

The logo for Redeia, featuring the word "redeia" in a lowercase, sans-serif font. The letter "i" is stylized with a teal dot above it. The background of the slide is a blurred image of hands holding a pen over a document, with various data visualization elements like line graphs and network diagrams overlaid in a light blue and teal color scheme.

redeia

Valuing the essentials

Alternative Performance Measures January – March 2024

The European Securities and Markets Authority (ESMA) published Guidelines 2015/1415, hereinafter the Guidelines, on Alternative Performance Measures (APMs) of mandatory compliance for all issuers whose securities are admitted to trading on an official market and who are required to publish regulated information under the Transparency Directive 2004/109/EC, in order to improve the comparability, reliability and comprehensibility of these measures. These Guidelines are applicable to any regulated information, such as management reports accompanying the annual accounts or interim financial statements, interim management statements, presentations of results disseminated as other relevant information, inside information, etc.

Redeia presents these APMs to complement the consolidated financial statements presented in accordance with the International Financial Reporting Standards adopted by the European Union (IFRS-EU). The APMs are used, together with the other financial measures contemplated in IFRS, to provide greater clarity to budgets and objectives, to evaluate operating and financial performance and to compare such performance with previous periods and with the performance of competitors. The presentation of such measures is useful because they can be used to analyse and compare profitability and solvency levels between companies and industries. These and similar measures are widely used by investors, securities analysts and others as complementary measures of performance and should be considered by the reader as complementary to those presented in accordance with IFRS-EU.

Alternative Performance Measures: Aggregates

(thousands of euros)

Earnings before interest, taxes, depreciation and amortisation (EBITDA)

Definition	Purpose	Calculation	31.03.2024	31.03.2023
Operating from operating activities + Depreciation and amortization of fixed assets - Allocation of non-financial fixed asset subsidies and other +/- Impairment and gain or loss on disposal of fixed assets.	Alternative performance measure used as an approximation of the financial resources that could be obtained from operating assets before taxes and depreciation.	Results from operating activities (EBIT)	205,489	271,641
		Amortisation and depreciation	140,119	134,179
		Non-financial and other capital grants	(5,989)	(4,175)
		Impairment and gains/(losses) on disposal of fixed assets	10	158
			339,629	401,803

Net profit

Definition	Purpose	Calculation	31.03.2024	31.03.2023
Corresponds to "Consolidated profit / (loss) Attributable to the Parent Company" in the Consolidated Income Statement.	Indicate consolidated income for the period, excluding income attributable to non-controlling interest.	Consolidated profit/(loss) attributable to the Parent.	132,289	180,378
			132,289	180,378

Funds From Operations (FFO)

Definition	Purpose	Calculation	31.03.2024	31.03.2023
Cash Flows from Operating Activities - Changes in working capital.	Indicator of the company's cash generation. Measures the cash generation of the business as a whole without taking into account changes in working capital.	Cash flows from operating activities.	410,885	71,895
		Changes in working capital.	(52,878)	(290,724)
			463,763	362,619

Changes in other assets and liabilities

Definition	Purpose	Calculation	31.03.2024	31.03.2023
Variations in the period of other Statement of Financial Position items mostly included in Non-Current Assets and Liabilities such as deferred tax assets and liabilities or Other non-current assets and liabilities.	Measures the effect on the cash generated in the period from the variation period from the variation of these items.	Other cash flows from investing activities	23,491	16,381
		Proceeds from equity instruments	-	511,506
		Effect of changes exchange rates	879	327
		Other cash flows from financing activities	20,038	(2,486)
		Proceeds from divestitures (excluding Temporary Financial Investments) ¹	1,438	534
			45,846	526,262

Changes in payables to non - current assets suppliers				
Definition	Purpose	Calculation	31.03.2024	31.03.2023
Variations in the period of the item in the Statement of Financial Position included in the Liabilities as Suppliers of fixed assets. It is calculated as Payments for investments – Investments.	Measures the variation between investment payments and investment additions.	Investment payments	(214,631)	(244,555)
		Investments	156,020	154,798
			(58,611)	(89,757)

Gross Financial Debt				
Definition	Purpose	Calculation	31.03.2024	31.03.2023
Principal debt at amortized cost of debt with credit institutions and debentures or other marketable securities minus exchange rate derivatives and minus accrued interest not paid.	Gross Financial Debt is a measure used to analyse the Group's level of gross indebtedness. It includes the financial liabilities with cost incurred by the Group.	Non-current loans and borrowings, bonds and other marketable securities	5,699,058	5,456,270
		Current loans and borrowings, bonds and other marketable securities	555,783	718,965
		Foreign currency derivatives	(23,595)	(30,029)
		Accrued interest payable 'Other equity instruments'.	(23,125)	-
		Accrued interest payable	(47,874)	(47,501)
			6,160,247	6,097,705

Gross Average Financial Debt				
Definition	Purpose	Calculation	31.03.2024	31.03.2023
Corresponds to the arithmetic mean of the Gross Financial Debt balances of all the days that make up the fiscal year. This measure may also be referred to as "Average Gross Debt" or "Average Debt".	Indicates the Group's average indebtedness for the year, related to Financial expenses. indicates the average cost of the financial debt.	Gross Average Financial Debt	6,106,776	6,185,370
			6,106,776	6,185,370

Net Financial Debt				
Definition	Purpose	Calculation	31.03.2024	31.03.2023
Gross Financial Debt - Cash and cash equivalents- Term deposits	Net Financial Debt is a measure used to analyse the Group's level of net indebtedness. It eliminates cash and cash equivalents from the Gross Financial Debt, as well as Term deposits, to try to determine what part of it finances the development of its activities.	Gross Financial Debt	6,160,247	6,097,705
		Cash and cash equivalents	(507,756)	(947,077)
		Term deposits ¹	(760,300)	(715,000)
			4,892,191	4,435,628

Net Financial cost of the period

Definition	Purpose	Calculation	31.03.2024	31.03.2023
Financial expense - Financial income for the period.	Measures the cost of external financial resources.	Financial expense	(36,838)	(34,560)
		Financial income	13,841	8,638
			(22,997)	(25,922)

Average cost of debt (%)

Definition	Purpose	Calculation	31.03.2024	31.03.2023
Interest Expense on Financial Debt / Average Gross Financial Debt.	Measure of the effective rate of the financial debt.	Interest expense on financial debt (12 months)	135,570	128,604
		Average Gross Financial Debt	6,106,776	6,185,370
			2.22%	2.08%

Average term to maturity of drawdown debt (years)

Definition	Purpose	Calculation	31.03.2024	31.03.2023
Arithmetic average of the maturities of financial debt weighted by the amounts corresponding to their principal amounts.	Measure to illustrate how long the existing debt matures as of the date of the Financial Statements.	Average term to maturity of drawdown debt	4.8	4.8
			4.8	4.8

Availability of credit lines

Definition	Purpose	Calculation	31.03.2024	31.03.2023
Undrawn credit lines.	Indicates the available credit of the credit lines contracted by the Group.	Total available credit lines	1,684,912	1,769,000
			1,684,912	1,769,000

Cash surplus / Cash, cash equivalents and term deposits

Definition	Purpose	Calculation	31.03.2024	31.03.2023
Cash and cash equivalents.	Indicates cash and cash equivalents.	Cash and cash equivalents	507,756	947,077
		Short-term investments in the money market ¹	760,300	715,000
			1,268,056	1,662,077

Investments

Definition	Purpose	Calculation	31.03.2024	31.03.2023 ⁽²⁾
Additions to property, plant and equipment - Additions to rights of use (IFRS16) + Additions to intangible assets + Additions to assets resulting from business combinations or equity method + Additions to equity instruments and other financial assets ² .	Measurement of investment activity. It allows analysing which of the Group's investments will generate future income or dividend collections.	Additions to property, plant and equipment	128,925	137,097
		Additions to intangible assets	10,191	11,984
		Additions of assets by business combination or equity method	1,095	-
		Additions Salto Chira Waterfall Project	12,733	15,047
		Additions Equity instruments and other financial assets	3,077	5,716
			156,020	169,845

Alternative Performance Measures: Ratios

Debt coverage ratios (times)

Definition	Purpose	Calculation	31.03.2024	31.03.2023
Net Financial Debt / EBITDA (last 12 months)	This debt coverage ratio relates Net Financial Debt to EBITDA and makes it possible to evaluate the company's capacity to repay external financing in number of years (number of times). It allows the company's evolution to be analysed and facilitates comparison with other companies.	Net Financial Debt	4,892,191	4,435,628
		EBITDA (last 12 months)	1,445,630	1,497,641
			3.4	3.0

EBITDA margin (%)

Definition	Purpose	Calculation	31.03.2024	31.03.2023
EBITDA / Revenue	A measure of the company's degree of efficiency by calculating the EBITDA as a percentage of net sales. It allows to analyse the evolution of the company's efficiency and facilitates the comparison with other companies.	EBITDA	339,629	401,803
		Revenue	455,676	516,865
			74.5%	77.7%

FFO / Net Financial Debt (%)

Definition	Purpose	Calculation	31.03.2024	31.03.2023
Funds from Operations (FFO) (12 months) / Net Financial Debt	This financial debt coverage ratio relates Net Debt to FFO and makes it possible to evaluate the company's ability to repay borrowed funds as a percentage of external financing. It allows the analysis of the company's evolution and facilitates comparison with other companies.	Funds from Operations (FFO) last 12 months	1,257,455	1,007,127
		Net Financial Debt	4,892,191	4,435,628
			25.7%	22.7%

The APMs are used to provide greater clarity regarding financial performance of, and compare this performance with previous periods and with that of Redeia. These measures must be considered by the reader as supplementary with regard to those presented in accordance with EU-IFRSs, although they are not considered a substitute. Also, the way in which Redeia defines and calculates these APMs may differ from other entities that use similar measures and, therefore, may not be comparable among them.

¹ . As of March 31, 2024, there are €760.3 million of Temporary Financial investments (TFI) (€715 million as of 31 March 2023) and have been considered within "net financial debt". Investments and divestments made in TFI are included in the consolidated cash flow statement as "payments for investments" amounting to €760.3 million as of 31 March 2024 (€500 million as 31 March 2023) and "proceeds from divestments" amounting to €0 million as of 31 March 2024 (€500 million as of 31 March 2023). These amounts have not been considered in the calculation of the APMs for "changes in other assets and liabilities" and "changes in fixed asset suppliers".

² . The definition of Investments has been updated to facilitate traceability with the financial statements and to be aligned with best market practices. The variation in the calculation is originated by low amount items. Investments published for the close of 31.03.2023 amounted to 154,798 thousand euros.

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