

**COMISION NACIONAL DEL
MERCADO DE VALORES**

Markets Area
Edison, 4
28006 MADRID

Madrid, 16 of December, 2021

Dear Sir or Madam,

In compliance with section 226 of the Consolidated Text of the Securities Market Act (Ley del Mercado de Valores), according to the wording approved in Royal Legislative Decree 4/2015 of 23 October, I enclose the following inside information regarding Red Electrica Corporacion, S.A.:

INSIDE INFORMATION

- I. On 16 of December, 2021, Red Eléctrica Corporacion, S.A. (from now on REC) has reached an agreement, conditioned to necessary authorizations, with Kohlberg Kravis Roberts & Co. L.P. through its subsidiary Rudolph Bidco S.À.R.L. (from now on KKR) for the sale of a minority stake of 49% of Red Electrica Infraestructuras de Telecomunicacion S.A.U. (from now on REINTEL), subsidiary 100% owned by REC.
- II. The price of the sale of a 49% stake in REINTEL is € 971 million. REINTEL's estimated EBITDA for 2021 is of € 104 million, implying a valuation of 22,1x EBITDA.
- III. This transaction fits in with Red Electrica Group's 2021-2025 Strategic Plan, which considered the crystallization of value of certain strategic assets through potential sale of minority stakes, that will enable the development of these assets through alliances and crystallization of their value generating capacity. Red Electrica Group faces the challenge of executing a demanding investment plan during the period 2021-2030 to contribute to a successful energetic transition while developing its businesses maintaining a solid financial position.
- IV. REINTEL's core business is maintaining Red Eléctrica de España, S.A.U.'s fibre cables and telecommunication equipment, as well as leasing unused dark fibre optic of electricity and railway networks. REINTEL commercializes a network of >52,000km of cable deployed along the electricity transmission grid and the railway network, ensuring all players a transparent and equal access to the network.

- V. KKR combines experience as a shareholder of critical telecommunication infrastructure companies with unparalleled experience investing in leading Spanish and European companies.
- VI. Technical and commercial capacities as well as the sector's growth perspectives place REINTEL in a unique position to accelerate growth by capturing multiple business opportunities. Both shareholders are fully committed to long term value creation in REINTEL, in a context of growing demand of telecommunication services for the following years.

Yours sincerely,

Emilio Cerezo Diez
Chief Financial Officer