



**Iberdrola, S.A.**

**Selected condensed separate interim  
financial statements and  
Interim management report**

Six-month period ended 30 June 2024



# Limited Review Report on Iberdrola, S.A.

**(Together with the selected condensed separate interim financial statements and the interim management report of Iberdrola, S.A. for the six-month period ended 30 June 2024)**

*(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)*



KPMG Auditores, S.L.  
Torre Iberdrola  
Plaza Euskadi, 5  
Planta 17  
48009 Bilbao

## **Report on Limited Review of the Selected Condensed Separate Interim Financial Statements**

*(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)*

To the Shareholders of

*Iberdrola, S.A., commissioned by the Directors of the Company*

### **REPORT ON LIMITED REVIEW OF THE SELECTED CONDENSED SEPARATE INTERIM FINANCIAL STATEMENTS**

#### **Introduction**

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We have carried out a limited review of the accompanying selected condensed separate interim financial statements (the “interim financial statements”) of Iberdrola, S.A. (the “Company”), which comprise the statement of financial position at 30 June 2024, and the income statement, statement of changes in equity, statement of cash flows for the six-month period then ended, and explanatory notes. The Directors of the Company are responsible for the preparation of these interim financial statements in accordance with the accounting principles and the content envisaged in articles 12 and 13 of Royal Decree 1362/2007 of 19 October 2007 and in Circular 3/2018 of the Spanish National Securities Market Commission (CNMV). Our responsibility is to express a conclusion on these interim financial statements based on our limited review.

#### **Scope of Review**

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We conducted our limited review in accordance with International Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A limited review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A limited review is substantially less in scope than an audit conducted in accordance with prevailing legislation regulating the audit of accounts in Spain and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the accompanying interim financial statements.

#### **Conclusion**

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Based on our limited review, which can under no circumstances be considered an audit, nothing has come to our attention that causes us to believe that the accompanying interim financial statements for the six-month period ended 30 June 2024 have not been prepared, in all material respects, in accordance with the accounting principles and content envisaged in articles 12 and 13 of Royal Decree 1362/2007 and in Circular 3/2018 as regards the preparation of selected condensed separate interim financial statements.



*(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)*

## **Emphasis of Matter**

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We draw your attention to the accompanying note 2, which states that the interim financial statements do not include all the information that would be required in a complete set of interim financial statements prepared in accordance with the Spanish General Chart of Accounts. The accompanying interim financial statements should therefore be read in conjunction with the Company's annual accounts for the year ended 31 December 2023. This matter does not modify our conclusion.

## **REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

The accompanying interim management report for the six-month period ended 30 June 2024 contains such explanations as the Directors of the Company consider relevant with respect to the significant events that have taken place in this period and their effect on the interim financial statements, as well as the disclosures required by article 15 of Royal Decree 1362/2007. The interim management report is not an integral part of the interim financial statements. We have verified that the accounting information contained therein is consistent with that disclosed in the interim financial statements for the six-month period ended 30 June 2024. Our work is limited to the verification of the interim management report within the scope described in this paragraph and does not include a review of information other than that obtained from the accounting records of Iberdrola, S.A.

## **Other Matter**

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This report has been prepared at the request of the Directors in relation to the publication of the half-yearly financial report required by article 100 of Law 6/2023 of 17 March 2023 on Securities Markets and Investment Services.

KPMG Auditores, S.L.

On the Spanish Official Register of Auditors ("ROAC") with No. S0702

*(Signed on original in Spanish)*

David España

26 July 2024

IBERDROLA, S.A.

SELECTED CONDENSED SEPARATE INTERIM FINANCIAL  
STATEMENTS AND

INTERIM MANAGEMENT REPORT

FOR THE SIX-MONTH PERIOD

ENDED 30 JUNE 2024

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Translation of Financial statements originally issued in Spanish and prepared in accordance with accounting principles generally accepted in Spain (see Note 13). In the event of discrepancy, the Spanish-language version prevails.

**IBERDROLA, S.A.**  
**Statement of financial position at 30 June 2024**  
**(Millions of euros)**

ASSETS	Note	30.06.2024 (unaudited)	31.12.2023 (*) (audited)
<b>NON-CURRENT ASSETS</b>		<b>50,643</b>	<b>50,460</b>
Intangible assets		144	133
Computer software		144	133
Property, plant and equipment		282	284
Land and buildings		210	211
Technical installations and other items		68	69
Plant and equipment in progress and prepayments		4	4
Non-current investments in group companies and associates		49,111	48,959
Equity instruments	5	48,935	48,794
Loans to companies	6, 11	127	127
Derivatives	6, 11	49	38
Non-current investments	6	2	13
Loans to third parties		2	2
Derivatives		—	11
Deferred tax assets		365	347
Non-current trade and other receivables	8.4	739	724
<b>CURRENT ASSETS</b>		<b>886</b>	<b>464</b>
Current trade and other receivables		519	271
Trade receivables, group companies and associates		175	32
Other receivables		6	2
Current tax assets		307	205
Other taxes receivable		31	32
Current investments in group companies and associates	6, 11	285	137
Loans to companies		14	4
Derivatives		—	4
Other financial assets		271	129
Current investments	6	78	48
Derivatives		40	7
Other financial assets		38	41
Current prepayments		3	2
Cash and cash equivalents		1	6
Cash on hand		1	6
<b>TOTAL ASSETS</b>		<b>51,529</b>	<b>50,924</b>

(\*) The statement of financial position at 31 December 2023 is presented for comparative purposes only.

The attached Notes are an integral part of these selected condensed separate interim financial statements.

Translation of Financial statements originally issued in Spanish and prepared in accordance with accounting principles generally accepted in Spain (see Note 13). In the event of discrepancy, the Spanish-language version prevails.

**IBERDROLA, S.A.**  
**Statement of financial position at 30 June 2024**  
**(Millions of euros)**

LIABILITIES	Note	30.06.2024	31.12.2023 (*)
<b>EQUITY</b>		<b>32,663</b>	<b>33,967</b>
<b>CAPITAL AND RESERVES</b>		<b>32,661</b>	<b>33,966</b>
Capital		4,817	4,763
Registered capital	7	4,817	4,763
Share premium		13,870	13,924
Reserves		1,480	1,527
Legal and bylaw reserves		969	969
Other reserves		511	558
Treasury shares and own equity investments		(2,312)	(1,457)
Prior years' profit and loss		14,742	10,103
Retained earnings		14,742	10,103
Profit/(loss) for the period and for the year		33	5,066
Other equity instruments		31	40
<b>VALUATION ADJUSTMENTS</b>		<b>2</b>	<b>1</b>
Hedging instruments		2	1
<b>NON-CURRENT LIABILITIES</b>		<b>12,135</b>	<b>11,807</b>
Non-current provisions		472	480
Non-current employee benefits		173	184
Other provisions		299	296
Non-current payables	6	274	351
Bank borrowings		206	279
Finance lease payables		47	48
Derivatives		4	8
Other financial liabilities		17	16
Payables to group companies and associates, non-current	6, 11	10,527	10,108
Deferred tax liabilities		862	868
<b>CURRENT LIABILITIES</b>		<b>6,731</b>	<b>5,150</b>
Current payables	6	492	362
Bank borrowings		256	225
Finance lease payables		3	3
Derivatives		202	96
Other financial liabilities		31	38
Payables to group companies and associates, current	6, 11	6,106	4,669
Trade and other payables		133	119
Suppliers, group companies and associates		13	15
Other payables		27	40
Personnel (salaries payable)		9	25
Current tax liabilities		1	1
Other taxes payable		83	38
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>51,529</b>	<b>50,924</b>

(\*) The statement of financial position at 31 December 2023 is presented for comparative purposes only

The attached Notes are an integral part of these selected condensed separate interim financial statements.



Translation of Financial statements originally issued in Spanish and prepared in accordance with accounting principles generally accepted in Spain (see Note 13). In the event of discrepancy, the Spanish-language version prevails.

**IBERDROLA, S.A.**  
**Income statement for the six-month period ended 30 June 2024**  
(Millions of euros)

	Note	30.06.2024 (unaudited)	30.06.2023 (*) (unaudited)
<b>CONTINUING OPERATIONS</b>			
Revenue	9.1	634	780
Finance income from equity investments in group companies and associates	11	394	555
Finance income from debt securities and other financial instruments of group companies and associates	11	11	14
Income from services rendered to group companies	11	229	211
Own work capitalised		4	3
Other operating income		2	1
Non-trading and other operating income		2	1
Personnel expenses		(99)	(122)
Salaries, wages and similar items		(69)	(57)
Employee benefits expense		(30)	(65)
Other operating expenses		(317)	(334)
External services		(155)	(115)
Taxes	8.3	(160)	(217)
Other current management expenses		(2)	(2)
Amortisation and depreciation		(30)	(25)
Impairment gains/(losses) on disposal of financial instruments of group companies and associates		27	(38)
Impairment and losses	5	27	(38)
<b>OPERATING INCOME</b>		<b>221</b>	<b>265</b>
Finance income		18	12
From debt securities and other financial instruments in third parties		18	12
Finance expenses		(289)	(286)
Due to borrowings from group companies and associates	11	(269)	(257)
Due to third-party borrowings		(13)	(19)
Restatement of provisions		(7)	(10)
Change in fair value of financial instruments		(35)	(23)
Fair value through profit and loss		(35)	(23)
Exchange differences		(6)	(2)
<b>NET FINANCE INCOME/(EXPENSE)</b>		<b>(312)</b>	<b>(299)</b>
<b>PROFIT/(LOSS) BEFORE TAX</b>		<b>(91)</b>	<b>(34)</b>
Income tax	8	124	53
<b>PROFIT/(LOSS) FOR THE YEAR FROM CONTINUING OPERATIONS</b>		<b>33</b>	<b>19</b>
<b>PROFIT/(LOSS) FOR THE PERIOD</b>		<b>33</b>	<b>19</b>

(\*) The income statement for the six-month period ended 30 June 2023 is presented for comparison purposes only.  
The attached Notes are an integral part of these selected condensed separate interim financial statements.

Translation of Financial statements originally issued in Spanish and prepared in accordance with accounting principles generally accepted in Spain (see Note 13). In the event of discrepancy, the Spanish-language version prevails.

IBERDROLA, S.A.

Statement of changes in equity for the six-month period ended 30 June 2024

(Millions of euros)

A) Statement of recognised income and expense for the six-month period ended 30 June 2024

	30.06.2024 (unaudited)	30.06.2023 (*) (unaudited)
PROFIT/(LOSS) FOR THE YEAR	33	19
INCOME AND EXPENSE RECOGNISED DIRECTLY IN EQUITY		
Hedging costs	(22)	(8)
Tax effect	5	2
TOTAL INCOME AND EXPENSE RECOGNISED DIRECTLY IN EQUITY	(17)	(6)
AMOUNTS TRANSFERRED TO INCOME STATEMENT		
Cash flow hedges	1	1
Hedging costs	23	16
Tax effect	(6)	(4)
TOTAL AMOUNTS TRANSFERRED TO INCOME STATEMENT	18	13
TOTAL RECOGNISED INCOME AND EXPENSES	34	26

(\*) The statement of recognised income and expense for the six-month period ended 30 June 2023 is presented for comparison purposes only.

The attached Notes are an integral part of these selected condensed separate interim financial statements.

Translation of Financial statements originally issued in Spanish and prepared in accordance with accounting principles generally accepted in Spain (see Note 13). In the event of discrepancy, the Spanish-language version prevails.

## IBERDROLA, S.A.

### B) Statement of changes in equity for the six-month period ended 30 June 2024

(Millions of euros)

	Capital	Share premium	Reserves	Treasury shares and own equity investments	Prior years' profit and loss	Profit/(loss) for the year and for the period	Other equity instruments	Valuation adjustments	Total
Balance at 01.01.2023 (audited)	4,772	14,070	1,404	(1,750)	10,292	2,840	49	4	31,681
Total recognised income and expense	—	—	—	—	—	19	—	7	26
Transactions with shareholders or owners	63	(63)	(30)	(871)	2,605	(2,840)	—	—	(1,136)
Scrip issue (Note 7)	63	(63)	—	—	—	—	—	—	—
Distribution of earnings	—	—	—	—	2,605	(2,840)	—	—	(235)
Transactions with treasury shares or own equity instruments (net)	—	—	1	(871)	—	—	—	—	(870)
Other transactions with shareholders or owners	—	—	(31)	—	—	—	—	—	(31)
Other changes in equity	—	—	(13)	—	—	—	(16)	—	(29)
Balance at 30.06.2023 (*) (unaudited)	4,835	14,007	1,361	(2,621)	12,897	19	33	11	30,542

	Capital	Share premium	Reserves	Treasury shares and own equity investments	Prior years' profit and loss	Profit/(loss) for the year and for the period	Other equity instruments	Valuation adjustments	Total
Balance at 01.01.2024 (audited)	4,763	13,924	1,527	(1,457)	10,103	5,066	40	1	33,967
Total recognised income and expense	—	—	—	—	—	33	—	1	34
Transactions with shareholders or owners	54	(54)	(33)	(855)	4,639	(5,066)	—	—	(1,315)
Scrip issue (Note 7)	54	(54)	—	—	—	—	—	—	—
Distribution of earnings (Note 7)	—	—	—	—	4,639	(5,066)	—	—	(427)
Transactions with treasury shares or own equity instruments (net)	—	—	(2)	(855)	—	—	—	—	(857)
Transactions with shareholders or owners (Note 7)	—	—	(31)	—	—	—	—	—	(31)
Other changes in equity	—	—	(14)	—	—	—	(9)	—	(23)
Balance at 30.06.2024 (unaudited)	4,817	13,870	1,480	(2,312)	14,742	33	31	2	32,663

(\*) The statement of changes in equity for the six-month period ended 30 June 2023 is presented for comparison purposes only.

The attached Notes are an integral part of these selected condensed separate interim financial statements.

Translation of Financial statements originally issued in Spanish and prepared in accordance with accounting principles generally accepted in Spain (see Note 13). In the event of discrepancy, the Spanish-language version prevails.

## IBERDROLA, S.A.

### Statement of cash flows for the six-month period ended 30 June 2024

(Millions of euros)

	Note	30.06.2024	30.06.2023 (*)
Profit/(loss) for the year before tax		(91)	(34)
Adjustments for:		(63)	(179)
Amortisation and depreciation		30	25
Impairment	5	(27)	38
Finance income		(423)	(581)
Finance expenses		289	286
Exchange differences		6	2
Change in fair value of financial instruments		35	23
Other income and expenses		27	28
Changes in operating assets and liabilities		(130)	(81)
Trade and other receivables		(143)	(130)
Trade and other payables		13	49
Other cash flows from operating activities		(197)	(80)
Interest paid		(387)	(243)
Dividends received		252	262
Interest received		3	15
Income tax proceeds/(payments)		2	(15)
Other proceeds/(payments)		(67)	(99)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		<b>(481)</b>	<b>(374)</b>
Payments for investments		(496)	(414)
Group companies and associates		(7)	(10)
Intangible assets		(22)	(7)
Property, plant and equipment		(15)	(42)
Other financial assets		(452)	(355)
Proceeds from investments		426	2,993
Group companies and associates		11	2,647
Other financial assets		415	346
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		<b>(70)</b>	<b>2,579</b>
Proceeds from and payments for equity instruments		(858)	(1,479)
Acquisition of own equity instruments		(931)	(1,573)
Disposal of own equity instruments		73	94
Proceeds from and payments for financial instruments		1,863	(625)
Issue of		2,584	3,617
Payables to group companies and associates		2,578	3,599
Other payables		6	18
Redemption and repayment of		(721)	(4,242)
Bank borrowings		(48)	—
Payables to group companies and associates		(658)	(4,215)
Other payables		(15)	(27)
Dividends paid and payments on other equity instruments		(459)	(266)
Dividends	7	(459)	(266)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		<b>546</b>	<b>(2,370)</b>
<b>NET INCREASE/(DECREASE) IN CASH OR CASH EQUIVALENTS</b>		<b>(5)</b>	<b>(165)</b>
Cash and cash equivalents at start of period		6	166
Cash and cash equivalents at end of period		1	1

(\*) The statement of cash flows for the six-month period ended 30 June 2023 is presented for comparison purposes only.

The attached Notes are an integral part of these selected condensed separate interim financial statements.

IBERDROLA, S.A.

## Notes to the selected condensed separate interim financial statements for the six-month period ended 30 June 2024

### 1. Company activity

Pursuant to Article 5 of its By-Laws, the corporate purpose of Iberdrola, S.A. (hereinafter "IBERDROLA"), a company incorporated in Spain, is as follows:

- To carry out all manner of activities, works and services inherent in or related to the business of production, transmission, switching and distribution or retail supply of electric power or electricity by-products and applications thereof and the raw material or energy needed for the generation thereof; energy, engineering, information-technology, telecommunications and internet-related services; water treatment and distribution; the integral provision of urban and gas supply services, as well as other gas storage, regasification, transportation or distribution activities, which will be carried out indirectly through the ownership of shares or equity interests in other companies that will not engage in the supply of gas.
- The distribution, representation and marketing of all manner of goods and services, products, articles, merchandise, software programs, industrial equipment and machinery, tools, instruments, spare parts and accessories.
- The investigation, study and planning of investment and corporate organisation projects, as well as the promotion, creation and development of industrial, commercial or service companies.
- The provision of services assisting or supporting companies and businesses in which it has an interest or which are within its corporate group, for which purpose it may provide appropriate guarantees and bonds in favour thereof.

The aforementioned activities may be carried out in Spain as well as abroad, and may be carried out, in whole or in part, either directly by IBERDROLA or through the ownership of shares or equity interests in other companies, subject in all cases and at all times to applicable legal provisions for each industry, especially the electricity industry.

IBERDROLA also provides various services to other Group companies, mainly including the provision of IT services and other non-operating, structural and support services.

IBERDROLA, individually considered, has no environmental liabilities, expenses, assets, provisions or contingencies that could have a significant impact on its equity, financial position or results. Therefore, no specific environmental disclosures have been included in these Notes to the selected condensed separate interim financial statements.

IBERDROLA has its registered office at Plaza Euskadi 5, in Bilbao.

## 2. Basis of presentation of the selected condensed separate interim financial statements

### 2.1 Accounting legislation applied

These selected condensed separate interim financial statements (hereinafter, interim financial statements) have been prepared in accordance with the principles and accounting standards set out in Sections 12 and 13 of Royal Decree 1362/2007 of 19 October, implementing Securities Market Act 24/1988 of 28 July, which describes the transparency requirements for information on issuers of securities admitted to trading in secondary markets or other regulated markets in the European Union, and in Circular 3/2018 of the Spanish Securities Market Commission on periodic reporting by issuers of securities admitted to trading in regulated markets regarding half-yearly financial reports, interim management statements and, where applicable, quarterly financial reports (Circular 3/2018).

These interim financial statements do not include all the information required for comprehensive separate financial statements prepared in accordance with generally accepted accounting principles in Spain. In particular, the accompanying interim financial statements have been prepared with the content necessary to comply with rule four of Circular 3/2018 for selected separate financial statements. As a result, the interim financial statements should be read in conjunction with IBERDROLA's financial statements for the year ended 31 December 2023.

IBERDROLA has drawn up its condensed consolidated interim financial statements in accordance with current law, pursuant to the provisions of the International Financial Reporting Standards (IFRS) as approved by the European Union. The main figures in the condensed consolidated interim financial statements of the IBERDROLA Group for the six-month periods ended 30 June 2024 and 2023 (except for total assets and equity for 2023, which are included in the IBERDROLA Group's consolidated financial statements at 31 December 2023), are as follows:

Millions of euros	2024	2023
Total assets	153,788	150,033
Equity:		
IBERDROLA as parent company	46,658	43,111
Non-controlling interests	17,140	17,181
Revenue	22,637	26,264
Profit/(loss) for the period:		
IBERDROLA as parent company	4,134	2,521
Non-controlling interests	269	241

These interim financial statements have been prepared in relation to the publication of the half-yearly financial report required by Section 119 of Legislative Royal Decree 4/2015 of 23 October enacting the Consolidated Text of the Securities Market Act.

## 2.2. Accounting policies and measurement standards

The accounting principles and measurement methods used to draw up the interim financial statements are fully consistent with those used to draw up IBERDROLA's 2023 financial statements.

## 2.3. Working capital deficit

At 30 June 2024, IBERDROLA's statement of financial position shows a working capital deficit (current liabilities exceeding current assets) of EUR 5,845 million. This deficit is largely due to the existence of current debt with group companies and associates in the amount of EUR 6,106 million, and also because of seasonal variations (Note 3).

According to IBERDROLA's directors, this deficit will be offset by the generation of funds from the IBERDROLA Group's businesses and the dividends received from its subsidiaries. At 30 June 2024, the IBERDROLA Group had undrawn loans of approximately EUR 15,563 million, which will cover IBERDROLA's cash requirements over the coming months.

## 2.4. Comparative information

In accordance with Circular 3/2018, the following are presented for comparative purposes:

- The statement of financial position at 30 June 2024, and the statement of financial position at 31 December 2023.
- The income statement, statement of changes in equity and statement of cash flows for the six-month periods ended 30 June 2024 and 2023.

# 3. Seasonal variations

On a half-yearly basis, IBERDROLA's activities show no significant degree of seasonal variation, except for dividends received from subsidiaries, which are normally distributed in the second half of the year.

# 4. Use of accounting estimates

- **Accounting estimates**

IBERDROLA relied on certain assumptions and estimates in drawing up these interim financial statements. The main matters subject to estimate in the preparation of these interim financial statements are the same as those disclosed in Note 6 to IBERDROLA's 2023 financial statements.



The criteria used to calculate the estimates contained in these interim financial statements coincide, where applicable, with those used in the preparation of IBERDROLA's separate financial statements for 2023.

Although these estimates were made on the basis of the best information available at the date of issue of these interim financial statements, future events may require adjustments (upwards or downwards) in coming years. Any such changes would be applied prospectively, recognising the effects of the change in estimates for future periods.

- **Risks**

The macroeconomic scenario over the first half of the year, affected by the geopolitical situation, continues to put pressure on supply chains and raw material prices. Electricity prices are falling amid increased renewable generation. Despite easing inflation and the first interest rate cut by the ECB, a high interest rate environment remains in place due to uncertainties in price developments and the resilience of the major economies. Based on the information available at the date of authorisation for issue of these interim financial statements, this scenario is not expected to have a material adverse effect on business plans and hence on the recoverable amount of its "Investments in group companies and associates" during the first half of 2024.

## 5. Investments in group companies and associates

Changes in "Non-current investments in group companies and associates – Equity instruments" in the statement of financial position during the six-month period ended 30 June 2024 and during 2023 are as follows:

Millions of euros	Balance at 01.01.2024	Additions and allowances	Decreases, disposals or reversals	Valuation of net investment hedges	Balance at 30.06.2024
Investments in group companies	49,266	—	—	114	49,380
Investments in associates	1	—	—	—	1
Impairment adjustments of group companies and associates	(473)	(5)	32	—	(446)
<b>Total</b>	<b>48,794</b>	<b>(5)</b>	<b>32</b>	<b>114</b>	<b>48,935</b>

Millions of euros	Balance at 01.01.2023	Additions and allowances	Decreases, disposals or reversals	Valuation of net investment hedges	Balance at 30.06.2023
Investments in group companies	48,885	—	—	64	48,949
Investments in associates	1	—	—	—	1
Impairment adjustments of group companies and associates	(454)	(44)	6	—	(492)
<b>Total</b>	<b>48,432</b>	<b>(44)</b>	<b>6</b>	<b>64</b>	<b>48,458</b>

At 31 December 2023, IBERDROLA's separate financial statements included an impairment loss of EUR 24 million on its investment in Iberdrola Financiación, S.A.U. This impairment loss was reversed over the six-month period ended 30 June 2024. In the six-month period ended 30 June 2023 an amount of EUR 30 million was recognised for this item.

In the six-month period ended 30 June 2024, the Company reversed part of the impairment loss on Scottish Power Overseas Holdings, Ltd. in the amount of EUR 8 million (EUR 6 million reversed in the six-month period ended 30 June 2023).

In the six-month period ended 30 June 2024 an impairment loss of EUR 5 million was recognised at Iberdrola Participaciones, S.A.U. due to the difference between its carrying amount and the recoverable amount (impairment allowance of EUR 14 million in the six-month period ended 30 June 2023).

“Non-current investments in group companies and associates – Equity instruments” at 30 June 2024 include EUR 14,129 million and EUR 137 million corresponding to IBERDROLA's direct interests in AVANGRID and NEOENERGIA, respectively. In addition, IBERDROLA has an indirect shareholding in NEOENERGIA through its subsidiary Iberdrola Energía, S.A. The cost of this shareholding amounts to EUR 2,263 million. The market capitalisation of IBERDROLA's investments in AVANGRID and NEOENERGIA amounts to EUR 10,492 million and EUR 2,046 million, respectively.

Although the market capitalisation is lower than the carrying amount, based on the analysis performed at 31 December 2023 and business performance during the six months to 30 June 2024, the conclusion reached that there was no need to record any impairment at the December 2023 close of accounts is maintained at 30 June 2024.

## 6. Categories of financial assets and financial liabilities

At 30 June 2024 and at 31 December 2023 the carrying amount of each category of financial asset and liability, except for equity investments in group companies and associates, trade and other receivables, trade and other payables, and cash and cash equivalents, is as follows:

Millions of euros	Non-current financial assets					
	Loans and receivables		Derivatives <sup>(1)</sup>		Total	
	30.06.24	31.12.23	30.06.24	31.12.23	30.06.24	31.12.23
Category						
At fair value through profit or loss	—	—	1	—	1	—
At amortised cost	129	129	—	—	129	129
Hedging derivatives	—	—	48	49	48	49
<b>Total</b>	<b>129</b>	<b>129</b>	<b>49</b>	<b>49</b>	<b>178</b>	<b>178</b>

Millions of euros	Current financial assets					
	Loans and receivables		Derivatives <sup>(1)</sup>		Total	
	30.06.24	31.12.23	30.06.24	31.12.23	30.06.24	31.12.23
Category						
At fair value through profit or loss	—	—	20	5	20	5
At amortised cost	323	174	—	—	323	174
Hedging derivatives	—	—	20	6	20	6
<b>Total</b>	<b>323</b>	<b>174</b>	<b>40</b>	<b>11</b>	<b>363</b>	<b>185</b>

Millions of euros	Non-current financial liabilities							
	Bank borrowings		Derivatives <sup>(1)</sup>		Other		Total	
	30.06.24	31.12.23	30.06.24	31.12.23	30.06.24	31.12.23	30.06.24	31.12.23
Category								
At fair value through profit or loss	—	—	1	—	—	—	1	—
At amortised cost	253	327	—	—	10,544	10,124	10,797	10,451
Hedging derivatives	—	—	3	8	—	—	3	8
<b>Total</b>	<b>253</b>	<b>327</b>	<b>4</b>	<b>8</b>	<b>10,544</b>	<b>10,124</b>	<b>10,801</b>	<b>10,459</b>

Millions of euros	Current financial liabilities							
	Bank borrowings		Derivatives <sup>(1)</sup>		Other		Total	
	30.06.24	31.12.23	30.06.24	31.12.23	30.06.24	31.12.23	30.06.24	31.12.23
Category								
At fair value through profit or loss	—	—	25	5	—	—	25	5
At amortised cost	259	228	—	—	6,132	4,706	6,391	4,934
Hedging derivatives	—	—	182	92	—	—	182	92
<b>Total</b>	<b>259</b>	<b>228</b>	<b>207</b>	<b>97</b>	<b>6,132</b>	<b>4,706</b>	<b>6,598</b>	<b>5,031</b>

<sup>(1)</sup> Includes derivatives with third parties and with group companies and associates.

## 7. Equity

Changes in the share capital of IBERDROLA over the six-month period ended 30 June 2024 and the twelve months of 2023 are as follows:

	Date of filing at the Commercial Registry	% Capital	Number of shares	Face value	Euros
Balance at 01.01.2023			6,362,094,000	0.75	4,771,570,500
Scrip issue	1 February 2023	1.325 %	84,270,000	0.75	63,202,500
Reduction in share capital	6 July 2023	3.201 %	(206,364,000)	0.75	(154,773,000)
Scrip issue	1 August 2023	1.767 %	110,278,000	0.75	82,708,500
Balance at 31.12.2023			6,350,278,000	0.75	4,762,708,500
Scrip issue	6 February 2024	1.150 %	73,021,000	0.75	54,765,750
<b>Balance at 30.06.2024</b>			<b>6,423,299,000</b>	<b>0.75</b>	<b>4,817,474,250</b>

On 30 January 2024, the second application of the scrip issue took place, having been approved at the General Shareholders' Meeting of IBERDROLA held on 28 April 2023, under item 9 on the agenda, and used for the *Iberdrola Retribución Flexible* optional dividend system.

During the established period, the holders of 2,115,059,909 shares opted to receive the Interim dividend (EUR 0.202 gross per share). Thus, the gross amount paid out under the Interim dividend was EUR 427 million. As a result, those shareholders expressly waived 2,115,059,909 free-of-charge allocation rights and, therefore, the right to receive 36,466,550 new shares.

The shareholders acting at the General Shareholders' Meeting held on 17 May 2024 approved, under item 10 of the agenda, the engagement dividend in the general meeting and its payment to all shareholders entitled to participate in the meeting (i.e. with shares registered in their name on 10 May), having fulfilled all conditions to which payment of the dividend was subject, i.e. the approval of the dividend itself (under item 10 of the agenda), and that a quorum of 70% of share capital was reached. The dividend amounted to EUR 31 million (EUR 0.005 gross per share) and was paid on 21 May 2024.

There were no changes to IBERDROLA's share capital other than those resulting from the transactions described above. There are no claims on IBERDROLA's share capital other than those established by the Spanish Companies Act (*Ley de Sociedades de Capital*).

## 8. Taxes

The income tax expense for the interim period is obtained by multiplying profit before tax by the best estimate of the expected weighted average rate for the year, adjusted, if applicable, for the tax effect of those elements to be recognised in whole in the interim period. The effective tax rate used in these interim financial statements may thus differ from the rate estimated by the directors for the whole year.

Iberdrola S.A. serves as the parent company for two tax consolidation groups in Spain: group 2/86, which operates in the common territory, and group 02415BSC, which operates in the province of Biscay. Currently, Iberdrola S.A. is a member of the latter group (group 02415BSC).

The effective tax rate for the six-month period ended 30 June 2024 was 24.76% (24.17% for the six-month period ended 30 June 2023), calculated on the accounting profit before tax adjusted for permanent differences.

Millions of euros	30.06.2024	30.06.2023
Profit/(loss) before tax	(91)	(34)
Permanent differences		
Dividends received from group companies	(394)	(555)
Impairment and other <sup>(1)</sup>	(28)	258
Adjusted accounting profit (a)	(513)	(331)
Gross tax (24%) (b)	(123)	(79)
Deductions (c)	(4)	(1)
Adjustment of prior years' income tax expense	—	22
Other	3	5
Income tax expense/(income)	(124)	(53)
Effective tax rate (b+c)/a	24.76%	24.17%

<sup>(1)</sup> As at June 2023, the caption mainly reflects the effect of certain expenses that were not considered deductible at that date.

### 8.1. Global minimum taxation – Top-up tax

As a large multinational group, the IBERDROLA Group is subject to the Global Anti-Base Erosion (GloBE) Model Rules (Pillar Two). These were approved by the Organization for Economic Co-operation and Development (OECD)/G20 in the context of the Inclusive Framework on BEPS (Base Erosion and Profit Shifting) on 14 December 2021. The plan was endorsed by, among many others, the EU Member States.

Under these model rules, the Group is required to pay a top-up tax on profits earned in any tax jurisdiction where its effective tax rate, calculated at the jurisdictional level and in accordance with the rules, is lower than a minimum of 15%.

The legislation implementing the model rules has been passed in almost all European Union countries, in the United Kingdom and in some countries in which Iberdrola does not have a significant presence. In the specific case of Spain, the implementing legislation is under consideration (Bill 121/000023 published on 14 June 2024).

In accordance with Council Directive (EU) 2022/2523 of 15 December 2022, the first year of effective application of the new global minimum taxation rules for the IBERDROLA Group is 2024.

There is currently widespread uncertainty about the impact of the GloBE rules on the deferred tax assets and liabilities of the entities subject to them. Therefore, the First Consultation of BOICAC 136 of the Spanish Institute of Accounting and Auditing (ICAC) to accommodate it to the model rules contemplates a temporary exception to the new requirements in this respect. IBERDROLA applies this temporary exception to these financial statements for 2024.

The Group has made a preliminary assessment of the potential impact of the global minimum tax rules based on its most recent tax returns, its country-by-country report and the financial statements of the Group's constituent entities. As a result of this valuation, IBERDROLA does not expect a significant economic impact from the application of the model rules. This results from the alternative or simultaneous existence of the following circumstances in each of the jurisdictions in which it operates: an effective tax rate of 15%, either very similar or higher; substantial presence of personnel and property, plant and equipment implying the exclusion of income subject to minimum taxation; or insignificant amounts of income and profits.

## 8.2. Administrative proceedings

IBERDROLA includes among its principles the strengthening of the relationship with the tax authorities, based on respect for the law, loyalty, trust, professionalism, collaboration, reciprocity and good faith. However, legitimate disputes may arise in relation to the interpretation of tax regulations. Therefore, when such disputes do arise, IBERDROLA conducts its actions before the authorities based on a cooperative relationship, in accordance with the principles of transparency and mutual trust.

All of IBERDROLA's actions have been analysed by its internal and external advisers, both for this year and for preceding years, and they have found that these actions have been carried out in accordance with the law and are based on a reasonable interpretation of tax law. The occurrence of contingent liabilities has also been subject to analysis. IBERDROLA generally posts provisions for tax litigation when the risk of it being detrimental to its interests is probable, and posts no provisions when the risk is possible or remote.

In March 2023, assessments in agreement and in protest were signed in relation to the limited review proceeding initiated by the AEAT following the rectification requests submitted by the company in February 2022 in relation to VAT for financial years 2018 and 2019, and consequently of the Group of entities for the purposes of that tax.

In these submissions, IBERDROLA requested the exclusion of the capital gains obtained in the settlement of derivative financial instruments from the calculation of the pro rata portion for these years, a request which was granted. The limited review proceeding was also extended to the company's income tax for 2018 and 2019, and therefore to the Tax Group, in order to apply to this tax the effects arising from the request upheld in relation to VAT.

In the same proceeding, assessments were signed in protest within VAT group 0220/08, in which IBERDROLA is the parent company, in relation to the requests for the refund of VAT payments for unpaid debts, mainly by individuals, which are older than one year and with a tax base of less than EUR 300, corresponding to Curenergía Comercializador de Último Recurso, S.A.U. and Iberdrola Clientes, S.A.U. for the years 2018 and 2019, on the grounds that the Spanish rules concerning the handling of VAT for unpaid invoices are deemed to be in violation of EU law. These requests were rejected. At the beginning of 2024, the assessment decisions confirming the aforementioned contested assessments were notified. The relevant claims have been lodged with the Tribunal Económico Administrativo Central (TEAC, administrative tribunal concerned with tax review).

On 25 January 2024, the tax and customs unit of the office for large taxpayers of the Spanish tax authority (Agencia Española de Administración Tributaria) (AEAT) notified IBERDROLA of the initiation of verification and investigation proceedings for the 'Temporary Energy Tax' for 2023 in its capacity as a major operator in the energy sector, in accordance with the decisions of the National Commission for Markets and Competition (Comisión Nacional de los Mercados y la Competencia) of 10 December 2020, 16 December 2021 and 9 June 2020, as referred to in Article 1.1 of Law 38/2022.

The actions, of general scope, were conducted during the first half of 2024 and are still pending at the reporting date.

Moreover, in May 2024, IBERDROLA was notified by the tax and customs unit of the office for large taxpayers of the AEAT of the initiation of general verification and investigation proceedings in relation to corporate income tax for financial years 2018 and 2019, and VAT for financial years 2018 to 2020, in its capacity as an individual company and representative of VAT Group 0220/08, of which it is also the parent company.

IBERDROLA's directors and tax consultants believe that the aforementioned issues will not give rise to further material liabilities for the Company beyond those already recognised at 30 June 2024.

### 8.3. Tax litigation

#### Tax litigation in respect of 2008 to 2011

In June 2020, IBERDROLA was notified of the rulings of the Central Tax Appeals Board (TEAC) regarding the claims filed in relation to the assessments signed by IBERDROLA in protest in 2016, corresponding to the general inspection proceedings carried out on the tax consolidation group in the common territory in Spain (no. 2/86) for 2008 to 2011, relating both to corporate income tax and value-added tax.

As regards VAT, the TEAC ruling was favourable to the interests of IBERDROLA (thus annulling the assessments and settlements carried out by the inspectors), while the decisions on income tax were unfavourable.

On 7 July 2020 IBERDROLA appealed these rulings to the Spanish National High Court (*Audiencia Nacional*). The relevant arguments were presented in the proceedings throughout 2021, which remain ongoing at the present date, with the court yet to set the dates for the issuance of opinions and judgment.

The main adjustments included in the settlement decisions arising from the corporate income tax assessments signed in protest relate to the quantification of financial goodwill subject to tax amortisation due to the acquisition of SCOTTISH POWER, the elimination of the exemption for dividends of SCOTTISH POWER due to the audit finding it incompatible with an adjustment in portfolio value due to hedging of net investment, differences in tax consolidation criteria and possible existence of a transaction involving a change of debtor in certain bond issues, due to the circumstances set out in Section 15.1 of the General Tax Act. These proceedings are pending before the *Audiencia Nacional*.

### Tax litigation in respect of 2012 to 2020

In December 2020 Iberdrola was notified of the decision of the TEAC relating to claims filed arising from assessments signed in protest in limited verification proceedings regarding income tax for financial years 2012 to 2014. The dispute with the tax office essentially had to do with the applicability or non-applicability of the rules on timing of accounting recognition established in numerous rulings of the Supreme Court, in relation to the income received by the Group due to payments unlawfully made.

The December 2020 ruling partially upheld IBERDROLA's claims, accepting its criteria insofar as the taxes declared to be unconstitutional are concerned. On 25 January 2021, IBERDROLA filed an appeal for judicial review before the *Audiencia Nacional* on the other matters in dispute. The corresponding arguments were presented in the proceedings throughout 2021. The *Audiencia Nacional* has yet to render a judgment, and a date of such future judgment cannot be reliably estimated.

In relation to the same issue, on 6 September 2021 IBERDROLA filed a claim with the TEAC against the enforcement by the technical department of the central large taxpayers' office of the decision of that court partially upholding the aforementioned assessment. That body did not limit itself to acknowledging the effects of that assessment in the years affected (2012 to 2014), but extended its effects to other prior years. These years had already been the subject of a general audit. Moreover, in some of the cases there was a final judgment and therefore the effect of *res judicata*. On 3 January 2024, IBERDROLA was notified of the TEAC's decision rejecting the Company's claims. The respective judicial review application was filed in due course before the *Audiencia Nacional*. The date of the Audiencia's decision cannot be reliably estimated.

In December 2021 and July 2022, claims were filed with the TEAC against the corporate income tax assessments notified to Iberdrola Energía España, S.A. as representative of Tax Group 2/86 in relation to the contested assessments signed by the Group in 2021 and 2022 for tax years 2012 to 2014 and 2015 to 2020, respectively. The disputed adjustments are substantially the same as those disputed in relation to the years 2008 to 2011. On 5 June 2024, the decision of the Tribunal Económico-Administrativo, the administrative tribunal concerned with tax review, was notified in relation to appeals filed in relation to financial years 2012 to 2014. The Group's submissions were partially upheld, to the extent that directors' remuneration was deemed deductible. The other claims were dismissed. As regards the arguments that were dismissed by the tribunal, the Company intends to apply to the Audiencia Nacional for judicial review. The claim relating to financial years 2015 to 2020 is still, as at today's date, awaiting a decision by the tax tribunal. The relevant arguments were submitted in the second quarter of 2023. The date of the TEAC's decision cannot be reliably estimated.

In July 2022, a challenge at administrative law was filed with the TEAC against the value added tax assessment for 2015 to 2017, which was notified to IBERDROLA as representative of the Group of Entities 0220/08BVA. The main adjustment in dispute arises from the inclusion by the Inspectorate, in the denominator of IBERDROLA's VAT apportionment, of gains arising from portfolio transfers and/or corporate restructuring transactions. The Inspectorate reduces the deductible input VAT in 2015 and its effect on subsequent years due to the adjustment of input VAT on the acquisition of investment assets. The relevant submissions were submitted in the last quarter of 2022 and further submissions were presented in the first quarter of 2023, although a decision has yet to be delivered, and the date of such decision cannot be reliably estimated.

### Tax disputes regarding the temporary energy levy

Lastly, in relation to tax disputes relevant to IBERDROLA, on 21 February 2023 the Asociación de Empresas de Energía Eléctrica (AELEC) filed a judicial review appeal against Ministerial Order HFP/94/2023 approving the self-assessment forms for the new temporary energy levy, introduced by Law 38/2022. On 23 February 2023, IBERDROLA also filed a judicial review appeal against the same Ministerial Order, in similar terms to the one filed by AELEC.

This law imposes a temporary energy levy for the years 2023 and 2024 on those entities qualifying as the main operator in the energy sectors, with the legal status of a non-tax public levy.

The amount payable is calculated by applying a percentage of 1.2% to the net turnover generated by the activity in Spain in the calendar year preceding the year in which the obligation arises. The amount of the levy paid by IBERDROLA in 2023 was EUR 213 million. In addition, the levy for 2024 comes to EUR 157 million, of which 50% was paid in February 2024.

The appeal for judicial review filed by AELEC and by IBERDROLA and which are currently pending resolution are based on defects in the ordinary legality of the Ministerial Order under appeal as well as on defects of unconstitutionality and infringement of Council Regulation (EU) 2022/1854 of 6 October 2022, found in Law 38/2022, which creates the levy.

### Assessment of tax disputes

IBERDROLA's directors and tax advisers consider that the proceedings described in the above paragraphs will not give rise to further material liabilities for the Company beyond those already recognised at 30 June 2024.



## 8.4. Others

Update of the financial goodwill situation (Section 12.5 of the Consolidated Text of the Corporate Income Tax Act (Texto Refundido de la Ley del Impuesto sobre Sociedades) (TRLIS))

In previous years, the Spanish authorities applied the aid and grants recoupment procedure established in the General Tax Act, thus recovering from the IBERDROLA Group, in accordance with Section 12.5 of the TRLIS, the sum of EUR 665 million (EUR 576 million as principal and EUR 89 million as late payment interest) in years 2002 to 2015. IBERDROLA settled the required amount by (i) offsetting part of it against the EUR 363 million received under the 2016 income tax rebate, and (ii) paying EUR 302 million in February 2018. All of the foregoing by virtue of Decision Three of the European Commission.

In May 2021, IBERDROLA was notified of a settlement decision under the aid and grants reimbursement procedure for the years 2016 to 2018 in the amount of EUR 13 million, which the Company paid on 2 July 2021.

These amounts, in the proportion corresponding to IBERDROLA, are shown, together with the late payment interest payable, under "Non-current trade and other receivables" in the statement of financial position.

Moreover, the application of the incentive provided for in Section 12.5 of the TRLIS generated a taxable temporary difference, resulting in the subsequent recognition of the deferred tax liability. Therefore, if the outcome is ultimately contrary to the Company's interests (which we consider unlikely based on the information currently available), the financial impact would be substantially mitigated.

The Judgment of the General Court of the European Union (GCEU) of 27 September 2023 (Joined Cases T-256/15 and T-260/15) quashed the European Commission's Decision (EU) 2015/314 of 15 October 2014 (Third Decision), and upheld all the claims put forward by the entities concerned, including the IBERDROLA Group.

Although this judgment of the GCEU has been appealed by the European Commission, it is enforceable and binding from the date of its pronouncement. The recovery order contained in the Third Decision is without effect. In any event, the IBERDROLA Group and its internal and external advisors consider that no further risks should arise in relation to the application of the financial goodwill, and that the sums recovered by the tax agency should be refunded, as the payment made by the Group was undue.

## 9. Income and expenses

### 9.1. Revenue

The distribution of IBERDROLA's revenue from ordinary activities by category of activity and geographical market is as follows:

30.06.2024	European Union			Other countries	Total
	Spain	Euro zone	Non-euro zone		
Millions of euros					
Finance income from equity investments in group companies and associates	135	—	—	259	394
Finance income from debt securities and other financial instruments of group companies and associates	7	4	—	—	11
Income from services rendered to group companies	141	3	1	84	229
<b>Total</b>	<b>283</b>	<b>7</b>	<b>1</b>	<b>343</b>	<b>634</b>

30.06.2023	European Union			Other countries	Total
	Spain	Euro zone	Non-euro zone		
Millions of euros					
Finance income from equity investments in group companies and associates	292	—	—	263	555
Finance income from debt securities and other financial instruments of group companies and associates	8	6	—	—	14
Income from services rendered to group companies	143	3	—	65	211
<b>Total</b>	<b>443</b>	<b>9</b>	<b>—</b>	<b>328</b>	<b>780</b>

Details of dividends from Group companies are as follows:

Millions of euros	Six-month period ended	
	30.06.2024	30.06.2023
Avangrid, Inc.	256	256
Iberdrola Energia, S.A.U.	80	—
HidroIa I, S.L.U.	55	292
Neoenergia, S.A.	3	7
<b>Total</b>	<b>394</b>	<b>555</b>

### 9.2. Employees

IBERDROLA's staff is structured as follows:

	30.06.2024		30.06.2023	
	Average headcount	Final headcount	Average headcount	Final headcount
Men	496	506	471	475
Women	435	452	395	407
<b>Total</b>	<b>931</b>	<b>958</b>	<b>866</b>	<b>882</b>

## 10. Remuneration of the Board of Directors and executive officers.

### 10.1. Remuneration of the Board of Directors

Director remuneration and other benefits received during the six-month period ended 30 June 2024 and 2023 are presented in the table below by remuneration item:

Millions of euros	30.06.2024	30.06.2023
Remuneration for membership on the Board and/or Board Committees	3.9	3.2
Other items	0.1	0.1
<b>Total</b>	<b>4.0</b>	<b>3.3</b>

### 10.2. Remuneration of executive officers

#### Executive officers, including executive directors

Members of the Company's management who perform global functions – unless these are support, advisory or staff functions – and who report directly to the Board of Directors, its chairman or the chief executive officer of the Company are considered to be senior management. The status of senior management also attaches to executive officers whom the Board of Directors, at the proposal of its chairman, recognises as such and, in any case, the head of the Internal Audit area. At 30 June 2024, there were 4 members of senior management.

Remuneration paid to and earned by directors and senior management during the first half of 2024 and 2023 is as follows.

Executive officers who are also directors	30.06.2024	30.06.2023
Fixed remuneration	1.7	1.7
Variable remuneration (*)	4.7	4.2
Pension plans (savings and risk)	0.5	0.4
Other items (**)	0.4	0.4
<b>Total</b>	<b>7.3</b>	<b>6.7</b>

  

Other executive officers	30.06.2024	30.06.2023 (***)
Fixed remuneration	1.1	1.0
Variable remuneration (*)	1.9	1.6
Pension plans (savings and risk)	0.8	1.5
Other items (**)	0.5	0.5
<b>Total</b>	<b>4.3</b>	<b>4.6</b>

(\*) Includes the amount accrued by executives who also are directors for the entire financial year 2023.

(\*\*) This includes the remuneration of executives who are directors and senior executives who have held the position of director at companies that are not wholly owned, directly or indirectly, by the Company, which amounted to EUR 0.3 million and EUR 0.4 million in the first half of 2024 and EUR 0.3 million and EUR 0.3 million in the first half of 2023.

(\*\*\*) For comparison purposes, this includes information on members who have had this status since 30 June 2024 (six members less).

In the first half of 2024, the second of the three annual settlements was made under the 2020-2022 Strategic Bonus, consisting in the delivery of 941,665 shares, once the continuing achievement of required targets had been determined. In the first half of 2023, the first of the three annual settlements was made under the 2020-2022 Strategic Bonus, consisting in the delivery of 941,665 shares.

During the first half of 2024 and 2023, no other transactions took place with executive officers.

## 11. Related-party transactions

### Related-party transactions

The most significant related-party transactions in the six-month periods ended 30 June 2024 and 2023 are as follows:

Millions of euros	Six-month period ended 30.06.2024				Total
	Significant shareholders <sup>(1)</sup>	Directors and executive officers <sup>(2)</sup>	Group persons, companies or entities	Other related parties	
Expenses and income					
Finance expenses	—	—	269	—	269
Lease	—	—	2	—	2
Services received	—	—	69	—	69
<b>Total expenses</b>	<b>—</b>	<b>—</b>	<b>340</b>	<b>—</b>	<b>340</b>
Finance income	—	—	11	—	11
Dividends received	—	—	394	—	394
Services rendered	—	—	229	—	229
<b>Total income</b>	<b>—</b>	<b>—</b>	<b>634</b>	<b>—</b>	<b>634</b>

Millions of euros	Six-month period ended 30.06.2023				Total
	Significant shareholders <sup>(1)</sup>	Directors and executive officers <sup>(2)</sup>	Group persons, companies or entities	Other related parties	
<b>Expenses and income</b>					
Finance expenses	—	—	257	—	257
Lease	—	—	2	—	2
Services received	—	—	44	—	44
<b>Total expenses</b>	<b>—</b>	<b>—</b>	<b>303</b>	<b>—</b>	<b>303</b>
Finance income	—	—	14	—	14
Dividends received	—	—	555	—	555
Services rendered	—	—	211	—	211
<b>Total income</b>	<b>—</b>	<b>—</b>	<b>780</b>	<b>—</b>	<b>780</b>

<sup>(1)</sup> At the date of authorisation for issue of these interim financial statements, there were no significant shareholders who met the definition of Section 529 *vicies* of the Spanish Companies Act because they did not hold 10% of the voting rights or were not represented on the Board of Directors.

<sup>(2)</sup> Refers to transactions other than those disclosed in Note 10.

## Other financial assets/liabilities with group companies and associates

Millions of euros	30.06.2024		31.12.2023	
	Receivables	Payables	Receivables	Payables
<b>Non-current</b>				
Iberdrola Financiación, S.A.U.	—	7,915	—	7,216
Iberdrola International, B.V.	—	2,612	—	2,892
<b>Total</b>	<b>—</b>	<b>10,527</b>	<b>—</b>	<b>10,108</b>
<b>Current</b>				
Avangrid, Inc. (US dollar)	130	—	126	—
HidroIa I, S.L.U.	55	—	—	—
Iberdrola Energía S.A.U.	80	—	—	—
Iberdrola Finance Ireland, DAC	—	—	—	71
Iberdrola Financiación, S.A.U.	—	5,390	—	3,626
Iberdrola Finanzas, S.A.U.	—	—	—	574
Iberdrola International, B.V.	—	315	—	—
Iberdrola Re, S.A.	—	185	—	77
Other	6	1	3	5
Accrued interest	—	210	—	315
<b>Total</b>	<b>271</b>	<b>6,101</b>	<b>129</b>	<b>4,668</b>

## Derivatives with group companies and associates

Derivatives with group companies and associates held by IBERDROLA at 30 June 2024 and 31 December 2023 are as follows:

Millions of euros	30.06.2024		31.12.2023	
	Assets	Liabilities	Assets	Liabilities
<b>Non-current</b>				
Iberdrola Financiación, S.A.U.	49	—	38	—
<b>Total</b>	<b>49</b>	<b>—</b>	<b>38</b>	<b>—</b>
<b>Current</b>				
East Anglia Three, Ltd.	—	4	4	1
Other	—	1	—	—
<b>Total</b>	<b>—</b>	<b>5</b>	<b>4</b>	<b>1</b>

## Loans to group companies and associates

Millions of euros	30.06.2024			31.12.2023		
	Current	Non-current	Total	Current	Non-current	Total
Iberdrola Financiación, S.A.U.	—	127	127	—	127	127
Unpaid accrued interest	14	—	14	4	—	4
<b>Total</b>	<b>14</b>	<b>127</b>	<b>141</b>	<b>4</b>	<b>127</b>	<b>131</b>

## 12. Events occurring after 30 June 2024

After 30 June 2024 and before the date of publication of these interim financial statements, the following significant events have occurred:

### Reduction in share capital

On 1 July 2024, the Company carried out the reduction in share capital approved by the shareholders at the General Shareholders' Meeting held on 17 May 2024 under item 14 on the agenda, through the cancellation of treasury shares.

Details of the reduction in share capital are as follows:

	Date of filing at the Commercial Registry	% Capital	Number of shares	Face value	Euros
Reduction in share capital	3 July 2024	2.854%	183,299,000	0.75	137,474,250

Following the capital reduction, share capital stands at EUR 4,680,000,000, represented by 6,240,000,000 shares each having a par value of EUR 0.75.

### Iberdrola Retribución Flexible

On 2 July 2024, a determination was made of the following terms governing the implementation of the first increase in capital by means of a scrip issue (*Iberdrola Retribución Flexible*) approved by the shareholders at the General Shareholders' Meeting of IBERDROLA held on 17 May 2024, under item 12 on the agenda:

- The maximum number of new shares to be issued under the capital increase is 183,529,411.
- The number of free-of-charge allocation rights required to receive one new share is 34.
- The maximum par value of the capital increase is EUR 137,647,058.
- The gross Final Dividend per share amounts to EUR 0.351.

## 13. EXPLANATION ADDED FOR TRANSLATION INTO ENGLISH

These Financial statements are presented on the basis of accounting principles generally accepted in Spain. Consequently, certain accounting practices applied by the Company may not conform with generally accepted accounting principles in other countries.

## INTERIM MANAGEMENT REPORT



## IBERDROLA, S.A.

### Management report for the six-month period ended 30 June 2024

#### 1. BUSINESS PERFORMANCE

IBERDROLA is a holding company and therefore its earnings are chiefly produced by dividends and services rendered to subsidiaries.

#### 2. SIGNIFICANT EVENTS IN THE FIRST HALF OF 2024

##### 2.1 Key figures from the IBERDROLA income statement

In the six-month period ended 30 June 2024, revenue amounted to EUR 634 million, of which EUR 394 million was through dividends from subsidiaries (EUR 256 million from Avangrid, Inc., EUR 80 million from Iberdrola Energía, S.A.U., EUR 55 million from Hidrola, S.A.U. and EUR 3 million from Neoenergía S.A.), EUR 11 million was in the form of finance income from financing granted to subsidiaries, and EUR 229 million was from income from services rendered to group companies.

The decrease of EUR 146 million in revenue is the net result of (Note 9):

- a decline in dividends in the amount of EUR 161 million and lower finance income facing group companies in the amount of EUR 3 million; and
- higher income from services rendered to group companies for a total of EUR 18 million.

Personnel expenses and other operating expenses were down EUR 23 million and EUR 17 million to EUR 99 million and EUR 317 million, respectively. The net effect of impairment charges and reversal of impairment was down EUR 65 million on the same period in the prior year (Note 5). Operating income for the period was EUR 221 million, EUR 44 million less than the EUR 265 million recorded in the first half of 2023.

The Company reported a net finance expense of EUR 312 million compared to an expense of EUR 299 million in the same period of 2023. The difference of EUR 13 million was largely due to:

- an increase in finance income of EUR 6 million;
- an increase in finance expenses of EUR 3 million;
- the negative impact of EUR 12 million from valuation of derivatives, and the increase of EUR 4 million from negative translation differences compared to those for the previous year.

The loss for the year before tax was EUR 91 million, while income tax amounted to a positive EUR 124 million, yielding a net profit for the period of EUR 33 million, versus net profit of EUR 19 million in the same period of 2023.

## 2.2 Statement of financial position

At 30 June 2024, IBERDROLA's statement of financial position showed current liabilities exceeding current assets in the amount of EUR 5,845 million. This shortfall is largely due to the existence of current debt with group companies and associates in the amount of EUR 6,106 million, which will be covered by funds generated from IBERDROLA's business and dividends received from subsidiaries.

## 3. MAIN RISKS AND UNCERTAINTIES

The main sources of uncertainty are described in Note 4.

## 4. SUBSEQUENT EVENTS

Events after the reporting period are described in Note 12.

## AUTHORISATION FOR ISSUE

2024 – FIRST HALF

AUTHORISATION FOR ISSUE OF THE SELECTED CONDENSED SEPARATE INTERIM  
FINANCIAL STATEMENTS AND THE INTERIM MANAGEMENT REPORT OF IBERDROLA, S.A.

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Mr José Ignacio Sánchez Galán  
*Chairman*

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Mr Armando Martínez Martínez  
*Chief executive officer*

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Mr Juan Manuel González Serna  
*First vice-chair and lead independent  
director*

---

Mr Anthony Luzzatto Gardner  
*Second vice-chair*

---

Mr Íñigo Víctor de Oriol Ibarra  
*Director*

---

Ms María Helena Antolín Raybaud  
*Director*

---

Mr Manuel Moreu Munaiz  
*Director*

---

Mr Xabier Sagredo Ormaza  
*Director*

---

Ms Sara de la Rica Goiricelaya  
*Director*

---

Ms Nicola Mary Brewer  
*Director*

---

Ms Regina Helena Jorge Nunes  
*Director*

---

Mr Ángel Jesús Acebes Paniagua  
*Director*

---

Ms María Ángeles Alcalá Díaz  
*Director*

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Ms Isabel García Tejerina  
*Director*