



REPORT PREPARED BY THE BOARD OF DIRECTORS OF ENAGÁS, S.A., IN RELATION TO THE PROPOSED DELEGATION TO THE BOARD OF DIRECTORS FOR A MAXIMUM OF FIVE YEARS, WITH EXPRESS POWERS OF SUBSTITUTION, OF THE POWER TO RESOLVE TO ISSUE, ON ONE OR MORE OCCASIONS, ANY FIXED-INCOME SECURITIES OR DEBT INSTRUMENTS OF A SIMILAR NATURE, SIMPLE OR GUARANTEED, FOR A MAXIMUM OF FIVE BILLION EUROS (€5,000,000,000), WHICH IS INCLUDED AS ITEM 8 ON THE AGENDA.

1. Purpose of the Report

This report is drawn up by the Board of Directors of Enagás S.A. (the “**Company**”) to justify the proposal, the approval of which will be proposed to the next General Shareholders’ Meeting of Enagás, S.A., regarding the delegation to the Board of Directors of, among others, the power to issue, on one or more occasions, any fixed-income securities or debt instruments of a similar nature, simple or guaranteed, for a maximum amount of five billion euros (€5,000,000,000), which is submitted for the approval of the Ordinary General Shareholders’ Meeting of the Company to be held on May 26, 2021, at first call, and on the following day, May 27, 2021, at second call, under Item 8 on the Agenda.

2. Justification of the proposal

The Company’s Articles of Association reserve to the General Meeting the power to issue bonds. Article 406 of the Consolidated Text of the Corporate Enterprises Act sets out that, unless otherwise provided for in the Articles of Association (i) the governing body shall be competent to resolve on the issue and admission to trading of bonds, as well as to resolve on the granting of guarantees for the issue of debentures; and (ii) the general meeting of shareholders shall be competent to resolve on the issue of bonds convertible into shares or bonds that grant bondholders a share in the company’s guarantees.

The Board of Directors has considered the option of proposing the amendment of Article 16 of the Articles of Association to bring it into line with the current wording of Article 406 of the Consolidated Text of the Corporate Enterprises Act, attributing the power to issue bonds to the Board of Directors instead of the General Meeting, with the General Meeting being, in any case, the competent body to resolve to issue bonds convertible into shares. However, the Board has concluded that, although this is a legal option, it is best governance practice to maintain as at present the Board’s power to agree on the issuance of all types of bonds.

However, the Board of Directors considers it highly advisable to have the delegated powers provided for in the Articles of Association and permitted under current legislation in order to be in a position to raise the funds necessary for the proper management of the Company’s interests on the primary securities markets at all times, and has therefore decided to propose to the Shareholders’ Meeting that it delegate, under the terms of this proposed resolution, such powers to the Board of Directors.

This will place a quick and effective financing mechanism at the Company’s disposition, with which it can strengthen its equity and liquidity positions, reinforce its financial structure, and even undertake investment and growth initiatives that, given the particular current economic environment, could prove to be of strategic interest for the Company.

This delegation would give the Board room for manoeuvre and the ability to respond needed in the competitive climate in which the Company operates, in which the success of a strategic initiative or of a financial transaction depends on the possibility of carrying out the initiative rapidly, without the delays and costs that are inevitably caused by calling and holding a General Shareholders' Meeting. As such, the Company's Board of Directors would be empowered, should it be necessary, to secure a significant volume of funds in a short period of time.

For this reason, the Board of Directors considers it necessary to request the General Shareholders' Meeting to delegate the power, for a maximum of five (5) years, to issue fixed-income securities for a maximum of five billion euros (€5,000,000,000), or the equivalent in another currency, which can be made in one or more issues. With this delegation of powers, the Board aims to meet the Company's funding requirements and undertake any other investments that it considers beneficial to it, at any particular time.

On the other hand, bearing in mind that, under certain circumstances, it may be desirable in some markets, especially international ones, for finance to be raised by a subsidiary and that, in such cases, it could be essential for the success of the operation that the issue launched by the subsidiary has the Company's full backing and guarantee; to this end the Board of Directors seeks the express authorisation of the General Shareholders' Meeting for the Company to guarantee all types of debentures that may be issued by these subsidiaries with the purpose of securing funds for the Group to which they belong, for a period equal to the delegation of powers to issue securities.

The proposal envisages that, when it is appropriate or convenient, the securities issued pursuant to this authorisation will be listed for trading in secondary markets, whether official or unofficial, organised or unorganized, in Spain or abroad; granting the Board of Directors the power to carry out the necessary formalities and actions for admission, and with the express possibility that all and any authorisations attributed to the Board of Directors may in turn be delegated by it.

With that aim, and pursuant to Article 319 of the Companies Registry Regulations and Articles 401 and subsequent of the Spanish Corporate Enterprises Act ("LSC"), the following resolution is proposed to the General Shareholders' Meeting.

Finally, with the approval of this delegation of powers, the one granted to the Board of Directors and approved as item ten on the Agenda of the Company's General Shareholders' Meeting on March 16, 2016 would be rendered null and void.

The full text of the proposed resolution to be submitted to the General Shareholders' Meeting for approval as Item 8 on the Agenda is given below, in an appendix.

And for all appropriate legal reasons, the Company's Board of Directors prepares this report at its meeting held on April 19, 2021.

The Secretary to the Board of Directors

Rafael Piqueras Bautista

Enagás, S.A.

APPENDIX

"To delegate the Board of Directors, with express replacement powers, the power to resolve issuing, one or more times, any fixed-income securities or analogous simple or secured debt instruments for a maximum of five billion euros (€5,000,000,000).

Article 16 of the Articles of Association states that the General Shareholder's Meeting's responsibility to issue simple bonds or bonds convertible into shares, as well as other marketable securities, that recognise or create debt, subject to prevailing legislation. However, the General Shareholders' Meeting, in the legally provided terms, may delegate this faculty to the Board of Directors and, if applicable, agree to the exclusion of pre-emptive subscription rights. The Board of Directors may make use of the aforementioned delegation one or various times for a maximum of five years. They may also be authorised by the General Shareholders' Meeting to determine when the issue should be made and to establish those conditions not provided for in the General Shareholders' Meeting resolution. In the issue of bonds convertible into shares, the shareholders of the Company will have the right to pre-emptive subscription of the convertible bonds, without prejudice to the possibility that said right might be excluded in the cases and under the requisites established in prevailing legislation. The securities issues that Enagás affiliates make may be guaranteed by the Company.

The General Shareholders' Meeting on March 18, 2016 authorised the Board of Directors to issue bonds or other fixed income instruments, convertible or not convertible into shares of the Company and/or exchanged for shares in the Company or in other companies, for the total amount of six billion euros (€6,000,000,000) within a five-year period starting from the date of the resolution; to set the bases and terms for the share conversion or exchange and for any required capital increase. This resolution will soon expire.

Article 406 of the Consolidated Text of the Corporate Enterprises Act sets out that, unless otherwise provided for in the Articles of Association (i) the governing body shall be competent to resolve on the issue and admission to trading of bonds, as well as to resolve on the granting of guarantees for the issue of bonds; and (ii) the general meeting of shareholders shall be competent to resolve on the issue of bonds convertible into shares or bonds that grant bondholders a share in the company's guarantees.

However, the Board of Directors has the option of proposing the amendment of Article 16 of the Articles of Association to bring it into line with the current wording of Article 406 of the Consolidated Text of the Corporate Enterprises Act, attributing the power to issue bonds to the Board of Directors instead of the General Meeting, with the General Meeting being, in any case, the competent body to resolve to issue bonds convertible into shares. Nevertheless, the Board believes that, despite this being a legal option, the good corporate practice is to maintain the Shareholders' Meeting's powers as until now to resolve on the issuance of all types of debentures, without prejudice to delegating this power to the Board of Directors.

The Board will submit to the Shareholders' Meeting, as separate items on the Agenda, the proposed delegations of powers to the Board to issue both non- convertible and convertible debentures or other debt securities, for a five-year period in both cases.

By way of attachment to these proposed resolutions and forming an integral part of them, the Board of Directors' report justifying this proposal is included.

Therefore, in relation to the issues of bonds or any other fixed-income securities or debt instruments of a similar nature, simple or guaranteed non-convertible, which are the object of this item 8 of the Agenda.

Adoption of the following resolution is proposed to the Ordinary General Shareholders' Meeting:

To delegate to the Board of Directors, with express replacement powers, subject to the provisions of Articles 401 and subsequent of the Spanish Corporate Enterprises Act and Article 319 of the Companies Registry Regulations, the power to resolve issuing any fixed-income securities or analogous debt instruments in accordance with the following terms and conditions:

1. Securities addressed by the issuance

The negotiable securities referred to in this delegation may be bonds, notes and other fixed-income securities or debt instruments of a similar nature in any form permitted by law. Likewise, this delegation of power can also be used to issue promissory notes, preference shares and other similar securities, with or without this name ("**Securities**"). The delegation includes the power to establish and/or renew programmes for the continuous or open issue of bonds, notes, promissory notes, *European Commercial Paper*, *Euro Medium Term Notes* and any other fixed-income securities of a similar nature, under this or any other name.

2. Term

The Securities can be issued one or more times, at any time, within five (5) years of the date of adopting this resolution, at the end of which period, the powers shall expire in respect of the unexercised portion.

3. Maximum amount for the delegation of power

The aggregate maximum amount of the Securities issued under this delegation of power cannot exceed the overall amount of five billion euros (€5,000,000,000) or the equivalent in another currency. For clarification purposes, the outstanding balance of the Securities issued at any given time shall be taken into account for the purposes of calculating the above limit. Likewise, for the purposes of calculating the amount of the issue subject to delegation, the amount of the fixed-income issues outstanding on the date of approval of this resolution shall not be taken into account.

4. Scope of the delegation of power

The Board of Directors will determine the terms and conditions of each issuance, including, but not limited to:

- a) The amount (while respecting the applicable quantitative limits).
- b) The place of issue (Spain or elsewhere) and the currency; if this is outside Spain, its equivalent in euros.
- c) The type of security and the denomination, whether notes or bonds -including subordinated bonds-, promissory notes or other fixed-income securities of a similar nature, or any other type permitted by law.
- d) The issuance date(s).
- e) The number of securities and their nominal value.
- f) The interest rate, dates and procedures for paying the coupon, including the possibility of remuneration linked to the Company share price or any other indices or parameters.

- g) Their perpetual or redeemable nature and, in the latter case, the deadline and types of redemption and maturity date(s).
- h) The anti-dilution mechanisms and clauses, where applicable.
- i) The priority system or the subordination clauses, where applicable.
- j) The type of reimbursement, premiums and batches.
- k) The guarantees for the issuance, where applicable.
- l) The type of representation, through certificates or book entries or any other allowed by law.
- m) The system for subscribing to the securities.
- n) The applicable legislation.
- o) Where applicable, the designation of the Trustee and approval of the fundamental rules governing the legal relations between the Company and the syndicate of holders of the securities issued.
- p) Regarding the commercial paper, the total maximum amount of the programme(s), the maximum and minimum nominal amounts of the commercial paper to be issued, the issuance and award procedure or system and, in general, any other factors or terms and conditions of the issuers or programmes, including any subsequent changes.
- q) The necessary formalities, in accordance with the applicable securities market regulations, to execute the specific issuances resolved subject to this delegation of powers.

The delegation also includes the grant to the Board of Directors of the power, in each case, to decide the conditions for repayment of the fixed-income securities issued pursuant to this authorisation, and the power to use, to the extent applicable, the means of withdrawal referred to in Article 430 of the LSC or any other means applicable. In addition, the Board of Directors is authorised, whenever it deems appropriate, and subject to the necessary official authorisations and, where appropriate, the approval of the Meetings of the respective Syndicates or bodies representing the holders of the securities, to amend the conditions of the securities issued, as well as the repayment of the fixed-income securities issued and the maturity thereof, as well as the interest rate, if any, of those included in each of the issuances made pursuant to this authorisation.

5. Guaranteeing the securities issued by the subsidiaries

The Board of Directors is also empowered, for five (5) years, to guarantee, in the name of the Company, within the aforementioned limits, the new securities which may be issued by the Company's subsidiaries during the valid period of this resolution.

6. Listing

The Board of Directors has been delegated the power to request listing on regulated or non-regulated markets, official or non-official secondary markets, organised or non-organised, domestic or foreign multilateral trading facilities, of the securities issued within this delegation of power. The Board of Directors, with express authorisation to be replaced by the Board Chairperson, the CEO and the Secretary, is empowered to carry out the necessary formalities and actions at the competent bodies of the Spanish or foreign stock markets for listing the securities. Where applicable, the request to

delist the securities issued by the Company while exercising this resolution is also authorised under the same terms. In any case, the delisting will be made in accordance with the prevailing legal regulations.

7. Delegation of powers

Without prejudice to the delegation of the specific powers included in the preceding sections (which must be understood as having been granted with express powers to be replaced on the bodies and by the persons detailed herein), the Board of Directors is empowered, with the broadest powers as possible in law and with the express powers to be replaced by the Board members deemed fit, including the Board Secretary, or a third party when so resolved so that any of them, indistinctly and with a sole signature, can request any authorisations and adopt any resolutions that are necessary or appropriate for complying with the prevailing legal regulations, executing and carrying out this resolution, including performing any formalities and signing any public or private documents, agency contracts, placement, insurance, calculation and other necessary items for issuing these types of securities, as well as information brochures or equivalent documents that may be necessary while using the delegation of power addressed by this resolution.

With the approval of this resolution, the authorisation granted to the Board of Directors approved as item ten on the Agenda of the General Shareholders' Meeting on March 18, 2016 has been rendered null and void in its unused portion."