



Results for the year 2022

February 2023

redeia
Valuing the essentials

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redeia

1.

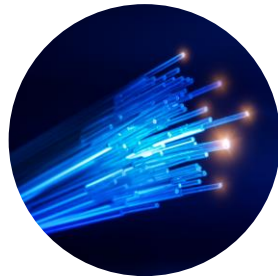
Real commitment
to a sustainable future

Driver for energy transition and universal connectivity



Electricity

Connectivity



Innovation



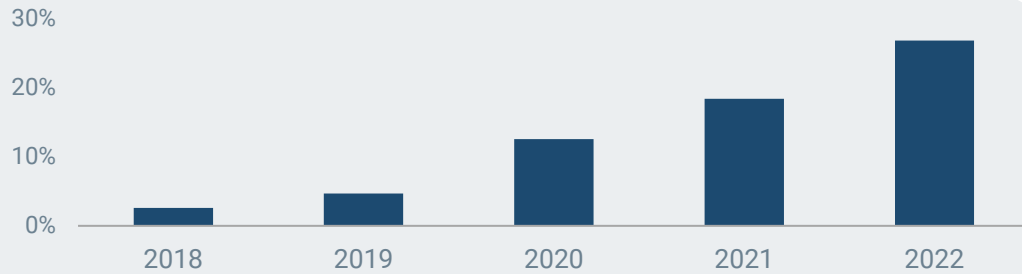
Redeia: Valuing the essentials

Ensuring electricity supply and connectivity, promoting an unbiased ecological transition that is in line with sustainability criteria, placing value on our neutrality and contributing to social and territorial cohesion.

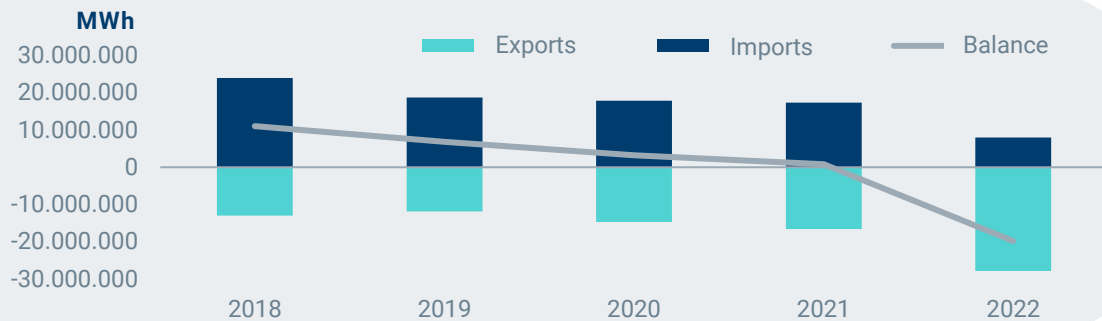
Committed to energy transition

Driving change with sustainability criteria

% of hours in which wind and solar cover more than 50 % of demand



Cross-border energy exchanges evolution



- In 2022, **records in wind and photovoltaic production** have been achieved, laying the foundations for consolidating an electricity system with 74 % renewables in 2030. January 2023, record renewable energy.
- 2022, **an exporting year**. The Spanish electricity system breaks the import trend over the last six years, mainly with France and Portugal borders.
- **System Operations**: new national requirements, increased measurement and settlement requirements, and at the European level, due to integration in balancing and adjustment platforms. First auction of active demand response.
- Importance of **promoting the development of other technologies** such as offshore wind, storage, the green hydrogen industry and self-consumption, which will require an **adequate framework**

redinter



- New commissioning in **Chile** and **Peru**.
- Completion of the acquisition of **five transmission lines in Brazil** through Argo Energía.

reintel



- New perspectives after the entry of **KKR** as a **strategic partner**.

hispasat



- Successful launch of **Amazonas Nexus** on February 7.
- Hispasat is the only company awarded, in provisional resolution, the management of **Único Demanda Rural** subsidies.

We are
the engine
of global
connectivity

New Sustainability Plan 2023-2025, in line with 2030 targets ...

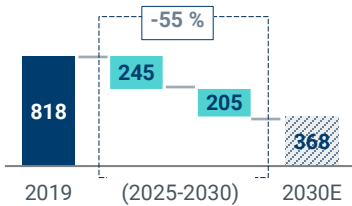
2025 interim targets

- **30 %** reduction of emissions under **Scope 1 & 2***.
- **2/3** suppliers with approved SBTi.
- **100 %** Scope 1 emissions offset in 2023.

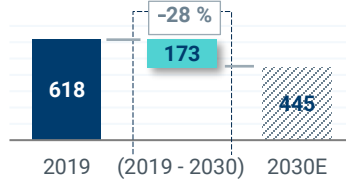


Decarbonisation of the economy

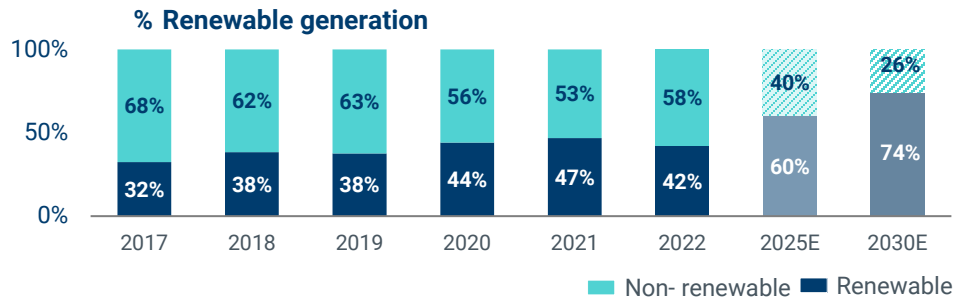
Scope 1 & 2
ktCO₂ equivalents



Scope 3
ktCO₂ equivalents



>60 % renewable energies integrated into the system



Responsible value chain

- Commitment to protect vegetation and **fight against deforestation** on **100 %** of investment projects.
- At least **10 suppliers** with the greatest impact, with **criteria of circularity (LCA*)**, climate change, safety, diversity and biodiversity.



Contribution to environment development

- **50 %** of women on Redeia's Board of Directors.
- **38 %** of women in the management team.
- **100 Mbps** deployed with satellite connectivity throughout Spain.



Anticipating change and taking action

- Implementation of **6** high-impact innovative technological solutions that contribute to the development of the energy transition and telecommunications.

* With reference to 2019. ** LCA: Life Cycle Analysis

... with good performance in the main sustainability indices in 2022.

Redeia's index position



- **CDP**: A
- **ISS ESG**: B+
- In addition, **S&P ESG** assessed Redeia with **82 points** out of 100.
- Redeia, **among the 10 most sustainable companies** in its industry in the world, according to **Sustainability Yearbook 2023**.

	DJSI	Sustainalytics	FTSE 4 Good	MSCI	Vigeo Eiris	Bloomberg GEI
Industry	Electric utilities	Electric utilities	Conventional electric utilities	Utilities sector	Gas and electricity utilities	Utilities
Scale	0 – 100	0 – 100	0 – 5	CCC – AAA	0 – 100	0 – 100

2.

Highlights & 2022 results

TSO

- **System Operation:** high levels of service quality with a network availability rate exceeding 98 %.
- Start of construction of Chira-Soria **reversible hydroelectric power plant**.
- Issuance of EUR 500M **green hybrid bond** with an annual fixed coupon of 4.625 %. It will be allocated to the implementation of the National Infrastructure Plan 2021-2026.

Investment acceleration exceeding € 530 M (+25 % vs. 2021), from levels of € 400 M in recent years.

Regulatory developments

- **Final transmission Tariff Orders for 2016-2019*:** the values are adjusted to the final tariffs, approved for the period.
- **Approved Chira-Soria remuneration methodology:** Recognition of work in progress and granting of € 90 M in ERDF financing.
- **Increase in System Operator remuneration** for the second regulatory period 2023-2025 (€ 82.6 M from previous € 74.7 M).
- **Acceleration of permitting process for transmission assets (RDL14/2022):** 15 days period for the CNMC report and administrative silence is understood as positive; processing of singular facilities in parallel with the resolution of their singularity.
- **RDL 20/2022:** the government must initiate, no later than March 31, 2023, an amendment to specific aspects of the **transmission network planning** development plans, to include urgent strategic actions as well as priority actions for the energy transition.
- **Updating of the 2021-2030 National Energy and Climate Plan (PNIEC):** no later than June 2024.

* December 23, approving Order TED/1311/2022, approving the remuneration corresponding to 2016 & Order TED/1343/2022, which establishes the remuneration of companies holding electricity transmission facilities for 2017, 2018 and 2019.



Highlights



International Business

- Commissioning of **Redenor** and **Redenor 2** in Chile, and **TESUR 4** in Peru.
- Closing of the acquisition of **five transmission lines in Brazil** through Argo Energía. The transaction involves an investment for Redeia of approximately € 200 M for the 50 % corresponding to Argo's investment.
- Acquisition of **Rialma III** (Argo IV) for € 32.4 M at 31 January 2022.



Satellite Business

- Acquisition of **Axess Networks** for ~ € 120 M, a company providing satellite connectivity, video transmission, data and internet access services.
- Successful launch of **Amazonas Nexus** on 7 February, with commercial operation expected in September.
- Hispasat was the sole awardee, in provisional resolution, for the management of aids from **Único Demanda Rural** (€ 76.3 M), a program to provide satellite connectivity services with affordable prices in rural areas without coverage.



Fibre optic business

- Closing the sale for non-controlling interests of **49 % of Reintel** in June for € 996 M, allowing to crystallize the value of our fibre optic assets.

Stable 2022 results in a complex macroeconomic environment...

Dividend proposed to the General Shareholders Meeting amounts to € 1 per share, fulfilling our commitment with the market

€2,065 M
Revenues*

€1,983 M in 2021

€1,491 M
EBITDA

€1,499 M in 2021

€665 M
Net profit

€681 M in 2021

€1,032 M
Investments

€576 M in 2021

€4,634 M
Net Debt

€5.648 M in 2021

€1,147 M
FFO

€1,178 M in 2021

€0.2727 per share
Distribution of interim dividend
9 January 2023

** Including revenues and share of profits of companies accounted for using the equity method (TEN, Argo and Hisdesat).*

... with a solid contribution from international and satellite business

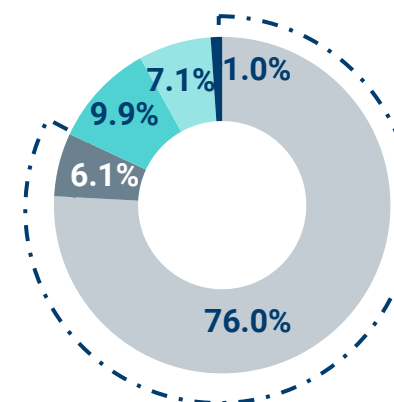
P&L (€ M)	2022	2021	Δ €M	Δ%
Revenues*	2,065.4	1,982.5	+82.9	+4.2
Other income and OWC**	140.6	66.4	+74.2	+111.8
Operating expenses	-714.8	-550.2	-164.5	+29.9
Net operating expenses	-574.2	-483.9	-90.3	+18.7
Gross operating result (EBITDA)	1,491.3	1,498.6	-7.4	-0.5
Depreciation and amortisation	-529.7	-506.7	-23.0	+4.5
Net operating profit (EBIT)	961.6	992.0	-30.4	-3.1
Net financial results	-92.0	-103.9	+11.9	-11.4
Profit before tax	869.5	888.1	-18.6	-2.1
Corporation tax	-188.3	-201.8	+13.5	-6.7
Non-controlling interests	-16.5	-5.7	-10.8	+190.9
Profit/(Loss) for the year	664.7	680.6	-15.9	-2.3

NOTE: Other operating income and operating expenses include the income and costs associated with the construction of Chira-Soria amounting to € 64.2 M and € 59.6 M, respectively.

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

** OWC: Own work capitalised.

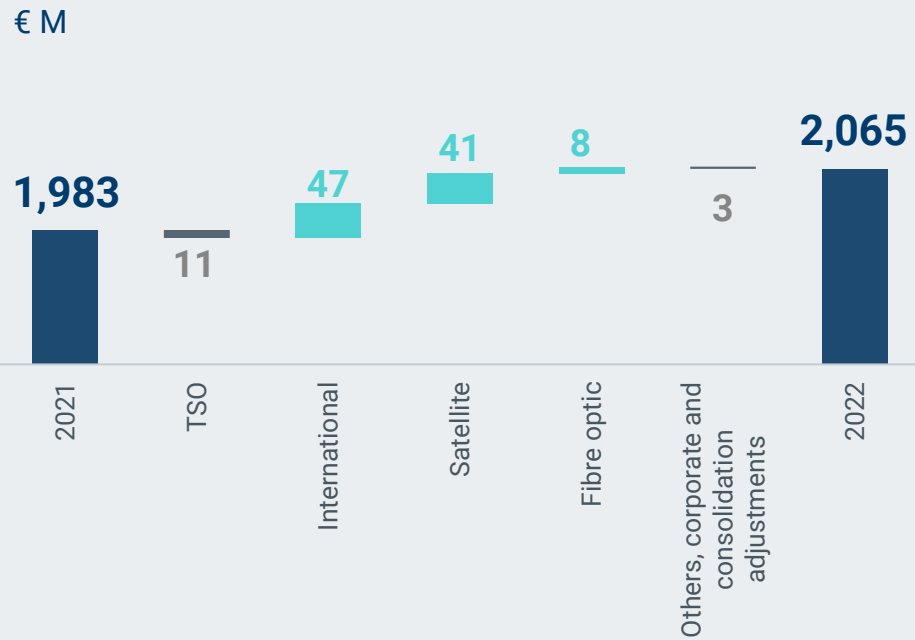
EBITDA (€ M)	FY22	FY21	Δ €M	Δ%
TSO	1,132.9	1,197.5	-64.6	-5.4
International	90.4	50.7	+39.7	+78.1
Satellite	147.7	133.4	+14.3	+10.7
Fibre optics	105.7	103.3	+2.4	+2.3
Other and consolidation adjustments	14.6	13.7	+0.9	+6.5
Group total	1,491.3	1,498.6	-7.4	-0.5



More than 82 % related to regulated business

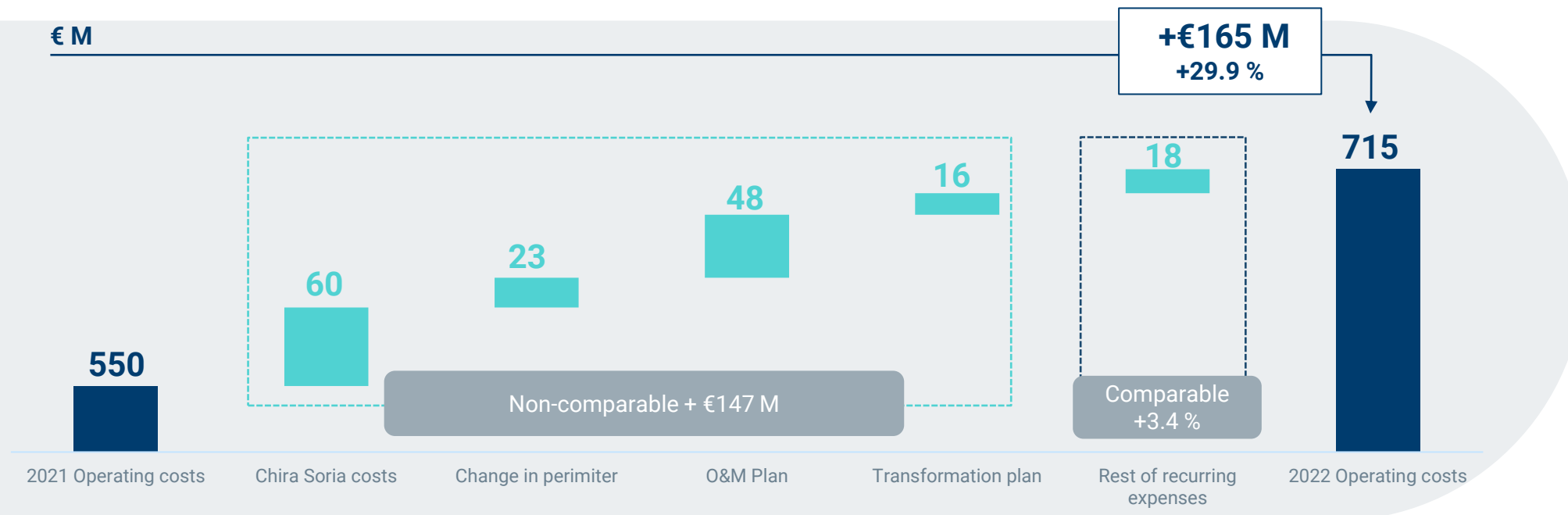
- TSO
- International
- Satellite
- FO
- Other

Revenues increase by 4.2 %, due to growth in diversification business



- **Regulated business in Spain:** extraordinary impact based on Tariff Orders (€ -35M).
- **International Business:** significant contribution in Brazil after commissioning of assets, acquisition of Argo IV and 5 concessions authorized in November. Increased number of projects commissioned in Chile and Peru.
- **Satellite business:** higher sales and improved contract renewal conditions, acquisition of Axess since August 2022 and acquisition of MediaNetworks in Peru, in May 2021.
- **Fibre optic business:** positive performance of commercial activity and contracts linked to inflation.

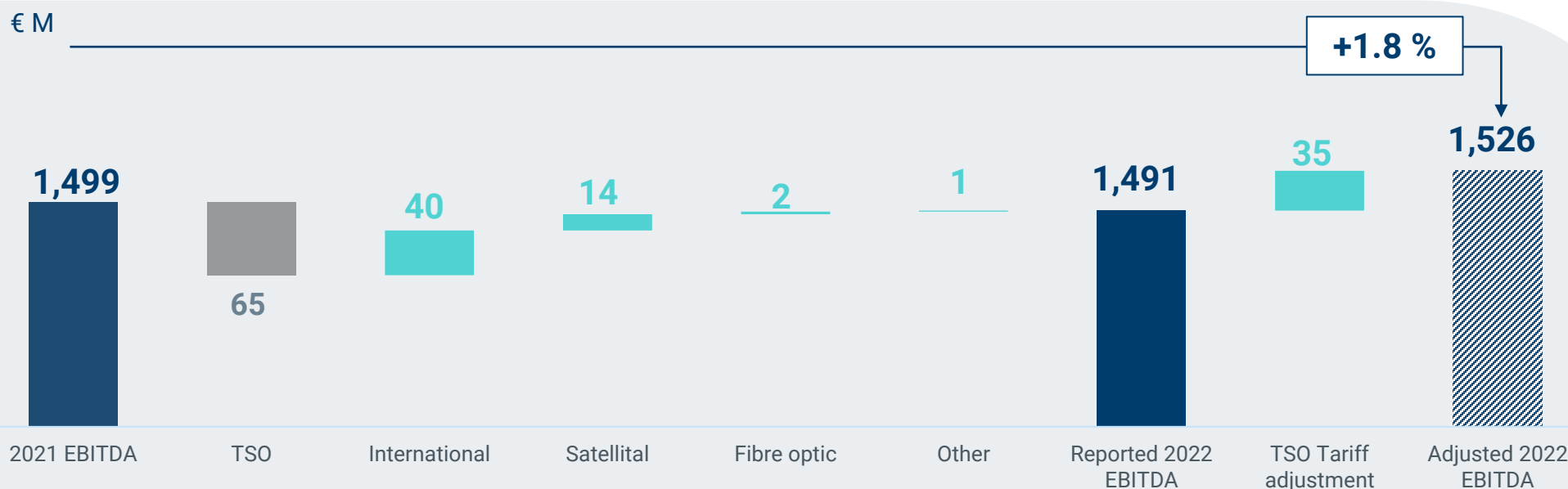
Containment of comparable operating costs, increasing by 3.4 % in a high-inflation environment



- **Construction costs of Chira Soria** € 60M recognised as 'Operating costs' in accordance with current accounting standards. At the same time, income of € 64 M was recognised under 'Other income and OWC' in the income statement.
- Costs associated with **change in perimeter** € 22.6 M, mainly due to Axess integration in August 2022.
- Impact of 2022-2023 **O&M Plan** on critical assets amounting to € 47.9 M.
- Accounting for one-off personnel expenses associated mainly with the **Early Retirement Plan** (€ 16.3 M).

EBITDA decreases by 0.5 % impacted by the non-recurring tariff adjustment following publication of the final Tariff Orders

Excluding the TSO tariff adjustment, EBITDA would have increased by 1.8 %



- **EBITDA** performance affected by the non-recurring impact in **TSO** following the regularization of revenues for the period 2016-2019 and the estimation for the years 2020-2022. There were also higher expenses mainly related to the maintenance of critical assets. Positive contribution in the **international** activity and in the **telecommunications** activities mainly due to changes in the accounting perimeter, and greater commercial activity in the satellite and fibre optic business.

Net Profit is reduced by 2.3 % affected by the EBITDA evolution and higher depreciation and amortisation

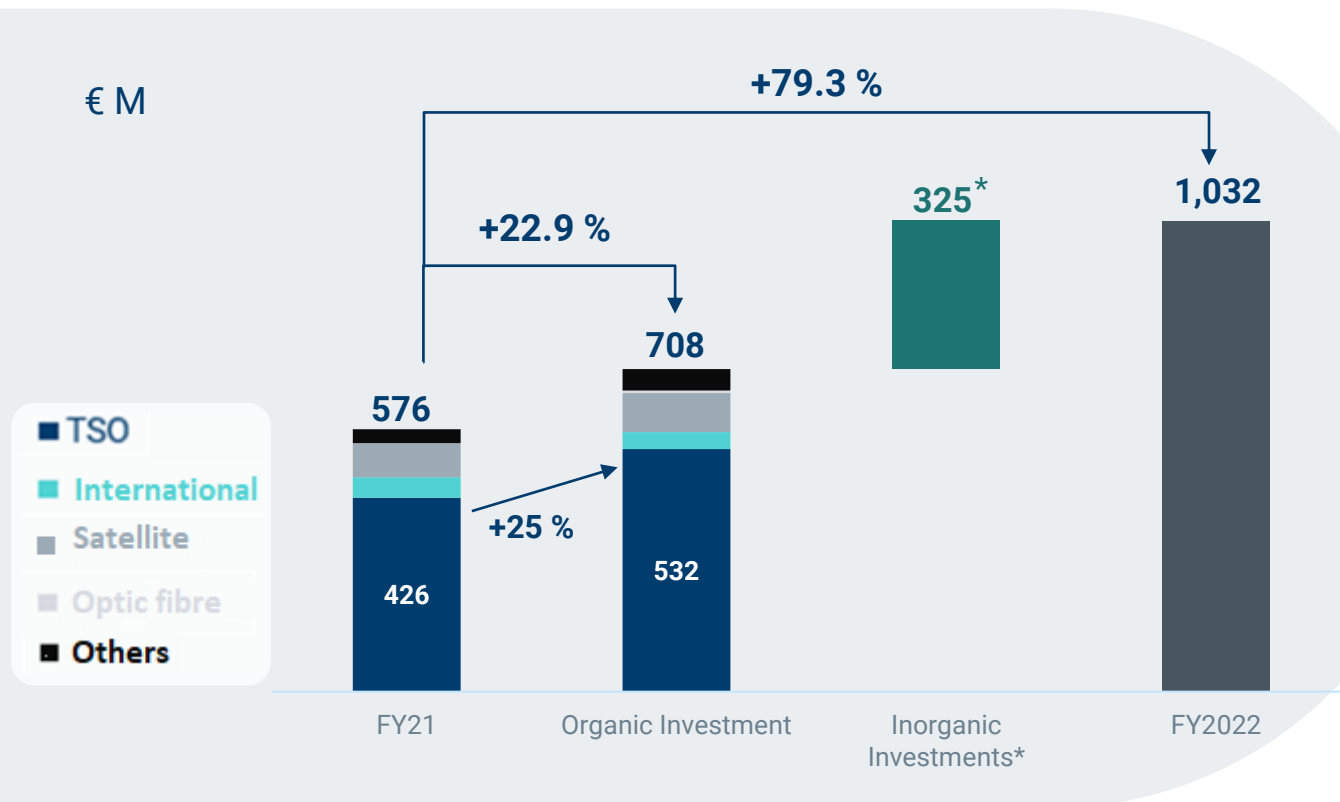
Excluding the TSO tariff adjustment, Net Profit would have increased by 1.5%



- Increased **depreciation and amortisation** mainly linked to the satellite business.
- Improved **net financial result**, due to lower average debt and thanks to the net cash position that has allowed to offset the increase in rates.
- **Corporate tax** decreases, with a tax rate of 21.7 % compared to 22.7 % in 2021, mainly due to the greater contribution to the results of companies accounted for using the equity method, recorded net of taxes. In addition, tax credits for R&D&i from the satellite business linked to investment in the Amazonas Nexus satellite.
- Increase in **non-controlling interests** after sale of a 49 % stake in Reintel in June.

The group's investments reached € 1,032M, with strong TSO growth exceeding € 500M

c.80 % of organic investments eligible according to European Taxonomy



* Includes the acquisition of Axess of ~ € 120 M and 5 lines in Brazil for € 201 M.

TSO: € 532 M (+25 %)

- Strong increase in investments due to the special acceleration plan launched in the transmission grid.
- Noteworthy is the degree of progress on the Ibiza-Formentera, Peninsula-Ceuta, Tenerife-La Gomera and Galicia-Portugal interconnections. Completion of the Lanzarote- Fuerteventura link.
- First phase of Chira-Soria works.
- Commissioning of the first segment of the Caparacena-Baza-La Ribina line.

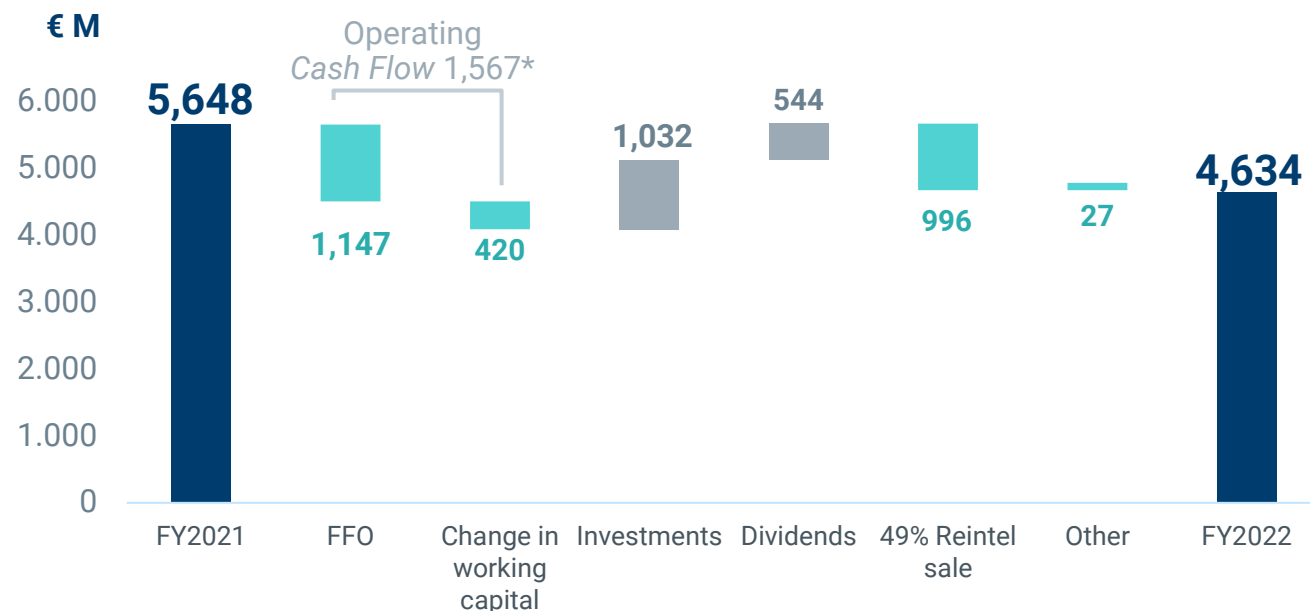
International: € 238 M

- Commissioning of Tesur 4 in Peru and Redenor in Chile.
- Acquisition of 5 transmission lines in Brazil through Argo for € 201 M.

Telecommunications: € 215 M

- Launch of a new satellite Amazonas Nexus in February and planned commercial operation in September 2023.
- Acquisition of Axess for ~ € 120 M.

Decrease in Net Debt to € 4,634 M (-18 %) due to the sale of 49 % of Reintel



- Strong **cash flow** generation, which has reduced the volume of financial debt.
- Positive contribution of **working capital** due to higher collections from the transmission tariff and items pending settlement to the system.

3.1 x
ND/EBITDA
3.8 x in 2021

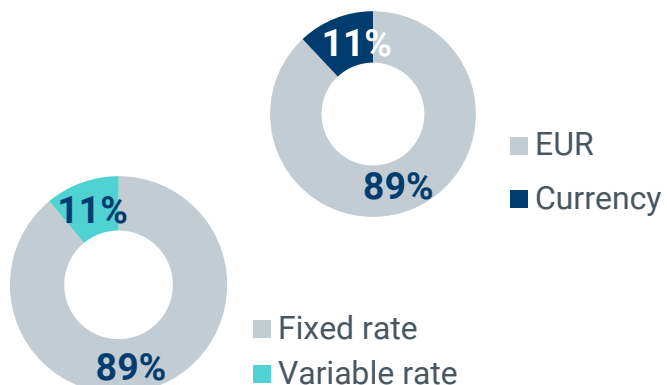
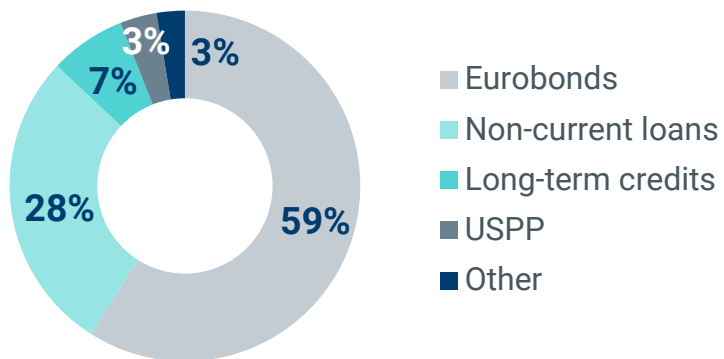
24.7 %
FFO/ND
20.9% in 2021

'A-'
Stable outlook
Fitch and S&P

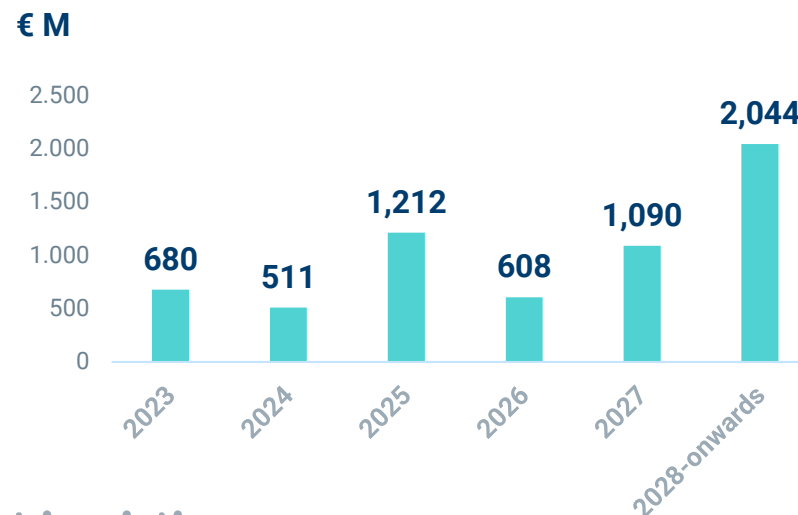
* Corporate income tax payments on account related to the capital gain on the sale of 49 % of Reintel (€154 M) have been classified as "Change in working capital" rather than as other cash flows. This amount will be returned to Redeia in the coming months.

Solid financial structure and liquidity position with a comfortable maturity profile

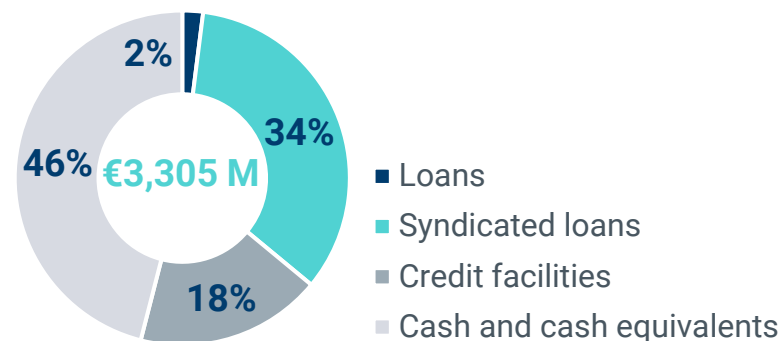
Gross debt structure



Maturities



Liquidity



42%
ESG financing
35 % in 2021

5.0 years
Average life
5.0 years in 2021

1.62%
Cost of debt
1.52 % in 2021

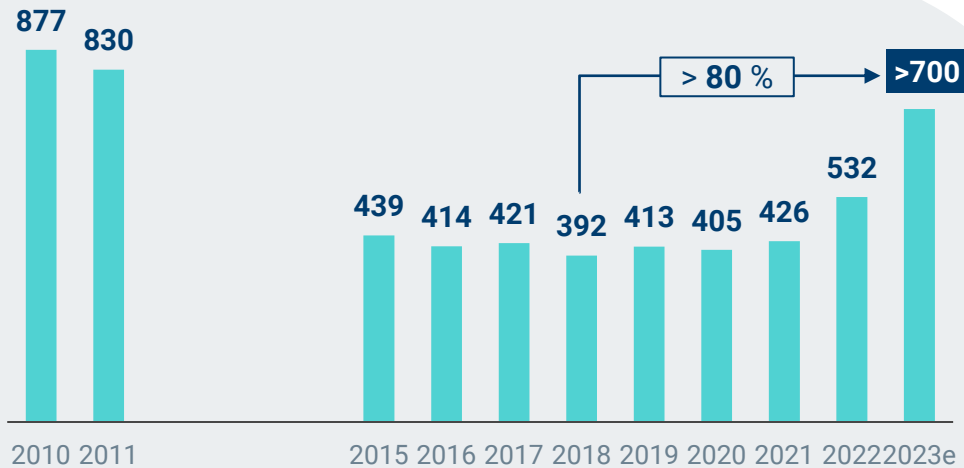
3.

Outlook for 2023

2023 turning point year in the TSO

Accelerating investments to levels near record highs

TSO Investments



2023 EBITDA exceeding € 1,500 M and Net profit in line with 2022

TSO

- Greater commissioning of assets and update in the System Operator remuneration.
- Progress of the Chira-Soria project.

International

- Contribution of new lines acquired in Brazil and assets commissioned.

Satellite

- Start of Amazonas Nexus commercial activity scheduled for September 2023.
- Already planned completion of certain existing video services in Brazil.

Fibre optic

- Good performance, with income contractually protected from inflation.

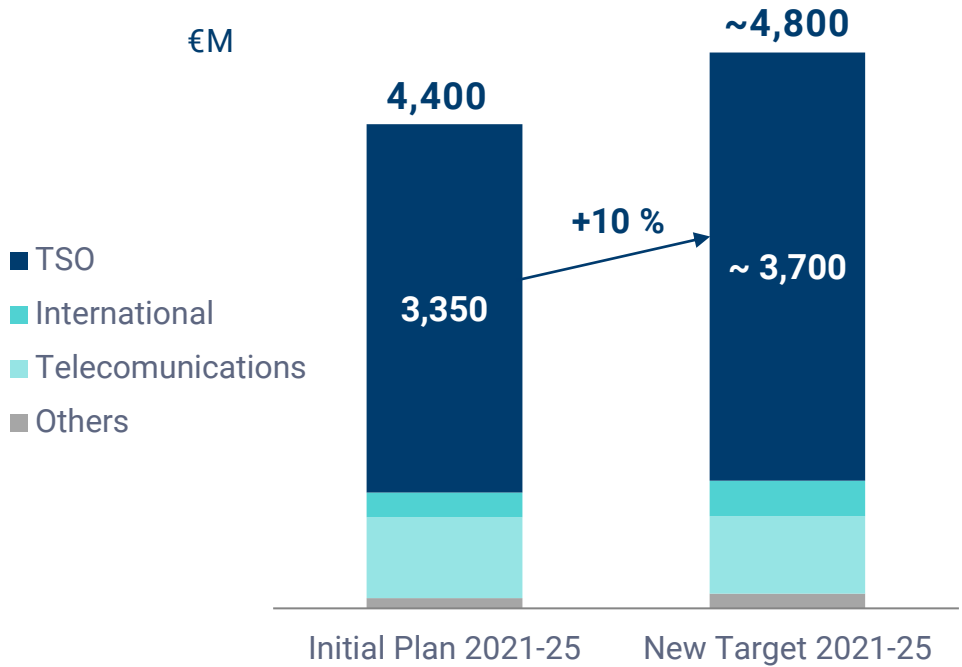
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Progress on the 2021-2025 Strategic Plan

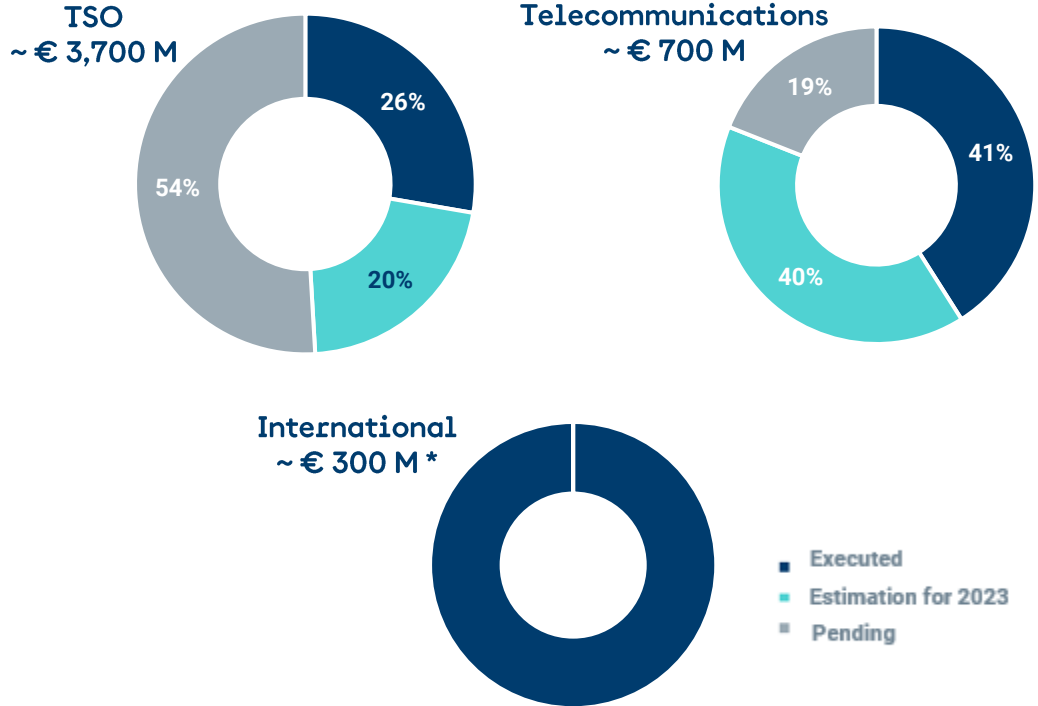
Increased investment target in the regulated domestic business by 2025

Boosting TSO investments, catalyst for energy transition

Capex 2021-2025



Progress of the period



* International Business initial capex target to 2025: € 224 M.

Confirming our financial targets for the period 2021-2025

Attractive shareholder remuneration and sound financial structure

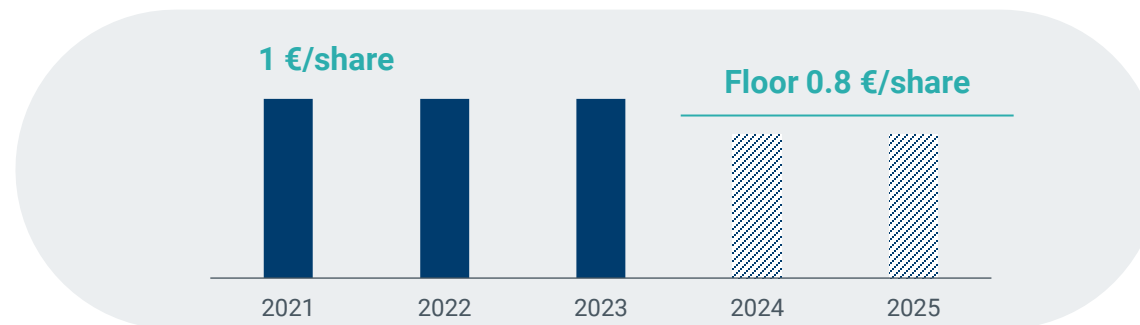
Financial efficiency 2021-2025

	2022	2023e	2025e
	Actual	Estimate	Targets
EBITDA Margin	73.7 %	> 72 %	> 70 %
FFO / Net Debt	21.3 %	> 21 %*	> 15 %
Net Debt/ EBITDA	3.1x	~ 3.6x*	< 5 x

* Following the rating agencies' methodology (including 50 % of the hybrid bond as financial debt) the FFO/Net Debt ratio is > 20 % and the Net Debt/EBITDA ratio would reach 3.8x in 2023.

Sustainable dividend policy

Aligned with the company's strategy, **demanding** in terms of investments, and in a complex macroeconomic environment.



redeia

5.

Q&A session

redeia
Valuing the essentials

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