

Results Report

REN 1H22

28th July 2022

AGENDA

- 1.** Overview of the period
- 2.** Business performance
- 3.** Shaping a sustainable future
- 4.** Closing remarks

1. Overview of the period



KEY MESSAGES



1H22



EBITDA increased 4.6% YoY to €238.4M, partly due to the **Domestic EBITDA** performance (+€6.8M) which reflects **higher assets and opex remuneration** (+€9.3M), partly offset by higher core opex (+€2.3M), due to higher electricity costs (+€5.3M).

Positive contribution from international business, which **EBITDA increased +€3.7M**, with Transemel representing +€1.8M.



Net Profit grew to €45.9M (an increase of 16.0% versus 1H21), mostly due to **increase in EBIT** (+€6.5M) and **better Financial Results** (+€3.0M), partially offset by higher taxes (+€2.2M) and heavier levy (+€0.9M), following the increase in RAB.



Capex decreased €0.6M to €78.8M, remaining in line with 1H21 (€79.3M). **Transfers to RAB** increased €5.2M to €22.0M vs 1H21, mostly attributed to the electricity transmission business (which grew €4.7M), partially offset by the decrease in Natural Gas transmission (-€1.0M).



Renewable energy sources (RES) amounted to **47.5%** of total supply (approx.-20.9pp than in 1H21), due to lower availability of renewable energy, as a result of current environment conditions. Electricity **consumption increased 2.9%** whilst **natural gas fell** by 1.2%.



Quality of Service remains our priority, as highlighted by the lower **level of energy transmission losses in electricity**, the higher **combined availability rate for both electricity and gas** and better **response time in emergency situations** in Natural Gas Distribution.

SECTOR OVERVIEW

Commitment to hydrogen infrastructure and energy transition



Hydrogen Readiness

- Relevant national gas infrastructures must become hydrogen ready according to the Portuguese law, to allow H₂ and natural gas blends up 5% in 2025 and 10-15% in 2030. Considering this REN intends to award the main infrastructure adequacy studies (transmission, distribution and underground storage) until September 2022.



Decree-Law n.º 30-A/2022 (Renewables and Hydrogen)

+

Decree-Law n.º 33/2022 & Directive n.º 13-A/2022 (exceptional adjustment of electricity production costs)

- Publication of Decree-Law n.º 30-A/2022, approves exceptional measures aimed at ensuring the simplification of procedures for producing energy from renewable sources in Portugal. This new Decree-Law proposes to increase the production of biomethane and renewable hydrogen, the deployment of solar and wind energy, the deployment of innovative solutions based on hydrogen and electricity from renewable sources at competitive costs in industrial sectors, as well as the simplification and reduction of the deadlines of the permitting procedures, which is a pre-condition for the acceleration of renewable energy projects.
- The Portuguese and Spanish Governments created a temporary adjustment mechanism for electricity production costs with impact on the final MIBEL electricity prices. This is an exceptional and temporary mechanism for MIBEL prices, by setting a reference price of natural gas for electricity production, in order to reduce the final electricity prices. This mechanism entered in force on 15th of June 22.



PDIRD 2022

Gas Development Plan 2023-2027

- ERSE submitted for public consultation the proposals for a five-year plan for the development and investment of gas distribution networks on period 2023-2027 (PDIRD 2022), prepared by the DSOs. The total amount to be implemented over the five-year horizon reaches €468.4 million which represents an increase of 28% vs PDIRD 2020. The public consultation will end on 22nd of July and then ERSE will have 22 days to publish the final opinion report.



Energy Transition and renewable gas

- The "H₂ Green Valley" project, that REN submitted to the Portuguese Recovery and Resilience Plan (PRR), was selected for the negotiation phase with IAPMEI. The financing agreement with Portuguese government can be signed in the upcoming weeks.

2. Business performance



OPERATIONAL HIGHLIGHTS

Solid quality of service, with a reduction in transmissions losses despite increase in electricity consumption



Electricity

Consumption

25.3TWh ↑ 0.7 TWh (2.9%)

1H21: 24.6TWh

Renewables in consumption supply

47.5% ↓ 20.9pp

1H21: 68.4%

Energy transmission losses

1.8% ↓ 0.3pp

1H21: 2.1%

Average interruption time

0.07min ↑ 0.07min

1H21: 0.00min

Line length

9,373km ↑ 335km (3.7%)

1H21: 9,038km

Combined availability rate

98.7% ↓ 0.3pp

1H21: 99.0%



Gas Transmission

Consumption

31.2TWh ↓ 0.4TWh (1.2%)

1H21: 31.6TWh

Combined availability rate

100.0% ↑ 0.1pp

1H21: 99.9%

Line length

1,375km = 0km (0.0%)

1H21: 1,375km



Gas Distribution

Gas distributed

3.4TWh ↓ 0.7TWh (17.1%)

1H21: 4.1TWh

Emergency situations with response time up to 60min

98.5% ↑ 0.3pp

1H21: 98.2%

Line length

6,210km ↑ 233km (3.9%)

1H21: 5,977km

FINANCIAL HIGHLIGHTS

Net Profit grew 16% driven by an EBIT increase and positive impact from Financial Results

EBITDA

€238.4M

↑ 10.5
(4.6%)

1H21: €227.9M

Financial results

-€15.1M

↑ 3.0
(16.5%)

1H21: -€18.0M

Net Profit

€45.9M

↑ 6.3
(16.0%)

1H21: €39.5M

CAPEX

€78.8M

↓ 0.6
(0.7%)

1H21: €79.3M

Average RAB¹

€3,602.6M

↑ 87.4
(2.5%)

1H21: €3,515.2M

Net Debt

€2,099.4M

↓ 440.5
(17.3%)

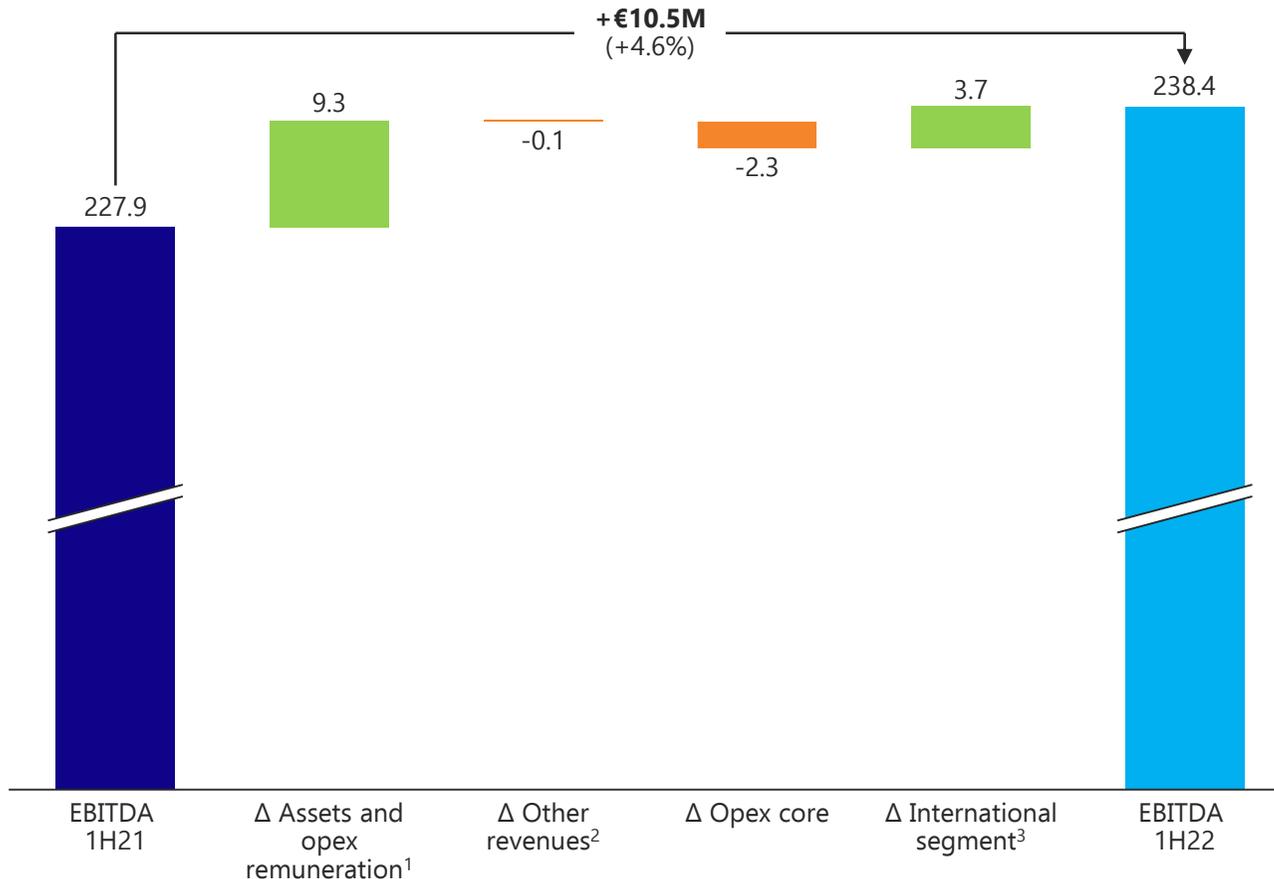
1H21: €2,539.9M

CONSOLIDATED VIEW

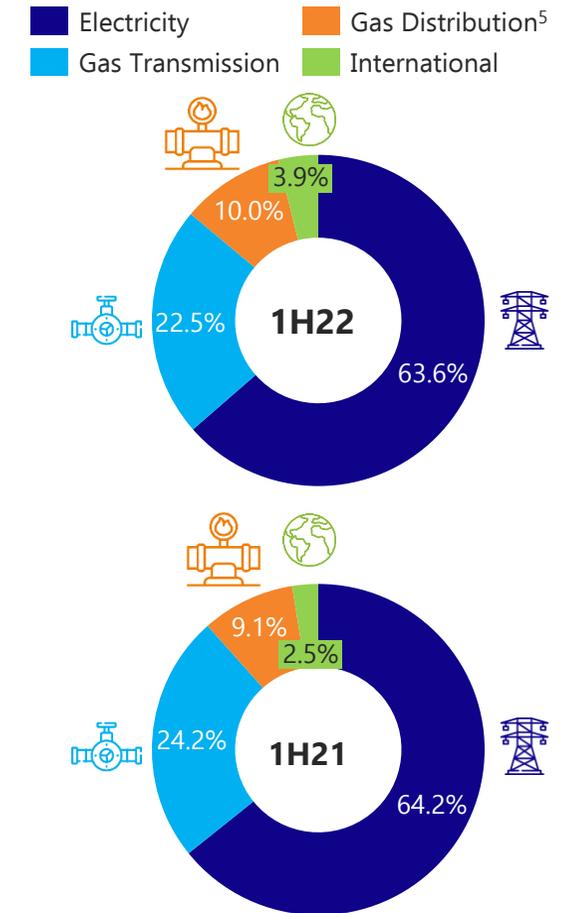


Increase in EBITDA driven by higher assets and opex remuneration in domestic business and positive contribution from Chile

EBITDA evolution breakdown €M



EBITDA contribution by business segment⁴ %



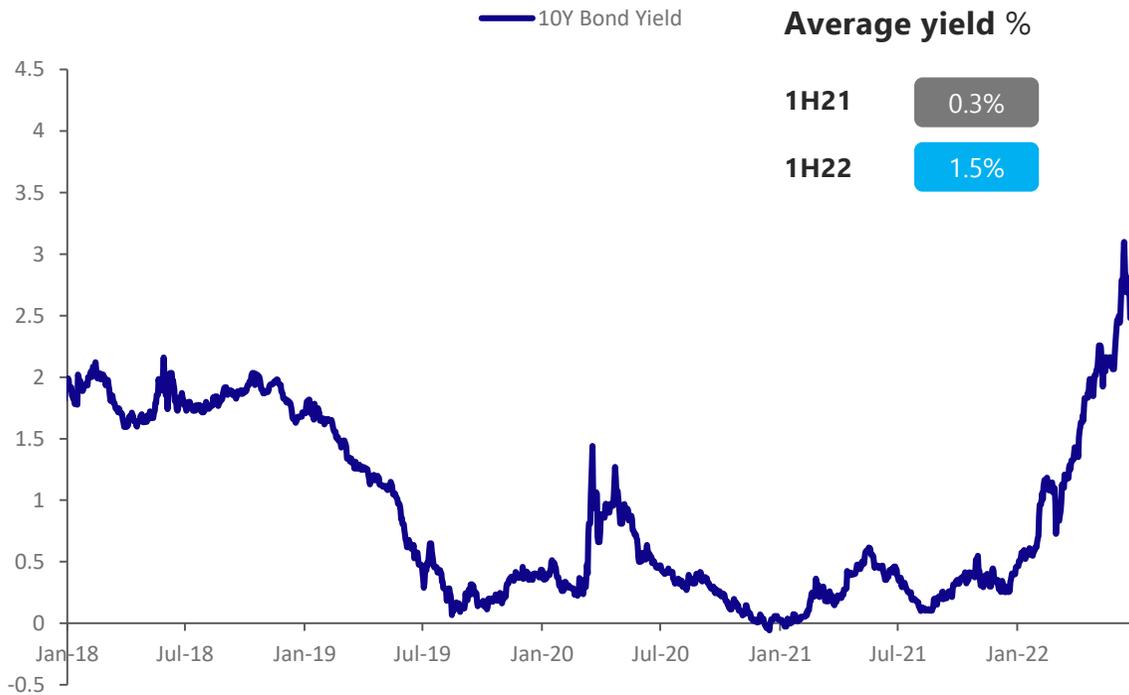
1 Includes electricity regulatory incentives (in 1H21 €13.4M from the Incentive for the Rationalization of Economic Investments, and in 1H22 €3.8M from the Incentive to the Improvement of the TSO Technical Performance) and excludes Opex remuneration related to pass-through costs | 2. Includes REN Trading incentives, telecommunication sales and services rendered, interest on tariff deviation, consultancy revenues and other services provided, OMIP and Nester results | 3. Includes Apolo SpA and Aerio Chile SpA costs | 4 Excludes the segment "Other", which includes REN SGPS, REN Serviços, REN Telecom, REN Trading, REN PRO and REN Finance B.V. | 5 Refers to Portgás

DOMESTIC BUSINESS

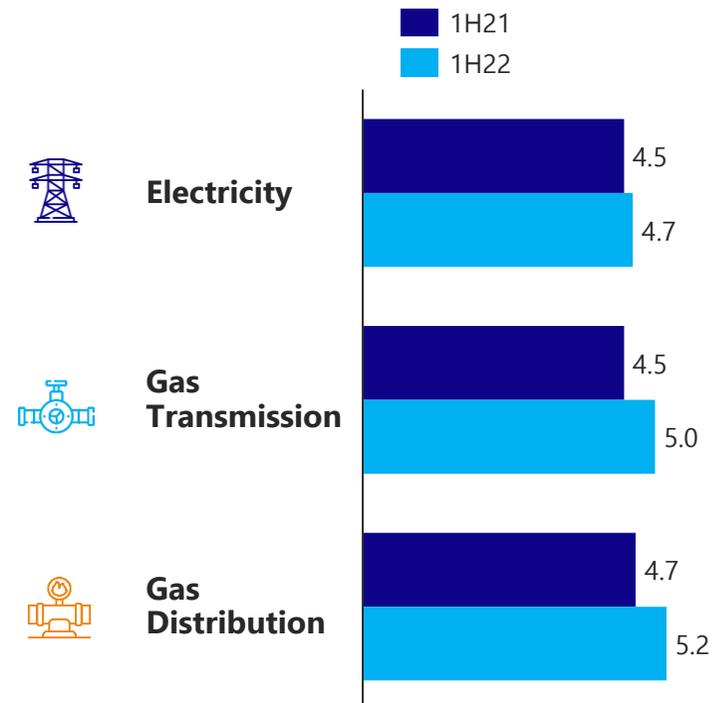


Bond yields presented an increase in 2022 as consequence of current macro environment

Portuguese 10Y Treasury Bond Yields %



Base Rate of Return on RAB (RoR)* %



SOURCE: Bloomberg; REN

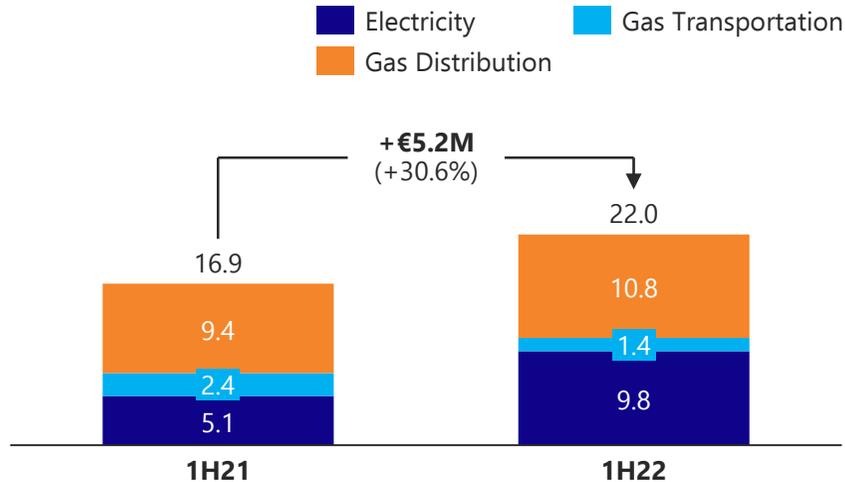
* Electricity data collected from Oct-21 to Sep-22; Gas data collected from Jan-22 to Dec-22

DOMESTIC BUSINESS

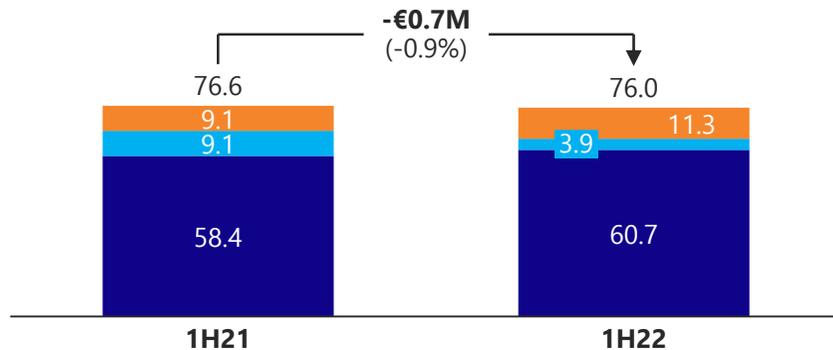
Transfers to RAB grew 30.6% and Capex remained mostly in line with 1H21



Transfers to RAB €M



Capex €M



Main investment projects



Electricity

- 220 kV connection between Rio Maior and Carvoeira substations
- Refurbishing of the 220 kV Gas Insulated substation at Carriche
- Rehabilitation and stabilization of the slope at the Carvoeira substation
- 400 kV Line Panel at Sines substation to connect to a photovoltaic solar plant (Cercal Power)



Gas Transmission

- Carriço Storage: Auxiliary System upgrade
- Pipeline Network and Sines Terminal: replacement and upgrade of equipment and systems at the end-of-life



Gas Distribution

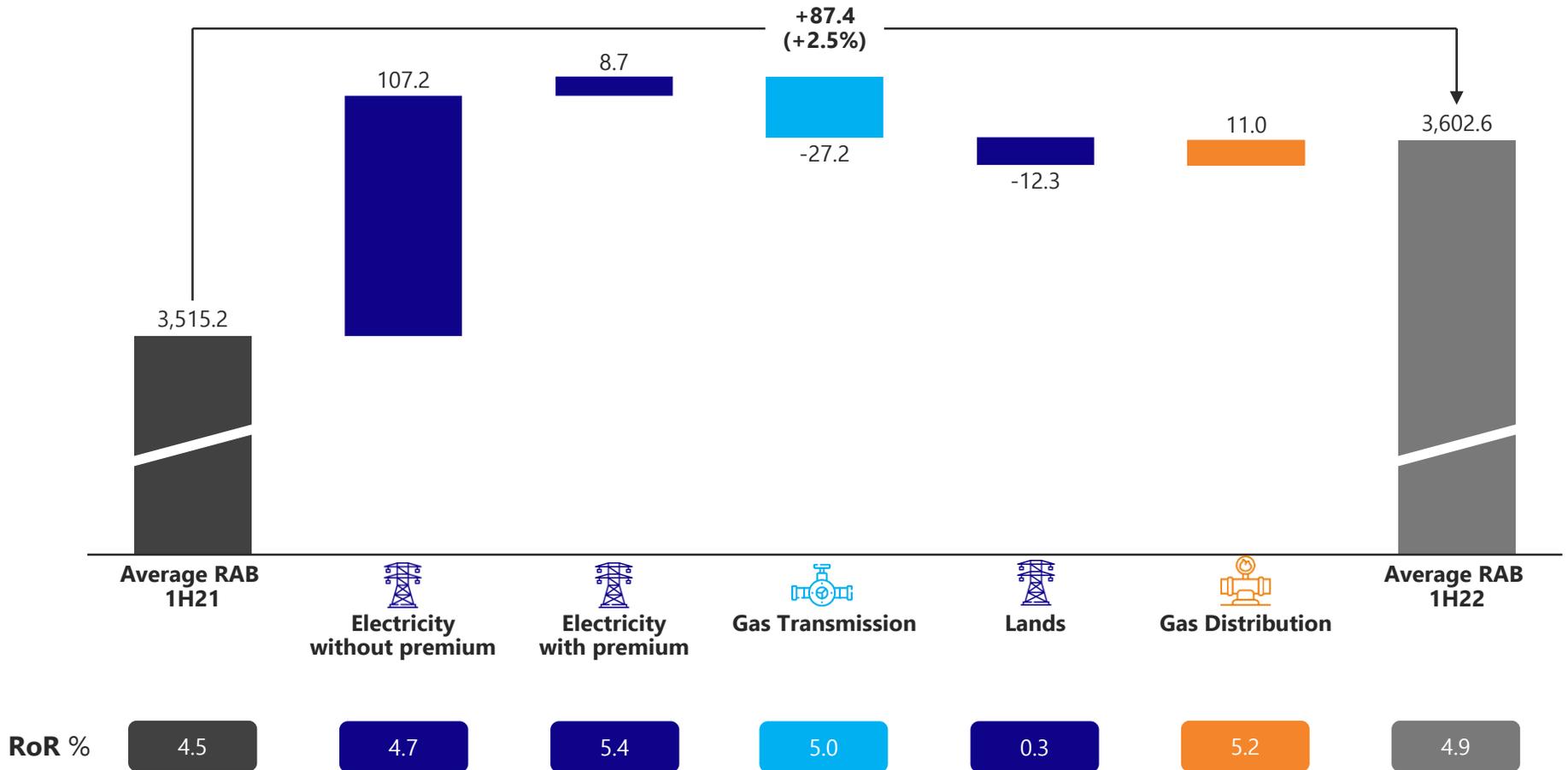
- Investments for **network expansion and densification**, mostly for B2C
- New prospects for B2B investments closely monitored in order to provide client comfort regarding network costs
- Decarbonizing and digitalization plan on the move
- **New investment plan 23-27 delivered to DGEG and ERSE (April 2022), now under discussion**
- Expansion to new industrial zones under preparation

DOMESTIC BUSINESS



Average RAB increased 2.5% in 1H22 due to impact of transfers to RAB from 2021

Average RAB evolution €M



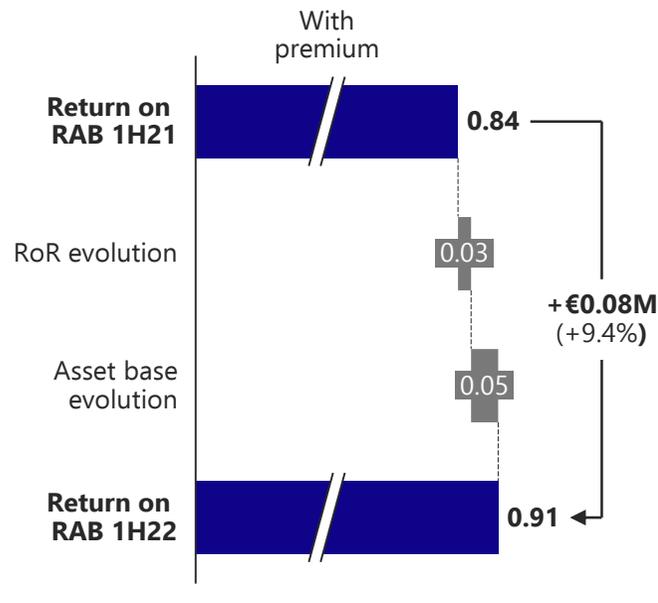
DOMESTIC BUSINESS

RAB remuneration increased as a result of the higher rate of return



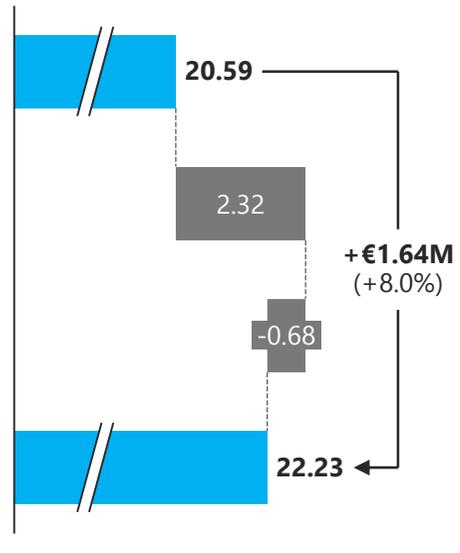
Return on RAB evolution breakdown €M

Electricity (GGS¹)



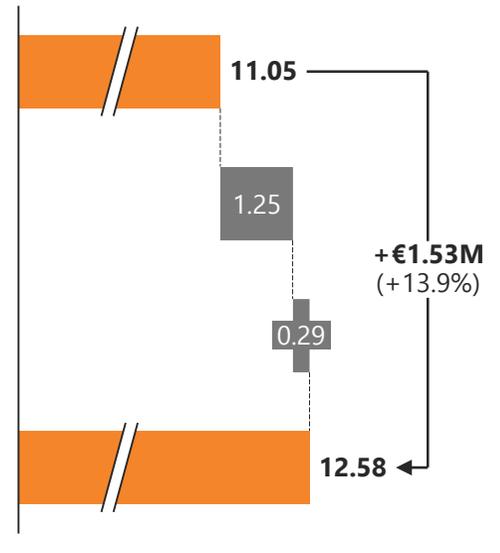
Increase in the **average RAB** by **€2.3M**, to €39.3M and **increase in RoR** (from 4.51% to 4.65%)

Gas Transmission



Increase in Return on RAB justified by a **higher RoR** of 5.03% (vs 4.52%), despite the **smaller asset base** (decrease of €27.2M to a total of €884.0M)

Gas Distribution



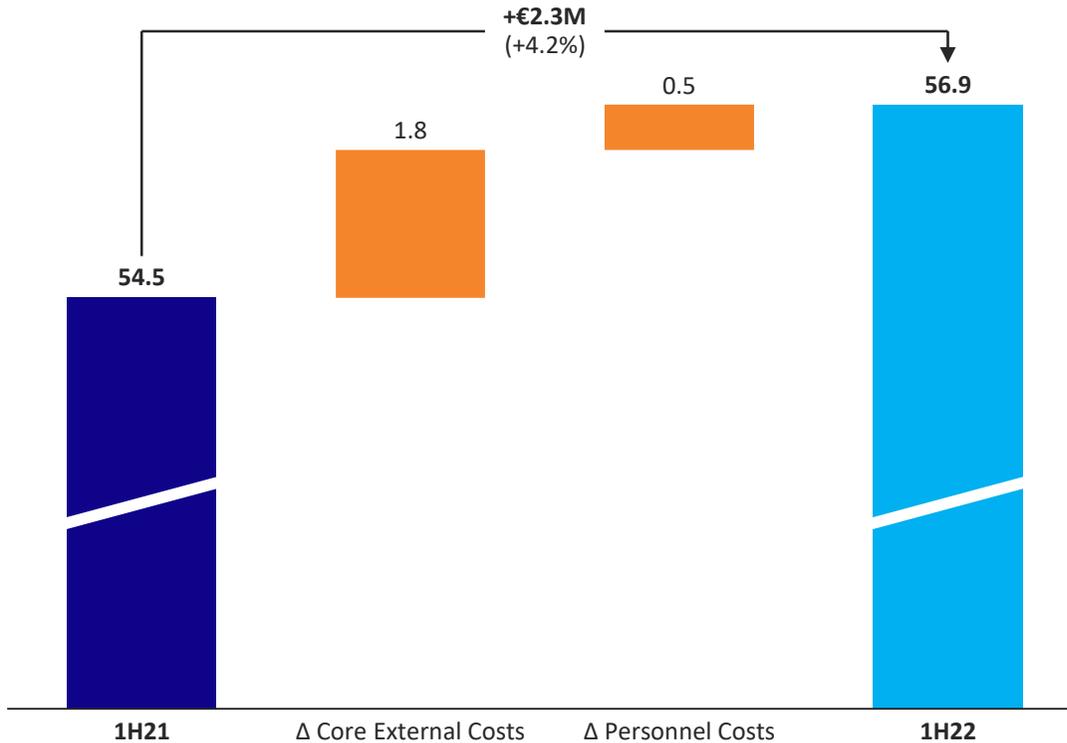
Higher Return on RAB as a result of a **higher rate of return** (from 4.72% to 5.23%) and higher **asset base** (+€11.0M to a total of €481.1M)

DOMESTIC BUSINESS

OPEX decreased by 0.7% YoY, while core OPEX grew 4.2%



Core OPEX¹ evolution €M



Key highlights

Core external costs

- Electricity costs in LNG terminal (+€5.3M)

Non-core costs

- Pass-through costs (costs accepted in the tariff) **decreased by €2.8M**, of which -€1.5M in **costs with cross-border and system services costs**, -€1.6M in costs with ERSE and +€0.5M in subsoil occupation levies

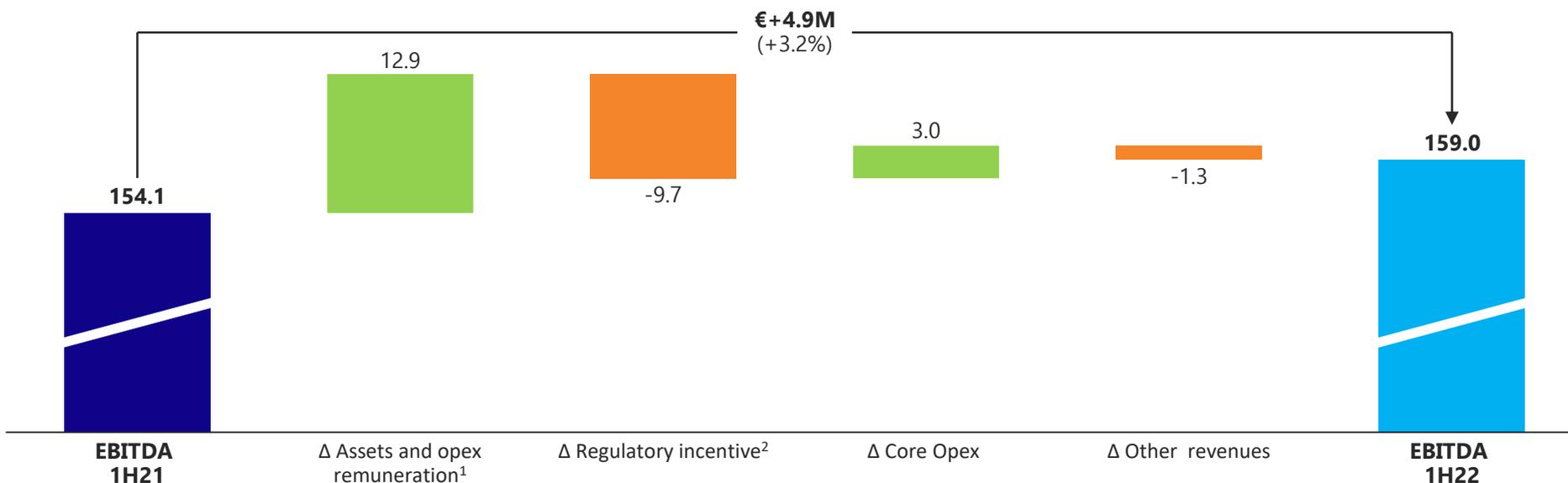
¹ Calculated as OPEX minus pass-through costs (e.g., ITC mechanism, NG transportation costs, ERSE costs and subsoil occupation levies)

DOMESTIC BUSINESS: ELECTRICITY



Increase in Electricity EBITDA, mostly justified with higher assets and opex remuneration, despite a lower regulatory incentive

EBITDA breakdown €M



Capex €60.7M ↑ €2.3M (3.9%) 1H21: €58.4M	Transfers to RAB €9.8M ↑ €4.7M (91.2%) 1H21 : €5.1M	Average RAB³ €2,237.5M ↑ €103.6M (4.9%) 1H21 : €2,133.9M	Base RoR⁴ 4.7% ↑ 0.1pp 1H21 : 4.5%	Core OPEX €33.5M ↓ €6.1M (15.5%) 1H21 : €39.7M
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1 Excludes Opex remuneration related to pass-through costs | 2. Includes electricity regulatory incentives (in 1H21 €13.4M from the Incentive for the Rationalization of Economic Investments, and in 1H22 €3.8M from the Incentive to the Improvement of the TSO Technical Performance) | 3 Includes €1,012.2M of Electricity without premium (€905.0M for 1H21), €1,028.9M of Electricity with premium (€1,020.2M for 1H21) and €196.4M of Lands (€208.7M in 1H21) | 3. RoR for Electricity with premium was 5.4% in 1H22 (5.3% in 1H21), and for other lands 0.3% in 1H22 (0.3% in 1H21)

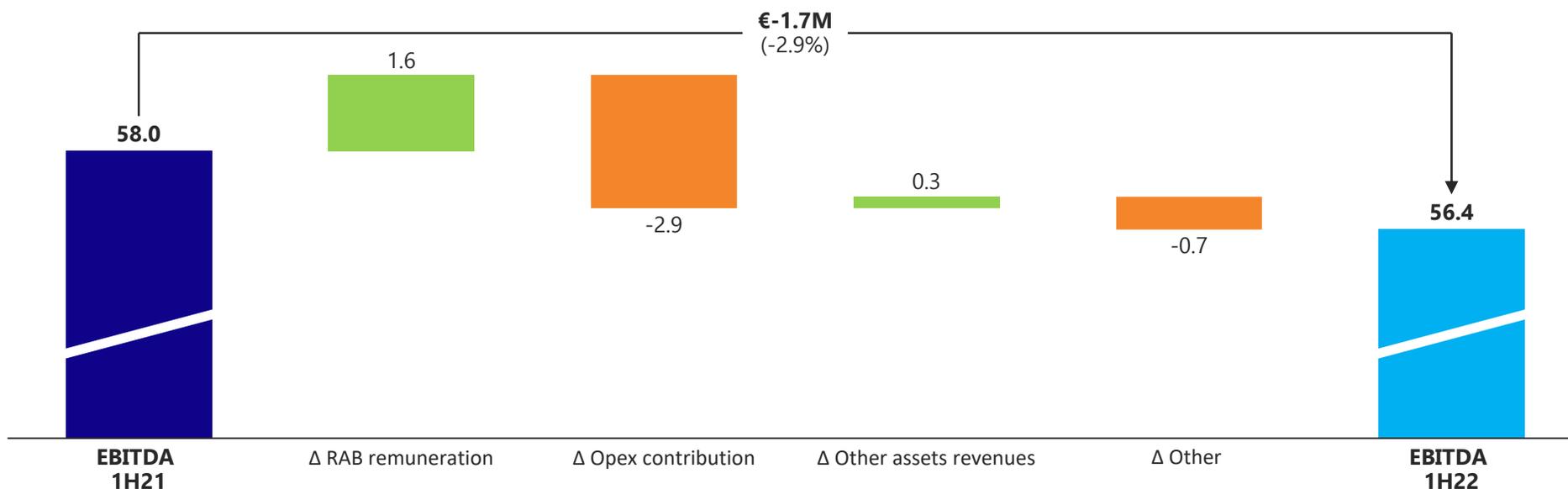
DOMESTIC BUSINESS: GAS TRANSMISSION

REN



Gas Transmission EBITDA reduction mainly explained by lower opex contribution

EBITDA breakdown €M



Capex

€3.9M

↓ €5.2M
(56.7%)

1H21: €9.1M

Transfers to RAB

€1.4M

↓ €1.0M
(41.3%)

1H21: €2.4M

Average RAB

€884.0M

↓ €27.2M
(3.0%)

1H21: €911.2M

RoR

5.0%

↑ 0.5pp

1H21: 4.5%

Core OPEX

€16.2M

↑ €5.4M
(50.8%)

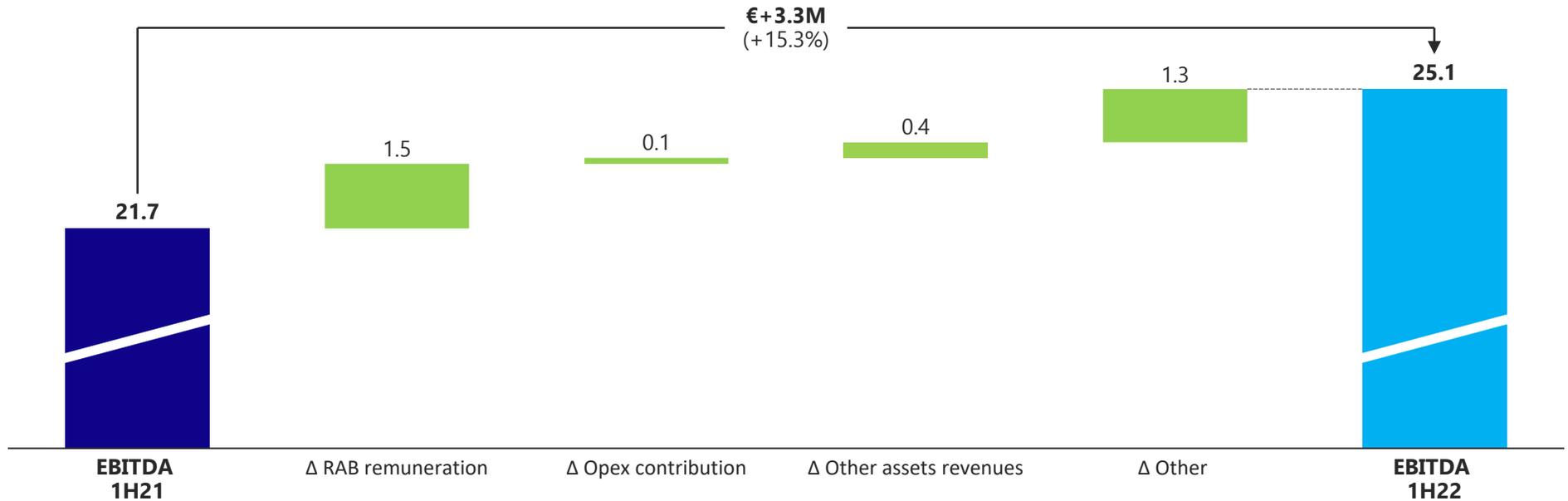
1H21: €10.7M

DOMESTIC BUSINESS: GAS DISTRIBUTION



Gas Distribution EBITDA increase mainly explained by higher RAB remuneration and other revenues

EBITDA breakdown €M



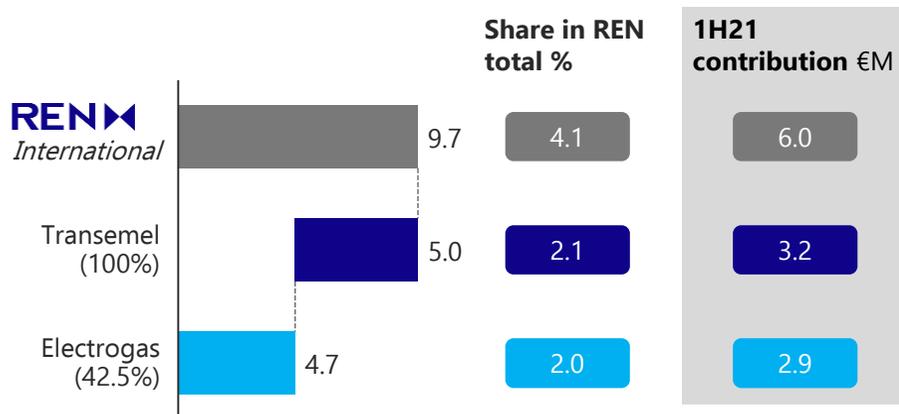
<p>Capex</p> <p>€11.3M ↑ €2.2M (24.4%)</p> <p>1H21: €9.1M</p>	<p>Transfers to RAB</p> <p>€10.8M ↑ €1.5M (15.8%)</p> <p>1H21: €9.4M</p>	<p>Average RAB</p> <p>€481.1M ↑ €11.0M (2.3%)</p> <p>1H21: €470.1M</p>	<p>RoR</p> <p>5.2% ↑ 0.5pp</p> <p>1H21: 4.7%</p>	<p>Core OPEX</p> <p>€4.5M ↓ €0.3M (5.7%)</p> <p>1H21: €4.8M</p>
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INTERNATIONAL BUSINESS

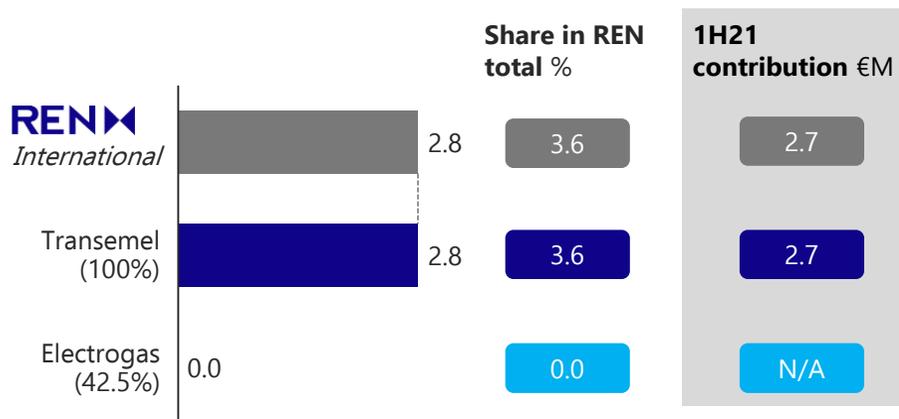
Solid performance from the Chilean businesses



Contribution to EBITDA 1H22 €M



Contribution to Capex 1H22 €M



Key highlights

Transemel, Chile

- Revenues increased YoY reflecting the conclusion of expansion projects started in 2021

Revenues

€6.5M ↑ €1.8M (37.7%)

1H21: €4.7M

EBITDA

€5.0M ↑ €1.8M (57.1%)

1H21: €3.2M

Electrogas, Chile

- EBITDA increased YoY, driven by higher revenues (higher tariff and higher transported volumes)

Revenues

€19.9M ↑ €6.5M (48.8%)

1H21: €13.4M

EBITDA

€18.1M ↑ €6.4M (54.4%)

1H21: €11.7M

CONSOLIDATED VIEW



Positive evolution in Financial Results, partly attributed to the progress in recognized dividends

Depreciation & Amortization

€124.2M  €4.0M
(3.3%)

1H21: **€120.2M**

- D&A increased €4.0M versus 1H21, mainly attributed to the evolution of gross assets.

Financial results

-€15.1M  €3.0M
(16.5%)

1H21: **-€18.0M**

- **Positive evolution in financial results** (+€3.0M) reflecting the decrease in **Net Debt** and **higher dividends from HCB (an increment of +€1.3M YoY)**, despite increase in the average cost of debt of 0.08 p.p. from 1.58% to 1.66%.

Taxes

€53.2M  €3.2M
(6.3%)

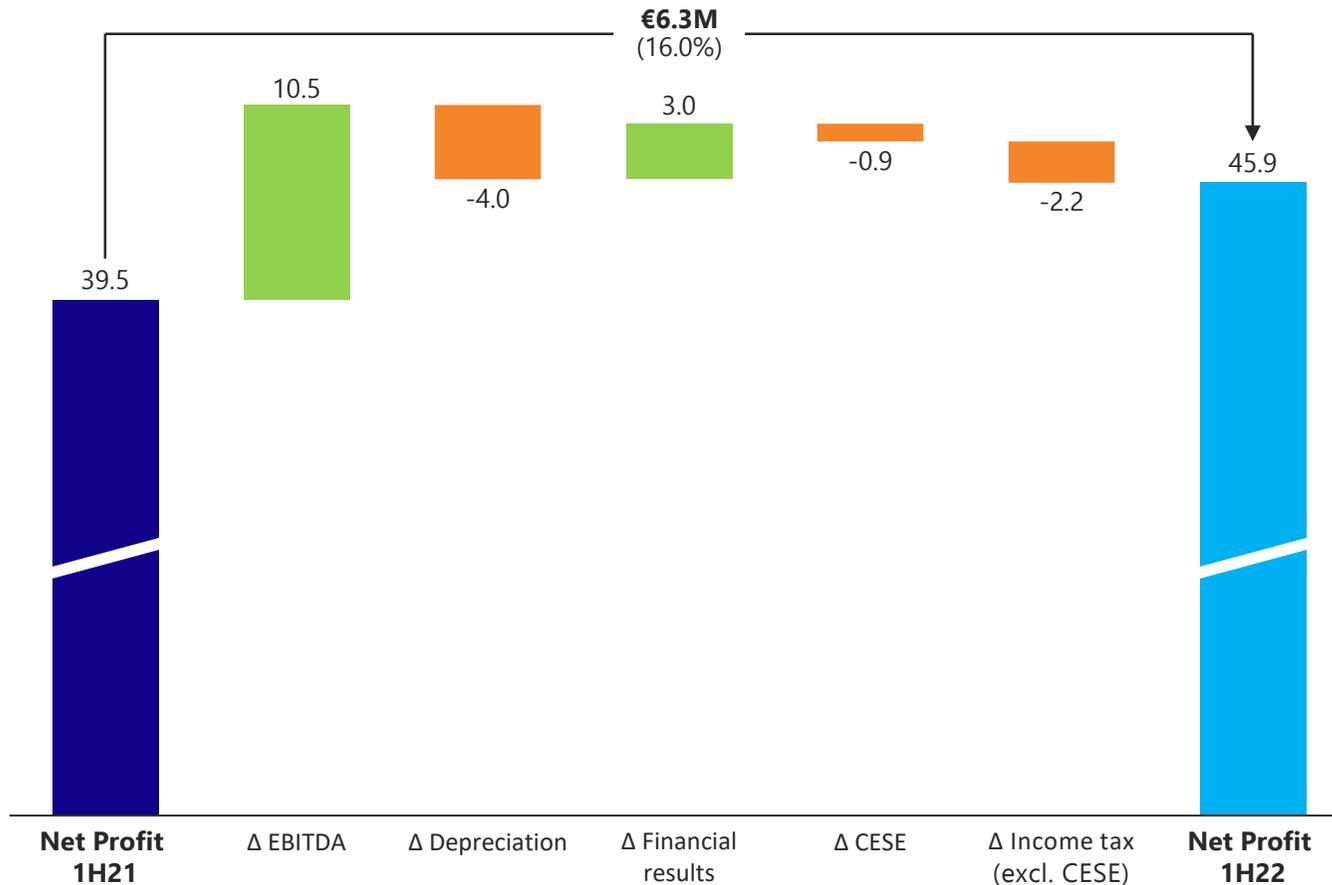
1H21: **€50.1M**

- Total taxes include the **extraordinary levy of €28.0M** (€27.1M in 1H21) and **income tax which grew by €2.2M to €25.2M**.
- **Effective tax rate reached 39.6%**, a 1.2 p.p. decrease relatively to 1H21 (including the levy).
- **Increase vs 1H21** reflecting the increase in EBT (+€9.5M).
- Taxes (1H22 and 1H21) benefited from tax recovery of previous years.

CONSOLIDATED VIEW

Net Profit benefited from higher EBITDA and better financial results, despite higher depreciations, taxes and CESE

Net profit evolution breakdown €M



Key highlights

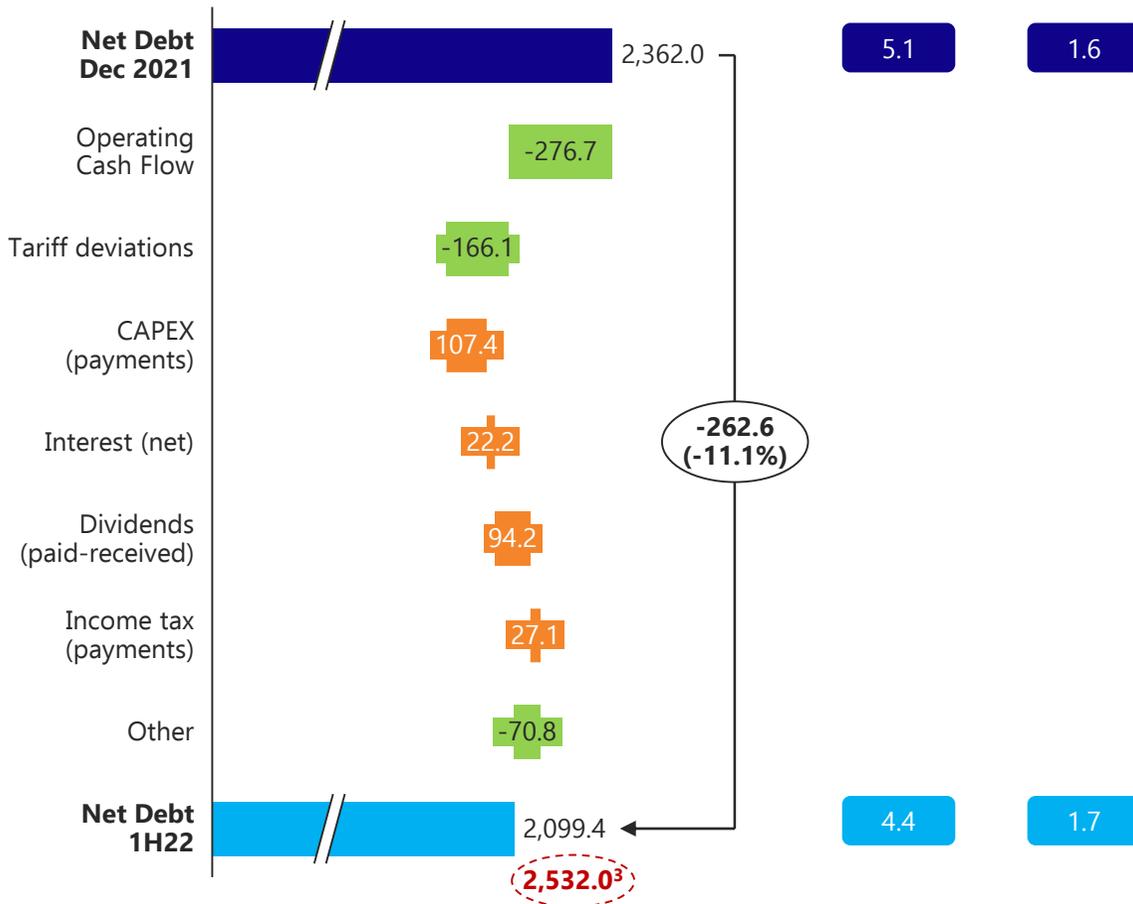
- The **increase in EBITDA** reflects the positive contribution from both the domestic (+€6.8M) as well as international businesses (+€3.7M)
- **Positive effect** of €3.0M from **Financial Results** as a consequence of better financial conditions, lower net debt and higher dividends from associates
- **Higher CESE** (Δ€0.9M) and **higher taxes**, reflecting the evolution of the regulated asset base

CONSOLIDATED VIEW

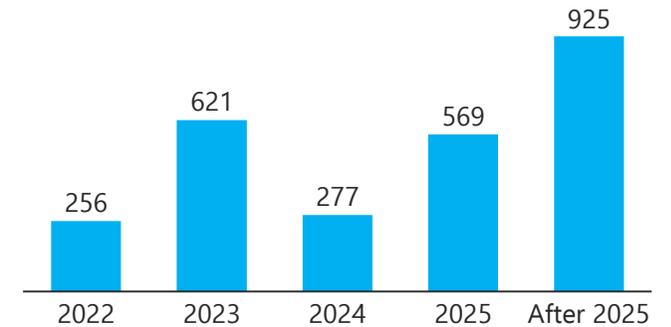


Net Debt artificially low due to the impact of tariff deviations

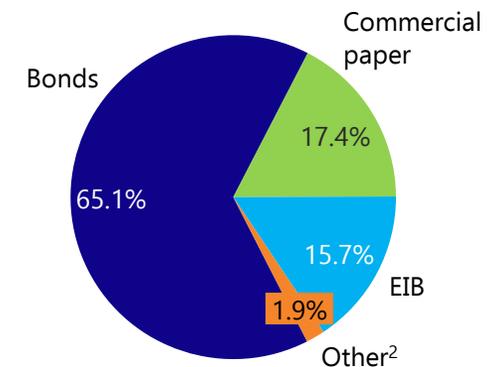
Net Debt evolution €M



Adjusted Gross Debt Maturity¹ €M



Debt sources %



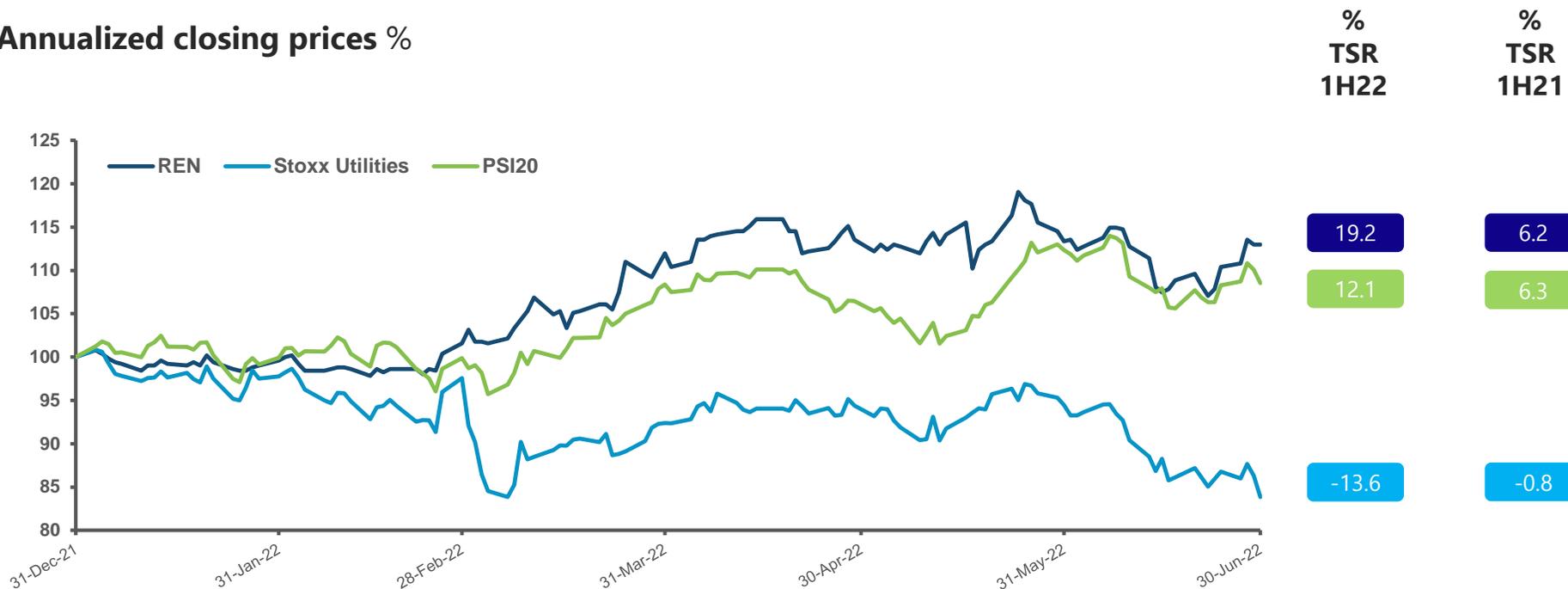
¹ Calculated as Net Debt plus Cash, bank deposits and derivative financial instruments (€496M), excluding effects of hedging on yen denominated debt, accrued interest and bank overdrafts | ² Includes loans (1.7%) and leasing (0.2%) | ³ Net Debt Value without tariff deviations

SHARE PRICE & SHAREHOLDER RETURN



REN's share price has been rising since March, closing 1H22 with a TSR of 19% outperforming the sector

Annualized closing prices %



Analyst recommendations¹

Average Price target

€2.66 ↑ €0.06 (2.3%)

1H21: **€2.60**

Upside/Downside (+/-)

-7.5% ↓ 18.6pp

1H21: **11.1%**

Buy recommendations

11.1% ↓ 38.9pp

1H21: **50.0%**

Hold recommendations

44.4% ↓ 5.6pp

1H21: **50.0%**

¹ End of period
SOURCE: Bloomberg, REN

3. Shaping a sustainable future



HIGHEST ESG STANDARDS



REN is taking sustainable steps towards meeting its targets



Environmental

Targets

-50% CO₂ emissions by 2030 vs. 2019

Carbon neutral by 2040

Achievements



Climate | 25% reduction in our scope 1 and 2 emissions (2021 vs. 2020) | In 2022, REN concluded a supply chain's ESG maturity assessment and kicked-off of a project to calculate its scope 3 emissions' inventory

Forest | Innovative approach with local partners in Vieira do Minho area using Garrano horses to prevent forest fires on Cabreira Mountain, while creating conditions to protect this local endangered species

Mobility | REN presented at the Hannover Messe the Speed-e project, an innovative charging solution that enables electric vehicles to be charged directly from the electricity transmission grid. This solution can also be used for electricity supply to remote communities or industrial facilities.



Social

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



Gender equality | REN joined the Portuguese Diversity Charter, an initiative of the European Commission

Local communities | In June, REN delivered seven vehicles to voluntary fire brigades, reinforcing the company's commitment to the prevention and fighting rural wildfires. Since 2009, REN has donated 89 vehicles to both voluntary fire brigades and civil protection teams



Governance

Increasing ESG weight in **managers' performance metrics** already in 2022

100% of new bond emissions will be **green**



Sustainability governance | REN created a Sustainability Committee at Board level

Cybersecurity | Reinforcement of mandatory training for all employees and internal communication awareness campaign

HIGHEST ESG STANDARDS



Good performance in international ESG scores but with ambition to do more

MSCI ESG Rating



- Assessment of **resilience to long-term ESG risks**, REN demonstrated **strong efforts on Biodiversity & Land use relative to peers**, and in line with its global peers' average on **Corporate Governance**

Sustainalytics ESG Rating



- Measurement of a **company's exposure to industry-specific material ESG risks** and how well a company is managing those risks
- REN demonstrated **low risk**, which is aligned with the ratings received by peers and above sector average

ISS ESG Rating



- Assessment of **sustainability performance**, based on specific criteria for each industry. REN **ranked very high** on **transparency** level



(Scores as of 30th June 2022)

4. Closing remarks



CLOSING REMARKS



REN remains fully committed to deliver solid results and sustainable returns



EBITDA of €238.4M, an increase of €10.5M YoY (+4.6%), as a result of the increase in domestic and international business performances.



Net Profit increased to €45.9M (+€6.3M), driven by an increase in EBIT (+€6.5M) and higher Financial Results (+€3.0M), partially offset by higher levy (+€0.9M) and taxes (+€2.2M), following the evolution on regulated asset base.



Positive consolidation in Net Debt (-€440.5M YoY) as the operating cash flow and tariff deviations exceeded the outflows of investment and financing activities.



Capex remained in line with 1H21 while **transfers to RAB grew 30.6%** (+€5.2M) to **€22.0M**.



REN's share performance continues to deliver value to its shareholder, closing 1H22 with a **TSR of 19% outperforming the sector**.

Appendix - Financials



APPENDIX

Results breakdown

€M	1H22	1H21	2021	1H22 / 1H21	
				Δ %	Δ Abs.
1) TOTAL REVENUES	378.4	368.6	838.4	2.6%	9.8
Revenues from assets	95.9	101.4	203.8	-5.5%	-5.5
Return on RAB	35.7	32.5	65.3	10.0%	3.3
Electricity	0.9	0.8	1.8	9.4%	0.1
Natural gas	22.2	20.6	41.2	8.0%	1.6
Portgás	12.6	11.0	22.3	13.9%	1.5
Lease revenues from hydro protection zone	0.3	0.3	0.7	-1.3%	0.0
Incentives (IMDT and IREI) ¹	3.8	13.4	26.9	-72.1%	-9.7
Recovery of amortizations (net from subsidies)	47.0	45.9	92.2	2.5%	1.1
Subsidies amortization	9.1	9.3	18.7	-2.5%	-0.2
Revenues from Transemel	6.3	4.7	12.0	34.2%	1.6
Revenues of TOTEX ²	134.7	122.7	250.5	9.8%	12.0
Revenues of OPEX	53.1	53.1	111.3	0.0%	0.0
Other revenues	12.2	10.1	23.0	20.7%	2.1
Construction revenues (IFRIC 12)	76.1	76.5	237.9	-0.6%	-0.5
2) OPEX	73.6	74.1	161.1	-0.6%	-0.5
Personnel costs	29.4	28.7	57.2	2.4%	0.7
External supplies and services	34.5	35.0	84.2	-1.3%	-0.5
Other operational costs	9.6	10.4	19.8	-6.8%	-0.7
3) Construction costs (IFRIC 12)	65.7	66.5	215.3	-1.2%	-0.8
4) Depreciation and amortization	124.2	120.2	241.9	3.3%	4.0
5) Other	0.7	0.2	1.2	278.9%	0.5
6) EBIT	114.1	107.6	218.9	6.0%	6.5
7) Depreciation and amortization	124.2	120.2	241.9	3.3%	4.0
8) EBITDA	238.4	227.9	460.8	4.6%	10.5
9) Depreciation and amortization	124.2	120.2	241.9	3.3%	4.0
10) Financial result	-15.1	-18.0	-42.6	-16.5%	3.0
11) Income tax expense	25.2	23.0	52.1	9.7%	2.2
12) Extraordinary contribution on energy sector	28.0	27.1	27.0	3.5%	0.9
13) NET PROFIT	45.9	39.5	97.2	16.0%	6.3
14) Non recurrent items	25.7	24.8	24.7	3.8%	0.9
15) RECURRENT NET PROFIT	71.6	64.3	121.8	11.3%	7.3

NON RECURRENT ITEMS:

1H22: i) Extraordinary energy sector levy, as established in the 2022 State budget law (€28.0M);
 ii) Taxes recovery from previous years (€2.3M)

1H21: i) Extraordinary energy sector levy, as established in the 2021 State budget law (€27.1M)
 ii) Taxes recovery from previous years (€2.3M)

1 2022: Incentive for improvement of the TSO's technical performance (IMDT); 2021: IREI incentive | 2 In 2022, a new remuneration model based on Totex was introduced for the Electricity Transmission activity. For that reason, and for the sake of comparison, some items regarding 1H21 and 2021 information, such as Return on RAB, Recovery of amortizations (net from subsidies) and OpeX revenues of the electricity transmission activity were reclassified to Totex Revenues.

APPENDIX

Other operational revenues and costs breakdown

€M	1H22	1H21	2021	1H22 / 1H21	
				Δ %	Δ Abs.
Other revenues	12.2	10.1	23.0	20.7%	2.1
Allowed incentives	0.4	0.7	1.0	-47.8%	-0.4
Interest on tariff deviation	-0.1	0.2	0.3	-166.9%	-0.3
Telecommunication sales and services rendered	3.9	3.5	7.7	13.2%	0.5
Consultancy services and other services provided	1.4	0.6	2.0	142.5%	0.8
Other revenues	6.6	5.1	12.0	28.3%	1.4
Other costs	9.6	10.4	19.8	-6.8%	-0.7
Costs with ERSE	3.4	5.0	10.9	-32.3%	-1.6
Other	6.3	5.4	8.9	16.6%	0.9

Includes revenues related to
Electrogas' Net Profit proportion
(€4.8M in 1H22 and €2.9M in 1H21)

APPENDIX

EBITDA breakdown (Electricity¹)



€M	1H22	1H21	2021	1H22 / 1H21	
				Δ %	Δ Abs.
1) REVENUES	237.5	236.0	546.0	0.6%	1.5
Revenues from assets	21.5	30.8	62.0	-30.3%	-9.3
Return on RAB	0.9	0.8	1.8	9.4%	0.1
Lease revenues from hydro protection zone	0.3	0.3	0.7	-1.3%	0.0
IMDT Incentive ²	3.8	13.4	26.9	-72.1%	-9.7
Recovery of amortizations (net from subsidies)	10.2	9.9	19.8	3.3%	0.3
Subsidies amortization	6.3	6.4	12.8	-0.6%	0.0
Revenues of TOTEX³	134.7	122.7	250.5	9.8%	12.0
Revenues of OPEX	19.0	21.8	46.0	-12.5%	-2.7
Other revenues	1.5	2.4	6.3	-34.5%	-0.8
Interest on tariff deviation	0.1	0.1	0.3	-6.7%	0.0
Other	1.4	2.2	6.0	-36.3%	-0.8
Construction revenues (IFRIC 12)	60.6	58.3	181.3	4.0%	2.3
2) OPEX	24.8	31.0	65.9	-20.3%	-6.3
Personnel costs	8.8	8.6	16.9	1.7%	0.1
External supplies and services	14.3	19.1	41.0	-25.5%	-4.9
Other operational costs	1.7	3.3	7.9	-47.6%	-1.6
3) Construction costs (IFRIC 12)	53.2	50.9	164.7	4.5%	2.3
4) Depreciation and amortization	80.2	77.0	155.0	4.2%	3.2
5) Other	0.5	0.0	0.8		0.5
6) EBIT	78.8	77.1	159.6	2.2%	1.7
7) Depreciation and amortization	80.2	77.0	155.0	4.2%	3.2
8) EBITDA	159.0	154.1	314.6	3.2%	4.9

1 Includes Electricity and Enondas (wave energy concession) | 2 Incentive for improvement of the TSO's technical performance | 3 In 2022, a new remuneration model based on Totex was introduced for the Electricity Transmission activity. For that reason, and for the sake of comparison, some items regarding 1H21 and 2021 information, such as Return on RAB, Recovery of amortizations (net from subsidies) and Opex revenues of the electricity transmission activity were reclassified to Totex Revenues.

APPENDIX

EBITDA breakdown (Natural gas transmission)



€M	1H22	1H21	2021	1H22 / 1H21	
				Δ %	Δ Abs.
1) REVENUES	80.6	82.2	180.9	-1.9%	-1.6
Revenues from assets	53.4	51.5	103.4	3.7%	1.9
Return on RAB	22.2	20.6	41.2	8.0%	1.6
Recovery of amortizations (net from subsidies)	28.5	28.0	56.4	1.6%	0.5
Subsidies amortization	2.7	2.9	5.8	-6.9%	-0.2
Revenues of OPEX	23.8	21.4	48.3	11.2%	2.4
Other revenues	-0.5	0.2	-0.3	-377.8%	-0.7
Interest on tariff deviation	-0.2	-0.2	-0.4	28.9%	-0.1
Consultancy services and other services provided	0.1	0.1	0.1	3.2%	0.0
Other	-0.3	0.3	0.0	-209.6%	-0.7
Construction revenues (IFRIC 12)	3.9	9.1	29.5	-56.7%	-5.2
2) OPEX	21.6	16.2	42.4	33.0%	5.4
Personnel costs	4.1	4.4	8.7	-6.6%	-0.3
External supplies and services	14.4	9.0	28.2	59.7%	5.4
Other operational costs	3.1	2.8	5.6	9.9%	0.3
3) Construction costs (IFRIC 12)	2.7	7.9	26.8	-66.4%	-5.3
4) Depreciation and amortization	30.8	30.6	61.5	0.6%	0.2
5) Other	0.0	0.0	-0.1		0.0
6) EBIT	25.6	27.4	50.3	-6.8%	-1.9
7) Depreciation and amortization	30.8	30.6	61.5	0.6%	0.2
8) EBITDA	56.4	58.0	111.8	-2.9%	-1.7

← A negative revenue is consistent with a negative tariff deviation

APPENDIX

EBITDA breakdown (Portgás)



€M	1H22	1H21	2021	1H22 / 1H21	
				Δ %	Δ Abs.
1) REVENUES	43.4	37.6	81.8	15.3%	5.7
Revenues from assets	21.0	19.0	38.4	10.0%	1.9
Return on RAB	12.6	11.0	22.3	13.9%	1.5
Recovery of amortizations (net from subsidies)	8.3	8.0	16.0	4.5%	0.4
Subsidies amortization	0.1	0.0	0.1	28.2%	0.0
Revenues of OPEX	10.3	10.0	17.0	3.5%	0.3
Other revenues	0.8	-0.5	-0.5	-251.0%	1.3
Interest on tariff deviation	0.0	0.0	0.0	-100.0%	0.0
Adjustments previous years	0.5	-0.6	-0.9	-194.9%	1.1
Other services provided	0.1	0.0	0.1	1012.8%	0.1
Other	0.1	0.0	0.3	104.8%	0.1
Construction revenues (IFRIC 12)	11.3	9.1	26.9	24.4%	2.2
2) OPEX	8.5	8.2	13.8	3.2%	0.3
Personnel costs	2.0	2.1	4.1	-7.3%	-0.2
External supplies and services	2.1	2.1	4.7	-1.2%	0.0
Other operational costs	4.4	3.9	4.9	11.3%	0.4
3) Construction costs (IFRIC 12)	9.9	7.7	23.8	28.0%	2.2
4) Depreciation and amortization	8.7	8.1	16.4	6.5%	0.5
5) Other	0.0	0.0	0.0		0.0
6) EBIT	16.4	13.6	27.8	20.5%	2.8
7) Depreciation and amortization	8.7	8.1	16.4	6.5%	0.5
8) EBITDA	25.1	21.7	44.2	15.3%	3.3

APPENDIX

EBITDA breakdown (Transemel)



€M	1H22	1H21	2021	1H22 / 1H21	
				Δ %	Δ Abs.
1) REVENUES	6.5	4.7	12.1	37.7%	1.8
2) OPEX	1.5	1.6	3.9	-1.7%	0.0
3) Depreciation and amortization	1.0	0.8	1.5	30.2%	0.2
4) EBIT	4.0	2.4	6.7	65.9%	1.6
5) Depreciation and amortization	1.0	0.8	1.5	30.2%	0.2
6) EBITDA	5.0	3.2	8.2	57.0%	1.8

APPENDIX

EBITDA breakdown (Other¹)

€M	1H22	1H21	2021	1H22 / 1H21	
				Δ %	Δ Abs.
1) TOTAL REVENUES	10.4	8.1	17.4	29.0%	2.3
Other revenues	10.4	8.1	17.4	29.0%	2.3
Allowed incentives	0.4	0.7	1.0	-47.8%	-0.4
Interest on tariff deviation	0.0	0.2	0.4		-0.2
Telecommunication sales and services rendered	3.9	3.5	7.7	13.2%	0.5
Consultancy services and other services provided	0.9	0.3	0.8		0.6
Other	5.2	3.3	7.5	57.9%	1.9
2) OPEX	17.3	17.0	35.1	1.3%	0.2
Personnel costs	14.2	13.3	26.9	6.3%	0.8
External supplies and services	2.8	3.5	7.4	-19.1%	-0.7
Other operational costs	0.2	0.2	0.8	26.7%	0.1
3) Depreciation and amortization	3.5	3.7	7.4	-5.2%	-0.2
4) Other	0.2	0.2	0.4	0.0%	0.0
5) EBIT	-10.6	-12.9	-25.5	-17.9%	2.3
6) Depreciation and amortization	3.5	3.7	7.4	-5.2%	-0.2
7) EBITDA	-7.0	-9.2	-18.0	-23.1%	2.1

Includes the negative impacts of the PPAs² of Portgás (€2.6M) and Transemel (€0.9M) in 1H22

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	1H22	1H21	2021	1H22 / 1H21	
				Δ %	Δ Abs.
CAPEX	78.8	79.3	247.1	-0.7%	-0.6
Electricity	60.6	58.3	181.3	4.0%	2.3
Natural gas _T	3.9	9.1	29.5	-56.7%	-5.2
Natural gas _D	11.3	9.1	26.9	24.4%	2.2
Transemel	2.8	2.7	9.2	4.1%	0.1
Other	0.0	0.1	0.2	-50.7%	0.0
Transfers to RAB	22.0	16.9	309.1	30.6%	5.2
Electricity	9.8	5.1	253.7	91.2%	4.7
Natural gas _T	1.4	2.4	29.9	-41.3%	-1.0
Natural gas _D	10.8	9.4	25.5	15.8%	1.5
Average RAB	3,602.6	3,515.2	3,602.8	2.5%	87.4
Electricity	2,041.2	1,925.3	2,013.0	6.0%	115.9
With premium	1,028.9	1,020.2	1,039.8	0.9%	8.7
Without premium	1,012.2	905.0	973.2	11.8%	107.2
Land	196.4	208.7	205.6	-5.9%	-12.3
Natural gas _T	884.0	911.2	910.8	-3.0%	-27.2
Natural gas _D	481.1	470.1	473.4	2.3%	11.0
RAB e.o.p.	3,557.0	3,469.6	3,644.7	2.5%	87.3
Electricity	2,011.6	1,895.5	2,071.0	6.1%	116.1
With premium	1,014.7	1,007.0	1,046.0	0.8%	7.7
Without premium	996.8	888.5	1,025.0	12.2%	108.3
Land	193.3	205.6	199.4	-6.0%	-12.3
Natural gas _T	870.5	898.4	897.5	-3.1%	-27.9
Natural gas _D	481.6	470.1	476.8	2.4%	11.5

€M	1H22	1H21	2021	1H22 / 1H21	
				Δ %	Δ Abs.
RAB's remuneration	87.5	79.2	162.7	10.5%	8.3
Electricity	52.4	47.2	98.5	10.9%	5.1
With premium	26.5	26.8	54.6	-1.3%	-0.3
Without premium	25.9	20.4	43.9	26.9%	5.5
Land	0.3	0.3	0.7	-1.3%	0.0
Natural gas _T	22.2	20.6	41.2	8.0%	1.6
Natural gas _D	12.6	11.0	22.3	13.9%	1.5
RoR's RAB	4.9%	4.5%	4.5%		0.4p.p.
Electricity	5.1%	4.9%	4.9%		0.2p.p.
With premium	5.4%	5.3%	5.3%		0.1p.p.
Without premium	4.7%	4.5%	4.5%		0.1p.p.
Land	0.3%	0.3%	0.3%		0.0p.p.
Natural gas _T	5.0%	4.5%	4.5%		0.5p.p.
Natural gas _D	5.2%	4.7%	4.7%		0.5p.p.

APPENDIX

Tariff deviations

€M	1H22	1H21	2021
Electricity	56.0	51.9	86.9
Trading	-384.8	53.2	-218.2
Natural gas _T	-105.8	-125.8	-134.5
Natural gas _D	2.0	-5.4	-0.8
Total¹	-432.6	-26.0	-266.6

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

APPENDIX

Funding sources



€M	Current	Non Current	Jun 2022
Bonds	550.0	1,122.1	1,672.1
Bank borrowings	68.8	391.9	460.7
Commercial paper	210.0	250.0	460.0
Bank overdrafts	0.0	0.0	0.0
Finance lease	1.6	2.7	4.2
TOTAL	830.4	1,766.7	2,597.1
Accrued interest	8.9	0.0	8.9
Prepaid interest	-8.2	-1.9	-10.2
TOTAL	831.0	1,764.8	2,595.8

- REN maintained its financial strength and continued to present high liquidity and a low average cost of debt;
- REN's total liquidity reached €1,500.6M, including credit facilities, loans, non-used commercial paper programmes, cash and bank deposits;
- Bank borrowings were mainly represented by EIB loans, which at the 30th of June 2022 amounted to €415.7M (€430.9M at the 31st of December of 2021);
- 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 ten active commercial paper programs in the amount of €2,075M, of which €1,615M were available for use. Of the total amount 650,000 thousand Euros have a guaranteed placement, of which 400,000 thousand Euros are available for utilization at 30th June 2022.
- REN's financial liabilities had the following main types of covenants: Cross Default, Pari Passu, Negative Pledge, leverage ratios 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 1.66% on the 30th of June 2022 and 1.57% on the 31st of December 2021.

APPENDIX

Debt and debt metrics



	1H22	1H21	2021
Net Debt (€M)	2,099.4	2,539.9	2,362.0
Average cost	1.7%	1.6%	1.6%
Average maturity (years)	3.0	3.7	3.3
Net Debt / EBITDA	4.4x	5.6x	5.1x
DEBT BREAKDOWN			
Funding sources			
Bond issues	65.1%	60.3%	62.6%
EIB	15.7%	16.3%	15.7%
Commercial paper	17.4%	17.5%	16.4%
Other	1.9%	5.9%	5.4%
TYPE			
Float	28%	40%	40%
Fixed	72%	60%	60%

RATING	Long term	Short term	Outlook	Date
Moody's	Baa2	-	Stable	27/07/2022
Standard & Poor's	BBB	A-2	Stable	29/10/2021
Fitch	BBB	F3	Stable	02/06/2021

APPENDIX

Market information



CMVM: MAIN PRESS RELEASES (from January 2022)

- Feb-04: 2022 Financial Calendar
- Feb-23: Summary of annual information disclosed in 2021
- Mar-24: 2021 annual consolidated results
- Mar-29: Notice to convene the annual general shareholders meeting and deliberation proposals
- Mar-29 : Accounts reporting documents referring to the financial year ended on 31st December 2021 - item 1 of the agenda for the general shareholders meeting
- Mar-29 : Corporate Governance report included in the 2021 Report and Accounts
- Apr-28: Resolutions approved at the Annual General Shareholders Meeting
- May-09: Payment of dividends of the 2021 financial year
- May-20: 2022 first quarter results
- May-20: Report & Accounts 1Q22

Consolidated Financial Statements



REN

CONSOLIDATED FINANCIAL STATEMENTS



Financial position

Thousand Euros	Jun 2022	Dec 2021
ASSETS		
Non-current assets		
Property, plant and equipment	120,887	119,551
Intangible assets	4,076,645	4,123,069
Goodwill	4,571	4,757
Investments in associates and joint ventures	184,869	169,283
Investments in equity instruments at fair value through other comprehensive income	154,327	162,724
Derivative financial instruments	44,785	19,347
Other financial assets	156	137
Trade and other receivables	50,506	37,026
Deferred tax assets	83,425	96,673
	4,720,172	4,732,567
Current assets		
Inventories	8,718	8,545
Trade and other receivables	355,143	448,171
Current income tax recoverable	0	0
Derivative financial instruments	466	474
Other financial assets	0	0
Cash and cash equivalents	545,580	398,759
	909,908	855,949
Total assets	5,630,080	5,588,516

Thousand Euros	Jun 2022	Dec 2021
EQUITY		
Shareholders' equity		
Share capital	667,191	667,191
Own shares	-10,728	-10,728
Share premium	116,809	116,809
Reserves	369,397	311,988
Retained earnings	232,761	232,978
Other changes in equity	-5,561	-5,561
Net profit for the period	45,854	97,153
Total equity	1,415,724	1,409,830
LIABILITIES		
Non-current liabilities		
Borrowings	1,764,758	2,390,852
Liability for retirement benefits and others	78,923	94,109
Derivative financial instruments	46,325	23,112
Provisions	9,399	8,872
Trade and other payables	752,065	507,606
Deferred tax liabilities	107,458	107,569
	2,758,927	3,132,120
Current liabilities		
Borrowings	831,021	375,221
Provisions	0	0
Trade and other payables	598,095	644,701
Income tax payable	26,313	26,644
	1,455,429	1,046,566
Total liabilities	4,214,356	4,178,686
Total equity and liabilities	5,630,080	5,588,516

CONSOLIDATED FINANCIAL STATEMENTS

Profit and loss

Thousand Euros	Jun 2022	Jun 2021
Sales	60	45
Services rendered	283,091	273,672
Revenue from construction of concession assets	75,915	76,536
Gains / (losses) from associates and joint ventures	5,109	3,095
Other operating income	14,692	15,426
Operating income	378,866	368,774
Cost of goods sold	-402	-473
Costs with construction of concession assets	-65,723	-66,522
External supplies and services	-34,659	-35,097
Personnel costs	-29,279	-28,606
Depreciation and amortizations	-124,227	-120,229
Provisions	-526	0
Impairments	-189	-189
Other expenses	-9,246	-9,880
Operating costs	-264,251	-260,996
Operating results	114,615	107,778
Financial costs	-27,977	-26,690
Financial income	4,273	1,556
Investment income - dividends	8,165	6,947
Financial results	-15,540	-18,186
Profit before income tax and ESEC	99,076	89,592
Income tax expense	-25,203	-22,982
Energy sector extraordinary contribution (ESEC)	-28,018	-27,070
Consolidated profit for the period	45,854	39,539
Attributable to:		
Equity holders of the Company	45,854	39,539
Non-controlled interest	0	0
Consolidated profit for the period	45,854	39,539
Earnings per share (expressed in euro per share)	0.07	0.06

CONSOLIDATED FINANCIAL STATEMENTS

Cash flow

Thousand Euros	Jun 2022	Jun 2021
Cash flow from operating activities:		
Cash receipts from customers	1,763,707	1,148,765 a)
Cash paid to suppliers	-1,235,390	-724,190 a)
Cash paid to employees	-38,152	-38,824
Income tax received/paid	-27,092	2,527
Other receipts / (payments) relating to operating activities	-47,436	7,709
Net cash flows from operating activities (1)	415,637	395,987
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	71,804	19,100
Interests and other similar income	0	0
Dividends	7,931	4,668
Payments related to:		
Other financial assets	0	0
Financial investments	0	0
Equity instruments through other comprehensive income	0	0
Property, plant and equipment	-5,354	-167
Intangible assets	-102,011	-80,757
Net cash flow used in investing activities (2)	-27,630	-57,155
Cash flow from financing activities:		
Receipts related to:		
Borrowings	695,000	1,335,000
Capital and supplementary obligations	0	0
Interests and other similar income	0	0
Payments related to:		
Borrowings	-799,173	-1,278,051
Interests and other similar expense	-33,861	-33,684
Leasings	-1,075	-989
Interests of Leasings	-12	-13
Dividends	-102,150	-113,426
Net cash from / (used in) financing activities (3)	-241,269	-91,163
Net (decrease) / increase in cash and cash equivalents (1)+(2)+(3)	146,738	247,669
Effect of exchange rates	84	13
Cash and cash equivalents at the beginning of the year	398,759	61,169
Changes in the perimeter	0	0
Cash and cash equivalents at the end of the period	545,580	308,852
Detail of cash and cash equivalents		
Cash	23	23
Bank overdrafts	0	-52
Bank deposits	545,557	308,881
	545,580	308,852

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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