Good afternoon, everyone. Thank you for joining us. You know how this goes. I have Rodrigo Costa, the CEO; Gonçalo Soares, the CFO; and João Conceição, COO ready to answer your questions, after Rodrigo provides his introductory speech and then Gonçalo goes through the presentation. And as usual, we're open to the questions you may have. Rodrigo?

Rodrigo Costa

Thank you, Ana. Good afternoon all. Here, we have to talk about our results and of course, a few more things that came up to date. We had a regular quarter and no major news to report, being the numbers expected by most of you. EBITDA was slightly lower than last year, which was expected given the lower returns and lower RAB. Financial costs and net debt were lower than last year and probably a little better than most of you were expecting. The activity of the company is still being affected by the COVID situation, not so much CapEx, but particularly transfers to RAB that were higher than in the first half of 2020, but still lower than normal. And in the coming months, we will recover most of the delays. That's our expectation. We successfully issued our first premium bond and that was welcomed by the market. Following April's General Shareholder Meeting, we announced at the Capital Markets Day our strategic actions, including our ESG commitments. As most of the energy companies, we are embracing the energy transition mission where we see ourselves as a very important catalyst and in Portugal, that's the case.

Actually, in what concerns the efforts towards the greener world, we already signed 14 bilateral agreements to connect new solar plants to the grid with a total installed capacity of 3.5 gigawatts. Also, as announced at the Capital Markets Day, we are committed to cut 50% of our emissions until 2030 and become carbon neutral by 2040. Service quality is at stable levels in both electricity and gas, and where our interruption times are basically none. These numbers happened at the time when 68% of consumption was served by renewable energies, which represents a daily challenge, but we believe REN will continue to overcome. I take this opportunity to tell you that we have updated the investor app introduced in 2016. It gives you information about the market performance, the financial data and other relevant information. I would encourage you to check it out and tell us what you think. We also launched REN's Data Hub, a platform that aggregates and makes available in a live format, quantitative data at the national -- on the national energy sector. The information is made available in open data and the site allows for a greater segmentation, such as the breakdown of production by primary source and the inputs and outputs of transmission networks. For the ones who need to have more concrete vision of our detailed data, it's also a great new source
of information. Well, I'm sure you have questions about the technical challenges that we faced last week as well about our new investor. I would leave that to later. And now I would ask Gonçalo to take the lead.

Gonçalo Morais Soares
Thank you, Rodrigo. Hi, everybody. So we can go straight to Slide #4 with the key messages. So the EBITDA was EUR 227.9 million, a drop close to 4%. And as what Rodrigo was saying before, it was basically expected by us, and this is resulting from the reduction in remuneration, both from a decrease in the asset base and in the rate of return, which we already knew was going to happen. There is also a little bit more pressure in terms of costs that are going too. And on the international business, we already -- we're expecting a small reduction versus last year. And so that's still materializing. It's a small decrease in terms of the group, but it's still a small decrease. In terms of net profit close to EUR 40 million, and this is on the back of good financial results that keep improving, and also a slightly lower energy levy that we already had in the first quarter. CapEx is growing. And again, I'll go into a little bit more of that, it is giving good signals and positive signals to a strong full year performance in terms of CapEx and transfers throughout. And as Rodrigo said, in terms of renewables, we had a very good success with more than 68% being supplied by renewable in terms of consumption and quality of service (inaudible). And the green bond issue and the Capital Markets Day were done in this quarter, but it has been -- so much has happened since then, that it seems that it was done a long time ago, but it was still done in this quarter. I'm going now to pass to João Conceição. Let's give you -- who will give you some highlights on the operating side. João?

João Faria Conceição
Thanks, Gonçalo. Good afternoon to you all. Now jumping into Slide #5, you have an overall picture of what happened in -- issues that link directly to us. And all of them, they are basically a reflection of the energy transition process that's going on in Portugal. Besides the point that Rodrigo mentioned in his introduction where we signed the first 14 direct agreements with solar generators, which will bring in the next 5 to 6 years 3.5 gigawatts of new capacity, we had the public consultation launched by the regulator for the new regulatory period. Basically, a couple of issues that were expected, like the extension to 4 years regulatory period and as well as a move forward in terms of the regulation as the regulator is proposing a change into the TOTEX model regulation. Basically, this is something new, which we don't know yet so much detail about the parameters or the formulas, but only about the guidelines. Having said that, the justification and it's -- that this model will bring a more flexible possiblity to the operators to operate this energy transition move. Additionally, in terms of the investment plans, we got the public consultation on the investment plans for the transmission activity in both electricity and natural gas. We -- this has been closed already. We are waiting for the opinion from the regulator. In the meantime, we got the public opinion of the regulator regarding the gas distribution network development plans, the ones that were in public consultation last year. And basically, the big message is that the regulator considers that the investments proposed by the different distribution networks, including our Portgás network does not impact tariff increase, which implicitly signals a good news for the later approval of these plans by the government. There were some actions regarding the capacity of send-out of the terminal, as well as electricity auctions for supplying energy to the Last Resource Supplier, which did not bring any news -- specific news, but confirmed this energy transition move.

Jumping into Slide #7, you have the major indicators on the operational perspective. In terms of consumption, we clearly see an increase of consumption, both for the electricity and natural gas. 3.2% on the electricity side, 5% on natural gas side. Still, these are levels slightly below what we were used to by 2019. So you clearly see a reflection on the increase of consumption after the decrease due to the COVID-19 impact, but we are still not at the levels that we were before this pandemic lockdown and additional effects. In terms of quality of service, as it was already mentioned, we kept high -- very high level of quality of service. And last Saturday, we had an incident in the Iberian grid, which luckily was solved with some cuts on some specific consumers. But the most important message, it was avoided, an overall blackout in the whole system. And with that, I move back to Gonçalo.
Gonçalo Morais Soares

The next slide is basically the main indicators in terms of financial highlights. I think I will skip that and move to Slide #9 directly. So what we see here is the basic components of EBITDA evolution, so it's coming down around 4%, very close to what was trending on the first quarter. It was coming down around 3.8%. And it's basically these 3 items: so it's basically RAB remuneration, the OpEx contribution and then the International segment. In terms of segments, you basically see that electricity is gaining a little bit of ground in gases, decreasing slightly, but I'd say there's no major change.

Slide #10 and moving to RAB remuneration and see the evolution of the rates. The same comments of the first quarter applies, so we see some trend of stability now in the last few years. In the last few months, we saw a little bit of change, but more stability. The rates are basically at the floor. They are not -- we are -- here the numbers are rounded, but it's basically 4.52 in one case and 4.51 in the other. So for 4.52 in gas and 4.51,basically at the floor. And they are only slightly below what they were last year. In terms of CapEx evolution. And here, I want to add sound a little bit more positive, last quarter it was still early on. And although you don't see -- you see good evolution versus last year, but it's still early. But what we are getting is positive signs from (inaudible), things are going well. We still have a little bit of delays in one or another project, but we do feel confident that we are going to deliver strong CapEx numbers. We are going to deliver strong transfers round number this year. We know that we were compensating also for other things that were coming from last year. But I think that this is clearly in line with what we said and perhaps even a little bit ahead of what we said. So it all depends on the weather and how we are able to construct in the final months of the year. But everything seems to be going pretty well. It's still very difficult. I'm not saying this because it's easy to do, it's still very difficult, but it seems that if we -- everything is going in the right direction in terms of transfers to RAB and in terms of gas distribution, which then translates to now in terms of evolution of (inaudible) you don't see that yet because transfers throughout are very limited. Last year, we were also very limited. And so you see this trend of decreasing evolution across the board in terms of all of the elements of the asset base. We hope to see this time to invert next quarter already in electricity where we should have some projects already being transferred to the asset base and then consolidating in the last quarter as usual.

In Slide #13 and looking at the return. What we see is the same kind of trend between both electricity and gas transmission. So we see a pressure and the decrease in terms of the asset base. And we also see a little bit of decrease coming from the rate of return, which is, I'd say, lower in terms of asset base and gas distribution that has been maintained in the asset base (inaudible). In terms of OpEx. And in this quarter, we still continue to see a little bit of pressure with some costs. Versus last quarter, what we saw and as we have said that the (inaudible) OpEx would stabilize, which it has, so it's basically stabilized versus last year, which was what we expected. There are some, I'd say, nonrecurring costs that we have in this quarter relating to the business plan and that are not going to be repeated. There's a couple of other costs that are higher even more - [not structural] but normal way. One is insurance cost, it already was coming from last quarter, it continues. It's a trend in the market. So I'd say most of the companies are reporting higher insurance costs. We also have that issue. And in our case, there's also higher electricity costs in the each terminal and like the other part of our installations of our buildings, electricity is driven by wholesale price, which is something that's allowed because there's a very high concentration of consumption there. But this year, as you know, also wholesale prices have been higher. And so the cost of electricity there is also a little bit higher than we have anticipated and I think everybody had anticipated. And I still think that in terms of evolution, this is going to be better in the next few quarters. So we were expecting costs to increase a little bit this year, but I think we will probably see things improve a little bit as until the end of the year in terms of evolution of the core OpEx. In terms of the international business and in Chile, starting to say that politically, we think that the news has come about in the last month was mostly positive. It seems that the candidates going to election are broadly more in the center rather than the extremist part of spectrum, which is good. And that's more structural way, in terms of the company. So Transemel transition is basically done. We are wrapping up a few things. In the next couple of months, that will be done. And -- but there is, I'd say, more than
anticipated delays in terms of construction due to COVID. It's something that also happened to us last year, it's happening there. And that has a little bit of impact. Since these are very small operations with very small numbers, a little bit of 6 months to running the construction, sometimes with a bit more pressure. But I'd say it's nothing structurally moving forward in terms of delay we're receiving. It's just an (inaudible) because we'll still receive the money, but we'll start receiving a little bit later. In terms of Electrogas, there is a decrease versus last year, similar to first quarter. We already knew because we have one specific contract that was ending this year. We knew that this was happening. There are other contracts, smaller ones that are going to start this year and other the next year that will compensate for this. But this year, we'll see a little bit more of pressure in Electrogas. But I'd say, again, in terms of operations, everything is kind of stable. And at the end of the day, the international part is still a very small part of the overall picture of the company. Moving to the financial costs and taxes and low EBITDA. So in terms of financial results, we still continue to see a small improvement in terms of cost of debt. So it's around 1.6% now. We do not anticipate this to get better. And as I already said, we thought that this should probably be here a little bit above but around this number until the end of the year. So this is what we are anticipating. In terms of net debt, I'll comment in a little while how we see that evolution. In terms of taxes and the extraordinary tax comes from the first quarter, you've already seen the numbers. There are absolutely no news -- or no new news about this. So there's no elements that we have that we can tell you that change relating to the special avenue. So we are still expecting this number for this year, okay? In terms of effective tax rate, it's a little bit better than anticipating because we are recuperating some old taxes from previous years. But since we said this is at a level lower than last year. So last year by now, we have an effective tax rate around 23%, a little bit below that. We are now close to 26%. What you should expect as a normal tax rate is around 28%. So this gives you an idea of where we are, but I'd say that this again was kind of in line with what we expected.

So in Slide #17, it's just a consolidation in terms of net profit. Nothing much to have. And we do believe that this -- again, this trend will [invert] a little bit until the end of the year.

Looking at Slide #18, and talking about net debt. What you see here is net debt going down by around EUR 200 million. And this is even a little bit higher than we had in the first quarter. What you see is that it's basically being driven down by the evolution of tariff deviations. And this evolution is even slightly more negative now than it was in the first quarter. This is mainly driven by slightly higher negative deviations in gas. As explained in the first quarter, it's derived from an option that we have of capacity in the terminal. And this is something that we will, I'd say, around October feel a positive impact in terms of negative deviations. And then, it should start to be compensated backwards and will have to become then -- come down. Looking forward and until the end of the year, I would say that this tariff deviation variation should be smaller in terms of negative trends. The CapEx number is going to increase quite a bit. So I would expect that the -- although we do expect net debt to come down, I don't know if it's -- I'd say, like 50, 75, something, it should come down at the end of the year clearly. And I'm probably being slightly conservative. It's not going to be coming down to EUR 100 million, as I'd say. And we are going to be spending more CapEx and so we will slowly decrease these areas, okay? But we should have, I'd say, still a material decrease in terms of net debt in the end of the year. So I think this cover is basically most of the points in terms of financial costs that we have. And we can go to Q&A, and I think we can address some of the other questions you have, okay? Thank you.
Q&A

Jorge Guimarães JB Capital Markets, Sociedade de Valores, S.A., Research Division - MD & Analyst
Since I'll be the first one asking the questions, I'll take the opportunity to ask, what is your view about the changing of today in shareholder structure. And if you expect any different approach of the new shareholder in the management of the company, and if you are expecting to name a Board seat? That would be the first one. And the second one is related to the problems in the network in the grid last Saturday. Do you expect that to -- based on this, you could ask the government for more investments or -- because -- this [scare] as far as I understood in Portugal, was not so relevant. So -- but even so -- do you plan -- do you believe that this could be a good opportunity to try to get more investment -- allow the revenues and the investment from the government?

Rodrigo Costa REN - Redes Energéticas Nacionais, SGPS, S.A. - Chairman & CEO
Well, we were on mute. I start again. I'll take -- I'll start with the questions and then I'll move to João. On the shareholder structure, we just announced the transaction. It was communicated this morning to us. We have a positive view on the transaction. It's a good shareholder. They have a fantastic reputation. They care about a lot of the same things we also do. They are here for the long term. That's their philosophy of investment. That's exactly what they announced when they did investment with Dynagas, with -- yesterday with Red Eléctrica, and it's going to be -- it's the same with us. And we -- good expectation, I think it's a shareholder that any public traded company would like to have. We like to believe they invested with us because they trust the company and the management of the company. And we will see. We will go from there. I think they are very welcome as a shareholder. And the Board discussions didn't start yet, but it's a relevant shareholder. I am sure they will be welcome to the Board if that's their desire. We will see. But we see everything being positive. And it's great that we are able to attract such quality investors to our company and to our country. This is not just about REN, it's also about Portugal. On the second one, João will provide more detail, but I cannot resist that when we have these type of situations, and we are able to solve them because we are able to solve them with the current capacity and engineering that we have. It's not the right moment to ask for extra investments. That's not how we look to this type of situations. But João can describe a little bit more.

João Faria Conceição REN - Redes Energéticas Nacionais, SGPS, S.A. - COO & Executive Director
Yes, so complementing what Rodrigo said, I think that this incident came to demonstrate that security of supply is not 100% guaranteed even in the most developed electrical systems, like the one in Spain or in Portugal. Having said that, we are not going to change our investment plans. We always do our investment plans based on what we believe are the needs for the system in terms of security of supply, in terms of market development, renewables integration, digitalization and so on. And the only thing we find this useful is that people and the most relevant stakeholders, now they may understand that when we say there is a need for investment x or investment y, we are not just overloading of CapEx, but we are saying what we believe are the actual needs of the system.

Yes. So I got one question on CapEx. And it is if you can provide an update on your investment related to hydrogen and in general on the hydrogen opportunity?

João Faria Conceição REN - Redes Energéticas Nacionais, SGPS, S.A. - COO & Executive Director
Well, thanks for the question. In terms of hydrogen, we keep to what we presented last March in terms of investment plans -- when we present our investment plans to the regulator. Basically, what we foresee is an overall investment around EUR 40 million on the immediate upgrades that we are required in terms of the backbone as well as the underground storage to come with the goal that Portugal has established to incorporate 5% by 2025 and 10% to 15% by 2030. So this is the goal we have
now. Of course, we keep evaluating what's going to happen on the medium term. And when we speak medium term, we speak on the second half of this decade where we obviously will analyze if we should go upwards in terms of investments to develop the hydrogen incorporation in the energy mix.

António Seladas A|S Independent Research – Analyst

Actually, just one question. If you can explain a little bit better or if you can provide -- share with us the OpEx approach by the regulator, what it could mean in terms of the remuneration of the assets? Basically, if you can provide more information about it. And what it can mean in terms of assets, more assets to be remunerated or not?

João Faria Conceição REN - Redes Energéticas Nacionais, SGPS, S.A. - COO & Executive Director

Well, thanks for the question. We cannot provide a very detailed information because what we know so far are the general guidelines that the regulator put into public consultation. There is much still to be defined from the regulator. We are interacting with them on a regular basis. We are having several meetings planned in order to detail this moving from CapEx to -- in OpEx to TOTEX. But basically, what we can say right now is that in a nutshell, what they plan is to merge these 2 worlds, the regulatory treatment of the CapEx and the regulatory treatment of the OpEx in one single regulated revenues with some variables, with some trends for the future and so on. Why? Because they say that in a model that -- or in the sector that is becoming more and more complex with different issues in terms of choices on the type of CapEx that you should do, in the time that you should do this CapEx, if you should pay more attention to the OpEx side, they believe from the regulator side that it's time for -- to give some flexibility to the operators so that they can choose the best way to optimize the network. And of course, to optimize the costs and the revenues. One other point that is being -- that has been told to us, which we believe to be positive, is that the regulator plans to do this as a symmetric model between us, the regulated companies and consumers. So there is not an issue here if there is something good, all the upside goes to one part or the other, but they want to have a symmetrical rules. So that the good news are shared symmetrically. And if something goes less good, it is also shared symmetrically between the 2 parts; the regulated companies and the consumers.

António Seladas A|S Independent Research – Analyst

Okay. So -- but if I understood well, it means that your assets, your regulated assets, if the regulator has to move to the TOTEX [tautology,] it means that the assets will increase. I'm saying right? Yes or not? Yes. I'm saying right...

João Faria Conceição REN - Redes Energéticas Nacionais, SGPS, S.A. - COO & Executive Director

Yes, you are. I mean they are not so -- you are right. Sorry to interrupt you. The regulator does not plan to do a (inaudible) of what is our regulated asset base, the historical RAB. The incentives that we got so far. And they don't want also to forget that the RAB is going to evolve following the investment plans that are being proposed. So yes, the RAB will evolve with the normal investments that we are foreseeing to do in the next 4 years period. I don't know if I answered your question.

António Seladas A|S Independent Research – Analyst

But besides that, the OpEx will be also added to the asset base or not?

João Faria Conceição REN - Redes Energéticas Nacionais, SGPS, S.A. - COO & Executive Director

Yes. Of course, I mean, they are not also to forget the OpEx. But overall, this is as much as we know. As I mentioned, what we know so far are the general guidelines. There is much to be detailed in the parameters, in the formulas and so on. The most important message that we got from the regulator, and I think it answers a little bit your question, is that everyone is
interested in maintaining the stability of economic models that the regulated companies are under, as well as the stability on the tariff side.

Rodrigo Costa REN - Redes Energéticas Nacionais, SGPS, S.A. - Chairman & CEO
Well, just to finish the call. I think we end up this first semester with this big change in terms of ownership, which I think is positive, not just in the sense that the new investor is good, but also a shareholder that was very important for us for a long time. But once they took the decision of divesting, I think it was good to reach a conclusion. And now things are moving on with usual stability. We also are looking to the months ahead, well, with the same confidence in terms of both in technical terms, finance terms. We feel good about just everything. We have a big effort going on in terms of the energy transition. We mentioned that a couple of times, Gonçalo went through that and João also. When we talk about the hydrogen, when we talk about solar, there's a lot of projects. There's a lot of pressure to speed up things. Of course, we have to rely on suppliers, some of them international suppliers. There is demand everywhere. But it's a good problem to manage. It is now a question of making sure we have the capacity to develop the projects, and we have the capacity to deliver also the construction, which I'm sure we will. And I think this -- all in all, we are quite positive regarding the coming months. And the only thing that we really do not control is the COVID situation that it's -- it got better. It got worse. Now it's getting better again. Yesterday, we had a lot of communication from the government with the new rules. We also have a good internal sample because we have people spread all over the country. And we know what's going on, and we feel that things are getting under control again. And that's very, very important for all of us. And this is it. Well, I wish you all good break if that's the case, and we'll keep in touch.

Ana Fernandes REN - Redes Energéticas Nacionais, SGPS, S.A. - Head of IR
Thank you, guys. See you soon. Bye.