

FIRST SUPPLEMENT DATED 8 FEBRUARY 2024 TO THE BASE PROSPECTUS DATED 11 SEPTEMBER 2023

REN – Redes Energéticas Nacionais, SGPS, S.A.

and

REN FINANCE B.V.

EUR 5,000,000,000

Euro Medium Term Note Programme

This Supplement (the "**Supplement**") is supplemental to, forms part of and must be read and construed in conjunction with, the base prospectus dated 11 September 2023 (the "**Base Prospectus**") prepared by REN – Redes Energéticas Nacionais, SGPS, S.A. ("**REN**") and REN Finance B.V. ("**REN B.V.**") and together with REN, the "**Issuers**" and each an "**Issuer**") in connection with its Euro Medium Term Note Programme (the "**Programme**") for the issuance of up to EUR 5,000,000,000 in aggregate principal amount of notes ("**Notes**"). Terms given a defined meaning in the Base Prospectus shall, unless the context otherwise requires, have the same meaning when used in this Supplement.

This Supplement has been approved by the Central Bank of Ireland (the "**Central Bank**") as Competent Authority for the purposes of Regulation (EU) 2017/1129 (the "**EU Prospectus Regulation**"). The Central Bank only approves this supplement as meeting the standards of completeness, comprehensibility and consistency imposed by the EU Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuers nor as an endorsement of the quality of the Notes by the Central Bank. Investors should make their own assessment as to the suitability of investing in the Notes.

This Supplement constitutes a supplement for the purposes of Article 23(1) of the EU Prospectus Regulation and has been prepared in order to incorporate by reference certain additional financial information and to amend the Base Prospectus in the manner described below.

IMPORTANT NOTICES

REN B.V. as Issuer and REN in its capacities as Issuer and as Keep Well Provider each accept responsibility for the information contained in this Supplement and declares that, to the best of its knowledge, the information contained in this Supplement is, in accordance with the facts and contains no omission likely to affect its import.

To the extent that there is any inconsistency between (a) any statement in this Supplement or any statement incorporated by reference into the Base Prospectus by this Supplement and (b) any other statement in, or incorporated by reference into, the Base Prospectus, the statements in (a) above will prevail.

Save as disclosed in this Supplement, no significant new fact, material mistake or inaccuracy relating to the information included in the Base Prospectus which is capable of affecting the assessment of the Notes issued under the Programme has arisen or been noted, as the case may be, since publication of the Base Prospectus.

An investor which has agreed, prior to the date of publication of this Supplement, to purchase or subscribe for Notes issued under the Programme may withdraw its acceptance before the end of the period of two working days beginning with the first working day after the date on which this Supplement is published in accordance with the EU Prospectus Regulation.

AMENDMENTS OR ADDITIONS TO THE BASE PROSPECTUS

With effect from the date of this Supplement the information appearing in, or incorporated by reference into, the Base Prospectus shall be amended and/or supplemented in the manner described below.

IMPORTANT NOTICES

The sub-section headed "Other relevant information" of the "Important Notices" section on page 4 of the Base Prospectus is replaced by the following:

"Other relevant information"

This Base Prospectus is to be read in conjunction with any supplements hereto and with all documents which are deemed to be incorporated herein by reference (see "*Documents Incorporated by Reference*") and, in relation to any Tranche of Notes, must be read and construed together with the relevant Final Terms. The language of the Base Prospectus is English. Certain legislative references and technical terms have been cited in their original language so that the correct technical meaning may be ascribed to them under applicable law.

Copies of Final Terms in relation to Non-Book-Entry Notes will be available from the registered office of REN B.V. and the specified office set out below of each of the Paying Agents (other than the Portuguese Paying Agent) and copies of Final Terms in relation to Book-Entry Notes will be available from the registered office of REN and the specified office set out below of the Portuguese Paying Agent.

None of the Arrangers, the Dealers, the Trustee nor any of their respective affiliates makes any representation as to the suitability of the Notes to fulfil environmental and sustainability criteria required by any prospective investors. Neither the Arrangers, the Dealers, the Trustee nor any of their respective affiliates have undertaken, nor are they responsible for, any assessment of the projects related to Eligible Green Assets (as defined below), any verification of whether the projects related to Eligible Green Assets meet any such eligibility criteria or the monitoring or allocation of the use of proceeds.

ISS Corporate Solutions, Inc. has issued an independent opinion, dated 18 January 2024, on REN's Green Finance Framework (the "**Second Party Opinion**"). The Second Party Opinion provides an opinion on certain environmental considerations and is not intended to address any credit, market, or other aspects of an investment in any Notes, including without limitation market price, marketability, investor preference or suitability of any security. The Second Party Opinion is a statement of opinion, not a statement of fact. No representation or assurance is given by any of the Arrangers, the Dealers, the Trustee, or any of their respective affiliates as to the suitability or reliability of the Second Party Opinion or any opinion or certification of any third party made available in connection with an issue of Notes issued as Green Bonds. As at the date of this Base Prospectus, the providers of such opinions and certifications are not subject to any specific regulatory or other regime or oversight. The Second Party Opinion and any other such opinion or certification is not, nor should be deemed to be, a recommendation by any of the Arrangers, the Dealers or the Trustee or any of their respective affiliates to buy, sell or hold any such Notes and is current only as of the date it was issued. The Second Party Opinion and any other such opinion or certification does not form part of, nor is incorporated by reference in, this Base Prospectus. The criteria and/or considerations that formed the basis of the Second Party Opinion or any such other opinion or certification may change at any time and the Second Party Opinion may be amended, updated, supplemented, replaced and/or withdrawn. Prospective investors must determine for themselves the relevance of any such opinion or certification and/or the information contained therein. REN's Green Finance Framework may also be subject to review and change and may be amended, updated, supplemented, replaced and/or withdrawn from time to time and any subsequent version(s) may differ from any description given in this Base Prospectus. The Green Finance Framework does not form part of, nor is incorporated by reference in, this Base Prospectus.

Investors should refer to the Green Finance Framework (as defined in the "*Use of Proceeds*"), any Second Party Opinion and any public reporting by or on behalf of the Issuers in respect of the application of net proceeds (each of which will be available on the Group's website (<https://www.ren.pt>) and which for the avoidance of doubt, will not be incorporated by reference into this Base Prospectus) for information. Neither the Arranger, the Dealers, the Trustee nor any of their respective affiliates make any representation as to the suitability or content of such materials.

The Dealers and the Trustee expressly do not undertake to review the financial condition or affairs of the Issuers during the life of the Programme or to advise any investor in the Notes of any information coming to their attention."

RISK FACTORS

The risk factor entitled "*Risks related to the energy prices volatility, inflation and potential shortage of commodities and materials*" in the section headed "*Risk Factors*" on page 28 of the Base Prospectus is replaced by the following:

Risks related to the energy prices volatility, inflation and potential shortage of commodities and materials

"REN is subject to risks relating to the variation of energy prices, inflation and the potential shortage of commodities and materials that are or may be triggered by events such as the COVID-19 pandemic, the current conflict between the Russian Federation and Ukraine or more recently the Red Sea crisis that may impact LNG shipping supply from the Arabian Peninsula, requiring longer sea routes to Europe.

Although the volatility in energy prices does not have a direct impact on REN, as its revenues are set by regulation and are not dependent on energy prices, REN's activity may be indirectly impacted by such events. REN may also be impacted as the increase in natural gas prices may lead to the increase of the basis of application of the social tariff, which is financed by the TSO, DSOs and natural gas suppliers, or by the increase of prices of the materials and commodities purchased by REN, as result of the increase in energy costs.

In addition, to the extent that these risks may lead to the default or insolvency of natural gas or electricity suppliers that pay tariffs, REN may also be indirectly impacted. Nevertheless, in the electricity sector, REN's tariffs are paid by the DSOs, which may lead to a delay in the collection of amounts due to it (or, in scenarios of gross negligence from REN, risk of non-collection).

REN could also be impacted if this situation leads the Portuguese Republic or ERSE to delay approval of new investments due to the need to limit the increase of overall energy costs, or to approve exceptional measures aiming to limit it. In extreme cases, under Decree-Law no. 15/2022, the Portuguese government may declare an energy crisis and/or determine exceptional measures to promote reduction of demand, increasing of supply or any other measure deemed necessary. With regards to the gas sector, where according to Decree-Law n. 62/2020, in the event of a sudden crisis in the energy market and a threat to the physical security of people, equipment, facilities or the integrity of networks, the Portuguese Government may also take temporary and transitory safeguard measures."

The risk factor entitled "*Notes issued as green bonds ("Green Bonds") may not be a suitable investment for all investors seeking exposure to eligible green assets*" in the section headed "*Risk Factors*" on page 37 of the Base Prospectus is replaced by the following:

Notes issued as green bonds ("Green Bonds") may not be a suitable investment for all investors seeking exposure to eligible green assets

The Final Terms relating to any specific issue of Notes may provide that it will be the relevant Issuer's intention to apply an amount equal to the net proceeds from an offer on those Notes towards financing and/or refinancing, in whole or in part, new or existing planned investments related to sustainable and green assets and projects with a positive environmental benefit and impact ("**Eligible Green Assets**"). Prospective investors should determine the relevance of such information for the purpose of any investment in such Notes, together with any other investigation such investors may deem necessary.

In particular, no assurance is given by the Issuers or the Dealers that the use of such net proceeds for any Eligible Green Assets will satisfy, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations or by its own by-laws or other governing rules or investment portfolio mandates, in particular, with regards to any direct or indirect environmental, sustainability or social impact of any projects or uses, the subject of or related to any Eligible Green Assets (including in relation to Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment (the "**EU Taxonomy Regulation**") and any related technical screening criteria, Regulation (EU) 2023/2631 on European Green Bonds and optional disclosures for bonds marketed as environmentally sustainable and for sustainability-

linked bonds (the "**EU Green Bond Regulation**"), Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector ("**SFDR**") and any implementing legislation and guidelines, or any similar legislation in the United Kingdom) or any requirements of such labels as they may evolve from time to time.

Any Green Bonds issued under the Programme will not be compliant with the EU Green Bond Regulation and are only intended to comply with the requirements and processes in REN's Green Finance Framework. It is not clear if the establishment of the EuGB label and the optional disclosures regime for bonds issued as "environmentally sustainable" under the EU Green Bond Regulation could have an impact on investor demand for, and pricing of, green use of proceeds bonds that do not comply with the requirements of the EuGB label or the optional disclosures regime, such as the Green Bonds issued under this Programme. It could result in reduced liquidity or lower demand or could otherwise affect the market price of any Green Bonds issued under this Programme that do not comply with those standards proposed under the EU Green Bond Regulation.

No assurance or representation is given as to the suitability or reliability for any purpose whatsoever of any opinion or certification of any third party (whether or not solicited by the relevant Issuer) which may be made available in connection with the issue of any Green Bonds and in particular with any Eligible Green Assets to fulfil any environmental, sustainability, social and/or other criteria, given that any opinion or certification is not, nor shall be deemed to be, incorporated in and/or form part of this Base Prospectus and is not, nor should be deemed to be, a recommendation by the relevant Issuer, the Dealers or any other person to buy, sell or hold any such Green Bonds.

ISS Corporate Solutions, Inc. has issued an independent opinion, dated 18 January 2024, on REN's Green Finance Framework (the "**Second Party Opinion**"). The Second Party Opinion provides an opinion on certain environmental and related considerations and is not intended to address any credit, market, or other aspects of an investment in any Notes, including without limitation market price, marketability, investor preference or suitability of any security. The Second Party Opinion is a statement of opinion, not a statement of fact. The Second Party Opinion and any other such opinion or certification does not form part of, nor is incorporated by reference, in this Base Prospectus. No representation or assurance is given as to the suitability or reliability of the Second Party Opinion or any opinion or certification of any third party made available in connection with an issue of Notes issued as Green Bonds, nor is any such opinion or certification a recommendation to buy, sell or hold any such Notes and is current only as of the date it was issued. Currently, the providers of such opinions and certifications are not subject to any specific regulatory or other regime or oversight. Prospective investors must determine for themselves the relevance of any such opinion or certification and/or the information contained therein and/or the provider of such opinion or certification for the purpose of any investment in such Green Bonds.

While it is the intention of the relevant Issuer to apply an amount equal to the net proceeds of any Green Bonds so specified for Eligible Green Assets in, or substantially in, the manner described in this Base Prospectus, there can be no assurance that the relevant project(s) or use(s) will be capable of being implemented in or substantially in such manner and/or accordance with any timing schedule and that accordingly such net proceeds will be totally or partially disbursed for such Eligible Green Assets. Nor can there be any assurance that such Eligible Green Assets will be completed within any specified period or at all or with the results or outcome (whether or not related to the environment) as originally expected or anticipated by the relevant Issuer. Any such event or failure by the relevant Issuer will not constitute an Event of Default under the Green Bonds.

Any such event or failure to apply the net proceeds of any issue of Green Bonds for any Eligible Green Assets as aforesaid and/or withdrawal of any opinion or certification or any opinion or certification attesting that the relevant Issuer is not complying in whole or in part with any matters for which such opinion or certification is opining or certifying on may have a material adverse effect on the value of such Green Bonds and also potentially the value of any other notes which are intended to finance Eligible Green Assets and/or result in adverse consequences for certain investors with portfolio mandates to invest in securities to be used for a particular purpose.

Additionally, any such event or failure to apply the net proceeds of the Green Bonds for any Eligible Green Assets or failure to obtain and publish any such reports, assessments, opinions and certifications will not lead to an obligation of the relevant Issuer to redeem the Green Bonds.

DOCUMENTS INCORPORATED BY REFERENCE

A copy of the unaudited consolidated financial statements of the Group for the nine month period ended 30 September 2023 has been filed with the Central Bank.

The following text shall be included as new item (a) of the section headed "DOCUMENTS INCORPORATED BY REFERENCE" on page 41 of the Base Prospectus:

"(a) a direct and accurate English translation of the unaudited consolidated financial statements of the Group for the nine month period ended 30 September 2023 contained on pages 10 to 57 of the PDF (inclusive) of the consolidated financial statements and accounts of the Group for the nine months period ended 30 September 2023, available for viewing at https://www.ren.pt/media/fs3bf5pj/rc_ifrs_3t-2023_en.pdf."

In addition, former items (a) to (f) of the section headed "DOCUMENTS INCORPORATED BY REFERENCE" on page 41 of the Base Prospectus shall be renumbered correlatively to become items (b) to (g), whereby former item (a) shall become new item (b), former item (b) shall become new item (c), former item (c) shall become new item (d), former item (d) shall become new item (e), former item (e) shall become new item (f) and former item (f) shall become new item (g).

Any non-incorporated parts of a document referred to herein are either deemed not relevant for an investor or are covered elsewhere in this Supplement.

Copies of documents incorporated by reference in this Supplement can be inspected, free of charge, at www.euronext.com/en/markets/dublin and can be obtained from the registered office of the Issuers and from the specified offices of the Issue and Paying Agent, for the time being in London, and the Portuguese Paying Agent for the time being in Lisbon.

Any information contained in or documents themselves incorporated by reference in the documents incorporated by reference in this Supplement shall not form part of this Supplement and, for the avoidance of doubt, unless specifically incorporated by reference into this Supplement, information contained on the website does not form part of this Supplement.

USE OF PROCEEDS

The section headed "USE OF PROCEEDS" on page 112 of the Base Prospectus is replaced by the following:

"An amount equal to the net proceeds resulting from each issue of Notes will be applied by REN for general corporate purposes or as may otherwise be disclosed in the applicable Final Terms. The proceeds of Notes issued by REN B.V. will be on-lent to, or invested in, Group companies.

If so specified in the applicable Final Terms, an amount equal to the net proceeds of the Notes issued by REN or REN B.V. may be used towards financing and/or refinancing, in whole or in part, the Eligible Green Assets. The Eligible Green Assets shall consist of investments made in renewable energy, in any of the following categories:

- i. construction/installation and operation of equipment and infrastructure where the main objective is an increase of the generation or use of renewable electricity generation;
- ii. electricity grid assets, in which (a) the grid system is the interconnected European system or; (b) more than 67% of newly enabled grid capacity in the system is below 100 g CO₂e/kWh over a rolling five-year average (measured on a life-cycle basis), or; (c) the average system grid emissions factor, calculated as the total annual emissions from power generation connected to the system, divided by the total annual net electricity production in that system, is below the threshold value of 100 gCO₂e/kWh measured on a life cycle basis in accordance with electricity generation criteria, over a rolling five-year period; and
- iii. construction and operation of direct connection, or expansion of existing direct connection, of low carbon electricity generation below the threshold of 100 gCO₂e/kWh measured on a life cycle basis to a substation or network.

All of the projects in relation to the Eligible Green Assets shall be duly assessed and monitored according to a framework (the "**Green Finance Framework**") and set of criteria available on REN's website at <https://www.ren.pt/media/0c0ccevxx/ren-green-finance-framework-2024.pdf>. The Green Finance Framework does not form part of, nor is incorporated by reference in, this Base Prospectus.

Such Notes will be referred to as "**Green Bonds**".

The Group may, in the future, update the Green Finance Framework and such criteria in line with developments in the market and any such amendments will be fully disclosed by REN to investors on its website. For the avoidance of doubt, such framework and such criteria, and the Second Party Opinion issued by ISS Corporate Solutions, Inc. on 18 January 2024 (available at <https://www.ren.pt/media/5f5pasx0/iss-second-party-opinion.pdf>) are not, nor shall they be deemed to be, incorporated in and/or form part of this Base Prospectus."

SUSTAINABILITY STRATEGY

The section headed "Sustainability strategy" on page 123 of the Base Prospectus is replaced by the following:

"Sustainability strategy

REN's sustainability strategy is intrinsically linked to fulfilling REN's mission of being an active agent in energy transition. REN is committed to creating sustainable value and making a tangible positive impact, both in its surrounding communities and the ecosystems. REN embraces a conscious and responsible leadership, guided by the vision of building a greener and more resilient future.

REN conducted a significant review of its sustainability strategy during the second half of 2023. This action was driven by the need to maintain a rigorous alignment with its strategic commitments. Crucial to this update is the focus on energy transition and decarbonisation, areas in which REN plays a significant role.

Furthermore, this strategic review also responds to recent changes in standards, regulations, and guidelines, both at the national and international levels. REN also integrated in the analysis of its sustainability strategy the outputs of the 2023 stakeholder consultation process and the emerging best sustainability practices on a global scale, thus demonstrating its adaptability and resilience in sustainability. This process reflects REN's commitment to staying at the forefront of sustainable practices and promoting a positive impact on the environment and society.

The strategic review resulted in the identification and definition of five priority areas, which reflect REN's commitment to sustainability:

- **Energy transition and climate change:** To be recognised as a facilitator by integrating renewable energy sources into the grids while maintaining a commitment to a secure supply, service quality, and decarbonisation of its activities.
- **Natural capital management:** To be recognised as an environmentally responsible company, acting in accordance with the best environmental management practices and actively contributing to environmental and natural capital protection.
- **Valuing REN's people:** To value REN's employees through empowerment, compensation, and protection, ensuring an inclusive, safe, and well-being-focused work environment.
- **Creating value for stakeholders:** To promote the engagement and support for stakeholders while ensuring the safety, reliability, quality, and supply of electricity and gas, all while acting in a socially responsible manner.
- **Responsible governance:** To guide REN's activities by international best practices in ethics and governance, promoting a culture of anti-corruption and risk management.

REN's sustainability strategy is directly linked to the Sustainable Development Goals ("SDGs"), with six priority SDGs and six relevant SDGs identified.

As mentioned above, a new stakeholder consultation was conducted in mid-2023, in accordance with the best sustainability practices and the concept of double materiality.

The abovementioned priority areas and its relevant topics were identified from the combination of the double materiality perspectives (impact and financial materiality) in establishing a matrix of sustainability topics. Two distinct levels of approach were defined, given their significance:

- Extremely significant material topics considering REN's impact on people, the environment and the ability to create value. These topics should be integrated into the strategy, through the definition of specific policies, objectives and targets;
- Significant material topics considering REN's impact on people, the environment and the ability to create value. These topics can be integrated into the company's strategy, and their management must involve the implementation of relevant actions.

The final output resulted in the identification of eight extremely significant topics and five significant topics.

To help fulfilling the sustainability objectives, in 2021 REN created the Sustainability Committee. Its key responsibilities include monitoring and reporting of REN's performance in the ESG dimensions, as well as evaluating the implementation of policies in these areas. The responsibilities and competencies of the Sustainability Committee are properly identified in the Sustainability Committee's Regulation, available at https://www.ren.pt/media/mhsgowyd/ren_regulamento-comissao-sustentabilidade-1.pdf. The Sustainability Committee's Regulation does not form part of, nor is incorporated by reference in, this Base Prospectus."

ELECTRICITY INDUSTRY

The sub-paragraph headed "The current National Electricity System" on page 127 on the Base Prospectus is replaced by the following:

"The current National Electricity System

Under the current electricity industry framework, the National Electricity System ("**SEN**") is divided into eight major activities: generation, storage, self-consumption, transmission, distribution, aggregation and supply, logistics for switching aggregators or suppliers and operation of the organised electricity markets.

Each of these activities has to comply with the unbundling criteria established according to market structure models, as per Directive (EU) 2019/944 of the European Parliament and of the Council of 5 June 2019 on common rules for the internal market for electricity (the "**Electricity Directive**") which was transposed by the Portuguese Government Decree-Law no. 15/2022, of 14 January, as last amended by Decree-Law no. 104/2023, of 17 November ("**Decree-Law no. 15/2022**") which sets out the organisation and functioning of the SEN.

Following a public consultation in early 2023, the European Commission presented a proposal on 14 March 2023 aimed at amending the Electricity Directive, in order to revise the rules relating to electricity market design and to improve the European Union's protection against market manipulation in the wholesale energy market.

Regulation (EU) 2018/1999 of the European Parliament and of the Council, on the governance of the energy union and climate action, introduced the national energy and climate plans for all member states, as part of the clean energy for all Europeans package was adopted in 2019.

In order to achieve carbon neutrality by 2050 and in line with the European targets, the Portuguese National Energy and Climate Plan 2030 was approved by the Resolution of the Council of Ministers no. 53/2020, of 10 July 2020 ("**PNEC 2030**"). PNEC 2030 is currently under review and according to the provisional review proposal publicly made available by the Portuguese Government in June 2023, the total installed capacity targets for renewable energy generation is expected to increase to 47 GW by 2030 (superior to the 32 GW provided for in the prior version of the Portuguese National Energy and Climate Plan), which may require expansion and reinforcement of the national electricity grid.

The European Parliament published the Directive (EU) 2023/2413 of the European Parliament and of the Council of 18 October 2023 (the "**RED III Directive**") amending among others the Directive (EU) 2018/2001 (the "**RED II Directive**"), on the promotion of energy from renewable sources.

The RED III Directive was developed considering the European Green Deal and the targets outlined to achieve climate neutrality in the European Union by 2050. As an intermediate step, a reduction of at least 55 per cent. in greenhouse gas emissions is sought. In this way, and to accelerate processes in accessing renewable energies, some instructions have been changed, namely, in the granting of licences for the installation of renewable energy source technologies.

The RED III Directive has not yet been transposed into national law. As for the RED II Directive, the corresponding transposition was completed by the approval and entry into force of Decree-Law no. 84/2022, of 9 December (which established targets for the consumption of energy from renewable sources), regulated by Ordinance no. 110-A/2023, of 24 April."

The sub-paragraph headed "Electricity supply and aggregation" on page 129 of the Base Prospectus is replaced by the following:

"Electricity supply and aggregation"

The supply of electricity is open to competition, subject only to obtaining a registration or, in the case of the Last Resort Supplier ("**LRS**"), a license. Suppliers are free to purchase and supply electricity. For this purpose, they have the right of access to the transmission and distribution grids upon payment of access fees set by the sector's regulator, ERSE. Under the current electricity framework, consumers are free to choose their supplier, and may switch suppliers without incurring any additional charges. In view of the difficulties to access consumption capacity in the grid, the Portuguese Government enacted Decree-Law no. 80/2023, of 6 September 2023 creating an exceptional procedure for allocating said capacity in areas of high demand, especially due to the presence of electricity intensive industry.

Suppliers are subject to certain commercial service standards in respect of the quality of service and are required to provide access to information in simple and understandable terms.

In addition, the LRS of the SEN, which is subject to regulation set out by ERSE, has been undertaken by SU Eletricidade, S.A. ("**SU Eletricidade**") to most of mainland Portugal and by a limited number of local low voltage distribution concessionaires. When the transitory tariffs are in force, SU Eletricidade is responsible for the supply of consumers in normal low voltage, i.e., with contracted power up to 41,4 kVA, afterwards, it is obliged to supply only all economically vulnerable consumers demanding such supply. Under market conditions, consumers are free to choose their electricity supplier and are exempt from any payment when switching suppliers. In order to manage the operation of switching suppliers, an independent logistics operator, ADENE ("**Agência para a Energia**"), was created in 2017 by Law no. 42/2016 and Decree-Law no. 38/2017. ADENE is independent from other entities in the SEN in a legal and functional basis and is subject to ERSE's regulation. The recent Decree-Law no. 15/2022 sets forth that the activity of logistics operator of switching of suppliers (now extended also to aggregators) will be carried out to an entity selected in a competitive tender and to be provided with a license valid for 10 years."

The sub-paragraph headed "Electricity activities and Tariffs" on page 129 of the Base Prospectus is replaced by the following:

"Electricity activities and Tariffs"

Electricity tariffs are uniform across mainland Portugal and are set "ex-ante" by ERSE, on an annual basis, based on estimated allowed revenues which typically are based on actual costs or on an efficient cost structure and on the weighted average cost of capital of the regulated companies of the electricity sector (such as SEN's TSO and DSOSs), and quantity forecasts, according to the rules set out in the Tariff Regulation and in other tariff documents approved by ERSE.

On 1 July 2007, with the beginning of the Iberian electricity spot market, the majority of the PPAs were subject to early termination, except for two long-term PPAs, one of which terminated in 2021 and the other which will remain effective until 2024.

As a consequence, REN (through the RNT concessionaire, REN Rede Eléctrica) ceased acting as a "single buyer" of electricity and focused on its regulated activities, as follows:

- electricity transmission activity, which ensures:
 - the transmission of electricity through the RNT for delivery to the distributors in medium and high voltage, to the consumers connected to the RNT and to very high voltage networks to which the RNT is connected;

- the planning, design, construction, operation and maintenance of all the RNT infrastructure and of the interconnections to the international networks with which it is connected with the aims of safety, reliability and quality of service; and
- the maintenance of the RNT in mainland Portugal to ensure safety, reliability and quality of service.
- the global use of the system activity, under which REN:
 - manages electricity flows within the network, ensuring interoperability with the networks to which it is connected;
 - contracts services through efficient, transparent and competitive mechanisms for operational reserve of the system and remuneration and compensation of electricity production and consumption deviations;
 - receives from market agents information in relation to both the materialisation of bilateral agreements established and of the quantities traded by each participant in the organised markets;
 - provides users' settlement system services;
 - monitors the security of supply; and
 - pays the global costs as included in the overall system use tariff.

With regards to electricity, REN's regulated activities recover allowed revenues through the application of the transmission grid tariff ("URT") and of the global use of system tariffs ("UGS"). The legislation and the Tariff Regulation of the Electricity Sector establish the allowed revenues applicable to REN, in its role of TSO. Likewise, they set out the level of compensation for the activities carried out by REN Trading as "commercial agent" under the remaining PPA.

Since 2022, the model applied to REN Trading consists of recovering the costs with Turbogás' PPA, the operating costs and the remuneration of the assets.

On 15 December 2021, ERSE published parameters for the 2022-2025 regulatory period.

The efficiency factor defined by ERSE applicable to REN in 2022-2025 is set at 1.5 per cent. for the activities of Global System Management and Energy Transmission. ERSE has also decided to maintain a 0.75 per cent. premium on all assets built before 31 December 2021 that were eligible under the reference cost mechanism.

A new regulatory model is defined with a revenue cap methodology applied to the controllable TOTEX (Total Expenditure, i.e. Capital Expenditure plus Operational Expenditure) of electricity transmission, and additional revenues coming from incentives based on adequate network performance. ERSE introduced two mechanisms:

- Incentive to improve technical performance (IMDT) - Promotion of an adequate network performance. Based on performance metrics (Equivalent interruption time, Network and equipment availability and Interconnection capacity) and ranges between - EUR20m to + EUR20m.
- Efficiency sharing mechanism - a mechanism under which the positive or negative spread from the defined reference return is shared/recovered at the end of the regulatory period with cumulative sharing ratios 0 per cent., 50 per cent. and 100 per cent. as the spread grows.

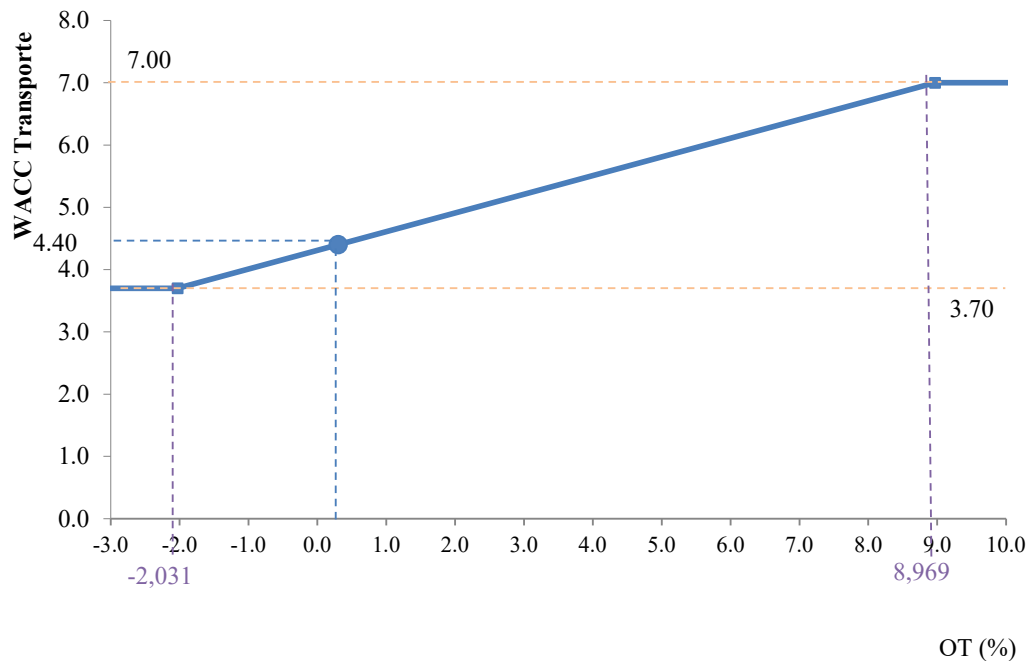
The key elements of ERSE's proposal for the regulatory period 2022-2025 with an impact on the RoR are presented below.

- The reference RoR was set at 4.40 per cent;
- The RoR is indexed to the arithmetic average of the daily quotation of the Portuguese Republic 10-year Treasury bond yield as reported by the Bank of Portugal;
- The starting point of the index is 0.302 per cent. The value was obtained calculating the arithmetic daily average of the daily 10-year Portuguese Republic treasury bond yield, in the three months ending on 15 November 2021;

- For the purpose of calculation of the RoR of year t, the average of the daily quotations of the index from October year t-1 up to September of year t will be considered. The average shall be filtered by eliminating 1/12 of the highest quotations and 1/12 of the lowest;
- There is a linear relation between the Portuguese Republic treasury bond yield and the RoR;
- A variation of 1 per cent. of the Portuguese 10YTB implies a variation of 0.3 per cent. in the RoR;
- The minimum RoR is set at 3.7 per cent, based on an average of the Portuguese Republic treasury bond yields of (-) 2.031 per cent; and
- The maximum RoR is set at 7.0 per cent., based on an average of the Portuguese Republic treasury bond yields of 8.969 per cent.

The assets valued at reference costs benefit from a premium of 0.75 per cent.

The following chart represents the indexation methodology of the base RoR for REN's electricity's regulated activities.



Source: ERSE"

The sub-paragraph headed "Global technical management of the SEN" on page 136 of the Base Prospectus is replaced by the following:

"Global technical management of the SEN"

In addition to managing the construction and operation of the RNT, REN Rede Eléctrica is also the system operator of the SEN.

In Portugal, this role involves the technical validation of the market scheduling on a daily basis in order to ensure the balance between supply and demand. The system operator has to verify if all the power flows remain within safe operational limits and control the RNT and the available system services in real time so as to correct any dynamic imbalances. ERSE has recently approved regulation in relation to the frequency restoration reserve band market with manual activation (mFRR) as a new ancillary service.

As part of system management, REN Rede Eléctrica is also responsible for controlling the scheduling of imports and exports from and to Spain as defined by the market, and it manages, together with Red Eléctrica de España ("REE"), the mechanisms to cope with interconnection congestions.

The recent instability in the energy sector, particularly due to the armed conflict in Ukraine, has impacted electricity consumption in Portugal. REN Rede Eléctrica, as the global technical manager of the electricity system, has assumed expanding responsibilities in terms of energy policy, resulting in revenue fluctuations within the electricity sector. Specifically, Decree-Law no. 33/2022, enacted on 14 May and subsequently amended by Decree-Law no. 21-B/2023, of 30 March, established an exceptional and temporary mechanism for adjusting the production costs of electricity in the MIBEL. This mechanism fixes a reference price for natural gas consumed in the production of electricity traded in the MIBEL, aiming to reduce the respective electricity prices."

The sub-paragraph headed "Production of Gas" on page 139 of the Base Prospectus is replaced by the following:

"Production of Gas

Production of gases from renewable origin and of low-carbon gases is subject to prior registration of the generator with DGEG, which is only granted to legal persons that demonstrate technical capacity to perform this activity.

Producers of renewable origin gases or low-carbon gases are entitled to (i) total or partially inject the gases produced into the network; (ii) self-consumption; and (iii) exportation. These producers are entitled to sell all or part of the gas generated to the Last Resort Supplier, by means of bilateral contracts or in organised markets.

On 10 February 2023, the European Commission approved the Commission Delegated Regulation (EU) 2023/1184, which established a European methodology setting out detailed rules for the production of renewable liquid and gaseous transport fuels of non-biological origin ("**Delegated Act**").

This Delegated Act defined the conditions under which hydrogen, hydrogen-based fuels, or other energy carriers can be considered as renewable fuels of non-biological origin, including additionality, temporal correlation and geographic correlation rules. Following the revision of the RED II Directive and approval of the RED III Directive, this Delegated Act became applicable to the production of renewable origin gases in all activity sectors, including the industrial sector.

Following the enactment of the Delegated Act, DGEG published on 29 December 2023 the Dispatch no.13288-B/2023, of 29 December, approving a clarification on the procedure to be followed in the licensing of the activity of production of hydrogen from renewable sources."

GENERAL INFORMATION

The sub-paragraph headed "Significant or Material Change" on page 199 of the Base Prospectus is replaced by the following:

"There has been no material adverse change in the prospects of the Issuers since 31 December 2022.

There has been no significant change in the financial position of the Issuers or performance of the Group since 30 September 2023."