



Results for the first nine months 2023

October 2023

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1.

First nine months of 2023 Highlights & results of the period

Accelerating our investments in Spain and consolidating our diversification businesses

- **TSO investments grow by 88%** reaching €513m, to enable the energy transition.
- Leaders in **integration of renewable energies**, which represent 50% of electricity generation in Spain as of 9M23.
- **Consolidating our international activity** after following the commissioning of the projects in Chile and Peru and a solid contribution from the new assets in Brazil.
- **Amazonas Nexus** reached its orbital position on 15 July and started commercial operation, with a committed capacity of 80%.
- **Fitch Ratings** reaffirmed Redeia Corporación's **rating at A- with a stable outlook**.

Regulatory update

- **Approval by the European Commission** of the key legislation of **Fit for 55** in October, setting a 2030 target of at least 42.5% of energy from renewable sources (vs. 32% previously). It includes an article on the "**areas of grid infrastructure** and storage needed to integrate renewables into the electricity system" whereby projects could benefit from a more streamlined process, especially in environmental matters.
- On 27 July, the CNMC approved **the final order on transmission tariffs for 2020**.

+88 %
vs
9M22

Increase in TSO investments exceeding €500M

Making progress in achieving our targets...

The Board of Directors has approved the interim dividend for 2023 of €0.2727 per share*

€ **1,598** M
Revenues**

€ 1,555 M in 9M22

€ **1.183** M
EBITDA

€ 1.182 M in 9M22

€ **535** M
Net Profit

€ 551 M in 9M22

€ **622** M
Investments

€ 485 M in 9M22

€ **4,971** M
Net financial debt

€ 4,634 M Dec. 22

€ **991** M
FFO

€ 999 M in 9M22

* Payment day on 5th January 2024.

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

... with EBITDA performing in line and impact of higher minority interests on Net Profit

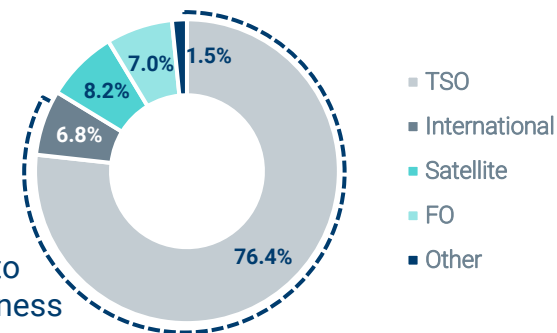
€M

P&L	9M23	9M22	Δ€M	Δ%
Revenues*	1,597.8	1,554.8	+43.0	+2.8
Other income and OWC**	82.7	57.6	+25.1	+43.6
Operating expenses	-497.5	-430.0	-67.5	+15.7
Gross operating result (EBITDA)	1,183.1	1,182.3	+0.8	+0.1
Depreciation and amortisation	-393.0	-394.3	+1.3	-0.3
Net operating profit (EBIT)	790.1	788.0	+2.0	+0.3
Net financial results	-64.8	-69.8	+5.1	-7.3
Profit before tax	725.3	718.2	+7.1	+1.0
Corporate tax	-167.6	-156.0	-11.6	+7.4
Non-controlling interests	-22.3	-10.7	-11.7	-
Profit/(Loss) for the year	535.3	551.5	-16.1	-2.9

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

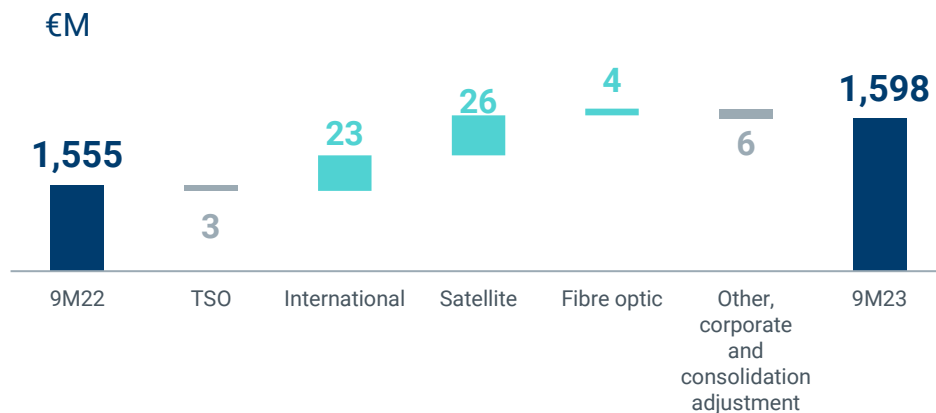
** OWC: Own work capitalised.

EBITDA	9M23	9M22	Δ€M	Δ%
TSO	904.0	917.2	-13.2	-1.4
International	80.6	62.2	+18.4	+29.6
Satellite	97.4	109.9	-12.5	-11.4
Fibre optic	83.2	81.3	+1.9	+2.3
Other and consolidation adjustments	17.9	11.8	+6.1	+52.1
Group Total	1,183.1	1,182.3	+0.8	+0.1



>83 % related to regulated business

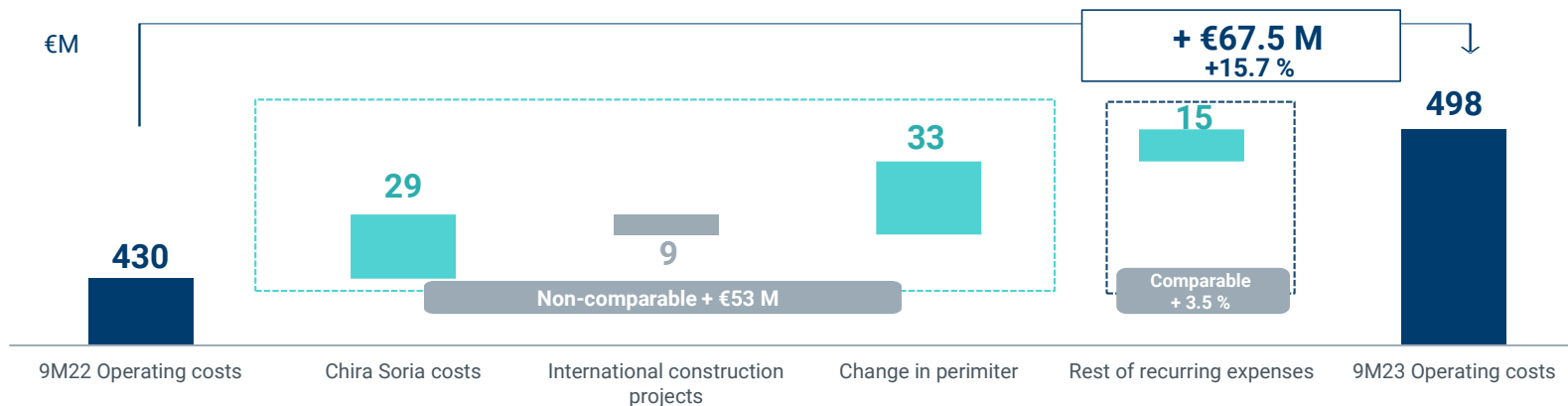
Revenues increase by 2.8%, due to growth in diversification businesses



Note: including revenues and share in profits of companies accounted for using the equity method (TEN, Argo and Hisdesat).

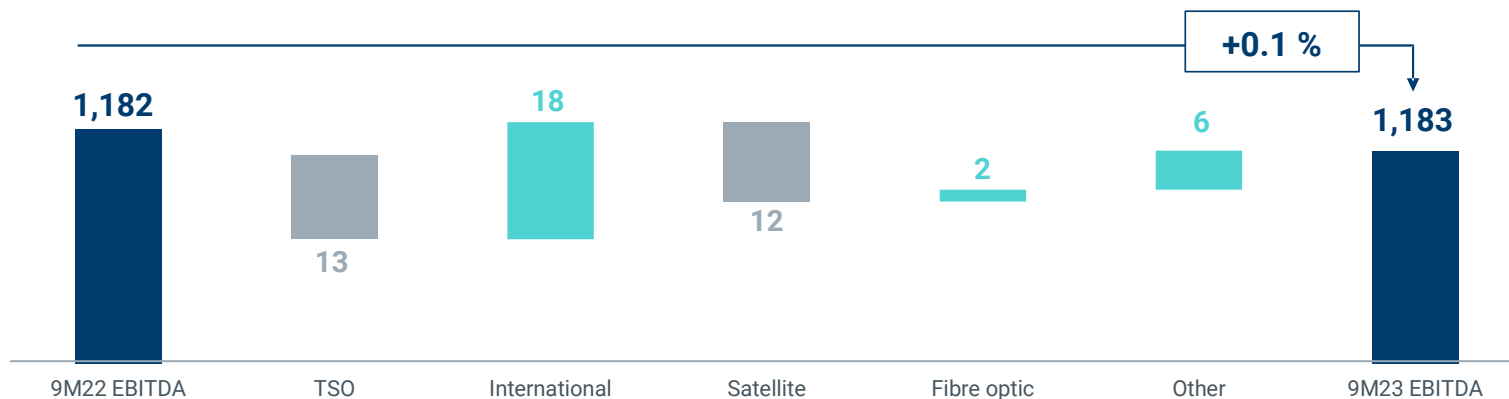
- **Regulated business Spain (-0.3 %):** higher revenues from System Operation (€6.4 M) following the review of parameters for 2023-25 and higher projects for third parties (+€4.7 M), offset by a fall in transmission activity due to the impact of the new criteria established by the regulator for the commissioning of transmission facilities, as well as by lower commissioning than the regulatory amortization (€14.4M).
- **International business (+28.8 %):** commissioning of Redenor (Chile) and Tesur 4 (Peru), incorporation of new assets to the perimeter of Argo (Brazil), and better result of TEN in Chile.
- **Satellite business (+16.2 %):** positive evolution, mainly following the incorporation of Axess, and the better results of Hisdesat, despite the planned completion of certain video services in Brazil.
- **Fibre optic business (+4.0 %):** positive evolution of inflation-linked contracts.

Comparable operating costs increase by 3.5 %



- **Chira-Soria construction costs** of €29 M not contemplated in 9M22. At the same time, income of €34.6 M was recorded under “Other income and OWC” in the P&L.
- Costs associated with **change in perimeter**, mainly due to Axess incorporation in August 2022.
- **Comparable costs** affected by higher personnel expenses (higher headcount and the impact associated with the new collective agreements) and general expenses. Personnel costs will normalise during the year as 4Q2022 included a non-recurrent effect related to the collective agreements.

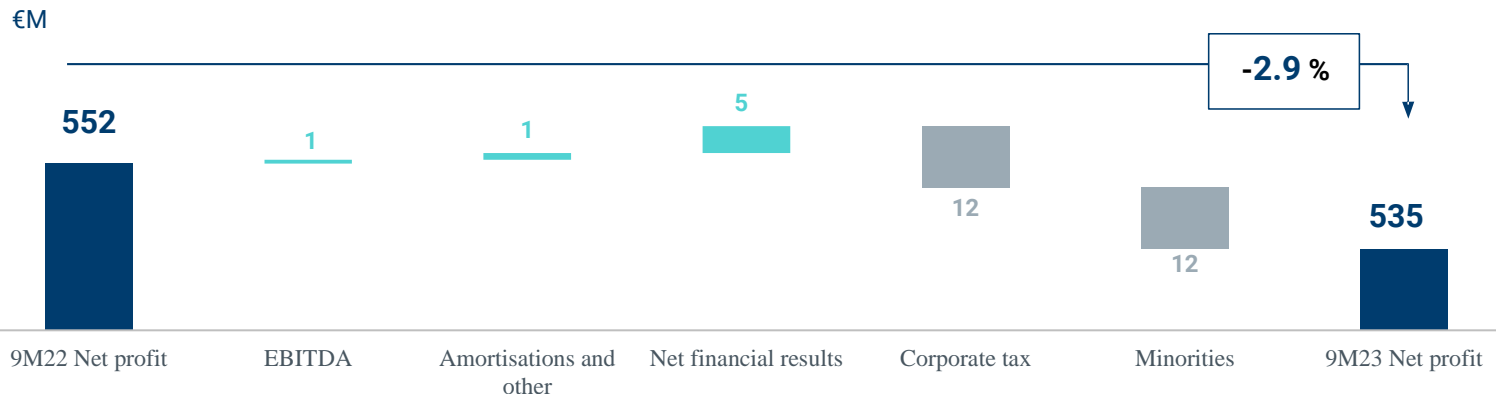
EBITDA in line with 9M 2022, supported by international activity



- Lower contribution from **TSO** due to lower transmission revenues and higher operating expenses.
- Positive contribution from the **international business** due to the commissioning of assets, changes in the accounting perimeter.
- Decrease in the **satellite business** mainly due to the completion of some video services in Brazil.
- The **fibre optic business** grows reflecting the impact of the inflation on contracts.

Net Profit decreases by 2.9 % due to higher minority interests after the sale of Reintel

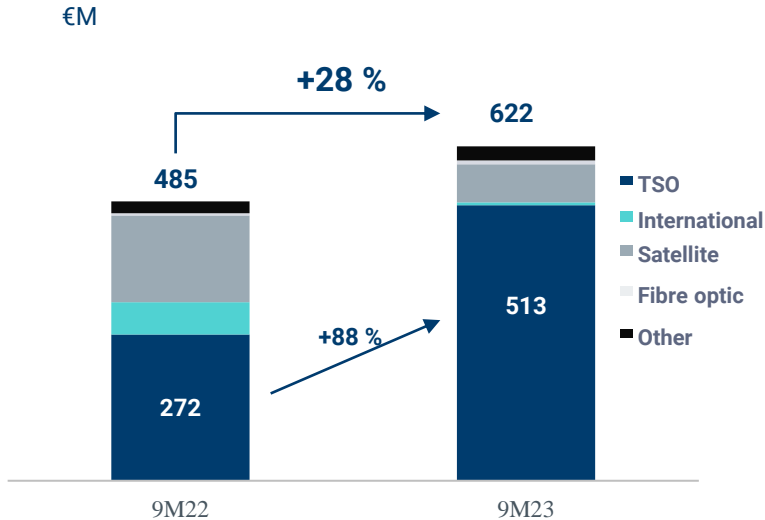
Consolidated profit before minority interests is reduced by 0.8% to €558 M



- **Amortizations and other** in line with previous year.
- Improved **financial result** due to the management of cash surpluses and lower average gross debt, partially offset by higher cost of debt (2.13 % in 9M23 vs 1.53 % in 9M22).
- **Corporate tax** increases, with a higher effective tax rate of 23.1%.
- Increase in **minority interests** following the sale of a 49 % stake in Reintel in June 2022.

TSO investments increase by 88%, exceeding € 500 M

More than 80 % of the group's investments are eligible under European Taxonomy



TSO: € 513 M (+88 % vs. 9M22)

- Development of the transmission grid amounted to €463 M, due to greater efforts in the construction of new lines and substations, together with progress in new interconnection with France.
- Storage in the Canary Islands €35 M.

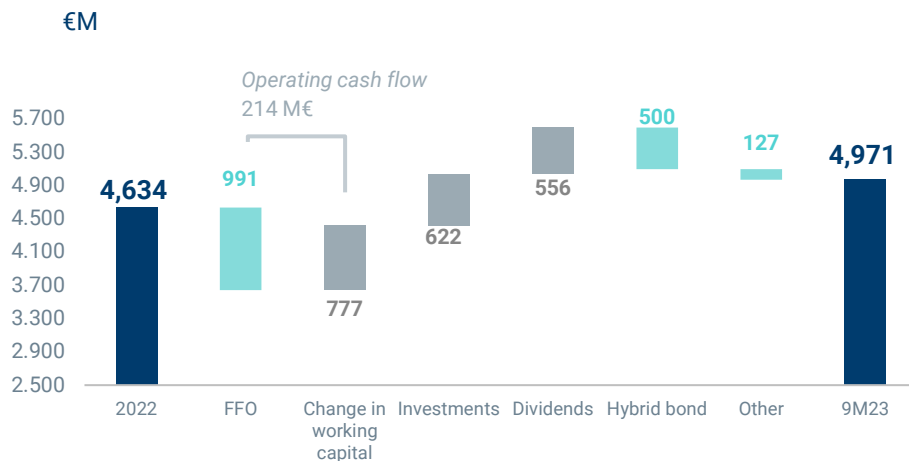
International: € 5 M

- Completion of ongoing investment projects in Peru and Chile.

Telecommunications: € 77 M

- Mainly launch of the satellite Amazonas Nexus, in commercial operation since July.
- Continued implementation of the railway fibre optic renewal plan.

Net Debt increases by 7%, to €4,971 M



3.3 x
Net Debt/EBITDA
2.9 x in 9M22

'A-'
Stable outlook
Fitch and S&P

19.8 %
FFO/Net Debt*
26.7 % in 9M22

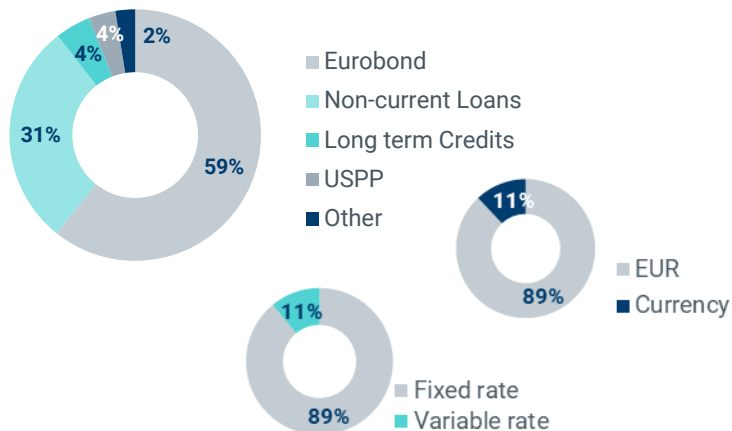
- **FFO** reduced by 0.7% vs. previous year.
- The **change in working capital** represents an outflow of funds mainly due to the repayment of part of the over-collection of tariffs from previous years.
- Funds from the **green hybrid bond** issued in January.

Note: including 50% of the hybrid bond as Net Debt, according to rating agencies criteria, ND/EBITDA ratio would be 3.5x and FFO/ND would be 18.9%. Calculation taking into account EBITDA and FFO for the last 12 months.

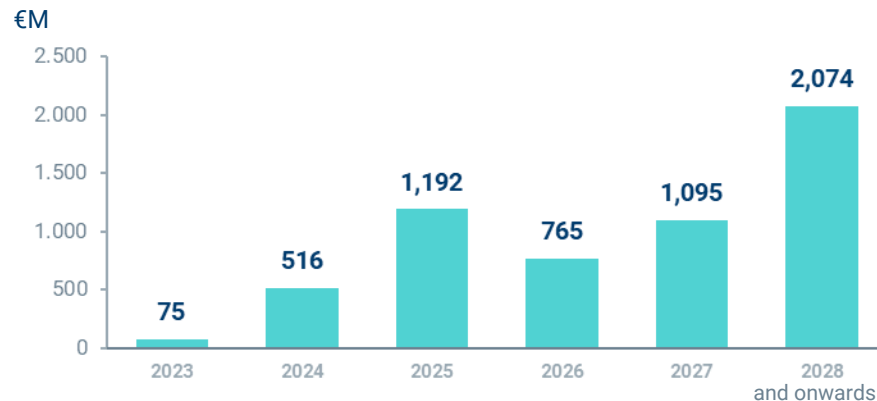
(*) If FFO would not consider the interim corporate tax payments on account related to the capital gain from the sale of 49% of Reintel (€154M) in 4Q 2022 (this amount was classified as "Change in working capital" instead of as other cash flows and will be returned to Redeia in the coming months), the FFO/ND ratio would be 22.9%.

Sound financial structure and comfortable liquidity position, with a comfortable maturity profile

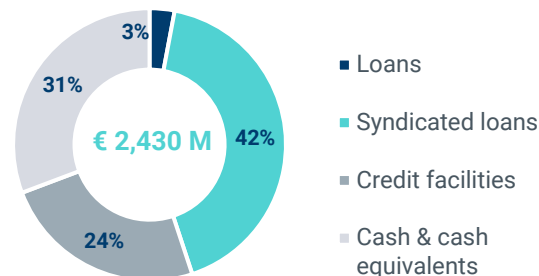
Gross debt structure



Maturities



Liquidity



2.13 %

Cost of debt
1,53 % in 9M22

4.7 years

Average life
5.2 years in 9M22

59 %

ESG Financing
42 % in FY22



2.

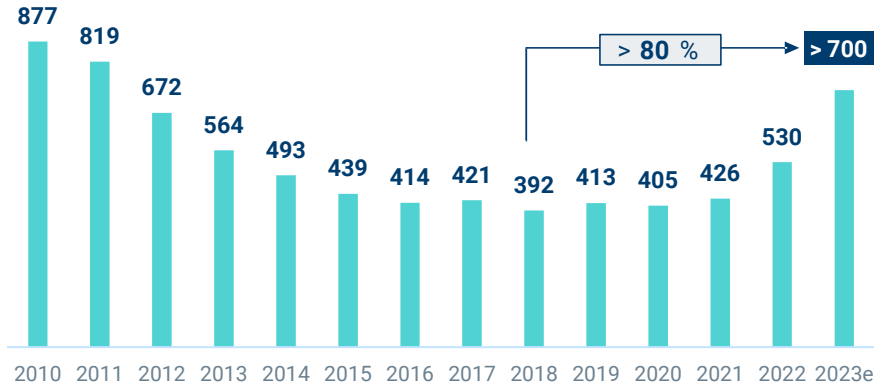
Nine months of 2023 2023 outlook

Confirming our 2023 targets

TSO investments above € 700 M,
Group EBITDA above € 1,500 M and Net Profit in line with 2022

TSO Investments

M€



Accelerating capex to levels near record highs



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 in July 2023.
- Already planned completion of certain existing video services in Brazil.



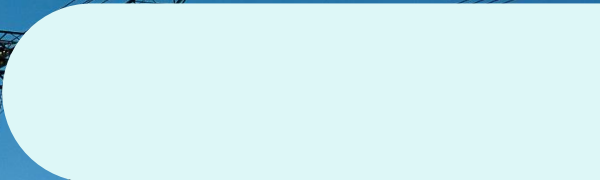
Fibre optic

- Good performance, with income contractually protected from inflation.



3.

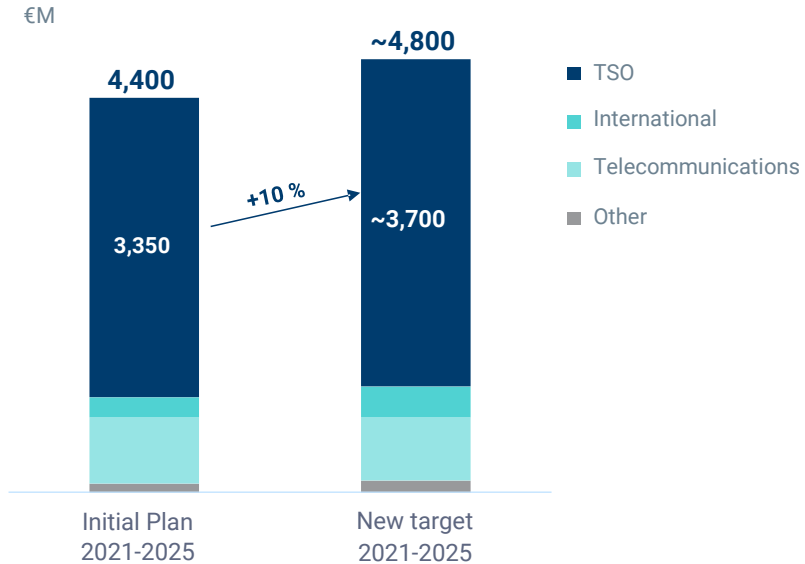
Nine months of 2023 Progress of the Strategic Plan 2021-2025



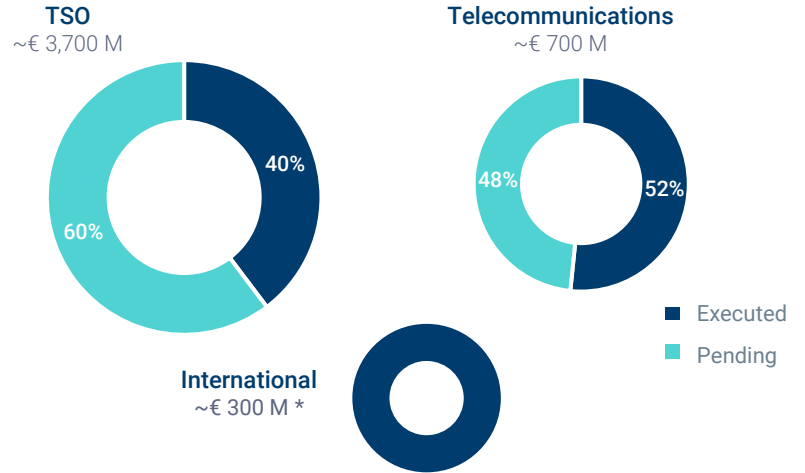
Investments in the 2021-25 period

€ 3,700 M to boost energy transition in Spain

2021-2025 Investments



Progress of the 9M23 period






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

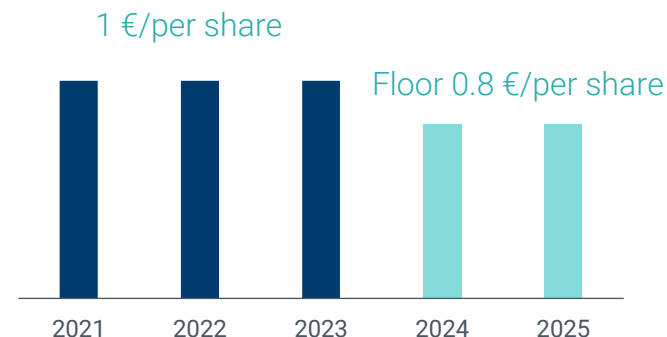
2021-2025 financial targets

Sound financial structure and attractive shareholder remuneration

Financial efficiency 2025

	EBITDA MARGIN	>70 %
	FFO/Net Debt RATIO	>15 %
	Net Debt/EBITDA RATIO	< 5 x
	Maintaining a solid CREDIT RATING	

Sustainable dividend policy



redeaia

Valuing the essentials

red eléctrica

reintel

hispasat

redinter

elewit

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