



CORPORATE PRESENTATION

March 2023



REN 

Key messages



Exclusive TSO in Portugal

Focused in Portugal with growth opportunities in Chile



Operational excellence

Highly **efficient** and **reliable** player, committed to **innovation** and technology



Stable business context

Stable regulatory context with long term contracts



Solid results

Strong financial **discipline** leading to **attractive** shareholder returns



Strategic cycle 2021-24

REN at the core of energy transition reinforcing its **ESG** standards and delivering **growth**, **superior** operational performance and **solid** financials



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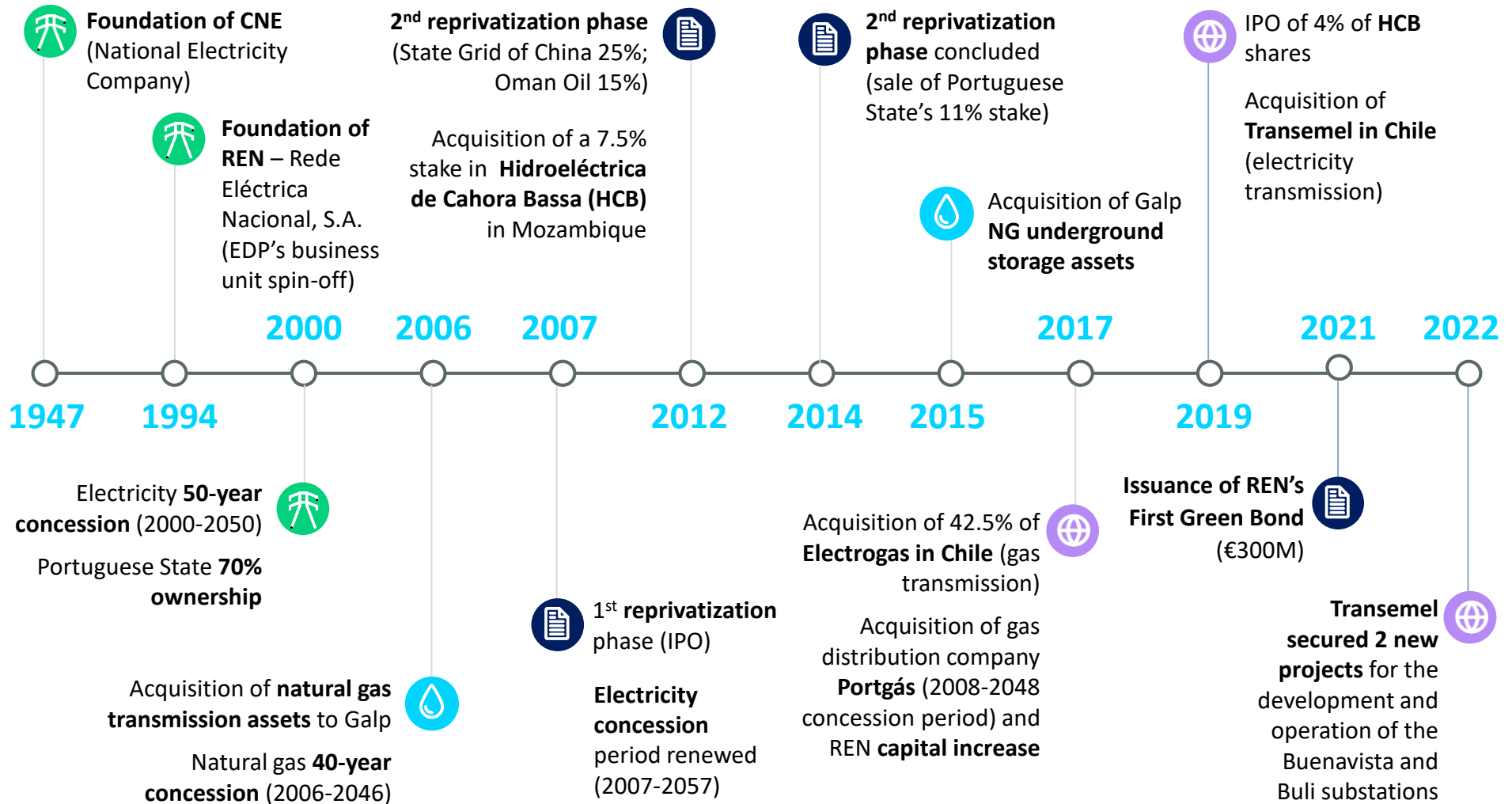


Strategic cycle 2021-24

REN at the core of energy transition reinforcing its **ESG** standards and delivering **growth**, **superior** operational performance and **solid** financials



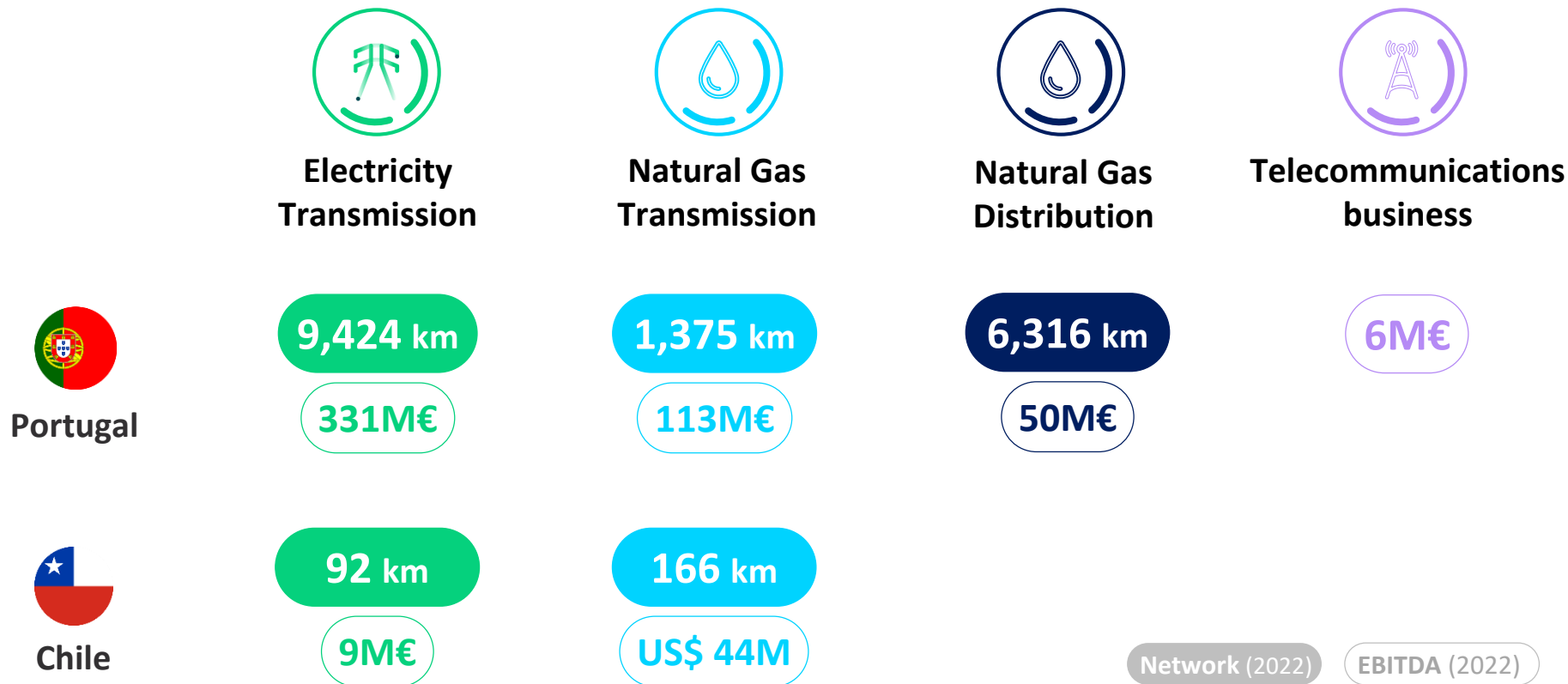
70-year track record as a **leading** energy infrastructure operator focused in Portugal



Exclusive TSO and 2nd largest natural gas DSO in Portugal, with international presence



REN Business Portfolio



Portugal's electricity transmission and system management activity

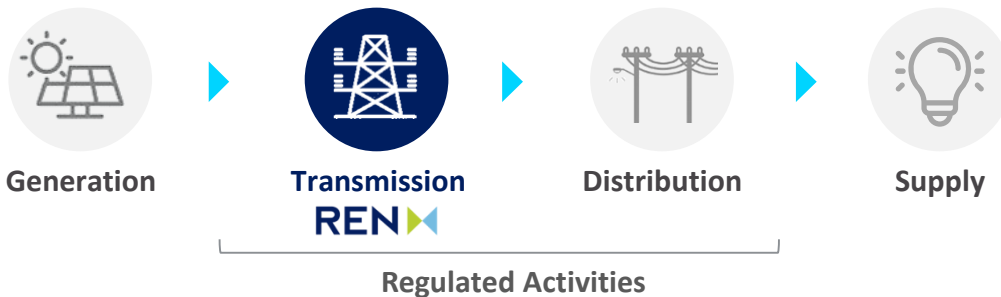


Electricity Transmission

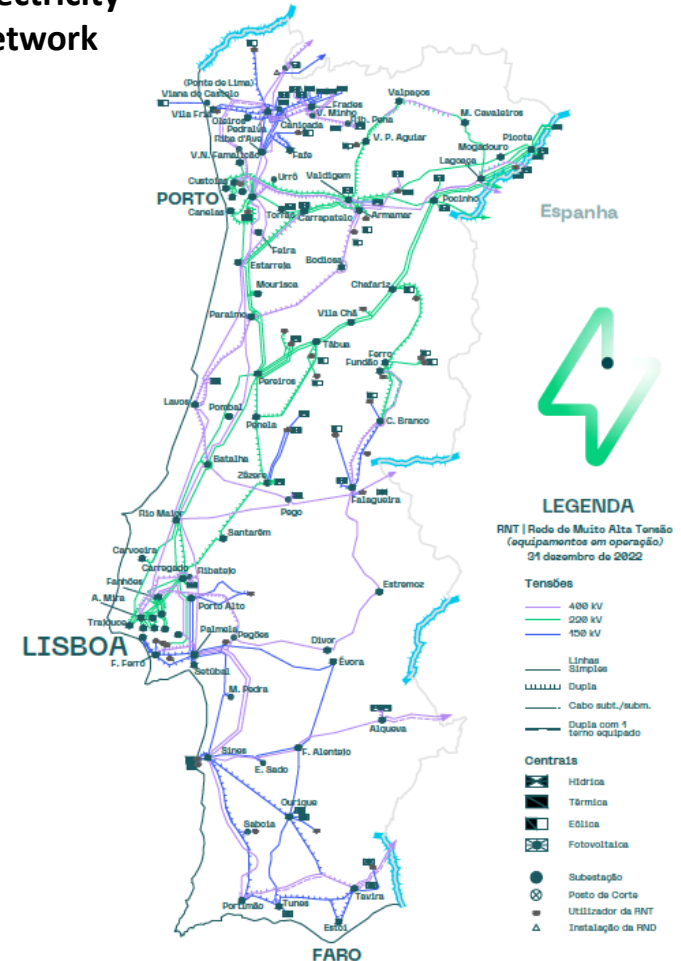
- ▶ Exclusive Transmission System Operator (TSO)
- ▶ Transmission of very high voltage electricity and overall technical management of the system
- ▶ Concession until 2057



Electricity supply chain



Electricity network



1. RAB: Regulated Asset Base; Excludes hydroland (for historical reasons, besides transmission and system management assets, REN owns lands allocated to hydro power plants which are in public hydric domain)

The only player in Portugal's natural gas transmission activity



Natural Gas Transmission

- ▶ Exclusive TSO (concession until 2046)
- ▶ Transportation of high-pressure natural gas and overall technical management of the system
- ▶ Reception, storage and regasification of LNG and underground storage of natural gas

Average RAB
(M€; 2022)

875

Network
(km; 2022)

1,375

Natural Gas supply chain



Import



Transmission
Storage
LNG Terminal
REN



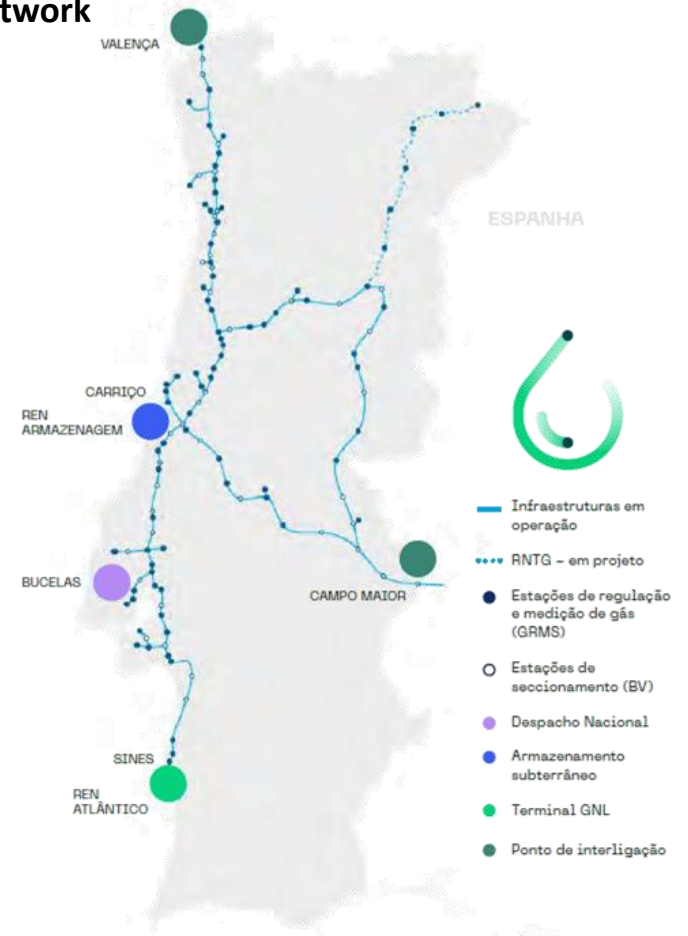
Distribution
(1 of 11 concessions)



Supply

Regulated Activities

Gas transmission network



Second-largest concession in the Portuguese natural gas distribution activity

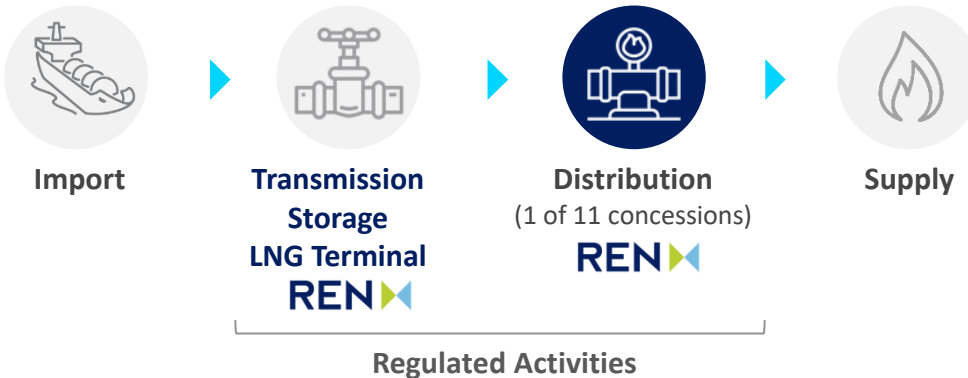


Natural Gas Distribution

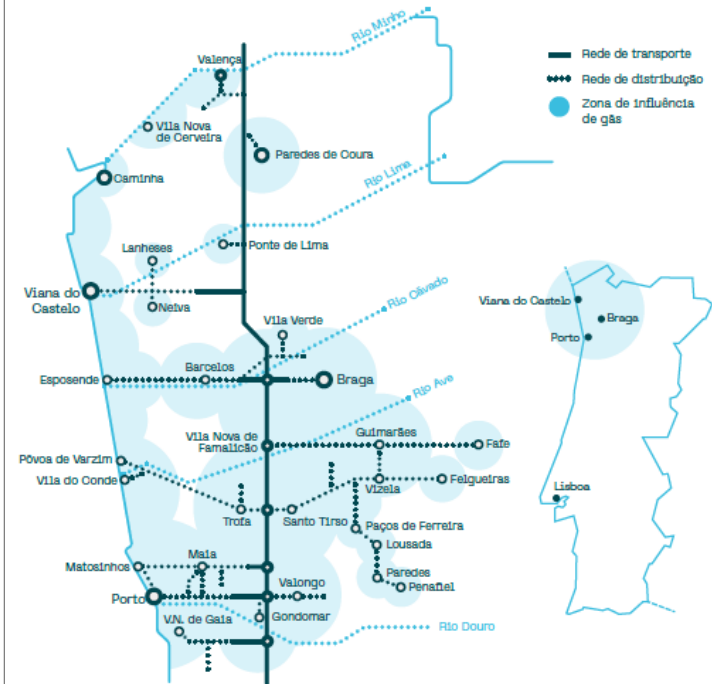
- ▶ **2nd largest** gas distribution concession in Portugal among 11 companies with exclusive regional concessions
- ▶ Provides services in the coastal region of **Northern Portugal**
- ▶ Operates under a **40-year concession** contract (ending in January 2048)



Natural Gas supply chain



Portgás network



5,987 GWh

Distributed gas in 2022

402,754

Connection points in 2022



Telecommunications business carried through **REN Telecom** and strong IT infrastructures

REN Telecom

- ▶ Public **telecommunications network operator** since 2002
- ▶ Leverage the existing surplus of **secure telecommunications network** capacity in the electricity and gas backbones
- ▶ **Services provided** include rental of fibre optics, data transmission, data centres, maintenance, projects and consulting

Strong supporting IT infrastructures



Data Centers in
different
locations



Redundancy
with emergency
dispatch centers

8,106km
optical fiber

2,875m²
datacenters

Neutral
Secure
Redundant



Growing its international presence in the Chilean energy transmission business



Electrogas (42.5% stake acquired in February 2017)



- ▶ 165.7 km natural gas and 20.5 km diesel oil pipeline
- ▶ Connects Quintero's regasification terminal to Santiago
- ▶ Long-term take-or-pay gas transportation contracts
- ▶ Key customers comprise blue-chip electricity generators, industrial companies and major local gas distribution players

Revenues (US\$ M; 2022) **49**

Net income (US\$ M; 2022) **29**



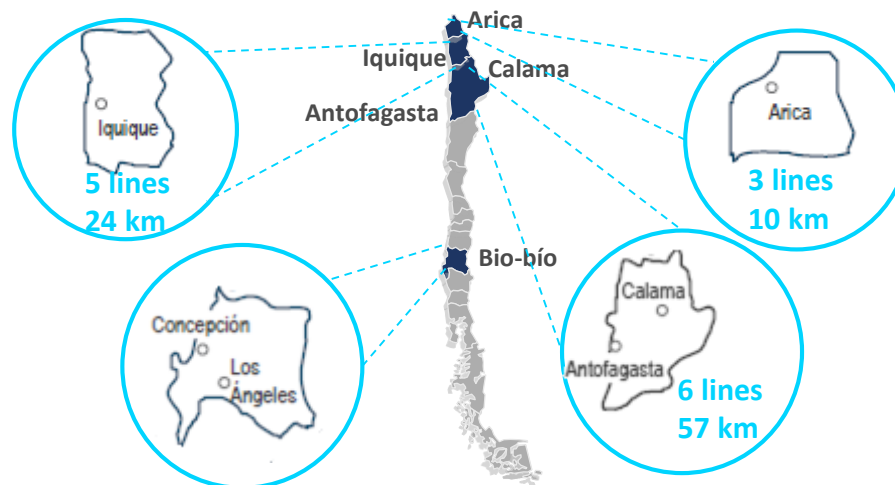
Transemel (100% acquired in October 2019)



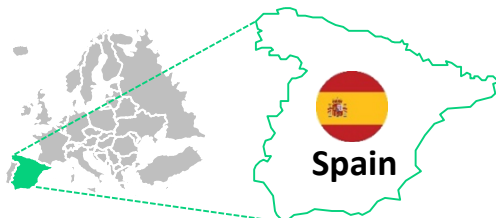
- ▶ 14 lines (92 km) and 5 substations (985 MVA)
- ▶ Strategic location in the Chilean power market, where demand is expected to grow above the country's average
- ▶ Revenues under a stable regulatory framework
- ▶ Growth platform in a country that still requires significant investments in transmission

Revenues (M€; 2022) **13**

EBITDA (M€; 2022) **9**



Holdings in the Spanish electricity TSO and Cahora Bassa hydro-plant in Mozambique



Red Eléctrica Corporación (1% stake)

- ▶ Sole transmission agent and operator of the Spanish electricity system
- ▶ Construction, management and operation of transmission grids outside Spain, currently in Peru, Chile and Brazil
- ▶ Spain's neutral telecommunications infrastructure operator of reference (through REINTEL)
- ▶ Development of energy storage infrastructure in the Canary Islands (through REINCAN)

Hidroeléctrica de Cahora Bassa (7.5% stake)

- ▶ Concession holding company operating the Cahora Bassa hydro-plant located on the Zambezi River, in the province of Tete, in Mozambique
- ▶ Largest power generation plant in Mozambique, comprising five turbines with a capacity to generate 415 Mw each
- ▶ Committed to the rehabilitation and modernization of its assets, within the scope of the Capex Vital program (medium term investment plan of around 500M€)



EBITDA
(M€; 2022)

1,491

Net income
(M€; 2022)

665



(REN accounts)

Asset value
(M€; 2022)

88

Dividends
(M€; 2022)

5



EBITDA
(M€; 2021)

280

Net income
(M€; 2021)

131

Asset value
(M€; 2022)

54

Dividends
(M€; 2022)

4

Key messages



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Operational excellence

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Stable business context

Stable regulatory context with long term contracts



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Strategic cycle 2021-24

REN at the core of energy transition reinforcing its **ESG** standards and delivering **growth**, **superior** operational performance and **solid** financials

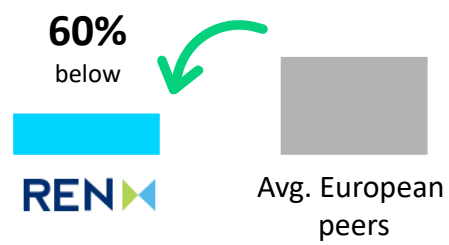
Amongst the **most efficient TSO's** with superior service quality in international benchmarks



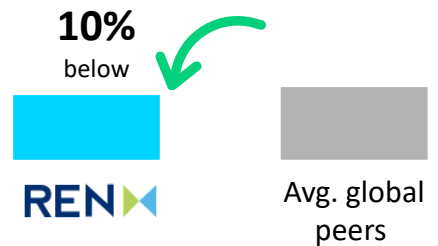
Electricity

Service level in line with or outperforming peers

Line cost

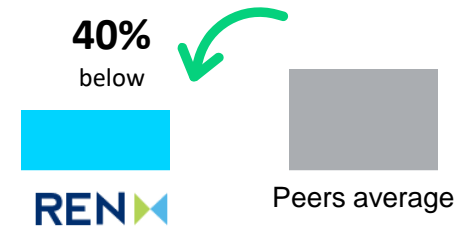


Substation cost

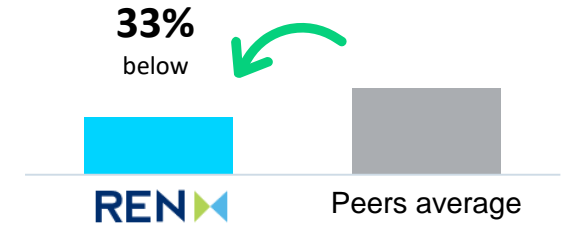


Natural Gas Transmission

Opex on pipelines



Opex LNG Terminal Operators



Source: ITOMS 2018, published in 2019 - International benchmark of European, American, Asian and Australian transmission operators; Gas transmission benchmarking initiative 2021, published in 2022; LNG receiving terminals benchmarking 2021, published in 2022

Enabling a renewable future



Two 70-hour periods **100% renewable**

Production in March **exceeded consumption** of mainland Portugal

2018

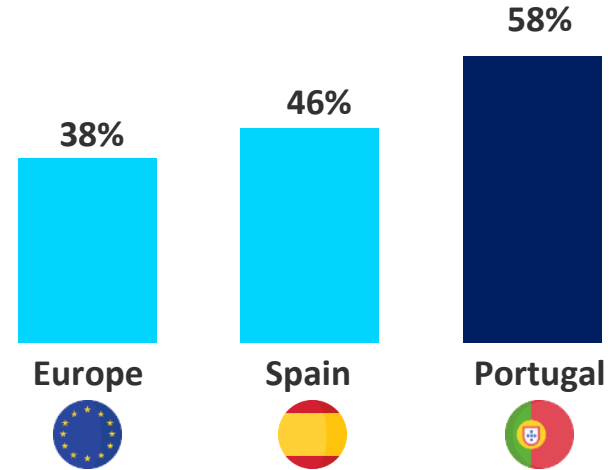
131-hour period with renewable production exceeding consumption

2019

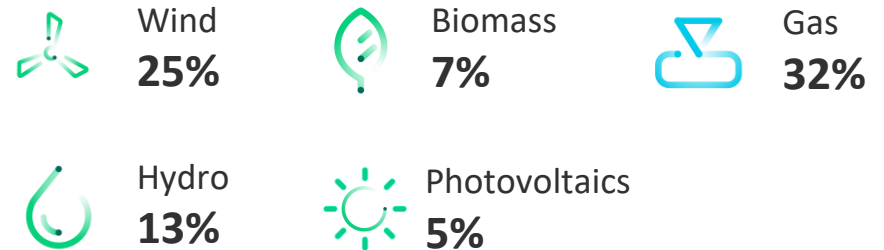
Renewable generation supplied **60% of national electricity consumption**

2022

% Electricity consumption from renewable sources¹ 2021



% Electricity consumption by source² 2022

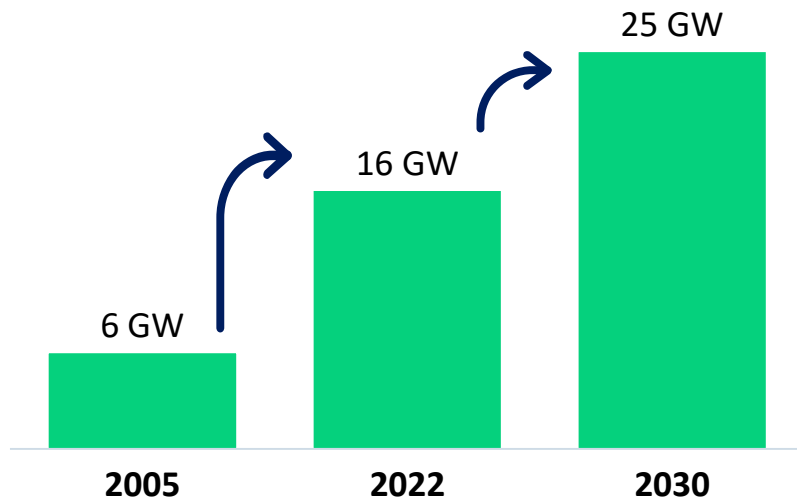


1. Data from Eurostat; 2. Data from REN; energy imported represents 18% and is considered as a separate/additional source

REN secured green transformation in Portugal



Installed capacity of renewables



REN's investment of >3.1B€ to electricity grid maintenance and expansion allowed Portugal to be a clear leader in EU
 (~50% of electricity volume from green sources in 2020 for Portugal vs. ~35% for Europe)

REN kept a stable and reliable service

+900 M€
 Domestic capex
 in 2018-22



20 days
 of 100% renewable
 energy in 2022

0.00 min
 of gas supply interruption
 duration per offtake in 2022



0.08 min
 of electricity average
 interruption time in 2022

Leverage REN's DNA of innovation and energy transition



Innovation Strategy pillars



Quality and business continuity



New business models



Smart and digital networks and operations
(e.g., Artificial Intelligence and Augmented Reality)



Sustainable development and energy transition
(e.g., gas networks decarbonization)

2022 achievements and figures

- ✓ Two companies of the group were awarded with the "Estatuto INOVADORA COTEC 2022", a distinction for companies with high innovation performance
- ✓ Electric vehicle charging solution by REN (speed-E) won an international award
- ✓ Several projects underway, such as dynamic network planning, augmented reality assisted equipment or drones for O&M support

44

Research, Development and Innovation projects underway in 2022

0.95M€

Investment in Operational Innovation in 2022



Consolidation of innovation results through a strong innovation culture

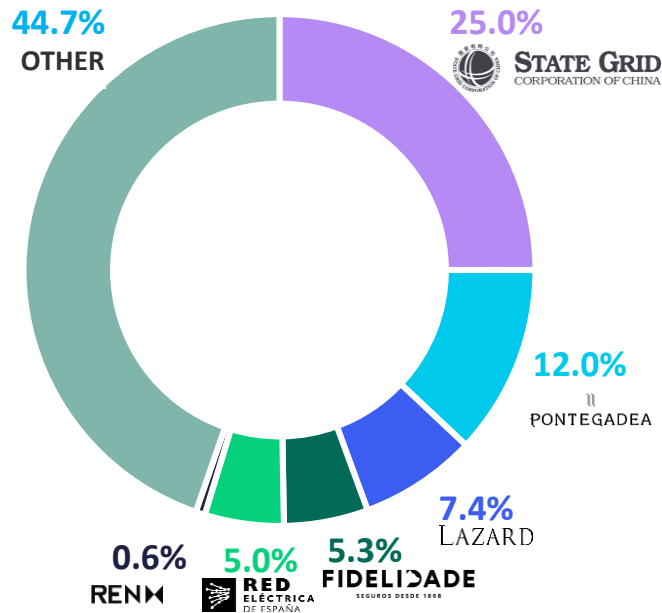


Development a strong internal program complemented with and external ecosystem development

Solid shareholder base with best-in-class corporate governance



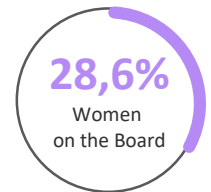
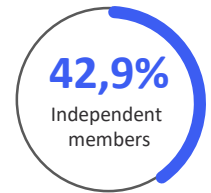
Shareholder structure¹



Board composition²



Board diversity and independence



Special committees and supervisory bodies

- Corporate governance
- Nomination and Appraisal
- Audit Committee
- Sustainability Committee
- Statutory Auditor
- Remuneration (external members)

1. March 9, 2023; Ownership and voting rights are limited to 25% maximum; 2. March 9, 2023
CORPORATE PRESENTATION | MARCH 2023

REN remains committed to highest ESG standards

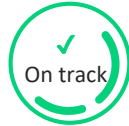


Environmental

Targets

-50% CO₂ emissions by 2030 vs. 2019

Carbon neutral by 2040



Achievements

Climate | Scope 3 emissions reduced 9% in 2022 (vs. 2021) | Calculation in 2022 of total scope 3 emissions for 2021 and 2022 and integration of Transemel | Awarded the Gold Standard by OGMP 2.0 (Oil and Gas Methane Partnerships) for our commitment and action to reduce methane emissions

Forest | Implementation of nature-based solutions and reforestation with native species

Mobility | Fleet electrification (34% in 2022 vs 28% in 2021)



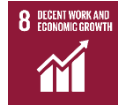

Social

>1/3 of women in 1st line management positions by 2030



Gender equality | In 2022, REN had 29% of women in management positions | Publication of the Annual Plan of Gender Equality 2023

Local communities | REN donated 16 vehicles in 2022 to fire departments, teams of civil protection of municipalities and other entities




Governance

Increasing ESG weight in **managers' performance metrics** already by 2022

100% of new bond emissions to be green








Ethical and anti-corruption culture | In 2022 REN reviewed its main ethics and anti-corruption policies

Sustainability governance | REN created in 2021 a Sustainability Committee at Board level, which held 3 meetings during 2022

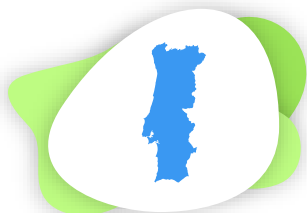


Good performance in international ESG scores but with ambition to do more



	Scale	Score	YOY	Strengths	Latest assessment
	0-100	62	↑	Innovation, environmental reporting, and social reporting	December 2022
	D-A	B	↑	Governance, business strategy, financial planning, scenario analysis, and scope 1 and 2 emissions	December 2022
	100-0	18.3	↑	Emissions, occupational health and safety, land use and biodiversity, human capital, and carbon	February 2023
	CCC-AAA	A	↑	Biodiversity and land use, carbon emissions, and governance	April 2022
	D-A	B	=	Community outreach, occupational health and safety	September 2022

REN displaying **reliable and consistent** performance for all stakeholders



Economy

~4 B€

invested in Portuguese infrastructure since 2005

~95%

of payments directed to national suppliers / industry partners

~42%

average effective tax rate vs. 22% for top PSI-20 in 2018-21



Society

~11 M

people connected to grid with no material interruption time

+1 M

trees of indigenous species planted since 2010

>39,000 hectares

of forest cleaning in the last 7 years



People

~720

employees in stable team (>65% with at least bachelor degree)

+1,300

indirect collaborators (service providers and contractors)

Commitment

kept with industry partners, even during challenging times (Covid)

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Fully regulated domestic business



Stable regulatory framework

- **4-year regulatory periods**, for electricity and natural gas respectively, during which the **relevant parameters remain stable**
- **Stability** is a guiding principle of the regulation

No consumer credit risk

- **Tariff revenues are not dependent on State payments**
- Transmission/transportation operators **do not have consumer credit risk**

Allowed revenues

- Allowed revenues assure **cost of capital remuneration** and **recovery of costs through revenue cap** (allows REN to obtain efficiency gains by being below the revenue cap set by the regulator)
- **Earned via tariffs charged to final consumers by suppliers**

Key regulatory stakeholders

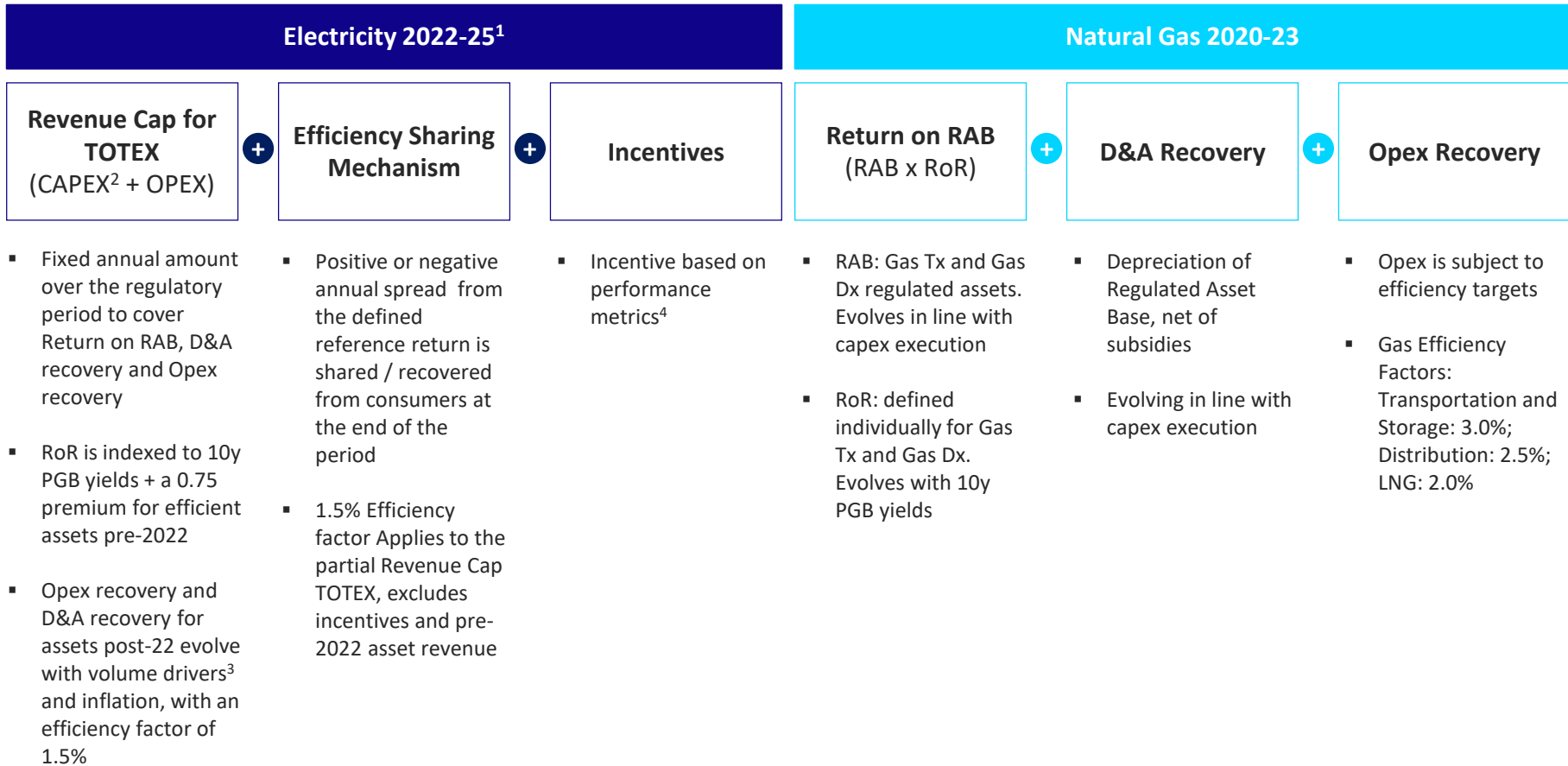
● **Ministry of Environment and Climate Action** | Setting the energy policies and their implementation

● **ERSE** | Energy independent regulator, responsible for setting tariffs

● **DGEG** | Design policies on energy and geological resources

Introduction of TOTEX regulation in the electricity business

REN's domestic allowed revenues breakdown



1. Only for Electricity Transmission Activity (excludes System Management activity); 2. Underlying RAB evolution for the period was forecasted by the regulator (ERSE) based on the approved investment plan; 3. €/ km of network and €/ MVA connected by producer; 4. Equivalent interruption time (TIE: Tempo de Interrupção Equivalente), Network and equipment availability (TCD: Taxa combinada de disponibilidade) and Interconnection capacity

Transparent and **stable return mechanism**

RoR indexation mechanism

At the start

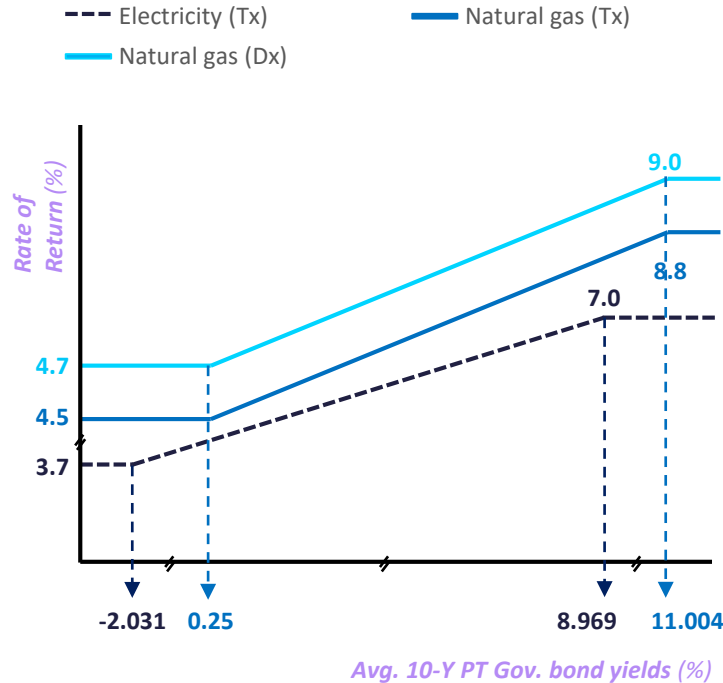
- Base RoR indexed to the **average Portuguese government 10-Y bond yields** (using CAPM as a reference)
- RoR starting point set **at the beginning of the regulatory period**

Every year

- Calculation of the **RoR** using the average bond yield

New electricity regulatory framework

- The new regulatory period **was extended to 4 years** from 3 years
- Base **RoR set at 4.4%** (implied 10y PGB yields of 0.302%)
- **RoR / 10y PGB relation of 0.3** (i.e., 1% change in RoR reflects a 3.3% change in 10y PGB)



RoR evolution, %

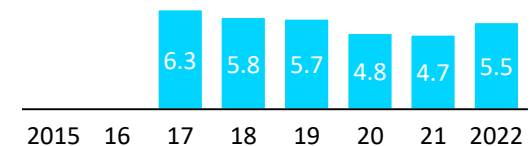
Electricity (base)



Gas Transmission



Gas Distribution



Stable financial performance

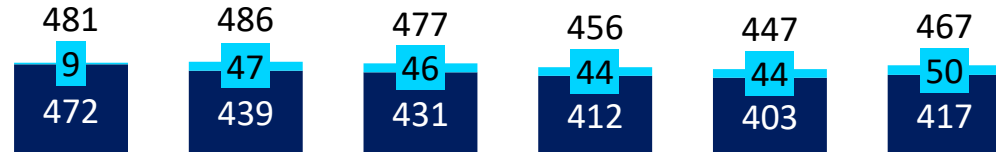


The regulatory framework provides REN with stable results

■ Distribution ■ Transmission

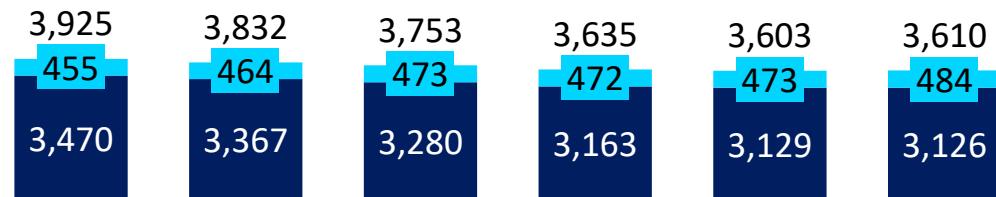
EBITDA¹

M€



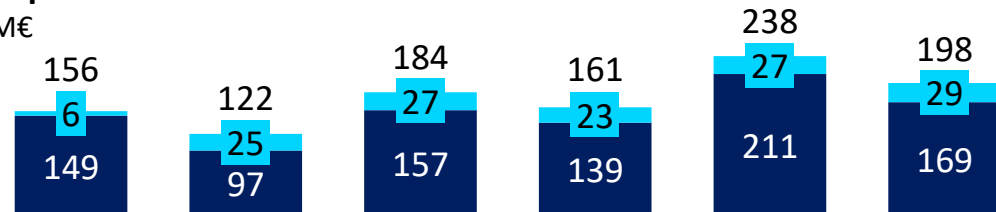
Average RAB¹

M€



Capex¹

M€



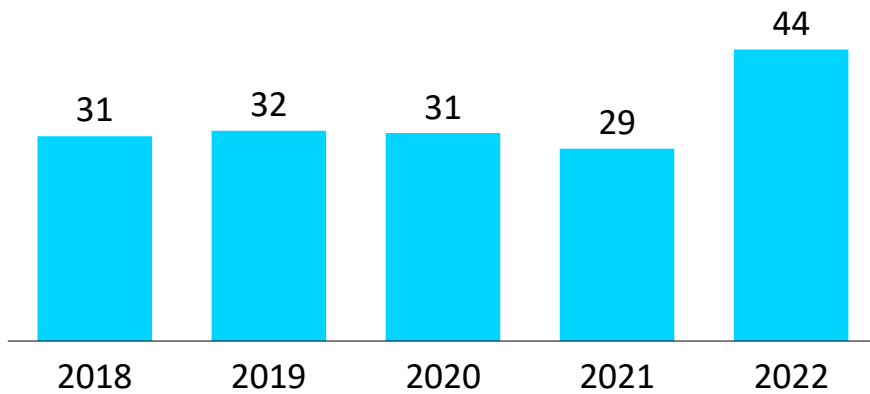
1. Domestic business

Acronyms: RAB - Regulated Asset Base

International gas transmission business very stable

Electrogas business has high EBITDA margins and low capex requirements...

EBITDA
US\$ M



EBITDA Margin, %

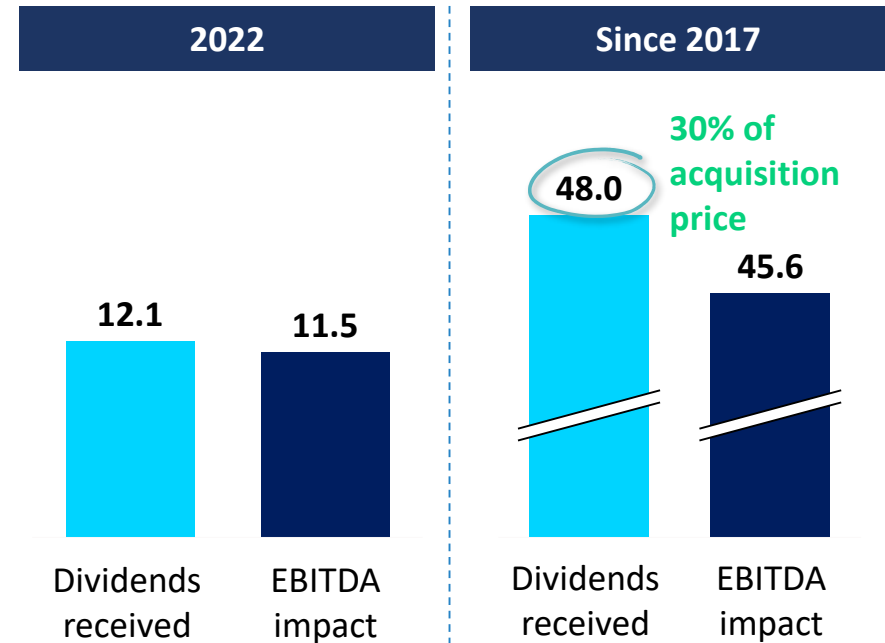


NG Transport., bcm



...with positive impact in REN's results

Impact on REN
M€



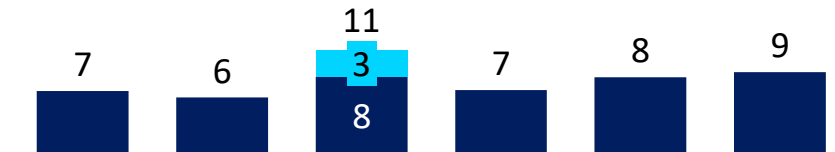
International electricity transmission business with attractive growth potential



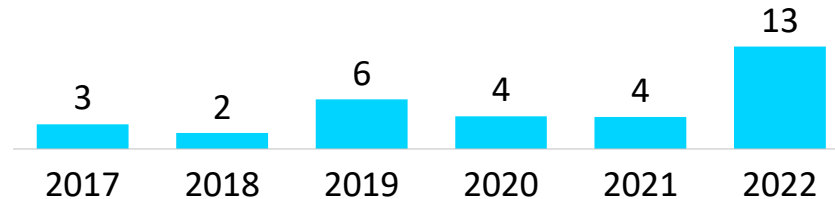
Transemel's results are expected to grow until 2025 reflecting strong expansion capex plans

EBITDA
M€

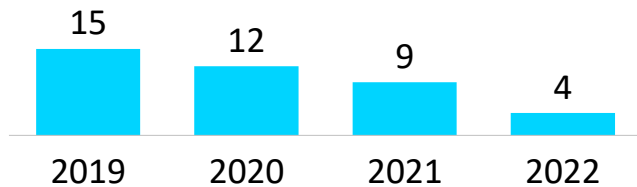
Revenues regularizations (one-off)



Net income
M€



Capex
M€

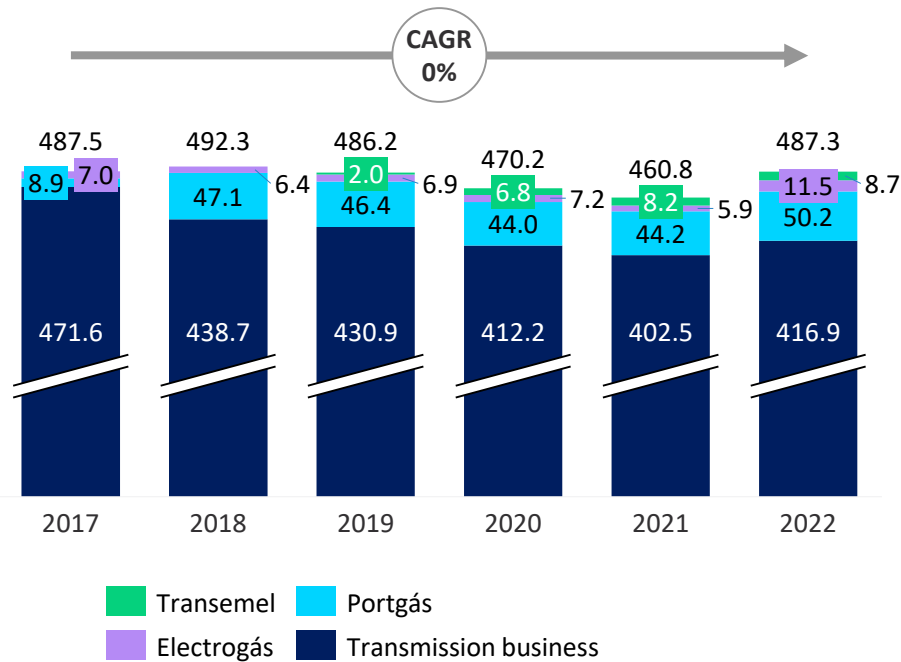


Strong operational performance and stable asset base

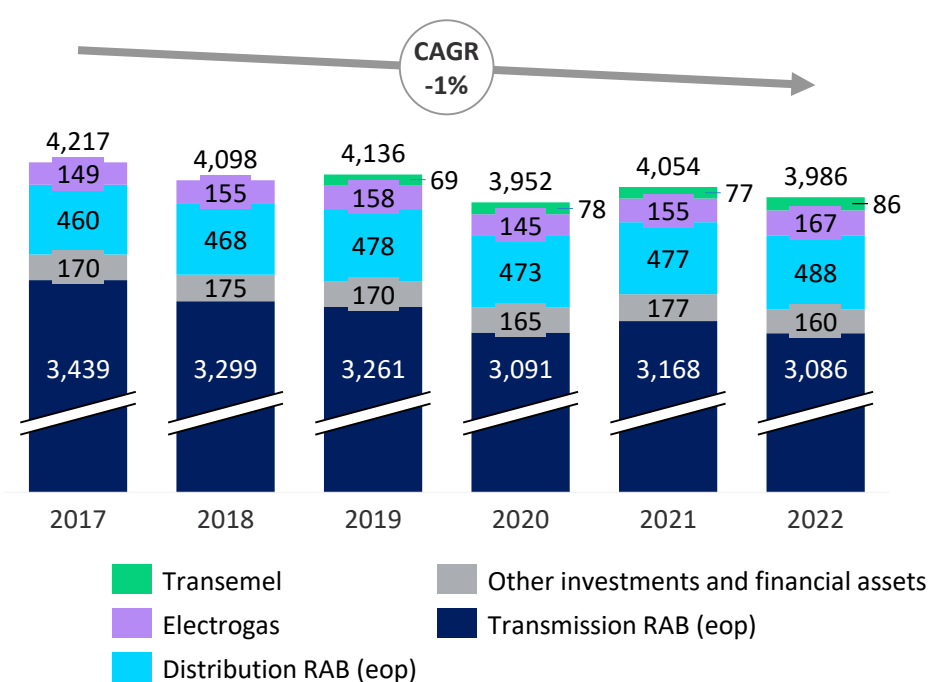


New businesses allow for an overall **asset base stabilization and sustainable operational results**, despite mature domestic transmission business

REN EBITDA
M€



Regulated asset base and other investments' assets,
M€



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Strategic cycle 2021-24

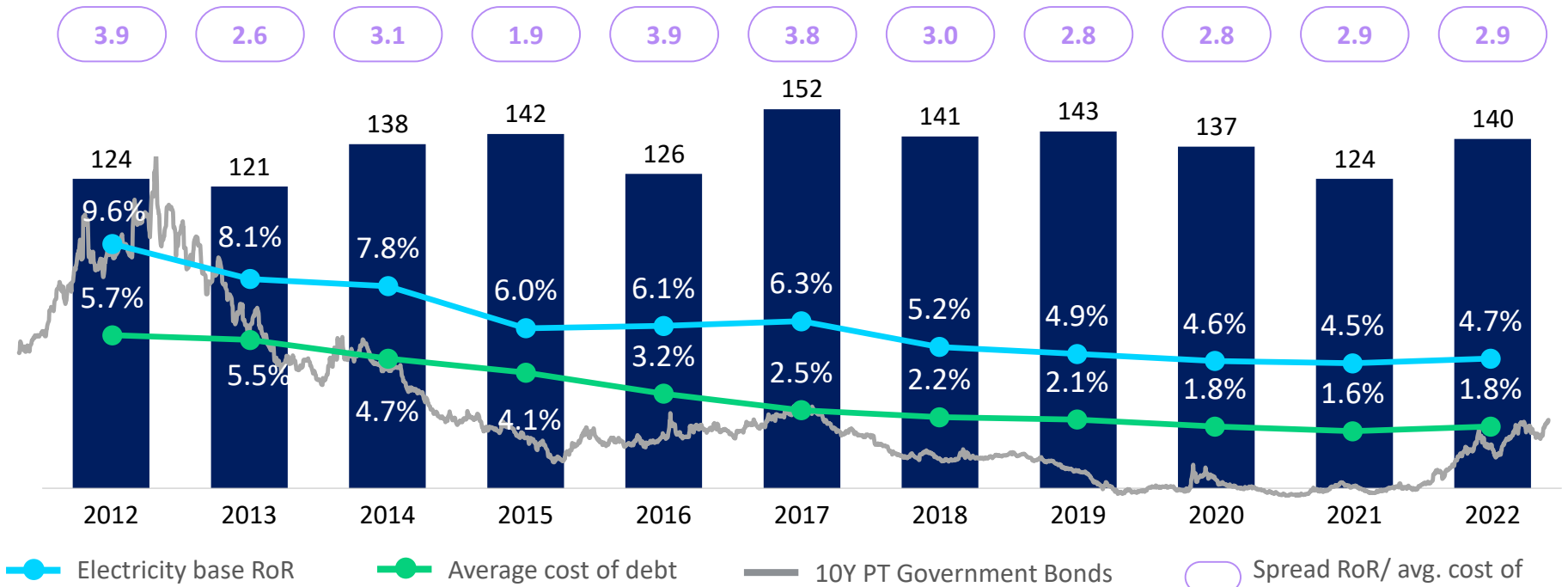
REN at the core of energy transition reinforcing its ESG standards and delivering growth, superior operational performance and solid financials

Stable net income



Despite some volatility in 10y Portuguese Government Bonds, REN has been able to **maintain a stable net income**

Net income¹
M€



1. Excluding extraordinary levy

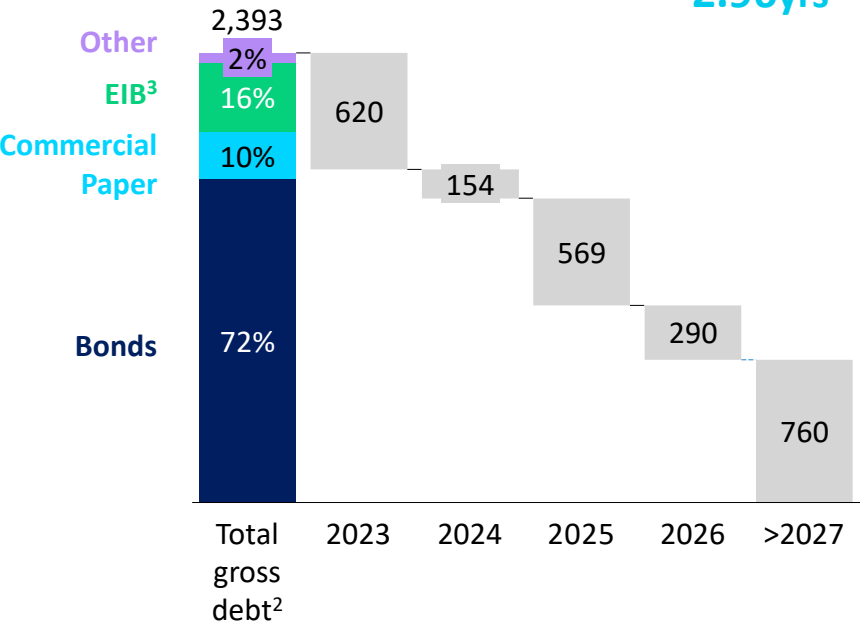
Source: REN

Balanced credit profile with investment grade credit metrics and lower cost of debt

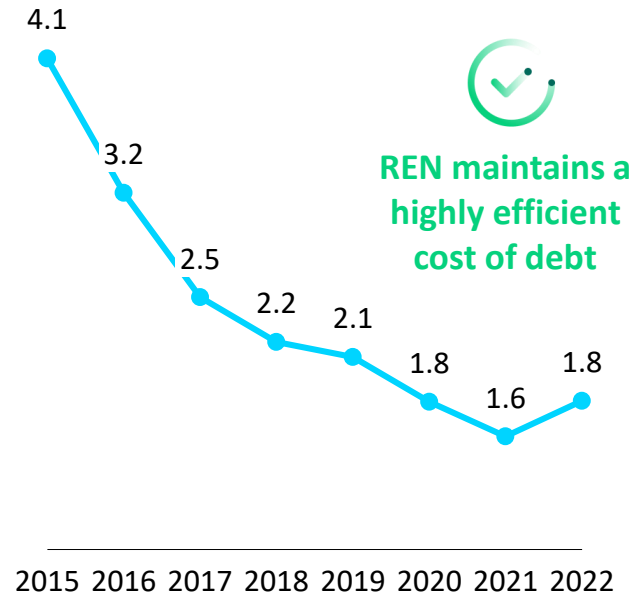


Gross debt maturity profile and funding sources¹
2022, M€

Avg. Maturity 2022
2.96yrs



Cost of debt evolution %



Rating agencies credit ratings

STANDARD & POOR'S

BBB

Stable outlook

FitchRatings

BBB

Stable outlook

MOODY'S

Baa2

Stable outlook

REN debt management priorities are **cost of debt optimization** and **net income protection** achieved through a **flexible funding structure** and **adequate liquidity position**

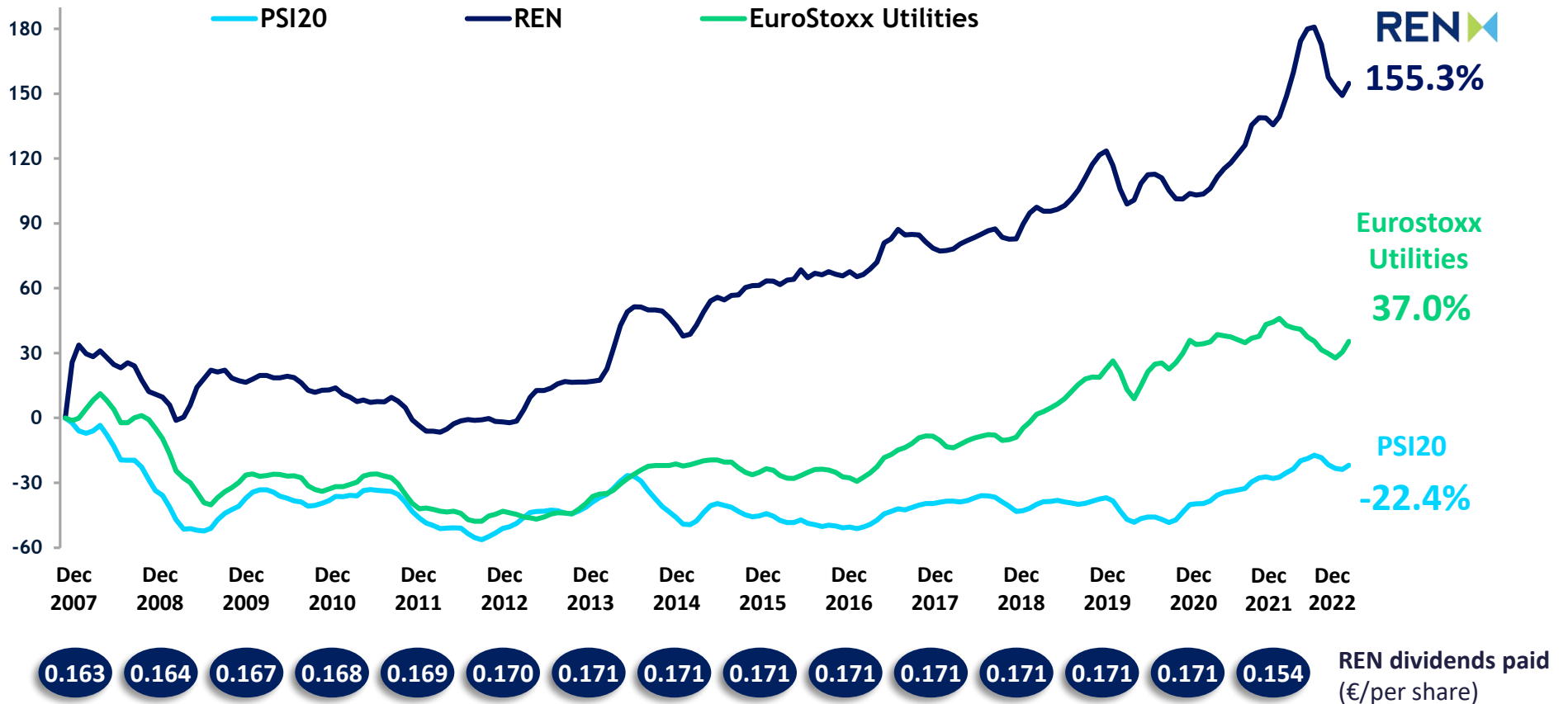
1. Fixed/variable rates: 71%/29%; 2. Adjusted by interest accruals and hedging on yen denominated debt; 3. European Investment Bank

Delivering compelling returns to shareholders



Cumulative Total Shareholder Return¹ since REN's IPO

Indexed from 100



Source: REN, Bloomberg

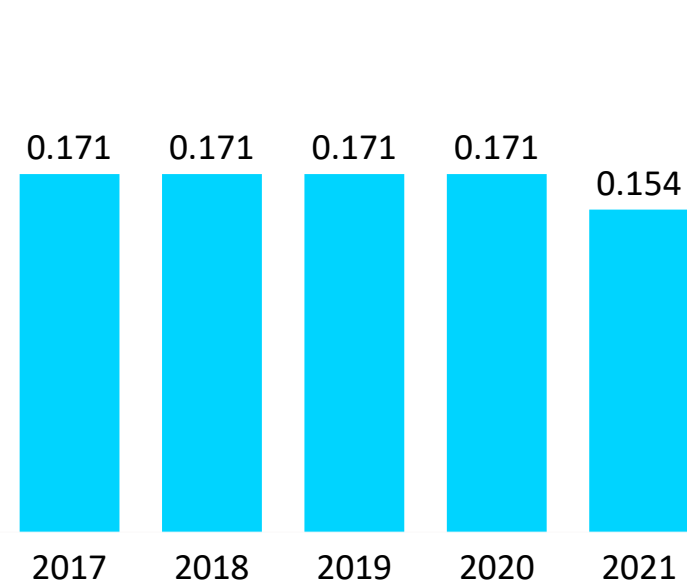
1. Total Shareholder Return = (Stock price end of period - Stock price beginning of period + Dividends) / Stock price beginning of period

Stable and attractive dividend per share



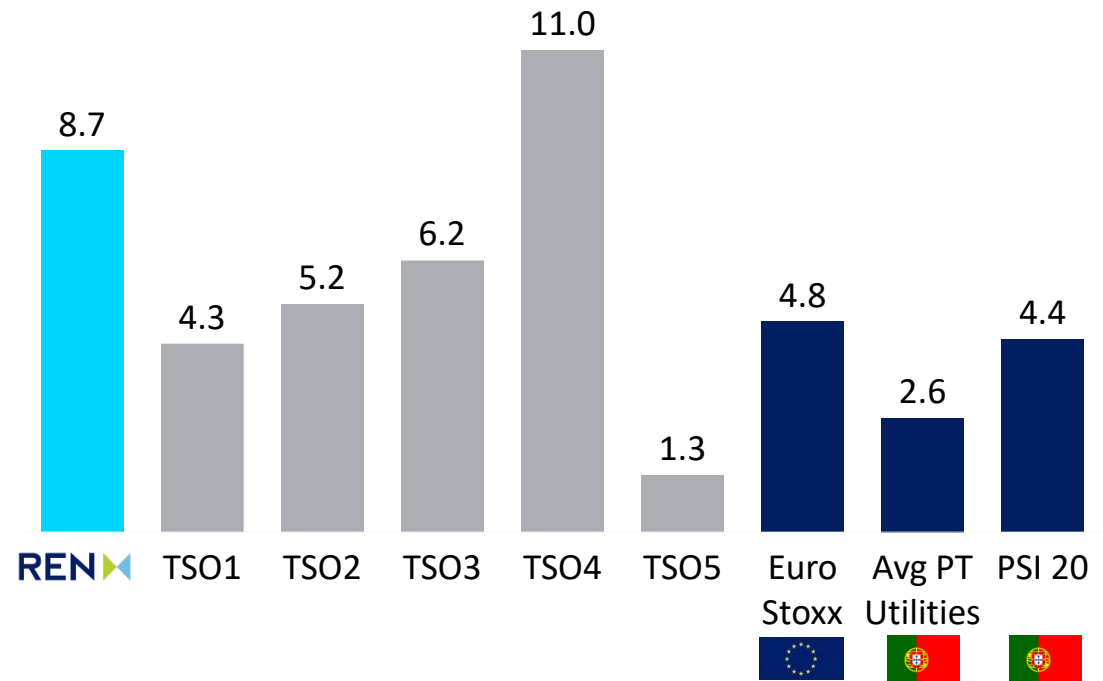
REN Dividend per Share

€



Dividend yield

2022, %



REN has delivered stable and attractive remuneration to its shareholders

Key messages



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REN is enhancing its journey through 3 strategic pillars




ESG highest standard




Investment growth story, delivering superior service quality


Solid financials and sustainable shareholder returns

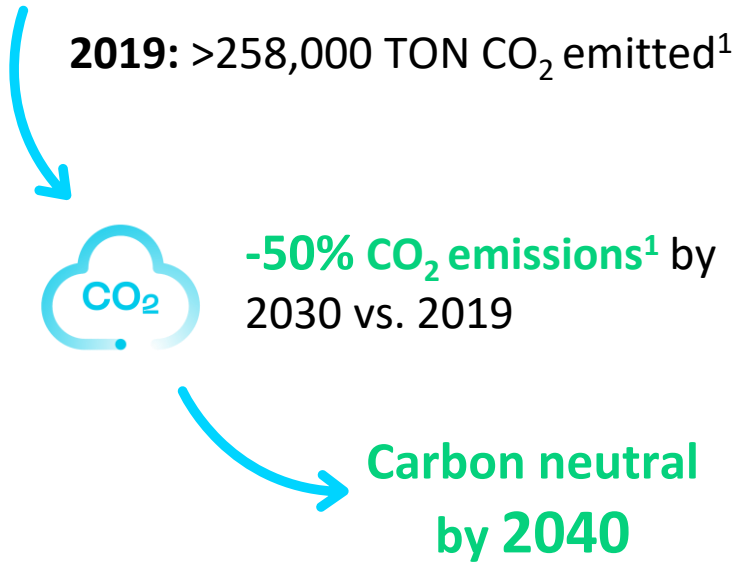
REN is stepping up and accelerating its ESG commitment



Environmental



Social & Governance



>1/3 of women in 1st line management positions by 2030



Increasing ESG weight in **managers' performance metrics** already by 2022



100% of new bond emissions to be green

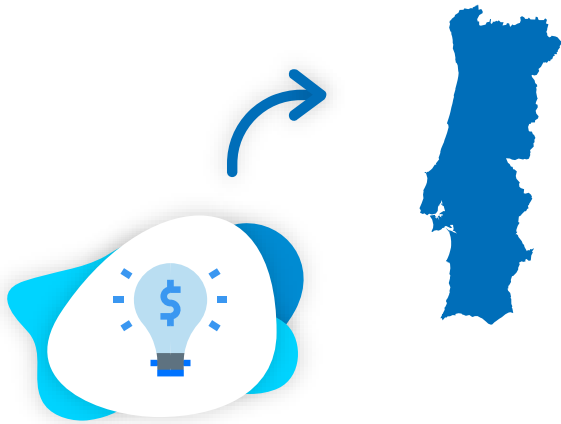


1. Scope 1+2 (reduction not including Chile and Portgás)

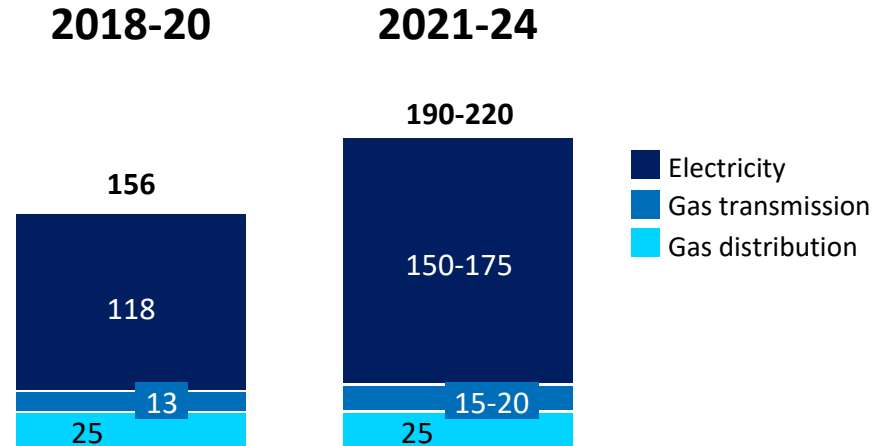
REN pushing for investment growth in Portugal and Chile



Average annual capex, M€



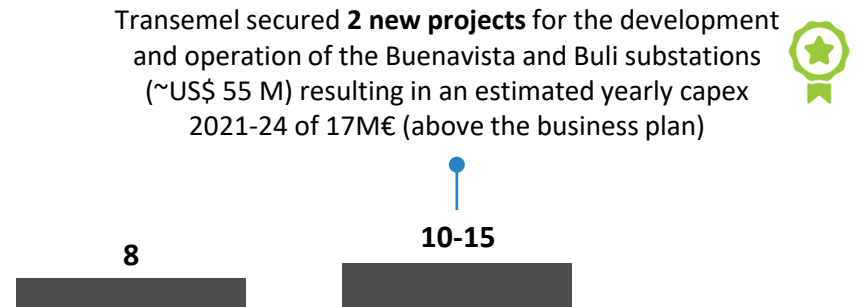
Up to 40%
Increase in **domestic avg. annual capex** vs. last strategic cycle



+900M€
to be invested in 2021-24



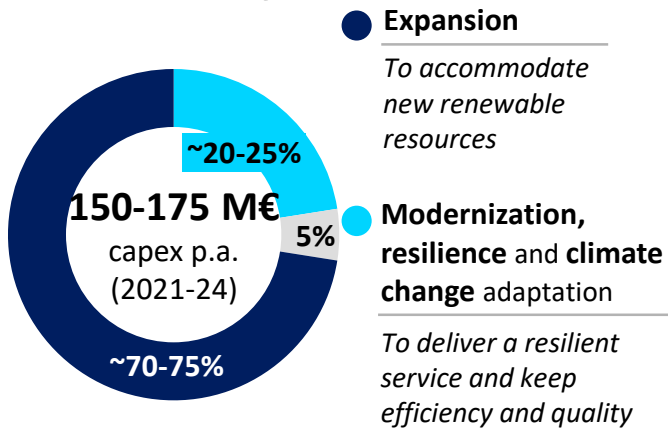
+2x
Growth in **international avg. annual capex** vs. last strategic cycle



Strong investment in the decarbonization in Portugal and Chile, and in the expansion of Portugal's electricity network



In Electricity



10% in digitalization transversal to topics above



Solar
~**5.1 GW**

Wind
~**1.4 GW**

Hydro
~**1.2 GW**



Connecting renewables

In Natural Gas



Make H₂ a reality for tomorrow

2022-2026

5%
Target H₂ blending into grid by 2026

33%
Of total gas capex transmission between 2022-26 dedicated to investment in H₂ projects, representing ~40M€

Pave the next wave for gas

2026-2030

10-15%
Potential H₂ blending into grid by 2030

Investment in additional opportunities
(H₂ dedicated pipes in industrial clusters, charging stations and debinding solutions)

REN will lead H₂ deployment in Portugal

In Chile



Chile has an ambitious green H₂ agenda and expected grid expansion



REN intends to contribute for the country's decarbonization

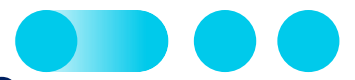


Present in **regions favorable** to solar PV and green H₂ development, namely in the north
Strong **organic growth** momentum



Gas to remain **key element** to enable energy transition

Concrete investments in **resilience and innovation** deployment to keep strong operational performance



Resilience and quality

- Reinforcement with new overhead lines
- Refurbishment of overhead lines to increase resilience to “ice sleeves”
- Vegetation management



Innovative and digital enabled

- Digital substations upgrade and deployment
- 5G nano-sensors for asset monitoring and integrity
- Transformers monitoring through analytical models
- Enterprise solutions to facilitate new ways of working
- Enterprise solutions to facilitate new ways of working
- AR¹/VR² for field force training and safety
- AR¹ for planning, design and vegetation mgmt.
- Integrated forest and fire mgmt. using real time data

Up to 10% of electricity capex related to digital initiatives, properly backed with strong cybersecurity

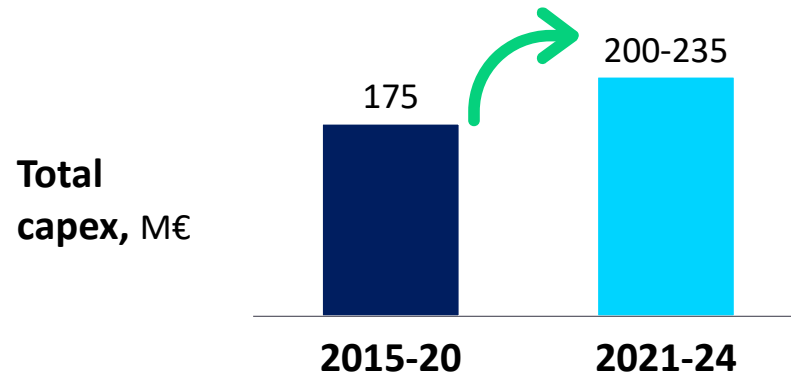
1. Augmented reality | 2. Virtual reality

Investment growth and solid financials



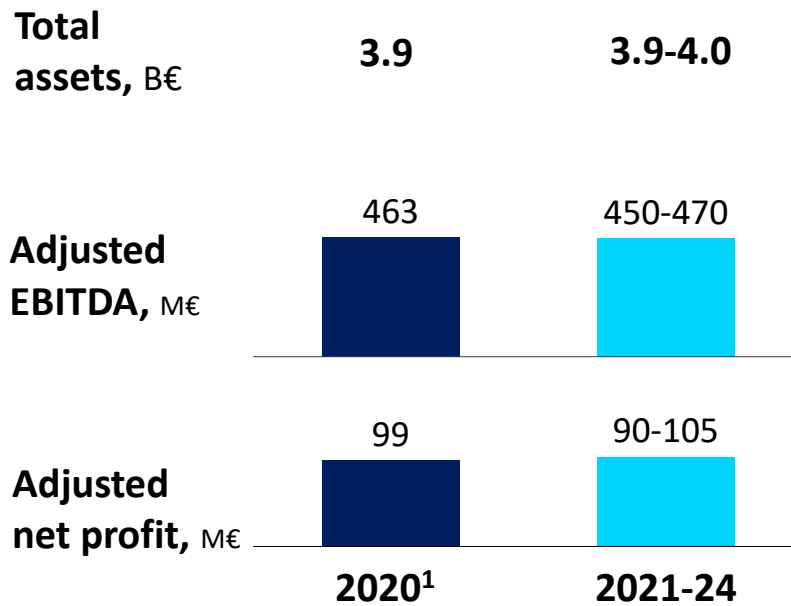

**Capex growth
 and RAB stability**

Up to +35%



**Strong capex level
 aligned with strategy,
 leading to a stable RAB**


**Solid P&L
 metrics**



**REN able to preserve
 solid performance in
 EBITDA and net profit**

Steady regulatory framework with actions taken to mitigate effect of current macroeconomic context

1. EBITDA and net profit adjusted for non-recurring impacts from incentives and taxation

Robust debt management and attractive returns



Strong credit ratings

Optimize cost of debt

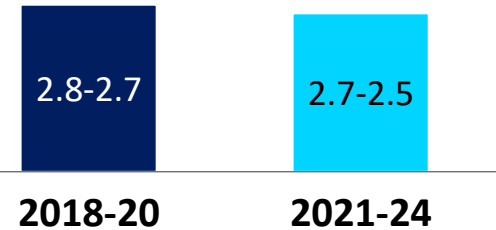
Protect net profit

Committed to investment grade

FFO/ Net debt, % **11-13%**

12-14%
beyond 2022
(~11% in 2021)

Net debt, B€



Attractive and sustainable returns



Dividend floor at 0.154€/share



Implementation of a bi-annual dividend distribution policy since 2022



Aim for a **payout below 100%**, while considering that **potential uplift** to DPS may occur if there are material **net income upsides**

REN at a glance¹



Financial performance

Solid and sustainable financial performance



111.8 M€
NET INCOME

201.5 M€
INVESTMENT

3,609.8 M€
AVERAGE RAB

Electricity

Ensuring electricity supply and security of supply



43.6 TWh
ENERGY TRANSMITTED

50.4 TWh
CONSUMPTION

0.08 min
INTERRUPTION TIME²

Gas

Ensuring the supply of natural gas and security of supply



65.6 TWh
TRANSPORTED ENERGY

61.8 TWh
CONSUMPTION

94%
LNG TERMINAL

Communities

Recognition of communities as active agent



323 k€
INV. IN THE COMMUNITY

881 horas
VOLUNTEERING

Human capital

Recognition of the importance of employee development



719
EMPLOYEES

28.8%
WOMEN IN MANAGEMENT³

Natural capital

Respect for the lands in which it operates and support in the energy transition



34%
ELECTRIFIED FLEET

278ha
REFORESTED AREA

1. 2022 figures; 2. Average interruption time; 3. 1st and 2nd line management
Acronyms: RAB - Regulated Asset Base

2022 Results



		2021	2022	Δ 21 / 22	
Results	EBITDA¹	460.8	487.3	26.5	5.7%
	Net financial income¹	-42.6	-44.0	-1.4	-3.2%
	Net income	97.2	111.8	14.6	15.0%
	Recurrent net income	121.8	136.7	14.9	12.2%
Investment	Capex²	247.1	201.5	-45.6	-18.4%
	Transfers to RAB³	309.1	163.3	-145.8	-47.2%
	Average RAB	3,602.8	3,609.8	7.0	0.2%
Debt	Net debt⁴	2,362.0	2,043.7	-318.3	-13.5%
	Average cost of debt	1.6%	1.8%	0.2p.p.	

1. Includes the reclassification of costs with Financial Transmission Rights from Net Financial Income to EBITDA; 2. Capex includes direct acquisitions; 3. Transfers to RAB (at historic costs) includes direct acquisitions RAB related; 4. Includes tariff deviation effect (excluding this effect net debt would be 2,543M€ in 2022); Acronyms: RAB - Regulated Asset Base
 Note: Values in millions of euros unless otherwise stated