

2022 results and 2023 targets

21 February 2023



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01

2022

1.1 Context 2022

Europe paves the way on H₂ and security of supply

Green Deal

Roadmap to a **climate-neutral EU by 2050**.

Fit for 55

Package of measures to **reduce emissions by at least 55%** by 2030.

Europe continues to move forward on H₂ regulatory frameworks

Decarbonisation goals in the EU

Carbon neutrality in 2050

2030 target: 20Mt of hydrogen consumption in Europe

REPowerEU

European plan to **reduce dependence on Russia** and accelerate the energy transition.

The focus of H₂ demand is on sectors that are difficult to decarbonise, such as industry and heavy transport

Hydrogen as an energy carrier

In July 2022 Enagás published its Strategic Plan 2022 - 2030 to adapt its strategy to Europe's new energy paradigm

1.2 Behaviour of the gas system

In a historic year for security of supply, the Spanish Gas System has been key for Spain and Europe

- **100% availability**
- Total **exports: +90 %**
- All-time **record** annual **exports to France** (35 TWh)
- **Expansion of export capacity to France** (1.5bcm/year)
- Fill level of the **underground storage at 93%** (vs European standard of 80%)
- **Increase in vessel cargo** (45% vs 2021) to the **third highest historical value**
- **Increase in vessel unloading** (+33% vs 2021)

1.2 Gas system performance

Natural gas demand

Total natural gas consumption reached 364.4 TWh in 2022

Total natural gas exports through international connections and LNG vessel refuelling at 68 TWh **+90% vs 2021** in 2022

Demand evolution + exports to Europe 2022



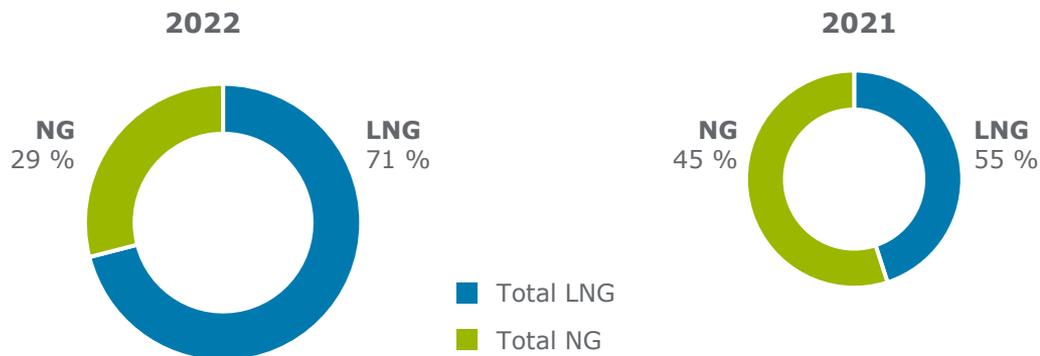
- Gas demand for electricity generation increased by +52.7%**, reaching the highest value since 2010. This increase was driven by electricity exports to France and Portugal and by the weather conditions.
- Conventional demand fell by -21.4%**. This decrease is mainly due to lower industrial consumption, especially in sectors such as cogeneration, and to the Government's savings and energy efficiency measures.
- Gas exports to Europe** via interconnections with France **increased by 22 TWh**.
- LNG vessel refuelling** from Spanish terminals **increased by 45%**, the third highest ever. This **will support the coverage of the gas market and the filling of underground storage** in the rest of Europe.

Source: Enagás GTS

Note: Conventional demand = industrial demand + domestic commercial demand

1.2 Gas system performance

Source of natural gas supply



Source: Enagás GTS

Main sources of supply in 2022

29%

United States

24%

Algeria

14%

Nigeria

- The Spanish Gas System has positioned itself as an entry point for supplies to Europe**, thanks to the high potential of Enagás' regasification plants. Of the vessel cargo carried out at Spanish plants, the main destinations were Italy and Germany (refuelling of the first FSRU put into operation in this country).
- In 2022, Spain** received natural gas from **19 different sources**. The **vessel unloadings have increased** to a total of **338 operations**, 33% higher than 2021.
- Average LNG tank fill level ~70%** in 2022, with technical peaks throughout the year.

1.3 Financial results

Enagás achieved all the targets set for 2022

Key figures 2022

- **Net profit €376 M***
- **Control of recurring operating expenses** as a result of the implementation of the Company's Efficiency Plan 2022 - 2026
- **Good contribution** of the **Affiliates**, which account for 39% of net profit
- **Positive development of net debt in 2022** mainly due to the **divestment in GNL Quintero and the good performance of the Working Capital** due to the improvement in the Gas System's turnover.
- Leverage **FFO/ND > 14% consistent with credit metrics** set by S&P and Fitch for a BBB rating
- Submitted of the **H2MED project** and the axes of the **Spanish H₂ Backbone** to the **EU's Project of Common Interest** candidacy in December, as announced by the Spanish Government

Note*: Above the set target which included the capital gain from the sale of the Morelos pipeline (€380-390 M). The deal is expected to close in the first four months of 2023

1.3 Financial results

Income statement

€M	2022	2021	Var. %
Total revenues	970.3	991.2	(2.1%)
Operating expenses	(374.1)	(313.4)	19.4%
Income from affiliates	201.2	217.6	(7.5%)
EBITDA⁽¹⁾	797.4	895.3	(10.9%)
Depreciation and amortisation	(264.8)	(257.6)	2.8%
PPA	(54.4)	(54.3)	0.2%
EBIT	478.2	583.4	(18.0%)
Financial result	48.2	(83.4)	-
Corporate income tax	(150.0)	(95.3)	57.4%
Non-controlling interests	(0.6)	(0.8)	(21.3%)
Net profit	375.8	403.8	(6.9%)

Note (1): EBITDA adjusted by dividends 2021: €838.9 M; 2022: €717.6 M

Note (2): The impact of the sale of GNL Quintero is detailed as follows:

.- Impact on financial result (€205 M) = Gross Capital Gain (€249 M) - Taxes on repatriation of cash (-€44 M).

.- Impact on net profit (€135 M) = Impact on financial result (€205 M) - Corporate income tax associated with the sale (-€70 M).

The exchange rate of the operation is €1=USD1.0251.

COMMENTS

- Regulated revenues decreased due to application of the 2021-2026 regulatory framework (-€45 M).** This impact was partially offset by the remuneration of electricity and other audited expenses (pass-through costs).
- Recurring operating expenses increased by ~4% in 2022 vs 2021, highlighting the **effectiveness of the cost efficiency plan** implemented by the company to minimise the impact of inflation on manageable costs.
 - Non-recurring staff costs ~€10 M.
 - Audited expenses (~€38 M) offset as higher revenue.
- Good performance of the results of affiliates, despite the change in the scope of consolidation due to the exit of GNL Quintero.
- Financial result improved by €131.6 M:**
 - Gross capital gain from the divestment of GNL Quintero (+€205 M2)
 - Net capital gain from the entry of the Hy24 Fund in the capital of Enagás Renovable +€50.4 M
 - Impairment in Tallgrass (-€134 M)
- Corporate income tax reflected (-€70 M) associated with the sale of GNL Quintero.

1.3 Financial results

Cash flows and net debt evolution

Net debt in 2022 decreased by -19% (€808 M), mainly due to high cash generation, the divestment in GNL Quintero and the good performance of Working Capital.



1. The high utilisation of the company's infrastructures, especially the regasification plants, has led to an increase in the amounts of the company's settlements in 2022.

2. The cash generated by the sale of GNL Quintero for an amount of €639 M, although the taxes associated with this sale (€114 M) are expected to be paid in 2023. The tax payment is calculated at the exchange rate €1=USD1.05

3. Includes net exchange rate impacts of €125 M and others of €16 M. Exch. rate USD/€: budget \$1.18/€ and December closing exchange rate \$1.07/€.

1.3 Financial results

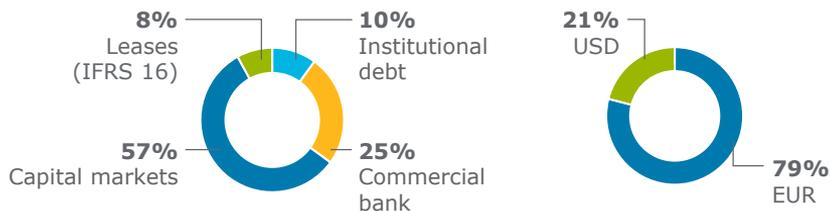
Sound financial structure and strong liquidity position

Leverage and liquidity	Dec. 2022	Dec. 2021
Net debt	€3.47 Bn	€4.28 Bn
Net debt/adjusted EBITDA ¹	4.8x	5.1x
FFO/Net Debt	17.6 %	16.4 %
Financial cost of debt	1.76 %	1.71 %
Liquidity	€3.79 Bn	€3.3 Bn

Liquidity	Dec. 2022	Dec. 2021	Current maturity
Treasury	€1.36 Bn	€1.44 Bn	
Club Deal	€1.5 Bn	€1.5 Bn	January 2028 ²
Operational lines	€934 M	€355 M	Dec 2023 - Oct 2024
TOTAL	€3.79 Bn	€3.3 Bn	

Financial cost of debt: 1.76%
The leverage ratios consistent with BBB credit rating

Type of debt



Debt maturities (€M)

In December 2022 Enagás contracted the necessary liquidity to pay the 2023 maturities


Fixed-rate debt over 80%³
Average maturity of debt 4.4 years

(1) EBITDA adjusted by dividends received from affiliates. (2) In Jan-23 the maturity was extended from Dec-2026 to Jan-2028 and the amount was increased from €1.5 Bn to €1.55 Bn. (3) Including interest rate hedging instruments.

1.4 Evolution of our affiliates(1/3)

Contribution to security of supply and decarbonisation process

Enagás Renewable, Spain

- Provisional award of €25.6 M from the PERTE programme to 3 Enagás Renewable hydrogen projects.
- The first FIDs (Final Investment Decision) for hydrogen and biomethane projects are expected to be taken in 2023 since Enagás Renewable has been managed as an affiliate.

TGP, Peru

- Good performance of both local and export demand for natural gas. Total growth of 20%.
- During 2022 TGP acquired 100% of the operating company COGA.

TLA/GDM/SLM, Mexico

- 100% Availability of the asset.
- The process of closing the Gasoducto de Morelos transaction continues, and it is expected to be completed in the first four months of 2023.

Desfa, Greece

- DESFA's key role in ensuring security of supply in Greece and the region.
- All-time record gas demand in Greece (7.5bcm).
- The Revithoussa LNG terminal accounted for 44.2% of the country's total natural gas imports as of December.

BBG / Saggas, Spain

- High utilisation of both terminals in 2022, covering approximately 39% of regasification demand in Spain.

1.4 Evolution of our affiliates (2/3)

TGE's evolution in line with the Business Plan 2022 - 2026

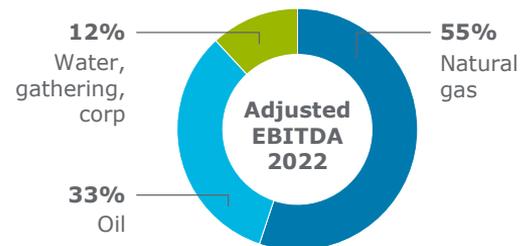
Adjusted EBITDA 2023: 775 – 815 MUSD (~+9% vs 2022)

Tallgrass Energy, USA

- Adjusted **EBITDA 2022: ~735 M USD**, including the effects of the cold snap that took place at the end of December 2022.
- **High level of contracting and utilisation of infrastructure in 2022.** Average contracted capacity **REX +90%**, **PXP** utilisation **84%**.
- Operations carried out in 2022:
 - Core business:
 - **Acquisition of gas storage East Cheyenne Gas Storage**
 - **Commissioning of PEGE Project** (expansion of PXP capacity)
 - Positioning in decarbonised energy:
 - Agreement with Archer Daniels Midland (ADM), to **capture and store CO₂ at the Tallgrass Hub in Wyoming** (drilling work already started). Driving the conversion of the **Trailblazer pipeline to CO₂ transport**.
 - Memorandum of Understanding, "MOU", **with Equinor** for joint development of large-scale **clean H₂ and NH₃ production opportunities and infrastructure** .
- Closing in January **2023** of the **Ruby acquisition (291 MUSD)** which **will contribute positively to the company's adjusted EBITDA growth in the following years** and support future Tallgrass decarbonised energy solutions. This operation is **accretive** from the point of view of the **company's leverage**.
- In January 2023 **United Green Plains and TGE formed a consortium to develop a new sustainable aviation fuel technology using ethanol**.

2022 Results

- Adjusted EBITDA: **~735 M USD**
- TEP bank leverage: **4.2x**
- CAPEX: **214 MUSD**



Estimate 2023

- Adjusted EBITDA*: **775 – 815 MUSD**
- CAPEX: **~400-600 M USD** (including Ruby acquisition)

*Adjusted Ebitda growth 2023 vs 2022 is higher than the expected CARG growth 2022-2026 of ~6%.

1.4 Evolution of our affiliates(3/3)

Trans Adriatic Pipeline (TAP), Europe

- **31 December 2022** marked **two years since the start** of natural gas transport **operations** through TAP. Since then, TAP has delivered 19 bcm of natural gas in Europe.
- **In 2022 TAP transported ~11 bcm of natural gas to Europe**, with an average utilisation of over 100%.
- In 2022 **volumes delivered by TAP in Italy increased by 41%** vs 2021 **offsetting lower imports of Russian gas into the country**.
- On 1 October 2022, **commercial operation of the Greece-Bulgaria Interconnector (GBI)** began, **starting exports of Azeri gas to Bulgaria** through its interconnection with TAP.
- On **27 January 2023**, Enagás agreed with Swiss **AXPO to acquire a 4%** stake in TAP for €168 M, giving Enagás a 20% stake in the company¹.
- The outcome of the market test process initiated in 2021 has led to the **contracting of additional transmission capacity of 1.2 bcm from 2026 onwards**. A **second binding phase** is planned to be **launched in September 2023**, which could **double its capacity to 20 bcm**.

In 2023 TAP will contribute dividends to Enagás amounting to ~€70 M

Note 1: The transaction is expected to close in the second half of 2023.

1.5 GSP

Gasoducto Sur Peruano (GSP)

- The arbitration proceedings have proceeded according to the established procedural timetable and the final award of the arbitrators is pending.
- Legal advisors estimate that the ruling should be handed down during the first half of 2023.

02

Execution

Strategic Plan 2022-2030

2.1 Execution of the Strategic Plan

Execution of the Strategic Plan

	<i>Core business</i>	Asset rotation	Other developments in the international assets and adjacent businesses
<div data-bbox="92 442 253 727" style="border: 1px solid black; padding: 5px;"> <p>Included in the More Energy Security Plan ("Plan Más Seguridad Energética") of the Spanish Government</p> </div>	<ul style="list-style-type: none"> ▪ Next commissioning of Musel as a logistics plant that will allow to deliver up to 8 bcm to the EU ▪ Interconnection with France. The extension of the Irún interconnection enables export of an additional 1.5 bcm of gas per year. ▪ The extension of the Barcelona plant's jetty allows the potential shipment of gas to Italy in smaller vessels (2,000 - 80,000m³) ▪ Enagás GTS designated as the transitional entity responsible for the System of Guarantees of Origin for renewable gases 	<ul style="list-style-type: none"> ▪ Sale of GNL Quintero (45.4%) for €639 M with a net capital gain of €135 M ▪ Sale of Gasoducto Morelos, which would generate a capital gain of ~€40 M in 2023. The deal is expected to close in the first four months of 2023 ▪ Incorporation of partners in Enagás Renewable (current shareholding 60%) ▪ Purchase of additional 4% stake in TAP (current stake 20%) 	<ul style="list-style-type: none"> ▪ Contracting additional transmission capacity in TAP of 1.2 bcm from 2026 as a result of the market test. Binding second phase will be launched in September 2023, could mean a Full Expansion of TAP ▪ Agreement with Albanian operator AlbGaz to potentially become a shareholder and explore projects together ▪ First LNG bunkering vessel in which Enagás participates as a shareholder through its subsidiary Scale Gas. The gross cost amounted to €40 M and a grant was received from the European Commission for 20% of the amount

2.1 Execution of the Strategic Plan

Asset rotation

TAP acquisition

- **Agreement with Axpo** for the acquisition of its **5% stake in TAP (4% Enagás and 1% Fluxys)**.
- The **final shareholding** in TAP is **balanced** with an equal shareholding of **20%** of all partners.
- **Investment: €168 M**
- Enagás reinforces the fulfillment of the objective announced in the presentation of its 2022-2030 Strategic Plan of **contributing to strengthening the security of energy supply and decarbonisation in Europe**.

STRATEGIC FIT



Fundamental role
in guaranteeing
supply to Europe



Contribution to the
decarbonisation of Europe:
infrastructure included in the
European Hydrogen Backbone
to be hydrogen infrastructure as
from **2040**



Acquisitions with **accretive
impact on Income
Statement and Cash Flow**

2.2 Growth post 2026

Historic agreement in the EU: H2Med

H2Med: First hydrogen corridor between Spain, France and Portugal, supported by Germany



- RepowerEU's **first major hydrogen corridor**, with the aim **of increasing flexibility and ensuring continuity of supply to Europe**.
- The **governments of Spain, France and Portugal** have mandated their TSOs to set up a consortium. Enagás, GRTgaz, Teréga and REN signed an **MoU for the development** and submitted the **PCI application on 15 December**.
- On 22 January the Spanish government announced an agreement for **Germany** to join the H2Med project.
- It is expected to be **commissioned in 2030**. **It will transport 2 million tonnes of green hydrogen to Europe**, which will be produced in Spain and Portugal.

**Total estimated
gross investment**

€2.5 Bn

- **BarMar €2.13 Bn**
- **CelZa €350 M**
(€157 M on the Spanish side)

*Investment figures are gross without considering potential subsidies. In the case of BarMar, the investment for each operator is still to be decided

2.2 Growth post 2026

Spanish H₂ Backbone

Enagás' Hydrogen Day (19 January) highlighted Europe's and Spain's commitment to the development of renewable hydrogen infrastructures

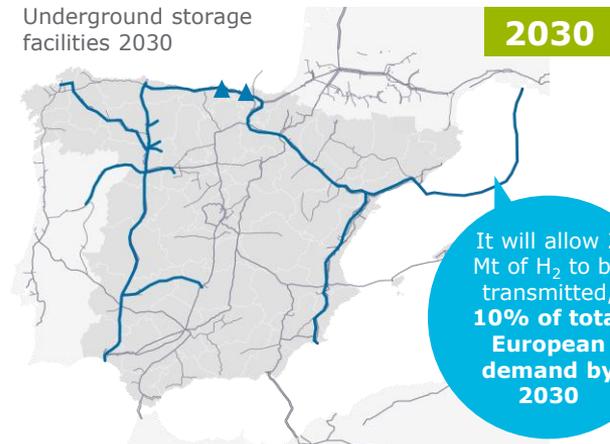
- Enagás has a key role to play in meeting domestic hydrogen demand and transporting 2 million tonnes of hydrogen to Europe.
- This hydrogen backbone **will connect** the main hydrogen hub with **local demand and European interconnections**.
- Synergies between the gas network and the future hydrogen network:**
 - Enagás' gas pipeline **network** is **100% ready to transport H₂**
 - It coincides by 80% with the route** of the hydro-products backbone
 - Already more than **30% of reusable pipeline** sections have been identified.
- On 16 December 2022, Enagás submitted the first axes of the green hydrogen backbone to the PCI call** and the feasibility study for two underground hydrogen storage facilities.
- Enagás' role as TSO is fully compatible with that of HNO

Total estimated gross investment by 2030: €4.67 Bn

Transmission and storage projects submitted to PCI call for proposals

— Hydroproducts 2030

▲ Underground storage facilities 2030



2030

1.3Mt National demand

2Mt Export H2Med / BarMar

0.75 Mt Import from Portugal

~ 0.45Mt Carriers - Maritime transport

2.2 Growth post 2026

H2MED and axes of the Spanish H₂ Backbone calendar



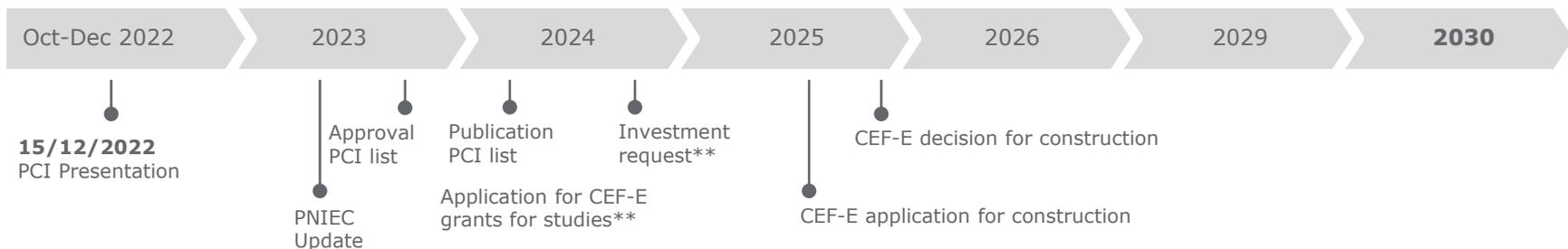
09/12/2022

Mandate to TSOs to create development consortium for H2MED

*Non-binding calls for interest**

Spanish Backbone Network Axes

 H2MED

 Spanish Backbone Network Axes


*Binding future planning defined by the Government as part of the energy policy will mark the following steps

**Conditional on schedule for resolution of PCIs

*** CEF-E: Connecting Europe Facility

2.3 Expected regulatory developments

2023 a pivotal year for the future of green hydrogen

- Update of the Integrated National Energy and Climate Plan (**PNIEC**)
- Publication of the list of projects submitted for designation as Projects of Common Interest (**PCIs**)
- Publication of the third **legislative package** on **gas and hydrogen decarbonisation**
- Approval by the European Commission of the **Green Deal Industrial Plan for the Net-Zero Age** for the subsidisation of the production of renewable gases and methane

**During 2023, Enagás will implement the first non-binding hydrogen supply and demand matching mechanisms in the country.
The binding planning defined by the Government will mark the following steps.**

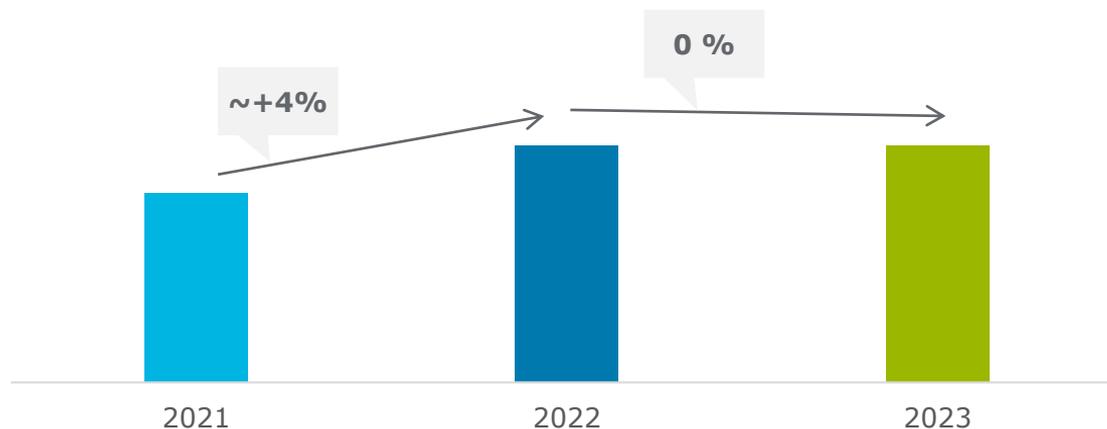
03

2023

Control of operating expenses

Implementation of the Efficiency Plan in line with the Strategic Plan 2022 - 2030

Evolution of recurrent operating expenses



Note: These data include recurring costs, all non-recurring costs have been eliminated in order to compare on a like-for-like basis: 2022 severance payments, variations in audited costs and costs associated with new infrastructures with their corresponding remuneration scheme.

2023 Targets

- Net profit

€310 M - €320 M*

- EBITDA

~ €770 M

- Dividends from affiliates

€190 M - €200 M

- Net Debt

~ €3.7 Bn

- Net investment in accordance with Strategic Plan

~€250 M**

- Efficiency plan for operational and financial expenditure

Recurrent operating expenses in line with 2022

Control of financial expenses (expected financial result ~€110 M)

- Financial structure

FFO/ND > 14% compatible with BBB credit rating
(without credit remedies)

- Dividend policy

1.74 euros/share

Note*: includes the net capital gain from the sale of Gasoducto Morelos (~€40 M) and the contribution from the increase of the 4% stake in TAP (~€5.5 M). The assumptions established for the GSP ruling are maintained based on the considerations of the legal advisors.

Note**: 2023 Capex includes increased stake in TAP, and the cash inflow from the closing of the sale of Gasoducto de Morelos

Note: Exchange rate used for the calculation of the budget €1=USD 1.05

04

ESG positioning

4.1 ESG Key achievements / progress in 2022

ESG Leadership

Milestones 2022



Enagás is included for the **fifteenth consecutive year** in the Dow Jones Sustainability Index (DJSI) with a **score of 88** and a **Top 5% S&P Global ESG Score 2022**, ranks among the companies with the **highest level of performance** in its sector, Gas Utilities.

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



Environmental



- Update of the **decarbonisation pathway** to meet the **carbon-neutral Scope 1 and 2 emission reduction targets in 2040**.
- Highest **Gold Standard** rating from **OGMP 2.0** for its **methane emissions reduction plan**.
- Establishment of a **scope 3 indirect emissions reduction target (25% in 2030 and 50% in 2040)**.
- Targets set for **zero net loss of biodiversity by 2040 and positive impact on nature by 2050**.

Social



- World leader** in its sector in the **Bloomberg Gender Equality Index**
- Achievement of the maximum **A+ level of excellence** in certification as an **EFR Family-Responsible Company**, a benchmark in work-life balance.
- Negotiation, signing and publication of the Enagás **II Equality Plan**.
- Contribution of** equipment to repair Ukraine's gas transmission network and financial **donation** to UNHCR to assist in the relief of **refugees from Ukraine**.

Governance



- 40% of women on the Board of Directors and 33% on the Executive Committee.**
- Separation of roles between **executive CEO and non-executive Chairman**.
- Awarded the seal of the **highest category of Fiscal Responsibility** by the Haz Foundation.

**Integration of ESG risks into the company's overall risk model.
Report on alignment with the European Taxonomy of Sustainable Activities.**

4.2 Main long-term commitments

Sustainability and Decarbonisation Strategy

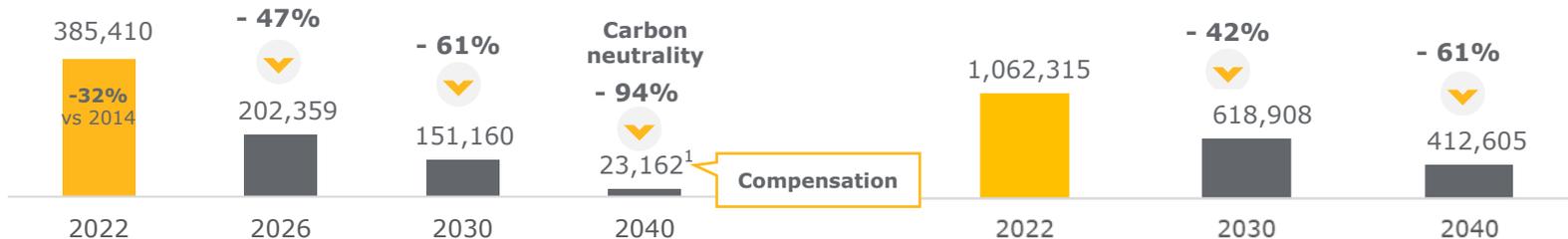
Strategic objectives



Decarbonisation of our operations and our value chain

Emission reduction targets Scope 1 and 2 (tCO₂e)

Emission reduction targets Scope 3 (tCO₂e)



Transformation with a focus on people

2026 targets

35%
Women in
Leadership
Positions

85%
Sustainable
engagement & well-
being

37kh
Average annual
efficiencies generated
by digitalization
projects

+85%
Agile scorecard
(Agile maturity level)

2%
Annual
investment in
Digitalisation



Governance to ensure due diligence on human rights and the environment

- Focus on supply chain and affiliates



Note 1: In 2040 carbon neutrality is achieved with 23,162 tons of CO₂e offset with nature-based solution projects (reforestation).

4.2 2023 Targets

2023 Sustainable Management Plan

Notable Initiatives



Climate action:

- Plan for **electrification of renewable energy sources** (replacement of natural gas turbochargers with electric motors, consuming electricity with guarantees of renewable origin).
- Renewal of the **OGMP 2.0 Gold Standard** qualification for methane emissions for the third year.



Natural capital and biodiversity:

- Report on **biodiversity and nature** aligned with the **international framework, Taskforce on Nature-related Financial Disclosures (TNFD)**.



Transparency:

- The 2023-2024 analysis and action plan to respond to the requirements of the **Sustainability Reporting Directive** and the **new EFRAG (ESRS) reporting standards**.



People:

- Transformation Plan** underpinned by the pillars of **talent, diversity, safety and well-being, agility and new ways of working, digitalisation and new flexibility frameworks**, with a focus on strengthening engagement and resilience.
- Start of negotiations on the **fourth collective bargaining agreement** of the Enagás Group.



Sustainability due diligence:

- Review of ESG risk assessment processes in the **supply chain** and **affiliates**.

05

Conclusions

Conclusions

- **Enagás has achieved all the targets set for 2022.**
 - **Higher degree of execution of the Strategic Plan 2022 - 2030 than initially planned.**
 - **Commitment to control operating and financial expenses**, as set out in the Strategic Plan.
 - Asset rotation that highlights **Europe as the strategic focus** of Enagás' investment plan
- **Targets for 2023 as foreseen in the Strategic Plan 2022 - 2030.**
 - **2023 will be the year when the regulatory framework for H₂ in Europe is approved.**
 - Presentation of the **H2MED projects and the axes of the Spanish H₂ Backbone** to the EU's Project of Common Interest candidacy.
 - **ESG as a driver of the Company's strategy.** Enagás is among the leading companies in its sector of the Dow Jones Sustainability Index.

Limitations

- This document may contain market assumptions, information from various sources and forward-looking statements regarding the financial conditions, operating results, business, strategy and plans of Enagás S.A. and its subsidiaries.
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Thank you very much

