

# FINANCIAL RESULTS

January - March 2022

27 April 2022



For the purpose of facilitating the understanding of the information provided in this document, certain alternative performance measures have been included. Their definition can be found at [www.ree.es](http://www.ree.es).

# Table of Contents

1. Main highlights.....	5
2. Earnings performance .....	12
3. Investments.....	16
4. Cash flow and balance sheet performance .....	17
Schedule 1. Consolidated Financial Statements (RE Group).....	20
Consolidated income statement .....	20
Consolidated balance sheet .....	21
Consolidated Cash Flow Statement .....	22
Financial calendar .....	22
Schedule 2. Sustainability certifications .....	23



# 1. Main highlights



## Spanish electricity system and energy transition

**The demand for electricity** has not yet reached the pre-pandemic levels, which means that the demand reached 64.3 TWh in the first three months of the year, 2.4% below that recorded in the first quarter of the previous year. Of this, 64% of electricity was generated through technologies that do not emit CO<sub>2</sub>. Wind generation, with a contribution of more than 24%, was the most widely used technology in this first quarter of the year.

The electricity sector is being influenced by the tense situation in the wholesale market since the end of 2021, which has been exacerbated by the war between Russia and Ukraine. In our country, as in others in our region, the **average price of electricity has again marked new records**. In March it reached nearly 300 EUR/MWh, even exceeding 500 EUR/MWh on one occasion, with the average price of this first quarter of 2022 being twice that recorded in 2021.

This situation is having a strong economic and social impact and has forced the Community and national authorities to take measures to try to mitigate its effects. In our country, **Royal Decree Law 6/2022**, which passed urgent measures within the framework of the "National Plan to respond to the economic and social consequences of the war in Ukraine", involving a significant package of aid for companies and families, facilitates the acceleration of investment in renewable energy and envisages setting a maximum price for natural gas, which is the main factor responsible for high electricity prices.

In this context, the role of Red Eléctrica becomes very important. The development of the national transmission grid allows the integration of new generation from renewable sources, which results in greater energy independence for the country and will allow a progressive reduction in the cost per kWh for households and companies as the weight of renewable generation increases. In this respect, it is worth noting that **the strength of our electricity system** has enabled a 30% increase in installed solar photovoltaic capacity, which has meant that generation with this technology will increase by almost 37% in 2021 and that renewable generation will reach a share of close to 47% in 2021, 10% more than in 2020.

In turn, in March, the Council of Ministers approved the **Spanish National Transmission Network Development for 2021-2026 Plan** (*Plan de Desarrollo de la red de transporte de energía eléctrica - PNIEC*). The future transport network aims to allow the mass integration of new renewable energy generation and to cover the needs for international interconnection and connection of non-peninsular territories, while maintaining and improving the security of the Spanish electricity system supply. The proposed transmission network for 2026 is an essential element to achieve the decarbonisation objectives proposed by the National Integrated Energy and Climate Plan (*Plan Nacional Integrado de Energía y Clima*) ("**PNIEC**"). The targets of this Plan for 2030 are to reduce foreign energy dependence from the current 74% to 59% or increase the percentage of renewable energy, which will mean 42% of the total energy used in that year and 74% for electricity. The estimated investment cost of all actions included in this plan is EUR 6.964 billion, of which EUR 1.260 billion relates to actions to

strengthen international interconnections with France (Gulf of Biscay), Portugal (northern interconnection), Morocco (third interconnection) and Andorra. This includes EUR 5.704 billion allocated to actions to strengthen the transport network that make up the national electricity system.

## TSO activity in Spain

Red Eléctrica continues to provide high levels of **quality of service**. The transmission network availability rate was 99.1% at 31 March, slightly above 98.5% reached in 2021. This improvement also occurred in the Balearic Islands, where it has gone from 98.6% to 98.8% and in the peninsular system, from 98.5% to 99.1%, with a slight drop from 99.2% to 99% in the Canary Islands.

With regard to **investment** for the development of the national electricity infrastructure, it should be noted that the acceleration begun last year continues. In this first quarter of the year, EUR 85.7 million were invested, up 23.3% from the investment made in the first three months of 2021. It is worth noting the efforts made with regard to interconnections, Galicia - Portugal, Ibiza - Formentera and Lanzarote - Fuerteventura, and the progress in the works on the Chira - Soria project.

## International electricity transmission

In this chapter, we highlight the business deal closed last 31 January for the acquisition of the Brazilian company Rialma through **Argo for EUR 32.4 million**. With this, 322 kilometres of 500 kV lines will be added to the assets managed in Brazil.

The **investment** allocated to the international business in the first quarter of the year amounted to EUR 6.5 million. This amount does not include the acquisition of Rialma by Argo, since this company consolidates in the Red Eléctrica Group by the equity method.

## Telecommunications

### Optical fibre

The process of selling 49% of Reintel to KKR continues and its completion is expected in the coming months, once the proper authorisations are obtained from the regulatory authorities.

The **investment** for the development of optical fibre has exceeded EUR one million, which is almost 16% higher than in the first quarter of the previous year.

## Satellite business

In the first quarter of the year, two important aspects of the satellite business are worth highlighting.

On the one hand, Hispasat reached an agreement to acquire 100% of **Axess Networks Solutions Holding, S.L.U.**, a transaction that values Axess's equity at USD 96 million. The acquisition of AXESS Networks is part of the actions defined in the HISPASAT Strategic Plan, which aims to make the Company a provider of satellite solutions and services in its target markets. The transaction will involve Hispasat more closely in the value chain of managed services, thus bringing closer proximity to clients, adaptive capacity and rapid evolution of its solutions in an industry that is experiencing strong technological disruption. The investment will take effect once the relevant authorisations are obtained from the regulatory authorities.

In addition, the **investment** allocated to the satellite business reached EUR 17.7 million, continuing the growing trend begun the previous year by incorporating the development works of the new Amazonas Nexus satellite.

## ESG

The Red Eléctrica Group joined the "**STEAM Alliance for Women's Talent**", whose mission is to promote specific initiatives that contribute to setting up an educational and training system that eliminates gender stereotypes associated with certain vocations and professions, promoting women's empowerment in fields of study related to science, technology, engineering, arts and mathematics ("STEAM"). All this, by starting from early stages of education, thus helping to eliminate the gender gap that has consolidated in the access to these careers by our young people.

It should also be noted that the Red Eléctrica Group improved its position and rating in the 2022 edition of the Bloomberg **Gender Equality Index** (GEI). To this end, the Group's current gender equality targets were assessed, among which two are noted: to grow from current 34.8% of female executives to 50% in 2030, increasing also female presence in technical positions, which for the most part are male-dominated.

Commitments to sustainability maintained by the Red Eléctrica Group have been reflected by its rating among the ten most **sustainable** companies of the world, according to **Sustainability Yearbook 2022**. S&P Global awarded the Plata recognition to the Company, including it among the five Spanish companies in the electricity sector with the best performance in social, environmental and economic matters of corporate governance.

## Innovation

The innovative nature of Red Eléctrica Group's actions was reflected in the **patent** for the **Salto de Chira hydroelectric plant design** using reverse pumping. The patented design provides the facility with storage of a power control and regulation capability over its entire operating range, from maximum in turbine mode, to minimum in pumping mode, on a continuous basis. The technical capabilities for the design and operation of the facility are adapted to the needs and, specifically, they address the configuration in a weak and isolated electricity system, such as the island system. This system has more difficulty controlling power imbalances and tends to be less stable, with these difficulties increasing due to the increased presence of renewable energy. The granting of this patent confirms that it is a unique design in the world that will put Gran Canaria at the forefront of hydraulic technology.

In addition, the aim is to take this innovative nature to the social level, through a new training proposal, aimed at **qualification of male and female workers** in the specialities required by the construction of the "Salto de Chira" project. In which case, close to 600 unemployed people from the construction sector can be trained to specialise in the specific knowledge necessary for the construction of the new hydroelectric plant, promoted by Red Eléctrica de España.

Lastly, it should be noted that the Red Eléctrica Group, through its subsidiary Elewit, searches for innovative designs for **high-voltage power line towers**. Up to now, designs based on the use of steel lattice towers on which electrical conductors are braced are used for the construction of the assets composing the power grid. The challenge is the search for solutions that use recyclable materials and help reduce their carbon footprint associated with their manufacture, installation, maintenance and dismantling at the end of their useful life. In addition, the proposals must focus on strengthening the safety of the professionals working in the facilities, also considering ways to improve their integration into the landscape.

## Interim dividend

Last 7 January, the interim dividend of EUR 0.2727 per share was paid out of 2021 results, which was the same as that distributed last year.





## 2. Red Eléctrica: Main Aggregates

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

## Business results March 2022

(Thousands of euros)	Management and Operation Electric Infrastructure		Telecommunications		Other businesses, Corp. and adjustments	<b>Total</b>
	Spain	International	Satellite Business	Fibre Optical		
<b>Revenue</b>	407,933	14,653	47,424	36,234	(5,743)	<b>500,501</b>
<b>Share in profit of companies accounted for using the equity method</b>	-	11,890	32	-	-	<b>11,922</b>
<b>Gross operating profit (EBITDA)</b>	306,288	21,913	34,705	28,067	4,442	<b>395,416</b>
<b>Net operating profit (EBIT)</b>	211,909	17,520	10,445	21,021	4,393	<b>265,288</b>
<b>Profit before tax</b>	193,608	13,557	8,853	20,958	4,822	<b>241,797</b>
<b>Result of financial year 1T22</b>	145,437	12,984	5,336	15,718	2,609	<b>182,083</b>

## Business results March 2021

(Thousands of euros)	Management and Operation Electric Infrastructure		Telecommunications		Other businesses, Corp. and adjustments	<b>Total</b>
	Spain	International	Satellite Business	Fibre Optical		
<b>Revenue</b>	403,900	12,325	38,582	34,042	(5,248)	<b>483,602</b>
<b>Share in profit of companies accounted for using the equity method</b>	-	7,039	1,704	-	-	<b>8,743</b>
<b>Gross operating profit (EBITDA)</b>	311,446	15,272	31,337	26,951	3,411	<b>388,418</b>
<b>Net operating profit (EBIT)</b>	221,926	11,263	9,907	20,024	3,216	<b>266,335</b>
<b>Profit before tax</b>	201,575	6,586	8,734	19,726	3,195	<b>239,816</b>
<b>Result of financial year 1T21</b>	151,430	6,623	7,318	14,794	946	<b>181,111</b>

## Other financial figures

<i>(Thousands of euros)</i>	<i>January - March</i>		
	<b>2022</b>	2021	$\Delta$ %
<i>FFO</i>	347,753	354,593	(1.93%)
<i>Investments</i>	121,344	81,899	48.16%
<i>Dividends paid</i>	147,061	146,984	0.05%

## Consolidated balance sheet

<i>(Thousands of euros)</i>	<b>March 2022</b>	December 2021	$\Delta$ %
<i>Non-current assets</i>	11,182,866	11,097,069	0.77%
<i>Equity</i>	3,941,765	3,685,131	6.96%
<i>Net financial debt</i>	5,588,284	5,647,879	(1.06%)

## Credit rating

<i>Agency</i>	<i>Credit rating</i>	<i>Outlook</i>	<i>Date</i>
<i>Standard &amp; Poor's</i>	A-	Stable	18 March 2022
<i>Fitch Ratings</i>	A-	Stable	15 October 2021

## 3. Profit performance



### Income

The joint sum of **revenue** and **earnings of investee companies** reached EUR 512.4 million, up 4.1% of that recorded in the first quarter of the previous year. Its performance per activity was as follows:

- **Management and operation of national electricity infrastructure:** The revenue generated by this activity reached EUR 407.9 million, compared to EUR 403.9 million in the previous year. This increase is mainly linked to electricity transmission, where the system operator's income levels were similar to those recorded in the first quarter of 2021.
- **International electricity transmission:** The revenue together with the amount of the companies rated by the equity method amounted to EUR 26.5 million, compared to EUR 19.4 million in the first quarter of 2021. This significant increase is mainly due to transactions in Brazil, from the entry into service of Argo II and Argo III, the annual income update and, finally, due to the improvement in the exchange rate compared to the previous year.
- **Telecommunications:** the revenue plus the contribution of the earnings of the investee companies amounted to EUR 83.7 million in this first quarter of the year, compared to EUR 74.3 million in the previous year, which represents an increase of 12.6%.
  - **Satellite business:** The satellite business figure, provided by Hispasat, recorded EUR 47.5 million. Income and contribution from investee companies amounted to EUR 40.3 million last year. This increase, nearly 18%, is primarily due to the contribution of the business acquired in Latin America for video management, incorporated into the scope of consolidation in May 2021, and to positive changes in the exchange rate.
  - **Optical fibre:** the optical fibre business, in which Reintel operates, has reached EUR 36.2 million in revenue, EUR 2.2 million higher than in the previous year. The linkage of some contracts to inflation has been largely the main cause of this development.

## Operating expenses

Operating expenses			
	January - March		
(Thousands of euros)	2022	2021	Δ %
Supplies and other operating expenses	87,355	75,239	16.10%
Staff expense	45,102	43,570	3.52%
<b>TOTAL OPERATING EXPENSES</b>	<b>132,457</b>	<b>118,808</b>	<b>11.49%</b>

Operating costs reached EUR 132.5 million in this first quarter of the year, which represents an increase of 11.5% over the previous year. This development is explained by:

- **Procurement and other operating expenses**, which reached EUR 87.4 million, up 16.1% from the same quarter of the previous year. This item includes EUR 10 million in higher costs due to the start of the special maintenance plan on critical assets of the Spanish transmission network, which is to be carried out in 2022 and 2023 related to the anticipation of certain actions in the maintenance of critical assets to increase security of supply, as mentioned in the report on earnings made last February.
- **Staff expenses** stood at EUR 45.1 million, increasing by 3.5%, compared to the amount recorded in the first quarter of 2021. This increase can be explained mainly by the growth in the average headcount by 82 employees, compared to the first quarter of 2021, of which 67 are in Hispasat after the incorporation of the businesses acquired in Peru in May 2021.

To make a homogeneous year-on-year comparison, without taking into account the above EUR 10 million in maintenance costs and the increase in Hispasat Peru's workforce and other operative expenses, the increase in operating expenses stood at 1.5%, which emphasises the efforts to contain the Group's costs in a high inflation environment, as shown in the table below:



	<i>Euro Million</i>
<i>Operative Expenses 1Q22</i>	<i>132.5</i>
<i>- Special maintenance plan and expenses linked to Hispasat Peru</i>	<i>11.8</i>
<i>Comparable Operative Expenses 1Q22</i>	<i>120.7</i>
<i>% Change compared 1Q21</i>	<i>1.5%</i>

The **final headcount** on 31 March, reached a total of 2,143 employees, compared to 2,052 in the previous year. Likewise, the Group's average headcount reached 2,132 employees, with 2,051 in 2021. This development is mainly explained by the inclusion of new staff in the recently acquired satellite business, as mentioned above.

## Results

**Net operating profit (EBITDA)** stood at EUR 395.4 million, up 1.8% compared to that obtained in the first quarter of the previous year. By activities, EBITDA performance is explained by:

- **Management and operation of national electricity infrastructure:** lower EBITDA contribution of EUR 5.2 million. Increase in revenue does not compensate for the increase in operating costs, since this item includes the expenses associated with the maintenance plan for critical assets. Without this item, the EBITDA generated by this activity would have been greater than that of 2021.
- **International electricity transmission:** in this quarter, a greater EBITDA was generated of EUR 6.6 million than in the first three months of 2021. The greater contribution of the Brazilian Argo is largely responsible for this increase.
- **Telecommunications:** they generate a higher EBITDA of EUR 4.5 million, of which approximately 75% is provided by satellite activity.

**Net operating profit (EBIT):** The higher depreciation and amortisation rates with lower allocation of subsidies are mainly the cause for this item falling 0.4%, compared to the first quarter of 2021, to stand at EUR 265.3 million.

**Net finance expense** stood at EUR -23.5 million, compared to EUR -26.5 million in the first quarter of 2021. The lower average cost of debt, which stood at 1.46% in 2022 compared to 1.52% in 2021, together with lower average financial debt, are the reason for this improvement. The average gross financial debt stood at EUR 6,507 million, compared to EUR 6,670 million for the same period in the previous year.

**Effective Corporation Tax rate** of the Group stood at 24.4%, similar to 24.2% of the first quarter of the previous year.

Lastly, the **Earnings of the period** reached EUR 182.1 million, which was 0.5% better than that recorded in the same 2021 period. Calculated by lines of business, the performance of this item is as follows:

- **Management and operation of national electricity infrastructure:** The net profit attributed to this activity stood at EUR 145.4 million, which is EUR 6.0 million below 2021. This decrease is due to the lower EBITDA, as mentioned above.
- **International electricity transmission:** The earnings from this activity stood at EUR 13.0 million, almost twice that generated in the first quarter of the previous year. This development is mainly a result of the good progress of operations in Brazil.
- **Telecommunications:** The earnings from this activity were EUR 1.4 million lower than the first quarter of 2021. Earnings from the **satellite business** fell by EUR 2.3 million, mainly due to the lower contribution to the satellite business by Hisdesat, a company in which Hispasat has a stake, as well as higher in tax rates. In turn, earnings from **optical fibre** activities improved by EUR 0.9 million due to higher EBITDA.

## 4. Investments

### Investments

<i>(Thousands of euros)</i>	<i>January - March</i>		
	<b>2022</b>	2021	$\Delta$ %
<i>Management and operation of national electricity infrastructure</i>	85,679	69,475	23.32%
<i>Management and operation of international electricity infrastructure</i>	6,490	6,069	6.94%
<i>Satellite Business</i>	17,667	1,817	872.32%
<i>Optical fibre</i>	1,295	1,117	15.94%
<i>Other investments</i>	10,213	3,421	198.54%
<b>TOTAL</b>	<b>121,344</b>	<b>81,899</b>	48.16%

**Investments** made by the Group in the first quarter have recorded a sharp increase, reaching EUR 121.3 million, which is 48.2% above that invested in the first three months of 2021.

Investments allocated to **management and operation of national electricity infrastructure** amounted to EUR 85.7 million, compared to EUR 69.5 million in the previous year. This increase of 23.3% is due to the increased investment in interconnections as well as greater investment for the storage project in the Canary Islands.

With regard to the management and operation of **international** electricity infrastructures, EUR 6.5 million were allocated, up 6.9% from the first quarter of 2021. In addition, the above investment made in Rialma through Argo should be noted, even if it is not included in this table.

The sharp increase of investments allocated to the **satellite** business is noticeable, mainly due to the investment associated with the new Amazonas Nexus satellite. Other investments include various corporate projects and those developed by the technological subsidiary Elewit.



# 5. Cash flow and balance sheet performance



## Cash Flow Performance

### Cash flows

	January - March		
	2022	2021	Δ %
<i>(Thousands of euros)</i>			
Profit before tax	241,797	239,816	0.83%
Adjustments to results <sup>(1)</sup>	149,273	141,497	5.50%
Other cash flows from operating activities <sup>(2)</sup>	(43,317)	(26,720)	62.11%
<b>Operating cash flow after taxes</b>	<b>347,753</b>	<b>354,593</b>	<b>(1.93%)</b>
Changes in working capital, excluding time deposits <sup>(3)</sup>	1,835	92,065	-
<b>Cash flows from operating activities <sup>(3)</sup></b>	<b>349,588</b>	<b>446,658</b>	<b>(21.73%)</b>
Investments	(121,344)	(81,899)	48.16%
Changes to suppliers of PP&E	(10,878)	(40,322)	(73.02%)
Changes in other assets and liabilities	7,397	13,030	-
<b>Free cash flow for the shareholder</b>	<b>224,763</b>	<b>337,467</b>	<b>(33.40%)</b>
Dividends paid	(147,061)	(146,984)	0.05%
Movements that do not involve cash flows <sup>(4)</sup>	(18,107)	(19,912)	(9.06%)
<b>Change in net financial debt</b>	<b>(59,595)</b>	<b>(170,571)</b>	<b>(65.06%)</b>

<sup>(1)</sup> Basically depreciation and amortisation of non-current assets, subsidies for non-financial assets and sharing in profits of companies accounted for using the equity method.

<sup>(2)</sup> Mainly includes cash movements associated with the corporate tax, interest and dividends received.

<sup>(3)</sup> Time deposits excluded from these items amounted to EUR 100 million.

<sup>(4)</sup> Mainly includes exchange rate changes and adjustments for amortised cost.

**Operating cash flow after taxes (FFO)** stood at EUR 347.8 million, an amount slightly lower than that generated in the first quarter of the previous year. Increases in profit before tax and profit adjustments were offset by the decrease in the item "Other cash flows from operating activities", due to higher tax payments and the application of provisions, including the sanction for the incident in Tenerife in September 2019.

**Changes in working capital**, excluding time deposits, contributed EUR 1.8 million, compared to EUR 92.1 million in the first quarter of the previous year.

As explained above, **investments** show a growth of 48% over the same period of the previous year.

Performance of these items, together with the negative contribution of change in suppliers of PP&E and changes in other assets and liabilities, caused the **free cash flow for the shareholder** to go from EUR 337.5 million in the first quarter of 2021 to EUR 224.8 million in the first quarter of this year.

**Net financial debt** decreased by EUR 59.6 million compared to the beginning of the year. This was due to the free cash flow generated for the shareholder that offset the interim dividend payment made on 7 January, as well as other movements that do not involve cash flow.

## Performance of Net Financial Debt

**Net financial debt** at 31 March stood at EUR 5,588.3 million, down 1.1% from EUR 5,647.9 billion at the end of 2021.

<b>Net financial debt (*)</b>			
<i>(Thousands of euros)</i>	<i>National currency</i>	<i>Foreign currency</i>	<b>Total</b>
<i>Non-current debt securities</i>	3,630,378	363,174	3,993,552
<i>Long-term loans</i>	1,905,311	405,974	2,311,285
<b>Total gross financial debt</b>	<b>5,535,689</b>	<b>769,148</b>	<b>6,304,837</b>
<i>Cash, liquid methods and time deposits</i>	(660,841)	(55,712)	(716,553)
<b>Total net financial debt</b>	<b>4,874,848</b>	<b>713,436</b>	<b>5,588,284</b>

*(\*) Debt classified according to its original contracting, without considering short-term transfers.*



At 31 March, the Group's total financial debt was long term. As regards interest rates, 86% of the Group's net debt is at a fixed rate, while the remaining 14% is at a floating rate.

The average cost of the Group's financial debt was 1.46%, compared to 1.52% in the same period of the previous year.

In turn, the average balance of gross debt stood at EUR 6,507 million, compared to EUR 6,670 billion in the same period of the previous year.

On 18 March, the credit rating agency Standard & Poor's ratified the Red Eléctrica Group rating at the "A-" level.

Likewise, at 31 March, 39% of the Group's financing also included ESG criteria.

## Equity performance

At 31 March 2022, the **Equity** of the Red Eléctrica Group reached EUR 3,941.8 million, which represents an increase of 7.0% compared to December 2021. This increase is mainly due to the positive contribution of profit for the year and the variation in value change adjustments due to better exchange rates of the US dollar and the Brazilian real, as well as a better appraisal of interest rate derivatives made to cover future debt maturities.

## Schedule 1. Consolidated Financial Statements (RE Group)

**Consolidated income statement**










<i>(Thousands of euros)</i>	<b>31 March 2022</b>	31 March 2021	2022/2021
<b>Net revenue</b>	<b>500,501</b>	<b>483,602</b>	<b>3.49%</b>
<i>Own work capitalised</i>	14,745	11,637	26.72%
<i>Share in the profits of companies accounted for using the equity method (with activities similar to those of the Group)</i>	11,922	8,743	36.36%
<i>Procurements</i>	(4,100)	(5,226)	(21.55%)
<i>Other operating income</i>	705	3,244	(78.28%)
<i>Staff expense</i>	(45,102)	(43,570)	3.52%
<i>Other operating expenses</i>	(83,256)	(70,013)	18.91%
<b>Gross operating profit (EBITDA)</b>	<b>395,416</b>	<b>388,418</b>	<b>1.80%</b>
<i>Amortisation/depreciation of non-current assets</i>	(134,011)	(129,128)	3.78%
<i>Release of subsidies related to non-financial assets</i>	3,878	7,019	(44.76%)
<i>Impairment and gains/losses on disposals of fixed assets</i>	5	26	-
<b>Net operating profit</b>	<b>265,288</b>	<b>266,335</b>	<b>(0.39%)</b>
<i>Financial income</i>	1,423	169	-
<i>Financial expenses</i>	(26,123)	(27,010)	(3.28%)
<i>Exchange gains/losses</i>	819	323	-
<i>Change of fair value in financial instruments</i>	391	0	-
<b>Net financial expense</b>	<b>(23,491)</b>	<b>(26,519)</b>	<b>(11.42%)</b>
<b>Profit before tax</b>	<b>241,797</b>	<b>239,816</b>	<b>0.83%</b>
<i>Income tax expense</i>	(59,060)	(58,034)	1.77%
<b>Consolidated profit for the period</b>	<b>182,737</b>	<b>181,782</b>	<b>0.53%</b>
<b>A) Consolidated profit attributable to the parent company</b>	<b>182,083</b>	<b>181,111</b>	<b>0.54%</b>
<b>B) Consolidated profit attributable to non-controlling interests</b>	<b>654</b>	<b>671</b>	<b>(2.54%)</b>

<b>Consolidated balance sheet</b>		
<i>(Thousands of euros)</i>	<b>31 March 2022</b>	31 December 2021
<b>ASSETS</b>		
<i>Non-current assets</i>	11,182,866	11,097,069
<i>Current assets</i>	2,030,943	2,887,410
<b>Total assets</b>	<b>13,213,809</b>	<b>13,984,479</b>
<b>LIABILITIES</b>		
<i>Equity</i>	3,941,765	3,685,131
<i>Non-current liabilities</i>	7,394,406	7,325,936
<i>Current liabilities</i>	1,877,639	2,973,412
<b>Total liabilities</b>	<b>13,213,809</b>	<b>13,984,479</b>

**Consolidated Cash Flow Statement**

<i>(Thousands of euros)</i>	<b>31 March 2022</b>	31 March 2021
<b><i>Cash flows from operating activities</i></b>	<b>249,588</b>	<b>446,658</b>
<i>Profit before tax</i>	241,797	239,816
<i>Adjustments to the results</i>	149,273	141,497
<i>Changes in working capital</i>	(98,165)	92,065
<i>Other cash flows from operating activities</i>	(43,317)	(26,720)
<b><i>Cash flows from investment activities</i></b>	<b>(127,265)</b>	<b>(111,130)</b>
<i>Payments for investments</i>	(132,222)	(122,221)
<i>Collections for disinvestments</i>	427	5,280
<i>Other cash flows from investing activities</i>	4,530	5,811
<b><i>Cash flows from financing activities</i></b>	<b>(1,081,721)</b>	<b>(192,472)</b>
<i>Proceeds/(payments) relating to equity instruments</i>	3,619	-
<i>Proceeds/(payments) relating to financial liability instruments</i>	(935,576)	(47,115)
<i>Dividend payments</i>	(147,061)	(146,984)
<i>Other cash flows from financing activities</i>	(2,703)	1,627
<b><i>Effect of variations in exchange rates</i></b>	<b>1,524</b>	<b>312</b>
<b><i>Net increase/(decrease) in cash and cash equivalents</i></b>	<b>(957,874)</b>	<b>143,368</b>
<i>Cash and cash equivalents at beginning of period</i>	1,574,427	481,772
<i>Cash and cash equivalents at end of period</i>	616,553	625,140

## Schedule 2. Sustainability certifications

 <p>Member of <b>Dow Jones Sustainability Indices</b> <small>Powered by the S&amp;P Global CSA</small></p>	<p>The Company was once again placed on the DJSI World index.</p>	 <p><b>Sustainability Award</b> Silver Class 2022 <b>S&amp;P Global</b></p>	<p>"Silver Class" recognition in the publication "The Sustainability Yearbook 2022 of S&amp;P Global".</p>
 <p><b>FTSE4Good</b></p>	<p>Continued inclusion in the FTSE4Good index (*).</p>	 <p>Member 2019/2018 <b>STOXX</b> ESG LEADERS INDICES</p>	<p>Continued inclusion in the STOXX Global ESG Leaders indices.</p>
 <p><b>MSCI</b></p>	<p>Continued inclusion in the MSCI ESG index with a maximum rating of "AAA".</p>	 <p><b>NYSE EURONEXT</b> <b>vigeo</b></p>	<p>Continued inclusion in the Euronext-Vigeo (Eurozone 120, Europe 120 and Global 120).</p>
 <p><b>ETHIBEL</b> SUSTAINABILITY INDEX <small>EXCELLENCE EUROPE</small></p>	<p>Continued inclusion in the Ethibel Sustainability Index Excellence Europe.</p>	 <p>Corporate Responsibility <b>Prime</b> rated by <b>oekom research</b></p>	<p>The Company obtained the Prime status granted by Oekom to leading companies in the industry.</p>
 <p><b>Bloomberg</b> Gender Equality Index 2022</p>	<p>Continued inclusion the Bloomberg Gender Equality Index.</p>	 <p><b>CDP</b> DISCLOSURE INSIGHT ACTION</p>	<p>Included in CDP's list A- for its commitment to fighting climate change.</p>
 <p><b>BME</b> BOLSAS Y MERCADOS ESPAÑOLES a SIX company</p>	<p>The Company was included in the Ibex Gender Equality Index.</p>		

(\* ) FTSE Group confirms that Red Eléctrica Corporation has been independently assessed in accordance with FTSE4Good criteria and meets the requirements to be ranked in the FTSE4Good indices, the global index created by the FTSE Group. FTSE4Good is a stock market index designed to facilitate investment in companies that comply with the social responsibility standards recognised around the world. Companies included in the FTSE4Good index have met strict environmental, social and corporate governance criteria, and they are positioned to take advantage of the benefits of responsible business practice.



## UPCOMING EVENTS

### Estimated dates

2022 Final dividend	July 2022
Presentation of 1H 2022 results	July 2022



MEMBER OF  
**Dow Jones  
Sustainability Indices**  
In Collaboration with RobecoSAM

## For more information

Visit our website: [www.ree.es](http://www.ree.es)

or contact us at: [Investor relations](mailto:relacioninversores@ree.es)

Paseo del Conde de los Gaitanes, 177  
28109 Alcobendas (Madrid)  
Telephone (34) 91 650 20 12

[relacioninversores@ree.es](mailto:relacioninversores@ree.es)

## Disclaimer

*This document has been produced by Red Eléctrica Corporación, S.A. for the sole purpose expressed in it. Under no circumstances should it 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.*

*Neither Red Eléctrica Corporación, S.A. nor its directors, executives, staff, consultants or advisers 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 express or implied 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 loss 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 who are specifically addressed by this document 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.*