

## Results for the third quarter of 2020

### Profit of the Red Eléctrica Group at the close of September reached 507 million euros

- As sole transmission agent and operator of the electricity system, Red Eléctrica has managed the integration of 16.3% more renewable generation than it did from January to September 2019.
- Aware of the challenges that Spain is facing as a result of the COVID-19 crisis, the Company is drafting a series of proposals within the framework of the ecological transition that seek to bring about a green recovery of the Spanish economy.

Madrid, 28 October 2020

The Red Eléctrica Group today announced the financial information relating to the first nine months of 2020, a period in which the Company's profits reached €507 million.

In its role as sole transmission agent and system operator, and despite the seriousness of the COVID-19 health crisis and the situation currently prevailing in Spain, Red Eléctrica continues to guarantee the supply of electricity with a strong commitment to the energy transition and the decarbonisation of the economy targets set at a European level. Thus, from January to September 2020, generation from renewable sources increased by 16.3% compared to the same period last year. 43.2% of all the electricity produced in Spain up to the end of September came from technologies that use renewable sources and this has been accomplished within a context marked by the slowdown of economic activity and in which the electricity demand nationwide has experienced a drop of 6.6%.

The results for the period reflect a number of particularly relevant events. Firstly, noteworthy are the regulatory aspects affecting the Spanish electricity system operation and transmission activities, as a result of which the remuneration parameters for transmission assets has fallen from 6.5% to 6%. Similarly, a new remuneration methodology has been applied to the activities of the System Operator. Furthermore, this year is the first time that Hispasat, whose acquisition was completed in October last year, is incorporated into the Group's consolidated accounts and additionally they also incorporate two full quarters of Argo. All these elements have contributed to bringing revenues in the period to €1,466 million, down 0.8% compared to the same period in 2019.

In the first nine months of 2020, the Group has achieved a gross operating profit (EBITDA) of €1,155 million, a figure similar to that of the previous year, and whose evolution underlines the significant efforts being made in terms of efficiency and containment of costs. This EBITDA includes the contributions of the companies incorporated into the consolidated accounts using the equity method, such as the Chilean company TEN, the Brazilian company Argo and the satellite subsidiary Hisdesat.

The increase in amortisation and depreciation, due to the incorporation of new business, has meant that profit for the period totalled €507 million, 4.2% lower than last year.

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<i>(in thousands of euros)</i>	January - September		
	2020	2019	Δ %
Revenue	<b>1,465,850</b>	1,477,199	(0.8)
Gross operating result (EBITDA)	<b>1,155,072</b>	1,155,775	(0.1)
Net operating profit (EBIT)	<b>770,085</b>	803,126	(4.1)
Profit before tax	<b>670,177</b>	703,697	(4.8)
Profit for the period	<b>507,005</b>	529,230	(4.2)

Investments by the Group for the period amounted to €677 million, 45.7% more than in 2019, an increase mainly due to the acquisition of 50% of Argo, whose purchase was formalised on 26 March, as well as a result of the investment made in the Spanish transmission grid.

The Board of Directors meeting held yesterday approved the payment of a gross interim dividend of €0.2727 per share against 2020 results, the same figure as that paid out last year. The payment will be paid on 7 January 2021.

### **Proposals for a green recovery**

Aware of the national and international context unleashed by the COVID-19 health crisis, Red Eléctrica is making proposals aimed at reactivating the economy and that are focused on contributing to the fulfilment of the objectives established in the National Recovery, Transformation and Resilience Plan, whose preliminary draft was presented by the Spanish Government on 7 October and which is based on four cross-cutting axes: Ecological transition; Digital transformation; Gender equality, and Social and territorial cohesion.

The first of these axes, ecological transition, is closely aligned with the Integrated National Energy and Climate Plan (NECP), which sets out ambitious targets and commitments for 2030 regarding the reduction of emissions, the share of renewables in final energy mix & consumption and in terms of energy efficiency. To this effect, Red Eléctrica has focused its activity and resources on making the necessary investments which, within its scope of action, will make this transition possible.

In this regard, the proposals put forward by Red Eléctrica focus on the following: integration of renewable energy and the fulfilment of the NECP targets; innovation and digitalisation of power grids and telecommunications networks; conservation and increase of biodiversity; development of new technologies and increasing the coverage in the field of telecommunications.

These proposals, besides contributing to the ecological transition, will act as a catalyst for the economy, as they will help support additional investments to be made in the field of electricity and will have a multiplying effect on the Spanish economy, as they are mainly made and aimed at local suppliers and services, which in turn will make it possible to strengthen the industrial fabric, accelerate its growth and improve its competitiveness.