9M2023 Results

October 24, 2023

Index

01

3Q2023 Milestones

Execution of the 2022-2030 Strategic Plan

1.1 Milestones achieved in 3Q2023: Execution of the 2022-2030 Strategic Plan

Milestones in the third quarter of the year are aligned with the rapid implementation of the 2022 - 2030 Strategic Plan

Main axes of the 2022-2030 Strategic Plan

Security of supply and investment: focus on Spain and Europe

Closure of the Hanseatic Energy Hub
Closure of the operation with Reganosa

Progress on the energy transition and hydrogen schedule

Call for Interest process
H2Med event in Berlin

Implementation of the efficiency and control plan for operational and financial expenses

Recurrent expenses in line with 2022 and with the objectives of the 2022 - 2030 Strategic Plan

Fixed-rate debt over 80%

1.2 Security of supply and investment

Closure of two relevant agreements for Enagás

Closure of Enagás' entry into Hanseatic Energy Hub (Stade LNG in Germany)

- **Enagás has acquired a 10% stake in the consortium Hanseatic Energy Hub (HEH)**.
- **Stade LNG** has:
  - A Floating Storage and Regasification Unit (**FSRU**) commissioning in January 2024.
  - An **onshore LNG terminal** expected to be operational in 2027, which will be prepared to operate with green ammonia.
- **The final investment decision (FID) for the onshore LNG terminal is expected by the end of 2023.**

Closure of the agreement between Enagás and Reganosa to create an energy hub in the northwest of the Iberian Peninsula

- On September 29, **Enagás and Reganosa** closed the **agreement:**
  - Acquisition by Enagás of Reganosa's gas pipeline network (€53.5 M).
  - Reganosa becomes a shareholder of Musel Energy Hub (25%) for €99.9 M.
- **This transaction favours the creation of a large energy hub in the northwest of the Iberian Peninsula**.
- **Reganosa hands over its position as developer of the hydrogen pipeline between Guitiriz (Lugo) and Zamora**, a candidate for the Proyect of Common Interest (PCI) by the European Union, **to Enagás**.
- **Enagás awarded Endesa the contract logistics services for El Musel terminal.**

Continuity of the asset rotation policy announced in the Strategic Plan, divesting from non-core assets, as has already been the case of LNG Quintero and Morelos, and focusing on investments in security of supply and decarbonization in Spain and Europe

1.3 Progress on energy transition and H2 infrastructure network

Call for Interest process

On September 14, Enagás launched the Call for Interest process for the first axes of the Spanish Hydrogen Backbone Network.

- Contrast the **market needs for H2** in a non-binding process, as well as those for **ammonia, oxygen and CO2**
- Promote the **development of the hydrogen infrastructures needed** to meet Spanish and European targets
- Dynamize the H2 market **by connecting supply and demand as a catalyst** with the vocation of a public utility company
- Ensure an **open, transparent** and non-discriminatory **process**

A **process coordinated with the** sector's key **players** , the result of which will help to contextualise national and international hydrogen supply and demand

The **vision of the hydrogen infrastructure to 2030 and 2040**, in line with similar Call for Interest processes being carried out by other countries for the integration of the future European H2 market

The outcome of the Call for Interest process will be communicated on 31th January 2024 during the *II Enagás Hydrogen Day*

1.3 Progress on energy transition and H2 infrastructure network

Progress on the Call for Interest schedule

2023	2024	2025
CALL FOR INTEREST	**Open Season NON-BINDING**	**Open Season BINDING**
• Attracting interest • Information analysis • Adaptation of initial proposal network (2022 market test) and Infomemo	• Collection of additional information • Information analysis • Match-making and interaction with participants • Proposed network adaptation and Infomemo	• Information analysis • Interaction with participants • Formalisation of agreements

CALL FOR INTEREST

Sept 2023 | Oct 2023 | Nov 2023 | Dec 2023 | Jan 2024 | Feb 2024 | Mar 2024

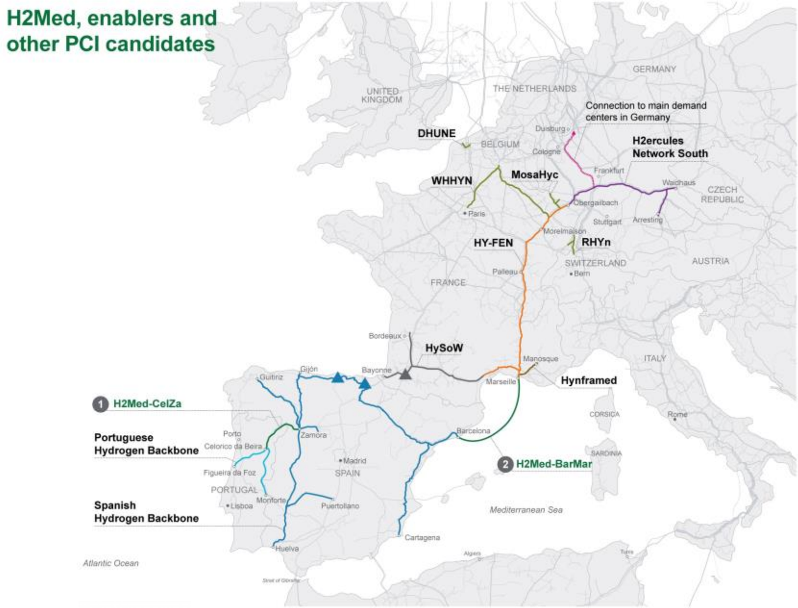
- **09/14/2023** Announcement of the Infomemo Webinar/Q&A process
- **Call for interest: 09/22/2023** Opening for the reception of information
- **Call for interest: 11/17/2023** Closure of the reception of information
- **Call for interest: 01/31/2024** Presentation of CFI results during the II Enagás Hydrogen Day
- **02/01-02/2024** *Webinar/Q&A*

• Note*: Subject to regulatory developments in process

1.3 Progress on energy transition and H2 infrastructure network

H2Med Day in Berlin: an example of European energy cooperation

H2Med positions itself as the first green hydrogen corridor for Germany



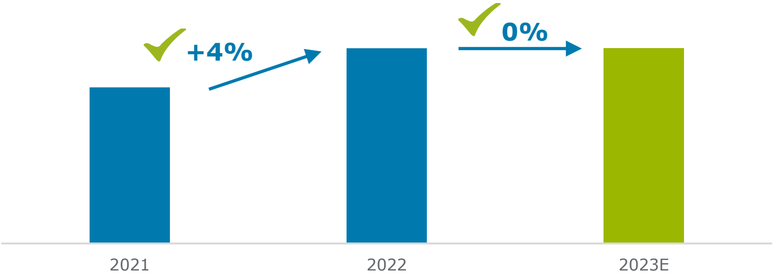
- On October 18, **German operator OGE joined Enagás, GRTgaz, Teréga and REN as promoters of the European green hydrogen corridor H2Med**
- **H2Med will transport green hydrogen produced in Spain and Portugal**, supplying north-western European countries, mainly Germany, **with up to 2 million tonnes**, representing **10% of the total consumption target for Europe set by REPowerEU for 2030**.
- **Green hydrogen consumption in Germany** is expected to **be 3.9 million tonnes** in **2030**, of which **50-70% will be imported**.
- **Last December, the H2Med project,** together with its associated projects, **was submitted to** the European **Projects of Common Interest** (PCIs) **call for proposals** .
- **H2Med and the Spanish H2 backbone are making positive progress** towards **PCI** status, which decision is expected before the end of the year.

1.4 Implementation of the efficiency plan and control of operating expenses

The Efficiency Plan continues to deliver results

Control of operating expenses

Compliance with recurrent operational expenditure control from the start of the Strategic Plan



- Exhaustive control of operating expenses in infrastructure management, O&M and energy costs, with the objective of minimising the impact of inflation on manageable costs.
- Boosting digitalisation and innovative solutions with a focus on efficiency and process improvement.
- Spain has one of the lowest annual CPI growth rates in the European Union: 3.5% in September.

02

Results 9M2023

2.1 Behaviour of the Gas System

The Spanish Gas System continues to operate with maximum robustness, contributing to the security of supply in Europe

- **100% availability**
- **100% guarantee of supply**

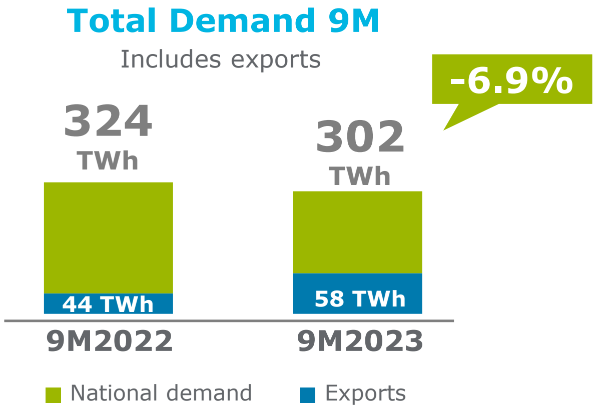
- **High diversification of supply**, thanks to the versatility of Spanish regasification terminals (**16** different **origins** in the 9 months of the year)

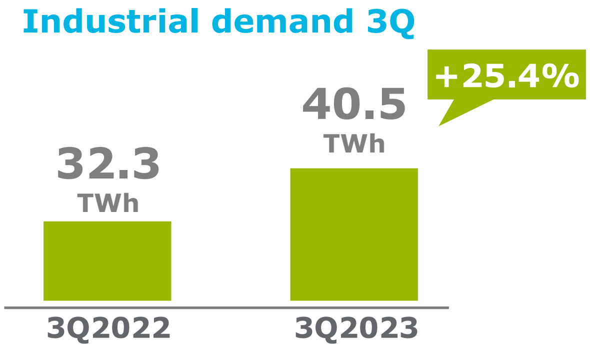
- Total filling of **underground storage since August, for the first time in history** (100% 9M2023 vs. 90% 9M2022)
- Average quarterly LNG tank fill level of 61%. At September 30, 2023, **46% of the LNG stored in Europe was in the tanks of Spanish plants**

- **Commissioning of El Musel terminal**, which is part of the Plan Más Seguridad Energética approved by the Government in October 2022. El Musel terminal **will be able to deliver up to 8 billion cubic metres (bcm)/year of LNG to strengthen Europe's energy security.**

2.1 Behaviour of the Gas System

Strong recovery of industrial demand in the third quarter of the year with a growth of +25.4%





- **Strong recovery of industrial demand in the third quarter of the year has broken the trend of the first six months of the year.**
- **Demand for electricity generation has registered a decrease of -29.3%** at September 2023, due to the increase in renewable generation and the decrease in electricity transported by international connections, mainly to France.
- **Natural gas exports have increased by +32%** helping security of supply in Europe.

- **Demand from the industrial sector grew by +25.4% in the third quarter of the year**
- Demand growth in the refining, chemical, pharmaceutical and co-generation sectors

2.2 Income statement

Net Profit as planned to achieve the target for the year, at the high end of the range (€310 M/€320 M)

Containment of operating and financial expenses, complying with the Efficiency Plan communicated by the Company

€M	9M2023	9M2022	Var. %
Total revenues	**672.7**	**714.9**	**(5.9%)**
Operating costs	(245.1)	(263.6)	(7.0%)
Results from Affiliates	**144.4**	**153.9**	**(6.2%)**
EBITDA	**572.0**	**605.1**	**(5.5%)**
Depreciation and amortisation	(198.7)	(196.9)	0.9%
PPA	(38.5)	(40.5)	(5.0%)
EBIT	**334.8**	**367.7**	**(8.9%)**
Financial result	(20.2)	104.5	(119.4%)
Corporate income tax	(55.3)	(118.4)[1]	(53.2%)
Non-controlling interests	(0.3)	(0.5)	(26.1%)
Net profit	**258.9** [2]	**353.4** [3]	**(26.7%)**

Note 1: In 2022, corporate tax includes -€67 M associated with the sale process of GNL Quintero.

Note 2: Incorporates the net capital gain from the closure of the sale of the Morelos gas pipeline for +€42.2 M.

Note 3: Includes the adjustment of the book value of the stake in TGE for -€133.8 M and the capital gains from the sales of GNL Quintero for +€178.9 M and the entry of partners in Enagás Renovable for +€49 M.

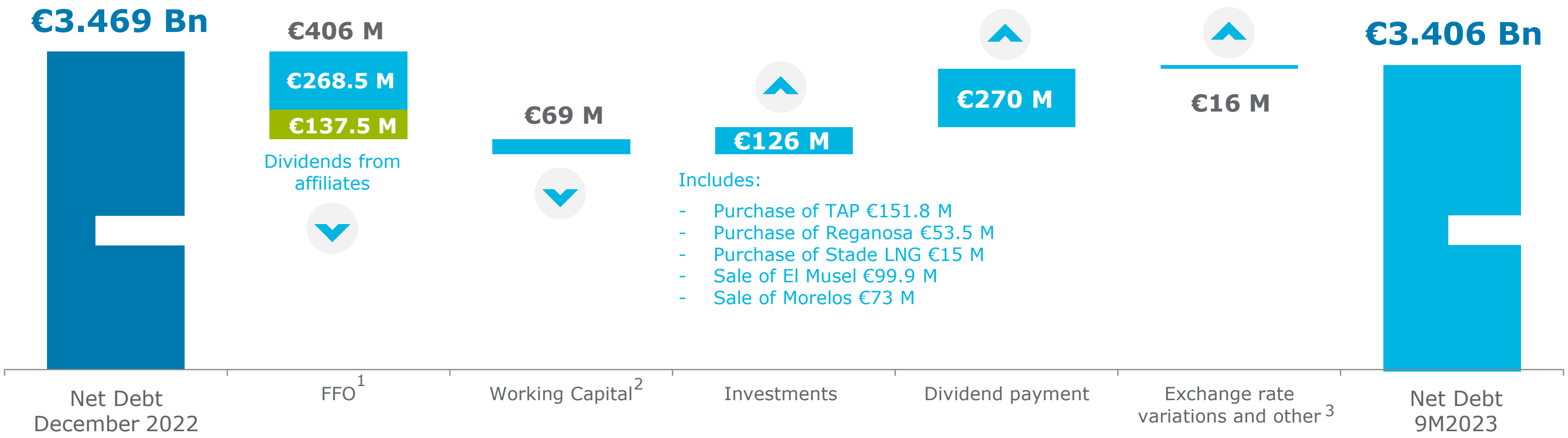
COMMENTS

- **Regulated revenues** decreased by -€45.9 M vs. the previous year. Revenues decreased due to the application of the 2021-2026 regulatory framework (-€38.5 M) and lower audited costs with no impact on EBITDA.
- The trend in operating expenses in 2023 shows the **effectiveness of the cost efficiency plan** implemented by the company to minimise the impact of inflation on manageable costs. **Recurring operating expenses were in line with 9M2022**.
- **Results from Affiliates is more positive than in 2022**, taking into account that GNLQ contributed €11.9 M as of September 2022 and the asset was sold at the end of 2022.
- The Financial Result associated with debt remains stable compared to 2022 due to the improvement in the remuneration of financial deposits.
- The **Net Profit** at the end of the first nine months of 2023 amounted to **€258.9 M**, which represents a variance of -26.7% vs. the same period of 2022, mainly due to:
  - **Non-recurring effects of 2022** for **+€94.1 M** (the impairment of TGE for -€133.8 M and the capital gains from the sales of GNLQ for +€178.9 M and the entry of partners in Enagás Renovable for +€49 M).
  - **Non-recurring effects in 2023** due to **capital gain on the sale of Morelos (+€42.2 M)** expected in budget.
- After deducting the one-off effects included in the financial results in both periods, net profit would decrease by -16.4%.
- **Net Profit on schedule to reach the target for the year, at the high end of the range (€310 M/€320 M).**

2.3 Financial results

Cash flows and net debt evolution

Cash flow generation and net debt evolution in the first nine months of the year as planned with the year-end debt target.



Note (1): Includes corporate income tax payment associated with the GNLQ and GDM of -€67.5 M and -€3.7 M, respectively
Note (2): Includes payment of the cash repatriation tax associated with the sale of GNLQ amounting to -€42.5 M
Note (3): Closing exchange rate 2022 $1.07/€ vs. closing at September 2023 $1.06/€

2.3 Financial results

Sound financial structure and strong liquidity position

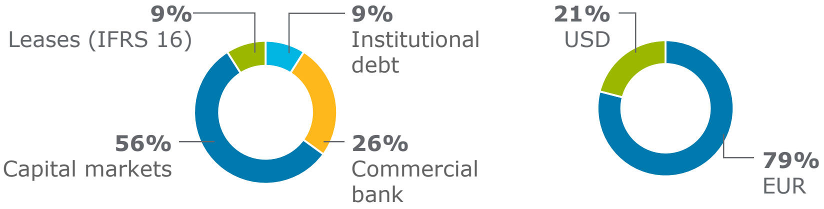
Leverage	Sept. 2023	Dec. 2022
Net debt	€3.406 Bn	€3.469 Bn
Net debt/adjusted EBITDA[1]	4.8x	4.8x
FFO/Net Debt	17.1%	17.6%
Financial cost of gross debt	2.6%	1.8%

Liquidity	Sep. 2023	Dec. 2022	Current maturity
Treasury	€828 M	€1.359 Bn	
Club Deal	€ 1.55 Bn	€1.5 Bn	January 2028
Operational lines	€938 M	€934 M	Dec 2023 - Oct 2024
TOTAL	€3.316 Bn	€3.794 Bn	

The financial cost of gross debt is 2.6%

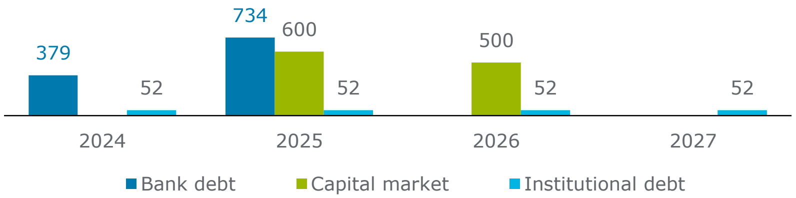
The leverage ratios are consistent with a BBB credit rating

Type of debt



Fixed-rate debt over 80%[2]

Debt maturities (€M)



Average maturity of debt 4.1 years

(1) EBITDA adjusted by dividends received from affiliates.
(2) Including interest rate hedging instruments.

2.4 Affiliates

Good performance of the Affiliates so far this year

Good operational performance of the affiliates with an operational availability in all assets of more than 98%, contributing to security of supply in the markets where they operate

Tallgrass Energy

- TGE evolution as provided for in the 2022-2026 Business Plan.
- Adjusted EBITDA at year-end of $775-815 M (~+9% compared to 2022 result).
- Maintenance of a high level of contracting and use of TGE infrastructure during the first nine months of the year. Rockies Express Pipeline has recorded average contracted capacity of 89% and Pony Express Pipeline utilization of 87%.
- Development of the Trailblazer Pipeline conversion to CO2 transportation, to become TGE's first major decarbonization project, is progressing as expected. Progress continues in the permits necessary for its construction and in maximizing the project's long-term contracts.

TGP

- Strength of local demand for natural gas (+11% vs 2022) mainly due to its use for electricity generation, which reinforces its role in the country's energy security, especially in periods of low rainfall.

TAP

- TAP continues its high contribution to Europe's energy security, having already transported more than 8bcm since the beginning of 2023.

03

ESG Positioning

3. Leadership in leading ESG ratings

Our commitments and progress in the areas of sustainability enable us to maintain our leading position in the main ESG ratings

Commitment to be carbon neutral by 2040

Positive impact on nature by 2050 target

Transformation plan with a focus on people

ESG ratings		Score	Relative position
Member of Dow Jones Sustainability Indices Powered by the S&P Global CSA	**S&P Global (CSA)**	88/100	Top 5% Gas Utilities
FTSE4Good	**FTSE Russell**	4.5/5	Oil & Gas pipelines leader
MSCI ESG RATINGS AA	**MSCI**	AA (8.1/10)	Top 39% Utilities
Corporate ESG Performance Prime RATED BY ISS ESG	**ISS - ESG**	B (65.46/100)	2nd Decile Gas & Electricity Network Operators
SUSTAINALYTICS	**Sustainalytics ESG Risk Rating**	14.8 Low Risk[1]	3rd Gas Utilities
Bloomberg Gender-Equality Index	**Bloomberg Gender Equality Index**	87.6/100	Utilities Leader
Enagás Top 20 Globally for gender equality in 2023 EQUILEAP	**Equileap**	71%	Global Top 20
CDP DISCLOSER 2022; CDP SUPPLIER ENGAGEMENT LEADER 2022	**CDP Climate Change:**	B	Supplier Engagement Leader

[1] Sustainalytics ESG Risk Rating gives a lower score to companies with a lower level of exposure and better ESG performance

04

2023 Targets and Conclusions

Confirmation of 2023 targets

- Net profit

€310 M - €320 M[1]

- EBITDA

~ €770 M

- Dividends from affiliates

€190 M - €200 M

- Net Debt

~ €3.70 Bn

- Net investment in accordance with Strategic Plan

~€250 M[2]

- Efficiency Plan for operational and financial expenses

Recurrent operating expenses in line with 2022

Control of financial expenses

- Financial structure

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

- Dividend policy

1.74 euros/share

Note[1]: includes the net capital gain from the sale of Gasoducto Morelos (+€42.2 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[2]: 2023 Capex includes the 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

Conclusions

- During the first nine months of 2023, the company has achieved a **high level of execution of the 2022 - 2030 Strategic Plan**, in its three main areas:
  - I. Security of supply and investment: focus on Spain and Europe
  - II. Progress on energy transition and H2 infrastructure network
  - III. Implementation of the Efficiency Plan and control of operating expenses
- Closure of two historic agreements for Enagás: Hanseatic Energy Hub project (Stade LNG, Germany) and and the closing of the operation with Reganosa
- On September 14, Enagás **launched the Call for Interest process** for the first axes of the Spanish Hydrogen Backbone Network.
- On October 18, **positioning itself as the first green hydrogen corridor for Germany, the German operator OGE joined the H2Med project**
- Containment of operating and financial expenses, complying with the **Efficiency Plan** communicated by the Company
- In 2023, the **Spanish Gas System** is operating with maximum robustness and contributing to **guaranteeing supply in Europe**
- **Results** for the first nine months of the year **on track to achieve all targets set for 2023**. BDI in line to reach the high end of the annual target range.
- **ESG** as a **fundamental pillar** of the Company’s business **strategy**

Disclaimers

- 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.

- Such forward-looking statements, information and assumptions are not guarantees of future performance and involve risks and uncertainties, and actual results may differ materially from such forward-looking statements and assumptions as a result of various factors.

- Enagás, S.A. makes no representations or guarantees as to the accuracy, completeness or precision of the information contained herein. This report should in no way be taken as a promise or representation as to the past, present or future state of affairs of the company or its group.

- Analysts and investors are cautioned not to place undue reliance on forward-looking statements, which involve significant assumptions and subjective opinions, and which therefore may not prove to be correct. Enagás does not undertake to update the information contained herein or to correct any inaccuracies it may contain. Nor does it undertake to publicly disclose the results of any revisions that may be made to such forward-looking statements to reflect events or circumstances after the date of this presentation, including, without limitation, changes in Enagás’ business or strategic acquisitions or to reflect the occurrence of unanticipated events or a change in its valuations or assumptions.

Thank you very much

October 24, 2023