EBITDA amounted to €486.2M, 1.2% (€6.0M) below 2018. RAB remuneration dropped by €11.4M, due to the decrease in the Regulated Asset Base and the lower Portuguese bond yields. This was partially compensated by the increase in the results of Electrogas and the consolidation for the first time of Transemel (a total of €2.5M). The comparison with last year’s EBITDA was also affected by the one-off sale of Portgás’ LPG business in 2018 (€4.0M);

Net Profit and Recurrent Net Profit rose by 2.8% and 5.5% YoY, respectively, to €118.9M and €144.8M. Both benefited from the improvement in Financial Results, that stood at -€52.5M (9.1%), and lower Taxes, that settled at €79.2M (-5.4%);

The average cost of debt, which has been decreasing since 2013, stood at 2.1% (2.2% in 2018), as a result of the ongoing debt refinancing efforts under more competitive terms. However, the payment of CESE continued to hurt REN’s results, raising the effective tax rate to 40.0%. Net Debt increased by 6.5% to €2,826.0M due to the Transemel acquisition, in last October;

CAPEX and Transfers to RAB increased by €66.6M and €102.2M, to €188.6M and €190.6M, respectively. The electricity business represented 74.7% of the former and 79.6% of the latter.
# RESULTS AT A GLANCE

<table>
<thead>
<tr>
<th></th>
<th>4Q19</th>
<th>2019</th>
<th>2018</th>
<th>Δ%</th>
<th>Δ Abs.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>EBITDA</strong></td>
<td>118.3</td>
<td>486.2</td>
<td>492.3</td>
<td>-1.2%</td>
<td>-6.0</td>
</tr>
<tr>
<td><strong>Financial Results</strong></td>
<td>-13.1</td>
<td>-52.5</td>
<td>-57.8</td>
<td>9.1%</td>
<td>5.2</td>
</tr>
<tr>
<td><strong>Net Profit</strong></td>
<td>32.6</td>
<td>118.9</td>
<td>115.7</td>
<td>2.8%</td>
<td>3.2</td>
</tr>
<tr>
<td><strong>Recurrent Net Profit</strong></td>
<td>34.1</td>
<td>144.8</td>
<td>137.2</td>
<td>5.5%</td>
<td>7.6</td>
</tr>
<tr>
<td><strong>Average RAB</strong></td>
<td>3,753.3</td>
<td>3,753.3</td>
<td>3,832.0</td>
<td>-2.1%</td>
<td>-78.6</td>
</tr>
<tr>
<td><strong>CAPEX</strong></td>
<td>78.3</td>
<td>188.6</td>
<td>121.9</td>
<td>54.7%</td>
<td>66.6</td>
</tr>
<tr>
<td><strong>Net Debt</strong></td>
<td>2,826.0</td>
<td>2,826.0</td>
<td>2,653.1</td>
<td>6.5%</td>
<td>172.9</td>
</tr>
</tbody>
</table>
PORTUGAL SOVEREIGN DEBT RISK
With a significant drop in level rates

PT 10Y Treasury Bond Yields

Source: Bloomberg, REN.
CAPEX WAS UP BY €66.6M YOY

Transfers to RAB increased by €102.2M
1) RoR is equal to the specific asset remuneration, divided by the average RAB;
2) Includes transfers to RAB of the connection to the off-shore wind project "Windfloat", which is remunerated at the base rate.
RAB REMUNERATION DECLINED BY €11.4M YOY
Mostly impacted by the decline in RoR (€7.8M)

**RAB REMUNERATION ELECTRICITY**
(ex. Lands)
(€M)

<table>
<thead>
<tr>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>116.5</td>
<td>108.9</td>
</tr>
<tr>
<td>66.7</td>
<td>61.8</td>
</tr>
<tr>
<td>49.9</td>
<td>47.1</td>
</tr>
</tbody>
</table>

- €7.7M (-6.6%)
- €5.93M
- €1.61M
- €0.11M

Impact of the change in the rate of return, to 5.63% from 5.92% in assets with premium, and to 4.88% from 5.17% in assets without premium.

Impact of the decrease in the asset base by €30.5M to €2,061.4M.

Impact of the change in asset mix: assets with premium weight decreased to 53.2% in 2019 from 53.9% in 2018.

**RAB REMUNERATION NATURAL GAS**
(€M)

<table>
<thead>
<tr>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>57.1</td>
<td>53.4</td>
</tr>
</tbody>
</table>

- €3.7M (-6.4%)
- €1.29M
- €2.38M

Impact of the change in the rate of return, to 5.40% from 5.52%.

Impact of the decrease in the asset base, to a total of €988.5M.

**RAB REMUNERATION PORTGÁS**
(€M)

<table>
<thead>
<tr>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>27.0</td>
<td>27.0</td>
</tr>
</tbody>
</table>

- €0.1M (-0.3%)
- €0.56M

Impact of the decrease in the rate of return, to 5.70% from 5.82%.

Impact of the decrease in the rate of return, to 5.70% from 5.82%.

Impact of the €8.5M increase in the asset base, to a total of €473.0M.
OPERATIONAL COSTS INCREASED BY €3.1M
Excluding pass-through costs, OPEX reduced by €3.2M

External Supplies and Services included higher costs with ERSE (Δ€3.8M) and higher ITC (Inter Transmission System Operator Compensation for Transits) mechanism (Δ€2.5M), both are pass-through costs.
CORE OPEX WAS DOWN BY €3.2M
Portgás contributed with -€4.0M

(1) ITC - Inter Transmission System Operator Compensation for Transits;
(2) Item related to Portgás.
EBITDA STOOD 1.2% BELOW 2018

Essentially due to lower remuneration of Transmission Assets (€11.3M)

(1) Transemel was consolidated from 1 October 2019; (2) Includes Δ€0.84M of OPEX own works;
(3) OMIP and Nester Results (€2.5M) and Other Assets Revenues (€1.3M).
BELOW EBITDA
Benefited from a lower average cost of debt and a lower tax rate

### DEPRECIATIONS AND AMORTIZATIONS (€M)

<table>
<thead>
<tr>
<th>Year</th>
<th>Transmission</th>
<th>Distribution</th>
<th>Transemel</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>221.7</td>
<td>13.4</td>
<td>0.4</td>
</tr>
<tr>
<td>2019</td>
<td>221.0</td>
<td>14.2</td>
<td>0.4</td>
</tr>
</tbody>
</table>

### FINANCIAL RESULTS (1) (€M)

<table>
<thead>
<tr>
<th>Year</th>
<th>BELOW EBITDA</th>
<th>DEPRECIATIONS AND AMORTIZATIONS</th>
<th>TRANSMISSION</th>
<th>DISTRIBUTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>235.1</td>
<td>235.1</td>
<td>221.7</td>
<td>13.4</td>
</tr>
<tr>
<td>2019</td>
<td>235.6</td>
<td>235.6</td>
<td>221.0</td>
<td>14.2</td>
</tr>
</tbody>
</table>

### TAXES (2) (€M)

<table>
<thead>
<tr>
<th>Year</th>
<th>BELOW EBITDA</th>
<th>DEPRECIATIONS AND AMORTIZATIONS</th>
<th>TRANSMISSION</th>
<th>DISTRIBUTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>83.7</td>
<td>83.7</td>
<td>25.3</td>
<td>58.5</td>
</tr>
<tr>
<td>2019</td>
<td>79.2</td>
<td>79.2</td>
<td>24.4</td>
<td>54.8</td>
</tr>
</tbody>
</table>

(1) Average cost of debt was 2.1% (2.2% in 2018);
(2) In 2019, excluding the special levy on the energy sector, the effective tax rate reached 27.7%, versus 29.3% in the previous year.
NET DEBT REACHED €2,826.0M, A 6.5% GROWTH YOY
Due to the Transemel acquisition and the consolidation of its Debt

NET DEBT
(€M)

Due to the Transemel acquisition and the consolidation of its Debt
NET PROFIT ROSE TO €118.9M (€3.2M)
With the help of better Financial Results (€5.2M)
2019 was marked by the acquisition of Transemel, an electricity transmission company located in Chile. This operation reinforced REN’s international presence, after the purchase of 42.5% of Electrogas in 2017. Both operations were in line with REN’s strategic plan, which is based on a conservative growth strategy, and allows REN to compensate for the decrease in the asset value of the Portuguese businesses. Despite this framework of growing internationalisation, REN intends to keep its focus on maintaining the quality of the services it provides in Portugal with additional value coming from Chile;

The Group’s consolidated profit was €118.9M, an increase of 2.8% versus last year. Higher Financial Results, lower Taxes and a positive contribution from the Chile supported this improvement and mitigated the domestic businesses performance that continued to be penalized by lower asset remuneration and lower RAB. The special levy on the energy companies raised the effective tax rate to 40.0%. Since its introduction in 2014 REN has paid €152M;

In 2019, REN maintained its investment grade rating at the three main rating agencies. After the announcement of the Transemel acquisition, the agencies reaffirmed their rating\(^\text{(1)}\) on the Company: Moody’s at Baa3, S&P and Fitch at BBB;

In accordance to REN announced dividend policy, in 7\(^{\text{th}}\) May, the Board of Directors will propose to the General Shareholders’ Meeting the payment of a dividend of 17.1 cents per share.

\(^{\text{(1)}}\) Outlook stable.
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