

Results Report 1H23

20th July 2023

transition



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Overview of the
Period



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01

OVERVIEW OF THE PERIOD

transition

Key messages - Financial



- **EBITDA increased 11.1% to €264.9M vs 1H22**, driven by:
 - (1) **domestic business performance (+€19.6M)** as a result of the **increase in assets and opex remuneration (+€15.5M)**, **other revenues (+€1.9M)** and **lower core OPEX (-€2.2M)** reflecting the decrease in electricity prices;
 - (2) **positive contribution from international business (+€6.9M)**.



- **Net Profit grew €17.2M (+37.5% vs 1H22)**, benefiting from **the increase in EBIT (+€25.0M)**. This was **partially offset by lower financial results (-€1.7M)**, **higher taxes (+€6.1M)** and **higher levy (+€0.1M)**, following the **increase in regulated asset base**.
- **Net Debt**, excluding tariff deviation outflows, **decreased 8%**, to €2,339M (vs FY 22).



- **Capex raised to €111.8M** (an increase of 41.9% vs 1H22).
- **Transfers to RAB improved €11.1M. Decrease of 1.9% in average RAB** (-€32M in electricity, -€45M in gas transmission, and +€8M in gas distribution) reflecting the **level of amortization above the transfers to RAB**.

Key messages - Operational



- **Renewable Energy Sources (RES) increased to 60.7%** of the total supply in 1H23, vs 47.4% in 1H22.
- The **consumption of electricity remained in the same level as of 1H22** (25.2 TWh) and **consumption of natural gas decreased** by 21.1% vs 1H22.
- **High levels of service quality were maintained.** The **average interruption time in electricity was 0.09 minutes** (+0.02 minutes YoY) while the **gas transportation combined availability rate remained at 100%.**



- **Publication of the first version of the revision of the 2030 National Energy and Climate Plan (PNEC 2030),** establishing: (i) New targets for reducing greenhouse gas emissions (in accordance with the Climate Law); (ii) New targets for RES; and (iii) New measures for its implementation.



- **ERSE approved Gas Tariffs for the new 2023-2024 gas year** and **set the parameters for the regulatory period 2024 and 2027,** on the 1st of June.
- For 2024, the **provisional WACC is 5.30%** (for high pressure infrastructures) and **5.70%** (for medium and low pressure) which is **indexed to the 10-year Portuguese bond yields (OT)** considering a **starting point of 3.177%** and a **linear variation similar to electricity with a 0.3 slope.**
- Efficiency factor between 1 and 2%; new indexation methodology for the recovery of electricity costs at the terminal; new incentive for distribution activity - Incentive to Optimization of Demand Forecasts.

02

BUSINESS PERFORMANCE

transition

Business highlights



ENERGY CONSUMPTION IN ELECTRICITY COMING FROM RENEWABLES
REACHING 60.7% IN 1H23 WITH SOLID QUALITY OF SERVICE

Electricity	Consumption	25.2TWh 1H22: 25.2TWh	0TWh (0.0%)	=	Energy transmission losses	2.2% 1H22: 1.8%	0.4 pp	↑	Line length	9,424km 1H22: 9,373km	51km (0.5%)	↑
	Renewables in consumption supply	60.7% 1H22: 47.4%	13.3 pp	↑	Average interruption time	0.09min 1H22: 0.07min	0.02min	↑	Combined availability rate	98.4% 1H22: 98.7%	0.3 pp	↓
Gas Transportation	Consumption	24.6TWh 1H22: 31.2TWh	6.6TWh (21.1%)	↓	Combined availability rate	100.0% 1H22: 100.0%	0.0 pp	=	Line length	1,375km 1H22: 1,375km	0km (0.0%)	=
	Gas distributed	3.0TWh 1H22: 3.4TWh	0.4TWh (10.5%)	↓	Emergency situations with response time up to 60min	99.4% 1H22: 98.5%	0.9 pp	↑	Line length	6,396km 1H22: 6,210km	186km (2.9%)	↑

Financial highlights

POSITIVE NET PROFIT EVOLUTION DRIVEN BY ROBUST OPERATIONAL PERFORMANCE



EBITDA

€264.9

26.5
(11.1%) ↑

1H22: €238.4M

Financial results

€-16.7M

1.7
(11.0%) ↓

1H22: €-15.1M

Net Profit

€63.0M

17.2
(37.5%) ↑

1H22: €45.9M

CAPEX

€111.8M

33.0
(41.9%) ↑

1H22: €78.8M

Average RAB¹

€3,533.2M

69.4
(1.9%) ↓

1H22: €3,602.6M

Net Debt

€2,393.7M

294.4
(14.0%) ↑

1H22: €2,099.4M

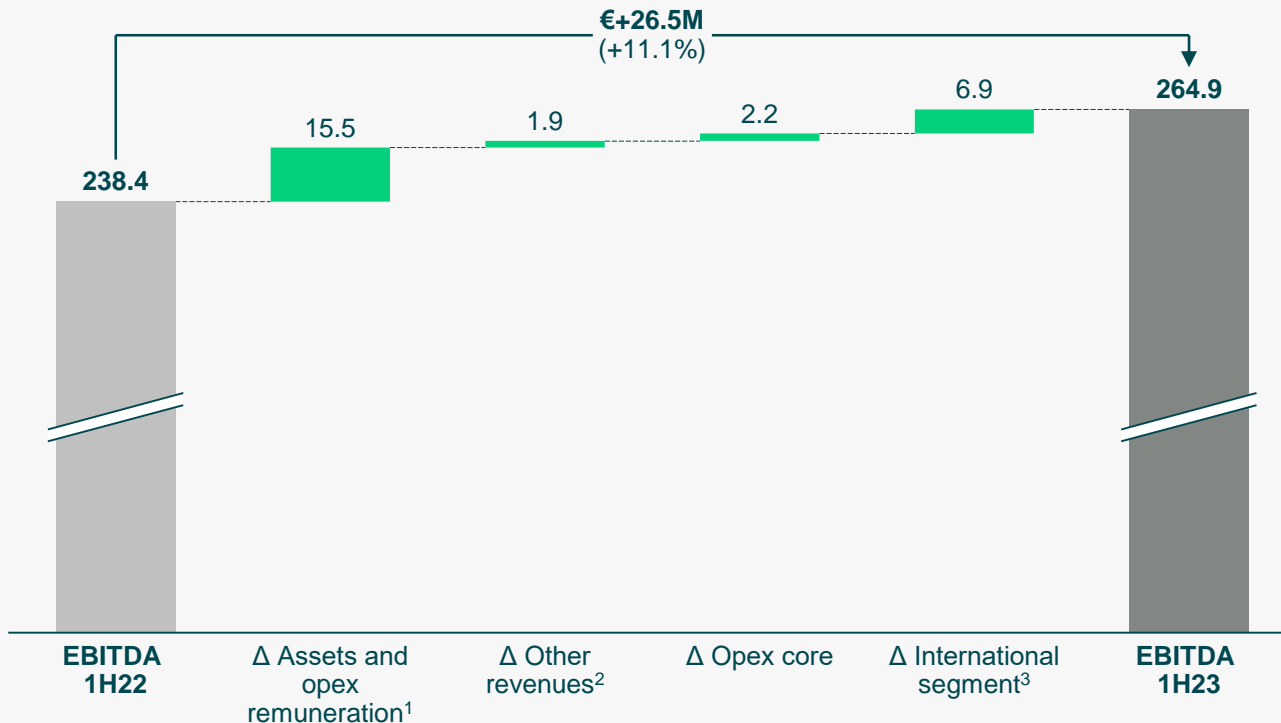
¹ Refers only to Domestic RAB

Consolidated View



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

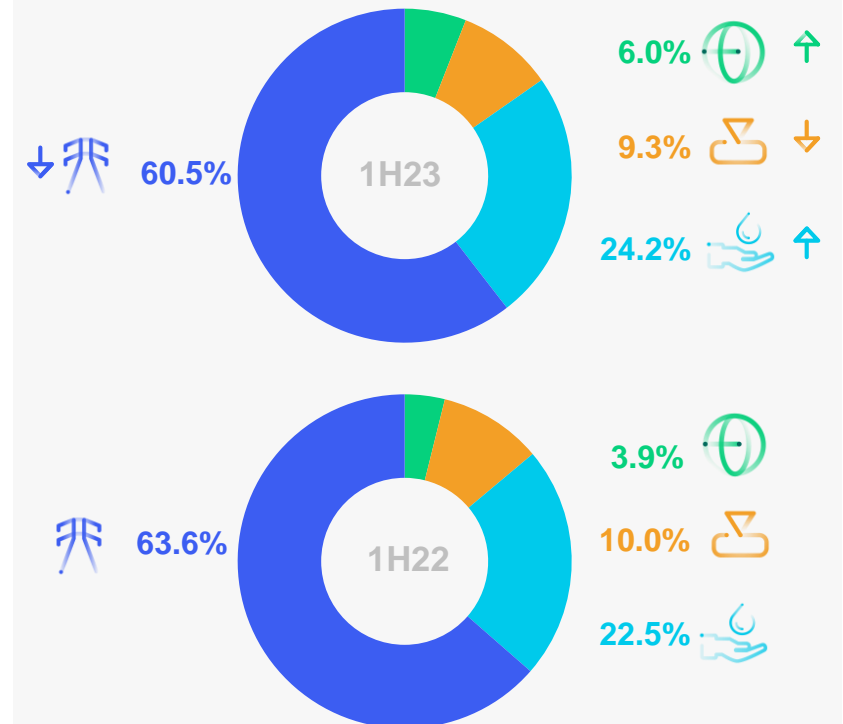
EBITDA evolution breakdown - €M



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

EBITDA contribution by business segment⁴ - %

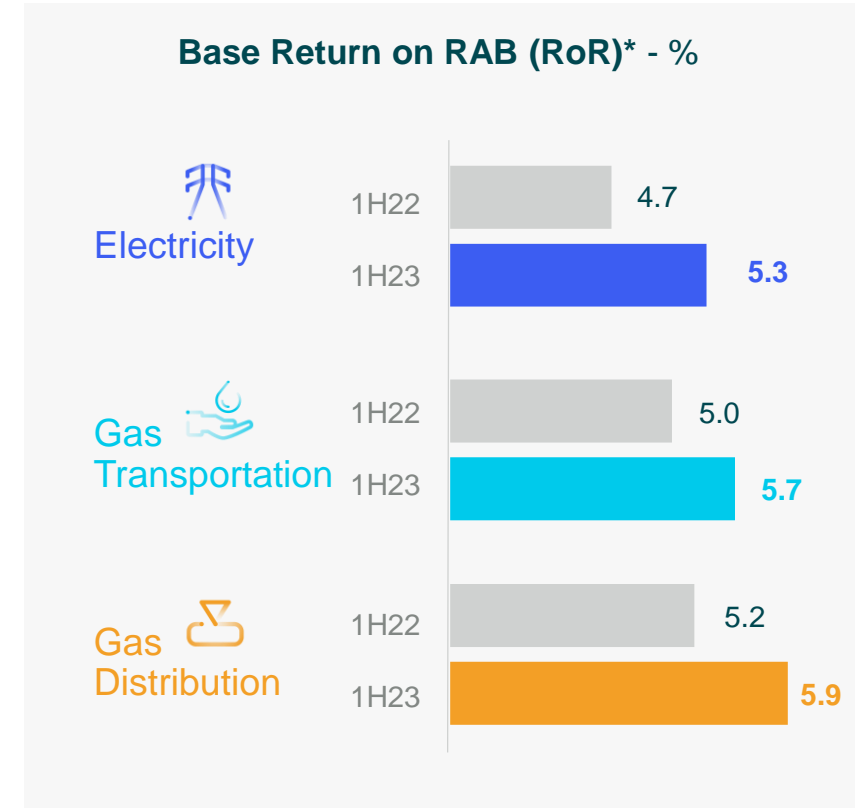
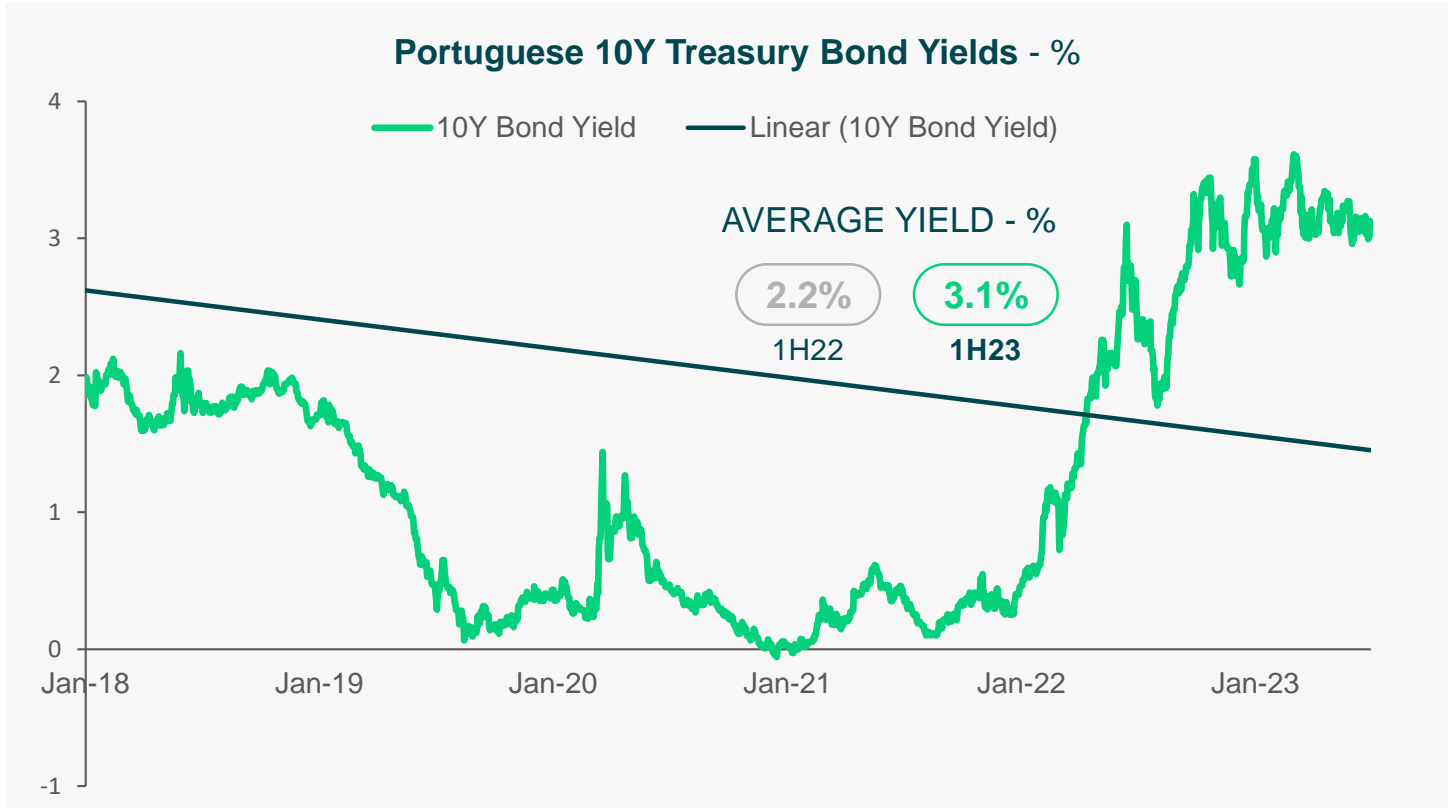
- Electricity
- Gas Distribution⁵
- Gas Transportation
- International



RoR Evolution

Domestic Business

HIGHER PORTUGUESE BOND YIELDS CONTINUE TO SUPPORT AN INCREASE IN RETURN ON RAB RATES

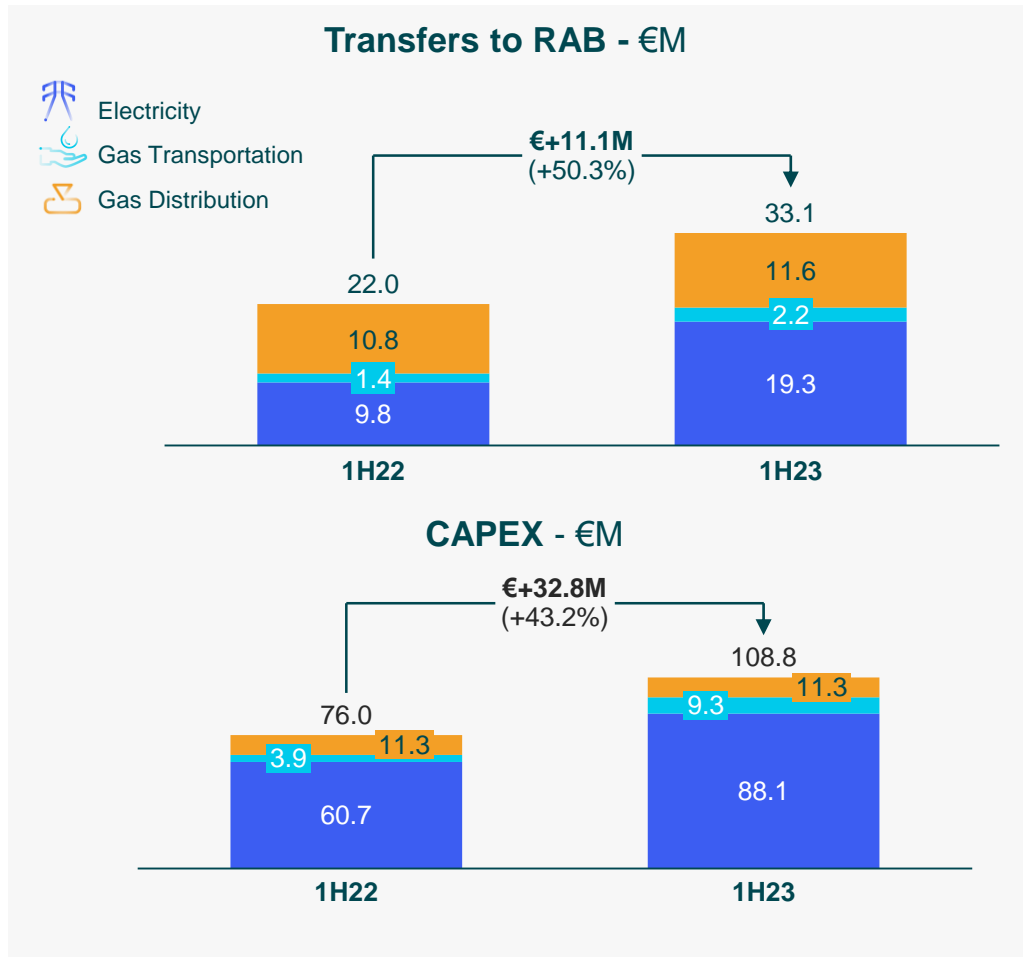


SOURCE: Bloomberg; REN
 * Electricity data collected from Oct-22 to Sep-23; Gas data collected from Jan-23 to Dec-23

Investment

Domestic Business

TRANSFERS TO RAB AND CAPEX INCREASED IN 1H23



Key Highlights

Electricity

- Installation of a 220 kV line bay at the Fundão Substation.
- Installation of a 150 kV line bay at the Castelo Branco Substation to connect a photovoltaic solar PP.
- Installation of a 60 kV line bay at the V.N. Famalicão Substation to connect a photovoltaic solar PP.
- Establishment of a new injection point at the V.N. Famalicão Substation, through the installation of a 400/60kV transformation, to support the consumption needs of the National Distribution Network (RND).
- The final phase of improving the command, control, and protection system at the Estoi Substation has been completed.

Gas Distribution

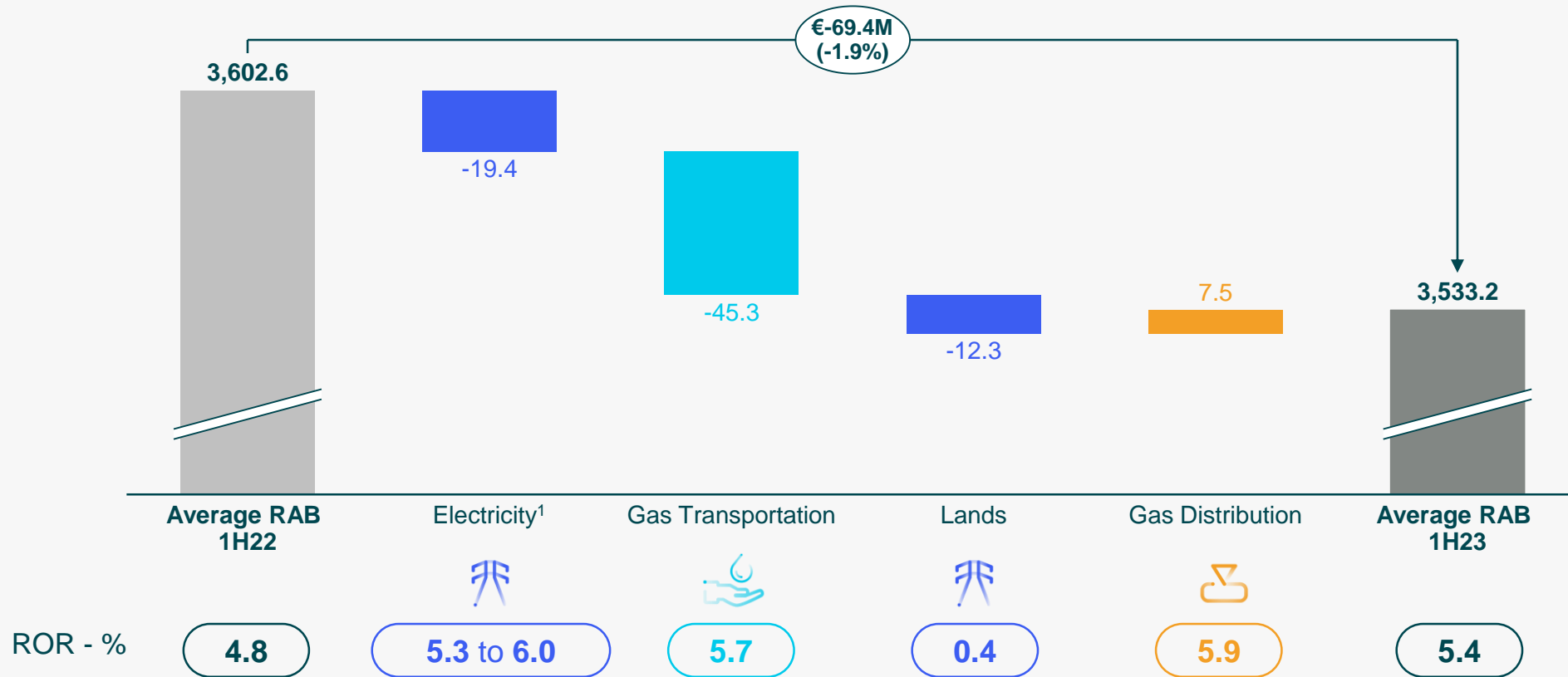
- Investments for network expansion and densification mostly for B2C, incentivizing building decarbonization through future renewable gases
- Ongoing expansion to new industrial zones, with new prospects for B2B investments closely monitored to provide both natural gas price visibility and client comfort regarding network costs
- Decarbonizing and digitalization plan on the move with encouraging results on H2 infrastructure readiness
- New investment plan 2023-27 delivered to DGEG for approval
- Technological Transformation on the move
- Increased proximity with key stakeholders assuring timely information regarding renewable gases transition

RAB Evolution

Domestic Business

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

Average RAB evolution - €M



1. Includes Electricity with and without premium.

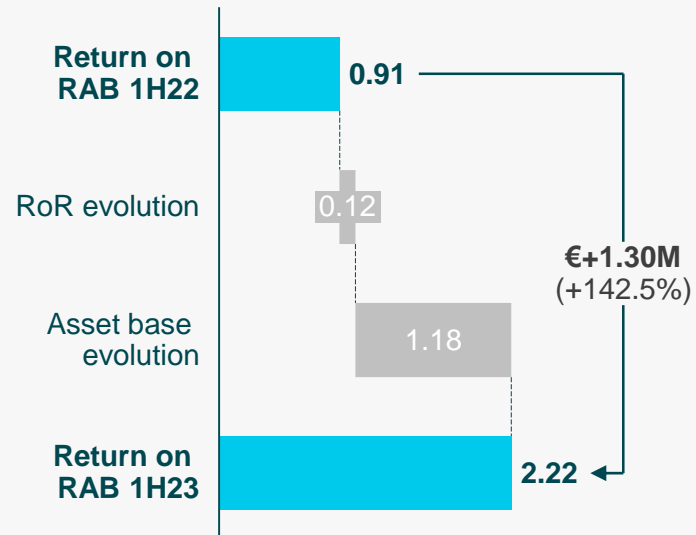
RAB Returns

Domestic Business

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

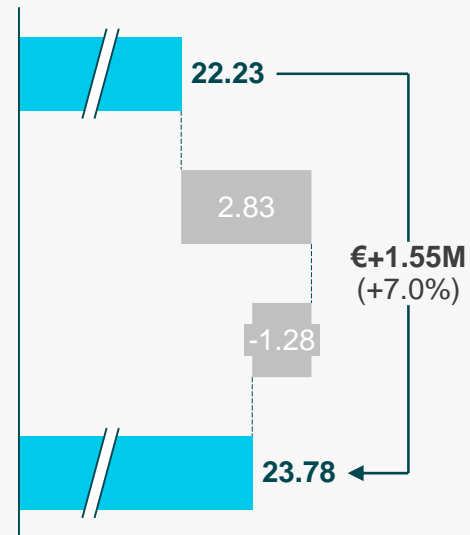
Return on RAB evolution breakdown - €M

Electricity (GG¹)



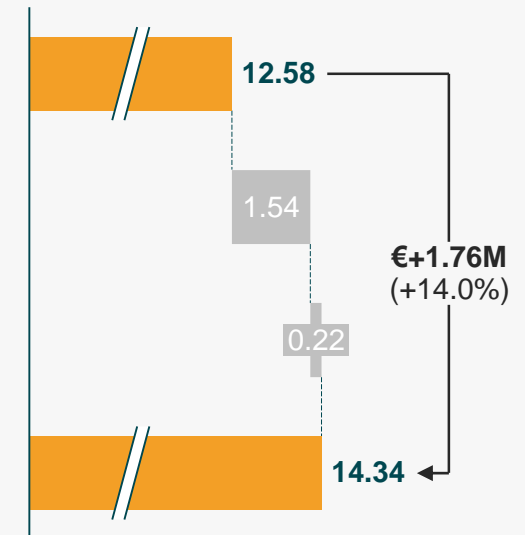
- Return on RAB increase caused by a **higher asset base** (by €45.0M² to €84.3M) and higher RoR of 5.26% (vs 4.65%)

Gas Transmission



- Increase in return on RAB justified by a **higher RoR** of 5.67% (vs 5.03%), despite the **smaller asset base** (by €45.3M to a total of €838.7M)

Gas Distribution



- Increase return on RAB attributed to a **higher rate of return** (from 5.23% to 5.87%) and **higher asset base** (+€7.5M to a total of €488.6M)

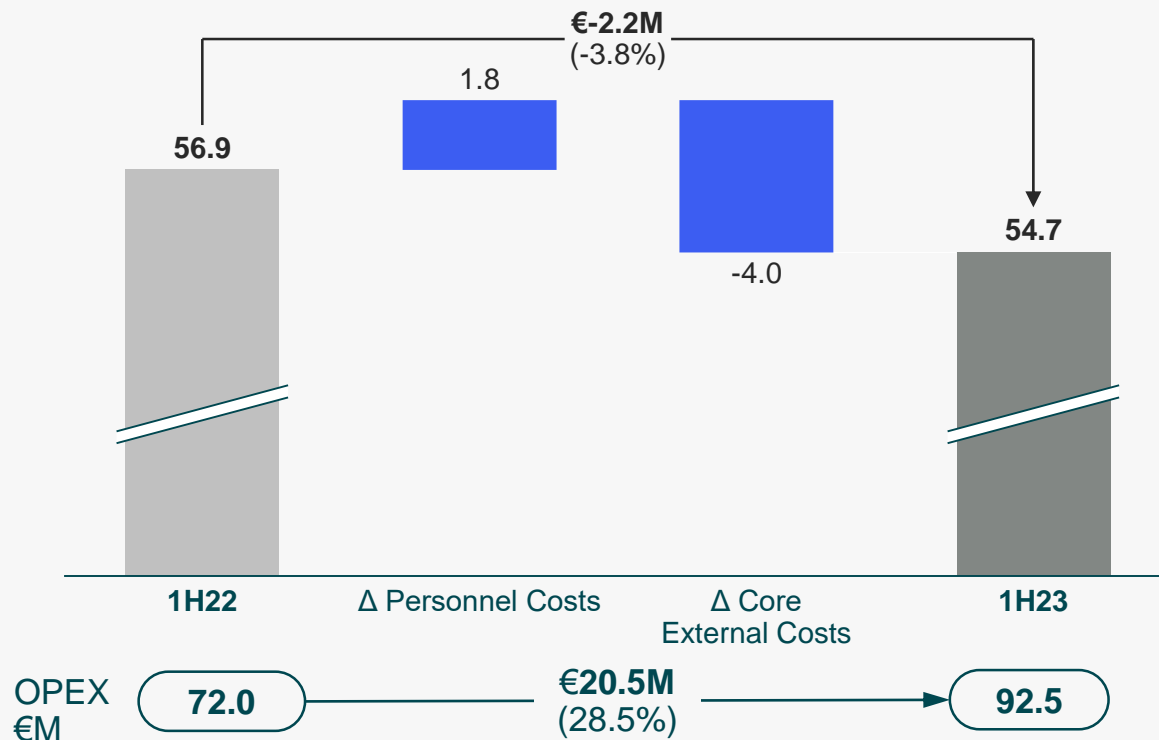
1 Only General System Management (GGS) activity, assets extra Totex model and Enondas | 2. The transfer of power line Fernão Ferro-Trafaria 2, accepted by the regulator as extra Totex model, with average RAB in 1H23 of €43.8M

OPEX

OPEX INCREASED 28.5% YOY, WHILE CORE OPEX DROPPED 3.8%

Domestic Business

Core OPEX¹ evolution - €M



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

Key Highlights

CORE EXTERNAL COSTS

- LNG Terminal electricity costs decreased reflecting lower electricity prices (-€6.3M)
- Legal costs (+€0.7M), IT cost (+€0.5M)

PERSONNEL COSTS

- General increases and headcount increase (+3% growth YoY, achieving 725 people in June 2023), driven by operational areas growth

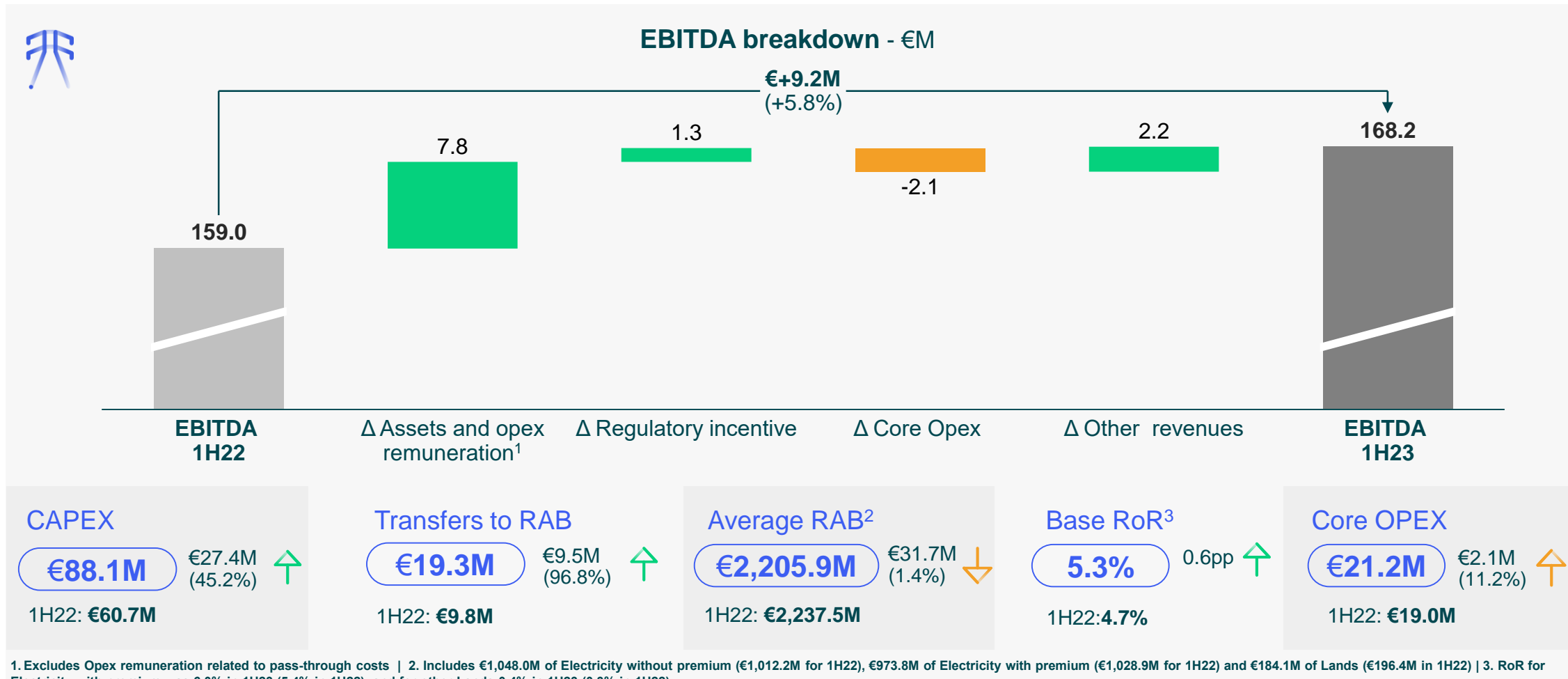
NON-CORE COSTS

- Pass-through costs (costs accepted in the tariff) increased €22.7M of which +€17.8M in costs with cross-border

Electricity

Domestic Business

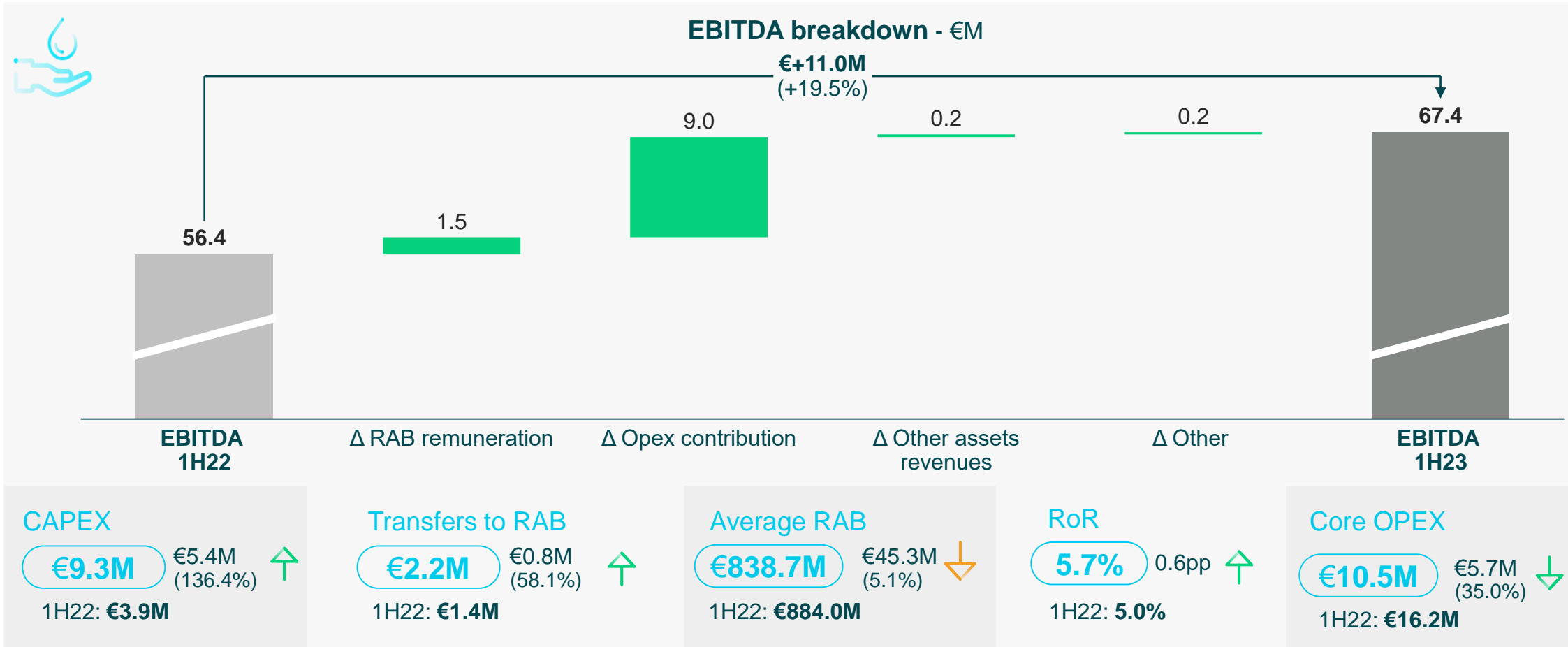
INCREASE IN ELECTRICITY EBITDA, MOSTLY JUSTIFIED WITH HIGHER ASSETS AND OPEX REMUNERATION



Gas Transmission

Domestic Business

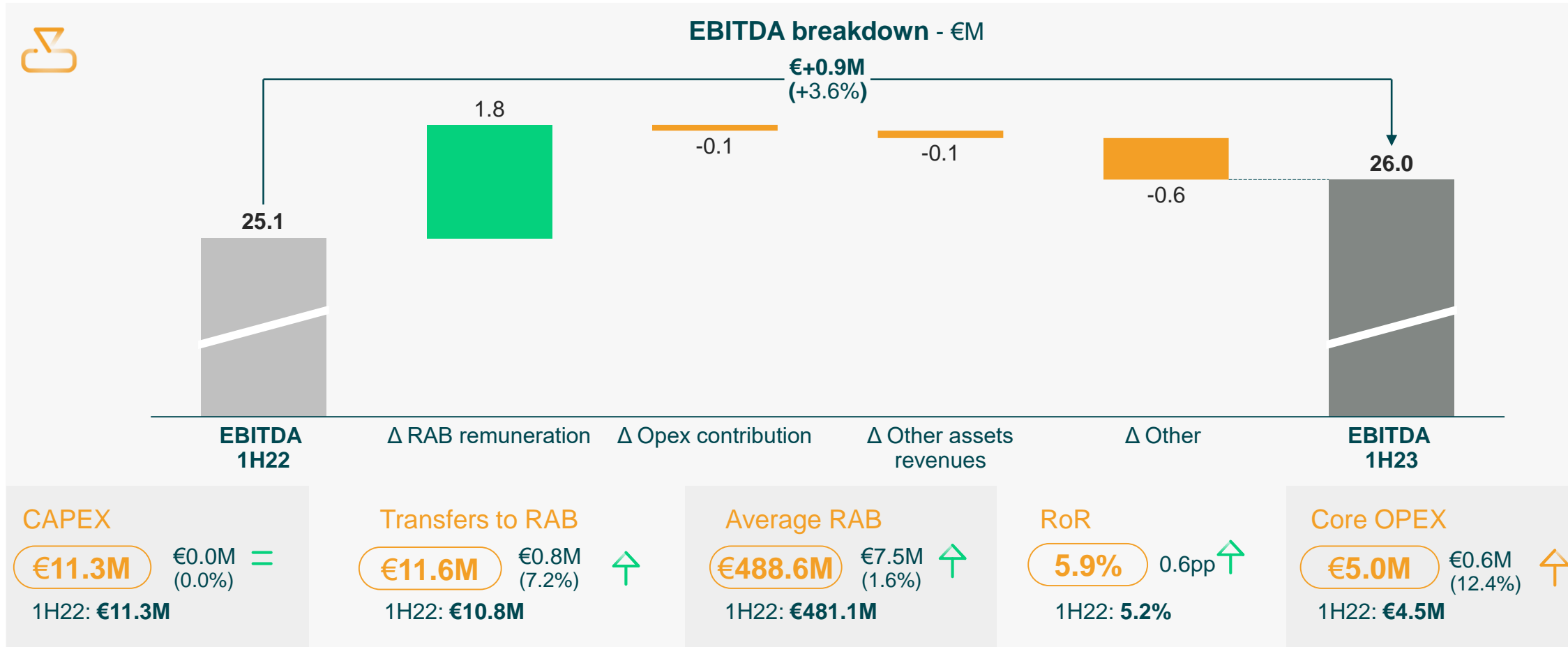
GAS TRANSMISSION EBITDA GROWTH MAINLY EXPLAINED BY HIGHER RAB REMUNERATION, AND HIGHER OPEX CONTRIBUTION



Gas Distribution

Domestic Business

GAS DISTRIBUTION EBITDA INCREASE MAINLY EXPLAINED BY HIGHER RAB REMUNERATION

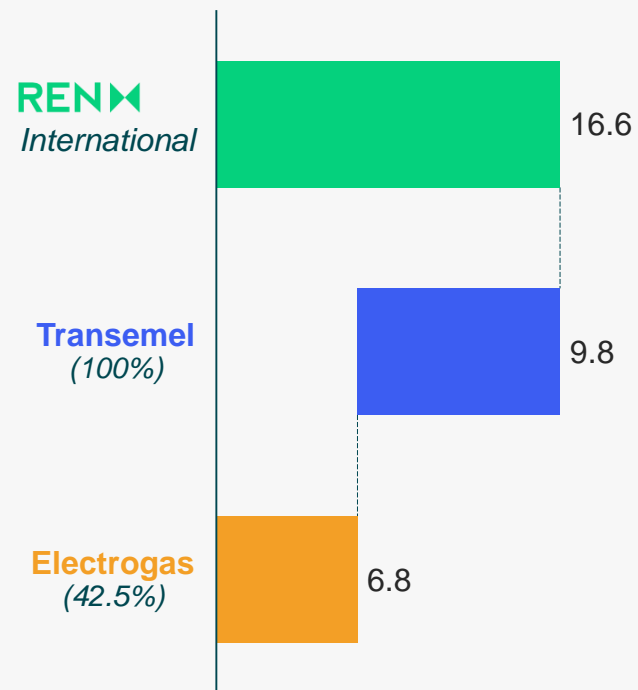


Chile Highlights

International Business

SOLID PERFORMANCE FROM THE CHILEAN BUSINESSES,
CONTRIBUTING 6.0%¹ TO TOTAL EBITDA IN 1H23

Contribution to EBITDA 1H23 - €M



TRANSEMEL (100%)

- EBITDA increased YoY mainly driven by higher revenues

Revenues

€12.4M

1H22: €6.5M

€5.8M
(89.9%)



EBITDA

€9.8M

1H22: €5.0M

€4.8M
(97.2%)



ELECTROGAS (100%)

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

Revenues

€25.8M

1H22: €19.9M

€5.9M
(29.5%)



EBITDA

€23.3M

1H22: €18.1M

€5.2M
(28.9%)



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

Below EBITDA

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

Depreciation & Amortization

€125.8

1.5
(1.2%) ↑

1H22: €124.2M

- Increase of €1.5M vs 1H22, along with an increase in gross assets.

Financial results

€-16.7M

1.7
(11.0%) ↓

1H22: €-15.1M

- Decrease of Financial results (€1.7M) to -€16.7M, mostly due to the increase in the average cost of debt to 2.4% (from 1.7% in 1H22), partially offset by dividends from HCB (an increment of +€0.3M YoY)
- Increase in Net Debt by €294M to €2,394M

Taxes

€59.4M

6.2
(11.6%) ↑

1H22: €53.2M

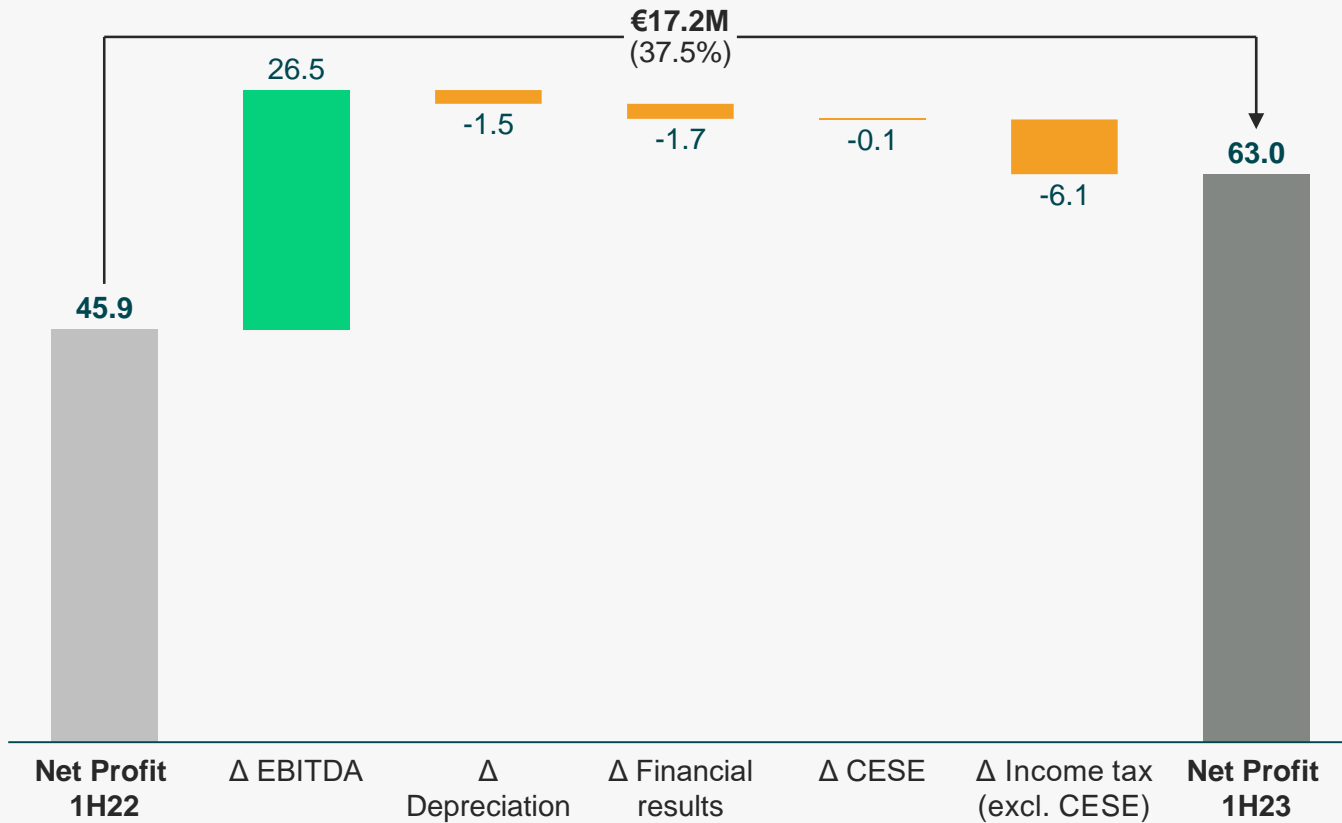
- Increase in Income tax (+€6.2M to €59.4M) due to higher EBT (+€23.3M to €122.4M) and higher extraordinary levy (+€0.1M to €28.1M), reflecting a higher regulated asset base.
- The Effective tax rate (including the levy) stood at 37.0%, 2.5 pp below last year.
- Taxes in 1H23 benefited from tax recovery (+€1.6M) of previous years. (€2.3M in 1H22)



Net Profit

NET PROFIT INCREASED AS A RESULT OF HIGHER EBITDA, PARTIALLY OFFSET BY LOWER FINANCIAL RESULTS AND HIGHER DEPRECIATIONS, TAXES AND CESE

Net profit evolution breakdown - €M



Key Highlights

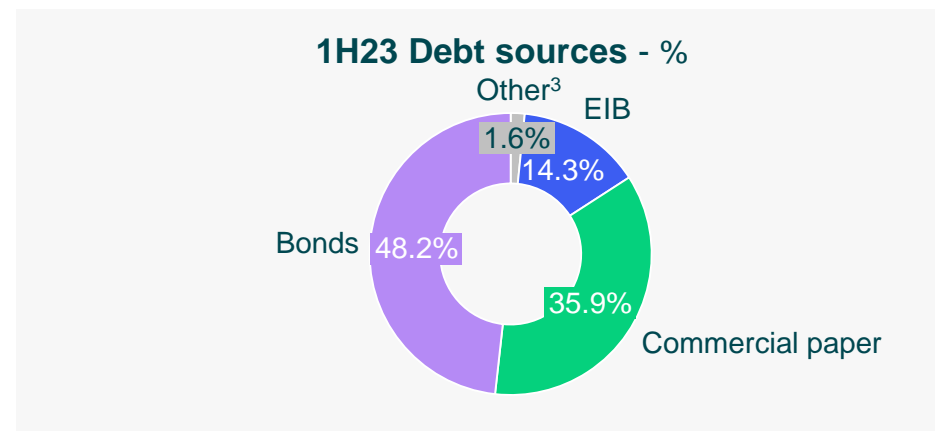
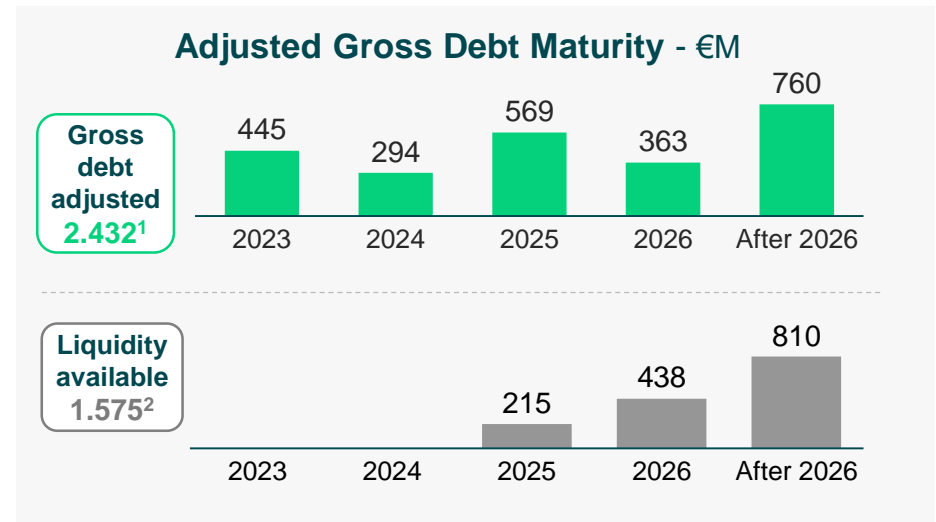
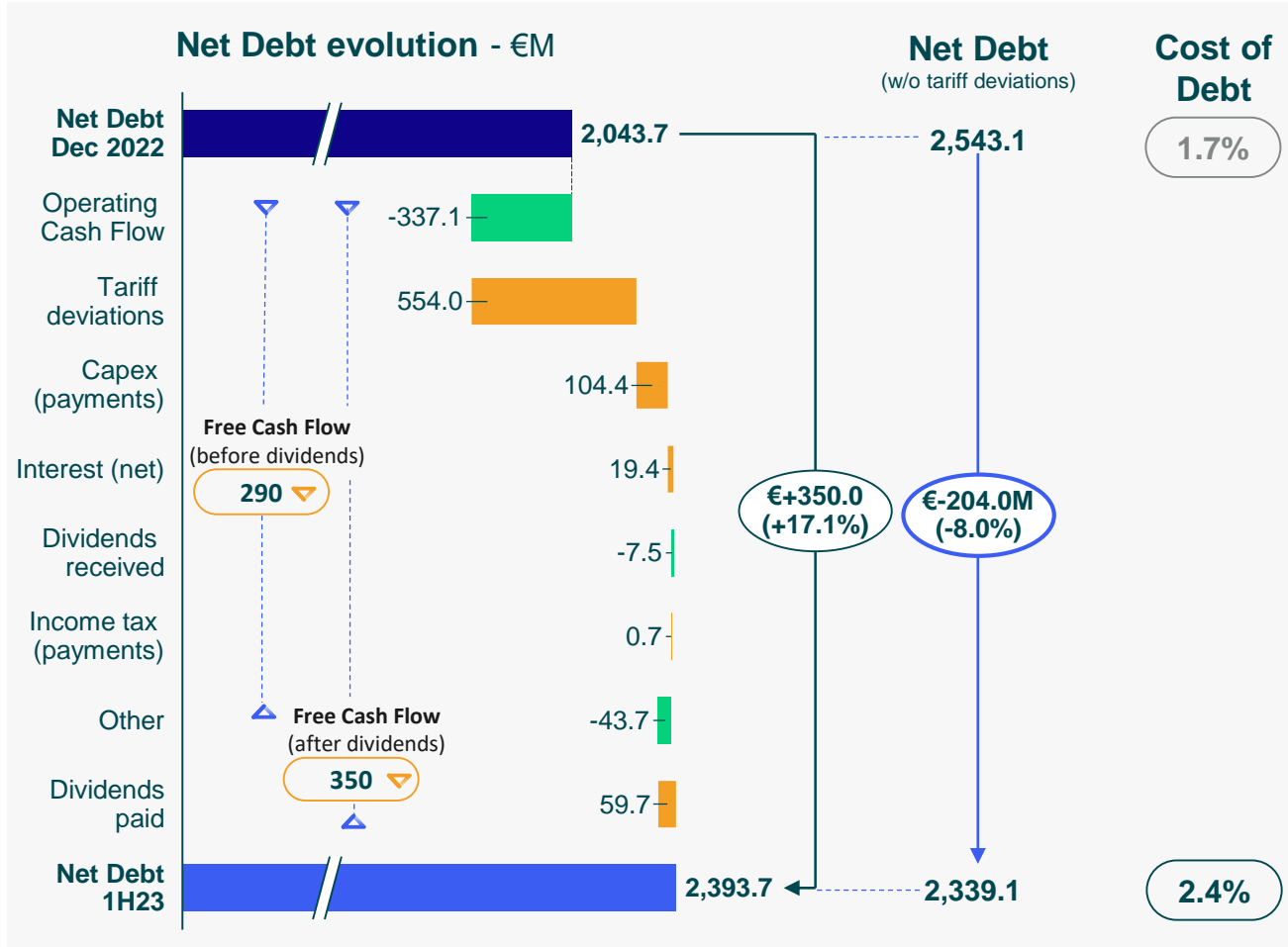
- **Increase in EBITDA** reflecting the positive contribution of both domestic (+€19.6M) and international businesses (+€6.9M).
- **Negative effect** of €1.7M from **Financial Results** as a consequence of higher cost of debt, and higher net debt



Debt



NET DEBT INCREASED DRIVEN BY TARIFF DEVIATIONS OUTFLOWS



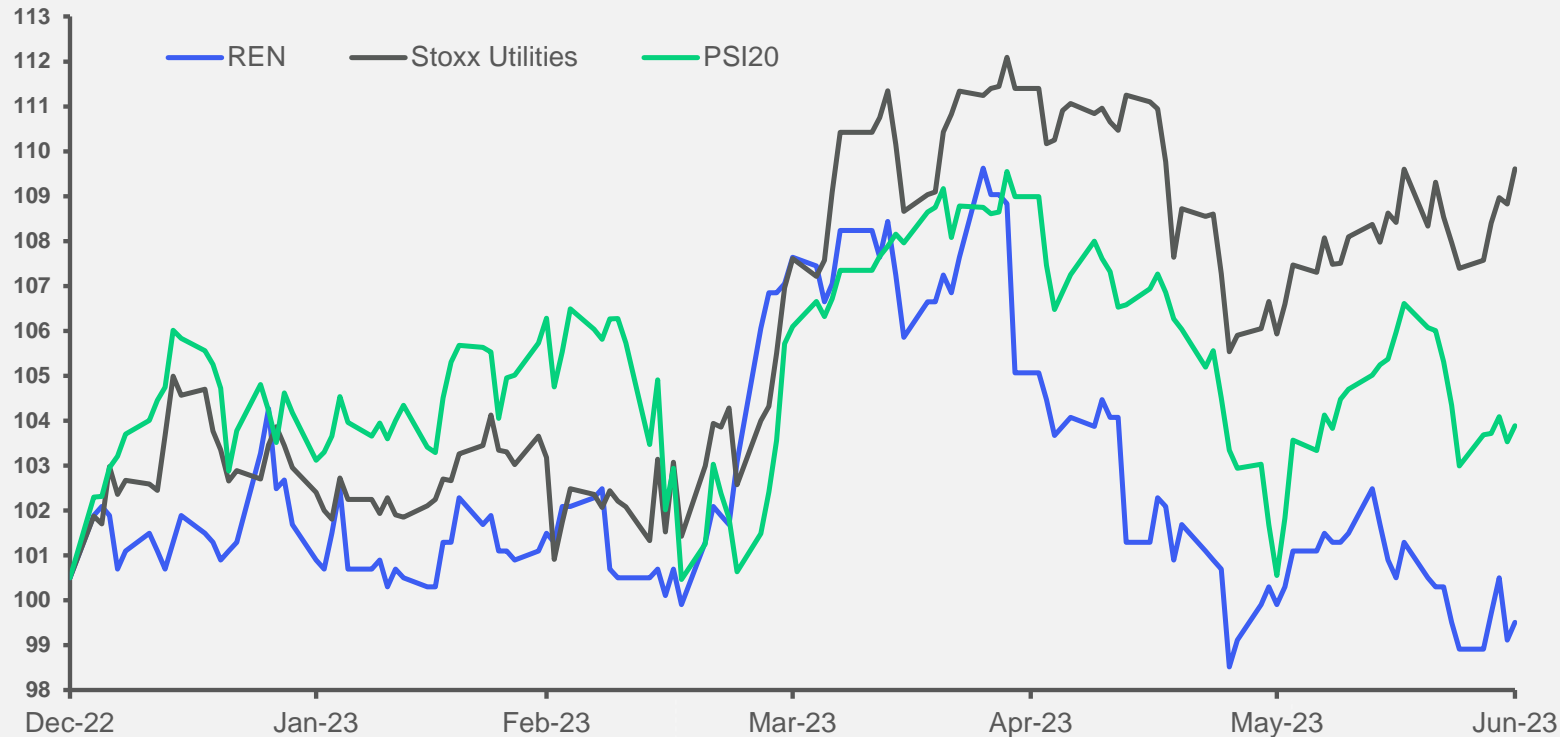
1. Excludes effects of hedging on yen denominated debt, accrued interest and bank overdrafts | 2. Includes 1.462M€ of available commercial paper programs and loans, and also 80M€ of credit lines available (automatically renewed), and 33M€ of cash and cash equivalents | 3. Includes loans (1.4%) and leasing (0.2%)

Share price & Shareholder Return



REN'S SHARE ENDED H1 WITH A TSR OF 2.5%, CONTINUING TO PROVIDE A POSITIVE RETURN

Annualized closing prices - %



Analyst recommendations¹

Average Price target

€2.78

€0.12
(4.3%) ↑

1H22: €2.66

TSR 1H23
(%)

13.4

6.9

2.5

TSR 1H22
(%)

-13.6

12.1

19.2

¹ End of period
SOURCE: Bloomberg, REN

ESG highlights

REN IS STRONGLY COMMITTED WITH SUSTAINABILITY

ENVIRONMENTAL



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

Greenhouse gas emissions | -19% of scope 1 and 2 emissions in 1S 2023 (vs. 1S 2022)

Climate | Transemel was once again recognized with the HuellaChile seal for its commitment to combat climate change

Biodiversity | Approval of REN's biodiversity commitment letter (strategy)

Circularity | Series of “design thinking” workshops to define a circular economy strategy

Suppliers | Organization of supplier meetings to further promote knowledge regarding REN's ESG commitments

SOCIAL



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

Diversity | REN was included for the third year in a row in the Bloomberg Gender-Equality Index

Human capital | REN signs pact to stimulate youth employment, promoted by the Portuguese State Secretariat for Work

Corporate social responsibility | “Gold Medal for Distinguished Services” awarded by the Portuguese Firefighters' League

Innovation | Innovation project distinguished with Honours at Prémio Nacional de Sustentabilidade (Sustainability National Award) promoted by Jornal de Negócios

GOVERNANCE



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

100% of new bond emissions to be green

Materiality | Stakeholder consultation (internal and external) and definition of double materiality matrix

Information security | Certification of the information security management system according to ISO 27001

Transparency | Strengthening of communication with the launch of a new corporate website with a focus on sustainability

Sustainability | REN is one of the top 10 Portuguese companies recognized for its “Sustainability Perception Value” by Brand Finance

TARGETS

ACHIEVEMENTS

Highest ESG Standards

IMPROVING OUR PERFORMANCE IN INTERNATIONAL ESG SCORES



	SCALE	SCORE	YoY	STRENGTHS	LATEST ASSESSMENT
	0-100	62	▲	Innovation, environmental reporting, and social reporting	December 2022
	D-A	B	▲	Governance, business strategy, financial planning, scenario analysis, and scope 1 and 2 emissions	December 2022
	100-0	18.3	▲	Emissions, occupational health and safety, land use and biodiversity, human capital, and carbon	February 2023
	CCC-AAA	AAA	▲	Biodiversity and land use, carbon emissions, and governance	March 2023
	D-A	B	=	Community outreach, occupational health and safety	March 2023

03

CLOSING REMARKS

transition

Closing Remarks

REN KEEPS PROVIDING STABLE RESULTS AND SOLID RETURNS ALONG WITH A HIGH LEVEL OF EXECUTION AND SERVICE QUALITY



- **EBITDA of €264.9M**, representing an increase of €26.5M (+11.1% YoY) that reflects the improvements in the performance of both domestic and international businesses.



- **Net Profit increased to €63.0M (+37.5% YoY)**, supported by a higher **EBIT**, and partially offset by **lower financial results, higher taxes and higher CESE**.



- **Net Debt** (adjusted for tariff deviations), **decreased to €2,339M** (-€193M YoY).



- **CAPEX remained at high levels, reaching €111.8M** (+41.9% vs 1H22) supporting energy transition;
- **Transfers to RAB increased to €33.1M** (+50.3% vs 1H22).

04

APPENDIX FINANCIALS

transition

Appendix

RESULTS BREAKDOWN

€M	1H23	1H22	2022	1H23 / 1H22	
				Δ %	Δ Abs.
1) TOTAL REVENUES	456.7	378.4	823.0	20.7%	78.4
Revenues from assets	102.6	95.9	209.4	7.0%	6.7
Return on RAB	40.3	35.7	75.8	12.9%	4.6
Electricity ¹	2.2	0.9	3.0	142.5%	1.3
Gas Transportation	23.8	22.2	46.2	7.0%	1.5
Gas Distribution	14.3	12.6	26.6	14.0%	1.8
Lease revenues from hydro protection zone	0.3	0.3	0.7	-1.4%	0.0
Incentive to Improve Technical Performance (IMDT)	5.0	3.8	20.0	33.3%	1.3
Recovery of amortizations (net from subsidies)	47.9	47.0	94.7	1.8%	0.9
Subsidies amortization	9.1	9.1	18.3	-0.4%	0.0
Revenues from Transemel	11.8	6.3	13.3	86.6%	5.5
Revenues of TOTEX	141.3	134.7	271.0	4.9%	6.6
Revenues of OPEX	78.2	53.1	103.2	47.1%	25.0
Other revenues	13.7	12.2	28.3	12.2%	1.5
Construction revenues (IFRIC 12)	109.2	76.1	197.9	43.5%	33.1
2) OPEX	95.1	73.6	157.4	29.2%	21.5
Personnel costs	31.4	29.4	59.6	6.9%	2.0
External supplies and services	50.3	34.5	82.0	45.5%	15.7
Other operational costs	13.4	9.6	15.9	38.6%	3.7
3) Construction costs (IFRIC 12)	96.4	65.7	175.1	46.6%	30.6
4) Depreciation and amortization	125.8	124.2	249.3	1.2%	1.5
5) Other	0.4	0.7	3.2	-41.1%	-0.3
6) EBIT	139.1	114.1	238.0	21.9%	25.0
7) Depreciation and amortization	125.8	124.2	249.3	1.2%	1.5
8) EBITDA	264.9	238.4	487.3	11.1%	26.5
9) Depreciation and amortization	125.8	124.2	249.3	1.2%	1.5
10) Financial result	-16.7	-15.1	-44.0	-11.0%	-1.7
11) Income tax expense	31.3	25.2	54.3	24.1%	6.1
12) Extraordinary contribution on energy sector	28.1	28.0	28.0	0.3%	0.1
13) NET PROFIT	63.0	45.9	111.8	37.5%	17.2
14) Non recurrent items	26.5	25.7	24.9	3.1%	0.8
15) RECURRENT NET PROFIT	89.6	71.6	136.7	25.1%	18.0

NON RECURRENT ITEMS

1H23

- i) Extraordinary energy sector levy, as established in the 2023 State budget law (€28.1M);
- ii) Taxes recovery from previous years (€1.6M)

1H22

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

¹ System management activity includes asset from transmission activity of the electricity segment, accepted by regulator outside Totex amount (power line Fernão Ferro-Trafaria 2)

Appendix

OTHER OPERATIONAL REVENUES & COSTS BREAKDOWN

€M	1H23	1H22	2022	1H23 / 1H22	
				Δ %	Δ Abs.
Other revenues	13.7	12.2	28.3	12.2%	1.5
Allowed incentives	0.5	0.4	0.9	24.5%	0.1
Telecommunication sales and services rendered	4.0	3.9	7.8	0.5%	0.0
Consultancy services and other services provided	0.5	1.4	2.7	-66.3%	-0.9
Other revenues	8.8	6.4	16.8	36.0%	2.3
Other costs	13.4	9.6	15.9	38.6%	3.7
Costs with ERSE	6.5	3.4	6.7	93.8%	3.1
Other	6.9	6.3	9.2	9.2%	0.6

Includes revenues related to Electrogas' Net Profit proportion (€6.8M in 1H23 and €4.8M in 1H22)

Appendix

EBITDA BREAKDOWN

Electricity

Electricity
Enondas (wave energy concession)

€M	1H23	1H22	2022	1H23 / 1H22	
				Δ %	Δ Abs.
1) REVENUES	296.1	237.5	529.0	24.7%	58.6
Revenues from assets	24.8	21.5	57.2	15.1%	3.2
Return on RAB ¹	2.2	0.9	3.0	142.5%	1.3
Lease revenues from hydro protection zone	0.3	0.3	0.7	-1.4%	0.0
Incentive to Improve Technical Performance (IMDT)	5.0	3.8	20.0	33.3%	1.3
Recovery of amortizations (net from subsidies)	10.9	10.2	20.8	7.2%	0.7
Subsidies amortization	6.3	6.3	12.7	-0.6%	0.0
Revenues of TOTEX	141.3	134.7	271.0	4.9%	6.6
Revenues of OPEX	40.0	19.0	40.3	109.8%	20.9
Other revenues	2.0	1.5	6.1	31.6%	0.5
Construction revenues (IFRIC 12)	88.0	60.6	154.3	45.1%	27.4
2) OPEX	48.5	24.8	58.4	95.9%	23.7
Personnel costs	9.7	8.8	17.9	10.6%	0.9
External supplies and services	33.7	14.3	37.0	136.4%	19.4
Other operational costs	5.1	1.7	3.6	196.1%	3.4
3) Construction costs (IFRIC 12)	79.2	53.2	138.2	48.9%	26.0
4) Depreciation and amortization	81.1	80.2	161.0	1.1%	0.9
5) Other	0.1	0.5	1.5	-72.5%	-0.4
6) EBIT (1-2-3-4-5)	87.2	78.8	169.8	10.6%	8.4
7) Depreciation and amortization	81.1	80.2	161.0	1.1%	0.9
8) EBITDA (6+7)	168.2	159.0	330.8	5.8%	9.2

¹ System management activity includes asset from transmission activity of the electricity segment, accepted by regulator outside Totex amount (power line Fernão Ferro-Trafaria 2)

Appendix

EBITDA BREAKDOWN

Gas Transportation



€M	1H23	1H22	2022	1H23 / 1H22	
				Δ %	Δ Abs.
1) REVENUES	91.7	80.6	168.5	13.7%	11.1
Revenues from assets	55.2	53.4	108.8	3.4%	1.8
Return on RAB	23.8	22.2	46.2	7.0%	1.5
Recovery of amortizations (net from subsidies)	28.7	28.5	57.1	0.9%	0.3
Subsidies amortization	2.7	2.7	5.4	-0.2%	0.0
Revenues of OPEX	27.4	23.8	46.3	15.3%	3.6
Other revenues	-0.3	-0.5	-1.0	-51.5%	0.3
Consultancy services and other services provided	0.1	0.1	0.1	13.7%	0.0
Other	-0.3	-0.6	-1.2	-44.0%	0.3
Construction revenues (IFRIC 12)	9.3	3.9	14.5	136.4%	5.4
2) OPEX	16.6	21.6	43.7	-22.9%	-5.0
Personnel costs	4.5	4.1	8.4	9.4%	0.4
External supplies and services	9.1	14.4	29.5	-36.7%	-5.3
Other operational costs	3.0	3.1	5.8	-2.3%	-0.1
3) Construction costs (IFRIC 12)	7.7	2.7	11.4	188.8%	5.0
4) Depreciation and amortization	31.0	30.8	61.7	0.8%	0.3
5) Other	0.0	0.0	0.0	n.m.	0.0
6) EBIT (1-2-3-4-5)	36.3	25.6	51.7	42.0%	10.7
7) Depreciation and amortization	31.0	30.8	61.7	0.8%	0.3
8) EBITDA (6+7)	67.4	56.4	113.3	19.5%	11.0

Appendix

EBITDA BREAKDOWN

Gas 
Distribution

€M	1H23	1H22	2022	1H23 / 1H22	
				Δ %	Δ Abs.
1) REVENUES	44.9	43.4	89.7	3.4%	1.5
Revenues from assets	22.6	21.0	43.4	7.9%	1.6
Return on RAB	14.3	12.6	26.6	14.0%	1.8
Recovery of amortizations (net from subsidies)	8.2	8.3	16.8	-1.5%	-0.1
Subsidies amortization	0.1	0.1	0.1	14.0%	0.0
Revenues of OPEX	10.8	10.3	16.6	4.6%	0.5
Other revenues	0.1	0.8	1.0	-84.9%	-0.6
Adjustments previous years	-0.1	0.5	0.5	n.m.	-0.7
Other services provided	0.2	0.1	0.3	69.3%	0.1
Other	0.0	0.1	0.3	-54.6%	-0.1
Construction revenues (IFRIC 12)	11.3	11.3	28.6	0.0%	0.0
2) OPEX	9.4	8.5	13.9	11.2%	0.9
Personnel costs	2.1	2.0	4.0	7.0%	0.1
External supplies and services	2.5	2.1	4.8	16.8%	0.4
Other operational costs	4.8	4.4	5.1	10.4%	0.5
3) Construction costs (IFRIC 12)	9.5	9.9	25.5	-3.9%	-0.4
4) Depreciation and amortization	8.6	8.7	17.5	-1.2%	-0.1
5) Other	0.0	0.0	0.1	n.m.	0.0
6) EBIT (1-2-3-4-5)	17.4	16.4	32.7	6.2%	1.0
7) Depreciation and amortization	8.6	8.7	17.5	-1.2%	-0.1
8) EBITDA (6+7)	26.0	25.1	50.2	3.6%	0.9

Appendix

EBITDA BREAKDOWN



(Excl. PPA)

€M	1H23	1H22	2022	1H23 / 1H22	
				Δ %	Δ Abs.
1) REVENUES	12.4	6.5	13.7	89.9%	5.8
2) OPEX	2.5	1.5	4.9	61.7%	0.9
3) Depreciation and amortization	1.5	1.0	2.1	49.6%	0.5
4) Other	0.1	0.0	0.1	n.m.	0.1
5) EBIT (1-2-3-4)	8,3	4,0	6,6	109,1%	4,3
6) Depreciation and amortization	1.5	1.0	2.1	49.6%	0.5
7) EBITDA (6+7)	9.8	5.0	8.7	96.9%	4.8

Appendix

EBITDA BREAKDOWN

Other

REN SGPS
REN Serviços
REN Telecom
REN Trading
REN PRO
Aerio Chile SPA
Apolo Chile SPA
REN Finance BV

€M	1H23	1H22	2022	1H23 / 1H22	
				Δ %	Δ Abs.
1) REVENUES	11.8	10.4	22.2	13.3%	1.4
Other revenues	11.8	10.4	22.2	13.3%	1.4
Allowed incentives	0.5	0.4	0.9	24.5%	0.1
Telecommunication sales and services rendered	4.0	3.9	7.8	0.5%	0.0
Consultancy services and other services provided	0.1	0.9	1.3	-86.2%	-0.8
Other	7.2	5.2	12.1	38.9%	2.0
2) OPEX	18.1	17.3	36.5	4.6%	0.8
Personnel costs	14.6	14.2	28.6	2.7%	0.4
External supplies and services	3.3	2.8	7.5	16.2%	0.5
Other operational costs	0.2	0.2	0.4	-16.2%	0.0
3) Depreciation and amortization	3.6	3.5	7.0	0.2%	0.0
4) Other	0.2	0.2	1.5	0.0%	0.0
5) EBIT (1-2-3-4)	-10.0	-10.6	-22.8	-5.4%	0.6
6) Depreciation and amortization	3.6	3.5	7.0	0.2%	0.0
7) EBITDA (5+6)	1-6.5	-7.0	-15.8	-8.2%	0.6

Includes the negative impacts of the PPAs¹ of Portgás (€2.6M in 1H23 and 1H22) and Transemel (€0.9M in 1H23 and 1H22)

¹ PPA - Purchase Price Allocation

Appendix

CAPEX & RAB

€M	1H23	1H22	2022	1H23 / 1H22	
				Δ %	Δ Abs.
CAPEX	111.8	78.8	201.5	41.9%	33.0
Electricity	88.0	60.6	154.3	45.1%	27.4
Gas Transportation	9.3	3.9	14.5	136.4%	5.4
Gas Distribution	11.3	11.3	28.6	0.0%	0.0
Transemel	3.0	2.8	3.9	7.1%	0.2
Other	0.1	0.0	0.2	87.1%	0.0
Transfers to RAB	33.1	22.0	163.3	50.3%	11.1
Electricity	19.3	9.8	125.3	96.8%	9.5
Gas Transportation	2.2	1.4	11.6	58.1%	0.8
Gas Distribution	11.6	10.8	26.5	7.2%	0.8
Average RAB	3,533.2	3,602.6	3,609.8	-1.9%	-69.4
Electricity	2,021.8	2,041.2	2,057.7	-1.0%	-19.4
With premium	973.8	1,028.9	1,019.9	-5.4%	-55.2
Without premium	1,048.0	1,012.2	1,037.8	3.5%	35.8
Land	184.1	196.4	193.3	-6.2%	-12.3
Gas Transportation	838.7	884.0	874.7	-5.1%	-45.3
Gas Distribution	488.6	481.1	484.0	1.6%	7.5
RAB e.o.p.	3,492.7	3,557.0	3,573.5	-1.8%	-64.3
Electricity	1,996.4	2,011.6	2,046.8	-0.8%	-15.2
With premium	959.7	1,014.7	993.9	-5.4%	-55.0
Without premium	1,036.6	996.8	1,052.9	4.0%	39.8
Land	181.0	193.3	187.2	-6.3%	-12.3
Gas Transportation	825.5	870.5	852.0	-5.2%	-45.0
Gas Distribution	489.8	481.6	487.5	1.7%	8.1

€M	1H23	1H22	2022	1H23 / 1H22	
				Δ %	Δ Abs.
RAB's remuneration	98.4	87.5	181.4	12.4%	10.9
Electricity	60.0	52.4	107.9	14.5%	7.6
With premium	29.5	26.5	53.9	11.3%	3.0
Without premium	30.5	25.9	54.0	17.7%	4.6
Land	0.3	0.3	0.7	-1.4%	0.0
Gas Transportation	23.8	22.2	46.2	7.0%	1.5
Gas Distribution	14.3	12.6	26.6	14.0%	1.8
RoR's RAB	5.4%	4.8%	4.9%		0.6p.p.
Electricity	5.6%	5.0%	5.1%		0.6p.p.
With premium	6.0%	5.4%	5.5%		0.6p.p.
Without premium	5.3%	4.7%	4.7%		0.6p.p.
Land	0.4%	0.3%	0.3%		0.0p.p.
Gas Transportation	5.7%	5.0%	5.3%		0.6p.p.
Gas Distribution	5.9%	5.2%	5.5%		0.6p.p.

Appendix

TARIFF DEVIATIONS

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

€M	1H23	1H22	2022
Electricity	66.5	56.0	60.2
Trading	7.9	-384.8	-494.6
Gas Transportation	-33.7	-105.8	-76.4
Gas Distribution	14.0	2.0	11.5
Total	54.6	-432.6	-499.4

Appendix

FUNDING SOURCES

€M	Current	Non Current	1H23
Bonds	63 629	1 031 808	1 095 437
Bank borrowings	68 548	313 381	381 929
Commercial paper	500 000	373 000	873 000
Leases	1 438	2 522	3 960
TOTAL	633 616	1 720 711	2 354 327
Accrued interest	9 679	-	9 679
Prepaid interest	-2 382	-2 736	-5 118
TOTAL	640 913	1 717 975	2 358 888

- REN's total liquidity reached €1,577M, including credit facilities, loans, non-used commercial paper programmes, cash and bank deposits;
- Bank loans are mostly composed of loans contracted with the European Investment Bank (EIB), which at 30 June 2023 amounted to 346,929 thousand Euros (at 31 December 2022 it was 371,583 thousand Euros).
- The Group also has credit lines negotiated and not used in the amount of 80,000 thousand Euros, maturing up to one year, which are automatically renewable periodically (if they are not resigned in the contractually specified period for that purpose).
- As of 30 June 2023, the Group has eleven commercial paper programs in the amount of 2,125,000 thousand Euros, of which 1,252,000 thousand Euros are available for utilization. Of the total amount 850,000 thousand Euros have a guaranteed placement. As of June 30, 2023, an amount of 477,000 thousand Euros is available (600 thousand Euros were available as of December 31, 2022).
- The Company's financial liabilities have the following main types of covenants: Cross default, Pari Passu, Negative Pledge and Gearing.
- The effect of the foreign exchange rate exposure was not considered as this exposure is totally covered by hedge derivate in place.



Appendix

DEBT & DEBT METRICS

	1H23	1H22	2022
Net Debt (€M)	2,393.7	2,099.4	2,043.7
Average cost	2.4%	1.7%	1.8%
Average maturity (years)	2.6	3.0	3.0
Net Debt / EBITDA	4.5x	4.4x	4.2x

DEBT BREAKDOWN

Funding sources			
Bond issues	48.2%	65.1%	72.0%
EIB	14.3%	15.7%	15.5%
Commercial paper	35.9%	17.4%	10.4%
Other	1.6%	1.9%	2.0%

TYPE

Float	29%	28%	29%
Fixed	71%	72%	71%

RATING	Long Term	Short Term	Outlook	Date
Moody's	Baa2	-	Stable	27/07/2022
Fitch	BBB	F3	Stable	14/10/2022
Standard & Poor's	BBB	A-2	Stable	23/03/2023

Appendix

MARKET INFORMATION

CMVM: MAIN PRESS RELEASES (from January 2023)

- Jan-05** Issuance of 150 million euros of credit facility agreement with EIB
- Feb-10** Resignation of office as member of the board of directors of REN
- Mar-07** 2022 annual consolidated results - unaudited accounts
- Mar-07** Resignation and co-optation of members of the Board of Directors
- Mar-21** Changes in 2023 financial calendar
- Mar-24** Notice to Convene the Annual General Shareholders Meeting and proposals of resolution
- Mar-24** Accounts reporting documents referring to the financial year ended on 31st of December 2022 Unofficial version Unaudited Item 2 of the Agenda for the Annual General Shareholders Meeting
- Mar-24** Corporate Governance Report included in the Integrated Report 2022
- Apr-02** ERSE technical note: tariffs and prices for natural gas for the 2023-2024 gas year and parameters for the 2024-2027 regulatory period
- Apr-27** 2023 first quarter consolidated results
- Apr-27** Report and Accounts 1Q2023
- Apr-27** Resolutions approved at the Annual General Shareholders Meeting
- May-03** Payment of dividends of the 2022 financial year
- Jun-02** Tariffs and prices for natural gas for the 2023-2024 gas year and parameters for the regulatory period between the years 2024 and 2027

CONSOLIDATED FINANCIAL STATEMENTS

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Consolidated Financial Statements

FINANCIAL POSITION

Thousand Euros	June 2023	Dec. 2022
ASSETS		
Non-current assets		
Property, plant and equipment	133 506	127 816
Intangible assets	4 064 848	4 077 471
Goodwill	4 408	4 515
Investments in associates and joint ventures	178 696	180 770
Investments in equity instruments at fair value through other comprehensive income	137 477	145 715
Derivative financial instruments	79 394	80 564
Other financial assets	192	179
Trade and other receivables	367 335	55 666
Deferred tax assets	56 511	69 803
	5 022 368	4 742 499
Current assets		
Inventories	5 099	5 134
Trade and other receivables	350 288	327 764
Current income tax recoverable	0	10 671
Derivative financial instruments	1 778	236
Asset related to the transitional gas price stabilization regime - Decree-Law 84-D/2022	931 342	1 000 000
Cash and cash equivalents	32 551	365 292
	1 321 059	1 709 097
Total assets	6 343 427	6 451 596

Thousand Euros	June 2023	Dec. 2022
EQUITY		
Shareholders' equity		
Share capital	667 191	667 191
Own shares	-10 728	-10 728
Share premium	116 809	116 809
Reserves	393 939	396 065
Retained earnings	247 545	241 987
Other changes in equity	-5 561	-5 561
Net profit for the period	63 031	111 771
Total equity	1 472 227	1 517 534
LIABILITIES		
Non-current liabilities		
Borrowings	1 717 975	1 695 362
Liability for retirement benefits and others	62 981	64 939
Derivative financial instruments	71 925	73 464
Provisions	10 912	10 576
Trade and other payables	482 293	450 297
Deferred tax liabilities	111 699	115 064
	2 457 785	2 409 702
Current liabilities		
Borrowings	640 913	638 944
Provisions	0	0
Trade and other payables	823 319	885 416
Income tax payable	8 591	0
Liability related to the transitional gas price stabilization regime - Decree-Law 84-D/2022	931 342	1 000 000
Derivative financial instruments	9 250	0
	2 413 415	2 524 360
Total liabilities	4 871 200	4 934 062
Total equity and liabilities	6 343 427	6 451 596

Consolidated Financial Statements

PROFIT AND LOSS

Thousand Euros	31.06.2023	31.06.2022
Sales	74	60
Services rendered	327 010	283 091
Revenue from construction of concession assets	108 674	75 915
Gains/(losses) from associates and joint ventures	7 025	5 109
Other operating income	16 237	14 692
Operating income	459 021	378 866
Cost of goods sold	-465	-402
Costs with construction of concession assets	-96 370	-65 723
External supplies and services	-50 459	-34 659
Personnel costs	-31 226	-29 279
Depreciation and amortizations	-125 765	-124 227
Provisions	-232	-526
Impairments	-189	-189
Other expenses	-12 910	-9 246
Operating costs	-317 615	-264 251
Operating results	141 406	114 615
Financial costs	-36 433	-27 977
Financial income	8 916	4 273
Investment income - dividends	8 524	8 165
Financial results	-18 994	-15 540
Profit before income tax and ESEC	122 412	99 076
Income tax expense	-31 280	-25 203
Energy sector extraordinary contribution (ESEC)	-28 101	-28 018
Consolidated profit for the period	63 031	45 854
Attributable to:		
Equity holders of the Company	63 031	45 854
Non-controlled interest	0	0
Consolidated profit for the period	63 031	45 854
Earnings per share (expressed in euro per share)	0.09	0.07

Consolidated Financial Statements

CASH FLOW

Thousand Euros	June 2023	June 2022
Cash flow from operating activities:		
Cash receipts from customers	979 926	1 763 707
Cash paid to suppliers	-1 214 296	-1 235 390
Cash paid to employees	-41 007	-38 152
Income tax received/paid	-698	-27 092
Other receipts / (payments) relating to operating activities	58 417	-47 436
Net cash flows from operating activities (1)	-217 658	415 637
Cash flow from investing activities:		
Receipts related to:		
Investment grants	44 262	71 804
Dividends	7 480	7 931
Payments related to:		
Property, plant and equipment	-3 055	-5 354
Intangible assets	-101 387	-102 011
Net cash flow used in investing activities (2)	-52 699	-27 630
Cash flow from financing activities:		
Receipts related to:		
Borrowings	969 000	695 000
Interests and other similar income	2 577	0
Payments related to:		
Borrowings	-930 654	-799 173
Interests and other similar expense	-43 120	-33 861
Leasings	-1 098	-1 075
Interests of Leasings	-31	-12
Net cash from / (used in) financing activities (3)	-63 023	-241 269
Net (decrease) / increase in cash and cash equivalents (1)+(2)+(3)	-333 382	146 738
Effect of exchange rates	641	84
Cash and cash equivalents at the beginning of the year	365 292	398 759
Cash and cash equivalents at the end of the period	32 551	545 580
Detail of cash and cash equivalents		
Cash	22	23
Bank deposits	32 529	545 557
	32 551	545 580

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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