



The value of the essential

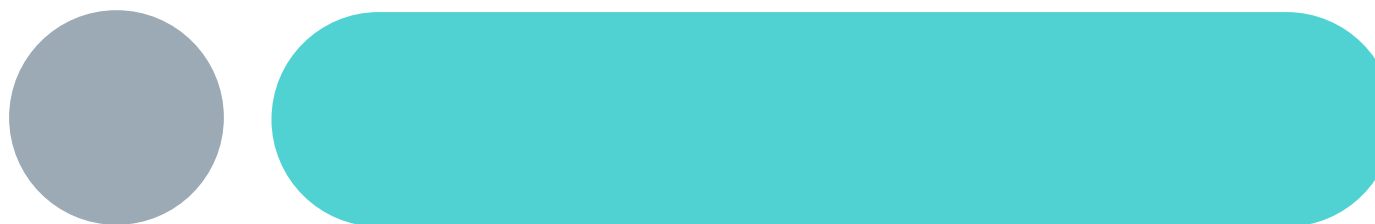
Financial results

January-June 2022

27 July 2022

[redeia.com](https://www.redeia.com)





The Consolidated Financial Statements included in the financial information presented in this document have been audited. This information was drawn up in accordance with International Financial Reporting Standards (IFRS). 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

<https://www.redeia.com/en/shareholders-and-investors/financial-information/alternative-performance-measures>



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ETH/USD
NEOS/USD
ZEC/USD
ADA/USD
BCH/USD

Crypto
1845.97
MARKET OPEN
1845.45+0.04

1757.00
222.8
80.00
70.00
60.00
50.00

1845.97
1842.00

1839.00
1836.00
1833.00

1830.00
1827.00
1824.20

1. Main highlights

Redeia, the new brand of the Red Eléctrica Group

Red Eléctrica Corporación, S.A. (“the Company”) has renewed its image to respond to the business needs resulting from its performance, growth and diversification, becoming a **manager of essential and global infrastructure in the energy and telecommunications field**. This new brand encompasses all its businesses: Red Eléctrica, Reintel, Hispasat, Redinter, the new brand of our international subsidiary, and Elewit, five benchmark companies and leaders in their sectors. The Company’s new brand was presented on 7 June during the 2022 Annual General Meeting.

The Company is launching its new position, “**the value of the essential**”, which reflects its history of bringing high voltage electric power to every corner of Spain, operating the electrical system ensuring security of supply at all times, making connectivity possible through fibre optics and more recently through Hispasat’s satellites, and sharing our knowledge with Latin America, all with a commitment to innovation as its hallmark.

Increasing the dividend and strengthening the Group’s balance sheet

The sale of the 49% non-controlling interest in **Reintel** to KKR for EUR 995.6 million was completed on 29 June. The transaction resulted in the recognition of a capital gain of EUR 919 million in the Group’s equity. Following completion of this process, Redeia’s Board of Directors decided to increase shareholder remuneration with a charge to profit for **2023**, so the **dividend** will be EUR 1 per share in that year, compared to the EUR 0.8 envisaged in the strategic plan. They also decided to **strengthen the equity of Red Eléctrica de España, S.A.U.** by EUR 900 million, which will allow it to take on the demanding challenges arising from the energy transition with greater financial robustness.

Spanish electricity system and energy transition

The electricity market continues to be impacted by the tense geopolitical situation in Europe, to the point that, in some countries, the **security of supply** during the coming winter is being questioned, with fears spreading that there could be situations in which electricity demand cannot be met. In Spain, the high proportion of renewable energy sources, its geographical location and the origin of the fuels used for electricity generation offer additional protection against possible disruptions in the supply of fuel.

Concerns regarding security of supply are accompanied by a general increase in **electricity prices** as a result of higher fuel prices. The average daily price recorded in the Spanish spot market was above EUR 200/Mwh during these first 6 months of the year, 80% above the average price recorded over the course of 2021.

To combat this spike in electricity prices, **Royal Decree 10/2022** was approved in Spain, which temporarily establishes a mechanism for adjusting production costs to reduce the price of electricity on the wholesale market.

The strength of the Spanish transmission system and the capacities developed in operating the system have allowed Spain to become the second European country, only behind Germany, with the highest wind and solar electricity generation. Spain generated a total of 86 TWh from these renewable energy sources in 2021.

Electricity demand in the first half of the year reached 125 TWh, down 1.2% on the same period of the previous year. 45.6% of the electricity generated in Spain was produced by renewable technologies. Electricity generated from wind power was the most widely used, accounting for 23% of the total generated between January and June this year. With a long-term view, the European Union launched the **REpowerEU Plan** in May in response to the difficulties and disruptions in the energy market caused by the Russian invasion of Ukraine, with three main objectives: energy saving, clean energy production and diversification of supply. Accordingly, 45% of final energy consumption is to come from renewable sources by 2030, compared to the previous 32%. These measures also include new procedures recommended to speed up the process for new renewable projects. Member states will have to adapt their integrated energy and climate plans to the new targets.

TSO activity in Spain

Red Eléctrica continues to provide high levels of **service quality** to the electricity system. The availability levels of the transmission grid stood at 98.4% in Spain, with 98.4% on the mainland, 98.7% in the Balearic Islands and 99.3% in the Canary Islands, which is in line with the level reached in the previous year.

As regards the construction of a single European electricity market, it should be noted that as of May the **programming** for the operation of the mainland system is adapted to **15-minute periods**, which will allow the allocation and settlement of system adjustment services and as from 2024 the Spanish electricity system will be connected to the platforms that manage balancing services at the European level, with the aim of optimising the use of international interconnections and generating maximum possible efficiencies among all systems.

Likewise, the new **network access capacities** adapted to the 2021-2026 plan were published in June and these data will be updated on a monthly basis. Having this information is essential to know which nodes of the Spanish transmission grid have available capacity for accessing and connecting new generation. The interest in this information was demonstrated by the fact that the online presentation organised on June 15 was followed by 1,500 people.

TSO investments in Spain

The TSO's investment amounted to **EUR 202.8 million, almost 11% higher** than in the first half of the previous year.

As regards investment activity, the most noteworthy milestones in the last quarter were as follows:

- The commissioning of the **Lanzarote-Fuerteventura** interconnection, thus reinforcing the security of supply between these islands.
- Significant progress in meshing projects and improving the reliability and quality of the network, particularly the **Sabinal** axes on the island of Gran Canaria and the **Madrid East Plan**.
- Completion of the scheduled work on the first phase of the **submarine link between Ibiza and Formentera**, which will enable this important infrastructure for the Balearic Islands to be brought into service by the end of 2023.
- The **Spain-Portugal North interconnection** received a favourable environmental impact statement. This project, which was declared to be of common interest to the European Union, will lead to estimated annual savings of EUR 22 million and a reduction of 150,000 tonnes of CO2 per year by increasing the use and integration of renewable energies.
- Start of the last phase of administrative procedures for the future **electricity interconnection between Spain and France through the Bay of Biscay**. This step led to the commencement of the second public information period of the project in Spain, considering the best technical, social and environmental solution, as a result of the agreement. The new interconnection will double the exchange capacity between France and Spain from 2,800 MW to 5,000 MW, strengthening both electricity systems and making progress on the integration of renewable energy in line with the energy transition objectives.
- Progressing on the first phase of work on the **Salto de Chira** pumping station in Gran Canaria.

International electricity transmission

As regards international business, the performance of the Brazilian subsidiary **Argo** is noteworthy of mention.

First, the acquisition of Rialma on 31 January for a total of BRL 389 million should be noted, which represented an investment for Redeia of 50% of its interest in accordance with its shareholding in ARGO, equivalent to EUR 32.4 million.

The commissioning of the subsidiaries ARGO II and ARGO III, the inclusion of Rialma in the scope of consolidation, the updating of remuneration parameters and a favourable change in the exchange rate allowed Argo's contribution to Redeia's profit to increase from EUR 10.4 million in the first half of 2021 to EUR 27.3 million this year.

Furthermore, the investment process in which REDINTER, our international subsidiary, is involved both in Peru and Chile continued with the completion of the Tesur4 project in Peru and the Redenor and Redenor2 projects in Chile. The related investment amounts to EUR 15.7 million.

Telecommunications

Fibre optics

On 29 June, once the relevant authorisations had been obtained, the sale of 49% of Reintel, the Group's fibre optic business, to the KKR fund was completed. It was sold for a total of EUR 995.6 million.

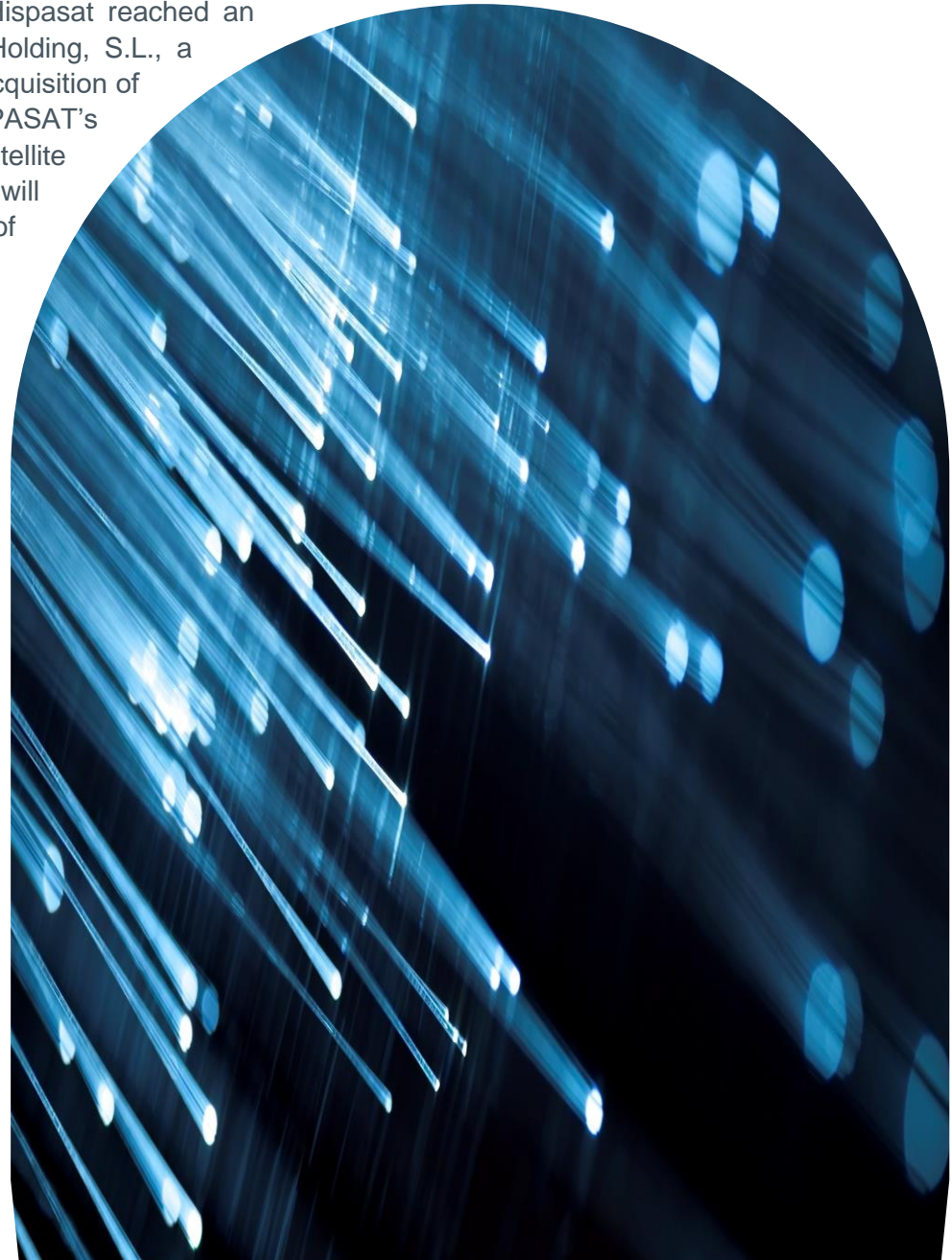
The addition of KKR to Reintel's shareholder structure is expected to facilitate the achievement of the Company's objectives and provide it with greater strength in the dynamic Spanish communications transmission market through fibre optics.

Satellite business

Noteworthy of mention in the first half of the year is that Hispasat reached an agreement to acquire 100% of Axess Networks Solutions Holding, S.L., a transaction that values Axess' equity at USD 96 million. The acquisition of AXESS Networks forms part of the actions defined in HISPASAT's Strategic Plan, aimed at making the company a provider of satellite solutions and services in its target markets. The transaction will mean greater involvement of Hispasat in the value chain of managed services, thus facilitating a closer relationship with the customer, the ability to adapt and rapidly change its solutions in a sector that is undergoing strong technological disruption. The investment will become effective once the relevant authorisations have been obtained from regulatory authorities.

As regards operations, the positive contribution to revenue and to profit of the satellite business by Hispasat Perú, S.L. during the full six-month period is worth noting. It should be noted that this line of business was included in the scope of consolidation of the Hispasat subgroup in May 2021.

In addition, progress continues to be made on the new Amazonas Nexus satellite project, which is scheduled for launch early next year.



ESG

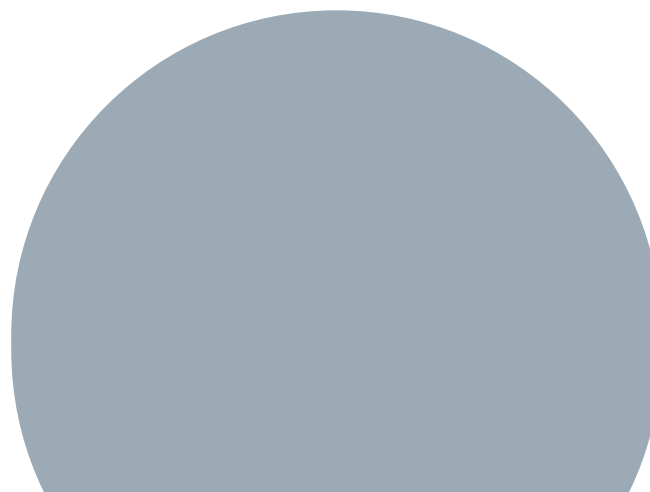
In accordance with the European Taxonomy, 80% of Redeia's business activity in this half of the year is environmentally sustainable since it contributes to the achievement of European climate change objectives, in accordance with the European Union's Taxonomy Regulation, which considers that electricity transmission activity contributes to mitigating global warming. The rest of Redeia's activities, such as telecommunications, are not yet covered by the European Taxonomy framework.

This emphasis on environmental protection and the social environment is evident in the investment projects carried out by Redeia, where it works with the authorities and society to minimise its environmental impact and avoid any impact on the historical and cultural heritage of the areas in which the projects are carried out.

Lastly, on 14 July the credit rating agency **Standard & Poor's** issued a report on the environmental, social and governance (ESG) assessment of Redeia's activity. The ESG assessment gives Redeia an overall score of 82 out of 100, reflecting the fact that, in Standard & Poor's opinion, Redeia is a key player in the energy transition and can help Spain meet its renewable energy generation and emissions reduction targets for 2030.

Final dividend

On 1 July, Redeia paid a final dividend for 2021 of EUR 0.7273 per share. The total dividend paid with a charge to profit for this year amounted to EUR 1 per share, as envisaged in the Group's Strategic Plan.



2. Red Eléctrica: Main aggregates

Income statement

<i>(Thousands of euros)</i>	January-June			April-June		
	2022	2021	Δ %	2022	2021	Δ %
Revenue	1,003,224	975,853	2.8%	502,723	492,251	2.1%
Share in the profit of companies accounted for using the equity method	27,774	15,528	78.9%	15,852	6,784	133.7%
EBITDA	784,604	771,269	1.7%	389,188	382,852	1.7%
EBIT	524,091	527,538	(0.7%)	258,803	261,204	(0.9%)
Profit before tax	479,723	477,912	0.4%	237,926	238,096	(0.1%)
Profit for the year	363,026	358,170	1.4%	180,944	177,059	2.2%

Results by business - June 2022

<i>(Thousands of euros)</i>	Management and operation of electricity infrastructure		Telecommunications		Other businesses, corporate and adjustments	Total
	Spain	International	Satellite business	Fibre optics		
Revenue	815,409	30,359	95,542	73,038	(11,124)	1,003,224
Share in the profit of companies accounted for using the equity method	-	27,304	470	-	-	27,774
EBITDA	602,128	47,462	69,799	56,657	8,561	784,604
EBIT	413,975	38,487	20,420	42,564	8,644	524,091
Profit before tax	377,986	33,224	16,929	42,336	9,248	479,723
Profit for the year	284,103	31,948	9,802	31,752	5,421	363,026

Results by business - June 2021

<i>(Thousands of euros)</i>	Management and operation of electricity infrastructure		Telecommunications		Other businesses, corporate and adjustments	Total
	Spain	International	Satellite business	Fibre optics		
Revenue	809,022	24,479	83,272	69,362	(10,282)	975,853
Share in the profit of companies accounted for using the equity method	-	13,277	2,251	-	-	15,528
EBITDA	615,329	29,466	65,341	55,692	5,443	771,269
EBIT	436,244	21,446	22,300	41,702	5,846	527,538
Profit before tax	393,816	17,949	19,989	41,121	5,038	477,913
Profit for the year	295,838	16,864	14,415	30,841	212	358,170

Other financial aggregates

<i>(Thousands of euros)</i>	January-June			April-June		
	2022	2021	Δ %	2022	2021	Δ %
FFO	620,522	632,329	(1.9%)	272,769	277,736	(1.8%)
Investments	273,414	252,798	8.2%	152,070	170,899	(11.0%)
Dividends paid	151,665	146,984	3.2%	4,604	0	-

Consolidated balance sheet

<i>(Thousands of euros)</i>	June 2022	December 2021	Δ %
Non-current assets	11,334,131	11,097,068	2.1%
Equity	4,731,682	3,685,131	28.4%
Net financial debt	4,374,652	5,647,879	(22.5%)

Credit rating

Agency	Credit rating	Outlook	Date
Standard & Poor's	A-	Stable	26/04/2022
Fitch Ratings	A-	Stable	15/10/2021

3. Earnings performance

Revenue

The total **revenue** and **profit of the investees** amounted to EUR 1,031.0 million, up 4.0% on the first half of 2021, with all businesses posting growth. The changes by activity were as follows:

- **Management and operation of national electricity infrastructures:** The revenue generated by this line of business amounted to EUR 815.4 million, slightly higher than that recognised in the previous year (+0.8%).
- **International electricity transmission:** The revenue and profit of the investees involved in this business activity amounted to EUR 57.7 million, up 52.7% on the figure recognised at June 2021, when it stood at EUR 37.8 million. This change is the result of the following:
 - The revenue from international business activity rose from EUR 24.5 million in the first half of 2021 to EUR 30.4 million in this year. This 24.0% year-on-year increase is mainly linked to a revision of the income and organic growth in Chile and Peru (EUR 3.5 million) and a favourable change in the exchange rate (EUR 2.4 million).
 - The profit from the investments in the international business stood at EUR 27.3 million, up 106% on the same period of the previous year. The increased activity related to the Brazilian subsidiary ARGO, due to the commissioning of ARGO II and ARGO III and the acquisition of ARGO IV (Rialma), contributed with EUR 7.3 million. In addition, a favourable exchange rate, the effect of which was EUR 1.9 million, together with the update of the regulatory parameters in Brazil, were responsible for this positive performance.
- **Telecommunications:** This business generated revenue and profit from investees of EUR 169.0 million in the first half of 2022, up 9.1% on that generated in the previous year.
 - **Satellite business:** The revenue generated by the satellite business, of which Hispasat forms part, improved by 14.7% in the first half of the year compared to the same period the previous year, reaching EUR 95.5 million. Higher sales, the effect of the full half of the year of the acquisitions carried out in the previous year in Peru and the favourable change in the exchange rate, estimated at EUR 4.2 million, explain this positive performance. The share in the profit of the investees amounted to EUR 0.5 million.
 - **Fibre optics:** The fibre optics business, which includes Reintel, generated EUR 73.0 million in revenue, EUR 3.7 million more than in the first six months of 2021 (5.3%). The link of some contracts to inflation is the main reason for this change.

Operating expenses

Operating expenses

(Thousands of euros)	January-June			April-June		
	2022	2021	Δ %	2022	2021	Δ %
Supplies and other operating expenses	188,103	164,129	14.6%	100,748	88,890	13.3%
Personnel expenses	91,649	88,213	3.9%	46,547	44,643	4.3%
Total operating expenses	279,752	252,342	10.9%	147,294	133,533	10.3%

Operating costs amounted to EUR 279.8 million in the first half of 2022, an increase of 10.9%. Comparable operating expenses, not including the effect of non-comparable expenses (the execution of a specific maintenance programme and costs associated with new business lines in Peru), grew by only 2.1%, which demonstrates the pre-emptive and efficiency measures to contain the effects of inflation.

- **Supplies and other operating expenses** increased from EUR 164.1 million in the first half of 2021 to EUR 188.1 million in the half of this year. The change by business, not including consolidation adjustments, amounts to EUR 18 million for the regulated business in Spain, EUR 4.4 million for the international electricity business and EUR 6.5 million for the telecommunications business. This figure includes some EUR 20 million related to a specific maintenance programme for critical assets that will end in 2023, as already mentioned on previous occasions, and EUR 2.4 million, basically as a result of expenses related to the acquisitions made by Hispasat in Peru in May 2021.
- **Personnel expenses** amounted to EUR 91.6 million, an increase of 3.9% compared to the first half of 2021. A larger workforce and contained salary increases explain this change.

The **final headcount** at 30 June stood at 2,157 employees, compared to 2,085 in the previous year. The **average headcount** for the year was 2,142 employees, with 2,062 in the first half of 2021. This change is mainly explained by the inclusion in the Group of 34 people from the satellite business line acquired in Peru, 20 people as a result of the transformation plan undertaken by Hispasat and 21 new people in the regulated business, associated with the increased investment plans it is undertaking.

Profit

Therefore, EBITDA amounted to EUR 784.6 million, up 1.7% on the first six months of the previous year. The change in EBITDA, by business activity, was due to:

- **Management and operation of national electricity infrastructures:** The EBITDA generated amounted to EUR 602.1 million, compared to EUR 615.3 million in the same period of the previous year (-2.1%). This difference is largely explained by the higher expenses associated with the regulated activity linked to the maintenance plans for critical assets.
- **International electricity transmission:** The EBITDA generated grew by 61.1% compared to the first half of 2021 to EUR 47.5 million. The sound performance of the revenue and profit of the investees, combined with contained operating costs, explain this performance.
- **Telecommunications:** EBITDA from telecommunications activities amounted to EUR 126.5 million, up EUR 5.4 million on that recognised in the previous year (4.5%). As regard the **satellite business**, EBITDA improved by EUR 4.5 million, with higher revenue partially offset by higher operating and personnel expenses related to the increase in the average headcount mentioned above. The EBITDA of the fibre optics business improved by EUR 1 million, up 1.7% on the previous year.

Net operating profit (EBIT) stood at EUR 524.1 million, down 0.7% on that recognised in the same period of 2021. The reason for this drop is due to the changes in “depreciation and amortisation charge, allocation to profit or loss of grants related to income and impairment”, which rose from EUR 243.7 million in the first half of 2021 to EUR 260.5 million in the first half of this year. The increases in these line items of more than EUR 9 million in the regulated business and more than EUR 6 million in the satellite business are of particular note.

The **net finance expense** amounted to EUR -44.4 million, compared to EUR -49.6 million in 2021. The lower average cost of debt, which went from 1.53% in the first half of 2021 to 1.46% in 2022, and a lower average gross financial debt balance, from EUR 6,705 million in January-June 2021 to EUR 6,431 million in the same period this year, largely explain this improvement.

The Group’s **effective corporation tax rate** was 24.1%, compared to 24.7% in the first half of the previous year. This slight drop in the tax rate is mainly the result of the higher contribution to the profit of companies accounted for using the equity method.

Lastly, **profit for the period** amounted to EUR 363.0 million, up 1.4% on that posted in the first half of 2021. The performance of this line item, by business line, is as follows:

- **Management and operation of national electricity infrastructures:** The net profit attributed to this activity amounted to EUR 284.1 million in the first half of the year, down EUR 11.7 million on the figure posted in the first half of 2021. This decrease is mainly due to lower EBITDA, as mentioned above.
- **International electricity transmission:** Net profit from this activity stood at EUR 31.9 million in the period, as compared with EUR 16.9 million in the previous year. The good performance of the Brazilian subsidiary ARGO is largely responsible for this improvement.
- **Telecommunications:** Net profit from this activity decreased from EUR 45.3 million in the first six months of 2021 to EUR 41.6 million in the same period of this year. The improvement in the fibre optics business was absorbed by the poor performance of Hispasat in the first half of the year.

4. Investments

Investments

(Thousands of euros)	January-June			April-June		
	2022	2021	Δ %	2022	2021	Δ %
Management and operation of national electricity infrastructure	202,833	183,130	10.8%	117,154	113,555	3.2%
Management and operation of international electricity infrastructure	15,680	15,059	4.1%	9,190	8,990	2.2%
Satellite business	33,143	43,880	(24.5%)	15,476	42,063	(63.2%)
Fibre optics	2,683	2,527	6.2%	1,388	1,410	(1.5%)
Other investments	19,075	8,202	132.6%	8,862	4,881	81.6%
Total (*)	273,414	252,798	8.2%	152,070	170,899	(11.0%)

(*) This amount does not include the acquisition of Rialma.

The **investments** made by the Group in the first half of 2022 amounted to EUR 273.4 million, up 8.2% on the previous year. This figure does not include the EUR 32.4 million earmarked by the Brazilian company ARGO for the acquisition of Rialma mentioned above.

Investments related to the **management and operation of national electricity infrastructures** amounted to EUR 202.8 million, up 10.8% on the same period of the previous year. The increase in investment related to the commissioning of the Lanzarote-Fuerteventura interconnection, storage in the Canary Islands and the good progress made on the Ibiza-Formentera interconnection are of particular note.

In terms of investment linked to the **management and operation of international electricity infrastructures**, the increase in investment in the Tesur 4 project in Peru is noteworthy of mention, which is expected to be commissioned at the end of this year.

As regards the telecommunications activity of the **satellite business**, less investment was made due to less accumulation of payment milestones for the Amazonas Nexus project during the first half of 2022 compared to the same period of the previous year. Investment in **fibre optics** in the first half was slightly higher than in the previous year.

In addition, EUR 19.1 million were allocated to **other investments**, including the Group's infrastructure and investments made by Elewit, Redeia's venture capital investment vehicle.



5. Cash flow and balance sheet performance

Cash flow performance

Cash flows	January-June			April-June		
	2022	2021	Δ %	2022	2021	Δ %
<i>(Thousands of euros)</i>						
Profit before tax	479,723	477,912	0.4%	237,926	238,096	(0.1%)
Adjustments to results (*)	281,395	283,788	(0.8%)	132,122	142,291	(7.1%)
Other cash flows from operating activities (**)	(140,596)	(129,371)	8.7%	(97,279)	(102,651)	(5.2%)
Operating cash flow after taxes	620,522	632,329	(1.9%)	272,769	277,736	(1.8%)
Changes in working capital	144,787	156,176	(7.3)	142,952	64,111	123.0%
Cash flows from operating activities	765,309	788,505	(2.9%)	415,721	341,847	21.6%
Investments	(273,414)	(252,798)	8.2%	(152,070)	(170,899)	(11.0%)
Changes in payables to non-current asset suppliers	(13,702)	(21,904)	(37.4%)	(2,824)	18,418	(115.3%)
Changes in other assets and liabilities	995,288	(15,974)	-	987,891	(29,004)	-
Free cash flow to shareholders	1,473,481	497,829	196.0%	1,248,718	160,362	678.7%
Dividends paid	(151,665)	(146,984)	3.2%	(4,604)	0	-
Changes that do not involve cash flows (***)	(48,589)	(8,370)	-	(30,482)	11,542	-
Change in net financial debt	(1,273,227)	(342,475)	271.8%	(1,213,632)	(171,904)	606.0%

(*) Mainly includes the depreciation and amortisation charge for non-current assets, grants related to non-financial assets and share in the profit of companies accounted for using the equity method.

(**) Mainly includes changes in cash related to corporate tax, interest and dividends received.

(***) Mainly includes changes in exchange rates and amortised cost adjustments.

Note: Short-term money market investments amounting to EUR 700 million at 30 June were considered a reduction in net financial debt. The consolidated statement of cash flows in the appendix shows that this amount is treated as a payment for investment.

The most significant changes in cash flows in the first half of the year are detailed below:

Funds from operations (FFO) amounted to EUR 620.5 million, down 1.9% on the previous year; the reason for this slight decrease is the greater cash outflows related to “other cash flows from operating activities” as a result of the payment of penalties from previous years for which provisions were already recognised.

Changes in working capital showed a positive contribution of EUR 144.8 million during the first half of the year. This positive change is mainly the result of higher proceeds on transmission activity (as it continues to be considered a provisional rate) and items yet to be settled to the system. These charges will be reversed into the system in the coming quarters.

Investments made in the first six months of the year amounted to EUR 273.4 million, up 8.2% on the same period of the previous year.

Changes in other assets and liabilities mainly reflect the proceeds from the sale of Reintel’s 49% stake to KKR.

The dividends paid in the second quarter of the year show the Hispasat **dividend payment** to non-controlling interests, with Red Eléctrica Corporación having received a total of EUR 40.0 million in this regard.

As a result of the changes described above, **net financial debt** decreased by EUR 1,273.2 million.

Performance of net financial debt

Net financial debt at 30 June stood at EUR 4,374.7 million, 22.5% lower than the EUR 5,647.8 million at the end of 2021.

Net financial debt (*)

(Thousands of euros)	Euros	Foreign currency	Total
Non-current debt securities	3,634,119	369,278	4,003,397
Non-current loans	1,849,013	429,758	2,278,771
Total gross financial debt	5,483,132	799,036	6,282,168
Cash, cash equivalents and term deposits	(1,867,878)	(39,638)	(1,907,516)
Total net financial debt	3,615,254	759,398	4,374,652

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

As of 30 June 2022, all of the Group's financial debt was **long term**. As regards interest rates, **85%** of the Group's debt is at **fixed rates**, while the remaining **15%** is at **floating rates**.

The **average cost** of the Group's financial debt in the first half of 2022 was **1.46%**, compared to 1.53% in the same period of the previous year.

Accordingly, the **average balance of gross debt** during the first six months of the year stood at **EUR 6,431 million**, compared to EUR 6,705 million in the same period of the previous year.

Redeia set a target for 100% of its financial debt to be contracted with ESG criteria by 2030. In line with the achievement of this target, it should be noted that **38%** of the Group's financing included **ESG criteria** as of 30 June, compared to 35% at 31 December of the previous year.

Equity performance

As of 30 June 2022, Redeia's **equity** reached EUR 4,731.7 million, which represents an increase of EUR 1,046.6 million on that at 31 December 2021. This increase is mainly due to the sale of 49% of Reintel's shares to KKR, whereby the impact on equity amounted to EUR 919 million. In addition, translation differences improved by EUR 50 million and there was an improvement of EUR 52 million as a result of the valuation of hedging transactions.

Appendix 1. Consolidated financial statements (Redeia)

Consolidated Income Statement

<i>(Thousands of euros)</i>	30/06/2022	30/06/2021	2022/2021
Revenue	1,003,224	975,853	2.8%
Own work performed on company assets	31,132	24,220	28.5%
Share in the profits of companies accounted for using the equity method (with activities similar to those of the Group)	27,774	15,528	78.9%
Supplies	(11,803)	(10,989)	7.4%
Other operating income	2,226	8,010	(72.2%)
Staff costs	(91,649)	(88,213)	3.9%
Other operating expenses	(176,300)	(153,140)	15.1%
Gross operating result (EBITDA)	784,604	771,269	1.7%
Depreciation and amortisation charge for non-current assets	(268,378)	(258,167)	4.0%
Allocation to profit or loss of grants related to non-financial assets	7,755	14,112	(45.0%)
Change in fair value of financial instruments	110	324	(66.0%)
Net operating profit	524,091	527,538	(0.7%)
Finance income	7,691	6,037	27.4%
Finance costs	(52,711)	(56,365)	(6.5%)
Exchange differences	261	702	(62.9%)
Changes in fair value of financial instruments	391	-	-
Financial loss	(44,368)	(49,626)	(10.6%)
Profit before tax	479,723	477,912	0.4%
Income tax expense	(115,478)	(117,991)	(2.1%)
Consolidated profit for the period	364,245	359,920	1.2%
A) Consolidated profit attributable to the Parent	363,026	358,170	1.4%
B) Consolidated profit attributable to non-controlling interests	1,219	1,750	(30.3%)

Consolidated Balance Sheet

(Thousands of euros)

Assets (thousands of euros)	30/06/2022	31/12/2021
Intangible assets	751,780	720,619
Property, plant and equipment	9,591,113	9,575,848
Investment properties	1,720	1,772
Investments accounted for using the equity method	692,996	587,983
Non-current financial assets and derivatives	222,437	138,281
Deferred tax assets	69,944	70,567
Other non-current assets	4,141	1,998
Non-current assets	11,334,131	11,097,068
Inventories	31,831	26,535
Trade and other receivables	1,278,242	1,260,956
Current financial assets and derivatives	730,380	25,492
Cash and cash equivalents	1,207,516	1,574,427
Current assets	3,247,969	2,887,410
Total assets	14,582,100	13,984,478











Liabilities (thousands of euros)	30/06/2022	31/12/2021
Shareholders' equity	4,659,426	3,762,199
Capital	270,540	270,540
Reserves	4,057,478	2,989,711
Treasury shares and own equity instruments (-)	(31,618)	(31,618)
Profit for the year attributable to the Parent	363,026	680,627
Interim dividend	-	(147,061)
Adjustments due to changes in value	(18,136)	(131,117)
Non-controlling interests	90,392	54,049
Equity	4,731,682	3,685,131
Grants and other	716,259	726,002
Non-current provisions	112,601	129,965
Non-current financial liabilities and derivatives	5,989,993	5,969,870
Deferred tax liabilities	419,039	397,811
Other non-current liabilities	107,101	102,288
Non-current liabilities	7,344,993	7,325,936
Current financial liabilities and derivatives	1,437,728	2,149,554
Trade and other payables	1,037,439	802,655
Current provisions	30,258	21,202
Current liabilities	2,505,425	2,973,411
Total liabilities	14,582,100	13,984,478

Consolidated cash flow statement

<i>(Thousands of euros)</i>	30/06/2022	30/06/2021
Cash flows from operating activities	765,309	788,505
Profit before tax	479,723	477,912
Adjustments to profit	281,395	283,788
Changes in working capital	144,787	156,176
Other cash flows from operating activities	(140,596)	(129,371)
Cash flows from investing activities	(980,389)	(268,198)
Payments for investments (*)	(987,116)	(274,702)
Proceeds from disposals	(92)	(653)
Other cash flows from investing activities	6,819	7,157
Cash flows from financing activities	(155,423)	146,941
Proceeds from/(payments for) equity instruments	989,959	-
Proceeds from/(payments for) financial liability instruments	(988,727)	317,641
Dividends paid	(151,665)	(146,984)
Other cash flows from financing activities	(4,990)	(23,716)
Effect of variations in exchange rates	3,592	1,238
Net increase/(decrease) in cash and cash equivalents	(366,911)	668,486
Cash and cash equivalents at beginning of period	1,574,427	481,772
Cash and cash equivalents at end of period	1,207,516	1,150,258

(*) Includes EUR 700 million as financial investments (deposits and repos) with a term of less than 1 year.

Appendix 2. Sustainability certifications

 <p>Member of Dow Jones Sustainability Indices <small>Powered by the S&P Global CSA</small></p>	<p>The Company was once again placed on the DJSI World index.</p>	 <p>Sustainability Award Silver Class 2022 S&P Global</p>	<p>Silver Class distinction in The Sustainability Yearbook 2022 of S&P Global.</p>
	<p>Included in the FTSE4Good index (*).</p>	 <p>Member 2015/2016 STOXX ESG LEADERS INDICES</p>	<p>Continued inclusion in the STOXX Global ESG Leaders indices.</p>
 <p>MSCI</p>	<p>Continued inclusion in the MSCI ESG index with a maximum rating of “AAA”.</p>	 <p>Member 2015/2016 NYSE EURONEXT vigeo</p>	<p>Renewed presence in the Euronext-Vigeo indices (Eurozone 120, Europe 120 and Global 120).</p>
 <p>Included in ETHIBEL SUSTAINABILITY INDEX <small>EXCELLENCE Europe</small></p>	<p>Inclusion in the Ethibel Sustainability Index Excellence Europe.</p>	 <p>Corporate Responsibility Prime rated by oekom research</p>	<p>Obtained the Prime status granted by Oekom to the leading companies in the sector.</p>
 <p>Bloomberg Gender-Equality Index 2022</p>	<p>Included in the Bloomberg Gender Equality Index.</p>	 <p>CDP DISCLOSURE INSIGHT ACTION</p>	<p>Included on the CDP A- list for its commitment to the fight against climate change.</p>
 <p>BME 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

Presentation of Q3 2022 results	October 2022
2022 interim dividend	January 2023



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

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