

redeia

Valuing the essentials

Financial Results

January - June 2024

July 31st, 2024

redeia.com





The Consolidated Financial Statements included in the financial information presented in this document have been subject to a limited review by EY, which has issued a favourable conclusion. This information was drawn up in accordance with the International Financial Reporting Standards (IFRS). For the purpose of facilitating the understanding of the information provided in this document, certain alternative performance measures have been included. Their definition can be found at

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

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ETH/USD

NEOS/USD

ZEC/USD

ADA/USD

BCH/USD

1845.97

1842.00

1839.00

1836.00

1833.00

1830.00

1827.00

1824.20

80.00

70.00

60.00

50.00

Crypto

1845.97

MARKET OPEN

1845.45+0.04

1757.00

222.5

1. Main highlights

Spanish electricity system and energy transition

Electricity demand during the first half of the year 2024 in Spain reached 120.8 TWh, which represents an increase of 0.7% compared to the same period of the previous year. Demand corrected for temperature and labour effects grew by 1.4%.

Electricity generation during the first half of 2024 reached 131.9 TWh, of which 78.9 TWh came from renewable energy sources, accounting for 59.9% of the total generated in our country. Likewise, energy from sources that do not generate CO2 accounted for 78.4% of the total, compared to 71.5% the previous year. This increase is largely explained by the increase experienced by electricity from hydro and photovoltaic sources, over 58% and 16% respectively, compared to the same period in 2023. Electricity from wind power, with a weight of 24%, was the most used by our system, behaving in line with the previous year.

From January 1st and June 30th, 2024, the average price of electricity on the Spanish spot market stood at 39.12 euros per MWh, more than 55% below the average price recorded in 2023, which stood at 87.1 euros per MWh. A lower price of natural gas and a higher share of renewable generation sources in the energy mix have made this evolution possible.

Regulatory developments

At the **national level**, we can highlight the following in terms of regulatory developments in the first half of 2024:

- **Approval of the CNMC calendar**, which includes the modification of Circular 2/2019, to make certain **adjustments** to the methodology for **calculating the financial remuneration rate** to **adapt it to the challenges of the energy transition**, and to enable efficient investment in networks. This calendar estimates an expected date for the hearing in early December 2024.
- Progress towards **implementing the new 2025-30 Plan**, with its objectives defined in the Order TED/1375/2023 of December 21st. The Proposal Phase has been completed and in April, the Study Phase began, which will last until September included. In this Study Phase, the System Operator, with all the information received and the criteria set by the Ministry, carries out the relevant technical studies and prepares the 'Initial development proposal', which is sent to the Ministry.

- On April 4th, 2024, the CNMC Council approved the Resolution establishing the **remuneration of electricity transmission facilities for 2021**. This resolution has allowed the refund of part of the excess tariffs charged by Redeia in previous years, amounting to 122 million euros in this period. Given that the tariffs for **2022 and 2023 are still provisional**, some 166 million euros will be returned to the system in the coming months.
- On April 16th, 2024, the Council of Ministers approved the **Amendment to Specific Aspects of the Current Plan**, with a 2026 horizon. The modification includes 73 actions, with an associated investment of 489 million, to implement strategic projects for the energy transition and the industrial value chain. The addendum to the Recovery, Transformation and Resilience Plan (Investment 4 of Component 31, linked to the REPowerEU funds) includes an item of 931 million to partially finance the cost of actions included in the Plan.
- On May 9th, 2024, the **CNMC opened a specific public consultation on the financial remuneration rate for electricity transmission and natural gas regasification for the next regulatory period 2026-2031**. The deadline for submitting a response to this consultation was set at June 10th, 2024.
- On June 4th, 2024, the **Ministry for Ecological Transition and the Demographic Challenge opened a public consultation on the modification of the network investment limit**, with a deadline of July 3rd, 2024. The objectives of this consultation are:
 - In particular, the aim is to adapt regulation to the new industrial and economic opportunities that the energy transition represents for Spain through greater investment in transmission and distribution networks with maximum economic efficiency.
 - The regulatory reform will also aim at an efficient development of the transmission and distribution network, giving priority to maximising the use of the already built network and preserving the signs of electrification and economic competitiveness by minimising the cost of tolls for consumers.
- On June 24th, 2024, the **CNMC opened a specific public consultation on the review of the methodology for calculating the remuneration of the electricity transmission activity for the period 2026-2031**, with a deadline of September 15th, 2024. This specific consultation is particularly justified by the challenges identified for the new period, which are different from those of the previous regulatory period. Thus, the methodology must be adapted to the changes derived from the decarbonisation process, ensuring a balance between infrastructure development, efficient use of existing grids and the incorporation of the new functionalities expected of them associated with digitalisation and the new figures emerging in the electricity market.

Results of the Group

In this period, the Group's results have been marked by the end of the regulatory useful life of the pre-1998 assets with an annual impact of approximately EUR 260 million on revenues, generating a negative impact on all the figures of the Group's Income Statement.

Nevertheless, the results obtained are as expected and in line with market expectations.

Redeia has been preparing during the last years to provide the organisation with the necessary capabilities to significantly increase investment in the coming years. In fact, TSO's investment in 2024 (around €1 billion) will be the highest in its history, making 2024 the turning point for strong future revenue growth.

Also, we ratify our estimates for the 2024 year-end with EBITDA above EUR 1.300 million and Net Profit around EUR 500 million.

TSO activity in Spain

Electricity system operation

Red Eléctrica continues to provide high levels of **service quality**. The availability index of the national transmission grid stood at 97.8% at June 30th, higher than the 97.6% reached in 2023. In the Canary Islands this index was 99.3%, higher than the 98.9% in 2023; in the Balearic Islands it was 97.8%, the same figure as in 2023, while on the mainland it was 97.7%, slightly higher than a year earlier.

TSO investments in Spain

TSO investment in the first half of 2024 amounted to **EUR 421.4 million, 19.2% higher** than in the same period of the previous year, in line with the annual target of EUR 1,000 million.

The most important milestones in the first half of the year were:

- The electricity interconnection between Spain and France across the Bay of Biscay continues to progress on schedule. In February 2024, the Administrative Authorisation for Construction (AAC) and the Declaration of Public Utility (DUP) were obtained on

the Spanish side. In addition, RTE already has the necessary authorisations. Works continue with the aim of reaching the milestone of commissioning the first link, scheduled for 2027.

- On December 28th, 2023, the Council of Ministers approved the Administrative Construction Authorisation (AAC) for the actions pending on the Galicia - Portugal Interconnection axis. This authorisation enables work to continue on the 400 kV actions. In May, the Beariz substation and the Beariz incoming and outgoing line were commissioned, with the rest of the work planned for the last quarter of 2024, thus completing the reinforcement of the international connection with Portugal.
- The La Gomera - Tenerife interconnection aims to integrate the electricity systems of both islands, increasing the quality and security of supply and reducing production costs, thanks to improved generation efficiency, allowing for greater integration of renewables. In the second quarter of the year, work continues on the civil works for the substations, with the Chío substation scheduled to be commissioned in 2024.
- The Peninsula - Ceuta interconnection aims to improve the security and quality of supply of Ceuta's electricity system by integrating it with the peninsular system. In June, the previous Administrative Authorisation was obtained to authorise the civil works for the interconnection.
- In Canary Islands Storage, civil works continue on the Reversible Hydroelectric Plant for the integration of renewable energy into the electricity system in Gran Canaria, together with the challenge of being able to store it when there are surpluses. Work is progressing on the hydraulic pipeline for the execution of the rising main and installation of the pumping station.

Other relevant items

Interim dividend

On July 1st, 2024, Redeia paid a final dividend of 0.7273 euros per share for the 2023 financial year. Thus, the total dividend paid against this year amounts to 1 euro per share, as envisaged in the Group's Strategic Plan.

Financing

- During the first half of the year, **Redeia has carried out two green bond issues** to continue promoting the energy transition in Spain, one on January 3rd, 2024 through Red Eléctrica Financiaciones, S.A.U. for an **amount of 500 million euros**, a 10-year transaction with

an interest rate of 3.070%, and the most recent, on June 27th, 2024 through Redeia Corporación S.A., **also for an amount of 500 million euros**, for a term of 8 years and with an interest rate of 3.458%. This is the company's fourth and fifth green bond issuance.

Rating

- On April 12th, 2024, the rating agency **S&P** affirmed the Group's '**A-**' rating with a stable outlook.
- **Fitch's** credit rating was affirmed on October 9th, 2023, at '**A-**', with a stable outlook.

Sustainability

We accelerate our efforts in all aspects of sustainability for greater future value creation through a **sustainable business model** to achieve social transformation.

To this end, we have designed a **Integrated Impact Strategy** with which we will amplify our social and environmental contribution to the entire geography and business areas in Spain and Latin America, seeking to deploy a positive net impact, pursuing that our facilities are networks of the future that improve the lives of communities, and making possible the development of the environment by guaranteeing access to electricity and digital inclusion.

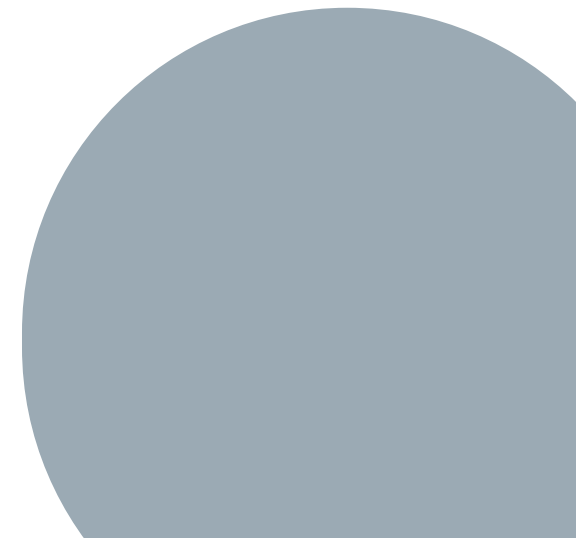
During the second quarter of the year, **Redeia was recognised as an adopter of the Taskforce in nature-related financial disclosures (TNFD) framework**, the first global initiative that defines how companies take nature into account in their financial decisions. Redeia has already incorporated some of the 14 recommendations of this framework in its 2023 Sustainability Report, demonstrating its strong commitment to biodiversity.

Redeia's financing is linked to sustainable criteria and aligned with the European Taxonomy. The two issuances made in 2024 are considered **green issues**, reaffirming the company's commitment in this area, **with 66% of its financing contracted under sustainable criteria**. It is worth highlighting the **EIB's support** for these issues, as well as for previous ones made by the group, enabling it to strengthen the soundness of its capital structure and materialise the planned investment in the transmission network to make Spain's energy transition possible.

2. Redeia: Key figures

Income statement

(EUR million)	January - June			April - June		
	2024	2023	Δ %	2024	2023	Δ %
Revenue	910.8	1,029.1	(11.5%)	455.1	512.2	(11.1%)
Share of profit of companies accounted for using the equity method	37.5	34.8	7.8%	18.9	14.5	30.5%
Gross operating profit (EBITDA)	681.3	789.3	(13.7%)	341.6	387.5	(11.8%)
Net operating profit (EBIT)	413.7	527.6	(21.6%)	208.2	256.0	(18.7%)
Profit before tax	369.6	488.1	(24.3%)	188.1	240.9	(21.9%)
Profit for the year	269.3	354.3	(24.0%)	137.1	174.0	(21.2%)



Results by business June 2024

<i>(EUR million)</i>	Management and Operation of Electricity Infrastructures		Telecommunications		Other Business, Corp. and Adjustments	Total
	Spain	International	Satellite Business	Optical Fibre		
Revenue	691.3	38.9	121.5	76.2	(17.1)	910.8
Share of profit of companies accounted for using the equity method	0.0	34.5	2.4	0.0	0.6	37.5
Gross operating profit (EBITDA)	483.1	61.6	62.9	58.9	14.7	681.3
Net operating profit (EBIT)	292.1	50.7	12.4	44.7	13.7	413.7
Profit before tax	261.0	31.4	6.8	42.5	28.0	369.6
Profit for the year	201.0	32.0	3.6	31.8	16.4	284.8
A) Profit attributable to the parent company	201.0	32.3	3.5	16.2	16.4	269.3
B) Profit attributable to non-controlling interests	0.0	(0.3)	0.1	15.6	0.0	15.4

Results by business June 2023

<i>(EUR million)</i>	Management and Operation Electricity Infrastructure		Telecommunications		Other Business, Corp. and Adjustments	Total
	Spain	International	Satellite Business	Optical Fibre		
Revenue	814.1	37.1	116.6	75.2	(14.0)	1,029.1
Share of profit of companies accounted for using the equity method	0.0	32.7	2.1	0.0	(0.0)	34.8
Gross operating profit (EBITDA)	605.8	54.9	60.8	55.8	12.1	789.3
Net operating profit (EBIT)	413.4	44.4	16.0	41.6	12.3	527.6
Profit before tax	383.4	28.5	14.3	37.9	24.0	488.1
Profit for the year	288.0	29.0	8.7	28.4	13.9	367.9
A) Profit attributable to the parent company	288.0	30.0	8.0	14.5	13.9	354.3
B) Profit attributable to non-controlling interests	0.0	(1.0)	0.7	13.9	0.0	13.6

Other financial figures

<i>(EUR million)</i>	January - June			April - June		
	2024	2023	Δ %	2024	2023	Δ %
FFO	693.0	632.3	9.6%	229.2	269.7	(15.0%)
Investments	456.8	413.5	10.5%	300.8	258.7	16.3%
Dividends paid	160.5	151.0	6.3%	13.3	3.9	244.0%

Consolidated balance sheet

<i>(EUR million)</i>	June 2024	December 2023	Δ %
Non-current assets	12,418.4	12,262.8	1.3%
Equity	5,362.4	5,529.1	(3.0%)
Net financial debt	5,111.2	4,975.4	2.7%

Credit rating

Agency	Credit rating	Perspective	Date
Standard & Poor's	A-	Stable	12/04/2024
Fitch Ratings	A-	Stable	09/10/2023

3. Earnings performance

Income: Revenue and share of profit of companies accounted for using the equity method (with similar activity)

The sum of **revenue** and the **share of profits of companies accounted for using the equity method (with similar activity)** amounted to 948.3 million euros, 10.9% less than the 1,063.9 million euros recorded at the end of June 2023. However, if we make a like-for-like comparison eliminating the effect of pre-98 assets in both years, the sum of revenue and the share of profits of companies accounted for using the equity method for this period grows by 1.6%.

By activity, the evolution has been as follows:

- **Management and operation of electricity infrastructures in Spain:** revenues generated by this activity totalled 691.3 million euros, 15.1% lower than in the same period of the previous year, due to lower revenues from the transmission activity (-124.5 million euros) following the end of the remunerative useful life of the pre-98 assets. System operation activity shows higher revenues of 1.7 million euros.
- **International electricity transmission:** the revenue and profits of the investee companies in this activity amounted to 73.5 million euros, 5.1% higher than those recorded in the same period of 2023. The detail of this variation is due to:
 - Revenues amounted to EUR 38.9 million in the first half of the year, compared to EUR 37.1 million in the first half of 2023. The 4.9% increase is mainly due to the good performance in Peru, partially offset by lower revenues from third party projects in Chile.
 - The results of the international business investees amounted to 34.5 million euros, compared to 32.7 million euros the previous year, with a better result in Argo (Brazil) and a lower result in TEN (Chile).
- **Telecommunications:** this activity generated revenue and profit from investees of 200.1 million euros in the first half of 2024, compared to 193.9 million euros in the same period of 2023.
 - **Satellite business:** Satellite revenues together with the share in the profits of investees improved by 4.4% compared to the same period of the previous year reaching 123.9 million euros. This evolution is explained by higher revenues from the new Amazonas Nexus satellite, in commercial operation since July 2023. The result associated with the investees is 2.4 million euros in the first half of 2024, compared to 2.1 million euros in June 2023, due to Hisdesat's better results.
 - **Optical fibre:** Revenues were EUR 76.2 million, EUR 1 million higher than in the first half of the previous year. The higher revenues reflect the impact of the inflation-linked nature of some contracts.

Income: Other operating income and work carried out by the company for its assets

Both items amounted to 76.2 million euros in the first half of 2024, compared to 55.2 million euros in the previous year, an increase of 38.1%.

The **Work carried out by the company for its assets** amounted to 29.0 million euros, compared to 26.6 million euros in the first half of the previous year. This evolution is mainly explained by higher activation of projects in Spain, partially offset by a lower volume of international construction.

Other operating income includes the Chira - Soria pumping station, recorded as a financial asset under concession since December 2022. This accounting implies revenues in the first half of 39.7 million euros (34.6 million euros associated with construction revenues and 5.1 million euros derived from applying the project's financial rate of return), compared to 24.2 million euros in the first half of the previous year. The rest of this item amounted to 7.5 million euros, higher than last year's figure, due to higher revenues from insurance claims, as well as higher subsidies at Hispasat for the Único Rural programme.

Operating costs

Operating costs	January - June			April - June		
	2024	2023	Δ %	2024	2023	Δ %
<i>(EUR million)</i>						
Procurements and other operating costs	236.7	224.0	5.7%	123.9	110.5	12.1%
Personnel expenses	106.5	105.8	0.7%	54.0	55.2	(2.3%)
Total operating costs	343.3	329.8	4.1%	177.8	165.7	7.3%

Operating costs amounted to 343.3 million euros, 4.1% higher than in the same period of the previous year. However, excluding expenses that have a counterpart in other operating income, operating costs were contained and fell by 1.0%:

- Higher **expenses with a counterpart in other operating income**, such as Chira Soria due to higher work progress, as well as projects for third parties and others.

- **The rest of procurements and other operating costs** decreased by €3.9 million due to lower asset maintenance at the TSO (~€6 million), as a result of the completion of an extraordinary plan in 2023, partly offset by higher expenses for European projects of the System Operator. During the second half of the year, the reduction in expenses compared to the previous year will intensify due to the fact that the aforementioned plan was basically executed in the second part of 2023.
- **Personnel expenses** increased by EUR 0.8 million due to a higher average workforce, partly offset by the non-recurring effect of the new collective bargaining agreements recorded in the first half of 2023.

The **final workforce** on 30 June stood at 2,464, compared to 2,456 a year earlier. The **average number of employees** was 2,463, with 2,435 at the end of June 2023.

Results

EBITDA amounted to EUR 681.3 million, 13.7% lower than in the first half of 2023, mainly due to the impact of the end of the regulatory useful life of the pre-98 assets, as mentioned above. However, if we make a like-for-like comparison eliminating the effect of the pre-98 assets, EBITDA is 3.5% higher.

By activity, the evolution of EBITDA was as follows:

- **Management and operation of electricity infrastructures in Spain:** EBITDA generated amounted to 483.1 million euros, 20.3% lower than in the same period of the previous year, mainly due to the effect of pre-98 assets. If we compare on a like-for-like basis, eliminating the effect of the pre-98 assets, EBITDA grew by 1.6%.
- **International electricity transmission:** EBITDA generated amounted to 61.6 million euros 6.7 million euros higher than in the previous year.
- **Telecommunications:** EBITDA from telecommunications activities reached EUR 121.8 million, 4.5% higher than in the first half of 2023.
 - In the **satellite business**, EBITDA amounted to 62.9 million euros, up 3.5% compared to the same period last year, due to the contribution of Amazonas Nexus, revenues from the entry of the Único Rural programme in July 2023 and Hisdesat's better results, partially offset by higher operating expenses due to a higher average workforce, among others.
 - EBITDA in the **fibre optic** business amounted to 58.9 million euros, 5.7% higher than in the first half of the previous year, reflecting the positive impact of inflation on contracts and the containment of operating costs.

Net operating profit (EBIT) amounted to 413.7 million euros, 21.6% lower than in the same period of the previous year. In addition to the aforementioned EBITDA evolution, there was an increase in depreciation and amortisation, mainly at Hispasat due to the new satellite in operation, partially offset by higher revenues from subsidies received by Hispasat, associated with the Único programme.

The **financial result** worsened by 11.3% to EUR -44.0 million euros, compared to -39.5 million euros in the same period of the previous year. Financial expenses amounted to EUR -74.8 million in the first half of 2024, up 4.4 million euros compared to first half 2023, mainly as a result of the higher average cost of debt, which increased from 2.11% to 2.22% at the end of June 2024, and for higher average balances. This item was partly offset by higher financial income of 30.9 million euros, as a result of the efficient financial management of the placement of existing liquidity.

The Group's **effective corporate income tax rate** was 23.0%, down from 24.6% in the previous year. The reason for this drop in the tax rate is mainly due to the contribution of the companies accounted for using the equity method, recorded net of tax.

Finally, **consolidated profit attributable to the parent company amounted** to 269.3 million euros, 24.0% lower than in the first half of 2023, with profit attributable to minority interests 1.9 million euros higher. On a like-for-like basis, eliminating the effect of pre-98 assets, the consolidated profit attributable to the parent company grew by 5.2%. By business line, the performance of this item is as follows:

- **Management and operation of electricity infrastructures in Spain:** the net income attributable to this activity amounted to 201.0 million euros, 87.1 million euros lower than in June 2023. This decrease is mainly due to lower EBITDA, due to the impact of pre-98 assets.
- **International electricity transmission:** the net income of this activity was 32.3 million euros in the period, compared to 30.0 million euros in the previous year, mainly due to the higher EBITDA mentioned above, partly offset by higher financial costs.
- **Telecommunications:** the net result of this activity was EUR 19.7 million, compared to EUR 22.5 million in June 2023, due to higher amortisations of Amazonas Nexus for the most part, as well as a worse financial result in the satellite business.



4. Investments

Investments (EUR million)	January - June			April - June		
	2024	2023	Δ %	2024	2023	Δ %
Management and operation of national national electricity	421.4	353.5	19.2%	282.1	239.4	17.8%
Infrastructure management and operation international electricity	1.9	1.5	24.6%	0.5	0.5	(4.0%)
Satellite Business	7.8	38.4	(79.7%)	1.6	9.0	(82.7%)
Optical Fibre	4.5	5.3	(14.6%)	2.5	3.8	(34.8%)
Other investments	21.3	14.8	43.6%	14.2	6.1	134.8%
Total	456.8	413.5	10.5%	300.8	258.7	16.3%

During this first half of the year, total investments amounted to 456.8 million euros and Redeia continues to accelerate its investment plan in the national regulated business, exceeding 421 million euros in this period, assuming its responsibilities as the backbone of the energy transition. These investments will be accelerated in the following months to reach approximately 1,000 million euros by the end of 2024.

Investments linked to the **management and operation of electricity infrastructures in Spain** amounted to 421.4 million euros, 19.2% more than in the same period of the previous year, facilitating the energy transition in our country by enabling greater integration of renewable energy sources. The breakdown by business is as follows:

- **Development of the Spanish transmission grid:** 366.7 million euros were allocated to this item, compared to 320.5 million euros in the previous period. Greater efforts in the construction of new lines, substations and asset renewal, together with progress in interconnections with other countries and between islands, explain this evolution.
- For its part, the **System Operator** has invested 15.0 million euros, compared to 8.8 million euros in June 2023.

- Finally, investment in **storage in the Canary Islands** amounted to 39.7 million euros, compared to 24.2 million euros in the same period of the previous year, demonstrating the greater progress made in this important project of the group.

The investment in the **management and operation of international electricity infrastructures** was 1.9 million euros compared to 1.5 million euros in June 2023. The 2024 investment includes, among others, the acquisition of a Control Centre in Chile in the first quarter.

In the telecommunications business, EUR 7.8 million was allocated to the **satellite business**, mainly linked to the leasing of satellite capacity. Investment in the **fibre optic** business amounted to 4.5 million euros, compared to 5.3 million euros the previous year, in line with the investment plan.

Finally, it should be noted that 21.3 million euros have been allocated to other investments. This item includes, among others, investments in technology and corporate applications for the Group and the investments developed by Elewit, Redeia's venture capital investment vehicle.

5. Cash flow and balance sheet performance

Cash flows evolution

Cash flows	January - June			April - June		
	2024	2023	Δ %	2024	2023	Δ %
(EUR million)						
Profit before tax	369.6	488.1	(24.3%)	188.1	240.9	(21.9%)
Adjustments to profit ⁽ⁱ⁾	267.7	266.5	0.4%	132.2	130.0	1.7%
Other cash flows used in operating activities ⁽ⁱⁱ⁾	55.6	(122.3)	(145.5%)	(91.1)	(101.2)	(9.9%)
Operating cash flow after taxes	693.0	632.3	9.6%	229.2	269.7	(15.0%)
Changes in working capital	(229.8)	(344.5)	(33.3%)	(176.9)	(53.8)	228.7%
Cash flows from operating activities	463.2	287.8	60.9%	52.3	215.9	(75.8%)
Investments	(456.8)	(413.5)	10.5%	(300.8)	(258.7)	16.3%
Changes to suppliers of fixed assets	(18.6)	(37.1)	(49.9%)	42.7	52.6	(18.7%)
Changes in other assets and liabilities	59.7	626.2	(90.5%)	13.9	100.0	(86.1%)
Free cash flow for shareholders	47.5	463.4	(89.7%)	(191.9)	109.7	(274.9%)
Dividends paid	(160.5)	(151.0)	6.3%	(13.3)	(3.9)	244.0%
Movements not entailing cash flows ⁽ⁱⁱⁱ⁾	(22.7)	8.8	(359.8%)	(13.8)	17.1	(180.9%)
Change in net financial debt	135.7	(321.2)	(142.3%)	219.0	(123.0)	(278.1%)

(i) Mainly includes amortisation of non-current assets, grants of non-financial fixed assets and share of profits of companies accounted for using the equity method.

(ii) Mainly includes cash movements associated with corporate income tax, interest and dividends received.

(iii) Mainly includes exchange rate changes, consolidation entries and amortised cost adjustments.

Note: Short-term money market investments amounting to EUR 810.3 million at 30 June 2024 and EUR 300 million in June 2023 have been considered as lower Net Financial Debt. In the Consolidated Cash Flow Statement in the Appendix, these amounts are considered as investment receipts and/or payments.

The most relevant changes in cash flows for the period are presented below:

Operating cash flow after taxes (FFO) amounted to EUR 693.0 million, 9.6% higher than in the previous year. This is due to the collection of the 2022 income tax refund amounting to EUR 193 million, mainly from the capital gain on the sale of Reintel, offset by a lower pre-tax result.

Changes in working capital resulted in a cash outflow of EUR 229.8 million during the period compared to an outflow of EUR 344.5 million in the same period of the previous year. This is due to the fact that in the first half of last year EUR 204 million of excess tariffs collected in previous years were refunded, with a counterpart of EUR 122 million in this half part of the current year. The outstanding amount at the end of June 2024 was 166 million euros, which is expected to be returned in the coming months.

Investments in the year amounted to 456.8 million euros, 10.5% higher than in the previous year, mainly driven by the increase in the domestic regulated business.

Changes in other assets and liabilities amounted to € 59.7 million, 90.5% lower than the € 626.2 million in the same period of the previous year. This is mainly due to the fact that this item, during the previous year, included the proceeds from the hybrid bond issue in January 2023, which resulted in a collection of 500 million euros. In addition, in 2023 this item included subsidies, highlighting 76 million euros relating to Hispasat's Single Rural Demand Programme. Likewise, the remaining components of this item in 2024 correspond to subsidies received in the period, associated with access positions in Red Eléctrica, and collections from derivative settlements offset by lease payments.

Dividends paid increased by 6.3% to 160.5 million euros.

The evolution of these items explains an increase in **net financial debt** of 135.7 million euros compared to that existing on December 31st, 2023.

Net financial debt evolution

Net financial debt at June 30th, 2024 stood at 5,111.2 million euros, 2.7% higher than the 4,975.4 million euros at the end of 2023.

Net financial debt (*)

(EUR million)	National currency	Foreign currency	Total
Non-current debt securities	3,859.4	354.7	4,214.1
Long-term loans	1,450.8	487.5	1,938.3
Total gross financial debt	5,310.2	842.1	6,152.3
Cash, cash equivalents and term deposits	(1,007.3)	(33.9)	(1,041.2)
Total net financial debt	4,302.9	808.3	5,111.2

(*) Debt classified according to its original contract, without considering short-term transfers.

At the end of the first half of 2024, all of the Group's financial debt had been contracted on a **long-term** basis. In terms of interest rates, **92%** of the Group's debt is at a **fixed rate**, while the remaining **8%** is at **floating rates**.

The **average cost of the** Group's **financial debt** was **2.22%** in the first half, compared to 2.11% in the same period of the previous year. At the end of December 2023, the average cost of debt was 2.14%.

The **average gross debt balance** for the year was **EUR 6,159 million**, compared with EUR 6,128 million the previous year.

Redeia has set a **target that 100% of its financial debt will be contracted under ESG criteria by 2030**. In line with the achievement of this objective, it is noteworthy that the Group's financing that incorporates these **ESG criteria** currently stands at **66%**, up from 59% on December 31st, of the previous year.

Equity evolution

On June 30th, 2024, Redeia's **Equity** amounted to 5,362.4 million euros, a decrease of 166.6 million euros compared to December 31st, 2023. The evolution of this item reflects the contribution of the accumulated result for the year and the distribution of dividends, translation differences and minority interests.

Working balance evolution

On June 30th, 2024, Redeia's **working balance** (current assets less current liabilities) amounted to EUR -588.6 million compared to EUR 119.2 million at December 31st, 2023. The evolution of this item reflects the reclassification to short term of the financial debt maturing in 2024 which, after the closing in July, was partially offset by the collection of the 500 million euros of the recent issuance, which also adds to the high undrawn capacity of our credit lines and the upcoming financings to be received.

Annex 1. Consolidated financial statements (Redeia)

Consolidated income statement

<i>(EUR million)</i>	30/06/2024	30/06/2023	2024/2023
Revenue	910.8	1,029.1	(11.5%)
Work carried out by the company for its assets	29.0	26.6	8.8%
Share of profit of companies accounted for using the equity method (with activities similar to those of the Group)	37.5	34.8	7.8%
Procurements	(28.2)	(20.2)	39.2%
Other operating income	47.2	28.5	65.4%
Personnel expenses	(106.5)	(105.8)	0.7%
Other operating costs	(208.6)	(203.8)	2.4%
Gross operating profit (EBITDA)	681.3	789.3	(13.7%)
Depreciation and amortisation charge for non-current assets	(279.5)	(269.9)	3.6%
Allocation to profit or loss of grants relating to non-financial assets	12.0	8.2	45.5%
Impairment of and gains/losses on disposals of fixed assets	(0.1)	(0.0)	381.8%
Net operating profit (EBIT)	413.7	527.6	(21.6%)
Financial income	30.9	28.2	9.6%
Financial costs	(74.8)	(70.4)	6.3%
Exchange differences	0.1	3.0	(96.9%)
Changes in fair value of financial instruments	(0.2)	(0.3)	-
Financial result	(44.0)	(39.5)	11.3%
Profit before tax	369.6	488.1	(24.3%)
Income tax expense	(84.9)	(120.2)	(29.4%)
Consolidated result for the period	284.8	367.9	(22.6%)
A) Consolidated profit attributable to the parent company	269.3	354.3	(24.0%)
B) Consolidated profit attributable to non-controlling interests	15.4	13.6	13.7%

*Consolidated balance sheet**(EUR million)*

	30/06/2024	31/12/2023
Assets		
Intangible assets	838.2	826.3
Property, plant and equipment	10,118.2	9,990.8
Investment properties	0.6	0.6
Investments accounted for using the equity method	966.0	969.2
Non-current financial assets and derivatives	441.9	425.0
Deferred tax assets	45.5	46.3
Other non-current assets	8.0	4.7
Non-current assets	12,418.4	12,262.8
Inventories	88.4	61.3
Trade and other receivables	1,283.3	1,444.9
Current financial assets and derivatives	866.4	40.5
Cash and cash equivalents	230.9	675.4
Current assets	2,468.9	2,222.1
Total assets	14,887.3	14,484.8

	30/06/2024	31/12/2023
Equity and liabilities		
Shareholders' equity	5,328.4	5,453.3
Share capital	270.5	270.5
Reserves	4,308.0	4,159.9
Treasury shares and own equity instruments	(19.5)	(19.5)
Other equity instruments	500.0	500.0
Profit/(loss) attributable to the Parent	269.3	689.6
Interim dividend	0.0	(147.2)
Adjustments due to changes in value	(88.7)	(44.6)
Non-controlling interests	122.8	120.3
Net equity	5,362.4	5,529.1
Grants and other	959.2	945.1
Non-current provisions	137.9	134.5
Non-current financial liabilities and derivatives	4,868.2	5,259.9
Deferred tax liabilities	372.2	378.5
Other non-current liabilities	129.8	134.8
Non-current liabilities	6,467.3	6,852.9
Current financial liabilities and derivatives	2,348.5	1,401.1
Trade and other payables	681.5	671.2
Current provisions	27.6	30.6
Current liabilities	3,057.6	2,102.9
Total liabilities	14,887.3	14,484.8

Consolidated cash flow statement

<i>(EUR million)</i>	30/06/2024	30/06/2023
Cash flows from operating activities	463.2	287.8
Profit before tax	369.6	488.1
Adjustments to profit	267.7	266.5
Changes in working capital	(229.8)	(344.5)
Other cash flows from operating activities	55.6	(122.3)
Cash flows from investing activities (*)	(1,246.6)	89.6
Payments from investments	(1,285.7)	(950.6)
Proceeds from disposals	2.3	916.1
Other cash flows from investing activities	36.9	124.1
Cash flows from financing activities	337.9	222.8
Proceeds from/(payments for) equity instruments	0.0	506.7
Proceeds from/(payments for) financial liabilities	478.8	(127.3)
Dividend payments	(160.5)	(151.0)
Other cash flows from financing activities	19.6	(5.6)
Effect of foreign exchange rate changes	1.0	(0.1)
Net increase/(decrease) in cash and cash equivalents	(444.6)	600.1
Cash and cash equivalents at beginning of the period	675.4	794.8
Cash and cash equivalents at the end of the period	230.9	1,394.9

(*) Includes in 2024 a net investment of EUR 810.3 million and in 2023 a net investment of EUR -415.0 million in deposits and repos with a maturity of less than 1 year.

Annex 2. Sustainability certifications



Member of
**Dow Jones
Sustainability Indices**
Powered by the S&P Global CSA

Remaining in the Dow Jones Sustainability Index, in the World category, as one of the 8 most sustainable companies in its sector.



Inclusion in S&P Global's *The Sustainability Yearbook 2024*, for an ESG score in the top 10%.



Remaining in the FTSE4Good index^(*) and remaining in the Top 5 best ESG performers in its sector.



Continued inclusion in the Euronext indices: Eurozone 120, Europe 120 and Global 120, entering the Top 5 of the best ESG performers in its sector.



Permanence in the MSCI ESG index, having obtained the highest score in its sector.



Remaining on the CDP A-list for its commitment to the fight against climate change.



Permanence in the Sustainalytics index, being considered a company with negligible ESG risk "Negligible Risk".



Achievement of "Prime" status and "very high" transparency, awarded by ISS-ESG to leading companies in the sector.



Permanence in the STOXX Global ESG Index Leaders.



Remaining in the Bloomberg Gender Equality Index as a company committed to gender inclusion



Permanence in the Ixex Gender Equality index, due to the significant presence of women in management positions.



Inclusion in the Ixex ESG index for environmental, social and governance performance.



Permanence in the Ethibel Sustainability Index Excellence Europe.



Obtaining the "t for transparent ***" seal.

() FTSE Group confirms that Redeia Corporación S.A. has been independently assessed against the FTSE4Good criteria and qualifies to become a constituent of the FTSE4Good indices, the global index created by FTSE Group. FTSE4Good is a stock market index designed to facilitate investment in companies that meet globally recognised standards of corporate responsibility. Companies included in this index have met stringent environmental, social and corporate governance criteria and are in a position to benefit from responsible business practice.*

Upcoming events

Estimated dates

9M 2024 results presentation	October 24
2024 Interim dividend	January 25



MEMBER OF
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 In Collaboration with RobecoSAM

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