



redeia

Valuing the essentials

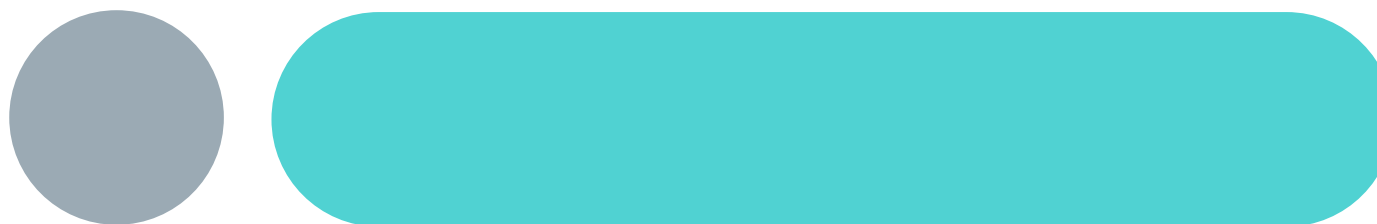
# Financial Results

January - June 2023

26 July 2023

[redeia.com](http://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 the 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>

## Contents

1. Main highlights.....	5
2. Redeia: Key figures .....	8
3. Earnings performance .....	11
4. Investments .....	15
5. Cash flow and balance sheet performance.....	17
Appendix 1. Consolidated financial statements .....	20
Consolidated income statement.....	20
Consolidated balance sheet.....	21
Appendix 2. Sustainability certifications .....	24



ETH/USD

NEOS/USD

ZEC/USD

ADA/USD

BCH/USD

1845.97

1842.00

1839.00

1836.00

1833.00

1830.00

1827.00

1824.20

80.00

70.00

60.00

50.00

Crypto

1845.97

MARKET OPEN

1845.45+0.04

1757.00

222.5



# 1. Main highlights

## The Spanish Electric System

The demand for electricity at busbars during the first six months of the year in Spain reached 120 TWh, down 4.4% year-on-year.

In the first six months of the year, 73% of the electricity generated in Spain came from sources that do not generate emissions, with the mix led by wind power which accounts for 24.6% of the total generated. It is worth highlighting the strong momentum experienced by photovoltaic solar generation, whose production has increased by almost 33% year-on-year and represents 14% of total generation in the country. As a result, 52% of the electricity generated in the first six months of the year came from renewable sources, versus 45% in the same period last year.

The average price of electricity in the first six months of the year on the spot market stood at EUR 88 per MWh, which contrasts sharply with the more than EUR 200 price in the same period in 2022, reflecting the progressive normalisation of market conditions and the progress of electricity from renewable sources in our country.

## National Integrated Energy and Climate Plan (PNIEC)

On 28 June, the Spanish government published the draft PNIEC that updates the objectives contained in the 2021-2030 PNIEC. This draft is the basis for discussion of the final document to be published in mid-2024.

The new targets proposed give greater prominence to renewable generation and emissions reductions than those set out in the PNIEC. In particular, these include:

- A 32% reduction in greenhouse gas emissions versus 1990 emissions, compared to the 23% included in the previous 2021-2030 PNIEC;
- The share of renewable energy in final energy use has been set at 48%, up from 42%;
- 81% of electricity generated must be from renewable sources, up from 74%.

## TSO activity in Spain

Red Eléctrica continues to provide high service quality levels. The rates of availability at 30 June were 98.0% for the national transmission network, decreasing slightly from 98.2% in 2022. On the Balearic Islands this availability rate was 97.7%, compared to 98.5% in 2022. On the mainland it reached 98.2%, similar to the previous year, while on the Canary Islands it was 98.6%, versus 98.7% last year.

On the other hand, the TSO's intense investment in Spain in the first half of the year should be noted. During this period, over EUR 350 million were invested in carrying out projects with a major impact on the energy transition that Spain is undertaking, which represents an increase of 74% compared to what was invested in the first six months of the previous year. As regards the future interconnection with France via the Bay of Biscay, it is worth noting that on 5 May the National Markets and Competition Commission's Resolution of 20 April 2023 was published in the *Official Gazette of the Spanish State*, which grants this project a singular status.

Also noteworthy are the new developments in lines and substations, which will enable the evacuation of renewable generation being built in Spain, and the progress made in the Chira-Soria pumping station on Gran Canaria, which will give a strong boost to the transformation of the generation system on that island.

## International electricity transmission

Over the past months, two investments projects were commissioned, Redenor in Chile and Tesur 4 in Peru. This completed the main investment projects undertaken by Redeia's international business arm.

## Telecommunications

Following the successful launch of the new Amazonas Nexus satellite on 7 February, it reached its orbital position in mid-July and began commercial operation. As of today, 80% of the satellite's capacity has been committed under long-term leases, covering most of the entire business plan.

In line with Hispasat's commitment to eliminating the digital divide in rural areas of Spain, last June saw the launch of the 'Único Demanda Rural' programme, which aims to provide satellite connectivity services at affordable prices for rural areas without coverage. Hispasat was the only winner of the aid programme, from the Next Generation funds, in the amount of EUR 76.3 million.

Hispasat is also one of a group of European space and telecommunications companies that have joined together in a consortium to bid for the European Commission's tender for the EU's upcoming IRIS<sup>2</sup> satellite constellation (Infrastructure for Resilience, Interconnectivity and

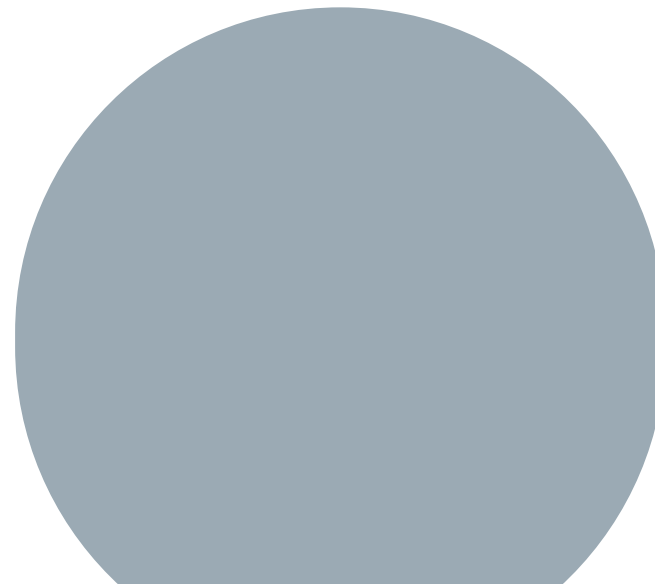
Security by Satellite). IRIS<sup>2</sup> aims to provide a new secure and resilient connectivity infrastructure for EU governments, businesses and citizens.

## Other corporate issues

On 24 January, Redeia issued a hybrid instrument, subordinated perpetual bonds considered green bonds, using the proceeds to fund TSO activity in Spain. The issue entailed EUR 500 million worth of these bonds, which earn a fixed annual coupon of 4.625% and an IRR of 4.70% from the payment date of 7 February 2023 to the first review date of 7 August 2028.

## Complementary dividend

On 3 July, Redeia paid out a complementary dividend for 2022, in a gross amount of EUR 0.7273 per share. The total dividend paid out for that year thus amounted to EUR 1 per share, as envisaged in the Group's Strategic Plan.



## 2. Redeia: Key figures

### Income statement

<i>(Millions of euros)</i>	January - June			April – June		
	2023	2022	Δ%	2023	2022	Δ%
Revenue	1,029.1	1,003.2	2.6%	512.2	502.7	1.9%
Share of profit of companies accounted for using the equity method	34.8	27.8	25.3%	14.5	15.9	(8.7%)
Gross operating profit (EBITDA)	789.3	784.6	0.6%	387.5	389.2	(0.4%)
Net operating profit (EBIT)	527.6	524.1	0.7%	256.0	258.8	(1.1%)
Profit before tax	488.1	479.7	1.7%	240.9	237.9	1.3%
Profit for the period	354.3	363.0	(2.4%)	174.0	180.9	(3.9%)



## Results by businesses, June 2023

<i>(Millions of euros)</i>	Management and operation of electricity infrastructure		Telecommunications		Other businesses, corp. and adjustments	Total
	Spain	International	Satellite Business	Optic fibre		
Revenue	814.1	37.1	116.6	75.2	(14.0)	1,029.1
Share of profit of companies accounted for using the equity method	0.0	32.7	2.1	0.0	(0.0)	34.8
Gross operating profit (EBITDA)	605.8	54.9	60.8	55.8	12.1	789.3
Net operating profit (EBIT)	413.4	44.4	16.0	41.6	12.3	527.6
Profit before tax	383.4	28.5	14.3	37.9	24.0	488.1
Profit for the period	288.0	29.0	8.7	28.4	13.9	367.9
A) Profit attributable to the parent company	288.0	30.0	8.0	14.5	13.9	354.3
B) Profit attributable to non-controlling interests	-	(1.0)	0.7	13.9	0,0	13.6

## Results by businesses, June 2022

<i>(Millions of euros)</i>	Management and operation of electricity infrastructure		Telecommunications		Other businesses, corp. and adjustments	Total
	Spain	International	Satellite Business	Optic fibre		
Revenue	815.4	30.4	95.5	73.0	(11.1)	1,003.2
Share of profit of companies accounted for using the equity method	0.0	27.3	0.5	0.0	0.0	27.8
Gross operating profit (EBITDA)	602.1	47.5	69.8	56.7	8.6	784.6
Net operating profit (EBIT)	414.0	38.5	20.4	42.6	8.6	524.1
Profit before tax	378.0	33.2	16.9	42.3	9.2	479.7
Profit for the period	284.1	31.8	11.2	31.8	5.4	364.2
A) Profit attributable to the parent company	284.1	31.9	9.8	31.8	5.4	363.0
B) Profit attributable to non-controlling interests	-	(0.2)	1.4	(0.0)	0.0	1.2

## Other financial figures

<i>(Millions of euros)</i>	January - June			April – June		
	2023	2022	Δ%	2023	2022	Δ%
FFO	632.3	620.5	1.9%	269.7	272.8	(1.1%)
Investments	413.5	273.4	51.2%	258.7	152.1	70.1%
Dividends paid	151.0	151.7	(0.4%)	3.9	4.6	(16.1%)

## Consolidated balance sheet

<i>(Millions of euros)</i>	June 2023	December 2022	Δ%
Non-current assets	12,029.8	11,834.2	1.7%
Equity	5,387.6	4,894.3	10.1%
Net financial debt	4,312.7	4,633.8	(6.9%)

## Credit rating

Agency	Credit rating	Outlook	Date
Standard & Poor's	A-	Stable	02/06/2023
Fitch Ratings	A-	Stable	14/10/2022

## 3. Earnings performance

### Income

**Revenue and profit from investees** amounted to EUR 1,063.9 million, up 3.2% from the first half of 2022. By activities, revenues evolved as follows:

- **Management and operation of electricity infrastructure in Spain:** Turnover in this activity amounted to EUR 814.1 million, slightly lower than last year (-0.2%). The increase in system operation revenue of EUR 4.0 million, from the review of the remuneration parameters for the second regulatory period 2023-25, and larger third-party projects (EUR +4.4 million), were offset by a decrease of EUR 9.6 million in transmission activity income mainly arising from the estimate made for 2023 in December of the criteria included in the definitive tariff orders for 2016 to 2019 (Ministerial Order TED/1311/2022 and Ministerial Order TED/1343/2022).
- **International electricity transmission:** The turnover and profits of the investee companies in this activity amounted to EUR 69.8 million, 21.2% higher than in June 2022, when it was EUR 57.7 million. The detail of this variation is due to:
  - Turnover associated with international activity increased from EUR 30.4 million in the first half of 2022 to EUR 37.1 million this year. This 22.3% increase is mainly due to the commissioning of Redenor (Chile) in September 2022 and Tesur 4 (Peru) in January 2023 (EUR +3.8 million), work on behalf of third parties (EUR +1.1 million) and the favourable effect of the exchange rate (EUR 0.7 million).
  - The result of the international business investees amounted to EUR 32.7 million, versus EUR 27.3 million in the same period last year. The incorporation of new assets to the perimeter of the Brazilian Argo and a better result of the Chilean TEN explain this performance.
- **Telecommunications:** This activity generated revenue and profit from investees of EUR 193.9 million in the first half of 2023, up 14.7% from the year-earlier figure.
  - **Satellite business:** Turnover and profit sharing of the satellite business amounted to EUR 118.7 million, 23.6% higher than in the first half of 2022. The improvement in revenue was largely due to the addition of Axess's businesses. Detracting from revenue, however, was the planned discontinuation of certain video services in Brazil. The improvement in results associated with investee companies, which amounted to EUR 2.1 million, compared to EUR 0.5 million in the first half of 2022, is mainly due to the contribution of Hisdesat.
  - **Optic fibre:** Optical fibre generated EUR 75.2 million in revenue, EUR 2.1 million more than in the first half of 2022. The inflation-linked nature of the contracts is mainly responsible for this performance.

## Other operating income and work carried out by the company for its assets

Combined, these line items amounted to EUR 55.2 million, compared to EUR 33.4 million in the first half of 2022. 'Other income' this year included EUR 24.2 million related to the construction of the Chira-Soria pumping station, EUR 20.6 million to construction costs and EUR 3.6 million derived from applying the project's financial rate of return. This accounting criterion has been applied since year-end 2022 following approval of the calculation methodology for this facility's remuneration. Therefore, these items were not included in the first half last year.

The heading 'Other income and work carried out by the company for its assets', except for the Chira - Soria effect, decreased by EUR 2.5 million compared to last year, due mainly to lower expenditure on the international business as the investment projects in Chile and Peru to which investment was earmarked in the first half last year have been completed.

## Operating expenses

Operating expenses	January - June			April – June		
	2023	2022	Δ%	2023	2022	Δ%
<i>(Millions of euros)</i>						
Procurements and other operating expenses	224.0	188.1	19.1%	110.5	100.8	9.7%
Personnel expenses	105.8	91.6	15.4%	55.2	46.5	18.7%
<b>Total operating expenses</b>	<b>329.8</b>	<b>279.8</b>	<b>17.9%</b>	<b>165.7</b>	<b>147.3</b>	<b>12.5%</b>

Operating costs for the first half of the year amounted to EUR 329.8 million: EUR 50 million higher than in the previous year. This was due to the addition of Axess to the scope of consolidation in August 2022 (+EUR 27.1 million) and the accounting of the costs associated with the Chira-Soria pumping project under IFRIC 12 (+EUR 20.6 million), with both items having a counterpart in the group's revenues. On a like-for-like basis, i.e. excluding the above effects and the lower costs of the international construction projects mentioned earlier, the increase in operating costs would have been 2.5%. Therefore, the effects of the inflationary environment on Redeia's financial statements have been limited so far this year, in line with 2022.

- **Procurements and other operating expenses** increased compared to the first half of 2022 by EUR 35.9 million (19.1%) to EUR 224.0 million. Excluding items not comparable with the previous year (costs associated with Chira-Soria, EUR 20.6 million, and Axess, EUR 22.2 million), the rest of the group's costs decreased by EUR 7 million.
- **Personnel expenses** amounted to EUR 105.8 million, EUR 14.1 million higher than in the first half of 2022, due to Axess (EUR 4.9 million), as well as to a larger workforce and the costs associated with the collective agreements signed at the beginning of the year. It should be noted that the collective agreements had a non-recurring accounting impact at the end of last year and will be normalised at the end of this year.

**Final headcount** at 30 June stood at 2,456, compared to 2,157 last year. The **average number of Group employees** was 2,435, compared to 2,142 in the first half of 2022. This evolution is largely explained by the incorporation of Axess into the group, which maintained an average workforce of 236 employees in 2023. Hispasat (+25 employees) and regulated business in Spain (+13 employees) also showed significant increases in their average workforce, with the rest of the increase distributed among the group's other companies.

## Results

Gross operating profit (**EBITDA**) amounted to EUR 789.3 million, up 0.6% on the first six months of last year. The EBITDA performance by activity was as follows:

- **Management and operation of national electricity infrastructures:** the EBITDA totalled EUR 605.8 million, up 0.6% from the first half of the previous year. The efforts made to contain operating costs offset the reduction in regulated transmission revenues.
- **International electricity transmission:** the EBITDA amounted to EUR 54.9 million, up 15.7% year-on-year. The higher turnover and the greater contribution from investee companies were the main reasons for this performance.
- **Telecommunications:** the EBITDA in the telecommunications business totalled EUR 116.5 million, compared to EUR 126.5 million euros in the same period of last year, a 7.8% decrease.
  - In the **satellite business**, the EBITDA fell by EUR 9.0 million, mainly due to the expiry of video services in Brazil. The contribution of the new Amazonas Nexus satellite, commissioned on 15 July, is expected to partially offset this situation in the coming months.
  - Meanwhile, the EBITDA associated with the **fibre optics** business fell by EUR 0.9 million year-on-year, largely due to the increase in the price of electricity versus the same period in 2022. The gradual normalisation of this cost will change this trend in the remainder of the year.

**Net operating profit (EBIT)** stood at EUR 527.6 million, up 0.7% versus the same period in 2022. This growth, similar to that recorded by EBITDA, was due to keeping the depreciation and amortisation charge at levels similar to those of last year.



The **financial result** improved by 10.9%, falling from EUR -44.4 million in the first six months of 2022 to EUR -39.5 million this year. The positive evolution of financial income, which increased from EUR 7.7 million in the first half of 2022 to EUR 28.2 million this year, comfortably offset the EUR 17.7 million increase in financial expenses resulting from higher average cost of debt (2.11% compared to 1.46% in the same period of 2022). The gross financial debt balance stood at EUR 6,128 million, compared to EUR 6,431 million in the same period last year.

The Group's **effective income tax rate** was 24.6%, versus 24.1% in the first half of last year. The taxes on dividends received from group companies was the main reason for this slight increase in the tax rate.

Lastly, the **consolidated profit for the period** amounted to EUR 367.9 million, up from EUR 364.2 million last year. The **Consolidated profit attributable to the parent company** amounted to EUR 354.3 million, 2.4% lower than in the first half of 2022, as the profit attributable to minority interests rose from EUR 1.2 million in 2022 to EUR 13.6 million this year following the sale of Reintel in June 2022. The performance of this item by business line was as follows:

- **Management and operation of electricity infrastructure in Spain:** net income attributable to the parent company allocated to this activity amounted to EUR 288.0 million in the first half of the year, EUR 3.9 million higher than in the previous year. The improvement in EBITDA and financial results were responsible for this performance.
- **International electricity transmission:** the net profit attributable to the parent company from this activity was EUR 30.0 million, down from last year's EUR 31.9 million. The increase in financial expenses due to the higher cost of financing in foreign currencies caused this decrease.
- **Telecommunications:** the net profit from this activity was EUR 22.5 million, compared to EUR 41.6 million last year. The decrease from last year was largely due to the presence of non-controlling shareholders in Reintel's capital since the second half of 2022, which resulted in a lower contribution by the telecommunications activity to the Group as a whole.

## 4. Investments

Investments	January - June			April – June		
	2023	2022	Δ%	2023	2022	Δ%
<i>(Millions of euros)</i>						
Management and operation of electricity infrastructure in Spain	353.5	202.8	74.3%	239.4	117.2	104.3%
Management and operation of international electricity infrastructure	1.5	15.7	(90.5%)	0.5	9.2	(94.7%)
Satellite Business	38.4	33.1	15.9%	9.0	15.5	(42.0%)
Optic fibre	5.3	2.7	96.4%	3.8	1.4	173.8%
Other investments	14.8	19.1	(22.3%)	6.1	8.9	(31.6%)
<b>Total</b>	<b>413.5</b>	<b>273.4</b>	<b>51.2%</b>	<b>258.7</b>	<b>152.1</b>	<b>70.1%</b>

In this first part of 2023, Redeia's intense investment activity was of note, placing the Group on a path that will allow it to achieve the ambitious objectives set in its strategic plan. Its investments grew by 51.2% compared to the investments made in the first six months of 2022, with a strong increase in its regulated business in Spain.

Investments linked to **managing and operating Spanish electricity infrastructures** amounted to EUR 353.5 million: a 74.3% increase year-on-year. The breakdown by business is as follows:

- Investment in the **development of the transmission network** in Spain totalled EUR 320.5 million, up 73.1% from EUR 185.1 million in the same period last year. Significant progress has been made in all areas, with a notable increase in investment in interconnections, from EUR 41.3 million in 2022 to EUR 145.8 million this year, as this heading includes the new interconnection with France. Investment in the construction of new lines and substations rose from EUR 94.1 million to EUR 120.7 million.
- Meanwhile, investment in **System operation** reached EUR 8.8 million, slightly less than the EUR 9.2 million invested last year.
- EUR 24.2 million was earmarked for **storage in the Canary Islands**, compared to EUR 8.5 million in the first half of 2022.

The completion of the Tesur 4 project in Peru and the Redenor project in Chile means that investment in **managing and operating Spanish electricity infrastructures** fell from EUR 15.7 million in 2022 to EUR 1.5 million in the first six months of 2023.

In the telecommunications business, investment in the **satellite business** increased by EUR 5.3 million year-on-year, with a large part of the EUR 38.4 million invested linked to the new Amazonas Nexus satellite and its commercial deployment. Investment in **fibre optics** increased from EUR 2.7 million in the first half of 2022 to EUR 5.3 million this year, due to the progress in Reintel's investment plan.

Lastly, EUR 14.8 million was earmarked for other investments, compared to EUR 19.1 million the previous year. This amount includes infrastructures for the Group and investments developed by Elewit, Redeia's venture capital investment vehicle.



## 5. Cash flow and balance sheet performance

### Evolution of cash flows

Cash flows		January - June			April – June		
		2023	2022	Δ%	2023	2022	Δ%
<i>(Millions of euros)</i>							
Profit before tax	488.1	479.7	1.7%	240.9	237.9	1.3%	
Adjustments to profit (*)	266.5	281.4	(5.3%)	130.0	132.1	(1.6%)	
Other cash flows used in operating activities (**)	(122.3)	(140.6)	(13.0%)	(101.2)	(97.3)	4.0%	
<b>Operating cash flow after taxes</b>	<b>632.3</b>	<b>620.5</b>	<b>1.9%</b>	<b>269.7</b>	<b>272.8</b>	<b>(1.1%)</b>	
Changes in working capital	(344.5)	144.8	-	(53.8)	143.0	(137.6%)	
<b>Cash flows from operating activities</b>	<b>287.8</b>	<b>765.3</b>	<b>(62.4%)</b>	<b>215.9</b>	<b>415.7</b>	<b>(48.1%)</b>	
Investments	(413.5)	(273.4)	51.2%	(258.7)	(152.1)	70.1%	
Variation in fixed asset suppliers	(37.1)	(13.7)	170.7%	52.7	(2.8)	-	
Changes in other assets and liabilities	626.2	995.3	(37.1%)	100.0	987.9	(89.9%)	
<b>Free cash flow for shareholders</b>	<b>463.4</b>	<b>1,473.5</b>	<b>(68.5%)</b>	<b>109.8</b>	<b>1,248.7</b>	<b>(91.2%)</b>	
Dividends paid	(151.0)	(151.7)	(0.4%)	(3.9)	(4.6)	(16.1%)	
Movements that do not involve cash flows (***)	8.8	(48.6)	(118.0%)	17.0	(30.5)	(155.7%)	
<b>Change in net financial debt</b>	<b>(321.2)</b>	<b>(1,273.2)</b>	<b>(74.8%)</b>	<b>(122.9)</b>	<b>(1,213.6)</b>	<b>(89.9%)</b>	

(\*) Basically depreciation of non-current assets, grants for non-financial assets and the share of profit of companies accounted for using the equity method.

(\*\*) Includes mainly cash movements associated with income tax, interest and dividends received.

(\*\*\*) Includes mainly exchange rate changes and adjustments for amortised cost.

**Note:** Short-term money market financial investments were deducted from net financial debt in the amount of EUR 300 million in 2023 and EUR 700 million in 2022. On the Consolidated Cash Flow Statement in the Annex, this amount is recorded as an investment payment.

The most relevant changes in cash flows in the first half of the year are presented below:

**Operating cash flow after tax (FFO)** amounted to EUR 632.3 million, 1.9% higher than last year. Improved profit before tax and higher interest income were responsible for this improvement.

**Changes in working capital** resulted in a cash outflow of EUR 344.5 million, compared to EUR 144.8 million in the first half of last year. Refunds of excess tariffs collected in previous years and lower collections from the system were the main reasons for this heading's performance in 2023.

**Investments** grew by more than 50% compared to the previous year. This rise was due to Redeia's increased investment effort in its traditional business in Spain.

**Changes in other assets and liabilities** mainly reflects the EUR 500 million of proceeds from the hybrid bond issue carried out at the end of January this year. This item also includes EUR 125 million in subsidies received in the period, EUR 76 million of which relates to Hispasat's 'Único Demanda Rural' Programme. In the first half of 2022, this heading included the proceeds from the sale of the 49% stake in Reintel to KKR.

As a result of the movements described above, the net financial debt decreased by EUR 321.2 million.

## Performance of net financial debt

**Net financial debt** as at 30 June stood at EUR 4,312.7 million, down 6.9% from EUR 4,633.8 million at the end of 2022.

<b>Net financial debt (*)</b>			
<i>(Millions of euros)</i>	National currency	Foreign currency	Total
Non-current debt securities	3,649.3	357.6	4,007.0
Long-term loans	1,509.5	491.2	2,000.6
<b>Total gross financial debt</b>	<b>5,158.8</b>	<b>848.8</b>	<b>6,007.6</b>
Cash, cash equivalents and term deposits	(1,656.6)	(38.3)	(1,694.9)
<b>Total net financial debt</b>	<b>3,502.2</b>	<b>810.5</b>	<b>4,312.7</b>

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



At 30 June 2023, the Group's entire financial debt was **long term**. As regards interest rates, **90%** of the Group's debt is at **fixed rates** and the remaining **10%** at **floating rates**.

The average cost of the Group's financial debt in the first half of 2023 was 2.11%, compared to 1.46% in the same period of the previous year.

The **average balance of gross debt** during that six-month period was EUR 6,128 million, versus EUR 6,431 million in the same period last year.

Redeia has set a target of arranging 100% of its financing in 2030 with ESG criteria. Regarding achievement of this objective, **57%** of financing as at 30 June 2023 included **ESG criteria**, up from 42% as at 31 December last year. Included in the calculation was the hybrid bond issued at the beginning of the year.

## Evolution of equity

At 30 June 2023, Redeia's **Equity** amounted to EUR 5,388 million, compared to EUR 4,894 million at 31 December. The increase in this heading reflects the recognition of the EUR 500 million hybrid bond issued in January as capital. It also mainly reflects the contribution of the first half-year result and the 2022 dividend distribution following the Annual General Meeting.

## Appendix 1. Consolidated financial statements

### *Consolidated income statement*

<i>(Millions of euros)</i>	<b>30/06/2023</b>	<b>30/06/2022</b>	<b>2023/2022</b>
Revenue	1,029.1	1,003.2	2.6%
Work carried out by the company for assets	26.6	31.1	(14.4%)
Share of profit of companies accounted for using the equity method (with activities similar to those of the Group)	34.8	27.8	25.3%
Procurements	(20.2)	(11.8)	71.4%
Other operating income	28.5	2.2	-
Personnel expenses	(105.8)	(91.6)	15.4%
Other operating expenses	(203.8)	(176.3)	15.6%
<b>Gross operating result (EBITDA)</b>	<b>789.3</b>	<b>784.6</b>	<b>0.6%</b>
Depreciation and amortisation charge for non-current assets	(269.9)	(268.4)	0.6%
Allocation to profit or loss of grants relating to non-financial assets	8.2	7.8	6.1%
Changes in fair value of financial instruments	(0.0)	0.1	(110.0%)
<b>Net operating profit</b>	<b>527.6</b>	<b>524.1</b>	<b>0.7%</b>
Finance income	28.2	7.7	266.2%
Financial costs	(70.4)	(52.7)	33.5%
Exchange differences	3.0	0.3	-
Changes in fair value of financial instruments	(0.3)	0.4	(174.6%)
<b>Net finance expense</b>	<b>(39.5)</b>	<b>(44.4)</b>	<b>(10.9%)</b>
<b>Profit before tax</b>	<b>488.1</b>	<b>479.7</b>	<b>1.7%</b>
Income tax expense	(120.2)	(115.5)	4.1%
<b>Consolidated profit for the period</b>	<b>367.9</b>	<b>364.2</b>	<b>1.0%</b>
<b>A) Consolidated profit attributable to the parent company</b>	<b>354.3</b>	<b>363.0</b>	<b>(2.4%)</b>
<b>B) Consolidated profit attributable to non-controlling interests</b>	<b>13.6</b>	<b>1.2</b>	<b>-</b>

## Consolidated balance sheet

(Millions of euros)

	30/06/2023	31/12/2022
<b>Assets</b>		
Intangible assets	834.9	855.1
Property, plant and equipment	9,749.6	9,626.8
Investment properties	1.7	1.7
Investments accounted for using the equity method	950.0	891.6
Non-current financial assets and derivatives	535.9	386.2
Deferred tax assets	68.0	69.2
Other non-current assets	(110.3)	3.5
<b>Non-current assets</b>	<b>12,029.8</b>	<b>11,834.2</b>
Inventories	57.3	41.3
Trade and other receivables	1,473.9	1,358.7
Current financial assets and derivatives	342.2	752.5
Cash and cash equivalents	1,394.9	794.8
<b>Current assets</b>	<b>3,268.4</b>	<b>2,947.3</b>
<b>Total assets</b>	<b>15,298.3</b>	<b>14,781.5</b>

	<b>30/06/2023</b>	<b>31/12/2022</b>
<b>Equity and liabilities</b>		
Shareholders' equity	5,274.4	4,826.3
Share capital	270.5	270.5
Reserves	4,175.8	4,064.5
Treasury shares and own equity instruments (-)	(26.3)	(26.3)
Other equity instruments	500.0	0.0
Profit/(loss) attributable to the Parent	354.3	664.7
Interim dividend	0.0	(147.1)
Adjustments due to changes in value	(13.0)	(36.8)
Non-controlling interests	126.2	104.7
<b>Equity</b>	<b>5,387.6</b>	<b>4,894.3</b>
Grants and other	856.5	746.5
Non-current provisions	139.9	139.8
Non-current financial liabilities and derivatives	5,604.5	5,565.8
Deferred tax liabilities	423.1	417.7
Other non-current liabilities	116.3	114.5
<b>Non-current liabilities</b>	<b>7,140.4</b>	<b>6,984.2</b>
Current financial liabilities and derivatives	1,655.8	1,712.3
Trade and other payables	1,082.7	1,160.2
Current provisions	31.8	30.5
<b>Current liabilities</b>	<b>2,770.3</b>	<b>2,903.0</b>
<b>Total equity and liabilities</b>	<b>15,298.3</b>	<b>14,781.5</b>













**Consolidated statement of cash flows***(Millions of euros)*

	30/06/2023	30/06/2022
<b>Cash flows from operating activities</b>	<b>287.8</b>	<b>765.3</b>
Profit before tax	488.1	479.7
Adjustments to profit	266.5	281.4
Changes in working capital	(344.5)	144.8
Other cash flows used in operating activities	(122.3)	(140.6)
<b>Cash flows used in investing activities (*)</b>	<b>89.6</b>	<b>(980.4)</b>
Payments from investments	(950.6)	(987.1)
Proceeds from disposals	916.1	(0.1)
Other cash flows from investing activities	124.1	6.8
<b>Cash flows from/(used in) investing activities</b>	<b>222.8</b>	<b>(155.4)</b>
Proceeds from/(payments for) equity instruments	506.7	990.0
Proceeds from/(payments for) financial liabilities	(127.3)	(988.7)
Dividend payments	(151.0)	(151.7)
Other cash flows used in financing activities	(5.6)	(5.0)
<b>Effect of foreign exchange rate changes</b>	<b>(0.1)</b>	<b>3.6</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>600.1</b>	<b>(366.9)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>794.8</b>	<b>1,574.4</b>
<b>Cash and cash equivalents at end of period</b>	<b>1,394.9</b>	<b>1,207.5</b>

(\*) Includes a net divestment of EUR 415 million in 2023 and a net investment of EUR 700 million in 2022 in deposits and repos with a maturity of less than 1 year.



## Appendix 2. Sustainability certifications

 <p>Member of <b>Dow Jones Sustainability Indices</b> Powered by the S&amp;P Global CSA</p>	<p>Continued presence on the Dow Jones Sustainability Index World index.</p>	 <p>Sustainability Award Silver Class 2022 S&amp;P Global</p>	<p>Included in the 2023 The Sustainability Yearbook of S&amp;P Global.</p>
 <p>FTSE4Good</p>	<p>Continued presence on the FTSE4Good (*).</p>	 <p>Member 2015/2016 STOXX ESG LEADERS INDICES</p>	<p>Continued inclusion in the STOXX index Global ESG Leaders Index.</p>
 <p>MSCI</p>	<p>Continued inclusion in the MSCI ESG index achieving the top rating of 'AAA'.</p>	 <p>NYSE EURONEXT vigeo</p>	<p>Continued presence on the Euronext-Vigeo, Eurozone 120, Europe 120 and Global 120 indexes.</p>
 <p>Ethibel</p>	<p>Continued inclusion in the Ethibel Sustainability Index Excellence Europe index.</p>	 <p>Corporate Responsibility Prime rated by oekom research</p>	<p>Granted Prime status by Oekom for leading companies in the sector.</p>
 <p>Bloomberg Gender-Equality Index 2022</p>	<p>Continued presence on the Bloomberg Gender Equality Index.</p>	 <p>CDP DISCLOSURE INSIGHT ACTION</p>	<p>Included on CDP's 'A' list for its commitment combating climate change.</p>
 <p>BME BOLSA Y MERCADOS ESPAÑOLES a SIX company</p>	<p>Company added to the Ibex Gender Equality Index.</p>	 <p>haz FUNDACIÓN</p>	<p>Awarded the 't for transparent ***' seal</p>

(\* ) FTSE Group confirms that Redeia Corporación S.A., 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 recognized around the world. Companies included in this 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 3Q 2023 results	October 23
2023 interim dividend	January 24



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

### For more information

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

[Investor relations](#)

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

[investor.relations@redeia.com](mailto:investor.relations@redeia.com)

## Disclaimer

This document has been produced by Redeia Corporación S.A. ('Redeia') for the sole purpose expressed here. It should not in any case 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 Redeia.

Its content is provisional and purely for information purposes and the statements it contains reflect the intentions, expectations and forecasts of Redeia 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 Redeia 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 representation or warranty, either express or implied, by Redeia or its Representatives may be construed from its content. Likewise, neither Redeia nor any of its Representatives assumes any form of liability (including through negligence) for any harm or loss that may arise from the use of this document or any information contained in it.

Furthermore, Redeia 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 Redeia, especially analysts, notwithstanding the option to consult the public documentation and disclosures notified or registered with the Spanish stock market authority (CNMV), which Redeia recommends all interested parties to do.