Results Presentation

REN 9M22

10th November 2022

AGENDA

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

1. Overview of the period

KEY MESSAGES

9M22

EBITDA improved 5.1% YoY to €360.9M, mainly driven by **Domestic EBITDA** performance (+€12.5M) reflecting **higher assets and opex remuneration** (+€16.4M), slightly offset by greater core opex (+€4.2M), due to higher electricity costs at the LNG Terminal (+€7.9M).

Solid contribution from international business, with an impact of **+€5.0M in EBITDA**, of which Electrogas represented +€3.5M.

Net Profit increased to €81.4M (an improvement of 19.1% versus 9M21), mostly attributed to an **increase in EBIT** (+€11.5M) **and better Financial Results** (+€5.3M), partly offset by higher taxes (+€2.8M) and heavier levy (+€1.0M), due to a higher RAB.

Capex reduction of €15.7M to €126.0M versus €141.7M in 9M21. **Transfers to RAB** increased €2.8M to €83.2M vs 9M21, matching the rise in gas distribution business (+€2.8M), whilst the positive change in electricity (+€2.7M) was entirely offset by the gas transmission business.

Renewable energy sources (RES) reached **44.4%** of total supply (approx.-16.6pp than in 9M21), attached to the renewable energy scarcity, as a result of current environment conditions. Electricity **consumption increased** 2.9% whilst **natural gas fell** by 1.2%.

Service quality remains our prime concern, showcased by the progress in **electricity transmission losses**, the exceptional **combined availability rate for both electricity and gas** and better **response time in emergency situations** in Natural Gas Distribution.

SECTOR OVERVIEW

Commitment to hydrogen infrastructure and energy transition

Council Regulation (EU) 2022/1854

+

Resolution of the Council of Ministers n.º 82/2022

+

Decree-Law n.º 72/2022

Measures to reduce energy prices and electricity consumption

- Electricity demand reduction of 10% for gross electricity and 5% for peak hours between 1-Nov-22 and 31-Mar-23
- Cap at 180 €/MWh on market revenues for inframarginals generators[1]
- Solidarity levy for fossil fuel sector

Preventive measures to secure supply

- Initiate a strategic reserve of water in the reservoirs associated with hydroelectric power plants
- Vouched for reinforcing the underground gas storage with at least 2 additional cavities
- Endorsed the installation of the necessary infrastructure for the natural gas transshipment and authorized the LNG terminal operator to invest the amount of €4.5M for this purpose.

Measures to accelerate renewable projects

- Publication of the Decree-Law n.º 72/2022 follows the Decree-Law n.º 30-A/2022 and approves new exceptional measures aimed at ensuring the simplification procedures for generating energy from renewable sources in Portugal. For instance, it establishes a compensation to the municipalities (13.5 k€ per MVA), using the Environmental Fund, to facilitate the promotion of renewables and local development. In addition, it ensures the appropriate conditions for the development of the 2019, 2020 and 2021 Auction projects by extending the experimental period and updating the tariff for inflation from the date of the auction until the date of entry into operation of the PV power plants.

PDIRD 2022

Gas Development Plan 2023-2027

- ERSE analyzed the **PDIRD 2022** and recommends a revision of these five-year plans that involves a substantial reduction in the amount of investments proposed – 70% reduction in Business Devolpment and 50% in decarbonization. The DSOs will now have to reflect on the recommendations made by ERSE, DGEG, the TSO and the public, and submit a final proposal. Ultimately, the approval will fall under the responsibility of the Ministry of Environment and Energy Transition.

Energy Transition and renewable gas

- The **"H_2 Green Valley" Agenda**, submitted for the PRR[2], was selected for the negotiation phase with IAPMEI[3].
- REN will develop an H_2 pipeline backbone with a capacity to receive the production of up to 2 GW of electrolyzer production in Sines. The financing agreement is expected to be signed in December 2022.
- REN has been developing a detailed project plan and is undergoing a review of the market assessment in order to maximize user connections until the end of Q4 2025.

1 Including intermediaries, that use so-called inframarginal technologies to produce electricity, such as renewables, nuclear and lignite | 2 Portuguese Recovery and Resilience Plan | 3 Agency for Competitiveness and Innovation

2. Business performance

OPERATIONAL HIGHLIGHTS

REN

Consistent progress in transmissions losses and outstanding combined availability rate

Electricity

Consumption	37.7TWh	↑ 1.1 TWh (2.9%)	9M21: **36.7TWh**
Energy transmission losses	1.76%	↓ 0.26pp	9M21: **2.02%**
Line length	9,404km	↑ 367km (4.1%)	9M21: **9,037km**
Renewables in consumption supply	44.4%	↓ 16.6pp	9M21: **61.0%**
Average interruption time	0.07min	↑ 0.02min	9M21: **0.05min**
Combined availability rate	98.8%	↑ 0.1pp	9M21: **98.7%**

Gas Transmission

Consumption	47.3TWh	↓ 0.6TWh (1.2%)	9M21: **47.9TWh**
Combined availability rate	100.0%	↑ 0.1pp	9M21: **99.9%**
Line length	1,375km	= 0km (0.0%)	9M21: **1,375km**

Gas Distribution

Gas distributed	4.6TWh	↓ 1.1TWh (19.3%)	9M21: **5.7TWh**
Emergency situations with response time up to 60min	98.7%	↑ 0.6pp	9M21: **98.1%**
Line length	6,263km	↑ 239km (4.0%)	9M21: **6,024km**

NOTE: These figures are representative of the Portuguese activities alone

FINANCIAL HIGHLIGHTS

Net Profit increased 19.1% attached to the improvement in EBITDA

EBITDA

€360.9M ↑ 17.5 (5.1%)

9M21: **€343.4M**

Financial results

-€25.8M ↑ 5.3 (17.1%)

9M21: **-€31.1M**

Net Profit

€81.4M ↑ 13.1 (19.1%)

9M21: **€68.4M**

CAPEX

€126.0M ↓ 15.7 (11.1%)

9M21: **€141.7M**

Average RAB[1]

€3,603.3M ↑ 84.8 (2.4%)

9M21: **€3,518.5M**

Net Debt[2]

€2,450.7M ↓ 77.1 (3.0%)

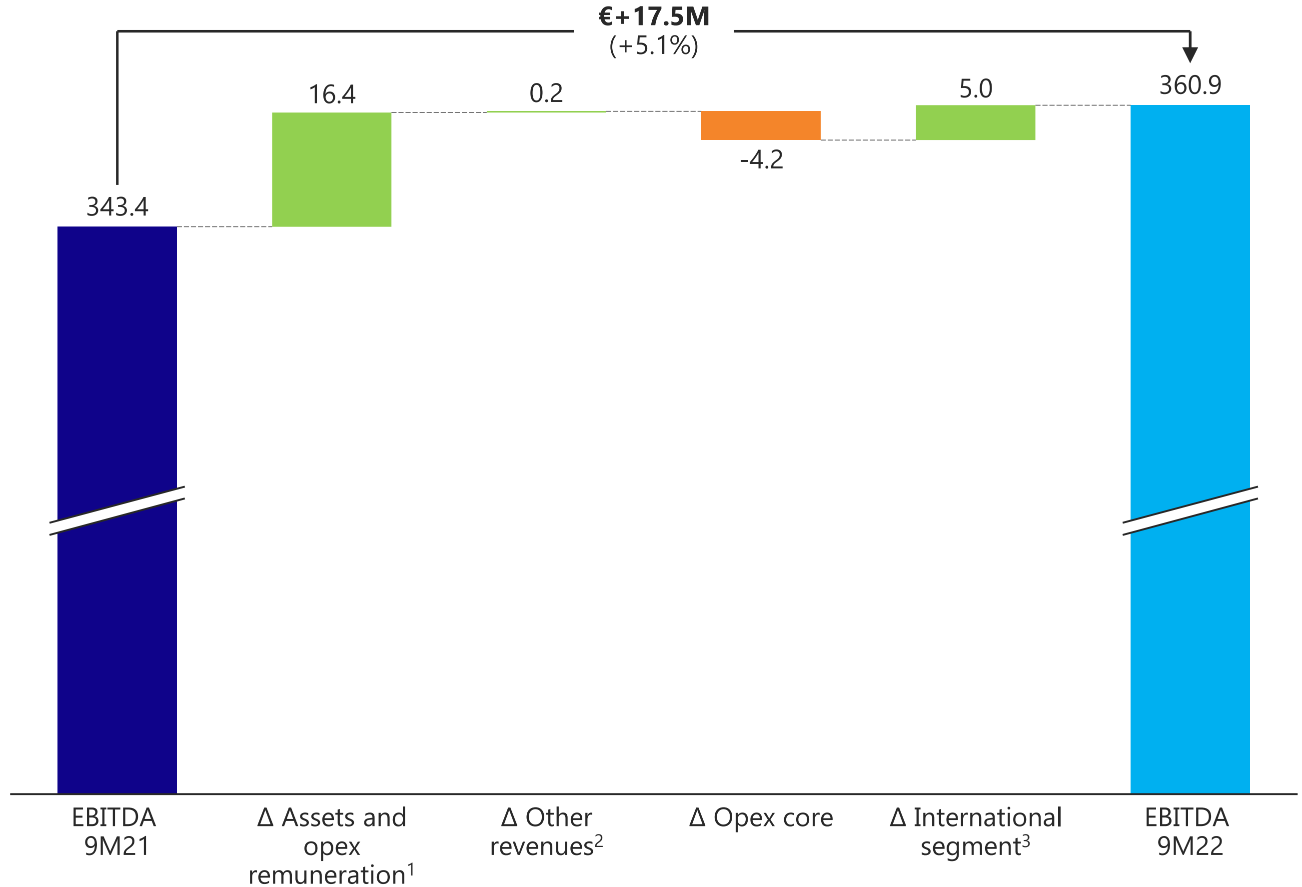
9M21: **€2,527.8M**

1 Refers only to Domestic RAB | 2 Net Debt without tariff deviations

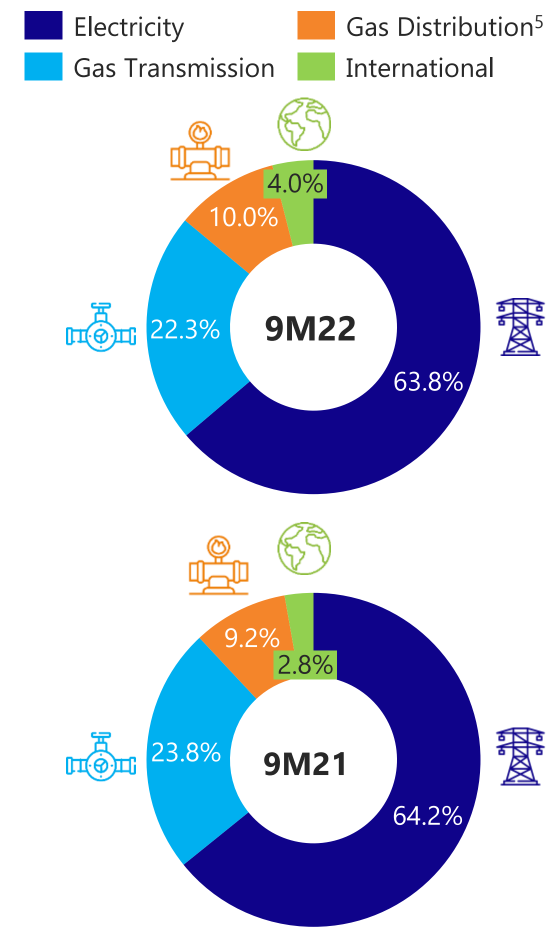
CONSOLIDATED VIEW

Increase in EBITDA driven by domestic business assets remuneration and international business performance

EBITDA evolution breakdown €M



EBITDA contribution by business segment[4] %



1 Includes electricity regulatory incentives (in 9M21 €20.2M from the Incentive for the Rationalization of Economic Investments, and in 9M22 €5.6M from the Incentive to the Improvement of the TSO Technical Performance) and excludes Opex remuneration related to pass-through costs | 2. Includes REN Trading incentives, telecommunication sales and services rendered, interest on tariff deviation, consultancy revenues and other services provided, OMIP and Nester results | 3. Includes Apolo SpA and Aerio Chile SpA costs | 4 Excludes the segment "Other", which includes REN SGPS, REN Serviços, REN Telecom, REN Trading, REN PRO and REN Finance B.V. | 5 Refers to Portgás

DOMESTIC BUSINESS

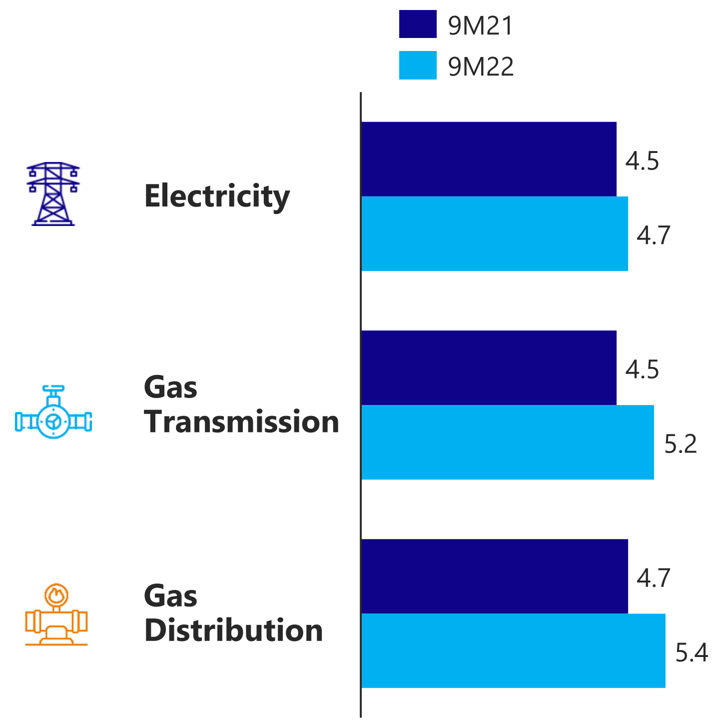
Bond yields climbed in 2022 leading to an increase in RoR

Portuguese 10Y Treasury Bond Yields %

Average yield %

9M21	0.3%
9M22	1.8%

Base Rate of Return on RAB (RoR)* %



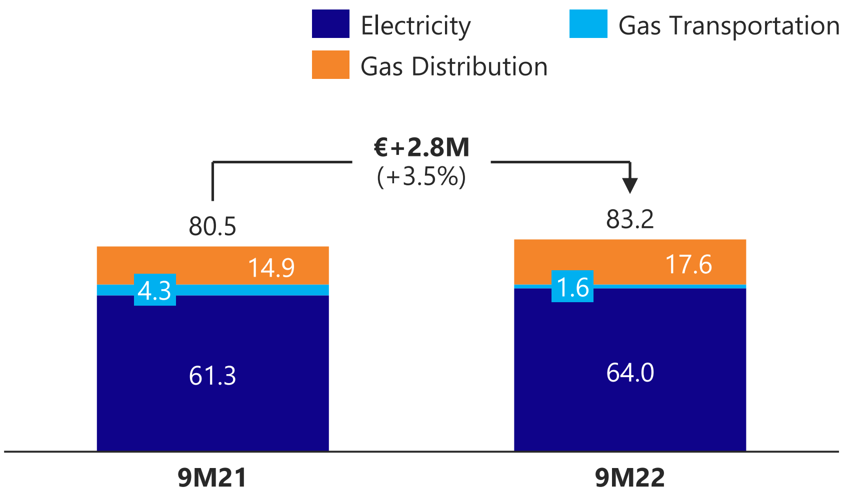
SOURCE: Bloomberg; REN

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

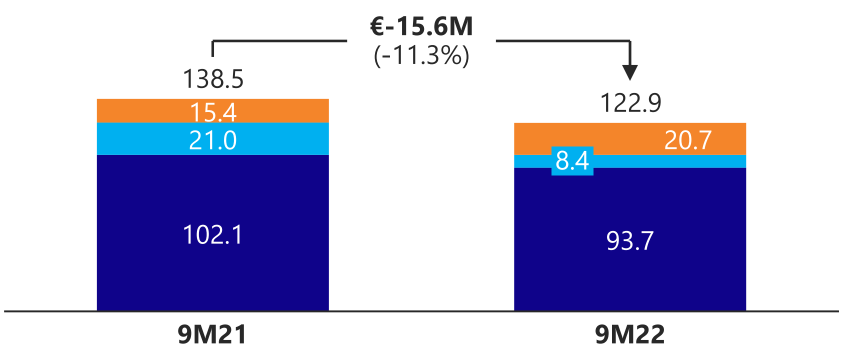
DOMESTIC BUSINESS

Transfers to RAB and CAPEX broadly in line with 2022

Transfers to RAB €M



Capex €M



Key highlights

Electricity

- 150 kV connection between the Fernão Ferro and Trafaria substations (underground cable plus overhead line)
- Remodeling of the 400 kV Palmela-Sines 2 and Palmela-Sines 3 lines, as well as the remodeling of 400 kV Alcochete-Fanhões line
- Replacement of one autotransformer 400/220 kV, 450MVA at Fanhões Substaton
- Installation of the 2nd transformer 400/60 kV, 170 MVA at Estremoz Substation
- 400 kV line bays at Lagoaça and Estremoz Substations to connect photovoltaic solar power plants*

Gas Distribution

- Investments for network expansion and densification mostly for B2C, celebrating 400k clients in September of 2022
- New prospects for B2B investments closely monitored in order to provide client comfort regarding network costs
- Decarbonizing and digitalization plan on the move
- **New investment plan 23-27 delivered to DGEG and ERSE** (April 2022) under discussion
- Expansion to new industrial zones ongoing

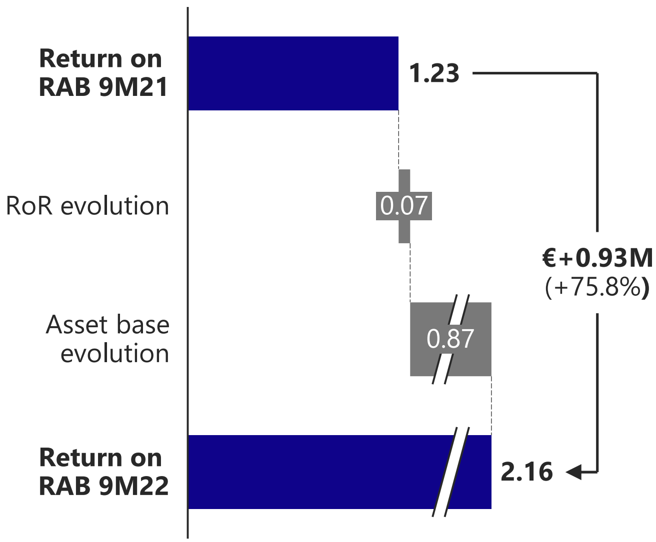
* The photovoltaics panels are 100% subsidized by the promoters that submitted the request to connect the photovoltaic power plants

DOMESTIC BUSINESS

RAB remuneration increased across all businesses driven mostly by the increase in the rate of return

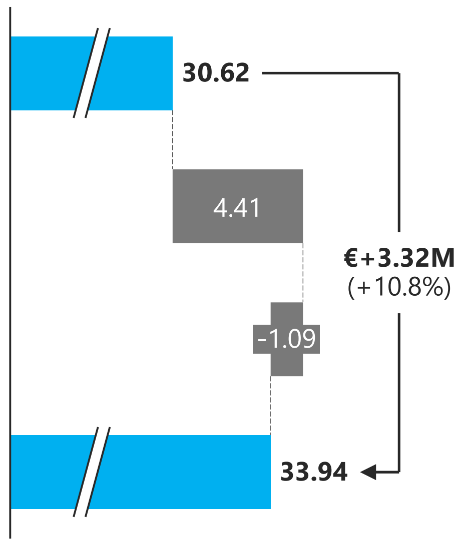
Return on RAB evolution breakdown €M

Electricity (GGS[1])



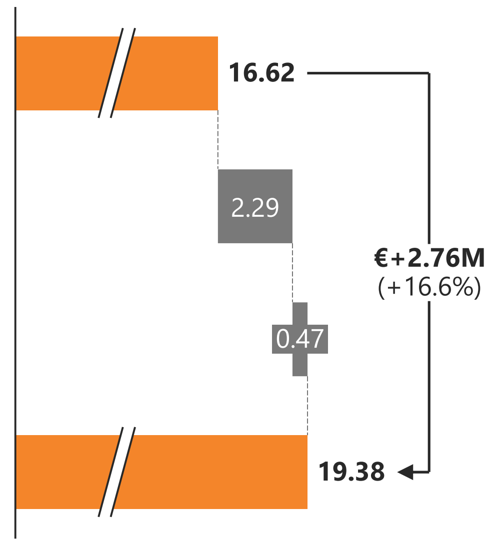
Return on RAB increase caused by a **higher asset base** (by €24.6M to €60.8M) [2]

Gas Transmission



Increase in Return on RAB justified by a **higher RoR** of 5.16% (vs 4.51%), despite the **smaller asset base** (by €28.3M to a total of €876.9M)

Gas Distribution



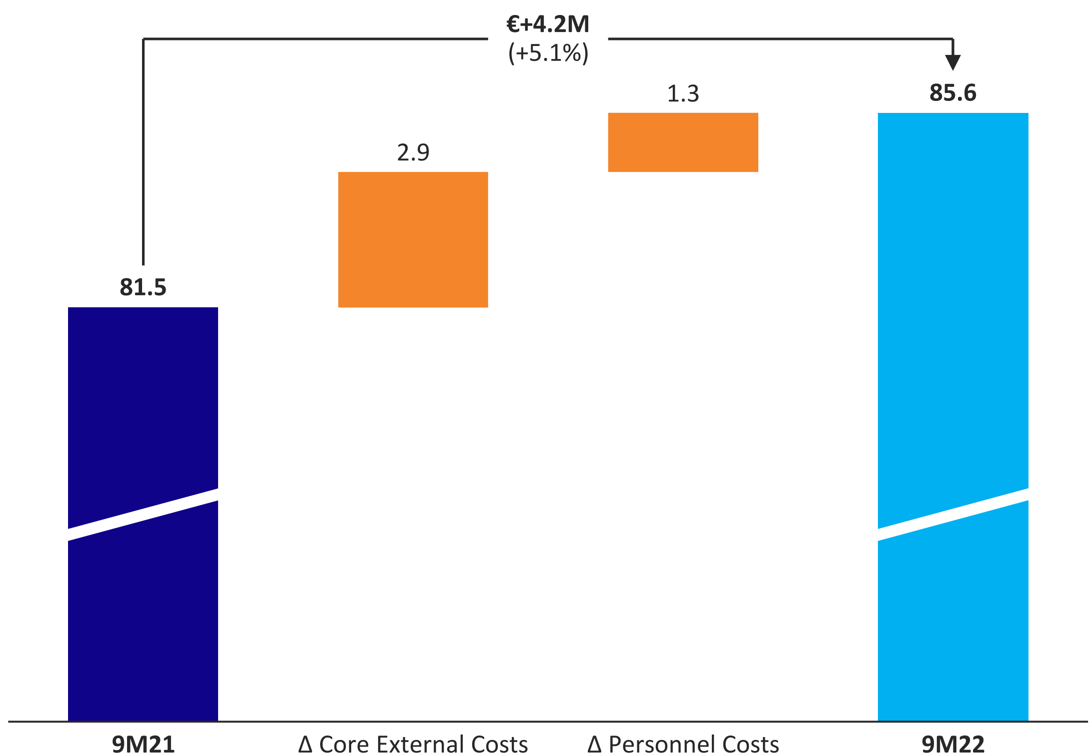
Increase return on RAB attributed to a **higher rate of return** (from 4.71% to 5.36%) and higher **asset base** (+€11.6M to a total of €482.1M)

1 Only General System Management (GGS) activity and assets from Transmission (TEE) activity accepted by the regulator outside the Totex model | 2. Includes the transfer of power line Fernão Ferro-Trafaria 2 from transmission activity, accepted by the regulator outside the Totex model, with average RAB in 9M22 of €22.3M

DOMESTIC BUSINESS

OPEX was unchanged YoY, while core OPEX grew 5.1%

Core OPEX[1] evolution €M



OPEX €M

108.0 → €0.0M (0.0%) → 108.0

Key highlights

Core external costs

- Electricity costs in LNG terminal (+€7.9M)
- Forest clearing costs (-€4.0M)

Non-core costs

- Pass-through costs (costs accepted in the tariff) decreased €4.2M **of which** -€2.3M in **costs with cross-border and system services costs, and -€2.9M in costs with ERSE**

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

INTERNATIONAL BUSINESS

Solid performance from the Chilean businesses

Contribution to EBITDA 9M22 €M

	9M22	Share in REN total %	9M21 contribution €M
REN International	15.0	4.2	10.0
Transemel (100%)	7.2	2.0	5.6
Electrogas (42.5%)	7.9	2.2	4.4

Contribution to Capex 9M22 €M

	9M22	Share in REN total %	9M21 contribution €M
REN International	3.2	2,5	3,2
Transemel (100%)	3.2	2,5	3,2
Electrogas (42.5%)	0.0	0.0	N/A

Key highlights

Transemel, Chile

- **EBITDA increased YoY** mainly driven by higher revenues

Revenues

€10.0M €1.8M (21.8%)

9M21: **€8.3M**

EBITDA

€7.2M €1.5M (27.4%)

9M21: **€5.6M**

Electrogas, Chile

- **EBITDA improvement YoY,** as a result of higher revenues (greater tariff and volumes transported)

Revenues

€32.5M €11.7M (56.3%)

9M21: **€20.8M**

EBITDA

€29.6M €11.4M (62.1%)

9M21: **€18.3M**

CONSOLIDATED VIEW

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

Depreciation & Amortization

€186.5M €6.0M (3.3%)

9M21: **€180.5M**

- D&A increased €6.0M versus 9M21, mostly attached to the evolution of gross assets.

Financial results

-€25.8M €5.3M (17.1%)

9M21: **-€31.1M**

- **The improvement in financial results** (+€5.3M) reflects the lower **Net Debt** and **higher dividends from HCB (an increment of +€1.3M YoY),** despite increase in the average cost of debt of 0.09 p.p. from 1.60% to 1.69%.

Taxes

€67.1M €3.8M (5.9%)

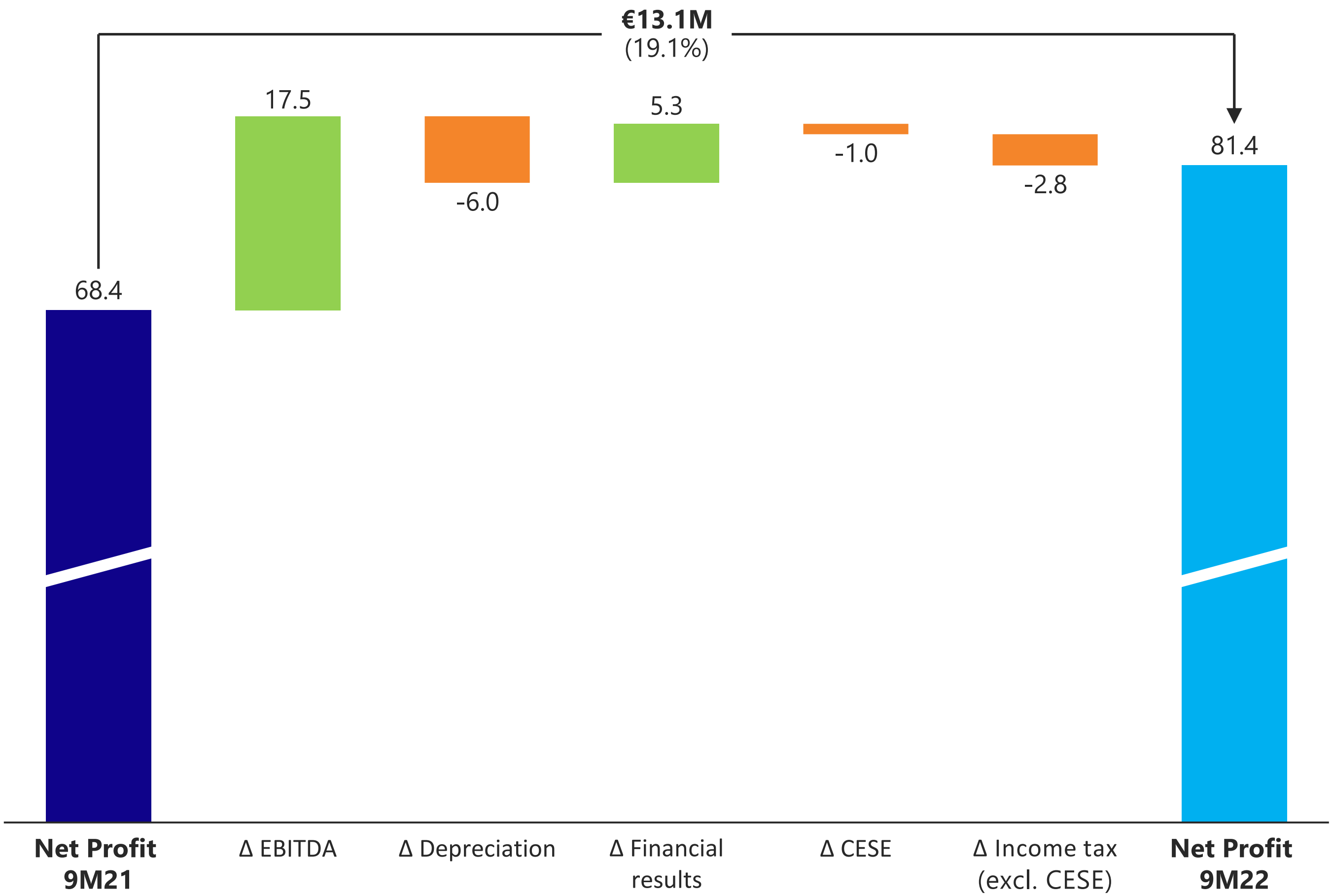
9M21: **€63.4M**

- Total taxes include the **extraordinary levy of €28.0M** (€27.1M in 9M21) and **income tax which grew by** €2.8M to €39.1M.
- **Effective tax rate reached 40.5%,** a 2.5 p.p. decrease relatively to 9M21 (including the levy).
- **Increase vs 9M21** reflecting the increase in EBT (+€16.8M).
- Taxes (9M22 and 9M21) benefited from tax recovery of previous years.

CONSOLIDATED VIEW

Net Profit increased as a result of higher EBITDA and financial results, partially offset by higher depreciations, taxes and CESE

Net profit evolution breakdown €M



Key highlights

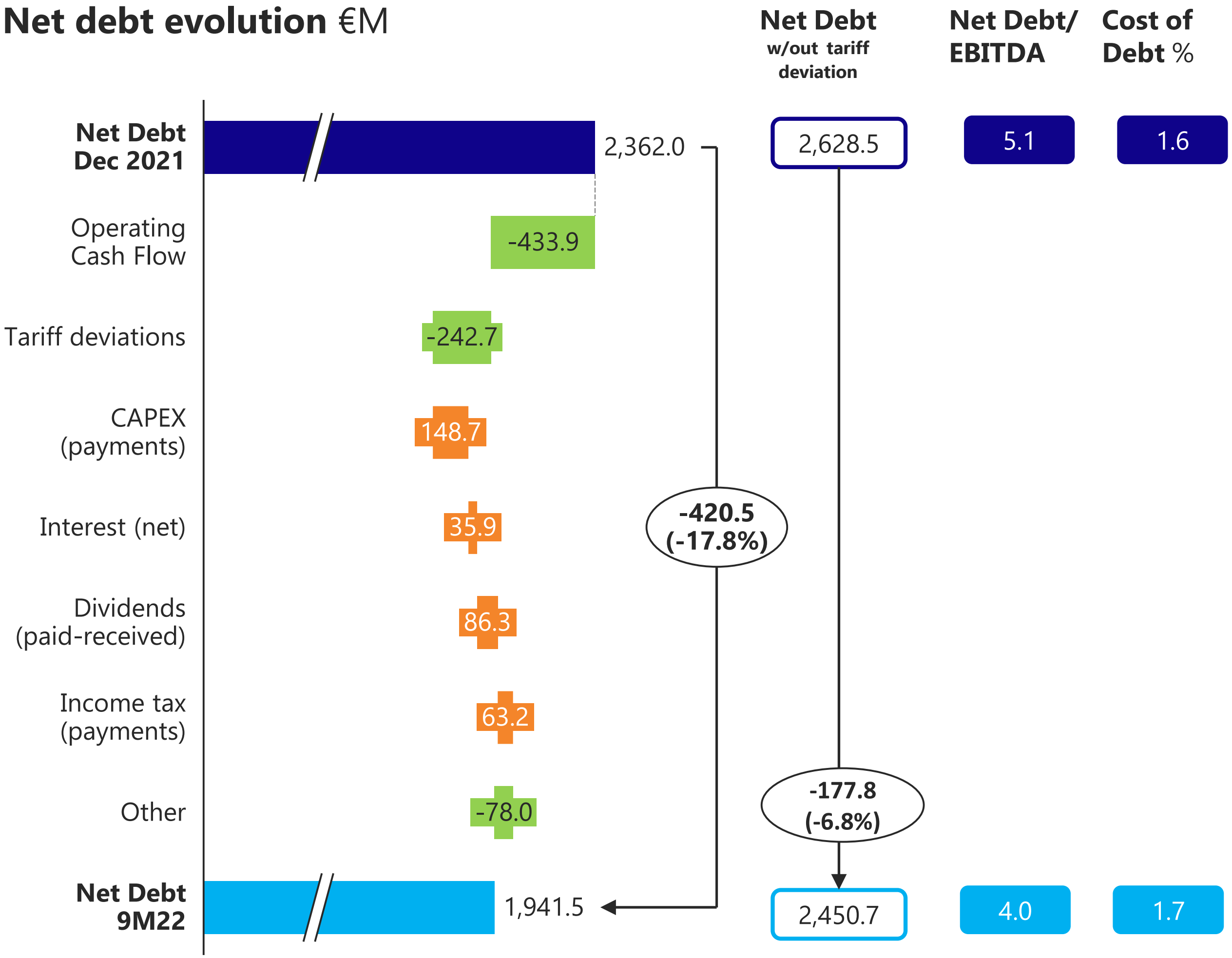
- The **increase in EBITDA** reflecting the positive contribution of both the domestic (+€12.5M) and international businesses (€5.0M)
- The **Positive effect** of €5.3M from **Financial Results** as a consequence of better financial conditions, lower net debt and higher dividends from associates
- **Higher charge by CESE** (Δ€1.0M), reflecting the evolution of the asset base

CONSOLIDATED VIEW

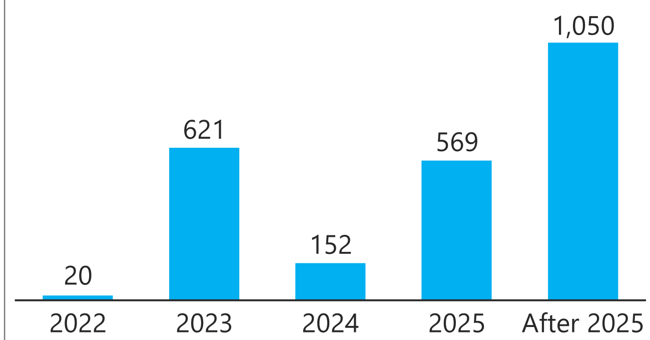
REN

Net Debt improvement due to solid operating cash flow and extraordinary tariff deviations

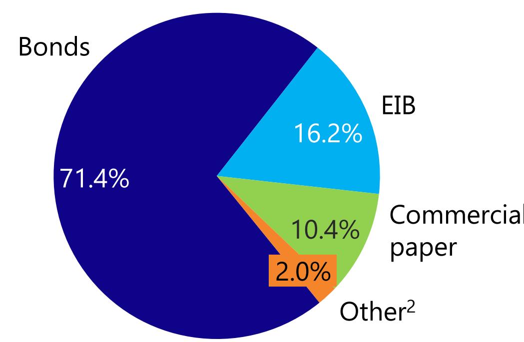
Net debt evolution €M



Adjusted Gross Debt Maturity[1] €M



Debt sources %

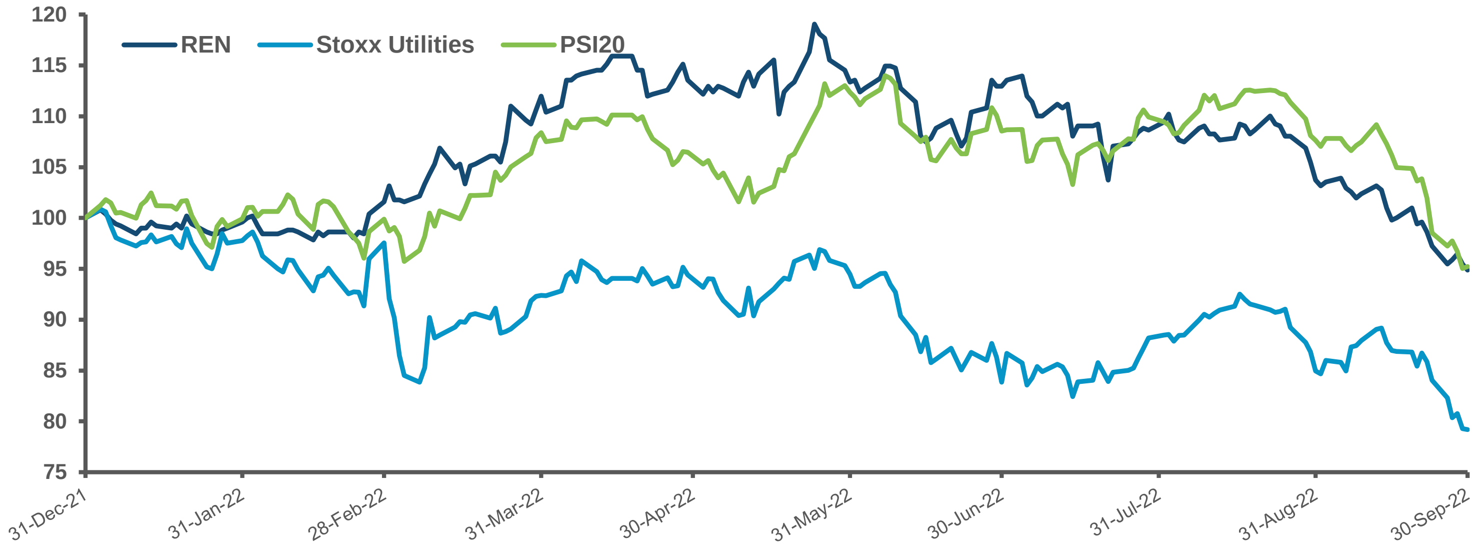


1 Calculated as Net Debt plus Cash, bank deposits and derivative financial instruments (€406M), excluding effects of hedging on yen denominated debt, accrued interest and bank overdrafts | 2 Includes loans (1.9%) and leasing (0.2%)

SHARE PRICE & SHAREHOLDER RETURN

REN's share keeps beating the market despite adverse macro conditions

Annualized closing prices %



	% TSR 9M22	% TSR 9M21
REN	0.1	15.7
PSI20	-1.4	15.6
Stoxx Utilities	-17.1	-4.3

Analyst recommendations[1]

Average Price target

€2.76 €0.18 (7.0%)

9M21: **€2.58**

Upside/Downside (+/-)

1.7% 6.7pp

9M21: **8.4%**

Buy recommendations

18.2% 21.8pp

9M21: **40.0%**

Hold recommendations

45.4% 4.6pp

9M21: **50.0%**

1 End of period
SOURCE: Bloomberg, REN

3. Shaping a sustainable future

HIGHEST ESG STANDARDS

REN is taking sustainable steps towards meeting our targets

ENVIRONMENTAL

TARGETS

-50% CO_2 emissions by 2030 vs. 2019

Carbon neutral by 2040

ACHIEVEMENTS

Climate | Calculation of scope 3 emissions concluded and submission of science-based target (SBT) until the end of 2022

Mobility | Renewables Grid Initiative (RGI) awarded Speed-E the "Good Practice of the Year" in the "Technological Innovation & System Integration" category

Suppliers | Inclusion of scope 3 emissions disclosure requirements in new tenders

SOCIAL

TARGETS

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

ACHIEVEMENTS

Human capital management | Adoption of flexibility program based on flexible work schedules, remote work guidelines and other work life balance initiatives

Corporate social responsibility and Sustainability | REN was distinguished at APEE (Portuguese Association of Corporate Ethics) for its CSR and Sustainability strategy

GOVERNANCE

TARGETS

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

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

ACHIEVEMENTS

Stakeholders | Definition and approval of a stakeholder engagement policy

Suppliers | Suppliers code of conduct update to further include sustainability aspects

Anticorruption | Update to REN's Code of Conduct and Integrity Policy in line with the national anticorruption strategy

REPORTNIG

Calculation of REN's alignment with the **EU Taxonomy** and progressive adoption of an **integrated report**, aligned with the **new CSRD**[5] and relevant sustainability disclosure frameworks such as GRI[6], SASB[7] and TCFD[8]

5. CSRD – Corporate Sustainability Reporting Directive; 6 – Global Reporting Initiative; 7 – Sustainability Accounting Standards Board; 8 – Task Force on Climate-Related Financial Disclosures

HIGHEST ESG STANDARDS

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

MSCI ESG Rating

MSCI

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

Sustainalytics ESG Rating

SUSTAINALYTICS

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

ISS ESG Rating

ISS ESG

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

	MSCI		Sustainalytics		ISS	
REN's Rating 2022	A	2021: BBB	19.2	2021: 19.4	B	2021: B
Sector Average	AA	Below	34.0	Above	C	Above
Scale	CCC-AAA		100-0		D-A	

(Scores as of October, 2022. CDP and S&P CSA scores for 2022 not yet available)

4. Closing remarks

CLOSING REMARKS

REN remains fully committed to deliver solid results and sustainable returns

EBITDA of €360.9M, an increase of €17.5M YoY (+5.1%)**,** reflecting the increase in domestic and international business performances.

Net Profit grew to €81.4M (+€13.1M), attached to the improvement in EBIT (+€11.5M) and higher Financial Results (+€5.3M), albeit partially offset by higher levy (+€1.0M) and taxes (+€2.8M), as a result of the evolution on regulated asset base.

Net Debt amounted to **€1,941.5M** (-€436.7M YoY) as the operating cash flow and tariff deviations exceeded the outflows of investment and financing activities.

Transfers to RAB increased slightly +€2.8M to €83.2M and **Capex decreased** as last year was influenced by the recovery of delayed projects.

REN's shareholder return YTD22 remained positive while the sector registered a negative Total Shareholder Return.

DISCLAIMER

This document has been prepared by REN – Redes Energéticas Nacionais, SGPS, S.A (the "Company") and its purpose is merely informative. As such, this document may be amended and supplemented at the discretion of REN and it should be read as a overview of the matters addressed or contained herein.

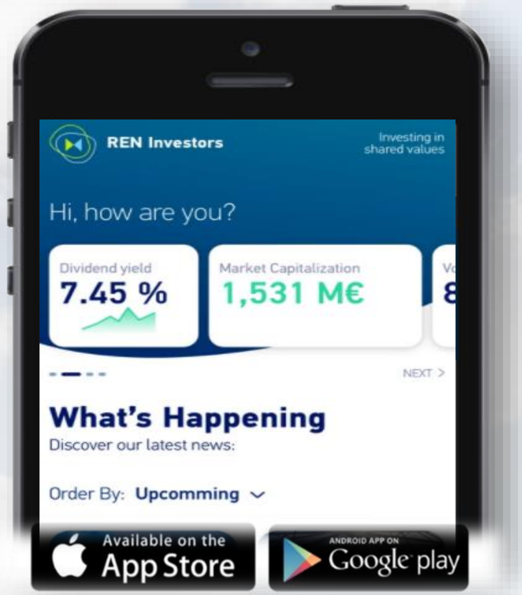
By attending the meeting where this presentation takes place, or by reading the presentation slides, you acknowledge and agree to be bound by the following conditions and restrictions:

1. This presentation and all materials, documents and information used therein or distributed to investors in the context of this presentation do not constitute, or form part of a public offer, private placement or solicitation of any kind by REN, or by any of REN's shareholders, to sell or purchase any securities issued by REN.
2. The purpose of this document is merely of informative nature and this presentation and all materials, documents and information used herein or distributed to investors in the context of this presentation may not be used in the future in connection with any offer in relation to securities issued by REN without REN's prior consent.
3. Any decision to invest in any securities of the Company or any of its affiliates or subsidiaries in any offering (public or private) should be made solely on the basis of the information to be contained in the relevant prospectus, key investor information or final offering memorandum provided to the investors and to be published in due course in relation to any such offering and/or public information on the Company or any of its affiliates or subsidiaries available in the market.
4. This document may also contain statements regarding the perspectives, objectives, and goals of REN, namely concerning ESG (Environmental, Social & Governance) objectives, including with respect to energy transition, carbon intensity reduction or carbon neutrality. An ambition expresses an outcome desired or intended by REN, it being specified that the means to be deployed may not depend solely on REN and shall be considered as non-binding and for information purposes only.
5. This presentation contains forward-looking statements regarding future events and the future results of REN. Accordingly, neither REN nor any other person can assure that its future results, performance or events will meet those expectations, nor assume any responsibility for the accuracy and completeness of the forward-looking statements.
6. Forward-looking statements include, among other things, statements concerning the potential exposure of REN to market risks and statements expressing management's expectations, beliefs, estimates, forecasts, projections, and assumptions. All statements other than historical facts may be deemed to be, forward-looking statements. Words such as 'expects', 'anticipates', 'targets', 'goals', 'projects', 'intends', 'plans', 'believes', 'seeks', 'estimates', variations of such words, and similar expressions are intended to identify such forward-looking statements.
7. Any information and forward-looking statements contained in this document made by or on behalf of REN speak only with regard to the date they are made or presented.
8. REN does not undertake to update the information and the forward-looking statements, particularly, to reflect any changes in REN's expectations with regard thereto or any changes in events, conditions or circumstances on which any such statement is based.

THANK YOU

REN's IR & Media app:

REN
INVESTORS



GET IN TOUCH

Visit our web site at www.ren.pt or contact us:

Madalena Garrido – Head of IR

Alexandra Martins

José Farinha

Telma Mendes

Av. EUA, 55

1749-061 Lisboa

Telephone: +351 210 013 546

ir@ren.pt