

Press release

Q1 2023 results

Enagás advances in the fulfilment of its Strategic Plan and obtains results as planned

The company has closed the sale of its stake in Gasoducto de Morelos, in Mexico, for 95 million dollars

- Enagás made a net profit of 54.6 million euros in the first quarter of the year as intended to reach the 2023 objective
- Thanks to the effective implementation of the Enagás Efficiency Plan, recurring operating expenses remain stable compared to the first quarter of 2022
- In the first quarter, the company continued to make progress in fulfilling its Strategic Plan with significant milestones such as the sale of the Morelos pipeline, the agreement with Reganosa and the acquisition of an additional 4% stake in *Trans Adriatic Pipeline* (TAP)
- Enagás continues to work on the commissioning startup of the El Musel terminal and has concluded the non-binding phase of the process of assigning logistic services for the plant, which has aroused great interest having received 16 bids from different operators
- The first three months of the year saw an all-time record of 8 TWh of natural gas shipments to France. In total, exports of natural gas from Spain have increased by 104% in this period
- 43% of the LNG stored in Europe during the first three months of the year has been in the tanks of the six Spanish regasification plants in operation
- The number of reloaded vessels in Spain has increased by 124% compared to the first quarter of 2022, Italy remaining the main destination
- Total transported demand for natural gas reached 112 TWh in the first three months of the year, 7% less than in the same period last year, and 4.3% more than in the last quarter of 2022
- The Spanish Gas System has operated during the first quarter at 100% availability and faces 2023 with maximum robustness

Madrid, 25 April 2023. Enagás' Net Profit at 31 March 2023 reached 54.6 million euros, in line with the targets set for the year. This result does not include net capital gains of approximately 40 million euros from the sale of Enagás' stake in the Morelos gas pipeline in Mexico, following a deal worth 95 million dollars (87 million euros).

The implementation of the Enagás Efficiency Plan contributed to the quarter's results, enabling operating and financial expenses to be kept at levels similar to those of the first quarter of 2022. This result also incorporates the effect of the reduction in regulated revenues due to the application of the 2021-2026 regulatory framework.

Affiliates continued to perform well in the first quarter of 2023, with a result of 36.6 million euros. This is lower than the figure recorded in the first quarter of 2022, which included 12 million euros corresponding to GNL Quintero's contribution, Chilean infrastructure whose share Enagás sold in July 2022.

The company's operating cash flows and debt evolution - more than 80% fixed-rate hedged, with a financial cost of 2.7% and no relevant maturities for the remainder of 2023 - remain solid. Enagás also has a robust liquidity position, which at the end of the quarter stood at 3.352 billion euros.

Milestones in the implementation of the Strategic Plan

The company has made progress in fulfilling its Strategic Plan with several important milestones reached during the first quarter of the year, such as the closing of the sale of the Morelos pipeline, which took place yesterday.

On 27 January, Enagás agreed to acquire an additional 4% stake in *Trans Adriatic Pipeline* (TAP) for 168 million euros, bringing its shareholding to 20%. This infrastructure, which will pay Enagás dividends of around 70 million euros in 2023, is included in the *European Hydrogen Backbone* (EHB) map and could be adapted in the future for the transport of green hydrogen, thus contributing to Europe's decarbonisation objectives. Also during the first quarter, an expansion of TAP's capacity by 1.2 bcm (in addition to the current 10 bcm) was approved for a total amount of 133 million euros. The company continues to work on the *open season* for additional capacity expansions.

On 28 February, the company signed an agreement whereby Enagás acquired Reganosa's network of 130 km of gas pipelines for 54 million euros, and Reganosa bought 25% of the El Musel regasification plant in Gijón for 95 million euros. The operation allows the two companies to take advantage of synergies, explore new possibilities for collaboration and strengthen the Spanish Gas System. In addition, this alliance makes Enagás the developer of the Guitiriz-Zamora hydro-product, planned for 2030.

Furthermore, Enagás continues to progress on the commissioning of the El Musel terminal. The company has already concluded the non-binding phase of the logistic services allocation process (*Open Season*) for the plant, which began on 6 March, with a high level of interest from the sector. A total of 16 bids have been received from different operators.

The commercial commissioning of the terminal, which is part of the government's More Energy Security Plan, is scheduled for July and will strengthen the security of European energy supply with offloading, storage and loading operations of liquefied natural gas (LNG).

Robustness of the Spanish gas system

The Spanish Gas System faces 2023 with maximum robustness and confidence. Throughout this quarter, coinciding with a winter period in which two cold snaps were recorded, it operated at 100% availability.

During the first three months of 2023, 43% of the LNG stored in Europe was in the tanks of the six Spanish regasification plants in operation. These terminals have received natural gas from 13 different origins and their average fill level has been around 60%, 10 percentage points higher than in the same period last year. The increase in the number of vessels unloaded at Spanish regasification plants was 9% compared to the first quarter of 2022.

In addition, the level of underground storage reached 78% by the end of the 2022-2023 winter campaign, thus meeting the milestone set by European regulations for September 2023 five months in advance. Currently the filling level is already at 86%.

Supply to Europe and recovery of industrial demand

The Spanish Gas System has consolidated its position as an entry point for supplies to Europe. The first three months of the year saw an all-time record of 8 TWh of natural gas shipments to France. Moreover, the number of reloaded

vessels in Spain has increased by 124% compared to the first quarter of 2022, Italy remains the main destination. In total, exports of natural gas from Spain have grown by 104% during the period.

Total transported demand for natural gas in Spain reached 112 TWh in the first three months of the year, 7% less than in the same period of the previous year, and 4.3% more than in the last quarter of 2022. This increase is mainly due to the improvement in conventional demand, which increased by 37.5% in this period, driven by a recovery in industrial demand.

As a result of the energy efficiency measures promoted by the Spanish government, among other factors, conventional demand fell by 13.9% in the first quarter of 2023 compared to the same period of the previous year. The demand for gas for electricity generation fell by 26.3% in due to the increase in renewable generation.

Confirmation of the 2023 targets

Enagás confirms its objectives for the 2023 financial year. The company expects a year-end net income of between 310 and 320 million euros, a contribution from its subsidiaries of between 190 and 200 million euros, and a net investment of approximately 250 million euros for the year.

In accordance with its Strategic Plan, the company will continue to reinforce its cost control and expects to have a net debt of around 3.7 billion euros by 31 December 2023.

ESG as an essential pillar of Enagás

Enagás maintains its leadership position in the world's main sustainability indexes. The company has been included for the fifteenth consecutive year in the *Dow Jones Sustainability Index*, placing it among the companies with the highest level of performance in its sector, and has obtained the distinction of *Supplier Engagement Leader 2022* by CDP Climate Change, in recognition of the climate management of its value chain.

In terms of equality, Enagás has been recognised as a world leader in the *Utilities* industry in the *Bloomberg Gender-Equality Index (GEI) 2023* for its transparency in gender information and commitment, and in the area of people and human capital management, it has been recognised for the thirteenth consecutive year by the *Top Employer Institute* as a Top Employers Spain 2023 company.

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