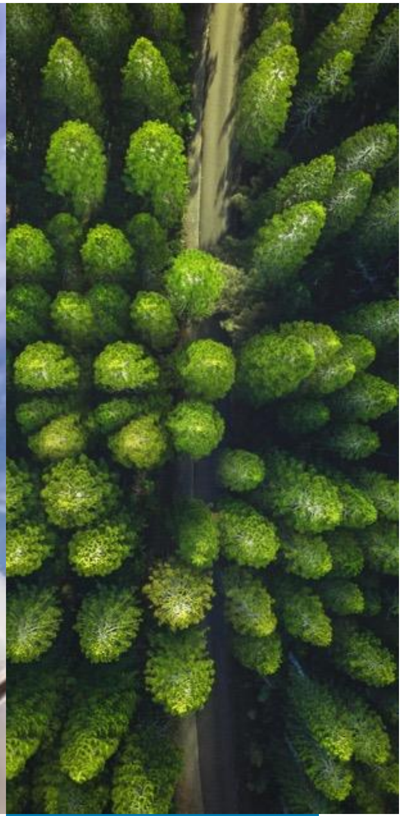
1H2021 Results

27 JULY 2021

Contents





01 1H2021 Highlights

General Shareholders' Meeting

Holding of the General Meeting

- The General Shareholders' Meeting was held on 27 May 2021 and for the second consecutive year, it was **exclusively held remotely**.
- The protocol established to protect the health and safety of all the teams involved in the event ensured **compliance with the obligations and recommendations imposed by the health authorities.**

Proceedings of the General Meeting

- **The quorum (48%) remained at a similar level to that recorded in 2020**, despite the increase in the weight of minority shareholders and passive or indexed management funds, which traditionally do not usually participate in General Meetings.
- **Significant increase in the number of shareholders attending the GSM remotely**. At the peak, 355 people were registered, an increase of 136% compared to the attendance at the 2020 GSM.

Main resolutions adopted

- **All the proposals included in the agenda were approved by a vast majority.** The two most important proxy advisors, ISS and Glass Lewis, issued favourable voting recommendations on all proposals.

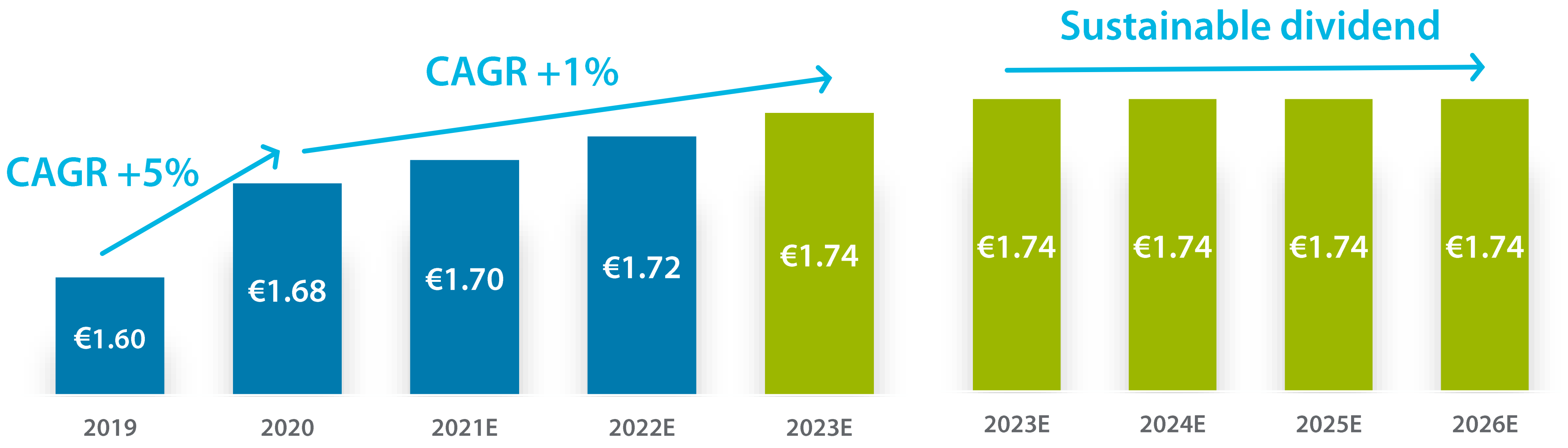
Sustainable and Audited Board

- For the second consecutive year, the Enagás General Meeting has obtained the **AENOR certificate that certifies it as a sustainable event** in accordance with the ISO 20121 standard.
- Additionally, the meeting process was audited by Deloitte.

2020 dividend

SHAREHOLDER REMUNERATION REMAINS OUR STRATEGIC PRIORITY

On 8 July, following approval at the GSM, a complementary dividend of 1.008 euros gross per share was paid for 2020, in line with the annual commitment for 2020 to distribute 1.68 euros gross per share (+5% on 2019)



Main milestones of the second quarter (1/2)

Enagás and Rovira i Virgili University sign an agreement to promote the **Hydrogen Valley of Catalonia**

Enagás and DISA promote the creation of a **Green hydrogen hub in the Canary Islands**

BP, Iberdrola and Enagás study the development of the **largest green hydrogen project in the Valencian Community**

The **Klima energy transition fund** (fund developed by Alantra with the collaboration of Enagás) completes a first closing of more than €80M

Endesa and Enagás present the **energy transition project** for the autonomous city of **Melilla**

Fisterra Energy, Enagás and White Summit Capital promote a project to generate **green hydrogen in the bay of Algeciras**

Main milestones of the second quarter (2/2)

FACSA and Enagás Emprende close an investment agreement in **Trovant Technology,** thus showing their commitment to innovation in the biomethane sector

Enagás and Navantia partner on three projects to deploy the potential of green hydrogen in Spain

The Regional Government of Extremadura and large companies join **Motor Verde,** the largest reforestation project in Spain, **sponsored by Fundación Repsol and Grupo Sylvestris** (in which Enagás participates)

Enagás, EDF, Madrileña Red de Gas and Q-Energy promote the **Green Hydrogen Valley in the Community of Madrid**

Enagás, patron of the **new Chair** of **Hydrogen Studies** of **Comillas Pontifical University**

The Barcelona plant has obtained a **Better than Standard rating** in the insurance audit carried out for another year, **improving to Good in maintenance management and emergency management**

Highlights 1H2021

Positive performance in the 1H results, which marks the path to **reach all the goals set** for **2021**

Robust financial structure and strong cash flow generation

Positive evolution of the Tallgrass business **continues**

Strong evolution of affiliates (+48.1%), **which contributed 40.4% to Net Profit.**

The Spanish gas system has operated completely normally and **efficiently** with absolute **flexibility**

The commitment to carbon neutrality by 2040 positions **Enagás** among the **leading companies in climate action**

02 1H2021 Results

Income statement

VERY POSITIVE PERFORMANCE IN THE FIRST HALF OF THE YEAR, WHICH MARKS THE PATH TO REACH ALL THE GOALS SET FOR 2021

THE RESULTS FOR 1H2021, AS EXPECTED, ARE AFFECTED BY THE ENTRY OF THE NEW 2021-2026 REGULATORY FRAMEWORK

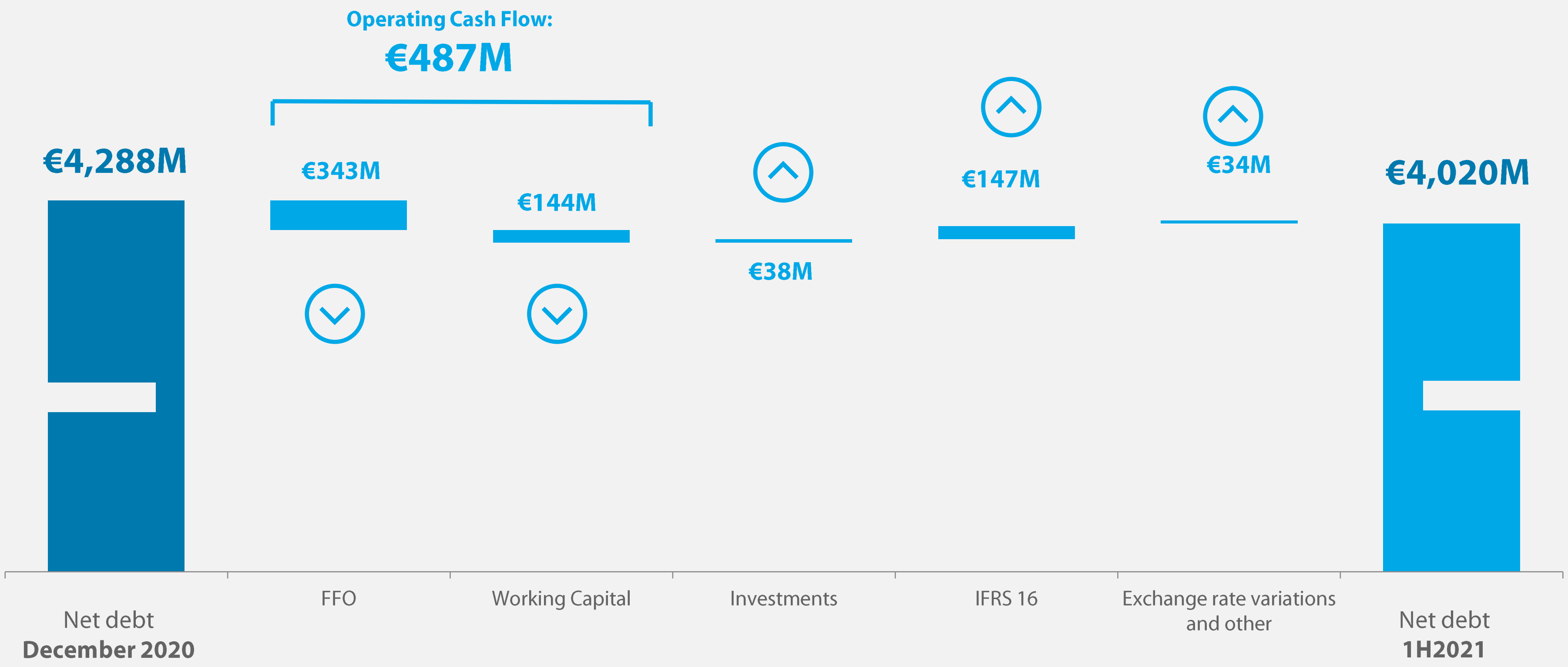
€M	1H2021	1H2020	% change %
Total revenue	**480.6**	553.8	-13.2%
Operating expenses	-142.2	-150.2	-5.3%
Results from affiliates	112.9	76.2	48.1%
EBITDA	**451.3**	479.8	-5.9%
Amortisation and depreciation	-124.9	-135.4	-7.7%
PPA	-26.8	-24.0	11.5%
EBIT	**299.5**	320.4	-6.5%
Financial results	-42.3	-26.3	61.1%
Corporate income tax	-43.7	-57.3	-23.6%
Minority interests	-0.4	-0.5	-13.2%
Net profit	**213.1**	236.3	-9.8%

COMMENTS

- **Control of operating expenses (-5.3%)**
- **Very positive performance of affiliates (+48.1%), which contributed 40.4% to net profit.**
  - Very positive performance of TGE's business.
  - TAP's contribution after its start-up at the end of 2020.
- **Improvement of the financial cost of debt**, which drops to 1.8%
- The variation in net profit is affected by **a non-recurring effect of + €18.4M** recorded in the financial result in **1Q2020**.
- **Significant improvement in 2Q21 results** compared to 1Q21, due to greater efficiencies and greater contribution from affiliates.

Cash flow and net debt trend

GENERATION OF CASH FLOW AND DEBT TREND IN THE FIRST HALF IN LINE WITH THE DEBT FORECASTS AT THE END OF THE YEAR



Fixed-rate debt higher than 80%

Financial structure and liquidity position

Leverage and liquidity	Jun.2021	Dec.2020
Net debt	€4,020M	€4,288M
Net debt/Adjusted EBITDA (*)	4.7x	4.8x
FFO/Net debt	17.4%	16.0%
Financial cost of debt	1.8%	1.9%
Liquidity	€3,024M	€2,473M

Liquidity	Jun.2021	Dec.2020	Current maturity
Treasury	€1,235M	€864M	
Club Deal	€1,500M	€1,500M	December 2025
USD Lines	€289M	€109M	July 2024
TOTAL	**€3,024M**	**€2,473M**	

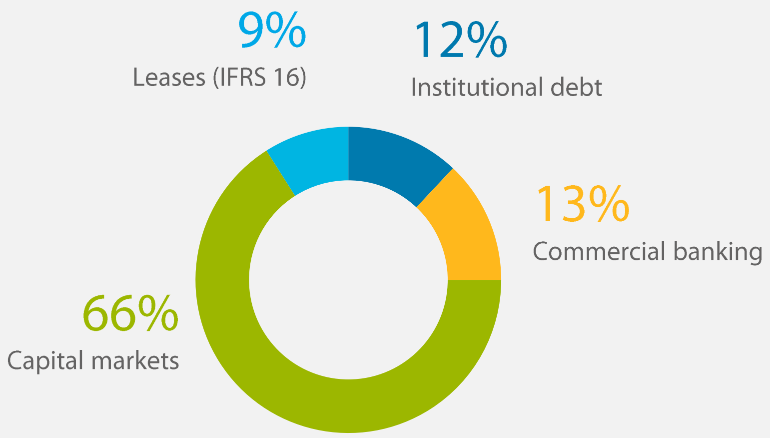
Robust financial structure and high liquidity position

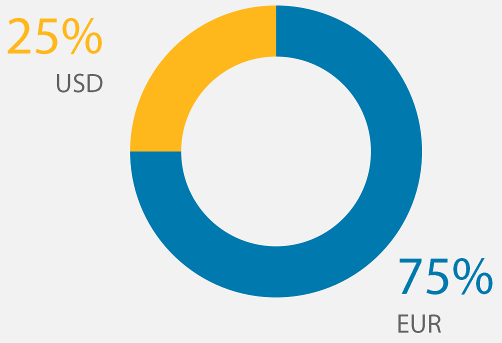
Credit ratings BBB+ (S&P and Fitch)

(*) EBITDA adjusted for dividends received from affiliates

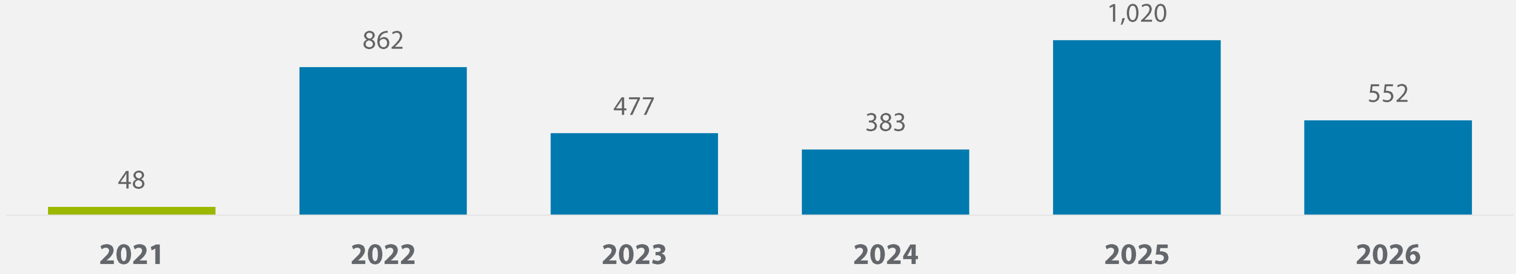
Financial structure

Debt type





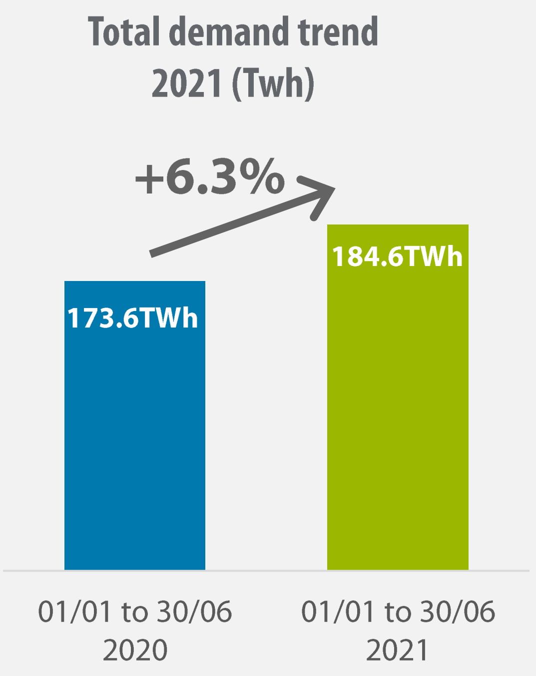
Debt maturities (€M)

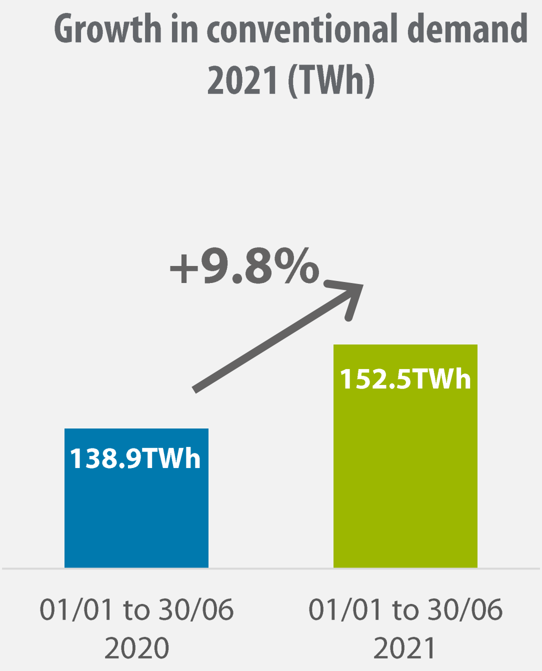


Average life of debt 5.2 years

Gas infrastructures

IN THE FIRST HALF OF THE YEAR, THE SPANISH GAS SYSTEM HAS OPERATED COMPLETELY NORMALLY AND EFFICIENTLY WITH ABSOLUTE FLEXIBILITY





Source: Enagás GTS

- The availability indicators, both technical and commercial, have been maintained at 100%, complying with the established Maintenance Plan without incident. In the first half of the year, there has been a greater and more variable use of transport assets (+ 15% compared to 2020), as well as a notable increase in both tanker loading operations (+ 13%), as well as in those of ships in the Regasification Plants (x7).
- At 30 June, natural gas demand reached 184.6TWh, 6.3% higher than on the same date in 2020. It should be considered that in 2021 the entire period has been affected by the extraordinary situation of COVID-19, while in 2020 the state of alarm began on 13 March.
- Conventional demand, which represents ~83% of the demand for natural gas in Spain, has shown growth of +9.8% at 30 June 2021.
    - Residential demand grew by +11.8% in the period due to the impact between 1 and 17 January 2021 of Storm Filomena that entailed an additional consumption of 3.8TWh.
    - Industrial demand increases by +9.0% compared to 30 June 2020 due to the effect of COVID-19 in 2021 (January and February 2020 were not affected by the pandemic).
- The demand for electricity generation decreased by -7.4% compared to 30 June 2020 due to higher generation with renewable energy (wind, hydro and solar).

VERY POSITIVE PERFORMANCE OF TOTAL NATURAL GAS DEMAND, SUPPORTED BY CONVENTIONAL DEMAND, WHICH REPRESENTS 82.5% OF TOTAL DEMAND IN THE COUNTRY.

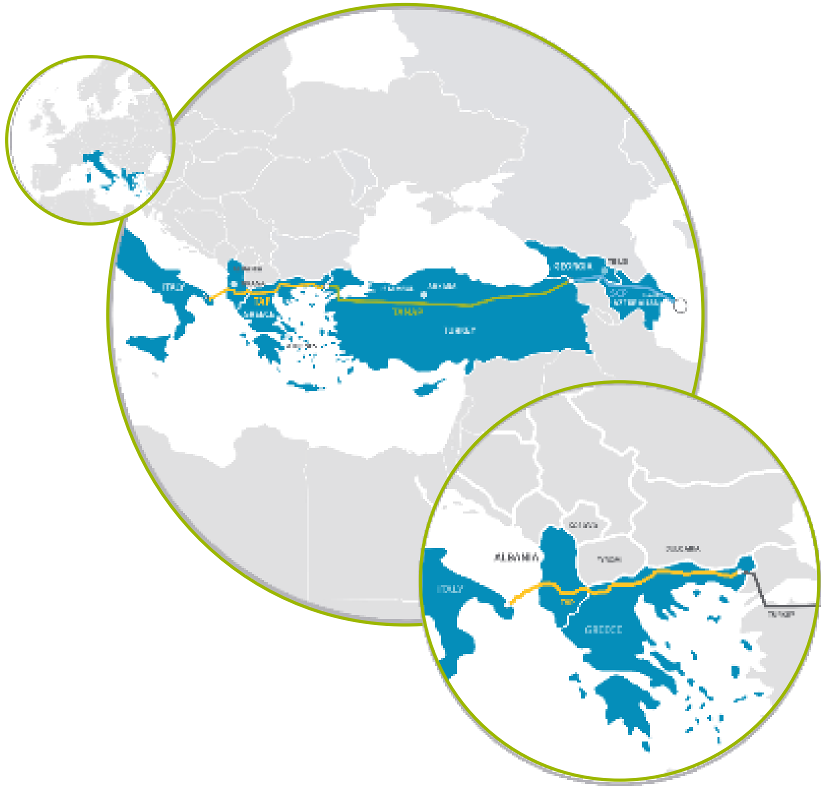
03

Our affiliates

Our affiliates

Trans Adriatic Pipeline (TAP)

AFTER REACHING THE FINANCIAL COMPLETION DATE ON 31 MARCH, A TRUE-UP WAS CARRIED OUT IN JUNE, BRINGING ENAGÁS' INVESTMENT IN TAP TO €197.2M



- After gas deliveries to Europe started on 31 December 2020, TAP transported three billion cubic metres by 1 July (3 bcm) of Azeri gas delivered to Europe through the Greek Kipoi interconnection, where TAP connects with the TANAP gas pipeline.

- During the first 6 months of TAP's operation, the average utilisation of the infrastructure has been in line with plan, reaching 78% in June. The operational availability of the infrastructure in the period was 100%.

- TAP is currently working on the development of the non-binding phase of the market tests of 2021, which could lead to a future increase in transport capacity from the current 10 bcm.

- Thanks to the true-up carried out in the company after reaching the Financial Completion Date on 31 March, Enagás' equity in TAP has been reduced by €20.5 million, bringing its current investment for 16% of the company to €197.2 million, with an expected return of >11%.

Tallgrass: main milestones in 2Q2021

CONTINUES THE EXCELLENT PERFORMANCE OF THE TALLGRASS BUSINESS ALSO DURING THE SECOND QUARTER OF 2021

- The recovery of the oil and gas market during these recent months has impacted positively the results of the producers (including some of Tallgrass' main clients) and, in some cases, also their ratings. Moreover, the short term oil & gas forecasted production has been revised upwards, maintaining the long-term growth perspective.
- The prices of the commodities have continued a positive trend: the WTI has traded at levels above $70 and the HH at levels above $3.4 during 2Q21.

Natural Gas Transportation Business 2Q2021 highlights

- Held open seasons, selling 140 Mdth/d on REX from the East to the West (fully reverse flow from Zone 3 to Zone 1) at an average net rate of $0. 55/dth and an average term of 5.5 years, generating $154 million in revenue over the term.
- REX continues to seek additional reverse flow (Zone 3 to Zone 1) commercial opportunities as a way to take advantage of the versatility of REX's infrastructure.
- Tallgrass has continued to take advantage of REX's flexibility by executing short term contracts along its 3 transportation segments (East-West, West-West, and West-East) as well as the PAL services(1), generating over $20 million in revenue.
- This positive commercial evolution is a strong validation of the long term value of the asset by the shippers.

Crude Oil Transportation Business 2Q2021 highlights

- In PXP, the average throughput during the second quarter was ~ 385 Mbpd.
- The closing of the Tallgrass / Bridger Pipeline JV (Liberty Express Pipeline / LEP) occurred on the 27th of April, in line with the expected terms.
- The open seasons held during the quarter were successful with LEP increasing its MVC (Take or Pay) contracted volume by over 50%.
- As of today, PXP has ~90% of its capacity either under take or pay contracts or controlled by shipper history.

TALLGRASS EXPECTS TO REACH THE UPPER BOUND IN THE RANGE OF OBJETIVES SET FOR 2021

(1) Services offered to store or to loan the stock of natural gas used by the different assets.

Tallgrass: Liberty Express Pipeline JV

TALLGRASS AND BRIDGER PIPELINE LLC (A SUBSIDIARY OF THE TRUE COMPANIES) ("BRIDGER") CLOSED ON A JOINT VENTURE, WHEREBY TALLGRASS CONTRIBUTED PONY EXPRESS PIPELINE FOR A 75% INTEREST AND BRIDGER CONTRIBUTED CASH AND OTHER ASSETS FOR A 25% INTEREST

- Tallgrass contributed Pony Express Pipeline and related assets and received a 75% common interest and 100% of the preferred interest in LEP.
- Bridger contributed $320M and assets (consisting primarily of pipeline, rights of way, and permits) and received a 25% common interest in LEP.
- Provides similar cash flow to Tallgrass as it was receiving from Pony Express prior to the JV as a result of the structure of the preferred units and improved long-term volume profile from transportation commitments.
- Increased contracted volumes by over 50% and extended the average contract life to 5-years across all contracts, solidifying the base crude oil business and cash flows.
- JV fully aligns Tallgrass with Bridger, the second largest exporter of Bakken crude oil and the largest source of crude oil transported on Pony Express.
- The joint venture will offer seamless crude oil transportation from the Bakken, the Guernsey Hub in Wyoming, and the DJ Basin to Cushing, Oklahoma and multiple directly connected refineries.
- The LEP JV has both the Tallgrass and Bridger commercial teams working to assess market demand and gauge commercial interest for future growth of the system, setting up Tallgrass for potential growth and investment opportunities.
- $320M of cash contributed by Bridger is held at the JV and can be used to fund potential growth opportunities or distributed to Tallgrass and Bridger, providing additional financial flexibility.
- Tallgrass expects more visibility on growth opportunities in the next 9 months.

Other international affiliates

KEY ROLE OF NATURAL GAS AND GAS INFRASTRUCTURE IN THE ENERGY TRANSITION
ALL AFFILIATES REPORTED ACCUMULATED RESULTS IN LINE WITH EXPECTATIONS

Desfa, Greece

- During the first half of 2021, **demand** showed a **favourable development** compared to the previous year, mainly due to higher demand from combined cycle plants and industry.
- Desfa continues to work on closing the transaction for a 20% stake in Gastrade, the promoter of the Alexandroupolis FSRU. It is also participating in the tender launched by the Greek government for the development of the South Kavala underground storage facility.
- Desfa is one of the participants of the **White Dragon** project, which aims to develop the **green hydrogen** production value chain in Greece.

GNL Quintero, Chile

- **Strong growth in demand during the first half of the year** as a result of high gas-fired power generation, due to the drought, and the limited entry of Argentinean gas. This confirms GNLQ's key role in ensuring the country's energy independence and natural gas in the energy transition.
- GNLQ is actively collaborating with different public and private organisations to position itself as a strategic player in the **development of green hydrogen in Chile**. In this respect, GNLQ, together with Enagás, is promoting the development of an H2V project in Chile.

TLA/GDM/SLM, Mexico

- During the first half of 2021, significant **progress has been made in the re-contracting of capacity** at the Altamira LNG terminal (TLA)
- Given the high level of natural gas that Mexico is importing from the United States, **GdM and ECSLM continue to operate normally**.
- The three Mexican companies are **adapting their corporate and organisational structures to comply with the new labour law** approved by the government, which restricts subcontracting. **No significant operational or economic impacts are expected.**

TGP/COGA, Peru

- **Local demand for natural gas and natural gas liquids has returned to pre-pandemic levels**, with a utilisation level of ~70%.
- Despite socio-political uncertainty, **the outlook for natural gas consumption in the medium term remains robust**, and, in any scenario, natural gas would continue to play a key role in the country's energy mix.

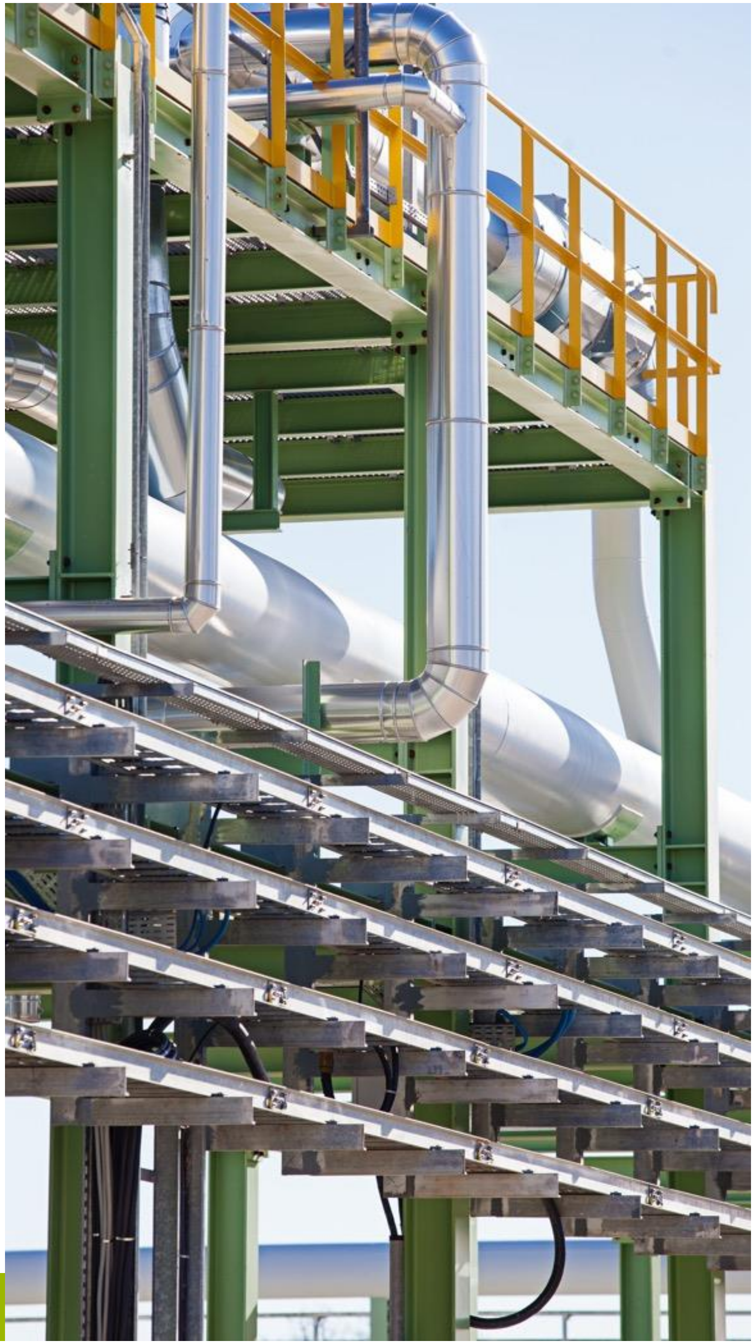
Gasoducto Sur Peruano (GSP)

On 2 July 2018, Enagás filed a request for arbitration against the Republic of Peru before the International Centre for Settlement of Investment Disputes (ICSID) regarding its investment in GSP, under the terms of the Agreement for the Promotion and Reciprocal Protection of Investments (APPRI) entered into between the Republic of Peru and the Kingdom of Spain.

The arbitration procedure is progressing as per the established procedural calendar.

According to the procedural calendar approved by the Arbitral Tribunal, the legal advisors consider that the award that ends the arbitration procedure should be issued at the end of 2022.

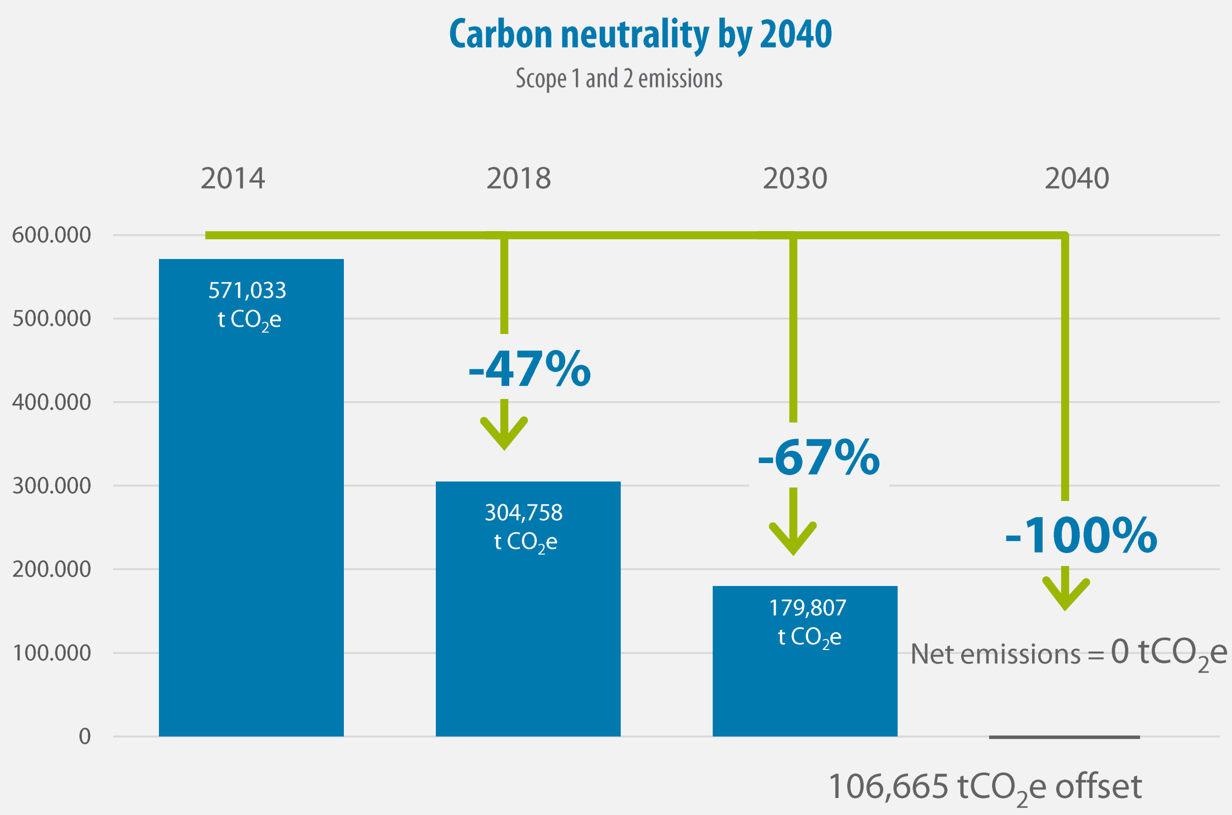
The company is at the disposal of the Peruvian State to reach an amicable agreement to end the arbitration procedure.



04 ESG commitment

Carbon neutrality by 2040

CLEAR COMMITMENT TO DECARBONISATION: THE COMPANY HAS REDUCED EMISSIONS IN THE 2014-2020 PERIOD BY 63%. IN THE PERIOD 2018-2020, THE EMISSIONS HAS BEEN REDUCED BY 30%



- Turbocharger **renewal plan**.
- Improved **energy efficiency in the operation of the Gas System**.
- **100% Guarantees of renewable origin and self-generation**.
- Campaigns **to detect, quantify and reduce leaks.**
- **Venting reduction**.

Methane emissions reduction

enagas

ENAGÁS HAS VOLUNTARILY JOINED THE OGMP 2.0 INITIATIVE ON METHANE EMISSIONS LEADED BY UNEP, WITH THE SUPPORT OF THE EUROPEAN COMMISSION, IN WHICH IT HOPES TO OFFICIALLY OBTAIN THE "GOLD STANDARD" IN THE NEXT MONTHS

Enagás has shared with OGMP 2.0 the path to obtain and maintain the "Gold Standard" for the 2021-2025 horizon:

- Methane emissions report based on engineering measurements and calculations
- Efforts with top-down technologies to validate data
- Ambitious emission reduction targets aligned with the United Nations
- Collaboration with affiliates companies

OGMP
Oil And Gas Methane Partnership 2.0

Global Methane Alliance

↓ 45% CH_4 in **2025**

↓ 60% CH_4 in **2030**

… vs 2015

Continuous technological improvement and reduction of the uncertainty of methane emissions data

European Innovation Project on Top Down technologies for the quantification of methane emissions

Use of satellites to quantify emissions (Collaboration with SATLANTIS and with the European Space Agency (CAMEO project)

Study of emissions in maritime transport (collaboration with companies in the sector and Universities)

Collaboration and support to Regulators and Institutions

UN environment programme

UNECE

European Commission

European Parliament

ACER
European Union Agency for the Cooperation of Energy Regulators

Representación permanente ante la UE
ESPAÑA

Leading sustainability indices and ratings

THE COMMITMENT TO CARBON NEUTRALITY BY 2040 POSITIONS ENAGÁS AMONG THE LEADING COMPANIES IN CLIMATE ACTION

Enagás has earned the recognition of CDP for having been included in the **CDP Climate Change 'A List'**. It has also been recognised as one of the **leading companies for its climate commitment to suppliers.**

Enagás is one of the companies that has set out its climate action commitments in the **European Climate Pact**, an initiative that forms part of the **European Green Deal.**

Enagás maintains its leadership in sustainability indices and rankings:

Enagás is a company that has been recognised for its people management and gender equality model:

Enagás has been included in the ranking of the **100 Companies with the most Talent**. The company remains in **5th place in the sector ranking** "Energy, Water and Gas".

Enagás has published the 2020 Annual Report in accordance with the requirements laid down by Law 11/2018 on non-financial information and diversity:

Report aligned with the main international **GRI** (Global Reporting Initiative) standard, **SASB** and the **Integrated Reporting** framework. External assurance.

Climate change reporting aligned with the recommendations of the **Task Force on Climate Related Disclosures** (TCFD), including the decarbonisation strategy towards **carbon neutrality by 2040**.

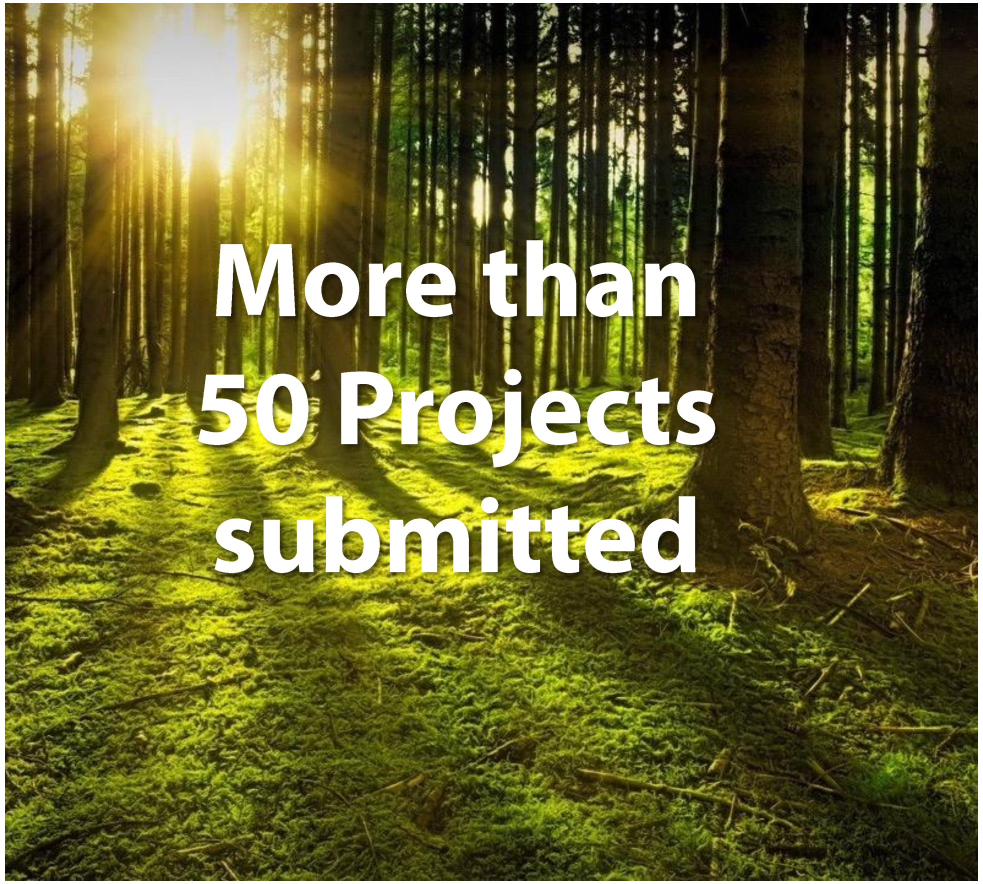
Prepared with an **Internal Control System for Non-Financial Information.**

05

Renewable gases

Projects submitted to the various calls for proposals launched by the Spanish Government

- Since the submission of the different Expressions of Interest at the beginning of the year, the company has continued to work, in depth and in detail, on the development and definition of the projects submitted.
- It has signed numerous agreements with different partners and maintained contacts with different public administrations.
- Enagás maintains continuous, high-level contact with practically all the Autonomous Communities.
- Enagás remains attentive to the calls for tenders that the Spanish government plans to launch in the coming months.

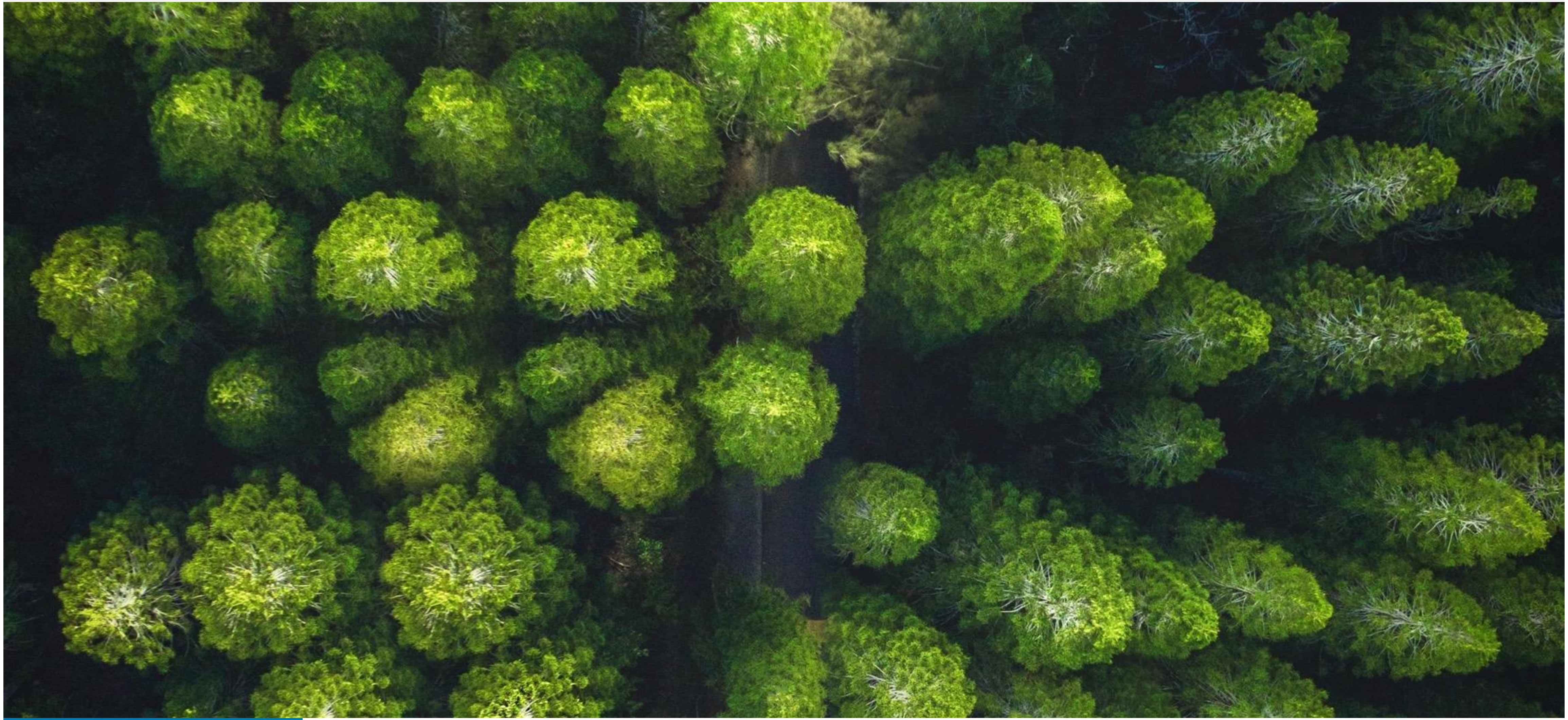


Project portfolio

THE GREEN HYDROGEN AND BIOMETHANE PROJECTS PORTFOLIO CONSISTS OF 55 PROJECTS WITH A TOTAL INVESTMENT TO BE MOBILISED OF €6.3BN

	Projects [#]	Investment [€m]	Capacity / production [GW/GWh]	Alliance strategy
 Green hydrogen	**34 projects** 5 types of projects: hubs, industrial clusters, corridors (infrastructure and mobility), coupling sector, and in-house technology development and R&D	**€5.932bn investment** including potential grants and end uses of hydrogen to be developed by third parties	**944 MW** capacity of **electrolysis** and **3,328 MW renewable** capacity (COD 2023-26)	Proactive collaboration strategy **65+ partners**
 Biomethane	**21 projects** Two types of projects: integrated (digesters + upgrading) and upgrading units	**€362m investment** with potential support from €169m in grants (extra lever, not required for FiD)	**1.8 GWh/year biomethane production** (COD 2022-25)	**Strategy co-development with GENIA** and 20+ other partners

Source: EGR; Strategy & analysis



06

Outlook 2021 - Conclusions

Outlook for 2021 and annual targets

THE RESULTS PRESENTED AT THE END OF THE FIRST HALF ARE IN LINE TO REACH ALL THE OBJECTIVES ESTABLISHED FOR 2021

Intensification of the control plan and savings in general expenses, with elimination of all that is not essential for business continuity and for the maintenance of current and future activity and employment.

Solid cash generation that will continue to maintain a solid and optimal balance structure and allow us to commit to **our dividend policy** for 2021 (1.70 euros/share + 1% compared to 2020).

No significant debt maturities in 2021 and excellent liquidity situation: € 3.024BN at 30 June 2021.

Estimated Net Profit for the end of the year: ~€380M.

Conclusions (1/2)

All international subsidiaries have reported **accumulated results**, at the end of the first half of the year, **in line with the targets for the year**

The regulatory framework has been set for the period 2021-2026

The positive evolution of the Tallgrass business continues:

i) At REX, new transport contracts have been signed for the full reverse flow (east to west) in view of the strong interest in the market.

ii) At PXP, the Liberty Express JV has been closed on schedule, contracted volume has increased significantly and the commercial teams of both companies are already analysing new opportunities.

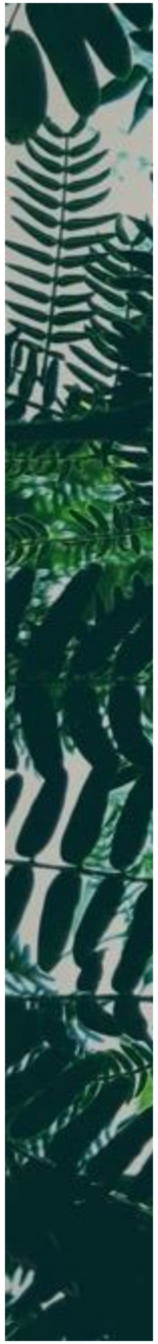
Conclusions (2/2)

Firm commitment to the ecological transition and to reach carbon neutrality by 2040.

55 renewable gas projects, which can mobilise a total joint investment of around 6.3 billion euros.

ESG as a **fundamental pillar of the strategy**

The **strong cash flows** expected to be generated in the 2021-2026 period ensure the commitment of our dividend policy.



Thank you very much

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