The first quarter of 2019 ended with EBITDA reaching €125.3M, a decrease of 2.4%. The main reason for this fall was lower assets’ remuneration. Natural gas distribution business contributed with an additional €0.5M versus last year;

Despite the decrease in EBITDA, Net Profit amounted to €13.2M, which was in line with what REN presented in 1Q18;

For this stability in Net Profit, there were positive contributions from Financial Results, that improved by €1.1M, reaching -€15.5M, from the extraordinary levy (CESE), with a €0.9M decrease, and from taxes (-€1.0M). The effective tax rate, excluding the levy, was 26.6% while in 1Q18 it was 27.7%;

Recurrent Net Profit got to €37.6M, -2.0% than last year;

Net Debt decreased to €2,613.9M (-€29.8M) year on year. The average cost of debt remained mostly unchanged at 2.3%;

CAPEX rose to €16.8M, €2.9M more than in 1Q18, with higher investments being deployed in the electricity business.
## RESULTS AT A GLANCE

<table>
<thead>
<tr>
<th></th>
<th>1Q19</th>
<th>1Q18</th>
<th>Δ%</th>
<th>Δ Abs.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>EBITDA</strong></td>
<td>125.3</td>
<td>128.4</td>
<td>-2.4%</td>
<td>-3.0</td>
</tr>
<tr>
<td><strong>Financial Results</strong></td>
<td>-15.5</td>
<td>-16.6</td>
<td>6.8%</td>
<td>1.1</td>
</tr>
<tr>
<td><strong>Net Profit</strong></td>
<td>13.2</td>
<td>13.1</td>
<td>1.3%</td>
<td>0.2</td>
</tr>
<tr>
<td><strong>Recurrent Net Profit</strong></td>
<td>37.6</td>
<td>38.4</td>
<td>-2.0%</td>
<td>-0.8</td>
</tr>
<tr>
<td><strong>Average RAB</strong></td>
<td>3,743.0</td>
<td>3,877.8</td>
<td>-3.5%</td>
<td>-134.7</td>
</tr>
<tr>
<td><strong>CAPEX</strong></td>
<td>16.8</td>
<td>13.9</td>
<td>21.1%</td>
<td>2.9</td>
</tr>
<tr>
<td><strong>Net Debt</strong></td>
<td>2,613.9</td>
<td>2,643.7</td>
<td>-1.1%</td>
<td>-29.8</td>
</tr>
</tbody>
</table>
EVOLUTION OF PORTUGUESE 10Y BOND YIELDS
Kept rates of return at low levels in 2019

Source: Bloomberg, Bank of Portugal, REN.
CAPEX INCREASED BY €2.9M TO €16.8M

In 1Q19, the electricity sector benefited from the construction of a submarine cable (€1.2M)
AVERAGE RAB WAS 3.5% BELOW 1Q18
Positive evolution of Portgás (€4.0M)

1) RoR is equal to the specific asset remuneration, divided by the average RAB.
RAB REMUNERATION DECLINED BY 5.4%
With lower RoR and RAB (Electricity and NGₜ)

RAB REMUNERATION
ELECTRICITY
(ex. Lands)
(€M)

Impact of the change in the rate of return, to 5.84% from 5.95% in assets with premium, and to 5.09% from 5.20% in assets without premium.

Impact of the decrease in the asset base by €80.9M to €2,036.9M.

Impact of the change in asset mix: assets with premium weight increased to 54.2% in 1Q19 from 53.7% in 1Q18.

RAB REMUNERATION
NATURAL GASₜ
(€M)

Impact of the decrease in the rate of return, to 5.40% from 5.54%.

Impact of the €45.3M decrease in the asset base, to a total of €1,003.0M.

RAB REMUNERATION
PORTGÁS
(€M)

Impact of the decrease in the rate of return, to 5.70% from 5.84%.

Impact of the €4.0M increase in the asset base, to a total of €468.1M.
OPEX IMPROVED BY 3.1%, TO €30.5M

On the back of a small reduction in ESS

OPERATIONAL COSTS
(€M)

Δ External Supplies and Services
31.5

Δ Personnel Costs
0.4 (3.4%)

Portgás
-0.9 (-12.0%)

Δ Other Operating Costs
0.1 (4.5%)

OPEX 1Q18

Δ OPEX
-1.0M (-3.1%)

OPEX 1Q19

30.5
CONTROLLABLE COSTS DECLINED BY 2.6% YOY
Mainly driven by the favorable evolution of Portgás

(1) ITC - Inter Transmission System Operator Compensation for Transits;
(2) Item related to Portgás.
EBITDA STOOD AT €125.3M (-2.4% YOY)

The decrease in the transmission business (-€3.5M) was partially offset by the growth in Portgás (€0.5M)

EBITDA

(€M)

<table>
<thead>
<tr>
<th>EBITDA 1Q18</th>
<th>EBITDA Portgás</th>
<th>Δ Asset remuneration</th>
<th>Δ Recovery of amortizations</th>
<th>Δ OPEX contribution (1)</th>
<th>Δ Electrogas’ Net Profit proportion</th>
<th>Δ Other</th>
<th>EBITDA 1Q19</th>
</tr>
</thead>
<tbody>
<tr>
<td>128.4</td>
<td>0.5</td>
<td>-0.5</td>
<td>-2.7</td>
<td>-0.3</td>
<td>0.5</td>
<td>-0.6</td>
<td>125.3</td>
</tr>
</tbody>
</table>

(1) Includes Δ€0.08M of OPEX own works.
BELLO EBITDA
Better financials supported by a decline in Net Debt

DEPRECIATIONS AND AMORTIZATIONS (€M)

<table>
<thead>
<tr>
<th></th>
<th>1Q18</th>
<th>1Q19</th>
</tr>
</thead>
<tbody>
<tr>
<td>55.4</td>
<td>58.7</td>
<td>58.5</td>
</tr>
<tr>
<td>3.3</td>
<td>3.8</td>
<td>54.8</td>
</tr>
</tbody>
</table>

FINANCIAL RESULTS (1) (€M)

<table>
<thead>
<tr>
<th></th>
<th>1Q18</th>
<th>1Q19</th>
</tr>
</thead>
<tbody>
<tr>
<td>-16.6</td>
<td>-15.5</td>
<td>-16.6</td>
</tr>
<tr>
<td>3.3</td>
<td>3.8</td>
<td>3.8</td>
</tr>
</tbody>
</table>

TAXES (2) (€M)

<table>
<thead>
<tr>
<th></th>
<th>1Q18</th>
<th>1Q19</th>
</tr>
</thead>
<tbody>
<tr>
<td>40.0</td>
<td>25.3</td>
<td>24.4</td>
</tr>
<tr>
<td>-1.9M</td>
<td>-4.9%</td>
<td>-5.6%</td>
</tr>
</tbody>
</table>

(1) The Average cost of debt remained stable at 2.3%.
(2) In 1Q19, without taking into account the special levy on the energy sector, the effective tax rate reached 26.6%, versus 27.7% in the previous year, which led to a €1.0M decrease in taxes.
NET DEBT DECREASED BY 1.5% TO €2,613.9M

Impacted by strong free cash flow

NET DEBT
(€M)

2,653.1

Operating Cash Flow

Capex (payments)

Interest (net)

Dividends (received-paid)

Income tax (payments)

Other

Net Debt
Dec 2018

-91.1

36.7

15.7

-1.5

1.6

-0.5

2,613.9

Net Debt
1Q19

€39.2M
(-1.5%)
NET PROFIT ROSE BY 1.3%, ACHIEVING €13.2M
Financial Results contributed with €1.1M

NET PROFIT
(€M)

<table>
<thead>
<tr>
<th>Δ EBITDA</th>
<th>Δ Below EBITDA</th>
<th>Δ CESE</th>
<th>Net Profit 1Q19</th>
</tr>
</thead>
<tbody>
<tr>
<td>-3.0 (-2.4%)</td>
<td>2.3 (2.5%)</td>
<td>0.9 (3.7%)</td>
<td>13.2</td>
</tr>
<tr>
<td>-3.0 (-2.4%)</td>
<td>2.3 (2.5%)</td>
<td>0.9 (3.7%)</td>
<td>13.2</td>
</tr>
</tbody>
</table>
The first quarter of 2019 was uneventful in terms of results. EBITDA was slightly below that of the same period of 2018, given the decrease in asset remuneration;

The slowdown in operational results was offset by lower financials and lower taxes;

Financial Results benefited from a smaller stock of debt (Net Debt went down by €29.8M year-on-year) and a slightly lower cost of debt, it went down from 2.30% to 2.27%;

Both Portgás and Electrogas contributed positively to results and are performing according to plan;

All in all Net Profit stood flat in comparison to the same period of 2018;

On April 1st ERSE made public some parameters for the 2020-2023 gas regulatory framework. They propose that for an average ten-year bond yield of 1.5% the rate of return shall be 5%. The new rules will be set for four years instead of the former three;

This morning REN’s General Shareholders Meeting approved the payment of a dividend of €0.171 per share that will be paid within the next 30 days.
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