

Press release

Results for the first nine months of 2021

Enagás made a net profit of 307.3 million euros as a result of a strong performance by its affiliates, the efficiency plan and a low financing cost

- The company continues to cushion the effect of the entry into force of the 2021-2026 regulatory reform and the results for the first nine months of the year are on track to meet the target for the year
- The contribution from subsidiaries, driven by Tallgrass Energy and Trans Adriatic Pipeline (TAP), increased by 38.8% and represents 40.1% of net profit
- The increased efficiency has pushed down operating expenses by -2.5%, while the company has maintained its firm commitment to employment
- The financial cost of debt falls for another quarter, to 1.7%.
- Enagás has introduced all the operational measures in its power to make maximum capacity available in its infrastructures
- Through two extraordinary auctions, a total of 45 additional slots of liquefied natural gas (LNG) unloading capacity have been allocated at Spanish regasification terminals for the next 12 months
- For the winter period, from November 2021 to March 2022, a total of 136 slots have been allocated. Last winter 86 ships unloaded at Spanish terminals
- The affiliates play a key role in the gas demand in those countries in which they operate. TAP covers around 10% of natural gas demand in Italy and 17% in Greece
- US subsidiary Tallgrass has signed a new 12.5 year contract, providing even more long-term stability in this market
- TLA Altamira has closed a 10-year storage and regasification contract with the Federal Electricity Commission (CFE) of Mexico
- The cash flows generated guarantee Enagás's shareholder remuneration for this year, which is 1% higher than in 2020, and also for the 2021-2026 period
- Enagás is promoting 55 specific renewable gas projects in Spain, and has significant decarbonisation projects in its main international subsidiaries
- Total demand for natural gas in Spain in the first nine months of the year was 270.1 TWh, 2.7% higher compared to the same period in 2020
- The liquefied natural gas (LNG) regasification terminal in Ravenna (Italy), in which Enagás' subsidiary Scale Gas holds a 19% stake, begins commercial operations today

Madrid, 26 October 2021. Enagás made a net profit of 307.3 million euros in the first nine months of 2021.

Press release

This result, which is on track to meet the target for the year, is a result of a greater contribution from affiliates, the company's efficiency plan and a low cost of debt. All this is making it possible to cushion in the first half of the year the effect of the regulatory reform for the 2021-2026 period, which came into force in January of this year.

The contribution of subsidiaries has increased by 38.8% in the first nine months of the year compared to the same period in 2020, with a contribution to the company's cash flow of 144 million euros.

The increased efficiency has also had a positive effect, pushing down operating expenses by -2.5%, while the company has maintained its firm commitment to employment.

For yet another quarter, the company has lowered the cost of debt, which stands at 1.7%. Enagás has a solid financial structure, with more than 80% of its debt at a fixed rate and excellent liquidity: 2,953 million euros as at 30 September 2021.

In addition, it should be taken into account that last year the company had non-recurring earnings of 18.4 million euros due to exchange rate differences. Something that, because it is extraordinary, will not be repeated in 2021.

The cash flows generated allow it to guarantee the Enagás shareholder remuneration policy for this year, which is up by 1% on 2020. The company is also committed to maintaining its dividend for the 2021-2026 period.

Infrastructure availability

As operator of the Spanish Gas System, Enagás has introduced all the operational measures within its power to make maximum capacity available in its infrastructures.

In addition, the company is in permanent coordination with the regulatory bodies to take preventive measures to help reinforce the guarantee of energy supply during this winter.

Specifically, Enagás has successfully carried out two extraordinary capacity auctions - one in September and the other in October - at Spanish regasification terminals. With this measure, a total of 45 slots have been allocated for LNG unloading, in addition to those initially planned for the next 12 months.

For the winter period, which runs from November to March, 136 slots have already been allocated. Last winter, 86 ships unloaded at Spanish terminals.

These extraordinary auctions are an additional measure of prudence to reach historical levels of LNG storage at the onset of winter. In fact, this October the contracting of LNG tanks has reached values equivalent to 100% of the contractable capacity.

In addition, during the month more gas continued to be injected into underground storage facilities, which are key to strategic gas storage and whose capacity is currently at 78%.

International affiliates

The increase in demand in the countries where Enagás operates has led to positive results for the company's affiliates.

During the first nine months of the year, affiliates contributed around 40% to the company's net profit.

Press release

So far this year, Tallgrass Energy has had a very positive performance driven by the upward trend in commodity prices in the United States, and by its growth prospects with very relevant trade agreements. With this, the US company, in which Enagás holds a 30.2% stake, expects to reach the upper end of the range of targets set for 2021.

Among the agreements reached, the Tallgrass Rockies Express Pipeline (REX) infrastructure and the American natural gas producer EQT Corporation have signed a natural gas transmission contract for the next 12 and a half years. This agreement will result in total revenues of more than 400 million dollars over the period.

Trans Adriatic Pipeline, which is a key infrastructure for the European security of energy supply, reached 5 billion m³ (5 bcm) of gas from Azerbaijan delivered to Europe in September.

This infrastructure, which came into operation at the end of 2020 and in which Enagás holds a 16% stake, is transporting volumes of natural gas that already cover approximately 10% of natural gas demand in Italy and 17% in Greece.

TAP is currently developing a market test, the result of which could lead to a future increase in its current transport capacity.

In Mexico, the TLA Altamira regasification plant has reached a 10-year storage and regasification agreement with the Federal Electricity Commission (CFE), in line with the initial business plan established by the company's shareholders.

In addition, the liquefied natural gas (LNG) regasification terminal in Ravenna (Italy), in which Enagás' subsidiary Scale Gas holds a 19% stake, began commercial operations today. The Italian terminal, which supplies LNG for land and sea vehicles, will be supplied periodically from the Enagás regasification terminal in Barcelona.

Demand growth

Total demand for natural gas in Spain in the first nine months of the year was 270.1 TWh, up 2.7% compared to the same period in 2020.

This growth is mainly due to a 9% increase in conventional demand - households and industry - compared to the first nine months of 2020. Conventional demand represents around 78% of total gas demand in Spain.

This positive evolution highlights the essential role of gas infrastructures in contributing both to energy supply and to achieving European decarbonisation objectives.

Specific projects for decarbonisation

Enagás is promoting 55 specific projects throughout Spain in the fields of renewable gases and decarbonisation (34 green hydrogen projects and 21 biomethane projects) alongside more than 60 partners. In total, these projects could mobilise a joint investment of 6.3 billion euros.

In recent months, the company has achieved milestones in major projects such as 'Power to Green Hydrogen Mallorca', which has begun construction of the Lloseta photovoltaic plant, one of the two that will feed the first green hydrogen plant in Spain that Enagás is promoting together with its partners. As part of this same project, the

Press release

Iberostar hotel group has signed the first green hydrogen supply contract for the tourism sector in Spain with Enagás and Acciona Energía.

The Repsol and Enagás' renewable hydrogen production project -directly from solar energy- have received European Commission funding support. In addition, the company has joined forces with Naturgy and Exolum to develop the first major green hydrogen alliance for mobility in Spain, which will promote the construction of 50 hydrogen stations.

Last week, Enagás and LatemAluminium signed a deal for the development of an industrial project to promote two green hydrogen production plants in Castilla y León.

Enagás Renewable is also involved in six biomethane projects that have received support from the Institute for Diversification and Saving of Energy (IDAE).

On the international stage, the affiliate Tallgrass is also moving forward with the development of decarbonisation projects in the North American market. Along this line, its REX infrastructure has partnered with the ESG company 'Project Canary' to implement the detection, monitoring and certification of emissions associated with the transmission of natural gas and offer its customers a carbon neutral transmission service.

In addition, Tallgrass has finalised the acquisition of a 75% stake in the firm 'Escalante H2Power' to develop a project to convert a coal-fired thermal plant into a clean hydrogen plant in the State of New Mexico, and has received funding from the U.S. Department of Energy to reduce the cost and accelerate advances in clean hydrogen technologies.

In Chile, the consortium formed by Enagás, GNL Quintero and Acciona has submitted the "Quintero Bay Green Hydrogen" project to the tender of the Production Development Corporation (CORFO). This would be the first large-scale project for the production of Green Hydrogen in the central part of the country.

The European project spearheaded by the European Gas Research Group (GERG) and Enagás, in which 14 gas infrastructure operators and European associations from the sector are participating, successfully carried out the first controlled tests this month to reduce methane emissions in European infrastructures.

Enagás strengthens its leadership in sustainability

Enagás is firmly committed to the ecological transition and has pledged to be carbon neutral by 2040. Its environmental, social and governance (ESG) practices are a fundamental pillar of the company's strategy. As a result of this work, Enagás is among the world's leading companies in climate action and year after year it sits atop sustainability indices and rankings.

Enagás has obtained the highest ESG rating in its sector in the FTSE4Good sustainability index. Moreover, it is the only company of its sector worldwide that has been included in the CDP Climate Change "A List", it is one of the companies that has spelled out its climate commitments in the European Climate Pact initiative, which forms part of the European Green Deal, and the Financial Times has included it in its list of European Climate Leaders.

Enagás has reduced its emissions by 63% since 2014, as it moves towards its goal of becoming a carbon-neutral company by 2040, or even earlier. Along these lines, Enagás' carbon footprint in 2020 has been registered by the

Press release

Ministry for Ecological Transition and the Demographic Challenge, obtaining the Calculo, Reduzco y Compenso (Calculate, Reduce and Compensate) seal.

Enagás has also voluntarily joined the OGMP 2.0 initiative on methane emissions led by the United Nations Environment Programme (UNEP), with the support of the European Commission, and expects to officially obtain the highest qualification, Gold Standard, in the coming days.

Corporate Communication and Public Affairs Office

(+34) 91 709 93 40

dircom@enagas.es

www.enagas.es

