

Results for the first nine months of 2022

Enagás achieves a net profit of 353.4 million euros

The results comply with what was announced in the Strategic Plan and are on track to achieve all the targets set for the end of the year

- The company's projects included in its 2022-2030 Strategic Plan, presented in July, are progressing according to plan
- Affiliate companies contribute 153.9 million euros to the company's results
- The Green Energy Corridor announced last week will advance solidarity and decarbonisation in Europe
- The Spanish Government's More Energy Security Plan reinforces Enagás' Strategic Plan, including measures such as the commissioning of El Musel, the extension of the Irún interconnection and the jetty at the Barcelona terminal, or the electrification of compressor stations to accelerate the reduction of emissions
- The infrastructures of the Spanish Gas System are operating with 100% availability. Underground storages are already 93% full and LNG terminals have their tanks at an average fill level of around 80%
- Thanks to the six Spanish LNG terminals, natural gas prices in Spain have been among the lowest in the EU since the war in Ukraine broke out, with savings of around 7.8 billion euros on the national energy bill
- Exports from Spain in the first nine months of this year reached 26.6 TWh, equivalent to the energy transported by more than 26 LNG tankers
- The sum of gas demand and exports in the first nine months was 8.2% higher than in the same period of 2021
- The company has given Navantia, a company owned by SEPI, a 5% stake in Enagás Renovable, in addition to the 30% acquired by Hy24 and the 5% held by Pontegadea

Madrid, 25 October 2022. Enagás' Net profit at 30 September 2022 amounted to 353.4 million euros, 15% more than in the same period last year, in line with its Strategic Plan 2022-2030 and the targets set for the end of the year.

The results were aided by the successful implementation of the company's Efficiency Plan, which has allowed recurring expenses to evolve well below current inflation figures.

This result includes non-recurring effects of the operations announced in July: the capital gains from the sale of GNL Quintero and the entry of the Hy24 Fund in the capital of Enagás Renovable, as well as the impairment in Tallgrass.

In addition, both cash flows and debt have evolved in line with the projections of the company's Strategic Plan 2022-2030 and in line with the third quarter budget. More than 80% of our debt is hedged at fixed rates, which allows us to mitigate the impact of current interest rates.

Standard & Poor's has reaffirmed Enagás' *rating* at BBB with a stable outlook, demonstrating the strength of this rating. Maintaining the credit *rating* is a clear priority in Enagás' Strategic Plan.

Affiliate contributions

The affiliates have had a result of 153.9 million euros in these nine months of the year and continue to contribute to the security of supply and the decarbonisation of the countries in which Enagás is present.

In Europe, the *Trans Adriatic Pipeline* (TAP) –in which Enagás holds a 16% stake– continues to make an essential contribution to the guarantee and security of supply in Italy and Greece. With 98% utilisation, this pipeline has delivered 7.9 *bcm* (*billion cubic metres*) of gas to Europe up to 30 September.

The greek affiliate DESFA is reinforcing the key role for the security of supply of the Revithoussa terminal, which covered 42% of the country's total imports in this period, receiving LNG from 7 different countries. In Greece, the total demand increased by 13.2% in this period.

In Mexico, the TLA Altamira terminal had 100% availability in the first nine months of the year.

In the United States, Tallgrass Energy's infrastructure had a high level of contracting and utilisation during the first three quarters of the year with an average contracted capacity of the Rockies Express pipeline at over 90% and a utilisation rate of 85% for the *Pony Express Pipeline*.

In Peru, where Enagás is present through its subsidiaries Transportadora de Gas del Perú (TGP) and Compañía Operadora de Gas (COGA), demand increased by 10%, with high use of the gas transmission network for export (83%).

Green Energy Corridor

In line with the European Commission's new energy crisis package, last week the President of Spain, the President of the French Republic and the Prime Minister of Portugal announced the development of the Green Energy Corridor including a connection between Celourico da Beira (Portugal) and Zamora, and a maritime connection between Barcelona and Marseille. More information on these interconnections will be provided at the Euro-Mediterranean Summit in Alicante on 9 December.

This new green hydrogen and natural gas interconnection corridor will advance solidarity and decarbonisation in Europe.

More Energy Security Plan

During the third quarter of the year, the company's projects included in its 2022-2030 Strategic Plan, presented in July, are progressing as announced.

Along these lines, and among the measures presented in the Spanish Government's More Energy Security Plan on 11 October, four are included in the Enagás Strategic Plan's *core business* and adjacent business infrastructure growth axis.

The El Musel Terminal (Gijón) is scheduled to start operating as a logistics terminal in January 2023 and will be able to supply up to 8 *bcm* of LNG per year to Europe. The terminal has Administrative Authorisation from the Ministry for Ecological Transition and the Demographic Challenge and only awaits final approval of its remuneration model from the National Markets and Competition Commission (CNMC). Training has already begun for the new team of some 50 employees who will commission and operate the terminal.

In coordination with the French operator Teréga, Enagás has extended the Irún interconnection to be able to export an additional 1.5 bcm of gas per year and its capacity will be available for contracting from 1 November. As of this date, the extension of the Barcelona terminal jetty will be available in order to send more gas to Italy in small vessels.

Another measure included in the More Energy Security Plan is the electrification of the compressor stations replacement of turbochargers with motor-compressors to accelerate emission reductions.

Furthermore, the Plan reaffirms Enagás GTS as the transitional entity responsible for the guarantee of origin system for renewable gases, on which the company is working on. Commissioning has been brought forward to March 2023 and production terminals will be able to start registering from January 2023.

Rapid progress on the Strategic Plan

Enagás is also making progress in the execution of the other objectives set out in its Strategic Plan presented in July, fulfilling its strategy of asset rotation, international development with a focus on Europe and innovation, technology and digitalisation, among other areas.

Last week the company announced that Navantia, property of SEPI, has acquired a 5% stake in Enagás Renewable. In July, the Hy24 fund, a joint venture between Ardian and FiveT Hydrogen, took a 30% stake in Enagás Renewable, and Pontegadea, a major Enagás shareholder, took a 5% stake.

Following these operations, Enagás holds a 60% stake in its affiliate, thereby complying with the CNMC's requirements regarding the separation of activities. Also in July, the company announced the sale of its 45.4% share of GNL Quintero.

Enagás also continues to work on promoting the expansion of TAP, the Trans Adriatic Pipeline, to 20 bcm. In this key infrastructure for security of supply in Europe, the Greece-Bulgaria interconnector has been commissioned, connecting it to the Bulgarian gas network with a capacity of up to 3 bcm.

Enagás is collaborating as much as possible with other *Transmission System Operators* (TSOs) and operators. In October, the company signed an agreement with the Albanian operator AlbGaz for Enagás to potentially become a shareholder and to continue studying joint projects in the country and in the Mediterranean area.

The Klima energy transition fund, in which Enagás is taking part with Alantra, reached a final close of 210 million euros in September, above the initial target of 150 million euros. Enagás is also taking part with Snam and GRTGaz as anchor investor in Hy24, the world's largest hydrogen fund, which has closed its Clean H2 Infra Fund with 2 billion euros.

100% availability of the infrastructure

Spain, which in the first nine months of 2022 has received gas from 18 different origins, has one of the most diversified supplies in the world.

Thanks to the six LNG terminals in the Gas System, natural gas prices in Spain have been among the lowest in the entire European Union since the outbreak of the war in Ukraine, and have since enabled savings of around 7.8 billion euros in the national energy bill.

Spanish gas infrastructures continue to operate with 100% availability, which allows Spain's security of supply to continue to be reinforced for the winter and to contribute to that of other European countries, in an international context marked by the war in Ukraine and the volatility of the markets.

As of today, underground storage facilities are already around 93% full and LNG terminals have their tanks at an average fill level of around 80%. So far this year, 250 ship unloadings have taken place at Spanish regasification terminals, almost the same as in the whole of 2021.

Exports from Spain in the first nine months of this year reached 26.6 TWh, equivalent to the energy transported by more than 26 LNG tankers.

The sum of gas demand and exports in the first nine months was 8.2% higher than in the same period of 2021. Demand for electricity generation is particularly noteworthy, up by 80.2%.

On track to meet 2022 targets

The results for the first nine months are in line to meet the targets for the year.

The company expects a year-end profit after tax of between 380 and 390 million euros and to reduce, for the second consecutive year, net debt, which at the end of the year will stand at around 3.7 billion euros.

In addition, the cash flows generated are sufficient to guarantee the dividend policy, which is expected to increase by 1% in 2022 compared to 2021.

ESG as a fundamental pillar of Enagás

Enagás holds leading positions in the world's main sustainability indices. In September, the company was reported as one of the top performers in its sector in the Dow Jones Sustainability Index.

In line with its continuous improvement efforts in this area, Enagás updated its Sustainability Strategy in the third quarter of this year in accordance with its Strategic Plan, focusing on the decarbonisation of its operations and value chain, people-centred transformation and governance to ensure due diligence in human rights and the environment.

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