

Results from January to March 2021

## Profit of the Red Eléctrica Group's stood at €181.1 million in the first quarter of the year

- Profit for the first quarter of 2021 was 4.9% higher than that recorded in the same period of 2020.
- Net financial debt of the Red Eléctrica Group stood at €5,942.8 million, a figure that is 2.8% lower than the value registered at the close of 2020, which stood at €6,113.3 million.
- In March, Fitch Ratings and Standard & Poor's issued reports maintaining the Group's credit rating and confirming its stable outlook.

Madrid, 28 April 2021

The Red Eléctrica Group has registered a net profit of €181.1 million in the first three months of 2021, 4.9% higher than in the same period of the previous year when it recorded a net profit of €172.5 million. The evolution of this result, in line with the Group's forecasts, is mainly because of the decrease in financial expenses due to the reduction in the average cost of debt, which has offset the lower revenues derived from the new remuneration parameters.

These new parameters, approved in 2019, have an impact on the regulated activities carried out by the Group in Spain, which has resulted in revenue being 3.4% lower than in 2020, registering a total of €483.6 million. Specifically, the rate of return on transmission assets fell from 6% in 2020 to 5.58% in 2021, a rate which will be maintained until the end of 2025. In the rest of the Group's activities, revenues remained stable compared to the previous year.

For its part, EBITDA totalled €388.4 million, which is 3.2% lower than in the first quarter of the previous year. The fall in regulated revenue in Spain were offset by the Group's efforts in achieving efficiencies and by the higher results obtained by the Group's diversified activities through the transmission companies TEN (Chile), Argo (Brazil) and in telecommunications through Hisdesat; a company in which Hispasat has a stake. Additionally, the net financial debt of the Red Eléctrica Group stood at €5,942.8 million, a figure that is 2.8% lower than the value registered at the close of 2020, which stood at €6,113.3 million.

<i>(in thousands of euros)</i>	January - March		
	2021	2020	Δ%
Revenues	483,602	500,473	(3.4)
Gross operating result (EBITDA)	388,417	401,190	(3.2)
Net operating profit (EBIT)	266,334	274,024	(2.8)
Profit before tax	239,816	231,218	3.7
Profit for the period	181,111	172,575	4.9

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The Investments made by the Group in the quarter have risen to €81.9 million, a figure similar to that of the previous year if the effect of the acquisition of the Brazilian company Argo is not taken into account, a milestone that was completed in the first quarter of 2020. Investment earmarked for the development of the transmission grid in Spain amounted to €64.8 million, 1.1% higher than in 2020. The Company expects the volume of investment to accelerate in the coming months.

With regard to the dividend, Red Eléctrica maintains its commitment of 1 euro per share in the period 2020-2022. Dividends paid amount to €147 million, corresponding to the payment of the interim dividend paid against 2020 profits, in the amount of 0.2727 per share.

The results for the first quarter of 2021 reinforce the Group's solid financial position. In this regard, during this period, specifically on 15 and 31 March respectively, the rating agencies Standard & Poor's and Fitch issued reports maintaining the credit rating with a stable outlook for the Red Eléctrica Group. Specifically, Standard & Poor's has maintained the long-term credit rating of 'A-' with a stable outlook and a short-term credit rating of 'A-2', while Fitch maintains the long-term rating of 'A-' with a stable outlook and a short-term rating of 'F1'.

### **2021-2025 Strategic Plan**

Last February, the Red Eléctrica Group presented its 2021-2025 Strategic Plan, a roadmap with which the Group will invest €4.4 billion to facilitate the energy transition in Spain, promote connectivity solutions and consolidate its business abroad.

Of particular note in this investment plan are the actions that the Company will implement over the next five years, amounting to €3.3 billion, nearly 75% of the plan's total investment, to make the energy transition a reality. Estimated investment in the transmission grid will amount to €2.846 billion and will include the implementation of actions to be included in the electricity transmission grid planning for the period 2021-2026; including projects to bolster the existing grid and projects to evacuate renewable energy. Similarly, the Group will also promote the increase in energy storage capacity, as a tool at the service of system operation, with an investment of €411 million, which will enable a greater integration of renewable energy and at the same time provide greater security to the electricity system. In addition, Red Eléctrica will continue to prepare itself to operate an increasingly complex and integrated system in Europe, and will invest €92 million with this purpose in mind.

The new plan will allow the Group to strengthen its leadership in sustainability and, in particular, in the fight against climate change and to contribute to social and territorial cohesion.