



H1 2022 RESULTS

July 27, 2022

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01

MILESTONES FIRST HALF 2022

1.1 First half of 2022 key in the new energy paradigm

Security of supply and decarbonisation as the cornerstones of the new energy paradigm

July 14, 2021

Launch of 'Fit for 55' package

December 15, 2021

Decarbonisation Package for Hydrogen and Gas Markets

March 8, 2022

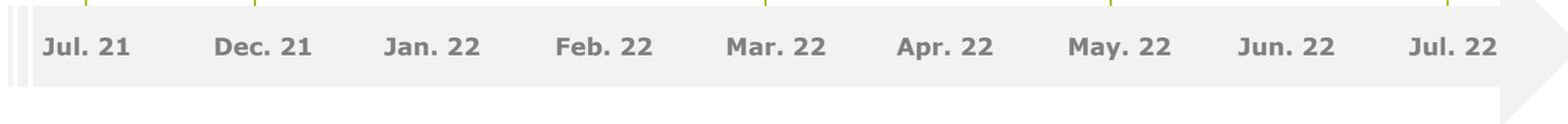
REPowerEU Communication

May 18, 2022

Launch of the REPowerEU Plan

July 20, 2022

Save Gas for a Safe Winter Communication / European Gas Demand Reduction Plan



► **Covid, Ukraine and the economic environment** are driving a new climate and energy agenda.

► **Driving the energy transition.** The creation of a market for renewable gases and new investments aligned with the EU Taxonomy is being accelerated.

► **Enagás TSO / future HNO** a benchmark in Europe and a key player in the new energy scenario.

Launch of the 2022-2030 Strategic Plan
*“Reliable energy for a decarbonised future
 A 2030 strategy for a new stage in Europe”*

Main indicators of the strategic plan

Profitable and sustainable growth, compatible with a solid dividend policy, balance sheet structure, and compliance with credit metrics

1 Investments

	Investments included in the financial forecasts	Investments including REPowerEU interconnections
2022-2026	€1.30 BN	€1.98 BN
2027-2030	€1.475 BN	€2.775 BN
TOTAL 2022-2030	€2.775 BN	€4.755 BN

2 Growth

	EBITDA adjusted for dividends from affiliates (CAGR)
2022-2026 ¹	+1 %
2026 ¹ -2030	+4 %
2022-2030	+2 %

3 Commitment to dividend policy (€/share)



4 Compliance with credit metrics

2022-2030 FFO / ND greater than **14%**

Current ratings

STANDARD & POOR'S **BBB** Fitch Ratings **BBB+**

Since the presentation of the 2022-2030 Strategic Plan, the Enagás' stoke market performance is slightly better than its main peers

1.3 First steps in the Strategic Plan

Execution of the 2022-2030 Strategic Plan.

First steps

- 1** On 20 July **the entry of the Hy24 Fund was closed, through Clean H2 Infra Fund, into the capital of Enagás Renovable**, as a financial partner with an initial stake of 30%.
The transaction will generate a net capital gain of €50.4 M.
- 2** On July 26, the agreement was signed for the sale of a **5%** of Enagás' stake in **Enagás Renovable to Pontegadea**.
- 3** On July 20, 2022, the **sale** of a 45.4% **stake** in GNL Quintero was completed.
It represents a gross cash inflow of €639 M(*) and generates net capital gains of €135 M (*).
- 4** MoU for **strategic partnership** in the field of energy between the **EU** and **Azerbaijan** which lays the groundwork for the possible expansion of TAP capacity to 20 bcm.
On July 15, TAP published the Project Proposal with the **possible scenarios for the expansion of the infrastructure**. The binding phase is scheduled for November 2022.

* NB: €1=USD1.0251

1.4 100% availability of infrastructures and Gas System

100% availability of infrastructures and Gas System

Availability

100%
technical and
commercial
availability

Contribution to the rest of Europe's security
of supply

There have been **exports to Europe**
through the **interconnections** with
France, reaching **20.6 TWh**,
equivalent to more than 20 LNG ships.

Currently **100%** of the **total
capacity** of **interconnection** with
France is **contracted**

High diversification of
supply

Supplies have been
received from
**14 different
origins**

Filling of underground
storage facilities in excess
of the obligation set by
the European Commission

The **filling level**
stood at **74%** as of
July 19, 2022

Spanish regasification plants as a key pillar for domestic and
European security of supply

Increase in the
number of **ship
unloadings**, with
a total of **173
operations**
compared to 111 in
H12021

LNG stocks in storage
tanks have been **higher**
than in H12021, reaching
an average of **59%**
compared to 44% the
previous year

Shuttle service of LNG
carriers **between the
Spanish** regasification
plants in the
Mediterranean **and the
Panigaglia plant in
Italy** started in June

Natural gas as a back-up to
renewable energy for electricity
generation at times of record of
demand

Since June **three
consecutive records**
have been broken in
demand for electricity
generation.

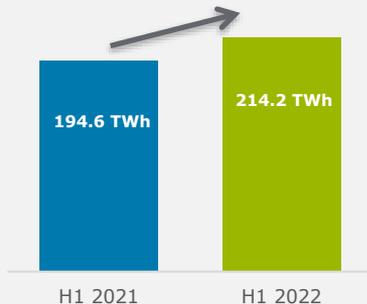
1.5 Demand for natural gas

Gas infrastructure

Growth in natural gas demand and exports through interconnections in the first half of 2022 of +10.1%.

Evolution of demand and exports to Europe H1 2022

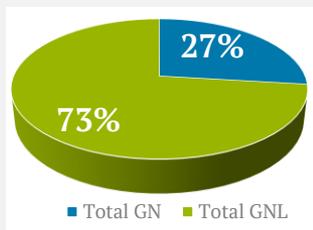
+10.1 %



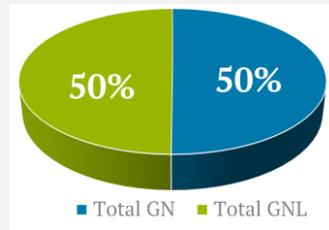
- **Demand for electricity generation increased by +73.4%**, since June three **consecutive records** have been broken.
- **Exports to Europe** via interconnections with France have **increased by 12.2 TWh**, due to the current European energy situation, where in this context great importance is attached to international interconnections.
- **Conventional demand**, which represents ~71% of natural gas demand in Spain, has **decreased -10.3%** at June 30, 2022, affected by the decline in industrial demand.

Origin of natural gas supply

January–June 2022



January–June 2021



Origin of supply:
Main NG and LNG countries
January–June 2022



Source: Enagás GTS

- In this difficult geopolitical situation, **Enagás has shown that it is prepared to support security of supply** thanks to the high **diversification of its suppliers**.
- **The United States has become the leading supplier** of natural gas to the Spanish Gas System.
- In the first six months of 2022, the supply of **LNG (liquefied natural gas) has accounted for 73% of Spain's total gas supply**. The gas system has received LNG mainly from 3 different origins.
- Due to the geopolitical crisis **exports to France have increased**, and Spain has become a support for the security of supply to the centre of Europe.

02

2022 FIRST HALF RESULTS

2.1 Financial results

Income Statement

Net profit for the first half of the year, including the capital gains from the transactions closed in July (GNL Quintero and the entry of the Clean H2 Infra Fund into Enagás Renovable's shareholding structure) and the impairment of Tallgrass, would be **€215.5 M**

€M	H1 2022	H1 2021	Chg. %
Total revenues	478.2	480.6	-0.5 %
Operating expenses	-186.0	-142.2	30.8 %
Income from affiliates	99.8	112.9	-11.6 %
EBITDA⁽¹⁾	392.0	451.3	-13.1 %
Depreciation and amortisation	-131.7	-124.9	5.4 %
PPA	-27.3	-26.8	2.0 %
EBIT	233.0	299.5	-22.2 %
Financial income	-170.7	-42.3	303.4 %
Corporate income tax	-31.9	-43.7	-27.1 %
Non-controlling interests	-0.3	-0.4	-27.4 %
Net profit (includes the non-recurring impact of the Tallgrass Energy impairment)	30.2	213.1	-85.8 %
Net profit (without the non-recurring impact of the Tallgrass Energy impairment)	164.0	213.1	-23.0 %
Net profit (considering the impairment of Tallgrass Energy and other subsequent non-recurring events; GNLQ and Enagás Renewables capital gains)	215.5	213.1	+1.1 %

Note ⁽¹⁾: EBITDA adjusted for dividends H1 2021: €402.8 M; H1 2022: €379.6 M

COMMENTS

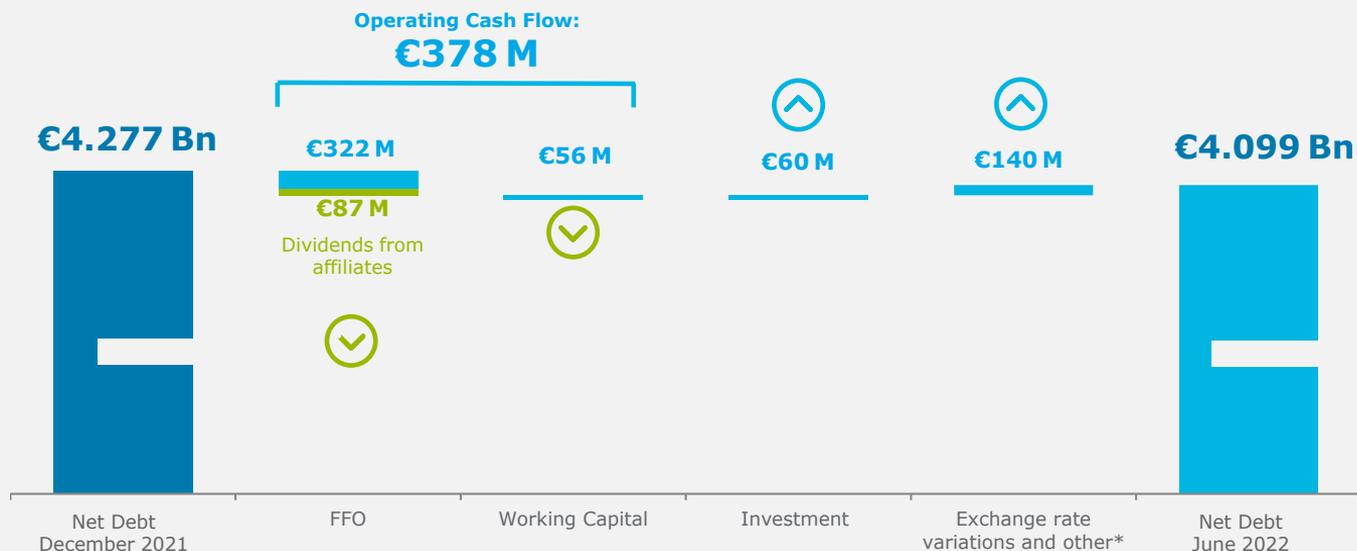
- Regulated revenues reflect the compensation of electricity expenditure and other pass-through expenses.
- The increase in operating expenses is mainly due to:
 - Audited expenses accounted for as higher regulated income amounting to ~€26 M.
 - Non-recurring personnel expenses ~€6 M.
 - Calendar effects and higher activity vs. H1 2021 still affected by COVID-19.
- Good performance of affiliates (including the deconsolidation of Morelos from December 2021 and GNL Quintero from March 2022)
- Financial income includes the impairment of Tallgrass, amounting to €134 M.

2.1 Financial results

Cash flows and change in net debt

▶ Cash flow and net debt in line with H1 2022 budget.

▶ Including the expected cash inflow from the announced divestments, net debt at year-end would be around ~€3.7 bn



Fixed-rate borrowings above 80%

* NB: At June 30, the impact of the exchange rate variation on net debt is +€74 M (closing exchange rate \$1.048/€ vs. \$1.1375/€ in Dec 21), and other effects +€66 M (unpaid accrued interest, etc).

2.2 Financial structure

Sound financial structure and strong liquidity position

Leverage and liquidity	Jun. 2022	Dec. 2021
Net debt	€4.099 Bn	€4.277 Bn
Net Debt/EBITDA adjusted (*)	5.0x	5.1x
FFO/Net Debt	16.6 %	16.4 %
Financial cost of debt	1.6 %	1.7 %
Liquidity	€2.956 Bn	€3.30 Bn

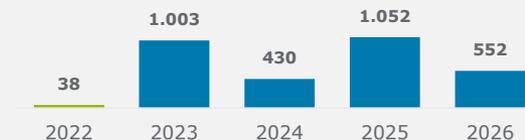
Liquidity	Jun. 2022	Dec. 2021	Current maturity
Cash balance	€827 M	€1.444 Bn	
Club Deal	€1.50 Bn	€1.50 Bn	December 2026 (**)
Operational lines	€630 M	€355 M	January-April 2023
TOTAL	€2.956 Bn	€3.30 Bn	

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

Type of debt



Debt maturities (€M)



✓ Average maturity of debt 4.6 years

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

2.3 Evolution of our affiliates (1/2)

Contribution to security of supply and decarbonisation process

GNL Quintero,
Chile



On July 20, 2022, **the sale of a 45.4% stake in GNL Quintero was completed.**

It represents a gross cash inflow of €639 M^(*) and generates net capital gains of €135 M^(*).

TGP/COGA,
Peru



- Growth in natural gas demand (+36% vs. 2021).
- High use of transmission for export, taking advantage of the good international price situation (94% of contracted capacity).
- **Bills passed** in Congress to promote the **massification of natural gas** in the country, creating the **National Authority for the Massification of Natural Gas and** declaring the construction of natural gas supply networks throughout the national territory to be of national interest.

TLA/GDM/SLM,
Mexico



- The TLA terminal has had 100% availability in the first half of 2022, as it is essential infrastructure to ensure the continuity of supply (strategic storage) of the Mexican gas system.
- The closing process of the GDM transaction continues, and it is expected to be completed before the end of 2022.

(*) Exchange rate \$1.0251/€.

2.3 Evolution of our affiliates (2/2)

Desfa (Greece)



- During the first half of 2022, total demand (domestic consumption plus exports) reached 38.93 TWh, up 3.84% compared to 2021.
- The Revithoussa LNG terminal covered 44.5% of total imports, receiving 39 unloadings from 6 different countries (USA, Algeria, Egypt, Nigeria, Oman and Indonesia).
- DESFA is committed to strengthening its role as a key infrastructure for the security of supply of the Greek gas system. In the current geopolitical context, measures have been taken to reinforce its capacity.

TAP, Europe



- In H1 2022, the Trans Adriatic Pipeline (TAP) has continued to make an essential contribution to the guarantee and security of supply in Italy and Greece. With 97% utilisation and 100% availability, the TAP has delivered 5.1 bcm of natural gas in Europe up to June 30: 4.5 bcm in Italy (~ 12% of its demand) and 0.6 bcm in Greece (~ 20% of the country's demand).
- The volumes delivered by TAP in Italy, which increased by 2.1 bcm (+87%) vs 1H 2021, are replacing the lower imports of gas from Russia, which decreased ~ 6.1 bcm (-45%) vs H1 2021.
- MoU for strategic partnership in the field of energy between the EU and Azerbaijan which lays the groundwork for the possible expansion of TAP capacity to 20 bcm.
- As part of the ongoing market testing process, TAP continues working on the definition of the different expansion scenarios to increase the transport capacity up to 20 bcm. The binding phase is scheduled for November 2022, with a second window in July 2023.

Tallgrass Energy USA



- Tallgrass infrastructure has registered a high level of contracting and utilisation during the first half of the year. Average contracted capacity on REX has been ~5.2Bcfd (94%) and LEP utilisation ~381Mbbpd (85%). REX has once again demonstrated its flexibility to adapt quickly to market dynamics through the various trading options it offers its customers (including long and short term contracts, long and short west to east, east to west and full reverse flow).
- The first half of the year has been a favourable environment for the US oil & gas industry due to rising commodity prices and production. In this new energy context, projects are being reactivated and new initiatives are being launched linked to the role of the US as a reliable long-term energy supplier.

2.4 ESG

ESG Leadership

Environmental



- Increasing the ambition of **Scope 1 and 2 emission reduction targets** in line with the **1.5°C scenario**.
- Establishment of a **Scope 3 indirect emission 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



- Achievement of the **A+ level of excellence** in certification as an **EFR Family-Responsible Company**, a benchmark in work-life balance.
- Approval 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 Management 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.

Leadership in the main sustainability indices:



03

2022 TARGETS AND CONCLUSIONS

3.1 2022 Targets

- 1** **Net profit** of ~ €380-390 M, considering capital gains from asset rotation (GNLQ, Gasoducto Morelos and the entry of the Hy24 Fund in the capital of Enagás Renovable) and the impairment of Tallgrass Energy.
- 2** **Net profit** would amount to ~€360 M excluding the extraordinary capital gains from the asset rotation and the impairment of Tallgrass Energy.
- 3** **EBITDA Adjusted for Dividends** for the year €740 M.
- 4** **Strong and visible cash generation** which will reduce net debt for the second year in a row and continue to maintain a solid and optimal balance sheet structure. Net debt at the end of the year will be around ~€3.7 Bn.
- 5** **Significant contribution from affiliates** to Enagás' income statement and cash flow.
- 6** The cash flows generated are sufficient to ensure our commitment to our **dividend policy** for the year 2022 (€1.72/share, +1% compared to 2021).

3.2 Conclusions first half of 2022

The events that took place in the first half of the year reaffirm Enagás as a key player for security of supply and decarbonisation in Europe

- **Security of supply and decarbonisation are the cornerstones of the new energy paradigm and of Enagás' purpose as TSO and future HNO.**
- **The closing of the sale of GNL Quintero and the entry of the Hy24 Fund and Pontegadea in the capital of Enagás Renovable are the first milestones in the Strategic Plan.**
- **The asset rotation process that has occurred to date strengthens the company's balance sheet and Enagás' solid financial position to take advantage of new opportunities in the current decarbonisation process in Spain and Europe.**
- **Net profit for the first half of the year, including the capital gains from the transactions closed in July (GNL Quintero and the entry of the Clean H2 Infra Fund into Enagás Renovable's shareholding structure) and the impairment of Tallgrass, would be €215.5 M.**
- **ESG as a cornerstone of the Company's strategy.**



Thank you