



1Q 2022 RESULTS

April 2022

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01

NEW ENERGY PARADIGM

1.1 New energy paradigm

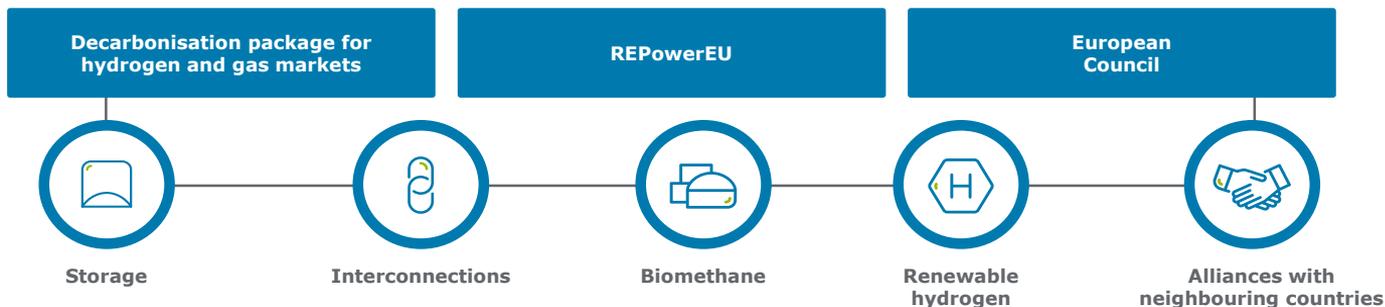
The REPowerEU plan lays out the roadmap for increasing the EU's energy security by boosting decarbonisation and eliminating dependence on natural gas from Russia, making a turning point in the EU common energy policy.

Lines of action of the REPowerEU plan

- **Accelerate the energy transition** and in particular **accelerate the penetration of green H2** to drive the development of a renewable hydrogen market by 2030.
- By 2030, **replace gas from Russia** with supplies from other origins, in particular with **additional LNG** and **NG** pipeline imports through interconnections.
- This redesign of the inputs and types of gases into the European grid will significantly change the current gas flows.
- The Plan envisages **strengthening interconnection capacity** in the internal market by developing infrastructure that is ready for hydrogen transport from the outset.

Implications for Spanish Gas System and Enagás

- **Producing green H2** by harnessing the potential of RES across the entire geography.
- Industry development linked to driving electrolyser technology.
- Accelerate the **development of the hydrogen network for domestic and export markets**.
- Creation of the **Southwest H2 Corridor** developing international connections to export H2 to the consumption centres of deficit countries in Central Europe, such as Germany.
- Contribute to replacing gas from Russia by exporting “LNG” to Central Europe.



Spain is key to increasing the resilience of the European energy system, due to its essential role in the diversification of LNG sources and its huge potential for the accelerated deployment of green hydrogen.

1.1 New energy paradigm

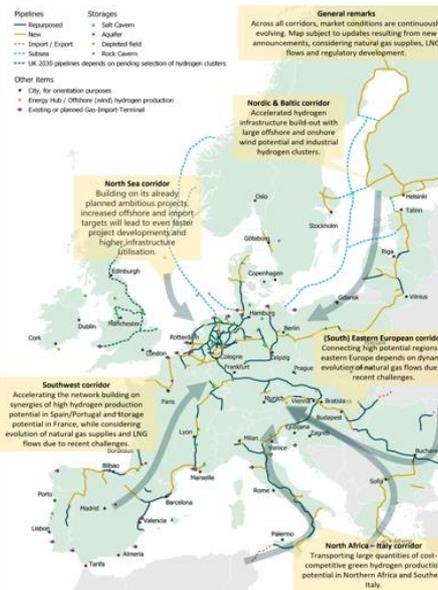
New hydrogen-ready international connections by 2030

The new energy policy embodied in the European Commission's REpowerEU plan promotes better interconnection between member states. In this regard, Enagás is working to promote new connections with France and Portugal (France and Portugal) to reinforce the security of natural gas supply now and hydrogen supply in the future.

2030



- Retrofitting of existing NG pipelines for H2
- New H2 ready pipelines
- ▲ H2 Underground Storage Facilities



EHB proposes for 2030 five pan-European hydrogen supply and import corridors to promote the development of a European market.

Strategic update

The approval of the REPowerEU plan will make a turning point in European energy policy.

Enagás will adapt its strategic vision to this new European energy scenario and will present its strategic update in the coming months.



Pillars of our strategy in the context of European energy policy:

Our commitment:



Contribute to the security of supply of Spain and Europe



Contribute to the decarbonisation process

02

A photograph of a sunlit forest path. The sun is low in the sky, creating long shadows of the trees on the path. The trees are tall and thin, and the ground is covered in grass and small plants.

MILESTONES 1Q 2022

2.1 100% availability of infrastructures and Gas System

We are working to ensure the operation and supply of natural gas

100%
commercial
availability

100%
technical availability

There have been **net exporting balances to Europe** through interconnections with France, reaching **1.3 TWh**, up **+135%** compared to 1Q2021

Main sources of supply

United States 37%
Argelia 26%
Nigerian 14%

Underground storage was **82% full** at the beginning of this winter

Increased use of the **regasification service** reaching 77.3 TWh, **+81%** more than 2021

Increased use of the **tanker offloading service** reaching 79.1 TWh, **+69%** more than 2021

(Winter period: 134 ships November 21 – March 22
vs 86 ships November 20 – March 21)

Increased use of the **tanker loading service** reaching 3.9 TWh, **+169%** more than 2021

2.2 Natural gas demand

Gas infrastructures

Very favourable growth in the first quarter of 2022 of the total demand for natural gas (+11.5%), supported by demand for electricity generation (+118.1%).



- **Enagás has operated at 100%**, both in terms of infrastructure availability and coordination of the Gas System, **and has taken measures to anticipate the situation and contribute to guaranteeing supply**, even in the most exceptional circumstances (geopolitical situation arising from the conflict between Russia and Ukraine and the closure of the Maghreb-Europe Gas Pipeline).
- At 31 March, **natural gas demand** has reached a consumption of **110.8 TWh, 11.5% higher** than at the same date in 2021.
- **Conventional demand**, which represents ~74% of natural gas demand in Spain, has shown a decrease of -4.8% as at 31 March 2022. Notably, residential demand decreases by -2.5% due to the effect of high temperatures in the first quarter of 2022.
- The **demand for electricity generation** has increased by **+118.1%** as compared to 31 March 2021 due to lower generation with wind, solar and hydro.

Source: Enagás GTS
 Note: Conventional demand = industrial demand + residential demand

2.3 Natural gas supply

Source of natural gas supply

Enagás' flexibility to adapt to the new situation



- Enagás has shown great **flexibility in adjusting to the current situation**. The infrastructure network of the Spanish Gas System is a European benchmark for the **diversification of its supply**.
- The countries that have increased their supply to the Spanish gas system the most compared to the same period the previous year were United States, Egypt and Nigeria.
- In the first quarter of 2022, liquefied natural gas (**LNG**) supply accounted for **70% of Spain's gas supply**. The gas system has received LNG mainly from **nine different origins**.
- With regard to the inflow of natural gas through **international connections with France**, the first quarter of 2022 had an **export balance**, while in the same period of the previous year the balance was an import balance.

Q1 2022 Main Highlights

Q1 2022 vs 2021

P&L

EBITDA
€185.8 M
 (-14.0%)

Net profit
€69.3 M
 (On line to reach the target for the year)

Cash Flow

Operating Cash Flow (OCF)
€225.6 M
 (+16.6%)

Net investment
€36.5 M

Subsidiary dividends
€49.2 M
 (+70.1%)

Balance Sheet

Net debt
€4,143 M

Liquidity
€3,436 M

Fixed-rate debt higher than
> 80%

Financial cost of debt
1.6%

Natural gas demand

Natural gas demand at 31 March 2022
110.8 TWh
 (+11.5%)

Conventional demand for natural gas at 31 March 2022
82.1 TWh
 (-4.8%)

Demand for electricity generation at 31 March 2022
28.7 TWh
 (+118.1%)

Income statement

Quarter-end results are in line with the Q1 2022 budget and on track to achieve all 2022 targets.

€M	Q1 2022	Q1 2021	Var. %
Total revenue	233.9	240.6	-2.8%
Operating expenses	-92.3	-73.3	26.0%
Results from affiliates	44.2	48.8	-9.5%
EBITDA	185.8	216.1	-14.0%
Amortisation and depreciation	-66.4	-62.6	6.1%
PPA	-14.4	-13.4	7.4%
EBIT	104.9	140.1	-25.1%
Financial results	-22.9	-25.8	-11.3%
Corporate income tax	-12.6	-21.2	-40.7%
Minority interests	-0.2	-0.2	-32.3%
Net profit	69.3	92.9	-25.4%

* Note: Does not include capital gains generated by the asset rotation process carried out by Enagás.

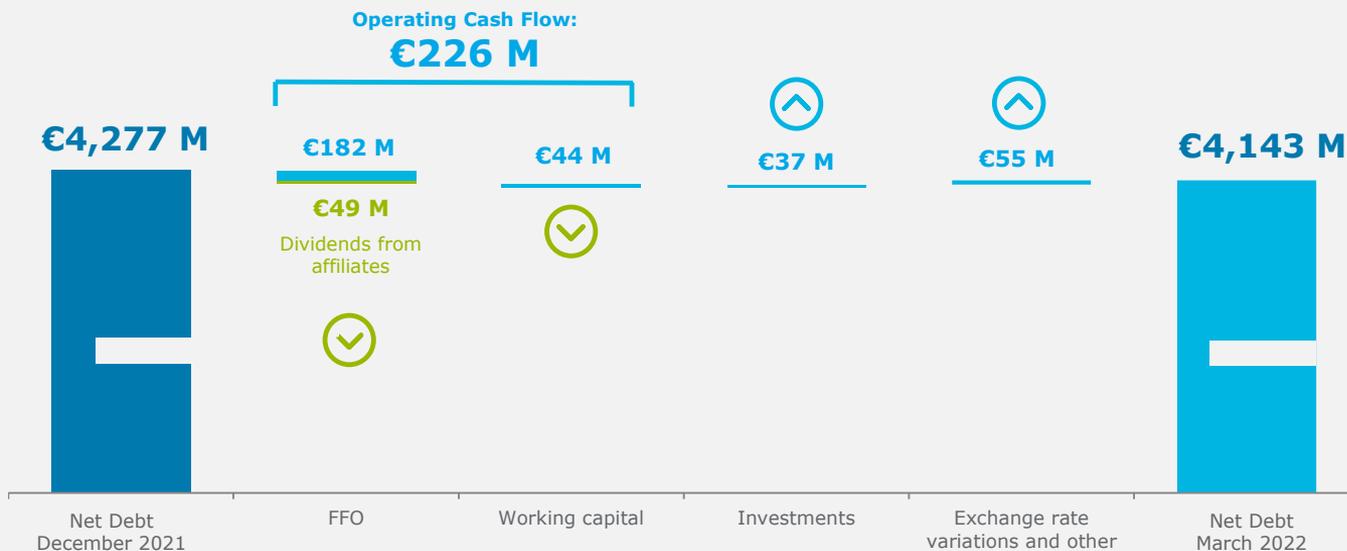
COMMENTS

- Regulated revenues reflect the offsetting of electricity and other audited expense.
- The increase in operating expenses is mainly due to expenses audited and accounted for as higher regulated income amounting to ~€11M.
- Good performance of affiliates, taking into account the non-recurring positive result recorded at Tallgrass in Q1 2021
- Improvement of the financial cost of debt, which drops to 1.6%
- First quarter net income, which includes non-recurring effects, is in line to reach the target of €360M* set for the year. Net income's target is to exceed €430M including capital gains from the asset rotation process carried out by the company.

2.4 Financial results

Cash flows and net debt trend

Cash flow generation and debt trend in the first quarter in line with year-end debt forecasts



Fixed-rate debt higher than 80%

2.4 Financial results

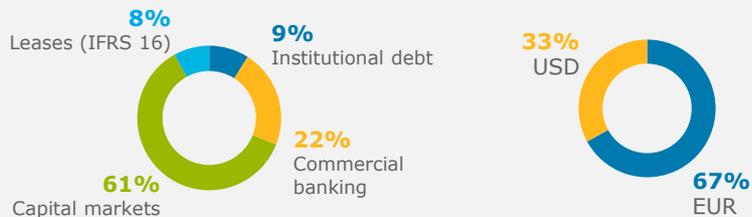
Robust financial structure and high liquidity position

Leverage and liquidity	Mar. 2022	Dec. 2021
Net debt	€4,143 M	€4,277 M
Net debt/Adjusted EBITDA (*)	5.0x	5.1x
FFO/Net debt	16.8%	16.4%
Financial cost of debt	1.6%	1.7%
Liquidity	€3,436 M	€3,300 M

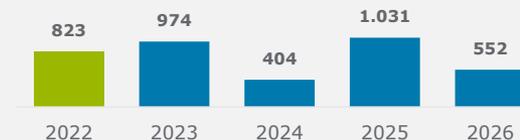
Liquidity	Mar. 2022	Dec. 2021	Current maturity
Treasury	€1,570 M	€1,444 M	
Club Deal	€1,500 M	€1,500 M	December 2026 (**)
Operating lines	€366 M	€355 M	January 2023
TOTAL	€3,436 M	€3,300 M	

✓ The financial cost of debt has improved to 1.6% (1.7% in December 2021).

Debt type



Debt maturities (€M)



✓ Average life of debt 4.3 years

(*) EBITDA adjusted for dividends received from affiliates. (**) Of this amount, 19% matures in 2025

2.5 Development of our affiliates (1/2)

Contribution to security of supply and decarbonisation process

GNL Quintero,
Chile



- **Enagás and Omers have reached an agreement with EIG and Fluxys for the joint sale of 80% of their stake in GNLQ.** Enagás has agreed to sell its 45.4% stake for \$661m. The transaction is subject to fulfilling the conditions precedent for this type of transaction and is expected to close in the second half of 2022. **This transaction is part of the asset rotation process announced by Enagás in its strategic plan.**
 - **Higher revenues from higher USPPPI.**
-

TGP/COGA, Peru



- **Natural gas demand growth** (+13% vs 2021).
 - **High use of transport for export** taking advantage of the good international price situation (107% of contracted capacity).
-

TLA/GDM/SLM,
Mexico



- In the first quarter of 2022, the TLA terminal has had **100% availability** as essential infrastructure to **guarantee the continuity of supply** (strategic storage) of the Mexican gas system.
- In this first quarter of 2022, the partners of GDM **have filed all the required applications** with the relevant authorities, to comply with the **conditions precedent** set out in the partnership sale agreement, which **are expected to be completed during 2022.**

2.5 Development of our affiliates (2/2)

Desfa, Greece



- During the first quarter of 2022, demand in Greece and exports to Bulgaria grew by 6.18% and 73.65%, respectively, compared to the same period of the previous year. The Revithoussa LNG terminal covered 43.23% of the total demand (domestic + exports), which reached 21.33 TWh.
- **DESFA** is working, in coordination with the **Hellenic Government**, on various measures to ensure the **security of gas supply in the current geopolitical context. The Revithoussa plant is a key infrastructure in this respect.** This is why a **possible expansion of its storage capacity is being analysed.**
- DESFA continues **to participate in the tender for the development of the Kavala underground storage facility.**

TAP, Europe



- **During Q1 2022 TAP continues to make an essential contribution to the guarantee and security of supply in Italy and Greece.** With a utilisation rate of 91%, TAP delivered 2.4 bcm of natural gas in Europe in the first three months of the year: 2.1 bcm have been delivered in Italy (~ 9% of demand) and 0.3 bcm in Greece (~ 20% of demand).
- **Volumes delivered by TAP in Italy, which increase by 1.2 bcm (+140%) vs Q1 2021, are replacing lower gas imports from Russia, which decrease ~ 1.8 bcm (-28%) vs Q1 2021.**
- TAP continues to work on various **alternatives to boost infrastructure expansion.** The planned date for the binding phase of the current market test is July 2023, which could be brought forward to 2022 if the market so requires. In this respect, **Italy is reportedly working to include the "full expansion" of TAP** (increasing transport capacity from 10 bcm to 20 bcm) **as a key element of its RePowerEU** measures to reduce dependence on Russian gas.

Tallgrass Energy, US



- During the first quarter of the year, there has been a favorable environment for the oil & gas industry in the US due to the increase in the prices of commodities and the production. In this new energy context new initiatives linked to the role of the US as a reliable long-term energy supplier are being launched.
- The Tallgrass infrastructures have registered a high level of contracting and utilization during the first quarter of the year. Average contracted capacity at REX has been ~5.3bcfd and LEP utilization has been ~380Mbps. REX has once again demonstrated its flexibility to be adapted very quickly to the market dynamics, and to offer different business options to its clients including (long-term and short-term contracts, long-haul and short-haul flow paths in both West to East and East to West directions, including flowing gas the full East to West path from Zone 3 back to Zone 1).

Outlook for 2022 and annual targets

First quarter results in line to achieve the targets set for 2022

- **Asset turnover pending authorizations and definitive closure:**
 - Agreement on **sale** of **50%** interest in **Morelos Pipeline**, which will generate a capital gain of ~ €32M.
 - **Agreement for the entry of the “Clean H2 Infra Fund”**, managed by Hy24 (an investment platform owned by Ardian and Five T Hydrogen), **into Enagás Renovable S.L.U.'s shareholding structure**. (EGR), as a financial partner with an initial stake of 30%. The transaction will generate a net capital gain of ~€46.9 million.
 - On 28 March 2022, the **sale** agreement (pending authorisations) of the **45.4% stake in GNL Quintero** was announced. This transaction will result in a cash inflow of ~€565M (*), will generate net capital gains of ~€122M (*) and will have an impact on net profit of ~€97M (*) after the stake is deconsolidated.
- **Net Profit Target for the end of the year: Exceed €430M**
 - Ordinary net profit would amount to EUR 360 million excluding the extraordinary capital gains from the asset rotation process.
 - **Solid and visible cash generation** that for a second year will reduce net debt and continue to maintain a solid and optimal balance structure.
 - Significant contribution of subsidiaries to Enagás' income statement and cash flow.
 - The cash flows generated are sufficient to ensure we can commit to our **dividend policy** for 2022 (**1.72 euros/share + 1%** compared to 2021).

03

ESG AND RENEWABLE GASES

ESG Transparency Commitment

Enagás has published the **2021 Annual Report** in accordance with the requirements laid down by **Law 11/2018 on non-financial information and diversity** and by the **European Taxonomy of sustainable activities**.

- Reporting aligned with the main international standard **GRI** (Global Reporting Initiative, new version 2021 and new sectoral standard GRI 11), **SASB** and the **Integrated Reporting** framework. External assurance.



- Climate change report aligned with the recommendations of the **Task Force on Climate Related Disclosures** (TCFD), including **new scope 1, 2 and 3 emission reduction targets** aligned with the **1.5°C scenario** to achieve **carbon neutrality by 2040**.
- Prepared with an **Internal Control System for Non-Financial Information**.

Leadership in the main sustainability indices:



Main milestones of the first quarter for **enagas**renovable

At the end of January Enagás announced it had **joined the SHYNE project**, a large consortium of companies and institutions to promote renewable hydrogen.

On 15 February, the announcement of **HyDeal Spain, a platform** for the supply of **renewable hydrogen for the production of green steel, green ammonia, green fertilisers and other low-carbon industrial products, took place.**

Driven by ArcelorMittal, Enagás, Grupo Fertiberia and DH2 Energy, it was officially established as a joint venture in November 2021.

On 1 February **Copenhagen Infrastructure Partners** announced a consortium with **Enagás, Naturgy, Fertiberia and Vestas** to **produce hydrogen** and green ammonia on a large scale in Spain.

The project **will connect Aragon and Valencia** through a **pipeline** that will transport this hydrogen to a newly built ammonia plant.

On 14 March **Vice President** Teresa Ribera **inaugurated** in **Mallorca the first industrial renewable hydrogen plant in Spain**, as part of the **Power to Green Hydrogen Mallorca**, project, led by Enagás and Acciona Energía, with the participation of CEMEX and IDAE.

Main milestones of the first quarter for the sector

January 2022. PERTE ERHA

Announcement of the four initial PERTE ERHA calls:

- Pioneering renewable hydrogen projects
- Boosting the renewable hydrogen value chain
- R&D projects in energy storage
- Pilot projects for energy communities

These first PERTE calls will mobilise the first €500M of aid from the Spanish Government for projects to be implemented.

March 2022. Biogas roadmap publication

The biogas roadmap approved by the Government sets out the guidelines and targets linked to biogas/biomethane at national level.

The main aspects of the project are as follows:

- Objective: Biogas production of 10.41 TWh/y in 2030
- Implementation of a Guarantee of Origin System for renewable gases that allows consumers and companies to differentiate their added value compared to fossil fuel gases and ensures sustainability standards.
- Development of a calculator to calculate the GHG emission reductions associated with each project.
- Updating the Roadmap every 3 years

Conclusions

First quarter 2022 conclusions

- **Enagás will adapt its strategic vision to this new European energy scenario and will present its strategic update in the coming months.**
- **First quarter results in line with expected budget by March 2022 and to achieve all targets set in 2022.**
- **The asset rotation process materialised to date strengthens the company's balance sheet and Enagás' solid financial position to take advantage of the new opportunities of the current decarbonisation process in Spain and Europe.**
- **Spain is key to increasing the resilience of the European energy system, due to its essential role in the diversification of LNG sources and its huge potential for the accelerated deployment of green hydrogen.**
- **ESG as a cornerstone of the Company's strategy.**
- **Shareholder remuneration remains one of our strategic priorities.**



Thank you very much
for your attention