b>

Investments during the period focused on the Networks and Renewables businesses, in line with the Group's strategy. These two businesses account for approximately 93% of gross investment made during the 2023.

### Investments by Business

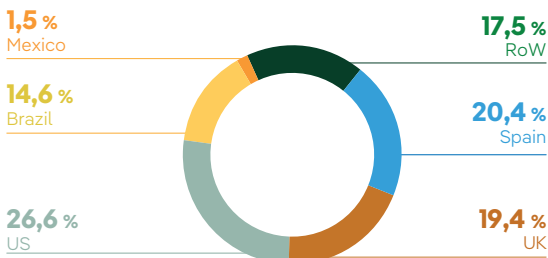
(January-December 2023)



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

### Investment by geographical areas

(January-December 2023)



By countries, gross investments increase in United Kingdom (+52.8%), Rest of the World (+24.4%) and United States (+14.3%) and decrease in Mexico (-35.3%), Spain (-20.4%) and Brasil (-10.7%).

Investment in the Renewables business totalled EUR 5,403,1 million, equivalent to 47.1% of total investment.

In the Networks Business section, most investments were made in the United States and Brazil, totalling EUR 1,979.6 million and EUR 1,527.3 million respectively.

## 2. Working Capital

Working capital increased by EUR 3,766 million in the period. The variation is mainly explained by the accounting classification of Mexican and Brazilian assets held for sale and, to a lesser extent, by the disbursements made for the East Anglia OFTO.

Current Assets and Liabilities	Dec-23	Dec-22	Variation
<b>Net assets held for sale</b>	<b>3,622</b>	<b>281</b>	<b>3,341</b>
Assets held for sale	4,719	308	4,410
Liabilities related to assets held for sale	(1,097)	(27)	(1,069)
<b>Nuclear fuel</b>	<b>278</b>	<b>259</b>	<b>19</b>
<b>Inventories</b>	<b>2,550</b>	<b>2,159</b>	<b>391</b>
<b>Trade receivables and payables and other short term accounts</b>	<b>(1,832)</b>	<b>(2,413)</b>	<b>581</b>
Trade and other receivables	8,906	9,869	(964)
Trade and other payables	(10,738)	(12,282)	1,544
<b>Current financial investments</b>	<b>1,564</b>	<b>2,839</b>	<b>(1,275)</b>
<b>Derivative financial instruments</b>	<b>(208)</b>	<b>(1,373)</b>	<b>1,165</b>
Derivative financial assets	635	1,640	(1,005)
Derivative financial liabilities	(843)	(3,013)	2,170
<b>Equity instruments with characteristics of financial liabilities</b>	<b>(110)</b>	<b>(87)</b>	<b>(23)</b>
<b>Provisions</b>	<b>(920)</b>	<b>(922)</b>	<b>3</b>
<b>Public Administrations and current taxes</b>	<b>(502)</b>	<b>(67)</b>	<b>(435)</b>
Current tax assets	1,133	1,351	(218)
Current tax liabilities	(1,635)	(1,418)	(217)
<b>Net Current Assets *</b>	<b>4,441</b>	<b>675</b>	<b>3,766</b>

\*Does not include financial net debt items, like cash or debt derivatives

## 3. Share Capital

Iberdrola's Share Capital at 31 December 2023 amounted to EUR 4,763 million, represented by 6,350,278,000 shares, each with a par value of EUR 0.75 and all fully subscribed and paid up.

## 4. Financial Debt

Adjusted net financial debt as of December 2023 reached EUR 47,832 million, increasing by EUR 4,083 million from EUR 43,749 million as of December 2022.

Adjusted net leverage increased by 1.4% to 44.2% compared to the 42.8% reported in December 2022.

The ratings issued by the rating agencies are as follows:

### Iberdrola's credit rating

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

\* Date of last modification

The financial debt structure by currency\* is as follows:

	Dec 2023	Dec 2022
Euro	32.3%	40.6%
US dollar	29.9%	27.6%
British pound	19.7%	15.0%
Brazilian real	15.2%	14.1%
Other currencies	3.0%	3.5%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>

\* Adjusted net debt including net investment hedging derivatives

## | Balance sheet analysis

The structure of financial debt by interest rate\* is as follows:

	Dec 2023	Dec 2022
Fixed rate	85.6%	86.6%
Variable rate	14.4%	13.4%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>

\* Adjusted net debt excluding Neoenergia and including future funding hedging derivatives to date (EUR 4,448 million in December 23 and EUR 4,449 million in December 22).

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

Debt structure\* by country is as follows:

	Dec 2023	Dec 2022
Corporate	60.4%	62.8%
UK	3.5%	4.0%
US	17.9%	15.6%
Brazil	15.2	14.1
Other	3.0%	3.5%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>

\* Gross debt including hybrids, excluding leases.

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

Market	Dec 2023	Dec 2022
EUR bonds	20.8%	23.1%
USD bonds	20.1%	19.6%
GBP bonds	6.1%	6.8%
BRL bonds	6.0%	5.4%
Commercial paper	9.4%	8.8%
Multilateral banking and development	16.6%	15.6%
Structured financing	0.5%	0.1%
Banking	15.0%	14.2%
Leases and others	5.5%	6.5%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>

\* Adjusted gross debt

New ESG financing signed in the year including the EUR 700 million hybrid bond issued in January 2024

amounted to EUR 13,343 million. The breakdown by product is as follows:

Product (EUR million)	Q1	Q2	Q3	Q4	Total
<b>Green</b>	<b>1,320</b>	<b>1,418</b>	<b>2,252</b>	<b>3,053</b>	<b>8,043</b>
Hybrid bonds	1,000			700	1,700
Senior bonds		150	1,752	735	2,637
Bank loans		28			28
Multilateral loans	205	1,150		300	1,655
Development banks and ECA loans	115	90	500	225	930
<b>Structured financing<sup>(1)</sup></b>				<b>1,094</b>	<b>1,094</b>
<b>Indexed to sustainable indicators</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,300</b>	<b>5,300</b>
Credit facilities				5,300	5,300
<b>Total new ESG financing</b>	<b>1,320</b>	<b>1,418</b>	<b>2,252</b>	<b>8,353</b>	<b>13,343</b>

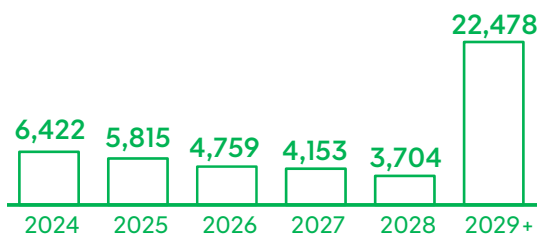
(1) Corresponds to the Tax Equity Investment green investment agreement reached by Vineyard Wind, integrated by the equity method, in the amount of USD 1,210 million.

This brings total ESG financing to EUR 54,449 million, including Vineyard Wind's Tax Equity Investment and Green Project Finance Agreement, the sustainable credit facilities and the sustainable ECP (European Commercial Paper) programme. Iberdrola is the world's private leading group in current green bonds.

Iberdrola's position with regard to liquidity was strong, totalling EUR 20,895 million, including the EUR 700 million hybrid bond issued in January 2024. This liquidity comes mainly from syndicated credit facilities arranged with partner banks, loans arranged with multilateral credit institutions, development banks and export credit agencies, as well as cash, cash equivalents and short-term investments. These liquidity arrangements have been reached with counterparties of high credit quality. This liquidity considers the expected collection of the transaction from Mexico, and covers financial needs for 27 months in the base scenario and 21 months in the risk scenario.

Liquidity	EUR million
Credit facilities	14,736
Cash, cash equivalents and short-term investments.	3,733
Committed financing	2,426
<b>Total</b>	<b>20,895</b>

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



\* Long-term debt with credit institutions. Commercial paper maturities are shown in 2029+  
 2024 includes the grace period for the syndicated loan of USD 500 million maturing in 2025

## 5. Adjusted net financial debt

EUR millions	Dec 23	Dec 22
Loans and borrowings with credit institutions and bonds or other marketable securities	48,278	46,587
Deposits securing the value of CSA derivatives	76	96
Liability derivative instruments	1,034	960
Leases	2,592	2,439
<b>Gross financial debt</b>	<b>51,980</b>	<b>50,082</b>
Capitalised derivative instruments	804	1,083
Deposits securing the value of CSA derivatives	101	107
Non current financial deposits	128	80
Current financial investments (between 3 and 12 months)	14	18
Cash and cash equivalents	3,019	4,608
<b>Total cash assets</b>	<b>4,066</b>	<b>5,896</b>
<b>Net financial debt</b>	<b>47,914</b>	<b>44,185</b>
Treasury stock derivatives with physical settlement which, at the current date, are not expected to be executed	82	436
<b>Adjusted net financial debt</b>	<b>47,832</b>	<b>43,749</b>

## 6. Financial Ratios

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

	Dec 23	Dec 22	Proforma 2023 <sup>(1)</sup>
Adjusted net equity <sup>(2)</sup>	60,374	58,550	61,642
Adjusted net financial debt <sup>(2)</sup>	47,832	43,749	42,500
Adjusted net leverage	44.2%	42.8%	40.8%
Adjusted funds from operations (FFO) <sup>(3)</sup> /Adjusted net financial debt <sup>(2)</sup>	23.2%	25.4%	25.8%
Adjusted retained cash flow (RCF)/Adjusted net financial debt <sup>(2)</sup>	18.9%	22.0%	20.9%
Adjusted net financial debt <sup>(2)</sup> /Adjusted EBITDA	3.32x	3.31x	3.03x

(1) Proforma ratios calculated with the high edge of the Proforma Adjusted Net Debt range.

(2) Adjusted for treasury stock derivatives with physical settlement that, at the current date, are not expected to be executed (EUR 82 million in Dec 2023 and EUR 436 million in Dec 2022).

(3) For details, see “Funds from operations” section.

## 7. Funds from Operations

Funds from operations (FFO) in the last 12 months amounted to EUR 11,096 million, decreasing -0.2% compared to the same period of the previous year. Excluding the recovery of the hydroelectric royalty in 2022, FFO would grow by 8%.

	Dec 23	Dec 22	Variation
Net profit attributed to the parent company (+)	4,802.8	4,338.6	464.2
Amortisation, depreciation and provisions (+)	5,444.3	5,244.1	200.2
Results of companies accounted for using the equity method (-)	217.8	74.5	143.3
Financial revision of provisions (+)	177.5	108.6	68.9
Minority interests (+)	591.5	720.9	-129.5
Adjustment for tax-deductible items (+)	0.0	0.0	0.0
Dividends on companies accounted for using the equity method (+)	71.7	67.5	4.2
Capital grants taken to profit or loss (-)	82.3	86.3	4.0
Goodwill amortisation (+)	71.0	71.0	-
Other* (+)	237.4	733.5	-496.1
<b>Funds from operations (FFO)</b>	<b>11,096.0</b>	<b>11,123.4</b>	<b>-27.4</b>
<b>Adjusted funds from operations (FFO)</b>	<b>11,096.0</b>	<b>11,123.4</b>	<b>-27.4</b>
Dividends** (-)	2,071.8	1,478.0	593.8
<b>Adjusted retained cash flow (RCF)</b>	<b>9,024.2</b>	<b>9,645.4</b>	<b>-621.3</b>

\* Others Dec-22: Improper payment fee net of taxes: EUR 826.1 million, reduced by Social Bonus accrual: EUR 92.6 million.

Others Dec-23: adjustment for tax-deductible items: EUR 155 million together with Social Bonus ruling (EUR 81.9 million)

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

## 8. Financial Transactions

### New financing

The Iberdrola Group has signed EUR 14,705 million in new operations through various financing sources.

Product (EUR million)	Q1	Q2	Q3	Q4	Total
Hybrid bonds <sup>(1)</sup>	1,000			700	1,700
Senior bonds		240	1,811	1,120	3,170
Bank loans	307	241		178	726
Credit facilities			37	5,394	5,431
Multilateral loans	205	1,150		300	1,655
Development banks and ECA loans	115	90	500	225	930
Structured financing <sup>(2)</sup>				1,094	1,094
<b>Total new financing</b>	<b>1,627</b>	<b>1,721</b>	<b>2,348</b>	<b>9,009</b>	<b>14,705</b>

(1) Taking into account EUR 700 million from the issuance of a hybrid bond on 16 January 2024.

(2) Corresponds to the Tax Equity Investment green investment agreement reached by Vineyard Wind, integrated by the equity method, in the amount of USD 1,210 million.

Borrower	Transaction	Amount	Currency	Coupon	Maturity
<b>First Quarter</b>					
Neenergia Distribuição Brasília (1)	Loan 4,131	38.4	USD		Mar-27
Coelba (1)	Loan 4,131	96.3	USD		Mar-26
Neenergia Morro do Chapeu (1)	Loan 4,131	57.6	USD		Mar-24
Coelba (1)	Loan 4,131	89.0	EUR		Apr-25
Neenergia Morro do Chapeu (1)	Loan 4,131	48.7	USD		May-24
Iberdrola Financiación (2)	Green EIB loan	150.0	EUR		To be determined
Buniel	Green EIB loan	55.0	EUR		To be determined
Celpe (1)	Green loan with JICA guarantee	12,000	JPY		Mar-28
Celpe (1)	Green loan with JICA guarantee	6,175	JPY		Mar-33
<b>Second quarter</b>					
NYSEG	Tax exemption bond	100.0	USD	4.000%	Apr-34
Neenergia Lagos dos Patos (1)	Loan 4,131	10,449	JPY		Jun-24
Neenergia Lagos dos Patos (1)	Loan 4,131	7,820	JPY		Jun-24
Neenergia Morro do Chapeu (1)	Loan 4,131	9,766	JPY		Jun-24
Elektro (1)	Loan 4,131	39.4	USD		May-25
Neenergia Distribuição Brasília	Green 4,131 loan	150.0	BRL		Jan-26
Iberdrola Financiación (2)	Green EIB loan	1,000.0	EUR		To be determined



## | Balance sheet analysis

Borrower	Transaction	Amount	Currency	Coupon	Maturity
Elektro	Green International Finance Corporation (IFC) loan	800.0	BRL		May-31
Neoenergia (1)	Green ICO loan	100.0	USD		Jul-33
Cosern	Green Infrastructure debenture	500.0	BRL	IPCA+6.45%	Jul-28
Coelba	Green debenture	300.0	BRL	CDI+0.9%	Jul-24
<b>Third quarter</b>					
Iberdrola Finanzas	Public green bond	850.0	EUR	3.625%	Jul-33
Coelba	Green debenture	400.0	BRL	CDI+1.95%	Aug-28
Coelba	Green Infrastructure debenture	800.0	BRL	IPCA+6.25%	Aug-30
NYSEG	Public green bond	400.0	USD	5.850%	Aug-33
NYSEG	Public green bond	350.0	USD	5.650%	Aug-28
UI	Tax exemption bond	64.5	USD	4.500%	Oct-33
Coelba	Bilateral credit facility	100.0	BRL		Aug-26
Companhia Elektro Pernambuco	Bilateral credit facility	100.0	BRL		Aug-26
Iberdrola Financiación (2)	Green loan with EKSFIN guarantee	500.0	EUR		Jul-39
<b>Fourth Quarter</b>					
RG&E	Private green bond	100.0	USD	5.620%	Dec-28
CMP	Private green bond	55.0	USD	5.650%	Dec-29
UI	Private green bond	156.0	USD	6.090%	Dec-34
CNG	Private bond	36.0	USD	6.200%	Dec-32
SCG	Private bond	30.0	USD	6.040%	Dec-34
RG&E	Private green bond	25.0	USD	5.890%	Dec-34
RG&E	Private green bond	50.0	USD	5.990%	Dec-36
RG&E	Private green bond	75.0	USD	6.220%	Dec-53
CMP	Private green bond	70.0	USD	6.040%	Dec-38
CNG	Private bond	19.0	USD	6.490%	Dec-38
SCG	Private bond	30.0	USD	6.240%	Dec-38
UI	Private green bond	34.0	USD	6.290%	Dec-38
Celpe	Green Infrastructure debenture	500.0	BRL	IPCA+6.10%	Nov-33
Celpe	Debenture	700.0	BRL	CDI+1.18%	Dec-28
Coelba	Green Infrastructure debenture	700.0	BRL	IPCA+6.10%	Dec-30
Coelba	Debenture	800.0	BRL	CDI+1.18%	Dec-28
Neoenergia Paraíso (1)	Loan 4,131	40.0	USD		Apr-25
Neoenergia Estreito (1)	Loan 4,131	38.0	EUR		May-25
Neoenergia Alto Paranaíba (1)	Loan 4,131	103.0	EUR		Nov-24

Borrower	Transaction	Amount	Currency	Coupon	Maturity
Iberdrola Financiación	Sustainable syndicated credit facility	5,300.0	EUR		Dec-28
Elektro	Bilateral credit facility	200.0	BRL		Dec-26
Cosern	Bilateral credit facility	100.0	BRL		Dec-26
Coelba	Bilateral credit facility	200.0	BRL		Dec-26
Iberdrola Financiación (2)	Green International Finance Corporation (IFC) loan	300.0	EUR		Dec-31
Neoenergía Morro do Chapeu (2)	Green International Finance Corporation (BNDES) loan	1,200.0	BRL		May-47
Avangrid Renewables	TEI Green	1,210.0	USD		Oct-32
<b>Subsequent events (6)</b>					
Iberdrola Finanzas	Public hybrid green bond	700.0	EUR	4.875%	Apr-31

### Extension of existing financing

Borrower	Transaction	Amount	Currency	Extension	Maturity
Iberdrola Financiación	Bilateral sustainable loan	120.0	EUR		Jul-28
Iberdrola Financiación	Bilateral loan	300.0	EUR		Jan-24
Iberdrola México	Syndicated loan	500.0	USD	1 year <sup>(3)</sup>	Dec-25
Iberdrola Financiación	Sustainable syndicated credit facility	2,500.0	EUR		Apr-28
Iberdrola Financiación	Bilateral credit facility	125.0	EUR	6 months <sup>(4)</sup>	Jan-25
Iberdrola Financiación	Sustainable bilateral credit facility	16,000.0	JPY	1 year <sup>(3)</sup>	Jun-28
Iberdrola Financiación	Sustainable syndicated credit facility	2,500.0	EUR	1 year <sup>(3)</sup>	Jul-28
Neoenergía	Bilateral credit facility	300.0	BRL		Aug-26
Elektro	Bilateral credit facility	200.0	BRL		Aug-26
Neoenergía Distribuicao Brasília	Bilateral credit facility	200.0	BRL		Aug-26
Elektro	Bilateral credit facility	200.0	BRL		Aug-26
Cosern	Bilateral credit facility	100.0	BRL		Aug-26
Coelba	Bilateral credit facility	200.0	BRL		Aug-26
Iberdrola Financiación	Bilateral credit facility	50.0	EUR		Apr-24

(1) Currency swaps arranged to the company's currency  
 (2) Funding planned to be available in 2024/2025

(3) Option to extend for one year  
 (4) Five options to extend for six months

## Fourth quarter transactions

The transactions entered into between the publication of the prospectus in the third quarter of 2023 and today's date.

## Capital market

### Commercial paper

The Iberdrola Group continued its activity in the commercial paper markets at the end of 2023 with an outstanding balance that increased both in the US programme (USCP) to USD 1,342 million (vs USD 957 million at the end of Q3) and in the European Commercial Paper programme (ECP) to EUR 3,655 million (vs EUR 3,391 million at the end of Q3). Issuance levels were adjusted in the last quarter of the year, with the market expecting possible cuts from Central Banks in 2024 based on changes in macroeconomic data.

### Bonds

The Iberdrola Group closed sixteen issues in Q4 for a total amount equivalent to EUR 1,820 million:

- Through its subsidiary in the United States, twelve private bonds totalling USD 680 million:
  - 8 green bonds totalling USD 565 million with an equivalent average cost of 5.96% and an average life of 13 years. These funds will be used to finance the investment plan for the Networks business in the United States.
  - 4 bonds totalling USD 115 million with an average equivalent cost of 6.21% and an average life of 12 years.
- Through its subsidiary Neoenergía, 4 public bonds totalling BRL 2,700 million:
  - Two green public infrastructure bonds totalling BRL 1,200 million with a cost of 6.10% on the IPCA (Brazilian extended national consumer price index) with maturities in 2030 (BRL 700 million) and 2033 (BRL 500 million).
  - Two public bonds totalling BRL 1,500 million with a cost of 1.18% on the CDI (Brazilian inter-bank deposit rate) maturing in 2028.

Likewise, Iberdrola issued a green hybrid bond in January 2024 for EUR 700 million with a coupon of 4.875% to refinance the March 2018 issue, thus keeping the hybrid bond portfolio in line with the strategic plan.

## Banking market

The Iberdrola Group signed three bank loans through its subsidiary Neoenergía for a total amount equivalent to BRL 950 million.

Iberdrola has also signed four credit facilities totalling EUR 5,394 million.

- One sustainable syndicated credit facility was signed for EUR 5,300 million and maturing in December 2028 with an option to extend for two additional years and introducing for the first time a CO<sub>2</sub> emission reduction indicator measured by the three scopes (1, 2 and 3).
- Three credit facilities were signed through its subsidiary Neoenergía, all of which will mature in December 2026 in order to expand its liquidity and for a total amount of BRL 500 million.

The Group has also extended the maturity of eight bilateral credit facilities:

- Six facilities totalling BRL 1,200 million were extended until August 2026, through its subsidiary Neoenergía.
- Two facilities totalling EUR 175 million at the corporate entity were extended until April 2024 and July 2025, respectively.

## Development and multilateral banks

Continuing with its strategy to diversify funding sources, the Iberdrola Group signed a loan with the International Finance Corporation (IFC) in December 2023 for EUR 300 million maturing in 2031 to finance renewable assets in developing countries.

## Structured financing

Likewise, Avangrid arranged green financing for Vineyard Wind in the form of Tax Equity Investment for a total amount of USD 1,210 million to monetise the wind farm's tax credits.

## 9. Credit ratings

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

(\*). Guaranteed by Iberdrola S.A.  
 Data referred to last revision



# Financial statements tables

**Balance Sheet Dec -2023** *(Unaudited)*

M Eur

<b>ASSETS</b>	<b>Dec 2023</b>	<b>Dec 2022</b>	<b>Variation</b>
<b>NON-CURRENT ASSETS</b>	<b>126,970</b>	<b>126,889</b>	<b>81</b>
<b>Intangible assets</b>	<b>20,255</b>	<b>20,118</b>	<b>137</b>
Goodwill	8,375	8,189	186
Other intangible assets	11,879	11,929	-50
<b>Real Estate properties</b>	<b>431</b>	<b>307</b>	<b>124</b>
<b>Property, plant and equipment</b>	<b>87,821</b>	<b>86,326</b>	<b>1,495</b>
Property, plant and equipment	73,466	74,813	-1,347
Property, plant and equipment in the course of construction	14,355	11,513	2,841
<b>Right of use</b>	<b>2,488</b>	<b>2,370</b>	<b>118</b>
<b>Non current financial investments</b>	<b>9,740</b>	<b>10,650</b>	<b>-910</b>
Investments accounted by equity method	1,306	999	307
Non-current financial assets	29	32	-3
Other non-current financial assets	7,208	5,957	1,250
Derivative financial instruments	1,197	3,661	-2,464
<b>Non-current trade and other receivables</b>	<b>3,343</b>	<b>4,614</b>	<b>-1,271</b>
<b>Tax receivables</b>	<b>883</b>	<b>736</b>	<b>147</b>
<b>Deferred tax assets</b>	<b>2,009</b>	<b>1,767</b>	<b>242</b>
<b>CURRENT ASSETS</b>	<b>23,063</b>	<b>23,225</b>	<b>-163</b>
<b>Assets held for disposal</b>	<b>4,719</b>	<b>166</b>	<b>4,552</b>
<b>Nuclear fuel</b>	<b>278</b>	<b>259</b>	<b>19</b>
<b>Inventories</b>	<b>2,550</b>	<b>2,159</b>	<b>391</b>
<b>Current trade and other receivables</b>	<b>10,039</b>	<b>11,220</b>	<b>-1,181</b>
Tax receivables	351	453	-102
Other tax receivables	782	898	-116
Trade and other receivables	8,906	9,869	-963
<b>Current financial assets</b>	<b>2,457</b>	<b>4,813</b>	<b>-2,356</b>
Other current financial assets	1,679	2,964	-1,285
Derivative financial instruments	778	1,849	-1,071
<b>Cash and cash equivalents</b>	<b>3,019</b>	<b>4,608</b>	<b>-1,589</b>
<b>TOTAL ASSETS</b>	<b>150,033</b>	<b>150,114</b>	<b>-82</b>

<b>EQUITY AND LIABILITIES</b>	<b>Dec 2023</b>	<b>Dec 2022</b>	<b>Variation</b>
<b>EQUITY:</b>	<b>60,292</b>	<b>58,114</b>	<b>2,178</b>
<b>Of shareholders of the parent</b>	<b>43,111</b>	<b>41,119</b>	<b>1,992</b>
Share capital	4,763	4,772	-9
Adjustments for changes in value	2	-932	934
Other reserves	37,700	36,840	860
Treasury stock	-1,465	-1,756	292
Translation differences	-2,691	-2,143	-548
Net profit of the period	4,803	4,339	464
<b>Of minority interests</b>	<b>8,930</b>	<b>8,745</b>	<b>186</b>
<b>Hybrids</b>	<b>8,250</b>	<b>8,250</b>	<b>0</b>
<b>NON-CURRENT LIABILITIES</b>	<b>61,670</b>	<b>63,161</b>	<b>-1,491</b>
<b>Deferred income</b>	<b>1,136</b>	<b>1,247</b>	<b>-111</b>
<b>Facilities transferred and financed by third parties</b>	<b>6,021</b>	<b>5,673</b>	<b>349</b>
<b>Provisions</b>	<b>4,536</b>	<b>4,225</b>	<b>311</b>
Provisions for pensions and similar obligations	1,456	1,226	229
Other provisions	3,081	2,999	82
<b>Non Current Financial payables</b>	<b>41,775</b>	<b>44,216</b>	<b>-2,441</b>
Financial Debt- Loans and other	36,319	36,128	191
Equity Instruments having the substance of a financial liability	561	576	-15
Derivative financial instruments	1,285	3,690	-2,405
Leases	2,408	2,287	121
Other financial liabilities	1,202	1,534	-332
<b>Other Non Current payables</b>	<b>435</b>	<b>309</b>	<b>126</b>
<b>Tax payables</b>	<b>387</b>	<b>362</b>	<b>26</b>
<b>Deferred tax liabilities</b>	<b>7,379</b>	<b>7,129</b>	<b>250</b>
<b>CURRENT LIABILITIES</b>	<b>28,071</b>	<b>28,840</b>	<b>-769</b>
<b>Liabilities related to assets held for disposal</b>	<b>1,097</b>	<b>27</b>	<b>1,069</b>
<b>Provisions</b>	<b>920</b>	<b>922</b>	<b>-3</b>
Provisions for pensions and similar obligations	40	42	-2
Other provisions	880	881	-1
<b>Current financial payables</b>	<b>23,119</b>	<b>25,079</b>	<b>-1,960</b>
Financial Debt- Loans and other	11,959	10,458	1,501
Equity Instruments having the substance of a financial liability	110	87	23
Derivative financial instruments	1,352	3,398	-2,046
Leases	184	151	33
Trade payables	5,112	5,927	-815
Other financial liabilities	4,403	5,058	-656
<b>Other current payables</b>	<b>2,935</b>	<b>2,811</b>	<b>124</b>
Current tax liabilities and other tax payables	332	156	176
Other tax payables	1,303	1,262	41
Other current liabilities	1,300	1,393	-94
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>150,033</b>	<b>150,114</b>	<b>-82</b>

Note: "In the consolidated financial statement as of 31 December 2023, Iberdrola Group has decided to present the deferred tax assets and deferred tax liabilities compensated by tax groups. In this sense and in application of IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" the comparative information for 31 December 2022 has been restated".

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

EUR M

	Dec-2023	Dec-2022	%
<b>REVENUES</b>	<b>49,334.9</b>	<b>53,949.4</b>	<b>(8.6)</b>
PROCUREMENTS	(26,033.4)	(33,750.0)	(22.9)
<b>GROSS MARGIN</b>	<b>23,301.5</b>	<b>20,199.4</b>	<b>15.4</b>
<b>NET OPERATING EXPENSES</b>	<b>(6,136.3)</b>	<b>(5,209.1)</b>	<b>17.8</b>
Personnel	(3,823.6)	(3,364.7)	13.6
Capitalized personnel costs	863.5	846.9	2.0
External Services	(3,999.9)	(3,601.9)	11.1
Other Operating Income	823.8	910.6	(9.5)
<b>LEVIES</b>	<b>(2,747.9)</b>	<b>(1,762.2)</b>	<b>55.9</b>
<b>EBITDA</b>	<b>14,417.4</b>	<b>13,228.1</b>	<b>9.0</b>
AMORTISATIONS AND PROVISIONS	(5,444.3)	(5,244.1)	3.8
<b>EBIT / Operating Profit</b>	<b>8,973.1</b>	<b>7,983.9</b>	<b>12.4</b>
<b>Financial Expenses</b>	<b>(3,721.9)</b>	<b>(3,042.0)</b>	<b>22.3</b>
<b>Financial Income</b>	<b>1,535.2</b>	<b>1,204.5</b>	<b>27.5</b>
<b>FINANCIAL RESULT</b>	<b>(2,186.6)</b>	<b>(1,837.5)</b>	<b>19.0</b>
<b>RESULTS OF COMPANIES CONSOLIDATED BY EQUITY METHOD</b>	<b>217.8</b>	<b>74.5</b>	<b>192.5</b>
<b>PBT</b>	<b>7,004.2</b>	<b>6,220.9</b>	<b>12.6</b>
Corporate Tax	(1,610.0)	(1,161.3)	38.6
Minorities	(591.5)	(720.9)	(18.0)
<b>NET PROFIT</b>	<b>4,802.8</b>	<b>4,338.6</b>	<b>10.7</b>



## Results by Business (Unaudited)

EUR M

Dec-2023	Networks	Electricity Production and Customers <sup>(1)</sup>	Other businesses	Corporation and adjustments <sup>(1)</sup>
Revenues	18,363.1	31,683.3	44.2	(755.7)
Procurements	(8,386.9)	(18,227.5)	(113.2)	694.2
<b>GROSS MARGIN</b>	<b>9,976.2</b>	<b>13,455.8</b>	<b>(69.0)</b>	<b>(61.5)</b>
NET OPERATING EXPENSES	(3,230.4)	(2,860.4)	(14.0)	(31.5)
Personnel	(2,114.3)	(1,152.3)	(11.3)	(545.7)
Capitalized personnel costs	608.0	243.8	-	11.6
External Services	(2,233.1)	(2,332.5)	(5.8)	571.5
Other Operating Income	508.9	380.6	3.1	(68.8)
LEVIES	(734.8)	(1,994.2)	(0.6)	(18.3)
<b>EBITDA</b>	<b>6,011.0</b>	<b>8,601.2</b>	<b>(83.7)</b>	<b>(111.2)</b>
Amortisation and Provisions	(2,526.2)	(2,778.1)	(18.4)	(121.6)
<b>EBIT/Operating Profit</b>	<b>3,484.8</b>	<b>5,823.1</b>	<b>(102.1)</b>	<b>(232.8)</b>
Financial Result	(1,330.3)	(572.8)	10.7	(294.3)
Results of companies consolidated by equity method	19.6	228.3	(30.0)	-
<b>PBT</b>	<b>2,174.1</b>	<b>5,478.6</b>	<b>(121.4)</b>	<b>(527.1)</b>
Corporate tax and minority shareholders	(662.9)	(1,745.9)	17.6	189.8
<b>NET PROFIT</b>	<b>1,511.2</b>	<b>3,732.7</b>	<b>(103.8)</b>	<b>(337.3)</b>

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

M Eur

Dec-2022	Networks	Electricity Production and Customers <sup>(1)</sup>	Other businesses	Corporation and adjustments <sup>(1)</sup>
Revenues	18,355.4	36,294.0	42.1	(742.0)
Procurements	(8,446.6)	(25,971.5)	(21.5)	689.5
<b>GROSS MARGIN</b>	<b>9,908.8</b>	<b>10,322.5</b>	<b>20.6</b>	<b>(52.5)</b>
NET OPERATING EXPENSES	(2,637.8)	(2,617.5)	(10.5)	56.7
Personnel	(1,886.4)	(1,032.9)	(10.1)	(435.3)
Capitalized personnel costs	608.6	227.3	-	11.1
External Services	(1,981.8)	(2,144.8)	(4.2)	528.9
Other Operating Income	621.8	332.9	3.9	(48.0)
LEVIES	(745.1)	(1,005.8)	(0.7)	(10.6)
<b>EBITDA</b>	<b>6,525.8</b>	<b>6,699.2</b>	<b>9.4</b>	<b>(6.4)</b>
Amortisation and Provisions	(2,374.5)	(2,736.2)	(10.9)	(122.6)
<b>EBIT/Operating Profit</b>	<b>4,151.3</b>	<b>3,963.1</b>	<b>(1.4)</b>	<b>(129.0)</b>
Financial Result	(913.4)	(435.9)	2.3	(490.5)
Results of companies consolidated by equity method	12.6	150.9	(89.1)	-
<b>PBT</b>	<b>3,250.5</b>	<b>3,678.0</b>	<b>(88.2)</b>	<b>(619.5)</b>
Corporate tax and minority shareholders	(1,065.4)	(945.0)	(5.1)	133.2
<b>NET PROFIT</b>	<b>2,185.1</b>	<b>2,733.0</b>	<b>(93.3)</b>	<b>(486.3)</b>

## Networks Business (Unaudited)

EUR M

Dec-23	Spain	United Kingdom	USA	Brazil
Revenues	1,939.5	1,772.9	5,977.2	8,674.5
Procurements	(6.5)	(114.8)	(2,228.2)	(6,037.2)
<b>GROSS MARGIN</b>	<b>1,933.0</b>	<b>1,658.1</b>	<b>3,749.0</b>	<b>2,637.2</b>
NET OPERATING EXPENSES	(289.4)	(304.3)	(1,832.9)	(804.9)
Personnel	(339.0)	(291.5)	(991.6)	(492.2)
Capitalized personnel costs	133.2	180.0	293.9	-
External Services	(292.9)	(261.8)	(1,262.4)	(416.1)
Other Operating Income	209.3	69.1	127.2	103.4
LEVIES	(90.9)	(122.0)	(515.7)	(6.2)
<b>EBITDA</b>	<b>1,552.7</b>	<b>1,231.8</b>	<b>1,400.3</b>	<b>1,826.1</b>
Amortisation and Provisions	(654.0)	(416.6)	(873.5)	(582.1)
<b>EBIT/Operating Profit</b>	<b>898.7</b>	<b>815.2</b>	<b>526.9</b>	<b>1,244.0</b>
Financial Result	(80.5)	(290.8)	(142.1)	(816.9)
Results of companies consolidated by equity method	1.3	-	12.8	5.5
<b>PBT</b>	<b>819.5</b>	<b>524.4</b>	<b>397.6</b>	<b>432.7</b>
Corporate tax and minority shareholders	(126.9)	(151.6)	(166.6)	(217.8)
<b>NET PROFIT</b>	<b>692.6</b>	<b>372.8</b>	<b>230.9</b>	<b>214.8</b>

Dec-2022	Spain	United Kingdom	USA	Brazil
Revenues	1,935.2	1,566.2	6,553.8	8,300.8
Procurements	(26.1)	(151.0)	(2,614.4)	(5,655.0)
<b>GROSS MARGIN</b>	<b>1,909.1</b>	<b>1,415.2</b>	<b>3,939.4</b>	<b>2,645.8</b>
NET OPERATING EXPENSES	(220.6)	(208.7)	(1,504.3)	(705.0)
Personnel	(295.0)	(273.5)	(858.0)	(459.8)
Capitalized personnel costs	147.8	173.0	287.0	-
External Services	(283.5)	(185.8)	(1,105.8)	(406.7)
Other Operating Income	210.3	77.6	172.6	161.4
LEVIES	(80.5)	(113.2)	(546.5)	(4.9)
<b>EBITDA</b>	<b>1,608.0</b>	<b>1,093.3</b>	<b>1,888.7</b>	<b>1,935.9</b>
Amortisation and Provisions	(634.6)	(401.3)	(818.0)	(520.6)
<b>EBIT/Operating Profit</b>	<b>973.4</b>	<b>691.9</b>	<b>1,070.7</b>	<b>1,415.3</b>
Financial Result	(44.4)	(157.9)	(120.8)	(590.3)
Results of companies consolidated by equity method	2.4	-	10.3	-
<b>PBT</b>	<b>931.4</b>	<b>534.0</b>	<b>960.2</b>	<b>824.9</b>
Corporate tax and minority shareholders	(154.3)	(107.4)	(386.0)	(417.6)
<b>NET PROFIT</b>	<b>777.1</b>	<b>426.7</b>	<b>574.1</b>	<b>407.3</b>

## Electricity Production and Customers (Unaudited)

EUR M

Dec-2023	Spain <sup>(1)</sup>	United Kingdom	US	Mexico	Brazil	ROW
Revenues	16,512.5	9,244.4	1,373.5	3,010.9	739.1	1,006.7
Procurements	(9,502.5)	(6,140.0)	(254.4)	(1,879.7)	(296.4)	(361.8)
<b>GROSS MARGIN</b>	<b>7,010.0</b>	<b>3,104.4</b>	<b>1,119.1</b>	<b>1,131.3</b>	<b>442.7</b>	<b>644.9</b>
NET OPERATING EXPENSES	(1,122.8)	(708.3)	(376.8)	(340.0)	(94.4)	(212.7)
Personnel	(521.6)	(170.8)	(244.4)	(76.1)	(37.5)	(101.9)
Capitalized personnel costs	67.9	36.5	57.0	7.3	3.4	59.2
External Services	(970.8)	(637.9)	(270.1)	(288.3)	(54.5)	(177.7)
Other Operating Income	301.7	63.9	80.7	17.0	(5.8)	7.7
LEVIES	(1,610.6)	(309.3)	(56.3)	(5.6)	(0.4)	(12.1)
<b>EBITDA</b>	<b>4,276.6</b>	<b>2,086.8</b>	<b>686.0</b>	<b>785.6</b>	<b>347.9</b>	<b>420.1</b>
Amortisation and Provisions	(1,018.0)	(733.3)	(591.5)	(139.3)	(102.7)	(194.7)
<b>EBIT/Operating Profit</b>	<b>3,258.7</b>	<b>1,353.6</b>	<b>94.5</b>	<b>646.3</b>	<b>245.3</b>	<b>225.4</b>
Financial Result	(161.3)	46.6	(72.4)	(299.8)	(44.0)	(41.9)
Results of companies consolidated by equity method	9.4	1.3	(8.0)	-	232.0	(6.4)
<b>PBT</b>	<b>3,106.8</b>	<b>1,401.4</b>	<b>14.1</b>	<b>346.5</b>	<b>433.3</b>	<b>177.1</b>
Corporate tax and minority shareholders	(824.3)	(448.6)	11.2	(160.8)	(210.6)	(111.9)
<b>NET PROFIT</b>	<b>2,282.4</b>	<b>952.8</b>	<b>25.3</b>	<b>185.6</b>	<b>222.7</b>	<b>65.1</b>

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

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Dec-22	Spain	United Kingdom	US	Mexico	Brazil	ROW
Revenues	21,164.8	8,453.2	1,352.7	4,079.5	714.2	801.5
Procurements	(15,824.3)	(6,817.3)	(232.2)	(2,921.6)	(248.8)	(199.3)
<b>GROSS MARGIN</b>	<b>5,340.5</b>	<b>1,635.8</b>	<b>1,120.5</b>	<b>1,157.8</b>	<b>465.4</b>	<b>602.3</b>
NET OPERATING EXPENSES	(1,108.3)	(653.3)	(344.0)	(297.1)	(63.3)	(150.9)
Personnel	(466.1)	(167.8)	(224.5)	(64.1)	(34.4)	(76.0)
Capitalized personnel costs	71.4	28.8	44.5	10.9	3.6	48.9
External Services	(903.5)	(586.7)	(246.6)	(277.3)	(45.2)	(149.2)
Other Operating Income	189.8	72.4	82.6	33.4	12.8	25.5
LEVIES	(773.1)	(146.9)	(54.8)	(6.5)	(.4)	(24.1)
<b>EBITDA</b>	<b>3,459.1</b>	<b>835.6</b>	<b>721.7</b>	<b>854.2</b>	<b>401.7</b>	<b>427.3</b>
Amortisation and Provisions	(1,029.2)	(605.5)	(617.3)	(237.3)	(88.1)	(159.5)
<b>EBIT/Operating Profit</b>	<b>2,429.9</b>	<b>230.1</b>	<b>104.4</b>	<b>616.9</b>	<b>313.6</b>	<b>267.7</b>
Financial Result	(27.3)	(27.7)	(78.5)	(221.6)	(60.0)	(22.7)
Results of companies consolidated by equity method	31.3	1.6	232.9	-	(91.5)	(23.4)
<b>PBT</b>	<b>2,433.9</b>	<b>204.0</b>	<b>258.8</b>	<b>395.3</b>	<b>162.1</b>	<b>221.7</b>
Corporate tax and minority shareholders	(638.9)	(127.8)	61.3	(58.6)	(88.5)	(91.8)
<b>NET PROFIT</b>	<b>1,795.0</b>	<b>76.1</b>	<b>320.1</b>	<b>336.6</b>	<b>73.6</b>	<b>129.9</b>

## Results by Country *(Unaudited)*

	EUR M					
Dec-2023	Spain	United Kingdom	US	Mexico	Brazil	ROW
Revenues	18,335.5	10,813.8	7,350.7	3,010.9	8,994.7	1,006.7
Procurements	(9,438.7)	(6,085.0)	(2,482.7)	(1,879.7)	(5,916.3)	(336.6)
<b>GROSS MARGIN</b>	<b>8,896.7</b>	<b>4,728.8</b>	<b>4,868.0</b>	<b>1,131.3</b>	<b>3,078.4</b>	<b>670.1</b>
NET OPERATING EXPENSES	(1,384.2)	(941.0)	(2,223.1)	(330.1)	(948.8)	(220.0)
Personnel	(979.4)	(534.3)	(1,341.5)	(94.1)	(543.3)	(107.1)
Capitalized personnel costs	203.6	217.8	350.9	7.3	3.4	59.2
External Services	(1,161.2)	(767.0)	(1,437.4)	(259.4)	(506.3)	(183.2)
Other Operating Income	552.7	142.5	205.0	16.1	97.4	11.1
LEVIES	(1,702.7)	(434.7)	(578.3)	(6.1)	(6.8)	(12.1)
<b>EBITDA</b>	<b>5,809.8</b>	<b>3,353.1</b>	<b>2,066.7</b>	<b>795.1</b>	<b>2,122.8</b>	<b>438.0</b>

	EUR M					
Dec-22	Spain	United Kingdom	US	Mexico	Brazil	ROW
Revenues	22,980.2	9,812.9	7,906.5	4,079.5	8,613.4	801.5
Procurements	(16,216.9)	(6,788.0)	(2,846.6)	(2,921.6)	(5,502.6)	(199.3)
<b>GROSS MARGIN</b>	<b>6,763.3</b>	<b>3,024.9</b>	<b>5,059.9</b>	<b>1,157.8</b>	<b>3,110.8</b>	<b>602.3</b>
NET OPERATING EXPENSES	(1,295.5)	(803.3)	(1,859.1)	(288.0)	(819.7)	(136.4)
Personnel	(836.0)	(507.1)	(1,179.7)	(78.7)	(507.3)	(79.9)
Capitalized personnel costs	224.6	204.0	331.4	10.9	3.6	48.9
External Services	(1,094.7)	(655.6)	(1,267.6)	(253.6)	(489.7)	(150.5)
Other Operating Income	410.6	155.3	256.7	33.4	173.7	45.2
LEVIES	(855.3)	(263.0)	(600.4)	(7.1)	(5.5)	(24.1)
<b>EBITDA</b>	<b>4,612.4</b>	<b>1,958.5</b>	<b>2,600.4</b>	<b>862.7</b>	<b>2,285.5</b>	<b>441.8</b>

## Quarterly results (Unaudited)

	JAN-MAR 2023	APR-JUN 2023	JUL-SEP 2023	OCT-DEC 2023
Revenues	15,460.6	10,802.6	10,929.8	12,141.9
Procurements	(8,752.1)	(5,387.5)	(5,853.7)	(6,040.0)
<b>GROSS MARGIN</b>	<b>6,708.5</b>	<b>5,415.1</b>	<b>5,076.1</b>	<b>6,101.8</b>
NET OPERATING EXPENSES	(1,464.8)	(1,440.4)	(1,435.3)	(1,795.7)
Personnel	(898.8)	(925.2)	(905.6)	(1,094.0)
Capitalized personnel costs	184.4	223.2	216.9	239.1
External Services	(954.2)	(895.9)	(959.2)	(1,190.7)
Other Operating Income	203.8	157.5	212.6	249.9
LEVIES	(1,179.2)	(478.4)	(418.4)	(671.9)
<b>EBITDA</b>	<b>4,064.5</b>	<b>3,496.2</b>	<b>3,222.4</b>	<b>3,634.3</b>
Amortisation and Provisions	(1,326.5)	(1,323.2)	(1,320.5)	(1,474.1)
<b>EBIT / Operating Profit</b>	<b>2,738.0</b>	<b>2,173.0</b>	<b>1,901.9</b>	<b>2,160.1</b>
Financial Expenses	(1,036.2)	(909.6)	(911.2)	(864.8)
Financial Income	526.1	292.0	373.0	344.1
FINANCIAL RESULT	(510.1)	(617.6)	(538.2)	(520.7)
Results of companies consolidated by equity method	3,4	(9,1)	218,3	5,2
<b>PBT</b>	<b>2,231.3</b>	<b>1,546.4</b>	<b>1,581.9</b>	<b>1,644.7</b>
Corporate Tax	(591.9)	(423.8)	(296.2)	(298,0)
Minorities	(154.0)	(87.2)	(169.4)	(180,9)
<b>NET PROFIT</b>	<b>1,485.4</b>	<b>1,035.3</b>	<b>1,116.3</b>	<b>1,165.8</b>

	JAN-MAR 2022	APR-JUN 2022	JUL-SEP 2022	OCT-DEC 2022
Revenues	12,150.0	12,279.9	13,473.3	16,046.2
Procurements	(7,464.6)	(7,096.5)	(8,686.3)	(10,502.7)
<b>GROSS MARGIN</b>	<b>4,685.4</b>	<b>5,183.4</b>	<b>4,787.1</b>	<b>5,543.5</b>
NET OPERATING EXPENSES	(1,151.3)	(1,340.5)	(1,299.6)	(1,417.7)
Personnel	(723.4)	(864.3)	(880.6)	(896.5)
Capitalized personnel costs	175.9	200.4	210.9	259.6
External Services	(780.7)	(882.3)	(859.6)	(1,079.3)
Other Operating Income	176.8	205.6	229.6	298.4
LEVIES	(583.2)	(350.0)	(402.2)	(426.8)
<b>EBITDA</b>	<b>2,950.9</b>	<b>3,492.9</b>	<b>3,085.2</b>	<b>3,699.0</b>
Amortisation and Provisions	(1,203.9)	(1,317.7)	(1,344.1)	(1,378.5)
<b>EBIT / Operating Profit</b>	<b>1,747.1</b>	<b>2,175.2</b>	<b>1,741.1</b>	<b>2,320.5</b>
Financial Expenses	(706.1)	(816.6)	(1,307.3)	(212,0)
Financial Income	306.6	300.1	844.2	(246,4)
FINANCIAL RESULT	(399.5)	(516.5)	(463.1)	(458,4)
Results of companies consolidated by equity method	215.8	(54.8)	10.4	(97,0)
<b>PBT</b>	<b>1,563.4</b>	<b>1,603.9</b>	<b>1,288.4</b>	<b>1,765.1</b>
Corporate Tax	(311.5)	(388.3)	(87.7)	(373,8)
Minorities	(193.6)	(198.9)	(172.2)	(156,3)
<b>NET PROFIT</b>	<b>1,058.3</b>	<b>1,016.8</b>	<b>1,028.6</b>	<b>1,235.0</b>

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

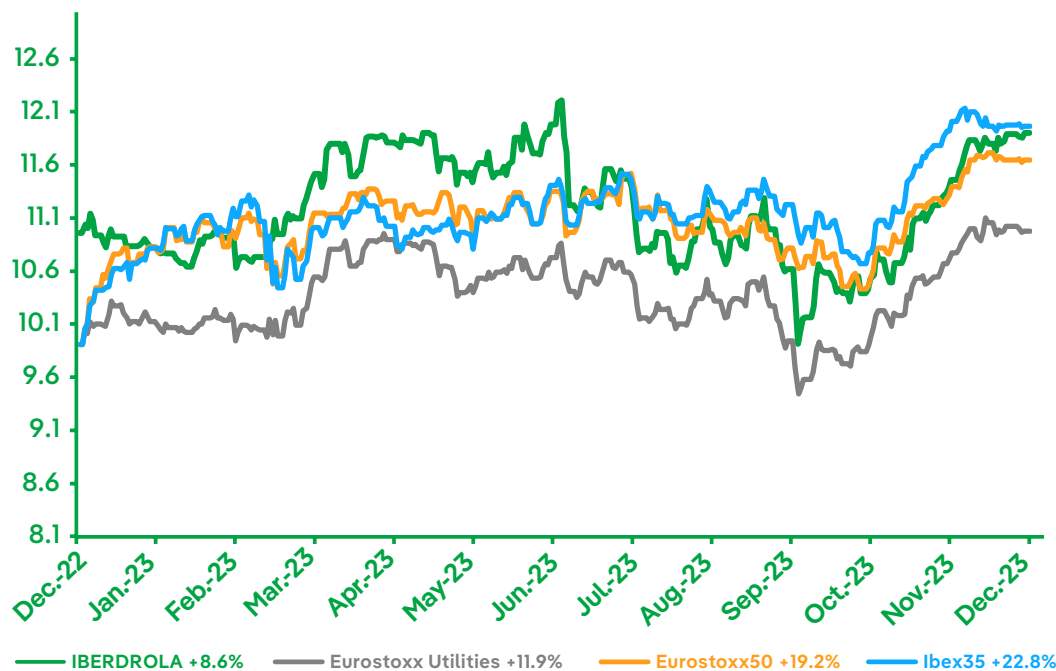
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	2023	2022
Net Profit Minority interests (+)	4,803	4,339
Depreciation and amortisation charges and provisions (+)	591	721
Capital grants taken to profit or loss (-)	5,444	5,244
Results of companies accounted for using the equity method (-)	-82	-86
Dividends on companies accounted for using the equity method (+)	-218	-74
Financial revision of provisions (+)	72	67
Adjustment for tax deductible items (+)	177	109
Canon and one-offs rulings	71	71
Deferred income tax effects	156	826
Social Bonus and nuclear fuel ruling	82	-93
<b>FFO</b>	<b>11,096</b>	<b>11,123</b>
<b>Payments to Iberdrola Shareholders</b>	<b>-949</b>	<b>-890</b>
Gross Investments	-11,382	-10,730
Divesments	766	752
Treasury Stock	-2,196	-1,687
Consolidation Perimeter	252	-
Translation differences	27	-1,084
Other variations	-1,697	-2,114
<b>Increasing/Decreasing net debt</b>	<b>-4,083</b>	<b>-4,630</b>



# Stock Market Evolution

## IBERDROLA stock performance vs. Indexes



## Iberdrola's share

	2023	2022
Number of outstanding shares	6.350.278.000	6.362.094.000
Price at the end of the period	11.8700	10.9300
Average price of the period	11.1609	10.2090
Average daily volume	11.714.666	14.507.367
Maximum volume (20-10-2023 / 21-10-2022)	48.932.871	82.592.287
Minimum (04-09-2023 / 17-05-2022)	3.926.418	5.239.815
Dividends paid (€)	0.501	0.449
Gross interim (31-01-2023 / 02-02-2022) <sup>(1)</sup>	0.180	0.170
Complementary dividend (28-07-2023/29-07-2022) <sup>(1)</sup>	0.316	0.274
Engagement (03-05-2023 / 20-06-2022)	0.005	0.005
Dividend yield <sup>(2)</sup>	4.22%	4.10%

(1) Purchase price of rights guaranteed by Iberdrola.

(2) Dividends paid in the last 12 months + engagement dividend/ period-end share price





# Regulation

## Regulation in the European Union

Throughout 2023, most of the proposals included in the **Fit for 55 legislative package**, which commenced in July 2021, were processed. The goal of such proposals is to define objectives and tools up until 2030 that aim for climate neutrality by 2050.

On the other hand, the Commission has developed new proposals in two areas of great importance.

Furthermore, other highly relevant initiatives were discussed in Brussels, such as proposals forming part of the **Green Deal Industrial Plan for Climate Neutrality**, the European Union's response to the US Inflation Reduction Act (which heavily subsidises the industry for the energy transition in North America) and the **adjustment in the design of the electricity market**, due to the significant investment required for the transition and the need to seek a coordinated exit after the crisis in Ukraine and its impact on energy prices.

The main objectives of reforming the electricity market design are: a) to facilitate the **free forward contracting** of renewable energies and integrate them into the market with support through **contracts for difference**, b) to increase the liquidity of **forward markets**, c) to promote **flexibility through demand sharing** and storage investments and d) to encourage **investment in grids on a forward-looking basis**. At the end of 2023, **a political agreement was reached between the Council and Parliament on market design**, which will be formally approved and published in the OJEU in the first few months of 2024.

Among the European standards published in the Official Journal of the European Union in the last quarter of 2023, the following are notable:

### 1. *Renewable energy and hydrogen*

- **Directive (EU) 2023/2,413 of 18 October 2023**, which updates the European framework on renewable energy. Increases the target for renewables **from 32% (binding) to 42.5% (binding) (+ 2.5% indicative additional) by 2030**. Targets for transport have been increased, and new objectives for increasing

renewables in industry and construction have been created.

### 2. *Energy efficiency*

- **Directive (EU) 2023/1791 of 13 September 2023** on energy efficiency, which establishes a binding EU target of 2030, for **final energy consumption savings of 21.2% on 2021** (24.3% indicative primary energy consumption) **and encourages electrification**.

### 3. *Mobility*

- **Regulation (EU) 2023/1804 of 13 September 2023** on the deployment of alternative fuels infrastructure, which sets **national targets for recharging facilities on roads, in ports and at airports**; it covers electric recharging, hydrogen and LNG.

### 4. *Sustainable finance*

- **Regulation (EU) 2023/2,631, of 22 November 2023**, establishes the standard for issuing and registering European green bonds.
- **Delegated Regulation (EU) 2023/2,772 of the EC, of 31 July 2023**, standard supplementing the Corporate Sustainability Reporting Directive, which establishes the necessary standards for its application as of 1/1/2024.

## Regulation in Spain

**Resolution of 21 December 2023 of the Spanish National Markets and Competition Commission establishing charges for accessing electricity transmission and distribution networks applicable from 1 January 2024:** the amount to be recovered with 2024 charges stands at EUR 6,377 million, which is distributed based on forecasted national demand similar to 2023 (243 TWh measured at busbar cost). Consequently, charges have reduced by -1.1% on average compared to 2023. Transport charges have reduced by -10.3% and distribution charges have increased by +2.8%. On average, the power factor has reduced (-3.0%) and the energy factor has increased (+4.8%).

**Royal Decree-Law 8/2023, of 27 December, which adopts measures to address the economic and social consequences resulting from the conflicts in Ukraine and the Middle East, as well as to alleviate the effects of the drought:** the reduction mechanism established by Royal Decree-Law 17/2021 was not extended and ended in December 2023 in accordance with the European market design agreement. The tax on electricity generation (IVPEE) has once again been set at 7%, with a reduction of 50% in the first quarter and 25% in the second quarter. The special tax on energy companies' sales remained in effect, but with the option of deducting strategic investments in industrial decarbonisation. VAT on electricity has been increased to 10% throughout 2024 (but only until 31 March 2024 for gas). Electricity tax will be increased gradually throughout the year until it returns to pre-crisis levels. The pre-established milestones for the construction of renewables with access and connection licences have been extended.

## Regulation in the United Kingdom

**Energy Act:** The Energy Bill (which was introduced to Parliament in the summer of 2022) received Royal Assent on 26 October 2023. The main provisions of the legislation are: (i) to promote low carbon hydrogen production by facilitating the introduction of a new business support model and a possible funding levy for this on gas shippers, (ii) to establish a new independent Future System Operator, providing strategic oversight across electricity and gas systems during the Net Zero transition, (iii) to provide powers for a new obligation to be placed on fossil fuel boiler manufacturers to scale up their production of heat pumps over time, and (iv) to provide for the introduction of competition in onshore electricity networks. In the later legislative stages of the Energy Bill, the Government also added provisions which will have the effect of placing a new 'Net Zero duty' on the energy sector regulator, Ofgem (Office of Gas and Electricity Markets), requiring it to take into account the Government's legal obligation to deliver the 2050 Net Zero emissions target under

the Climate Change Act 2008 and, on a pathway towards this, to meet the five yearly carbon budgets set under that legislation.

**Tariff cap:** As required under the Domestic Gas and Electricity (Tariff Cap) Act 2018, Ofgem implemented a new price cap for default tariffs, including Standard Variable Tariffs (SVTs), on 1 January 2019. The price cap was originally updated every 6 months, but in order to mitigate the impact of market volatility Ofgem has maintained a quarterly update cycle for the cap over the last year. Prices paid by customers have been capped by the Government's Energy Price Guarantee (EPG) which will expire at the end of March 2024. Ofgem has committed to Government to find a way of equalising Direct Debit and Prepayment Meter tariffs from April 2024 and is consulting on a levelisation/reconciliation mechanism to achieve this in a way that avoids competitive distortions between suppliers. The next price cap announcement (February 23rd) will include a decision from Ofgem on an additional price cap allowance for bad debt incurred between April 2022 and March 2024. Ofgem also launched a review of the operating costs allowance in the price cap in May 2023 which is ongoing.

**Contracts for Difference:** As part of its programme of annual Contracts for Difference (CfD) auctioning for renewable generation, the Government ran CfD Allocation Round 5 in 2023 with the initial eligibility window running from 30 March to 24 April 2023 and the sealed bid window taking place from 9 to 15 August. This round was based on two auction Pots: Pot 1 for 'established' renewable technologies, including fixed bottom offshore wind, onshore wind and solar PV; and Pot 2 for 'less established' renewable technologies, including floating offshore wind. The results of the AR5 auction round were announced on 8 September with the award of contracts amounting to 3.7 GW of capacity: with 1.9 GW of solar PV clearing at the administrative strike price (ASP) of £47/MWh and 1.48GW of onshore wind clearing at £52.29/MWh (ASP (Average Selling Price) £53/MWh) in the Pot 1 auction; whilst 53MW of tidal stream cleared at £198/MWh (ASP £202/MWh) and 12MW of geothermal cleared at the

## | Regulation

ASP of £119/MWh in Pot 2. (All prices in 2012 prices). No fixed bottom or floating offshore wind bid in the Allocation Round. The full monetary budget was used for each Pot. The Government plans to run the next auction (ie CfD Allocation Round 6) in 2024 and published 'core auction' parameters for this Allocation Round on 16 November 2023. This included a much higher ASP of £73/MWh (in 2012 prices) for fixed bottom offshore wind – representing a 66% increase on the ASP in Allocation Round 5, as well as the re-introduction of a separate Pot 3 in the forthcoming auction for fixed bottom offshore wind. These steps were taken with a view to getting back on track with deploying offshore wind at scale in the UK and progressing towards the Government's ambition of 50 GW offshore wind by 2030. However, further auction parameters remain to be published in 2024 ahead of Allocation Round 6.

**Electricity Generator Levy:** The Electricity Generator Levy (EGL) came into effect on 1 January 2023, implementing a 45% levy on merchant electricity generation revenues from renewable (and nuclear) generation above an annual benchmark of £75/MWh (with inflation indexation based on CPI) until 31 March 2028. At the 2023 Autumn Statement, the Chancellor announced that the UK Government will introduce legislation for a new exemption under the EGL, covering 'new projects' for which the substantive decision to proceed is made on or after 22 November 2023. This new exemption is expected to be legislated for in the current Finance Bill.

**Reform of Capital Allowances regime:** In the 2023 Spring Budget, the Chancellor introduced 'full expensing' under the capital allowances regime on a time-limited basis, running from 1 April 2023 to 31 March 2026. This support for investment was further extended at the 2023 Autumn Statement with the Chancellor announcing that 'full expensing' would now be put on a permanent basis.

**Accelerated Transmission Infrastructure:** Ofgem decided in December 2022 to launch a new Accelerated Strategic Transmission Investment (ASTI) framework. The framework assesses, funds and incentivises the accelerated delivery of circa £20

billion of large, strategic onshore transmission projects (GB wide) required to deliver the government's ambition to connect up to 50GW of offshore wind generation to the network by 2030. The aim is to remove regulatory barriers and accelerate delivery of these projects, including provisionally exempting projects from competition models, subject to TO's ability to meet delivery dates. In August 2023, Ofgem published its decision to modify SPEN's licence conditions in order to introduce the framework.

**Grid connections:** In response to growing concern over the backlog of project seeking to connect to the grid, the Government appointed Nick Winser in July as the UK's first Electricity Networks Commissioner. His report, published in August 2023 concluded that new power lines can be built in half the time of current timescales, and confirmed that while challenging, speeding up the delivery of strategic electricity transmission lines is "vital and achievable." He put forward a set of 18 recommendations to reduce current timescales for delivering onshore transmission network infrastructure to 7 years to help deliver energy security and net zero more quickly. In November 2023 the UK Government published its Transmission Acceleration Action Plan in response to Nick Winser's report. The Action Plan seeks to halve the end-to-end build time of electricity transmission network infrastructure, from 14 to 7 years. The Plan also sets out new proposals for community benefits, including the potential for eligible households to receive bill discounts of up to £10,000 over ten years. Alongside this, a joint Government and Ofgem 'Connections Action Plan' sets out reforms which the Government estimate will reduce overall connection delays from five years to six months, and could free up over 100 GW of capacity. The implementation of this action plan will be overseen by a new Ofgem-chaired Connections Delivery Board.

## | Regulation in the USA

**Inflation Reduction Act (IRA):** In September, the Department of Treasury ("Treasury") announced its priorities for Inflation Reduction Act guidance through mid-2024. Treasury is in the process of issuing guidan-

## | Regulation

ce on hydrogen production tax, regulations on the ITC for subsea cables and onshore substations, and offshore with bonus tax credits for “energy communities” and “domestic content” which are expected to become final sometime before mid-2024.

### New York – Rate Case

On June 14, 2023, NYSEG and RG&E filed, along with the DPS Staff and 7 other parties (supporting in full or in-part), a Joint Proposal (“2023 JP”) settlement for a three-year rate plan with the NYPSC with the requisite make-whole revenue adjustments to accommodate rates in effect as of May 1, 2023 and continuing through April 30, 2026.

The allowed rate of return on common equity (“ROE”) for NYSEG Electric, NYSEG Gas, RG&E Electric and RG&E Gas is 9.20%. The common equity ratio for each Business is 48.00%. The 2023 JP also includes earnings sharing bands for earnings in excess of 50 basis points of the 9.20% ROE utilizing an equity ratio of 50.00%.

Hearings on the 2023 JP concluded July 18, 2023. On October 12, 2023, the NYPSC approved the 2023 in its entirety.

### Connecticut

On August 25, 2023, UI received a final decision for a term of one year with new rates commencing on September 1, 2023. CT PURA determined that the appropriate allowed return on equity is 9.10% but reduced the allowed ROE by an aggregate of 47 basis points to 8.63%, subject to certain conditions and timelines, to address performance and management issues. The common equity ratio is 50.00% as requested. The final decision includes 50% earnings sharing for annual earnings in excess of the allowed ROE.

On September 18, 2023, UI filed an appeal at the Superior Court of Connecticut. We cannot predict the outcome of this matter.

On November 1, 2023, Connecticut Natural Gas (CNG”) and Southern Connecticut Gas (“SCG”) filed rate cases with CT PURA seeking revenue increases of \$20M and \$41M, respectively. CNG and SCG premised their requests on 55% and 53% equity layers, respectively, and both requested a 10.2% ROE. They

used calendar-2022 test years with adjustments through the rate year ending October 31, 2025. The main drivers of the request include the recovery of capital investments and higher costs since the last rate case, including O&M, depreciation, and property tax. They also request to continue their revenue decoupling and earnings-sharing mechanisms. New rates are expected to go into effect November 1, 2024. We cannot predict the outcome of this matter.

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## | Regulation in Mexico

### Last resort supply.

In November 2023, the Energy Regulatory Commission (CRE in its Spanish acronym) approved the Model

## | Regulation

Contract and the Last Resort Supply Rate for Iberdrola customers, authorising it to offer this service. Last Resort Supply is a scheme designed for Qualified Consumers. It establishes maximum prices and is offered on a temporary basis to guarantee the continuity of electrical supply in situations where a Qualified Service Provider has cut their supply. Before such approval, CFE Suministro Básico and CFE Calificados were the only companies authorised to provide this service.

### Protection against increase in electricity transmission rates.

In November 2023, the competent court confirmed the second instance protection against the increase in 2020 electricity transmission rates. This increase, which was authorised by the CRE, affected renewable plants and efficient co-generation for self-supply.

## | Regulation in Brazil

### Rate review — generation, transmission and distribution

On 28 March, ANEEL updated the regulatory remuneration rates (WACC) for generation, transmission and distribution activities, which will be applicable for the period between March 2023 and February 2024. The WACC (real, after taxes) applied to distributors was 7.42% (whereas this was approximately 7.15% in 2022); this stood at 7.26% for transmission activities, (vs. 6.93% in 2022).

### Rate reviews — Neoenergia Coelba and Neoenergia Cosern

On 20 April, resolutions No 3,186/2023 and 3,187/2023 were published by the Brazilian Electricity Regulatory Agency (ANEEL), relating to rate reviews (Revisões Tarifárias Periódicas) for Coelba and Cosern, respectively. These adjustments came into effect on 22 April, with an average effect of 8.18% for Coelba consumers (6.91% for high and medium voltage and 8.66% for low voltage) and 4.26% for Cosern consumers (3.65% for high and medium voltage and 4.45% for low voltage).

For both Coelba and Cosern, the factors that most impacted the calculation of the revision were the costs of purchasing energy and transport, in addi-

tion to other rate components that experienced variations in the last year.

### Approval of the annual rate adjustment for Neoenergia Pernambuco

Resolution No 3,195/2023, on the annual rate adjustment for the year 2023 of Pernambuco, was published on 12 May. The adjustment came into effect on 14 May, with an average effect of 9.02% for consumers (10.41% for high and medium voltage and 8.51% for low voltage). The factors that most impacted the calculation of the adjustment were the costs of purchasing energy and transport, as well as other rate components that were subject to variations.

### Periodic transmission rate review

On 4 July 2023, ANEEL (the Brazilian Electricity Regulatory Agency) published resolution No. 3,216, which sets the permitted annual regulatory revenue (Receita Anual Permitida or RAP) for 2023-2024.

Order no. 4,675/2023 was published on 12 December, which addresses the assessment of administrative appeals filed during the phase of ANEEL Homologation Resolution no. 3,216, of 4 July 2023, which establishes the permitted annual regulatory revenue (RAP) of transmission companies for 2023-2024. The RAP value was adjusted to 5.56%. The main reasons for the increase include the adjustment indices provided for in the concession contracts and the effects of revisions to the concessionaires' revenues.

Furthermore, orders and their expected revenue were published in the last quarter of 2023:

- Order no. 3,928/2023: authorises Afluente to carry out improvements at SE Tomba. Estimated RAP: 2,120,342.83;
- Order no. 4,921/2023: authorises Neoenergia Guanabara to install forces at the Lagos substation. Estimated RAP: 3,203,594.50.

Order no. 3,455/2023 - SFF/ANEEL was published on 22 September, by virtue of which SFF/ANEEL approved and agreed to the transfer of indirect corporate control of Neoenergia Jalapão, Neoenergia Santa Luzia, Neoenergia Dourados, Neoenergia Atibaia, Neoenergia Biguaçu, Neoenergia Sobral, SE Nandiba S.A and Neoenergia Rio Formoso, which



will become jointly owned by Neoenergia S.A. and Warrington Investment PTE. LTD.

### Neoenergia Elektro rate review

On 25 August, ANEEL published resolution No 3,253 on the periodic rate review (Revisão Tarifária Periódica) for 2023 of Neoenergia Elektro. The new rates came into force on 27 August 2023, with a total average effect for consumers of 7.17%, namely 9.53% for low-voltage consumers and 3.15% for high-voltage consumers. The rate component affecting Elektro (relating to energy distribution services – Plot B) was reduced by -1.17%, despite inflation in the period.

### Annual Rate Adjustment for Neoenergia Brasília

On 20 October, ANEEL approved the 2023 rate readjustment for Neoenergia Distribuição Brasília, which came into effect on 22 October with an average increase of 9.32% for consumers (7.78% for high voltage and 9.95% for low voltage). The main factors driving the readjustment were financial elements and sectoral charges.

Plot A variation stood at 4.8%, totalling BRL 3,099.1 million, due to the increase in sectoral charges (16.4%) and transmission costs (13.0%). The average transfer price for power purchase agreements was set at BRL 269.93/MWh. Plot B variation stood at 7.14%, due to the accumulated inflation (IPCA) of +5.19% in the period, taking into account an X factor of -1.96%, making Plot B worth BRL 711.4 million

### Opening of the public consultation for the renewal of the concession of distributors

On 22 June, the Ministry of Mines and Energy (MME) opened the public consultation 152/2023, which deals with the federal government's proposal for the renewal process of distribution concessions for the 2025-2031 period. This period includes the renewal of the four concessions of the five Neoenergia distributors (Coelba, Pernambuco, Cosern and Elektro). The public consultation will be open until 24 July, after which the Ministry of Mines and Energy will draft the regulations governing the extension conditions of expiring concessions.

On 15 September, the MME published Technical Note 19/2023 with updated rules on the renewals of distribu-

tion concessions, which favour distributors. The technical note considered the collection of potential economic surpluses and the use of SUDAM/SUDENE tax incentives for social compensation to be inadequate.

In January 2024, the Tribunal de Contas de la Unión (TCU – Brazilian federal audit office) issued a decision that allowed the Ministry of Mines and Energy (MME) to proceed with the process of renewing the distributors' concessions. The TCU decided that the MME's cause was in line with the public interest, with economic prudence, and that the plan was efficient and effective. It also suggested that renewals be analysed individually. The next milestone will be the MME drafting a decree that includes the conditions to extend expiring concessions.

### Approval of distribution and transmission rates for the tariff period 2023-2024

On 7 July, ANEEL resolutions 3,217/2023 and 3,218/2023 were published, which concern the transmission system usage rates (TUST) – and also the Itaipu transport rate – and the distribution system usage rates (TUSDg) for the tariff period 2023-2024. On average, the TUSTs for the period were readjusted by 12.9% for the consumption segment and 4.4% for the generation segment. The date of entry into force of the new rates was 1 July, and they are valid until 30 June 2024.

On 22 August, the regulatory order “Portaria Normativa no. 67/GM/MME” was published, which establishes the timetable for the conclusion of tenders for the concession of the public service of electricity transmission.

Transmission auction	Public session	Deadline for signing the contract to use the transmission system
H1/2023	June/2023	13 January 2023
H2/2023	December/2023	Not applicable
H1/2024	March/2024	15 September 2023
H2/2024	September/2024	15 March 2024
H1/2025	March/2025	13 September 2024
H2/2025	September/2025	14 March 2025



# Sustainability Performance - ESG



| Sustainability Performance - ESG

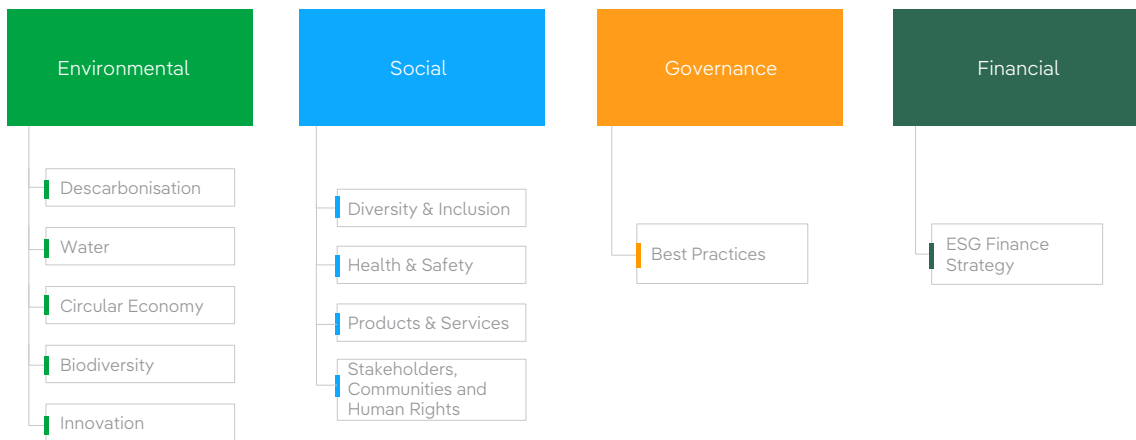
Iberdrola's contribution to sustainable development is reflected in sustainable corporate responsibility policies, procedures and actions that meet the needs and expectations of its stakeholders.

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















| Sustainability Policy:



ESG+F targets: classified in four main blocks



## ESG initiatives in the period

Main ESG initiatives	FY 2023	Related SDGs
Electrify the economy	<i>Committed with the electrification as a basis for sustainable economy</i>	  
New green employment platform	<i>Global Green Employment Platform (GGE)</i>	  
Alliances for decarbonization	<i>More than 40 companies start up with Iberdrola Q-Cero</i>	   
Innovation	<i>Decarbonisation of industrial heat processes</i>	   
Talent	<i>International graduate programme</i>	 
Rational use of water	<i>Sustainable management</i>	
Sustainable mobility plan	<i>Alliances with BP to accelerate deployment of electric mobility</i>	  
Biodiversity	<i>Launch of Carbon2Nature</i>	  
COP 28	<i>Iberdrola's participation in COP 28</i>	  
Iberdrola Supera awards	<i>Equality Initiatives Awards Ceremony, through sports</i>	 
Customers: everything you need	<i>Customer service</i>	 
Social commitment	<i>We create value, progress and well-being</i>	    

# I. Sustainability Indicators

Financial indicators	2023	2022
Contribution to GDP (gross margin) (*)	0.59%	0.63%
Contribution to GDP (net revenues) (*)	1.18%	1.79%
Net profit (EUR million)	4,802.8	4,338.6
Dividend yield (%) (**)	4.22%	4.10%
Sustainability indicators	2023	2022
Own CO <sub>2</sub> emissions over the period (gCO <sub>2</sub> /kWh): Global	77	83
CO <sub>2</sub> emissions over the period (gCO <sub>2</sub> /kWh): Europe	55	62
CO <sub>2</sub> emissions over the period (gCO <sub>2</sub> /kWh): Spain	58	72
CO <sub>2</sub> emissions over the period (gCO <sub>2</sub> /kWh): UK	-	-
CO <sub>2</sub> emissions over the period (gCO <sub>2</sub> /kWh): US	55	46
CO <sub>2</sub> emissions over the period (gCO <sub>2</sub> /kWh): Brazil	4	1
Own CO <sub>2</sub> emissions over the period (gCO <sub>2</sub> /kWh): Mexico	292	291
CO <sub>2</sub> emissions over the period (gCO <sub>2</sub> /kWh): RoW	8	8
Ratio of own emission free production to total production: Global (%)	80%	79%
Ratio of emission free production to total production: Europe (%)	89%	86%
Ratio of emission free production to total production: Spain (%)	87%	84%
Ratio of emission free production to total production: UK (%)	100%	100%
Ratio of emission free production to total production: US (%)	87%	91%
Ratio of emission free production to total production: Brazil (%)	99%	100%
Ratio of own emission free production to total production: Mexico (%)	16%	17%
Ratio of emission free production to total production: RoW (%)	99%	98%
Ratio of own emission free installed capacity to total installed capacity: Global (%)	81%	80%
Ratio of emission free installed capacity to total installed capacity: Europe (%)	83%	82%
Ratio of emission free installed capacity to total installed capacity: Spain (%)	80%	79%
Ratio of emission free installed capacity to total installed capacity: UK (%)	100%	100%
Ratio of emission free installed capacity to total installed capacity: US (%)	91%	91%
Ratio of emission free installed capacity to total installed capacity: Brazil (%)	88%	89%
Ratio of own emission free installed capacity to total installed capacity: Mexico (%)	30%	30%
Ratio of emission free installed capacity to total installed capacity: RoW(%)	94%	91%

Note: Third party installed capacity and production are not included.

(\*) Source: Iberdrola Results and Quarterly National Accounts of Spain – INE (Base 2010. Last data published in Q4 2023).

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

# E Environmental

## Fight against climate change

### Co investment alliance with Masdar to invest EUR 15,000 million in offshore wind and green hydrogen in Germany, the United Kingdom and the United States

Iberdrola and Masdar, a renewable energy group from Abu Dhabi, have signed a **strategic agreement to jointly invest up to EUR 15,000 million in renewables**. In particular, the two companies will assess developments for **new offshore wind and green hydrogen projects in Germany, the United Kingdom and the United States**, following the successful co investment agreement already in place at **Baltic Eagle**, in Germany.

### Increase in installed renewable capacity and integration into the grid Iberdrola plans to repower its first four wind farms in Spain, increasing production by 30%

Iberdrola España is planning to repower four onshore wind farms in Galicia and Castilla La Mancha, which will reduce the total number of wind turbines installed in both communities by 200 and **increase the energy production of these facilities by an average of 30%**. In Spain, the company has **214** wind farms in 13 autonomous communities, with a **total installed capacity of 6,550 MW**, and a net production capacity of 7,405 GWh.

### The largest solar community in Spain has been installed

Iberdrola has installed the **largest solar community in Spain** in the Nexum Retail Park, located in Fuenlabrada (Madrid). This option for self consumption will allow 1,100 families, living within two kilometres of the retail park, to access 100% renewable energy and save up to 40% on consumption without needing to have their own equipment or invest any money.

### Three wind farms are planned in Germany with an installed capacity of up to 200 MW

Iberdrola, through its German subsidiary, has been awarded three locations this quarter as part of the **latest Forst Baden Württemberg** (ForstBW) tender to build three wind farms with a **total potential capacity of between 170 and 200 megawatts** (MW). In total, 25 wind turbines will be installed, which **will supply renewable energy** to around 112,000 families, which will cut CO<sub>2</sub> emissions by 252,000 tonnes per year. Iberdrola has had a presence in Germany since 2001 and this was strengthened in **2017** thanks to the commissioning of the **Wikingen offshore wind farm**—with an installed capacity of **350 MW**. It is currently the largest operator of offshore wind farms in the German Baltic Sea and has more than **700 MW** of renewables under development.

### First turbines of the Vineyard Wind 1 offshore wind farm have been installed

Iberdrola has finished installing the 6 turbines of the Vineyard Wind 1 offshore wind farm. Each turbine provides power to more than **6,000 households and businesses**. **Once the installation is completed**, the windfarm will have a total of 62 turbines GE Haliade-X model **of 13 megawatts of power each one**, making them the largest turbines in the world. In addition, the transition pieces for the turbines were manufactured in Avilés by the Asturian company Windar Renovables.

### Iberdrola's Eastern Green Link I project in the United Kingdom has awarded the first contracts

Iberdrola, through ScottishPower Energy Networks—its distribution subsidiary in the United Kingdom—is making progress in the implementation of what will be the **first high capacity cable project on the east coast of the country**, which will link England and Scotland. **Eastern Green Link 1** (EGLI) is a joint venture between **ScottishPower Energy Networks** and **National Grid Electricity Transmission** and the first contracts have now been awarded.

## Biodiversity

### Alianza con Birdlife Internacional para proteger la biodiversidad

Iberdrola is developing projects with high impact, nature based solutions that reduce the global carbon footprint, improve biodiversity and promote a sustainable economy. The company Carbón2Nature was created out of the electricity company's firm belief that **investing in nature is key to taking action against the climate and biodiversity crisis**, while at the same time acting as a formula for sustainable value creation and profitability.

## S Social

### Talent

Iberdrola has opened a new call for its master's scholarships for the academic year 2024 2025, with the aim of promoting excellence in the training of the next generation and bolstering young talent. The company is offering new generations the possibility of training in activities related to the energy transition. **So called 'green employment' offers a development opportunity for society and for the protection of the planet itself.**

### Sustainable mobility: New fast and ultra fast charging alliance in Spain and Portugal

The new company, formed by Iberdrola and bp pulse, plans to invest EUR 1,000 million with the aim of deploying 5,000 charging points by 2025 and 11,700 by 2030, all using 100% renewable energy (through guarantee of origin certificates). The new joint venture will start with more than 300 operational fast (>50 kW) and ultra fast (>150 kW) charging points for electric vehicles.

### Suppliers

Iberdrola has taken a step further globally and has joined the United Nations Global Compact programme to continue promoting the sustainability of its suppliers. For five months, SMEs that benefit

from the programme (over 220 from Iberdrola have joined) will be able to access online courses, live recorded sessions, good practices, templates for the development of policies and codes and practical cases of other companies.

## Diversity and inclusion

- **Avangrid:** The company is celebrating its 'Second Diversity Week', which has featured major events, such as the first **executive round table**—which was attended by members of the Executive Diversity and Inclusion Board—, the first **Supplier Diversity Summit**—60 companies and 50 representatives of various stakeholders from relevant business areas—, and the first **Employment Fair**—130 secondary school students, among other activities.
- **ScottishPower: UK: Breaking Barriers 2024**, applications for the 2024 edition are now open. This initiative provides an opportunity to go to university to receive commercial training for people with a learning disability and/or another barrier to accessing education.
- **Neoenergia:** The company has signed up to the **UN Global Compact** to increase gender and race diversity in management positions. The company has signed the agreements "La raza es una prioridad" (Race is a priority) and "Ellas lideran" (Women lead), alliances that reinforce Neoenergia's aim of increasing the number of executives of colour by at least 35% between now and 2025 and for women to hold 31% of senior management and leadership positions by the same year. A 35% increase in women in supervisory roles is expected by 2025.
- **Iberdrola México: Iberdrola México and the UNDP (United Nations Development Programme) will work with 70,000 people to reduce gender violence in Mexico.** "ComunidadEs Iguualdad" (Community means Equality) is an initiative involving actions to raise awareness about gender and human rights for young children and teenagers, educating teaching staff

and community groups from various municipalities in Nuevo León, Oaxaca and Puebla.

## Corporate volunteering

- **International Volunteer Week** was held under the motto “¡Juntos construimos el mundo que queremos!” (Together we can build the world we want!), bringing together more than **9,000 participants across 127 initiatives carried out in 24 countries** where Iberdrola operates, aimed at protecting the environment and biodiversity, the inclusion of vulnerable groups and raising awareness about diversity and social care. **Around 25% of the group’s workforce participates annually** in solidarity actions as part of the **Volunteer Programme**.
- New courses **for training and employability enhancement projects for disadvantaged groups:** young people at risk of exclusion, refugees, female victims of gender violence and/or those at risk of severe exclusion. In line with the **STEM Alliance** for female talent which **Iberdrola España** has joined, a new project called “**Technovation Girls**” has been launched, which is a global competition where teams of girls from 8 to 18 years old solve real world problems through technology and entrepreneurship. Mentoring, meetings and **workshops** were also held in the **United Kingdom, the United States, Brazil and Mexico to promote the role of women in STEM education**. Such as **Warriors Challenge** in Glasgow and **Big Bang Dumfries & Galloway**.
- For the **World Day against Climate Change**, reforestation, environmental education, recycling, awareness raising, calculation and reduction of the plastic footprint have been carried out. It is worth highlighting the autumn reforestations in the Undabaso Reserve, Muxika (**Spain**), the reforestation of 7,911 trees in Mexico in the states of Durango, State of **Mexico**, Puebla, Querétaro, Guanajuato, Oaxaca, Nuevo León and San Luis Potosí, a federal entity where community gardens have also been installed. Also of note is

the cleaning the canals and footpaths in Kirkintilloch, north of **Glasgow**, the planting of trees at Dumfries House and the maintenance and improvement of spaces at Camphill Blair Drummond, in Stirling.

- For **International Breast Cancer Day, Iberdrola España** organised a hair donation campaign for vulnerable women and volunteer employees participated in the social media campaign to raise visibility and awareness. In addition, volunteers helped out in the tents during the Races Against Cancer and promoted the “Juntos contra el cáncer” (Together against cancer) campaign. **Iberdrola México** volunteers participated in the 15th race to support children and young people with cancer. **ScottishPower** employees took part in **Cancer UK Research’s Cycle Challenge**. They also climbed the three highest hills in Lanarkshire to raise money for a cancer charity and took part in different charity marathons, races and walks for children in hospital.
- In **Spain, Operation kilo** resulted in 3,766 kg of food being donated. **Neoenergía**, in addition to Operation kilo, launched a clothing donation campaign and collected more than 31,000 items. In **Mexico**, with the aim of strengthening the social fabric, providing healthy food and promoting sustainable consumption, the project “**Energía por el campo: Huertos Comunitarios**” (Energy from nature: Community Gardens) was launched. In the **US**, the **Habitat for Humanity** project has helped with the construction and adaptation of houses for vulnerable families.

## Foundations

The Iberdrola Group’s foundations embody the company’s commitment to the development of the countries in which it operates and its support for those most at risk, focusing its efforts on four areas: training and research, biodiversity and climate change, art and culture and social action.

## Iberdrola Foundation Spain:

- 13 Paralympic scholarships awarded.
- **Energy for Future Research Aid Programme:** promotes research projects focusing on technologies associated with the energy transition and green transformation. The second round of applications for the programme is open.
- **Diploma award ceremony** for the foundation's scholarships at Iberdrola's "Formación, Empleo y Excelencia" (Learning, Jobs and Excellence) event, a workshop that supports young talent and excellence.
- Unveiling of the pioneering **visual accessibility programme "Arte para Tocar"** (Art to Touch), in collaboration with the Bilbao Fine Arts Museum. Travelling exhibition aimed at visually impaired people.
- Signing of an agreement for the **lighting around the quadruple lock** on the Canal de Castilla in Frómista.
- Inauguration of the **travelling exhibition "Museorum"** in Castilla-La Mancha (CLM). The exhibition aims to bring the art in CLM's museums closer to the people.
- Inauguration of the **lighting for the façade of the National Defence Advanced Studies Centre (CESEDEN)**.
- **Restoration completed on the Boil Family Sepulchre** in the former Santo Domingo Convent.
- Renewal of the agreement between the Iberdrola Foundation Spain and the **Migres Foundation** to support the project for reintroducing ospreys into the Comunitat Valenciana.
- Presentation of the 2022 **Restoration Programme** with the **Bilbao Fine Arts Museum**.
- Unveiling of the **lighting** inside the **Colegio de Monforte de Lemos church**.
- Unveiling of the ornamental **lighting** on Guadalajara's **Arab Bridge**.
- **Travelling exhibition "El Prado en las Calles" (El Prado in the Streets)** in Extremadura and its debut in Andalucía.
- Agreement signed to **restore the courtyard of the Palacio de Polentinos**, home to the Archivo General Militar (General Military Archive), in Ávila.
- Inauguration of the **Sorolla x Manuel Vicent exhibition** at the Sorolla Museum.
- Second **meeting with social entities** at the Iberdrola facilities to share all the social projects supported by the Iberdrola Foundation Spain and create a network for our entities.
- Signing of an agreement for the **interior lighting of the Church of San Juan de Baños** in Palencia.
- Inauguration of the **reforestation of 25,800 native trees** in the Conde de Gazola base in León.
- Call opened for **Programa Social 2024 (Social Programme)**. Financial support to 35 non profit organisations related to children, youth, women, economic vulnerability, serious diseases and people with disabilities.
- Presentation of the **VIDEO SENSATIONS project** in collaboration with the Thyssen Museum: a set of materials that facilitate exercising the right to cultural participation by creating content that is accessible to all. Among these resources, a user guide is available with suggestions for its use in sensory stimulation sessions.
- Signing of an agreement for the **interior lighting of the Monastery of San Juan de los Reyes** in Toledo.
- Signing of an agreement with **Empieza por Educar (Start with Education)** to fund five scholarships. This agreement seeks to help young graduates or professionals to develop so that they can have a positive impact on the educational system.



- **Diplomas for summer language immersion camps** in Villarino awarded to 40 students in compulsory secondary education.
  - Inauguration of the exhibition “**El Prado en las Calles**” (The Prado Museum in the streets) in Seville, Córdoba, Granada and Jaén.
  - Inauguration of **reforestation in the Noia Escuadrón de Vigilancia Aérea (Noia Air Surveillance Squadron)** – Plan Bosque Defensa Iberdrola (Iberdrola Forest Defence Plan).
  - Inauguration of the **lighting for Capitanía General** in Sevilla.
  - Agreement with **Lisbon’s City Council** for its decorative **lighting**.
  - **Renewal of the STEM Women’s Chair agreement** with the Empresa Municipal de Transportes de Madrid and the Universidad Pontificia Comillas.
  - **Renewal of the agreement with the Fundación San Millán** for the recovery and restoration of books from the Yuso Monastery Library.
  - **Plan Románico Atlántico (Atlantic Romanesque Project):**
    - Unveiling of the inside lighting of San Martín de Tours Church.
    - Restoration of access to Santo Tomás de Forfoleda Church (Salamanca).
    - Publication of a digital book on the restoration of the mural paintings of Muga de Sayago.
- ScottishPower Foundation in the UK:**
- **SMEATON 300 designing Smeaton Park:** a project that will inspire children and young people to develop innovative solutions to real life challenges.
  - **Generation Science 2023:** a project to help improve primary school science education for children in Scotland’s most disadvantaged areas.
  - **Ocean Extravaganza:** an educational enrichment programme that will inspire and empower the next generation to become more environmentally friendly adults.
- **The Learning Communities Project:** a key initiative to help children living in poverty who are affected by the poverty related attainment gap.
  - **Cuthbert Moor Restoration:** a project to restore peatland and wetland habitats. As part of this project, extensive baseline studies will be carried out, and volunteer opportunities and citizen participation activities will be organised in schools and communities.
  - **Earth Allies:** a course for young people aged 16 to 24 from disadvantaged communities, which aims to equip them with the necessary tools to advocate for climate action.
  - **Action for Nature in Ayrshire:** a project that promotes biodiversity activities and improves access to green spaces.
  - **Enrick Riverwoods Restoration:** a project that aims to set an innovative example of ecological restoration, which increases carbon capture capacity and conserves the economic value of the land in local communities.
  - **Daisy Chain Rising Stars:** enriching the lives of autistic children and young people through the performing arts, encouraging participants to express themselves.
  - **Dance for Parkinson’s Scotland:** a programme that supports people with Parkinson’s through specialised movement classes that address specific Parkinson’s concerns and provide a space for connection and community among participants.
  - **Creative Ageing in the Gorbals:** a project that will strengthen the sense of community, reduce loneliness and improve elderly people’s physical and mental health.
  - **The Aspire Independent Living Service:** supporting people with spinal cord injuries, from their very first days in hospital and for the rest of their lives, so that they can lead a full and inde-



pendent life in their homes, with their families, at work and in their free time.

- **Improving Men’s Mental Health and Wellbeing and Reducing Inequalities following Family Separation or Domestic Abuse:** a project that helps tackle suicidal thoughts in men who have gone through family separation or have been victims of domestic abuse.
- **Family Support Hubs:** a project that provides support to five family support centres in the most disadvantaged areas of Falkirk, focusing on families with at least one child under five years old, who are facing mental or physical health problems, financial difficulties, addiction, etc.
- **Magic Breakfast in Scotland:** providing unlimited access to healthy and nutritious breakfasts to stop children going to school hungry in the morning.
- **Sands Befrienders:** a community support project for people affected by baby loss and miscarriage across the UK.
- **Supporting Black Minority Ethnic (BME) Women into Sustainable Employment:** helping women across Scotland develop the skills, confidence and self-belief they need to secure sustainable employment and financial independence.
- **Stable Life:** a structured programme for vulnerable young people in the Scottish Borders, offering horse assisted therapy and learning, horse riding classes and psychosocial interventions.
- **Newham:** United Against Food Waste: preventing food waste by hiring a Food Waste Reduction Coordinator. They will obtain regular food donations for food banks, to save food going to waste.

### **Avangrid Foundation in the United States:**

- **Energised for Good – Employee Giving – Match:** employee contributions to a variety of community organisations to promote the common good.

- **The Central Maine Power David Flanagan Endowed Professorship:** scholarships for full time graduate students enrolled in the MPPM (Master’s in Policy, Planning and Management) or MPH (Master’s in Public Health) programmes.
- **Invention Convention Worldwide (2023):** ICW is one of the most prestigious STEM inventor/entrepreneur training programmes in the country. It is a global coalition of affiliates that teach students real world problem solving and creative thinking skills through education activities in invention and entrepreneurship.
- **Habitat for Humanity National Partnership (Year 5):** fifth year of a national priority partnership to support affordable housing ownership and neighbourhood rehabilitation in several communities where Avangrid operates.
- **Community Free Day:** hundreds of thousands of people across all ages have experienced the canal and river aboard CHN’s Sam Patch, a replica packet boat docked in historic Pittsford, New York. With the aim of teaching history, culture, “STEAM” fields and the importance of the natural environment in an engaging, fun and convincing way.
- **Avangrid Foundation/Central Maine Power Lineworker Technology Programme Scholarships:** technology programme scholarships are intended for qualified students enrolled in the line worker technology programme or for students looking to specialise in the Department of Trade and Technology.
- **Horizons Bridgeport:** a network of free, high quality, immersive and extracurricular academic and enrichment programmes that support underprivileged youth in Bridgeport, Connecticut, throughout their academic careers.
- **Overnight excursions for Veterans:** VAST (Veteran’s Adaptive Sports & Training) offers free outdoor activities all year round for veterans with physical disabilities.

### Iberdrola Foundation Mexico:

- **Altamira scholarships:** support for low income students with educational excellence at the Instituto Tecnológico de Monterrey Tampico Campus.
- **“Jóvenes construyendo el futuro” (Young People Building the Future):** programme led by the Secretariat of Labour and Social Welfare that seeks to generate on the job training opportunities to young people between the ages of 18 and 29, with the aim of boosting their technical skills so as to increase their future employability.
- **“Impulso STEM” (STEM Drive):** in this programme, scholarships will be awarded to young underprivileged Oaxacan people so that they have the opportunity to study at the Technological University of the Central Valleys of Oaxaca.
- **Fernández Canyon conservation:** state park conservation programme (in Durango) to protect its 1,000 year old Sabino forest ecosystem.
- **Mangrove conservation:** guaranteeing the survival of flora and fauna in the mangrove ecosystem (in Altamira) and increasing their numbers through constant monitoring.
- **Feline protection:** guaranteeing the survival of the jaguars, jaguarundis, ocelots and bobcats living in the area of Altamira.
- **“Luces de Esperanza” (Lights of Hope):** providing electricity to rural communities not yet connected to the grid. In Oaxaca, the installation of solar systems in 116 homes, five schools and a health centre has helped more than 3,300 people who lacked access to electricity. The Luces de Esperanza programme began in November 2019 in rural communities in Huasteca Potosina, where it has contributed to improving the living conditions of more than 1,500 people. Due to its success, it was extended to the state of Oaxaca in 2020.
- **“Construir para Educar” (Build to Educate):** rebuilding schools struck by the earthquakes in Oaxaca. Two schools are currently under reconstruction.
- **“Brigadas Urológicas” (Urology Brigades) in the south and south east of Mexico:** enhancing the well being of Oaxacan women suffering from complex urological problems. Advanced urological specialisation fellowships in Spain were launched for Mexican doctors and nurses in the state of Oaxaca.
- **Somos el Cambio (We are the Change) partnership:** partnership with Somos el Cambio for participation in different calls that invite students and teachers from public schools from all over the country to develop social projects through the methodology: feel, imagine, do and share.
- **Community gardens:** strengthening the comprehensive community garden programme and supporting farmers in Tamazunchale. This project is aimed at promoting their development and sustainability, so that they can be self sufficient in the future.
- **Road rehabilitation:** developing infrastructure by implementing the road repair and reconstruction project in the section known as the “Y junction” in the town of La Ceiba.
- **“Proyecto Comunicación” (Project Communication):** promoting culture, caring for the environment and using renewable energies to generate the electricity required, through bicycle pedalling, to project Mexican family films in rural communities in Mexico.

### Neoenergia Institute in Brazil:

- **“Balcão de Ideias e Práticas Educativas” (Ideas and Educational Practices Hub) project:** consolidating a network for sharing innovative ideas and practices in the world of education, through advice for education authorities and CPD for teachers and school management staff.
- **Flyways Brasil:** conservation of endangered wader bird species in Brazil.
- **“Proyecto Coralizar” (Coralise Project):** in cooperation with WWF Brazil, this project raises

awareness while developing ways to restore coral. The underlying aim is to conserve and shine a spotlight on this reef ecosystem in the Costa dos Corais environmental protection area.

- **“Impactô Verde” (Green Impact):** a socio environmental acceleration programme for organisations to structure their management processes, innovate and increase their socio environmental impact.
- **“Transformando Energia em Cultura” (Turning Energy into Culture):** call for socio cultural projects that contribute to the SDGs and that value local culture.
- **“Premio Inspirar” (Inspire Award):** call aimed at recognising women leaders working in the field of arts and culture in vulnerable regions. In its third edition, the Award will be held for the Federal District and the states of Pernambuco, Bahia, Rio Grande do Norte, São Paulo, Mato Grosso do Sul and Rio de Janeiro.
- **“Mulheres Inspiradoras” (Inspiring Women):** to continue celebrating and boosting the profile of women leaders who are finalists or winners of the Premio Inspirar, the Neoenergia Institute has developed the “Mulheres Inspiradoras” initiative. This supports projects that are managed by inspiring women and approved by the Municipal Law on the Promotion of Culture in the City of Rio (ISS Law).
- **“Oficinas Culturais e Artísticas – OCA” (Cultural and Artistic Workshops):** a cultural programme aimed at pooling knowledge in the creative economy as a platform for human and social development in four cities of the São Paulo state.
- **Caravana Energia que transforma (Caravan Energy that transforms):** promoting dialogue, exchanges and knowledge for people working in the field of culture, leaders of non profit organisations (NGOs) and groups working with socio cultural initiatives throughout Brazil.
- **Programa de Iluminação Cultural (Cultural Lighting Programme):** lighting for the Senhora Santana church (Bahia).
- **Conectar Cultural (Cultural Connection):** supporting traditional Brazilian cultural organisations recognised at the federal, state and municipal level, whose projects are often not registered under Law and in the cultural notices of organisations and large companies.
- **“Resgatando a História” (Recovering History):** an initiative aimed at generating interest within the private sector in supporting projects to recover Brazil’s historical and documentary heritage.
- **“Programa Impactô Social 2022” (Social Impact Programme 2022):** a social acceleration project for organisations to structure their management processes, innovate and increase the social impact generated.
- **“Territórios Saudáveis” (Healthy Territories):** a project to improve the management, governance and sustainability capacities of community based organisations.
- **“Redes de Territórios pela Infância” (Networks of Territories for Children):** a project to strengthen the regional networks of civil society organisations and local public facilities that care for minors in order to expand and strengthen social inclusion and comprehensive development processes.
- **“Mentes Brilhantes” (Brilliant Minds):** a project promoted through the São Paulo Sports Incentive Law that works with children and teenagers to develop socio emotional skills by practising Tai Chi Chuan.
- **“Educando pelo Esporte” (Educating through Sport):** a project promoted through the São Paulo Sports Incentive Law to develop socio emotional skills by practising sports.
- **Grupo de Institutos y Fundaciones Empresariales (Group of Institutes and Corporate Foundations, GIFE):** participation in the asso-

ciation of social investors in Brazil, a network of differentiated relationships, with space for expression, dialogue and the exchange of experiences among partners.

## G Governance

### Governance and Sustainability System

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

The main updates made to the Governance and Sustainability System throughout the last quarter of 2023 are summarised below. These were approved by the Board of Directors at the meeting held on 19 December:

- Modification of the *Shareholder Engagement Policy*, among other corporate rules and policies, in order to reinforce the continued and permanent involvement of shareholders in corporate life throughout the year. In other words, involvement should not be limited simply to the General Meeting. There was also a reshaping of the channels for dialogue, information, participation and interaction with them, in order to promote their effective and sustainable involvement in the Company.
- Update of the name and classification of Stakeholders in the *Policy on Relations with Stakeholders*, among other corporate rules and policies, highlighting the importance of identifying and managing the mutual impacts of Stakeholders and companies in the Iberdrola Group.
- Update to the *Policy on communication and contact with shareholders, institutional investors and proxy advisors* to include new basic operational procedures relating, among other aspects, to the control and supervision of the preparation of financial and non financial information, as well as to the promotion of communication practices

that prevent information from being manipulated and protect its integrity and authenticity.

- Inclusion in the *Brand Policy* of the fact that the use of the Iberdrola brand in the development of business and in activities with third parties must be aimed at enhancing its value, preserving the reputation of all the Group's companies and promoting the management of their businesses.
- Replacement in the *Policy on diversity in the composition of the Board of Directors and the selection of board members* of the target of at least 40% of the Board of Directors being female directors of the Company by 2022. This was achieved and exceeded before the deadline, due to the Company's commitment to complying with the minimum percentages related to the least represented gender in the above corporate body as provided for in the applicable regulations or in the generally recognised good governance recommendations.
- Adjustment to the definition of senior management in the *Regulations of the Board of Directors*.

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

### Material information reported to the CNMV

Highlights during the final quarter of 2023 were as follows:

- On **11 October 2023**, Iberdrola notified the National Securities Market Commission (CNMV) of the date on which it would publish its results for the first nine months of financial year 2023.
- On **13 October 2023**, the Company submitted its energy production figures for the first nine months of financial year 2023.

## | Sustainability Performance - ESG

- On **26 October 2023**, the Company published the results and the presentation of the results for the first nine months of financial year 2023.
- **On the same date**, Iberdrola published the terms and conditions of the second edition of the "Iberdrola Retribución Flexible" optional dividend system for financial year 2023, within the framework of the corresponding increase in paid up capital approved by the General Shareholders' Meeting held on 28 April 2023.
- On **2 November 2023**, the Company announced the sale of a 49% minority stake in the share capital of the holder of the Baltic Eagle offshore wind farm.
- On **1 December 2023**, the Company announced the creation of a joint venture with BP for the deployment and operation of a network of fast charging points for electric vehicles in Spain and Portugal.
- On **19 December 2023**, Iberdrola reported that the conditions for paying an interim dividend for financial year 2023 had been met and that, as a result, the information announced on 26 October in relation to the optional dividend was confirmed.
- **On the same date**, the Company announced that it would offer employees of the Iberdrola Group companies in Spain, as on previous occasions, the option of voluntarily receiving all or part of their annual variable remuneration for 2023 in Company shares.
- Finally, on **20 December 2023**, Iberdrola sent the financial calendar for financial year 2024, submitting a new version to correct the previous version on 27 December 2023.

## | Notifications sent to the CNMV from September to December 2023

Date	Event	Register nº
11/10/2023	Announcement of the date of the presentation of results for the first nine months of 2023	24846
13/10/2023	Energy production for the first nine months of 2023.	24873
26/10/2023	Results for the first nine months of 2023	25038
26/10/2023	Earnings presentation for the first nine months of 2023.	25039
26/10/2023	Terms and conditions as part of the second round of the "Iberdrola Retribución Flexible" optional dividend scheme for financial year 2023.	25040
02/11/2023	Completion of the sale of a 49% minority stake in the share capital of the holder of the Baltic Eagle offshore wind farm.	25202
01/12/2023	Finalisation of the creation of a joint venture with BP for the deployment and operation of a network of fast charging points for electric vehicles in Spain and Portugal	25614
19/12/2023	Ratification of the agreement for distributing an interim dividend for the 2023 financial year as part of the second round of the "Iberdrola Flexible Remuneration" scheme of 2023	25882
19/12/2023	Offer for Iberdrola Group employees in Spain to receive 2023 annual variable remuneration in Iberdrola, S.A. shares.	25883
20/12/2023	The Company publishes the financial calendar for 2024	25897
27/12/2023	The company releases the financial calendar for 2024 (correcting the previous version)	25962

# F Financial

- **The Iberdrola group has refinanced EUR 5,300 million, signing its largest credit line** with 33 international banking institutions. It has also done this consolidating its **leadership in sustainable financing, by linking its cost to compliance with a series of ESG objectives** - environmental, social and good governance criteria.
- The cost of this credit line is subject to the achievement of two strategic ESG objectives for the group. First, **the reduction of equivalent carbon emissions under scopes 1, 2 and 3**. And second, the **increase in the percentage of women in leadership roles at the company**. The operating margin will be adjusted annually based on the achievement of these objectives: downwards (if they are met) or upwards (if they are not met).
- Iberdrola is committed to formalising its debt instruments in a sustainable format. In fact, many of the credit lines were already focused on **contributing to the UN Sustainable Development Goals** (SDGs), mainly 7 (clean and affordable energy) and 13 (climate action). The operation that has now been authorised also contributes to 5 (achieve gender equality and empower all women and girls).
- Iberdrola has established itself as a global benchmark in sustainable financing. Indeed, it was the first global private group to issue green bonds, after becoming the first Spanish company to issue a bond of this nature in 2014. Currently, the group has almost EUR 20,000 million of valid green bonds.

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

Index	Ranking
Dow Jones Sustainability World Index 2022	Selected in the utility sector. Iberdrola member in all editions
Sustainability Yearbook 2023 S&P Global	Top 5% S&P Global ESG Score
MSCI Global Sustainability Index Series	Iberdrola selected AAA
CDP Climate Change 2022	A
CDP Supplier Engagement Leader 2022	Iberdrola Selected
Global 100 2023	Iberdrola Selected
Sustainalytics	Iberdrola among the utilities with the lowest risk
ISS-ESG	Iberdrola selected as Prime
FTSE4Good	Selected in the index since 2009
Bloomberg Gender Equality Index 2023	Iberdrola member in all editions
V.E-Euronext Vigeo indices: World 120, Europe 120 & Eurozone 100 ESG	Iberdrola selected
EcoVadis	Gold EcoVadis Medal. Iberdrola among companies with best performance
2023 World's Most Ethical Company	Iberdrola selected. Only Spanish utility
ECPI	Iberdrola selected in several Sustainability Indices
STOXX	Iberdrola selected in STOXX Global ESG Leaders and in several Sustainability indices
InfluenceMap	Iberdrola among the companies with the best performance
Standar Ethics	Iberdrola included in the SE European Utilities Index
Forbes	Iberdrola selected in Forbes 2022 GLOBAL 2000: World's Largest Public Companies
WBA Electric Utilities Benchmark	Iberdrola among the 10 of the most influential Electric utilities of the world
Brand Finance	Iberdrola among the 500 most valuable brands globally
WDi 2022 responder	Iberdrola among the 10% of companies with the best score
Carbon Clean 200	First Spanish company in the ranking



## Recognition of good ESG performance

- **The only European utilities company to appear in all 23 editions of the Dow Jones Sustainability Index**

Iberdrola has once again been included in the **Dow Jones Sustainability Index**, making it the only European utilities company to have been included in the selection throughout its **23 editions**. This is reflected in the annual update published by the S&P Dow Jones Indices and RobecoSAM, who are responsible for its production. This demonstrates the group's **firm commitment to the highest environmental, social and corporate governance standards**, since, from an initial group of around 10,000 companies, only 10% of those listed with the best sustainability indices were eventually selected.

- **Iberdrola, one of the world's most valuable brands**

Iberdrola is one of the seven most valuable Spanish brands in the world, according to *Brand Finance's* Global 500 2024 report. The company has seen a 21.5% increase in brand value and a 4% increase in brand strength due to improvements in recommendations, opinion and reputation.

- **Galán has been selected as one of the world leaders in the fight against climate change**

The Chairman of Iberdrola has been selected by *Time* magazine as one of the most innovative world leaders in the fight against climate change. In preparing the Time100 Climate ranking, the American publication evaluated a range of factors, such as actions taken to curb climate problems, the results of any measures taken and their impact. Under the leadership of Ignacio Galán, Iberdrola is an example of forward thinking with regard to the **energy transition**. In the last two decades, the company has invested **EUR 150,000 million in the development of renewable energies and electricity networks**, which have placed it at the

forefront of the energy revolution and allowed it to offer a sustainable and competitive business model that creates value for society.

- **Iberdrola, the European utility company receiving the highest investment from ESG funds**

Iberdrola is the European utility company with the highest level of investment from ESG funds because it has **the highest ratings in specialised indices**. Indeed, this is reflected in a report by Deutsche Bank Research, which reviews the presence of the whole European electricity sector in ESG investment vehicles and which combines the MSCI ESG and CDP rankings. In total, 1,913 funds are investing in the company's share capital, which positions it as the stand out utility company in this type of product.

- **Support for women's sport has earned Iberdrola a place in the Laureus index**

Iberdrola is one of the **thirty brands that contribute most significantly worldwide to the 17 Sustainable Development Goals (SDGs)**. Its promotion of **equality through sport has earned it a place in the Laureus Sport for Good Index**. The ranking highlights, among other initiatives, the **Iberdrola Supera Awards**, the company's support for 32 Spanish federations, which impacts nearly 600,000 athletes in the country, as well as its group of ambassadors who strive to achieve more media coverage for women's sports.

- **Influence Map ranks Iberdrola as the company with the best leadership at COP28**

Iberdrola was recognised as the **company with the best leadership at the Dubai climate summit (COP28)** by **Influence Map**, the leading global independent global think tank that analyses the influence organisations have on climate policies and the alignment of these policies with the Paris Agreement. The combination of its intense agenda and its ambitious approach have been crucial in the company, a leader in renewables, reaching this position.



- **Iberdrola, the only large electricity company to pass the CNMC's customer service test**

Iberdrola is the only large electricity company to pass the Spanish National Markets and Competition Commission's test (CNMC) for customer service in Spain. This involves a report on transparency and best practices for price review communications in electricity supply contracts.

- **Iberdrola, has been recognised for its excellence in sustainability and the digital transformation of its procurement process**

Iberdrola has been recognised for its excellence in sustainability and the automation of its procurement process. The award, granted by SAP, recognises the work carried out by the company over recent years, during which it has implemented a model to promote and measure environmental, social and governance (ESG) criteria in the decision making process in the procurement area, as well as digital tools for the robotisation of processes and generating dynamic online dashboards.

- **Iberdrola, the world's leading private utility company in investment in R&D**

Iberdrola has been recognised, for the second year in a row, as the **leading private utility company in the world in terms of investment in Innovation and Development**, according to the **European Commission** in its report *The 2023 Industrial R&D Investment Scoreboard* after having invested more than EUR 360 million in 2022. The European Commission has analysed the 2,500 largest companies in the world and the 1,000 most relevant in Europe. Iberdrola sees innovation as a strategic variable for the group and as the main tool to guarantee the company's sustainability, efficiency and competitiveness.

- **IBERDROLA S.A. receives an award from the Real Academia de Ingeniería**

The Real Academia de Ingeniería (RAI) presented the *Academiae Dilecta* award to Iberdrola due to its commitment to innovation and its pioneering focus on a sustainable energy model, which

promotes social and economic development in its surroundings.

- **Iberdrola selected as "the company with the best management of internal communications in Spain"**

The award given by the specialised communication portal PR Noticias also highlights the "friendly, informative and empathetic tone, which combines **corporate content with innovation and creativity.**" "Iberdrola's objective is to promote motivation and participation among its employees," says PR Noticias, which **also selected the internal communication campaign "Iberdrola Mola"** as the best campaign of the year. Communicating internally is not only about sending messages to the organisation's employees, but also motivating them, convincing them and making them feel like they are the best brand ambassadors.

- **Avangrid joins the 2030 Club of the electricity companies in the United States most committed to reducing emissions**

Avangrid has joined the 2030 Club of the Smart Electric Power Alliance (SEPA) due to being one of the leading electricity companies in the country with the most ambitious targets for reducing carbon emissions.

- **Neoenergia is one of electricity companies that most innovates with startups in Brazil**

Neoenergia is one of the companies most committed to open innovation in Brazil. The company is among the top three in the electricity and renewables sector and among the top 50 in the entire country, according to the eighth edition of the 100 Open Corps 2023 ranking. The index highlights the organisations that most value relationships with start ups and that are leaders in so called open innovation, a process where a company's own ideas are shared in order to develop an entire ecosystem of evolution and progress.

- **Neoenergia wins the gold for the quality of its customer service**

The Alianza Latinoamericana de Organizaciones

para la Interacción con Clientes (Latin American Alliance of Organisations for Customer Interaction, Aloic) has awarded Neoenergia the Latam Gold Award, in the category of Best Operational Strategy in the Citizen Sector.

The jury has recognised the “End to End Management: Personalisation and welcome for Neoenergia customers” for the quality of the initiative and the proactivity demonstrated in dealing with consumers who have made a complaint. The award winning initiative stands out due to the welcome the company offers its customers, the empathetic approach taken when following up each case and the transparency at **every stage up to final resolution**.

- **Ibero-American Gold Award for Quality for Iberdrola México**

Iberdrola México has won the Ibero American Quality Award for the third time in a row, but for the first time ever in the Gold category. Awarded by the Ibero American General Secretariat (Segib) and the Ibero American Foundation for Quality Management (Fundibeq), the award highlights companies that stand out because of their excellent management of innovative, creative and sustainable processes.

- **Iberdrola México wins the highest accolade for the ethics and values of the industry**

The Confederación de Cámaras Industriales de los Estados Unidos Mexicanos (Confederation of Industrial Chambers of the United Mexican States, CONCAMIN) has awarded Iberdrola México the Ethics and Values in Industry Award due to its ongoing commitment to corporate social responsibility and sustainable development. This is only awarded to companies that have been recognised in each of the previous four editions in other categories.



# Glossary of terms

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

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

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



If you are interested in the definitions of the **Alternative Performance Measures**, please click on the following link:



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

If you are interested in what the **Alternative Performance Measures** are for the quarter, click on the following link:



<https://www.iberdrola.com/documents/20125/3894078/alternative-performance-measures-23FY.pdf>



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