

RED
ELÉCTRICA
CORPORACIÓN

Grupo Red Eléctrica

2020 Results and Strategic Plan 2021-2025

February 2021



Index

- 1. 2020 Results
- 2. Current situation
- 3. Strategic reflections
- 4. Strategy 2021-2025
- 5. Financial targets and dividend policy 2021-2025



2020 Results

2020 RESULTS

Significant events

Guarantee System Operations and Maintenance of the Transmission Grid in a critical year.

■ Year marked by the Covid-19 pandemic:

- Adoption of **exceptional measures** to guarantee security of supply.
- **Electricity system** is operating with **high levels of availability** despite the exceptional circumstances: Availability rate 98.5% in the Peninsula, 98.7% in Balearics and 99.2% in the Canary Islands. Fall in electricity demand of -5.6% compared with 2019.
- Elaboration of proposals to reactivate the economy, focusing on helping to meet the goals of the Plan for Recovery, Transformation and Resilience of the Spanish Economy.

Main impacts:

- **Delay in investments** in the transmission grid.
 - **Impairment loss in the value of Hispasat assets**, mainly due to Covid-19 crisis.
- ### ■ Ministry for Energy Transition and Demographic Challenge has submitted a public consultation on its proposal of the Investment on the Transmission Grid Plan for the period 2021-2026 with an estimated investment of up to €6,668, including €1,064M related to international connections (Spain - France in the Bay of Biscay, North Spain-Portugal, Andorra and Morocco).
- ### ■ Dividend proposed by the AGM of €1 per share, meeting our commitments to the market.
- ### ■ 25 March, formal acquisition of 50% of Argo Energía, through which RE Group entered the Brazilian market.

2020 RESULTS

Highlights vs. 2019

Results marked by a complex scenario.

€1,985.8_M Turnover -1,1 %	€1,568.5_M EBITDA -1,0 %	€621.2_M Net profit -13,1 %
€1,232.2_M FFO -2.1 %	€383.1_M Transmission grid investment -3,4 %	€895.0_M Total investment -52,1 %
€6,113.3_M Net Financial Debt +1.2 %	1.74% Cost of debt 2.29 % in 2019	3.9_x Net Debt/EBITDA 3.8x in 2019

Figures at 31 December 2020.

2020 RESULTS

Key financial figures

€M	2020	2019	Δ%
Turnover	1,985.8	2,007.2	-1.1
Operating expenses	520.1	511.0	+1.8
Gross operating result (EBITDA)	1,568.5	1,583.7	-1.0
Provisions for amortisation, asset depreciation	639.5	550.4	-
Net operating profit (EBIT)	929.0	1,082.2	-14.2
Financial result	-123.0	-132.9	-7.4
Recurring result for the year*	703.0	715.6	-1.8
Non-recurring result for the year	621.2	714.8	-13.1
Total group investments	895.0	1,870.4	-

* Recurring result, excluding extraordinary provision due to the impairment loss in the value of Hispasat's assets amounting to a gross value of 122.3M€.

** CCNCM: Carhuaquero-Cajamarca North-Cáclic-Moyobamba line.

- Lower **transmission revenue** arising from the application of new remuneration parameters:
 - Financial return reduced by 50bp.
 - Accrual adjustments for commissioned to the new financial return.
 - New O&M standard values.
- Revenue compensated by higher **regulated income from OS**, from **International** activity after the incorporation of CCNCM**, TES 3 and Argo in Brazil, good performance of **the fiber optic business** and the incorporation of **Hispasat**.
- **Amortisation**, adapting the working life of older assets and inclusion of amortization associated with Hispasat.
- **122 M€ Impairment loss** to adequate current satellite fleet to new post-Covid-19 reality of the business. Main reasons, current fleet affected by fall in revenues, delays on new programmes, delays on the closure of ongoing projects in LatAm; renegotiation of conditions of some existing contracts with "core" clients.
- **Financial results** marked by the increase in the average gross financial debt and the fall in the average cost of debt.

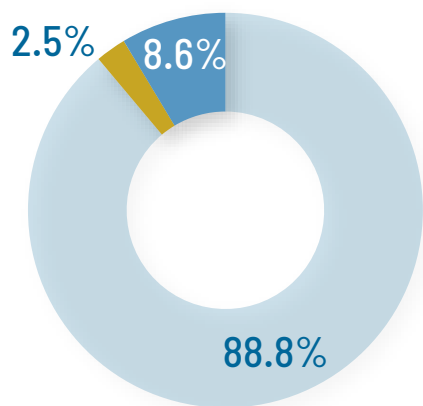
2020 RESULTS

Breakdown by business

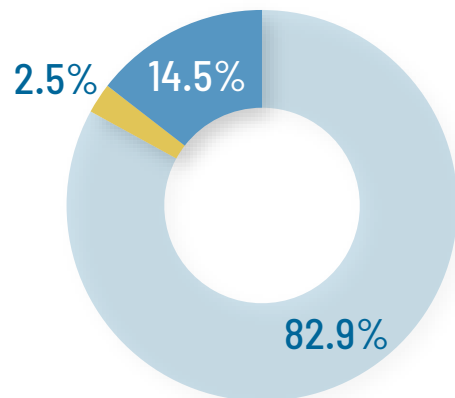
Diversification of results in line with the Strategic Plan 2018-2022.

Turnover

2019



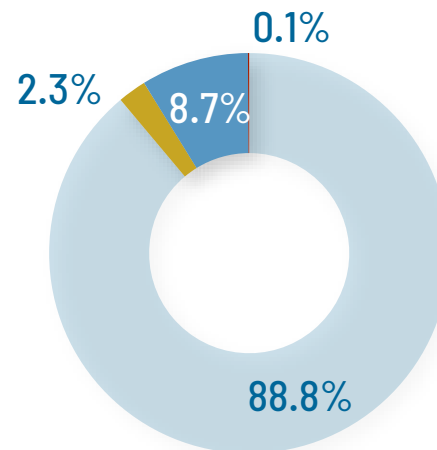
2020



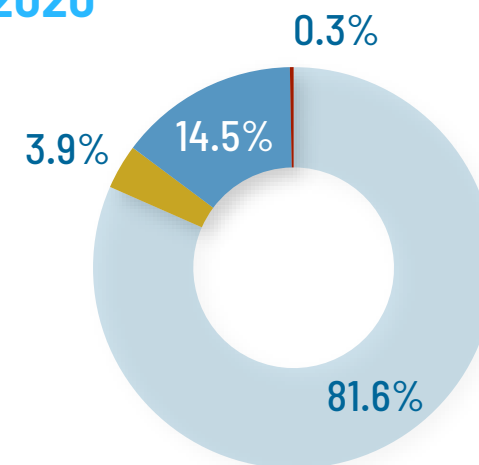
- Management and operation of domestic electricity infrastructure
- Management and operation of international electricity infrastructure
- Telecommunications (fibre + satellites)

EBITDA

2019



2020



- Management and operation of domestic electricity infrastructure
- Management and operation of international electricity infrastructure
- Telecommunications (fibre + satellites)
- Other company business and adjustments

2020 RESULTS

RE Group Investments

Transmission investment affected by accumulated construction delays caused by the Covid-19 state of alarm and delays in obtaining permits.



Management and operation of domestic electricity infrastructure

- Commissioning of Menorca-Mallorca underwater link.
- Investment in North East Axis (Basque Country), Caletillas-El Rosario (Canary Islands), Caparacena Baza Ribina (Andalusia) and Lousame-Tibo-Mazaricos (Galicia).
- Investment in Investment in Control Systems and applications for Operation for the Peninsular System.

€405.2
M invested
vs. €413.2M in 2019



Management and operation of international electricity infrastructure

- Acquisition of Argo Energia in Brazil.
- Advances in investment in Tesur 4 in Peru.
- Advances in investment in Redenor and Redenor 2 in Chile.

€417.5
M invested
vs. €225.5 M in 2019



Telecommunications (Fibre + Satellites)

- €52.2M investment in new Amazonas Nexus (HTS) satellite to replace AMZ 2, which will provide services over the whole American continent and North Atlantic ocean.

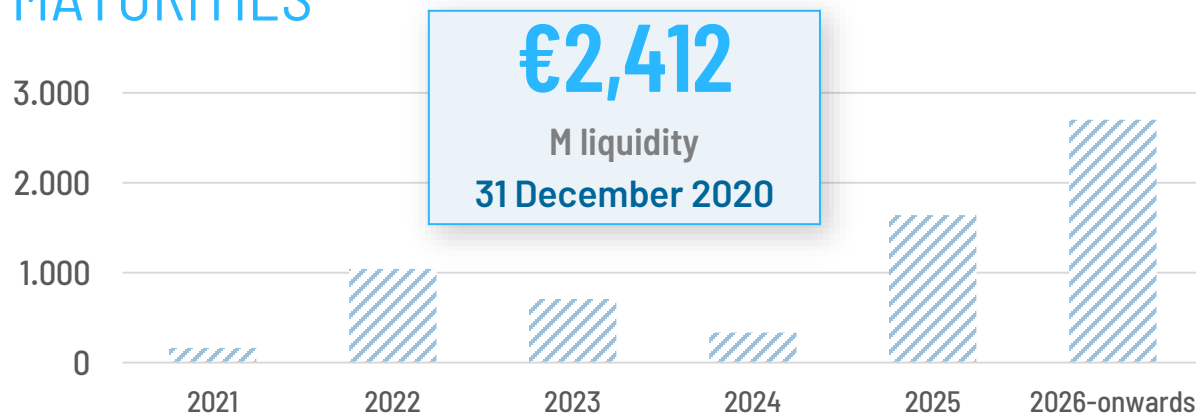
€60.1
M invested
vs. €1,215.2M in 2019

COMPANY DEBT

Balance strength

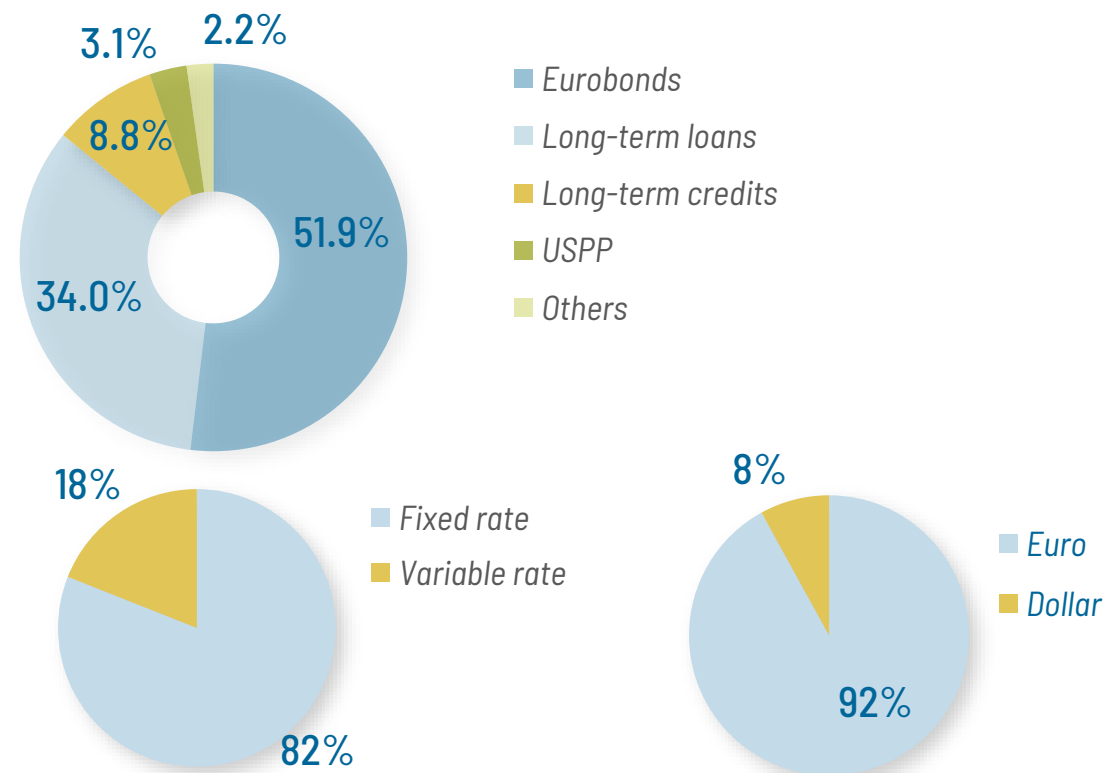
Strong advance towards commitment to 100% ESG financing in 2030.

MATURITIES



- Average maturity of debt 5.3 years and cost of debt 1.74%.
- Rates of net debt/EBITDA 3.9 and FFO/Debt 20.2 %.
- Rating: 'A-' Standard & Poor's and Fitch with stable outlook.
- Reinforce liquidity and unrestricted capital markets access:
 - €700M first green bond, reaching 23% ESG financing in 2020.
 - €400M bond in Red Eléctrica Corporación.
 - New bank loans and credits €475M.

DEBT STRUCTURE



Gross debt: €6,595 M at 31 December 2020



Current scenario

MACROECONOMIC AND ENERGY SCENARIO



ECONOMIC SCENARIO

- COVID-19 containment measures cause profound recession.
- “NextGenerationEU” 2021-2023 initiative, €750,000M extra with priority for investment in ecological transition and digital transformation programmes.
- In Spain, Plan for Recovery, Transformation and Resilience, financed up to €140,000M, more than 11% GDP:
 - Digital transformation.
 - Ecological transition.
 - Social and territorial cohesion.
 - Equality.



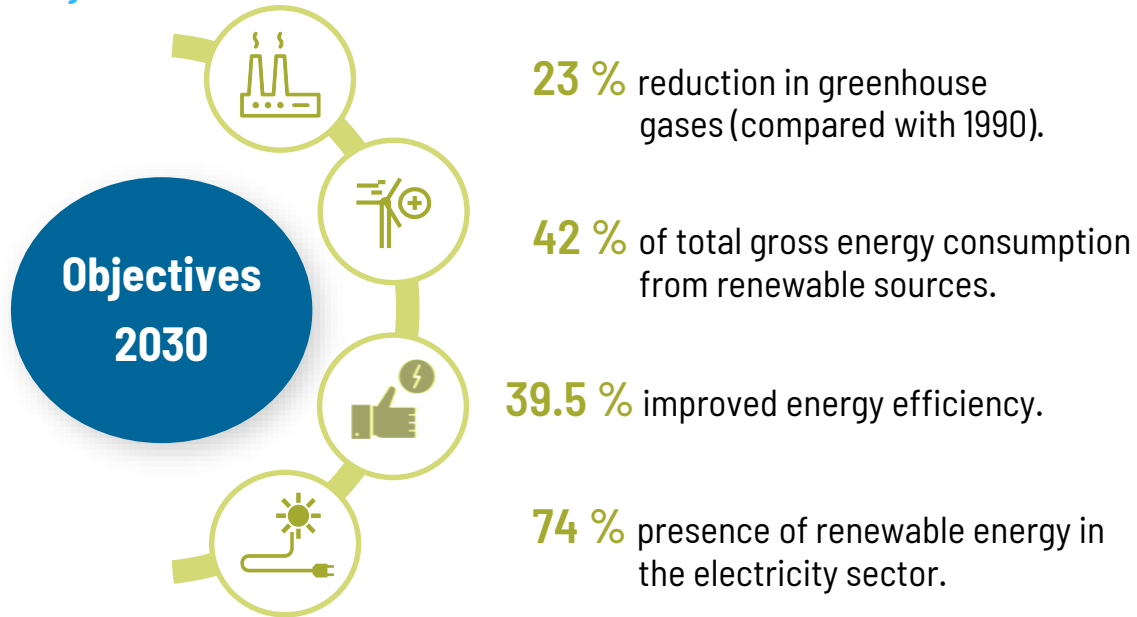
ENERGY SECTOR SCENARIO

- Clear commitment to energy transition.
- Main initiatives for climate change and sustainable development:
 - *European Green Deal* at European level.
 - Integrated National Plan for Energy and Climate 2021-30.
 - National Infrastructure Plan 2021-26, €6,668M investment.

Towards a zero-emission future in a critical sector for the recovery of the Spanish economy.

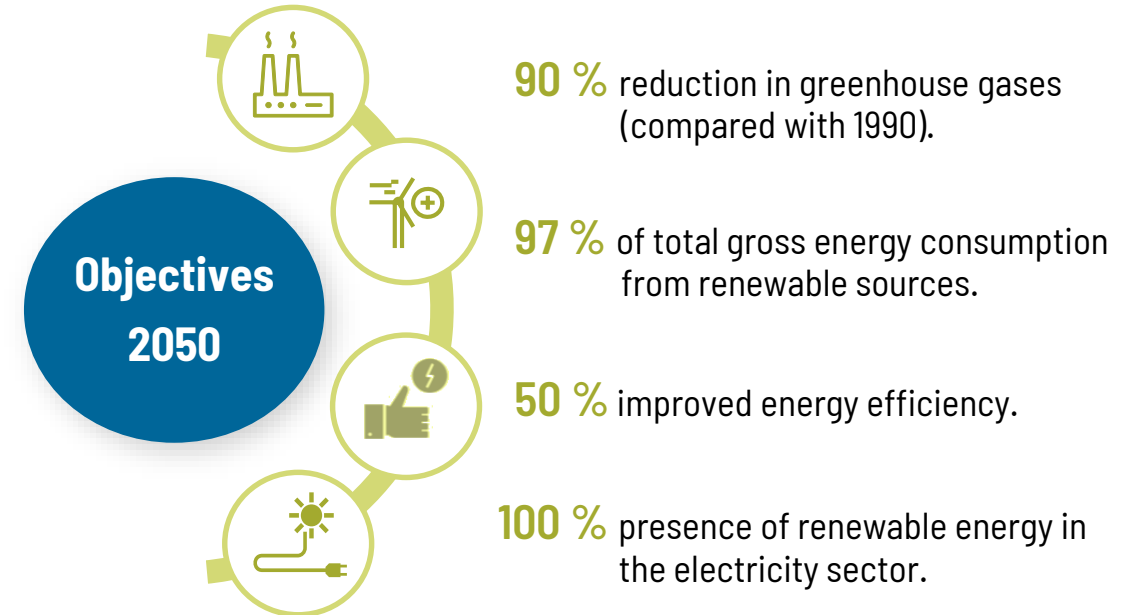
THE INTEGRATED NATIONAL PLAN FOR ENERGY AND CLIMATE OFFERS CERTAINTY AND GUIDANCE FOR ALL ACTORS ENGAGED IN ENERGY TRANSITION

Integrated National Plan for Energy and Climate. Objectives 21-30



€9,000M Investment Transmission grid 2021-2030.
More connections with Portugal, increase exchange capacity to 3,000 MW.
New connections with France, increase exchange capacity to 8,000 MW.

Long term strategy for a modern, competitive and climate-neutral Spanish economy in 2050



Green hydrogen is key to achieving climate neutrality in 2050.

THE NEW REGULATORY FRAMEWORK 20-25 MEANS CONTINUING THE METHODOLOGY AND MORE DEMANDING CONDITIONS

Stability and regulatory visibility.

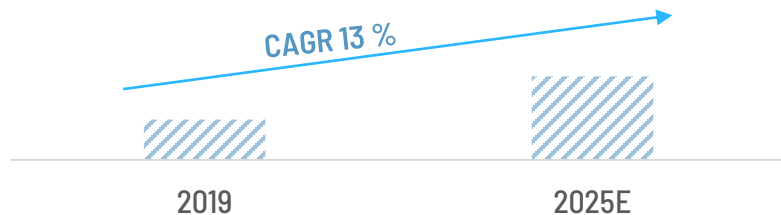
<p>Transmission remuneration and Financial return</p>	<ul style="list-style-type: none"> ● Retain the bases of the previous methodology. ● Set a financial return lower than the one set in the previous regulatory period (5.58% vs. 6.5%). ● Considers actions made in pre-98 assets in the period 2015-18 (REPEX). ● Establish the option to renew amortised assets when they are shown to be viable.
<p>Unit reference values</p>	<ul style="list-style-type: none"> ● Establish an incentive of 30% added O&M revenue for assets that end their useful life with a growing coefficient over time. ● Reduce the unit values of O&M for the 2020-25 period, comprising part of the efficiencies obtained by agents.
<p>Remuneration of the System Operator</p>	<ul style="list-style-type: none"> ● Establish 3-year regulatory periods. ● Compensate current account costs with a margin of 5%. ● Compensate investments with an amortisation term and a financial return for net fixed assets. ● Includes a retribution term for incentives and another one for new liabilities.
<p>Defining the debt ratios</p>	<ul style="list-style-type: none"> ● Define five ratios and a global rate index, with the corresponding ranges of recommended values, to assess the level of debt and the economic and financial capacity.

TELECOMMUNICATIONS SCENARIO

- **Digital connectivity and infrastructure Plan for society, economy and territories**, with the goal of extending high-speed bandwidth cover to 100 % of the population, as well as a strategy to boost the deployment of 5G.
- The deployment of **5G** and the demand arising from the significant increase in data traffic that it is expected to stimulate, will continue to drive the growth of **optical fibre networks**. The increase in connected devices and in mobile data traffic will require high quality and secure telecommunications infrastructure that will be run by neutral operators.
- The **satellite sector** as a whole is expected to grow, but in different vertical business areas from those which have been predominant so far, with the use of disruptive technologies.

Revenues from capacity sales

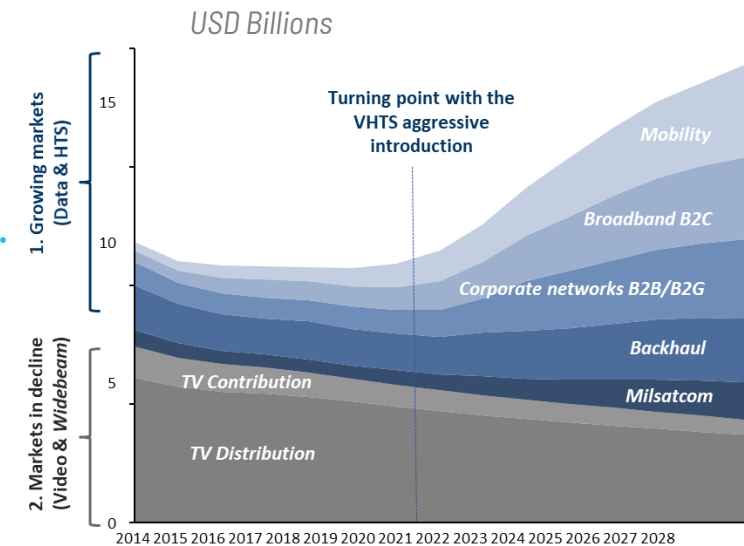
USD Billions



Source: Alchemy market research, Global Dark Fibre Network Market

Deployment of 5G and broadband connection driving the growth of optical fibre networks.

Market size in W.E., S.A. and N.A.




Source: Euroconsult, Analisis FTI

Video market in mature phase, replaced by huge growth of vertical data and universal coverage and mobility services.



Strategic reflections



The strategic plan means making the deployment of energy transition in Spain a priority...

- efficiently,
- consolidating the growth achieved in telecommunications and international business,
- ensuring the financial sustainability of the Group,
- consolidating innovation, talent and Sustainability as the basis of the Group's culture, and
- generating positive impacts through alliances with the environment and companies of the sector.



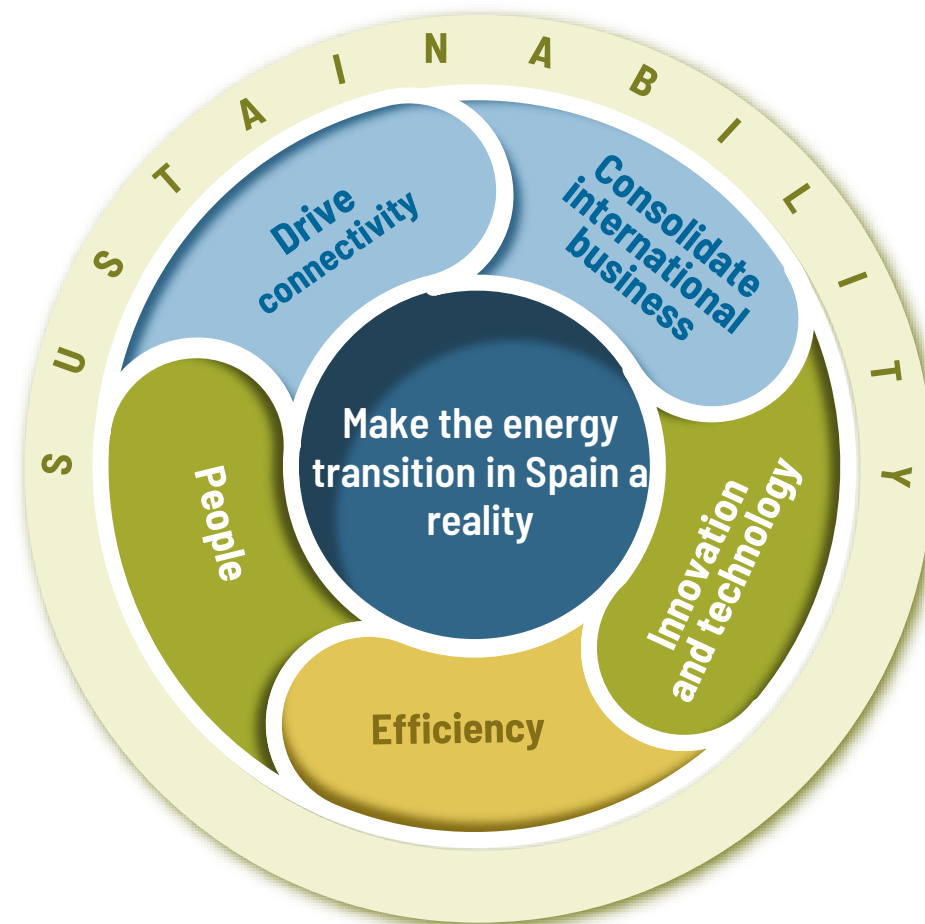
Strategy 2021-2025

STRATEGIC PLAN

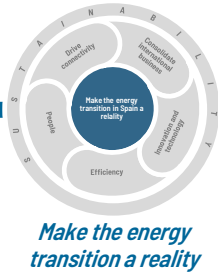
Strategic pillars

Our goal is to drive the green and digital transformation,

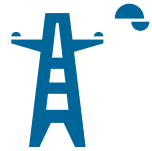
- as the backbone of a decarbonised energy system,
- offering access to the electricity system and telecommunications,
- helping to bridge the digital divide and
- contributing to innovation and the development of society.



MAKE THE ENERGY TRANSITION A REALITY AND FIGHT CLIMATE CHANGE



Key actor in ecological transition with the massive inclusion of renewable sources in the electricity system.



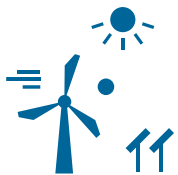
Develop the infrastructures needed for energy transition

A transmission grid that is robust, smart and more interconnected. Strengthening these connections is vital to achieving our decarbonisation targets.



Design, build and operate storage infrastructures

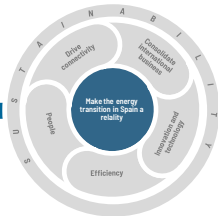
Storage will ensure maximum integration of renewable energy and increase the flexibility, efficiency and security of the System.



Run a more complex, dynamic and digital electricity system

Include tools for the electricity systems of the future using reliable, smart networks that help to ensure safe, competitive supply.

INVESTMENT IN SPAIN'S ELECTRICAL INFRASTRUCTURES 2021-2025



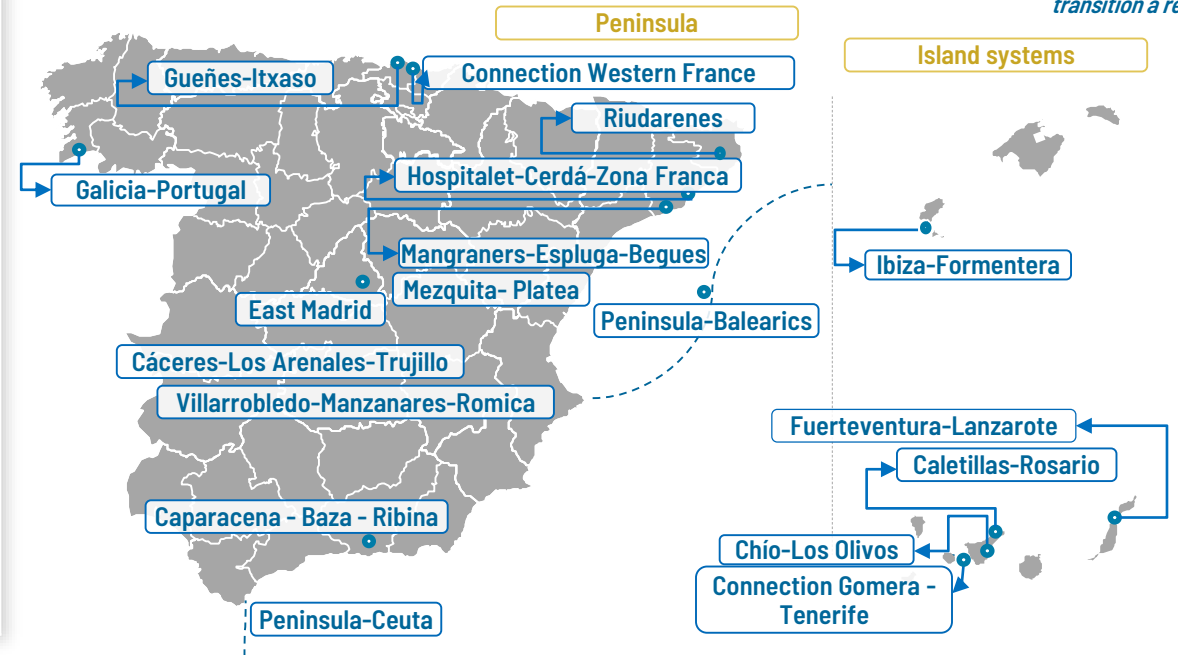
Make the energy transition a reality

SIGNIFICANT LEVELS OF INVESTMENTS AFTER THE APPROVAL OF THE INFRASTRUCTURE PLAN 21-26



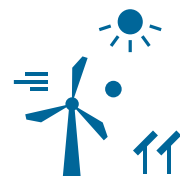
Investment in Transmission Grid: €2,846 M

- International connections France-Bay of Biscay.
- Connection Peninsula-Ceuta.
- Connections between islands in the Canaries and Balearics.
- Second connection Peninsula-Balearics.
- Connection Galicia-Portugal.
- Evacuation projects for renewable energy:
 - 230 km Caparacena-Baza-Ribina line (Andalusia).
 - 336 km Villarrobledo-Manzanares-Romica Axis (Castilla-La Mancha).
 - 235 km Mangraners-Espluga-Begues Axis (Catalonia).



Storage: €411 M

- Chira-Soria project.
- Tenerife project.

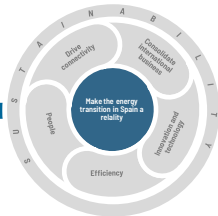


System operation: €92 M

New systems for operation and development of control systems.

Main actions shown prior to individual identification of actions in the draft Plan 21-26

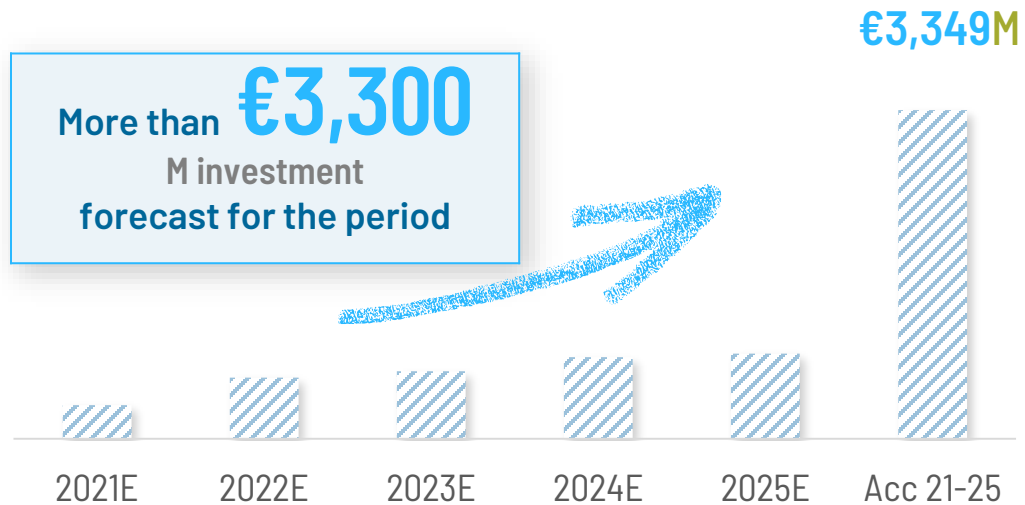
INVESTMENT IN SPAIN'S ELECTRICAL INFRASTRUCTURES 2021-2025



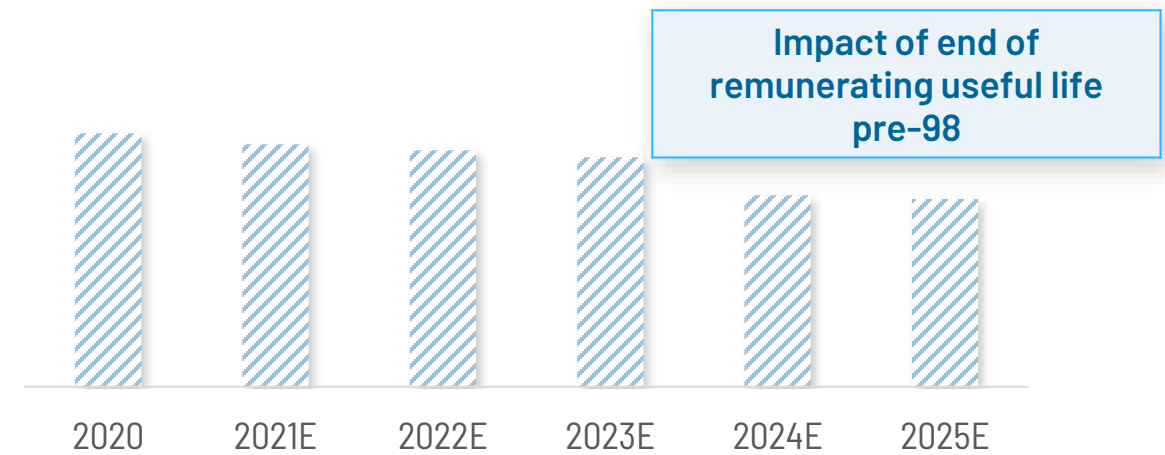
Make the energy transition a reality

Estimated growth of main figures 2021-2025. TSO

TSO INVESTMENTS

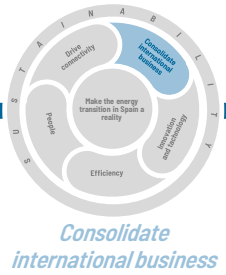


EBITDA ESTIMATED GROWTH



**Last years affected by the end of pre-98 assets useful life income.
2025 turning point for a company with strong potential growth from its asset base.**

CONSOLIDATE THE INTERNATIONAL PRESENCE OF THE RED ELÉCTRICA GROUP AS A SOURCE OF DIVERSIFICATION AND GROWTH



More than €1,300M invested in international assets up to 2020.
Critical mass in LatAm to drive organic growth.

PERU: 30-year concessions

- 1,558 km commercial use.
- 128 km under construction.
- EBITDA 2020: €35.8M.

BRAZIL: 30-year concessions

- 1,430 km commercial use.
- Argo II under construction.
- EBITDA 2020: €49.9M²

CHILE: assets held indefinitely

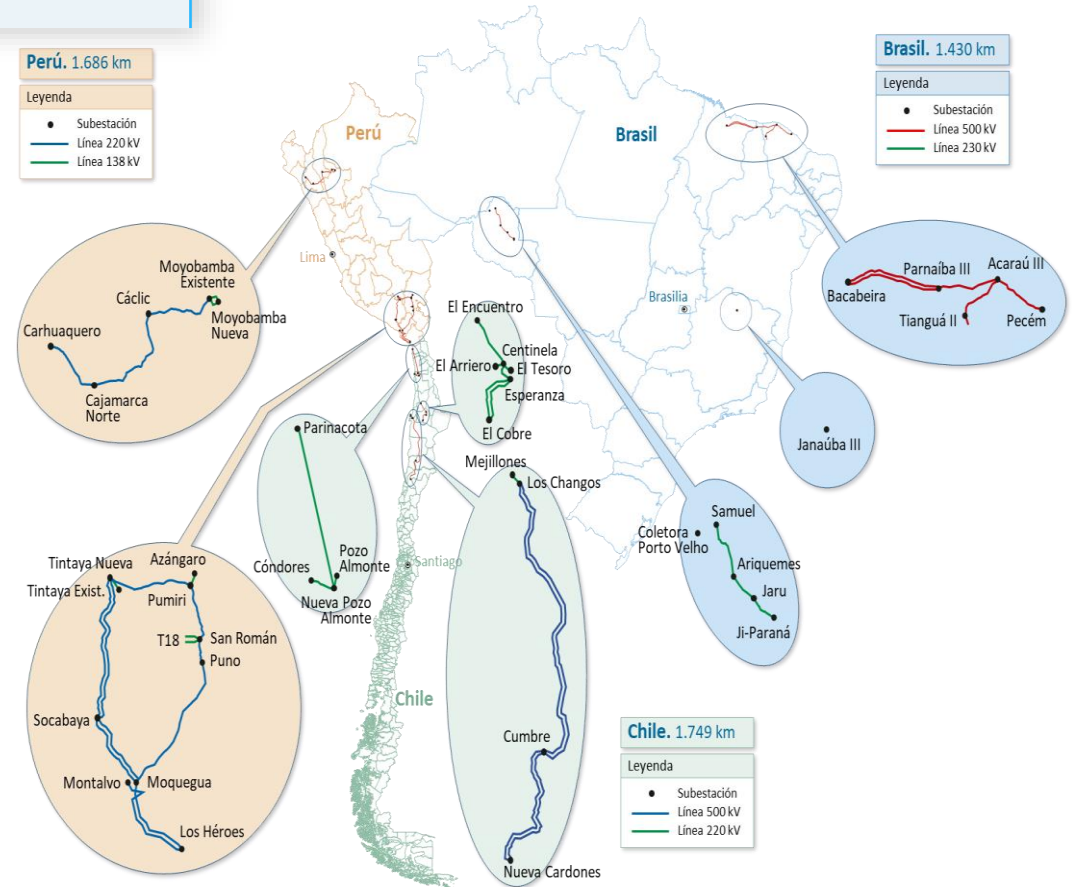
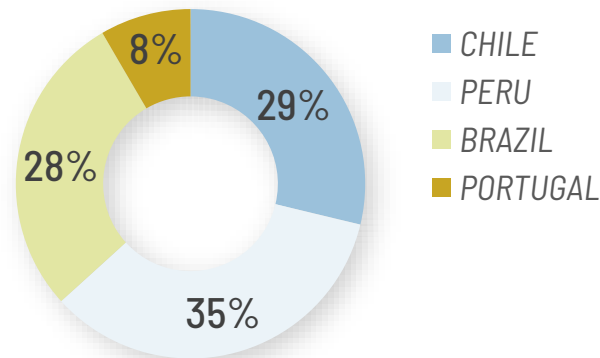
- 1,471 km commercial use.
- 278 km under construction.
- EBITDA 2020: €29.6M¹

PORTUGAL

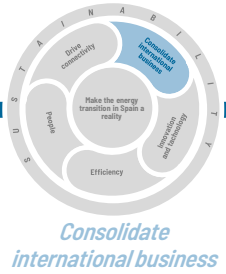
- 5% participation in REN.
- Dividends 2020: €5.7M

1. Includes 50% EBITDA from TEN.
 2. Includes 50% EBITDA from ARG0.

Distribution of international investment by countries



CONSOLIDATE THE INTERNATIONAL PRESENCE OF THE RED ELÉCTRICA GROUP AS A SOURCE OF DIVERSIFICATION AND GROWTH



Organic growth in Brazil, Peru and Chile

Participation in tender processes for transmission infrastructures that can be seen as strategic for the positioning of the RE Group. Completion of current projects.

Other developments

Growth of assets in third-party access, creation of a control centre in Chile and Peru for own and third-party facilities, rental of surplus dark optical fibre, etc.

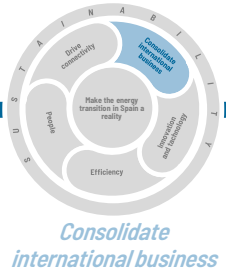
International investment: €224M

Peru: Commissioning Tesur 4, second circuit CCNCM.

Chile: Completion of Redenor and Redenor 2 transmission projects for our clients in the region for evacuating the renewable power generated. Expansion of the Centinela sub-station.

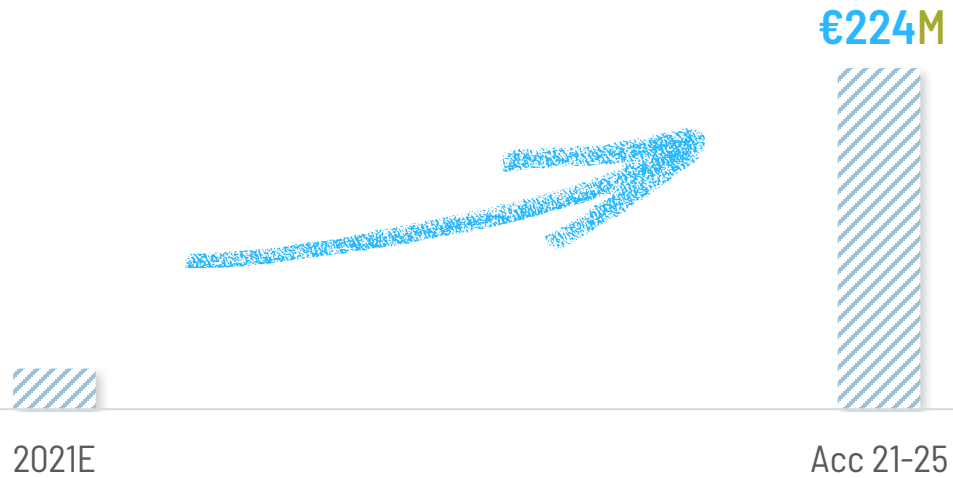
Brazil: Completion of current Argo projects.

INVESTMENT IN INTERNATIONAL ELECTRICAL INFRASTRUCTURES 2021-2025

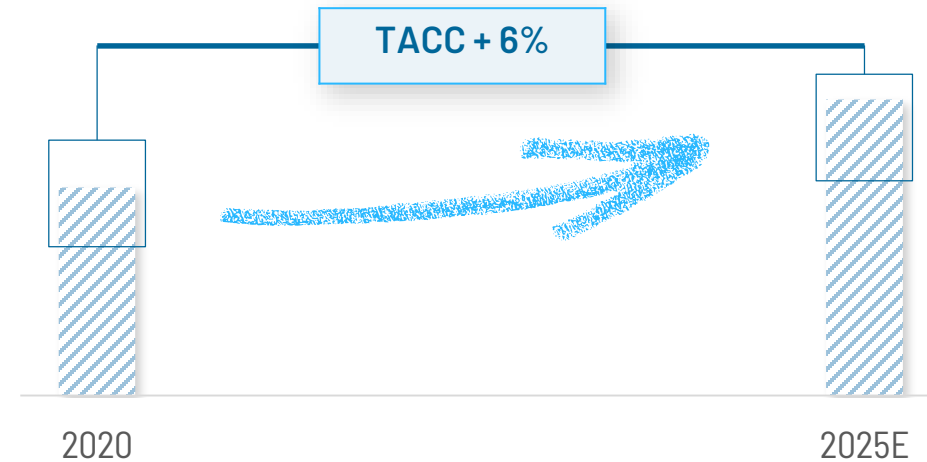


Estimated growth of main figures 2021-2025. International business

INVESTMENT

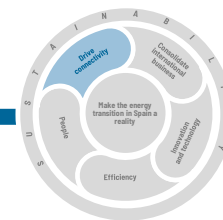


ESTIMATED GROWTH EBITDA

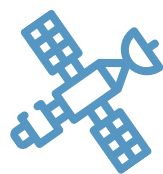


Strong growth in the period after the consolidation of the latest international business investments.

TELECOMMUNICATIONS ARE A KEY ELEMENT FOR PROGRESS TOWARDS BETTER CONNECTIVITY...



Drive connectivity



The satellite business as a tool to bridge the digital divide

- High-quality connectivity for homes and SMEs in rural areas and digital hubs to offer basic public services.
- Grow by following market trends: mobility and connectivity.
- Transformation of a satellite infrastructure company into a service company.



Boost the current optical fibre business

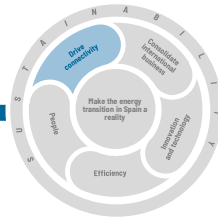
Include new types of clients, expand the service portfolio, or search for strategic partners who can support the search for new projects and/or markets.



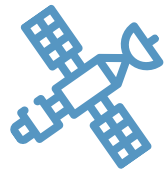
Develop new opportunities around the deployment of 5G

The deployment of 5G technology will require a larger optical fibre network to support the expected data traffic.

...MAKING INVESTMENTS AMOUNTING TO €735M



Drive connectivity



Satellite infrastructure investment: €620M

- New Amazonas Nexus satellite to replace AMZ 2, with new technologies that are more efficient and versatile.
- Transformation towards more vertical integration.
- Alliances to develop new vertical services with growth.

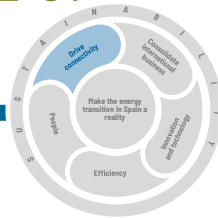


Investment in Reintel and 5G technology: €115M

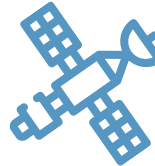
- “Renove” Plan for railway optical fibre, connection with customers and others.
- Deployment of 5G mobile network facilities in the infrastructures of the RE Group to allow connectivity among base stations.



HISPASAT: NEW STRATEGIC PLAN TO OPTIMISE CURRENT BUSINESS AND TAKE ADVANTAGE OF OPPORTUNITIES IN A SECTOR IN A PHASE OF TECHNOLOGICAL CHANGES

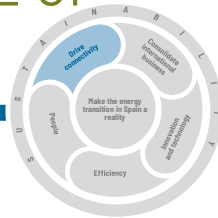


- Hispasat is the **world's 10th satellite operator** by revenue, 4th satellite operator in Latin America and leader in the distribution of content in Spanish and Portuguese. Consolidated base of stable strategic customers.
- Current fleet of **9 satellites** with an additional satellite in inclined orbit, with coverage of **Europe, North Africa and the Americas**, and 1 satellite under construction, **Amazonas Nexus**.
- **Main control centres** in Arganda del Rey and Serviente (Río de Janeiro), with back up centres in Tres Cantos (Madrid), Maspalomas (Gran Canaria) and Guaratiba (Rio de Janeiro). Own platforms for providing managed broadband services in Europe and the Americas.

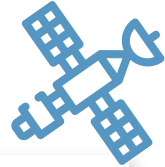


Drive connectivity

HISPASAT: NEW STRATEGIC PLAN TO OPTIMISE CURRENT BUSINESS AND TAKE ADVANTAGE OF OPPORTUNITIES IN A SECTOR IN A PHASE OF TECHNOLOGICAL CHANGES



Drive connectivity



MAIN STRATEGIC LINES

The strategy of Hispasat must:

- Consolidate its current markets (mainly Video in LatAm)...
- ...to invest in growing market segments along with the leaders (Mobility through alliances)...
- ...while offering a differentiated service that enables sustainability and growth for the company in the medium and long term.

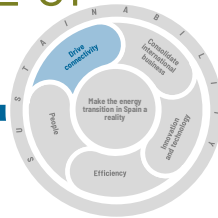
Continuity of current business: Video and Connectivity

- Continuity of LatAm business.
- Continuity of Spain and Portugal business.

Grow by following market trends: Mobility and Connectivity

Business diversification based on new technologies, services and alliances

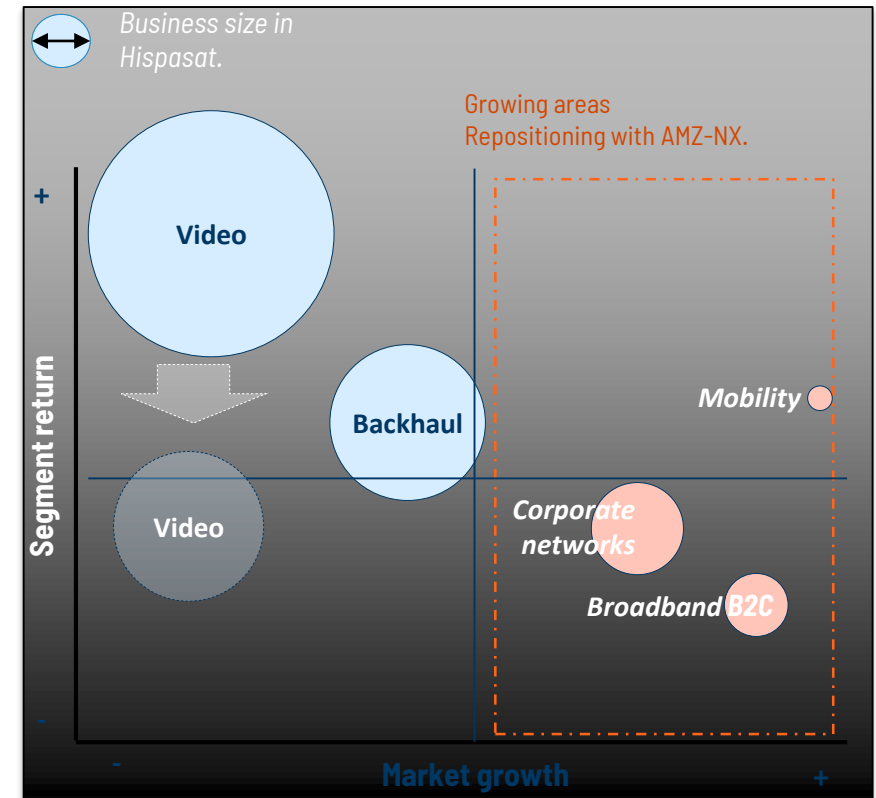
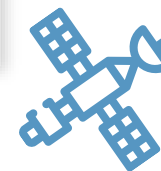
HISPASAT: NEW STRATEGIC PLAN TO OPTIMISE CURRENT BUSINESS AND TAKE ADVANTAGE OF OPPORTUNITIES IN A SECTOR IN A PHASE OF TECHNOLOGICAL CHANGES



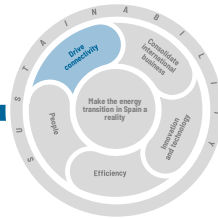
Drive connectivity

SITUATION AM-NX PROGRAMME

- The satellite will start testing in 2022 and is expected to be **fully operational in 2023**.
- **Investment** period over €200M.
- The AMZ-NX coverage is based on HTS capacity in **North and South America**, as well as the main **air corridors in the North and South Atlantic**.
- In the medium term, Hispasat must work to **consolidate its GEO-HTS capacity in Ku band** as the best option for connectivity with aeroplanes. AMZ-NX opens opportunities for collaboration with other operators who are deploying similar capacities.



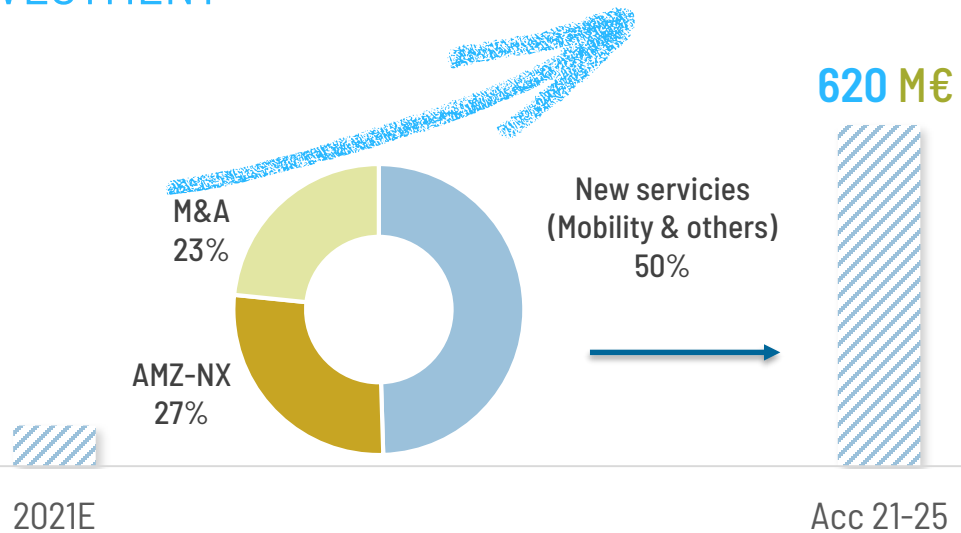
HISPASAT: NEW STRATEGIC PLAN TO OPTIMISE CURRENT BUSINESS AND SEIZE OPPORTUNITIES IN A SECTOR UNDERGOING TECHNOLOGICAL CHANGE



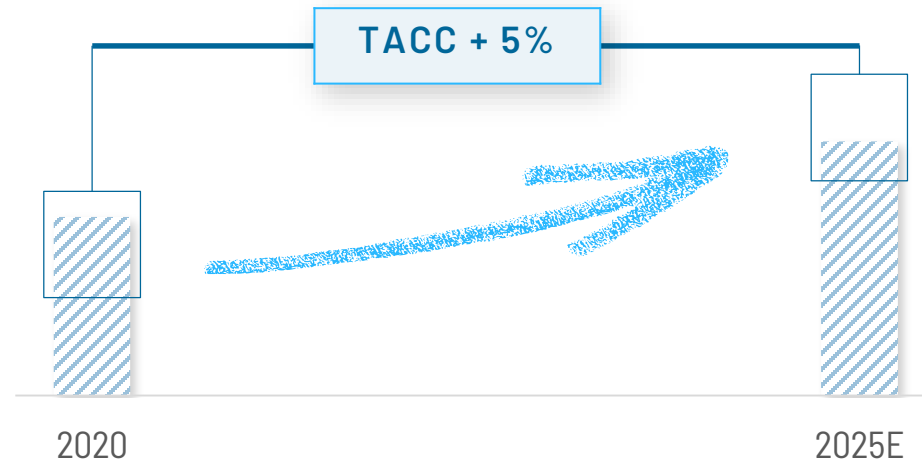
Drive connectivity

Estimated evolution of main magnitudes 2021-2025. Hispasat

INVESTMENT



EBITDA ESTIMATED EVOLUTION



Turning point in satellite business with new revenues from connectivity and mobility services, and launch of Amazonas Nexus.

DEVELOPMENT OF THE OPTICAL FIBRE BUSINESS AND NEW OPPORTUNITIES WITH THE DEPLOYMENT OF 5G NETWORKS



Drive connectivity

MAIN STRATEGIC LINES

Continue to develop the dark optical fibre business, expanding the target market and the product portfolio

- Expansion of the target market to regional and local telecommunications operators.
- Maintenance and renovation service for client telecommunications equipment in the electrical and railway sectors.
- Rental contracts from dark optical fibre network to neutral points.
- Develop connectivity capacity between systems and sub-systems with optical fibre.

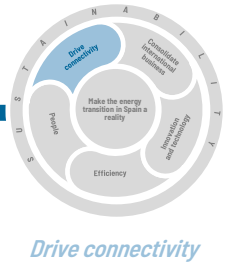
Strategic partners to support the search for new products and/or markets. Value alternatives inorganic growth

- Acquire portfolio of optical fibre contracts and infrastructures.
- Majority stake in optical fibre infrastructure operator at local and regional level.
- Commercial and strategic alliances for management and running optical fibre infrastructures.

Develop new opportunities around the deployment of 5G

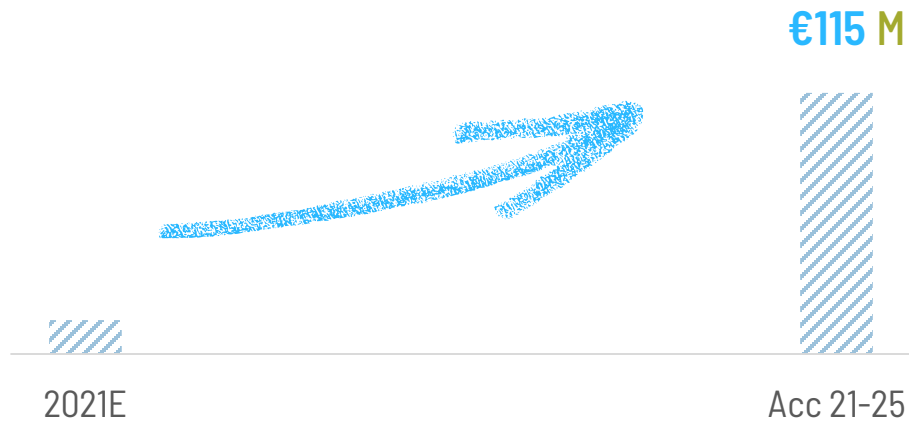
- Contribution of 5G mobile infrastructure network, based on the infrastructure of RE Group to enable connectivity between base stations.

DEVELOPMENT OF THE OPTICAL FIBRE BUSINESS AND NEW OPPORTUNITIES WITH THE DEPLOYMENT OF 5G NETWORKS

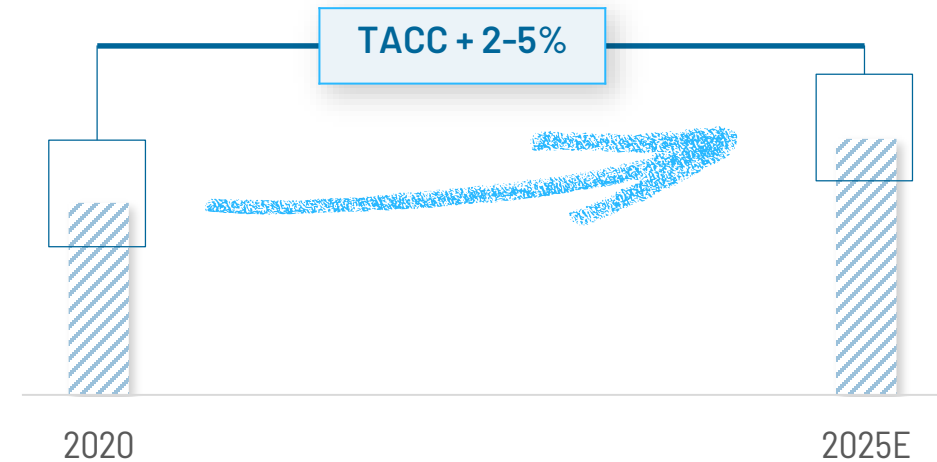


Estimated growth of main figures 2021-2025. Reintel + 5G

INVESTMENT

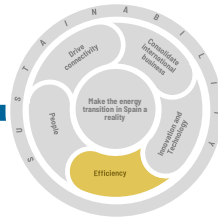


ESTIMATED GROWTH EBITDA



Growing need for optical fibre infrastructures and the deployment of 5G will increase the Group's value.

EFFICIENCY IN OPERATIONS, FINANCE AND CONTINUOUS IMPROVEMENT ARE KEY FACTORS TO DEVELOP OUR STRATEGIC PILLARS



Efficiency

Efficiency based on the generation of value through the **correct handling of resources**, identification of **synergies** and the **optimisation of processes**.



Optimisation of finance and capital

Adjust the financial structure to ensure the solvency of the Group, compliance with CNMC ratios and a solid credit rating.



Operating agility

Realign the most resource-intensive processes and transform the organisation to generate financial and operational efficiency.



Guarantee the continuity of Group services

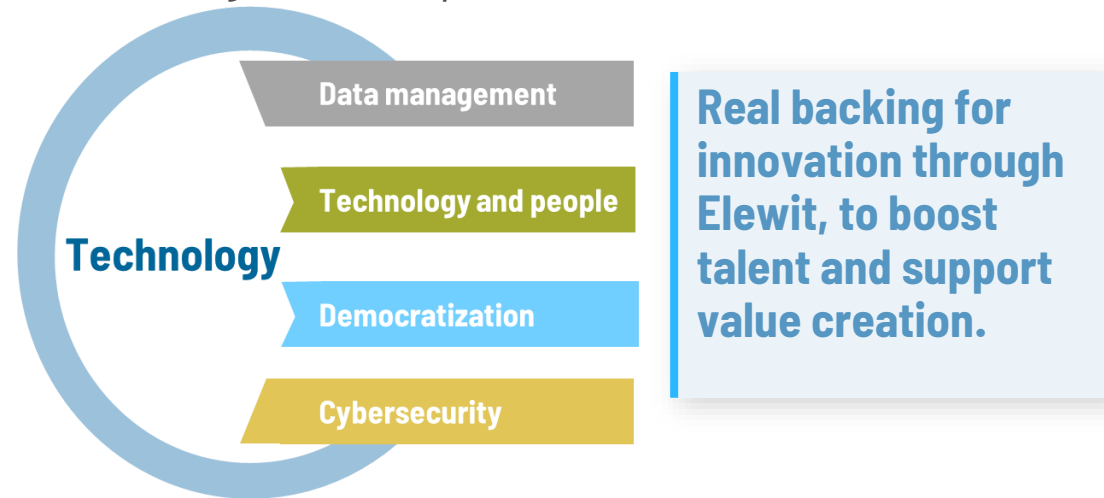
Anticipate and forestall possible future events that can affect the security of the Group.

Financial alternatives that can be activated when required by the market to optimise our capital structure.



INNOVATION AND TECHNOLOGY

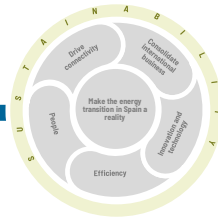
- Greater importance of **new technologies** in driving the group's business.
- Red Eléctrica is consolidating through **Elewit** its commitment to innovation, entrepreneurship and technological development.



PEOPLE

- Promote cultural transformation, sustainable management and convert the organisation into leadership as a **healthy company**.
- Promote people's safety and well-being to achieve **healthy workplaces**.
- Develop an innovative, agile and collaborative culture. **Promote talent**, anticipate needs and create an organisation capable of overcoming the challenges of the strategic plan in a changing environment.

WE WILL CONTINUE TO MOVE FORWARD IN OUR COMMITMENT TO SUSTAINABILITY AND ENSURE RESPONSIBLE MANAGEMENT OF THE GROUP'S BUSINESS.



Sustainability

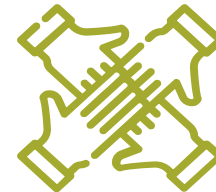
The Red Eléctrica Group focuses on the **creation of shared value through responsible development of its activities**, to advance towards compliance with the Sustainability Commitment for **2030** and maximise the contribution of all the companies in the Group to achieving the global targets, which include the United Nations' **Sustainable Development Goals (SDG)**. This commitment is also based on the roadmap to achieving a practically decarbonised economy in 2050.



... anticipate and respond to the challenges of the future,



... manifest the existing opportunities,



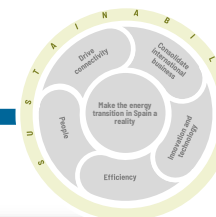
... generate positive impacts through alliances with our environment



... and raise awareness of the Group's role in sustainable development.

The Group's Strategic Plan sees Sustainability as a driver of energy transition and access to connectivity, with the ultimate goal of achieving climate neutrality in 2050.

OUR COMMITMENT TO SUSTAINABILITY IN 2030 IS INTENDED TO BE PERMANENT



Sustainability



Decarbonisation of the economy

- **Reduce** our GHG emissions by over 40%.
- **Empower 100% of society** to be actively involved in the energy transition process.
- **Safely integrate 100% of the renewable energy**, minimising waste and accelerating progress towards meeting the energy transition objectives.



Anticipating change and taking action

- **Leading technology player**, driving at least 120 technological innovation initiatives that contribute to energy transition and telecommunications, making the world a more connected, intelligent and sustainable place.
- **A leading company in the circular economy.**



Contribution to the improvement of the environment

- **Leader in gender equality: parity in management in 2030.**
- **Leader in diversity: inclusion of groups at risk of social exclusion as partners.**
- **Generate a positive net impact on the natural capital** in the areas around our facilities.
- **Eliminate the digital divide: 100% connection rate** for people in the areas around our facilities.

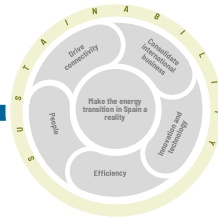


Responsible value chain

- **A driver of change for our suppliers.**
- **A company financed 100% with ESG criteria in 2030.**



LEADERSHIP IN THE MAIN SUSTAINABILITY INDICATORS



Sustainability

Prominent position and ample recognition in prestigious rankings that show our excellent level of commitment and firm belief in transparency and open business.



Consolidating our presence in ESG leadership with a high score.

- The RE Group is present in the European (**DJSI Europe**) and global indices (**DJSI World**). Recognised in 2020 as one of the best companies in the world for sustainability in the Electric Utilities sector.
- Recognised with the “**Silver Class**” in the S&P Global Sustainability YearBook 2021.
- Permanent position in the **FTSE4Good** index since 2008, and the **MSCI ESG** index, with the highest rating “AAA”.
- Recognised as category **A** in the **CDP list** for its commitment to the fight against climate change.
- Ranked first in the **Utilities/Network Operators** sector with an OEKOM B+ rating in Corporate Responsibility.
- Red Eléctrica was the first IBEX 35 company to apply the **SASB international report standard**.





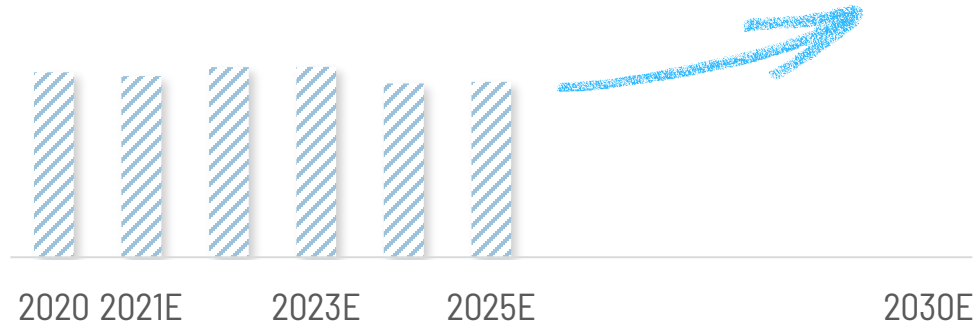
Financial targets and dividend policy 2021-2025

OBJECTIVES 2021 - 2025

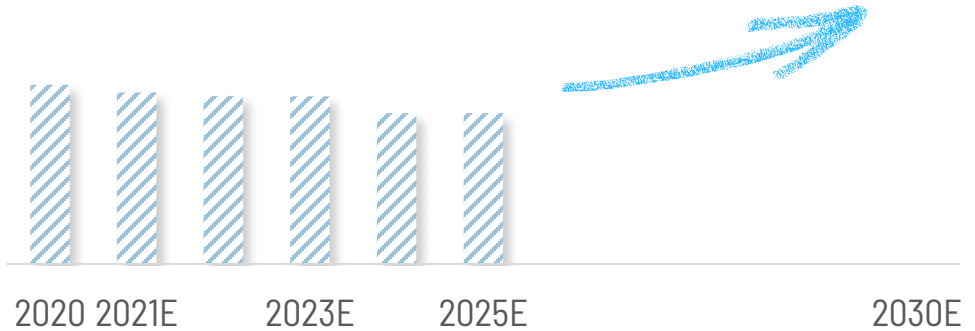
Changes in main figures

Visibility and clarity in the medium and long-term goals.

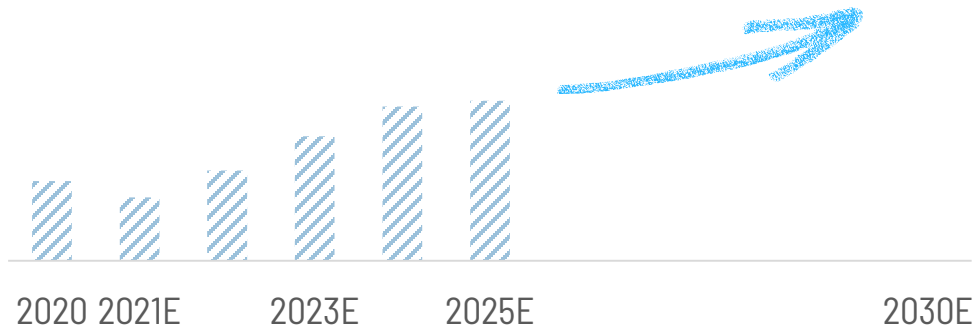
Turnover 2020-2025



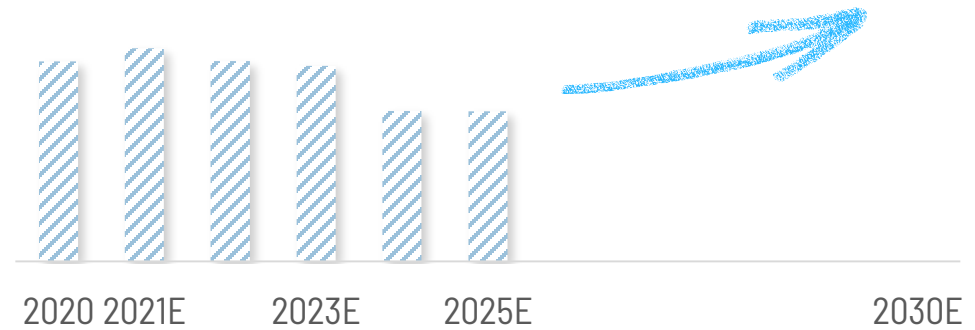
EBITDA



Transmission grid investment



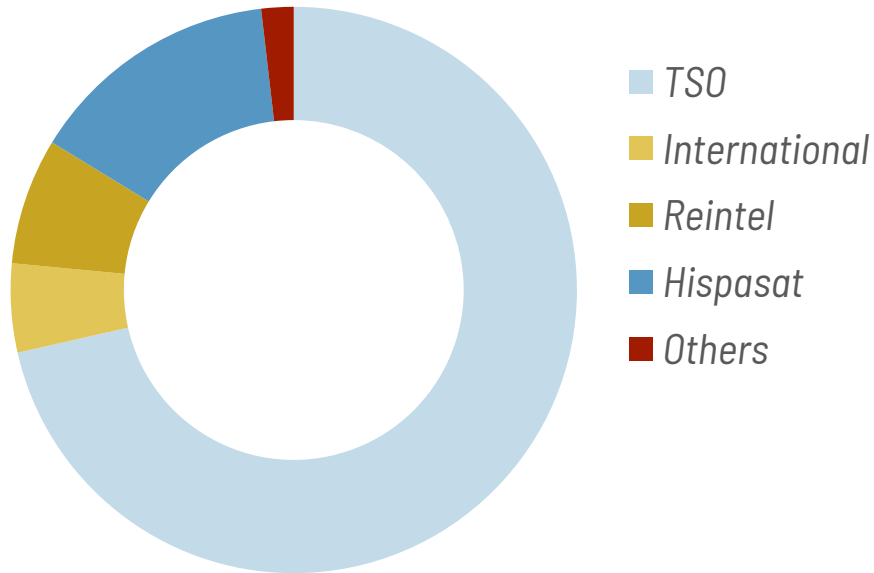
Net profit



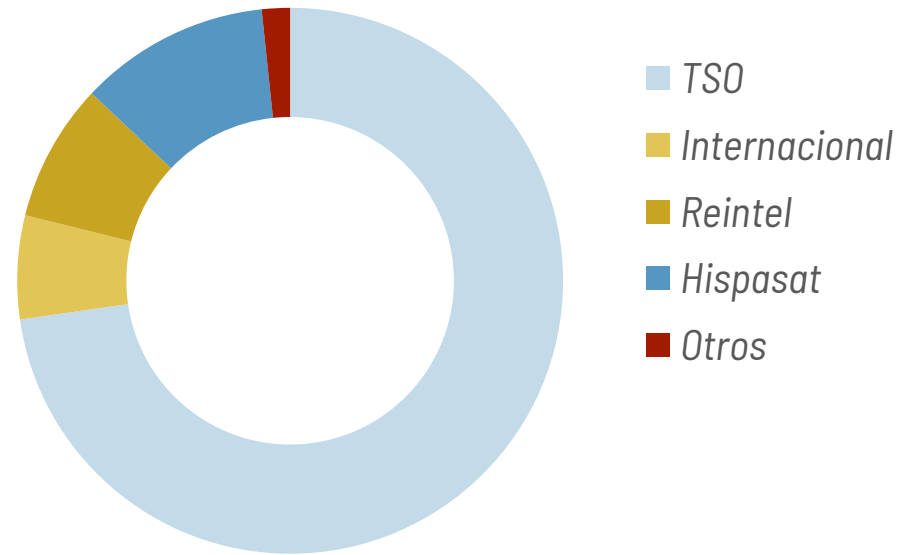
OBJECTIVES 2021 - 2025

Revenue distributed by business sector

Turnover 2025



EBITDA 2025



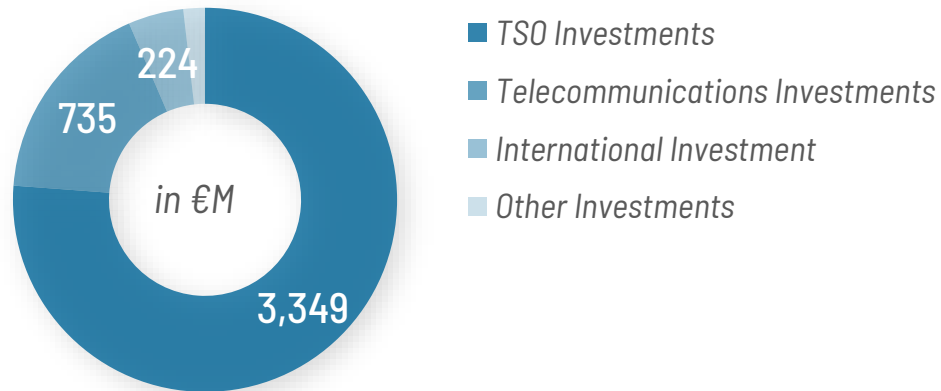
Regulated business will be around 80% of the Group's turnover in 2025. Diversification strategy partially offsets the TSO reduction in revenues impact.

OBJECTIVES 2021 - 2025

Financial objectives

Sustainable dividend policy aligned with a demanding growth profile.

Investments 2021-2025: €4,400 M (*)



Evaluation of strategic assets

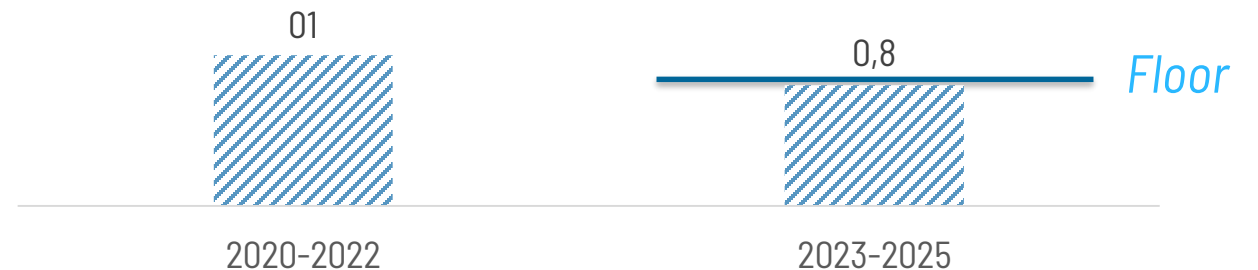
- Assess the value of the group's strategic businesses, through the incorporation of minority associates to boost its development.

Financial efficiency 2025

- EBITDA Margin 70%.
- FFO Ratio/ Debt >15%.
- Net debt/EBITDA <5x.
- Maintain solid credit rating (Use of hybrid credit instruments and assessment of alternatives).

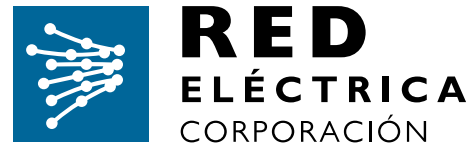
Dividend policy

€/share



(*) It does not include the effect of the projects presented in the Recovery Plan.

Thank you for your attention



www.ree.es



This document has been produced by Red Eléctrica Corporación, S.A. for the sole purpose expressed therein. It should not in any event be construed as an offer of sale, exchange or acquisition, or as an invitation to make any kind of offer, in particular for the purchase of securities issued by Red Eléctrica Corporación, S.A.

Its content is provisional and purely for information purposes and the statements it contains reflect the intentions, expectations and forecasts of Red Eléctrica Corporación, S.A. and its management. The content has not necessarily been verified by independent third parties and is, in any event, subject to negotiation, changes and modifications.

In this respect, neither Red Eléctrica Corporación, S.A. nor its directors, executives, staff, consultants or advisors or the companies belonging to its group (referred to collectively as its "Representatives") may be held liable for the precision, accuracy or integrity of the information or statements included in this document, and no form of explicit or implicit declaration or guarantee on the part of Red Eléctrica Corporación, S.A. or its Representatives may be construed from its content. Neither may Red Eléctrica Corporación, S.A. or any of its Representatives be held liable in any way (including negligence) for any damage that may arise from the use of this document or any information contained in it.

Furthermore, Red Eléctrica Corporación, S.A. does not assume any commitment to publish potential modifications or revisions to the information, data or statements contained in the document in the event of changes in strategy or intention, or any unforeseen events that may affect them.

This disclaimer should be taken into consideration by all the individuals or entities at whom this document is targeted and by those who consider that they have to make decisions or issue opinions related to securities issued by Red Eléctrica Corporación, S.A., especially analysts, notwithstanding the option to consult the public documentation and disclosures notified or registered with the Spanish stock market authority (CNMV), which Red Eléctrica Corporación, S.A. recommends all interested parties to do.

In addition to the financial information prepared in accordance with IFRSs, this Presentation includes certain Alternative Performance Measures ("APMs"), as defined in the Guidelines on Alternative Performance Measures published by the European Securities and Markets Authority on 5 October 2015 (ESMA/2015/1415es).

These APMs are used for the purpose of contributing to a greater understanding of the financial performance of Red Eléctrica Corporación, S.A., but must only be considered as additional information and, under no circumstances, replace the financial information prepared in accordance with IFRSs. Likewise, the manner in which Red Eléctrica Corporación, S.A. defines and calculates these APMs may differ from those of other entities that use similar measures and, therefore, may not be comparable. For further information on these matters, including their definition or the reconciliation between the corresponding management indicators and the consolidated financial information prepared in accordance with IFRSs, please see the information included in this regard in this presentation and the information available on the corporate website (www.ree.es).