



Results for the first nine months of **2022**

Valuing the essentials

October 2022

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Valuing the essentials

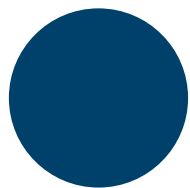
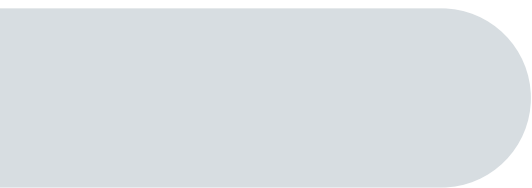
1. Highlights.
2. Results for the first nine months 2022.
3. Our vision for 2022 and 2025 financial targets.
4. Annex



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1.

Highlights



Strong economic performance

Key figures for the first nine months of 2022

€ **1,555**M
Revenue*
€1,484 M in 9M21

€ **485** M
Investments
€349 M in 9M21

+ 9.3 %
in TSO

+2.1 %

€ **1,182** M
EBITDA
€1,158 M in 9M21

€ **4,398** M
Net debt
€5,648 M in 2021

The Board of Directors approves the interim dividend for 2022 of € 0.2727 per share**.

€ **999**M
FFO
€1,003 M in 9M21

€ **551** M
Net profit
€551 M in 9M21

+ 1.4 %

* Includes turnover and share in profits of companies valued by the equity method (TEN, Argo and Hisdesat).

** Payment day on 9th January 2023.

Highlights 9M22

Moving forward on our commitments for the future

- **Solid nine months results**, EBITDA increased by 2.1% to €1,182m, with growth in all businesses, and **Net Profit** stable at €551.5m (+0.1%).
- **Investment acceleration** reaching 484.9 M€, +39%, with a +9.3% increase in TSO.
- **Credit strength**, **Net Debt** decreased by €1,250m (-22%) since December, thanks to the proceeds from the sale of 49% of Reintel. Fitch affirms A- rating, outlook stable.
- Acquisition of **five transmission lines in Brazil** through Argo Energía for approximately €200m.
- **Hispasat** completes acquisition of Axess Networks for ~ €120m.
- New **Amazonas-Nexus** satellite reaches close to **60% of its technical capacity**.
- **Sustainability Plan 23-25** with new intermediate objectives, aligned with the Strategic Plan 21-25 and the new Sustainability Objectives 2030.

New energy paradigm, a turning point towards a more integrated Europe

Regulatory developments in Europe and Spain

- Urgent measures in response to the economic and social consequences of Ukraine situation. Need for a more **interconnected Europe**.
- **REPowerEU** roadmap for increasing security of supply in Europe.
- Council Regulation (EU) 2022/1854 of 6 October 2022 on **emergency intervention to deal with high energy prices**.
- Measures aimed at **speeding up permitting process at national level**. Highlights:
 - » **RDL 14/2022**: limitation to 15 days for the CNMC report regarding the authorisation of transmission facilities, administrative silence is understood as positive; processing of singular facilities in parallel to the resolution of their singularity.
 - » **RDL 17/2022**: active demand response service, managed and organised by the SO to deal with energy shortages. The response system will be activated when it identifies insufficiency in the electricity system.

2.

**Results for the first
nine months of 2022**

Positive development in 9M2022 results

Profit and loss account

€M	9M22	9M21	Δ M€	Δ%
Revenue*	1,554.8	1,483.5	+71.3	+4.8
Other income and OWC**	57.6	49.1	+8.5	+17.3
Operating expenses	-430.0	-374.4	-55.6	+14.9
Gross operating profit (EBITDA)	1.182.3	1,158.2	+24.1	+2.1
Depreciation and amortisation	-394.3	-366.3	-28.0	+7.6
Net operating profit (EBIT)	788.0	791.9	-3.9	-0.5
Net financial results	-69.9	-78.6	+8.7	-11.1
Profits before tax	718.2	713.3	+4.9	+0.7
Corporate tax	-156.0	-157.5	1.5	-1.0
Non-controlling interests	-10.7	-5.0	-5.7	-
Profit for the year	551.5	550.8	+0.7	+0.1

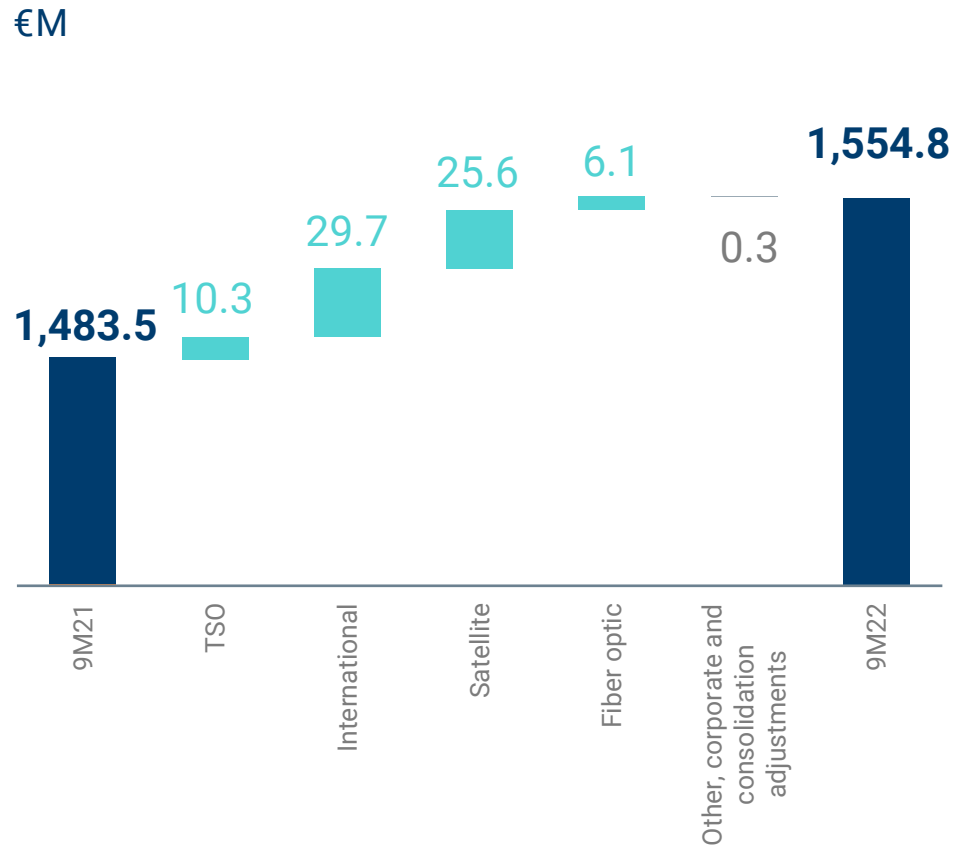
- Increased **revenues with growth in all businesses**, especially in the international and satellite businesses.
- **EBITDA** mainly impacted by the deployment of specific O&M plan on critical TSO assets (€33 M).
- Increase in **depreciation and amortisation** affected by the higher activity and change of perimeter in the satellite business.
- Better **financial results** due to lower average debt.

Profit for the period remains stable.

* Includes turnover and share in profits of companies valued by the equity method (TEN, Argo and Hisdesat).

** OWC: Own work capitalised.

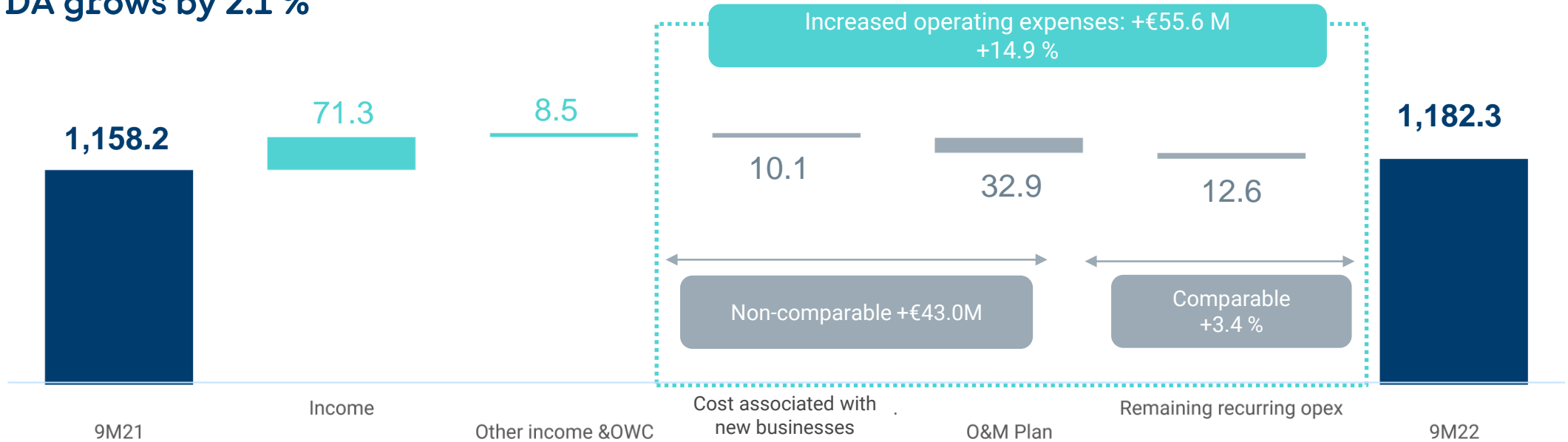
Revenues up 4.8%, driven by international activity and telecommunications



- Positive contribution from **regulated business in Spain**.
- Positive impact on revenues from **Chile** and **Peru** due to the update of remuneration parameters and the favourable exchange rate effect. In addition, good evolution due to the execution of non-regulated projects for customers in Chile.
- Regarding contribution through equity method, higher activity in **Brazil**, following the commissioning of Argo II and Argo III, and the acquisition of Argo IV (Rialma), as well as the favourable exchange rate effect and the update of remuneration parameters.
- Higher contribution from **Hispasat** due to higher activity and better contract renewal conditions, the acquisition of Axess since August, the acquisition in Peru in May 2021, and the favourable exchange rate effect.
- Positive evolution of **Reintel** sales and contracts linked to inflation.

Significant containment of recurring operating costs, in a context of high inflation

EBITDA grows by 2.1 %

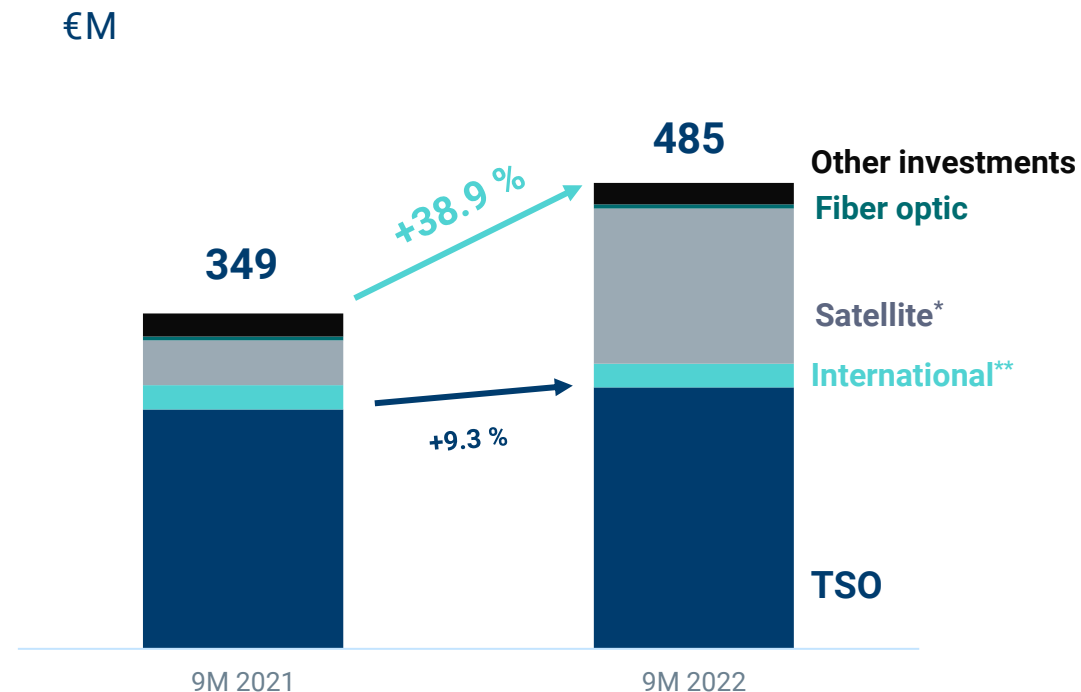


- **Comparable operating expenses** increased by €12.6 M (+3.4 %), containing the effect of inflation thanks to the procurement policy with l/t contracts and efficiency measures.
- Impact of the **O&M plan** for critical assets, €32.9 M.
- Incorporation of costs associated with new business lines €10.1 M, mainly after the deal involving the **satellite business in Peru** (€3.1 M) and Axess (€8.2 M).

TSO investments amounted to €272.2 M, +9.3 % and Group investments €485 M, +38.9 %

81 % of organic investments eligible according to European taxonomy

- Completion of the first phase of the **Ibiza - Formentera interconnection**, commissioning estimated for the end of 2023.
- **Spain - Portugal North interconnection** receives environmental impact statement.
- Last phase of the administrative process for the **Spain-France interconnection**.
- Progress on meshing projects, and improvement of grid reliability and quality at the **Sabinal axis** in Gran Canaria, the **Caparacena - Baza - Ribina** axis in Andalusia and the **Madrid East Plan**.
- Administrative authorisation obtained for construction of the **Lousame -Tibo** line.
- First phase of work on the **Salto de Chira**.
- Good progress in **Tesur 4** in Peru, and also in expansion of **Centinela** substation in Redenor 2 in Chile.
- Progress on **Amazonas Nexus** satellite construction, orbit launch planned for 2023. Axess acquisition.



*Including acquisition of Axess for ~€120 M.

**Not including acquisition of Rialma III in Brazil for €32.4 M.

Committed to a strong and balanced capital structure...

Growing role of sustainable finance

42 %
ESG financing
32 % in 9M21

5.2 years
Average life
5.6 years in 9M21

1.53 %
Cost of debt
1.53 % in 9M21

2.9 x
ND/EBITDA
3.8 x in 9M21

26.7 %
FFO/ND
21.0 % in 9M21

'A-'
Stable outlook
Fitch and S&P

Last 14th October Fitch confirmed A- rating, and Outlook stable.

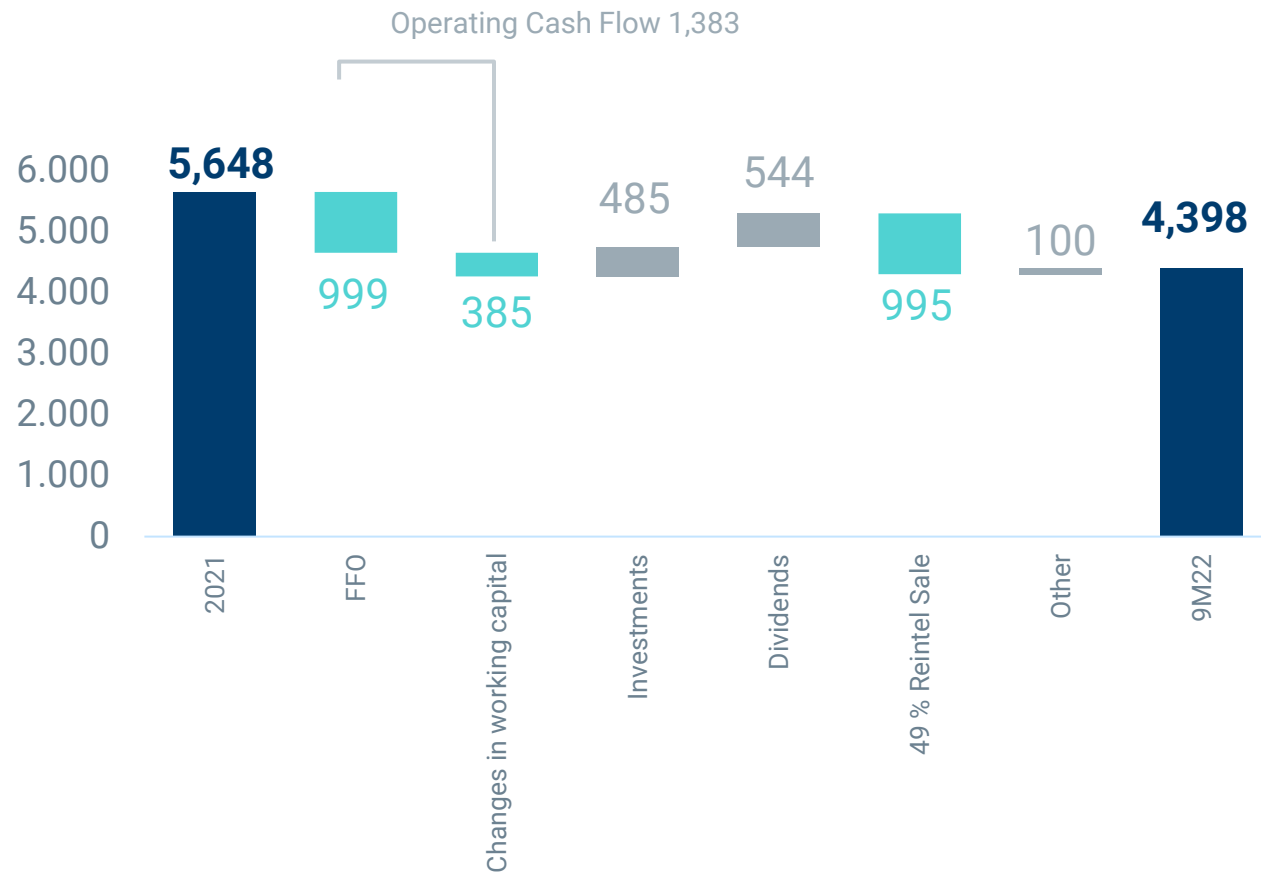
84 %
Fixed rate debt
85 % en 9M21

100% of the debt in 2030 contracted with ESG criteria.
Hispasat renews and extends its €250M credit line with 5 banks, introducing ESG criteria and indicators for the first time.

... with reduced levels of financial debt.

Commitment to credit strength

€M



€4,398 M
Net Debt

Improving due to proceeds from sale of 49 % of Reintel.

- Strong **cash flow** generation, which has allowed for a reduction in the volume of financial debt.
- Positive contribution from **working capital** due to higher revenues from the transmission tariff, and from items pending settlement to the system. These collections will revert to the system in the coming quarters.

3.

**Our vision for 2022
and financial targets
in 2025**

EBITDA forecast in 2022 in line with 2021 and estimated investment levels of around €800 M

2022: Strategic Plan acceleration year



Electricity business in Spain (TSO)

- Acceleration initiatives to boost investment in the 2021-2026 Plan.
- More than €500 M TSO investment planned for 2022.
- Slight decrease in **EBITDA** due to the special maintenance plan.



Satellite business

- Repositioning towards **satellite services and solutions company**.
- Estimated investments over €150 M.
- Expected **EBITDA** higher than in 2021.



International electricity business

- **Organic growth** in Peru, Chile and Brazil, increasing our international footprint.
- Significant **EBITDA growth**.



Fibre optic and 5G business

- Investments in **upgrading the railway fibre optic backbone network** and in projects associated with **5G technology**.
- **EBITDA** slightly higher than in 2021.

2021-2025 targets

More favourable dividend policy in 2023 after sale of 49 % of Reintel

Total investment



€4,400 M

*75 % for the transmission network,
international interconnections,
storage and system operation*

Dividend policy



2021-2023
€1.0/share

2024-2025
Floor of
€0.8/share

Financial efficiency 2025



MARGIN

EBITDA

70 %



RATIO

FFO/DEBT

>15 %



RATIO

**NET DEBT/
EBITDA**

< 5_x

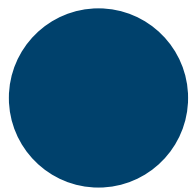
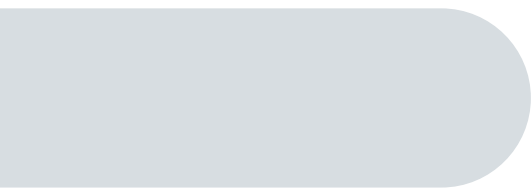


MAINTAINING STRONG
CREDIT RATING

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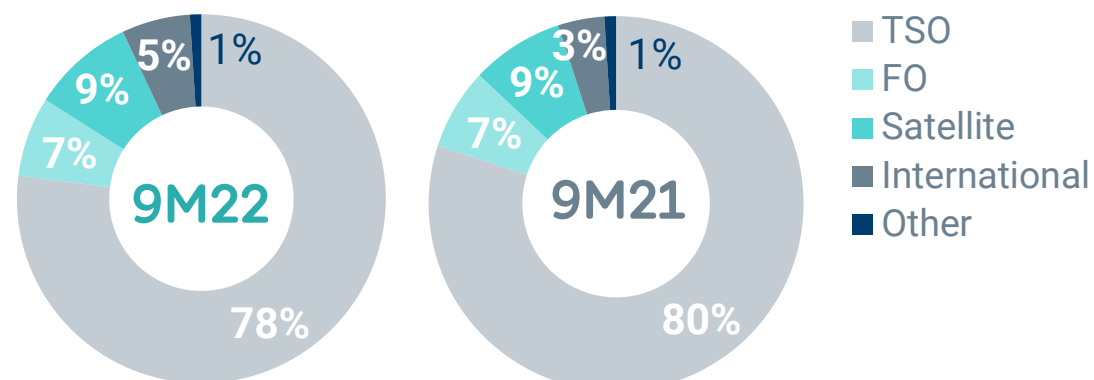
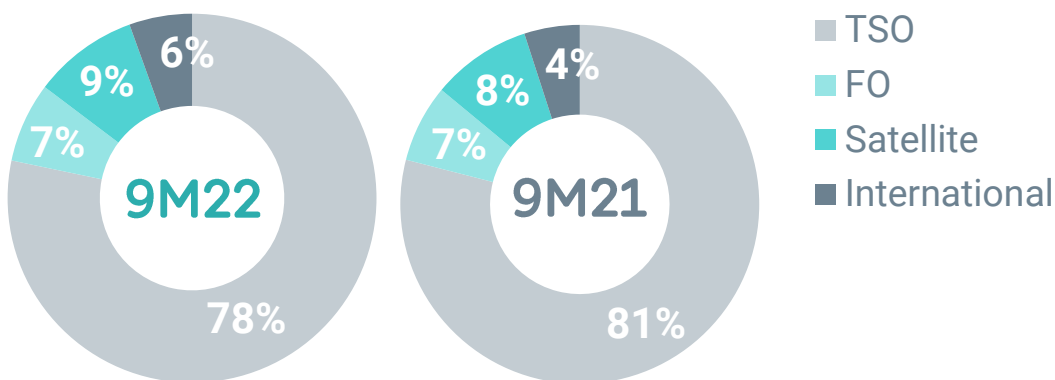
Annex



Performance of Redeia's main businesses

Revenue (€M)	9M22	9M21	ΔM€	Δ%
TSO	1,224.3	1,214.0	+10.3	+0.8
International	78.8	49.1	+29.7	+60.4
Satellite	159.2	133.7	+25.6	+19.1
Fibre Optic	108.0	101.9	+6.1	+5.9
Other & consolidation adjustments	-15.6	-15.3	-0.3	+2.0
Total Group	1,554.8	1,483.5	+71.3	+4.8

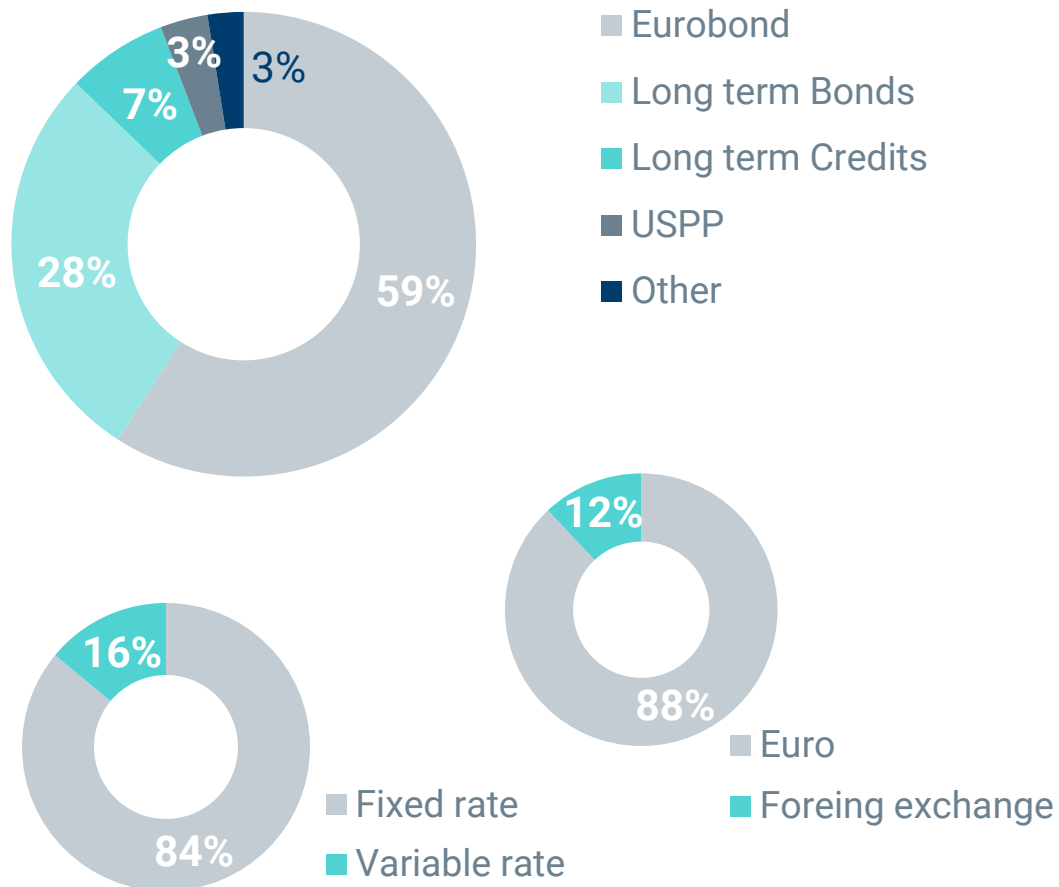
EBITDA (€M)	9M22	9M21	ΔM€	Δ%
TSO	917.2	923.0	-5.8	-0.6
International	62.2	36.8	+25.3	+68.8
Satellite	109.9	101.1	+8.8	+8.7
Fibre Optic	81.3	80.7	+0.6	+0.8
Other & consolidation adjustments	11.8	16.6	-4.8	-29.0
Total Group	1,182.3	1,158.2	+24.2	+2.1



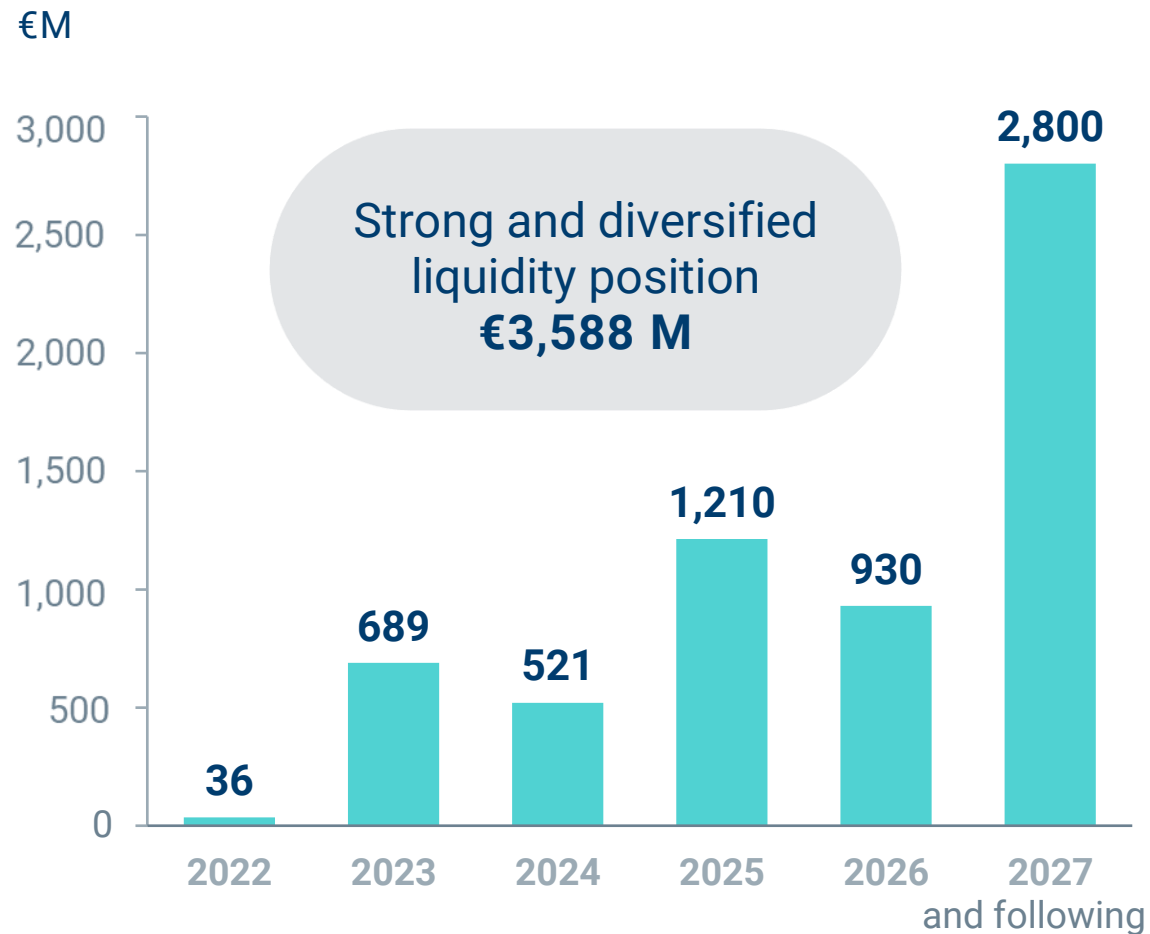
Results for the first nine months of 2022. October 2022

Debt structure and maturities

Gross Debt Structure



Maturities



New intermediate objectives, aligned with the 21-25 Strategic Plan and the new 2030 Sustainability Goals

Interim targets for 2025

- 30% **reduction** of Scope 1 and 2 **emissions***, 2/3 of suppliers (in terms of emissions*) approved under SBTi criteria and 100% of Scope 1 emissions compensated;
- Integration of more than 60% **renewable energy** in electricity generation;
- Compliance with the commitment to **protect vegetation and combat deforestation** in 100% of investment projects;
- At least the 10 supplies with the greatest impact on the transport network with criteria of **circularity, LCA****, **climate change, safety, diversity and biodiversity**;
- 50% **women** on the Board of Directors and 38% on the management team;
- 100 Mbps deployed with **connectivity** throughout Spain.

Committed to a strategic and cross-cutting undertaking to sustainability with a long-term vision.

* Compared to 2019.

** LCA: Life cycle assessment.

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