

Financial results - January to March 2022

The Red Eléctrica Group closes the first quarter of the year with a profit of €182 million

- The results for the first quarter remain in line with the Group's forecasts and at similar levels to those obtained in 2021, driven by the good performance of the Brazilian investee company ARGO.
- Investments made by the Group reached €121.3 million and experienced a sharp increase - 48.2% - thanks to the development of strategic infrastructure needed to advance in the energy transition in Spain.
- The Group closed two acquisition agreements in the quarter, one for the Brazilian electricity transmission infrastructure company Rialma Transmissora de Energia III S.A. through Argo, and the other for the telecommunications company Axess Networks Solutions Holding S.L.U. through Hispasat.

Madrid, 27 April 2022

In the first three months of 2022, the Red Eléctrica Group has obtained a net profit of €182 million, a figure similar to that reported for the same period last year, which stood at €181.1 million. This result, in line with the Group's forecasts, is largely linked to the good performance in the management and operation of the electricity transmission business abroad- €12.9 million - which is almost double that obtained from January to March 2021.

Revenues (turnover and the share in profits of Group's companies and subsidiaries accounted for using the equity method) amounted to €512.4 million in this first quarter, up 4.1% on those recorded in the same period of 2021. This increase is mainly due to the electricity transmission activity in Spain, the good performance of the business activity of the Brazilian investee company ARGO, driven by the commissioning of the Argo II and Argo III electricity infrastructure projects, the annual update of revenues and the improvement in the exchange rate. Also of note is the positive contribution made by the video signal management and transport business -Media Networks Latin America-, a company acquired by Hispasat in 2021 and which was incorporated into the scope of Group's consolidated accounts last May.

<i>(Thousands of euros)</i>	January - March		
	2022	2021	Δ %
Revenue	500,501	483,602	3.49%
Share in profit of companies accounted for using the equity method	11,922	8,743	36.36%
Gross operating profit (EBITDA)	395,416	388,418	1.80%
Net operating profit (EBIT)	265,288	266,335	(0.39%)
Profit before tax	241,797	239,816	0.83%
Profit for the year	182,083	181,111	0.54%



Gross operating profit (EBITDA) totalled €395.4 million, up 1.8% compared to that obtained in the same period last year. This figure was driven by the Group's efficiency efforts and higher results from its diversification activities: electricity transmission abroad and the satellite businesses. Net operating profit (EBIT) totalled €265.2 million, down 0.4%. Net financial debt closed the month of March at €5,588.3 million, 1.1% lower than in the same period last year. In addition, in this quarter the Group has reduced the average cost of its financial debt from 1.52% in Q1 2021 to 1.46% in Q1 2022.

The financial results from January to March 2022 bolster the Group's solid financial position. In this regard, on 18 March, the credit rating agency Standard & Poor's ratified the Group's 'A-' rating. As at 31 March, 39% of the Company's financing incorporated ESG criteria.

Regarding the dividend, an interim dividend of 0.2727 euros per share was paid on 7 January out of 2021 results, the same as that distributed last year. The Company also expects to pay a final dividend of 0.7273 euros per share on 1 July, once it has been approved at the General Shareholders' Meeting.

Boost to investments

Investments made by the Group in the first quarter have recorded a sharp increase, reaching €121.3 million, which is 48.2% higher than the figure for the first quarter of 2021.

Specifically, investment earmarked for the development of the transmission grid in Spain amounted to €85.7 million, a figure that is 23.3% higher than in the first quarter of 2021. This volume of investment is explained by the progress made in large-scale projects that are strategic for the promotion of the energy transition in Spain, which among others, include the future electricity interconnections between Ibiza and Formentera and between Lanzarote and Fuerteventura.

The investment effort has also focused on the 'Salto de Chira' energy storage project in Gran Canaria. This is an essential infrastructure for the island which, when commissioned, will not only offer a greater guarantee of supply but will also bolster the security of the electricity system in Gran Canaria, facilitate the integration of renewables and reduce emissions.

The Company expects to accelerate the volume of investment in the coming months in line with the 2021-2026 Electricity Planning which has been recently approved by the Spanish government.

On the other hand, investment in the management and operation of electricity infrastructure abroad totalled €6.5 million, 6.9% more than in the first quarter of 2021.

Regarding telecommunications, there was a sharp increase in investments focused on the satellite business, which amounted to €17.7 million, mainly due to the investment associated with the development of the new Amazonas Nexus satellite. The investment allocated to the fibre optic business has also increased, exceeding one million euros, which is almost 16% higher than in the first quarter of the previous year. Investments were also made in other corporate projects as well as in the business activity of Elewit (the Group's technology platform).

Main highlights

Among the most significant milestones in the first quarter was the agreement reached in March by Hispasat to acquire 100% of the shareholding of Axess Networks Solutions Holding, S.L.U., a company with a strong presence in Latin America specialised in satellite services and solutions for corporate clients. This transaction is fully aligned with the satellite operator's strategic plan and values Axess' equity at 96 million US dollars. The



transaction will take effect once the relevant authorisations and permits have been obtained from the corresponding regulatory authorities.

On the other hand, on 31 January, Argo completed the acquisition of the Brazilian electricity transmission infrastructure company Rialma Transmissora de Energia III S.A. for €32.4 million. This transaction allows the Group to add 322 kilometres of 500 kV line to the total assets it already manages in Brazil.

Leadership in sustainability

In this period, the Group has continued to reap recognition for its commitment to sustainability. The Sustainability Yearbook 2022 has included Red Eléctrica in the ranking of the 10 most sustainable companies in its sector worldwide. S&P Global has awarded the Group the 'Silver Class' distinction, which ranks it among the five Spanish companies in the Electric Utilities sector with the best performance in social, environmental and economic issues of corporate governance.

The Group has also improved its position and rating in the 2022 edition of the Bloomberg Gender Equality Index. In regard to diversity and the fight for real and effective equality of opportunities, noteworthy is that Red Eléctrica joined the 'STEAM Alliance for female talent. Girls in science', an initiative of the Ministry of Education and Vocational Training to promote STEAM degrees and professions (Science, Technology, Engineering and Mathematics in connection with the Arts and Humanities) among girls and young women.