Results 2018

27 February 2019

2018 Milestones

1. Net profit of €442.6m in line with 2016-2018 CAGR target of 3%

2. Solid cash flow generation. Deleveraging of €733m in 2018

3. Improved leveraging ratios
   FFO/ND 18.8% (global int.) and 20.0% (stand-alone)

   A- rating confirmed by S&P and Fitch

4. Affiliates' contribution to cash flow **€132.6m** (*) (higher than target dividend of €120m)

   Contribution of affiliates to net profit: 19.6%

5. Dividend (+5%) in line with 2020 growth target

Annual targets met for the twelfth consecutive year

(*) Includes dividends received from stand-alone affiliates, repayment of subordinated debt and equity, and excludes the TAP True up

2018 Milestones

6 Main transactions carried out in 2018:

- **Swedegas:** sale of 50% stake, in line with the international asset rotation strategy

  IRR (Internal Rate of Return) of over 10%

  Impact of the transaction on Enagás cash flow of €100.5m

  Impact of €24.5m on the income statement

- **Desfa**: joint investment with European TSOs, Snam and Fluxys

  Enagás' investment of €40.5m

- **TAP**: project 85.2% completed

  Financial close in December 2018

  Cash inflow of €415.2m for Enagás resulting from True up

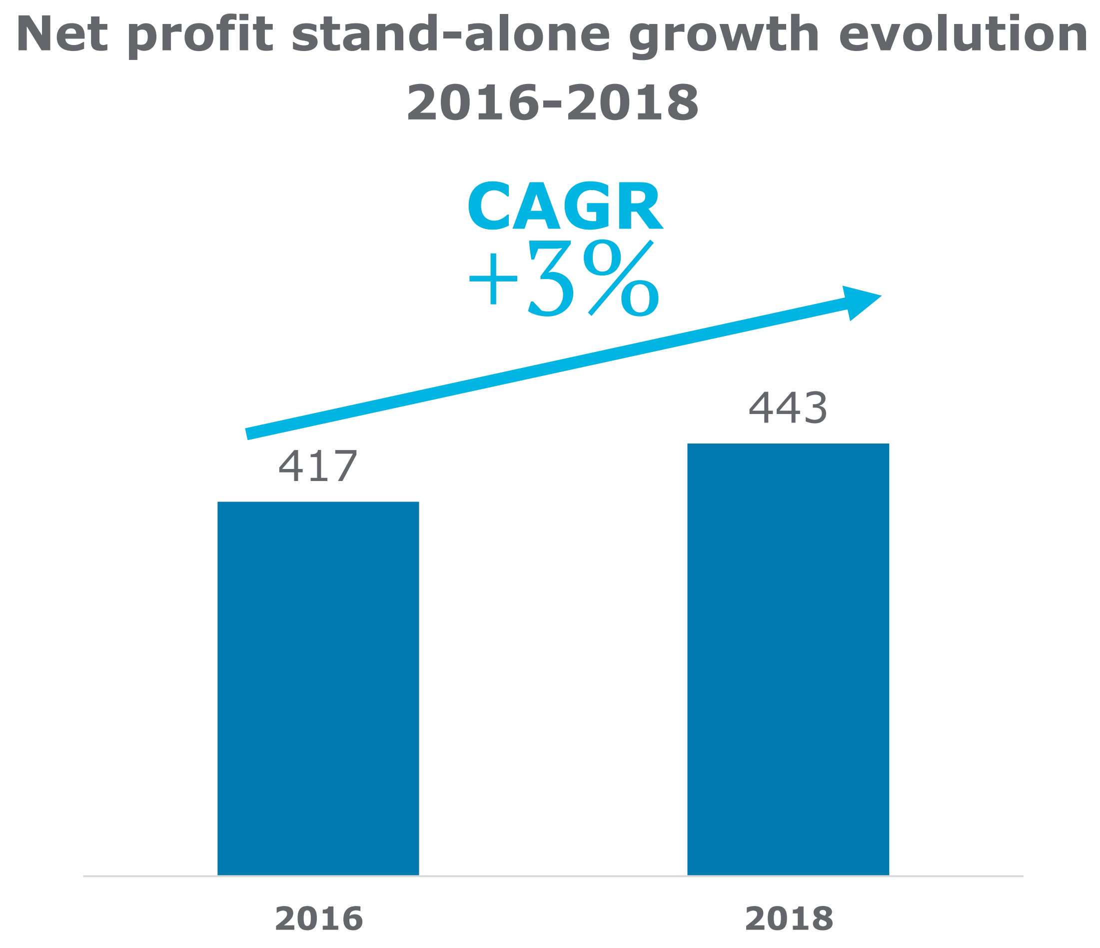
2018 Income statement

Income statement (global int.)

€m	2017	2018	% change
Total revenue	**1,384.6**	**1,342.2**	**-3.1%**
Operating expenses	-371.5	-374.7	+0.9%
Results from affiliates	97.2	93.2	-4.1%
EBITDA *	**1,110.3**	**1,060.7**	**-4.5%**
Amortisation and depreciation	-378.2	-369.7	-2.3%
EBIT	**732.1**	**691.0**	**-5.6%**
Financial result**	-100.9	-104.6	+3.7%
Corporate income tax	-126.1	-123.1	-2.4%
Minority interests	-14.2	-20.7	+45.4%
Net profit	**490.8**	**442.6**	**-9.8%**

(*) In line with forecasts excluding the exchange rate effect of Quintero.

(**) 2017 financial result includes the revaluation of the GNL Quintero stake (€52.4m). As of December 2018 includes the capital gain from the sale of Swedegas (€24.5m).



Stand-alone net profit growth 2018/2017 +1%

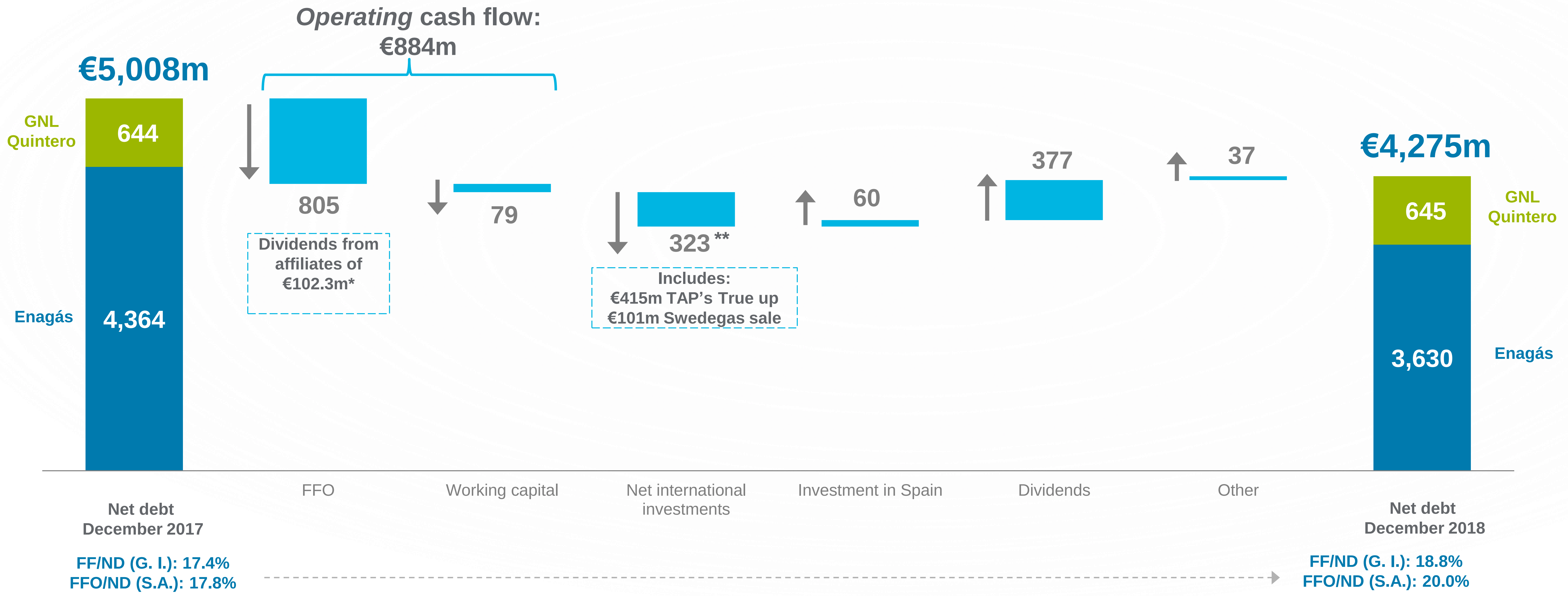
Affiliates’ contribution

- Equity investments of €1.3bn in brownfield assets at the end of 2018
- Affiliates’ contribution to cash flow (*) €132.6m (includes GNL Quintero dividend)
- Dividend yield above 10%
- 19.6% contribution to net profit
- €171m investment in TAP at year-end 2018, with commissioning expected for 2020 and cash flow contribution from 2023

(*) Includes dividends received from affiliates, repayments of capital and subordinated debt, excluding TAP True Up

Affiliates’ contribution to cash flow: €132.6m, higher than the target dividend set for the year (€120m)

2018 Net debt evolution (global int.)



Figures in €m

Reduction of net financial debt at 31 December 2018 by ~ €733m, through the generation of cash flows, the materialisation of TAP true up (€415.2m) with the financial close of the project, and the sale of Swedegas (€100.5m).

(*) Excludes GNL Quintero dividends *(**) Includes repayment of subordinated debt and equity*

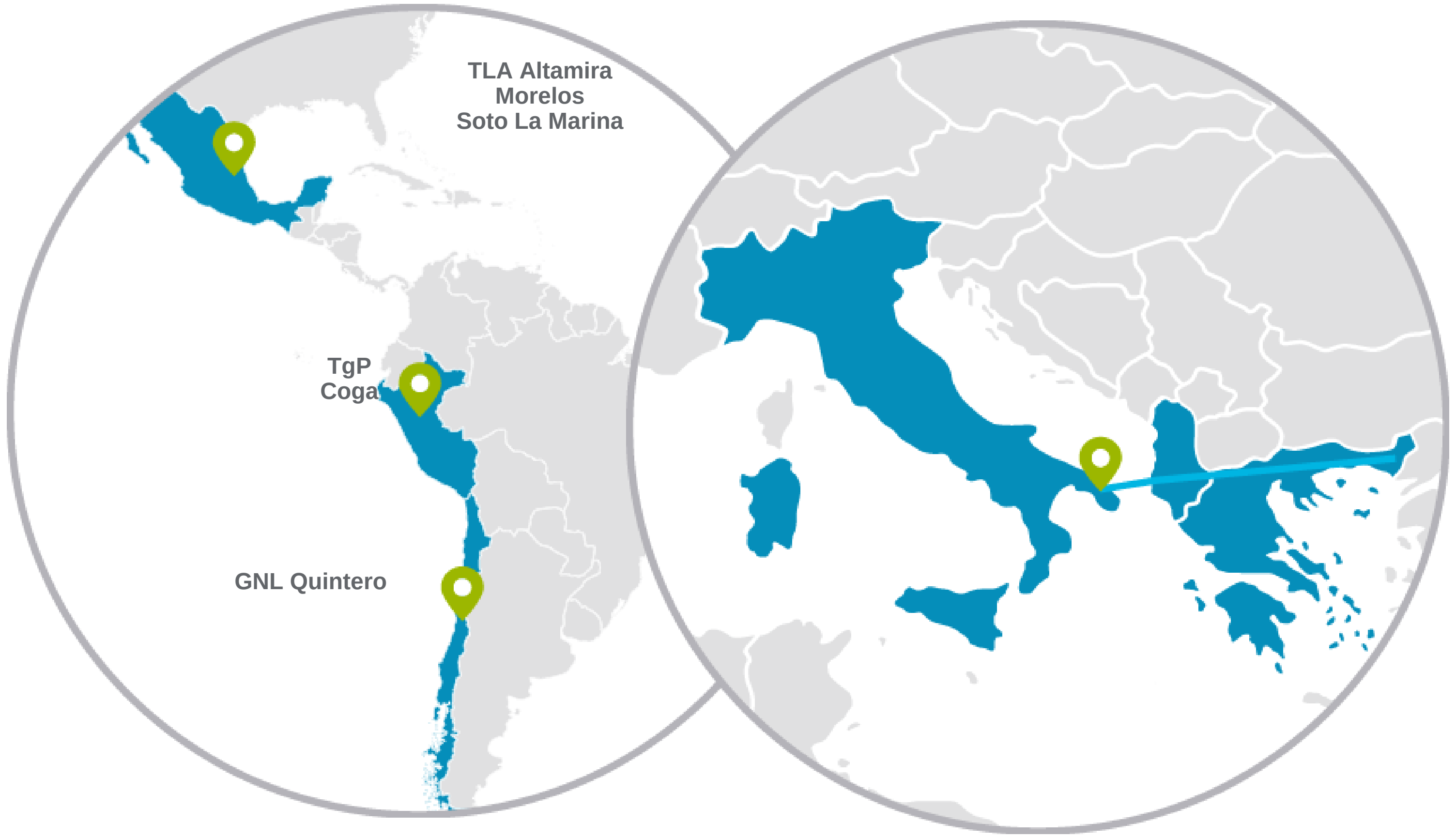
Investments

Investment in Spain

€60.0m

Net international investment

- €322.8m



Main international investments in progress

- **Investments: €199.1m**
  - TAP: €149.7m
  - DESFA: €40.5m
  - GNL Quintero: €8.9m

- TAP True up: -€415.2m
- Swedegas sale: -€100.5m

Total net investment: - €262.8m

International investments

Investment in DESFA

- Greek operator that owns the entire high-pressure natural gas transmission network and a regasification plant in Greece.
- The European consortium formed by Snam (60%), Fluxys (20%) and Enagás (20%) acquired 66% of DESFA for €535m
- This transaction has involved a cash outflow of €40.5m for Enagás
- Shareholder structure: Government of Greece 34%, Snam 39.6%, Enagás 13.2% and Fluxys 13.2%
- The transaction was completed on 20 December 2018

Swedegas sale

- Joint sale (Enagás and Fluxys) of the entire shareholding
- Strategic fit with the previously announced asset rotation plan
- The sale represents an after tax IRR of over 10%
- The completion of this transaction has provided a cash inflow of €100.5m for Enagás
- The transaction has generated a net capital gain recognised in the income statement of €24.5m

The transactions fit in with Enagás's previously announced possible rotation strategy for certain assets outside Spain to enable it to enter into potential new investments

Trans Adriatic Pipeline (TAP)

Adequate progress of the project and payment of the *True Up*

- The project is now 85.2% completed. Work in Albania and Greece is progressing as planned. In October 2018, the new Italian government gave the green light to continue with the works, a key requirement to ensure their progress.
- TAP successfully completed its financial close in December 2018, securing the largest funding agreement for a European infrastructure project in 2018 of €3,960m.
- Funding has been provided by a group of 17 commercial banks, along with the European Bank for Reconstruction and Development (EBRD) and the European Investment Bank (EIB).
- The company, Trans Adriatic Pipeline (TAP), made the first drawdown of the financing arranged on 30 November, and provided Enagás with a cash inflow through the partial reimbursement of the contributions made by Enagás to TAP for the execution of the project, of €415.2m in 2018.
- Enagás will contribute a further €62m to TAP until the project comes on stream. Enagás' total investment in TAP is expected to reach €232m, in line with the capital structure envisaged in the project.

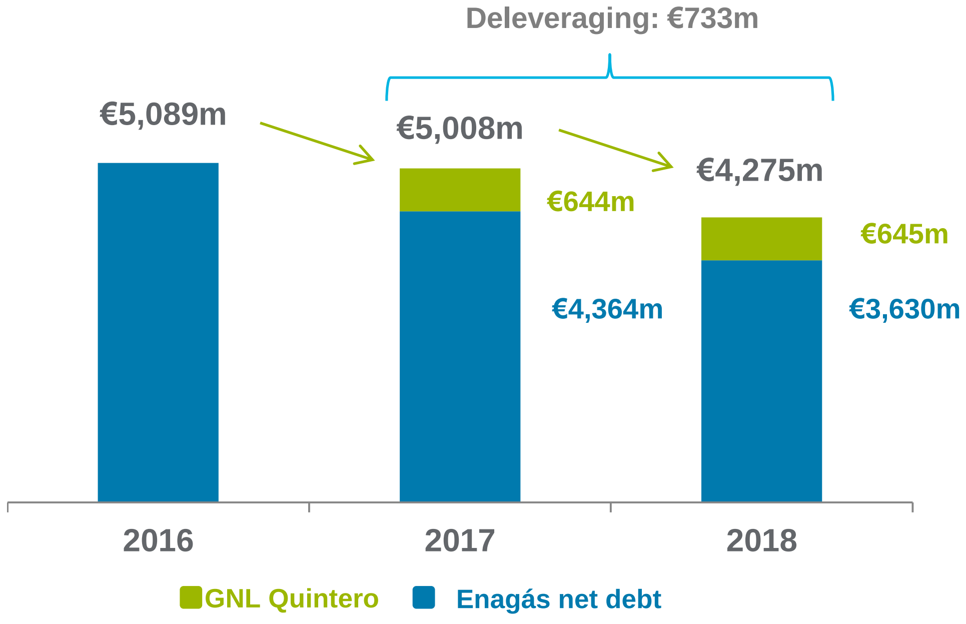
The financial close underscores the confidence of financial institutions in a key infrastructure in European energy development, classified as a Project of Common Interest by the European Union

Gasoducto Sur Peruano (GSP)

- On 2 July, as published in the relevant fact, Enagás filed a request for arbitration against the Republic of Peru before the International Centre for Settlement of Investment Disputes (ICSID) regarding a dispute involving its investment in GSP, under the terms of the Agreement for the Promotion and Reciprocal Protection of Investments (APPRI) signed between the Republic of Peru and the Kingdom of Spain.
- The ICSID has accepted the request for arbitration and the time frames and procedures established in it are progressing as expected.
- Enagás is still confident that an agreement will be reached to put an end to the arbitration proceedings started and to this purpose, it remains at the disposal of the Republic of Peru to enter into the necessary negotiations to reach an amicable solution.
- The Company’s legal external advisors currently believes that a decision will be reached at the end of the arbitration proceedings, in approximately three (3) years time, that will enable Enagás to recover its investment.
- In a recent declaration, the Peruvian Minister of Energy and Mines announced that the route of the new transmission system that will supply gas to the south of the country, will be awarded in 2020.

Financial structure

Net debt (with GNL Quintero)

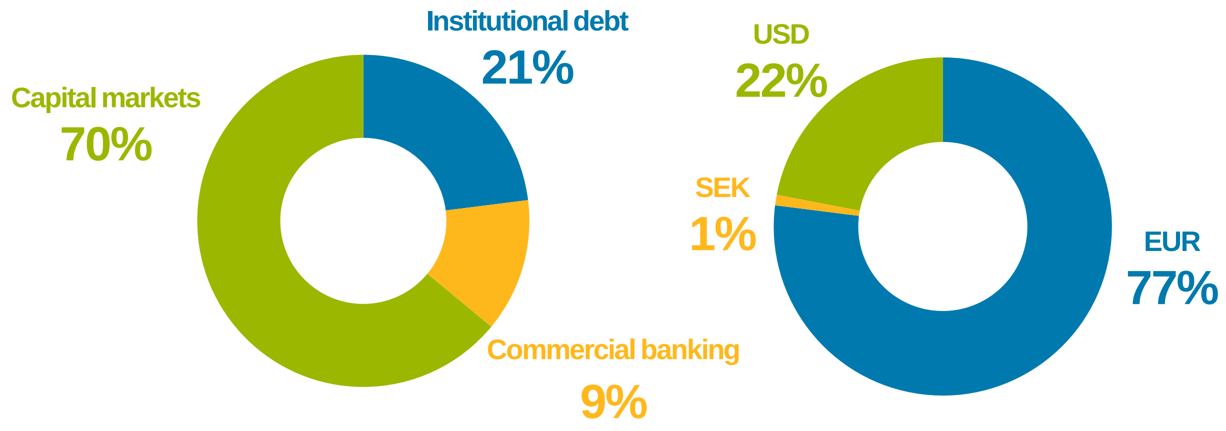


Leverage and liquidity

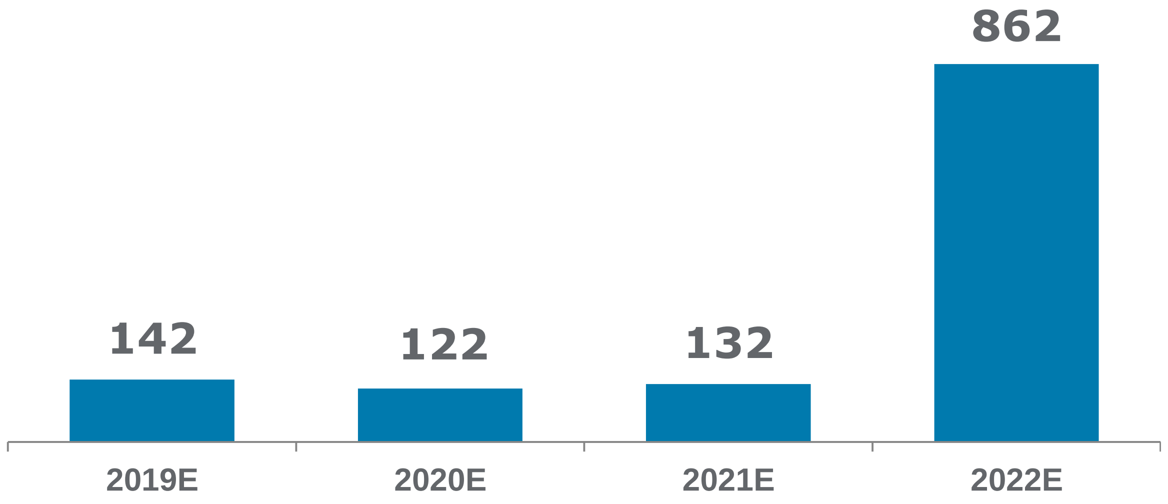
	2017	2018
Net debt/adjusted EBITDA(*) Global integration	4.4x	4.0x
Net debt/adjusted EBITDA(*) Stand-alone	4.4x	3.8x
FFO/Net debt Global integration	17.4%	18.8%
FFO/Net debt Stand-alone	17.8%	20.0%
Net cost of debt Global integration	2.7%	2.8%
Net cost of debt Stand-alone	2.2%	2.3%
Liquidity Global integration	€2,484m	€2,809m

(*) EBITDA adjusted for dividends received from affiliates

Types of (stand-alone) debt



Enagás stand-alone debt maturity profile (€m)



Note: Excluding ECPs and policy provisions

The ratings agencies Fitch and S&P reaffirmed our "A-" rating

Financial structure

- Debt reduction in 2018 of €733m (€1,458m since 2016, stand-alone)
- The Company's leverage ratio (FFO/ND) stand-alone has improved from 15% in 2016 to 20% in 2018
- The ratings agencies Fitch and S&P reaffirmed our "A-" rating
- Debt structure with over 80% fixed, limiting interest rate risk
- No significant maturities until 2022
- 2.3% net cost of debt (stand-alone)

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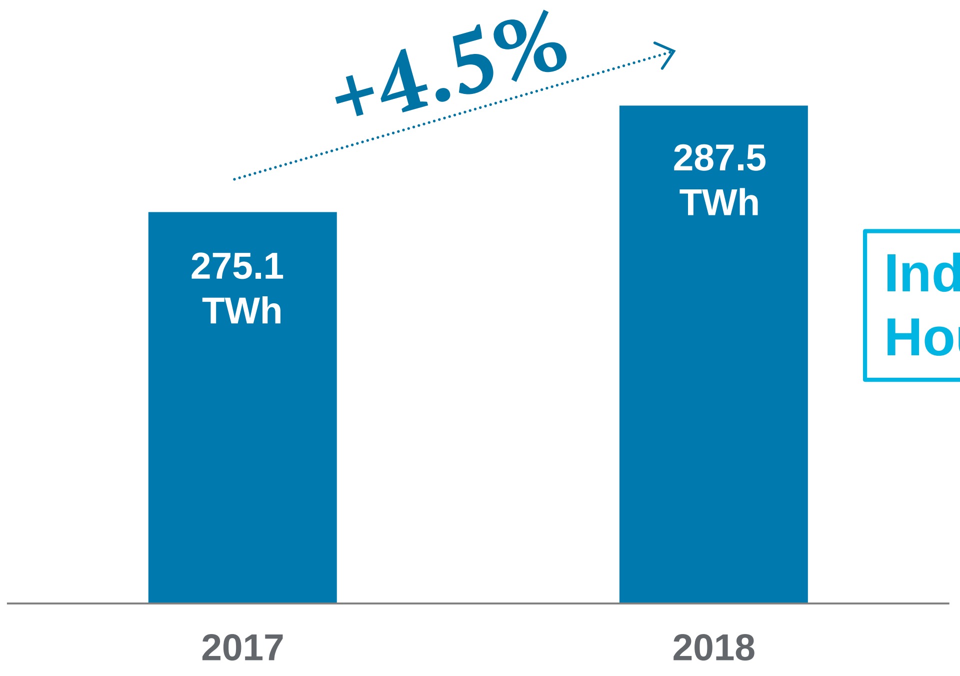
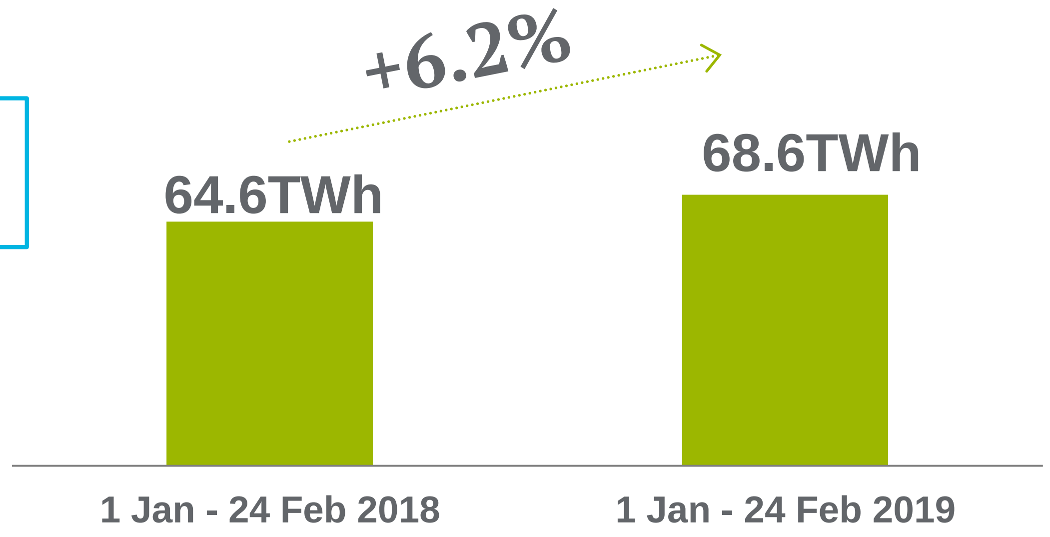
Natural gas demand

2018 gas demand evolution in the industrial and household-commercial sector



Industrial sector: +4%
Household-commercial sector: +6%

Natural gas demand evolution to date



Total natural gas demand in Spain remains stable with respect to 2017 (~350TWh), when it grew 9%

Industrial gas demand accounts for around 60% of total natural gas demand in Spain. This energy currently has no substitute due to its power (high calorific power) and versatility. Annual demand has grown on average by 4.2% since 2016

Sustainability

Enagás maintains its leadership position in the main sustainability indices

For the 11th consecutive year, Enagás was included in the **Dow Jones Sustainability Index** (DJSI), topping the world ranking *in the Oil & Gas Storage & Transportation sector*.
Gold Class Distinction **and *Industry Mover 2019***

SAM | Sustainability Award Gold Class 2019

SAM | Sustainability Award Industry mover 2019

Enagás has **reduced its carbon footprint by 30%** in the period 2016-2018 compared to 2013-2015

CDP DISCLOSURE INSIGHT ACTION

Enagás is **carbon neutral** in relation to its regasification plants, corporate fleet and head office.

CARBON NEUTRAL

Enagás is the leader in **climate change management**

MSCI

EURONEXT vigeoeiris INDICES EUROPE 120

EURONEXT vigeoeiris INDICES EUROZONE 120

FTSE4Good

ETHIBEL SUSTAINABILITY INDEX EXCELLENCE Europe

ETHIBEL PIONEER & EXCELLENCE

Enagás has been recognised for its **people management and gender equality model**

top EMPLOYER SPAIN 2018

ACTUALIDAD ECONÓMICA

MEJORES EMPRESAS PARA TRABAJAR 2018

EQUILEAP TOP 200 2018

2019 Bloomberg Gender-Equality Index

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2018 Conclusions

- Annual targets met for the twelfth consecutive year.
- Solid generation of cash flows and continuation of the Company's deleveraging (€733m).
- Enagás is managing the recovery of its investment in GSP with the necessary diligence and appropriate management.
- Affiliates contributed 19.6% to this year's net profit and €132.6m to cash flow.
- +4.5% growth in industrial demand in 2018.
- From 2018 onwards, the gas system has a net annual surplus, and therefore no new deficit will be generated, and debt will be repaid every year.
- The rating agencies Fitch and S&P reaffirmed Enagás's "A-" rating.
- Fixed-rate net debt above 80%, with no significant debt maturities until 2022.

2019-2023 Preliminary Outlook

Before our 2019 AGM, the Company will submit the Outlook 2019-2023, based on four fundamental cornerstones

- The role of Enagás as gas technical system operator in Spain, and the company's commitment to energy efficiency, the ecological transition and the development of biomethane and hydrogen

- Promote our core business with focus on markets with solid gas fundamentals, maintaining our strict international investment criteria

- Sustainability as a fundamental cornerstone of Enagás' strategy

- Dividend growth as a strategic priority for the Company:

  ✓ Growth of +5% CAGR until 2020

  ✓ At least +1% CAGR in the period 2021-2023

2019-2023 Preliminary Outlook

Financial sustainability of the gas system

The System will have a net annual surplus and, in an environment of growing demand, this will enable all of the System's debt to be paid off earlier than expected

International activity

S&P assesses Enagás Group's business risk as "Excellent".
EBITDA diversification and high visibility of expected dividends

Dividend +5% CAGR until 2020

Dividend sustainability at least +1% CAGR 2020/2023E

Financial discipline

Substantial deleveraging from 2016
Debt structure with over 80% fixed, with no significant maturities, limiting interest rate risk

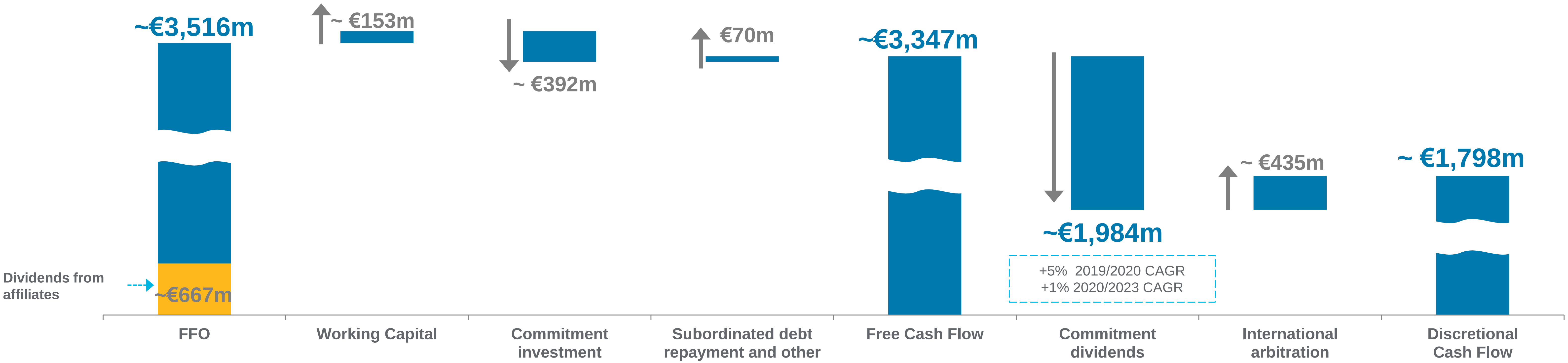
Solid cash flow generation

Discretional cash flows generated in the period were sufficient to ensure continued commitment to our dividend policy and sustainable future growth

Dividend sustainability from 2021 as a priority

2019-2023 Preliminary Outlook

Solid cash flow generation 2019-2023



Note: €1= USD1.18

Note: No change has been considered regarding the regulatory framework for the projections from 2021 onwards.

Discretional cash flows generated, both for the regulated and international businesses, were sufficient in the period to ensure the continued commitment to our dividend policy and sustainable future growth

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Thank you