

Pau, 1 June 2023

PRESS RELEASE

Teréga committed to building the future decarbonised energy mix

In an unprecedented international context, shaken by the challenges of gas supply, energy sobriety and decarbonisation, Teréga is working to build an independent, resilient and carbon-neutral energy Europe.

A SOLID, FLEXIBLE MODEL THAT HAS BEEN ABLE TO ADAPT TO AN UNPRECEDENTED CONTEXT

The war in Ukraine has led to an upheaval in gas supplies and prices in Europe, with reduced flows from the north and east and increased flows from Spain. As part of the TRF (Trading Region France), Teréga has been able to carry out its transport and storage missions with solidity and flexibility. Where necessary, it has implemented the additional **grid balancing** services provided for in the regulatory framework. Against a backdrop of rising gas prices, these transactions had a significant impact on the company's 2022 sales, while having a minor impact on net income.

For these reasons, **turnover** for this exceptional year 2022 amounts to **€799 million, and €492 million excluding grid balancing.**

- The transport business generated a turnover of **€329 million** (+6%/2021).
- The storage activity, however, has turnover standing at **€163 million** (+10%/2021).

At **€492 million**, turnover excluding grid balancing will therefore be 7% higher than in 2021, thanks to an increase in capacity subscriptions and new storage offerings marketed in 2022.

Net income for 2022, at **€95 million**, is up sharply (+46% compared with 2021). This increase is the direct result of higher revenue excluding grid balancing, against a backdrop of **stable expenditure and lower financial charges**, attesting to the solidity of Teréga's business model.

Moreover, Teréga has continued its investments to ensure its mission as a natural gas transport and storage infrastructure operator by supporting the development of the energies of the future: its **investment level has grown 18%** compared to 2021, reaching **€163 million in 2022.**

"Even more than 2021, 2022 will provide lasting confirmation of the robustness of our business model, and encourage us to step up our investment strategy to make Teréga a driving force in the security of supply and development of future decarbonised energies. "

Dominique Mockly, Chairman and CEO of Teréga.

COOPERATION, RESILIENCE AND SOBRIETY: KEY WORDS IN ENERGY SECURITY

In the face of this totally new energy crisis, gas infrastructure operators undertook unprecedented efforts to get through the winter of 2022-2023 calmly, **in particular by exceeding the storage fill rate required (90%) by European regulations.** This rate confirms the solidity of Teréga's model, which ensures that the French can afford to heat their homes despite a tight market.

2022 was also a strategic year for gas interconnections in Europe: **the joint decision by Teréga and Enagás to increase the capacity of the South-North flows of the Artère de l'Adour pipeline by 66% will enable more gas to be transported from the Iberian Peninsula,** which has excess infrastructure in relation to its needs. Through this energy solidarity initiative, Teréga is proudly reaffirming its European identity and contributing to the vital need to build a flexible and resilient gas network.

Teréga has also signed a memorandum of understanding with the Portuguese, Spanish and French transmission system operators formalising cooperation on H2Med, the key energy corridor of the European hydrogen backbone, and in particular on the **BarMar** link between Barcelona and Marseilles. It will link these three countries to the European energy grid to transport renewable hydrogen from the Iberian Peninsula to Central Europe, with **transport capacity of 2 million tonnes a year, or 10% of Europe's projected consumption in 2030.**

At the same time, **Teréga presented the HySoW project: a corridor of around 600 km of pipelines, 30% of which will be converted from natural gas to hydrogen, is designed to transport 16 TWh/year of carbon-free hydrogen throughout the South-West.** Its salt cavern storage capacity in the Nouvelle-Aquitaine region (500 GWh by 2030) means that HySoW will also be a source of flexibility for Europe's security of supply.

In order to size its future network as closely as possible to the needs of decarbonisation, Teréga is launching a **Call for Expressions of Interest (CEI)** from players in the **hydrogen** and **carbon dioxide** markets, between **26 June and 10 October 2023.** The carbon dioxide market, combined with the development of the hydrogen industry, will accelerate the energy transition and achieve carbon neutrality, while maintaining and strengthening France's industrial base.

Located at the crossroads between major European gas flows, **Teréga's grid is once again demonstrating its capacity to adapt to new forms of energy,** a major advantage for a successful energy transition at least cost and for creating new jobs on its business territory.

A RESPONSIBLE COMPANY AT THE FOREFRONT OF THE NEW DECARBONISED ENERGY MIX, WITH NEW COMMITMENTS

Teréga's ambition is to be a company recognised for its **ESG** (environmental, social and governance) **practices**, and a benchmark in the energy sector, by helping accelerate the transition to carbon neutrality. The BE POSITIF programme aims to eliminate its impact on the planet and biodiversity, and sets a **new milestone of 2030 with a commitment to reduce greenhouse gas emissions by 30% (scopes 1, 2 and 3) compared with 2021**. The trajectory set aims to comply with the 2015 Paris Agreement and achieve carbon neutrality by 2050.

As an accelerator of the energy transition, the Teréga Group is working to design solutions and build the virtuous, innovative and disruptive ecosystems of tomorrow, drawing on its industrial expertise in gas transport and storage. Launched in 2021, its subsidiary **Teréga Solutions develops concrete decarbonisation technologies and solutions**, serving energy efficiency, industrial performance and a sustainable future. **Teréga Solutions' expertise is built around complementary pillars: hydrogen, biomethane, low-carbon mobility, multi-energy and digital.**

Teréga Solutions offers a comprehensive and optimum hydrogen logistics package: hydrogen processing, compression, storage, metering, transport by truck or pipeline and distribution to the end customer or via refuelling stations for hydrogen mobility. **In 2022, for example, Teréga Solutions entered into a partnership with Valorem, an independent French green energy operator, to develop renewable hydrogen value chains by deploying renewable hydrogen ecosystems and decarbonisation solutions to local authorities and industry.**

In partnership, Teréga Solutions also offers methanisation solutions based on high-performance technologies. Teréga Solutions markets competitive offers and supports project developers throughout their projects. **The DualMétha solution is the first to offer a hybrid methanisation system**, combining a discontinuous dry process and a continuous liquid process: an immersion process that provides better temperature control and more complete degradation of the material. **In 2022, Teréga Solutions launched the construction of the first operational production unit in a rental model of this type for STRAW-Berry.**

On the digital front, Teréga Solutions optimises industrial, energy and economic security and performance by accelerating the deployment of intelligent multi-energy networks and digital tools for operational management and energy efficiency, using a pragmatic and responsive approach.

IO-Base is a unique digital solution for collecting, storing and reusing all the data from an industrial environment, enabling real-time visualisation of information from all production sites, anywhere and at any time. Very soon, IO-BASE® will be enhanced with two pilot projects aiming to prove the feasibility of an intelligent multi-energy and multi-stakeholder system with a view to decarbonising an industrial platform.

In 2022, Teréga Solutions joined forces with OMNEGY, an energy consultant, to offer manufacturers new solutions for improving their energy efficiency, the first steps in a decarbonisation strategy.

"More than just a future-oriented company, Teréga will become a driving force in 2023. Innovation must be at the heart of our model, more than ever supporting the decarbonisation and energy sobriety of our economy, by working towards a sovereign Europe of energy. Today, we have the talents, skills and assets to be at the forefront of this decarbonised future. "

Dominique Mockly, Chairman and CEO of Teréga.

About Teréga

Established in South-West France, at the crossroads between major European gas flows, Teréga has exercised exceptional expertise for over 75 years in the development of gas transport and storage infrastructures. Today, it continues to develop innovative solutions to overcome the major energy challenges facing France and Europe. A true accelerator of the energy transition, Teréga operates over 5,000 km of pipelines and 2 underground storage reservoirs representing 16% of the French gas transport network and 24% of national storage capacity. The company had a turnover of €799 million in 2022, and has about 650 employees.

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