

The financial information disclosed by Enagás contains figures and measures prepared in line with applicable accounting legislation, in addition to a series of measures prepared in accordance with the reporting standards established and developed internally, known as Alternative Performance Measures (APMs).

These APMs are considered to be adjusted figures with respect to those presented in accordance with International Financial Reporting Standards adopted by the European Union (IFRS-EU), which is the accounting framework applicable to the Enagás Group's consolidated financial statements, and the reader should therefore consider them as supplementary information, not replacements.

APMs are important for users of financial information because they are the measures used by Enagás' Management to assess the Group's financial performance, cash flows or financial position for making operational or strategic decisions. These APMs are consistent with the main indicators used by the investment and analyst community in capital markets.

In this regard, and in accordance with the provisions of the Guideline issued by the European Securities and Markets Authority (ESMA), in force since July 3, 2016 on the transparency of Alternative Performance Measures, Enagás provides the following information relating to those APMs included in the management information for Q4 2024 that it considers significant. Furthermore, in order to comply with ESMA guidelines on direct reference to previously published documents detailing APMs for previous periods, we include a link in which this information can be found: <https://www.enagas.es/en/investor-relations/financial-information/alternative-performance-measures-apm/>

1. Alternative Performance Measures relating to the Income Statement

EBITDA

EBITDA (*Earnings Before Interest, Tax, Depreciation and Amortization*) is an indicator that measures the company's operating income before interest, taxes, impairments and amortisation. By stripping out financial and tax figures and accounting costs that do not involve cash outflows, it is used by management to assess results over time, allowing comparisons with other companies in the sector.

EBITDA is calculated as operating income plus depreciation and amortisation, impairment losses, if any, and other items that do not represent cash inflows or outflows in Enagás' operations (such as capital gains or losses on divestments, provisions, etc.).

The reconciliation based on the Operating Income shown in the Consolidated Financial Statements as at December 31, 2024 is shown below:

	Q4 2024
Operating revenue	913.2
Results from Affiliates	185.8 (*)
Operating Expenses	-338.4
EBITDA	760.7

(*) For management purposes, 'Results from affiliates' presented as part of the operating income, in the amount of 185.8 million euros, does not include the impact of the amortisation of the PPAs, for the sum of 39.4 million euros, which is considered to be a higher amortisation expense and is therefore excluded from EBITDA. Considering the two items together, the amount would be 146.5 million euros.

Adjusted EBITDA

Adjusted EBITDA is an indicator that measures the company's margin of operating income before the deduction of interest, taxes, impairment, depreciation and amortisation, and includes both dividends received as well as interest on subordinated debt from associates that are included in the financial statements of the Enagás Group using the equity method.

Management uses this measurement to calculate the leverage ratios described in the section 'Alternative Performance Measures relating to the Balance Sheet and leverage ratios' so they can be compared with the figures of other companies in the sector. Below is the reconciliation of the Adjusted EBITDA of Q4 2024, which is subsequently used in the leverage ratios:

	Q4 2024
EBITDA	760.7
Dividends (*)	161.0
Results from Affiliates (**)	-185.8
ADJUSTED EBITDA	735.9

(*) These are essentially dividends received from companies accounted for using the equity method. Additionally, it includes dividends from subordinated debt collected from companies accounted for using the equity method.

(**) Since dividends received from affiliates are indicated here, the results of these companies must be excluded, but are instead included in EBITDA, as explained in the previous section.

EBIT

EBIT ('Earnings Before Interest and Taxes') is an indicator that measures a company's operating income before the deduction of interest and taxes. Similar to the previous indicator, the company's Management uses this figure to assess the company's earnings over time and compare them with the figures of other companies in its sector.

EBIT is calculated the same way as EBITDA, deducting depreciation and amortisation, impairment, if any, as well as other items that do not involve cash inflows or outflows in Enagás operations (such as capital gains or losses on disposals, provisions, etc.).

EBIT for Q4 2024 amounted to 428.7 million euros. This figure matches the Operating Income for that period.

Pro forma net profit

Since the Group announced its strategic plan, various operations have taken place as part of the asset rotation plan that make the comparability of the net profit between years not straightforward.

In this context, the **Pro forma net profit**, an indicator that measures net profit without including the non-recurring impacts derived from significant operations, has been included, thus facilitating the comparability of this magnitude between different financial years. This is done on the basis of the net profit and eliminates the non-recurring impacts on the income statement arising from these transactions.

	2023 recurrent	Non- recurrent impact	2023	2024 recurrent	Non- recurrent impact (*)	2024	Var 2024/2023 recurrent	Var 2024/2023
MC								
Regulated income	896.6	-	896.6	892.5		892.5	-4.2	-4.2
Other income	23.0	-	23.0	20.7		20.7	-2.3	-2.3
Operated income	919.6	-	919.6	913.2		913.2	-6.4	-6.4
Personnel expenses	-137.1	-	-137.1	-142.7		-142.7	-5.6	-5.6
Other operating expenses	-201.8	-	-201.8	-195.7		-195.7	6.1	6.1
Operating expenses	-338.8	-	-338.8	-338.4		-338.4	0.5	0.5
Results from affiliates	175.0	24.4	199.5	185.8		185.8	-13.6	-13.6
EBITDA	755.8	24.4	780.3	760.7	-	760.7	-19.6	-19.6
Amortizaciones	-308.6	-14.8	-323.4	-331.9	-	-331.9	-8.6	-8.6
Depreciation and amortisation	-271.2	-	-271.2	-292.6		-292.6	-21.4	-21.4
PPA	-37.4	-14.8	-52.1	-39.4		-39.4	12.8	12.8
EBIT	447.2	9.7	456.9	428.7	-	428.7	-28.1	-28.1
Financial result	-82.5	46.7	-35.8	-58.9	-682.5	-741.4	23.6	-705.6
Corporate income tax	-73.6	-4.5	-78.1	-59.2	73.1	13.9	14.4	92.0
Income attributable to minority interests	-0.5	-	-0.5	-0.6	-	-0.6	-0.1	-0.1
BDI	290.7	51.9	342.5	310.1	-609.4	-299.3	9.7	-641.8

(*) In the Consolidated Financial Statements, these transactions relating to both to the sale of Tallgrass Energy, as well as the impairment due to the GSP award, had an impact on the financial result of -682.5 million euros and 73.1 million euros on the "Corporate Income tax" line, totalling an effect on the net result of -609.4 million euros at December 31, 2024.

2. Alternative Performance Measures related to the Balance Sheet and leverage ratios

Net Debt

Net financial debt or net debt is the main indicator used by Management to measure the level of the Group's debt. It consists of gross debt less cash.

To calculate **gross debt**, the Balance Sheet headings 'Debts with credit institutions' and 'Debentures and other marketable securities' measured at amortised cost and in relation to 'Other financial liabilities' are added, including only the sum resulting from the application of IFRS16, as well as the various loans from organisations that are not credit institutions.

The cash amount is taken from the consolidated balance sheet heading 'Cash and cash equivalents'.

The reconciliation between the APM and the figures corresponding to the consolidated balance sheet for the period ending 31 December 2024 are shown below (in millions of euros):

Cash and cash equivalents	Q4 2024 1,295.7
Bank loans	-341.8
Bonds and other marketable securities	-2,971.9
Other financial liabilities (*)	-386.0
Net debt	-2,404.1

(*) The amount included in this heading relating to the recognition of the financial liability due to the application of IFRS16 amounts to 385.1 million euros. Additionally, the debt granted by organisations that are not credit institutions amounts to 0.9 million euros.

Ratios linked to Net Debt

Management uses two ratios to analyse leverage and the Group's capacity to meet its financial obligations over time, comparing these with other companies in the sector.

The **leverage ratio** is calculated as Net Debt/Adjusted EBITDA, calculated as shown below:

	Q4 2024
Net debt	2,404.1
Adjusted EBITDA	735.9
Net debt / Adjusted EBITDA	3.3x

The **ratio that compares cash flow generation capacity to net debt** is calculated as FFO over the last twelve months (LTM)/net debt, as follows:

	Q4 2024
Adjusted FFO	688.8
Net debt	2,404.1
FFO/Net Debt	28.7%

Financial cost of gross debt

The gross financial cost is the measure of the effective interest rate of the financial debt. This indicator is used by management to assess its evolution over time, the impact of interest rates and its position in relation to the market.

The gross financial cost is determined by dividing the gross financial expense by the average gross debt multiplied by the number of effective days in the year (360 days) divided by the natural days in the year (366 days), where gross financial expense corresponds to interest on loans and related coverage (Debt-related interest from the Consolidated Income Statement). Further, average gross debt is calculated as the daily average of nominal amounts of gross financial debt.

The reconciliation between the APM and the quantities observable in the Consolidated Income Statement at December 31, 2024 (in millions of euros) is shown below:

	Q4 2024
Gross financial expense (*)	106.2
Average gross debt	4,072.9
Gross financial cost	2.6%

(*) The amount included under this heading corresponds to the interest associated with the debt.

3. Alternative Performance Measures relating to Cash Flow and Investments

Funds from Operations (FFO)

The **FFO** is the main cash flow generation indicator analysed by Enagás Management since it jointly measures cash generation in the regulated and non-regulated domestic business and in the international business in the form of dividends from affiliates or interest charged on subordinated debt extended to these companies, after deducting both the payment of taxes and interest relating to the Group's financial debt.

It is calculated as:

FFO = EBITDA excluding profit (loss) from affiliates +/- taxes received/paid +/- interest received/paid + dividends received from affiliates + interest on subordinated debt charged to affiliates.

The reconciliation between this APM and the figures seen in the Consolidated Financial Statements for the period ending 31 December 2024 is shown below:

	Q4 2024
Operating income	428.7
Depreciation and amortisation (*) (***)	331.9
EBITDA	760.7
Taxes received/(paid) (****)	-46.2
Interest received/paid (**)	-13.5
Dividends (**)	161.0
Other adjustments	12.6
Results from Affiliates (*)	-185.8
FFO	688.8

(*) For management purposes, in addition to the provision for impairment of assets, 'Depreciation and amortisation' also includes the impact of the amortisation of the PPA, which was 39.4 million euros as of 31 December 2024.

(**) Interest on subordinated debt charged to affiliates is included under 'Dividends' for management purposes.

(***) Includes impairment on disposal of fixed assets recorded in the year.

Operating cash flow (OCF)

Operating Cash Flow measures the company's capacity to generate operating cash flow after changes in working capital. The calculation is based on FFO and includes changes in working capital.

The **OCF** amounted to 615 million euros in Q4 FY 2024. The reconciliation between this APM and the figures seen in the consolidated financial statements for the period ending 31 December 2024 is shown below (in millions of euros):

	Q4 2024
FFO	688.8
Change in working capital	-73.7
OPERATING CASH FLOW (OCF)	615.0

Free cash flow (FCF)

Free cash flow measures cash generation from operating and investment activities and is considered by Enagás to be a key APM since it is the indicator used to assess the funds available to pay dividends to shareholders and to service debt.

The reported **FCF** for Q4 2024 stood at 1.386 billion euros. The reconciliation between this APM and the figures seen in the consolidated financial statements for the period ending 31 December 2024 is shown below (in millions of euros):

	Q4 2024
OPERATING CASH FLOW (OCF)	615.0
Payments for investments	-140.0
Proceeds from divestments	911.0
Free Cash Flow (FCF)	1,386.0

Discretionary cash flow (DCF)

Discretionary cash flow is an APM used by Management to manage existing funding needs. It is defined as Free Cash Flow (FCF) less dividends paid to shareholders and certain exchange rate differences related to net debt.

The reported **DCF** for Q4 2024 stood at 1,040.9 million euros. The reconciliation between this APM and the figures seen in the consolidated financial statements for the period ending 31 December 2024 is shown below (in millions of euros):

	Q4 2024
Free Cash Flow (FCF)	1,386.0
Dividends paid	-378.9
Effect of changes in exchange rates	33.8
Discretionary Cash Flow (DCF)	1,040.9

Available funds/liquidity

This indicator is used by Management to measure the group's financial capacity to meet any short-term liquidity needs.

It corresponds to the 'Cash and cash equivalents' figure plus the total of undrawn credit lines.

The reconciliation between the APM and the figures corresponding to the consolidated balance sheet for the period ending December 31, 2024 are shown below:

	Q4 2024
Cash and cash equivalents	1,295.7
Other available funds	1,956.8
Total available funds	3,252.4