Results Presentation 9M23

10th November 2023

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01

OVERVIEW OF THE PERIOD

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Key messages - Financial

- **EBITDA grew 9.6% YoY, standing at €395.5M,** driven by:

(1) **domestic business performance (+€27.7M),** as a result of the **increase in assets and opex remuneration** (+€21.4M), **other revenues** (+€2.9M) and **lower core OPEX** (-€3.4M) due to lower electricity prices;

(2) **increase in contribution of international business,** of which €5.3M in Transemel and €1.5M in Electrogas**.**

- **Net Profit achieved €96.2M**, **an increase of €14.8M (+18.2% vs 9M22)**, supported by higher **EBIT** (+€32.4M). This was partially offset by **lower financial results** (-€9.7M), **higher taxes** (+€7.7M) and **higher levy** (+€0.1M).
- **Net Debt increased to €2,464.0M** (+€522.5M YoY) mainly due to tariff deviations outflows. If we exclude this impact, Net Debt decreased 9.9% (-€252.7M) to €2,290.4M, since the end of 2022.

- **Capex increased by €51.1M to €177.1M,** compared to the same period of last year, and **Transfers to RAB decreased by €34.1M** to €49.1M.
- **Average RAB stood at €3,510.9M**, -2.6% YoY, driven by higher amortizations, mainly in electricity (-€54.0M) and gas transportation (-€45.2M).

Key messages - Operational

- In 9M23, **Renewable energy sources** (RES) **contributed 55.2%** to the overall energy supply, up from 44.2% in 9M22. Over the same period, photovoltaic energy production grew by 43%, with **REN playing an important role in this transition to renewable energy sources**.
- **Electricity consumption remained almost flat YoY** (37.5TWh), while **natural gas consumption fell** by 19.7% (to 38.0TWh).
- **There was a high level of quality service provided**: in electricity, the average interruption time was 0.31 minutes (+0.2 minutes YoY), while in gas transportation, the combined availability rate remained at 100%.

- **REN submitted the Green H2 Corridor H2MED projects** to the Project of Common Interest (PCI) of the EU. Currently, REN is waiting for its technical analysis and recognition in the final PCI list of funding applications.

- **The natural gas tariffs and prices** approved by ERSE last June for the 2023-2024 gas year **became effective on October 1, 2023**, through September 30, 2024. The final price on the regulated market has increased by an average of 0.6%.

REN

02

BUSINESS PERFORMANCE

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Business highlights

RENEWABLE ENERGY ACCOUNTED FOR 55.2% OF ELECTRICITY CONSUMPTION

Electricity

Consumption	37.5TWh	0.2TWh (0.5%)	↓	9M22: 37.7TWh
Renewables in consumption supply	55.2%	11.0 pp	↑	9M22: 44.2%
Energy transmission losses	2.1%	0.4 pp	↑	9M22: 1.8%
Average interruption time	0.31min	0.2min	↑	9M22: 0.07min
Line length	9,425km	21km (0.2%)	↑	9M22: 9,404km
Combined availability rate	98.5%	0.3 pp	↓	9M22: 98.8%

Gas Transportation

Consumption	38.0TWh	9.3TWh (19.7%)	↓	9M22: 47.3TWh
Combined availability rate	100.0%	0.0 pp	=	9M22: 100.0%
Line length	1,375km	0km (0.0%)	=	9M22: 1,375km

Gas Distribution

Gas distributed	4.3TWh	0.3TWh (6.5%)	↓	9M22: 4.6TWh
Emergency situations with response time up to 60min	99.3%	0.6 pp	↑	9M22: 98.7%
Line length	6,441km	178km (2.8%)	↑	9M22: 6,263km

NOTE: These figures are representative of the Portuguese activities alone

Financial highlights

POSITIVE NET PROFIT EVOLUTION DRIVEN BY ROBUST OPERATIONAL PERFORMANCE

EBITDA

€395.5

34.6
(9.6%) ↑

9M22: **€360.9M**

Financial results

€-35.5M

9.7
(37.6%) ↓

9M22: **€-25.8M**

Net Profit

€96.2M

14.8
(18.2%) ↑

9M22: **€81.4M**

CAPEX

€177.1M

51.1
(40.5%) ↑

9M22: **€126.0M**

Average RAB[1]

€3,510.9M

92.4
(2.6%) ↓

9M22: **€3,603.3M**

Net Debt

€2,464.0M

522.5
(26.9%) ↑

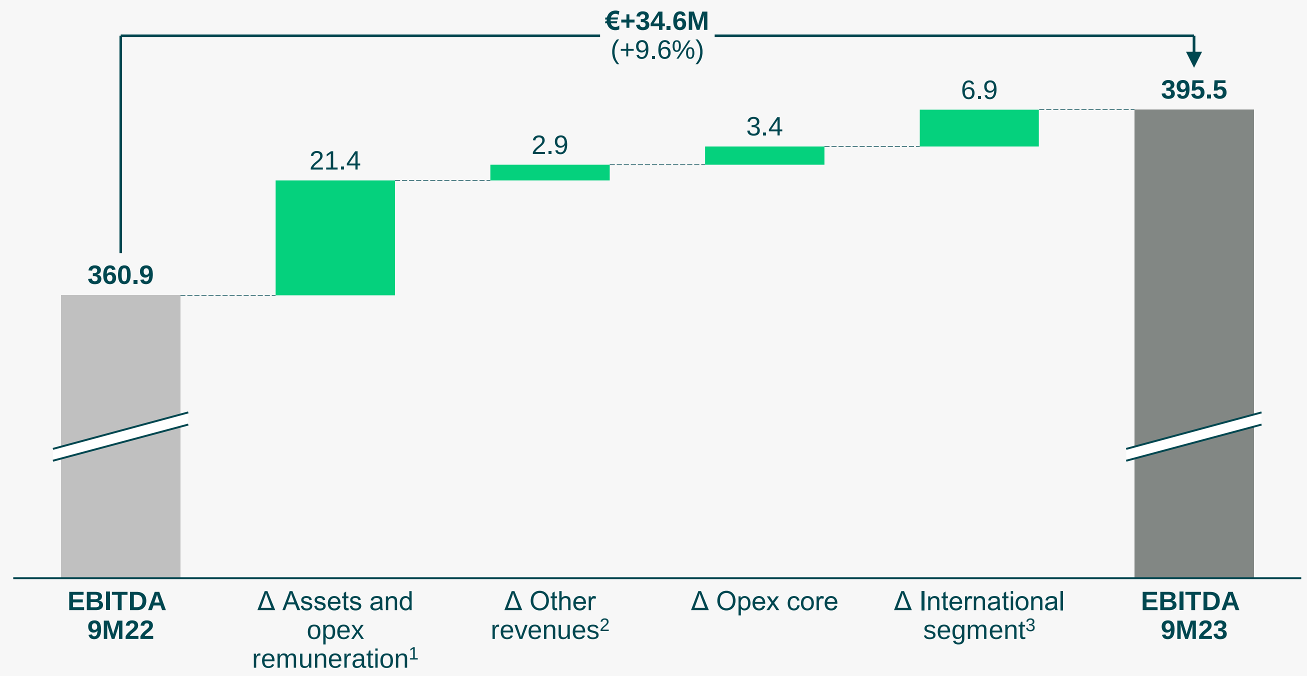
9M22: **€1,941.5M**

1 Refers only to Domestic RAB

EBITDA

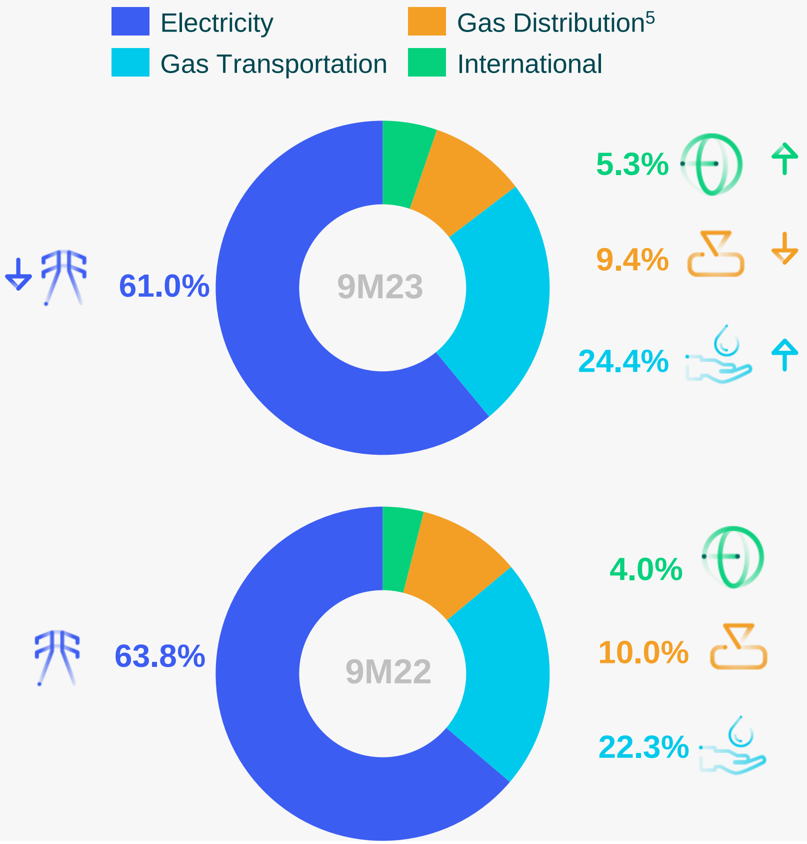
EBITDA INCREASED DRIVEN BY ASSETS AND OPEX REMUNERATION IN DOMESTIC BUSINESS AND BY STRONG INTERNATIONAL BUSINESS PERFORMANCE

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 Portgás

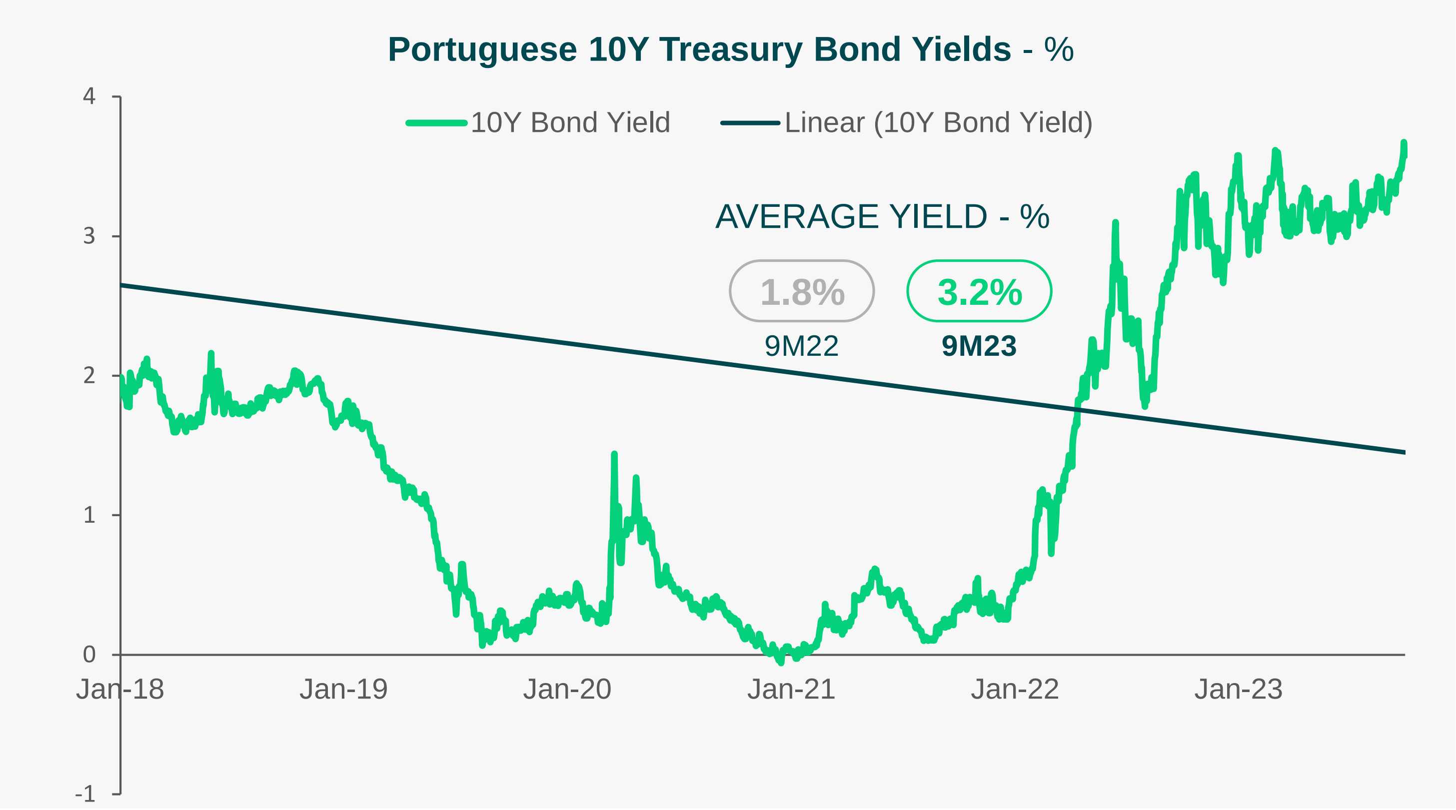
EBITDA contribution by business segment[4] - %

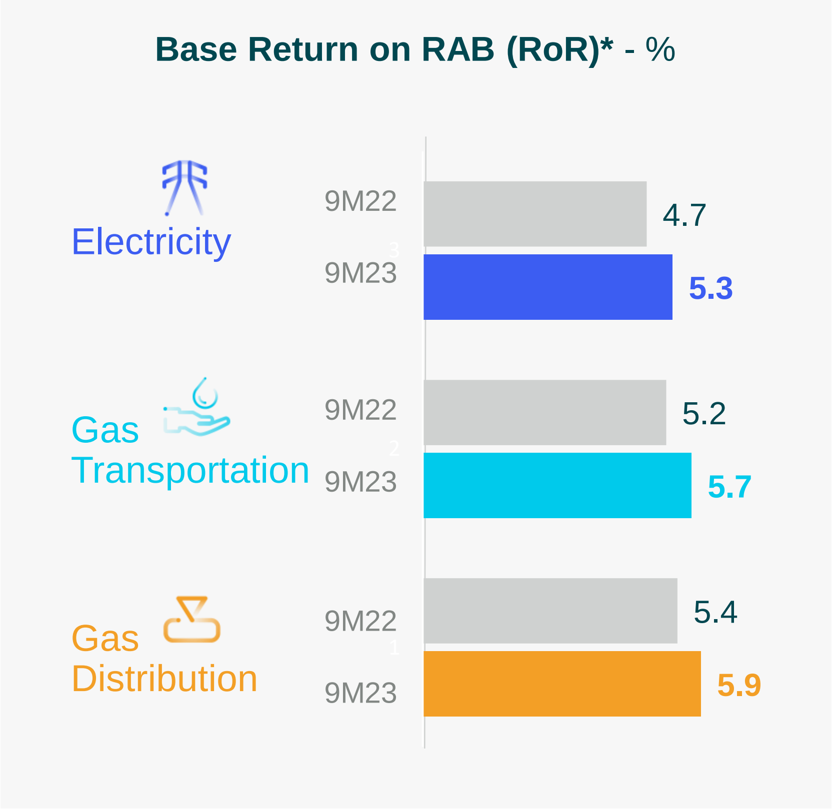


RoR Evolution

Domestic Business

BASE RETURN ON RAB HAS BEEN GROWING STEADILY, ON THE BACK OF RISING PORTUGUESE BOND YIELDS



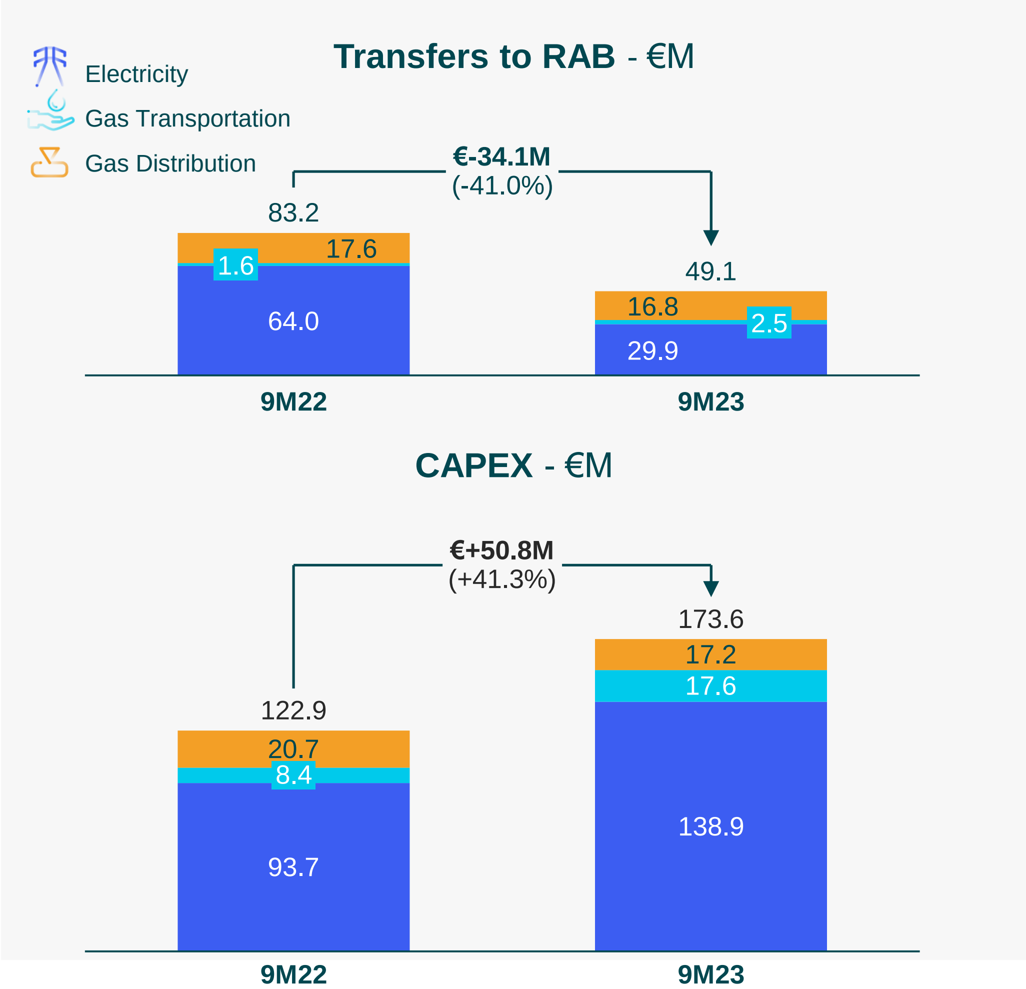


SOURCE: Bloomberg; REN
* Electricity data collected from Oct-22 to Sep-23; Gas data collected from Jan-23 to Dec-23

Investment

Domestic Business

CAPEX INCREASED IN 9M23, WHILE TRANSFERS TO RAB DECREASED



Key Highlights

Electricity

- Installation of a second Transformer 400/60 kV, 170 MVA, at the Alcochete Substation
- Installation of one 400 kV and two 150 kV line bays at the Sines Substation to provide electrical power supply to the client's facilities
- Installation of a 400 kV line bay at the Sines Substation, a 220 kV line bay at the Valdigem Substation, and a 60 kV line bay at the Pereiros Substation to connect photovoltaic solar power plants

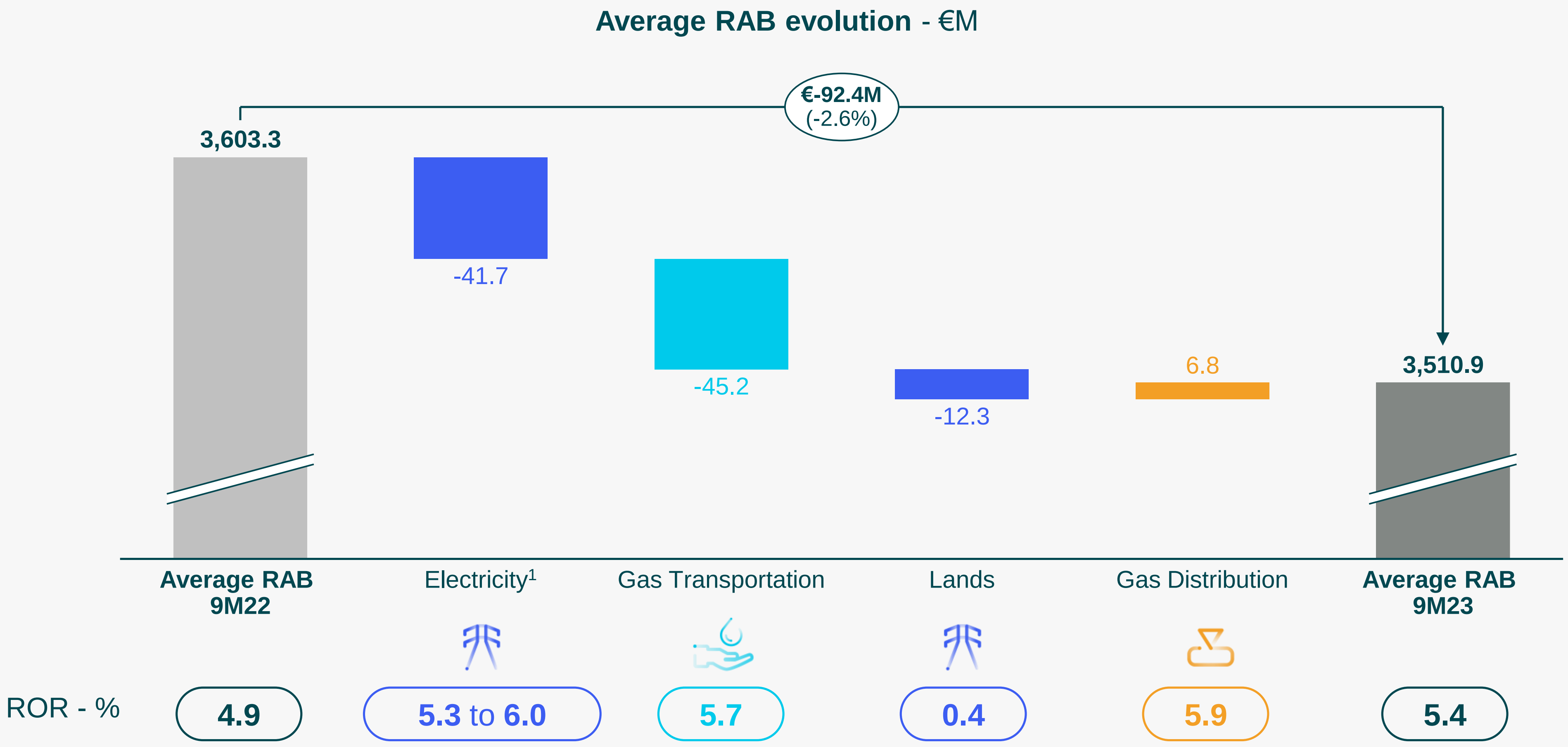
Gas Distribution

- Asset Management ISO 55000 Certification achieved. Together with Quality, Environment, Security, Innovation and Business Continuity are the core for the 6G Program
- 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 (20% H2 in 4Q 2023 and 100% H2 for 2024)

RAB Evolution

Domestic Business

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



1. Includes Electricity with and without premium.

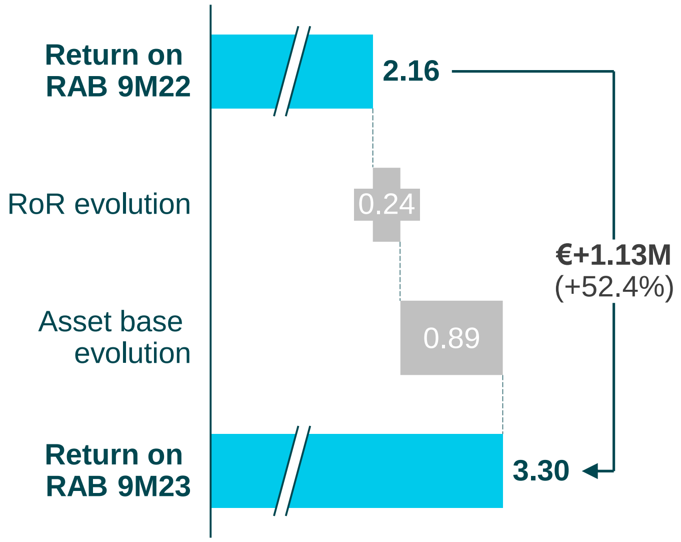
RAB Returns

Domestic Business

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

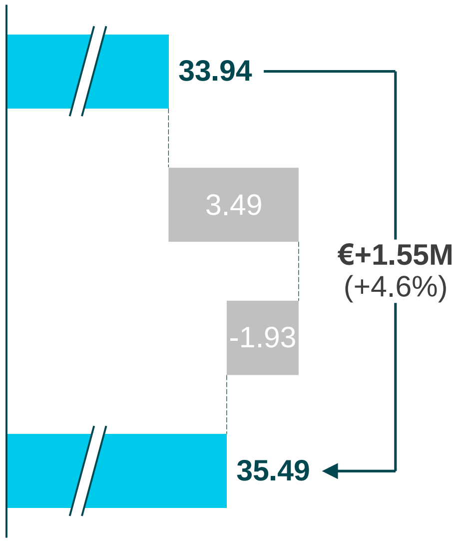
Return on RAB evolution breakdown - €M

Electricity (GGS[1])



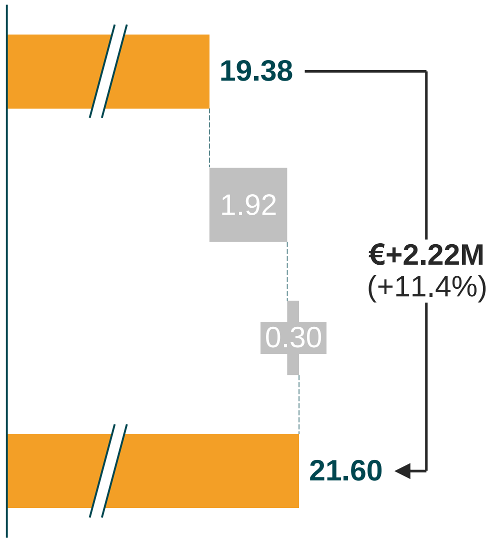
- Return on RAB increase driven by a **higher asset base** (by €22.6M[2] to €83.4M) and higher RoR of 5.27% (vs 4.75%)

Gas Transmission



- Increase in return on RAB justified by a **higher RoR** of 5.69% (vs 5.16%), despite the **smaller asset base** (decreased by €45.2M to a total of €831.7M)

Gas Distribution



- Return on RAB increase attributed to a **higher rate of return** (from 5.36% to 5.89%) and **higher asset base** (+€6.8M to a total of €488.9M)

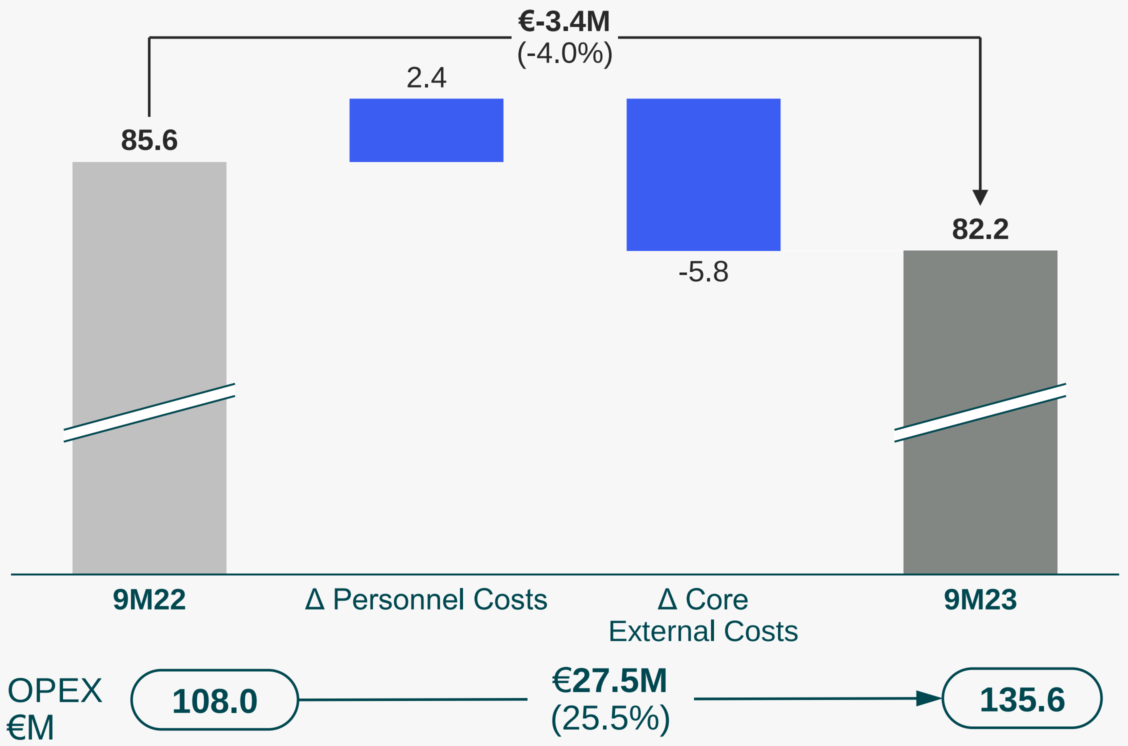
1 Only General System Management (GGS) activity, assets extra Totex model and Enondas | 2. Reflects power line Fernão Ferro – Trafaria 2 accepted by the regulator outside Totex (+€21.3M)

OPEX

Domestic Business

OPEX INCREASED 25.5% YOY, WHILE CORE OPEX DROPPED 4.0%

Core OPEX[1] 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 (-€9.6M)
- The decrease is electricity costs was partially offset by increases in other cost, such as IT costs, legal costs and other services

PERSONNEL COSTS

- General increases and headcount increase (+4% growth YoY, achieving 729 people in September 2023), driven by growth across operational areas

NON-CORE COSTS

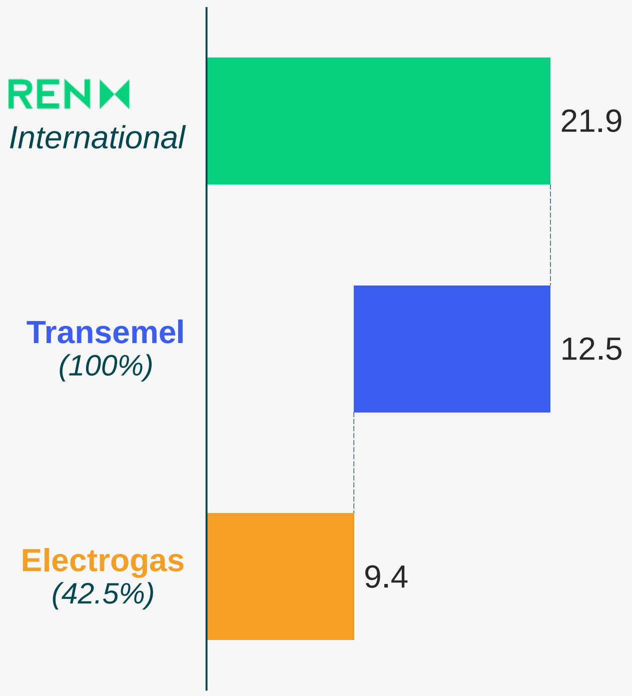
- Pass-through costs (costs accepted in the tariff) increased €30.9M of which +€25.1M in costs with cross-border

Chile Highlights

International Business

SOLID PERFORMANCE FROM THE CHILEAN BUSINESSES, CONTRIBUTING 5.3%[1] TO TOTAL EBITDA IN 9M23

Contribution to EBITDA 9M23 - €M



TRANSEMEL (100%)

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

	Revenues		EBITDA	
9M23	€16.4M	€6.4M (63.6%) ↑	€12.5M	€5.3M (74.1%) ↑
	9M22: €10.0M		9M22: €7.2M	

ELECTROGAS (100%)

- **EBITDA increased YoY,** driven by higher revenues (higher tariff, higher short-term contracts and higher transported volumes)

	Revenues		EBITDA	
9M23	€36.9M	€4.4M (13.6%) ↑	€33.2M	€3.5M (12.0%) ↑
	9M22: €32.5M		9M22: €29.6M	

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

€188.7 2.2 (1.2%) ↑

9M22: **€186.5M**

- Increase of €2.2M versus 9M22, along with an increase in gross assets.

Financial results

€-35.5M 9.7 (37.6%) ↓

9M22: **€-25.8M**

- Decrease of Financial results (€9.7M) to -€35.5M, mostly due to the increase in the average cost of debt to 2.4% (from 1.7% in 9M22), partially offset by dividends from HCB (an increment of +€0.2M YoY).
- Increase in Net Debt by €522M to €2,464M.

Taxes

€75.0M 7.9 (11.7%) ↑

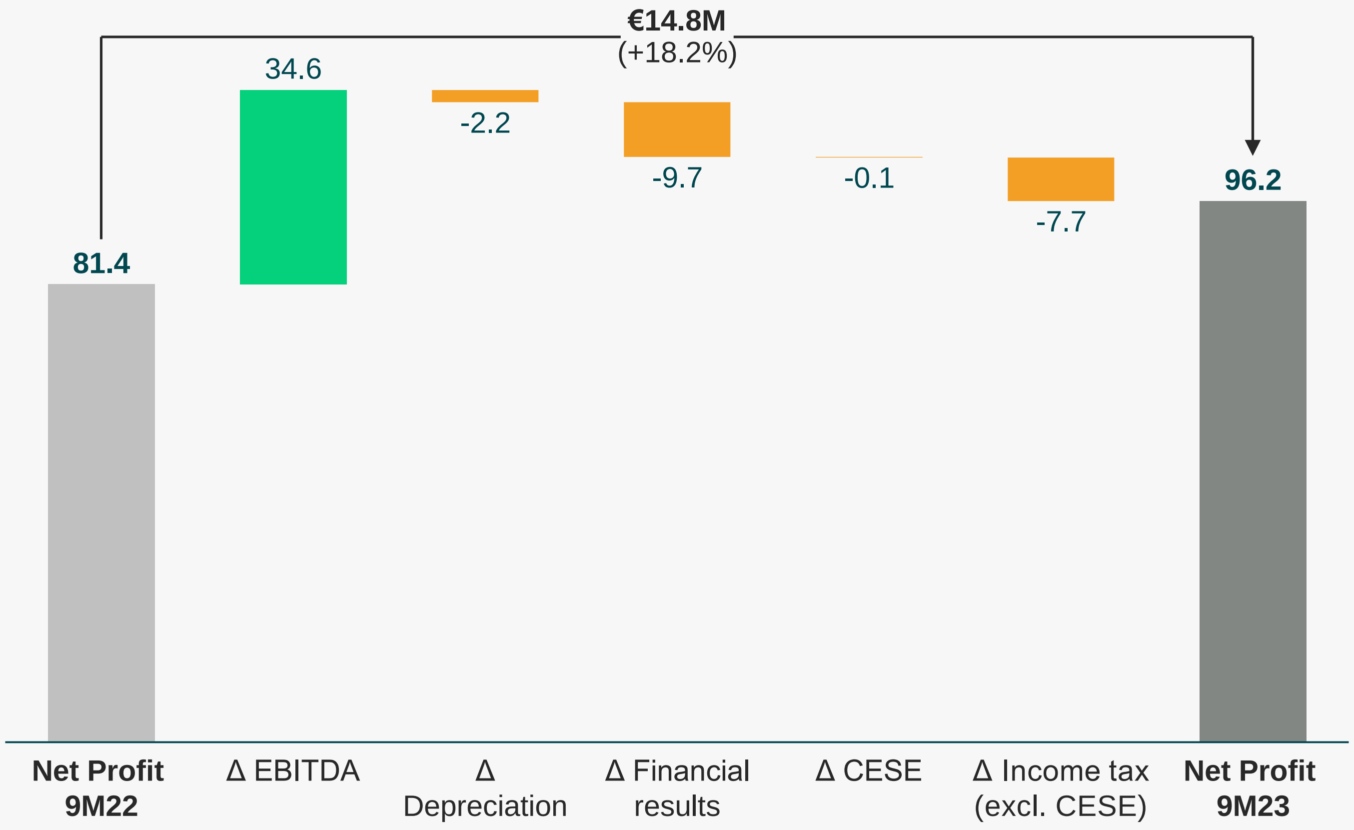
9M22: **€67.1M**

- Increase in Income tax (+€7.7M to €46.8M) due to higher EBT (+€22.7M to €171.2M) and higher extraordinary levy (+€0.1M to €28.1M), reflecting a higher regulated asset base.
- The Effective tax rate (including the levy) stood at 39.7%, 0.8 pp below last year.
- Taxes in 9M23 benefited from tax recovery (+€1.8M) of previous years (€2.5M in 9M22).

Net Profit

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

Net profit evolution breakdown - €M



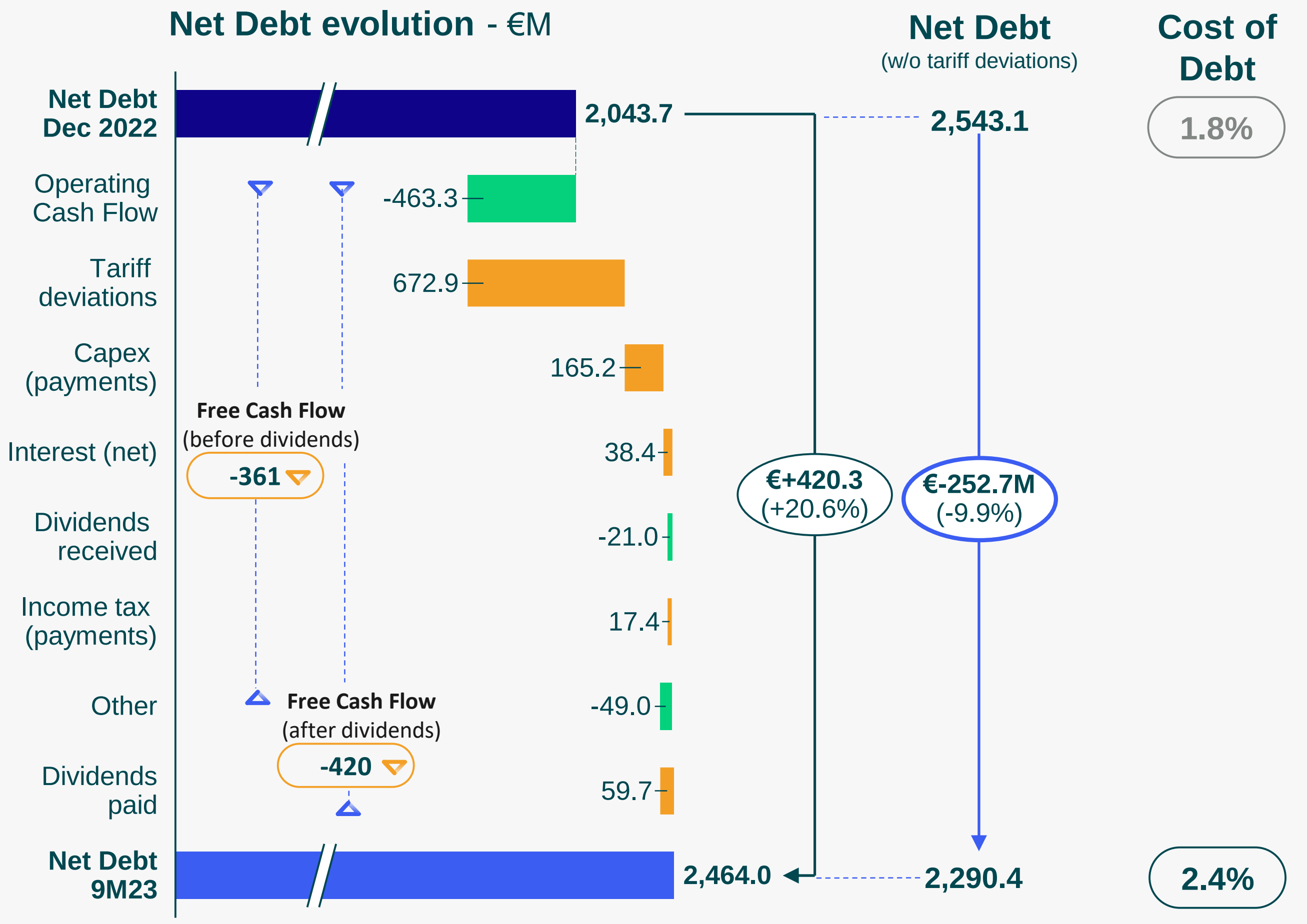
Key Highlights

- **Increase in EBITDA** reflecting the positive contribution of both domestic (+€27.7M) and international businesses (+€6.9M).
- **Negative effect** of €9.7M from **Financial Results** as a consequence of higher cost of debt, and higher net debt.

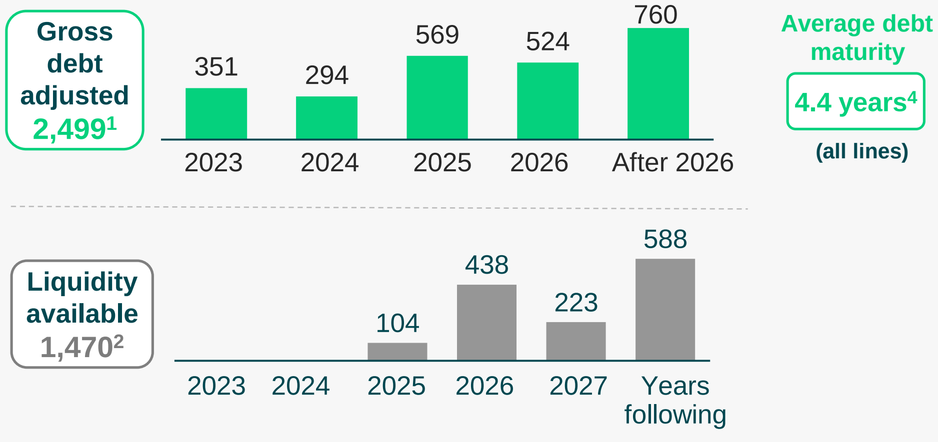
Debt

NET DEBT INCREASED DRIVEN BY TARIFF DEVIATIONS OUTFLOWS

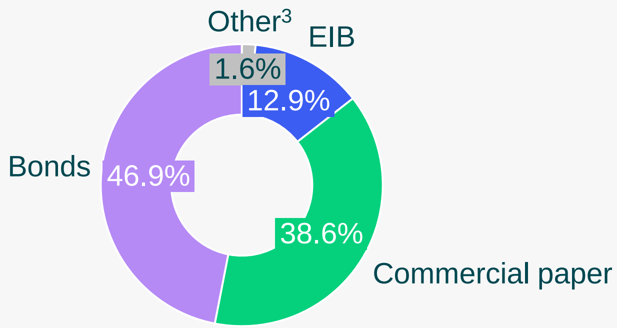
Net Debt evolution - €M



Adjusted Gross Debt Maturity - €M



9M23 Debt sources - %



1. Excludes effects of hedging on yen denominated debt, accrued interest and bank overdrafts | 2. Includes €1.351M of available commercial paper programs and loans, and also €80M of credit lines available (automatically renewed), and €39M of cash and cash equivalents | 3. Includes loans (1.4%) and leasing (0.2%) | 4. The theoretical debt maturity was obtained in an exercise where all of REN's financial instruments, either currently issued or available to issue, are used, from the longer to the shorter maturity, up to the total amount of REN's outstanding debt

ESG highlights

REN IS STRONGLY COMMITTED WITH SUSTAINABILITY

ENVIRONMENTAL

TARGETS

-50% CO_2 emissions by 2030 vs. 2019

Carbon neutral by 2040

ACHIEVEMENTS

Climate | New policy to renew IT equipment with savings of around 208 tCO_2/year

Mobility | Achievement of 42% of electrified fleet

Energy | Installation of the first solar photovoltaic self-consumption unit (250 kW at the Sines LNG Terminal) and start of installation of two other units (1 MW at the Ermesinde substation, concluding in november 2023; and 2 MW at the Riba d'Ave substation, concluding in the first quarter of 2024)

SOCIAL

TARGETS

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

ACHIEVEMENTS

People | Organizational climate survey with around 90% of employee participation

Gender equality | Publication of the 2024 gender equality plan

Corporate social responsibility | Donation of seven vehicles for the defense of the forest against fires and 94 since 2009

GOVERNANCE

TARGETS

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

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

ACHIEVEMENTS

Stakeholders | Organization of three ESG and sustainability talks "Encontros com o Futuro", in Lisbon and Porto, in partnership with Jornal Público

Asset management | Certification of the asset management system according to ISO 55001 (REN Portgás)

Grid | Launch of the offshore coalition for energy and nature – Mediterranean Sea (Med OCEaN)

Highest ESG Standards

IMPROVING OUR PERFORMANCE IN INTERNATIONAL ESG SCORES

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

RENM

03

CLOSING REMARKS

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Closing Remarks

REN CONTINUES TO DELIVER SOLID RESULTS AND RETURNS, THROUGH AN ONGOING COMMITMENT TO EXCELLENCE IN QUALITY SERVICE AND EXECUTION

- Both domestic and international businesses improved their performance, supporting the **increase in EBITDA of 9.6% YoY**, to €395.5M**.**

- With a **higher EBIT, Net Profit increased to €96.2M** (+18.2% YoY). This was partially offset by **lower financial results, higher taxes**, and a **higher CESE**.

- **Net Debt dropped to €2,290.4M** (-€160.3M YoY), excluding tariff deviations.

- As part of the energy transition, **CAPEX remained high at €177.1M**, up 40.5% from 9M22**, and transfers to RAB were €49.1M** (-41.0%).

- In October, **REN formalized a MoU to develop H2MED project** with Enagás, GRTgaz, Teréga and also OGE has committed to support this first hydrogen corridor in Europe, which will remain the focus of this European energy cooperation efforts.

- According to its strategic plan, **REN will pay an interim dividend for the financial year 2023**, until the end of the year.

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