Results Presentation 9M23
10th November 2023
OVERVIEW OF THE PERIOD
Key messages - Financial

- **EBITDA** grew 9.6% YoY, standing at €395.5M, driven by:
  1. **domestic business performance** (+€27.7M), as a result of the increase in assets and opex remuneration (+€21.4M), other revenues (+€2.9M) and lower core OPEX (-€3.4M) due to lower electricity prices;
  2. **increase in contribution of international business**, of which €5.3M in Transemel and €1.5M in Electrogas.

- **Net Profit** achieved €96.2M, an increase of €14.8M (+18.2% vs 9M22), supported by higher **EBIT** (+€32.4M). This was partially offset by lower financial results (-€9.7M), higher taxes (+€7.7M) and higher levy (+€0.1M).

- **Net Debt** increased to €2,464.0M (+€522.5M YoY) mainly due to tariff deviations outflows. If we exclude this impact, Net Debt decreased 9.9% (-€252.7M) to €2,290.4M, since the end of 2022.

- **Capex** increased by €51.1M to €177.1M, compared to the same period of last year, and **Transfers to RAB** decreased by €34.1M to €49.1M.

- **Average RAB** stood at €3,510.9M, -2.6% YoY, driven by higher amortizations, mainly in electricity (-€54.0M) and gas transportation (-€45.2M).
Key messages - Operational

- In 9M23, Renewable energy sources (RES) contributed 55.2% to the overall energy supply, up from 44.2% in 9M22. Over the same period, photovoltaic energy production grew by 43%, with REN playing an important role in this transition to renewable energy sources.

- Electricity consumption remained almost flat YoY (37.5TWh), while natural gas consumption fell by 19.7% (to 38.0TWh).

- There was a high level of quality service provided: in electricity, the average interruption time was 0.31 minutes (+0.2 minutes YoY), while in gas transportation, the combined availability rate remained at 100%.

- REN submitted the Green H2 Corridor H2MED projects to the Project of Common Interest (PCI) of the EU. Currently, REN is waiting for its technical analysis and recognition in the final PCI list of funding applications.

- The natural gas tariffs and prices approved by ERSE last June for the 2023-2024 gas year became effective on October 1, 2023, through September 30, 2024. The final price on the regulated market has increased by an average of 0.6%.
## Business highlights

**RENEWABLE ENERGY ACCOUNTED FOR 55.2% OF ELECTRICITY CONSUMPTION**

### Electricity

<table>
<thead>
<tr>
<th>Category</th>
<th>Consumption</th>
<th>Energy transmission losses</th>
<th>Line length</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Consumption</strong></td>
<td>37.5 TWh</td>
<td>0.2 TWh (0.5%)</td>
<td>9,425 km</td>
</tr>
<tr>
<td>9M22: 37.7 TWh</td>
<td></td>
<td></td>
<td>9M22: 9,404 km</td>
</tr>
<tr>
<td><strong>Renewables in consumption supply</strong></td>
<td>55.2% (44.2%)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>9M22: 44.2%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Average interruption time</strong></td>
<td>0.31 min</td>
<td>0.2 min</td>
<td>98.5% (0.3 pp)</td>
</tr>
<tr>
<td>9M22: 0.07 min</td>
<td></td>
<td></td>
<td>9M22: 98.8%</td>
</tr>
</tbody>
</table>

### Gas Transportation

<table>
<thead>
<tr>
<th>Category</th>
<th>Consumption</th>
<th>Combined availability rate</th>
<th>Line length</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Consumption</strong></td>
<td>38.0 TWh</td>
<td>100.0% (0.0 pp)</td>
<td>1,375 km</td>
</tr>
<tr>
<td>9M22: 47.3 TWh</td>
<td></td>
<td></td>
<td>9M22: 1,375 km</td>
</tr>
<tr>
<td><strong>Gas distributed</strong></td>
<td>4.3 TWh</td>
<td>99.3% (0.6 pp)</td>
<td>6,441 km</td>
</tr>
<tr>
<td>9M22: 4.6 TWh</td>
<td></td>
<td></td>
<td>9M22: 6,263 km</td>
</tr>
</tbody>
</table>

### Gas Distribution

<table>
<thead>
<tr>
<th>Category</th>
<th>Emergency situations with response time up to 60min</th>
<th>Line length</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Gas distributed</strong></td>
<td>99.3% (0.6 pp)</td>
<td>178 km (2.8%)</td>
</tr>
<tr>
<td>9M22: 98.7%</td>
<td></td>
<td>9M22: 6,263 km</td>
</tr>
</tbody>
</table>

**NOTE:** These figures are representative of the Portuguese activities alone.
# Financial highlights

**POSITIVE NET PROFIT EVOLUTION DRIVEN BY ROBUST OPERATIONAL PERFORMANCE**

<table>
<thead>
<tr>
<th>EBITDA</th>
<th>Financial results</th>
<th>Net Profit</th>
</tr>
</thead>
<tbody>
<tr>
<td>€395.5</td>
<td>€-35.5M (37.6%)</td>
<td>€96.2M (18.2%)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>CAPEX</th>
<th>Average RAB(^1)</th>
<th>Net Debt</th>
</tr>
</thead>
<tbody>
<tr>
<td>€177.1M</td>
<td>€3,510.9M (2.6%)</td>
<td>€2,464.0M (26.9%)</td>
</tr>
<tr>
<td>9M22: €126.0M</td>
<td>9M22: €3,603.3M</td>
<td>9M22: €1,941.5M</td>
</tr>
</tbody>
</table>

\(^1\) Refers only to Domestic RAB
EBITDA

EBITDA INCREASED DRIVEN BY ASSETS AND OPEX REMUNERATION IN DOMESTIC BUSINESS AND BY STRONG INTERNATIONAL BUSINESS PERFORMANCE

EBITDA evolution breakdown - €M

- Δ Assets and opex remuneration
- Δ Other revenues
- Δ Opex core
- Δ International segment
- EBITDA

EBITDA contribution by business segment - %

1. Includes electricity regulatory incentives and excludes Opex remuneration related to pass-through costs | 2. Includes REN Trading incentives, telecommunication sales and services rendered, interest on tariff deviation, consultancy revenues and other services provided, OMP and Nester results | 3. Includes Apolo SpA and Aerio Chile SpA costs | 4. This value takes into consideration the impact from the segment "Other", which includes REN SGPS, REN Serviços, REN Telecom, REN Trading, REN PRO and REN Finance B.V. | 5. Refers to Portgás
RoR Evolution

BASE RETURN ON RAB HAS BEEN GROWING STEADILY, ON THE BACK OF RISING PORTUGUESE BOND YIELDS

Portuguese 10Y Treasury Bond Yields - %

AVERAGE YIELD - %

1.8% 3.2%
9M22 9M23

10Y Bond Yield  Linear (10Y Bond Yield)

Base Return on RAB (RoR)* - %

Electricity
9M22  4.7
9M23  5.3

Gas Transportation
9M22  5.2
9M23  5.7

Gas Distribution
9M22  5.4
9M23  5.9

SOURCE: Bloomberg; REN
* Electricity data collected from Oct-22 to Sep-23; Gas data collected from Jan-23 to Dec-23
**Investment**

CAPEX INCREASED IN 9M23, WHILE TRANSFERS TO RAB DECREASED

**Transfers to RAB - €M**

- **Electricity**
  - 83.2 (9M22) to 49.1 (9M23) (-34.1M, -41.0%) Decreased

- **Gas Distribution**
  - 16.8 (9M22) to 2.5 (9M23)

**CAPEX - €M**

- **Electricity**
  - 122.9 (9M22) to 173.6 (9M23) (+50.8M, +41.3%) Increased

- **Gas Distribution**
  - 93.7 (9M22) to 138.9 (9M23)

**Key Highlights**

### Electricity

- Installation of a second Transformer 400/60 kV, 170 MVA, at the Alcochete Substation
- Installation of one 400 kV and two 150 kV line bays at the Sines Substation to provide electrical power supply to the client's facilities
- Installation of a 400 kV line bay at the Sines Substation, a 220 kV line bay at the Valdigem Substation, and a 60 kV line bay at the Pereiros Substation to connect photovoltaic solar power plants

### Gas Distribution

- Asset Management ISO 55000 Certification achieved. Together with Quality, Environment, Security, Innovation and Business Continuity are the core for the 6G Program
- Investments for network expansion and densification mostly for B2C, incentivizing building decarbonization through future renewable gases
- Ongoing expansion to new industrial zones, with new prospects for B2B investments closely monitored to provide both natural gas price visibility and client comfort regarding network costs
- Decarbonizing and digitalization plan on the move with encouraging results on H2 infrastructure readiness (20% H2 in 4Q 2023 and 100% H2 for 2024)
RAB Evolution

DECREASE IN AVERAGE RAB REFLECTING HIGHER AMORTIZATION, MOSTLY IN ELECTRICITY AND GAS TRANSPORTATION BUSINESS

Average RAB evolution - €M

- Average RAB 9M22: 3,603.3
- Electricity1: -41.7
- Gas Transportation: -45.2
- Lands: -12.3
- Gas Distribution: 6.8
- Average RAB 9M23: 3,510.9

ROR - %
- 4.9
- 5.3 to 6.0
- 5.7
- 0.4
- 5.9
- 5.4

1. Includes Electricity with and without premium.
RAB Returns

RAB REMUNERATION GROWTH ACROSS ALL BUSINESSES DRIVEN MOSTLY BY THE INCREASE IN THE RATE OF RETURN

Return on RAB evolution breakdown - €M

Electricity (GGS¹)

- Return on RAB increase driven by a higher asset base (by €22.6M to €83.4M) and higher RoR of 5.27% (vs 4.75%)

Gas Transmission

- Increase in return on RAB justified by a higher RoR of 5.69% (vs 5.16%), despite the smaller asset base (decreased by €45.2M to a total of €831.7M)

Gas Distribution

- Return on RAB increase attributed to a higher rate of return (from 5.36% to 5.89%) and higher asset base (+€6.8M to a total of €488.9M)

¹ Only General System Management (GGS) activity, assets extra Totex model and Enondas | 2. Reflects power line Fernão Ferro – Trafaria 2 accepted by the regulator outside Totex (+€21.3M)
OPEX

OPEX INCREASED 25.5% YOY, WHILE CORE OPEX DROPPED 4.0%

Key Highlights

CORE EXTERNAL COSTS

- LNG Terminal electricity costs decreased reflecting lower electricity prices (-€9.6M)
- The decrease is electricity costs was partially offset by increases in other cost, such as IT costs, legal costs and other services

PERSONNEL COSTS

- General increases and headcount increase (+4% growth YoY, achieving 729 people in September 2023), driven by growth across operational areas

NON-CORE COSTS

- Pass-through costs (costs accepted in the tariff) increased €30.9M of which +€25.1M in costs with cross-border
Chile Highlights

SOLID PERFORMANCE FROM THE CHILEAN BUSINESSES, CONTRIBUTING 5.3%¹ TO TOTAL EBITDA IN 9M23

**TRANSEMEL (100%)**

- **EBITDA increased YoY** mainly driven by higher revenues

<table>
<thead>
<tr>
<th>Revenues</th>
<th>EBITDA</th>
</tr>
</thead>
<tbody>
<tr>
<td>€16.4M (63.6%)</td>
<td>€5.3M (74.1%)</td>
</tr>
</tbody>
</table>

9M22: €10.0M | 9M22: €7.2M

**ELECTROGAS (100%)**

- **EBITDA increased YoY**, driven by higher revenues (higher tariff, higher short-term contracts and higher transported volumes)

<table>
<thead>
<tr>
<th>Revenues</th>
<th>EBITDA</th>
</tr>
</thead>
<tbody>
<tr>
<td>€36.9M (13.6%)</td>
<td>€3.5M (12.0%)</td>
</tr>
</tbody>
</table>

9M22: €32.5M | 9M22: €29.6M

¹. This value takes into consideration the impact from the segment "Other", which includes REN SGPS, REN Serviços, REN Telecom, REN Trading, REN PRO and REN Finance B.V.
Below EBITDA

DECREASE IN FINANCIAL RESULTS, REFLECTING THE INCREASE IN THE AVERAGE COST OF DEBT

**Depreciation & Amortization**

€188.7

9M22: €186.5M

• Increase of €2.2M versus 9M22, along with an increase in gross assets.

**Financial results**

€-35.5M

9M22: €-25.8M

• Decrease of Financial results (€9.7M) to €-35.5M, mostly due to the increase in the average cost of debt to 2.4% (from 1.7% in 9M22), partially offset by dividends from HCB (an increment of +€0.2M YoY).

• Increase in Net Debt by €522M to €2,464M.

**Taxes**

€75.0M

9M22: €67.1M

• Increase in Income tax (+€7.7M to €46.8M) due to higher EBT (+€22.7M to €171.2M) and higher extraordinary levy (+€0.1M to €28.1M), reflecting a higher regulated asset base.

• The Effective tax rate (including the levy) stood at 39.7%, 0.8 pp below last year.

• Taxes in 9M23 benefited from tax recovery (+€1.8M) of previous years (€2.5M in 9M22).
Net Profit
NET PROFIT INCREASED AS A RESULT OF HIGHER EBITDA, PARTIALLY OFFSET BY LOWER FINANCIAL RESULTS AND HIGHER TAXES, DEPRECIATIONS AND CESE

Key Highlights

- **Increase in EBITDA** reflecting the positive contribution of both domestic (+€27.7M) and international businesses (+€6.9M).

- **Negative effect** of €9.7M from **Financial Results** as a consequence of higher cost of debt, and higher net debt.
Net Debt

Net Debt increased driven by Tariff Deviations Outflows

1. Excludes effects of hedging on yen denominated debt, accrued interest and bank overdrafts | 2. Includes €1,351M of available commercial paper programs and loans, and also €80M of credit lines available (automatically renewed), and €39M of cash and cash equivalents | 3. Includes loans (1.4%) and leasing (0.2%) | 4. Theoretical debt maturity was obtained in an exercise where all of REN’s financial instruments, either currently issued or available to issue, are used, from the longer to the shorter maturity, up to the total amount of REN’s outstanding debt.
ESG highlights
REN IS STRONGLY COMMITTED WITH SUSTAINABILITY

**ENVIRONMENTAL**
-50% CO₂ emissions by 2030 vs. 2019
Carbon neutral by 2040

**ACHIEVEMENTS**

- **Climate** | New policy to renew IT equipment with savings of around 208 tCO₂/year
- **Mobility** | Achievement of 42% of electrified fleet
- **Energy** | Installation of the first solar photovoltaic self-consumption unit (250 kW at the Sines LNG Terminal) and start of installation of two other units (1 MW at the Ermesinde substation, concluding in November 2023; and 2 MW at the Riba d’Ave substation, concluding in the first quarter of 2024)

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

- **People** | Organizational climate survey with around 90% of employee participation
- **Gender equality** | Publication of the 2024 gender equality plan
- **Corporate social responsibility** | Donation of seven vehicles for the defense of the forest against fires and 94 since 2009

**GOVERNANCE**

Increasing ESG weight in managers’ performance metrics already by 2022
100% of new bond emissions to be green

- **Stakeholders** | Organization of three ESG and sustainability talks “Encontros com o Futuro”, in Lisbon and Porto, in partnership with Jornal Público
- **Asset management** | Certification of the asset management system according to ISO 55001 (REN Portgás)
- **Grid** | Launch of the offshore coalition for energy and nature – Mediterranean Sea (Med OCEaN)
## Highest ESG Standards

### IMPROVING OUR PERFORMANCE IN INTERNATIONAL ESG SCORES

<table>
<thead>
<tr>
<th>SCALE</th>
<th>SCORE</th>
<th>YoY</th>
<th>STRENGTHS</th>
<th>LATEST ASSESSMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>S&amp;P Global</td>
<td>0-100</td>
<td>62</td>
<td>▲ Innovation, environmental reporting, and social reporting</td>
<td>December 2022</td>
</tr>
<tr>
<td>CDP</td>
<td>D-A</td>
<td>B</td>
<td>▲ Governance, business strategy, financial planning, scenario analysis, and scope 1 and 2 emissions</td>
<td>December 2022</td>
</tr>
<tr>
<td>SUSTANALYTICS</td>
<td>100-0</td>
<td>18.3</td>
<td>▲ Emissions, occupational health and safety, land use and biodiversity, human capital, and carbon</td>
<td>February 2023</td>
</tr>
<tr>
<td>MSCI</td>
<td>CCC-AAA</td>
<td>AAA</td>
<td>▲ Biodiversity and land use, carbon emissions, and governance</td>
<td>March 2023</td>
</tr>
<tr>
<td>ISS ESG</td>
<td>D-A</td>
<td>B</td>
<td>= Community outreach, occupational health and safety</td>
<td>September 2023</td>
</tr>
</tbody>
</table>
03
CLOSING REMARKS
Closing Remarks

REN CONTINUES TO DELIVER SOLID RESULTS AND RETURNS, THROUGH AN ONGOING COMMITMENT TO EXCELLENCE IN QUALITY SERVICE AND EXECUTION

• Both domestic and international businesses improved their performance, supporting the increase in EBITDA of 9.6% YoY, to €395.5M.

• With a higher EBIT, Net Profit increased to €96.2M (+18.2% YoY). This was partially offset by lower financial results, higher taxes, and a higher CESE.

• As part of the energy transition, CAPEX remained high at €177.1M, up 40.5% from 9M22, and transfers to RAB were €49.1M (-41.0%).

• In October, REN formalized a MoU to develop H2MED project with Enagás, GRTgaz, Teréga and also OGE has committed to support this first hydrogen corridor in Europe, which will remain the focus of this European energy cooperation efforts.

• Net Debt dropped to €2,290.4M (-€160.3M YoY), excluding tariff deviations.

• According to its strategic plan, REN will pay an interim dividend for the financial year 2023, until the end of the year.
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