



**Red Eléctrica Financiaciones, Sociedad Anónima Unipersonal**  
*(incorporated with limited liability under the laws of Spain)*

**€1,000,000,000**  
**Euro-Commercial Paper Programme**

Unconditionally and irrevocably guaranteed by  
**Red Eléctrica Corporación, Sociedad Anónima**  
*(incorporated with limited liability under the laws of Spain)*  
and

**Red Eléctrica de España, Sociedad Anónima Unipersonal**  
*(incorporated with limited liability under the laws of Spain)*

**Arranger and Dealer**  
**Santander Corporate & Investment Banking**

**Dealers**  
**BBVA**  
**Barclays**  
**Bred Banque Populaire**  
**CaixaBank**  
**CIC**  
**Citigroup**  
**Crédit Agricole CIB**  
**ING**  
**NatWest Markets**

## IMPORTANT NOTICE

This information memorandum (together with any information incorporated herein by reference, the “**Information Memorandum**”) contains summary information provided by Red Eléctrica Financiaciones, Sociedad Anónima Unipersonal (the “**Issuer**”) and by Red Eléctrica Corporación, Sociedad Anónima and Red Eléctrica de España, Sociedad Anónima Unipersonal (each a “**Guarantor**” and together the “**Guarantors**”) in connection with a euro-commercial paper programme (the “**Programme**”) under which the Issuer may issue and have outstanding at any time euro-commercial paper notes (the “**Notes**”) up to a maximum aggregate amount of €1,000,000,000 or its equivalent in alternative currencies. Under the Programme, the Issuer may issue Notes outside the United States pursuant to Regulation S (“**Regulation S**”) of the United States Securities Act of 1933, as amended (the “**Securities Act**”). The Issuer and the Guarantors, pursuant to a dealer agreement dated 12 April 2023 (the “**Dealer Agreement**”), have appointed Banco Santander, S.A. as arranger for the Programme (the “**Arranger**”) and Banco Bilbao Vizcaya Argentaria, S.A., Barclays Bank Ireland PLC, Bred Banque Populaire, CaixaBank, S.A., Citigroup Global Markets Europe AG, Citigroup Global Markets Limited, Crédit Agricole Corporate and Investment Bank, Credit Industriel et Commercial S.A., ING Bank N.V. and NatWest Markets N.V. as dealers for the Notes (together with the Arranger and any further dealer appointed under the Programme from time to time pursuant to the Dealer Agreement, the “**Dealers**”) and authorised and requested the Dealers to circulate the Information Memorandum in connection with the Programme on their behalf to investors or potential investors in the Notes.

The Notes issued under the Programme may be governed by English law (“**English Law Notes**”) or by Spanish law (“**Spanish Law Notes**”). Notes will be English Law Notes unless the Complementary Certificate (as defined below) of an issue of Notes specifies that the Notes of that issue are governed by Spanish law in which case the Notes of that issue will be Spanish Law Notes. English Law Notes will have the benefit of an English law governed deed of guarantee dated 12 April 2023 (the “**English Law Guarantee**”). Spanish Law Notes will have the benefit of a Spanish law governed guarantee dated 12 April 2023 (the “**Spanish Law Guarantee**” and, together with the English Law Guarantee, the “**Guarantees**”).

**THE NOTES AND THE GUARANTEES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933 AS AMENDED (THE “SECURITIES ACT”) OR ANY U.S. STATE SECURITIES LAWS AND MAY NOT BE OFFERED, SOLD OR DELIVERED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT (“REGULATION S”)) (“U.S. PERSONS”) UNLESS AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT IS AVAILABLE AND IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES AND ANY OTHER JURISDICTION.**

**The Notes and the Guarantees have not been approved or disapproved by the United States Securities and Exchange Commission or any other securities commission or other regulatory authority in the United States, nor have the foregoing authorities approved this Information Memorandum or confirmed the accuracy or determined the adequacy of the information contained in this Information Memorandum. Any representation to the contrary is unlawful.**

The Issuer and the Guarantors accept responsibility for the information contained in this Information Memorandum. To the best of the knowledge of the Issuer and the Guarantors (who have taken all reasonable care to ensure that such is the case), the information contained in this Information Memorandum is in accordance with the facts and does not omit anything likely to affect the import of such information.

Representation of the Notes to be issued under the Programme in book-entry form will be reflected in an Issue Document (as defined below) which will be executed by the Issuer and deposited with Iberclear and AIAF on or around the date of this Information Memorandum. Notes issued under the Programme will be subject to the terms and condition set forth in the Issue Document supplemented for each issue of Notes by the terms and conditions of a Complementary Certificate.

The Issuer and the Guarantors have confirmed to the Dealers that the information contained or incorporated by reference in the Information Memorandum is true, complete and accurate in all material respects and not misleading in any material respects and that there are no other facts the omission of which makes the Information Memorandum as a whole or any such information contained or incorporated by reference therein misleading in any material respect. Any statements of intention, opinion, belief or expectation contained in the Information Memorandum are honestly and reasonably made by the Issuer

and the Guarantors and, in relation to each issue of Notes agreed as contemplated in the Dealer Agreement to be issued and subscribed, the Information Memorandum, together with the relevant Complementary Certificate, contains all the information which is material in the context of the issue of such Notes.

Neither the Issuer, the Guarantors, the Arranger, the Paying Agent (as defined below) nor any of the Dealers accepts any responsibility, express or implied, for updating the Information Memorandum and neither the delivery of the Information Memorandum nor any offer or sale made on the basis of the information contained in the Information Memorandum shall under any circumstances create any implication that the Information Memorandum is accurate at any time subsequent to the date thereof with respect to the Issuer or the Guarantors or that there has been no change in the business, financial condition or affairs of the Issuer or the Guarantors since the date thereof.

No person is authorised by the Issuer or the Guarantors to give any information or to make any representation not contained or incorporated by reference in the Information Memorandum and any information or representation not contained or incorporated by reference herein must not be relied upon as having been authorised by the Issuer, the Guarantors, the Paying Agent the Dealers or any of them.

Neither the Arranger nor any Dealer has independently verified the information contained in the Information Memorandum, the Issue Document or any Complementary Certificate. Accordingly, no representation or warranty or undertaking (express or implied) is made, and no responsibility or liability is accepted by the Arranger or the Dealers as to the authenticity, origin, validity, accuracy or completeness of, or any errors in or omissions from, any information or statement contained in the Information Memorandum, the Issue Document, any Complementary Certificate or in or from any accompanying or subsequent material or presentation.

The information contained in the Information Memorandum, the Issue Document and any Complementary Certificate is not and should not be construed as a recommendation by the Arranger, the Dealers, the Issuer or the Guarantors that any recipient should purchase Notes. Each such recipient must make and shall be deemed to have made its own independent assessment and investigation of the financial condition, affairs and creditworthiness of the Issuer, the Guarantors and of the Programme as it may deem necessary and must base any investment decision upon such independent assessment and investigation and not on the Information Memorandum or any Complementary Certificate.

Neither the Arranger nor any Dealer undertakes to review the business or financial condition or affairs of the Issuer or the Guarantors during the life of the Programme, nor undertakes to advise any recipient of the Information Memorandum or any Complementary Certificate of any information or change in such information coming to the Arranger's or any Dealer's attention.

Neither the Arranger nor any of the Dealers nor the Paying Agent accepts any liability in relation to this Information Memorandum or its distribution by any other person. This Information Memorandum does not, and is not intended to, constitute an offer or invitation to any person to purchase Notes. The distribution of this Information Memorandum and the offering for sale of Notes or any interest in such Notes or any rights in respect of such Notes, in certain jurisdictions, may be restricted by law. Persons obtaining this Information Memorandum or any Notes or any interest in such Notes or any rights in respect of such Notes are required by the Issuer, the Guarantors, the Arranger and the Dealers to inform themselves about and to observe any such restrictions. In particular, but without limitation, such persons are required to comply with the restrictions on offers or sales of Notes and on distribution of this Information Memorandum and other information in relation to the Notes, the Issuer and the Guarantors set out under "*Subscription and Sale*" below.

Application will be made for the Notes issued under the Programme to be admitted to trading in Spain on AIAF Mercado de Renta Fija ("**AIAF**"), a regulated market for purposes of Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU (as amended, "**MIFID II**").

This Information Memorandum is not a prospectus (*folleto informativo*) for purposes of Regulation (EU) 2017/1129 of the European parliament and of the Council of 14 June 2017, and has not been registered with or approved by the Spanish Securities Market Commission (*Comisión Nacional del Mercado de Valores*) nor has AIAF or its management company, Bolsas y Mercados Españoles Renta Fija, S.A., verified the information contained in this Information Memorandum.

The Programme is rated by Fitch Ratings España S.A.U. which is established in the European Union (the “EU”) and registered under Regulation (EU) No 1060/2009, as amended (the “CRA Regulation”). A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the relevant rating agency.

The Issuer and the Guarantors have undertaken that, if there shall occur any adverse change in the business or financial position of the Issuer or the Guarantors or any change in the terms and conditions of the Notes, in both cases that is material in the context of the issuance of Notes under the Programme, the Issuer and the Guarantors will prepare or procure the preparation of an amendment or supplement to this Information Memorandum or, as the case may be, publish a new Information Memorandum, for use in connection with any subsequent issue of Notes by the Issuer.

This Information Memorandum describes certain Spanish tax implications and procedures in connection with an investment in the Notes in summary form (see “*Taxation – Taxation in Spain*”). No comment is made or advice is given by the Issuer, the Guarantors, the Arranger or any of the Dealers in respect of taxation matters relating to the Notes. Investors must seek their own advice to ensure that they comply with all procedures to ensure correct tax treatment of their Notes.

Some Dealers and their affiliates (including parent companies) have engaged, and may in the future engage, in lending, investment banking and/or commercial banking transactions with, and may perform services for, the Issuer, the Guarantors and their affiliates in the ordinary course of business. In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer, the Guarantors or their affiliates. Some Dealers or their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer or the Guarantors consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes issued under the Programme. Any such short positions could adversely affect future trading prices of Notes issued under the Programme. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

Notes will be offered, sold or distributed to eligible counterparties and professional clients only, each as defined in MiFID II.

### **MiFID II Product Governance**

A determination will be made by the Arranger in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the “**MiFID Product Governance Rules**”), it is a manufacturer in respect of those Notes, but otherwise neither the Arranger nor any of its affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

Solely by virtue of appointment as Dealer on this Programme, the Dealers (other than the Arranger) or any of their respective affiliates will not be a manufacturer for the purpose of the MiFID Product Governance Rules.

### **UK MiFIR Product Governance**

Solely by virtue of appointment as Dealer on this Programme, the Dealers or any of their respective affiliates will not be a manufacturer for the purpose of the FCA Handbook Product Intervention and Product Governance Sourcebook.

### **Restrictions to Russian persons or entities**

On 25 February 2022 the Council adopted two legislative measures imposing further restrictive measures in the financial sector, limiting the access of Russian citizens and entities to the EU capital markets: (i) Council Decision (CFSP) 2022/327 amending Decision 2014/512/CFSP concerning restrictive measures in view of Russia’s actions destabilising the situation in Ukraine (Decision 2022/327) and (ii) Council

Regulation - 5 - 2022/328 amending Regulation (EU) N° 833/2014 concerning restrictive measures in view of Russia's actions destabilising the situation in Ukraine (Regulation 2022/328). The application of these and any other legislative measures approved in connection with the conflict in Ukraine may restrict the marketing, subscription and sale of Notes issued under the Programme to, inter alia, any Russian national, any natural person residing or any legal person, entity or body established in Russia.

## INTERPRETATION

In this Information Memorandum, all references to “euro” and “€” are to the lawful currency introduced at the start of the third stage of the European Economic and Monetary Union pursuant to the Treaty on the Functioning of the European Union, as amended from time to time; and all references to “U.S. dollars” and “U.S.\$” are to the currency of the United States of America.

In this Information Memorandum the word “**Issuer**” refers to Red Eléctrica Financiaciones Sociedad Anónima Unipersonal; the words “**Red Eléctrica Corporación**” refer to Red Eléctrica Corporación, Sociedad Anónima; the words “**Red Eléctrica**” refer to Red Eléctrica de España, Sociedad Anónima Unipersonal; and the words “**Group**” or “**Redeia**” refer to Red Eléctrica Corporación and its consolidated subsidiaries. The word “**Guarantors**” refers to both Red Eléctrica Corporación and Red Eléctrica, and the word “**Guarantor**” refers indistinctly to any of them.

The language of the Information Memorandum is English. Any English term used in this Information Memorandum that appears followed by a Spanish term in italics and between parentheses shall be translated and interpreted in this Information Memorandum in accordance with that Spanish term.

Where the Information Memorandum refers to the provisions of any other document, such reference should not be relied upon and the document must be referred to for its full effect.

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## RISK FACTORS

*Each of the Issuer and the Guarantors believe that the following factors may affect its ability to fulfil its obligations under the Notes to be issued under the Programme (in the case of the Issuer) or under the Guarantees (in the case of each Guarantor). Most of these risk factors are contingencies which may or may not occur and the Issuer and the Guarantors are not in a position to express a view on the likelihood of any such contingency occurring.*

*In addition, factors which are material for the purpose of assessing the market risks associated with the Notes to be issued under the Programme are also described below. The Issuer and the Guarantors believe that the factors described below represent the principal risks inherent to investing in Notes issued under the Programme, but the inability of the Issuer or the Guarantors to pay any amounts due on or in connection with any Notes may occur for other reasons, and the Issuer and the Guarantors do not represent that the statement below regarding the risks of holding any Notes are exhaustive. Consequently, additional risks and uncertainties relating to the Issuer and the Guarantors that are not currently known to the Issuer and the Guarantors, or that such entities currently deem immaterial, may individually or cumulatively also have a material adverse effect on the business, prospects, results of operations and/or financial position of the Issuer and the Guarantors and therefore on the ability of the Issuer and/or the Guarantors to fulfill their obligations under the Notes issued under the Programme. Prospective investors should also read the information set out elsewhere in this Information Memorandum, reach their own view and consult their own stockbroker, bank manager, lawyer, accountant or other financial, legal and tax advisors prior to making any investment decision.*

### **Risks related to the Issuer**

#### ***The Issuer is a finance vehicle***

The Issuer is not an operating company. The Issuer is a finance vehicle established by Red Eléctrica Corporación for the purpose of issuing notes and other financial instruments and on-lend the proceeds to the members of Redeia. The Issuer is therefore dependent upon other members of Redeia paying interest on and repaying their loans in a timely fashion. Should any member of Redeia fail to pay interest on or repay any loan in a timely fashion this circumstance could have a material adverse effect on the ability of the Issuer to fulfil its obligations under the Notes issued under the Programme.

### **Risks related to Redeia**

#### **Legal and regulatory risks**

***The activities of Redeia are subject to extensive regulation in the jurisdictions in which Redeia companies operate, and certain regulatory and tax changes could have a material adverse effect on its business, financial condition and results of operation***

The main activity of Redeia is the transmission of electricity and the operation of the electricity network in Spain. This activity is carried out by Red Eléctrica as an electricity transmission system operator (“TSO”). This activity and the remuneration received by it for the services it provides are subject to numerous EU and Spanish laws and regulations including, amongst others, Law 24/2013, of 26 December, of the Electricity Sector (hereinafter, “**Law 24/2013**”). As of 31 December 2022, the provision of electricity transmission services and the operation of the Spanish national electricity grid accounted for 79 per cent. (82 per cent. as of 31 December 2021) of Redeia’s consolidated revenues and the assets related to the provision of these services represented on that date 72 per cent. (70 per cent. as of 31 December 2021) of Redeia’s consolidated total assets.

Any material changes to this extensive regulatory framework and to the remuneration system may adversely affect Red Eléctrica and Redeia’s business, financial position and results.

Particularly, the impact of the military conflict in Ukraine initiated at the end of February 2022, could imply an increase of enactment of new regulations (including those that may affect and be material changes to the regulatory framework and to the remuneration system) that may adversely affect Redeia’s business, financial position and results. As of the date of this Information Memorandum, hostilities remain ongoing. The tensions arising from this military conflict have materialised in the form of sanctions imposed

on the Russian Federation by the European Union, the NATO member countries and other countries and organizations, which have impacted multiple sectors, among others, financial sector, public debt, capital markets, exports and imports. Reciprocal sanctions have been implemented by the Russian Federation, affecting generally the same sectors. The military conflict has produced a downward revision of global economic growth prospects and the additional acceleration of the rise of inflation.

Additionally, any non-compliance by Red Eléctrica with the applicable laws and regulations currently in force in relation to its activities could lead to sanctions or penalties of monetary or other nature being imposed by the regulator and to facing potential liability to third parties due to any damage or loss caused. Should Red Eléctrica face any sanctions, penalties or claims, Redeia's cash flow, business, financial condition and results of operation could be materially adversely affected.

Lastly, Redeia's presence in various jurisdictions increases its exposure to regulatory and interpretative changes in tax laws and regulations, which could, among other things, lead to (i) an increase in the types of tax to which Redeia is subject, including in response to the demands of various political forces such as the regulation of a minimum effective tax rate introduced in the Spanish Corporate Income Tax Law and the Non-Residents Income Tax Law by Law 22/2021, of 28 December, on the General State Budget for 2022, with effects as of 1 January, 2022 (i.e. the minimum net tax liability is, generally, 15 per cent. of the tax base), (ii) changes in the calculation of tax bases, and exemptions therefrom, such as provided in the Spanish Corporate Income Tax Law (as defined herein) to limit the exemption for dividends and capital gains from domestic and foreign subsidiaries to 95 per cent., which would mean that 5 per cent. of the dividends and capital gains of Redeia Group companies in Spain will be subject to, and not exempt from corporate tax or, (iii) the creation of new taxes, like the common financial transaction tax ("FTT") in the proposed Tax Directive of the European Commission for the Financial Transactions Tax (which would tax the acquisitions of certain securities negotiated in markets where Redeia operates), may have adverse effects on the business, financial condition and results of operations of Redeia.

## **Risks related to Redeia's business activities and industry**

### ***Risks associated with Redeia's operation, management and construction of transmission grid and telecommunications facilities***

In its role as global operator of strategic infrastructure, Redeia operates, manages and builds multiple electricity transmission and network technical facilities. One of the effects of the Russian invasion of Ukraine and the COVID-19 pandemic is the consequential slow down of some of the activities of Redeia's global activities. The region in conflict is very important in terms of commodities, especially those related to energy, the development of high-value technological products and industrial processes and the agri-food chain. Moreover, the conflict is occurring at a time when, in general terms, there are low global inventories of these products, supply chains were already affected by COVID-19 and, the imposed decarbonisation agenda was forcing a gradual shift to a new energy matrix and production processes. The confluence of the above factors, if prolonged over time, increases the likelihood of a supply shock that may have a negative impact on inflation forecasts, which in turn may have adverse effects on the business, financial condition and results of operations of Redeia.

The operation and management of technical electricity and telecommunications facilities is costly and Redeia may not be able to continue to conduct this activity on cost – effective economic terms in the future. Furthermore, this activity is exposed, given the perils inherent to high voltage facilities, to events beyond Redeia's control including, but not limited to, natural disasters and extreme weather conditions, accidents and defects or failures in machinery or control systems or components of them that may damage Redeia's facilities and cause interruptions in the provision of electricity transmission and telecommunication services and, in turn, require high repair or alternative transmission channel costs. As well, the materialisation of environmental and operational risks inherent to Redeia's activities may result in the filing of claims by public authorities or third parties as a result of environmental or other damage. In the event that Redeia is unable to respond to any adverse events damaging its facilities or interrupting its activities, or that it is unable to continue to operate and manage facilities at acceptable cost levels, Redeia's business prospects, financial condition and results of operations may be materially adversely affected.

Redeia companies have taken out various insurance policies to cover the risks to which the companies are exposed through their activities, mainly damages that could be caused to Redeia companies' facilities and possible claims that might be lodged by third parties due to the companies' activities. Nonetheless, the amounts for which Redeia companies are insured may not be sufficient to cover any incurred losses in their entirety, or the formalised insurance policies may not provide coverage for certain damaging events.



Additionally, regarding Red Eléctrica, its ability to increase revenues derived from its business as electricity system operator, transmission agent and transmission network manager depends, due to the capital-intensive nature of this activity, on investments being made in new transmission infrastructure. In this respect, Red Eléctrica has been entrusted with the development and expansion of the high-voltage transmission network in order to guarantee the maintenance and improvement of the national electricity grid. A variety of factors may affect Redeia's capacity to build new facilities including, but not limited to, delays in obtaining regulatory approvals or environmental permits; shortages or changes in the price of equipment, supplies or labour; opposition from local groups, political groups or other stakeholders; adverse meteorological conditions, natural disasters, accidents or other unforeseen incidents which could delay completion of facilities.

Therefore, any changes in the approved planning for the construction of new facilities, delays or standstills in projects under development caused by impediments in the obtaining of environmental and/or administrative authorisations, opposition from political groups or other organisations, or changes in the political climate or in the regulatory framework, or any increased costs in the construction of new facilities due to variations in the financial or goods and services markets could materially adversely affect Redeia's reputation, business prospects, financial condition and results of operations.

***Redeia's business and finances are heavily concentrated in Spain and they are influenced by macroeconomic and political conditions and the negative impact of the Russian invasion of Ukraine***

Redeia's business performance is influenced by the economic conditions of the countries in which it operates, particularly Spain, where Redeia concentrates most of its operations. Any adverse changes affecting the Spanish economy or the economy of the other countries in which Redeia operates could have a negative impact on its revenues and/or increase its financing costs, circumstances that could have a material adverse effect on Redeia's business, prospects, financial condition and results of operations.

The Spanish economy is particularly sensitive to economic conditions in the Eurozone and any distress in the European economic activity. The Eurozone has seen a rise of inflation, following a significant increase in energy prices and supply chain disruptions. The rising international trade tensions or any increase of political uncertainty in Spain could result in volatile capital markets or otherwise adversely affect financing conditions in Spain or the environment in which Redeia operates, any of which could have a material adverse effect on the business, financial condition and results of operations of Redeia.

In particular, the Eurozone economic activity may be further affected by the outbreak of the military conflict in Ukraine launched by Russia on 24 February 2022 and the geopolitical uncertainty originated by it or the potential for its escalation. As a result of the invasion, the European Union (the "EU"), EU member states, Canada, Japan, the United Kingdom and the United States, among others, have developed and continue to develop coordinated sanctions on Russia and Belarus and export-control measure packages. The uncertain nature, magnitude and duration of Russia's war in Ukraine and potential effects of it and of actions taken by Western and other states and multinational organisations in response thereto (including, amongst other things, sanctions, export-control measures, travel bans and asset seizures) as well as of any Russian retaliatory actions (including, amongst other things, restrictions on oil and gas exports and cyber-attacks), on the world economy and markets, have contributed to increased market volatility and uncertainty. Such geopolitical risks may have a material adverse impact on macroeconomic factors which affect Redeia's business, results of operations, cash flows, financial condition and prospects. Whilst Redeia has no direct exposure to Russian gas nor Russian counterparties, there can be no assurance that Redeia will not be indirectly impacted by the crisis, by way of the effect of sanctions on EU economies.

Within this context, the Spanish Government has published the Royal Decree-Law 14/2022, of 1 of August 1, on economic sustainability measures in the field of transport, scholarships and study aids, as well as energy saving and efficiency measures and measures to reduce energy dependence on natural gas in order to mitigate the impact generated by the Russian invasion of Ukraine in the energy sector.

During 2022, in a context of extraordinary inflation rates in principal economies highly affected by the Russia-Ukraine conflict and the associated sanctions, which have contributed to further increases in the prices of energy, oil and other commodities, central banks have started to abandon the low interest rates environment, increasing or discussing the possibility of increasing interest rates progressively in order to address and reduce inflation, which could trigger an environment of increased risk aversion, a tightening of financial conditions globally, reduced economic growth and/or result in regional or global recessions. Inflationary pressures could further increase if the Russian invasion of Ukraine is prolonged, escalates or

expands (including if additional countries become involved), if additional economic sanctions or other measures are imposed, or if volatility in commodity prices or disruptions to supply chains worsen.

Besides, the outbreak of the COVID-19 disease, which was declared a global pandemic by the World Health Organisation in March 2020, led governmental authorities around the world, and in particular those of EU member states, including Spain, to implement measures to reduce its spread, which has significantly affected the European markets where Redeia operates, as well as the global economy, impacting global growth. While the actions of the central banks in response to the COVID-19 pandemic, however, allowed an overall context of favourable financing conditions and the macro-financial outlook for the global economy improved mainly as a result of vaccines having been rolled out, some vulnerabilities continue to remain. Moreover, the appearance and spread of new COVID-19 variants may result in the reintroduction of containment measures.

The International Monetary Fund (“**IMF**”) estimates that the Spanish gross domestic product (“**GDP**”) increased by 5.2% in 2022, and forecasts a 1.1% increase for 2023 and 2.4% increase for 2024. The IMF estimates that the Eurozone’s real GDP increased by 3.5% in 2022 and forecasts a 0.7% increase for 2023 and 1.6% increase for 2024 (source: *IMF World Economic Outlook update January 2023*).

***Redeia relies on information technology for its operation and systems failures or third-party hacks may adversely affect our business prospects, financial condition and results of operation***

As an electricity system operator and transmission network manager, one of the Red Eléctrica’s main functions is to guarantee the continuity and security of the electricity supply.

Disruptions to or failures of Red Eléctrica’s computer and information technology systems could cause an interruption to Redeia’s business, which could have a material adverse effect on its business prospects, financial condition and results of operations. In particular, Red Eléctrica’s information technology systems may be vulnerable to a variety of interruptions as a result of events beyond its control, including, but not limited to, network or hardware failures, malicious or disruptive software, viruses, malware, ransomware or other malicious codes, unintentional or malicious actions of employees or contractors, cyberattacks by hackers, criminal groups or nation-state organizations or social-activist (hacktivist) organizations, geopolitical events, natural disasters, failures or impairments of telecommunications networks, or other catastrophic events, including natural disasters or extreme meteorological phenomena. Cyber threats are constantly evolving and this increases the difficulty of detecting and successfully defending against them. These events could compromise Red Eléctrica’s confidential information, impede or interrupt its business operations, and may result in other negative consequences, including remediation costs, loss of sales, litigation and reputational damage. While Red Eléctrica has implemented administrative and technical controls and taken other preventive actions to reduce the risk of cyber incidents and protect its information technology, they may be insufficient to prevent physical and electronic break-ins, cyberattacks or other security breaches to its computer systems. In the event that Red Eléctrica or any of Redeia companies suffers a breach in its cyber security or other failure of its information technology systems, it could have a material adverse effect on Redeia’s business prospects, financial condition and results of operations.

***Risks associated with international and telecommunication investments and divestments***

As part of its strategy, Redeia may undertake both investments entailing the acquisition and/or integration of businesses in order to foster its growth strategy through inorganic growth, and/or divestments in order to realise gains derived from the growth and higher valuation of certain assets or businesses acquired by Redeia or as a consequence of changes in Redeia’s general strategy.

In recent years, Redeia has made investments and divestments in electric infrastructures in several countries and in the telecommunications sector. See “*Red Eléctrica Corporación and Redeia*”.

These investments and divestments inherently involve a number of risks such as those related to the existence of unforeseen contingences and the adequacy of guarantees or indemnities to cover such contingencies, claims in connection with the investments or divestments (from employees, customers or third parties), the lack of materialization of expected benefits from such investments (including the realisation of potential synergies and sales growth anticipated either in the expected amount or timeframe or costs), and lower market valuations of businesses to be divested. In addition, there are associated risks related to local laws on where the investments or divestments are located such as local law factors and risks related to exchange rate fluctuations, capital movement restrictions, inflation, political and economic instability and possible state expropriation of assets in addition to risks related to the integration of

businesses within Redeia. Furthermore, the necessity of a local management team, and the integration or retention of local personnel or Redeia's capacity to fill the void as a result of any divestments may cause disruption to its business and operations.

If any of these risks materialise, they could materially adversely affect Redeia's reputation, business prospects, financial condition and results of operations.

### ***Risks associated to joint ventures and operations***

Joint ventures or operations refer to those arrangements in which there is a contractual agreement to share the control over an economic activity, in such a way that decisions about the relevant activities require the unanimous consent of Redeia and the remaining venturers or operators. Whilst joint operations involve the existence of rights to assets, including revenue, and obligations for liabilities, including expenses, relating to the arrangement, joint ventures involve a contractual agreement with a third party to share control over an activity and the strategic financial and operating decisions relating to the activity require the unanimous consent of all the venturers that share control.

Redeia's joint arrangements as of 31 December 2022 include the 50 per cent interest in Transmisora Eléctrica del Norte, S.A. ("**TEN**") held through Red Eléctrica Chile SpA. as a Joint Venture, focused on operating a transmission line spanning approximately 580 km that connects the Far North Interconnection System to the Central Interconnected System in Chile; the 50 per cent interest in INELFE held through Red Eléctrica as a joint arrangement together with Réseau de Transport d'Électricité ("**RTE**"), the French transmission system operator focused on is the study and execution of interconnections between Spain and France that will increase the electricity exchange capacity between the two countries; the 50 per cent interest in the Brazilian company Argo Energia Empreendimentos y Participaciones S.A. ("**Argo**"), through Red Eléctrica Brasil Holding Ltda., as a joint arrangement together with Grupo Energía Bogotá S.A E.S.P. Accordingly, Redeia has classified this joint arrangement as a joint venture, as the parties to it have rights to the net assets of such joint venture.

Due to the nature of joint arrangements, whether joint ventures or joint operations, Redeia's success in them depends primarily on its ability to maintain good relationships and to reach consensus on short, medium and long-term strategic decisions with its partners, whose interests may differ from those of Redeia. In the event that Redeia is unable to maintain good relationships and adopt positive strategic decisions, Redeia may lose its investment in its joint arrangements and its business prospects, financial condition, and results of operations may be materially adversely affected.

### **Risks related to Redeia's financial situation**

#### ***Interest rate risk***

The nature of Redeia's business is inherently capital intensive and requires financing to operate and expand. Redeia's financial debt structure comprises certain debt instruments that accrue interest at both fixed and variable interest rates, the latter being linked to variable reference interest rates, such as EURIBOR. Interest rates and indices which are deemed to be "benchmarks" are the subject of ongoing national and international regulatory reform. The implementation of the anticipated reforms may result in changes to a benchmark's administration, causing it to perform differently than in the past, or to be eliminated entirely, or resulting in other consequences which cannot be predicted as at the date hereof.

The financial debt structure of Redeia is low risk with moderate exposure to fluctuation in interest rates, as a result of the debt policy implemented, which aims to bring the cost of debt into line with the financial rate of return applied to Redeia's regulated assets, among other objectives.

Any increase in the underlying reference interest rates on which Redeia's financing agreements accruing interest at variable rates may impact Redeia's financial expenses by requiring the dedication of significant cash flow to service repayment, thus reducing the availability of cash flow to fund its business operations and increase its vulnerability to adverse economic and industry conditions. The referred interest rate risk increase could affect not only Redeia's debt which is subject to variable interest rates, but also any future refinancing of its debt obligations.

Additionally, Redeia anticipates that any new financing agreements which it undertakes could imply higher financial costs than in the agreements signed in recent years due to increases in margins paid over market

interest rates. If the Issuer or any of Redeia companies are unable to formalise any new financing agreements under reasonable financial terms, there can be no assurance that such increased financing costs will not have a material adverse effect in Redeia's business, operations, cash flows and overall financial condition.

### ***Liquidity risk***

Liquidity risk arises as a result of differences in the amounts or the collection and payment dates of the various assets and liabilities of the companies of Redeia. Redeia's liquidity position is based on its strong capacity to generate funds, backed by the existence of credit lines that allow it to keep a significant volume of funds available during the year.

While Redeia attempts to have sufficient liquidity available to meet its payment obligations by maintaining adequate liquidity levels over specific time periods without resorting to additional financing sources and diversifying its funding sources and optimising the maturity of its debt, the reduction of the remuneration calculation system currently in force or any other event that prevents or disrupts the generation of cash flow may materially adversely affect Redeia's results of operations and financial condition as it is likely that Redeia would be obliged to incur in extra financial costs or, in the worst-case scenario, threaten Redeia's continuity as a going concern and lead to insolvency.

### ***Currency risk***

Because Redeia's consolidated annual accounts are expressed in Euro but the financial statements of several subsidiaries are expressed in other currencies, negative fluctuations in exchange rates could negatively affect the value of consolidated foreign subsidiaries' assets, income and equity, with a concomitant adverse effect on Redeia's consolidated annual accounts (i.e., translation risk). For instance, due to the translation effect, an appreciation of the Euro against Redeia's other significant currencies would adversely affect Redeia's results.

### **Risks in relation to the Notes**

#### ***There is a limited active trading market for the Notes***

Notes issued under the Programme will be new securities which may not be widely distributed and for which there is currently a limited active trading market. Accordingly, future liquidity of the Notes may be limited. If the Notes are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon the market for similar securities, general economic conditions and the financial condition of the Issuer. Although applications have been made for Notes issued under the Programme to be admitted to trading on AIAF, there is no assurance that such applications will be accepted, that any particular issue of Notes will be so admitted or that an active trading market will develop. Accordingly, there is no assurance as to the development or liquidity of any trading market for any particular issue of Notes under the Programme.

#### ***The issue price may be greater than the market value of the Notes***

The issue price specified in the relevant Complementary Certificate may be more than the market value of the Notes as at the issue date, and the price, if any, at which a Dealer or any other person is willing to purchase the Notes in secondary market transactions is likely to be lower than the issue price. In particular, the issue price may take into account amounts with respect to commissions relating to the issue and sale of the Notes as well as amounts relating to the hedging of the Issuer's obligations under the Notes, and secondary market prices are likely to exclude such amounts. In addition, whilst the proprietary pricing models of Dealers are often based on well recognised financial principles, other market participants' pricing models may differ or produce a different result.

#### ***Notes registered with Iberclear***

The Notes issued under the Programme will be issued in dematerialised book-entry form registered with the Spanish Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. (**Iberclear**) as managing entity of the central registry of the Spanish clearance and settlement system. (the "**Spanish Central Registry**"). No physical Notes may be issued under the Programme. Registration, clearing and settlement of the Notes will be performed within Iberclear's account-based electronic system.

Noteholders are therefore dependent on the functionality and procedures of Iberclear's account-based system.

Title to the Notes is evidenced by book entries, and each person shown in the Spanish Central Registry managed by Iberclear and in the registries maintained by the respective participating entities in Iberclear (the "**Iberclear Members**") as having an interest in the Notes shall be (except as otherwise required by Spanish law) be considered the holder of the principal amount of the Notes recorded therein.

The Issuer will discharge its payment obligation under the Notes by making payments through Iberclear. Noteholders must rely on the procedures of Iberclear and the Iberclear Members to receive payments under the Notes. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, holders of the Notes according to book entries and registries as described above.

Holders of English Law Notes (as defined herein) may rely upon their rights under a deed of covenant executed by the Issuer on 12 April 2023 in connection with the Programme (the "**Deed of Covenant**").

## KEY FEATURES OF THE PROGRAMME

<b>Issuer:</b>	Red Eléctrica Financiaciones, Sociedad Anónima Unipersonal
<b>Guarantors:</b>	Red Eléctrica Corporación, Sociedad Anónima and Red Eléctrica de España, Sociedad Anónima Unipersonal
<b>Risk factors:</b>	Investing in Notes issued under the Programme involve certain risks. The principal risk factors that may affect the ability of the Issuer and the Guarantors to fulfil their respective obligations under the Notes are discussed under “ <i>Risk Factors</i> ” above
<b>Arranger:</b>	Banco Santander, S.A.
<b>Dealers:</b>	Banco Bilbao Vizcaya Argentaria, S.A., Banco Santander, S.A., Barclays Bank Ireland PLC, Bred Banque Populaire, CaixaBank, S.A., Citigroup Global Markets Europe AG, Citigroup Global Markets Limited, Crédit Agricole Corporate and Investment Bank, Credit Industriel et Commercial S.A., ING Bank N.V., NatWest Markets N.V. and any other Dealer appointed from time to time by the Issuer either generally in respect of the Programme or in relation to a particular issue of Notes
<b>Paying Agent:</b>	CaixaBank, S.A.
<b>Programme Amount:</b>	The aggregate principal amount of Notes outstanding at any time will not exceed €1,000,000,000 (or its equivalent in other currencies) subject to applicable legal and regulatory requirements. The Programme Amount may be increased from time to time in accordance with the Dealer Agreement
<b>Currencies:</b>	Notes may be denominated in euro or U.S. dollars, subject in each case to compliance with all applicable legal and regulatory requirements
<b>Denominations:</b>	Notes shall be issued in the following minimum denominations:  (a) for euro Notes, €500,000; and  (b) for U.S.\$ Notes, U.S.\$500,000;  subject in each case to compliance with all applicable legal and regulatory requirements
<b>Term of Notes:</b>	The term of the Notes shall be not less than 3 Spanish trading business days ( <i>días hábiles bursátiles</i> ) or more than 364 calendar days from and including the issue date to, but excluding, the maturity date
<b>Redemption on Maturity:</b>	The Notes will be redeemed at their nominal amount
<b>Issue price:</b>	The issue price of each issue of Notes will be set out in the relevant Complementary Certificate
<b>Yield Basis:</b>	The Notes may be issued at a discount, at par or at a premium to par. The Notes will bear no interest
<b>Status of the Notes:</b>	The Notes constitute and at all times shall constitute direct, unsecured and unsubordinated obligations of the Issuer ranking <i>pari passu</i> without any preference among themselves and <i>pari passu</i> with all present and future unsecured and unsubordinated

obligations of the Issuer other than those preferred by mandatory provisions of law and other statutory exceptions

**Guarantee:** The Notes are unconditionally and irrevocably guaranteed by the Guarantors. The obligations of each Guarantor under the Guarantees constitute and at all times shall constitute its direct, unsecured and unsubordinated obligations ranking *pari passu* with all its present and future unsecured and unsubordinated obligations other than those preferred by mandatory provisions of law and other statutory exceptions

**Taxation:** All payments under the Notes or the Guarantees will be made without deduction or withholding for or on account any present or future Spanish taxes, except as stated in the terms and conditions of the Notes and as stated under the heading “*Taxation – Taxation in Spain*”

**Tax disclosure requirements:** Under Law 10/2014 and Royal Decree 1065/2007, as amended, the Issuer shall receive certain information in respect of the Notes as described under “*Taxation – Taxation in Spain. Disclosure obligations in connection with the payments on the Notes*”.

If the Iberclear Members fail to provide to the Issuer the information described under “*Taxation – Taxation in Spain. Disclosure obligations in connection with the payments on the Notes*”, the Issuer may be required to withhold tax and may pay income in respect of such principal amount net of the Spanish withholding tax applicable to such payments (currently at the rate of 19 per cent).

None of the Issuer, the Guarantors, the Arranger or any of the Dealers assumes any responsibility thereof

**Form of the Notes:** The Notes will be issued in dematerialised book-entry form (*anotaciones en cuenta*) registered with the Spanish Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. (**Iberclear**) as managing entity of the central registry of the Spanish clearance and settlement system. Holders of a beneficial interest in the Notes that do not have, directly or indirectly through their custodians, a participating account with Iberclear may participate in the Notes through bridge accounts maintained by each of Euroclear Bank SA/NV (“**Euroclear**”) or Clearstream Banking, S.A. (“**Clearstream, Luxembourg**”) with Iberclear.

Representation of the Notes to be issued under the Programme in book-entry form will be reflected in an issue document (*documento de emisión*) in the form set forth under “*Issue Document*” below (the “**Issue Document**”). The Issue Document will be executed by the Issuer and deposited with Iberclear and AIAF on or around the date of this Information Memorandum. Notes issued under the Programme will be subject to the terms and condition set forth in the Issue Document supplemented for each issue of Notes by the terms and conditions of a complementary certificate (*certificación complementaria*) (together with its supplements and annexes, a “**Complementary Certificate**”).

Holders of English Law Notes will have the benefit of a deed of covenant dated 12 April 2023 (the “**Deed of Covenant**”)

<b>Listing and Trading:</b>	Application will be made for the Notes issued under the Programme to be admitted to trading in Spain on AIAF. No Notes may be issued on an unlisted basis
<b>Selling Restrictions:</b>	The offering and sale of the Notes is subject to all applicable selling restrictions including, without limitation, those of the United States of America, the United Kingdom, the Republic of Ireland, France, Japan and Spain included in this Information Memorandum (see " <i>Subscription and Sale</i> ")
<b>Governing Law:</b>	<p>English Law Notes and any non-contractual obligations arising from or connected with them are governed by, and shall be construed in accordance with, English law. Spanish Law Notes and any non-contractual obligations arising from or connected with them are governed by, and shall be construed in accordance with, Spanish law. English Law Notes and Spanish Law Notes may not be issued with the same maturity date</p> <p>The English Law Guarantee and any non-contractual obligations arising from or connected with it are governed by, and shall be construed in accordance with, English law. The Spanish Law Guarantee and any non-contractual obligations arising from or connected with it are governed by, and shall be construed in accordance with, Spanish law.</p> <p>The capacity of the Issuer to issue the Notes, the formalities relating to the issue of the Notes and the relevant corporate resolutions, the capacity of the Guarantors, the representation of the Notes in book-entry form, title to the Notes and their transfer and the status of the Notes and the Guarantees shall be governed by Spanish law.</p>
<b>Use of Proceeds:</b>	The net proceeds of the issue of the Notes will be used for general corporate purposes of Red Eléctrica
<b>Programme Rating:</b>	<p>Rated. Notes to be issued under the Programme have been assigned a short term rating of 'F1' by Fitch Ratings España S.A.U.</p> <p><i>A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency.</i></p> <p><i>Ratings are subject to review at any time by the assigning rating agency. Investors shall refer to the relevant rating agency in order to have access to the latest ratings</i></p>



## DOCUMENTS INCORPORATED BY REFERENCE

The following documents shall be deemed to be incorporated in, and form part of, this Information Memorandum:

- (a) the translation into English of the audited consolidated financial statements of Red Eléctrica Corporación for the year ended 31 December 2022, prepared in accordance with International Financial Reporting Standards adopted by the European Union (EU-IFRS), and the translation into English of the auditors' report thereon;
- (b) the translation into English of the audited consolidated financial statements of Red Eléctrica Corporación for the year ended 31 December 2021, prepared in accordance with International Financial Reporting Standards adopted by the European Union (EU-IFRS), and the translation into English of the auditors' report thereon;
- (c) the translation into English of the audited financial statements of the Issuer and Red Eléctrica for the year ended 31 December 2022, prepared in accordance with generally accepted accounting principles in Spain (Spanish GAAP), and the translation into English of the auditors' report thereon; and
- (d) the translation into English of the audited financial statements of the Issuer and Red Eléctrica for the year ended 31 December 2021, prepared in accordance with generally accepted accounting principles in Spain (Spanish GAAP), and the translation into English of the auditors' report thereon,

each of which can be accessed on Redeias's website at [www.redeia.com](http://www.redeia.com).

## THE ISSUER

### Introduction

Red Eléctrica Financiaciones, Sociedad Anónima Unipersonal (the “**Issuer**”) is a Spanish limited liability company (*sociedad anónima*), subject to the Spanish Companies Law (*Ley de Sociedades de Capital*) that was incorporated as a sole shareholder company (*sociedad unipersonal*) on 17 June 2009 for an indefinite period. It is registered in the Mercantile Registry of Madrid at volume 26,804, sheet 133, section 8, page number M-483031 and has Tax Identification Number A-85724052. The registered address of the Issuer is in Paseo del Conde de los Gaitanes No. 177, 28109 Alcobendas (Madrid), Spain.

### Business overview

The sole purpose of the Issuer is to issue debt instruments guaranteed by Redeia companies where applicable, subject to compliance with all legal and regulatory requirements.

### Management

The Issuer is managed by two directors which, in accordance with the by-laws (*estatutos sociales*) of the company, shall act jointly. Directors are appointed for a period of five years and may be re-elected.

The directors as of the date of this Information Memorandum are:

<b>Name of Director</b>	<b>Position</b>
Mr. Tomás José Gallego Arjiz	Director
Mr. Fernando Frías Montejo	Director

To the best knowledge and belief of the Issuer and the Guarantors, there are no potential conflicts of interest between the directors of the Issuer and their respective private interests or duties in accordance with Spanish law.

### Share capital and major shareholders

The share capital of the Issuer is €60,200 represented by 602 shares with a par value of €100 each, forming a single class. The share capital is fully subscribed and paid up.

Red Eléctrica Corporación is the sole shareholder of the Issuer.

## RED ELÉCTRICA CORPORACIÓN AND REDEIA

### Introduction

Red Eléctrica Corporación Sociedad Anónima (“Red Eléctrica Corporación”) is a Spanish limited liability company (*sociedad anónima*), subject to the Spanish Companies Law (*Ley de Sociedades de Capital*) that was incorporated on 29 January 1985 for an indefinite period. It is registered in the Mercantile Registry of Madrid at volume 214, book 191, sheet 38, section 3, page number 62853 and has Tax Identification Number A-78003662. The registered address of Red Eléctrica Corporación is in Paseo del Conde de los Gaitanes No. 177, 28109 Alcobendas (Madrid), Spain.

Redeia’s website is [www.redeia.com](http://www.redeia.com). For the avoidance of doubt, unless specifically incorporated by reference into this Information Memorandum, information contained on the website does not form part of this Information Memorandum.

### Business Overview

Red Eléctrica Corporación’s corporate purpose is:

1. to hold, pursuant to the legislation in force from time to time, the capital stock of the company to which the functions of system operator and electricity transmission network manager and electricity transmitter correspond, pursuant to the provisions of Law 54/1997 of 27 November, on the Electricity Industry (“**Law 54/1997**”);
2. the management of its business group, constituting the holdings in the capital stock of the companies comprising it;
3. the research, study and plan investment and corporate organization projects, as well as to promote, create and develop industrial, commercial or services enterprises; to research, develop and operate communications, information technologies and other new technologies in all respects; to provide assistance or support services to investees, for which purpose it may provide to those companies such guarantees and deposits as may be appropriate;
4. the design, development, implementation and operation of services relating to the corporate information, management and organization specific to its activity; and
5. all activities that are necessary for or enable its fulfilment, provided that they comply with the law.

### Background

Red Eléctrica was established for an indefinite time on 29 January 1985, under Law 49/1984, of 26 December 1984. At the time, Red Eléctrica was the first company in the world exclusively dedicated to the transmission of electrical energy and the operation of electricity systems.

Law 54/1997 introduced free competition in parts of the electricity sector. This law granted Red Eléctrica the functions of system operator, transmission grid manager, and principal carrier of the electricity system of Spain.

Law 17/2007 came into force on 6 July 2007 and modified the Electrical Sector Law in accordance with European regulations (“**Law 17/2007**”). Red Eléctrica’s role as operator and manager of the transmission grid was confirmed by granting it the function of sole transmission and system operator in Spain. This completed the consolidation of its position as Spanish Transmission System Operator (“**TSO**”).

Law 17/2007 introduced various corporate changes in Red Eléctrica, including changes to its articles of association and a restructuring of the company.

Red Eléctrica’s organisational structure was transformed into a holding structure to establish transparency and clear division between different regulated activities in Spain, such as the electricity system’s transmission and operation.

In order to comply with Law 17/2007’s requirements, on 1 July 2008, Red Eléctrica changed its name to Red Eléctrica Corporación, Sociedad Anónima, transferring all aspects of the business dealing with the regulated activities carried out in Spain onto Red Eléctrica. The corporate head offices and properties not involved in the regulated activities, and any shareholdings in other entities not transferred to Red Eléctrica remain under the parent company, Red Eléctrica Corporación, owner of 100 per cent of Red Eléctrica’s share capital.

Law 54/1997 was substituted by Law 24/2013 of 26 December, 2013, relating to the electricity sector (“**Law 24/2013**”), which maintains Red Eléctrica’s appointment as the sole transmission carrier, system operator and transmission grid manager. Law 24/2013 also maintains, given the non-derogation of the twenty-third additional disposition of Law 54/1997, Red Eléctrica Corporación’s current corporate name and structure.

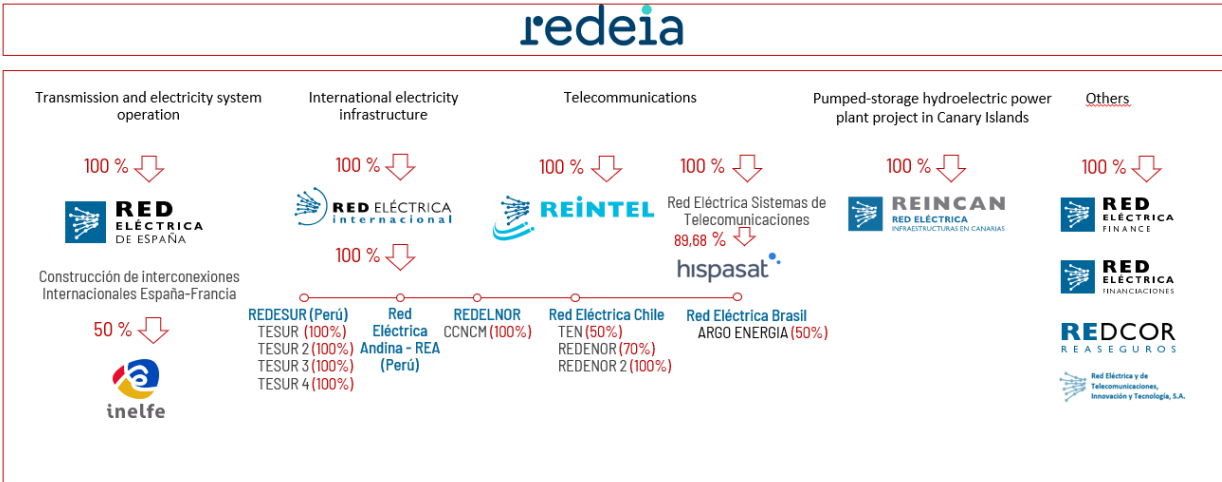
**Change in commercial brand name**

On 7 June 2022, Red Eléctrica Corporación announced the launch of the new commercial brand name, “Redeia” in relation to the Group. In relation to this change, Red Eléctrica Internacional, S.A.U.’s commercial name has also been replaced by “**REDINTER**”.

Likewise, indicate that the legal names of the entities forming part of the of Redeia remain unchanged.

**Redeia**

Red Eléctrica Corporación is the parent company of Redeia. As of date of this Information Memorandum, the simplified corporate structure of Redeia is as follows:



Under Law 24/2013, all of the provisions relating to the system operator and transmission network manager apply to Red Eléctrica and Red Eléctrica Corporación may not transfer its shares in Red Eléctrica to third parties as it carries out regulated activities.

**Business**

Redeia conducts its business and operations across three main divisions: (i) Management and operation of domestic electricity infrastructure; (ii) Management and operation of international electricity infrastructure; and (iii) Telecommunications.

(i) *Management and operation of domestic electricity infrastructure*

Redeia’s principal activity is electricity transmission, system operation and management of the transmission network for the Spanish electricity system. These regulated activities are carried out through Red Eléctrica as TSO of the Spanish electricity system. See “*Red Eléctrica – Management of electric infrastructure in Spain*”.

In accordance with Law 24/2013, high voltage transmission of electricity consists in transmitting electricity and in constructing, maintaining and managing the facilities necessary to do so. Redeia, through Red Eléctrica, also operates the electricity systems serving the Spanish territory, including the mainland, islands and non-mainland electricity systems, to ensure the continuity and security of the electricity system.

Moreover, in connection with the activity of TSO, Redeia is involved in construction of energy storage facilities in non-mainland and isolated systems through Red Eléctrica Infraestructuras en Canarias, S.A.U. (“**REINCAN**”), a wholly-owned subsidiary of Red Eléctrica Corporación, incorporated on 17 September 2015.

In addition, Red Eléctrica owns 50 per cent of the share capital of Interconexión Eléctrica Francia-España, S.A.A. (“**INELFE**”) for development of the connection facilities with France, that will increase the electricity exchange capacity between the two countries.

(ii) *Management and operation of international electricity infrastructure*

Redeia’s international business has been conducted through Red Eléctrica Internacional, S.A.U. (“**REDINTER**”) and international operations have been concentrated in Peru, Chile and Brazil, with a minor presence in Portugal.

The start-up of operations in Peru, Chile and Brazil is the outcome of an ongoing analysis of business opportunities, and meets Redeia’s criterion of undertaking investments in countries with a favourable economic situation and a stable regulatory framework that ensures an appropriate return on the investments. See the section entitled “*Investments – International Transmission Investments*”.

(iii) *Telecommunications*

Redeia also provides telecommunications services to third parties through Red Eléctrica Infraestructuras de Telecomunicación, S.A. (“**REINTEL**”). In 2018, Red Eléctrica Corporación incorporated Red Eléctrica Sistemas de Telecomunicaciones, S.A.U. (“**RESTEL**”) whose main corporate purpose is the acquisition, holding, management and administration of securities, being the most relevant investment the acquisition of the Spanish satellite operator Hispasat, S.A. (“**Hispasat**”) at the end of 2019. See the section entitled “*Investments – Telecommunication Investments*” below.

In addition to the above-mentioned business divisions, Redeia carries out activities through its subsidiaries aimed at financing its operations Red Eléctrica de España Finance, S.L., and Red Eléctrica Financiaciones, S.A.U., and covers risks by reinsuring its assets and activities, Redcor Reaseguros, S.A.

In 2019, Red Eléctrica Corporación incorporated Red Eléctrica y de Telecomunicaciones, Innovación y Tecnología, S.A.U. (“**ELEWIT**”) to foster technological innovation. Since its incorporation, Redeia has strengthened its position, under the Elewit brand, as Redeia’s tech platform and transformation engine. ELEWIT drives innovation, entrepreneurship and technological development, which are the cornerstones of sustainability against a changing backdrop in both the energy and telecommunication sectors. Through ELEWIT, Redeia harnesses the potential of technology to further Redeia’s business and activity, as well as to explore new value-added business segments.

## **Investments**

### ***Investment Plan***

In February 2021, Redeia approved the 2021-2025 Strategic Plan. The new strategy includes an investment plan of approximately EUR 4,400 million, of which EUR 3,350 million will be allocated to the transmission network and storage in Spain, promoting the energy transition, EUR 225 million will be allocated to international business, EUR 735 million will be allocated to telecommunications and EUR 92 million will be invested in other areas.

## Transmission network investments in Spain

Investments in transmission activities will be directed mainly towards improving the security of supply and creating a sustainable energy model.

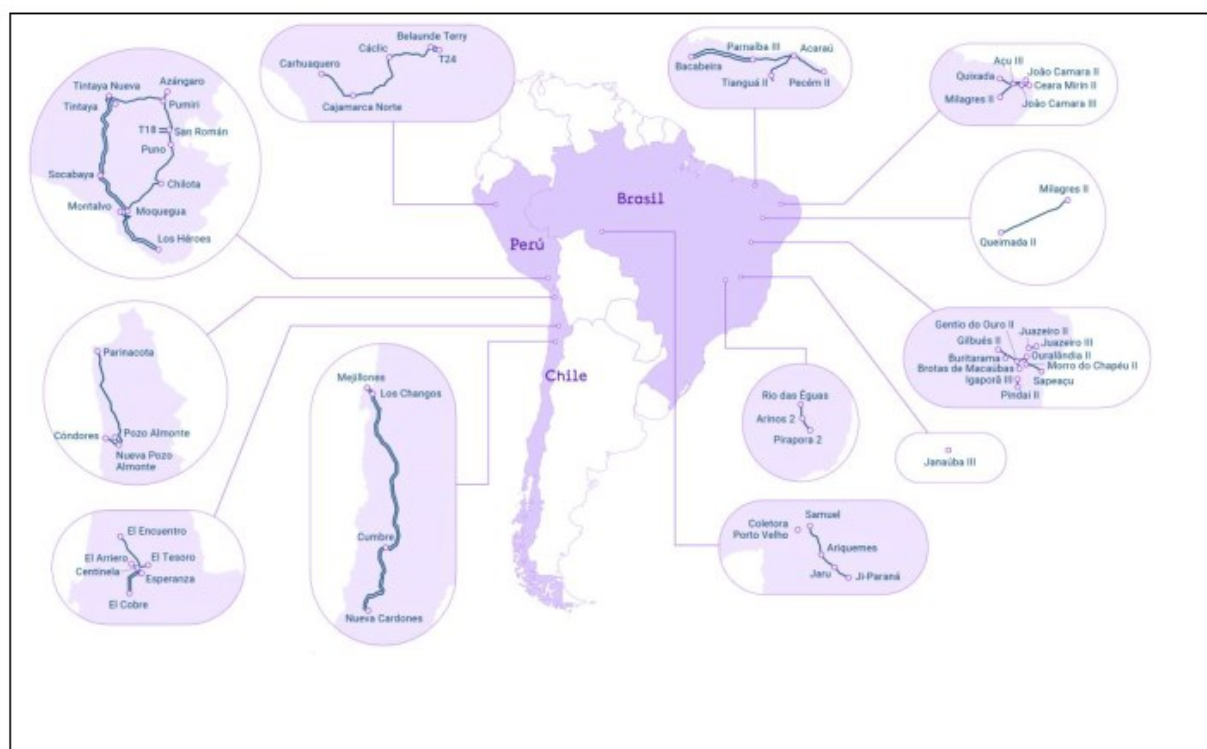
The regulated activities are driven mainly by three lines of action: propelling the energy transition, market integration and the sustainability of the electricity system with a major technological component; search for efficiency, enabling Redeia to maintain its position as an international benchmark; and the implementation of new regulated activities, such as storage of energy in the island systems as a tool to guarantee the security of the isolated non-mainland electricity systems.

As system operator, Red Eléctrica is required by Law 24/2013 to participate in the development of the electricity infrastructure plan, whose aim is to guarantee security of supply in the long term and define the needs of the transmission grid under the principles of transparency and cost efficiency.

## International Transmission Investments

The international business of Redeia is developed through REDINTER, which manages international investments in transmission infrastructure and promotes new business opportunities internationally. Overall, the Group manages a network spanning 7,670 km in Peru, Chile and Brazil, of which 7,650 km are up and running at present.

Presence of Redinter in Peru, Chile and Brazil:



## Activity in Peru

In Peru, REDINTER holds a direct 100 per cent interest in the capital of the Peruvian companies Red Eléctrica Andina, S.A.C. (“**REA**”) and Red Eléctrica del Sur, S.A. (“**REDESUR**”) and Red Eléctrica del Norte Perú, S.A.C. (“**REDELNOR**”). In turn, REDESUR owns 100 per cent of Transmisora Eléctrica del Sur, S.A. (“**TESUR**”), Transmisora Eléctrica del Sur 2, S.A. (“**TESUR2**”), Transmisora Eléctrica del Sur 3, S.A. (“**TESUR3**”), and Transmisora Eléctrica del Sur 4, S.A. (“**TESUR4**”), companies whose principal activity is the electricity transmission and the operation and maintenance of electricity transmission networks in Peru.

Redeia operates electricity transmission infrastructure under a 30-year concession. It is the main transmission agent in the south of Peru and since 2019, following REDELNOR’s acquisition of

Concesionaria Línea de Transmisión CCNMC S.A.C. (“**CCNCM**”), it has also operated in the north of the country. The network spans a total of 1,686 km of transmission lines.

In 2021, the management excellence of REDESUR, TESUR, TESUR2, TESUR3 and CCNMC, which all manage electricity transmission infrastructure on a commercial operation basis, enabled them to offer an energy transmission service with maximum availability, while supporting development in their operating environment.

The project awarded to TESUR4 in 2018, the 220 KV transmission line between Tintaya and Azángaro, some 128 Km, was commissioned in January 2023.

As regards to REA, it continues to provide maintenance services for the concessions under operation of REDESUR, TESUR, TESUR2, TESUR3, TESUR4 and CCNMC. REA also carries out installation maintenance and site supervision for other clients, positioning it among the benchmark companies for such services in the south of Peru.

#### *Activity in Chile*

Red Eléctrica Internacional holds a 100 per cent interest in the share capital of Red Eléctrica Chile SpA (“**RE Chile**”), incorporated in November 2015 and its main activity is the acquisition, possession, administration, direction and management of the shares that Redeia maintains in Chile. RE Chile in turn, has, 50 per cent of Transmisora Eléctrica del Norte, S.A. (“**TEN**”), the other being 50 per cent of the Chilean company, Engie Energía Chile, a subsidiary of Grupo ENGIE. RE Chile also has a 69.9 per cent stake in Red Eléctrica del Norte S.A. (“**REDENOR**”) and 100 per cent of Red Eléctrica del Norte 2 S.A. (“**REDENOR2**”). Overall, RE Chile operates 1,749 km of transmission lines, of which 1,729 km are in commercial operation and 20 km are under construction.

TEN operates the 500 kV Changos - Cumbre - Nueva Cardones axis, which forms part of the National Transmission System, as well as the 220 kV Mejillones - Changos dedicated line. In 2022, TEN reported an availability factor for its facilities of 99.75.per cent

In 2022 REDENOR completed construction of the transmission facilities in northern Chile, awarded in 2017. In 2020 the first stage of the project entered service (Nuevo Pozo Almonte 220 kV substation), and at year end the availability of the facilities stood at 100%, while stage two of the project, which involves the construction of 258 km of 220 kV power lines, came online in September 2022.

REDENOR2 reported an availability factor for its transmission facilities of 99.80% in 2022 and the Seccionadora Centinela substation entered service in 2021.

#### *Activity in Brazil*

On 25 March 2020, Red Eléctrica Internacional, through Red Eléctrica Brasil (“**REBR**”) and the Colombian company Grupo Energía Bogotá S.A. ESP acquired a 50 per cent interest in the share capital of Brazilian holding company Argo Energía Empreendimentos e Participações S.A. (“**Argo Energía**”), owner of three electric transmission concessions in Brazil for a period of 30 years totalling 1,430 km of high voltage circuit (500 kV and 230 kV) and eleven electricity substations. The acquisition and commencement of operations of Argo Energía has marked Redeia’s penetration of the Brazilian market.

Argo I operates 1,115 km of 500 kV power lines and five substations in the northeast of Brazil. Argo II is a project to expand a substation in the state of Minas Gerais. Synchronous condenser 2 (SC2) came into service in 2021, while Synchronous condenser 1 (SC1) entered into service in 2022. Argo III operates 320 km of 230 kV power lines and five substations in the state of Rondônia.

On 31 January 2022 Argo Energía formalised the acquisition of Rialma Transmissora de Energia III S.A., comprising 312 km of 500 kV power lines. Since then, the Group has held a 50% stake in this new concession, which has been integrated as Argo IV and is operational (100% availability in 2022).

On 30 July 2022, Argo Energía and Grupo Energía Bogotá reached an agreement with the investment fund Brasil Energia FIP to acquire 100% of the shares of five transmission lines in Brazil. On 30 November 2022, after obtaining all required authorisations, the parties concluded the process of acquiring the totality of the ordinary shares of the five concessions (Argo V, Argo VI, Argo VII, Argo VIII and Argo IX). The

acquisition has been carried out through the joint investment of Argo Energía (62.5%) and Grupo Energía Bogotá (37.5%). The five concessions are in commercial operation and total 2,488 km of 500 kV and 230 kV transmission lines and 20 substations.

### ***Telecommunication Investments***

Redeia's telecommunications business is addressed by three main business lines, the optic fibre business, the satellite business and the 5G business.

#### ***Optic fibre business***

Redeia provides telecommunications services to third party telecommunications operators through REINTEL, primarily by leasing dark backbone fibre, both from electric power transmission infrastructure and railway networks, subject to the applicable telecommunications sector legislation.

REINTEL also provides maintenance services for fibre optic cables and telecommunications equipment. The company currently operates a fibre-optic network of more than 52,000 km of cables deployed on the electricity transmission network and the railway network, ensuring wholesale transparent access and equal conditions to telecommunication operators. The company is the successful tenderer for a period of 20 years ending in 2034 for the right of use and operation of the fibre optic network, not dedicated to the railway business and other associated elements, owned by Adif - High Speed.

In addition, on 16 December 2021 Red Eléctrica Corporación announced the agreement with Kohlberg Kravis Roberts & Co. L.P. ("**KKR**"), through its subsidiary Rudolph Bidco S.Á.R.L., for the sale of a minority stake of 49% in REINTEL. The sale was completed on 29 June 2022, after obtaining the appropriate authorizations to which the sale was conditioned.

#### ***Satellite business***

On 27 February 2018 Red Eléctrica Corporación, as sole shareholder, incorporated Red Eléctrica Sistemas de Telecomunicaciones, S.A.U. ("**RESTEL**") whose main corporate purpose is the acquisition, holding, management and administration of securities. On 3 October 2019, RESTEL acquired 89.68 per cent of Abertis' stake in Hispasat. The other Hispasat shareholders are Sociedad Estatal de Participaciones Industriales (SEPI), with a 7.41% interest, and the Centro para el Desarrollo Tecnológico Industrial, E.P.E., which holds 2.91%.

Hispasat's principal activity consists of leasing spatial capacity and providing managed services for video and broadband data through the operation and commercial exploitation of its fleet of satellites in orbit and the related ground segment, primarily in Spain, Brazil, Peru and Mexico. Hispasat is the leading satellite operator in Spain and Latin America, while at the same time playing an important role as a driver of innovation in the aerospace industry. It has a fleet of nine satellites in six orbital slots.

2022 was a year of commercial stabilisation for Hispasat in a post-COVID-19 world. The Group saw its activity return to normal and achieved satisfactory KPIs, meeting the forecasts laid out at the beginning of the year.

A roadmap has been defined to transition, in a measured and orderly manner, the commercial operation of the traditional satellite business towards services and verticals with greater future growth potential.

In 2022 Hispasat made further inroads in this direction, notably acquiring Axess Networks, a leading satellite services provider in the Americas and EMEA that specialises in developing connectivity and added value services for telecoms companies, private enterprises and governments in countries such as Mexico, Colombia and Peru. This acquisition gives Hispasat differential capacities to provide added value services in data verticals across its leading regions, completing the acquisition of the video signal business executed in 2021.

In 2021 it acquired the video signal business for Latin America through its subsidiary Hispasat Perú, S.A.C. and launched the Conéctate initiative for the provision of a wholesale internet access service for 100% of the population and territory in Spain and Portugal.



Elsewhere, in 2021 Hispasat started a Transformation Plan aimed at preparing the company for the rendering of higher added value services and to compete in a more complex scenario. Hispasat's Transformation Plan remains ongoing, having launched over 90% of the 26 lines of work identified. Some high-priority projects, such as the generation of a new commercial and bid management model, or the creation of a new Solutions and Services model, have successfully concluded. A voluntary departure plan was also successfully implemented, aimed at refreshing certain positions in the company, with some employees already having left on schedule.

In 2022 progress was made on the construction of Amazonas Nexus, which was launched into orbit in February 2023.

### *5G business*

Redeia's Strategic Plan envisages, among other initiatives, the development of new opportunities associated with the roll-out of 5G networks, a process in which Redeia will be a significant player. The development of these activities will be centralized through the company RESTEL. 5G mobile communication technology is not only revolutionary for telecommunications services, but also for production and economic processes, where its speed, immediacy and capacity to connect thousands of devices simultaneously come into play.

### **Environmental matters**

In 1992, Redeia implemented the first environmental protection code in the Spanish electricity industry to regulate all of its activities. In 1998, it also established a formal environmental protection policy to govern all of its activities. Since October 2001, Redeia uses an environmental management system, certified to the UNE-EN ISO 14001 standard, and registered under the EU Eco-Management and Audit Scheme (EMAS).

In 2004, Redeia became the first business group from the energy sector in Spain to obtain an environmental certification from the Spanish Normalisation and Certification Association (Asociación Española de Normalización y Certificación) for all of its electricity transmission activities and facilities.

Redeia's commitment to operate in accordance with the most challenging requirements associated with environmental management forms an integral part of, and is reflected in, its environmental policy.

Red Eléctrica belongs to the most reputable sustainability indices, in recognition of its excellent track record in this connection and its firm commitment to transparency in its reporting to third parties. The company is a component of the following indices: Dow Jones Sustainability Index (DJSI), FTSE4Good, CDP, Euronext Vigeo Eiris, Ethibel and MSCI.

In 2018, Red Eléctrica Corporación transferred its sustainability priorities to the structure of its Board of Directors, creating the Sustainability Committee, to supervise and drive actions relating to the environment and the fight against climate change; ethical behaviour and the values associated with the development of a corporate culture that will sustain Redeia's success and business model; and the social impact on the communities affected by Redeia's activity. Creating this committee is a voluntary step, not a legal requirement, and is consistent with the strategic significance of sustainability for Redeia and the demands of Redeia's stakeholders.

Management at Red Eléctrica believes that it is materially compliant with all environmental laws and regulations affecting its operations. There can be no assurance, however, that new regulations will not be made, which could have an adverse impact on its future operations.

Law 7/2021, of 20 May, on climate change and energetic transition entitles the Spanish government to request Red Eléctrica as TSO to prepare a decarbonization strategy for this activity in the context of the Decarbonization Strategy for Spain 2050, once the relevant regulation establishing the criteria to prepare said strategy is approved.

### **Management**

The members of the Board of Directors of Red Eléctrica Corporación and their positions, as of the date of this Information Memorandum, are:

<b>Name of Director</b>	<b>Position on Board</b>
Ms. Beatriz Corredor Sierra	Chairperson
Mr. Roberto García Merino	Chief Executive Officer
Ms. Mercedes Real Rodrigálvarez*	Member - Nominee (SEPI)
Mr. Ricardo García Herrera	Member - Nominee (SEPI)
Ms. Esther Maria Rituerto Martinez	Member - Nominee (SEPI)
Ms. Carmen Gómez de Barreda Tous de Monsalve	Member - Independent
Ms. Socorro Fernández Larrea	Member - Independent
Mr. Antonio Gómez Ciria	Member - Independent
Mr. José Juan Ruiz Gómez	Member - Independent
Mr. Marcos Vaquer Caballeria	Member - Independent
Ms. Elisenda Malaret García	Member - Independent
Mr. José Maria Abad Hernández	Member - Independent

\* Mercedes Real Rodrigálvarez also acts as director of the division of investee companies of the SEPI.

The above table lists all officers and there are no additional executive officers in Red Eléctrica Corporación.

Additionally, Mr. Carlos Méndez-Trelles García holds the office of General Counsel and Non-Director Secretary of the Board of Directors and Mr. Fernando Frías Montejo of Deputy General Counsel and Deputy Non-Director Secretary of the Board of Directors.

The business address of the members of the Board of Directors is Paseo del Conde de los Gaitanes, 177, 28109 Alcobendas, Madrid, Spain. To the best knowledge and belief of Red Eléctrica Corporación, as at the date of this Information Memorandum, there are no potential conflicts of interest between the duties of the persons identified above to Red Eléctrica Corporación and their private interests or other duties in accordance with the Spanish law.

The directors of Red Eléctrica Corporación have no principal activities performed by them outside Red Eléctrica Corporación where these are significant with respect to Red Eléctrica Corporación.

### **Share capital and major shareholders**

Red Eléctrica Corporación is listed in the stock exchanges of Madrid, Barcelona, Bilbao and Valencia since 7 July 1999 and it is one of the companies included in the Ibex 35 selective index. Its current share capital is €270,540,000 represented by 541,080,000 shares with a par value of €0.50 each, forming a single class. The share capital is fully subscribed and paid up.

The largest shareholder of Red Eléctrica Corporación as of the date of this Information Memorandum is Sociedad Estatal de Participaciones Industriales (SEPI), the Spanish state industrial holding company, which holds 20% of the shares of the company.

### **Recent developments**

On 24 January 2023, Red Eléctrica Corporación priced and closed the issuance of perpetual deeply subordinated securities (Perpetual Non-Call 5.5yr Deeply Subordinated Reset Rate Securities). The issuance, structured as a green bond, has been made for a total amount of EUR 500 million with a 4.625% coupon.

# RED ELÉCTRICA

## Introduction

Red Eléctrica de España, Sociedad Anónima Unipersonal (“**Red Eléctrica**”) is a Spanish limited liability company (*sociedad anónima*), subject to the Spanish Companies Law (*Ley de Sociedades de Capital*), that was incorporated as a sole shareholder company (*sociedad unipersonal*) on 1 July 2008 for an indefinite period. It is registered in the Mercantile Registry of Madrid at volume 25,097, sheet 195, section 8, page number M-452031 and has Tax Identification Number A-85309219. The registered address of Red Eléctrica is in Paseo del Conde de los Gaitanes No. 177, 28109 Alcobendas (Madrid), Spain.

## Management of electric infrastructure in Spain

The main activity of Redeia comprises electricity transmission, system operation and management of the transmission network for the Spanish Electricity System, carried out through Red Eléctrica.

## Transmission

Red Eléctrica owns the majority of the Spanish transmission network, consisting of over 45,000 km of high voltage lines, over 6,000 substation bays, and over 94,000 MVA (megavolt amps) of transformation capacity.

As mentioned above, the TSO model was legally ratified with the entry into force of Law 17/2007. This law established the existence of a sole transmission company and assigned said function, together with those of system operator and transmission network manager, to Red Eléctrica, and was confirmed by new Law 24/2013.

In order to develop and maintain the transmission network, Red Eléctrica carries out the following activities:

- (1) *Planning*: Red Eléctrica’s work consists of identifying future network development needs to improve the network. In this respect, it carries out the corresponding demand and supply forecast analyses and technical studies on the suitability of the transmission network.
- (2) *Development*: Red Eléctrica’s investments are targeted towards the structural reinforcement and development of the transmission network, to improve the meshing of the transmission grid, integrating, and improving the transmission assets in the Balearic and Canary Islands and strengthening international interconnections. Propelling the energy transition, market integration and the sustainability of the electricity system with a major technological component and search for efficiency.

As mentioned above, the structural reinforcement of the transmission network includes the development of international interconnections, to ensure security of supply in Spain as well as the integration of the Spanish electricity market into other markets. The increase of interconnection capacity will enable to confront the greater variability of renewable generation, minimising waste in a context of increased green generation capacity, reducing the need for backup generation and facilitating the development of the internal energy market in Europe, which will be a key tool for the operation of the electricity system. In this regard, the development of interconnections with France, which connects the Spanish and Portuguese electricity systems to other European electricity systems, is paramount to Red Eléctrica’s activities. Additionally, increasing and expanding these interconnections is one of the principal objectives of EU energy policy.

- (3) *Maintenance*: the maintenance of the equipment and systems that make up the high-voltage transmission network requires the application of strict quality controls, the use of predictive maintenance techniques, and the performance of intensive work.

As a result of the coordination between power downtime for construction and maintenance work, the quality of the facilities and use of the above-mentioned maintenance techniques, Red Eléctrica benefits from a high degree of availability of its electricity transmission facilities. This in turn has enabled Red Eléctrica to achieve the following service quality indicators in terms of security and continuity of supply as at 31 December 2022:

<b>Quality indicators</b>	<b>2022(*)</b>
Network availability index (per cent)	98.15
Average interrupt time (AIT) in minutes	0.31
Energy not supplied (ENS) MWh	140.1

*\*Source: Red Eléctrica*

## **System Operation**

Red Eléctrica operates in the Spanish mainland, island and non-mainland electricity systems, addressing the continuity and security of the electricity supply.

As system operator, Red Eléctrica aims to provide a balance between electricity output and consumption in Spain. To achieve this target, it predicts electricity demand and operates, in a coordinated manner and in real time, the electricity generation and transmission facilities, thereby ensuring that the programmed output of power stations meet actual consumer demand for electricity.

In order to perform the functions with which it is entrusted, Red Eléctrica as system operator, must act in accordance with the following principles set out in Law 54/1997, and ratified in Law 24/2013:

- Independence
- Transparency
- Objectivity
- Economic efficiency

Power control centres are one of the basic elements used by Red Eléctrica to perform the functions assigned by the Electrical Sector Law as system operator. These centres coordinate and control the generation and transmission of electricity in real time.

In 2006, Red Eléctrica designed, put in place and started the operation of the Special Regime Control Centre (“**CECRE**”) in order to integrate the maximum amount of generation from renewable energy sources into the electricity system, whilst ensuring quality levels and security of supply. This centre is integrated into the Electricity Control Centre (“**CECOEL**”) responsible for the coordinated operation and real-time monitoring of the generation and transmission facilities of the national electricity system.

## **Management**

Red Eléctrica is managed by a sole director appointed for a period of six years and may be re-elected. Red Eléctrica Corporación, represented by Roberto García Merino, is the sole director of Red Eléctrica.

To the best knowledge and belief of the Issuer and the Guarantors, there are no potential conflicts of interest between the representative of the sole director of Red Eléctrica and his private interests or duties in accordance with Spanish law.

## **Share capital and major shareholders**

The share capital of Red Eléctrica is €800,006,000 represented by 400,003,000 shares with a par value of €2 each, forming a single class. The share capital is fully subscribed and paid up.

Red Eléctrica Corporación is the sole shareholder of Red Eléctrica.

## CERTAIN INFORMATION IN RESPECT OF THE NOTES

### **Key information**

The persons involved in the Programme and the capacities in which they act are specified at the end of this Information Memorandum.

The net proceeds of the issue of the Notes will be used for the general corporate purposes of Red Eléctrica.

### **Information Concerning the Securities to be admitted to trading**

#### ***Total amount of Notes admitted to trading***

The aggregate amount of each issue of Notes will be set out in the applicable Complementary Certificate.

The maximum aggregate principal amount of Notes which may be outstanding at any one time is €1,000,000,000 (or its equivalent in other currencies). Such amount may be increased from time to time in accordance with the Dealer Agreement.

#### ***Currency of the Notes***

Notes may be issued in euro or U.S. dollars subject in each case to compliance with all applicable legal and regulatory requirements.

#### ***Type and class of Notes***

Notes shall be issued in the following minimum denominations:

- (a) for euro Notes, €500,000; and
- (b) for U.S.\$ Notes, U.S.\$500,000,

subject in each case to compliance with all applicable legal and regulatory requirements.

#### ***Legislation under which the Notes and the Guarantees have been created***

English Law Notes and any non-contractual obligations arising from or connected with them are governed by, and shall be construed in accordance with, English law. Spanish Law Notes and any non-contractual obligations arising from or connected with them are governed by, and shall be construed in accordance with, Spanish law. English Law Notes and Spanish Law Notes may not be issued with the same maturity date.

The English Law Guarantee and any non-contractual obligations arising from or connected with it are governed by, and shall be construed in accordance with, English law. The Spanish Law Guarantee and any non-contractual obligations arising from or connected with it are governed by, and shall be construed in accordance with, Spanish law.

The capacity of the Issuer to issue the Notes, the formalities relating to the issue of the Notes and the relevant corporate resolutions, the capacity of the Guarantors, the representation of the Notes in book-entry form, title to the Notes and their transfer and the status of the Notes and the Guarantees, shall be governed by Spanish law.

#### ***Form of the Notes***

The Notes will be issued in dematerialised book-entry form (*anotaciones en cuenta*) registered with Iberclear as managing entity of the central registry of the Spanish clearance and settlement system (the "**Spanish Central Registry**"). Holders of a beneficial interest in the Notes that do not have, directly or indirectly through their custodians, a participating account with Iberclear may participate in the Notes through bridge accounts maintained by each of Euroclear or Clearstream, Luxembourg with Iberclear.

Representation of the Notes to be issued under the Programme in book-entry form will be reflected in an Issue Document which will be executed by the Issuer and deposited with Iberclear and AIAF on or around the date of this Information Memorandum. Notes issued under the Programme will be subject to the terms and condition set forth in the Issue Document supplemented for each issue of Notes by the terms and conditions of a Complementary Certificate.

Title to the Notes is evidenced by book entries, and each person shown in the Spanish Central Registry managed by Iberclear and in the registries maintained by the respective participating entities (*entidades participantes*) in Iberclear (the “**Iberclear Members**”) as having an interest in the Notes (each, a “**Noteholder**”) shall be (except as otherwise required by Spanish law) considered the holder of the principal amount of the Notes recorded therein.

One or more certificates (each a “**Certificate**”) attesting to the relevant Noteholder its holding of Notes in the relevant registry will be delivered by the relevant Iberclear Member or, where appropriate, by Iberclear itself (in each case, in accordance with the requirements of Spanish law and the regulations and procedures of Iberclear and the relevant Iberclear Member as appropriate) to such Noteholder upon such Noteholder’s request. The Notes are issued without any restrictions on their transferability. Consequently, the Notes may be transferred and title to the Notes may pass (subject to Spanish law and to compliance with all applicable rules, restrictions and requirements of Iberclear or, as the case may be, the relevant Iberclear Member) upon registration in the relevant registry of each Iberclear Member and/or Iberclear itself, as applicable. Each Noteholder will be (except as otherwise required by Spanish law) treated as the absolute owner of the relevant Notes for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest, or any writing on, or the theft or loss of, the Certificate issued in respect of it), and no person will be liable for so treating the Noteholder.

Noteholders in possession of English Law Notes will have the benefit of the Deed of Covenant.

### **Status of the Notes**

The Notes constitute and at all times shall constitute direct, unsecured and unsubordinated obligations of the Issuer ranking *pari passu* without any preference among themselves and *pari passu* with all present and future unsecured and unsubordinated obligations of the Issuer other than those preferred by mandatory provisions of law and other statutory exceptions.

*In the event of insolvency (concurso) of the Issuer, under Royal Legislative Decree 1/2020, of 5 May, enacting the consolidated text of the Insolvency Law (Real Decreto Legislativo 1/2020, de 5 de mayo, por el que se aprueba el texto refundido de la Ley Concursal) as amended from time to time (the “**Spanish Insolvency Law**”) claims relating to Notes will be ordinary credits (créditos ordinarios) as defined by the Spanish Insolvency Law unless they qualify as subordinated credits (créditos subordinados) in the limited circumstances set out in Article 281 of the Spanish Insolvency Law. Ordinary credits rank below credits against the insolvency state (créditos contra la masa) and privileged credits (créditos privilegiados).*

### **Status of the Guarantees**

The obligations of each Guarantor under the Guarantees constitute and at all times shall constitute direct, unsecured and unsubordinated obligations of that Guarantor ranking *pari passu* without any preference among themselves and *pari passu* with all its present and future unsecured and unsubordinated obligations other than those preferred by mandatory provisions of law and other statutory exceptions.

*In the event of insolvency (concurso) of a Guarantor, under the Spanish Insolvency Law claims relating to a Guarantee will be ordinary credits (créditos ordinarios) as defined by the Spanish Insolvency Law unless they qualify as subordinated credits (créditos subordinados) in the limited circumstances set out in Article 281 of the Spanish Insolvency Law. Ordinary credits rank below credits against the insolvency state (créditos contra la masa) and privileged credits (créditos privilegiados).*

### **Zero coupon Notes**

The Notes may be issued at a discount, at par or at a premium to par.

The Notes will not bear any explicit interest or attach coupons, and will not entitle the Noteholder to any periodic payments other than the payment of the nominal amount of the Notes on the maturity date.

### **Maturity of the Notes**

Unless previously redeemed, purchased or cancelled in accordance with the terms and conditions of the Notes, the Notes shall be repaid on the maturity date at their nominal amount, in each case as specified in the relevant Complementary Certificate.

The term of the Notes shall be not less than 3 Spanish trading business days (*días hábiles bursátiles*) or more than 364 calendar days from and including the issue date to, but excluding, the maturity date.

### **Yield Basis**

The yield basis in respect of the Notes will be set out in the relevant Complementary Certificate and will be calculated as follows:

$$I = \left[ \left( \frac{N}{E} \right)^{365/n} - 1 \right]$$

I = yield

N = Nominal amount of the Note

E = underwriting or purchase price of the Note

n = period of days from the Issue date until the maturity of the Note.

### **Prescription**

Claims for payment in respect of the Notes shall become prescribed and void unless made (a) in the case of English Law Notes, within ten years after the maturity date and (b) in the case of Spanish Law Notes, in accordance with art. 1,964 of the Spanish Civil Code, within five years after the maturity date.

### **Authorisations and approvals**

The Programme and the issuance of Notes pursuant thereto was authorised by a resolution of the sole shareholder and a resolution of the directors of the Issuer adopted on 21 March 2023.

The board of directors of Red Eléctrica Corporación authorised the Programme, the issuance of Notes and the guarantee of the obligations of the Issuer under the Notes by Red Eléctrica Corporación and Red Eléctrica by a resolution adopted at a meeting passed on 31 January 2023.

The sole director of Red Eléctrica authorised the Programme, the issuance of Notes and the guarantee of the obligations of the Issuer under the Notes by a resolution adopted on 21 March 2023.

The Issuer and the Guarantors have obtained or will obtain from time to time all necessary consents, approvals and authorisations in connection with the issue and performance of the Notes.

### **Admission to trading and dealing arrangements**

Application will be made for the Notes issued under the Programme to be admitted to trading in Spain on AIAF. No Notes may be issued on an unlisted basis.

CaixaBank, S.A. is the Paying Agent in respect of the Notes.

### **Additional Information**

The legal advisers and capacity in which they act are specified at the end of this Information Memorandum.

Notes to be issued under the Programme have been assigned a short term rating of 'F1' by Fitch Ratings España S.A.U.

*A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency.*

*Ratings are subject to review at any time by the assigning rating agency. Investors shall refer to the relevant rating agency in order to have access to the latest ratings.*



## ISSUE DOCUMENT

*The following is the text of the Issue Document (Documento de la Emisión) of the Programme which, supplemented for each issue of Notes by the terms and conditions of a Complementary Certificate, sets the terms and conditions that shall be applicable to that issue of Notes. Any English term used in this document that appears followed by a Spanish term in italics and between parentheses shall be translated and interpreted in this document in accordance with that Spanish term.*

[Mr/Ms] [●], for and on behalf of Red Eléctrica Financiaciones, Sociedad Anónima Unipersonal, a company of Spanish nationality, with registered office at Paseo del Conde de los Gaitanes number 177, Madrid, Spain, with Spanish tax identification number A-85724052 and with LEI 9598006P00EGK6U2SG18 (the “**Issuer**”), duly authorised to grant this Issue Document (*Documento de la Emisión*) in [his/her] capacity as attorney, by virtue of the decisions adopted by the joint directors of the Issuer:

### CERTIFIES

That on [●] 2023, the joint directors of the Issuer approved its international Euro Commercial Paper Programme for the issuance of euro-commercial paper notes (*pagarés*) (the “**Notes**”) guaranteed by Red Eléctrica Corporación, Sociedad Anónima and Red Eléctrica de España, Sociedad Anónima Unipersonal (the “**Guarantors**”). This programme is to be denominated “*Redeia – Euro Commercial Paper Programme 2023*” (the “**Programme**”).

That this is the Issue Document (*Documento de la Emisión*) formalised in accordance with article 7 of Law 6/2023, of 17 March, on Securities Markets and Investment Services (the “**Spanish Securities Markets Law**”) and article 7.3 of Royal Decree 878/2015, of 2 October, on clearing, settlement and registration of securities represented in book-entry form, on the legal regime of central securities depositories and central counterparties and on transparency requirements for issuers of securities admitted to trading on an official secondary market (“**RD 878/2015**”) in order to record the main features of the Programme and of the Notes to be issued thereunder.

Notes issued under the Programme shall be issued subject to the following terms and conditions as supplemented for each issue of Notes by the terms and conditions set out in a *certificación complementaria* (together with its supplements and annexes, a “**Complementary Certificate**”) (the “**Conditions**”).

1. The Notes are issued by Red Eléctrica Financiaciones, Sociedad Anónima Unipersonal (the “**Issuer**”) in dematerialised book-entry form (*anotaciones en cuenta*) registered with the Spanish Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. (**Iberclear**) as managing entity of the central registry of the Spanish clearance and settlement system (the “**Spanish Central Registry**”). Holders of a beneficial interest in the Notes that do not have, directly or indirectly through their custodians, a participating account with Iberclear may participate in the Notes through bridge accounts maintained by each of Euroclear Bank SA/NV (“**Euroclear**”) or Clearstream Banking, S.A. (“**Clearstream, Luxembourg**”) with Iberclear.

The aggregate principal amount of Notes outstanding at any time under the Programme will not exceed €1,000,000,000 (or its equivalent in other currencies).

Application will be made for the Notes issued under the Programme to be admitted to trading in Spain on AIAF Mercado de Renta Fija (“**AIAF**”).

The Programme will be in force for a period of 1 year from its admission to trading on AIAF.

In these Conditions, the Notes are “**English Law Notes**” unless the Complementary Certificate of an issue of Notes specifies that the Notes of that issue are governed by Spanish law in which case the Notes are “**Spanish Law Notes**”. English Law Notes and Spanish Law Notes may not be issued with the same maturity date (*Fecha de Vencimiento*).

Payments under the Notes will be unconditionally and irrevocably guaranteed by the Guarantors pursuant to an English law governed deed of guarantee dated [12] April 2023 (the “**English Law Guarantee**”) unless the Notes are Spanish Law Notes, in which case they will instead be guaranteed by a Spanish law governed guarantee dated [12] April 2023 (the “**Spanish Law Guarantee**”) and, together with the English Law Guarantee, the “**Guarantees**”).

The Notes will have the benefit of an agency agreement dated [12] April 2023 (the “**Agency Agreement**”) between the Issuer and CaixaBank, S.A. as paying agent (the “**Paying Agent**”, which expression shall include any successor paying agent).

English Law Notes will have the benefit of a deed of covenant dated [12] April 2023 entered into by the Issuer (the “**Deed of Covenant**”).

The Guarantees and the Deed of Covenant executed by the Issuer and the Guarantors (as appropriate) shall be deposited with and held by the Issuer for so long as the Programme remains in effect and thereafter until all the obligations of the Issuer under or in respect of the Notes have been discharged in full. Each Noteholder has the right to obtain, upon request, certified copies of the Deed of Covenant and the Guarantees from the Issuer at its registered office.

So long as any Notes remain outstanding, copies of the Deed of Covenant and the Guarantees deposited with the Issuer, as executed, will be available on the website of Redeia at <https://www.redeia.com/en/shareholders-and-investors/bonds/programs-and-bonds-issues>.

Notes will be offered, sold or distributed to eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU (as amended, “**MIFID II**”).

2. Title to the Notes is evidenced by book entries, and each person shown in the Spanish Central Registry managed by Iberclear and in the registries maintained by the respective participating entities (*entidades participantes*) in Iberclear (the “**Iberclear Members**”) as having an interest in the Notes shall be (except as otherwise required by Spanish law) considered the holder of the principal amount of the Notes recorded therein. In these Conditions, the “**Noteholder**” means the person in whose name such Note is for the time being registered in the Spanish Central Registry managed by Iberclear or, as the case may be, the relevant Iberclear Member accounting book.

One or more certificates (each a “**Certificate**”) attesting to the relevant Noteholder its holding of Notes in the relevant registry will be delivered by the relevant Iberclear Member or, where appropriate, by Iberclear itself (in each case, in accordance with the requirements of Spanish law and the regulations and procedures of Iberclear and the relevant Iberclear Member as appropriate) to such Noteholder upon such Noteholder’s request. The Notes are issued without any restrictions on their transferability. Consequently, the Notes may be transferred and title to the Notes may pass (subject to Spanish law and to compliance with all applicable rules, restrictions and requirements of Iberclear or, as the case may be, the relevant Iberclear Member) upon registration in the relevant registry of each Iberclear Member and/or Iberclear itself, as applicable. Each Noteholder will be (except as otherwise required by Spanish law) treated as the absolute owner of the relevant Notes for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest, or any writing on, or the theft or loss of, the Certificate issued in respect of it), and no person will be liable for so treating the Noteholder.

3. All payments in respect of the Notes by or on behalf of the Issuer or the Guarantors shall be made without set-off, counterclaim, fees, liabilities or similar deductions and free and clear of, and without deduction or withholding for or on account of, taxes, levies, duties, assessments or charges of any nature now or hereafter imposed, levied, collected, withheld or assessed by or on behalf of the Kingdom of Spain or any political subdivision thereof or any taxing authority or agency thereof or therein (“**Taxes**”), unless the withholding or deduction of taxes is required by law. In that event, the Issuer or, as the case may be, the Guarantors, shall, to the extent permitted by applicable law or regulation, pay such additional amounts as shall be necessary in order that the net amounts received by the Noteholder (which expression in this Condition shall include any beneficial owner of any interest in the Notes or any right in respect thereof) after such deduction or withholding shall equal the amount which would have been receivable hereunder in the absence of such deduction or withholding, except that the Issuer or, as the case may be, the Guarantors, shall not be required to pay any additional amounts in relation to any payment with respect to the Notes:
  - (a) to, or to a third party on behalf of, a Noteholder who is liable for such Taxes in respect of such Note by reason of his having some connection with the jurisdiction imposing the Taxes other than the mere holding of such Note;

- (b) to, or to a third party on behalf of, a Noteholder who would have been able to avoid such deduction or withholding by presenting a certificate of tax residence and/or such other document evidencing its tax residence required by the competent tax authorities; or
- (c) to, or to a third party on behalf of, a Noteholder if the Issuer does not receive any relevant information as may be required by Spanish tax law, regulation or binding ruling, including a duly executed and completed certificate from the relevant Iberclear Members that have the Notes registered in their securities account on behalf of third parties, as well as the entities that manage the clearing systems located outside Spain that have an agreement with Iberclear, if applicable, issued in accordance with Law 10/2014, of 26 June, Royal Decree 1065/2007, of 27 July, and any other implementing legislation or regulation, or in case the current information procedures are modified, amended or supplemented by any Spanish law, regulation or binding ruling.

Notwithstanding any other provision of these Conditions, any amounts to be paid in respect of the Notes by or on behalf of the Issuer or the Guarantors will be paid net of any deduction or withholding imposed or required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the “**Code**”), or otherwise imposed pursuant to Sections 1471 through 1474 of the Code (or any regulations thereunder or official interpretations thereof) or an intergovernmental agreement between the United States and another jurisdiction facilitating the implementation thereof (or any fiscal or regulatory legislation, rules or practices implementing such an intergovernmental agreement) (any such withholding or deduction, a “**FATCA Withholding**”). Neither the Issuer nor any of the Guarantors will be required to pay any additional amounts in respect of FATCA Withholding.

- 4. Subject to the requirements (if any) of any stock exchange on which the Notes may be admitted to listing and trading, the Issuer, the Guarantors or any of their subsidiaries may at any time purchase Notes in the open market or otherwise at any price. All Notes so purchased by the Issuer otherwise than in the ordinary course of business of dealings in securities or as a nominee shall be cancelled and shall not be reissued or resold. All Notes so purchased by the Guarantors or any subsidiary of the Issuer or the Guarantors may be cancelled, held by such subsidiary or resold.
- 5. The payment obligations of the Issuer under the Notes constitute and at all times shall constitute direct, unsecured and unsubordinated obligations of the Issuer ranking *pari passu* without any preference among themselves and *pari passu* with all present and future unsecured and unsubordinated obligations of the Issuer, other than obligations preferred by mandatory provisions of law and other statutory exceptions.

The obligations of each Guarantor under the Guarantees constitute and at all times shall constitute direct, unsecured and unsubordinated obligations of that Guarantor ranking *pari passu* without any preference among themselves and with all its present and future unsecured and unsubordinated obligations other than those preferred by mandatory provisions of law and other statutory exceptions.

- 6. Notes will be issued in the currency (*Moneda*) specified in the Complementary Certificate (the “**Specified Currency**”), being euro or U.S. Dollar, subject in each case to compliance with all applicable legal and regulatory requirements.

As used in these Conditions, references to “**euro**” and “**€**” are to the lawful currency introduced at the start of the third stage of the European Economic and Monetary Union pursuant to the Treaty on the Functioning of the European Union, as amended from time to time; and references to “**U.S. dollars**” and “**U.S.\$**” are to the currency of the United States of America.

- 7. The Notes may be issued, at a discount, at par or at a premium to par, at the issue price (*Efectivo*) specified in the relevant Complementary Certificate, provided that the Notes shall be issued in the following minimum denominations:

- (b) for euro Notes, €500,000, and
- (a) for U.S.\$ Notes, U.S.\$500,000,

subject in each case to compliance with all applicable legal and regulatory requirements.

The Notes will not bear any explicit interest or attach coupons, and will not entitle the Noteholder to any periodic payments other than the payment of the nominal amount of the Notes on the maturity date.

8. The term of the Notes shall be not less than 3 Spanish trading business days (*días hábiles bursátiles*) or more than 364 calendar days from and including the issue date to, but excluding, the maturity date. Unless previously redeemed, purchased or cancelled as provided herein, the Notes shall be repaid on the maturity date at their nominal amount (*Nominal Unitario*), in each case as specified in the relevant Complementary Certificate.
9. If a payment date is not a Payment Business Day (as defined herein) payment in respect hereof will not be made and credit or transfer instructions shall not be given until the next following Payment Business Day (unless that date falls more than 364 days after the issue date, in which case payment shall be made on the immediately preceding Payment Business Day) and the Noteholder shall not be entitled to any interest or other sums in respect of such postponed payment.

As used in these Conditions:

**“Payment Business Day”** means any day other than a Saturday or Sunday which is either (i) if the Specified Currency set out in the Complementary Certificate is any currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the Specified Currency set out in the Complementary Certificate or (ii) if the Specified Currency set out in the Complementary Certificate is euro, a day which is a TARGET Business Day; and

**“TARGET Business Day”** means a day on which the Trans-European Automated Real-time Gross Settlement Express Transfer (TARGET2) System or any successor thereto, is operating credit or transfer instructions in respect of payments in euro.

10. Payments in respect of the Notes will be made by transfer to the registered account of the relevant Noteholder maintained by or on behalf of it with a bank that has access to the corresponding payment system, details of which appear in the records of Iberclear or, as the case may be, the relevant Iberclear Member at close of business on the day immediately preceding the Payment Business Day on which the payment is due. Noteholders must rely on the procedures of Iberclear or, as the case may be, the relevant Iberclear Member to receive payments under the relevant Notes. None of the Issuer or the Paying Agent will have any responsibility or liability for the records relating to payments made in respect of the Notes.

Without prejudice to the application of Condition 3, all payments under the Notes will be subject to any applicable tax laws, regulations and directives in the place of payment.

11. The capacity of the Issuer to issue the Notes, the formalities relating to the issue of the Notes and the relevant corporate resolutions, the capacity of the Guarantors, the representation of the Notes in book-entry form, title to the Notes and their transfer and the status of the Notes and the Guarantees as described in Condition 5, shall be governed by Spanish law.
12. This Condition 12 applies to English Law Notes only. Except as provided in Condition 11, the English Law Notes and any non-contractual obligations arising from or connected with them are governed by, and shall be construed in accordance with, English law.

The English courts have exclusive jurisdiction to settle any dispute arising out of or in connection with the English Law Notes and any non-contractual obligations arising from or connected with the English Law Notes (including a dispute regarding the existence, validity or termination of the English Law Notes). The Issuer agrees, and each of the Guarantors and the Noteholders are deemed to agree, that the English courts are the most appropriate and convenient courts to settle any such dispute and accordingly no such party will argue to the contrary.

The Issuer appoints Law Debenture Corporate Services Limited at its registered office at Fifth Floor, 100 Wood Street, London EC2V 7EX, United Kingdom or, if different, its registered office for the time being, as its agent for service of process in any proceedings before the English courts in connection with the English Law Notes. If any person appointed as process agent is unable for

any reason to act as agent for service of process, the Issuer will appoint another agent, and failing such appointment within 15 days, the Noteholder shall be entitled to appoint such a person by written notice addressed to the Issuer and delivered to the Issuer or to the office of the Paying Agent. The Issuer agrees that failure by a process agent to notify it of any process will not invalidate the relevant proceedings. This Condition 12 does not affect any other method of service allowed by law.

No person shall have any right to enforce any provision of the English Law Notes under the Contracts (Rights of Third Parties) Act 1999.

13. This Condition 13 applies to Spanish Law Notes only. The Spanish Law Notes and any non-contractual obligations arising from or connected with them are governed by, and shall be construed in accordance with, Spanish law.

The courts of the city of Madrid, Spain, have exclusive jurisdiction to settle any dispute arising out of or in connection with the Spanish Law Notes and any non-contractual obligations arising from or connected with the Spanish Law Notes (including a dispute regarding the existence, validity or termination of the Spanish Notes). The Issuer agrees, and each of the Guarantors and the Noteholders are deemed to agree, that the courts of the city of Madrid, Spain, are the most appropriate and convenient courts to settle any such dispute and accordingly no such party will argue to the contrary.

14. The Issuer shall ensure that all notices are duly published in a manner which complies with the rules and regulations of any stock exchange or other relevant authority on which the Notes are for the time being listed and/or admitted to trading. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once, on the first date on which publication is made. If publication as provided above is not practicable, notice will be given in such other manner, and shall be deemed to have been given on such date, as the Agent may approve. So long as the Notes are listed on AIAF, notices to the Noteholders will be published in the official bulletin of AIAF (*Boletín de Cotización de AIAF*). Any such notice will be deemed to have been given on the date of the first publication. In addition, so long as the Notes are represented by book-entries in Iberclear, all notices to Noteholders shall be made through Iberclear for transmission to their respective accountholders.

15. Claims for payment in respect of the Notes shall become prescribed and void unless made (a) in the case of English Law Notes, within ten years after the maturity date and (b) in the case of Spanish Law Notes, in accordance with art. 1,964.2 of the Spanish Civil Code, within five years after the maturity date.

In witness whereof, this certificate is issued for all relevant purposes, in Madrid, on [●] April 2023.

Signed by: .....

*Authorised attorney on behalf of:*

**RED ELÉCTRICA FINANCIACIONES SOCIEDAD ANÓNIMA UNIPERSONAL**

## TAXATION

*The following summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to acquire, hold or dispose of the Notes, and does not purport to deal with the tax consequences applicable to all categories of investors, some of whom (such as dealers in securities) may be subject to special rules. Prospective investors who are in any doubt as to their position should consult with their own professional advisers.*

### Taxation in Spain

*The following is a general description of certain Spanish tax considerations. The information provided below does not purport to be a complete summary of tax law and practice currently applicable in the Kingdom of Spain and is subject to any changes in law and the interpretation and application thereof, which could be made with retroactive effect.*

#### 1. Introduction

This information has been prepared in accordance with the following Spanish tax legislation in force at the date of this Information Memorandum:

- (a) of general application, First Additional Provision of Law 10/2014 of 26 June, on organization, supervision and solvency of credit institutions and Royal Decree 1065/2007, of 27 July, approving the General Regulations of the tax inspection and management procedures and developing the common rules of the procedures to apply taxes, as amended ("**Royal Decree 1065/2007**");
- (b) for individuals resident for tax purposes in Spain who are Personal Income Tax ("**PIT**") taxpayers, Law 35/2006, of 28 November, on the PIT and on the partial amendment of the Corporate Income Tax Law, Non-Resident Income Tax Law and Wealth Tax Law, as amended (the "**PIT Law**") and Royal Decree 439/2007, of 30 March approving the PIT Regulations which develop the PIT Law, as amended, along with Law 19/1991, of 6 June on Wealth Tax (the "**Wealth Tax Law**"), as amended, Law 38/2022 of 27 December, introducing temporary taxation of energy and of credit institutions and financial credit establishments which also creates a temporary solidarity tax on large fortunes (the "**Temporary Solidarity Tax on Large Fortunes Law**"), and Law 29/1987, of 18 December on Inheritance and Gift Tax, as amended (the "**Inheritance and Gift Tax Law**");
- (c) for legal entities resident for tax purposes in Spain which are Corporate Income Tax ("**CIT**") taxpayers, Law 27/2014 of 27 November on Corporate Income Tax, as amended (the "**CIT Law**") and Royal Decree 634/2015, of 10 July, promulgating the CIT Regulations, as amended; and
- (d) for individuals and entities who are not resident for tax purposes in Spain which are Non-Resident Income Tax ("**NRIT**") taxpayers, Royal Legislative Decree 5/2004, of 5 March, promulgating the Consolidated Text of the NRIT Law, as amended and Royal Decree 1776/2004, of 30 July, promulgating the NRIT Regulations, as amended along with the Wealth Tax Law, the Temporary Solidarity Tax on Large Fortunes Law and the Inheritance and Gift Tax Law, as amended.

Whatever the nature and residence of the beneficial owner, the acquisition and transfer of the Notes will be exempt from indirect taxes in Spain, for example, exempt from Transfer Tax and Stamp Duty, in accordance with the consolidated text of such tax promulgated by Royal Legislative Decree 1/1993, of 24 September, and exempt from Value Added Tax, in accordance with Law 37/1992, of 28 December, regulating such tax.

#### 2. Spanish tax resident individuals

##### 2.1 Personal Income Tax (*Impuesto sobre la Renta de las Personas Físicas*)

The net income deriving from the transfer, redemption or repayment of the Notes constitute a return on investment obtained from the transfer of own capital to third parties in accordance with the provisions of Section 25.2 of the PIT Law, and must be included in the PIT savings taxable base of each investor and taxed currently at 19 per cent for taxable income up to €6,000; 21 per cent for taxable income between €6,000.01 and €50,000, 23 per cent for taxable income between €50,000.01 and €200,000, 27 per cent for

taxable income between €200,000.01 and €300,000, and 28 per cent for taxable income exceeding €300,000.

Negative income derived from the transfer of the Notes, in the event that the relevant holder had acquired other homogeneous securities within the two months prior or subsequent to such transfer or exchange, will be included in his or her PIT base as and when the remaining homogeneous securities are transferred.

In case of Notes held by Spanish resident individuals, income derived from the Notes may be subject to withholding tax currently at a 19 per cent rate, which may be made by the depositary or custodian or the Issuer. Amounts withheld, may be credited by the relevant investors against their final PIT liability

## 2.2 **Wealth Tax (*Impuesto sobre el Patrimonio*) and Temporary Solidarity Tax on Large Fortunes (*Impuesto Temporal de Solidaridad de las Grandes Fortunas*)**

Individuals with tax residency in Spain will be subject to Wealth Tax, to the extent that their net worth exceeds €700,000, at the applicable rates ranging between 0.2% and 3.5%, without prejudice to any relevant exemption which may apply and the relevant laws and regulations in force in each Autonomous Region of Spain. Therefore, they should take into account the value of the Notes which they hold as of December 31.

The Temporary Solidarity Tax on Large Fortunes applies at the State level (Autonomous Regions do not have competences) in 2022 and 2023 (payable in 2023 and 2024 correspondingly) as a complementary tax to Wealth Tax charged on net assets in excess of €3,000,000 at rates up to 3.5%. Any Wealth Tax paid will be deductible on the Temporary Solidarity Tax on Large Fortunes.

## 2.3 **Inheritance and Gift Tax (*Impuesto sobre Sucesiones y Donaciones*)**

Individuals resident in Spain for tax purposes who acquire ownership or other rights over any Notes by inheritance, gift or legacy will be subject to the Inheritance and Gift Tax in accordance with the applicable Spanish regional or State rules (subject to any regional tax exemptions being available to them). The applicable effective tax rates can be up to 81.6 per cent subject to any specific regional rules, depending on relevant factors.

## 3. **Spanish tax resident legal entities**

### 3.1 **Corporate Income Tax (*Impuesto sobre Sociedades*)**

Income deriving from the transfer, redemption or repayment of the Notes must be included as taxable income of Spanish tax resident legal entities for CIT purposes in accordance with the rules for this tax, being typically subject to the standard rate of 25 per cent, with lower or higher rates applicable to certain categories of taxpayers.

Such income will be exempt from withholding tax on account of CIT provided that the Notes (i) are registered by way of book-entries (*anotaciones en cuenta*); and (ii) are traded in a Spanish official secondary market of securities (such as AIAF). Otherwise, such income could be potentially subject to withholding tax at a 19% rate, which in any event can be credited against the final CIT liability.

Notwithstanding the foregoing, pursuant to article 44 of Royal Decree 1065/2007 any income derived from the Notes will be paid by the Issuer to Spanish CIT taxpayers (which for the sake of clarity, include Spanish tax resident investment funds and Spanish tax resident pension funds) free of Spanish withholding tax provided that the relevant information about the Notes is submitted in the manner detailed in "*Disclosure obligations in connection with payments on the Notes*".

### 3.2 **Wealth Tax (*Impuesto sobre el Patrimonio*)**

Legal entities in Spain are not subject to Wealth Tax.

### 3.3 **Inheritance and Gift Tax (*Impuesto sobre Sucesiones y Donaciones*)**

Legal entities resident in Spain for tax purposes which acquire ownership or other rights over the Notes by inheritance, gift or legacy are not subject to the Inheritance and Gift Tax but must include the market value

of the Notes in their taxable income for Spanish CIT purposes.

#### 4. **Individuals and legal entities tax resident outside Spain**

##### 4.1 **Non-Resident Income Tax (*Impuesto sobre la Renta de No Residentes*)**

###### (A) Acting through a permanent establishment in Spain

Ownership of the Notes by investors who are not resident for tax purposes in Spain will not in itself create the existence of a permanent establishment in Spain.

If the Notes form part of the assets of a permanent establishment in Spain of a person or legal entity who is not resident in Spain for tax purposes, the tax rules applicable to income deriving from such Notes shall be, generally, the same as those previously set out for Spanish CIT taxpayers.

###### (B) Not acting through a permanent establishment in Spain

Income deriving from the transfer, redemption or repayment of the Notes, obtained by individuals or entities who are not resident in Spain for tax purposes, and who are NRIT taxpayers with no permanent establishment in Spain, are exempt from NRIT, on the same terms laid down for income from public debt.

In order for the exemption to apply, it is necessary to comply with certain information obligations relating to the Notes, in the manner detailed under "*Disclosure obligations in connection with payments on the Notes*" as laid down in article 44 of Royal Decree 1065/2007. If these information obligations are not complied with in the manner indicated, the Issuer will withhold 19 per cent and the Issuer will not pay additional amounts.

Non-Resident investors entitled to the exemption from NRIT but where the Issuer does not timely receive the information about the Notes in accordance with the procedure described in detail under "*Disclosure obligations in connection with payments on the Notes*" would have to apply directly to the Spanish tax authorities for any refund to which they may be entitled, according to the procedures set forth in the Spanish NRIT Law.

##### 4.2 **Wealth Tax (*Impuesto sobre el Patrimonio*) and Temporary Solidarity Tax on Large Fortunes (*Impuesto Temporal de Solidaridad de las Grandes Fortunas*)**

Individuals resident in a country with which Spain has entered into a double tax treaty in relation to the Wealth Tax will not be generally subject to such tax on the Notes. Otherwise, under current Wealth Tax Law and Temporary Solidarity Tax on Large Fortunes Law, non-Spanish resident individuals whose Spanish properties and rights are located in Spain (or that can be exercised within the Spanish territory) could be subject to Wealth Tax and Temporary Solidarity Tax on Large Fortunes during year 2023.

In any event, as the income derived from the Notes is exempted from NRIT, any non-resident individuals holding the Notes as of 31 December 2023 will be exempted from Wealth Tax and Temporary Solidarity Tax on Large Fortunes in respect of such holding. Legal entities tax resident outside Spain are not subject to Spanish Wealth Tax and Temporary Solidarity Tax on Large Fortunes.

##### 4.3 **Inheritance and Gift Tax (*Impuesto sobre Sucesiones y Donaciones*)**

Individuals not tax resident in Spain who acquire ownership or other rights over the Notes by inheritance, gift or legacy, and who are tax resident in a country with which Spain has entered into a double tax treaty in relation to Inheritance and Gift Tax will be subject to the relevant double tax treaty.

If the provisions of the foregoing paragraph do not apply, such individuals will be subject to Inheritance and Gift Tax in accordance with the applicable Spanish regional or State legislation.

According to the Second Additional Provision of the Inheritance and Gift Tax Law, non-Spanish tax resident individuals may be subject to Spanish Inheritance and Gift Tax in accordance with the rules set forth in the



relevant Autonomous Regions in accordance with the law. As such, prospective investors should consult their tax advisers.

Legal entities not tax resident in Spain which acquire ownership or other rights over the Notes by inheritance, gift or legacy are not subject to the Inheritance and Gift Tax. They will be subject to NRIT (as described above). If the entity is resident in a country with which Spain has entered into a double tax treaty, the provisions of such treaty will apply. In general, double tax treaties provide for the taxation of this type of income in the country of residence of the beneficiary.

### **Payments under the Guarantees**

In the opinion of the Guarantors, any payments made by the Guarantors under the Guarantees may be characterised as an indemnity and, accordingly, be made free and clear of, and without withholding or deduction on account of any Spanish tax.

However, although no clear precedent, statement of law or regulation exists in relation thereto, in the event that the Spanish tax Authorities take the view that the relevant Guarantor has effectively assumed all the obligations of the Issuer under the Notes, subject to and in accordance with the Guarantee, they may determine that payments made by the Guarantors relating to the Notes will be subject to the same tax rules previously set out for payments made by the Issuer (i.e. payable free of withholding tax for Spanish resident corporates as outlined above, and also for non-resident investors provided that the relevant information obligations outlined in "*Disclosure obligations in connection with payments on the Notes*" below are complied with).

### **Disclosure obligations in connection with payments on the Notes**

In accordance with article 44 of Royal Decree 1065/2007 certain information with respect to the Notes must be submitted to the Issuer at the time of each payment.

Such information includes the following:

- (a) identification of the Notes;
- (b) total amount of the income paid by the Issuer;
- (c) total amount of income from the Notes corresponding to individuals residents in Spain that are PIT taxpayers; and
- (d) total amount of income that must be paid on a gross basis.

The Iberclear Members must certify the information above about the Notes by means of a certificate. In light of the above, the Issuer and the Iberclear Members have arranged certain procedures to facilitate the collection of information concerning the Notes by the close of business on the Business Day immediately preceding each relevant Payment Date. If, despite these procedures, the relevant information is not received by the Issuer on each Payment Date, the Issuer will withhold tax at the then-applicable rate (currently 19 per cent) from any payment in respect of the relevant Notes. The Issuer will not pay any additional amounts with respect to any such withholding.

Investors should note that the Issuer, the Guarantors and the Dealers do not accept any responsibility relating to the procedures established for the collection of information concerning the Notes. Accordingly, neither the Issuer nor the Dealers will be liable for any damage or loss suffered by any holder who would otherwise be entitled to an exemption from Spanish withholding tax but whose income payments are nonetheless paid net of Spanish withholding tax because these procedures prove ineffective. Moreover, the Issuer will not pay any additional amounts with respect to any such withholding. Should any withholding tax be levied in Spain, holders of the Notes should note that they may apply directly to the Spanish tax authorities for any tax refund which may be available to them.

## SUBSCRIPTION AND SALE

### General

Each Dealer has represented and agreed (and each further Dealer appointed under the Programme will be required to represent and agree) that it will observe all applicable laws and regulations in any jurisdiction in which it may offer, sell, or deliver Notes and it will not directly or indirectly offer, sell, resell, re-offer or deliver Notes or distribute the Information Memorandum, circular, advertisement or other offering material in any country or jurisdiction except under circumstances that will result, to the best of its knowledge and belief (on reasonable grounds after making all reasonable investigations), in compliance with all applicable laws and regulations.

### United States of America

The Notes and the Guarantees have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons. Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered and sold, and will not offer and sell, Notes (a) as part of their distribution at any time and (b) otherwise until 40 days after the completion of the distribution of the Notes comprising the relevant Tranche, within the United States or to, or for the account or benefit of, U.S. persons. Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that neither it, nor its affiliates nor any person acting on its or their behalf has engaged or will engage in any directed selling efforts with respect to the Notes, and that it and they have complied and will comply with the offering restrictions requirement of Regulation S. Each Dealer has also agreed, and each further Dealer appointed under the Programme will be required to agree, that, at or prior to confirmation of sale of Notes, it will have sent to each distributor, dealer or person receiving a selling commission, fee or other remuneration that purchases Notes from it a confirmation or notice to substantially the following effect:

"The Securities covered hereby have not been registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (a) as part of their distribution at any time or (b) otherwise until 40 days after the completion of the distribution of the Securities and except in accordance with Regulation S under the Securities Act. Terms used above have the meanings given to them by Regulation S."

In addition, until 40 days after the commencement of the offering, an offer or sale of Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

Terms used in this section have the meanings given to them by Regulation S.

### The United Kingdom

Each Dealer has represented and agreed (and each further Dealer appointed under the Programme will be required to represent and agree) that:

- (a)
  - (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business; and
  - (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of section 19 of the Financial Services and Markets Act 2000 (the "**FSMA**") by the Issuer;
- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in

circumstances in which section 21(1) of the FSMA does not apply to the Issuer or the Guarantor;  
and

- (c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to such Notes in, from or otherwise involving the United Kingdom.

## Ireland

Each Dealer has represented and agreed (and each further Dealer appointed under the Programme will be required to represent and agree) that it has not sold, placed or underwritten and that it will not sell, place or underwrite the Notes otherwise that in conformity with the provisions of:

- (a) the European Union (Markets in Financial Instruments) Regulations 2017 (as amended), including, without limitation any codes of conduct made thereunder and the provisions of the Investor Compensation Act 1998 (as amended);
- (b) the Irish Central Bank Acts 1942 to 2023 (as amended) and any codes of conduct rules made under Section 117(1) of the Irish Central Bank Act 1989 (as amended);
- (c) the European Union (Prospectus) Regulations 2019 (as amended), the Irish Companies Act 2014 (as amended) (the “**Companies Act**”) and any rules issued under Section 1363 of the Companies Act by the Central Bank of Ireland (the “**Central Bank**”);
- (d) the Market Abuse Regulation (596/2014), the European Union (Market Abuse) Regulations 2016 (as amended) and any rules issued under Section 1370 of the Companies Act by the Central Bank; and
- (e) the Central Bank’s implementation notice for credit institutions BSD C 01/02 of 12 November 2002 (as may be amended, replaced or up-dated from time to time) and issued pursuant to Section 8(2) of the Irish Central Bank Act 1971 (as amended).

## France

Each Dealer has represented and agreed and any further holder of the Notes will be deemed to represent and agree, that it has not offered or sold, and will not offer or sell directly or indirectly any Notes to the public in France, and has not distributed and will not distribute or cause to be distributed to the public in France any offering material relating to the Notes and that such offers, sales and distributions have been and will only be made in France to (i) qualified investors (*investisseurs qualifiés*) acting for their own account other than individuals as defined in and in accordance with article L 411-2 and article D 411-1 of the French *Code monétaire et financier* and/or (ii) to providers of investment services relating to portfolio management for the account of third parties.

## Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended; (the “**FIEA**”). Accordingly, each Dealer has represented and agreed (and each further Dealer appointed under the Programme will be required to represent and agree) that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Notes in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan) or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and other applicable laws, regulations and ministerial guidelines of Japan.

## Spain

Each Dealer has represented and agreed (and each further Dealer appointed under the Programme will be required to represent and agree) that the Notes will only be offered, sold or distributed in Spain to professional clients (*clientes profesionales*) as defined in Article 194 of Law 6/2023, of 17 March, on Securities Markets and Investment Services (*Ley 6/2023, de 17 de marzo, de los Mercados de Valores y de los Servicios de Inversión*) (the “**Spanish Securities Markets Law**”) and Article 58 of Royal Decree

217/2008 of 15 February, as amended, on the legal regime applicable to investment services companies and other companies that provide investment services (*Real Decreto 217/2008, de 15 de febrero, sobre el régimen jurídico de las empresas de servicios de inversión y de las demás entidades que prestan servicios de inversión*) ("**Royal Decree 217/2008**") and eligible counterparties (*contrapartes elegibles*) as defined in Article 196 of the Spanish Securities Markets Law. The Notes may only be offered or sold in Spain by institutions authorised under the Securities Markets Law, Royal Decree 217/2008 and related legislation to provide investment services in Spain and in accordance with the provisions of the Spanish Securities Markets Law and further developing legislation.

## GENERAL INFORMATION

### Admission to trading

Application will be made for the Notes issued under the Programme to be admitted to trading in Spain on AIAF. No notes may be issued on an unlisted basis.

### No Significant Change

There has been no significant or material adverse change in the financial or trading position of the Issuer, any of the Guarantors or the Group since 31 December 2022, being the date of the most recently published audited financial statements of the Issuer and Red Eléctrica and of the most recently published audited consolidated financial statements of Red Eléctrica Corporación, save as disclosed in this Information Memorandum.

### Legal and arbitration proceedings

Neither the Issuer, any of the Guarantors nor any other member of the group is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer or the Guarantors are aware) during the 12 months preceding the date of this Information Memorandum which may have or have had in the recent past, significant or material adverse effects on the financial position or profitability of the Issuer, the Guarantors or the Group, save as disclosed in this Information Memorandum.

### Auditors

The consolidated financial statements of Red Eléctrica Corporación for the years ended 31 December 2022 and 31 December 2021 and the financial statements of the Issuer and Red Eléctrica for the years ended 31 December 2022 and 31 December 2021 have been audited by KPMG Auditores, S.L., registered in the Official Registry of Auditors (*Registro Oficial de Auditores de Cuentas*) under number S0702. The registered office of KPMG Auditores, S.L. is Torre Cristal, Paseo de la Castellana 259 C, 28046 Madrid, Spain.

### LEI Codes

The Legal Entity Identifier (LEI) of the Issuer is 9598006P00EGK6U2SG18.

The Legal Entity Identifier (LEI) of Red Eléctrica Corporación is 5493009HMD0C90GUV498.

The Legal Entity Identifier (LEI) of Red Eléctrica is 54930070W8XSY31XK130.

### Documents on display

From the date hereof, so long as any Notes remain outstanding and throughout the life of the Programme, a copy of this Information Memorandum, together with any supplements thereto, will be available on the website of Redeia at [www.redeia.com](http://www.redeia.com).

From the date hereof, the Guarantees and the Deed of Covenant executed by the Issuer and the Guarantors (as appropriate) shall be deposited with and held by the Issuer for so long as the Programme remains in effect and thereafter until all the obligations of the Issuer under or in respect of the Notes have been discharged in full. Each Noteholder has the right to obtain, upon request, certified copies of the Deed of Covenant and the Guarantees from the Issuer at its registered office. So long as any Notes remain outstanding, copies of the Deed of Covenant and the Guarantees deposited with the Issuer, as executed, will be available on the website of Redeia at <https://www.redeia.com/en/shareholders-and-investors/bonds/programs-and-bonds-issues>.

Copies of the Issue Document may be obtained from Iberclear, AIAF and the Issuer during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) at their respective registered offices.

The financial information listed in the section "*Documents Incorporated by Reference*" can be accessed as set out therein.

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