



# Company Overview 2023

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Redeia

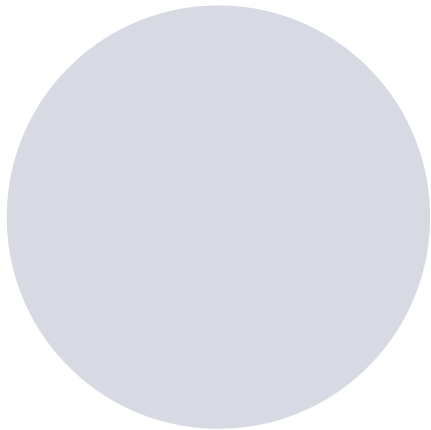
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# Valuing the essentials

At Redeia we guarantee electricity supply and connectivity, promoting a fair ecological transition with sustainability criteria, showcasing our neutrality and contributing to social and territorial cohesion.







# Global manager of essential infrastructures

Driver of energy transition and universal connectivity

## Red Eléctrica

Backbone of the electricity system in Spain, ensuring a secure, quality, and increasingly renewable electricity supply.

## Redinter

Engine for the decarbonisation of the energy model and sustainable development in Latin America.

## Reintel

Largest provider of dark fibre optic in Spain, essential for offering universal and inclusive connectivity.



## Hispasat

Leader in digital transformation and reduction of the digital gap in Spain and Latin America.

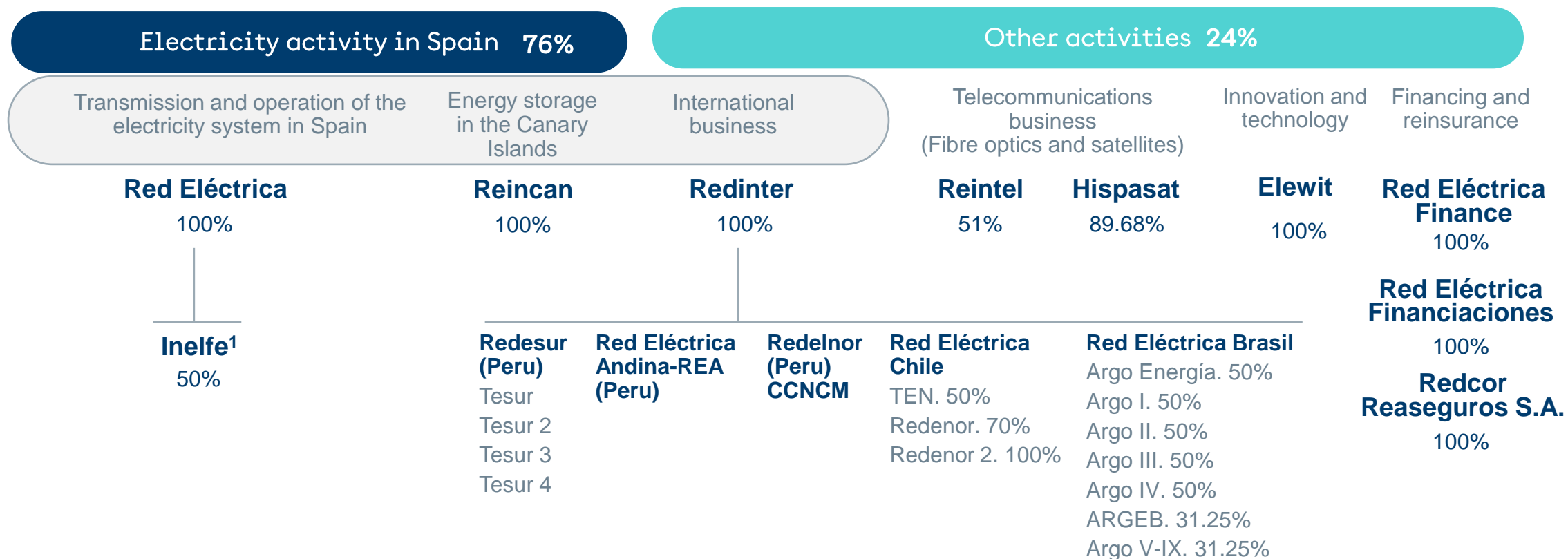
## Elewit

Technological innovation platform to drive energy transition and connectivity.

# A holding structure for efficient management

Regulated activities account for more than 80% of Redeia's EBITDA

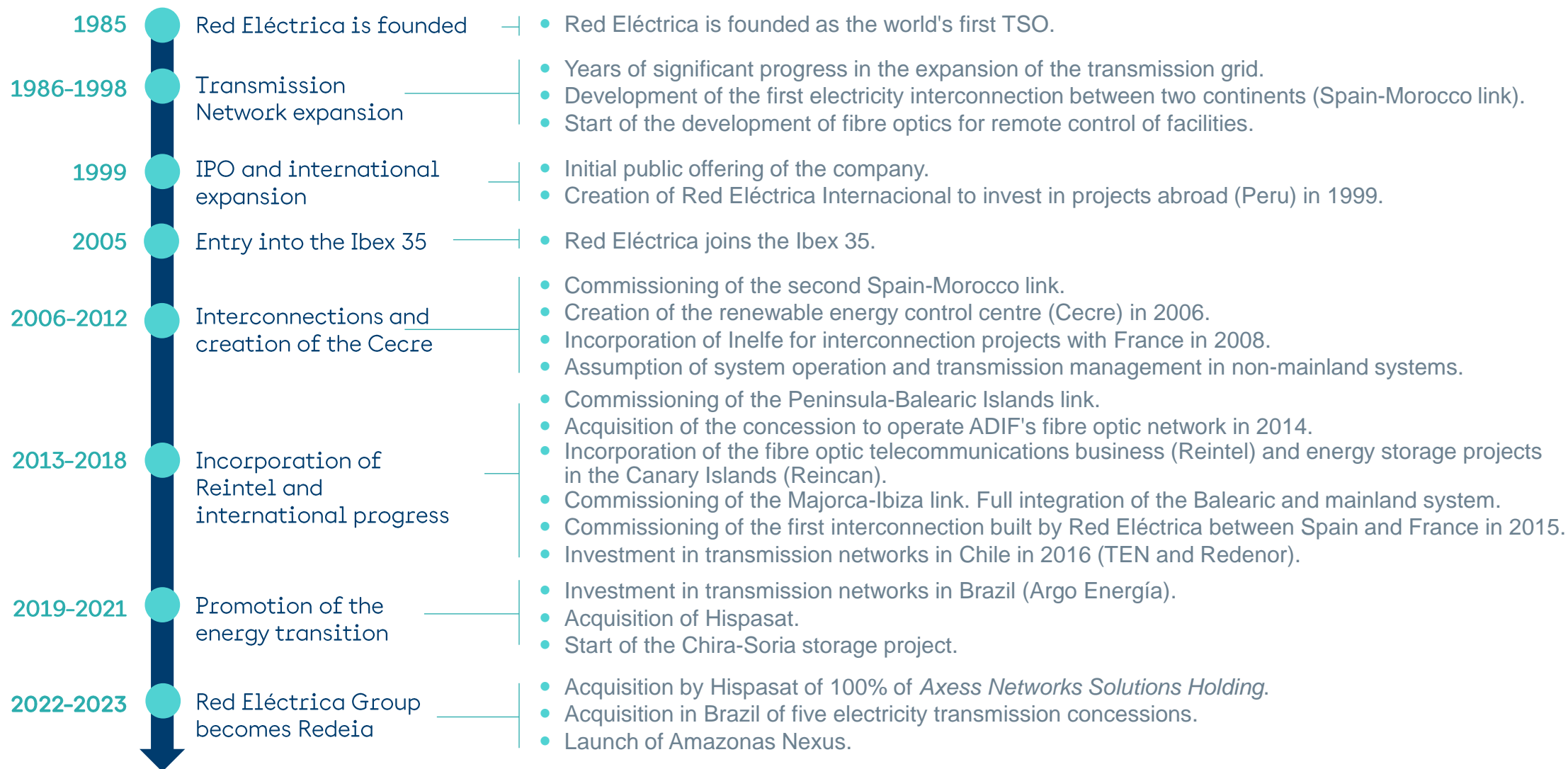
## Redeia



Regulated activity

1. **Inelfe** (Interconexión Eléctrica Francia-España) is a joint venture, established on 1 October 2008 in equal parts by the French and Spanish electricity transmission grid management companies, RE (Red Eléctrica) and RTE (*Réseau Transport d'Électricité*), responsible for the construction and commissioning of electricity interconnections between France and Spain.

# Over 35 years as the world's first transmission system operator





# Global operator of strategic electricity and telecommunications infrastructures

Key figures for 2022

**52,607 km**

National and international electricity circuits in operation

**94,221 MVA**

National transformation capacity

**6,214**

Positions at substations nationwide

More than **52,000 km**  
Dark fibre optics network

**10 satellites**

in operation

**79**

Technological innovation projects

**€ 2,015 M**

Revenue

**€ 1,491 M**

EBITDA

**€ 665 M**

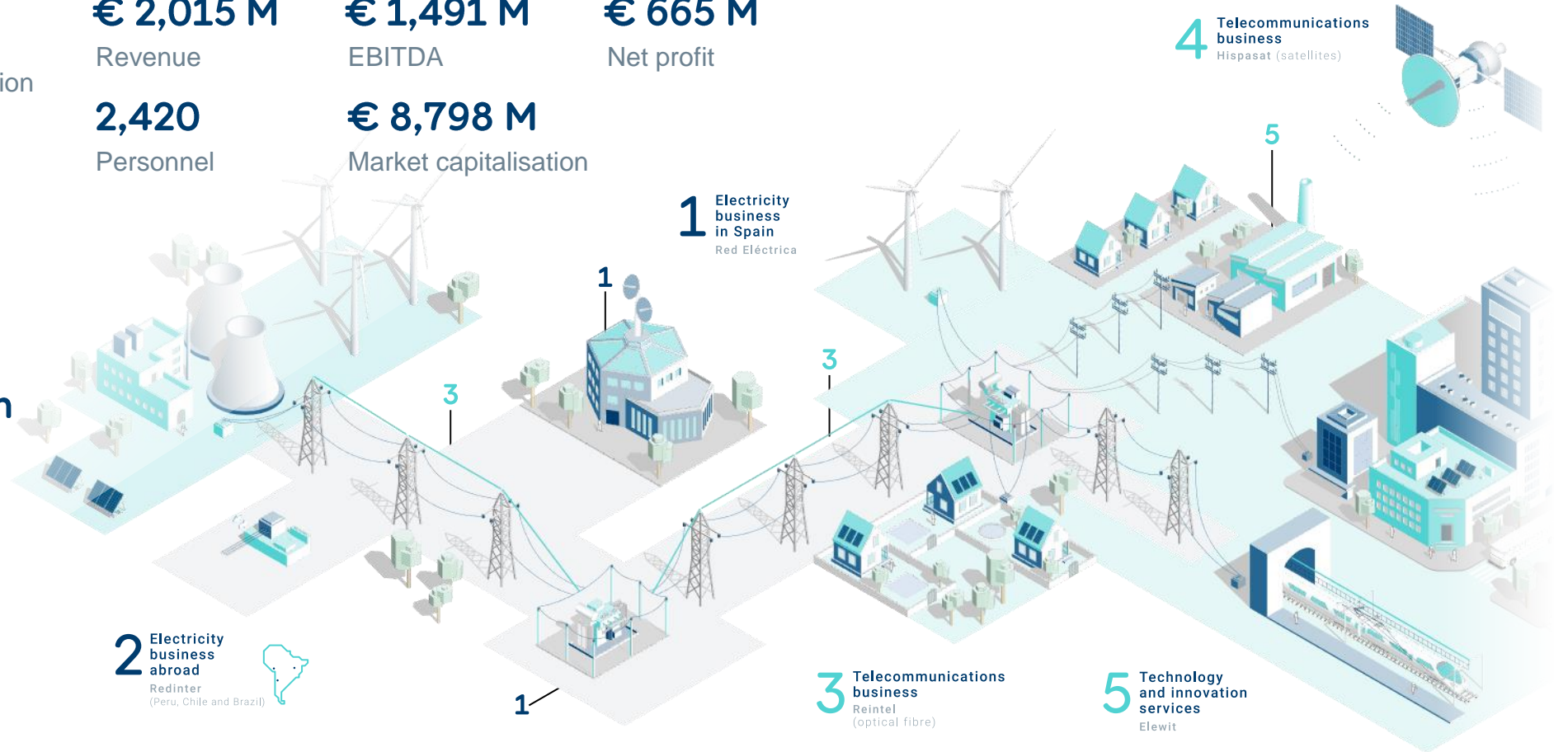
Net profit

**2,420**

Personnel

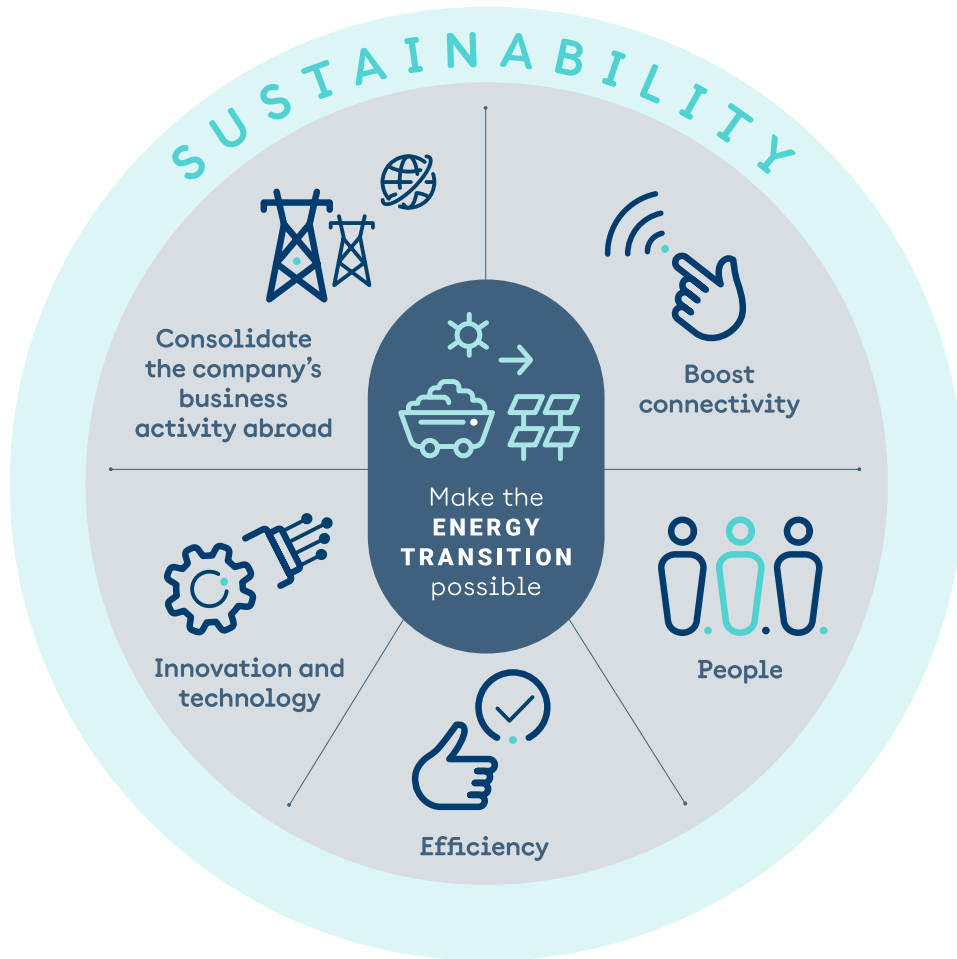
**€ 8,798 M**

Market capitalisation



# 2021-2025 Strategic Plan

Prioritising the implementation of the energy transition in Spain



## Total investment

**EUR 4,800 million**

>75 % will be in the transmission network, international interconnections, storage and system operation.

## 2025 financial efficiency

EBITDA margin	Net debt / EBITDA	FFO / DEBT ratio
<b>70 %</b>	<b>&lt;5x</b>	<b>&gt;15 %</b>

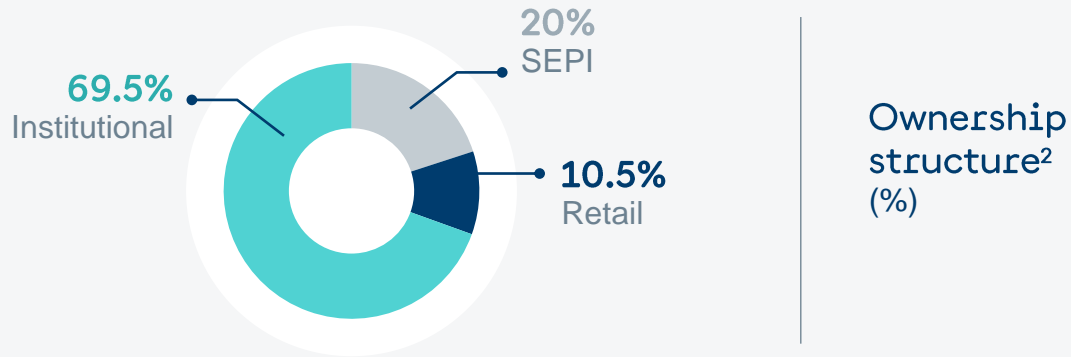
Maintain  
**Solid credit rating**

## Dividend policy

2021-2023	2024-2025
EUR 1.0 per share	at least EUR 0.8 per share

# Shareholding structure

Law establishes shareholding limits on the company's share capital in order to guarantee its independence from other activities and players in the sector.<sup>1</sup>



The Company's share capital amounts to **EUR 270,540,000**, consisting of 541,080,000 fully subscribed and paid-up shares with a par value of EUR 0.50 each.



1. <https://www.redeia.com/en/shareholders-and-investors/share/shareholders-structure>

2. Data at the close of 2022.



Sustainable commitment

2



# Corporate governance

Strong corporate governance model to enhance shared value

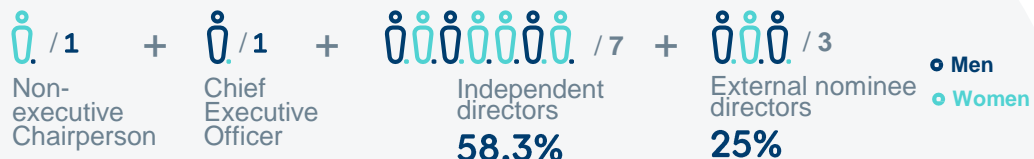
First Ibex 35 company with an equal number of men and women on its Board of Directors, and one of only three companies chaired by a woman in 2022.



## Board of Directors

A reduced, balanced, and efficient

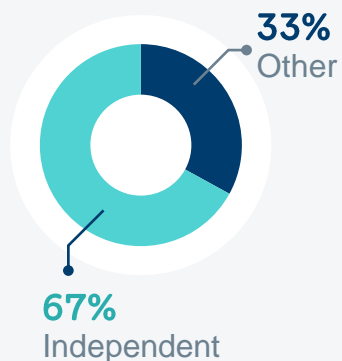
12 members



### Appointment and Remuneration Committee

(3 members)

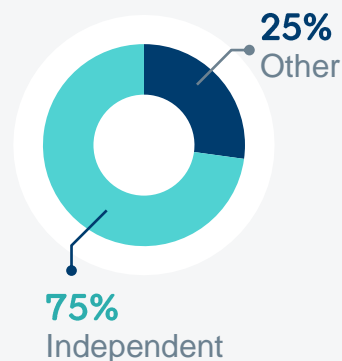
Chairperson  
Independent director



### Audit Committee

(4 members)

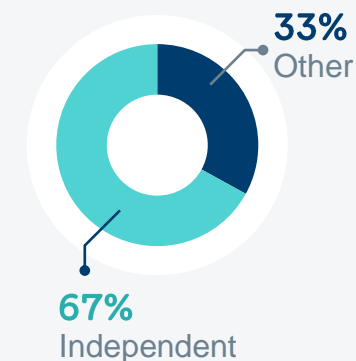
Chairperson  
Independent director



### Sustainability Committee

(3 members)

Chairperson  
Independent director



# Commitment to sustainability

Structured into four priorities and broken down into 11 targets with a 2030 vision



## Anticipation and action for change

To promote a culture of innovation and flexibility that enables us to identify growth opportunities and respond to the challenges of the future, staying ahead of and adapting to global trends and the regulatory environment emerging from the new energy model.



## Decarbonisation of the economy

To be a proactive agent in the energy transmission towards a zero-emissions model, focusing efforts on the electrification of the economy and the efficient integration of renewable energies, through a robust and better interconnected grid and the development and operation of energy storage systems.



## Responsible value chain

To extend our commitment of responsibility to all of the links in the value chain, from our employees to suppliers and customers, by creating alliances, based on our governance and integrity model.



## Contribution to the development of the environment

To contribute to the economic, environmental, and social progress of surrounding areas, by providing an essential service securely and efficiently, promoting the conservation of the environment, quality of life, and social welfare, and involving communities in the development of our activities, for the mutual benefit of the surrounding areas.



## Decarbonisation of the economy



### Climate change\*



### Energy transition



### Sustainable financing

2030

- 55% reduction in Scope 1 and 2 emissions\*\*.
- 28% reduction in Scope 3 emissions\*\*.



Safely integrating 100% of available renewable energy into the electricity system: 74% of electricity generation from renewable sources.



Empowering society to actively engage in the energy transition process.



100% sustainable financing.



2025

- 30% reduction in Scope 1 and 2 emissions.
- 2/3 of suppliers (in terms of emissions) with approved SBTi.
- 100% of Scope 1 emissions offset.

>60% of electricity generation from renewable sources.

- Launching the **Datahub** extension, accessible to participants and stakeholders permitted by regulation.
- Expansion of platform: **REData** and **redOS**.

60% sustainable financing.

2022

Definition of the neutralisation and offsetting strategy, towards net zero.

42.2% of electricity production from renewable sources in Spain.

The redOS application has continued to evolve by improving the information featured, increasing navigation capabilities, adapting to regulatory changes, offering greater granularity of data, and responding to suggestions received from users.

42% of the company's financing incorporates ESG criteria.

\* Targets compared to 2019.

\*\* Both targets approved by SBTi.

## Responsible value chain



### Biodiversity

Generate a **positive net impact on the natural capital** of the areas near new facilities.



2030

- **100%** of critical spans<sup>1</sup> signposted for Red Eléctrica.
- Compliance with the commitment to protect vegetation and combat deforestation in **100%** of investment projects.

2025

- 70.1% of critical spans<sup>1</sup> signposted for Red Eléctrica.
- Approval and publication of Redeia's commitment to protect vegetation and combat deforestation.

2022



### Circular economy

To be a **leading company in circular economy**:

- Group: 0% of **waste** dumped.
- Group: 6.5 m<sup>3</sup> of **water** consumption per employee per year in workplaces.



- Red Eléctrica: 0% of **waste** dumped.
- Red Eléctrica: 6.5 m<sup>3</sup> of **water** consumption per employee per year in workplaces.

Overall progress of 23.4% in the actions of Redeia's 2030 Circular Economy Roadmap.



### Suppliers

To be a **driver of change** for our suppliers:

At least **25** supplies with the greatest impact on the transmission network with criteria of circularity (LCA), climate change, security, diversity and biodiversity.



At least **10** supplies with the greatest impact on the transmission network with criteria of circularity (lifecycle analysis), climate change, safety, diversity and biodiversity.

Development of the supply life cycle analysis methodology, taking as a reference four relevant supplies: pylons, steel and aluminium conductors, transformers, and armoured substations.

1. Distance between two adjacent pylons.

## Contribution to the development of the environment

## Anticipation and action for change



### Diversity



### Digital gap



### Innovation and technology

2030

To be a leading company in gender equality.  
**50%** women on Redeia's Board and the management team in the group.



Promoting the **inclusion of groups at risk of social and labour exclusion.**



To reduce the digital divide: **100%** of people connected in the areas around our facilities.



To be a leading company in technological innovation:



Adoption of **64** innovative technological solutions at Redeia that provide solutions to the group's key challenges, contributing tangible and intangible value.

2025

**50%** women on the Board.  
**38%** women on the Group's management team.

At least **40%** of the legal percentage of direct employment of people with disabilities.

Increase the volume managed via Special Employment Centres for the provision of services at Redeia by **20%**

To encourage the development of the fibre business of at least **three local operators.**

**100 Mbps** deployed with connectivity throughout Spain.

Adoption of **24** innovative technological solutions at Redeia that provide solutions to the group's key challenges, contributing tangible and intangible value.

2022

50% women on the Board.  
 35.3% women on the management team.

Development of quality standards in diversity management, especially for groups at risk of social and labour exclusion, and compliance with the actions of the Annual Diversity Programme relating to disabilities.

Reintel's collaboration with local operators to improve connectivity around the new Caparacena-Baza transmission line and Hispasat's agreement with the association of Local Telecommunications Operators (AOTEC) to promote 100 Mbps connectivity via satellite in rural areas, boosting the digital economy of small and medium-sized enterprises.

79 innovation projects, with expenditure of EUR 8.3 million and investments of EUR 23 million, for a total output of EUR 31.3 million.



# Environment

Committed to the environment, biodiversity, and the fight against climate change

## Environmental management

We conduct all our activities in accordance with strict environmental criteria and promote the sustainable use of resources.



Environmental Management System  
Circular Economy Roadmap

## Integration with our surroundings

We make our facilities compatible with their settings.



Environmental assessments in all projects

## Biodiversity

Conserving biodiversity is a basic principle for the company.  
Commitment: to generate a positive impact on the territories in which we operate.



Working on a 2025 Biodiversity Plan and a 2030 Biodiversity Roadmap.  
2030 Target: net positive impact on natural capital

## Climate change

We are a key player in the energy transition. We work to reduce the emissions associated with our activities.



New emission reduction targets and Climate Change Action Plan (2022-2030)

Redeia project for the recovery of *Posidonia oceanica* meadows in the Balearic Islands.



# Biodiversity (I)

We want to be a company with a positive impact on the territories in which we operate

Biodiversity management is carried out according to a hierarchy of impact mitigation

## Biodiversity impact mitigation hierarchy

### Prevention

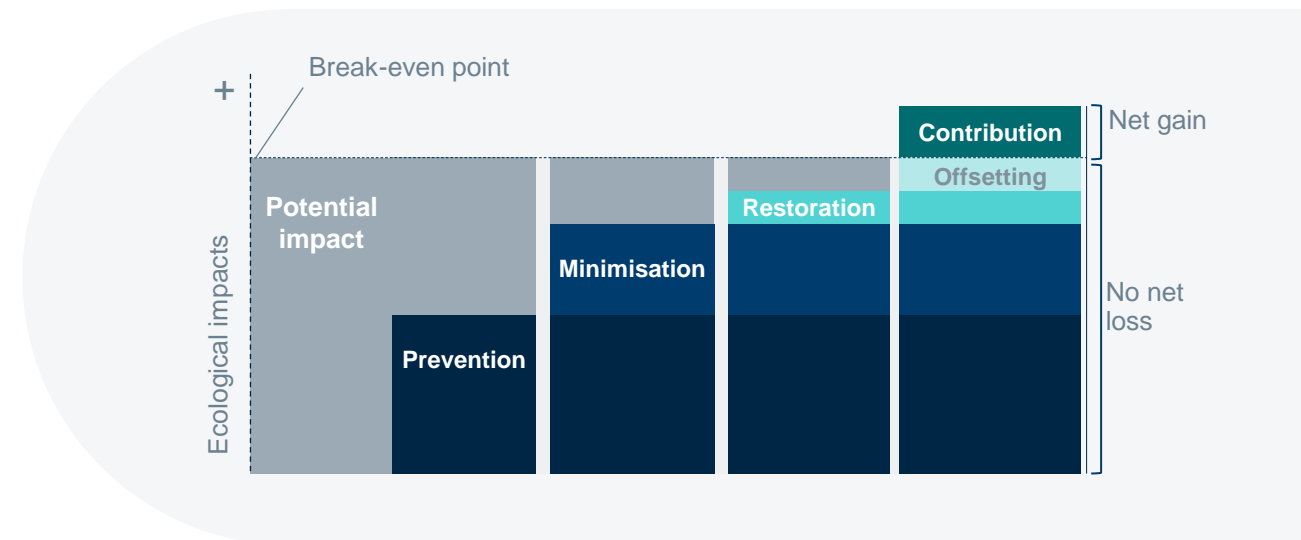
Adequate design of facilities in the planning and project phases to avoid the development of new infrastructure in biodiversity-rich areas and forest zones. It should be noted that the methodology for preparing environmental impact studies establishes the requirement of not affecting areas catalogued as Natura Network and Priority Habitats and stipulates numerous requirements for areas with the presence of focal bird species and autochthonous vegetation.

### Minimisation and restoration

Definition and application of preventive and corrective measures to minimise impacts as much as possible. These include those aimed at protecting habitats and vegetation during construction and maintenance works, restoring affected areas once these works are completed, actions to minimise the risk of collision, and management.

### Offsetting and positive contribution

Complementary environmental improvement measures, reforestation work, and the development of biodiversity protection and conservation projects.



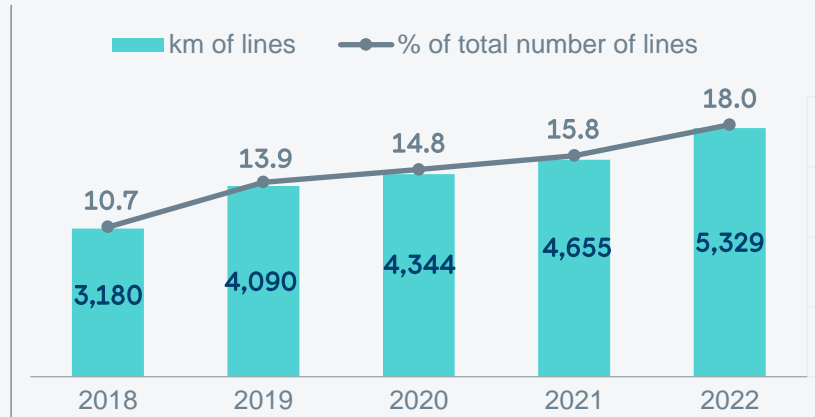
We are working on developing a method to quantitatively assess biodiversity impacts, which will allow us to measure our progress and ensure compliance with the 2030 target.

# Biodiversity (II)

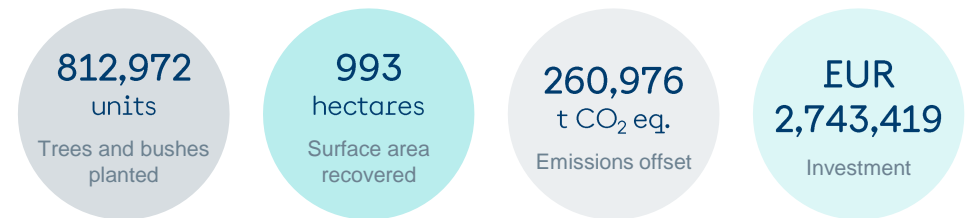
## Actions necessary to achieve the 2030 targets

- 1 **Initiatives to prevent and minimise impacts**
  - » Signposting of bird-saving lines: more than **5,300 km** of lines.
  - » Improving knowledge of priority SCIs (Sites of Community Importance).
  - » Forest fire prevention and control: environmental impact developments.
- 2 **Initiatives aimed at restoring and offsetting impact**
  - » **100%** offsetting of removed trees.
  - » Multiple initiatives for protecting and preserving birdlife.
- 3 **Initiatives aimed at enhancement and positive benefit**
  - » Initiatives that turn the transmission network into a repository of biodiversity and a generator of natural capital.
    - › Grid grazing: **extensive livestock grazing** for vegetation control in the safety corridors of the transmission grid lines.
    - › Nature on the grid: study of biodiversity under power lines and its potential as a biodiversity reserve and corridor.
    - › *BooGI-BOP*: incorporating green spaces into Redeia's buildings and electricity substations.
  - » Initiatives to use the transmission grid as a refuge for birds.
  - » Initiatives to control invasive species.
  - » Redeia forests
    - › The Redeia marine forest: a pioneering project in the world (*Posidonia oceánica*).
    - › The 18 Redeia forests.

Signs marking lines with bird-savers



## Redeia's Forest in numbers (2009 -2022)



# Circular economy

## 2030 Circular Economy Roadmap

100% circular supplies, with the equipment and materials used made from recycled or reused substances and 100% resource recovery through reuse, recycling, or energy recovery of all waste generated, extending the useful life of materials and equipment and minimising water consumption. Relevant projects:

- Development of a **methodology for the life cycle analysis of supplies** to assess aspects such as the use of recycled materials, carbon and water footprints, etc., enabling the main environmental impacts to be quantified and facilitating decision-making aimed at acquiring more efficient and sustainable supplies.
- **Action plan for 100% waste recovery** and implementation of measures, such as incorporating recycling/recovery requirements in waste management and service tenders, installing composters for organic waste at four work centres and the launching awareness campaigns.
- Design of a **pilot trial for the recovery of affected soil and water**, focusing on the soil of a facility affected by an accidental leak.

Overall progress of 23.4% since 2020, on the targets of the 2030 Circular Economy Roadmap

### Progress in 2022

(%)



People

Talent, equality, stable employment, security, health and wellbeing

Stable, quality employment

Sustained growth of the workforce on the basis of permanent contracts.



Continuous focus on building a skilled, motivated, and committed team



Talent management

Global Model for Training, Knowledge Management, Skills and Competence Development.  
Redeia Campus.



Work/life balance

Comprehensive work-life balance plan with improved measures with respect to current legislation.



Healthy company

Continuous and progressive improvement in health and safety levels.



Equality and diversity

Growing number of women in the workforce and in management positions.  
2023-2025 Integral Diversity Plan.



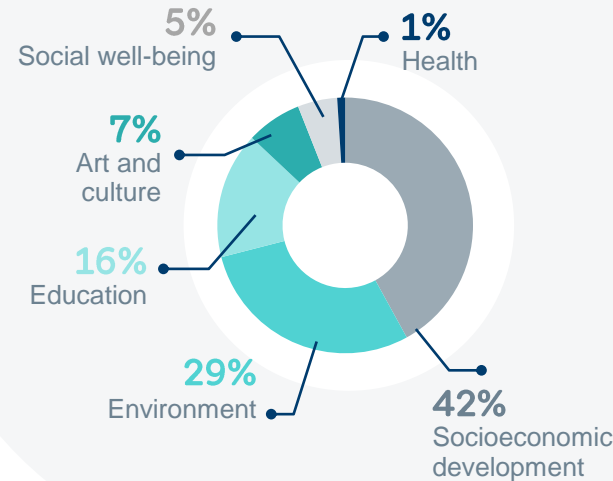
# Committed to the progress and wellbeing of society

In 2022 Redeia contributed EUR 10.6 million to developing and promoting social initiatives, in accordance with the LBG methodology.\*

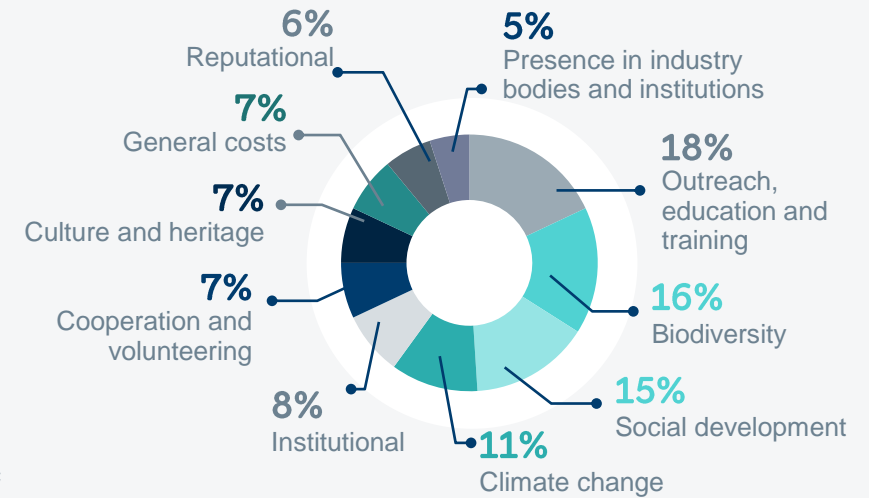
## Committed to the communities and regions where we operate

- **592 actions aimed at the development of communities** focused on the socio-economic development of the territories with activities that generate their own, favouring repopulation in rural areas.
- **93.2% of amicable agreements** reached with landowners affected by new investment projects (2022).
  - » Development of relations of trust and permanent dialogue to facilitate the construction of new infrastructures, encouraging rapprochement and reporting on the need for the facilities and their role within the transmission network, as well as promoting dialogue that facilitates the sustainable development of projects

Areas of action (%)



Contributions by type (%)



\* London Benchmarking Group.

# Performance recognised by benchmarking organizations

Presence on the main sustainability indices and ratings in 2022



- **CDP**  
DISCLOSURE INSIGHT ACTION
- **ISS ESG**
- In addition, the **S&P ESG** has given Redeia a score of **82 points** out of 100.
- Redeia is **among the 10 most sustainable companies** in the world, according to the 2023 *Sustainability Yearbook*.

	DJSI	Sustainalytics	FTSE 4 Good	MSCI	Vigeo Eiris	Bloomberg GEI
Industry	Electrical utilities	Electrical utilities	Conventional electric companies	Utilities sector	Gas and electricity utilities	Utilities
Scale	0-100	0-100	0-5	CCC-AAA	0-100	0-100

# Red Eléctrica

3





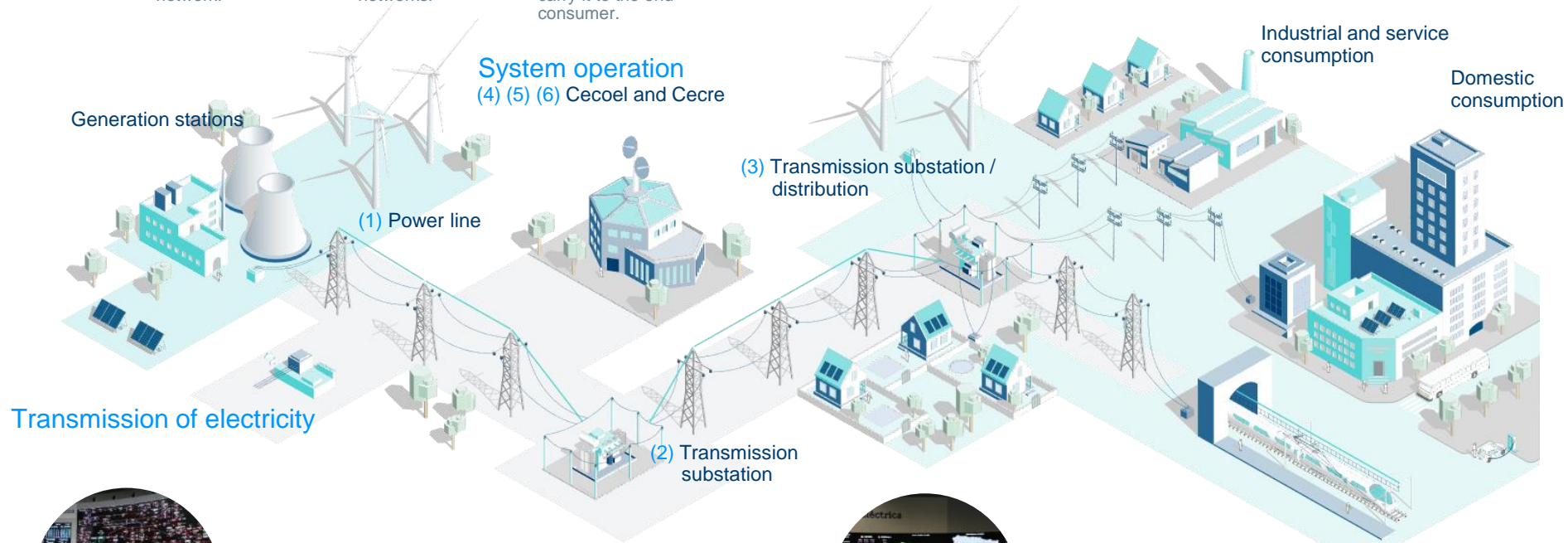
## Single Transmission Operator and Transmission System Operator (TSO)

### Electricity transmission activity

- (1) Red Eléctrica collects the electricity generated by the production plants over the transmission network.
- (2) It transports high-voltage electricity from the power plants to the distribution networks.
- (3) The power is stepped down to lower voltages and delivered to the distribution companies, which carry it to the end consumer.

### System operation activity

- (4) It operates the system by keeping generation and consumption in balance, as electricity cannot be stored in large quantities.
- (5) It estimates the daily national electricity demand and thus the power plants schedule their production.
- (6) Electricity Control Centre (Cecoe) and Renewable Energy Control Centre (Cecre).



Transmission of electricity









Cecoe is responsible for the coordinated real-time operation and supervision of the generation and transmission facilities of the electricity system.



Cecre is a leading, cutting-edge centre in the monitoring and control of renewable energies.

### 2022 Electricity system data

-  Electricity demand in Spain  
**250.4 TWh**
-  Maximum instantaneous demand, peninsula  
**38,284 MW**
-  Installed capacity in Spain  
**119.1 GW**
-  Installed renewable capacity  
**59.2%**
-  Renewable generation  
**42.2%**
-  Generation without CO<sub>2</sub> emissions  
**63.3%**

*The leading international TSO*



## Lines

The transmission grid lines **form a meshed network** linking generation points with substations, consumption nodes (border with the distribution company) and high voltage consumption points. They can be overhead, below ground, or underwater.



## Substations

The basic function of a substation is to **connect various elements of the grid** to deliver the energy generated in the power stations to consumers.



## Bays

The set of **switchgear and devices** that connect the **substation busbar** to each of the incoming or outgoing lines or to the substation transformer or machine.

## Transformers

An electrical device that **increases or decreases the voltage in an alternating current electrical circuit** by means of electromagnetic interaction, **maintaining the capacity**.



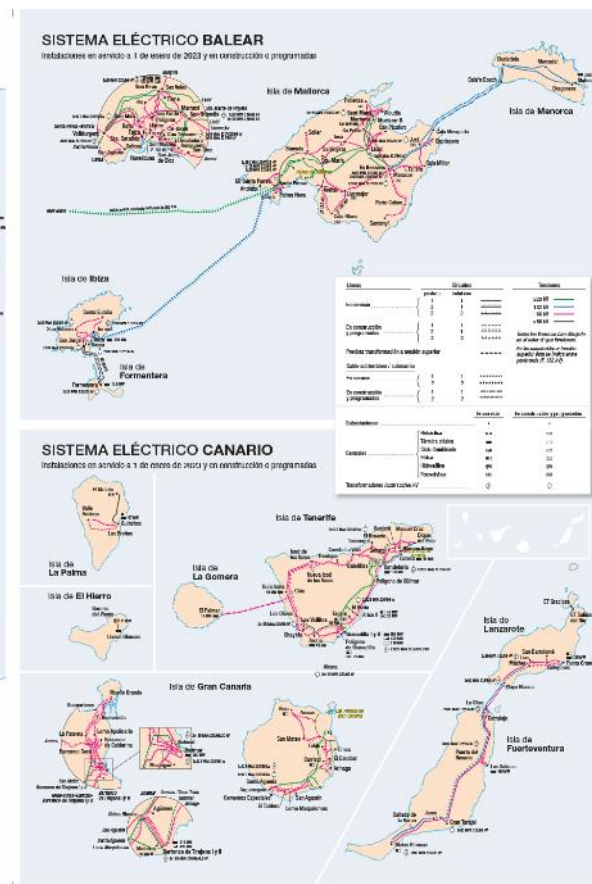
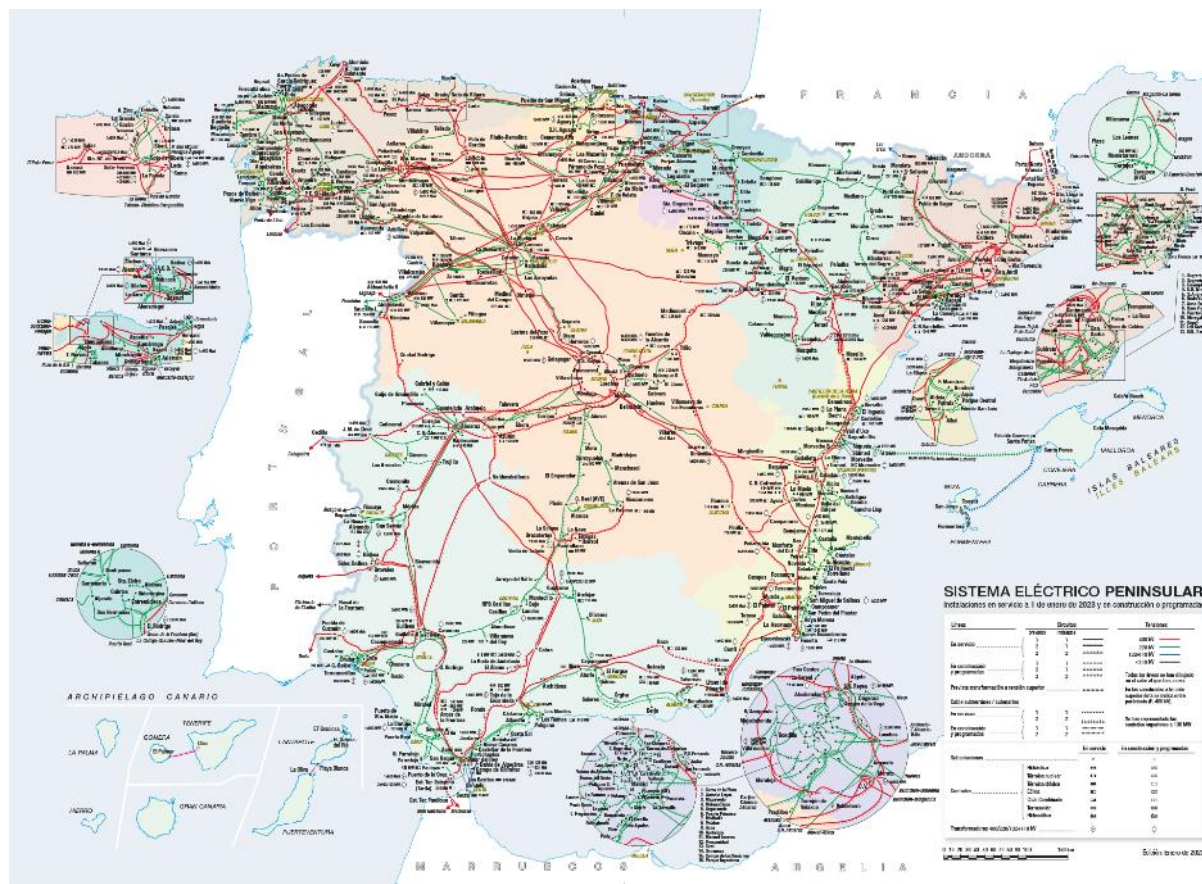


# Electricity transmission grid in Spain

Red Eléctrica designs, builds, maintains, and owns the national transmission grid

## Highly meshed grid

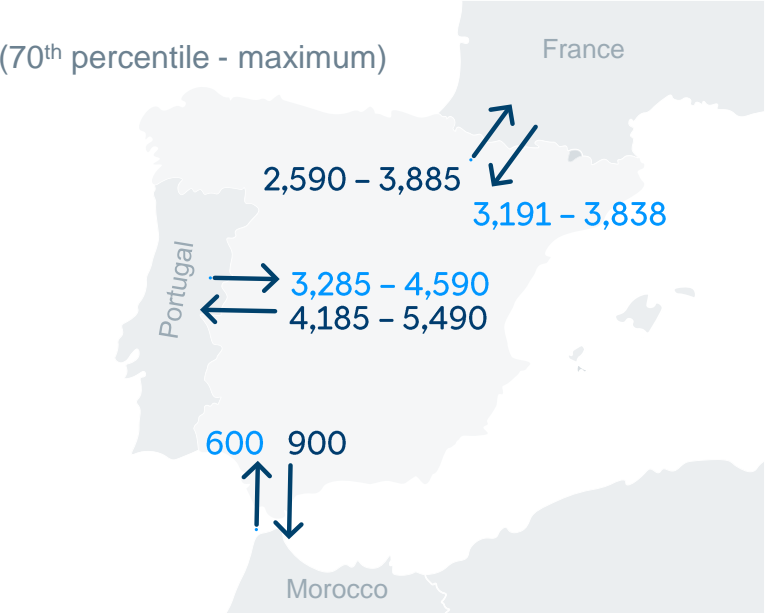
- Mainly 400 and 220 kV lines.
- 45,019 km of circuits (HVAC & HVDC).
- **Substations:** 6,214 substation bays and 94,221 MVA of transformation capacity.
- International **interconnections** and links.



# International interconnections

The Iberian Peninsula is considered an energy island

## Interconnection capacity at borders (MW)



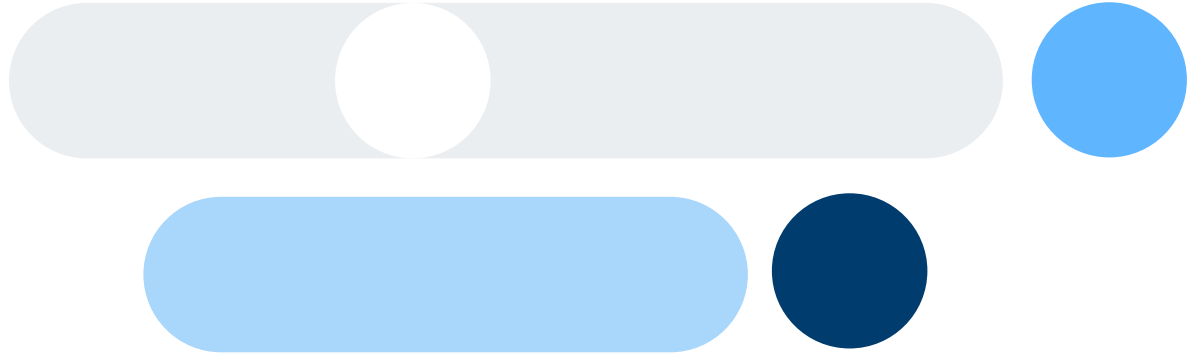
Interconnection ratio	70 <sup>th</sup> percentile	Maximum
Iberian Peninsula	2.3%	2.8%

### Calculation of the interconnection ratio

Import capacity versus installed generation capacity. For the Iberian Peninsula, it incorporates the import capacity with France, and the installed capacity in Spain and Portugal.<sup>1</sup>

## European targets

- **Values far short of European targets:** the EU recommended in 2002, and ratified in subsequent years, that all Member States should achieve a minimum **10% interconnection ratio by 2020** to eliminate isolated systems, facilitate mutual support, and promote the Single Electricity Market. Subsequently, a new minimum of 15% was set for 2030<sup>2</sup>.
- The **Ten-Year Network Development Plan** published by ENTSO-E in 2022 estimates an **optimal interchange capacity** between Spain and France of **8,000 MW in 2030** and **9,500 MW in 2040**.



1. Does not include interconnection capacity with Morocco as it is not subject to European obligations and commitments.
2. Summit for Energy Interconnections Spain-France-Portugal-European Commission-EIB Madrid (2015) and 2<sup>nd</sup> Summit for Energy Interconnections Spain-France-Portugal-European Commission-EIB Lisbon (2018).

## Peninsular and non-peninsular transmission grid

	2020	2021	2022 <sup>1</sup>
km of 400-kV circuit	21,718	21,768	22,013
km of ≤ 220-kV circuit	22,799	22,946	23,006
<b>Total km of circuit</b>	<b>44,517</b>	<b>44,714</b>	<b>45,019</b>
400 kV substation bays	1,549	1,591	1,628
220 kV substation bays	3,320	3,377	3,423
150-132-110 kV substation bays	151	159	165
<110 kV substation bays	951	978	998
<b>Total substation bays</b>	<b>5,971</b>	<b>6,105</b>	<b>6,214</b>
<b>Transformer capacity (MVA)</b>	<b>93,021</b>	<b>93,496</b>	<b>94,221</b>

## Kilometres of line circuits, 2022<sup>1</sup>

	Peninsula	Balearic Islands	Canary Islands	Total
Overhead lines (km)	40,624	1,113	1,254	42,991
Submarine cable (km)	265	582	47	893
Underground cable (km)	613	207	315	1,135
<b>Total</b>	<b>41,502</b>	<b>1,901</b>	<b>1,616</b>	<b>45,019</b>

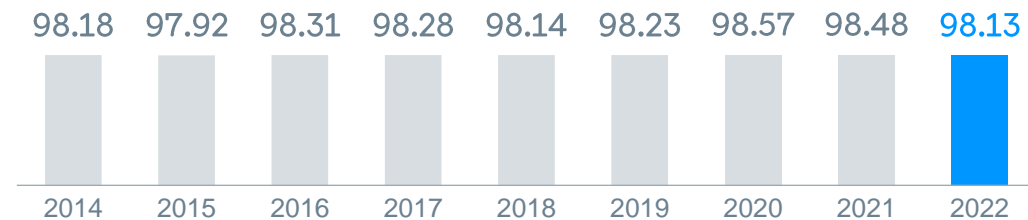


Source: <https://www.sistemaelectrico-ree.es/en/spanish-electricity-system/transmission/electricity-transmission-grid-facilities>

1. Information based on provisional data as of January 2023.

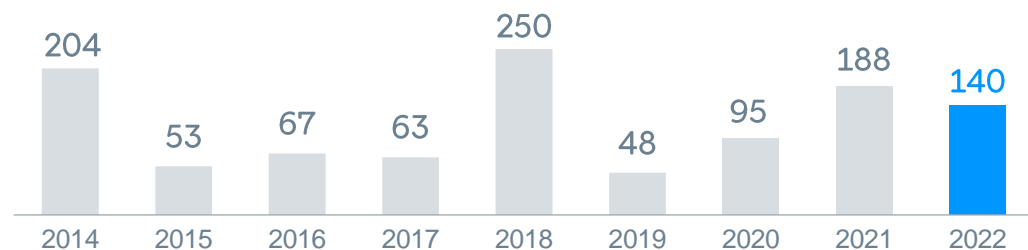
## Network availability

Península (%)



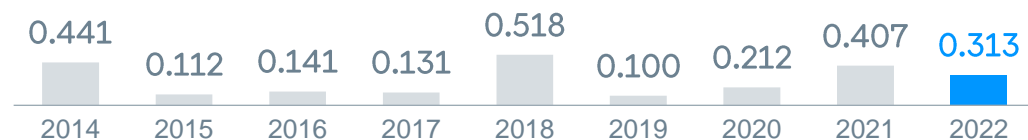
## Energy not supplied, peninsula

MWh



## Average interruption time, peninsula<sup>1</sup>

Minutes



1. TIM: Time in minutes obtained by dividing the energy not supplied (ENS) by the average power of the peninsular system.

Source: <https://www.sistemaelectrico-ree.es/en/home>



## Putting the consumer at the centre

### redOS

- Real-time information on the main system operation indicators via mobile devices.
- The app provides users with two profiles: consumers with simple information to place the citizen at the centre of the electricity system, and professionals with more technical information.

<https://www.ree.es/en/activities/operation-of-the-electricity-system/redos-app-system-operator>



### Online customer service

- This includes all the necessary information for the services in which generators, marketers, distributors, or consumers participate.

<https://www.ree.es/es/clientes>



### E-sios

- This System Operator data system carries out the scheduling process of the production market for mainland Spain's electricity system.
- It manages the scheduling of international exchanges and system adjustment services, communication with the Iberian System Market Operator, market participants and neighbouring TSOs.

<https://www.esios.ree.es/en>





3.1

## Red Eléctrica Electricity planning

Key to meeting the PNIEC commitments:  
decarbonisation, efficiency and reinforcement of interconnections

## Main characteristics

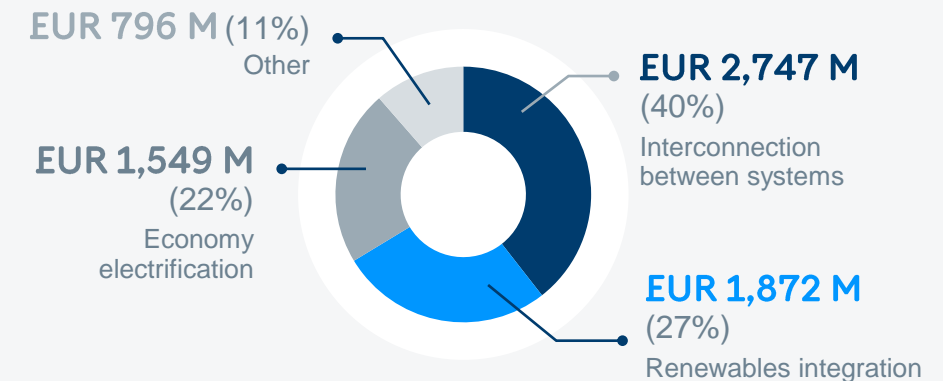
- The plans are established for **6-year periods**.
- **Competence of the State**, with participation of the Autonomous Regions and a CNMC report.
- Submitted to the **Congress of Deputies** and approved by the government.
- **Red Eléctrica** prepares the first proposal and provides **technical support** to the Ministry throughout the process.
- **Binding** planning for electricity transmission:
  - » Due to its nature as a basic infrastructure.
  - » Natural monopoly.
  - » Coordination with urban- and land-use planning.
- The **National Integrated Energy and Climate Plan** (“PNIEC”, its Spanish acronym) incorporates estimates of demand and generation and determines the scenario for drawing up the transmission grid development Plan.

<https://www.planificacionelectrica.es/en>

## 2021-2026 Electricity Plan

- Specially designed to deploy new renewable facilities in areas with the best resources and lowest environmental impact.
- Maximum penetration of renewable energy: 67% in the peninsular system in 2026.
- New developments to connect island systems and strengthen international interconnections.
- Intensive use of the existing grid, renewing and expanding its capacity and using new technologies.

2021-2026  
planning  
EUR 6,964 M



More grid to accelerate the energy transition

**8,000 km**

Improvement of the existing grid

**2,700 km**

New lines

**700 km**

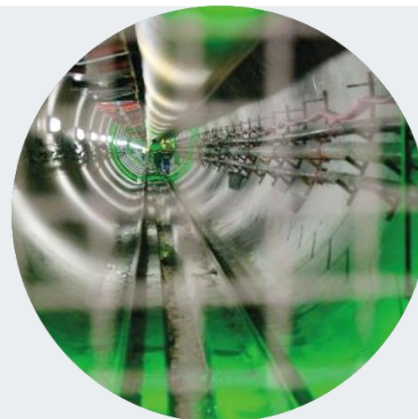
Submarine cables

[Home](#) | [2021-26 Electricity planning](#)  
([planificacioneolica.es](#))



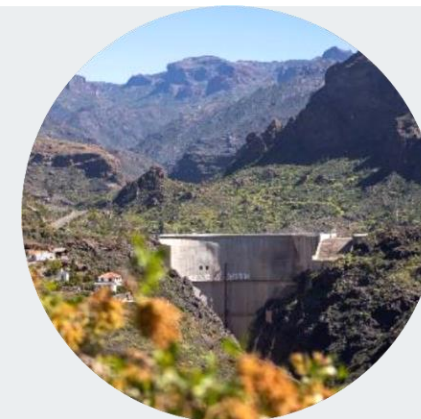
## Hook ups to the Iberian Peninsula and between islands

- **Peninsula-Ceuta.**  
Expected in 2025.
- **Peninsula-Balearic Islands.**  
Expected >2026.
- **Ibiza-Formentera.**  
Commissioned in 2023.
- **Tenerife-La Gomera.**  
Expected in 2025.



## International interconnections

- **Spain-France via the Bay of Biscay.**  
Expected in 2028.
- **Aragón-Atlantic Pyrenees**  
After Bay of Biscay interconnection.
- **Navarre-Landes (France)**  
After Bay of Biscay interconnection.
- **Galicia-Northern Portugal**  
Expected in 2024.
- **Spain-Morocco (3<sup>rd</sup> cable)**  
Expected in 2026.

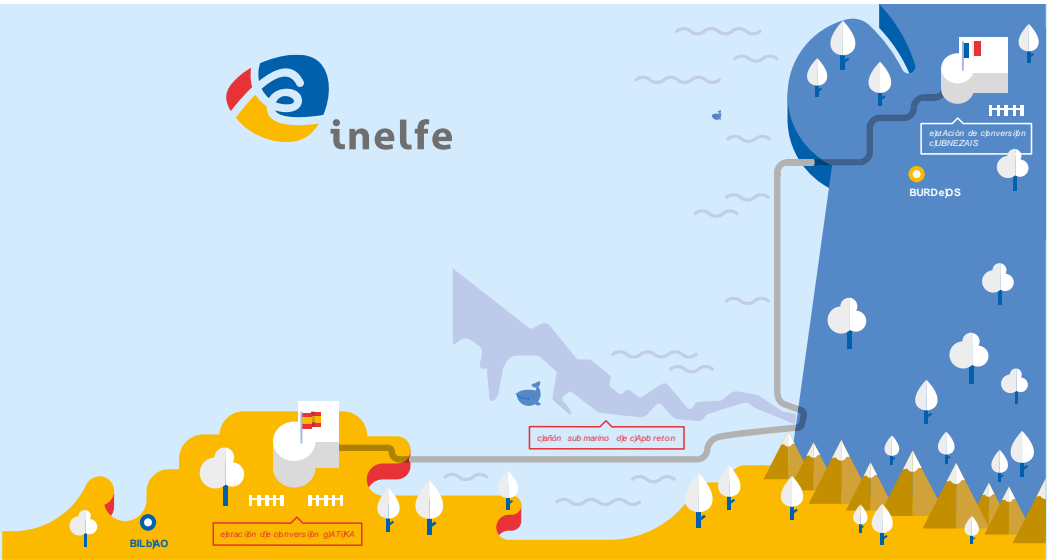
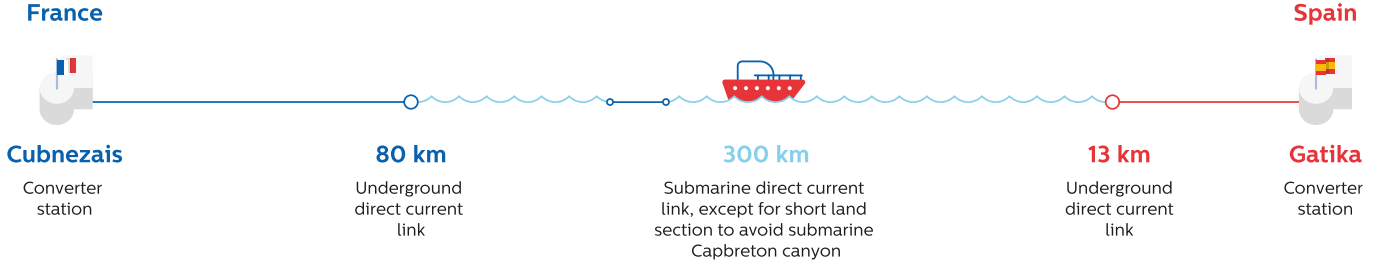


## Energy storage

- **Salto de Chira pumping station** on Gran Canaria.  
Expected in 2027.

# Spain-France submarine interconnection via the Bay of Biscay (I)

- Inelfe<sup>1</sup> responsible for building and commissioning the interconnection.
- EU Project of Common Interest (PCI).
- Underwater DC connection (HVDC)<sup>2</sup>
- 4 cables. Two per connection.
- 400 km. Interconnection length.
- 2 x 1,000 MW. Transmission capacity.
- Exchange capacity increase up to 5,000 MW.



1. This company is equally owned by the Spanish electricity system operator and transmission company, Red Eléctrica, and its French counterpart, Réseau Transport d'Électricité (RTE).
2. HVDC (high voltage direct current) cable with the exception of a short section of cable to avoid the Capbreton Canyon.

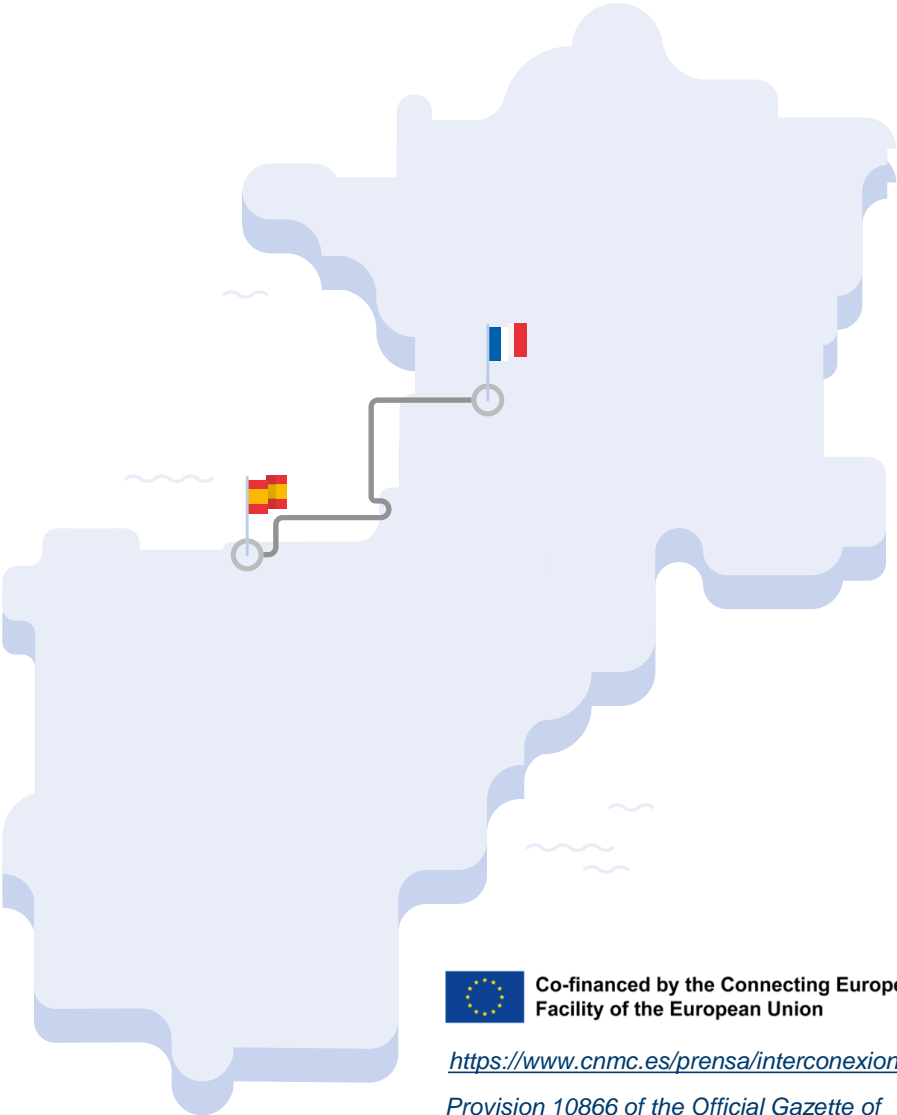
<https://www.inelfe.eu/en>


# Spain-France submarine interconnection via the Bay of Biscay (II)

## Project costs

- **Project cost-sharing agreement** between CNMC & CRE regulators in February 2023.
  - » Total cost of EUR 2,850 million.
  - » Spain is funding 51% of the total project.
- **EU subsidy** of EUR 588 million, EUR 238 million of which correspond to Spain.
- **Financed with congestion rents<sup>1</sup>**: congestion rents are split 50/50 between RE and RTE.
- The **singular nature** of the interconnection was granted in May 2023:
  - » The best economic estimate of the investment value of the project is established as EUR 1,464 million for Red Eléctrica.
  - » The maximum investment value with the right to remuneration charged to tolls (RAB) will be EUR 861 million (subsidies and the part financed by congestion rents are not considered).

1. The price difference between two interconnected areas generates revenues called 'congestion rents' in interchange capacity auctions. These revenues are shared equally between the countries and are destined to the electricity system.



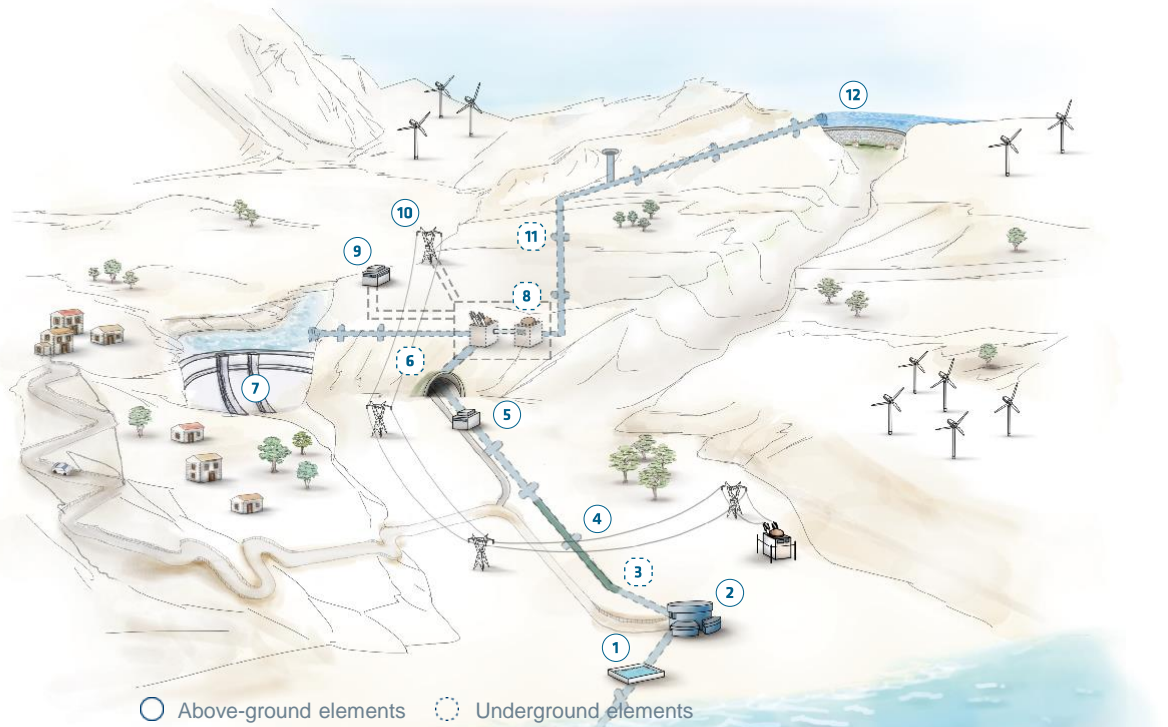
 Co-financed by the Connecting Europe Facility of the European Union

<https://www.cnmc.es/prensa/interconexion-vizcaya-20230302>

*Provision 10866 of the Official Gazette of the Spanish State no. 107 of 2023*



Allowed in isolated systems to maximise the renewables integration and increase system flexibility, efficiency and security.



- Above-ground elements    ◌ Underground elements
- |   |   |
|---|---|
| 1. Seawater collection tank.                                  | 8. Power station cavern and transformer cavern (including 220 kV substation). |
| 2. Seawater desalination plant (including pumping station I). | 9. Control and auxiliary services building.                                   |
| 3. 20 km desalinated water pipeline.                          | 10. 220-kV power line.  |
| 4. Tourist path.  | 11. Hydraulic circuit.  |
| 5. Desalinated water pumping station II.                      | 12. Chira dam.  |
| 6. 2-km access tunnel to the plant.                           |   |
| 7. Soria dam.   |   |

## Salto de Chira pumped-storage hydropower plant

 <b>3.5 GWh</b> Storage	 <b>&gt;20%</b> Reduction of CO <sub>2</sub> emissions	 Over <b>100,000</b> Engineering hours	 <b>200 MW</b> Turbine capacity
 <b>51%</b> Renewable penetration in 2026	 <b>4,366</b> Jobs created in Spain	 <b>2.7 Hm<sup>3</sup></b> Water produced per year	 <b>1.2%</b> GDP of the Canary Islands
 <b>EUR 122 million</b> Variable generation cost savings	 <b>3,518</b> Jobs created in the Canary Islands	 <b>~ EUR 600 million</b> Planned investment	

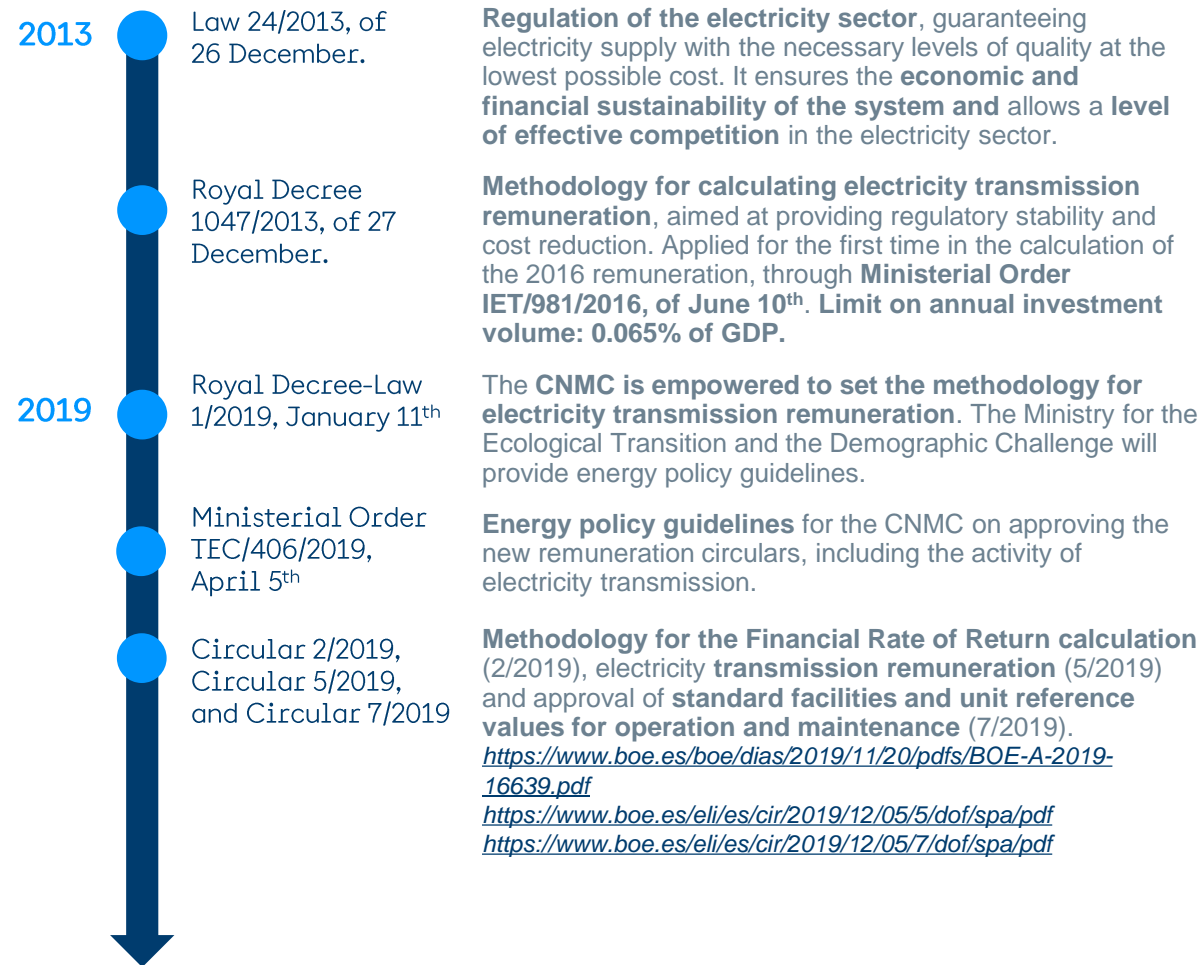
<https://www.ree.es/en/activities/unique-projects/salto-chira-pumped-storage-hydropower-plant>

3.2

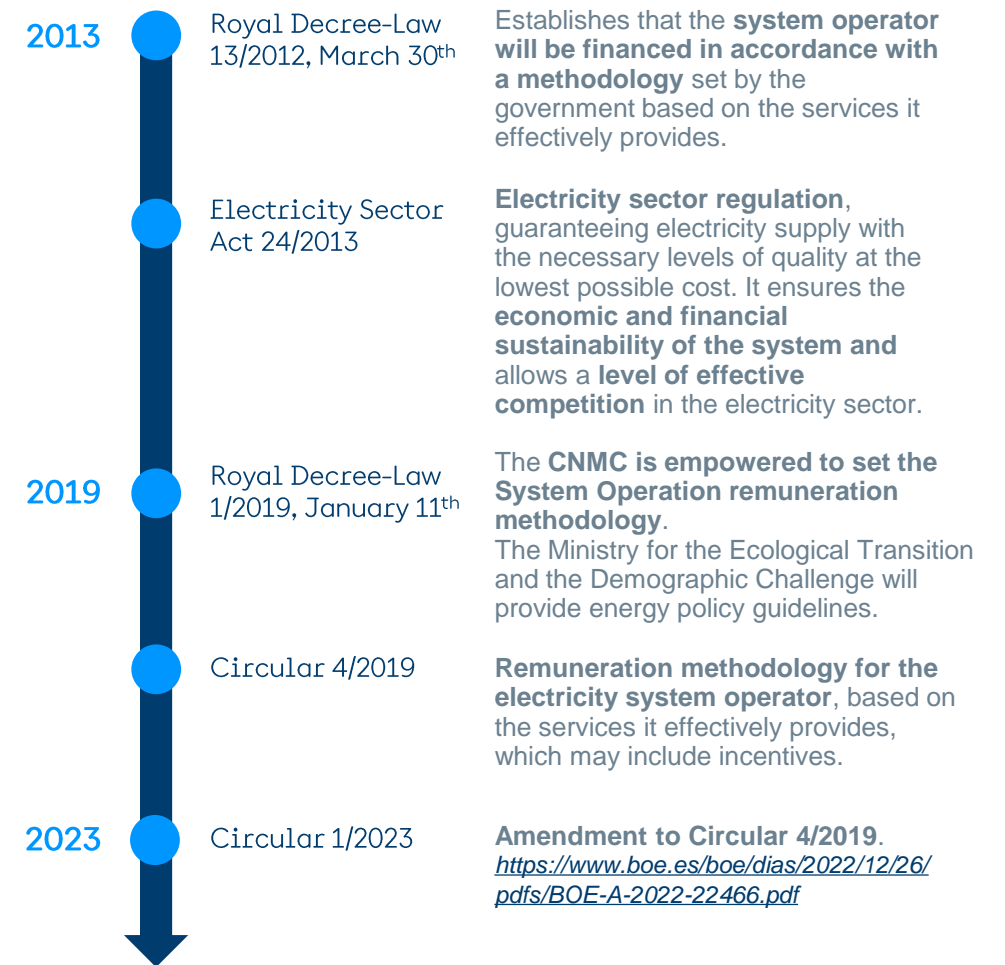
## Red Eléctrica Remuneration framework

# Main regulatory provisions for remuneration of Transmission and System Operation

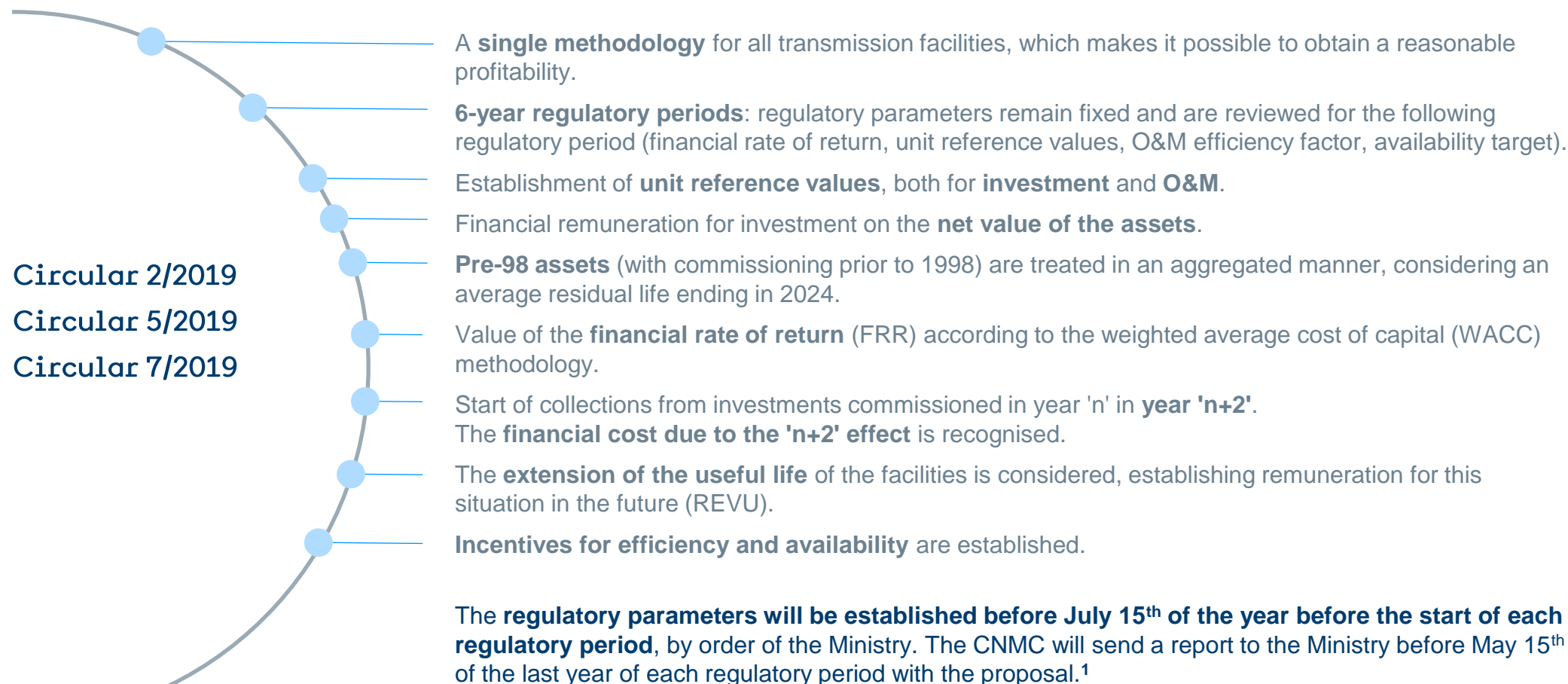
## Transmission of electricity



## System Operator



## Basic principles

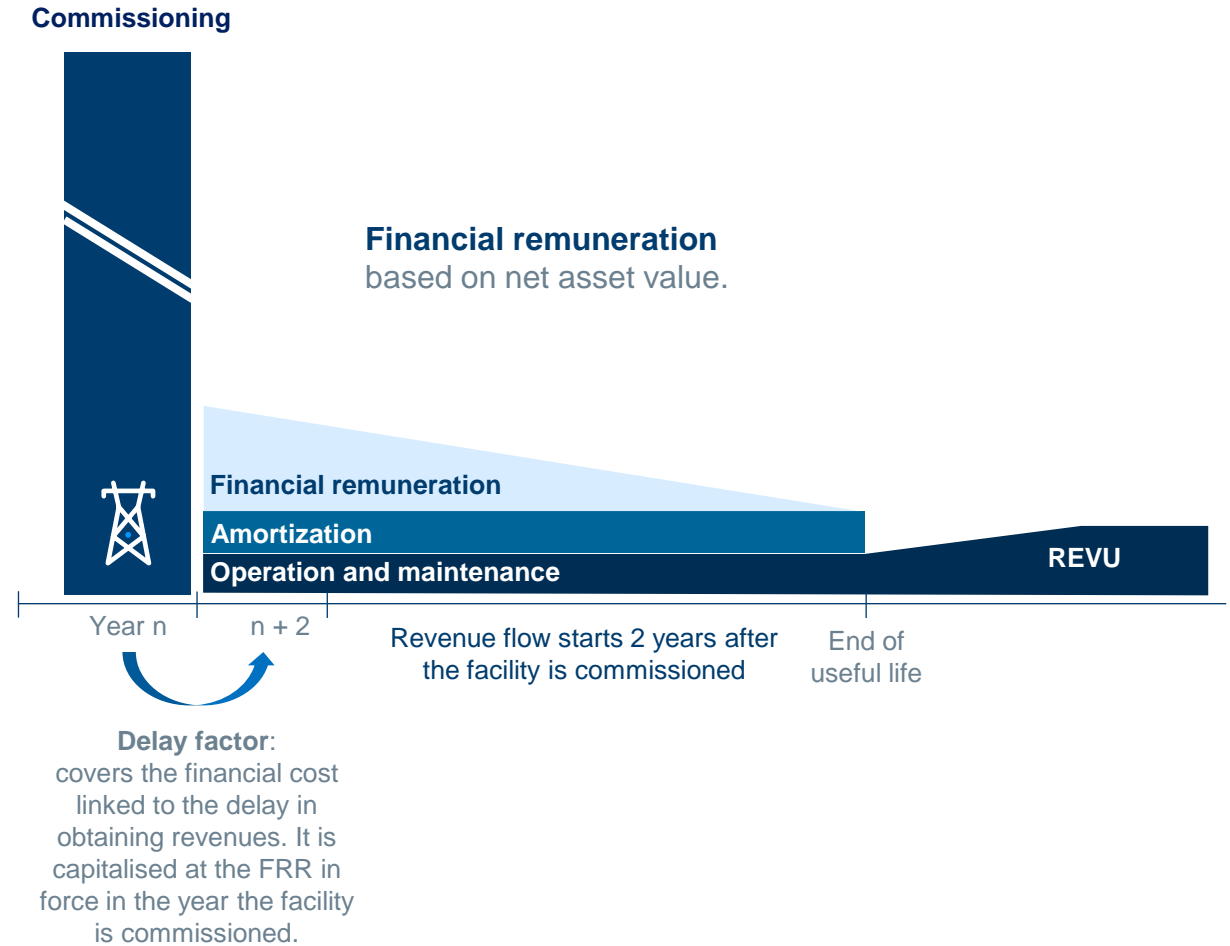


1. Royal Decree 1047/2013.

# Remuneration model for Transmission activity

Predictable and stable model

- RI
  - +
  - ROM
  - +
  - REVU
  - +
  - ID
- Investment remuneration:** Allows the recovery of the capital invested with a 'reasonable' return over the useful life of the facilities. Composed of **financial remuneration** and **amortization remuneration**.
- Operation and maintenance (O&M) remuneration** recognises O&M costs while the facility is in service.
- Remuneration for the extension of useful life:** for facilities that have exceeded their regulatory useful life.
- Availability incentive:** associated with the degree of availability offered by the transmission facilities.





# Remuneration model for Transmission activity

Investment remuneration (RI)

This is made up of remuneration for amortization and financial remuneration

$$R = RI + ROM + REVU + ID$$

## Remuneration for amortization (A)

+

## Financial remuneration (FR)

This will be obtained from the **investment values** and the **useful life** of the facility.

$$A = \frac{VI}{VU}$$

**VI** **Standard facilities:** average between the audited investment value of the facilities and the reference unit value of the year of commissioning. Adjusted with the delay factor.

For **facilities commissioned since 2018:**

if the construction margin (positive or negative) exceeds 12.5% of the actual value, the recognised value is limited to this percentage.

**Non-standard facilities**<sup>1</sup>: the value of the investment will be the average of the actual value and the value approved in the singularity resolution.

**Any public subsidies received by the facility** will be deducted from the investment value. This value shall be 90 % of the amount received and in no case shall the 10 % margin to be considered exceed €10 M.

**VU** The **useful life** of the facilities is 40 years for most facilities.<sup>2</sup>

This will be calculated based on the **net value of the investment** and the **Financial Rate of Return** set.

$$FR = VN \cdot FRR$$

**VN** **Net value of the investment of the facility**, deducting accumulated amortization.

**FRR** Value established by CNMC **Circular 2/2019**: 5.58% for the period 2020-2025 (6.003% in 2020).

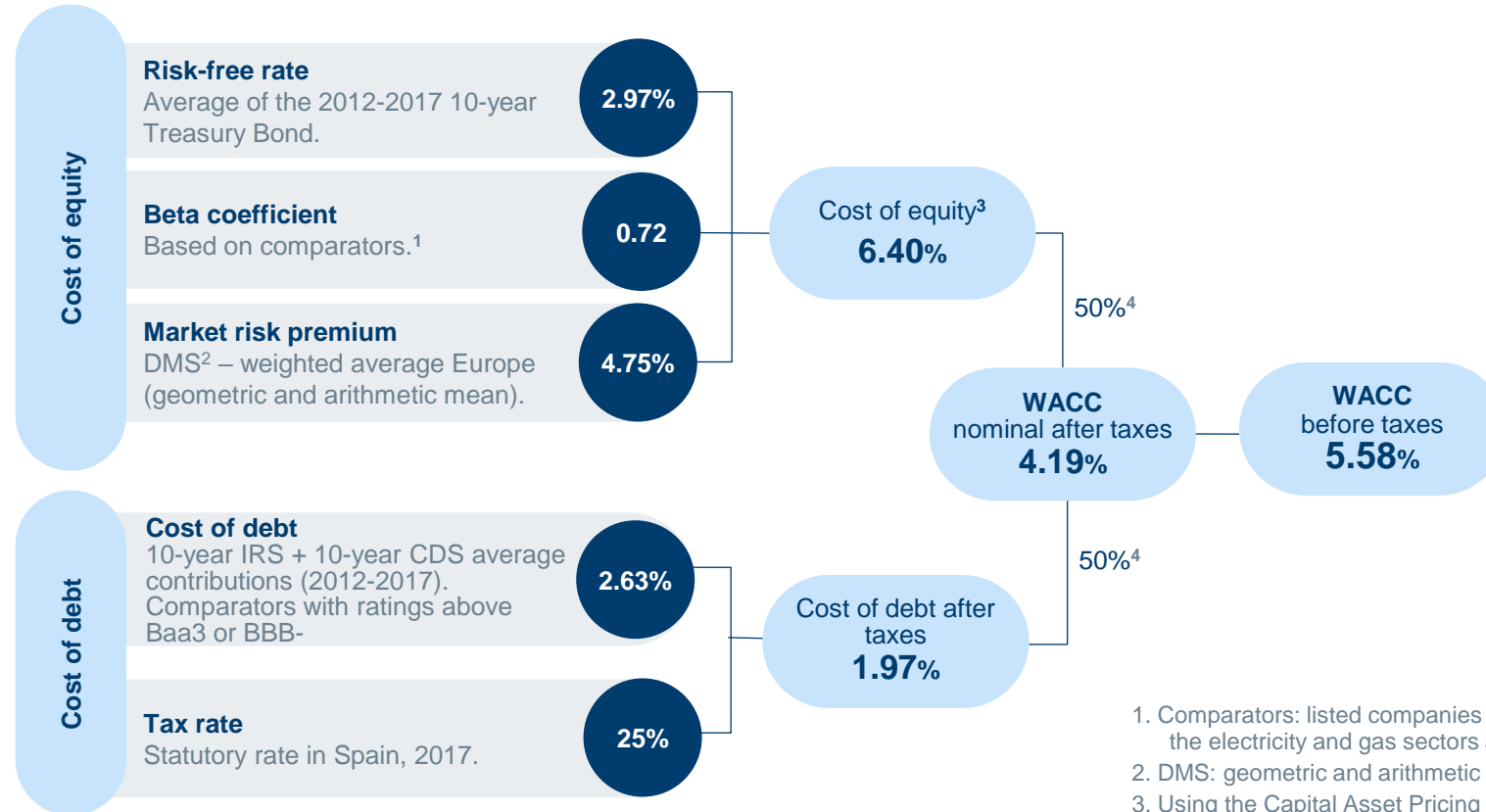
1 Non-standard facilities (singular): those that do not have a reference unit value associated with them due to their particular characteristics.

2 Manoeuvring offices will generally have a regulatory useful life of 12 years.

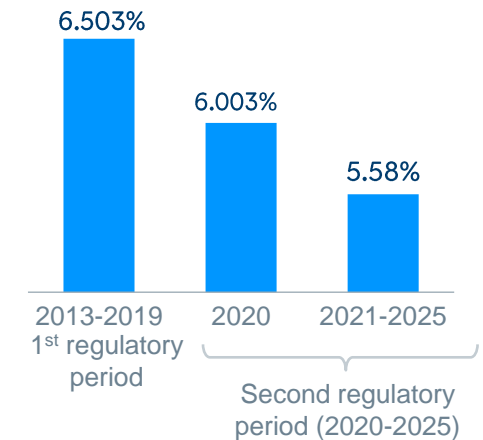
# Remuneration model for Transmission activity

Financial Rate of Return (FRR) calculation for the period 2020-2025

## Circular 2/2019: weighted average cost of capital model (WACC)



The **third regulatory period** begins in 2026 and runs through 2031.



1. Comparators: listed companies carrying out network activities, both transmission and distribution, in the electricity and gas sectors at European level, irrespective of their size.
2. DMS: geometric and arithmetic averages published in the DMS report (Dimson, Marsh and Staunton).
3. Using the Capital Asset Pricing Model (CAPM).
4. Regulatory leverage ratio: taking into account both the observed leverage of comparators and regulatory leverage ratios of other European regulators.

## Remuneration for Operation and Maintenance

Remuneration based on **reference unit values for operation and maintenance** updated throughout the life of the asset, in each regulatory period.

**Efficiencies:** companies can retain 100% of the efficiency gains obtained from OPEX.

$$R = RI + ROM + REVU + ID$$

## Life Extension Remuneration

Those facilities that have reached the **end of their useful life** and remain in service will see their O&M remuneration increase by 30% in the first 5 years. This percentage will rise 1%/yr. for years 6-10, by an additional 2%/yr. for years 11-15, and by a further 3%/yr. from year 15 onwards, up to a maximum allowed level of 100%.

$$R = RI + ROM + REVU + ID$$

$$REVU = \mu \times ROM$$

**ROM:** O&M remuneration corresponding to the facility in year n.

**$\mu$ :** Life extension factor that varies according to the number of years since the end of the useful life.

## Incentive for availability

**ID:** For a given year, it may range from +2.5% to -3.5% of the O&M remuneration value of that year.

$$R = RI + ROM + REVU + ID$$

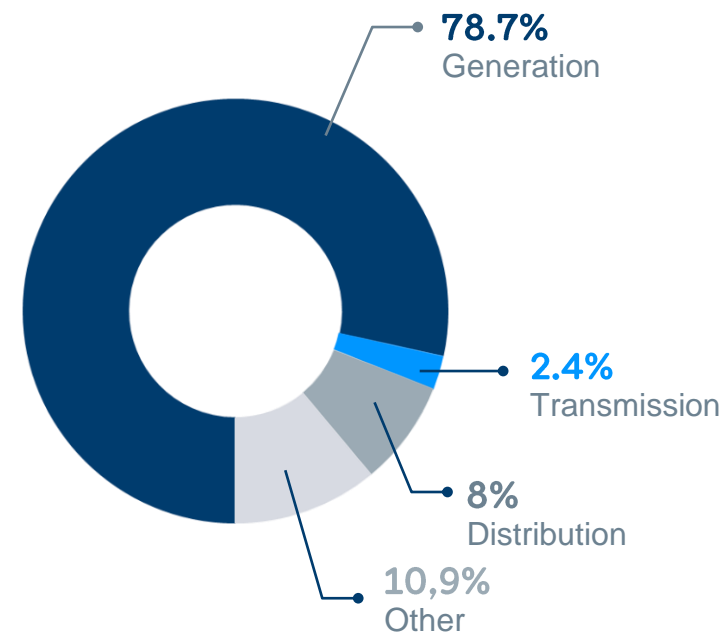
# Breakdown of electricity sector costs

Transmission activity accounts for less than 5% of the sector's total costs in 2022

## 2022 Electricity sector costs

- Settled transmission remuneration corresponds to the last approved remuneration associated with 2020, according to Resolution of 27 July 2023 of the CNMC, in 2020 remuneration<sup>1</sup>
- Remuneration for 2022 is provisional until the CNMC publishes the resolution with the final remuneration for 2021 and 2022.
- The Ministry for Ecological Transition and the Demographic Challenge published the final remuneration for transmission activity in 2016 (Order TED/1311/2022) and 2017-2019 (Order TED/1343/2022) at the end of 2022 and year 2020 by mid 2023.

## Total electricity sector costs: EUR 65,670 million



1. Total transmission grid remuneration for 2020, last final remuneration published. The CNMC's estimate, in accordance with the Report on access tolls to the electricity transmission and distribution networks for 2022, amounts to EUR 1,474 million.

# System Operation remuneration model

CNMC Circular 4/2019

Composed of a remuneration base, incentives, and the annual amount accrued from the regulatory account for new obligations

## Remuneration base: Opex + Opex margin + Amortisation + RF

- Opex: Opex remuneration calculated on the basis of accounting costs.
- Opex margin of 5%.
- Amortisation: standard amortisation term included in the remuneration base for the regulatory period.
- FR: financial remuneration term. The same FRR as for transmission activity (5.58%).



## Incentive remuneration<sup>1</sup>

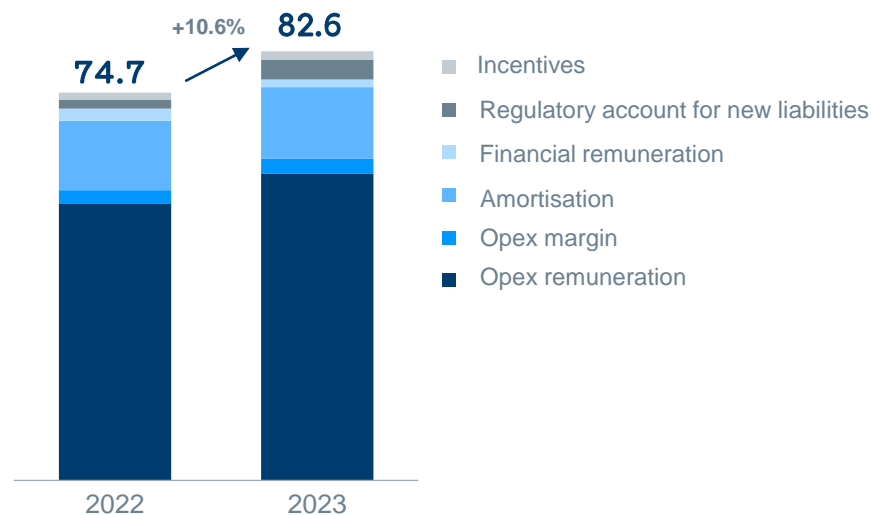
- Resolution of technical restrictions.
- Demand forecast.
- Renewable energy forecast.
- Efficient setting of the level of thermal reserves.
- Response to stakeholder queries.
- Promotion of new services.



## Regulatory account

- Balance available to the System Operator during the regulatory period to assume new obligations attributed by EU or Spanish regulations.

System Operation remuneration for 2023-2025 (M€)



The parameters are established for **3-year regulatory periods**, remaining fixed during these periods. The first period covers 2020-2022 and the second period 2023-2025.

1. Incentives modified in Circular 1/2023.



Competence of the Ministry for Ecological Transition and Demographic Challenge

## Return on investment

- + • **Remuneration for amortisation:** allowing the value of the investment to be recovered over the useful life of each item in the plant.
- **Financial remuneration:** based on the net value of the investment, deducting accumulated depreciation, and the financial rate of return (FRR).

## Fixed and variable O&M remuneration

- + • **Operation and Maintenance Remuneration:** recognises the fixed and variable costs associated with the operation and maintenance of the facility.

## Construction phase remuneration

- + • **Remuneration associated with the construction phase:** an investment value is determined, consisting of the capitalisation of the investment accumulated during the construction phase (work in progress), and received over a period of 5 years from commissioning.

## Incentive

- **Storage incentive:** linked to integrating renewables.

**Investment value:** provisional recognised value of EUR 589 million. The final investment value is established as the average of the provisional value approved in the Order and the real book value. (Royal Decree 738/2015).

**Useful life:** the Order establishes the regulatory useful life of each of the plant's items (civil engineering 65 years, electromechanical equipment 25 years, desalination plant 25 years, etc.).

**Financial rate of return (FRR):** 5.58%, the same FRR as established for plants under the additional regime for non-peninsular systems (section 28 of Royal Decree 738/2015) revisable every regulatory period (every 6 years).

**Subsidy:** subtracted from the recognised value. **EUR 90 million subsidy granted with ERDF funds.**

For accounting purposes, it is recorded in accordance with IFRIC 12 (service concession arrangements), which has a positive impact on the income statement during the construction phase, depending on the degree of progress.

Ministerial Order TED/1243/2022:  
<https://www.boe.es/eli/es/o/2022/12/02/ted1243>



Redinter

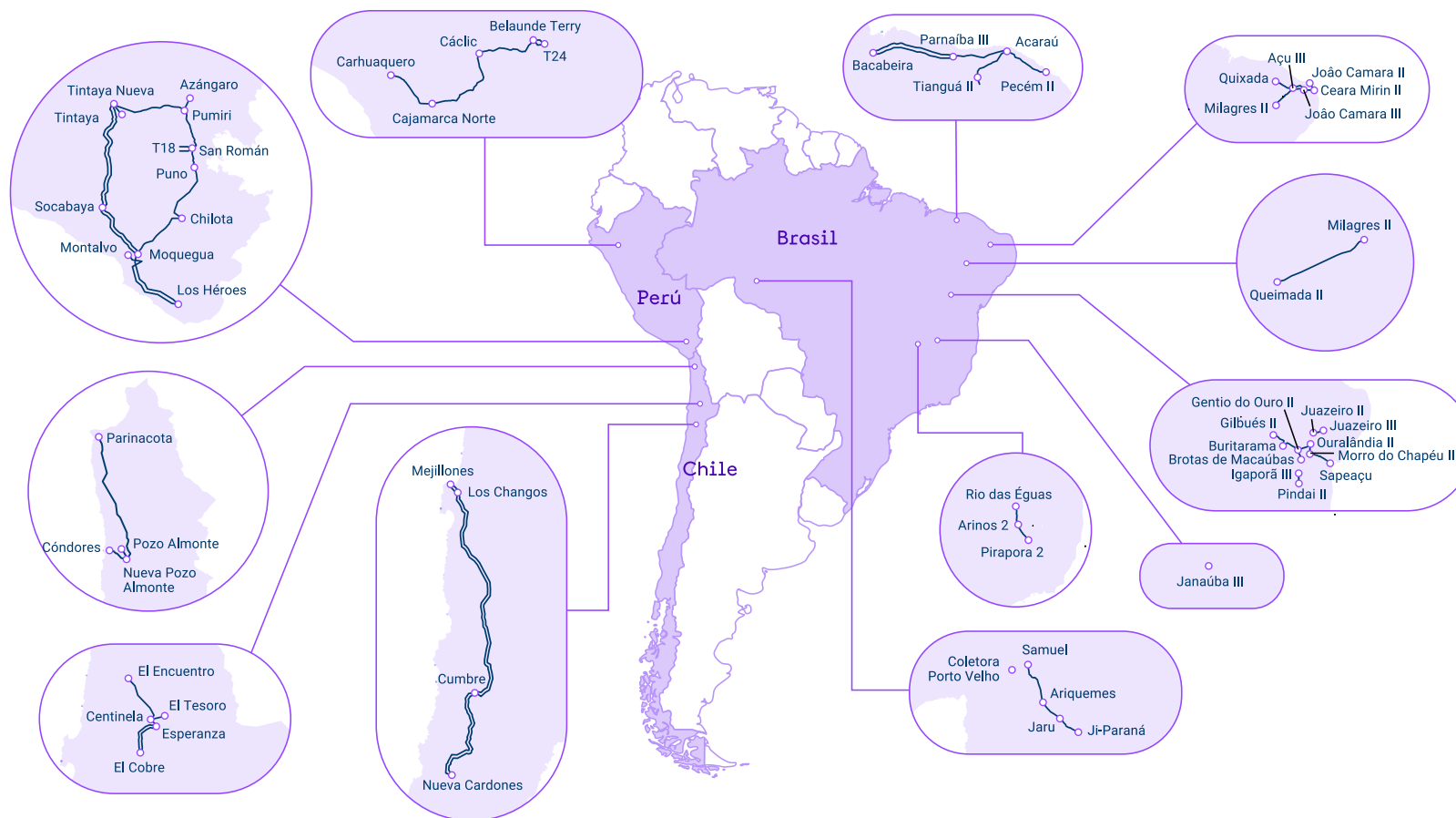
4





Over 20 years building and managing networks in Latin America, with more than EUR 1,600 million<sup>1</sup> invested through 2022

## Redeia's international presence



### Peru

- Presence since **1999**.
- We manage **1,686 km** of transmission lines, all in commercial operation.

### Chile

- Presence since **2016**.
- We manage **1,767 km** of transmission lines, 1,747 km of which are in commercial operation and 20 km are under construction.

### Brazil

- Presence since **2020**.
- We manage **4,213 km** of high-voltage circuit lines.

1. Includes a 5% financial stake in REN.

Note: figures at 2022 year-end.

## Redinter

### Peru

- **Red Eléctrica Andina, S.A.C. 100%**
- **Red Eléctrica del Norte Perú, S.A.C. 100%**
  - Concesionaria Línea de Transmisión CCNCM, S.A.C. 100%
- **Red Eléctrica del Sur S.A. 100%**
  - Transmisora Eléctrica del Sur, S.A.C. 100%
  - Transmisora Eléctrica del Sur 2, S.A.C. 100%
  - Transmisora Eléctrica del Sur 3, S.A.C. 100%
  - Transmisora Eléctrica del Sur 4, S.A.C. 100%

### Chile

- **Red Eléctrica Chile, SPA. 100%**
  - Red Eléctrica del Norte, S.A. 69.9%
  - Red Eléctrica del Norte 2, S.A. 100%
  - Transmisora Eléctrica del Norte, S.A. 50%

### Brazil

- **Red Eléctrica Brasil Holding LTDA. 100%**
  - **Argo Energía Empreendimentos e Participações, S.A. 50%**
    - Argo Transmissão Empreendimentos e Participações, S.A. (Argo I). 100%
    - Argo II Transmissão Empreendimentos e Participações, S.A. (Argo II). 100%
    - Argo III Transmissão Empreendimentos e Participações, S.A. (Argo III). 100%
    - Argo IV Transmissão Empreendimentos e Participações, S.A. (Argo IV). 100%
    - Argeb Energía Empreendimentos e Participações, S.A. 62.5%
      - Argo V Transmissão de Energía S.A. (Argo V). 100%
      - Argo VI Transmissão de Energía S.A. (Argo VI). 100%
      - Transmissora José María de Macedo de Electricidade, S.A. (Argo VII). 100%
      - Giovanni Sanguinetti Transmissora de Energía S.A. (Argo VIII). 100%
      - Argo IX Transmissão de Energía, S.A. (Argo IX). 100%

### Portugal

- **Redes Energéticas Nacionais, S.A. 5%**

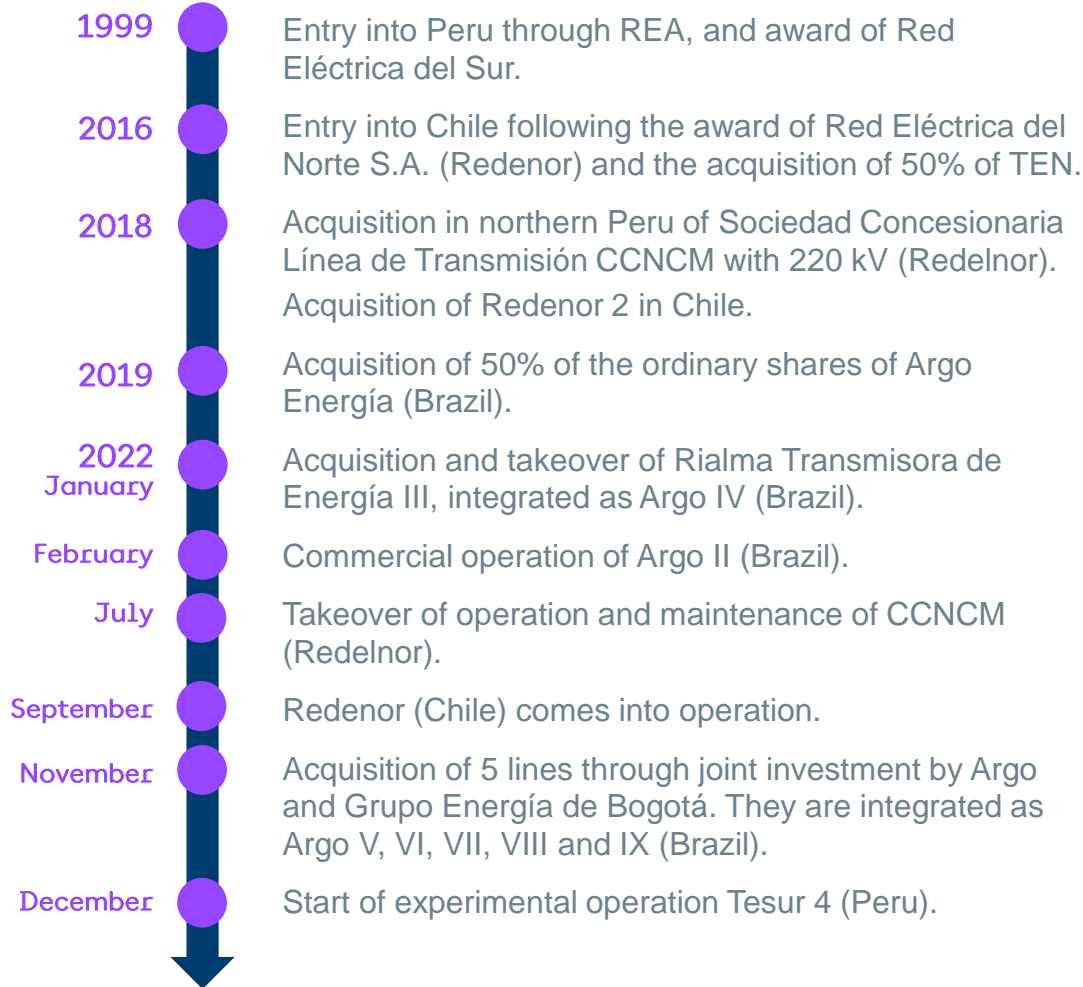
Note:

- Stake in **Red Eléctrica del Norte S.A** together with Cobra Instalaciones y servicios.
- Stake in **TEN** (Transmisora Eléctrica del Norte S.A.) together with Engie Energía Chile.
- Stake in **Argo Energía** together with Grupo Energía Bogotá (GEB).



# Milestones and key figures

## Milestones



## Key figures for 2022

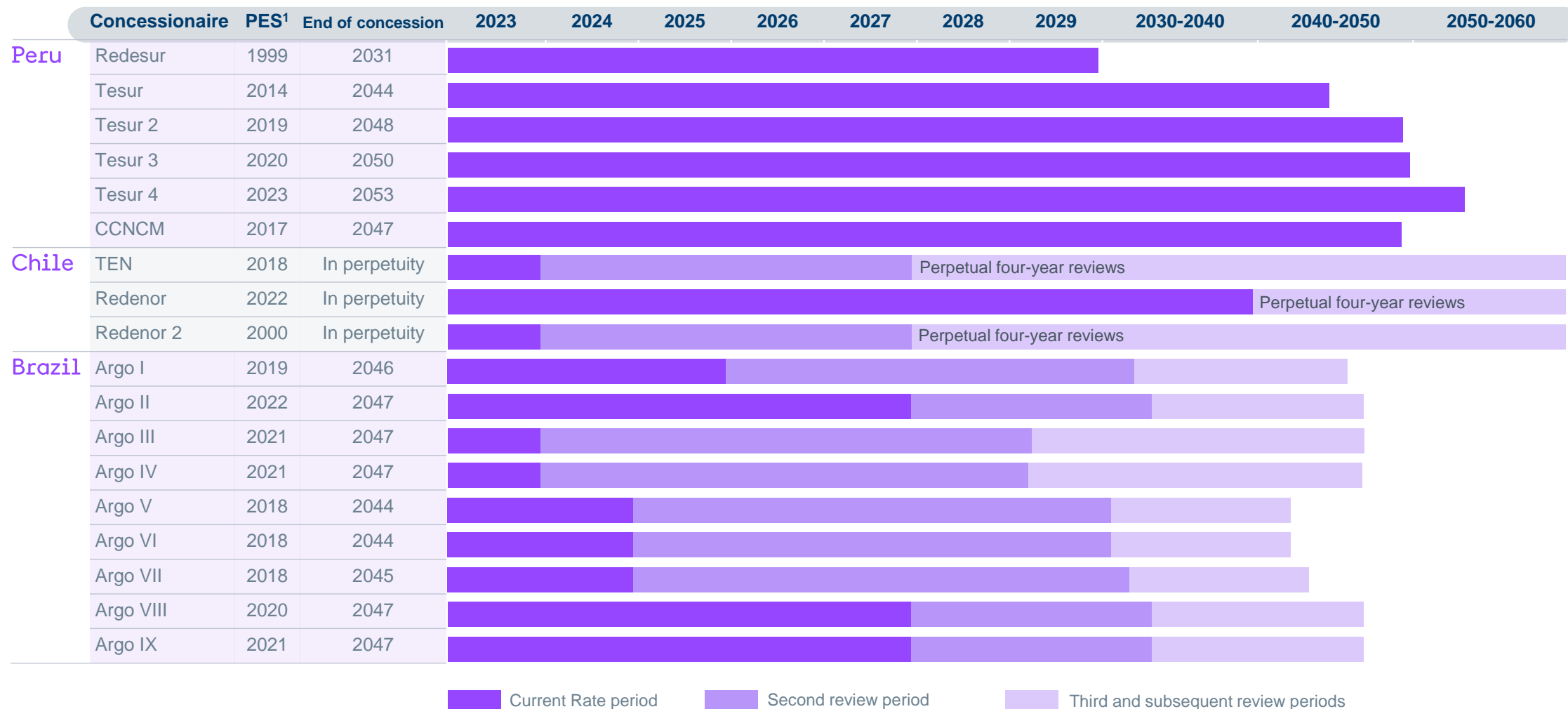
- EUR 118.3 million**  
Operating revenue
- EUR 90.4 million**  
EBITDA
- EUR 238.2 million**  
Investments
- EUR 56.7 million**  
Net profit
- 99.7%**  
Availability of the transmission system<sup>1</sup>
- 100%**  
Availability of the fibre optics network

For Redeia, international business development is a natural way of growth, mainly focused on building and operating transmission grids outside Spain.

<sup>1</sup> Does not include the availability of the five newly integrated transmission lines in Brazil.

# Stable and predictable regulatory frameworks

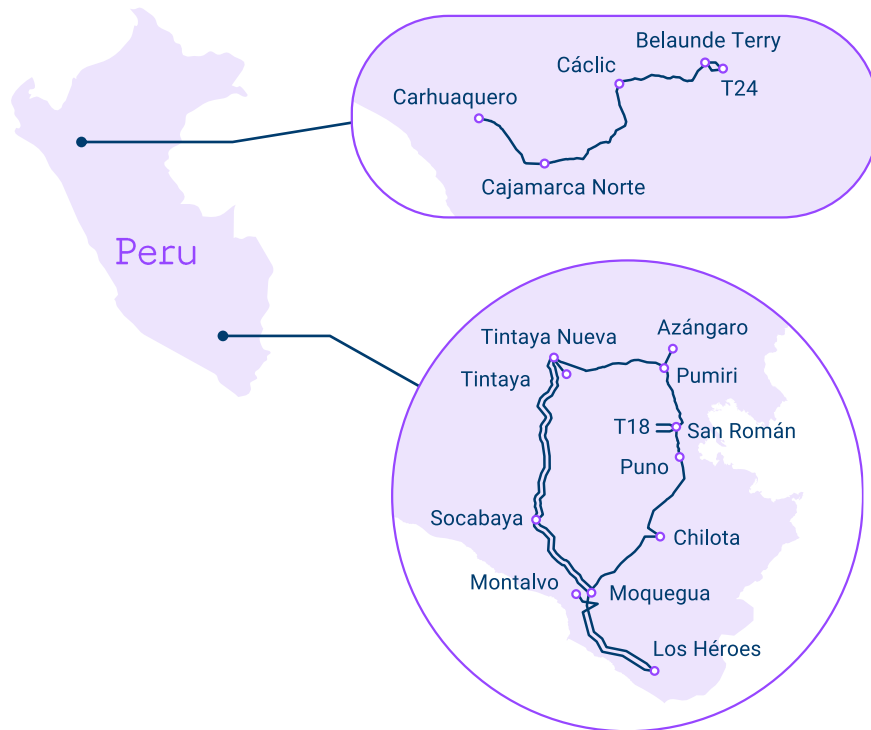
## Long-term revenue visibility



# Peru: electricity infrastructure

## Business in Peru

Having commenced operations in 1999 through Redesur, we are the main transmission company in southern Peru and, with the acquisition of CCNCM, we also operate in the north of the country.



### Redesur

Year commissioned	1,999
Stake (%)	100
Km	535
No. of substations	4

### Tesur

Year commissioned	2014
Stake (%)	100
Km	407
No. of substations	3

### Tesur2

Year commissioned	2019
Stake (%)	100
Km	115
No. of substations	5

### Tesur3

Year commissioned	2020
Stake (%)	100
Km	129
No. of substations	2

### Tesur4

Year commissioned	2023
Stake (%)	100
Km	128
No. of substations	2

### CCNCM (Redelnor)<sup>1</sup>

Year commissioned	2017
Stake (%)	100
Km	372
No. of substations	5

### Total Peru

Stake (%)	100
Km	1,686
No. of substations	21

1. Acquired by Redeia in 2019.

## Grid development

### Tender process

- Public concession awarded by auction.
- Awarded to the bidder offering the lowest annualised investment (IC) and operation and maintenance (O&M) cost.

### Reinforcements

- Based on system needs, bilateral negotiation with the regulator.
- The IC is established on the basis of a table of reference prices published by the coordinator.

## Remuneration framework

### Duration

- **30 years** after the assets are put into commercial operation (PCO).

### Rate

- **Investment Cost (IC):** real pre-tax rate of 12% on the IC offered + PPI / reference PPI.<sup>1</sup>
- **Maintenance and Operation Cost (O&M):** based on the cost offered by the concessionaire + PPI / reference PPI.<sup>1</sup>
- **Rate revisions:** none.

### Functional currency

- US Dollar.

1. Benchmark Producer Price Index (PPI): established at the signing of the concession.

## Business in Chile

In Chile, our company owns: **50% of TEN**, which owns the electricity interconnection that linked the Norte Grande and Central Chile Systems and gave rise to the National Electricity System in 2017; **70% of Redenor**, a project for a substation, and three lines in the north of Chile near the border with Peru. This project strengthens the national electricity system and improves the security and quality of energy supply in the north of the country, enabling the integration of renewable energies into the energy matrix; and **100% of Redenor 2**, which operates three transmission lines and is undergoing the expansion its facilities in accordance with the Transmission System Expansion Plan, as well as the connection of a renewable facility (Sierra Gorda photovoltaic park) to the interconnected system. An important project for the integration of renewables and mining services.



### Redenor

Year commissioned	2022
Stake (%)	70
Km	276
No. of substations	4

### Redenor 2<sup>1</sup>

Year commissioned	2000
Stake (%)	100
Km	285
No. of substations	5

### TEN

Year commissioned	2018
Stake (%)	50
Km	1,206
No. of substations	4

### Total Chile

Km	1,767
No. of substations	13

1. Acquired by Redeia in 2018.



## Grid development

### Tender process

- Public concession awarded by auction.  
Awarded to the bidder offering the lowest annualised investment (IC) and operation and maintenance (O&M) cost.

### Reinforcements

- Published by the National Energy Commission (CNE) annually according to the needs of the system.
- The annuity of the investment value (aVI) recognised will be that offered by the awarded constructor and (O&M) cost, both revised every four years.

## Remuneration framework

### Duration

- Perpetual concession.

### Rate

Projects awarded at auction:<sup>1</sup>

- First 20 years · Annual Transmission Value per Tranche (VATT) consisting of:
  - » **Annual payment of the Investment Value** (aVI) remunerated at the rate in force on the date + CPI.<sup>2</sup>
  - » **Operation and Maintenance Costs** + CPI.<sup>2</sup>
- Years 21 and onwards · VATT reviewed every 4 years at current replacement cost at a minimum rate of 7% and a maximum rate of 10%, monthly indexed.

### Functional currency

- US Dollar.

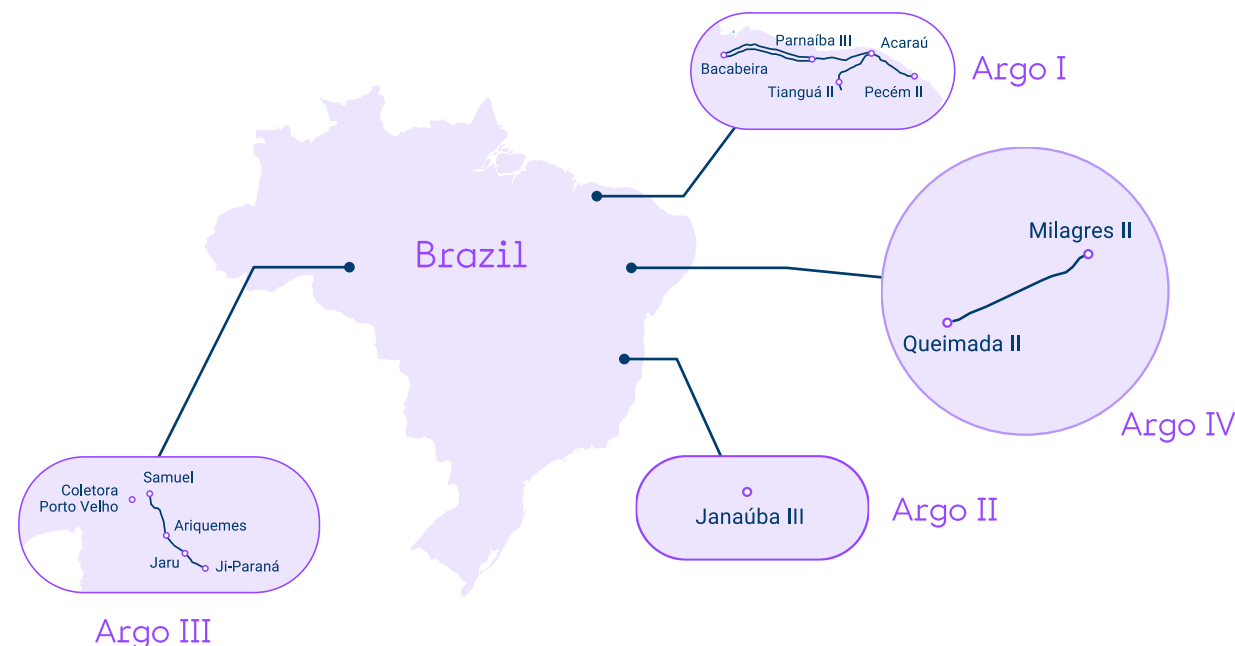
1. Exceptions: TEN is a private initiative project promoted by Engie, subject to regulatory review every four years, although it is classified as a new work and not a 'legacy asset'. Redenor 2 was a tender acquired in 2018 and its assets were already in operation, having reached the end of their first 20 years, and therefore regulatory reviews are carried out every four years.

2. Indexation according to local and international content of the facilities by the indexation factor depending on Chilean inflation rate, American inflation rate, and the exchange rate (USD).

## Business in Brazil (I)

In Brazil, the company owns **50% of the holding company Argo**, which in turn owns four concessionary companies Argo I, Argo II, Argo III, and Argo IV and five concessionary companies with 62.5% stakes.

Argo I operates 1,115 km of 500 kV lines and five substations in the northeast region of Brazil. Argo II is a project to expand a substation in the state of Minas Gerais commissioned in 2022. Argo III operates 320 km of 230 kV lines and five substations in the state of Rondônia (most of these facilities were put into commercial operation between the end of May and mid-July 2020, with the last two substations going on line in March and December 2021). Argo IV will enable 312 km of 500 kV lines to be expanded, starting in February 2022.



Argo I	
Year commissioned	2019
Stake (%)	50
Km	1,115
No. of substations	5

Argo II	
Year commissioned	2022
Stake (%)	50
Km	N/A
No. of substations	1

Argo III	
Year commissioned	2021
Stake (%)	50
Km	320
No. of substations	5

Argo IV	
Year commissioned	2021
Stake (%)	50
Km	312
No. of substations	2

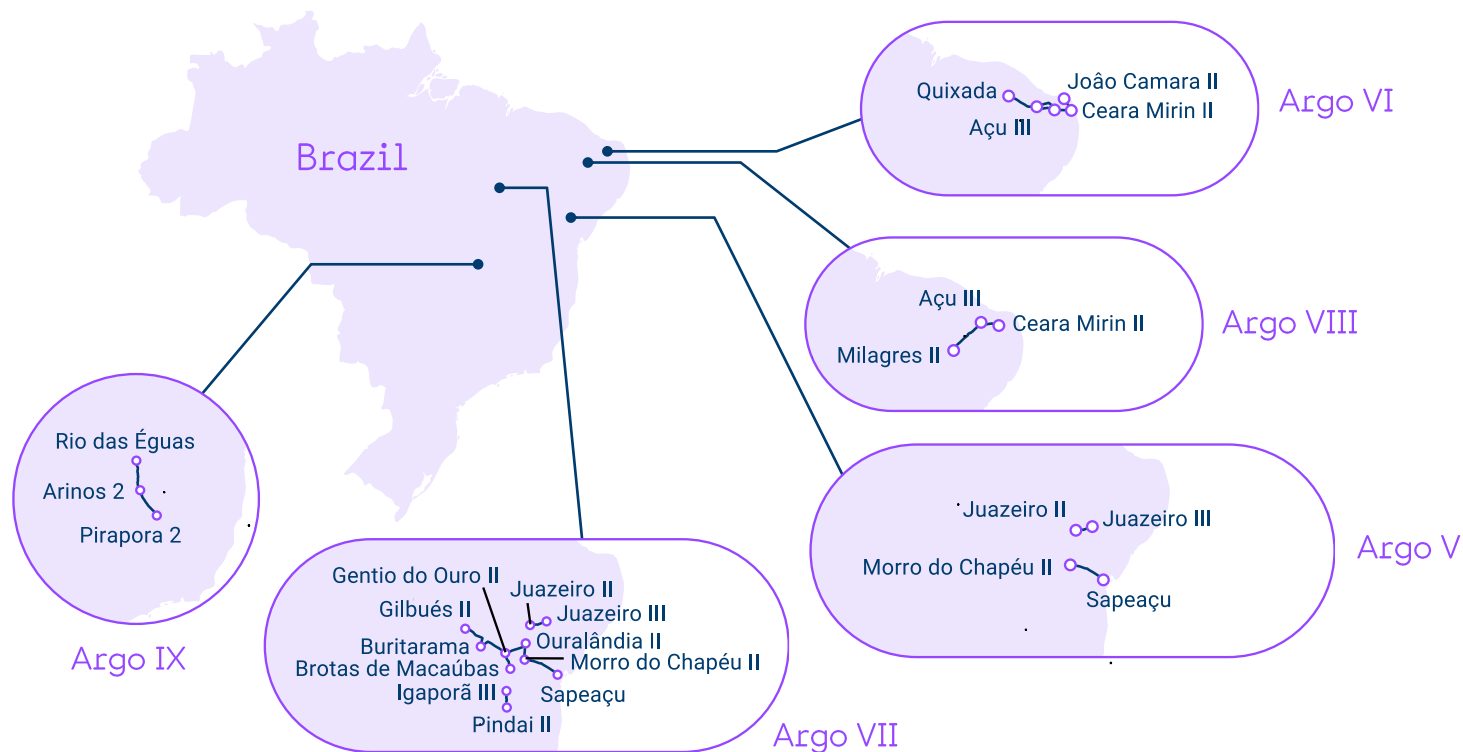
Brazil Argo I-IV	
Km	1,747
No. of substations	13

# Brazil: electricity infrastructure

## Business in Brazil (II). Recent acquisition

Redinter, through the holding company Argo, has owned 62.5% of five concession companies Argo V, Argo VI, Argo VII, Argo VIII and Argo IX since the end of 2022.

These five concessions are in commercial operation and include 2,466 km of 500 kV and 230 kV transmission lines and 21 substations in the northeast region of Brazil.



### Argo V

Year commissioned	2018
Stake (%)	31.25
Km	277
No. of substations	4

### Argo VI

Year commissioned	2018
Stake (%)	31.25
Km	490
No. of substations	6

### Argo VII

Year commissioned	2018
Stake (%)	31.25
Km	836
No. of substations	7

### Argo VIII

Year commissioned	2020
Stake (%)	31.25
Km	427
No. of substations	1

### Argo IX

Year commissioned	2021
Stake (%)	31.25
Km	436
No. of substations	3

### Brazil Argo V-IX

Km	2,466
No. of substations	21

## Grid development

### Tender process

- Public concession awarded by auction (Leilões).
- The bidder offering the lowest annualised investment and O&M cost is awarded the contract.
- An annual revenue (RAP) including investment and O&M cost is defined.

### Reinforcements

- Published by ANEEL annually according to the needs of the system.
- The investment value is obtained through reference tables published by the regulator.

## Remuneration framework

### Duration

- **30 years** from the award, may be extended at the discretion of the Administration.

### Rate

- **Annual revenue (RAP)** based on the offer + IPCA.
- **Rate reviews:** years 5, 10 and 15 of the concession in order to maintain profitability in real terms for the concessionaire.

### Functional currency

- Brazilian real.

Reintel

5



## Reintel. About Us

Operator in the telecommunications market since 1997.

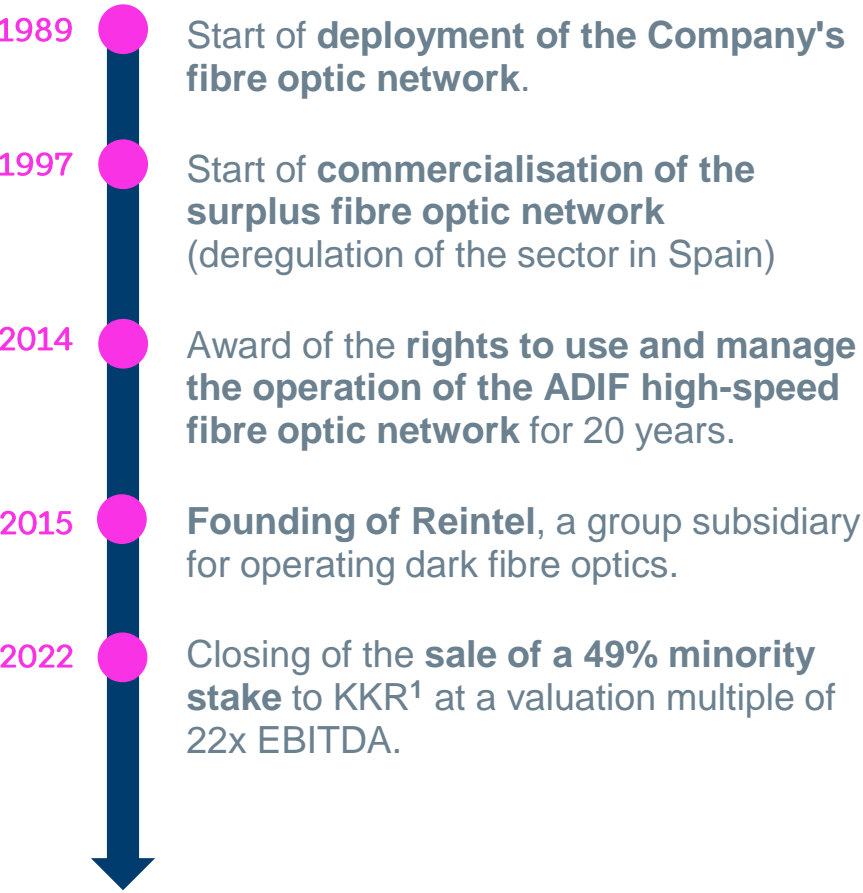
- **Neutral provider** of telecommunications infrastructures. Our main activity is the **leasing and maintenance** of dark fibre optic<sup>1</sup> and telecom equipment **housing**.
- **Backbone fiber optic** network of more than 52,000 km, formed by the integration of the **surplus fiber optic network from the power grid**, belonging to Red Eléctrica, and the **fiber network not dedicated to the railway service** of the conventional long-distance ADIF-AV network.
- The **largest dark fiber supply** on the market, with high standards of reliability and quality, a **meshed and redundant network** with connections to island and international access systems, and with the country's main data processing centers.
- **Wholesale business**: solid customer base that includes the main telecommunications operators with a presence in Spain.
- **Long-term** contractual relationships (5-20 years).
- Solid and sustainable growth with **predictable cash flows**.



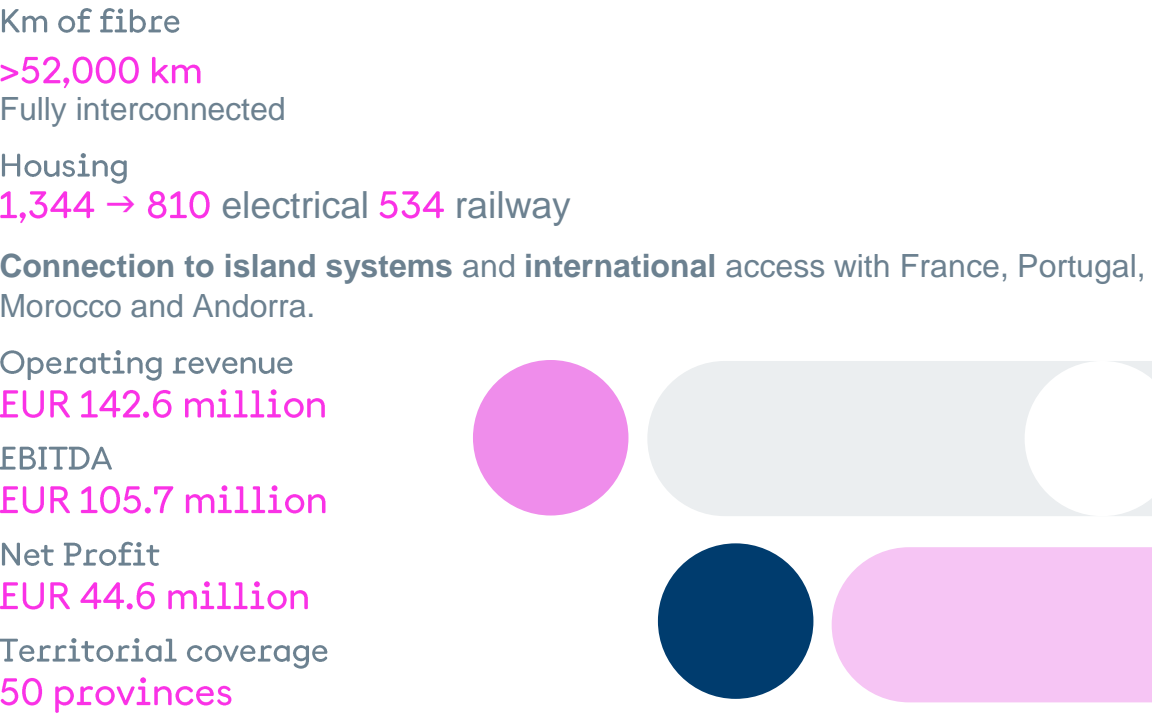
1. Dark fiber: Optical fiber available to connect to large transmission equipment managed by the main telecom operators.

# Milestones and key figures

## Milestones



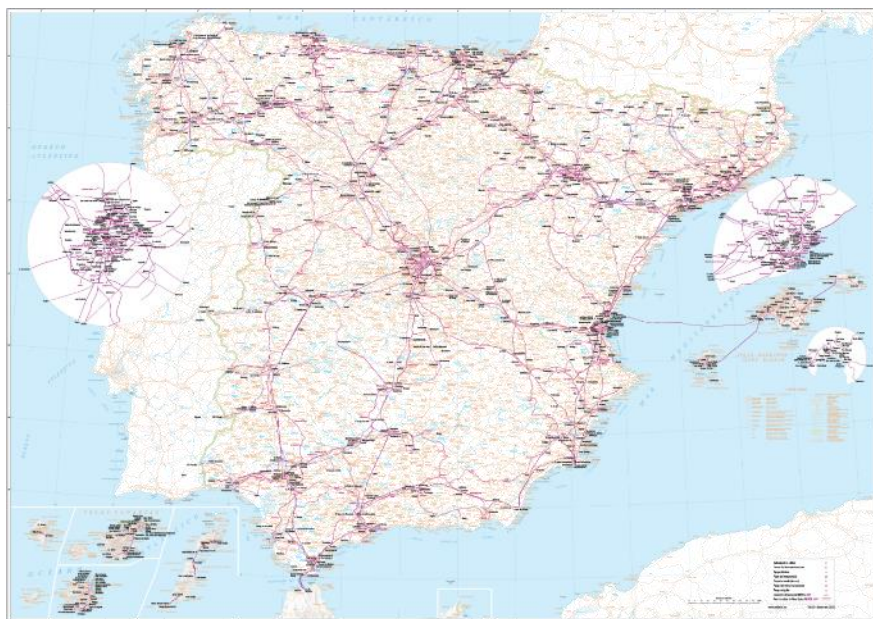
## Key figures for 2022



1. In line with Redeia's 2021-2025 Strategic Plan, on December 16, 2021, Redeia agreed to sell a 49% minority stake in Reintel to Kohlberg Kravis Roberts & Co (KKR). The transaction was finalized in June 2022.

## Backbone network

- **Connects the main urban centers** across the country.
- **Interconnections.**  
With other customers, as well as with external national and international networks (France, Portugal, Morocco and Andorra).
- **Safety and reliability.**  
The same as required for providing telecommunications for electricity and rail services.



## Dedicated cable



- **Capillarity.**  
Provides capillarity and access to our customers' backbone or metropolitan transmission networks.
- **Growth.**  
The demand for dedicated cable among customers allows for constant growth of the dark fiber network.
- **Interconnection.**  
With this product and through our telecom shelters we can establish interconnections between various customers.



Hispasat

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# Hispasat. About Us

Spanish satellite communications operator, leading distributor of content in Spanish and Portuguese.



**Regional satellite** operator, with more than 30 years of activity.



**Aerospace industry driver**, through the incorporation of Spanish companies in satellite projects.



**SATCOM and EO Solutions**<sup>1</sup> for defence, security, and intelligence, through Hisdesat.



**B2B connectivity and mobility** solutions to reduce the digital gap and universalise digital rights.



**4th largest** satellite operator by revenue in **LATAM** and 3rd in **Europe**.



**10** satellites located in **6** orbital positions.



Leader in content distribution with **1,300** television and radio channels in the Spanish and Portuguese markets.



Major presence in Latin America, with offices in **Brazil, Peru, Mexico and Colombia**.



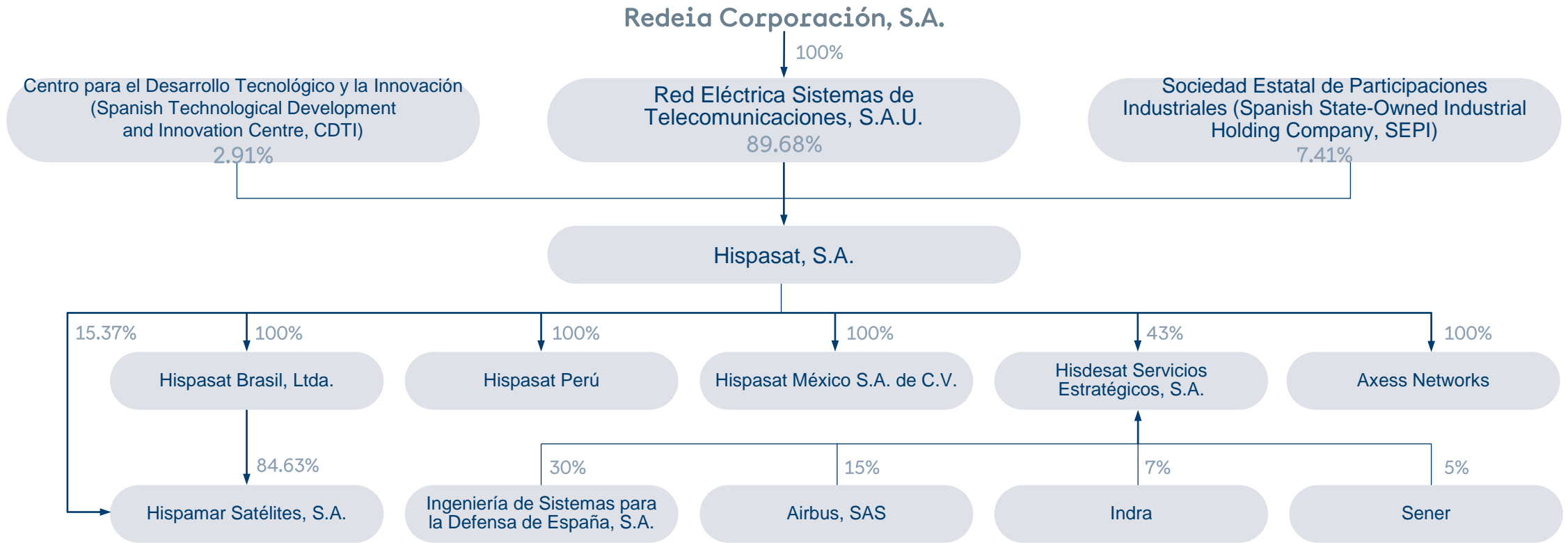
1. SATCOM communications satellite. EO Solutions: Earth Observation.



# Corporate structure with a solid public/private model (I)

## Shareholding structure

**Hispasat** and **Hidesat** have a shareholding structure based on a public/private governance collaboration model with market economy-oriented management to provide services of a strategic nature.



Note: The table shows the main operating companies of the Hispasat group.

## Corporate structure with a solid public-private model (II)

Worldwide presence

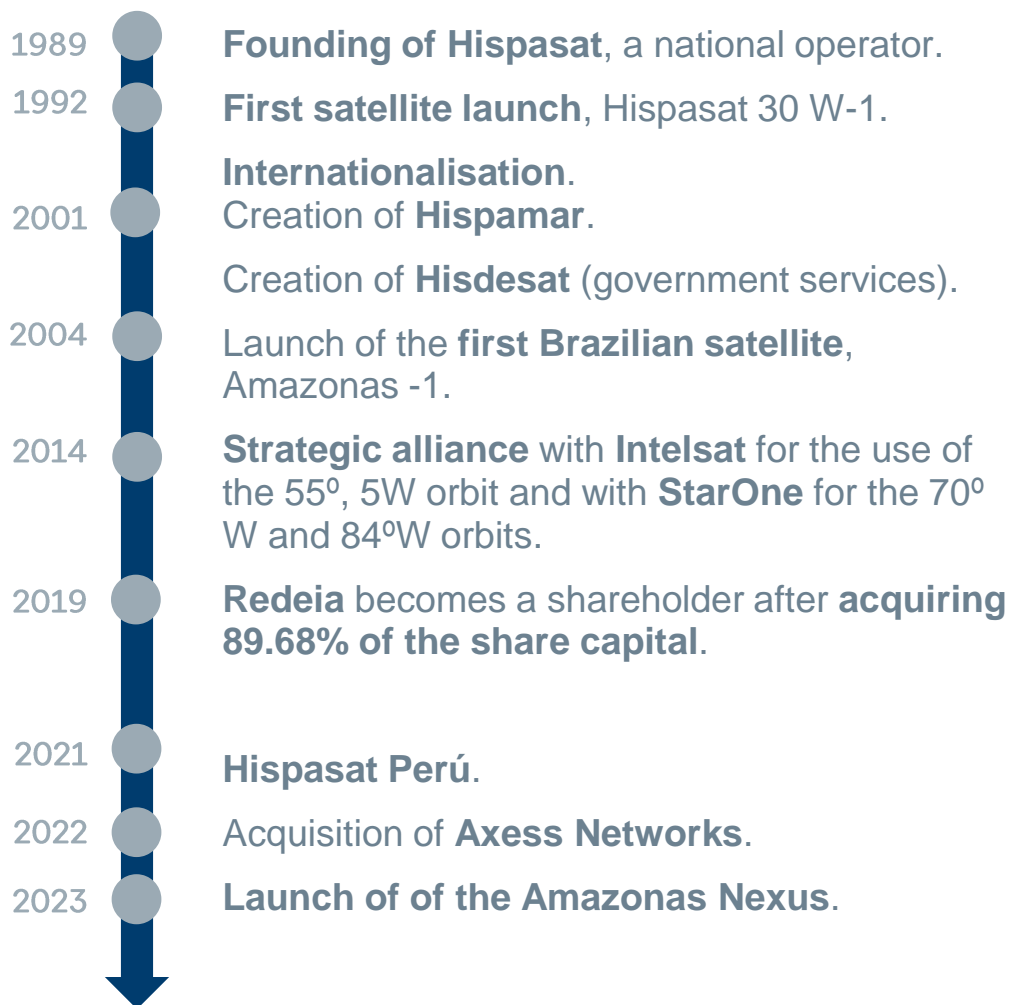
### Hispasat

The head office is located in Madrid. It also has two other branches in Rio de Janeiro (Brazilian subsidiary Hispamar, the main base for commercial operations in LATAM) and Lurin (Hispasat Peru headquarters, dedicated to managing and transmitting signal traffic for our clients in the region).



# Milestones and key figures

## Milestones



## Key figures for 2022

Operating income<sup>1</sup>  
EUR 228.5 million

EBITDA<sup>1</sup>  
EUR 147.7 million

Net Profit<sup>1</sup>  
EUR 38.1 million

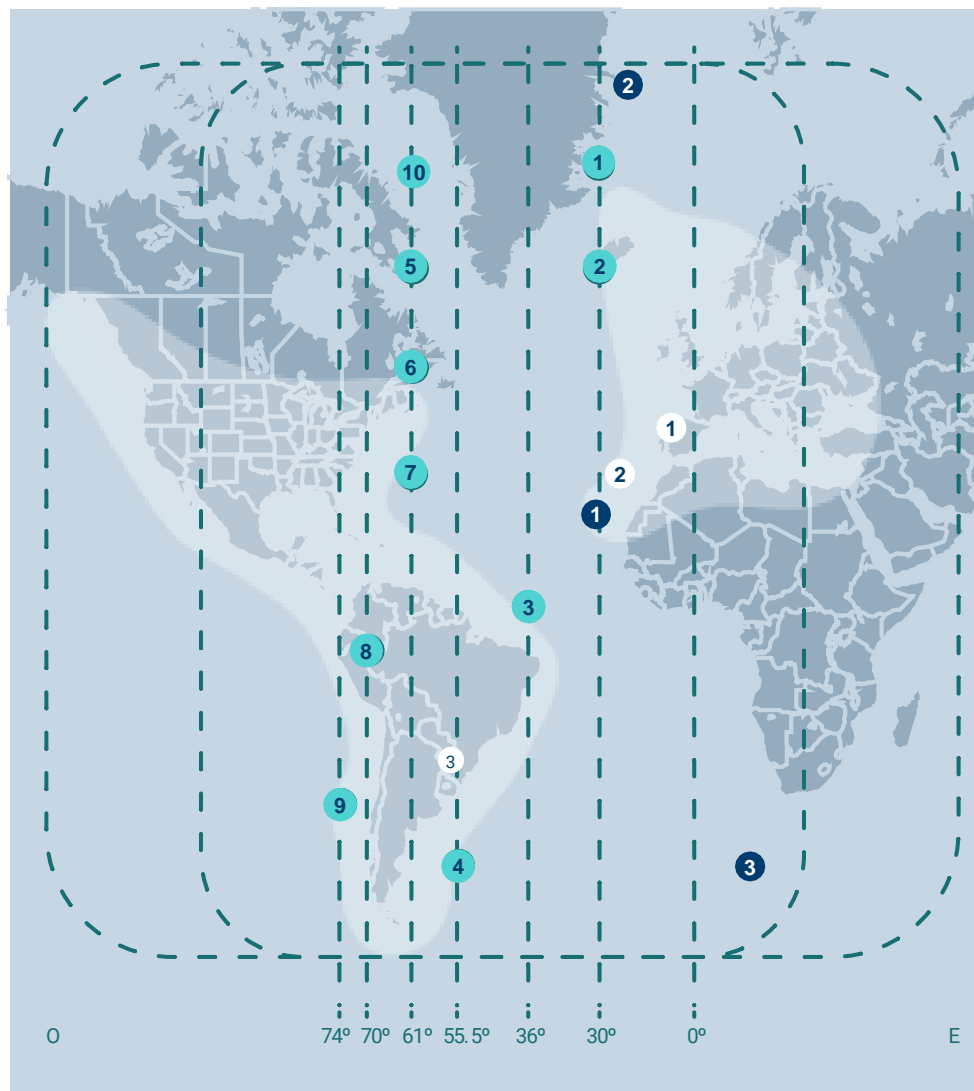
**AENOR's IQNet SR10 Social Responsibility and EFR certificate** (Family Responsible Company)

1. Data reported by Redeia as satellite business at 2022 year-end.

# Satellite fleet

Strong presence in the Iberian Peninsula and Latin America

10 satellites in orbit following the launch of the new Amazonas Nexus satellite in February 2023.



Satellites	Year launched
1. H30W-5	2010
2. H30W-6	2018
3. H36W-1	2017
4. H55W-2 <sup>1</sup>	N/A
5. AMZ2	2009
6. AMZ3	2013
7. AMZ5	2017
8. H70W-1 <sup>1</sup>	N/A
9. H74W-1	2014
10. Amazonas Nexus	2023

- Control Centres**
- 1. Arganda del Rey
  - 2. Canary Islands
  - 3. Río de Janeiro

- Hidesat**
- 1. Spainsat 30W
  - 2. XTAR 29E
  - 3. PAZ (OT)

1. Satellites controlled by Intelsat and StarOne.

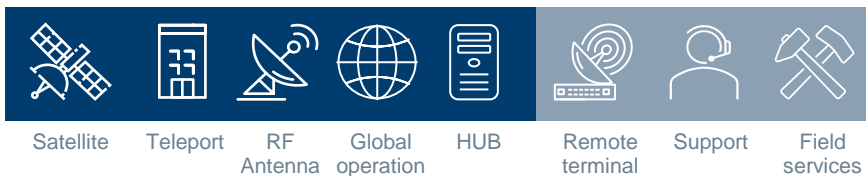
# Business models

Unique technology that guarantees universal connectivity throughout the territory

## Space capacity



## Managed capacity



## Turnkey



■ Hispasat    ■ Service provider

## Space capacity (MHz)

- For operators who have the necessary platform to offer the services.
- Hispasat offers space capacity and the service provider deploys its own land-based infrastructure.
- Flexibility in business models to facilitate service providers' go-to-market strategies.

## Managed capacity (Mbps)

- For service operators who do not have a platform or want to complement current service.
- Hispasat offers capacity and managed services available in EMEA and the Americas.
- Reduces investment risks for the operator or end-service provider.

## Turnkey solutions

- For operators requiring complete project management.
- Hispasat and its partners offer the entire value chain, including satellite capacity, managed services and field services.
- Business model that simplifies and reduces operator risk.



# Range of services

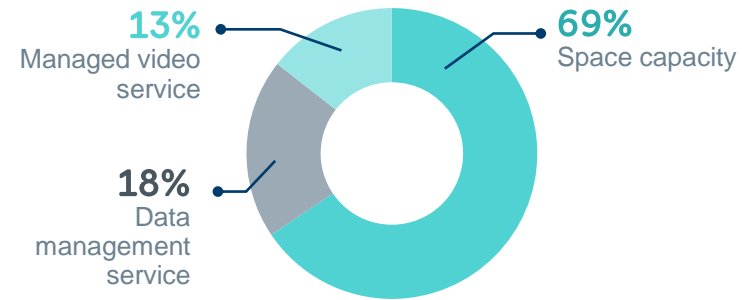
Strong positioning in high-growth markets with a stable base of strategic customers

## Hispasat's range of services

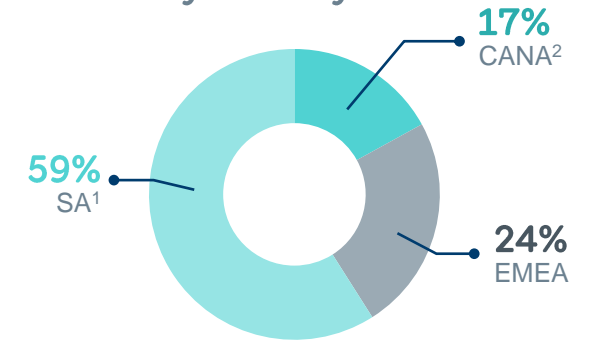


## 2022 revenue breakdown

### Space capacity vs. managed service

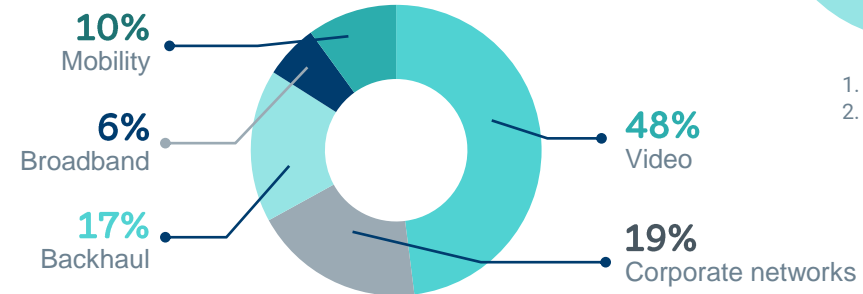


### By country



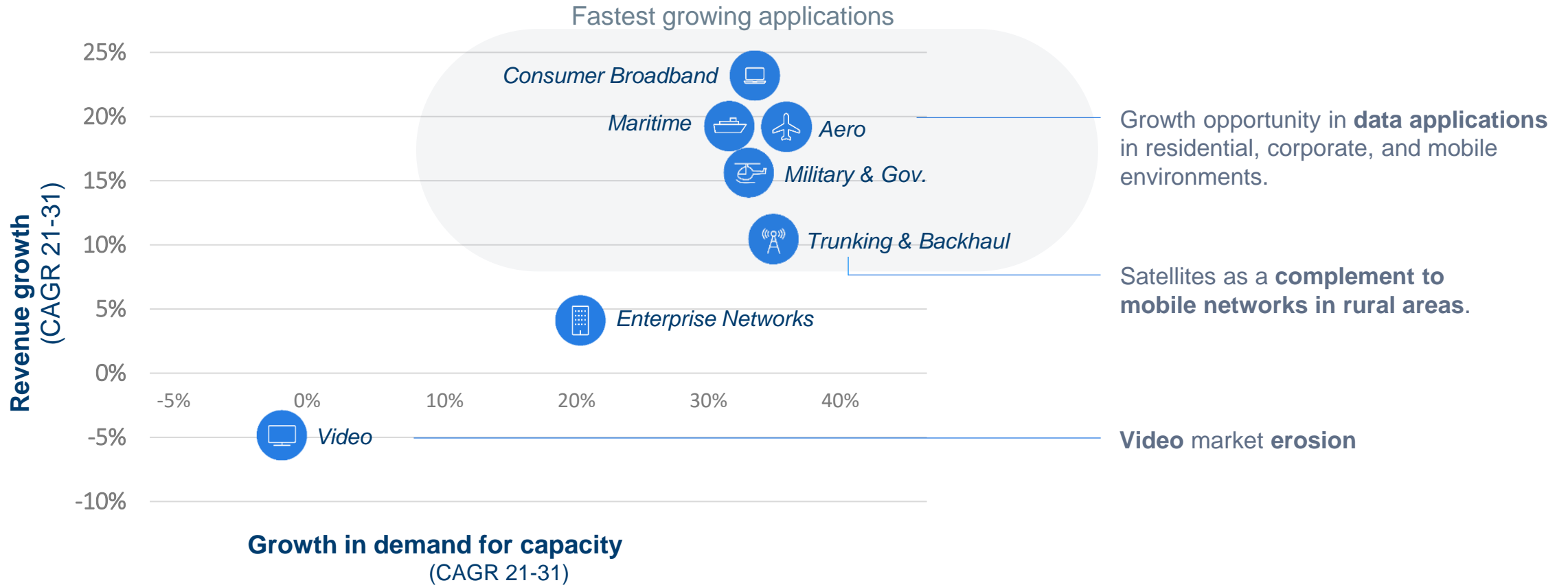
1. SA: South America  
2. CANA: Canada and North America

### By service



# The satellite market (I)

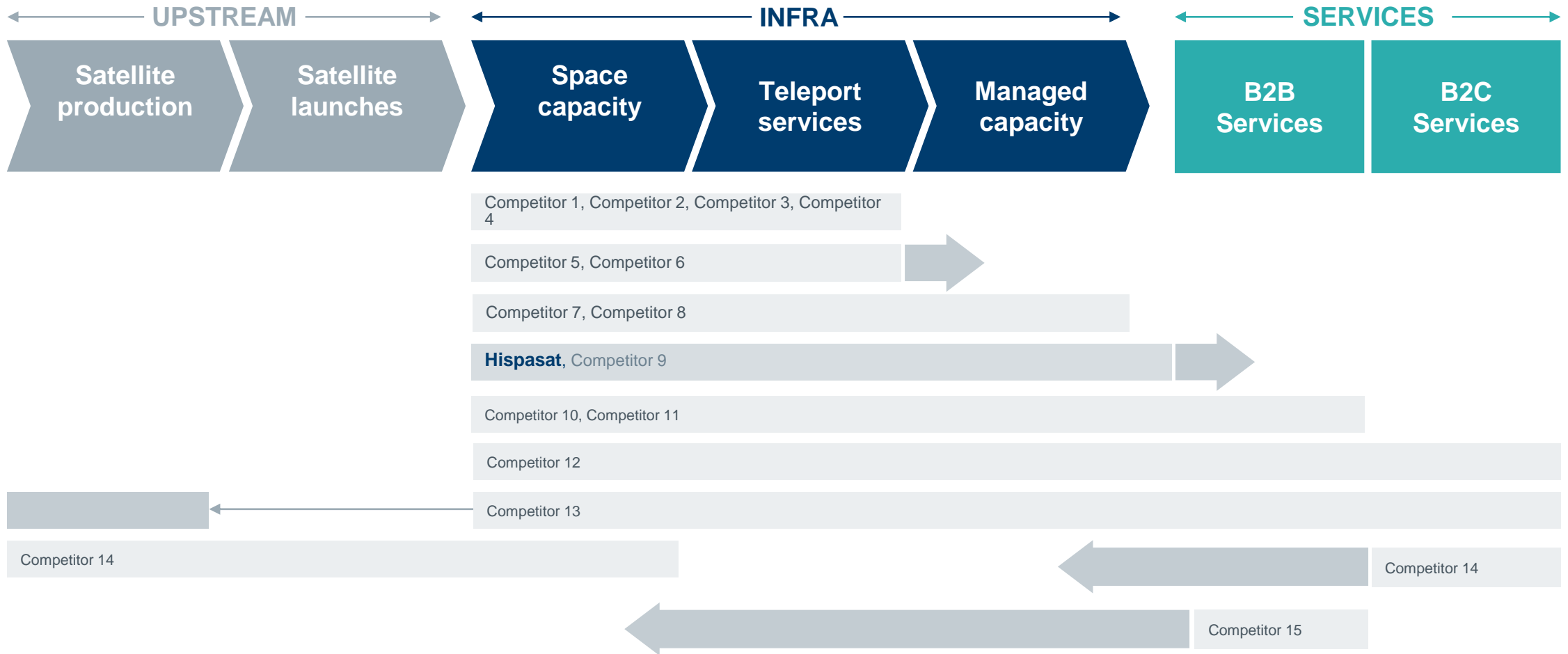
Evolution by market verticals



Source: Prepared internally based on data from Northern Sky Research, 2022.

# The satellite market (II)

Positioning in the value chain



Elewit

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# Elewit. About Us

Redeia's tech platform created in 2019 to resolve new challenges in the electricity and telecommunications sectors

## Challenges



Improving grid development and asset management efficiency



Optimising system operation and increasing grid flexibility and resilience



Increasing the sustainability of our processes and activities



Capitalising on new opportunities for the TSO based on sector trends



Generating new services and business models around current assets



Enabling connectivity everywhere



Enhancing the safety and well-being of our employees



Optimising and automating IT and OT security



Optimising crosscutting activities and processes

## Technologies



Digital platforms



Satellite and 5G communications



Artificial intelligence



Robotics and drones



Internet of Things



Big Data



New equipment and materials



Immersive technologies



Cybersecurity

### Redeia is a leading technology player

with the aim of driving the energy transition and connectivity, and creating a sustainable future.

It holds an established position in the innovation and entrepreneurship ecosystem through its collaboration with startups, universities, technology centres and other corporations.



# Key figures

## Since 2019

### Overall statistics

**EUR 65 million**  
Investment in innovation

**31**  
Solutions adopted

### Projects

**107**  
No./year

**35**  
Pilots with startups

### Programmes

**4**  
*Venture Client*

**1**  
*Venture Builder*

**2**  
Intra-entrepreneurship

### Emphasis on innovation

**3**  
Solutions with royalties

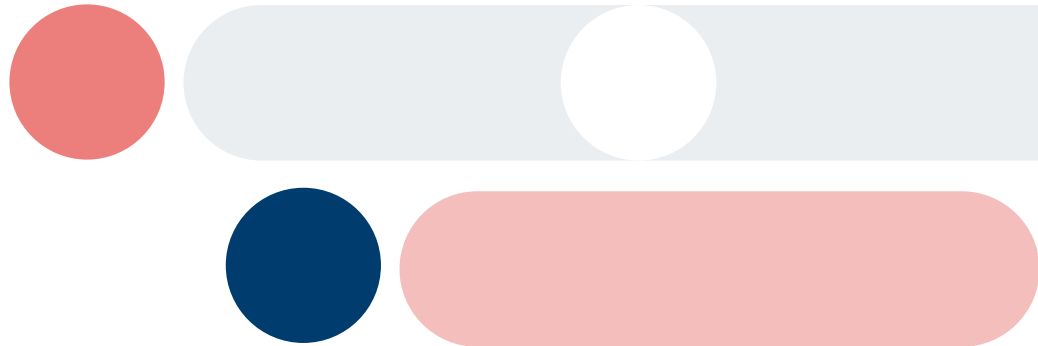
**1**  
Elewit products

**56**  
Partners and associates

**3/6**  
Success ratio in public concession calls

## 2022 milestones

- In 2022, Redeia managed 79 innovation projects, involving an expenditure of EUR 8.3 million. It invested a further EUR 23 million, for a total investment in innovation and technological development associated with Elewit of EUR 31.3 million.





# Financial information

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## Key 2022 financial figures

More than 80% of EBITDA linked to the regulated business

Dividend of **EUR 1 per share** approved by the General Meeting, in line with our commitment to the market.

€ 2,065 M  
Revenue<sup>1</sup>

€ 1,491 M  
EBITDA

€ 665 M  
Net profit

€ 1,032 M  
Investments

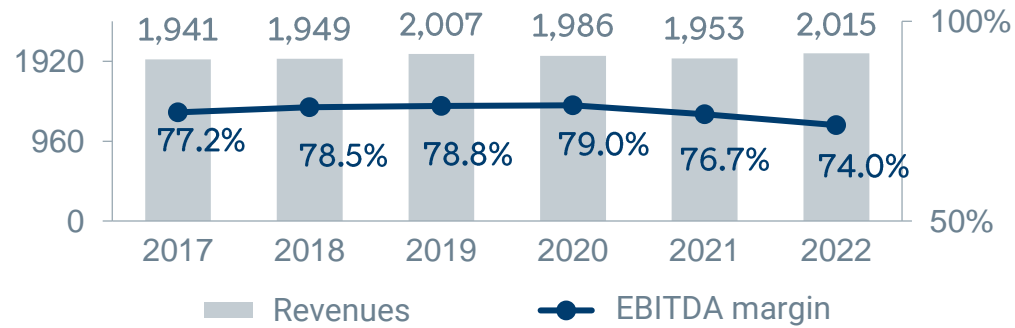
€ 1,147 M  
FFO

€ 4,634 M  
Net debt

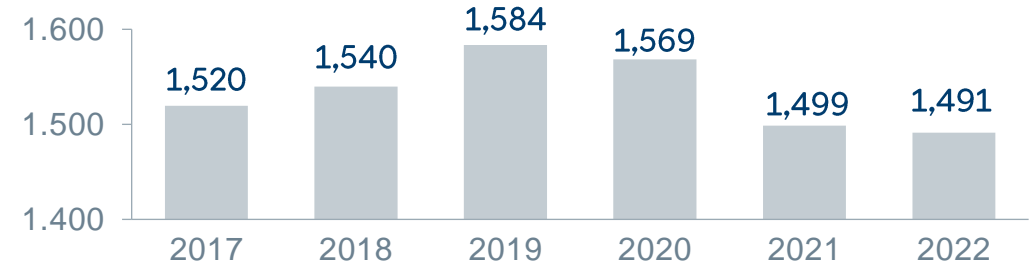
1. Includes revenue and share of profit of companies valued using the equity method (TEN, Argo, and Hisdesat).

# Evolution of key financial figures

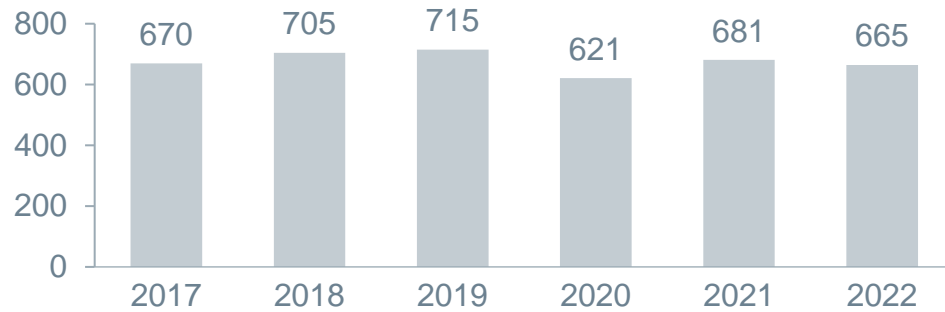
### Revenue (million €)



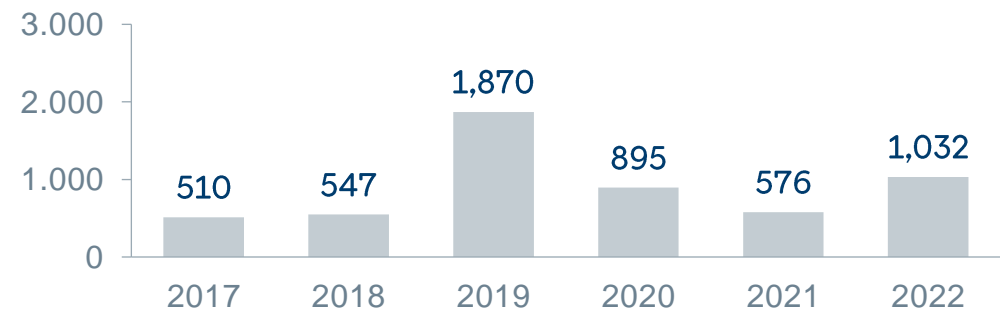
### EBITDA (million €)



### Net Profit (million €)



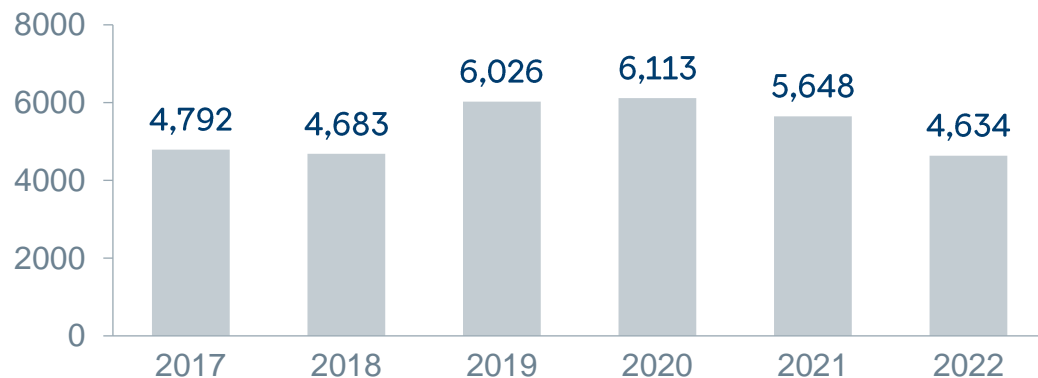
### Investments (million €)



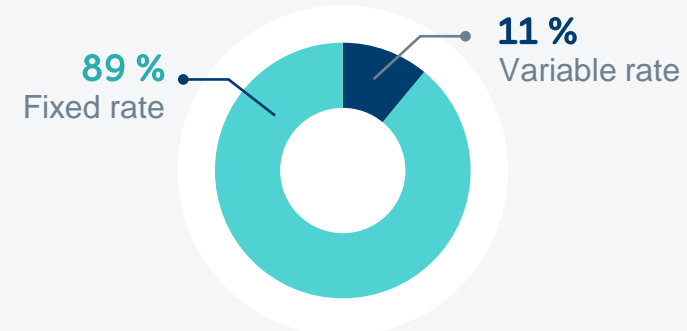
# Financial debt (I)

Objective: 100% sustainable financing by 2030

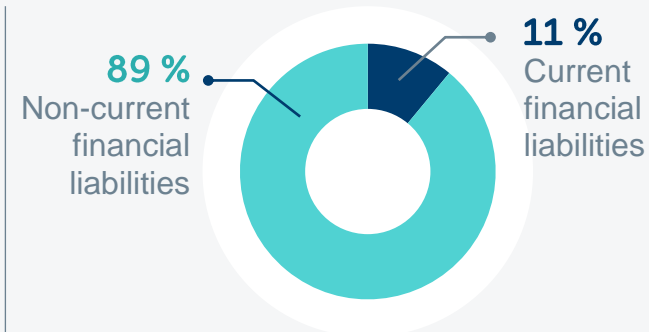
Net financial debt (million €)



Financial debt structure: fixed vs. variable rate (%)



Financial debt structure: current vs. non-current (%)

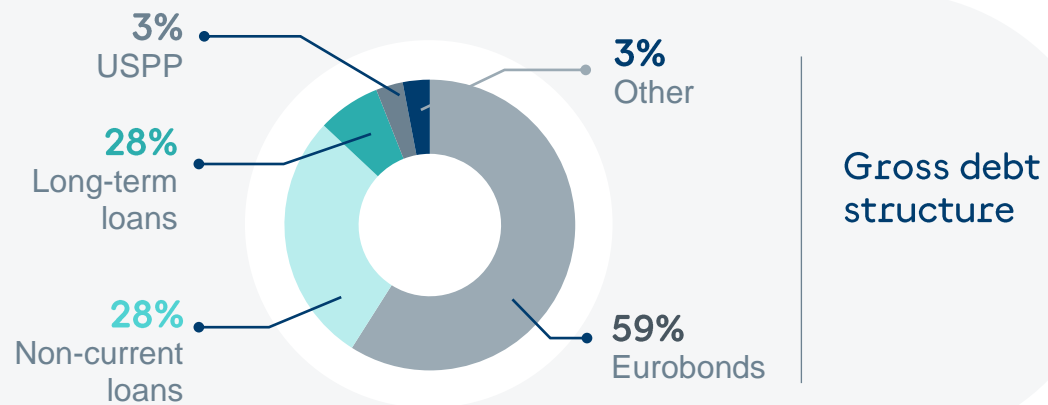


3.1 x  
Net debt/EBITDA 2022

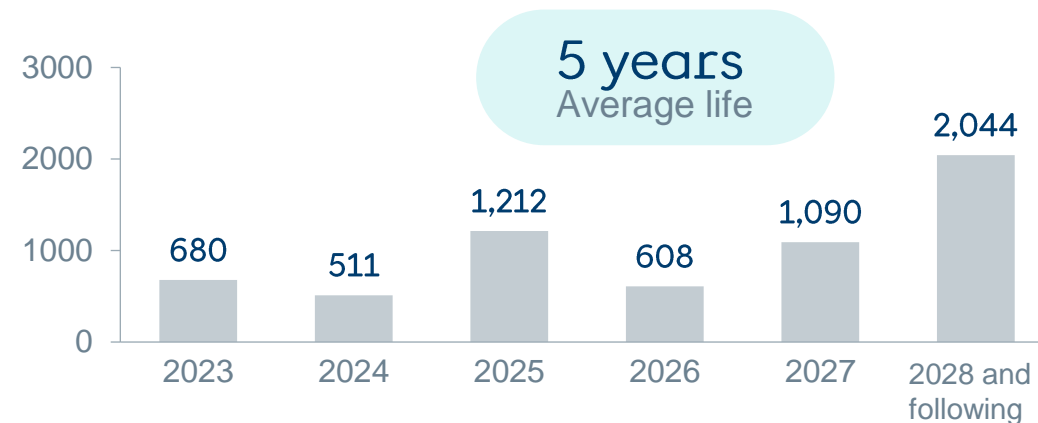
24.7 %  
2022 FFO/Net debt

42 %  
2022 ESG financing

# Financial debt (II)



## Maturities



1.62%

Cost of debt

## Credit rating

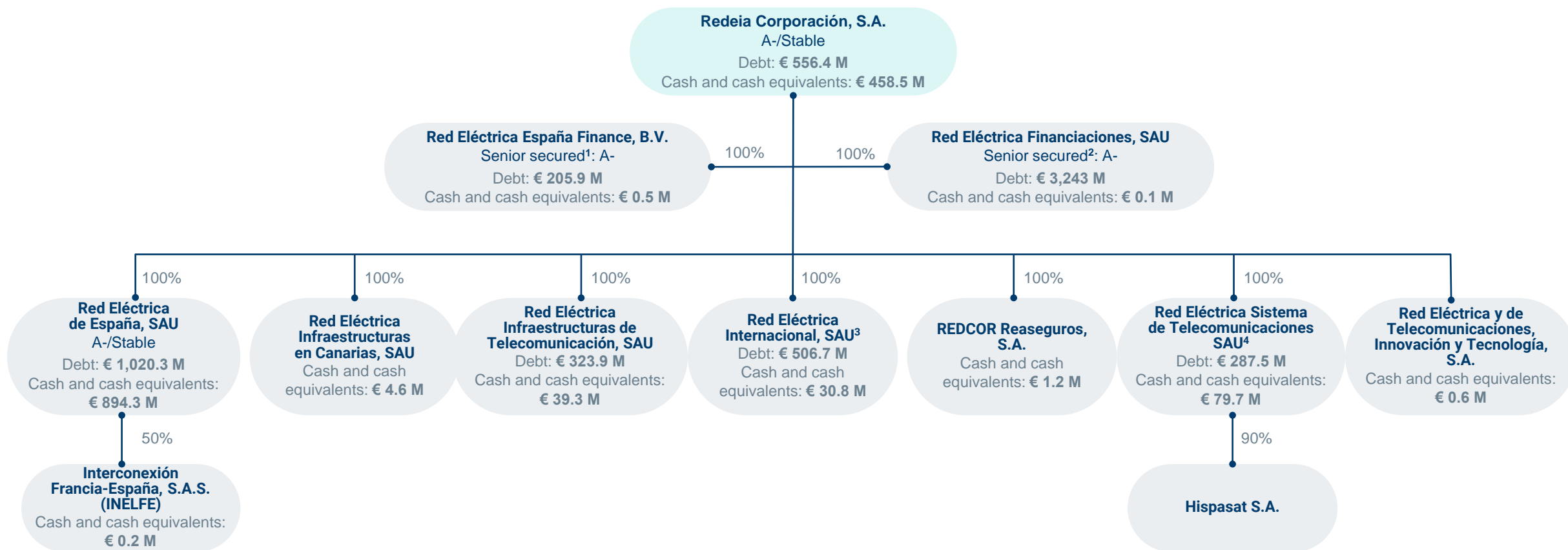
**S&P Global**  
Ratings

**FitchRatings**

A -  
Stable

## Liquidity





1. Guarantee from Red Eléctrica de España, S.A.  
 2. Guarantee from Red Eléctrica Corporación S.A. and Red Eléctrica de España, S.A.  
 3. Includes data from Red Eléctrica Internacional, S.A.U. subsidiaries.  
 4. Debt for Hispasat.



The Framework is aligned with the ICMA Green Bond Principles (GBP) 2021 edition, as well as with the LSTA/LMA Green Lending Principles<sup>3</sup> (GLP) 2021 edition

## Use of funds

Red Eléctrica Group's green framework is aligned with the EU Taxonomy.

- Eligibility criteria: Eligible economic activity aligned with EU criteria: Transmission and distribution of electricity whose transmission grid complies with: >67% of new generation capacity enabled on the system is below 100 gCO<sub>2</sub>e/kWh (over the last 5 years).
- Transmission infrastructure assets allocated to:
  - » Increasing renewable production (international interconnections, converters, island and mainland connections)
  - » Improving the efficiency of the rail system (high-speed rail lines, electricity connections)
- Alignment with the UN Sustainable Development Goals (SDGs):
  - » Affordable Energy Goal 7.
  - » Climate Action Goal 13.



## Evaluation and selection process

- A Sustainability Steering Committee is established to ensure that the selection of the Portfolio of Eligible Green Assets follows the eligibility criteria, as well as the Group's strategic sustainability objectives.
- The Committee ensures that economic activity contributes substantially to one of the EU's six environmental objectives without causing significant harm to any of the other five, and provided it is carried out in compliance with minimum social safeguards.
- The Committee will meet at least quarterly and will monitor the evolution of the Portfolio of Eligible Green Assets and provide annual allocation and impact reports.
- Eligible green assets may be refinanced without a specific retrospective review period.

## Revenue management

- The Treasury team, which is part of the Sustainability Steering Committee, is responsible for managing funds from Green Financing Instruments.
- Unallocated funds are managed together with the rest of the Company's cash and cash equivalents.
- Redeia will endeavour to allocate the full net proceeds of its outstanding Green Financing Instruments to the Portfolio of Eligible Green Assets within 24 to 36 months of the issuance of each Green Financing Instrument.

## Reporting and external review

- Redeia will publish an annual report on the allocation and impact of the funds obtained until they are fully allocated or the maturity of the Green Financing Instruments is reached.
- The report will be available on the Company's website.
- In addition, *Sustainalytics* provides a second opinion, also available on the Company's website, where it has assessed and confirmed that the Group's Green Framework is aligned with ICMA and LMA principles, as well as with the Delegated Act on the EU taxonomy.



*Sustainable financing | Redeia*

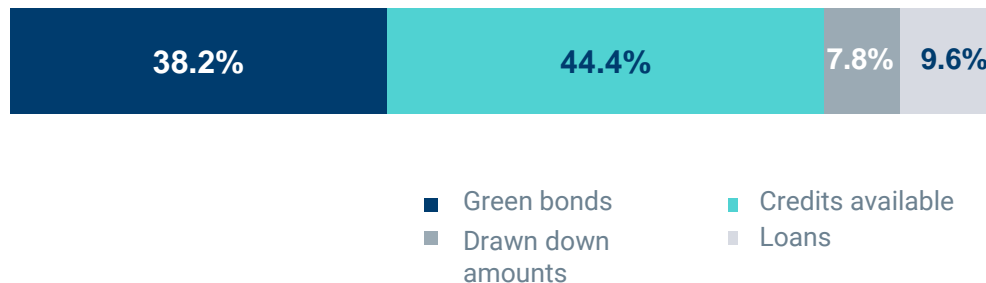
# Sustainable financing

The Green Framework sets out the basis for the identification, selection, verification and reporting of eligible green assets, aligned with the European Taxonomy

Redeia Companies	Description of activity Delegated Regulation 2021/2139	Eligible activities <sup>1</sup>	Aligned activities <sup>2</sup>
Red Eléctrica	Electricity transmission and distribution. Electricity storage	Yes. 100% eligible	Yes. 100% aligned
Redinter	International electricity transmission and distribution.	Yes. 100% eligible	No
Hispasat	Activity not included		
Reintel	Activity not included		
Other companies	Activity not included		

In 2022, 76.6% of the Company's investments were allocated to eligible activities aligned with the EU Taxonomy.

## 42% sources of sustainable financing in 2022



- Eligible economic activity:** That which is described in the delegated acts adopted under Regulation (EU) 2020/852, regardless of whether the economic activity meets any or all of the technical selection criteria set out in the delegated acts.
- Aligned or taxonomy-compliant economic activity:** Economic activity that contributes substantially to one of the six EU environmental objectives (meets the technical selection criteria set out), does no significant harm to any of the other five, and is carried out in compliance with minimum social safeguards.

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# redeia

Valuing the essentials

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red eléctrica

reintel

hispasat

redinter

elewit