

2023 Enagás General Shareholders' Meeting

Enagás advances in the execution of its Strategic Plan and the Gas System faces 2023 with maximum robustness and confidence

- The General Shareholders' Meeting, held in person and remotely, approved all the items on the agenda
- For the fourth year running, Enagás' General Shareholders' Meeting has been certified as a sustainable event
- Enagás has met all its targets in 2022, a historic year with infrastructures available at 100%, in a context of maximum activity
- The company is implementing its 2022-2030 Strategic Plan at a faster-than-planned rate, thus contributing to the security of supply in Spain and Europe, and to decarbonisation
- The Chairman of Enagás, Antonio Llardén, has emphasised the company's positive performance in the current context, in which "it is essential to strengthen multilateralism", and in a macroeconomic environment with "strong turbulence in world markets"
- Antonio Llardén recalled the past investments in gas infrastructures required by mandatory planning, and said that "we have investments of this magnitude ahead of us, with a focus on the energy transition and, specifically, on renewable hydrogen"
- The CEO of Enagás, Arturo Gonzalo, explained that "renewable hydrogen is the key to future growth and value creation that Enagás will offer in the coming years", and added that "we are fully prepared to become a *Hydrogen Network Operator*"
- He also stressed that "the 2030 Strategic Plan, in which we have integrated European priorities, is very solid and coherent and we are implementing it as planned"
- "We hope to end 2023 with the inclusion of H2Med and the first axes of the Spanish Hydrogen Backbone in the list of European PCIs," added Arturo Gonzalo
- The General Shareholders' Meeting approved a total dividend of 1.72 euros per share for 2022.
- Enagás has set the number of Board members at 15, of which 40% are women, thus complying with the CNMV's current recommendation in the Good Governance Code

Madrid, 30 March 2023. The Enagás General Shareholders' Meeting, held today in Madrid in person and remotely, has approved the 2022 financial statements, management report and all items on the Agenda.

The Chairman of Enagás, Antonio Llardén, highlighted the company's good performance in a context in which "it is essential to strengthen multilateralism", and in a macroeconomic environment with "strong turbulence in world markets".

During his speech, Antonio Llardén recalled that "in the years following my appointment as Chairman of Enagás, our main challenge was to bring forward an investment plan of almost 5 billion euros", required by the mandatory planning, and he said that "we have investments of this magnitude ahead of us, with a focus on the energy transition and, specifically, on renewable hydrogen".

Enagás' CEO, Arturo Gonzalo, highlighted that Enagás has been meeting all its targets for 16 consecutive years, "and we have done it again in 2022, a very complicated year in Europe and for the energy sector". In this complex situation, he pointed out that "we have strengthened our commitment to energy transition", as "the risk in supply has highlighted the need to move towards greater European energy sovereignty". In Spain, he stressed that "the Gas System faces 2023 with maximum robustness and confidence".

"Renewable sources are the key", he explained, "and 2023 is going to be, and already is, the year of hydrogen". In this regard, he argued in his speech that "renewable hydrogen is the key to future growth and the creation of value that Enagás will offer in the coming years", since "European hydrogen corridors and national backbone networks will become a reality", and "without them we would not be able to meet European targets".

In this regard, the CEO of Enagás pointed out that "we are fully prepared to become a *Hydrogen Network Operator*", and explained that "we have a very solid and coherent Strategic Plan for 2030, in which we have integrated European priorities", and which is being implemented "even faster than expected" in the months since its presentation in July 2022.

2022: a historic year for Enagás

2022, marked by the war in Ukraine and a very complex year for the energy sector, was a historic year for Enagás. The company has activated all its capacities, with 100% availability of infrastructures in a context of maximum activity, reinforcing Spain's security of supply and making a differential contribution to that of the rest of Europe.

Spanish underground storage reached a 93% fill at the beginning of winter - and remain at historical levels of around 78% with one day to go before the end of the winter season - and regasification terminals, which in 2022 received liquefied natural gas (LNG) from 19 different origins, have had an average fill level of around 70%.

As Arturo Gonzalo explained, thanks to the regasification terminals, "natural gas prices in Spain in 2022 were among the lowest in the entire European Union since the outbreak of the war in Ukraine, allowing savings in the national energy bill of around 10 billion euros", comparing the prices in 2022 of the TTF and those of MIGBAS, more than double the cost of the six terminals of the Spanish Gas System in operation.

Spain exported 90% more natural gas to Europe than in 2021. Exports through the interconnections with France beat the annual historical record and the refuelling of LNG vessels at Spanish terminals increased by 45%.

The sum of domestic natural gas demand and exports to Europe increased by 4.4% in 2022. Demand for gas for power generation increased by over 50%

Objectives accomplished

In 2022, the company's net profit (NP) reached 375.8 million euros, above target. Thanks to its Efficiency Plan, recurrent operating expenses increased well below inflation figures.

Enagás also reduced its net debt by 19% in the year, to 3.469 billion euros. More than 80% of its debt is at a fixed rate, which allows the company to mitigate the impact of current interest rate.

In Spain, the subsidiary Enagás Renovable - in which Enagás holds a 60% stake - is promoting the creation of a renewable gas market through more than 50 renewable hydrogen and biomethane projects.

International investees include *Trans Adriatic Pipeline (TAP)*, which since its start-up has delivered around 22 bcm of Azeri gas to Europe, and North America Tallgrass Energy, which has acquired the Ruby pipeline in 2023, a natural extension of the *Rockies Express Pipeline* that connects to the California market and will support future decarbonised energy projects.

Milestones of the Strategic Plan

The company is executing its 2022-2030 Strategic Plan faster than planned, with two clear objectives: to contribute to the security of supply in Spain and Europe, and to accelerate decarbonisation.

The implementation of this Plan, which is in line with the European REPowerEU strategy, has enabled important milestones to be reached, some of which are included in the Spanish Government's Plan Más Seguridad Energética (More Energy Security Plan):

- Since last Tuesday, hydrogen and biomethane producers in Spain have been able to certify their renewable origin thanks to Enagás GTS (Gestor Técnico del Sistema - Technical Manager of the Gas System) having put into operation the new system of guarantees of origin, after being designated as the transitional entity responsible for this.
- El Musel terminal is ready to start operation as an LNG logistics terminal as soon as the last administrative procedures are completed, which will strengthen security of supply in Europe. This week, Enagás completed the first phase of the plant's non-binding Open Season, which was launched on 6 March, "and the interest has been topmost", said Arturo Gonzalo.
- In November 2022, the expansion of the interconnection with France via Irun, which allows an additional 1.5 bcm of gas to be exported per year, and the adaptation of the jetty at the Barcelona terminal for the reloading of smaller vessels transporting gas to Europe, were put into operation.

In addition, the first LNG bunkering vessel in which Enagás is involved, through its subsidiary Scale Gas, began operations in the Port of Barcelona this quarter.

Asset rotation

The company is also making progress in its asset rotation strategy, which is providing new opportunities in Europe as the strategic focus of its investment plan.

In 2022, Enagás sold its 45.4% stake in GNL Quintero in Chile, and brought in three partners (Hy24, Pontegadea and Navantia) to Enagás Renovable. In January this year, Enagás bought an additional 4% stake in TAP from AXPO for 168 million euros, increasing its stake to 20%. In February, it reached an agreement to acquire the gas pipeline network from Reganosa, which in turn became a 25% shareholder in El Musel regasification terminal, and ceded its role as promoter of the Guitiriz-Zamora hydro-product to Enagás.

Leadership in renewable gases

Following the agreement reached by the governments of Spain, Portugal and France, and together with the Transmission System Operators (TSOs) of the latter two countries, Enagás presented the EU's first green corridor, H2Med, as a candidate for a Project of Common Interest (PCI) to receive European funding.

H2Med involves the development of the first axes of the Spanish Hydrogen Backbone, which were also submitted to the call for PCIs on 15 December, and for which Enagás will launch the first non-binding calls for interest during the second half of this year.

These calls for interest fit perfectly with the recent announcement by the European Commission that the future European Hydrogen Bank will be operational before the end of 2023. The first auctions to subsidise the production of renewable hydrogen will take place in the autumn for an amount of 800 million euros.

"We hope to end 2023 with the inclusion of H2Med and the first axes of the Spanish Hydrogen Backbone in the list of European PCIs", highlighted Arturo Gonzalo, who announced an estimated total gross investment until 2030 of 2.5 billion euros for H2Med, without considering potential European funding, and 4.92 billion euros for the first axes of the Spanish Hydrogen Backbone.

Shareholder recognition

Among the items on the agenda, the General Shareholders' Meeting approved a total dividend per share of 1.72 euros for the financial year 2022.

The Chairman of Enagás, Antonio Llardén, stressed that "the percentage of minority shareholders now represents 27% of the company's share capital", and thanked them for their support and trust in Enagás, "something more important than ever in these tremendously volatile and uncertain times".

Commitment to ESG

Enagás has aligned its Sustainability and Decarbonisation Strategy with the new Strategic Plan in the Environmental, Social and Corporate Governance areas.

The company has made it a priority to contribute to the global decarbonisation process and to become carbon neutral by 2040.

On the social aspect, Enagás has achieved the highest level of excellence, A+, in its certification as an FRC Family-Responsible Company, is the world leader in its sector in Bloomberg's *Gender Equality Index* and is in the top 20 of Equileap's global ranking of the 100 leading companies in gender equality.

40% of the members of the Enagás Board of Directors are women, meeting both the CNMV's Good Governance recommendation and the target set by the European Commission and the Spanish government for 2026 and 2024 respectively.

The Enagás General Shareholders' Meeting has approved the renewal of Patricia Úrbez as Independent Director and Santiago Ferrer Costa as Proprietary Director representing SEPI.

In addition, the number of members of the Enagás Board of Directors has been set at 15, thus complying with the current recommendation of the CNMV's Good Governance Code.

Press release



Both the Chairman of Enagás and the CEO thanked shareholders for their support, as well as the Enagás professionals, highlighting the “utility and value of all the efforts we have made”, in a “very challenging and demanding” year.

For the fourth consecutive year, the Enagás General Shareholders’ Meeting was certified as a sustainable event by AENOR.

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