INDUSTRY-LEADING ENERGY INFRASTRUCTURE OPERATOR IN PORTUGAL WITH STABLE SHAREHOLDER BASE AND BEST-IN-CLASS GOVERNANCE

AMBITIOUS SUSTAINABILITY STRATEGY AND PRIORITIES FOCUSED ON ENABLING PORTUGAL’S ENERGY TRANSITION AND RENEWABLES INTEGRATION

A GREEN FINANCE FRAMEWORK IN LINE WITH LATEST STANDARDS AND BEST MARKET PRACTICE AIMED AT LINKING REN’S FUNDING AND SUSTAINABILITY STRATEGY
70-year track record as a leading energy infrastructure operator in Portugal

- **1947**: Foundation of CNE (National Electricity Company)
- **1994**: Foundation of REN – Rede Eléctrica Nacional, S.A. (EDP’s business unit spin-off)
- **2000**: Portuguese State acquired a 70% stake
- **2006**: Portuguese State acquired a 70% stake
- **2007**: 1st reprivatization phase (IPO)
- **2012**: Acquisition of natural gas transmission assets from Galp
- **2014**: Acquisition of a NG distribution company in Portugal
- **2017**: 2nd reprivatization phase concluded (sale of Portuguese State’s 11% stake)
- **2019**: Acquisition of Transemel, an electricity transmission company located in Chile

**Key Events:**
- 2012: Acquisition of 42.5% of Electrogas in Chile
- 2014: Acquisition of a NG distribution company in Portugal
- 2017: €250M capital increase
## REN at a glance

### Corporate
- Employees: 684
- Training hours: 29,858
- Trees planted: 74,856

### Electricity
- Transported energy: 43.0 TWh
- Consumption: 50.3 TWh
- Interruption time: 0.72 min

### Natural Gas
- Transported energy: 71.1 TWh
- Consumption: 67.9 TWh
- LNG Terminal: 91%

### Financial
- Net income: 118.9 M€
- Investment: 188.6 M€
- Average RAB: 3,753.3 M€
The **sole electricity Transmission System Operator (TSO)**

- **Sole** TSO (concession until 2057)
- Transmission of high voltage electricity and overall technical management of the system

**Regulated Activities**

- **Generation**
- **Transmission**
- **Distribution**
- **Supply**

**Electricity Transmission Grid**

- 400kV line
- 220kV line
- 150kV line
- Offshore line
- National Dispatch I
- National Dispatch II

**RAB (€M, 9M20)**

- 2.016

**Network (Km, 9M20)**

- 9.002
The **sole natural gas TSO** and the holder of the **second-largest natural gas distribution**

**Natural Gas**

- **Sole TSO (concession until 2046)**
- **Transportation of high-pressure natural gas and overall technical management of the system**
- **Reception, storage and regasification of LNG and underground storage of natural gas**
- **In 2017, REN acquired the second-largest gas distribution network**

<table>
<thead>
<tr>
<th>Regulated Activities</th>
<th>Import</th>
<th>Supply</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REN</strong> Transmission, Storage and LNG Terminal</td>
<td>RAB (€M, 9M20)</td>
<td>948</td>
</tr>
<tr>
<td><strong>REN</strong> (1 of 11 concessions)</td>
<td>Network (Km, 9M20)</td>
<td>470</td>
</tr>
</tbody>
</table>

**Natural Gas Transmission Grid**

- Infrastructures in operation
- **RNTGN – In project**
- GRMS
- Block Valve Station (BV)
- National Dispatch
- National Dispatch II
- Underground Storage
- LNG Terminal
- Interconnection Point
Amongst the most efficient TSOs with superior service quality
(according to industry-wide benchmarks)

**Electricity**

**Line costs**
Adjusted cost per equivalent circuit km

![Graph showing line costs comparison]

**Line service level**
Service level per 1,000 circuit km

![Graph showing line service level comparison]

**Natural Gas**

**Pipeline costs**
Opex/complexity factor

![Graph showing pipeline costs comparison]

**LNG terminal costs**
LNG terminal total costs/complexity factor

![Graph showing LNG terminal costs comparison]

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Best-in-class efficiency and service quality in electricity overhead lines operation

Superior efficiency in operating pipelines and REN’s LNG Terminal

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SCAN: Scandinavia; EUR: Europe; ASP: Asia and South Pacific; NSA: North and South America
1. ITOMS 2017 - International Transmission Operations & Maintenance Study
2. Gas Transmission Benchmarking Initiative 2019; total company spending
3. LNG Receiving Terminals Benchmarking 2019; total terminal costs
Stable shareholder base and best-in-class corporate governance

Shareholder structure

- 41.4% Other investors
- 25.0% State Grid Corporation of China
- 12.0% Non-Independent Members (representing State Grid, Oman Oil and Fidelidade)
- 7.0% Lazard
- 5.0% Fidelidade
- 5.3% Ren
- 3.7% Ren
- 0.6% Ren

Board composition

- Executive Committee: 3 members
- Independent Members: 5 members (3 from the audit committee)
- Non-Independent Members: 5 members (representing State Grid, Oman Oil and Fidelidade)

Special committees and supervisory bodies

- Remuneration (External members)
- Corporate governance
- Nomination and Appraisal
- Audit Committee
- Statutory Auditor

* Updated information based on the communication received by the Company, with reference to 31st December 2018
** Updated information based on the communication received by the Company, with reference to January 2020
*** Updated information based on the communication received by the Company, with reference to August 2020
Stable credit profile with investment grade credit metrics

**REN’s credit profile**

Gross debt maturity profile (€M)

<table>
<thead>
<tr>
<th>Year</th>
<th>Gross Debt Maturity (€M)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>310</td>
</tr>
<tr>
<td>2021</td>
<td>198</td>
</tr>
<tr>
<td>2022</td>
<td>107</td>
</tr>
<tr>
<td>2023</td>
<td>627</td>
</tr>
<tr>
<td>2024</td>
<td>354</td>
</tr>
<tr>
<td>&gt;2024</td>
<td>1,159</td>
</tr>
</tbody>
</table>

**Gross debt funding sources**

- Commercial paper: 61
- Bonds: 14
- Banks: 18
- EIB: 7

**Overall maturity**: 3.66 years

**Maturity ex-CP**: 3.84 years

**Liquidity**: 2.75 years

REN’s goal is to maintain its liquidity over two years.

**REN’s credit rating**

- **Fitch Ratings** (June 2020): BBB, Negative outlook
- **Moody’s** (June 2020): Baa3, Stable outlook
- **Standard & Poor’s** (October 2020): BBB, Stable outlook

The three major rating agencies have been reaffirming REN’s rating as investment grade after the announcement of Transemel acquisition.

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1. Fixed/variable rate debt: 59%/41%; 3. European Investment Bank; 4. Cash and bank deposits and undrawn committed credit facilities that are available to cover all funding needs for at least the following two years.
REN SUSTAINABILITY STORY

Industry-leading energy infrastructure operator in Portugal with stable shareholder base and best-in-class governance.

Ambitious sustainability strategy and priorities focused on enabling Portugal’s energy transition and renewables integration.

A Green Finance Framework in line with latest standards and best market practice aimed at linking REN’s funding and sustainability strategy.
Ambitious European and national targets for 2030 to drive REN’s domestic growth

- **Europe¹**
  - 40% reduction in greenhouse gases emissions
  - 32.5% improvement in energy efficiency
  - 45% to 55% reduction in greenhouse gases emissions
  - 32% of energy from renewables
  - 15% of interconnection capacity
  - 47% of energy from renewables
  - 15% of interconnection capacity
  - 7.8 to 9.3 increase in solar installed capacity (GW)

- **Portugal²**
  - 35% improvement in energy efficiency
  - 8.8 to 9.2 increase in wind installed capacity (GW)

The role of REN in the decarbonization of the energy system

Impact of RES integration and more electrification on TSOs vs system emissions

### TSOs emissions

**RES Integration**
- **Reduction of indirect GHG emissions** due to lower specific emission factor of generation fleet (Scope 2, grid losses)
- **Increase GHG emissions** due to increased need for grid development (Scope 3, asset lifecycle) and increase in power losses due to geographical distance of RES and demand (Scope 2, grid losses)

### Electricity / Energy sector emissions

- **High reduction** of overall electricity sector’s GHG emissions due to lower specific emission factor of generation fleet
- **High reduction of overall energy sector’s GHG emissions** due to the increase decarbonization of electricity generation and more efficient electricity use

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**Reduction of GHG emissions**

**Increase of GHG emissions**
Proven experience on **promoting and integrating renewables**

2016
- ✓ 4 consecutive days 100% renewable

2018
- ✓ Two 70-hour periods 100% renewable
- ✓ Production in March exceeded consumption of mainland Portugal

2019
- ✓ Renewable generation supplied 51% of national electricity consumption
- ✓ Portugal’s auction of solar energy broke a world record, with one of the licenses on offer selling for €14.76/MWh

2020
- ✓ Solar Power in high demand. More than 4k requests of grid connections YTD
- ✓ In line with the National Hydrogen Strategy, REN submitted its plans to deliver an hydrogen-ready network to the EU Innovation Fund

Share of renewables installed capacity 2018*
- Europe 42%
- Spain 48%
- Portugal 69%

Share of renewables in energy consumption 2018*
- Europe 18.0%
- Spain 17.4%
- Portugal 30.3%

Source: Eurostat
*2019 data is yet to be released

As the concession holder for the national energy transmission grid, REN has invested heavily in the introduction of renewable energy into the grid, where its main role is to provide access and capacity for the transmission of renewable energy.
REN as a pillar of the energy transition

- Increased renewables
- Decentralization
- Digitalization
- Flexibility and consumption management
- Interconnections
- New energy mix
- Electrification
- Security of supply
- Development of broader solutions for System Management in a context of decentralized production and emergence of prosumers
- Operational efficiency
- Development of infrastructure to integrate additional renewable capacity
- Response to the country’s energy needs
- Energy transition
- REN as a pillar of the energy transition
Transitioning from natural gas: The National Strategy for Hydrogen brings sustainable opportunities for REN

Hydrogen may have a central role in the energy and climate agenda, facilitating the transition to a decarbonized economy, aligned with PNEC’s targets

National Hydrogen Strategy (ENH2)

Production
- Origin guarantees system
- Regulate H2 injection
- Financial support and R&D

Consumption
- Set targets
- Financial support and R&D

Exports
- Infrastructures reinforcement
- Consolidate strategic partnerships

National hydrogen targets for 2030

- 5% in final energy consumption
- 5% in road transport consumption
- 5% in industrial consumption
- 15% injection in natural gas networks
- 50-100 fueling stations
- 2 GW electrolyser capacity installed
- 7 000M€ investment in hydrogen production projects
- 300-600M€ reduction in natural gas imports
- 900M€ support to investment and production

Project for clean hydrogen production in Sines, sponsored by the government

1. Document approved in Council of Ministers; Public consultation ended in July 6, currently under analysis; The National Hydrogen Strategy are aligned with the European strategy – in July 8 the European Commission published the EU Hydrogen Strategy and launched the Hydrogen Alliance
Social and Environmental engagement is at the core of REN’s Sustainability strategy.
REN’s Sustainability Strategy contributes **UN Sustainable Development Goals**

### Promote internal wellbeing
- **Gender Equality** | In 2019, REN had 27% of women in 1st and 2nd line management positions
- **Training** | In 2019, REN gave to its employees a total of 29,858 hours of training which comprises around 43.46 hours per employee

### Promote environmental protection
- **“Heroes of all species”** | Educational program on biodiversity for 3rd and 4th grade students
- **Reforestation program** | Reforestation of right of way passages with native species
- **REN’s Chair in Biodiversity** | Together with the Science and Technology Foundation and the University of Porto

### Contribute to the community
- **REN Award** | Award to the best Master and Doctoral theses in energy in Portugal
- **AGIR Award** | Support projects which solve social problems
- **MEDEA Project** | National high school contest in the area of electromagnetic fields
- **SHARE Program** | REN corporate volunteer program

### Governance and ethics
- **United Nations Global Compact** | Founding member. REN adopted the 10 principles related to human rights, labour practices, environmental protection and anti-corruption
- **CEO Guide to Human Rights BCSD Portugal** | Agreement in defense of human rights and improving people’s living conditions

- **More than 1m indigenous trees planted since 2010**
- **27% of women in management positions**
- **24% of employees engaged in corporate volunteering**

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**REN’s Sustainability Strategy contributes to the UN Sustainable Development Goals**
Strong risk management system to **minimize the environmental and social impact**

**Tools to ensure minimization of environmental and social impacts associated with REN’s business**

- **Environmental Assessment**
  - Strategic Environmental Assessment
    - Assessment of projects’ environmental consequences prior to adoption
  - Project assessment
    - Environmental Impact Assessment (EIA)
  - Conservation projects
    - Awareness-raising and responsibility action
  - Anti-collision devices for birds
    - Installing effective devices to protect birdlife
  - Promotion of renewables
    - Providing access and capacity for the transmission of renewables
  - Reduction of emissions
    - Programs to control and reduce GHG emissions

- **Minimization measures**
  - Monitoring and environmental compensation actions
  - Compensation actions regarding loss of biodiversity

- **Biodiversity and Ecosystem**
  - REN Chair in Biodiversity
    - Partnership with FTC and UP
  - Business and Biodiversity Initiative (B&B)
    - Protecting areas of the Rede Natura 2000
  - Anti-collision devices for birds
    - Installing effective devices to protect birdlife
  - Ren Group Code of Conduct & Principles
    - Following the 10 Principles of UN Global Compact

- **Local Communities and Suppliers**
  - Owners of land and easements
    - Sustained and regular communication with landowners
  - Relationship with local authorities
    - Meetings with local authorities during the project planning
  - Supplier Code of Conduct
    - Strict rules for suppliers aimed at sustainable development

- **Prevention of Climate Change**
  - Promotion of renewables
    - Providing access and capacity for the transmission of renewables
  - Reduction of emissions
    - Programs to control and reduce GHG emissions
  - REN – Corridor Forestation Programme
    - Actions to protect the Portuguese Forest
**Sustainability signatories and external recognition**

<table>
<thead>
<tr>
<th>MSCI ESG Rating</th>
<th>ISS ESG Rating</th>
<th>Sustainalytics</th>
<th>CDP Score</th>
</tr>
</thead>
</table>

- **MSCI ESG Rating** measures the company's resilience to long-term ESG risks, using an industry-relative AAA-CCC scale.
- On **Corporate Governance**, REN falls into the highest scoring range relative to global peers.
- On **Biodiversity & Land Use**, REN demonstrated strong efforts to mitigate adverse environmental impact of operations relative to peers.

- The assessment of a company’s sustainability performance is based on specific criteria for each industry using a scale rating from D- to A+.
- Amongst the 46 industry companies analyzed, the industry-leader has a score of B+ while REN’s B score is immediately below.
- Sustainalytics assesses companies performance based on its Risk Rating Methodology, using a scale that goes from Negligible to Severe Risk (5 levels).
- REN is rated 20 out of 198 in the Electric Utilities sub-industry.
- The company’s management score has increased significantly in the past year, and its management category has improved.
- The Carbon Disclosure Project scores the companies according to its environmental impact, using a scale rating from D- to A.
- REN’s C score is in the Awareness band. This is the same score as the Europe regional average, and the same as the Energy utility networks sector average.

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

Industry-leading energy infrastructure operator in Portugal with stable shareholder base and best-in-class governance

Ambitious sustainability strategy and priorities focused on enabling Portugal’s energy transition and renewables integration

A Green Finance Framework in line with latest standards and best market practice aimed at linking REN's funding and sustainability strategy
Rationale for **Green Financing**

- In light of our long journey towards sustainable development, we have decided to align our funding and sustainability strategy.
Overview of **Green Finance Framework and alignment with standard**

### Standards & best practice

**Our Green Finance Framework:**
- Is a broad document aimed to showcase our sustainability ambition of providing access and capacity for renewables in the transmission grid.
- In line with the ICMA GBP & LMA GLP.
- Follows the EU Taxonomy recommendation.
- Takes into account CBI Standards.
- Will be updated to reflect emerging market practice, such as the EU Green Bond Standards.

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### REN Green Finance Framework: description of the Pillars

<table>
<thead>
<tr>
<th></th>
<th>Use of proceeds</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td><strong>Renewable Energy:</strong> Connecting and integrating renewables.</td>
</tr>
<tr>
<td></td>
<td><strong>Additional categories:</strong> Energy Efficiency, Green Buildings, Clean Transportation.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Project evaluation and selection</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td><strong>Carried out by REN’s Green Finance Working Group (“GFWG”)</strong></td>
</tr>
<tr>
<td></td>
<td><strong>Based on Eligibility Criteria and Do No Significant Harm (“DNSH”)</strong> assessment</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Management of proceeds</th>
</tr>
</thead>
<tbody>
<tr>
<td>3</td>
<td><strong>In accordance with the portfolio approach</strong></td>
</tr>
<tr>
<td></td>
<td><strong>Eligible Green Asset Portfolio as of September 2020 equal to €2.4bn</strong> (Renewable Energy category only)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Reporting</th>
</tr>
</thead>
<tbody>
<tr>
<td>4</td>
<td><strong>Allocation and impact reporting until full allocation of Green Debt Instrument proceeds</strong></td>
</tr>
<tr>
<td></td>
<td><strong>Impact reporting in line with the Harmonized Framework for Impact Reporting (April 2020)</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>External Review</th>
</tr>
</thead>
<tbody>
<tr>
<td>5</td>
<td><strong>Pre-issuance: SPO by ISS-ESG</strong></td>
</tr>
<tr>
<td></td>
<td><strong>Post-issuance: Limited assurance on the Allocation Report</strong></td>
</tr>
</tbody>
</table>

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**REN can issue Green Finance Instruments aimed at (re)financing assets with positive environmental impact.**
1. Use of proceeds – List of Green Eligible Categories

<table>
<thead>
<tr>
<th>ICMA GBP / GLP Category</th>
<th>Description Eligible Assets: Eligibility Criteria</th>
<th>Eligibility to Green Finance</th>
<th>Contribution to UN SDGs</th>
<th>Contribution to EU Environmental Objective (3)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Renewable Energy</td>
<td>• Electricity grid assets <strong>built for the sole purpose of connecting renewable energy to the grid</strong> (including powerlines and related infrastructure such as substations)</td>
<td>100%</td>
<td></td>
<td>• EU Environmental Objective 1: Climate Change Mitigation (Article 10)</td>
</tr>
<tr>
<td></td>
<td>• Electricity grid assets <strong>aimed at integrating and enhancing the transmission capacity for renewable energy</strong> in the Portuguese electricity grid</td>
<td>Apply the renewable power generation capacity ratio in Portugal to the full electricity grid asset value (4)</td>
<td></td>
<td>• Substantial contribution: (1.a) Generating, transmitting, storing, distributing or using renewable energy in line with Directive (EU) 2018/2001, including through using innovative technology with a potential for significant future savings or through necessary reinforcement or extension of the grid</td>
</tr>
<tr>
<td>Energy Efficiency</td>
<td>• Fibre optic cable and network assets</td>
<td>100%</td>
<td></td>
<td>• EU Environmental Objective 1: Climate Change Mitigation (Article 10)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>• Substantial contribution: (1.b) Improving energy efficiency, except for power generation activities as referred to in Article 19(3) and (1.g) Establishing energy infrastructure required for enabling the decarbonization of energy systems</td>
</tr>
<tr>
<td>Green Buildings</td>
<td>New, existing and/ or refurbished office buildings which meet any of the following criteria: • Office buildings belonging to top 15% low carbon buildings, including certified buildings • Refurbished buildings where the refurbishment results in energy savings of at least 30%</td>
<td>100%</td>
<td></td>
<td>• EU Environmental Objective 1: Climate Change Mitigation (Article 10)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>• Substantial contribution: (1. b) Improving energy efficiency, except for power generation activities as referred to in Article 19(3)</td>
</tr>
<tr>
<td>Clean Transportation</td>
<td>• Low-carbon transportation vehicles: fully electrified vehicles within REN’s own fleet</td>
<td>100%</td>
<td></td>
<td>• EU Environmental Objective 1: Climate Change Mitigation (Article 10)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>• Substantial contribution to EU Objective 1: (1.c) Increasing clean or climate-neutral mobility</td>
</tr>
</tbody>
</table>


(4): The renewable power generation capacity ratio is defined as the renewables installed capacity versus all sources electricity capacity in the Portuguese transmission grid. According to the Portuguese Renewable Energy Association, in May 2020 the renewable power generation ratio in Portugal corresponded to 71.63%. See: [https://www.aefen.pt/en/renewable-energies/production](https://www.aefen.pt/en/renewable-energies/production)
2. Process for Project Evaluation and Selection

REN's Process for Project Evaluation and Selection is in line with best practice and is focused on risk mitigation.

**Eligibility Criteria**
- Minimization of potential environmental and social risks (Do No Significant Harm)
- National and International standards and regulations
  - Portuguese Social and Environmental Law
  - ILO conventions (REN and Suppliers)
  - UN Principles on Human Rights
- REN’s internal Codes and Principles
  - REN Group Code of Conduct
  - Codigo de Conducta Empresas e VIH (REN Group Code and Principles)
  - Supplier Code of Conduct
- REN’s Sustainability Guideline, Policies and Measures
  - Environmental Policy
  - Strategic Environmental Assessment
  - Environmental Impact Assessments (EIA)
  - Minimization measures

**Expected Eligible Amounts**

**Expected Environmental Impact**

**Selection of Eligible Green Asset**

**Monitor of Green Asset Portfolio**

**Exclusion and replacementment of Asset that no longer comply with the Eligibility Criteria**

**Periodic addition of new Assets to the Portfolio**

**Validation of annual reporting for investors**

**Maintenance of the Green Finance Framework**
3. Management of Proceeds & Eligible Green Asset Portfolio

Management of Proceeds

Eligible Green Asset Portfolio:

- Green Finance Instruments proceeds are allocated to an Eligible Green Asset Portfolio selected based on the Eligibility Criteria
- Consists of new and/or existing assets
- Monitored and reviewed on a quarterly basis
- Projects that no longer comply are excluded and replaced on a best effort basis
- As Green Finance Instruments mature, the oldest projects are removed for an equivalent amount

Management of Proceeds:

- In line with the portfolio approach

The Electricity Grid Assets selected are broadly in line with the EU Taxonomy recommendation because the Portuguese electricity transmission infrastructure is on a trajectory to full decarbonization (almost 71.6% renewables capacity installed). Via our strong environmental and social risk assessment processes, we ensure to at least partially address the DNSH requirements. Our current portfolio is broadly aligned with the EU Taxonomy.

Our Green Asset Portfolio is overcollateralized. In case of a Green Debt Issue, we will be fully allocated at issuance.
4. Reporting & External review

**Reporting**
- Reporting to be provided annually, until full allocation

**Allocation Reporting**
- The aggregated amount of allocation of the net proceeds to the Eligible Green Assets, at category and sub-category level
- The balance of any unallocated proceeds invested in bank deposits or liquid marketable instruments, among others, if any
- The proportion of net proceeds used for financing versus refinancing
- The breakdown per type of Eligible Green Assets

**Impact Reporting**
- In line with the Harmonized Framework (portfolio approach)

**External Review**

**Pre-issuance: Extremely positive Second Party Opinion by ISS-ESG**

**Annual Audit / Limited Assurance on the Allocation Reporting**
- REN intends to obtain a limited assurance report by its auditor on the allocation of each Green Finance Instrument’s proceeds. Such report will be incorporated within the REN Green Finance Report

**Reporting in line with market practice. Positive SPO and intention to obtain verification on the proceeds allocation**
Case studies: examples of projects included within the Green Finance Portfolio

The following are representative examples of green assets in the grid:

- 400 kV Vieira do Minho switching station: it receives energy from hydro power plants

- 400 kV Overhead Line Vieira do Minho to Pedralva: it transmits the energy produced by hydro power plants to consumption areas

- Armamar substation, 400/220 kV: it receives energy from hydro and wind power plants

- Ourique substation 150/60 kV: receives solar energy from fotovoltaic parks
Closing Remarks

- REN is an industry-leading energy infrastructure operator in Portugal with stable shareholder base and best-in-class governance.

- As the concession holder for the national energy transmission grid, REN has invested heavily in the introduction of renewable energy into the grid, where its main role is to provide access and capacity for the transmission of renewable energy.

- REN has established a clear Sustainability Strategy and a strong risk management system to minimize the environmental and social impacts of its business.

- In alignment with our Sustainability Strategy and objectives, we have established our Green Finance Framework, aimed at (re)financing Green Eligible Assets.

- The REN Green Finance Framework has been established in accordance with the most important standard in the market such as the ICMA Green Bond Principles and follows the recommendation of the EU Taxonomy.

- REN’s Green Finance Framework has obtained a positive Second Party Opinion by expert ESG party ISS-ESG.
## 9M20 Results

<table>
<thead>
<tr>
<th></th>
<th>9M20</th>
<th>9M19</th>
<th>2019</th>
<th>Δ 9M20 / 9M19</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>EBITDA</strong></td>
<td>352.5</td>
<td>368.0</td>
<td>486.2</td>
<td>-4.2%</td>
</tr>
<tr>
<td><strong>Financial Results</strong></td>
<td>-36.7</td>
<td>-39.4</td>
<td>-52.5</td>
<td>-7.0%</td>
</tr>
<tr>
<td><strong>Net Profit</strong></td>
<td>76.1</td>
<td>86.3</td>
<td>118.9</td>
<td>-11.9%</td>
</tr>
<tr>
<td><strong>Recurrent Net Profit</strong></td>
<td>98.6</td>
<td>110.7</td>
<td>144.8</td>
<td>-10.9%</td>
</tr>
<tr>
<td><strong>CAPEX</strong></td>
<td>103.7</td>
<td>110.3</td>
<td>188.6</td>
<td>-6.0%</td>
</tr>
<tr>
<td><strong>Transfers to RAB</strong></td>
<td>21.9</td>
<td>60.1</td>
<td>190.6</td>
<td>-63.6%</td>
</tr>
<tr>
<td><strong>Average RAB</strong></td>
<td>3,652.9</td>
<td>3,717.8</td>
<td>3,753.3</td>
<td>-1.7%</td>
</tr>
<tr>
<td><strong>Net Debt</strong></td>
<td>2,743.0</td>
<td>2,586.5</td>
<td>2,826.0</td>
<td>6.1%</td>
</tr>
<tr>
<td><strong>Average cost of debt</strong></td>
<td>1.9%</td>
<td>2.2%</td>
<td>2.08%</td>
<td>-0.3 pp</td>
</tr>
</tbody>
</table>

1. Capex includes direct acquisitions; 2. Transfers to RAB (at historic costs) includes direct acquisitions RAB related; Note: Values in millions of euros unless otherwise stated
REN’s IR & Media app:

Visit our web site at [www.ren.pt](http://www.ren.pt) or contact us:

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Thank you