Results Presentation

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

REN

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**
Energy transmission losses	2.3%	↑ 0.3pp	1Q20: **2.1%**
Line length	9,032km	↑ 30km (0.3%)	1Q20: **9,002km**
Renewables in consumption supply	78.7%	↑ 9.8pp	1Q20: **68.9%**
Average interruption time	0.00min	= 0.00min (0.0%)	1Q20: **0.00min**

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**

NOTE: These figures are representative of the Portuguese activities alone

FINANCIAL HIGHLIGHTS

REN

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 RAB[1]

€3,541.2M 173.0 (4.7%)

1Q20: **€3,714.2M**

Net Debt

€2,547.9M 202.4 (7.4%)

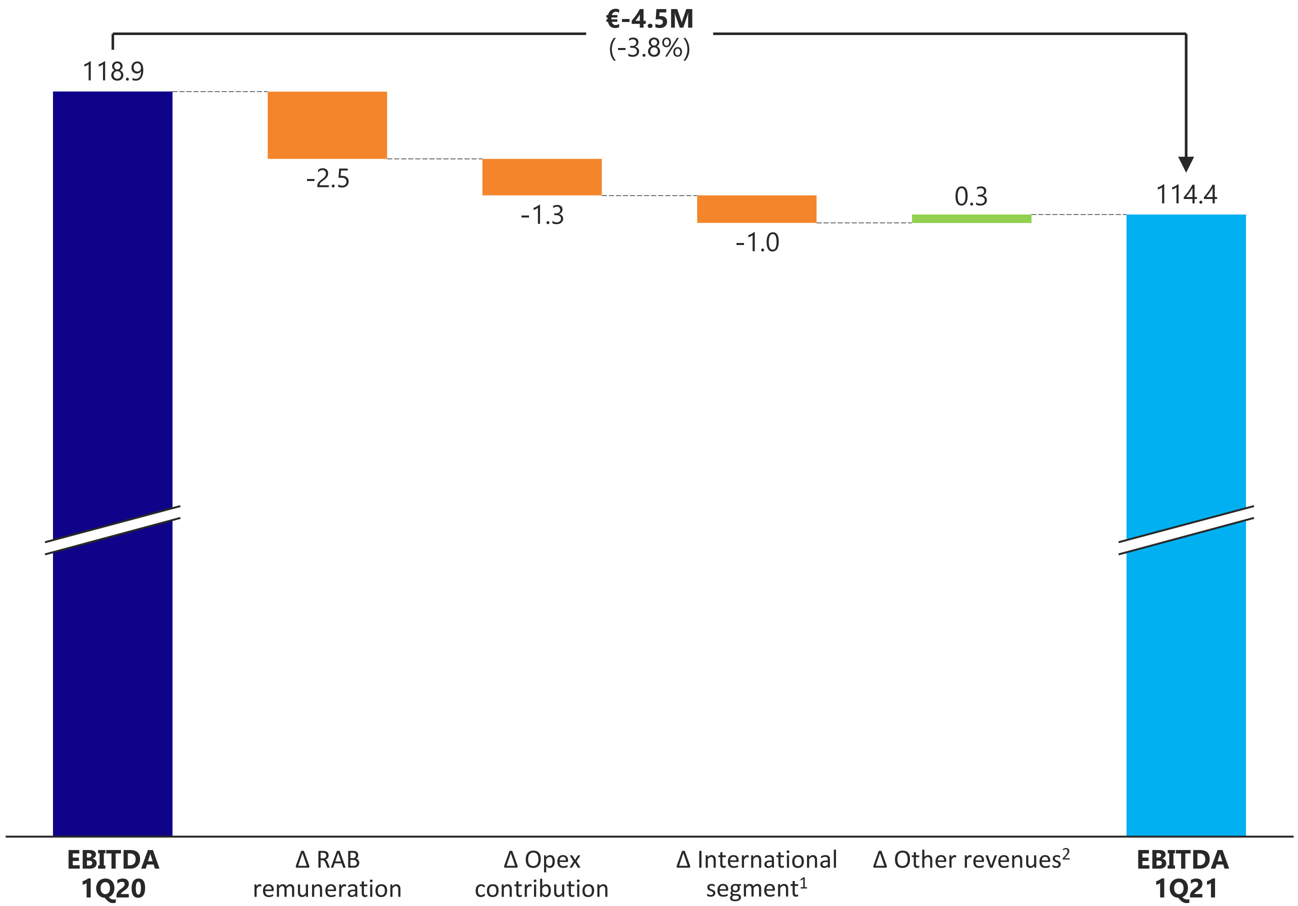
1Q20: **€2,750.3M**

1 Refers only to Domestic RAB

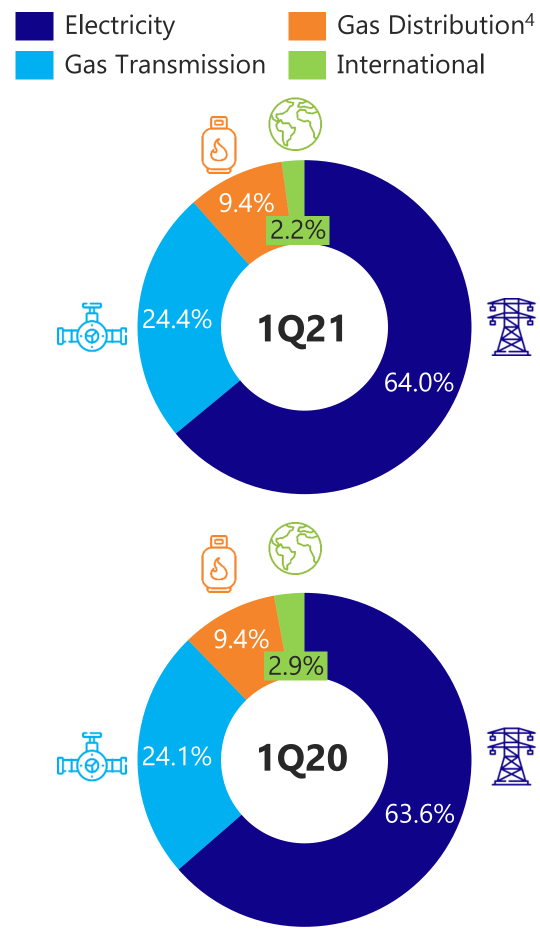
CONSOLIDATED VIEW

Decline in EBITDA linked to lower RAB and greater OPEX costs

EBITDA evolution breakdown €M



EBITDA contribution by business segment[3] %

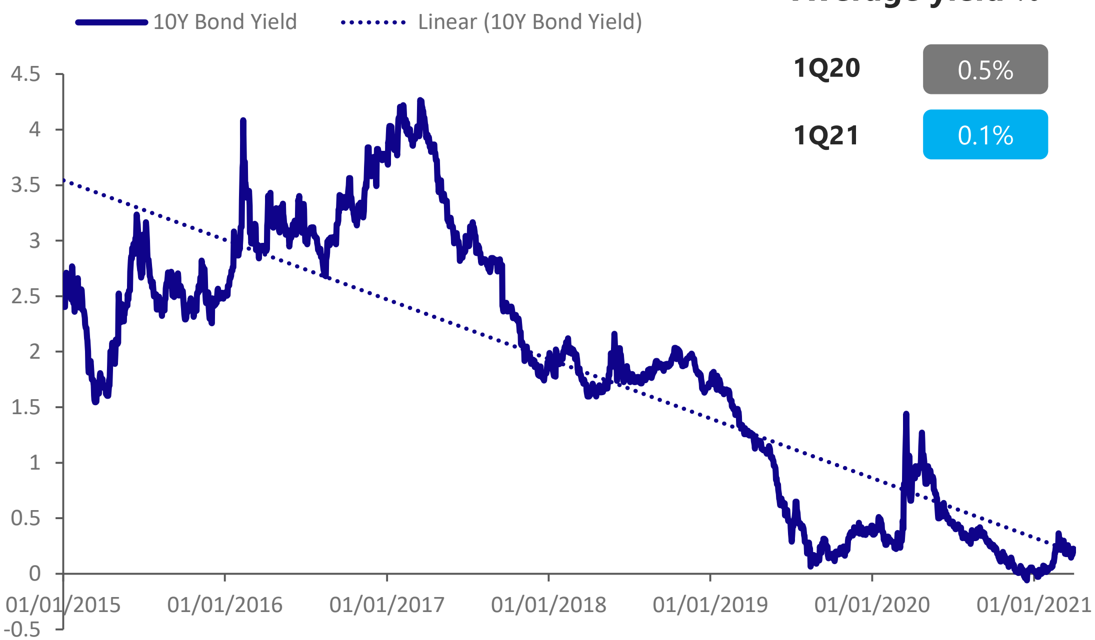


1 Includes Apolo SpA and Aerio Chile SpA costs | 2 Includes amortizations recovery, subsidies amortization, REN Trading incentives, telecommunication sales and services rendered, interest on tariff deviation, consultancy revenues and other services provided, OMIP and Nester results | 3 Excludes the segment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

DOMESTIC BUSINESS

Return on RAB rates relatively stable versus 2020

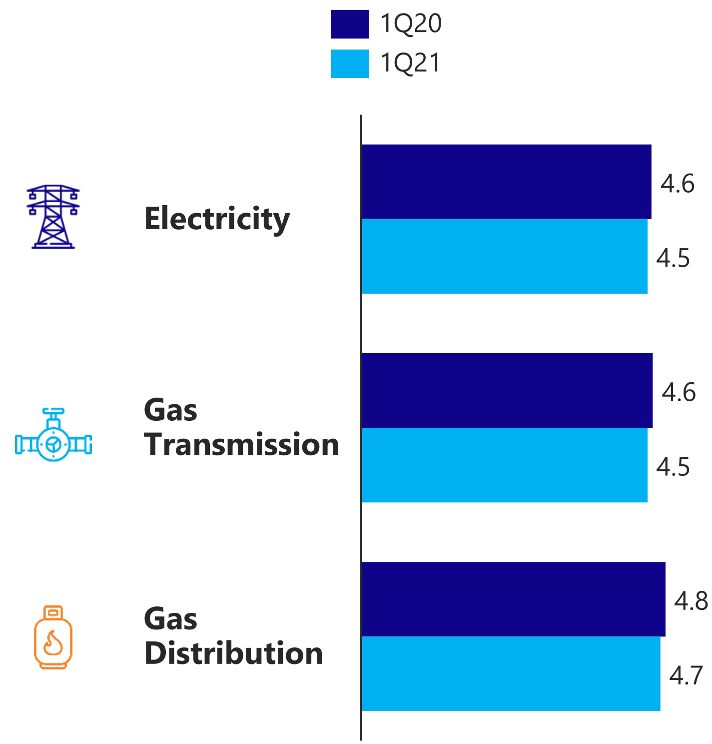
Portuguese 10Y Treasury Bond Yields %



Average yield %

1Q20	0.5%
1Q21	0.1%

Base Return on RAB (RoR)* %



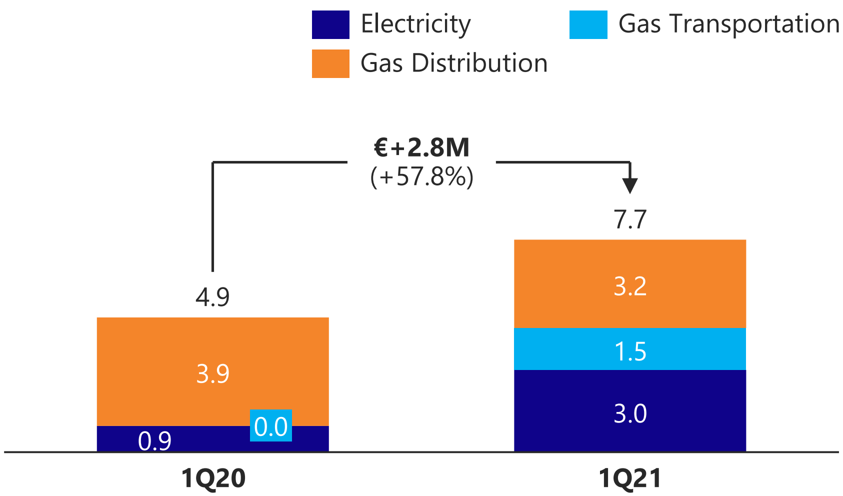
SOURCE: Bloomberg; REN

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

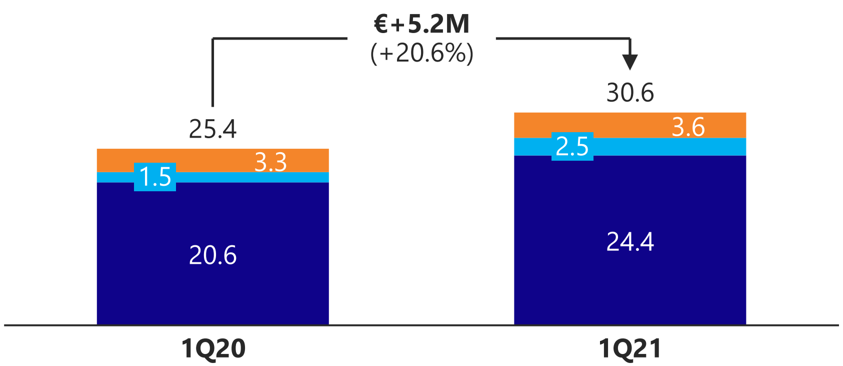
DOMESTIC BUSINESS

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

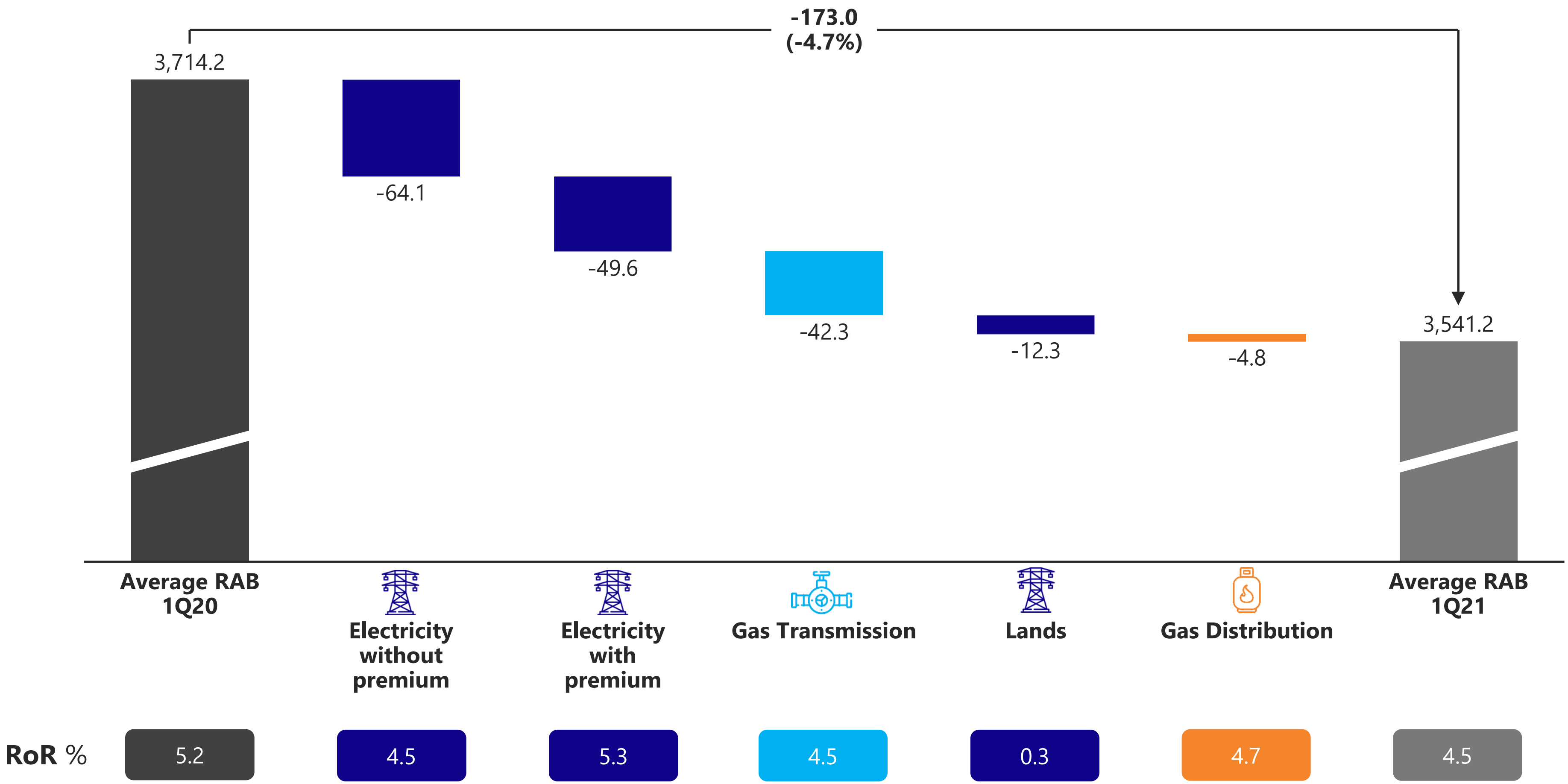
Gas Distribution

- 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

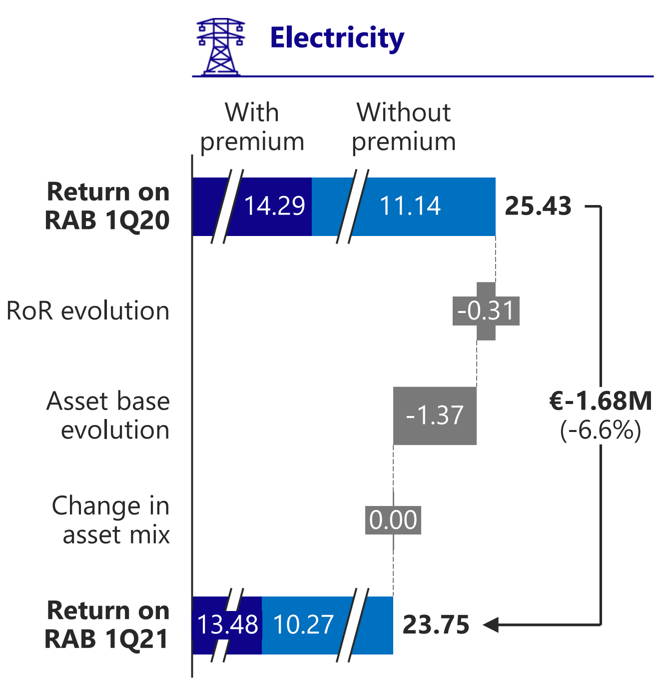
Average RAB evolution €M

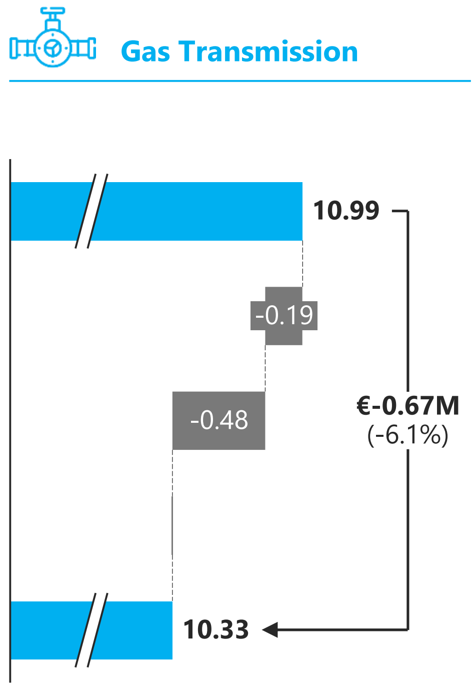


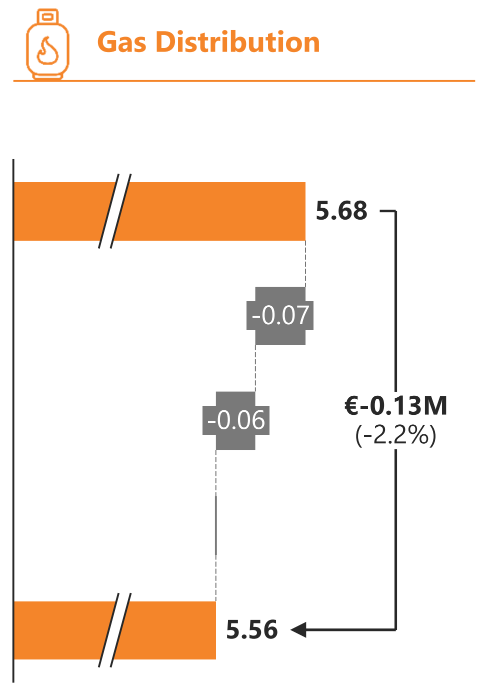
DOMESTIC BUSINESS

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 premium[1]

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)

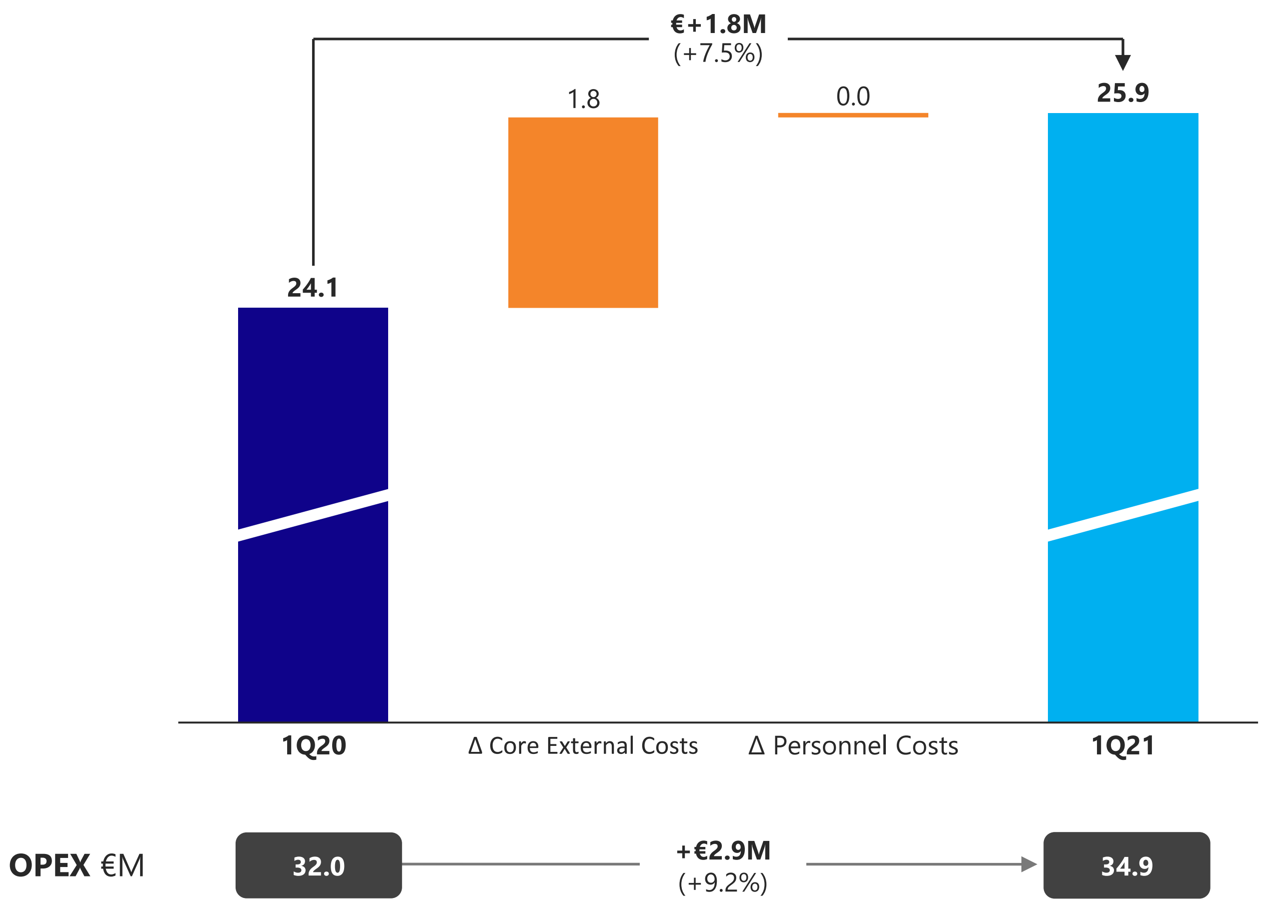
Return on RAB reduction attributed to a **lower rate of return** (from 4.78% to 4.70%) and a smaller **asset base (**by €4.8M to a total of €472.8M)

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 OPEX[1] 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)

INTERNATIONAL BUSINESS

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

Contribution to EBITDA 1Q21 €M

	1Q21	Share in REN total %	1Q20 contribution €M
REN International	2.6	2.3	3.6
Transemel (100%)	1.2	1.1	1.6
Electrogas (42.5%)	1.4	1.2	2.0

Contribution to Capex 1Q21 €M

	1Q21	Share in REN total %	1Q20 contribution €M
REN International	1.2	3.9	1.6
Transemel (100%)	1.2	3.9	1.6
Electrogas (42.5%)	N/A	0.0	N/A

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**

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**

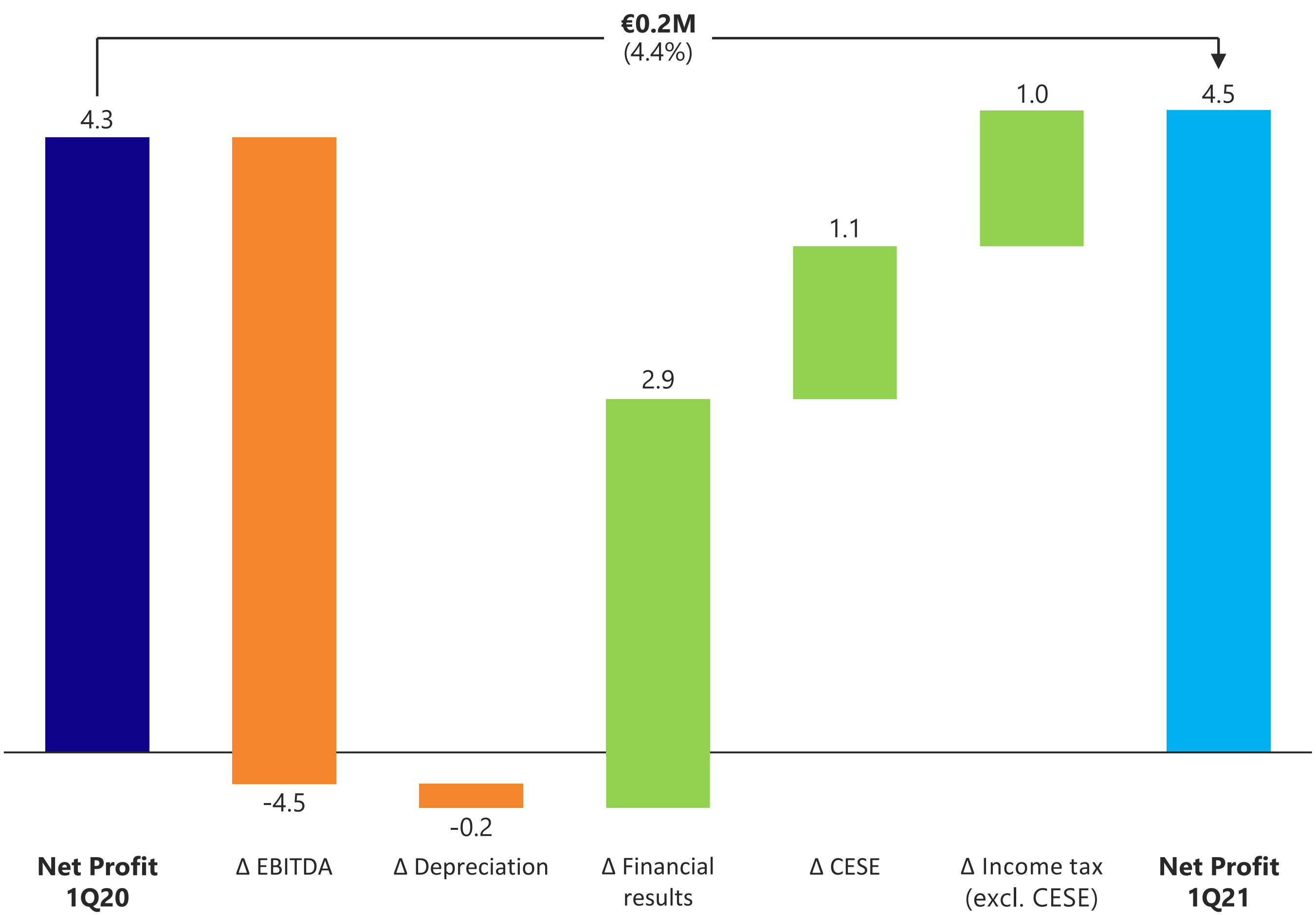
Total taxes include the **extraordinary levy of €27.1M** (€28.2M in 1Q20) and **income tax which was down by** €1.0M to €11.9M, reflecting the decrease in EBT (-1.8M€)

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



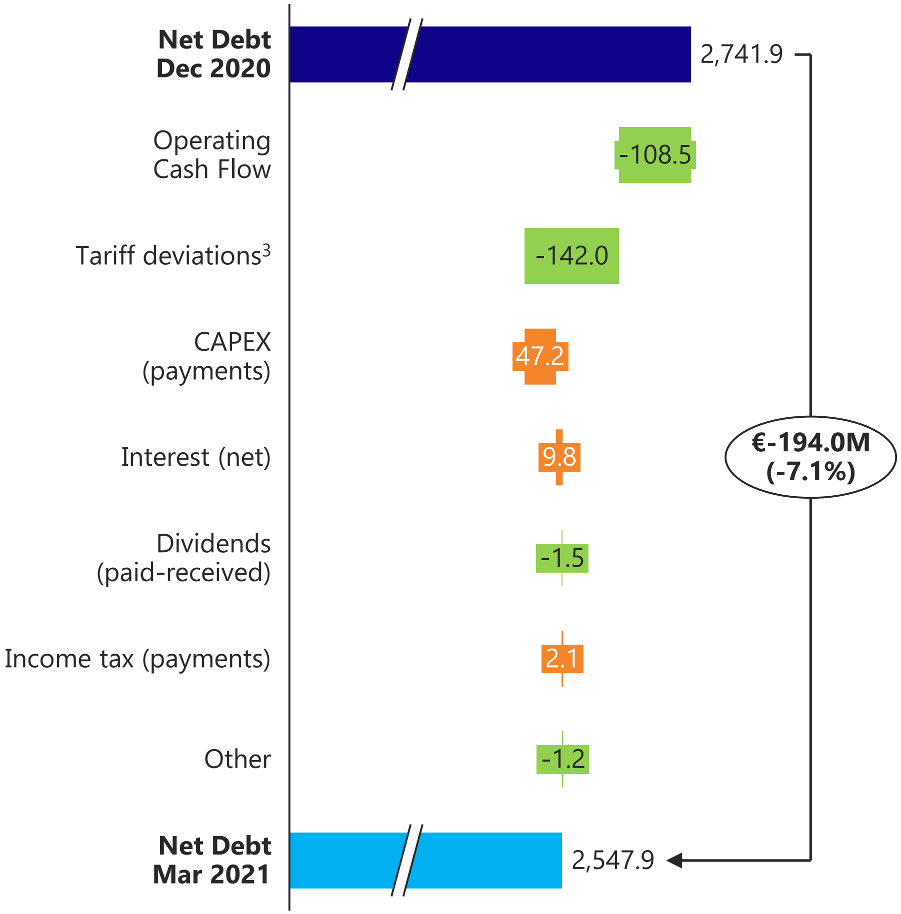
Key highlights

- 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

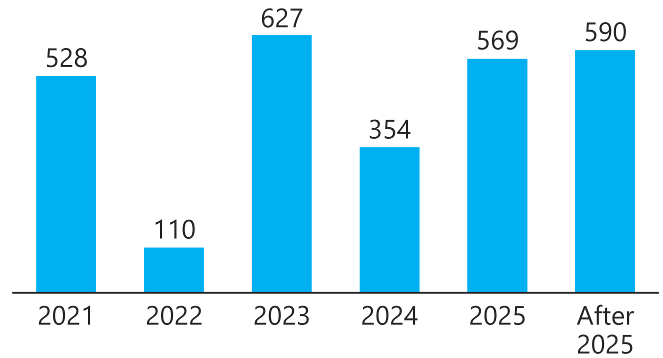
Net Debt came down mostly due to tariff deviations

Net debt evolution €M

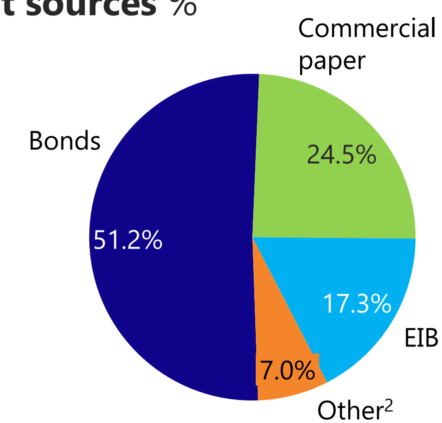


	Net Debt/ EBITDA	Cost of Debt %
Net Debt Dec 2020	5.8	1.8
Net Debt Mar 2021	5.6	1.6

Adjusted Gross Debt Maturity[1] €M



Debt sources %

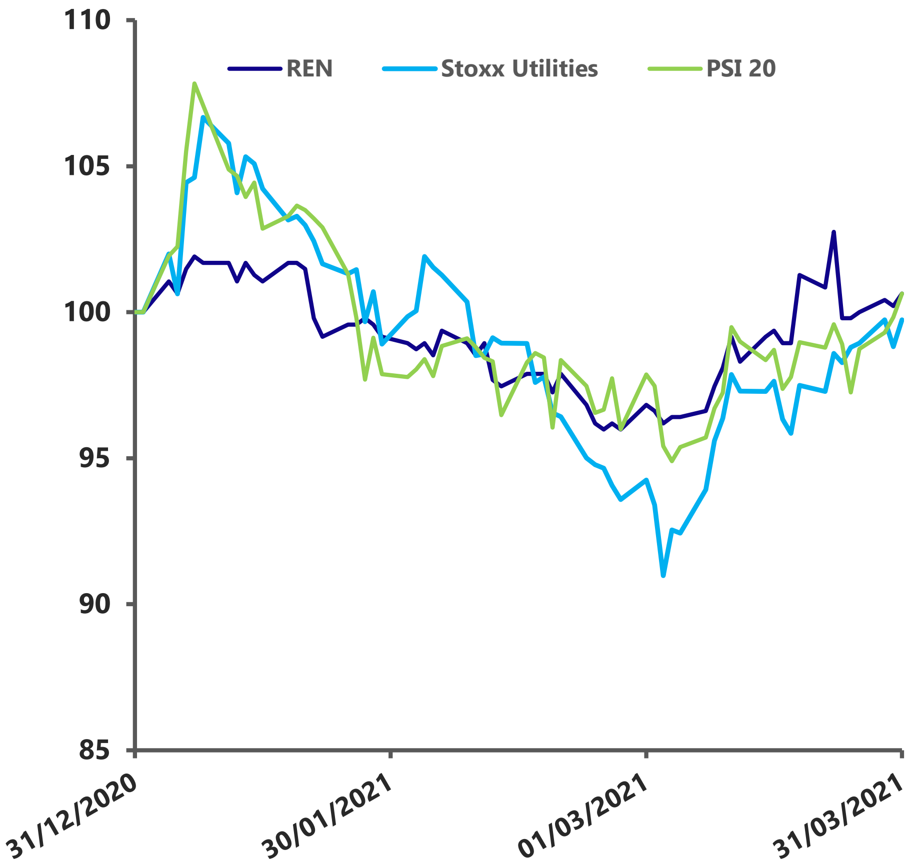


1 Calculated as Net Debt plus Cash, bank deposits and derivative financial instruments (€227M), excluding effects of hedging on yen denominated debt, accrued interest and bank overdrafts | 2 Includes loans (6.6%), Transemel's debt (0.3%) and leasing (0.2%) | 3. Includes amounts received from the Fund 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	% TSR 1Q20
0.6	-14.7
0.6	-22.0
0.6	-12.9

Analyst recommendations[1]

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.

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REN

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