

Limited Review Report

REDEIA CORPORACIÓN, S.A. AND SUBSIDIARIES
Interim Condensed Consolidated Financial Statements
and interim consolidated management report
for the six months ended
June 30, 2024

REPORT ON LIMITED REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Translation of a report and financial statements originally issued in Spanish. In the event of discrepancy, the Spanish-language version prevails.

To the shareholders of REDEIA CORPORACIÓN, S.A.:

Report on the interim condensed consolidated financial statements

Foreword

We have carried out a limited review of the accompanying interim condensed consolidated financial statements (hereinafter, the interim financial statements) of REDEIA CORPORACIÓN, S.A. (hereinafter, the Parent) and subsidiaries (hereinafter the Group), which comprise the condensed consolidated statement of financial position at 30 June 2024, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows and the explanatory notes, all of which condensed and consolidated, for the six months then ended. The Parent's directors are responsible for the preparation of the interim financial statements in accordance with the requirements established by International Accounting Standard (IAS) 34 Interim Financial Reporting as adopted by the European Union, as stipulated in article 12 of Royal Decree 1362/2007. Our responsibility is to express a conclusion on this interim financial information based on our limited review.

Scope of the review

We conducted our review in accordance with the International Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A limited review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A limited review is substantially less in scope than an audit conducted in accordance with the regulations governing financial statement audits prevailing in Spain and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an opinion on the accompanying interim financial statements.

Conclusión

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements for the six months ended 30 June 2024 are not prepared, in all material respects, in accordance with the requirements established by International Accounting Standard (IAS) 34 Interim Financial Reporting as adopted by the European Union, as stipulated in article 12 of Royal Decree 1362/2007.

Emphasis of Matter

We draw attention to the matter described in note 2.a) of the accompanying explanatory notes, which indicates that the accompanying interim financial statements do not include all the information that would be required for a complete set of consolidated financial statements prepared in accordance with International Financial Reporting Standards as adopted by the European Union and, therefore, the accompanying interim financial statements should be read in conjunction with the Group's consolidated financial statements for the year ended 31 December 2023. This matter does not modify our conclusion.

Report on other legal and regulatory requirements

The accompanying interim consolidated management report for the six months ended 30 June 2024 contains such explanations as the Parent's directors consider necessary regarding significant events which occurred during this period and their effect on these interim financial statements, of which it is not an integral part, as well as on the information required in conformity with article 15 of Royal Decree 1362/2007. We have checked that the accounting information included in the above-mentioned report agrees with the interim financial statements for the six months ended 30 June 2024. Our work is limited to verifying the interim consolidated management report in accordance with the scope mentioned in this paragraph, and does not include the review of information other than that obtained from the accounting records of REDEIA CORPORACIÓN, S.A. and its subsidiaries.

Paragraph on other matters

This report has been prepared at the request of the Parent's directors with regard to the publication of the interim financial report required by article 100 of Law 6/2023, of 17 March, on securities markets and investment services.

ERNST & YOUNG, S.L.

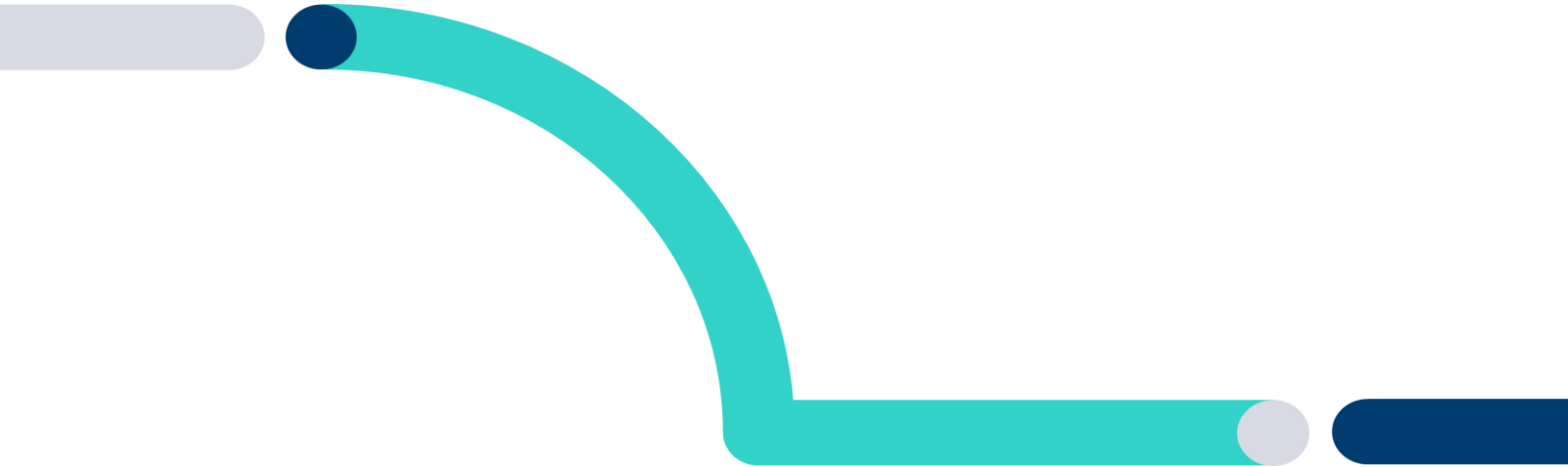
(Signed on the original Spanish version)

David Ruiz-Roso Moyano

July 30, 2024

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Interim condensed
consolidated financial
statements and interim
consolidated management
report for the six months
ended 30 June 2024

Redeia

Consolidated statement of financial position at 30 June 2024

Thousands of euros

Assets	Note	30 June 2024	31 Dec. 2023
Intangible assets	5	838,228	826,267
Property, plant and equipment	5	10,118,220	9,990,817
Investment properties	5	558	558
Investments accounted for using the equity method	6	965,987	969,177
Non-current financial assets	12	389,848	341,014
At fair value through other comprehensive income		78,196	78,196
At fair value through profit or loss		19,640	12,884
At amortised cost		292,012	249,934
Non-current derivatives	12	52,052	83,982
Deferred tax assets	14	45,462	46,253
Other non-current assets		8,001	4,682
Total non-current assets		12,418,356	12,262,750
Inventories	7	88,392	61,252
Trade and other receivables	8	1,283,288	1,444,934
Trade receivables		100,363	73,149
Other receivables		1,164,839	1,162,584
Current tax assets		18,086	209,201
Other current financial assets	12	864,564	39,243
At amortised cost		864,564	39,243
Current derivatives		1,817	1,251
Cash and cash equivalents		230,864	675,417
Total current assets		2,468,925	2,222,097
Total assets		14,887,281	14,484,847

The accompanying notes 1 to 22 and Appendix I are an integral part of these interim condensed consolidated financial statements.

Consolidated statement of financial position at 30 June 2024

Thousands of euros

Liabilities and equity	Note	30 June 2024	31 Dec. 2023
Capital and reserves		5,328,387	5,453,324
Capital		270,540	270,540
Reserves		4,308,000	4,159,889
Own shares (-)		(19,496)	(19,496)
Profit for the year attributable to equity holders of the parent		269,343	689,640
Interim dividend (-)		–	(147,249)
Other equity instruments		500,000	500,000
Valuation adjustments		(88,705)	(44,564)
Financial assets at fair value through other comprehensive income		11,594	11,594
Hedging transactions		13,664	7,724
Translation differences		(113,963)	(63,882)
Equity attributable to equity holders of the parent		5,239,682	5,408,760
Equity attributable to non-controlling interests		122,764	120,297
Total equity	9	5,362,446	5,529,057
Grants and other items	10	959,159	945,097
Non-current provisions		137,872	134,473
Non-current financial liabilities	12	4,853,297	5,244,976
Bank borrowings, notes and other marketable securities		4,791,339	5,166,765
Other non-current financial liabilities		61,958	78,211
Deferred tax liabilities	14	372,211	378,533
Non-current derivatives	12	14,903	14,958
Other non-current liabilities		129,820	134,849
Total non-current liabilities		6,467,262	6,852,886
Current provisions		27,635	30,606
Current financial liabilities	12	2,347,041	1,398,621
Bank borrowings, notes and other marketable securities		1,448,349	567,977
Other current financial liabilities		898,692	830,644
Trade and other payables	13	681,468	671,189
Trade payables		411,797	406,915
Other accounts payable		219,272	251,797
Current tax liabilities		50,399	12,477
Current derivatives	12	1,429	2,488
Total current liabilities		3,057,573	2,102,904
Total equity and liabilities		14,887,281	14,484,847

The accompanying notes 1 to 22 and Appendix I are an integral part of these interim condensed consolidated financial statements.

	Note	2024	2023
Revenue	15.a	910,811	1,029,109
Self-constructed assets	5	28,983	26,640
Share of profits of equity-accounted investees (with similar businesses to that of the Group)	6	37,538	34,810
Cost of sales	15.c	(28,153)	(20,225)
Other operating income	15.b	47,214	28,547
Employee benefits expense	15.d	(106,548)	(105,776)
Other operating expenses	15.c	(208,578)	(203,757)
Depreciation and amortisation	5	(279,527)	(269,928)
Release of grants related to assets		11,977	8,229
Impairment of and gains/(losses) on disposal of fixed assets		(53)	(11)
Operating profit		413,664	527,638
Finance income		30,858	28,167
Finance costs		(74,806)	(70,388)
Change in fair value of financial instruments		(165)	(292)
Exchange differences		91	2,973
Net finance cost		(44,022)	(39,540)
Profit before tax		369,642	488,098
Income tax		(84,861)	(120,177)
Profit for the year		284,781	367,921
A) Profit for the year attributable to equity holders of the parent		269,343	354,339
B) Profit for the year attributable to non-controlling interests	2.e	15,438	13,582
Earnings per share (euros)			
Basic earnings per share (euros)	21	0.50	0.66
Diluted earnings per share (euros)	21	0.50	0.66

The accompanying notes 1 to 22 and Appendix I are an integral part of these interim condensed consolidated financial statements.

	2024	2023
A) Profit for the year (as per statement of profit or loss)	284,781	367,921
B) Other comprehensive income - Items that will not be reclassified to □	(859)	797
Actuarial gains/(losses)	(1,146)	2,841
Equity instruments at fair value through other comprehensive income	–	(1,334)
Tax effect	286	(710)
C) Other comprehensive income - Items that may be reclassified to profit or loss in subsequent periods:	(43,824)	24,705
Hedging transactions:		
a) Valuation gains/(losses)	3,184	9,036
b) Amounts reclassified to profit or loss	(1,754)	8,417
Translation differences:		
a) Valuation gains/(losses)	4,938	619
a) Valuation gains/(losses)	(50,081)	24,647
Share of other comprehensive income of joint ventures and associates	(50,081)	24,647
a) Valuation gains/(losses)	3,869	(6,719)
a) Valuation gains/(losses)	3,869	(6,719)
Tax effect	(796)	(2,259)
Total comprehensive income for the period (A + B + C)	240,098	393,423
a) Attributable to equity holders of the parent	224,343	380,213
b) Attributable to non-controlling interests	15,754	13,210

The accompanying notes 1 to 22 and Appendix I are an integral part of these interim condensed consolidated financial statements.

Redeia

Consolidated statement of changes in equity for the six months ended 30 June 2024 and 2023

Thousands of euros

Equity	Issued capital	Reserves and interim dividend	Own shares	Profit for the period attributed to equity holders of the parent	Other equity instruments	Valuation adjustments	Non-controlling interests	Total equity
Balance at 1 January 2023	270,540	3,915,361	(26,296)	664,731	–	(36,783)	104,741	4,892,294
1. Other comprehensive income	–	2,109	–	354,339	–	23,765	13,210	393,423
II. Transactions with shareholders and owners	–	147,143	–	(540,671)	–	–	8,267	(385,261)
- Dividend distribution	–	147,143	–	(540,671)	–	–	(3,864)	(397,392)
- Transactions with own shares	–	–	–	–	–	–	–	–
- Other transactions with shareholders and owners	–	–	–	–	–	–	12,131	12,131
III. Other changes in equity	–	111,227	–	(124,060)	500,000	–	–	487,167
- Transfers between equity items	–	124,060	–	(124,060)	500,000	–	–	500,000
- Other changes	–	(12,833)	–	–	–	–	–	(12,833)
Balance at 30 June 2023	270,540	4,175,840	(26,296)	354,339	500,000	(13,018)	126,218	5,387,623
Balance at 31 December 2023	270,540	4,012,640	(19,496)	689,640	500,000	(44,564)	120,297	5,529,057
Balance at 1 January 2024	270,540	4,012,640	(19,496)	689,640	500,000	(44,564)	120,297	5,529,057
1. Other comprehensive income	–	(859)	–	269,343	–	(44,141)	15,754	240,097
II. Transactions with shareholders and owners	–	147,249	–	(540,670)	–	–	(13,287)	(406,708)
- Dividend distribution	–	147,249	–	(540,670)	–	–	(13,287)	(406,708)
- Transactions with own shares	–	–	–	–	–	–	–	–
- Other transactions with shareholders and owners	–	–	–	–	–	–	–	–
III. Other changes in equity	–	148,970	–	(148,970)	–	–	–	–
- Transfers between equity items	–	148,970	–	(148,970)	–	–	–	–
- Other changes	–	–	–	–	–	–	–	–
Balance at 30 June 2024	270,540	4,308,000	(19,496)	269,343	500,000	(88,705)	122,764	5,362,446

The accompanying notes 1 to 22 and Appendix I are an integral part of these interim condensed consolidated financial statements.

Redeia
Consolidated statement of cash flows for the six months ended 30 June 2024 and 2023

Thousands of euros

	Note	2024	2023
Net cash flows from operating activities		463,204	287,811
Profit before tax		369,642	488,098
Adjustments to reconcile profit before tax to net cash flows:		267,731	266,544
Depreciation and amortisation	5	279,527	269,928
Other adjustments to profit		(11,796)	(3,384)
Share of profit of equity-accounted investees		(37,538)	(34,810)
Gains/losses on disposal/impairment of non-financial assets and financial instruments		218	303
Accrual of finance income		(30,858)	(28,167)
Accrual of finance costs		74,806	70,388
Recognition/reversal of provisions		8,430	8,711
Release of grants related to assets and other grants		(21,722)	(16,230)
Other income and expenses		(5,132)	(3,579)
Changes in working capital		(229,783)	(344,536)
Other cash used in operating activities:		55,614	(122,295)
Interest paid		(98,764)	(82,743)
Dividends received		3,734	4,373
Interest received		11,561	22,269
Income tax received/(paid)		142,030	(64,937)
Other operating activity receipts/(payments)		(2,947)	(1,257)
Net cash flows (used in)/from investing activities		(1,246,592)	89,577
Payments for investments		(1,285,700)	(950,601)
Property, plant and equipment, intangible assets and investment properties		(425,750)	(402,439)
Group companies, associates and business units		(1,645)	(1,082)
Other financial assets		(858,305)	(547,080)
Proceeds from disposals		2,253	916,081
Other financial assets		2,253	916,081
Other cash flows from investing activities		36,855	124,097
Other proceeds from investing activities		36,855	124,097
Net cash flows from financing activities		337,867	222,799
Proceeds from and payments for equity instruments:		–	506,681
Issuance		–	506,681
Proceeds from/(repayment) of financial liabilities	12	478,756	(127,298)
Issuance and disposal		579,117	196,169
Repayment		(100,361)	(323,467)
Dividends and payments on other equity instruments	9	(160,536)	(151,006)
Other cash flows used in financing activities		19,647	(5,578)
Other proceeds from/(payments for) financing activities		19,647	(5,578)
Net foreign exchange difference		968	(65)
Net (decrease)/increase in cash and cash equivalents		(444,553)	600,122
Cash and cash equivalents – Opening balance		675,417	794,824
Cash and cash equivalents – Closing balance		230,864	1,394,946

The accompanying notes 1 to 22 and Appendix I are an integral part of these interim condensed consolidated financial statements.

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In order to make it easier to understand the information provided in this document, certain alternative performance measures have been included. The definition of those alternative performance measures can be retrieved from:

<https://www.redeia.com/en/shareholders-and-investors/financial-information/alternative-performance-measures>

1 Activities of the Group companies

Redeia Corporación, S.A (formerly called Red Eléctrica Corporación, S.A.) is the parent (hereinafter, the Parent or the Company) of a Group of subsidiaries. The Group also has investments in joint operations together with other venturers. The Parent and its subsidiaries comprise Redeia (hereinafter, the Group or Redeia). The Parent's registered office is located in Alcobendas (Madrid) and its shares are traded on the Spanish stock exchange as part of the IBEX 35 index of blue chip stocks.

The Group's business is articulated around three main segments:

- **Management and operation of domestic electricity infrastructure:** this includes the transmission of electricity, operation of the system and management of the Spanish electricity transmission grid. These activities are carried out by Red Eléctrica de España S.A.U. (hereinafter, Red Eléctrica), which is Spain's transmission and system operator (TSO).
- **Management and operation of international electricity infrastructure:** the Group carries out electricity transmission activities outside of Spain through Red Eléctrica Internacional S.A.U. and its investees (hereinafter, Redinter).
- **Telecommunications (satellites and fibre optic):** the Group provides telecommunications services to third parties through the Hispasat Subgroup (hereinafter, Hispasat), which operates satellites, and through Redeia Infraestructuras de Telecomunicación S.A.U. (hereinafter, Reintel), which leases out its dark fibre backbone network.

In addition, the Group carries out activities designed to stimulate and accelerate technological innovation through Elewit S.A.U. (hereinafter, Elewit).

Through its subsidiaries, the Group also carries out activities aimed at financing its businesses and hedging its risks by reinsuring its assets and activities. Lastly, it develops and builds electricity infrastructure and plant through its subsidiaries and investees, Red Eléctrica Infraestructuras en Canarias, S.A.U. (Reincan) and Interconexión Eléctrica Francia-España, S.A.S. (Inelfe).

Appendix I itemises the business activities and registered offices of the Parent and its subsidiaries, indicating the Parent's direct and indirect shareholdings in its various investees.

2 Basis of presentation of the interim condensed consolidated financial statements

a) General information

The accompanying interim condensed consolidated financial statements were authorised for issue by the directors of the Parent at a board meeting held on 30 July 2024 and have been prepared to present fairly the equity and financial position of the Company and its subsidiaries at 30 June 2024, as well as its financial performance, cash flows and the changes in its equity, all of which on a consolidated basis, for the six months then ended.

These interim condensed consolidated financial statements were prepared from the individual accounting records of the Company and the rest of the Group companies, which together form Redeia (Appendix I). Each company prepares its separate financial statements using the principles and criteria in effect in the country in which they operate; accordingly, uniformity adjustments and reclassifications are made upon consolidation to align these principles and criteria with IFRS-EU.

The accounting policies used by the consolidated companies are adjusted as necessary to ensure uniformity with those applied by the Company.

The accompanying interim condensed consolidated financial statements for the six months ended 30 June 2024 were prepared in accordance with IAS 34 *Interim financial reporting* and are presented in thousands of euros, unless otherwise indicated.

In keeping with IAS 34, the interim financial information has been prepared solely for the purpose of providing an update with respect to the last complete set of annual consolidated financial statements authorised for issue and accordingly focuses on new activities, events and circumstances arising in the six-month period and does not duplicate the information previously reported in the Group's most recent annual consolidated financial statements.

Therefore, for an adequate understanding of the information provided in these interim condensed consolidated financial statements, they should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2023, which were prepared under the International Financial Reporting Standards adopted by the European Union (IFRS-EU) in effect at the time and were approved at the Annual General Meeting held on 4 June 2024.

The Group has not omitted any mandatory accounting principle with a significant effect on the interim condensed consolidated financial statements.

b) New standards and amendments to IFRS-EU

These interim condensed consolidated financial statements were prepared using the improvements to IFRS issued and approved for application in the European Union from 1 January 2024:

Effective since:	Accounting standard amendments
1 January 2024	Amendments to IAS 1 - Classification of liabilities with covenants as current or non-current
	Amendments to IFRS 16 - Lease liability in a sale and leaseback
	Amendments to IAS 7 and IFRS 7 - Supplier finance arrangements

The amendments to IAS *Presentation of financial statements* with respect to the classification of liabilities as current or non-current expressly specify that the right to defer settlement of a liability for at least 12 months after the reporting period must have substance and exist at the end of the reporting period and the classification of the liability must be unaffected by the likelihood that the company will exercise that right. These amendments have not had any impact on the Group's interim condensed consolidated financial statements.

The amendments to IFRS 17 *Leases* specify the requirements that a seller-lessor must meet in calculating the lease liability arising from a sale and leaseback transaction. These amendments have not had any impact on the Group's interim condensed consolidated financial statements.

The amendments to IAS 7 *Statement of cash flows* and IFRS 7 *Financial instruments* specify that entities need to disclose the effects of supplier finance arrangements on their liabilities, cash flows and exposure to liquidity risk. The transition rules clarify that an entity is not obliged to provide these disclosures during any interim period in the year of initial application of the amendments. Therefore, these amendments have not had any impact on the Group's interim condensed consolidated financial statements.

The Group is also assessing the impact of the improvements issued and approved for application in the European Union from 1 January 2025, which are the following:

Effective since:	Accounting standard amendments
1 January 2025	Amendments to IAS 21 - Lack of exchangeability

The amendments to IAS 21 *The effects of changes in foreign exchange rates* specify how to assess whether a currency is exchangeable and how to determine a spot exchange rate if it is not; they also specify when additional disclosures are required. These amendments are not expected to have a significant effect on the annual consolidated financial statements in which their application in the European Union is mandatory.

c) Use of estimates and assumptions

Preparation of the interim condensed consolidated financial statements in accordance with IFRS-EU requires the Group's management to use judgement and make estimates and assumptions that affect application of its accounting policies and the recognised amounts of assets, liabilities, income and expenses. The estimates and assumptions made by the Group are based on past experience and other factors considered reasonable under the circumstances. The reader should note that actual results may differ from these estimates and that these interim condensed consolidated financial statements were prepared on a going concern basis.

The estimates are based on the best information available in the circumstances, as outlined in note 2.c) "Use of estimates and assumptions" of the 2023 annual consolidated financial statements.

d) Basis of consolidation

These interim condensed consolidated financial statements were prepared using the same consolidation principles as were used to prepare the 2023 annual consolidated financial statements.

e) Non-controlling interests

There were no changes in the scope of consolidation in the first half of 2024 affecting the percentage interests held by non-controlling shareholders.

f) Comparative information

These interim condensed consolidated financial statements were prepared using the same consolidation principles as were used to prepare the 2023 annual consolidated financial statements.

g) Changes in the scope of consolidation

The changes in the scope of consolidation in 2024:

- Liquidation of Axess Networks Solutions Arabia Saudita, S.L. (an equity investment held through Axess Networks Solutions, S.L.U.).
- Axess Networks Solutions, S.L.U. was merged into Hispasat, S.A. in June 2024.
- In June 2024, the Group, through Elewit, acquired a 15% interest in Unusuals World, S.L., adding this investee to its consolidation scope due to the existence of significant influence. This investee is accounted for in the Group's interim condensed consolidated financial statements for the six months ended 30 June 2024 using the equity method. Lastly, the loss of significant influence over Nearby Computing, S.L. triggered the derecognition of that investment, which is now accounted for in the accompanying consolidated statement of financial position as a financial asset at fair value through profit and loss (note 12).

3 Sector regulations

a) The electricity sector in Spain

As noted in the 2023 annual consolidated financial statements, the Spanish electricity sector's regulatory framework is based on Law 24/2013 (26 December 2013), the Electricity Sector Act.

The above-mentioned annual consolidated financial statements for 2023 detail the general remuneration regime applicable to the regulated activities carried out by Red Eléctrica in its capacity as transmission and system operator (TSO) derived from Royal Decree-Law 1/2019 and the remuneration circulars issued by the sector watchdog, the CNMC, in 2019. The CNMC published several related public consultations, so initiating the transmission remuneration model review process for the next regulatory period (2026-2031).

As regards the new regulations published during the reporting period, on 4 April 2024, the CNMC published a resolution establishing the definitive remuneration amounts for the transmission activity in respect of 2021, which in the case of Red Eléctrica amount to 1,465 million euros. The definitive amounts for 2022, 2023 and 2024 are therefore outstanding.

In terms of planning, certain aspects of the so-called Plan for the Development of the Electricity Transmission Network, 2021-2026 have been modified following Cabinet approval on 16 April 2024, based on a recommendation by the Ministry of Green Transition. The modifications were published in Spain's official state journal via a Resolution dated 22 April 2024. The proposal encompasses 73 initiatives which imply increasing the associated amount of investment by 489 million euros with respect to the Plan approved in 2022, lifting the total investment volume to 7,453 million euros.

As for legislative developments, it is worth underlining Royal Decree-Law 4/2024, which extends certain anti-crisis measures such as the discounts on the electricity social voucher. It introduces a new function for the system operator, specifically that of collecting and processing information from the charge point operators (CPOs) and provisionally designates it as the entity responsible for developing and executing the Management and Visualisation System for that information, among other measures.

At the pan-European level, the first half of 2024 was marked by the completion of important parts of the European Green Deal, notably including:

New EU electricity market design rules, with publication of Regulation (EU) 2024/1747 and Directive (EU) 2024/1711. The new design rules aim to reduce volatility in the wholesale markets, protect consumers against rising prices and accelerate the rollout of renewable capacity.

Regulation (EU) 2024/573 on fluorinated greenhouse gases implies the staggered prohibition of the use of equipment that uses fluorinated gases in two phases (2028 and 2032), with possible exceptions if alternatives are not available, or cannot be used for technical or safety reasons.

The hydrogen and decarbonised gas market package, which has yet to be published in the Official Journal of the European Union (OJEU). This package creates the role of Hydrogen Transmission Network Operator (HTNO), and also the European Network of Network Operators of Hydrogen (ENNOH).

Another noteworthy publication was Regulation (EU) 2024/1735 on establishing a framework of measures for strengthening Europe's net-zero technology manufacturing ecosystem (the Net Zero Industrial Act or NZIA), which includes electricity networks.

Lastly, on the cybersecurity front, on 11 March 2024, the European Commission approved Delegated Regulation (EU) 2024/1366, establishing an EU network code on cybersecurity for the electricity sector in order to improve the cyber-resilience of the EU's critical energy infrastructure and services, including cross-border electricity flows.

b) International electricity sector regulations

As for the electricity sector regulations in Peru, Brazil and Chile, there have been no significant legislative developments in the sector since publication of the annual consolidated financial statements for 2023.

c) Telecommunications sector

At the European level, a Regulation of interest to Redeia, the Gigabit Infrastructure Act, took effect in the first half of 2024. This Regulation establishes measures for reducing the cost of deploying electronic gigabit communications networks by increasing the use of available infrastructure, allowing use of the latter by third parties at negotiated rates (and so repealing Directive 2014/61/EU).

4 Material accounting policies

These interim condensed consolidated financial statements were prepared using the same accounting principles as were used to prepare the annual consolidated financial statements for 2023.

5 Intangible assets, property, plant and equipment and investment properties

The Group's main intangible assets at 30 June 2024:

- 327 million euros, net of accumulated amortisation, related with the concessions held by the Peruvian companies Redesur, Tesur, Tesur 2, Tesur 3, Tesur 4 and CCNCM.
- 286 million euros of goodwill originated by the business combinations completed in 2019 by the Hispasat Subgroup and Concesionaria Línea de Transmisión CCNCM, S.A.C. (hereinafter, CCNCM) and in 2022 by the Axess Subgroup.
- A customer portfolio carried at 42 million euros (net of amortisation) originated by the business combination completed by the Axess Subgroup in 2022.
- 52 million euros related to the perpetual right to regulated tariffs held by Redenor 2 of Chile (an asset with indefinite useful life).
- 35 million euros corresponding to Hispasat's different bandwidth licences for the use of orbital slots above Brazilian territory.
- 8 million euros corresponding to the measurement of the Hispasat trademark.

The Group's main items of property, plant and equipment at 30 June 2024:

- 8,773 million euros, net of accumulated depreciation charges, of electricity facilities.
- 1,203 million euros, net of accumulated depreciation charges, of telecommunications facilities.

The additions recognised under intangible assets, property plant and equipment and investment properties in the first half of 2024, excluding the assets recognised as a result of application of IFRS 16, totalled 405 million euros (380.9 million euros in the first half of 2023). Application of IFRS 16 gave rise to the recognition of 6.8 million euros of assets in the first half of 2024 (6.3 million euros in the first half of 2023). In parallel, it derecognised assets carried at 2.2 million euros during the first half of 2024 (0.3 million euros in the first half of 2023).

Amortisation and depreciation charges totalled 279,527 thousand euros in the first half of 2024 (269,928 thousand euros in the first half of 2023).

During the first six months of 2024, the Group capitalised 28,983 thousand euros of operating expenses (26,640 thousand euros in the first half of 2023).

It also capitalised 7,066 thousand euros of borrowing costs during the first half of 2024 (5,237 thousand euros in the first half of 2023).

There were no significant stoppages of facilities under construction in the first half of 2024 (note 12).

There were no additions, derecognitions or significant changes in lease terms with respect to those reflected in the annual consolidated financial statements for 2023.

As disclosed in notes 6 and 7 of the annual consolidated financial statements for 2023, at year-end 2023, the Group tested its intangible assets and property, plant and equipment for impairment by calculating the value in use of the CGUs to which those assets have been allocated, without identifying any impairment losses. The assumptions underlying those impairments tests are outlined in detail in notes 6 and 7 of those annual consolidated financial statements. At 30 June 2024, the Group checked its non-financial assets for indications of impairment, without detecting any.

The Group's investment properties are measured at a market value of approximately 1.2 million euros (2.7 million euros at 30 June 2023).

6 Investments accounted for using the equity method

The reconciliation of the Group's equity-accounted investees at the beginning and end of the reporting period is as follows:

Thousands of euros	31 Dec. 2023	Changes in consolidation scope	Share of profit/(loss)	Dividends	Translation differences	Valuation and other adjustments	30 June 2024
Transmisora Eléctrica del Norte S.A. (TEN)	236,134	–	2,656	–	7,207	3,869	249,866
Argo Energia Empreendimentos e Participações S.A.	644,327	–	31,761	(516)	(51,876)	–	623,696
Compañía Operadora de Infraestructuras Eléctricas, S.A.	–	1,095	101	–	19	–	1,215
Hisodesat Servicios Estratégicos, S.A.	78,894	–	2,390	–	–	(1)	81,283
Grupo Sylvestris, S.L.	4,688	–	1	–	–	–	4,689
Other investees of Hispasat Subgroup	118	–	–	–	–	–	118
ELEWIT investees (significant interest)	5,016	(309)	629	(216)	–	–	5,120
Total	969,177	786	37,538	(732)	(44,650)	3,868	965,987

7 Inventories

The breakdown of “Inventories” at 30 June 2024 and 31 December 2023:

Thousands of euros	30 June 2024	31 Dec. 2023
Inventories	126,497	97,697
Impairment	(38,105)	(36,445)
Total	88,392	61,252

The Group’s inventories mainly comprise the equipment, materials and spare parts used to maintain the electricity transmission network.

The Group companies calculate inventory impairment losses regularly on the basis of ageing and surplus stock schedules; inventory impairment was not significant during the six months ended 30 June 2024.

8 Trade and other receivables

The breakdown of “Trade and other receivables” at 30 June 2024 and 31 December 2023:

Thousands of euros	30 June 2024	31 Dec. 2023
Trade receivables	100,363	73,149
Other receivables	1,164,839	1,162,584
Current tax assets	18,086	209,201
Total	1,283,288	1,444,934

“Trade receivables” mainly includes the balances due collection from the lease of satellite capacity and related services. It also includes contract assets with customers.

“Other receivables” mainly includes balances pending collection from the provision of regulated transmission and system operation services in Spain.

“Current tax assets” essentially reflect the settlements due from the tax authorities with respect to the Group’s corporate income tax for 2022 and 2023. During the first half of 2024, the Group collected 193 million euros with respect to the 2022 settlement.

No material amounts were past due by more than 12 months at 30 June 2024.

The fair value estimates reflect market participant assumptions based on available market information and conditions at the measurement date.

9 Equity

Capital risk management

The Group’s capital management objectives are to safeguard its ability to continue as a going concern in order to generate returns for its shareholders and maintain an optimum capital structure to reduce the cost of capital.

To maintain or adjust the capital structure, the Group can adjust the dividends it pays shareholders, return capital to shareholders or issue new shares.

The Group monitors its capital using a leverage ratio, in line with sector practice. Specifically, it measures the ratio of net debt over Group equity plus net debt. Net debt is calculated as follows:

Thousands of euros	30 June 2024	31 Dec. 2023
Non-current borrowings (*)	4,785,524	5,164,911
Current borrowings (*)	1,394,269	506,251
Foreign exchange derivatives	(27,452)	(20,313)
Short-term money market investments (**)	(810,300)	–
Cash and cash equivalents	(230,864)	(675,417)
Net debt (A)	5,111,177	4,975,432
Equity (B)	5,362,446	5,529,057
Leverage ratio = A/(A+B)	48.80%	47.36%

(*) Interest payable was excluded from both the 2024 and 2023 ratios.

(**) Term deposits and other similar financial assets that are recognised under “Other current financial assets” at amortised cost that do not meet the criteria for classification within “Cash and cash equivalents” despite being identical in nature to a cash equivalent.

In the first half of 2024, Standard & Poor’s issued a new report, reiterating its long-term issuer rating of ‘A-’ with a stable outlook and its short-term ratio of ‘A-2’. Meanwhile, the Company currently holds a long-term credit rating of ‘A-’ with a stable outlook and a short-term rating of ‘F1’ from Fitch Ratings.

Equity attributable to equity holders of the parent

- **Capital and reserves**

- Share capital

At 30 June 2024, the Parent’s share capital comprised 541,080,000 shares represented by book entries, all subscribed and paid in, carrying the same voting and dividend rights (notwithstanding the limits outlined in the paragraph below), with a unit par value of fifty euro cents. They are admitted to trading on the four Spanish stock exchanges and are traded through the continuous market (SIBE for its acronym in Spanish).

The Parent is subject to the shareholder limitations stipulated in additional provision twenty-three of the Spanish Law 54/1997 (27 November 1997) and article 30 of the Electricity Sector Act.

Specifically, any individual or entity may hold shares in the Parent, provided that the sum of their direct or indirect interests in its share capital does not exceed 5% and their voting rights do not surpass 3% of the total. These share may not be syndicated for any purpose. Voting rights in the Parent are limited to 1% in the case of entities that carry out activities in the electricity sector, and individuals and entities that hold direct or indirect interests exceeding 5% of the share capital of such companies, notwithstanding the limits applicable to generators and agents under article 30 of the Electricity Sector Act. The above limits on shareholdings in the Parent do not apply to the state industrial holding company, SEPI for its acronym in Spanish, which must maintain a shareholding of at least 10%. At 30 June 2024 and 31 December 2023, SEPI held 20% of the Parent’s share capital.

- Reserves

This heading includes:

- * Legal reserve

Spanish companies must transfer 10% of profit for the year to a legal reserve until this reserve is equivalent to at least 20% of share capital. This reserve cannot be distributed to shareholders until that threshold is met and may only be used to offset losses, provided no other reserves are available. Under certain conditions, this reserve may also be used to increase share capital. At 30 June 2024, the Parent's legal reserve was equal to 20% of its share capital (54,199 thousand euros).

- * Other reserves

This heading includes the Parent's voluntary reserves, its reserves in subsidiaries and first-time application reserves. At 30 June 2024, these reserves amounted to 4,253,801 thousand euros and included reserves set up pursuant to legal obligations in the amount of 482,205 thousand euros.

In 2023, these reserves were reduced by the costs of issuing other equity instruments, in the amount of 5,450 thousand euros, and by the coupon accrued on those same instruments, in the amount of 24,581 thousand euros.

- * Own shares

At 30 June 2024, the Parent held own shares representing 0.21% of its share capital; specifically, it held 1,112,017 shares with an aggregate par value of 556 thousand euros, which it acquired at an average price of 17.53 euros per share.

These shares are recognised as a reduction in the Group's equity and were carried at 19,496 thousand euros at 30 June 2024.

The Parent is compliant with all of its obligations under article 506 of the Corporate Enterprises Act which stipulates, in relation to shares listed on an official exchange, other than in the exceptional cases itemised in company law, that the par value of any own shares acquired, plus those already held by the Parent and its subsidiaries, may not exceed 10% of share capital. The subsidiaries do not hold any own shares or any Parent shares.

- Other equity instruments

This heading relates to a subordinated perpetual bond issue (hybrid instruments) issued on 24 January 2023. The Company can, at its sole discretion, elect to defer any payment of interest on the securities.

The size of the issue was 500 million euros; it was structured into a single tranche. The securities qualify as green bonds. The par value of each security was 100,000 euros and they were issued at a price of 99.67% of par.

- Profit for the period attributable to equity holders of the parent

Profit for the first half of 2024 amounted to 269,343 thousand euros (354,339 thousand euros in the first half of 2023).

- Interim dividends and motion for the distribution of dividends by the Parent

The dividends paid in the first half of 2024 and 2023 are shown in the table below:

Thousands of euros	First half 2024			First half 2023		
	% of par value	Euros per share	Amount	% of par value	Euros per share	Amount
Ordinary shares	54.54%	0.27	147,249,0	54.54%	0.27	147,143,0
Total dividends paid	54.54%	0.27	147,249,0	54.54%	0.27	147,143,0
Dividends charged against profit	54.54%	0.27	147,249,0	54.54%	0.27	147,143,0

At the Annual General Meeting held on 4 June 2024, the Parent's shareholders ratified the motion for the payment of a final dividend from 2023 profits of 0.7273 euros per share for a total dividend against 2023 earnings of 1 euro per share. The final dividend was paid out on 1 July 2024.

- **Valuation adjustments**

This heading mainly reflects the movements in the Group's financial assets at fair value through other comprehensive income generated by its equity instruments, hedging derivatives, as well as exchange differences originated at subsidiaries whose functional currency is different from that of the Group.

Those movements implied a loss of 88,705 thousand euros in the six months ended 30 June 2024 (loss of 44,564 thousand euros in the first half of 2023) and were mainly related with translation differences derived from the depreciation of the Brazilian real, partially offset by gains on other hedging transactions.

Equity attributable to non-controlling interests

This heading of the accompanying consolidated statement of financial position reflects the non-controlling interests in Reintel, the Hispasat Subgroup and Redenor, of Chile.

During the first half of 2024, Redeia paid 10.8 and 2.5 million euros of dividends to non-controlling interests through Redeia Infraestructuras de Telecomunicación, S.A.U. and Hispasat S.A., respectively.

10 Grants and other non-current advances received

This heading includes grants related to assets, which in turn mainly reflect the sums collected by Red Eléctrica to finance the construction of electricity facilities and by Hispasat to build satellites. It also includes other subsidies and advances received, including tax relief in exchange for investments in fixed assets in the Canary Islands, which, by nature are equivalent to grants related to assets, and the amounts of technical facilities received by the Group under agreements with third parties.

During the first half of 2024, the Group recognised grants totalling 34,380 thousand euros (125,633 thousand euros in the first half of 2023).

In the first six months of the year, it recognised 20,317 thousand euros of grants and other non-current advances collected in profit and loss (15,670 thousand euros in the first half of 2023).

11 Financial risk management policy

The Group's financial risk management policy establishes principles and guidelines to ensure that any significant risks that could compromise the objectives and activities of Redeia are identified, analysed, assessed, managed and controlled, and that these processes are carried out systematically, framed by uniform criteria.

In the first half of 2024, the Group continued to apply the financial risk management policies disclosed in note 17 of the annual consolidated financial statements for 2023. The main guidelines can be summed up as follows:

- Risk management should be fundamentally proactive and directed towards the medium and long term, taking into account possible scenarios in an increasingly global environment.
- Risk should generally be managed in accordance with consistent criteria, distinguishing between the importance of the risk (probability/impact) and the cost and resources needed to mitigate it.
- Financial risk management should be designed to avoid undesirable movements in the Group's value, rather than generating extraordinary gains.

The Group's finance management is responsible for managing financial risk, ensuring consistency with the Group's strategy and coordinating risk management across the various Group companies, identifying the main risks and defining the initiatives to be taken, based on different financial scenarios.

The methodology for identifying, measuring, monitoring and controlling financial risks, as well as the performance indicators and measurement and control tools specific to each risk, follow the guidelines and criteria laid down in the Group's Comprehensive Risk Management Policy and its General Risk Management and Control Procedure.

There were no significant changes in the Group's financial risk management policies during the six months ended 30 June 2024. Nor were there any significant changes in economic or business circumstances that could affect the fair value of the Group's financial assets and liabilities.

In the first half of 2024, the Group issued green bonds twice, issuing 500 million euros on each occasion (notes 12 and 22), and renewed or arranged new bank borrowings totalling 1,650 million euros and 133 million dollars. In the wake of these new transactions, and having repaid the debt falling due and settled all payments arising in the course of its activities, the Group had 3,209 million euros of liquidity at 30 June 2024 (1,041 million euros of unrestricted cash, deposits and financial assets and 2,168 million euros of undrawn credit lines), so ensuring its ability to meet its operating cash flow requirements and honouring its debt maturities for the next 24 months.

The Group presented negative working capital in the amount of 589 million euros at 31 June 2024, due mainly to the reclassification of around 1,000 million euros of borrowings to current liabilities. On 9 July 2024, the Group collected the proceeds from a 500 million euros notes issue that closed on 27 June 2024, thus improving its working capital position significantly subsequent to the reporting date, further evidencing the Group's solid liquidity position.

12 Financial assets, financial liabilities and derivatives

a) Financial assets

The breakdown of the Group's current and non-current financial assets at 30 June 2024 and 31 December 2023:

Thousands of euros	30 June 2024				
	At fair value through other comprehensive income	At fair value through profit or loss	At amortised cost	Hedging derivatives	Total
Equity instruments	78,196	11,657	–	–	89,853
Derivatives	–	–	–	52,052	52,052
Other financial assets	–	7,983	292,012	–	299,995
Non-current	78,196	19,640	292,012	52,052	441,900
Other financial assets	–	–	864,564	–	864,564
Current	–	–	864,564	–	864,564
Total	78,196	19,640	1,156,576	52,052	1,306,464

Thousands of euros	31 Dec. 2023				
	At fair value through other comprehensive income	At fair value through profit or loss	At amortised cost	Hedging derivatives	Total
Equity instruments	78,196	10,059	–	–	88,255
Derivatives	–	–	–	83,982	83,982
Other financial assets	–	2,825	249,934	–	252,759
Non-current	78,196	12,884	249,934	83,982	424,996
Other financial assets	–	–	39,243	–	39,243
Derivatives	–	–	–	1,251	1,251
Current	–	–	39,243	1,251	40,494
Total	78,196	12,884	289,177	85,233	465,490

Equity instruments at fair value through other comprehensive income mainly include the Group's 5% shareholding in REN, the holding company for the operation of the electricity transmission assets and a number of items of gas infrastructure in Portugal. At 30 June 2024 and 31 December 2023, this investment was valued at 77,728 thousand euros.

The Group acquired its investment in REN in 2007 for 98,822 thousand euros. The value of this investment varies as a function of its share price performance. In the first half of 2024, the value of this investment did not change so that the Group did not recognise any impact in equity.

Equity instruments at fair value through profit or loss include the investments held by Elewit in a number of different innovation-focused funds and companies. During the first half of 2024, the Group made additional equity investments of 1,763 thousand euros and recognised a loss of 165 thousand euros in profit and loss to reflect the movement in the value of these investments.

Other financial assets at fair value through profit and loss include the Group's investments in economic interest groupings which lease assets that are managed by another company that is unrelated to the Group, which retains substantially all the risks and rewards associated with the assets, with the Group simply availing itself of the tax incentives provided for in Spanish legislation. The Group recognises the tax losses generated by these economic interest groupings against the value of its investments in them. The difference between the amounts so recognised and the carrying amount of the investments is recognised as finance income.

Derivatives includes outstanding derivative financial instruments used as hedges whose fair value is positive. The Group settled 35,433 thousand euros of derivatives in the first half of 2024. There was no significant change in the fair value of these instruments during the reporting period.

Other non-current financial assets at amortised cost mainly include the financial asset recognised following application of IFRIC 12 *Service concession arrangements* in respect of the non-current balance pending invoice and collection from the grantor in relation to the 200-MW pumped storage hydropower facility in Salto de Chira in Gran Canary Island in the amount of 212,168 thousand euros. This heading also includes the credit facility extended by Reintel to its non-controlling shareholder, Rudolph Bidco, S.à.r.l. The size of that facility is 72,500 thousand euros and it was drawn down by 37,691 thousand euros at 30 June 2024 (37,691 thousand euros at 31 December 2023). Lastly, this heading also includes the loan extended to the equity-accounted investee, TEN, in the amount of 15,007 thousand euros. The rest of the current and non-current balances recognised under other financial assets at amortised cost relate to other loans and security and other deposits.

The following table provides the Group's financial assets carried at fair value as a function of the level of inputs used to calculate their fair value at 30 June 2024 and 31 December 2023:

Thousands of euros	30 June 2024			
	Level 1:	Level 2:	Level 3:	Total
Equity instruments	77,728	–	12,125	89,853
Derivatives	–	52,052	–	52,052
Other financial assets	–	7,983	–	7,983

Thousands of euros	31 Dec. 2023			
	Level 1:	Level 2:	Level 3:	Total
Equity instruments	77,728	–	10,527	88,255
Derivatives	–	85,233	–	85,233
Other financial assets	–	2,825	–	2,825

The equity instruments valued using Level 1 inputs are the shares in REN. The Level 2 category mainly includes the Group's interest rate and foreign exchange derivatives and its investments in economic interest groupings classified within "Other financial assets". The Level 3 investments are mainly those made by Elewit in companies focused on innovation.

b) Financial liabilities

The breakdown of the Group's current and non-current financial liabilities at 30 June 2024 and 31 December 2023:

Thousands of euros	30 June 2024		
	Financial liabilities	Hedging derivatives	Total
Bank borrowings	1,451,727	–	1,451,727
Notes and other marketable securities	3,339,612	–	3,339,612
Derivatives	–	14,903	14,903
Other financial liabilities	61,958	–	61,958
Non-current	4,853,297	14,903	4,868,200
Bank borrowings	504,947	–	504,947
Notes and other marketable securities	943,402	–	943,402
Derivatives	–	1,429	1,429
Other financial liabilities	898,692	–	898,692
Current	2,347,041	1,429	2,348,470
Total	7,200,338	16,332	7,216,670

Thousands of euros	31 Dec. 2023		
	Financial liabilities	Hedging derivatives	Total
Bank borrowings	1,442,356	–	1,442,356
Notes and other marketable securities	3,724,409	–	3,724,409
Derivatives	–	14,958	14,958
Other financial liabilities	78,211	–	78,211
Non-current	5,244,976	14,958	5,259,934
Bank borrowings	515,755	–	515,755
Notes and other marketable securities	52,222	–	52,222
Derivatives	–	2,488	2,488
Other financial liabilities	830,644	–	830,644
Current	1,398,621	2,488	1,401,109
Total	6,643,597	17,446	6,661,043

“Bank borrowings” and “Notes and other marketable securities” include the amount of principal and any interest accrued and pending payment as of the reporting date.

“Derivatives” includes outstanding hedging derivative financial instruments.

The carrying amount and fair value of “Bank borrowings” and “Notes and other marketable securities” at 30 June 2024 and 31 December 2023, excluding unpaid accrued interest, are shown below:

Thousands of euros	Carrying amount		Fair value	
	30 June 2024	31 Dec. 2023	30 June 2024	31 Dec. 2023
Issues in euros	3,859,398	3,357,027	3,550,630	3,103,694
Issues in US dollars	382,116	373,352	407,714	367,220
Bank borrowings in euros	1,450,824	1,457,144	1,384,541	1,379,014
Bank borrowings in other currencies	487,455	483,639	519,467	485,217
Total	6,179,793	5,671,162	5,862,352	5,335,145

The movements in debt securities derived from issues, repurchases and repayments in the reporting periods ended 30 June 2024 and 31 December 2023:

Thousands of euros	30 June 2024				
	Balance outstanding at 31 Dec. 2023	(+) Issues	(-) Repurchases or redemptions	(+/-) Exchange rate and other	Balance outstanding at 30 June 2024
Debt securities issued in an EU member state requiring the registration of a prospectus	3,357,027	500,000	–	2,371	3,859,398
Other debt securities issued outside an EU member state	373,352	–	(3,354)	12,118	382,116
Total	3,730,379	500,000	(3,354)	14,489	4,241,514

Thousands of euros	31 Dec. 2023				
	Balance outstanding at 31 Dec. 2022	(+) Issues	(-) Repurchases or redemptions	(+/-) Exchange rate and other	Balance outstanding at 31 Dec. 2023
Debt securities issued in an EU member state requiring the registration of a prospectus	3,641,742	–	(300,000)	15,285	3,357,027
Other debt securities issued outside an EU member state	392,747	–	(5,889)	(13,506)	373,352
Total	4,034,489	–	(305,889)	1,779	3,730,379

As disclosed in note 34 of the annual consolidated financial statements for 2023, on 3 January 2024, Redeia, through its subsidiary Red Eléctrica Financiaciones, S.A.U., and under the scope of the Euro Medium Term Note (EMTN) Programme of the latter, issued 500 million euros of green notes on the euromarket that are secured by Redeia Corporación, S.A. and Red Eléctrica de España, S.A.U.

The proceeds will be used to finance and/or refinance eligible assets under the umbrella of the Group's green finance framework.

The notes, which were paid in on 17 January 2024, mature in 10 years and carry an annual coupon of 3.00%; they were issued at a price of 99.405%, implying a yield of 3.07%.

Then, on 27 June 2024, Redeia, through its subsidiary Redeia Corporación S.A., issued another 500 million euros of green notes on the euromarket.

The proceeds will be used to finance and/or refinance eligible projects under the umbrella of the Group's green finance framework. In addition, Redeia Corporación S.A. will use the proceeds to reinforce equity at Red Eléctrica de España S.A.U. so that it can tackle the significant challenges implied by the energy transition from a position of greater financial strength.

The notes mature in 10 years and carry an annual coupon of 3.375%; they were issued at a price of 99.428%, implying a yield of 3.458%. They were paid in on 9 July 2024 (note 22).

The outstanding balance of debt securities issued in a market requiring the registration of a prospectus at 30 June 2024 and 31 December 2023 relates to issues registered in Luxembourg.

At 30 June 2024, the interest accrued and outstanding on these issues amounted to 18,375 thousand euros. At 30 June 2024, this heading included interest outstanding on other equity instruments in the amount of 23,125 thousand euros.

The fair value of the Group's bank borrowings and notes and other marketable securities was estimated using a valuation technique based on discounting the securities' future cash flows at the rate of interest prevailing at each measurement date.

The following table provides the carrying amount of the Group's financial liabilities as a function of the level of inputs used to calculate their fair value at 30 June 2024 and 31 December 2023:

Thousands of euros	30 June 2024			
	Level 1:	Level 2:	Level 3:	Total
Bank borrowings	–	1,938,279	–	1,938,279
Notes and other marketable securities	–	4,241,514	–	4,241,514
Derivatives	–	16,332	–	16,332
Total	–	6,196,125	–	6,196,125

Thousands of euros	31 Dec. 2023			
	Level 1:	Level 2:	Level 3:	Total
Bank borrowings	–	1,940,783	–	1,940,783
Notes and other marketable securities	–	3,730,379	–	3,730,379
Derivatives	–	17,446	–	17,446
Total	–	5,688,608	–	5,688,608

The liabilities measured using Level 2 inputs include the Group's bank borrowings, notes and other issued securities and its foreign exchange and interest rate derivatives.

The fair value estimates reflect market participant assumptions based on available market information and conditions at the date of preparing these interim condensed consolidated financial statements. The estimates include own and counterparty credit risk adjustments. Management additionally considered whether unobservable inputs had become significant.

13 Trade and other payables

The breakdown of this consolidated statement of financial position heading at 30 June 2024 and 31 December 2023:

Thousands of euros	30 June 2024	31 Dec. 2023
Trade payables	411,797	406,915
Other accounts payable	219,272	251,797
Current tax liabilities	50,399	12,477
Total	681,468	671,189

"Trade payables" reflect balances due payment for the purchase of goods and services in the ordinary course of the Group's business, mainly as a result of repair, maintenance and facility upgrade work.

“Other accounts payable” mainly include items pending reimbursement to customers as a result of the application of provisional rates generated by the difference between the amount charged and collected and the income accrued between 2022 and 2024. This heading also includes the balances payable to the tax authorities with respect to VAT, personal income tax withholdings and other balances related with the purchase of goods and services.

“Current tax liabilities” corresponds to income tax payable in both reporting periods.

14 Tax matters

The tax group headed up by Redeia Corporación has been paying tax under the consolidated tax regime in Spain since 2002 (Tax Group No. 57/02).

In addition to the Parent, at 30 June 2024, the Tax Group included the following companies: Red Eléctrica, Redinter, Redeia Financiaciones, Red Eléctrica Financiaciones, Red Eléctrica Infraestructuras en Canarias, Redeia Sistemas de Telecomunicaciones, Elewit, Hispasat, Hispasat Canarias and Hispamar Exterior.

Hispasat and Hispasat Canarias joined the Redeia Tax Group with effect from 1 January 2020 and Hispamar Exterior joined it on 1 January 2022. Hispasat was the parent of the Hispasat tax group until 31 December 2019.

Axess Networks Solutions and Axess Networks Solutions Arabia Saudita, which joined the Redeia Tax Group (as a subsidiaries thereof) in 2023, left the group in the first half of 2024 following the merger of the former and liquidation of the latter (note 2.g).

The Group companies that are not part of the Tax Group apply the tax legislation applicable in their countries of domicile.

The breakdown of deferred taxes is as follows:

Thousands of euros	30 June 2024	31 Dec. 2023
Deferred tax assets	45,462	46,253
Deferred tax liabilities	(372,211)	(378,533)
Total	(326,749)	(332,280)

There were no significant movements in deferred tax assets or deferred tax liabilities in the first half of 2024. The deferred tax liabilities at both reporting dates related mainly to the accelerated depreciation of certain fixed assets for tax purposes.

In 2022, the authorities initiated general inspection proceedings with respect to corporate income tax (consolidated tax regime) covering 2017 to 2020. In 2023, the Group received notice of the expansion of the partial proceedings to 2021 and to 2015 - 2019 in the case of Hispasat and Hispasat Canarias.

In 2023, the Group signed uncontested assessments in the amount of 2,739 thousand euros and assessments which it is challenging that imply tax payable of 35,929 thousand euros; no fines were imposed. In June 2024, the Group received settlement agreements in response to the pleas presented against the assessments challenged, which it plans to appeal before the National Economic-Administrative Court. The amount payable under those agreements is 34,316 thousand euros.

The assessments being challenged relate to the authorities' understanding that the adjustment of taxable income under article 31.2 of the Income Tax Act is not applicable and that the IT expenses deducted, related mainly to the costs incurred by Hispasat Canarias, S.L.U. to manufacture the Amazonas Nexus, are not deductible for tax purposes.

The Group, based on the opinion of its tax advisors, expects the outcome of the positions questioned in the wake of the inspections to be favourable to its interests and that the probability that a higher court of instance will hand down a favourable ruling is at least 50%, to which end it has not recognised any provisions in connection with these matters.

In addition, in 2022, the authorities commenced partial proceedings related with income tax in 2012 and 2014 limited to certain aspects related with Redinter. The court proceedings taken to challenge the above-mentioned partial verifications concluded in 2022 with the National Appellate Court ruling in favour of the Tax Group. Following that ruling, the inspections finalised in 2023, yielding net late payment interest payable to the Group.

In Spain, the Group remains party to certain ongoing court proceedings related with its income tax from 2011 and 2016.

The Tax Group has also requested the rectification of the tax paid in instalments between 2016 and 2022. In 2020, the tax authorities ruled in favour of the rectification requested in respect of 2016 and 2017 and the decision regarding the other years requested has been appealed.

In the wake of the Hispasat acquisition, the Group is party to tax proceedings in Brazil related with VAT on sales and services (ICMS) and other, mainly indirect, taxes. Those proceedings derive from inspection assessments handed down that the Group companies have appealed. The Group has posted specific guarantees to cover their potential amounts.

In accordance with prevailing tax legislation, the tax returns presented for the various different taxes cannot be considered final until they have been inspected by the tax authorities or until the applicable inspection period has elapsed (four years in the case of the Spanish companies).

Although existing tax law and regulations are subject to interpretation, so that tax inspections initiated in the future for years open to inspection could give rise to tax liabilities, it is estimated that any such liabilities would not have a significant effect on the Group's future earnings.

15 Income and expenses

a) Revenue

The breakdown of the revenue recognised in the first six months of 2024 and 2023 by geography is provided below:

Thousands of euros	First half 2024	First half 2023
Spain	792,501	903,391
Other	118,310	125,718
Total	910,811	1,029,109

The revenue generated in Spain mainly includes revenue from the provision of TSO services, which accounted for 75% of total Group revenue in the first half of 2024. This heading also includes revenue from the provision of telecommunications services in Spain, which accounted for 11% of total Group revenue in the first six months of the year.

“Other” in the table above mainly includes revenue generated in the European Union from the provision of reinsurance services and the revenue generated from the provision of electricity transmission and telecommunications services by Group companies in Latin America.

The revenue recognised from the provision of both TSO and telecommunications services is recognised over time.

b) Other operating income

In the first half of 2024, this consolidated statement of profit or loss heading mainly includes revenue recognised using the stage-of-completion method from the construction of the 200-MW pumped storage hydropower station in Salto de Chira, as well as the finance income recognised using the effective interest rate method on the financial asset in the amount of 39,960 thousand euros (24,230 thousand euros in the first half of 2023) (note 12.a).

In both reporting periods, this heading also included claims received from insurance companies in relation to covered damage and breakdowns and other ancillary income. Lastly, it includes the recognition of grants related to income in profit or loss.

c) Cost of sales and other external expenses

Cost of sales and other external expenses mainly include the expenses derived from the repair, maintenance and conservation of the Group’s electricity facilities and telecommunications networks, in addition to expenses associated with IT services, advisory services, leases, levies and other services.

d) Employee benefits expense

The breakdown of this consolidated statement of profit or loss heading in the first six months of 2024 and 2023:

Thousands of euros	First half 2024	First half 2023
Wages, salaries and other remuneration	81,799	81,832
Social security	19,373	18,526
Contributions to pension funds and similar obligations	1,387	1,503
Other items and employee benefits	3,989	3,915
Total	106,548	105,776

- Headcount

The breakdown by gender of the average headcount of the Group and Parent in the first six months of 2024 and 2023:

	Redeia Group		Redeia Corporación S.A.	
	First half 2024	First half 2023	First half 2024	First half 2023
Men	1,747	1,742	193	183
Women	716	693	223	213
Total	2,463	2,435	416	396

e) Income tax

The effective tax rate was 23% in the first half of 2024 (24.6% in the first half of 2023). The year-on-year decrease is attributable to the higher contribution to profit before tax of the Group's share of equity-accounted investee profits, which are recognised net of tax.

16 Transactions with equity-accounted investees and related parties

The transactions completed with related parties, as defined in IAS 24, were carried out at arm's length, are disclosed below:

Thousands of euros	First half 2024		
	Group companies	Other related parties	Total
Expenses and income:			
Other expenses	–	19,312	19,312
Expenses	–	19,312	19,312
Services rendered	1,105	4,885	5,990
Finance income	670	–	670
Income	1,775	4,885	6,660
Other transactions:			
Financing agreements: loans and capital contributions (lender)	15,757	–	15,757
Outstanding balances at the reporting date:			
Trade receivables	277	42	319
Trade payables	11	798	809

	First half 2023		
	Group companies	Other related parties	Total
Expenses and income:			
Other expenses	293	39,378	39,671
Expenses	293	39,378	39,671
Services rendered	2,271	7,933	10,204
Finance income	1,195	–	1,195
Income	3,466	7,933	11,399
Other transactions:			
Financing agreements: loans and capital contributions (lender)	14,852	–	14,852
Other transactions	–	–	–
Outstanding balances at the reporting date:			
Trade receivables	203	20	223
Trade payables	103	1,007	1,110

The transactions completed with Group companies were carried out with TEN and Hisdesat. The balance recognised under “Financing agreements: loans and capital contributions (lender)” in the tables above relate principally to the loan outstanding at 30 June 2024 and 31 December 2023 under a credit facility with TEN.

The transactions completed with other related parties were carried out with public sector entities, mainly transactions between ADIF, which provides fibre optic network maintenance services, and the Group company, Reintel. It also reflects transactions between Indra Sistemas group companies and Redeia companies.

17 Director remuneration

At the Annual General Meeting held on 4 June 2024, and as stipulated in the Company’s bylaws, the Parent’s shareholders ratified the motion presented by the Board of Directors for the approval of the Annual Report on Director Remuneration, which included, among other matters, the proposal for director remuneration in 2024.

The remuneration approved, which covers the members of the Board of Directors, the Chairwoman and the CEO, is unchanged from 2023.

The Chairwoman, in her capacity as non-executive chair, receives a fixed annual sum in addition to remuneration for her membership of the Board of Directors. She only receives fixed remuneration, i.e., she has not been allocated any variable remuneration (neither an annual bonus nor participation in long-term incentive schemes) and she is not entitled to any termination benefits.

The CEO, on the other hand, receives fixed and variable remuneration (an annual bonus and participation in a long-term incentive scheme) for the performance of his executive duties, and a fixed amount in his capacity as member of the Board of Directors. He also receives certain benefits. Some of both components of his variable remuneration is settled via the delivery of Company shares.

In addition, the CEO is a beneficiary of a defined contribution pension scheme, covering retirement, death and permanent disability. Redeia Corporación, S.A.’s obligation under this scheme is limited to making an annual contribution equivalent to 20% of the CEO’s fixed compensation for his performance of executive duties.

The CEO's annual variable remuneration is framed by predetermined and quantifiable objective criteria and targets established by the Parent's Appointments and Remuneration Committee at the start of each year. The targets are aligned with the strategies and initiatives laid down in the Group's Strategic Plan and their delivery is assessed by that same committee.

The CEO also participates in the Long-Term Incentive Plan (LTIP) for Promoting the Energy Transition, Reducing the Digital Divide and Boosting Diversification. That Plan's targets are likewise associated with those set out in the Group's Strategic Plan and are aligned with the key aspects of the Director Remuneration Policy. The LTIP has a duration of six years and will end on 31 December 2025.

Under the Director Remuneration Policy, the CEO's contract, in line with generally accepted market practice, includes a termination benefit equivalent to one year's remuneration in the event his contract is terminated by the Company or as a result of a change of control.

Likewise in line with market practices in these cases, following his appointment as CEO, his previous employment contract was suspended. In the event of his termination, he would accrue, for severance purposes, the remuneration in force at the date of suspension, taking into consideration his length of service at the Group up until his appointment as CEO (15 years) plus the period during which he provides his services, if any, following his discontinuation as CEO, all of which in keeping with prevailing labour legislation.

As for the members of the Board of Directors, their remuneration consists of a fixed annual payment, remuneration for attending board meetings, remuneration for membership of the board committees, as the case may be, and specific annual remuneration for the chairs of those committees and for the position of lead independent director. These remuneration concepts and the related amounts have not changed in 2024.

Lastly, the directors are compensated or reimbursed for reasonable and duly justified expenses incurred in order to attend the meetings and perform other tasks directly related with their director duties, such as travel, accommodation and meals.

The breakdown of the remuneration accrued by the members of the Parent's Board of Directors in the first six months of 2024 and 2023 is provided below:

Thousands of euros	First half 2024	First half 2023
Total remuneration in their capacity as directors	1,262	1,262
Remuneration of certain directors in their capacity as executives (1)	371	371
Total	1,633	1,633

(1) Includes the fixed remuneration and the annual variable remuneration accrued

The breakdown by item of the remuneration accrued by the members of the Parent's Board of Directors in the first six months of 2024 and 2023 is provided below:

Thousands of euros	First half 2024	First half 2023
Fixed remuneration	1,159	1,159
Variable remuneration	131	131
Attendance fees	108	108
Committee membership (1)	170	170
Other remuneration	65	65
Total	1,633	1,633

(1) Includes the remuneration of the chairs of the board committees and of the lead independent

The Group did not recognise any loans, advances or guarantees to the members of the Parent's Board of Directors on its consolidated statement of financial position at either 30 June 2024 or 31 December 2023. Not did it have any pension or life insurance obligations, other than as outlined above, on their behalf at either reporting date.

The Group had arranged director and officer liability insurance at both reporting dates. Those policies cover the directors and executives of the various Group companies. The annual cost of the related premiums, including tax, was 459 thousand euros in 2024 (2023: 536 thousand euros). These premiums are calculated based the nature of the Group's activities and as a function of its financial metrics, so that it is not feasible to apportion them between the directors and key management personnel or to allocate them to each individual.

The members of the Board of Directors did not perform any transactions with the Parent or its Group companies, either directly or through persons acting on their behalf, outside of the ordinary course of business or other than on an arm's length basis in either reporting period.

18 KMP remuneration

The key management personnel who provided services to the Group in the first half of 2024 and 2023 and their positions at 30 June 2024 are as follows:

Name	Position
Concepción Sánchez Pérez	Chief Operating Officer
Ángel Luis Mahou Fernández	Managing Director of Transmission
Juan Majada Tortosa	Managing Director of International Business
Mariano Aparicio Bueno	Managing Director of Telecommunications
Emilio Cerezo Díez	Chief Financial Officer
Carlos Méndez-Trelles García	General Secretary and Secretary of the Board of Directors
José Antonio Vernia Peris	Chief Resources Officer
Miryam Aguilar Muñoz	Chief Communications Officer
Eva Pagán Díaz	Chief Sustainability Officer
Silvia María Bruno De La Cruz	Director of Innovation and Technology
Carlos Puente Pérez	Director of Corporate Development
Eva Rodicio González	Director of Internal Audit and Risk Control
Mónica Moraleda Saceda (1)	Director of Legal Services
Julián Díaz-Peñalver Carrasco (1)	Director of Regulation
Laura de Rivera García de Leániz (2)	Director of Regulation and Legal Services

(1) The former Regulation and Legal Services Department was restructured on 27 May 2024 to create two separate departments, the Regulation Department and the Legal Services Department.

(2) Laura de Rivera García de Leániz presented her resignation from the Group on 18 January 2024.

In the first half of 2024, the Group's key management personnel accrued 1,836 thousand euros of remuneration, which has been recognised under "Employee benefits expense" in the accompanying consolidated statement of profit or loss. The reader should note that the organisational changes made and change in scope affect the number of key management personnel and the composition and members of that team.

On a like-for-like basis, i.e., only analysing remuneration for the professionals who were part of the Group's key management personnel for all of the first six months of 2023 and 2024, the year-on-year increase in their remuneration narrows to 2.89%.

These amounts include the accrual of variable annual remuneration, on the assumption that the objectives set each year will be met. After delivery of the corresponding targets has been verified, these bonuses are paid out in the early months of the following year, adjusted for the definitive delivery metrics.

Of the total remuneration accrued by key management personnel in the first half of 2024, 65 thousand euros represented contributions to life insurance and pension plans (8 thousand euros in the first half of 2023).

The Group had not extended any advances or loans to these executives at either 30 June 2024 or 31 December 2023. At 30 June 2024, the Group had assumed life insurance commitments on behalf of these executives; the premiums on those policies cost it approximately 26 thousand euros in the first half of 2024 (21 thousand euros in the first half of 2023).

The key management personnel also participate in the Long-Term Incentive Plan (LTIP) for Promoting the Energy Transition, Reducing the Digital Divide and Boosting Diversification. That Plan's targets are likewise associated with those set out in the Group's Strategic Plan and are aligned with the key aspects of the Director Remuneration Policy. The LTIP has a duration of six years and will end on 31 December 2025.

Note that in order to reinforce the TSO's independence, the Operations Department of Red Eléctrica de España, S.A.U. has been assigned a series of specific targets that exclude all aspects unrelated to the operation of Spain's electricity system.

The Group's serving key management personnel do not enjoy any guarantees or golden parachute clauses in the event of dismissal. In the event of the termination of their employment agreements, their severance would be calculated in keeping with ordinary labour legislation.

In 2015, the Group implemented a Structural Management Plan that applies to some of its key management personnel. The beneficiaries of this Plan must comply with certain requirements and their participation can be modified or revoked by the Group under certain circumstances.

The Group had arranged director and officer liability insurance at both reporting dates. These policies cover all of the Group's key management personnel. The annual cost of the premiums in 2024 amounted to 459 thousand euros, including tax (536 thousand euros for 2023). These premiums are calculated based the nature of the Group's activities and as a function of its financial metrics, so that it is not feasible to apportion them between the key management personnel and directors or to allocate them to each individual.

19 Segment information

Redeia articulates its reportable operating segments around the main lines of business considered by the Group in its management and decision-making.

At 30 June 2024, the Group was divided into the following operating segments whose main products, services and operations are outlined next:

- **Management and operation of domestic electricity infrastructure**

This segment comprises the Group's main business activity, as the sole transmission and system operator (TSO) for the Spanish electricity system. Its mission is to guarantee the security and continuity of the electricity supply at all times and manage high-voltage electricity transmission.

The Group engages in the high-voltage transmission of electricity through Red Eléctrica. To this end, it manages the electricity transmission network infrastructure that connects the power plants to the consumer distribution points. As transmission network manager, Red Eléctrica is responsible for the development and expansion of the network, its maintenance, managing the transfer of electricity between island systems and the mainland, and guaranteeing equal, third-party access to the transmission network.

In addition, Red Eléctrica operates the mainland Spanish electricity system and the non-mainland systems in the Canary Islands, Balearic Islands, Ceuta and Melilla, guaranteeing the security and continuity of the electricity supply at all times. Operation of the system encompasses the activities that are necessary to guarantee security and continuity, as well as proper coordination between the generation system and transmission network, ensuring that the energy produced by the generators is transmitted to the distribution networks at the standards of quality required under applicable legislation.

- **Telecommunications (satellites and fibre optic):**

The telecommunications segment comprises the operation of satellite infrastructure and the provision of satellite services in Spain, Portugal and South America, as well as the lease in Spain of a broad dark fibre backbone network, and technical sites and spaces for housing customers' telecommunications equipment. The main services provided are the provision of satellite capacity and telecommunications services in the wholesale satellite internet services market, as well as the lease and concession of fibre optics, the lease of sites, the maintenance of telecommunications facilities, and the provision of end-to-end telecommunications infrastructure solutions (towers, fibre optics, technical spaces and electricity supply) for telecommunications operators to provide mobile telephone voice and data services on high-speed train (AVE) lines.

- **Management and operation of international electricity infrastructure**

This segment comprises activities related to international business development, mainly focused on the construction and operation of electricity transmission networks outside of Spain, specifically in Peru, Chile and Brazil at 30 June 2024.

The Group also carries out reinsurance activities and fosters innovation in the electricity and telecommunications sectors. These activities do not meet the quantitative thresholds for presentation as separate reportable operating segments.

Inter-segment sales prices are established at arm's length, i.e., at the same price agreed in a comparable transaction between two unrelated parties.

Below are the key measures for the operating segments so identified:

Business segments at 30 June 2024

Thousands of euros	Management and operation of national electricity infrastructure	Management and operation of international electricity infrastructure	Telecommunications		Other, corporation & adjustments	Total
			Satellites	Fibre optic		
Revenue	691,277	38,940	121,515	76,210	(17,131)	910,811
External customers	689,767	38,940	121,515	47,916	12,674	910,811
Inter-segment revenue	1,511	–	–	28,294	(29,805)	–
Share of profits of equity-accounted investees (with comparable businesses)		34,518	2,391	–	629	37,538
Depreciation and amortisation	(196,829)	(10,886)	(55,076)	(11,978)	(4,758)	(279,527)
Impairment of and gains/(losses) on fixed asset disposals	–	–	(53)	–		(53)
Operating profit	292,075	50,727	12,436	44,721	13,704	413,664
Finance income	23,071	5,162	1,878	3,949	(3,201)	30,858
Finance costs	(54,188)	(24,484)	(7,487)	(6,192)	17,471	(74,880)
Income tax	(59,989)	631	(3,265)	(10,658)	(11,580)	(84,861)
Profit/(loss) attributable to non-controlling interests	–	(271)	125	15,585	–	15,438
Profit (after tax) attributable to equity holders of the parent	200,969	32,308	3,470	16,235	16,361	269,343
Segment assets	11,054,809	1,674,162	1,254,750	500,585	402,976	14,887,281
Equity-accounted investments	–	874,776	98,357	–	(7,146)	965,987
Segment liabilities	7,247,715	785,016	555,761	387,602	548,741	9,524,835

Business segments at 30 June 2023

	Management and operation of national electricity infrastructure	Management and operation of international electricity infrastructure	Telecommunications		Other, corporation & adjustments	Total
			Satellites	Fibre optic		
Revenue	814,133	37,126	116,625	75,180	(13,955)	1,029,109
External customers	812,714	37,126	116,594	49,655	13,020	1,029,109
Inter-segment revenue	1,419	–	31	25,525	(26,975)	–
Share of profits of equity-accounted investees (with comparable businesses)	–	32,739	2,071	–	–	34,810
Depreciation and amortisation	(198,219)	(10,531)	(46,486)	(11,975)	(2,717)	(269,928)
Impairment of and gains/(losses) on fixed asset disposals	–	–	(11)	–	–	(11)
Operating profit	413,428	44,359	15,998	41,561	12,292	527,638
Finance income	15,493	6,059	825	1,686	4,104	28,167
Finance costs	(45,559)	(22,990)	(4,396)	(6,148)	8,705	(70,388)
Income tax	(95,316)	418	(5,621)	(9,512)	(10,146)	(120,177)
Profit/(loss) attributable to non-controlling interests	–	(1,008)	682	13,908	–	13,582
Profit (after tax) attributable to equity holders of the parent	288,043	29,966	7,997	14,482	13,851	354,339
Segment assets	11,130,451	1,671,535	1,578,290	392,443	525,542	15,298,261
Equity-accounted investments	–	862,939	81,823	–	5,232	949,994
Segment liabilities	7,555,807	772,022	660,487	281,419	640,903	9,910,638

The breakdown by geography of revenue in the first six months of 2024 and 2023 and of non-current assets at 30 June 2024 and 31 December 2023:

Revenue

Thousands of euros	First half 2024	First half 2023
Spain	792,501	903,391
International	118,310	125,718
a) European Union	23,817	21,044
a.1) Eurozone	23,817	21,044
b) Other countries	94,493	104,674
Total	910,811	1,029,109

Fixed assets (*)

Thousands of euros	31 Dec. 2024	30 June 2023
Spain	10,658,464	10,140,659
Other	1,759,892	1,660,685
Total	12,418,356	11,801,344

(*) Excludes non-current financial assets, deferred tax assets, trade receivables and other non-current receivables.

20 Guarantees and other commitments extended to third parties and other contingent liabilities

At 30 June 2024, the Group was party to a series of proceedings, mainly administrative and disciplinary proceedings. The Group has assessed the related risks and does not expect any events to arise that would result in liabilities and/provisions that have not been recognised in its interim condensed consolidated financial statements or that would have a significant impact on its earnings, having estimated its maximum exposure to these possible risks at around 138 million euros.

21 Earnings per share

The earnings per share amounts for the first six months of 2024 and 2023:

	First half 2024	First half 2023
Earnings (thousands of euros)	269,343	354,339
Number of shares	541,080,000	541,080,000
Average number of own shares	1,449,953	1,499,900
Basic earnings per share (euros)	0.50	0.66
Diluted earnings per share (euros)	0.50	0.66

Basic and diluted earnings per share coincided in both reporting periods.

22 Events after 30 June 2024

As indicated in note 12, on 27 June 2024, Redeia, through its subsidiary Redeia Corporación S.A., issued 500 million euros of green notes on the euromarket. The notes were paid in on 9 July 2024.

Appendix I List of investees at 30 June 2024

Redeia

Breakdown of equity investments at 30 June 2024

	2024	
	Percentage interest ¹	
	Direct	Indirect
- Company - Registered office - Core business Redeia Corporación S.A. (formerly, Red Eléctrica Corporación, S.A.), the Parent, was incorporated in 1985. - Paseo Conde de los Gaitanes, 177. Alcobendas. Madrid. (Spain). - Management of the group of companies, provision of assistance/support services to investees and operation of the property owned by the Company.		
A) Fully consolidated subsidiaries		
Red Eléctrica de España, S.A.U. (Red Eléctrica) - Paseo Conde de los Gaitanes, 177. Alcobendas. Madrid. (Spain). - Transmission and operation of the Spanish electricity system and management of the transmission network.	100%	—
Red Eléctrica Internacional, S.A.U. (Redinter) - Paseo Conde de los Gaitanes, 177. Alcobendas. Madrid. (Spain). - Acquisition and holding of international equity investments. Provision of advisory, engineering and construction services. Performance of electricity activities outside the Spanish electricity system.	100%	—
Redeia Infraestructuras de Telecomunicación, S.A. (formerly, Red Electrica Infraestructuras de Telecomunicación, S.A.) - Paseo Conde de los Gaitanes, 177. Alcobendas. Madrid. (Spain). - Provision of advisory, engineering and construction services.	51%	—
Red Eléctrica Infraestructuras en Canarias, S.A.U. - Calle Juan de Quesada, 9. Las Palmas (Gran Canary Island) (Spain). - Management of the construction of energy storage facilities and of the water cycle.	100%	—
Redeia Financiaciones, S.L.U. (formerly, Red Eléctrica de España Finance, S.L.U.) - Paseo Conde de los Gaitanes, 177. Alcobendas. Madrid. (Spain). - Financing activities.	100%	—
Red Eléctrica Financiaciones, S.A.U. - Paseo Conde de los Gaitanes, 177. Alcobendas. Madrid. (Spain). - Financing activities.	100%	—
Redeia Sistemas de Telecomunicaciones, S.A.U. (formerly, Red Eléctrica Sistemas de Telecomunicaciones, S.A.U.) - Paseo Conde de los Gaitanes, 177. Alcobendas. Madrid. (Spain). - Acquisition, holding, management and administration of Spanish and foreign equity securities.	100%	—
Elewit, S.A.U. (formerly, Red Eléctrica y Telecomunicaciones, Innovación y Tecnología, S.A.U.) - Paseo Conde de los Gaitanes, 177. Alcobendas. Madrid. (Spain). - Activities geared towards driving and accelerating technological innovation.	100%	—
Redeia Reaseguros, S.A. (Redcor) - 26, Rue Louvigny. (Luxembourg). - Reinsurance activities. Incorporated in 2010 in Luxembourg in order to reinsure the risks of the Group companies, thereby guaranteeing better access to the international reinsurance markets.	100%	—
Red Eléctrica Andina, S.A.C. (REA) -Av. Javier Prado Este 492 Int. 1001 Urb. Jardín San Isidro. Lima (Peru) - Provision of line and substation maintenance services.	—	100% (a)
Red Eléctrica del Sur, S.A.C. (Redesur) -Av. Javier Prado Este 492 Int. 1001 Urb. Jardín San Isidro. Lima (Peru) - Electricity transmission and operation and maintenance of electricity transmission networks.	—	100% (a)

- Company - Registered office - Core business	2024	
	Percentage interest ¹	
	Direct	Indirect
Transmisora Eléctrica del Sur , S.A.C. (Tesur) -Av. Javier Prado Este 492 Int. 1001 Urb. Jardín San Isidro. Lima (Peru) - Electricity transmission and operation and maintenance of electricity transmission networks.	—	100% (c)
Transmisora Eléctrica del Sur 2 , S.A.C. (Tesur 2) -Av. Javier Prado Este 492 Int. 1001 Urb. Jardín San Isidro. Lima (Peru) - Electricity transmission and operation and maintenance of electricity transmission networks.	—	100% (c)
Transmisora Eléctrica del Sur 3 , S.A.C. (Tesur 3) -Av. Javier Prado Este 492 Int. 1001 Urb. Jardín San Isidro. Lima (Peru) - Electricity transmission and operation and maintenance of electricity transmission networks.	—	100% (c)
Transmisora Eléctrica del Sur 4 , S.A.C. (Tesur 4) -Av. Javier Prado Este 492 Int. 1001 Urb. Jardín San Isidro. Lima (Peru) - Electricity transmission and operation and maintenance of electricity transmission networks.	—	100% (j)
Red Eléctrica del Norte Perú, S.A.C. (Redelnor) -Av. Javier Prado Este 492 Int. 1001 Urb. Jardín San Isidro. Lima (Peru) - Electricity transmission and operation and maintenance of electricity transmission networks.	—	100% (a)
Concesionaria Línea de Transmisión CCNCM, S.A.C. (CCNCM) -Av. Javier Prado Este 492 Int. 1001 Urb. Jardín San Isidro. Lima (Peru) - Electricity transmission and operation and maintenance of electricity transmission networks.	—	100% (d)
Red Eléctrica Chile S.P.A. (Rech) - Isidora Goyenechea 3000, Oficina 1602 Las Condes, Santiago (Chile) - Acquisition, holding, management and administration of securities.	—	100% (a)
Red Eléctrica del Norte S.A. (Redenor) - Isidora Goyenechea 3000, Oficina 1602 Las Condes, Santiago (Chile) - Electricity transmission and operation and maintenance of electricity transmission networks.	—	69.9% (e)
Red Eléctrica del Norte 2 S.A. (Redenor 2) - Isidora Goyenechea 3000, Oficina 1602 Las Condes, Santiago (Chile) - Electricity transmission and operation and maintenance of electricity transmission networks.	—	100% (e)
Red Eléctrica Brasil Holding Ltda. (REB) -Av. Brigadeiro Faria Lima, No. 3729, 5, 04538-905. São Paulo (Brazil) - Acquisition, holding, management and administration of securities.	—	100% (a)
Hispat S.A. - Calle de Anabel Segura, 11. Alcobendas. Madrid. (Spain). - Parent of the Hispatat Subgroup. Operation of the satellite communications system and provision of space segment services for the geostationary orbital slots allocated to the Spanish state.	—	89.68% (f) (g)
Hispatat Canarias, S.L.U. - Calle Practicante Ignacio Rodriguez s/n Edificio Polivalente IV. Las Palmas (Gran Canary Island) (Spain). - Sale and lease of satellites and their capacity.	—	89.68% (g)
Hispatat Brasil, Ltda. - Praia do Flamengo, 200 Rio de Janeiro (Brazil). - Sale and marketing of satellite capacity.	—	89.68% (g)

- Company - Registered office - Core business	2024	
	Percentage interest ¹	
	Direct	Indirect
Hispamar Satélites, S.A. - Praia do Flamengo, 200 Rio de Janeiro (Brazil). - Sale and marketing of satellite capacity.	—	89.68% (g)
Hispamar Exterior, S.L.U. - Calle de Anabel Segura, 11. Alcobendas. Madrid. (Spain). - Sale and marketing of satellite capacity.	—	89.68% (g)
Hispasat de México, S.A. de C.V. - Agustín Manuel Chávez 1-001 Col. Centro de Ciudad Santa Fe, Mexico City (Mexico) - Use of radio spectrum, telecommunications networks and satellite communication.	—	89.68% (g)
Consultek Inc. - 1036 Country Club Drive, Suite 202, Moraga, CA 94556. (USA). - Technical consultancy services.	—	89.68% (g)
Hispamar Satélites, S.A. (Venezuela) - Torre Phelps, piso 10 ofic. 10, Caracas (Venezuela) - Sale and provision of satellite telecommunications services.	—	89.68% (g)
Hispasat UK, Ltd. 30 Finsbury Square, London. (England) - Sale and provision of satellite telecommunications services.	—	89.68% (g)
Hispasat Perú, S.A.C. Jr. Carlos Baca Flor 307, Dpto. No. 701, Distrito de Magdalena del Mar. Lima (Peru) - Sale and provision of satellite telecommunications services.	—	89.68% (g)
Axess Networks Solutions Holding Germany, GmbH Falkenweg 1, 53809, Ruppichteroth (Germany) - Acquisition, holding and management of investments in companies involved in the telecommunications technology field.	—	89.68% (g) (h)
Axess Networks Solutions Germany, GmbH Falkenweg 1, 53809, Ruppichteroth (Germany) - Provision of telecommunications services.	—	89.68% (g) (h)
Axess Networks Solutions UK Ltd 2 nd Floor, 168 Shoreditch High Street, E1 6RA, London (United Kingdom) - Provision of telecommunications services.	—	89.68% (g) (h)
Axess Networks Solutions Colombia S.A.S. Carrera 7 No. 71-52 Torre B, Oficina 501 in Bogota City, Department of Cundinamarca (Colombia) - Provision of telecommunications services.	—	89.68% (g) (h)
Axess Networks Solutions Ecuador S.A. Avenida de los Shyris E9-38 y Bélgica Edificio Shyris Century, Piso 7 Quito (Ecuador) - Provision of telecommunications services.	—	89.68% (g) (h)
Axess Networks Solutions Perú S.A.C Av. Alfredo Benavides No. 1555 Dpto. 301 – Urb. San Antonio – Miraflores – Lima. (Peru) - Provision of telecommunications services.	—	89.68% (g) (h)

	2024	
	Percentage interest ¹	
	Direct	Indirect
- Company - Registered office - Core business		
Axess Networks Solutions Chile S.A. Isidora Goyenechea 3365, Piso 9, Comuna de Las Condes, Santiago de Chile. (Chile) - Provision of telecommunications services.	—	89.68% (g) (h)
Axess Networks Solutions México S.A. de C.V Av. Paseo de la Reforma 26, Piso 16, Col. Juárez, C.P. 06600 Del. Cuauhtémoc, Mexico City (Mexico) - Provision of telecommunications services.	—	89.68% (g) (h)
HPS Corporativo S. de R.L de C.V Mariano Escobedo No. 353-B, Interior 3A, Col. Polanco V Sección, Del. Miguel Hidalgo, CP 11560, Mexico City. (Mexico) Provision of telecommunications services.	—	89.68% (g) (h)
B) Investees accounted using the proportionate method		
Interconexión Eléctrica Francia-España, S.A.S. (Inelfe) - Inmueble Window, 7 C Place du Dôme. Paris. (France) - Study and execution of interconnections between Spain and France.	—	50% (b)
C) Equity-accounted investees		
Transmisora Eléctrica del Norte S.A. (TEN) - Avenida Apoquindo No. 3721, piso 6, Las Condes, Santiago (Chile) - Electricity transmission and operation and maintenance of electricity transmission networks.	—	50% (e)
Argo Energia Empreendimentos y Participações S.A. - Calle Tabapuã, 841 – 5º andar – Itaim Bibi – São Paulo/SP (Brazil) - Acquisition, holding, management and administration of securities.	—	50% (i) (k)
Argo Transmissão de Energia S.A. (Argo I) - Calle Tabapuã, 841 – 5º andar – Itaim Bibi – São Paulo/SP (Brazil) - Electricity transmission and operation and maintenance of electricity transmission networks.	—	50% (k)
Argo II Transmissão de Energia S.A. (Argo II) - Calle Tabapuã, 841 – 5º andar – Itaim Bibi – São Paulo/SP (Brazil) - Electricity transmission and operation and maintenance of electricity transmission networks.	—	50% (k)
Argo III T Transmissão de Energia S.A. (Argo III) - Calle Tabapuã, 841 – 5º andar – Itaim Bibi – São Paulo/SP (Brazil) - Electricity transmission and operation and maintenance of electricity transmission networks.	—	50% (k)
Argo IV Transmissão de Energia S.A. (Argo IV) - Calle Tabapuã, 841 – 5º andar – Itaim Bibi – São Paulo/SP (Brazil) - Electricity transmission and operation and maintenance of electricity transmission networks.	—	50% (k)
Argeb Energia Empreendimentos e Participações S.A. (Argeb) - Calle Tabapuã, 841 – 5º andar – Itaim Bibi – São Paulo/SP (Brazil) - Acquisition, holding, management and administration of securities.	—	31.25% (k)
Argo V Transmissão de Energia S.A. (Argo V) - Calle Tabapuã, 841 – 5º andar – Itaim Bibi – São Paulo/SP (Brazil) - Electricity transmission and operation and maintenance of electricity transmission networks.	—	31.25% (k)
Argo VI Transmissão de Energia S.A. (Argo VI) - Calle Tabapuã, 841 – 5º andar – Itaim Bibi – São Paulo/SP (Brazil) - Electricity transmission and operation and maintenance of electricity transmission networks.	—	31.25% (k)

- Company - Registered office - Core business	2024	
	Percentage interest ¹	
	Direct	Indirect
Transmissora José Maria de Macedo de Eletricidade S.A. (Argo VII) - Calle Tabapuã, 841 – 5º andar – Itaim Bibi – São Paulo/SP (Brazil) - Electricity transmission and operation and maintenance of electricity transmission networks.	—	31.25% (k)
Giovanni Sanguinetti Transmissora de Energia S.A. (Argo VIII) - Calle Tabapuã, 841 – 5º andar – Itaim Bibi – São Paulo/SP (Brazil) - Electricity transmission and operation and maintenance of electricity transmission networks.	—	31.25% (k)
Argo IX Transmissão de Energia S.A. (Argo IX) - Calle Tabapuã, 841 – 5º andar – Itaim Bibi – São Paulo/SP (Brazil) - Electricity transmission and operation and maintenance of electricity transmission networks.	—	31.25% (k)
Compañía Operadora de Infraestructuras Eléctricas, S.A. - Rómulo Peña nº 4008, Antofagasta, Santiago (Chile) - Monitoring, control and supervision of the national electricity system.	—	50% (e)
Hisodesat Servicios Estratégicos, S.A. - Paseo de la Castellana 143, 28046 Madrid (Spain) - Sale and marketing of space systems for government use.	—	38.56% (g)
Grupo de Navegación Sistemas y Servicios, S.L. - Calle Isaac Newton 1, Madrid (Spain) - Operation of satellite systems.	—	12.82% (g)
Grupo Sylvestris, S.L. Paseo de la Ermita del Santo 5, 28011 Madrid (Spain) - Reforestation, gardening and rural development, combining engineering and social impact.	—	9.73% (g)
Okto Grid ApS Gammel Kongevej 11, 5. 1610 København V (Denmark) - Measurement systems for the energy industry.	—	13.07% (l)
Hybrid Energy Storage Solutions, S.L. -Av. Benjamín Franklin, 12, Mód. No. 24, 46980 Paterna, Valencia (Spain) - Design, production and sale of energy storage technology solutions for next-generation electricity networks.	—	19.61% (l)
Aerolaser System, S.L. -Av. José Mesa y López, 45, L. D4, 35010 Las Palmas, Gran Canary Island (Spain). (Spain) - Development and sale of sensory technological solutions for geospatial technology.	—	24.01% (l)
Unusuals World, S.L. -Av. Gregorio Peces-Barba, 1, 28918 Leganes. Madrid. (Spain) - Development of artificial intelligence solutions for the detection of anomalies in network maintenance.	—	15.00% (l)

¹ Equivalent to voting rights.

(a) Shareholding held through Red Eléctrica Internacional, S.A.U.

(b) Shareholding held through Red Eléctrica de España, S.A.U.

(c) Shareholding held through Red Eléctrica del Sur, S.A.C.

(d) Shareholding held through Red Eléctrica del Norte Perú, S.A.C.

(e) Shareholding held through Red Eléctrica Chile, SpA.

(f) Shareholding held through Redeia Sistemas de Telecomunicaciones, S.A.U.

(g) Company belonging to the Hispasat Subgroup, whose parent is Hispasat, S.A.

(h) Company belonging to the Axess Subgroup whose parent was Axess Networks Solutions, S.L.U. in 2023 and changed to Hispasat, S.A. in 2024 following the merger of the former into the latter (note 2.g).

(i) Shareholding held through Red Eléctrica Brasil Holding Ltda.

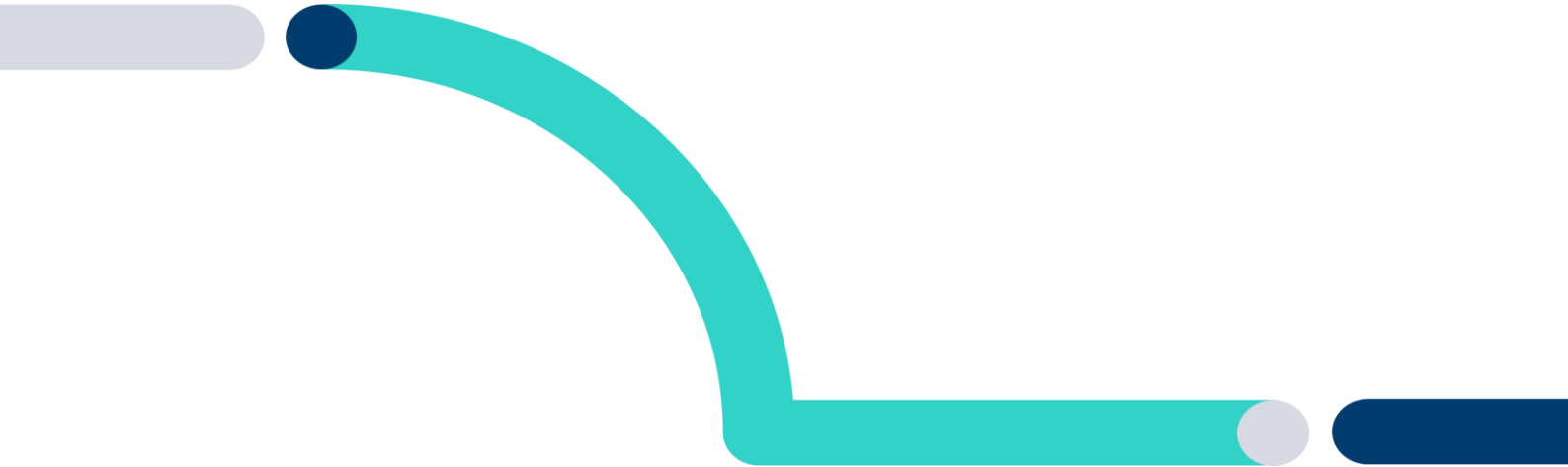
(j) Shareholding held through Red Eléctrica del Sur, S.A.C. and Red Eléctrica Internacional, S.A.U.

(k) Company belonging to the Argo Subgroup whose parent is Argo Energia Empreendimentos y Participações S.A.

(l) Shareholding held through Elewit, S.A.U.

redeia

El valor de lo esencial



Interim consolidated
management report for the
six months ended 30 June
2024

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The various sections of this consolidated management report contain certain forward-looking information reflecting projections and estimates and their underlying assumptions, statements referring to plans, objectives and expectations around future transactions, investments, synergies, products and services, as well as statements concerning future earnings and dividends and estimates made by the directors, based on assumptions they consider reasonable.

While the Group considers the expectations reflected in those statements to be reasonable, investors and holders of shares in the Parent are cautioned that the forward-looking information and statements are subject to risks and uncertainties, many of which are difficult to foresee and generally beyond the Group's control. As a result of such risks, actual performance and developments could differ significantly from those expressed, implied or forecast in the forward-looking information and statements.

The forward-looking statements are not guarantees of future performance and have not been reviewed by the Group's external auditors or by other independent third parties. Investors and holders of shares in the Parent are cautioned not to take decisions on the basis of forward-looking statements that refer exclusively to information available as at the date of this report. All of the forward-looking statements contained in this report are expressly subject to this disclaimer. The forward-looking statements included in this document are based on the information available as at the date of this management report. Unless required otherwise under applicable law, the Group undertakes no obligation to publicly update any forward-looking statement or revise its forecasts, whether as a result of new information, future events or otherwise.

In order to make it easier to understand the information provided in this document, certain alternative performance measures have been included. The definition of those alternative performance measures can be retrieved from: <https://www.redeia.com/en/shareholders-and-investors/financial-information/alternative-performance-measures>

1 Significant developments during the interim reporting period and outlook

Redeia Corporación, S.A. (hereinafter, the Parent or the Company) is the Parent of a Group of subsidiaries. The Group also has investments in joint operations together with other venturers. The Parent and its subsidiaries comprise Redeia (hereinafter, the Group or Redeia).

The Group's core business is the management and operation of electricity infrastructure in Spain through Red Eléctrica de España, S.A.U. (Red Eléctrica) and internationally, through Red Eléctrica Internacional, S.A.U. and its investees (Redinter). The Group also provides telecommunications services via satellite through Hispasat, S.A. and its subsidiaries (Hispasat) and telecommunications services over fibre optic to third parties in Spain through Redeia Infraestructuras de Telecomunicación, S.A. (Reintel).

Redeia spearheads innovation, business creation and technology development, which it views as a key enabler of sustainability, through its subsidiary, Elewit, S.A.U. (Elewit). Lastly, through Redeia Sistemas de Telecomunicaciones, S.A.U. (Restel), the Group is fostering the development of mobile communication sites so that operators can deploy their 5G telecommunications networks.

Management and operation of domestic electricity infrastructure

Red Eléctrica, as Spain's TSO, is entrusted with ensuring the correct functioning of the Spanish electricity system and guaranteeing the continuity and security of the electricity supply at all times. To this end, it oversees and coordinates the high-voltage electricity system and manages the development of the transmission network. Its pursuit of this mission is framed by the principles of neutrality, transparency, independence and economic efficiency, so as to offer a secure, efficient and high-quality electricity service to society as a whole.

Through Red Eléctrica, Redeia invested 366.7 million euros in the Spanish transmission network in the first half of 2024.

During this period, the Group remained committed to efficient development of the transmission network by commissioning facilities that contribute to the energy transition, with the aim of integrating as much renewable power as possible and furthering electrification, thus ensuring security of supply and service quality. The new facilities brought into service in the first half of 2024 notably included the Güeñes – Itxaso line (Basque region) (147 km), the Renove Litoral substation (Almeria) (10 bays), the Cáceres – Los Arenales line (Cáceres) (59 km) and the Beariz substation (Orense) (8 bays).

Another milestone in the first half of 2024 was the receipt of the Administrative Construction Permit and Declaration of Public Utility for the Spanish side of the western interconnection with France, which will lift capacity at this interconnection to 5,000 MW and extend its length to 400km, from the substation in Cubnezais (near Bordeaux, France) to the substation in Gatika (near Bilbao, Spain).

Mainland electricity system

The most noteworthy developments during the first half of 2024 were as follows:

- Demand for electricity on the mainland amounted to 113,710 GWh, up 0.6% from the first half of 2023. Adjusting for calendar effects and temperatures, the year-on-year increase widens to 1.3%.
- Demand in terms of average hourly power and daily electricity peaked on 11 January and 10 January at 38,044 MWh and 771 GWh, respectively, marking decreases of 1.5% and 1.0%, respectively, from the peaks recorded in the first half of 2023.

- 61.9% of demand was met from renewable generation, up 8.9 percentage points from the first half of 2023, thanks mainly to more generation from hydro and photovoltaic solar technologies.
- Peak instantaneous power and daily electricity from wind power were recorded on 26 February and 17 January, at 20,197 MW and 419 GWh, respectively, marking a decline of 3.4% and growth of 1.4% from the first-half 2023 peaks, respectively.
- International electricity exchanges yielded another net export balance of 5,834 GWh for Spain in the first half of 2024.
- Red Eléctrica's mainland transmission network recorded another excellent performance. Provisional total network availability was 97.72% in the first half. The continuity of supply indicators remained below the thresholds set out in Royal Decree 1955/2000, with accumulated ENS (energy not supplied) and AIT (average interruption time) metrics in the first half of 2024 of 7.75 MWh and 0.018 minutes, respectively (124.62 MWh and 0.288 minutes in the first half of 2023), evidencing the continuing high degree of security and quality provided by Red Eléctrica's facilities.

Non-mainland electricity system

- Demand in the Balearic Islands increased by 0.4% year-on-year in the first half of 2024. The number of working days and the temperature factor eroded demand by 0.2% and 2.2%, respectively. The HDVC-250 kV Morvedre-Santa-Ponça link-up continues to provide supply security and quality, with power from the mainland covering 26.5% of demand in the Balearics in the first half of 2024 (23.5% in the first half of 2023), shaped by the difference in generation costs between the two systems.
- In the Canary Islands system, demand increased by 2.4% year-on-year in the first half of the year. Generation from renewable sources (hydraulic, wind, photovoltaic solar, other renewable sources and hydropower) accounted for 19.4% of the total generation mix (18.9% in the first half of 2023).

Management and operation of international electricity infrastructure (Redinter)

Redeia's international business is carried out through Red Eléctrica Internacional, S.A.U. (Redinter), which currently has a presence in Peru, Chile and Brazil.

Redeia manages a network stretching 7,672 km in these three countries (1,692 km in Peru, 1,767 km in Chile and 4,213 km in Brazil), all of which is operational.

Redinter currently has a workforce of 117 (82 people in Peru, 31 in Chile and 4 in Brazil). This figure excludes the headcounts of TEN (Chile) and Argo (Brazil), which are 50%-owned ventures, and of REN, in which the Group has a 5% shareholding.

Activities in Peru

In Peru, Redinter is the main transmission provider in the south of the country and, since 2019, also operates in the north, through Concesionaria Línea de Transmisión CCNCM S.A.C. (CCNCM) (a wholly-owned subsidiary of Redelnor).

During the first six months of 2024, an agreement was reached with WOW Peru giving it usufruct rights over two fibre optic strands (implying income of 1.5 million dollars over three years), while another agreement was executed with Yinson Renewables for the remote operation of the Chaparral substation (implying income of 0.15 million dollars over three years).

In the first half of 2024, the various concessions reported a cumulative availability metric of 99.96%, compared to a target of 99.85%; all of the concessions performed ahead of that target, specifically CCNMC: 99.99% and Tesur 2, Tesur 3 and Tesur 4: 100%. Redesur reported availability of 99.81% due to scheduled preventive maintenance work. In the first half of 2023 those transmission system availability readings were 99.989% in the case of Redesur, 99.989% at Tesur, 100% at Tesur 2, Tesur 3 and Tesur 4 and 99.918% at CCNMC.

Activities in Chile

The transmission business in Chile is grouped under the holding company in that market, Red Eléctrica Chile S.P.A. (RECH), incorporated in 2015, which holds 50% of Transmisora Eléctrica del Norte, S.A. (TEN), the owner of the electricity interconnection between northern and central Chile, which gave rise to the national electricity system in 2017; 69.9% of Red Eléctrica del Norte, S.A. (Redenor), which has one substation and three lines in northern Chile, close to the border with Peru, operational since 2022; and 100% of Red Eléctrica del Norte 2, S.A. (Redenor 2), which operates three transmission lines and is carrying out work to expand its facilities under the scope of the country's official transmission system expansion plan; and the connection between a renewable facility (the Sierra Gorda PV solar farm) and the interconnected system, operational since 27 February 2023.

COIESA was incorporated in November 2023 to provide service to the control centre in Chile; it is 50%-owned by RECH and 50%-owned by Engie Energía Chile S.A. COIESA's corporate object is to monitor, control and supervise the electricity facilities of the national electricity system (SEN), operate the facilities via SCADA commands and market and sell any surplus fibre optic capacity.

In the first half of 2024, the various companies in Chile reported a cumulative availability metric of 99.95%, compared to a target of 99.63%; all of the concessions performed ahead of that target, specifically Redenor: 100%; Redenor 2: 99.75%; and TEN: 99.81%. In the first six months of 2023, the availability metric for TEN's transmission system was 99.80%, while at Redenor (Stage 1, Nueva Pozo Almonte substation) and Redenor 2, availability amounted to 99.88% and 99.80%, respectively.

Activities in Brazil

In Brazil, through Red Eléctrica Brasil (REB), Redinter owns 50% of the holding company Argo Energía Empreendimentos e Participações S.A. (Argo), which in turn holds four concessionaires: Argo I, Argo II, Argo III and Argo IV. Argo I has been operating 1,115 km of 500kV lines and five substations in northeast Brazil since the end of 2019. Argo II, comprising the expansion of a substation, and Argo III, which operates 320 km of 230kV lines and five substations in the state of Rondonia, have been operating commercially since 2022. Argo IV operates 312 km of 500kV lines and was acquired in 2022.

At the end of 2022, Argo acquired 62.5% of Argeb Energía Empreendimentos e Participações S.A. (ARGEb) and its five concessionaires: Argo V, Argo VI, Argo VII, Argo VIII and Argo IX. All five concessionaires are operational and run 2,466 km of 500 kV and 230 kV transmission lines and 20 substations in northeast Brazil.

Overall, Redinter has 4,213 km of lines in Brazil, making it a leading transmission provider with a strong position in the northeast, one of the regions with highest potential in renewable power and greatest need for transmission network development.

Cumulative availability in the first half of 2024 was 99.96%, compared to a target of 99.55%. Specifically, availability was 100% at Argo IV and Argo VIII; 99.99% at Argo I, Argo VII and Argo IX; 99.95% at Argo II; 99.94% at Argo III; 99.92% at Argo V; and 99.84% at Argo VI, all of which above the targeted statistic. Cumulative availability in the first half of 2023 was 99.69% at Argo I, 99.86% at Argo II, 95.78% at Argo III, 100.00% at Argo IV, 99.94% at Argo V, 97.94% at Argo VI, 99.99% at Argo VII, 100.00% at Argo VIII and 99.97% at Argo IX.

Telecommunications

Satellite business

Redeia carries out the satellite telecommunications business through the Hispasat Subgroup (Hispasat). Hispasat is the leading satellite operator and service provider in Spain and Latin America and also plays an important role as a driver of innovation in the aerospace industry. It has a fleet of 10 satellites in seven orbital slots.

The Amazonas Nexus satellite, launched in February 2023, began to provide commercial service in July 2023, having successfully completed all its orbit tests. With this launch, Hispasat became the first satellite operator in the world to offset the carbon footprint generated by the entire launch process by means of a reforestation programme.

In 2023, Spain's Ministry of Economic Affairs and Digital Transformation awarded Hispasat the tender for the NGEU-funded programme for the extension of broadband connectivity to rural areas of Spain (the Single Rural Demand Plan). It is a pioneering project at the European level for effectively closing the digital divide by means of an immediate and affordable solution. This programme matches the cost of internet access so that an inhabitant in a rural part of the country does not have to pay more than someone living in a big city.

Hispasat had already committed to rural service provision in Spain before this project thanks to *Conéctate35*, a service for which end customer internet speed was doubled in 2024 (from 100/5Mbps to 200/10 Mbps), leaving the monthly cost at 35 euros. The take-up for this initiative by retail operators and the rural environment in general has been very enthusiastic, with 28 operators signed up to *Conéctate35*, in addition to thousands of registered users.

A group of European space and telecommunications companies, including Hispasat, have formed a consortium to bid for the future European satellite constellation, IRIS² (Infrastructure for Resilience, Interconnectivity and Security by Satellite). IRIS² will deliver resilient and secure connectivity solutions to government users to protect European citizens and will provide commercial services in the interest of European economies and societies. It will also bolster the EU partnership policy by offering its infrastructure abroad. IRIS² is the EU's new flagship space programme for a digital, resilient and safer Europe.

During the first half of 2024, Hispasat entered into an agreement with Netlife, Ecuador's first fibre optic operator, for the use of Hispasat's private label platform, Wave OTT Plus. Thanks to this turnkey as-a-service solution, Netlife will be able to offer its customers a high-quality, multi-screen entertainment service without having to deploy its own fibre optic network, so reducing its upfront investment and shortening its time to market. This private label platform is available for telecommunications operators and internet service providers (ISPs) in all Spanish-speaking markets in South America and will soon be launched in Brazil.

Fibre optic business

Redeia's fibre optic telecommunications business is based on the commercial operation in Spain of surplus capacity in the fibre optic network and infrastructure associated with the electricity transmission system and the railway network owned by ADIF-Alta Velocidad, to which the Group holds the rights of use and exploitation.

Reintel currently manages and markets a fibre optic network of over 53,503 km rolled out over the electricity transmission and railway networks, with 43 interconnections between the two. It offers equal and transparent access to the telecommunications sector players. Reintel also provides Red Eléctrica with the telecommunications services it needs in its business, including the maintenance of fibre optic cables and telecommunications equipment.

Throughout the first half of 2024, Reintel continued to develop and execute its business plan, articulated around the provision of the following services: (1) the rental and maintenance of dark fibre to/for the telecommunications operators and new sector players, such as data processing centres and cloud infrastructure and services companies (hyperscalers); and (2) connectivity between submarine cables which make land in the Iberian Peninsula and mobile telephony telecommunication towers. Reintel has also undertaken investments at the request of its customers in order to generate additional revenue. This entails advancing on the interconnection between the electricity and railway networks and the deployment of selective fibre optic cable in order to offer its customers new solutions, such as access points and redundancy services. All of which without neglecting its high standards of service.

The business continued to proactively manage its customer base and collections throughout the first half of 2024 to prevent non-performance or adverse impacts on any key financial indicators in 2024.

2 Business and earnings performance

Income: Revenue and share of profits of equity-accounted investees (with similar businesses)

Revenue plus the Group's **share of profits of equity-accounted investees** (with similar businesses to that of the Group) amounted to 948.3 million euros, down 10.9% from the 1,063.9 million euros recognised in the first six months of 2023. However, on a like-for-like basis, i.e., eliminating the effect of the assets that date to before 1998, the sum of revenue and the Group's share of equity investee profits increases by 1.6% year-on-year.

The revenue performance by main business line was as follows:

- **Management and operation of national electricity infrastructure:** revenue in this business amounted to 691.3 million euros, down 15.1% year-on-year, due to lower revenue from the transmission business (-124.5 million euros) as that the assets that date to before 1998 (the “pre-98 assets”) have reached the end of their regulatory useful lives. Revenue from system operation amounted to 1.7 million euros.
- **International electricity transmission:** revenue plus the share of equity investee profits amounted to 73.5 million euros, year-on-year growth of 5.1%. The breakdown of that growth is as follows:
 - Revenue came to 38.9 million euros in the first half, compared to 37.1 million euros in the first six months of 2023. That growth is primarily attributable to a healthy performance in Peru, partially offset by lower revenue from projects for third parties in Chile.
 - The Group's share of its international equity-accounted investees' profits totalled 34.5 million euros, up from 32.7 million euros in the first half of 2023, shaped by stronger earnings at Argo (Brazil), which more than offset lower earnings at TEN (Chile).

- **Telecommunications:** this business generated revenue plus investee profits of 200.1 million euros in the first half of 2024, compared to 193.9 million euros in the first half of 2023.
 - **Satellite business:** Revenue plus investee profits in the satellite business increased by 4.4% year-on-year in the first half of 2024 to 123.9 million euros, thanks largely to growth in earnings from the new satellite, Amazonas Nexus, which was brought on stream in July 2023. The Group's share of investee profits in this business was 2.4 million euros in the first half of 2024, compared to 2.1 million euros in the first six months of 2023, shaped by a stronger earnings performance at Hisdesat.
 - **Fibre optic:** revenue came to 76.2 million euros, up 1 million euros from the first half of 2023. The revenue growth is attributable to the indexation of certain contracts to inflation.

Other income and expenses: Other operating income and self-constructed assets

These two headings amounted to 76.2 million euros in the first half of 2024, year-on-year growth of 38.1% from 55.2 million euros last year.

“**Self-constructed assets**” amounted to 29.0 million euros, compared to 26.6 million euros in the first half of 2023, due mainly to the start of new projects in Spain, partially mitigated by lower international construction volumes.

“**Other operating income**” includes the income related with the Chira-Soria pumped storage hydropower station, which the Group has been accounting for as a finance asset under IFRIC 12 *Service concession arrangements* since December 2022. This accounting method implied the recognition of income of 39.7 million euros in the first half of 2024 (34.6 million euros of revenue related with construction and 3.6 million euros derived from the unwinding of the discount), compared to 24.2 million euros in the first half of last year. The rest of this line item, which amounted to 7.5 million euros, was higher year-on-year due to insurance claims and growth in grant income at Hispasat related with the Single Rural Demand Plan.

Operating expenses

Operating expenses amounted to 343.3 million euros, year-on-year growth of 4.1%. However, leaving aside the expenses with offsetting entries in other operating income, operating expenses actually came down by 1.0%:

- Growth in **expenses with offsetting entries in operating income**, mainly at Chira-Soria as a result of progress on the construction work, as well as projects for third parties.
- **Other costs of sales and other operating expenses** decreased by 3.9 million euros due to lower maintenance costs related with the TSO assets (~6 million euros less), following completion of an extraordinary maintenance plan in 2023, partly offset by higher expenses related with System Operator projects at the European level. The year-on-year reduction in costs is expected to intensify in the second half of the year as execution of the above-mentioned maintenance plan was largely concentrated in the second half of 2023.
- **Employee benefits expense** increased by 0.8 million euros due to a higher average headcount, partially offset by the non-recurring impact of the new collective bargaining agreements recognised during the first half of 2023. The Group had a **headcount** of 2,464 at 30 June 2024, compared to 2,456 one year earlier. The headcount averaged 2,463 in the first half (2,435 in the first half of 2023).

Earnings

EBITDA decreased by 13.7% year-on-year to 681.3 million euros in the first half of 2024, due primarily to the end of the useful life, for regulatory purposes, of the pre-98 assets, as noted earlier. On a like-for-like basis, however, i.e., eliminating the effect of the pre-98 assets, EBITDA was 3.5% higher than in the first half of 2023.

The trend in EBITDA by business is broken down below:

- **Management and operation of national electricity infrastructure:** EBITDA in this business amounted to 483.1 million euros, a year-on-year decrease of 20.3%, due primarily to the impact of the pre-98 assets. On a like-for-like basis, eliminating the effect of the pre-98 assets, EBITDA increased by 1.6% year-on-year.
- **International electricity transmission:** EBITDA in this business amounted to 61.6 million euros, up 6.7 million euros from the first half of 2023.
- **Telecommunications:** EBITDA came to 121.8 million, up 4.5% year-on-year,
 - In the **satellite business**, EBITDA amounted to 62.9 million euros, up 3.5% from the first half of 2023, thanks to the contribution by the Amazonas Nexus satellite, earnings from the rollout of the Single Rural Demand Plan (in July 2023) and stronger earnings at Hisdesat, partially mitigated by higher operating expenses as a result of a higher average headcount, among other factors.
 - In **fibre optics**, EBITDA registered year-on-year growth of 5.7% to 58.9 million euros, reflecting the positive impact of contract inflation indexation, coupled with contained operating expenses.

EBIT amounted to 413.7 million euros, down 21.6% from the first half of 2023. In addition to the above-mentioned factors shaping the trend in EBITDA, depreciation and amortisation charges were higher, essentially at Hispasat due to the launch of the new satellite, partially offset by higher grant-related income at Hispasat, related with the Single Rural Demand Plan.

The **net finance cost** widened by 11.3% to 44.0 million euros (net cost of 39.5 million euros in the first half of 2023). Finance costs amounted to 74.8 million euros in the first half of 2024, year-on-year growth of 4.4 million euros, driven mainly by a higher average borrowing cost (from 2.11% in the first half of 2023 to 2.22% this year), as well as higher average balances. The growth in finance costs was partially offset by growth in finance income, to 30.9 million euros, thanks to efficient financial management of surplus liquidity.

The Group's **effective corporate income tax rate** was 23.0%, compared to 24.6% in the first half of last year. The main reason for the drop in the effective rate is the higher contribution by investees accounted for using the equity method, whose profits are recognised net of tax.

Lastly, the **profit attributable to equity holders of the parent** amounted to 269.3 million euros, down 24.0% year-on-year, while profit attributable to non-controlling interests was 1.9 million euros higher. On a like-for-like basis, eliminating the effect of the pre-98 assets, the profit attributable to equity holders of the parent increased by 5.2% year-on-year. By business line, the trend in profit attributable to equity holders of the parent was as follows:

- **Management and operation of national electricity infrastructure:** the net profit attributable to this business amounted to 201.0 million euros, down 87.1 million euros from that of the first half of 2023, in turn shaped by the drop in EBITDA, affected by the impact of the pre-98 assets.
- **International electricity transmission:** the net profit in this business was 32.3 million euros, compared to 30.0 million euros in the first six months of 2023, driven by the above-mentioned EBITDA growth, partly offset by higher finance costs.
- **Telecommunications:** in this business the net profit came to 19.7 million euros, compared to 22.5 million euros in first half of 2023, due mainly to higher depreciation charges associated with the Amazonas Nexus satellite, but also higher finance costs in this business.

Capital expenditure

In the first half of 2024, capital expenditure amounted to 456.8 million euros, with Redeia continuing to accelerate its investment plan for the regulated Spanish market, investing over 421 million euros during the reporting period, framed by its duty to articulate the energy transition. The pace of investment is expected to accelerate further in the coming months, with capital expenditure for the full year estimated at around 1 billion euros.

The investments related with the **management and operation of national electricity infrastructure** totalled 421.4 million euros, year-on-year growth of 19.2%, and were aimed at facilitating the energy transition in Spain by paving the way for the integration of more renewable energy generation capacity. The breakdown by business line:

- **Development of the national transmission network:** capital expenditure of 366.7 million euros, compared to 320.5 million euros in the first half of 2023, reflecting intensification in the effort to build new lines and substations and upgrade assets, together with progress on the interconnections with other countries and between the island systems.
- In its capacity as **System Operator**, Redeia invested 15.0 million euros, up from 8.8 million euros in the first half of 2023.
- Lastly, the Group invested 39.7 million euros in **storage in the Canary Islands**, compared to 24.2 million euros in the first half of last year, evidencing the progress being made on this important project.

Investment in the **management and operation of international electricity infrastructure** totalled 1.9 million euros, compared to 1.5 million euros in the first half of 2023. The capital expenditure in the first half of 2024 includes the acquisition of a control centre in Chile during the first quarter, among other items.

In the **telecommunications business**, the Group invested 7.8 million euros in the satellite business, related mainly with the lease of **satellite capacity**. Investment in the **fibre optic business** amounted to 4.5 million euros, compared to 5.3 million euros in the first half of 2023, in line with the capital expenditure plan.

Lastly, the Group invested 21.3 million euros in other areas, including infrastructure for the Group itself and the investments made by Elewit, Redeia's private equity investment vehicle.

Cash flows

The main movements in cash flows in the first half of 2024 are analysed next:

Funds from operations (FFO), after tax, amounted to 693.0 million, up 9.6% year-on-year, marked by collection of the tax reimbursable in respect of 2022, in the amount of 193 million euros, related mainly with the gain on the sale of Reintel, offset by lower pre-tax profits.

Changes in working capital implied a cash outflow of 229.8 million euros, compared to an outflow of 344.5 million euros in the first half of last year, when the Group returned 204 million euros of surplus tariffs collected in prior years, compared to a lower 122 million euros this half. The balance outstanding at 30 June 2024 stood at 166 million euros and is expected to be repaid in the coming months.

Capital expenditure amounted to 456.8 million euros, up 10.5% year-on-year, driven mainly by higher investment in the Spanish regulated electricity business.

The **movement in other assets and liabilities** amounted to 59.7 million euros, down 90.5% from the 626.2 million euros recorded in the first half of 2023. This change mainly reflects the fact that in 2023 this heading included the proceeds from the hybrid bonds issued in January 2023 which implied the collection of 500 million euros. Also in 2023, this heading included grants, notably 76 million euros related with Hispasat's Single Rural Demand Plan. The other items comprising this heading in 2024 included grants received during the reporting period, associated with Red Eléctrica access points, and collections related with the settlement of derivatives, offset by lease payments.

Dividends paid increased by 6.3% to 160.5 million euros.

The trend in these headings explains the increase in **net debt** of 135.7 million euros with respect to the year-end 2023 balance.

Trend in net debt

Net debt stood at 5,111.2 million euros at 30 June 2024, up 2.7% from 4,975.4 million euros at year-end 2023.

All of the Group's borrowings at 30 June 2024 had been arranged with **long-term** maturities. **Ninety-two per cent** of the Group's debt carries **fixed rates**, with the remaining **8%** arranged at **floating** rates of interest.

The Group's **average cost of debt** was **2.22%** in the first half of 2024, compared to 2.11% in the first six months of 2023. In 2023, the average cost of its debt was 2.14%.

Gross debt averaged 6,159 million euros during the first six months of 2024, compared to 6,128 million euros in the first half of 2023.

Redeia has pledged that **100% of its debt will be tied to ESG criteria by 2030**. Evidencing its progression towards achieving this target, at 30 June 2024, **66% of the Group's borrowings already included ESG criteria**, up from 59% at 31 December 2023.

Trend in equity

Redeia's **equity** stood at 5,362.4 million euros at 30 June 2024, down 166.6 million euros from the year-end 2023 figure. The trend in this heading reflects the Group's retained earnings year to date, the distribution of dividends, translation differences and the movement in equity attributable to non-controlling interests.

Trend in working capital

Redeia's **working capital** was negative by 588.7 million euros at 30 June 2024, compared to a positive balance of 119.2 million at year-end 2023. The movement in working capital reflects the reclassification to current borrowings of the debt that falls due in 2024, which, was partially offset by the collection of 500 million euros of green note proceeds subsequent to the reporting date, specifically in July. The Group continues to have significant undrawn credit facilities and is poised to receive additional proceeds from financing activities.

3 Key risks and sources of uncertainty in the second half of the year

Redeia is exposed to a number of implicit business and market risks whose materialisation could have an adverse effect on its earnings.

The Comprehensive Risk Management System manages the Group's risks end to end and continuously; it encompasses each business unit and subsidiary, as well as all of the corporate support areas. It is designed to ensure that any risks that could affect the achievement of its strategies and objectives are systematically identified, analysed, assessed, managed and controlled, framed by uniform criteria and within the established risk levels, in order to facilitate compliance with the Group's strategies and objectives. Redeia has an end-to-end risk management and control policy and procedure which are articulated around the Internal Control Integrated Framework published by the Committee of Sponsoring Organization (COSO) and ISO 31000.

In the course of identifying, analysing, assessing and controlling the Group's risks, steps are established and taken as needed to reduce the level of risk to an acceptable level. To monitor the various risks, the System contemplates oversight of numerous action plans designed to reduce risk levels, together with a broad number of performance indicators for control purposes. Twice yearly in the case of high-level risks and other risks of particular relevance, and when warranted under the specific circumstances, the Internal Audit and Risk Control Department reviews developments with the managing units and the effectiveness of the action plans put in place for mitigating them. The Audit Committee supervises the entire process at least twice a year and reports on its findings the Board of Directors.

Elsewhere, the Group's processes have risk mitigation considerations built in. These processes have been integrated into structured management systems in keeping with international standards (ISO 9001, ISO 14001 and ISO 45001, among others), whose design and effective implementation are subject to systematic internal and external controls. The processes also feature controls over the various targets to be delivered.

Moreover, Redeia has contingency plans for addressing various crises that could arise in the event of an incident affecting service continuity, the environment, people, business operations, system availability or earnings or indeed any other event that could impact the Group's reputation. Redeia has an action plan for managing cyber incidents which establishes the criteria and guidelines for managing any incident related with cybersecurity, no matter where it originates.

This effort is complemented by Redeia's internal control over financial reporting (ICFR) system, which is designed to ensure efficient and secure reporting, framed by international best practices.

The main risks to which Redeia is exposed and which could jeopardise delivery of its targets are strategic risks, notable among which regulatory risks, as the Group's main businesses are closely regulated. It is also exposed to operational risks, through its activities in the electricity and telecommunications businesses, and financial risks.

Regulatory risks

Regulatory risk considerations relate to the determination of the Group's revenue and the environment and conditions in which it carries out its main activities. Here it is worth highlighting the risk of changes in the legal framework regulating the Group's activities across its various geographic markets, which could affect its income and its costs, either directly or by imposing new performance requirements.

Redeia also faces business risks as a result of its diversification into different business activities and regions.

Operational risks

Redeia's activities expose it to a series of operational risks, including faults in its electricity transmission network, fibre optic network or satellite infrastructure, facility fires, adverse climate events, accidents in the transmission network, incidents affecting physical or logical security and other events that could harm the Group's facilities causing damage to its assets and/or people. The Group has established controls which have functioned as intended until now.

Redeia also has corporate insurance to cover its assets and limit the potential fallout from events such as these on its earnings.

Financial risks

The Group is exposed to volatility in interest and exchange rates, which could affect its financial situation.

The Group's foreign exchange risk management strategy addresses all unfavourable movements in exchange rates that could affect the Group's forecast earnings.

This risk factor encompasses transaction risk as a result of having to collect or pay cash in a currency other than the euro and translation risk as a result of translating the financial statements of subsidiaries whose functional currency is not the euro. In order to eliminate the foreign exchange risk derived from the Group's private placements in the US, it has arranged cash flow hedges, specifically USD/EUR cross-currency swaps which cover the total amount and duration of those placements until 2035. It has also arranged forward cash flow hedges in the form of EUR/USD cross-currency swaps (to 2031) and currency forwards (to 2032) to hedge income in US dollars from highly probable transactions. The Group mitigates the translation risk arising on assets located in countries whose functional currency is not the euro by financing part of these investments in those countries' functional currencies. The Group has also arranged a hedge of its net investment in US dollars in the form of a cross-currency swap to 2026.

As at 30 June 2024, the Group's debt structure implied low exposure to interest rate risk as 92% of its borrowings carry fixed rates, framed by the Group's borrowing policy, specifically including its target of aligning its borrowing cost with the rate of return applied to the Group's regulated assets.

4 Events after 30 June 2024

As indicated in note 12 of the interim condensed consolidated financial statements, on 27 June 2024, Redeia, through its subsidiary Redeia Corporación S.A., issued 500 million euros of green notes on the euromarket. The notes were paid in on 9 July 2024.