

Results Report

1Q2021

14th May 2021

AGENDA

- 1.** Overview of the period
- 2.** Business performance
- 3.** Closing remarks

1. Overview of the period



KEY MESSAGES



1Q2021



EBITDA amounted to €114.4M, a decrease of 3.8% (-€4.5M) **YoY** credited to (1) a reduction in RAB remuneration (-€2.5M), driven by the decrease in RAB (impact of -€1.9M) and in RoR (-€0.6M); (2) a decline in OPEX contribution with maintenance costs increasing by €1.4M, of which +€1.1M related to forest clearing. These costs should smooth out as 2021 progresses.

International business performance fell €1.0M, €0.6M of which attributed to Electrogas.



Net Profit grew €0.2M YoY to €4.5M, due to (1) a **positive** contribution from **Financial results** (increase of €2.9M to -€10.8M), a reflection of the decrease of the **cost of debt** (from 1.8% to 1.6%); (2) a lower energy levy (+€1.1M).

Net debt was also improved with additional tariff deviation payments.



Capex increased by €4.8M vs 1Q20 to €31.8M, while transfers to RAB increased by 2.8M€ to €7.7M. The effects of Covid19 continued to play a role by inflicting some delays in works in progress.



Issuance of €300M of **Green Bonds** maturing in 8 years with an interest rate of mid-swap, turned out a success with demand surpassing supply by 5x.



Renewable energy sources (RES) reached **78.7%** of total supply (approx. +10 pp than in 1Q20). **Consumption of electricity remained unchanged** and natural gas decreased 2.4TWh, which is consistent with more electricity produced with RES.



Quality of service stayed at the same very high level as in 1Q20, for both electricity and NG, with **0.00 min of electricity interruption time**, and **natural gas combined availability rate** at approximately **100%**.

SECTOR OVERVIEW

The Energy Transition is at the center of the Portuguese Government agenda



Solar projects

- **Bilateral agreements for the grid connection of 14 photovoltaic solar PV energy projects, totaling 3.5 gigawatt, already signed.** The bilateral agreements constitute one of the three routes available for renewable energy production plants to access the Public Service Electricity Network (RESP).



Transmission Network Development Plans for electricity and gas

- **ERSE launched public consultations for the Ten Year Network Development Plans for electricity and gas transmission** for the 2022-2031 period.
- In electricity transmission, a global investment of 831.2 million euros was proposed for the 2022-2031 period, of which 392 million euros for the first five-years.
- In gas transmission, a global investment of 136.7 million euros was proposed for the 2022-2031 period, of which 87.4 million euros for the first five-years.



New regulation on renewable gases and self-consumption

- ERSE approved the **regulations for the gas sector**, completing the adaptation to the new legal framework for the gas sector, which now includes the **production of gases from renewable sources and low carbon gases**, and also approved **the extension to the National Gas System of the Risk and Guarantee Management Scheme Directive** in force to National Electricity System.
- ERSE approved the new **regulation of the self-consumption of electric energy**. This new regulation creates a more comprehensive and clearer framework of rules, with emphasis on the inclusion of energy storage activity in the context of the self-consumption and the possibility of implementing pilot projects.

2. Business performance



BUSINESS HIGHLIGHTS

High quality of service in Portugal, despite a higher share of renewables and a slight decrease in demand for gas



Electricity

Consumption

13.1TWh ↓ 0.1 TWh
(0.5%)

1Q20: 13.1TWh

Renewables in consumption supply

78.7% ↑ 9.8pp

1Q20: 68.9%

Energy transmission losses

2.3% ↑ 0.3pp

1Q20: 2.1%

Average interruption time

0.00min = 0.00min
(0.0%)

1Q20: 0.00min

Line length

9,032km ↑ 30km
(0.3%)

1Q20: 9,002km



Gas Transmission

Consumption

15.0TWh ↓ 2.4TWh
(13.9%)

1Q20: 17.5TWh

Combined availability rate

100.0% ↓ 0.04pp

1Q20: 100.0%

Line length

1,375km = 0km
(0.0%)

1Q20: 1,375km



Gas Distribution

Gas distributed

2.2TWh ↑ 0.1TWh
(6.2%)

1Q20: 2.1TWh

Emergency situations with response time up to 60min

98.3% ↓ 0.8pp

1Q20: 99.1%

Line length

5,928km ↑ 203km
(3.5%)

1Q20: 5,725km

FINANCIAL HIGHLIGHTS

Stable Net profit with a positive contribution from Financial Results

EBITDA

€114.4M

↓ 4.5
(3.8%)

1Q20: €118.9M

Financial results

-€10.8M

↑ 2.9
(21.0%)

1Q20: -€13.6M

Net Profit

€4.5M

↑ 0.2
(4.4%)

1Q20: €4.3M

CAPEX

€31.8M

↑ 4.8
(17.9%)

1Q20: €27.0M

Average RAB¹

€3,541.2M

↓ 173.0
(4.7%)

1Q20: €3,714.2M

Net Debt

€2,547.9M

↓ 202.4
(7.4%)

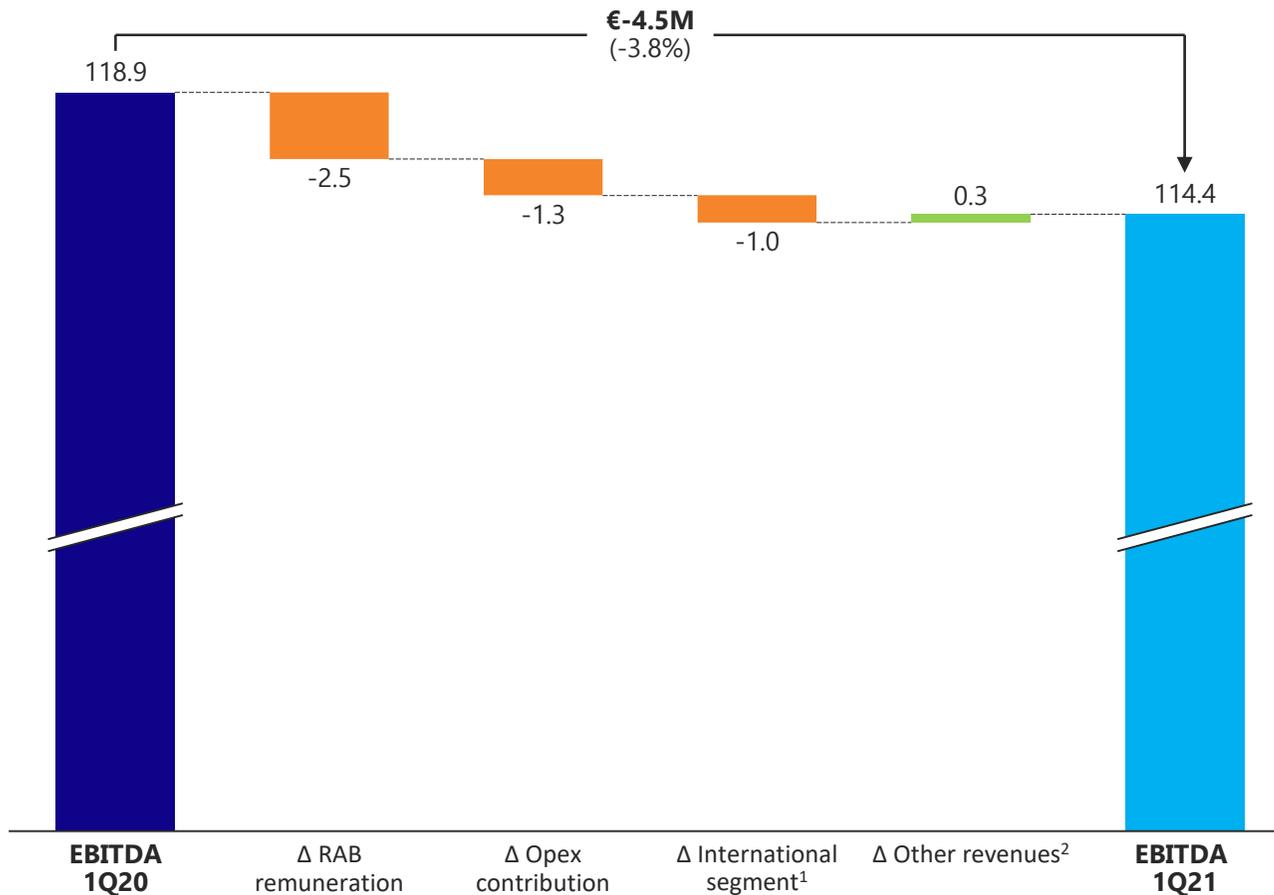
1Q20: €2,750.3M

CONSOLIDATED VIEW



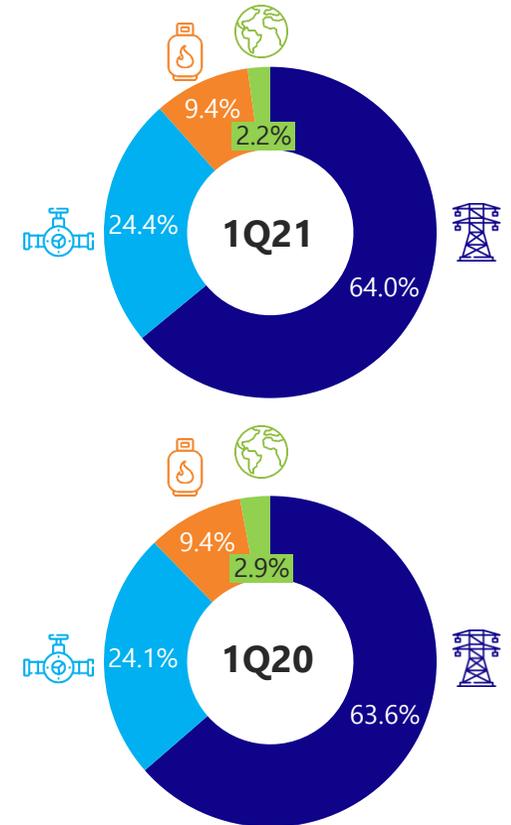
Decline in EBITDA linked to lower RAB and greater OPEX costs

EBITDA evolution breakdown €M



EBITDA contribution by business segment³ %

- Electricity
- Gas Distribution⁴
- Gas Transmission
- International



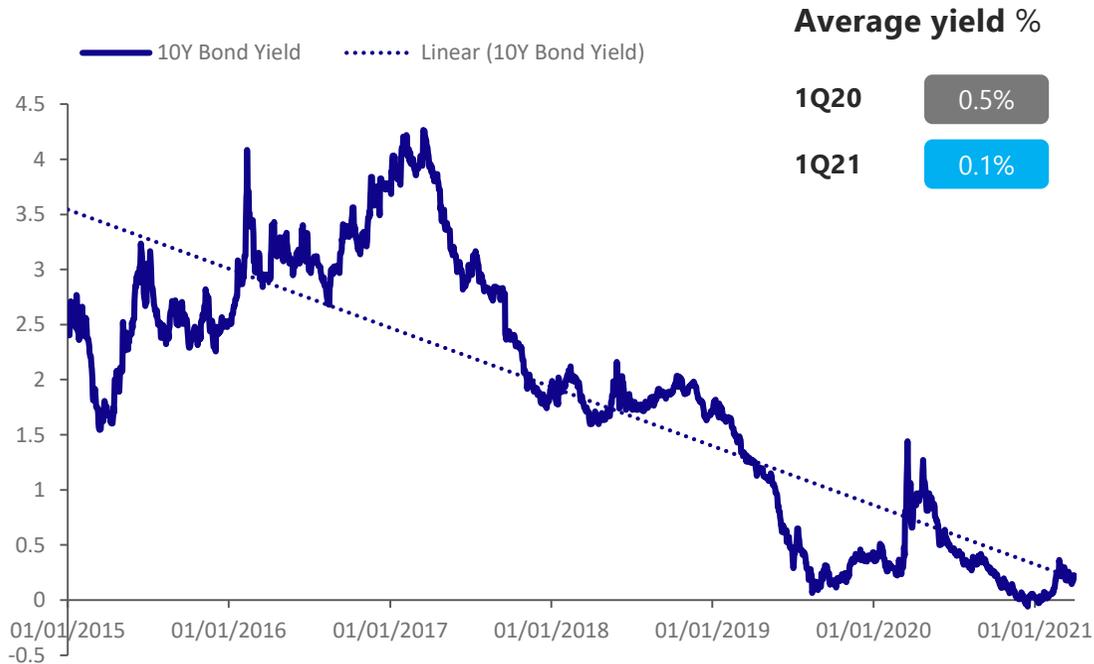
1 Includes Apolo SpA and Aerio Chile SpA costs | 2 Includes amortizations recovery, subsidies amortization, REN Trading incentives, telecommunication sales and services rendered, interest on tariff deviation, consultancy revenues and other services provided, OMIP and Nester results | 3 Excludes the segment "Other", which includes REN SGPS, REN Serviços, REN Telecom, REN Trading, REN PRO and REN Finance B.V. | 4 Refers to Portugal

DOMESTIC BUSINESS

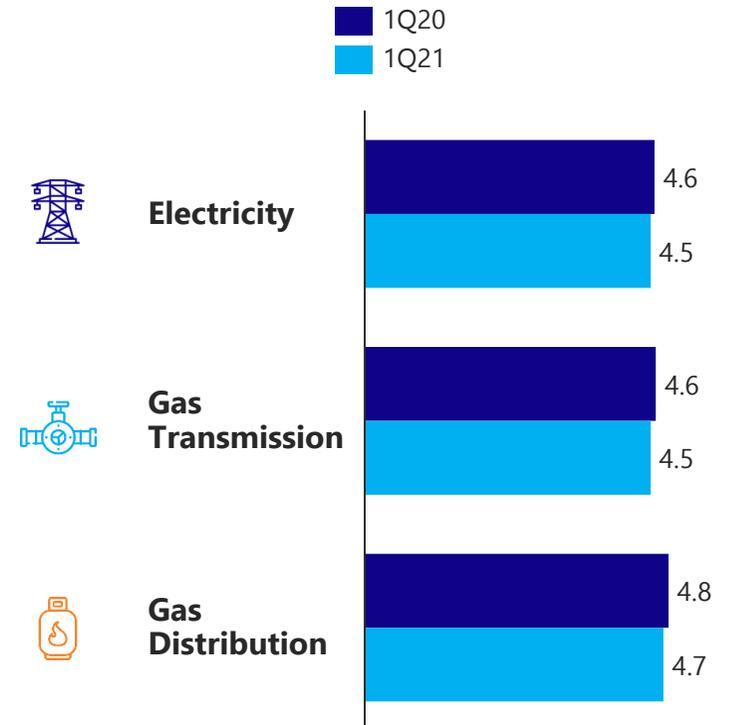
Return on RAB rates relatively stable versus 2020



Portuguese 10Y Treasury Bond Yields %



Base Return on RAB (RoR)* %



SOURCE: Bloomberg; REN

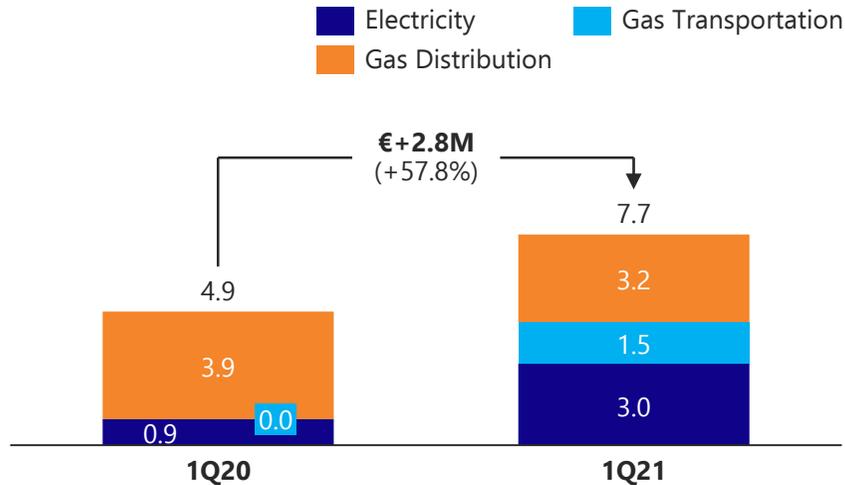
* Electricity regulatory period: from Oct-20 to Sep-21, Gas regulatory period: from Jan-21 to Dec-21

DOMESTIC BUSINESS

Transfers to RAB and CAPEX increased YoY



Transfers to RAB €M



Capex €M



Key highlights



Electricity

Main investment projects:

- New 220 kV bay at Vila Pouca de Aguiar substation to reinforce transmission grid;
- New 60 kV bay at Vila Fria substation to reinforce the supply of distribution network.



Gas Transmission

Main investment projects:

- The replacement and upgrade of the cryogenic pumping system (2nd phase) at the Sines Terminal
- The replacement and upgrade of measuring chain equipment in the Pipeline Network



Gas Distribution

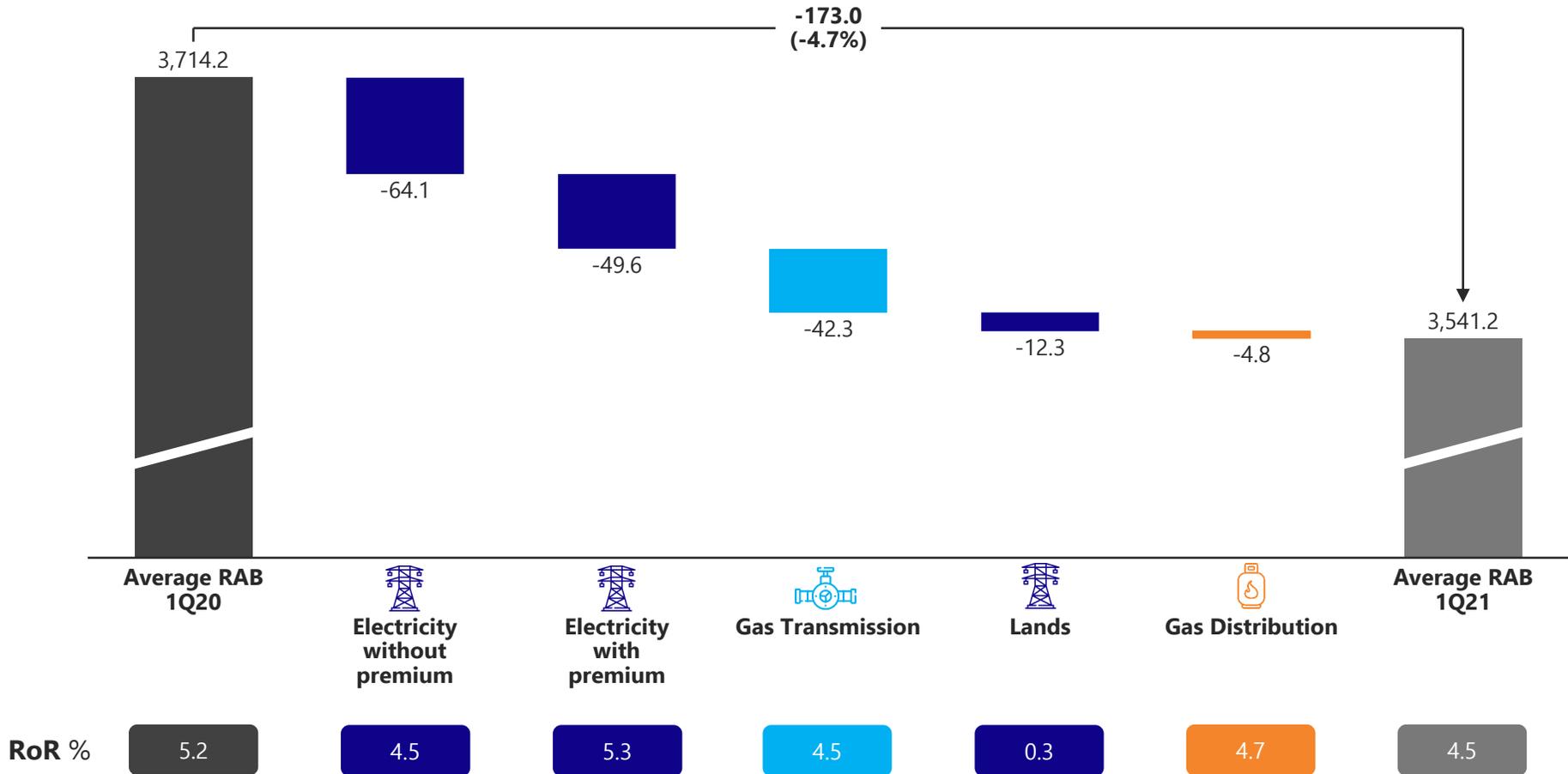
- Steady developments on the network expansion and densification, aiming at reaching new points of consumption (**B2C**)
- **B2B** is perceived as an anchor for network development and the company is constantly searching for ways of reinforcing it through massmarket connections
- Licensing of **3 big projects** with Capex execution expected to occur in 2H 2021

DOMESTIC BUSINESS

RAB was down across all asset categories



Average RAB evolution €M

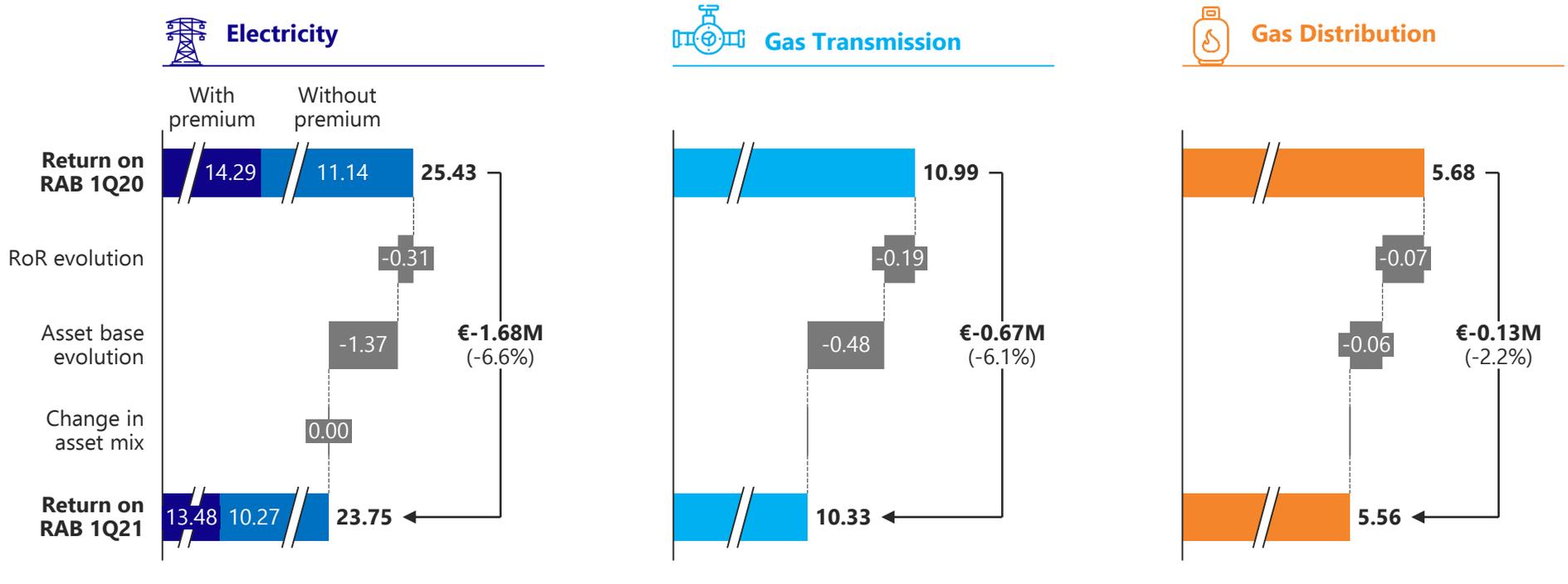


DOMESTIC BUSINESS

RAB remuneration decreased in all businesses, with lower returns and asset bases



Return on RAB evolution breakdown €M



Return on RAB drop caused by a **smaller asset base** (by €113.7M to €1,940.4M) and **lower rate of return on assets** with and without premium¹

Decline in Return on RAB justified by a **smaller asset base** (by €42.3M to a total of €917.8M) and a **lower RoR** of 4.50% (-8bps)

Return on RAB reduction attributed to a **lower rate of return** (from 4.78% to 4.70%) and a smaller **asset base** (by €4.8M to a total of €472.8M)

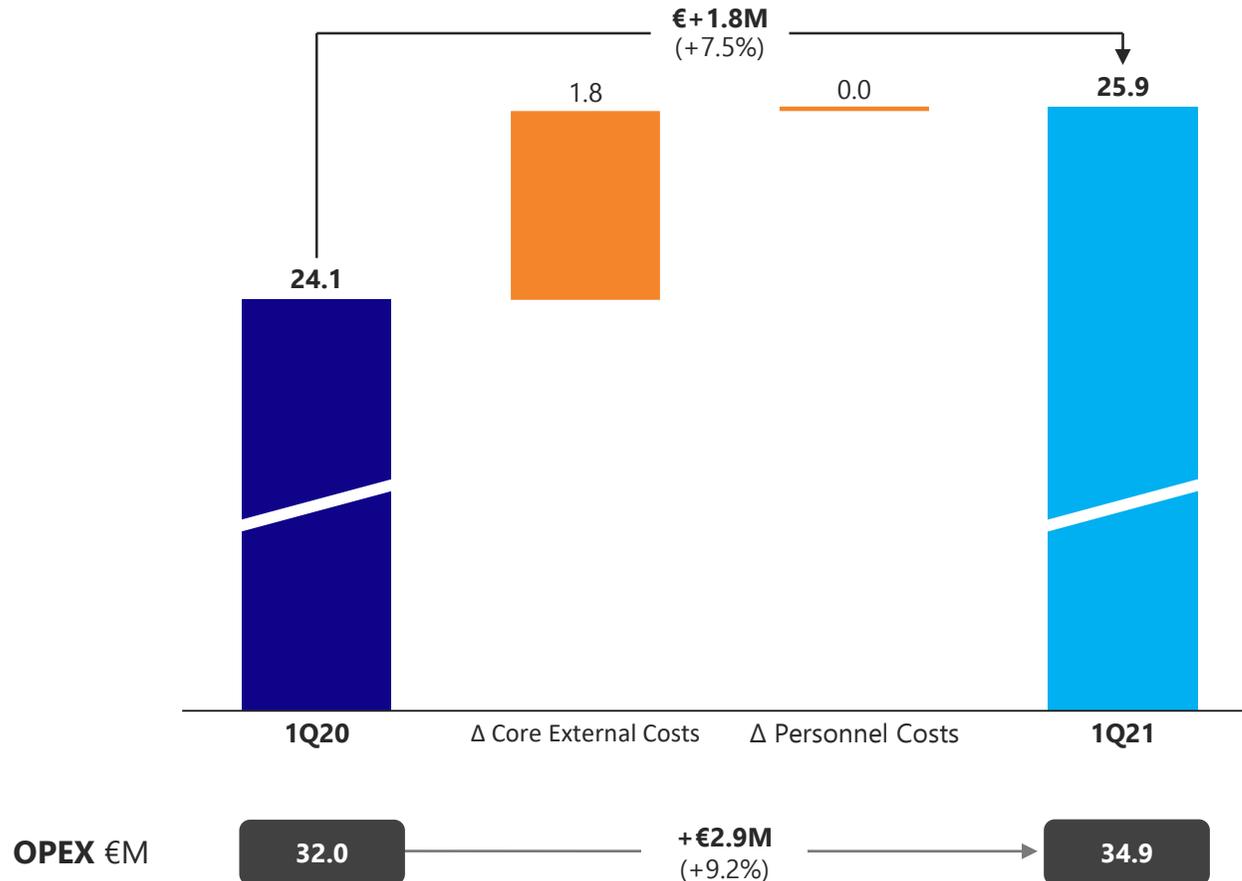
¹ From 5.31% to 5.25% for assets with premium, and from 4.56% to 4.50% for assets without premium

DOMESTIC BUSINESS

OPEX increased by €2.9M YoY, with core OPEX rising €1.8M, mostly related to forest clearing



Core OPEX¹ evolution €M



Key highlights

Core external costs

- Maintenance costs (+€1.4M), mostly related to **forest clearing** (+€1.1M), reflecting the vegetation area managed (2,234ha in 1Q21); on an yearly basis this cost should decline versus 2020

Non-core costs

- Pass-through costs (costs accepted in the tariff) **increased by €1.1M**, of which €1.8M correspond to **costs with cross-border and system services costs**

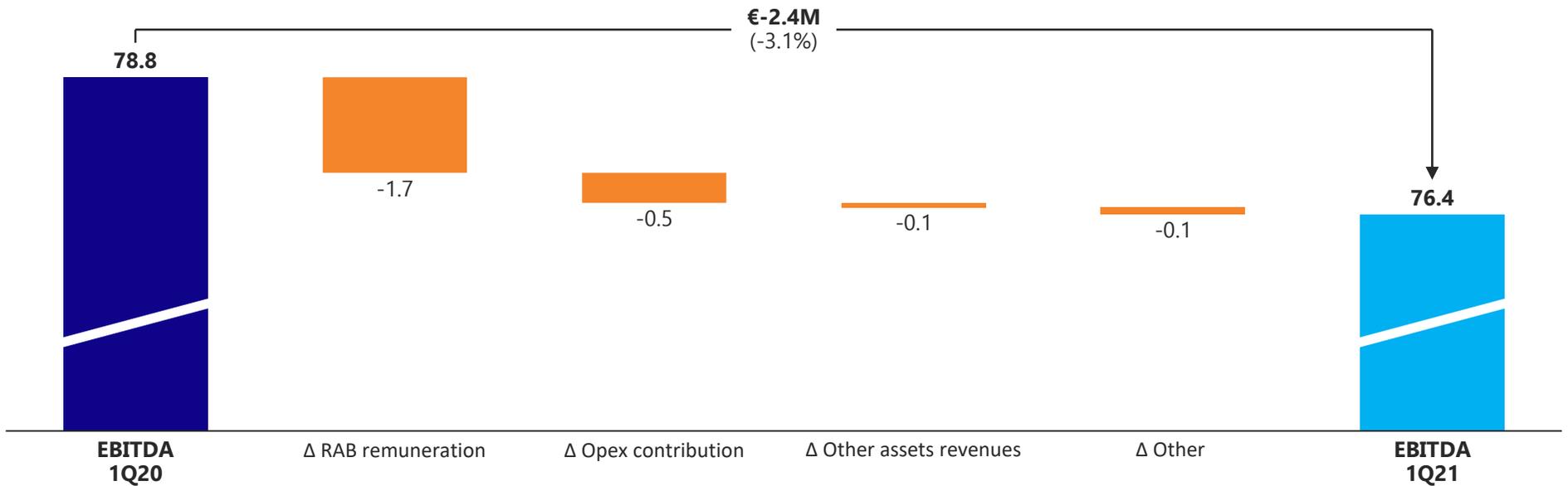
¹ Calculated as OPEX minus pass-through costs (e.g., ITC mechanism, NG transportation costs, ERSE costs and subsoil occupation levies)

DOMESTIC BUSINESS: ELECTRICITY



A higher OPEX and a lower return on RAB pushed downwards the Electricity EBITDA

EBITDA breakdown €M



| Capex | Transfers to RAB | Average RAB ¹ | Base RoR ² | Core OPEX |
|---|--|---|--|--|
| <p>€24.4M ↑ €3.8M (18.7%)</p> <p>1Q20: €20.6M</p> | <p>€3.0M ↑ €2.0M (213.0%)</p> <p>1Q20: €0.9M</p> | <p>€2,150.6M ↓ €126.0M (5.5%)</p> <p>1Q20: €2,276.6M</p> | <p>4.5% ↓ 0.1pp</p> <p>1Q20: 4.6%</p> | <p>€11.0M ↑ €1.0M (10.4%)</p> <p>1Q20: €10.0M</p> |

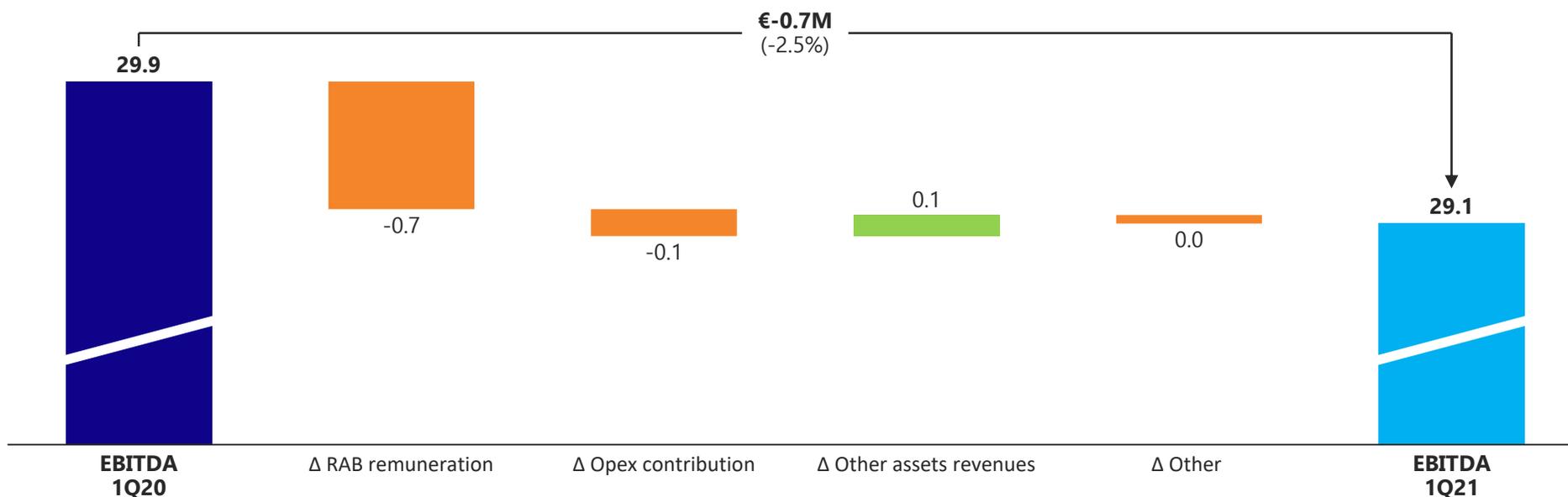
¹ Includes €913.3M of Electricity without premium (€977.4M for 1Q20) and €1,027.1M of Electricity with premium (€1,076.7M for 1Q20); Includes Lands (€210.2M in 1Q21 and €222.5M in 1Q20) | ² RoR for Electricity with premium was 5.3% in 1Q21 (5.3% in 1Q20), and for other Lands 0.3% in 1Q21 (0.3% in 1Q20)

DOMESTIC BUSINESS: GAS TRANSMISSION



The reduction in EBITDA is mainly explained by a lower RAB remuneration

EBITDA breakdown €M



Capex

€2.5M

↑ €1.1M (72.0%)

1Q20: €1.5M

Transfers to RAB

€1.5M

↑ €1.5M (n.m.)

1Q20: €0.0M

Average RAB

€917.8M

↓ €42.3M (4.4%)

1Q20: €960.1M

RoR

4.5%

↓ 0.1pp

1Q20: 4.6%

Core OPEX

€5.1M

↑ €0.0M (0.5%)

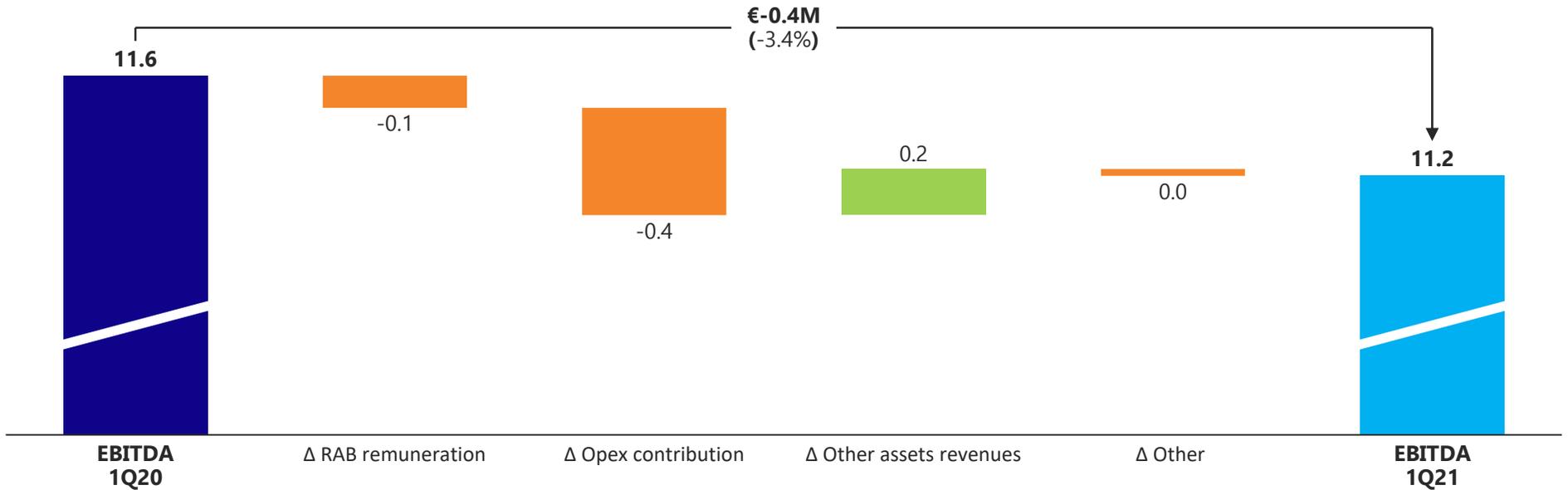
1Q20: €5.1M

DOMESTIC BUSINESS: GAS DISTRIBUTION



Gas Distribution EBITDA reduction mainly explained by a lower Opex contribution

EBITDA breakdown €M



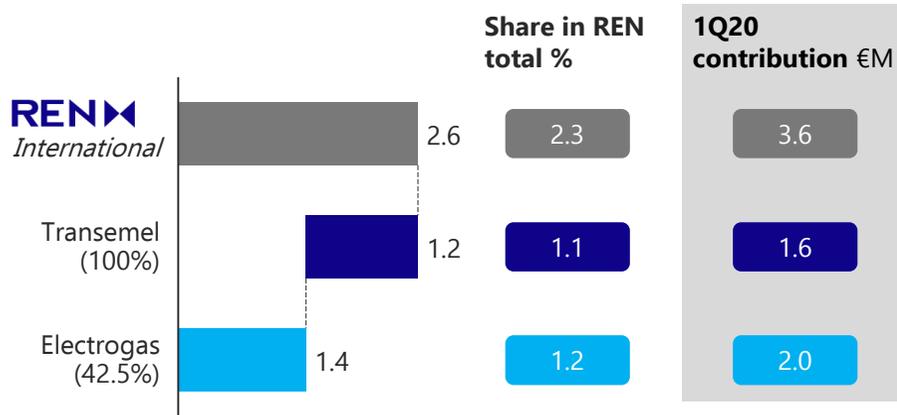
| Capex | Transfers to RAB | Average RAB | RoR | Core OPEX |
|--|--|---|--|--|
| <p>€3.6M ↑ €0.3M (9.2%)</p> <p>1Q20: €3.3M</p> | <p>€3.2M ↓ €0.7M (18.7%)</p> <p>1Q20: €3.9M</p> | <p>€472.8M ↓ €4.8M (1.0%)</p> <p>1Q20: €477.6M</p> | <p>4.7% ↓ 0.1pp</p> <p>1Q20: 4.8%</p> | <p>€2.4M ↑ €0.5M (25.9%)</p> <p>1Q20: €1.9M</p> |

INTERNATIONAL BUSINESS



Solid performance from Chilean businesses despite decline in EBITDA mainly related to higher opex and lower revenues

Contribution to EBITDA 1Q21 €M



Key highlights

Transemel, Chile

- Revenues decreased YoY mainly driven by lower revenues and higher opex

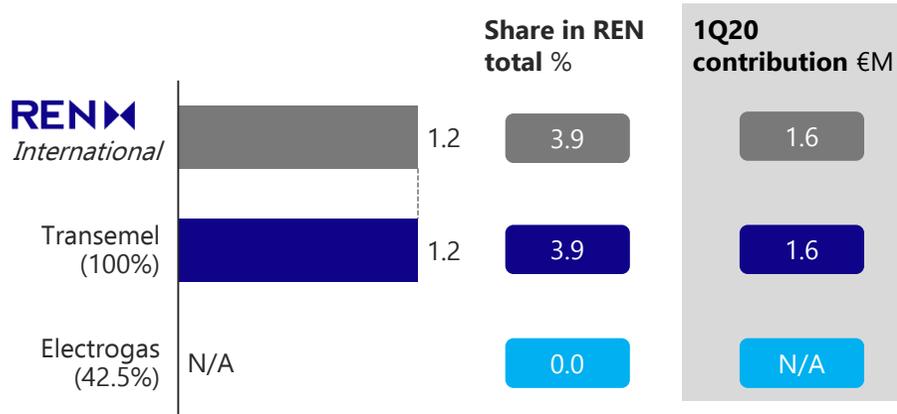
Revenues

€2.3M ↓ €0.2M (6.5%)
1Q20: €2.4M

EBITDA

€1.2M ↓ €0.4M (25.1%)
1Q20: €1.6M

Contribution to Capex 1Q21 €M



Electrogas, Chile

- EBITDA decreased YoY, driven by lower revenues (lower tariff) and higher opex

Revenues

€6.5M ↓ €2.2M (25.2%)
1Q20: €8.6M

EBITDA

€5.6M ↓ €2.3M (28.9%)
1Q20: €7.9M

CONSOLIDATED VIEW

Strong improvement in Financial Results, as the cost of debt maintained its decreasing trend

Depreciation & Amortization

€60.1M  €0.2M
(0.3%)

1Q20: **€59.9M**

Increase of €0.2M versus 1Q20,
reflecting the evolution of gross assets

Financial results

-€10.8M  €2.9M
(21.0%)

1Q20: **-€13.6M**

Higher financial results (+€2.9M)
reflecting **the decrease in the average
cost of debt** of 0.26 p.p. to 1.6%

Taxes

€39.0M  €2.0M
(4.9%)

1Q20: **€41.1M**

Total taxes include the **extraordinary
levy of €27.1M** (€28.2M in 1Q20) and
income tax which was down by €1.0M
to €11.9M, reflecting the decrease in
EBT (-1.8M€)

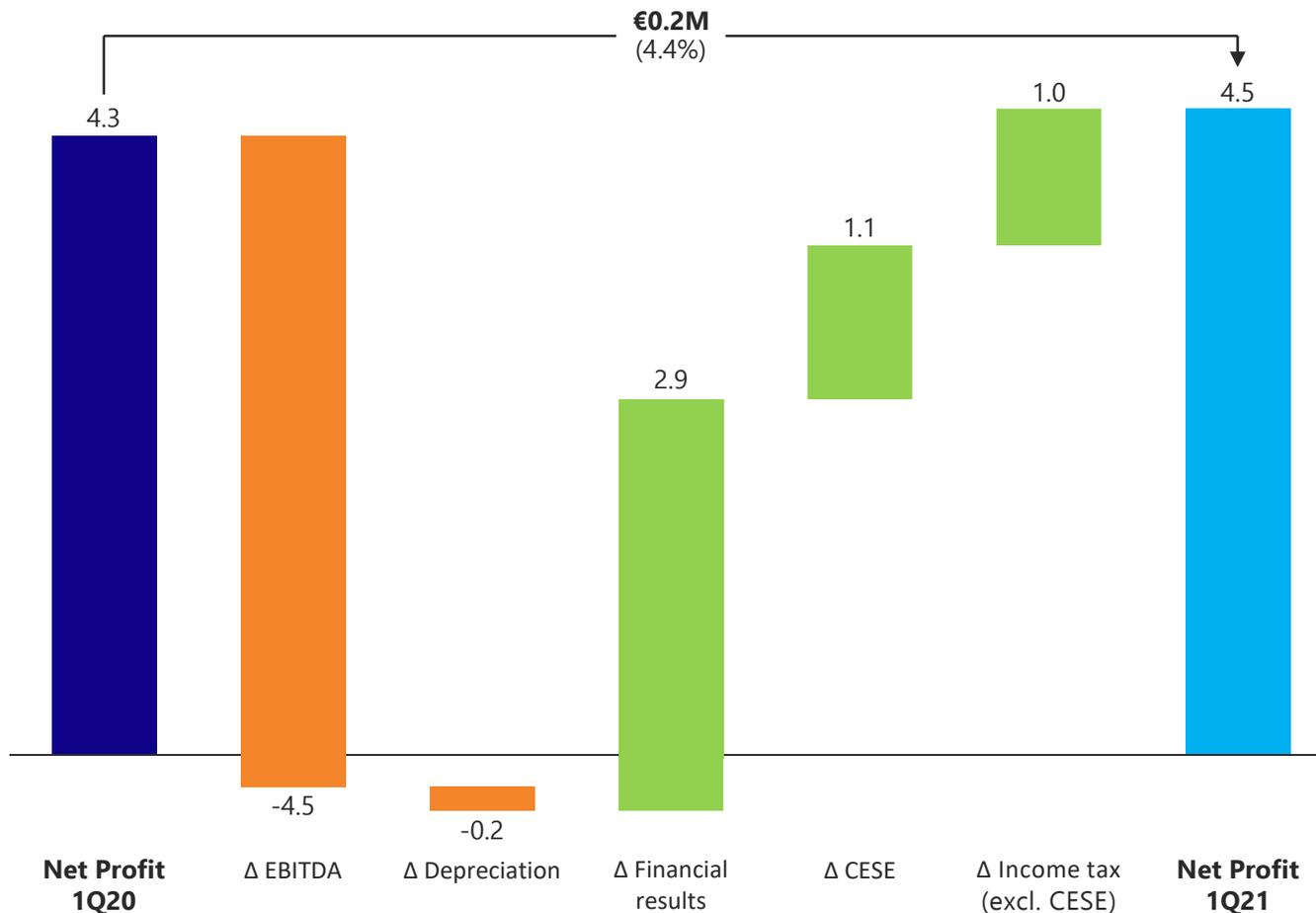
Effective tax rate reached 43.0%,
0.9% less than in 1Q20 (including the
levy)

CONSOLIDATED VIEW



Net Profit remained stable as a result of better financials and a slightly lower CESE, both of which partially offset a lower EBITDA

Net profit evolution breakdown €M



Key highlights

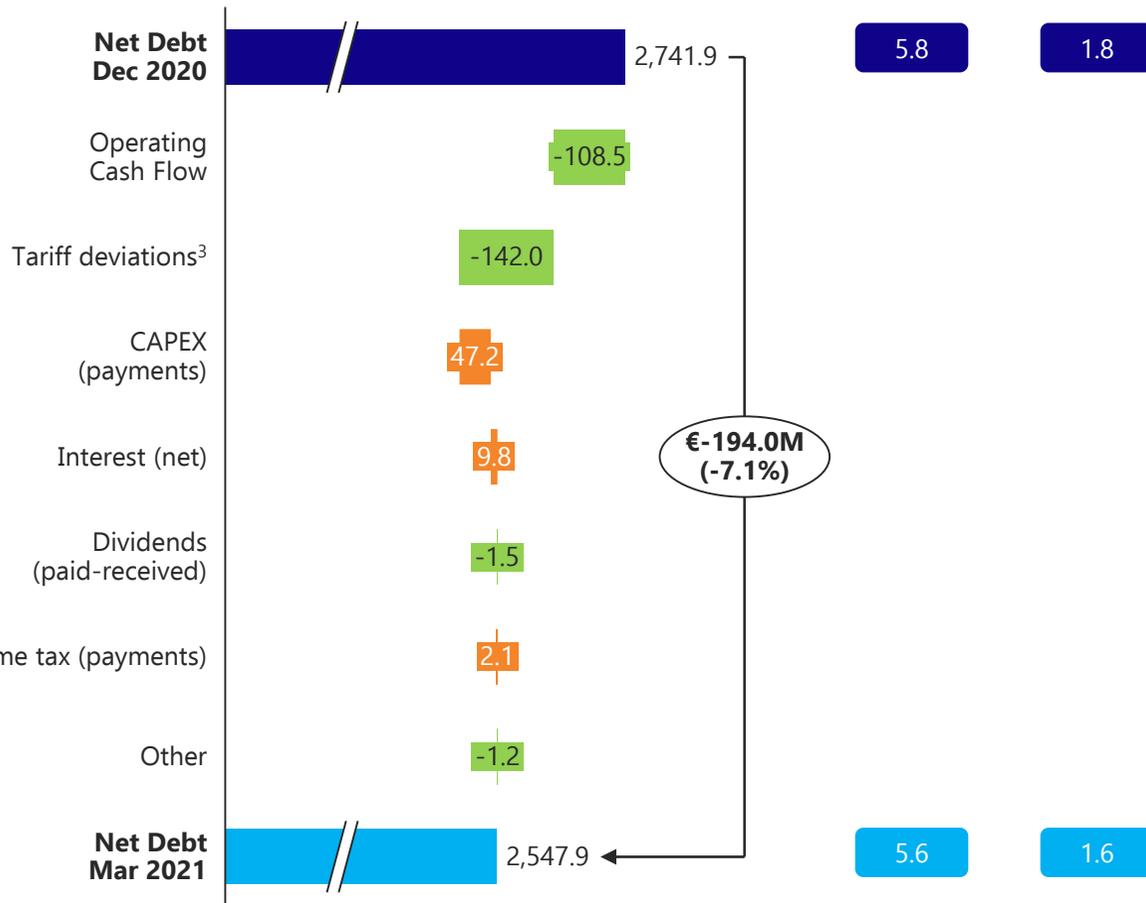
- The €2.9M **positive effect** from **Financial Results** was a consequence of better financial conditions
- **Lower CESE charge** (Δ€-1.1M), reflecting the negative evolution of the asset base

CONSOLIDATED VIEW

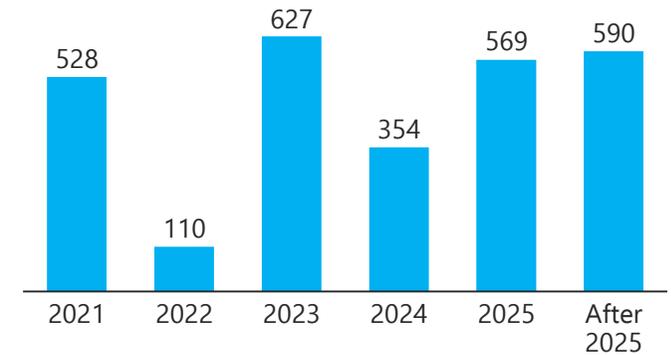


Net Debt came down mostly due to tariff deviations

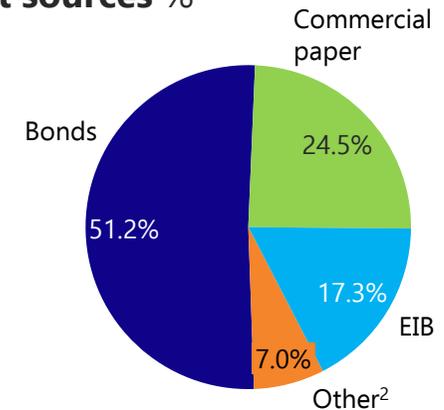
Net debt evolution €M



Adjusted Gross Debt Maturity¹ €M



Debt sources %



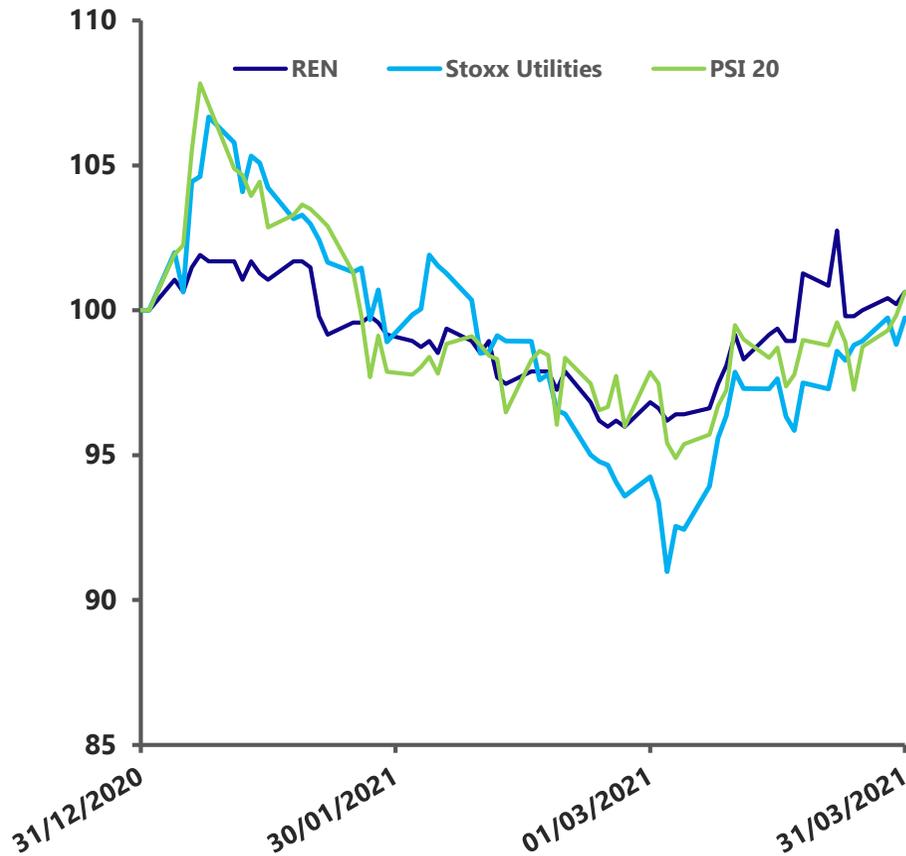
¹ Calculated as Net Debt plus Cash, bank deposits and derivative financial instruments (€227M), excluding effects of hedging on yen denominated debt, accrued interest and bank overdrafts | ² Includes loans (6.6%), Transemel's debt (0.3%) and leasing (0.2%) | ³ Includes amounts received from the Fund for Systemic Sustainability of the Energy Sector (FSSSE)

SHARE PRICE & SHAREHOLDER RETURN



The share price mimicked the performance of the indexes

Annualized closing prices %



% TSR
1Q21

0.6

0.6

0.6

% TSR
1Q20

-14.7

-22.0

-12.9

Analyst recommendations¹

Average Price target

€2.65

↓ €0.12
(4.3%)

1Q20: €2.77

Upside/Downside (+/-)

13.2%

↑ 7.0pp

1Q20: 6.2%

Buy recommendations

45.0%

↑ 12.0pp

1Q20: 33.0%

Hold recommendations

55.0%

↓ 3.3pp

1Q20: 58.3%

¹ End of period
SOURCE: Bloomberg, REN

3. Closing remarks



CLOSING REMARKS

Lower EBITDA but a stable Net Profit



EBITDA was hurt by a reduction in both, returns and asset base, in all its domestic businesses as well as a higher than usual increase in costs mostly related to forest clearing, which will smooth out during the rest of the year.



Net Profit increased by €0.2M to €4.5M, as a result of the positive impact from Financial Results. This achievement portrays the commitment and constant efforts carried out by REN towards minimizing the cost of debt.



Net debt benefited from lower tariff deviations with more payments received.



REN issued its first **Green Bond** with a total of **€300M**. This green bond issue is part of REN's regular financing policy, maintaining its profile as a solid, low-risk company and aiming at maintaining an Investment Grade credit profile. The issue came two months after the company was certified by Institutional Shareholder Services (ISS-ESG) with a Prime rating and it was more than 5 times oversubscribed.



This morning REN will host its **Capital Markets Day** where it will unveil its strategy for the 2021-2024 period.

Appendix



RENX

APPENDIX

Results breakdown

| €M | 1Q2021 | 1Q2020 | 2020 | 1Q2021 / 1Q2020 | |
|---|--------------|--------------|--------------|-----------------|-------------|
| | | | | Δ % | Δ Abs. |
| 1) TOTAL REVENUES | 176.3 | 172.9 | 758.5 | 2.0% | 3.5 |
| Revenues from assets | 104.1 | 106.4 | 431.4 | -2.1% | -2.3 |
| Return on RAB | 39.6 | 42.1 | 165.4 | -5.9% | -2.5 |
| Electricity | 23.8 | 25.4 | 99.9 | -6.6% | -1.7 |
| Natural gas | 10.3 | 11.0 | 43.1 | -6.1% | -0.7 |
| Portgás | 5.6 | 5.7 | 22.4 | -2.2% | -0.1 |
| Lease revenues from hydro protection zone | 0.2 | 0.2 | 0.7 | -1.2% | 0.0 |
| Economic efficiency of investments | 6.3 | 6.3 | 32.0 | 0.0% | 0.0 |
| Recovery of amortizations (net from subsidies) | 53.4 | 53.4 | 214.3 | 0.0% | 0.0 |
| Subsidies amortization | 4.7 | 4.5 | 19.0 | 5.1% | 0.2 |
| Revenues from Transemel | 2.3 | 2.4 | 10.1 | -6.5% | -0.2 |
| Revenues of OPEX | 34.8 | 33.4 | 130.1 | 4.3% | 1.4 |
| Other revenues | 4.6 | 5.4 | 26.0 | -14.0% | -0.8 |
| Construction revenues (IFRIC 12) | 30.5 | 25.3 | 160.9 | 20.5% | 5.2 |
| 2) OPEX | 36.0 | 32.8 | 145.8 | 9.7% | 3.2 |
| Personnel costs | 13.7 | 13.6 | 55.6 | 0.8% | 0.1 |
| External supplies and services | 17.5 | 13.1 | 68.5 | 33.6% | 4.4 |
| Other operational costs | 4.8 | 6.1 | 21.6 | -22.1% | -1.4 |
| 3) Construction costs (IFRIC 12) | 25.8 | 21.0 | 142.0 | 22.9% | 4.8 |
| 4) Depreciation and amortization | 60.1 | 59.9 | 241.2 | 0.3% | 0.2 |
| 5) Other | 0.1 | 0.1 | 0.5 | 0.0% | 0.0 |
| 6) EBIT | 54.3 | 59.0 | 229.0 | -8.0% | -4.7 |
| 7) Depreciation and amortization | 60.1 | 59.9 | 241.2 | 0.3% | 0.2 |
| 8) EBITDA | 114.4 | 118.9 | 470.2 | -3.8% | -4.5 |
| 9) Depreciation and amortization | 60.1 | 59.9 | 241.2 | 0.3% | 0.2 |
| 10) Financial result | -10.8 | -13.6 | -46.8 | 21.0% | 2.9 |
| 11) Income tax expense | 11.9 | 12.9 | 44.9 | -7.4% | -1.0 |
| 12) Extraordinary contribution on energy sector | 27.1 | 28.2 | 28.1 | -3.8% | -1.1 |
| 13) NET PROFIT | 4.5 | 4.3 | 109.2 | 4.0% | 0.2 |
| 14) Non recurrent items | 27.1 | 28.2 | 22.5 | -3.8% | -1.1 |
| 15) RECURRENT NET PROFIT | 31.6 | 32.5 | 131.7 | -2.7% | -0.9 |

NON RECURRENT ITEMS:
 1Q2021: i) Extraordinary energy sector levy, as established in the 2021 State budget law (€27.1M);
 1Q2020: i) Extraordinary energy sector levy, as established in the 2020 State budget law (€28.2M)

APPENDIX

Other operational revenues and costs breakdown

| €M | 1Q2021 | 1Q2020 | 2020 | 1Q2021 / 1Q2020 | |
|--|------------|------------|-------------|-----------------|-------------|
| | | | | Δ % | Δ Abs. |
| Other revenues | 4.6 | 5.4 | 26.0 | -14.0% | -0.8 |
| Allowed incentives | 0.4 | 0.3 | 1.3 | 24.2% | 0.1 |
| Interest on tariff deviation | 0.1 | 0.1 | 0.5 | -19.9% | 0.0 |
| Telecommunication sales and services rendered | 1.8 | 1.7 | 6.7 | 5.3% | 0.1 |
| Consultancy services and other services provided | 0.3 | 0.6 | 2.9 | -46.8% | -0.3 |
| Other revenues | 2.0 | 2.7 | 14.6 | -23.1% | -0.6 |
| Other costs | 4.8 | 6.1 | 21.6 | -22.1% | -1.4 |
| Costs with ERSE | 2.0 | 2.8 | 11.5 | -28.5% | -0.8 |
| Other | 2.8 | 3.4 | 10.1 | -16.9% | -0.6 |

Includes revenues related to Electrogas' Net Profit proportion (€1.4M in 1Q2021 and €2.0M in 1Q2020)

APPENDIX

EBITDA breakdown (Electricity)



| €M | 1Q2021 | 1Q2020 | 2020 | 1Q2021 / 1Q2020 | |
|--|--------------|--------------|--------------|-----------------|-------------|
| | | | | Δ % | Δ Abs. |
| 1) REVENUES | 112.5 | 109.3 | 495.8 | 2.9% | 3.2 |
| Revenues from assets | 68.8 | 70.5 | 288.9 | -2.5% | -1.8 |
| Return on RAB | 23.8 | 25.4 | 99.9 | -6.6% | -1.7 |
| Lease revenues from hydro protection zone | 0.2 | 0.2 | 0.7 | -1.2% | 0.0 |
| Economic efficiency of investments | 6.3 | 6.3 | 32.0 | 0.0% | 0.0 |
| Recovery of amortizations (net from subsidies) | 35.4 | 35.7 | 143.2 | -0.8% | -0.3 |
| Subsidies amortization | 3.2 | 3.0 | 13.1 | 7.0% | 0.2 |
| Revenues of OPEX | 18.6 | 17.0 | 72.2 | 8.9% | 1.5 |
| Other revenues | 0.9 | 1.3 | 8.3 | -29.2% | -0.4 |
| Interest on tariff deviation | 0.1 | 0.1 | 0.4 | -26.6% | 0.0 |
| Other | 0.8 | 1.2 | 7.9 | -29.4% | -0.3 |
| Construction revenues (IFRIC 12) | 24.3 | 20.5 | 126.4 | 18.6% | 3.8 |
| 2) OPEX | 15.3 | 13.2 | 68.3 | 15.7% | 2.1 |
| Personnel costs | 4.1 | 4.4 | 17.1 | -5.2% | -0.2 |
| External supplies and services | 10.1 | 6.7 | 40.0 | 50.1% | 3.4 |
| Other operational costs | 1.1 | 2.2 | 11.1 | -48.3% | -1.1 |
| 3) Construction costs (IFRIC 12) | 20.9 | 17.3 | 112.2 | 20.5% | 3.5 |
| 4) Depreciation and amortization | 38.5 | 38.6 | 155.7 | -0.2% | -0.1 |
| 5) Other | 0.0 | 0.0 | 0.2 | n.a | 0.0 |
| 6) EBIT (1-2-3-4-5) | 37.9 | 40.2 | 159.4 | -5.8% | -2.3 |
| 7) Depreciation and amortization | 38.5 | 38.6 | 155.7 | -0.2% | -0.1 |
| 8) EBITDA (6+7) | 76.4 | 78.8 | 315.1 | -3.1% | -2.4 |

APPENDIX

EBITDA breakdown (Natural gas transmission)



| €M | 1Q2021 | 1Q2020 | 2020 | 1Q2021 / 1Q2020 | |
|--|-------------|-------------|--------------|-----------------|-------------|
| | | | | Δ % | Δ Abs. |
| 1) REVENUES | 39.3 | 38.4 | 158.9 | 2.5% | 0.9 |
| Revenues from assets | 25.8 | 26.3 | 104.5 | -2.1% | -0.6 |
| Return on RAB | 10.3 | 11.0 | 43.1 | -6.1% | -0.7 |
| Recovery of amortizations (net from subsidies) | 14.0 | 13.9 | 55.5 | 0.8% | 0.1 |
| Subsidies amortization | 1.5 | 1.5 | 5.8 | 0.0% | 0.0 |
| Revenues of OPEX | 11.2 | 10.7 | 40.9 | 4.4% | 0.5 |
| Other revenues | -0.2 | -0.2 | 1.6 | 18.3% | 0.0 |
| Interest on tariff deviation | -0.1 | -0.1 | -0.4 | 9.9% | 0.0 |
| Consultancy services and other services provided | 0.0 | 0.0 | 0.2 | -100.0% | 0.0 |
| Other | -0.1 | -0.1 | 1.8 | 25.5% | 0.0 |
| Construction revenues (IFRIC 12) | 2.5 | 1.5 | 11.9 | 72.0% | 1.1 |
| 2) OPEX | 8.2 | 7.5 | 28.9 | 9.4% | 0.7 |
| Personnel costs | 2.1 | 2.0 | 8.2 | 4.5% | 0.1 |
| External supplies and services | 4.6 | 4.0 | 15.4 | 16.6% | 0.7 |
| Other operational costs | 1.5 | 1.5 | 5.3 | -2.9% | 0.0 |
| 3) Construction costs (IFRIC 12) | 2.0 | 1.0 | 9.7 | 96.3% | 1.0 |
| 4) Depreciation and amortization | 15.3 | 15.2 | 60.7 | 0.7% | 0.1 |
| 5) Other | 0.0 | 0.0 | -0.1 | n.a | 0.0 |
| 6) EBIT | 13.9 | 14.7 | 59.6 | -5.8% | -0.9 |
| 7) Depreciation and amortization | 15.3 | 15.2 | 60.7 | 0.7% | 0.1 |
| 8) EBITDA | 29.1 | 29.9 | 120.3 | -2.5% | -0.7 |

A negative revenue is consistent with a negative tariff deviation

APPENDIX

EBITDA breakdown (Portgás)



| €M | 1Q2021 | 1Q2020 | 2020 | 1Q2021 / 1Q2020 | |
|--|-------------|-------------|-------------|-----------------|-------------|
| | | | | Δ % | Δ Abs. |
| 1) REVENUES | 18.2 | 18.4 | 77.1 | -1.1% | -0.2 |
| Revenues from assets | 9.5 | 9.5 | 38.0 | 0.6% | 0.1 |
| Return on RAB | 5.6 | 5.7 | 22.4 | -2.2% | -0.1 |
| Recovery of amortizations (net from subsidies) | 4.0 | 3.8 | 15.5 | 4.4% | 0.2 |
| Subsidies amortization | 0.0 | 0.0 | 0.1 | 672.7% | 0.0 |
| Revenues of OPEX | 5.0 | 5.6 | 16.9 | -9.8% | -0.5 |
| Other revenues | 0.0 | 0.0 | -0.5 | -54.9% | 0.0 |
| Interest on tariff deviation | 0.0 | 0.0 | 0.0 | -62.7% | 0.0 |
| Adjustments previous years | 0.0 | 0.0 | -1.0 | -38.2% | 0.0 |
| Other services provided | 0.0 | 0.1 | 0.2 | -87.7% | -0.1 |
| Other | 0.0 | 0.0 | 0.4 | 88.6% | 0.0 |
| Construction revenues (IFRIC 12) | 3.6 | 3.3 | 22.6 | 9.2% | 0.3 |
| 2) OPEX | 4.1 | 4.1 | 13.0 | -2.3% | -0.1 |
| Personnel costs | 1.0 | 1.1 | 4.2 | -1.7% | 0.0 |
| External supplies and services | 1.1 | 0.7 | 3.9 | 56.0% | 0.4 |
| Other operational costs | 1.9 | 2.4 | 4.9 | -19.2% | -0.5 |
| 3) Construction costs (IFRIC 12) | 3.0 | 2.7 | 20.1 | 10.4% | 0.3 |
| 4) Depreciation and amortization | 4.1 | 3.9 | 15.8 | 4.9% | 0.2 |
| 5) Other | 0.0 | 0.0 | 0.0 | | |
| 6) EBIT | 7.1 | 7.7 | 28.2 | -7.6% | -0.6 |
| 7) Depreciation and amortization | 4.1 | 3.9 | 15.8 | 4.9% | 0.2 |
| 8) EBITDA | 11.2 | 11.6 | 44.0 | -3.4% | -0.4 |

APPENDIX

EBITDA breakdown (Transemel)



| €M | 1Q2021 | 1Q2020 |
|---|------------|------------|
| 1) REVENUES | 2.3 | 2.4 |
| 2) OPEX | 1.1 | 0.8 |
| 3) Depreciation and amortization | 0.4 | 0.4 |
| 4) EBIT | 0.8 | 1.3 |
| 5) Depreciation and amortization | 0.4 | 0.4 |
| 6) EBITDA | 1.2 | 1.7 |

APPENDIX

EBITDA breakdown (Other¹)

| €M | 1Q2021 | 1Q2020 | 2020 | 1Q2021 / 1Q2020 | |
|--|-------------|-------------|--------------|-----------------|-------------|
| | | | | Δ % | Δ Abs. |
| 1) TOTAL REVENUES | 4.0 | 4.3 | 16.5 | -7.7% | -0.3 |
| Other revenues | 4.0 | 4.3 | 16.5 | -7.7% | -0.3 |
| Allowed incentives | 0.4 | 0.3 | 1.3 | 24.2% | 0.1 |
| Interest on tariff deviation | 0.1 | 0.1 | 0.4 | 8.7% | 0.0 |
| Telecommunication sales and services rendered | 1.8 | 1.7 | 6.7 | 5.3% | 0.1 |
| Consultancy services and other services provided | 0.1 | 0.1 | 0.6 | 44.1% | 0.0 |
| Other | 1.5 | 2.1 | 7.5 | -26.1% | -0.5 |
| 2) OPEX | 7.4 | 7.2 | 32.2 | 2.8 % | 0.2 |
| Personnel costs | 6.3 | 6.1 | 25.8 | 3.2% | 0.2 |
| External supplies and services | 0.9 | 1.0 | 6.1 | -5.0% | 0.0 |
| Other operational costs | 0.1 | 0.1 | 0.4 | 88.0% | 0.1 |
| 3) Depreciation and amortization | 1.9 | 1.9 | 7.4 | -2.8% | -0.1 |
| 4) Other | 0.1 | 0.1 | 0.4 | 0.0% | 0.0 |
| 5) EBIT | -5.4 | -4.9 | -23.5 | -9.6% | -0.5 |
| 6) Depreciation and amortization | 1.9 | 1.9 | 7.4 | -2.8% | -0.1 |
| 7) EBITDA | -3.5 | -3.0 | -16.0 | -17.6% | -0.5 |

Includes the negative impacts of the PPAs² of Portgás (€1.4M) and Transemel (€0.5M) in 1Q2021

1 Includes REN SGPS, REN Serviços, REN Telecom, REN Trading, REN PRO, Aerio Chile SPA, Apolo and REN Finance BV
2 PPA - Purchase Price Allocation

APPENDIX

Capex and RAB

| €M | 1Q2021 | 1Q2020 | 2020 | 1Q2021 / 1Q2020 | |
|--------------------------|----------------|----------------|----------------|-----------------|---------------|
| | | | | Δ % | Δ Abs. |
| CAPEX | 31.8 | 27.0 | 173.3 | 17.9% | 4.8 |
| Electricity | 24.3 | 20.5 | 126.4 | 18.6% | 3.8 |
| Natural gas _T | 2.5 | 1.5 | 11.9 | 72.0% | 1.1 |
| Natural gas _D | 3.6 | 3.3 | 22.6 | 9.2% | 0.3 |
| Transemel | 1.2 | 1.6 | 12.1 | -24.0% | -0.4 |
| Other | 0.1 | 0.1 | 0.3 | 34.3% | 0.0 |
| Transfers to RAB | 7.7 | 4.9 | 79.6 | 57.8% | 2.8 |
| Electricity | 3.0 | 0.9 | 45.1 | 213.0% | 2.0 |
| Natural gas _T | 1.5 | - | 12.6 | | 1.5 |
| Natural gas _D | 3.2 | 3.9 | 21.8 | -18.7% | -0.7 |
| Average RAB | 3,541.2 | 3,714.2 | 3,635.0 | -4.7% | -173.0 |
| Electricity | 1,940.4 | 2,054.0 | 2,000.0 | -5.5% | -113.7 |
| With premium | 1,027.1 | 1,076.7 | 1,058.5 | -4.6% | -49.6 |
| Without premium | 913.3 | 977.4 | 941.5 | -6.6% | -64.1 |
| Land | 210.2 | 222.5 | 217.9 | -5.5% | -12.3 |
| Natural gas _T | 917.8 | 960.1 | 945.5 | -4.4% | -42.3 |
| Natural gas _D | 472.8 | 477.6 | 471.6 | -1.0% | -4.8 |
| RAB e.o.p. | 3,518.1 | 3,689.6 | 3,564.2 | -4.6% | -171.6 |
| Electricity | 1,925.7 | 2,038.2 | 1,954.9 | -5.5% | -112.5 |
| With premium | 1,020.6 | 1,069.7 | 1,033.4 | -4.6% | -49.2 |
| Without premium | 905.2 | 968.5 | 921.5 | -6.5% | -63.3 |
| Land | 208.7 | 221.0 | 211.7 | -5.6% | -12.3 |
| Natural gas _T | 911.6 | 953.1 | 924.0 | -4.4% | -41.6 |
| Natural gas _D | 472.1 | 477.3 | 473.5 | -1.1% | -5.2 |

Transfers to RAB include direct acquisitions RAB related

APPENDIX

RAB



| €M | 1Q2021 | 1Q2020 | 2020 | 1Q2021 / 1Q2020 | |
|---------------------------|-------------|-------------|--------------|-----------------|-----------------|
| | | | | Δ % | Δ Abs. |
| RAB's remuneration | 39.8 | 42.3 | 166.1 | -5.9% | -2.5 |
| Electricity | 23.8 | 25.4 | 99.9 | -6.6% | -1.7 |
| With premium | 13.5 | 14.3 | 56.6 | -5.7% | -0.8 |
| Without premium | 10.3 | 11.1 | 43.3 | -7.8% | -0.9 |
| Land | 0.2 | 0.2 | 0.7 | -1.2% | 0.0 |
| Natural gas _T | 10.3 | 11.0 | 43.1 | -6.1% | -0.7 |
| Natural gas _D | 5.6 | 5.7 | 22.4 | -2.2% | -0.1 |
| RoR's RAB | 4.5% | 4.6% | 4.6% | | -0.1p.p. |
| Electricity | 4.9% | 5.0% | 5.0% | | -0.1p.p. |
| With premium | 5.3% | 5.3% | 5.3% | | -0.1p.p. |
| Without premium | 4.5% | 4.6% | 4.6% | | -0.1p.p. |
| Land | 0.3% | 0.3% | 0.3% | | 0.0p.p. |
| Natural gas _T | 4.5% | 4.6% | 4.6% | | -0.1p.p. |
| Natural gas _D | 4.7% | 4.8% | 4.8% | | -0.2p.p. |

APPENDIX

Tariff deviations

| €M | 1Q2021 | 4Q2020 | 1Q2020 |
|--------------------------|------------|--------------|--------------|
| Electricity | 25.4 | 75.1 | 30.4 |
| Trading | 91.6 | 156.0 | 159.9 |
| Natural gas _T | -102.2 | -79.1 | -57.2 |
| Natural gas _D | -7.9 | -2.9 | -8.7 |
| Total¹ | 7.0 | 149.0 | 124.6 |

! The value of the tariff deviations is paid in full and with interest over a two year period from the moment it is created

¹ Includes the amount received from FSSSE in January 2021 (44.2M€), which was offset by amounts given back to the electricity tariff throughout the year (-11.1M€ in 1Q21), resulting in a net FSSSE of 33.2

APPENDIX

Funding sources



| €M | Current | Non Current | Mar 2021 |
|------------------|--------------|----------------|----------------|
| Bonds | 0.0 | 1,439.0 | 1,439.0 |
| Bank borrowings | 96.8 | 574.1 | 670.9 |
| Commercial paper | 430.0 | 250.0 | 680.0 |
| Bank overdrafts | 9.2 | 0.0 | 9.2 |
| Finance lease | 1.5 | 2.7 | 4.2 |
| TOTAL | 537.5 | 2,265.9 | 2,803.3 |
| Accrued interest | 12.9 | 0.0 | 12.9 |
| Prepaid interest | -7.5 | -8.5 | -16.0 |
| TOTAL | 542.9 | 2,257.4 | 2,800.3 |

- REN maintained its financial strength and continued to present high liquidity and a low average cost of debt;
- REN's total liquidity reached €1,041M, including credit facilities, loans, non-used commercial paper programmes, cash and bank deposits;
- Bank borrowings were mainly represented by EIB loans, which at the 31st of March 2021 amounted to €480.1M (€480.8M at the 31st of December of 2020);
- The Group had credit lines negotiated and not used in the amount of €80M, maturing up to one year, which are automatically renewed periodically (if they are not resigned in the contractually specified period for that purpose);
- REN also had eight active commercial paper programmes in the amount of €1,925M, of which €1,245M were available for use;
- REN's financial liabilities had the following main types of covenants: Cross Default, Pari Passu, Negative Pledge and Gearing;
- The effect of the foreign exchange rate exposure was not considered as this exposure is totally covered by a hedge derivate in place. The average interest rates for borrowings, including commissions and other expenses, was 1.58% on the 31st March 2021 and 1.81% on the 31st of December 2020.

APPENDIX

Debt and debt metrics

| | 1Q2021 | 1Q2020 | 2020 |
|--------------------------|---------|---------|---------|
| Net Debt (€M) | 2,547.9 | 2,750.3 | 2,741.9 |
| Average cost | 1.6% | 1.8% | 1.8% |
| Average maturity (years) | 3.2 | 3.5 | 3.4 |
| Net Debt / EBITDA | 5.6x | 5.8x | 5.8x |
| DEBT BREAKDOWN | | | |
| Funding sources | | | |
| Bond issues | 51.2% | 60.6% | 50.8% |
| EIB | 17.3% | 15.8% | 17.2% |
| Commercial paper | 24.5% | 15.8% | 25.0% |
| Other | 7.0% | 7.8% | 7.0% |
| TYPE | | | |
| Float | 35% | 41% | 38% |
| Fixed | 65% | 59% | 62% |

| RATING | Long term | Short term | Outlook | Date |
|-------------------|------------------|-------------------|----------------|-------------|
| Moody's | Baa3 | - | Stable | 05/06/2020 |
| Standard & Poor's | BBB | A-2 | Stable | 19/11/2019 |
| Fitch | BBB | F3 | Negative | 05/06/2020 |

CMVM: MAIN PRESS RELEASES (from January 2021)

- Jan-09: Qualified shareholding from Great-West Lifeco
- Feb-17: Summary of annual information disclosed in 2020
- Mar-18: 2020 annual consolidated results
- Mar-23: Notice to convene the annual general shareholders meeting and deliberation proposals
- Mar-23 : Accounts reporting documents referring to the financial year ended on 31st December 2020 - item 1 of the agenda for the general shareholders meeting
- Mar-23 : Corporate Governance report included in the 2020 Report and Accounts
- Apr-09: Issuance of 300 million euros of green bonds
- Apr-23: Resolutions approved at the Annual General Shareholders Meeting
- Apr-30: Payment of dividends of the 2020 financial year

Consolidated Financial Statements



REN

CONSOLIDATED FINANCIAL STATEMENTS



Financial position

| Thousand Euros | Mar 2021 | Dec 2020 |
|--|------------------|------------------|
| ASSETS | | |
| Non-current assets | | |
| Property, plant and equipment | 131,479 | 127,119 |
| Intangible assets | 4,103,292 | 4,130,562 |
| Goodwill | 5,337 | 5,367 |
| Investments in associates and joint ventures | 162,082 | 158,845 |
| Investments in equity instruments at fair value through other comprehensive income | 141,780 | 150,850 |
| Derivative financial instruments | 19,632 | 25,685 |
| Other financial assets | 110 | 102 |
| Trade and other receivables | 47,335 | 45,507 |
| Deferred tax assets | 99,487 | 92,575 |
| | 4,710,533 | 4,736,611 |
| Current assets | | |
| Inventories | 2,351 | 2,450 |
| Trade and other receivables | 396,383 | 448,099 |
| Current income tax recoverable | 0 | 0 |
| Derivative financial instruments | 0 | 0 |
| Other financial assets | 0 | 0 |
| Cash and cash equivalents | 236,221 | 61,499 |
| | 634,954 | 512,048 |
| TOTAL ASSETS | 5,345,488 | 5,248,658 |

| Thousand Euros | Mar 2021 | Dec 2020 |
|--|------------------|------------------|
| EQUITY | | |
| Shareholders' equity: | | |
| Share capital | 667,191 | 667,191 |
| Own shares | -10,728 | -10,728 |
| Share premium | 116,809 | 116,809 |
| Reserves | 296,014 | 289,887 |
| Retained earnings | 350,148 | 240,853 |
| Other changes in equity | -5,561 | -5,561 |
| Net profit for the period | 4,491 | 109,249 |
| TOTAL EQUITY | 1,418,365 | 1,407,700 |
| LIABILITIES | | |
| Non-current liabilities | | |
| Borrowings | 2,257,381 | 2,260,875 |
| Liability for retirement benefits and others | 99,306 | 100,507 |
| Derivative financial instruments | 26,684 | 29,215 |
| Provisions | 8,508 | 8,508 |
| Trade and other payables | 419,351 | 371,886 |
| Deferred tax liabilities | 123,530 | 144,969 |
| | 2,934,760 | 2,915,960 |
| Current liabilities | | |
| Borrowings | 542,886 | 562,557 |
| Trade and other payables | 403,977 | 353,800 |
| Income tax payable | 45,500 | 8,641 |
| | 992,363 | 924,999 |
| TOTAL LIABILITIES | 3,927,123 | 3,840,958 |
| TOTAL EQUITY AND LIABILITIES | 5,345,488 | 5,248,658 |

CONSOLIDATED FINANCIAL STATEMENTS

Profit and loss

| Thousand Euros | Mar 2021 | Mar 2020 |
|---|-----------------|-----------------|
| Sales | 31 | 0 |
| Services rendered | 137,220 | 138,079 |
| Revenue from construction of concession assets | 30,476 | 25,288 |
| Gains / (losses) from associates and joint ventures | 1,473 | 2,046 |
| Other operating income | 7,323 | 7,440 |
| Operating income | 176,523 | 172,854 |
| Cost of goods sold | -195 | -165 |
| Costs with construction of concession assets | -25,844 | -21,032 |
| External supplies and services | -17,568 | -13,211 |
| Personnel costs | -13,664 | -13,493 |
| Depreciation and amortizations | -60,087 | -59,920 |
| Provisions | 0 | 0 |
| Impairments | -94 | -94 |
| Other expenses | -4,584 | -5,970 |
| Operating costs | -122,038 | -113,884 |
| Operating results | 54,485 | 58,969 |
| Financial costs | -12,152 | -14,953 |
| Financial income | 1,193 | 1,341 |
| Investment income - dividends | 0 | 0 |
| Financial results | -10,959 | -13,611 |
| Profit before income tax and ESEC | 43,526 | 45,358 |
| Income tax expense | -11,940 | -12,891 |
| Energy sector extraordinary contribution (ESEC) | -27,095 | -28,165 |
| Net profit for the period | 4,491 | 4,302 |
| Attributable to: | | |
| Equity holders of the Company | 4,491 | 4,302 |
| Non-controlled interest | 0 | 0 |
| Consolidated profit for the period | 4,491 | 4,302 |
| Earnings per share (expressed in euro per share) | 0.01 | 0.01 |

CONSOLIDATED FINANCIAL STATEMENTS

Cash flow

| Thousand Euros | Mar 2021 | Mar 2020 |
|---|----------------|----------------|
| Cash flow from operating activities | | |
| Cash receipts from customers | 595,208 | 664,797 a) |
| Cash paid to suppliers | -348,498 | -508,520 a) |
| Cash paid to employees | -15,798 | -15,106 |
| Income tax received/ paid | -2,109 | -2,195 |
| Other receipts / (payments) relating to operating activities | 19,587 | -8,079 |
| Net cash flows from operating activities (1) | 248,391 | 130,896 |
| Cash flow from investing activities | | |
| Receipts related to: | | |
| Investments in associates | 0 | 0 |
| Property, plant and equipment | 0 | 0 |
| Other financial assets | 0 | 0 |
| Investment grants | 1,286 | 184 |
| Interests and other similar income | 0 | 0 |
| Dividends | 1,477 | 1,477 |
| Payments related to: | | |
| Other financial assets | 0 | 0 |
| Financial investments | 0 | 0 |
| Equity instruments through other comprehensive income | 0 | 0 |
| Property, plant and equipment | 0 | -1,926 |
| Intangible assets - Concession assets | -47,242 | -42,567 |
| Net cash flow used in investing activities (2) | -44,480 | -42,833 |
| Cash flow from financing activities | | |
| Receipts related to: | | |
| Borrowings | 465,000 | 815,500 |
| Capital and supplementary obligations | 0 | 0 |
| Interests and other similar income | 0 | 0 |
| Payments related to: | | |
| Borrowings | -486,465 | -869,312 |
| Interests and other similar expense | -16,844 | -17,637 |
| Dividends | 0 | 0 |
| Net cash from / (used in) financing activities (3) | -38,308 | -71,449 |
| Net (decrease) / increase in cash and cash equivalents (1)+(2)+(3) | 165,603 | 16,614 |
| Effect of exchange rates | 264 | -877 |
| Cash and cash equivalents at the beginning of the year | 61,169 | 20,521 |
| Changes in the perimeter | 0 | 0 |
| Cash and cash equivalents at the end of the period | 227,037 | 36,259 |
| Detail of cash and cash equivalents | | |
| Cash | 24 | 28 |
| Bank overdrafts | -9,185 | -1,610 |
| Bank deposits | 236,197 | 37,841 |
| | 227,037 | 36,259 |

These amounts include payments and receipts relating to activities in which the Group acts as agent, income and costs being reversed in the consolidated statement of profit and loss.

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