

3Q2021 Results

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01

3Q2021 Highlights

Spanish gas system

THE SPANISH GAS SYSTEM HAS OPERATED NORMALLY AND ITS OPERATION HAS BEEN CARRIED OUT EFFICIENTLY AND WITH ABSOLUTE FLEXIBILITY.

- **Enagás's main mission, as operator of the Spanish gas system, is to keep its gas infrastructures ready at all times with 100% availability.** The Spanish gas system continues to operate normally and maximum efficiency.
- Enagás, as the Transmission System Operator, in permanent **coordination with the regulatory bodies**, has implemented a set of preventive measures to contribute to the **guarantee of energy supply during this winter.**
 - Enagás, as Technical System Operator, has carried out two extraordinary auctions (one in September and one in October) of slots for the unloading of liquefied natural gas (LNG) from methane tankers at the regasification terminals of the Spanish Gas System. With these two auctions, a total of 45 additional slots have been assigned to those planned for the next 12 months
 - As for the winter period (November 21-March 22) with the extraordinary auctions, there are already 136 slots awarded. Last winter they unloaded a total of 86 ships between November 1, 2020 and March 31, 2021.
 - These extraordinary auctions are part of the measures that are being taken out of prudence and prevention in the context of volatility in the world natural gas markets with the aim of making available to companies that bring natural gas to Spain the maximum capacity to promote LNG discharges at regasification plants in the country. The objective is to contribute with all possible measures to the guarantee of energy supply.
 - During the month of October, the contracting of capacity in LNG tanks will reach, from time to time, values equivalent to 100% of the contracted capacity
- Contracting of **underground storage capacity is currently at levels of 75%**. During this month of October, gas continues to be injected into said infrastructures.

Main milestones of 3Q2021 related to renewable gases

Power to Green Hydrogen Mallorca begins construction of the Lloseta photovoltaic plant

Enagás, Naturgy and Exolum develop the first major green hydrogen alliance for the field of mobility in Spain

Repsol and Enagás's renewable hydrogen production project receives European Commission backing

6 biomethane projects in which Enagás Renewable participates **receive IDAE support**

Iberostar group signs with **Acciona Energía and Enagás** the **first green hydrogen supply** for the **tourism sector in Spain**

3Q2021 Highlights

Good performance of the results for the first nine months of the year, which mark the path towards achieving all the objectives set for 2021

Enagás obtains the highest ESG rating in its sector in the **FTSE4Good sustainability index**

Robust financial structure and strong cash flow generation, due to the growing contribution to cash flow from affiliates (€144M).

Enagás's 2020 carbon footprint has been **registered** by the **Ministry for Ecological Transition and the Demographic Challenge**, obtaining the **Calculo, Reduzco y Compenso (Calculate, Reduce and Compensate) seal**

Very positive performance of affiliates (+38.8% vs 2020), which **contribute to net profit** by ~40%. **The positive performance of the Tallgrass business continues**

The project led by **GERG and Enagás**, with the participation of 14 gas infrastructure operators and European associations in the sector, aims to **reduce methane emissions** in midstream infrastructures



02

3Q2021 Results

Income statement

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

THE RESULTS UP TO 3Q2021, AS EXPECTED, ARE AFFECTED BY THE ENTRY OF THE NEW 2021-2026 REGULATORY FRAMEWORK

€M	3Q2021
Total revenue	722.3
Operating expenses	-216.0
Results from affiliates	163.8
EBITDA	670.1
Amortisation and depreciation	-190.7
PPA	-40.4
EBIT	439.0
Financial result	-66.1
Corporate income tax	-64.9
Minority interests	-0.6
Net profit	307.3

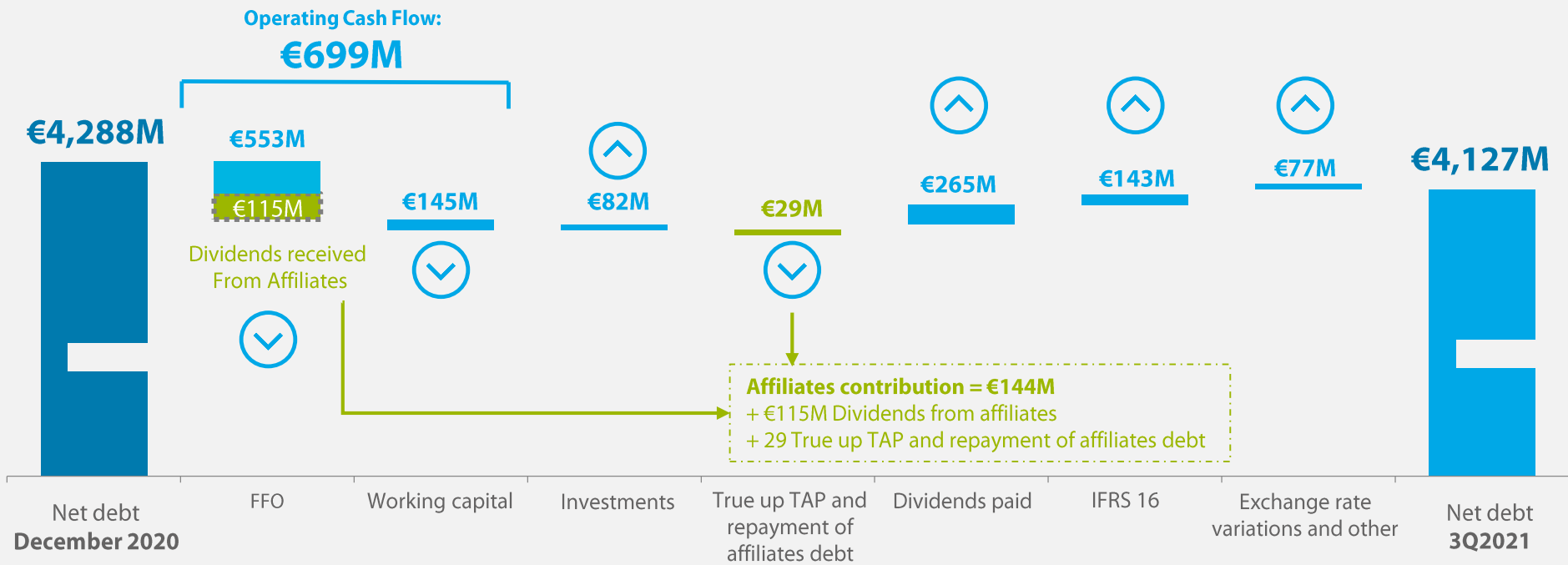
COMMENTS

- **Control of operating expenses (-2.5%)**
- **Good performance of affiliates (+38.8%), which contributed 40.1% to net profit.**
 - Very positive performance of TGE's business in the first part of the year.
 - TAP's contribution after its start-up at the end of 2020.
- **Improvement of the financial cost of debt, which drops to 1.7%**
- The variation in the financial result is affected by **a non-recurring effect of + €18.4M** recorded in **1Q2020**.
- As at 30 September 2021, **net profit** reaches **€307.3M, in line to reach the year's target.**

3Q2020	% change
831.0	-13.1%
-221.6	-2.5%
118.0	+38.8%
727.4	-7.9%
-202.4	-5.8%
-38.4	5.3%
486.6	-9.8%
-52.1	26.9%
-84.9	-23.5%
-0.8	-17.7%
348.9	-11.9%

Cash flows and net debt evolution

CASH FLOW GENERATION AND DEBT TREND IN THE FIRST NINE MONTHS OF THE YEAR 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	Sept. 2021	Dec. 2020
Net debt	€4,127M	€4,288M
Net debt/Adjusted EBITDA (*)	4.8x	4.8x
FFO/Net debt	17.0%	16.0%
Financial cost of debt	1.7%	1.9%
Liquidity	€2,953M	€2,473M

Liquidity	Sept. 2021	Dec. 2020	Current maturity
Treasury	€1,164M	€864M	
Club Deal	€1,500M	€1,500M	December 2025
USD Lines	€289M	€109M	July 2024
TOTAL	€2,953M	€2,473 M	

 **Robust financial structure and high liquidity position**

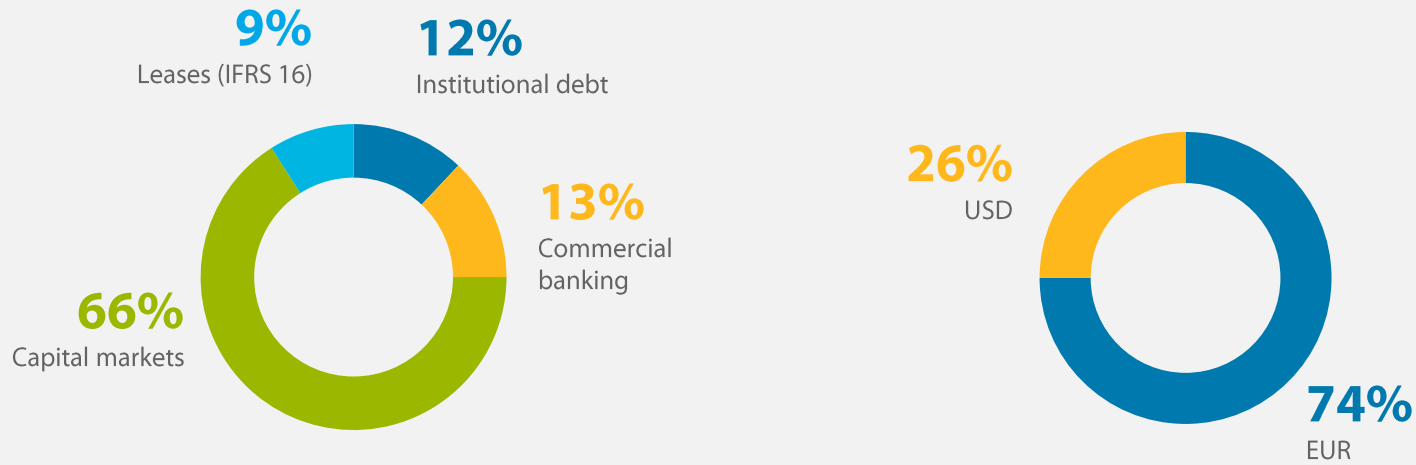
 **Credit rating BBB+ (S&P and Fitch)**

 **The financial cost of debt has improved to 1.7% (1.9% in December 2020).**

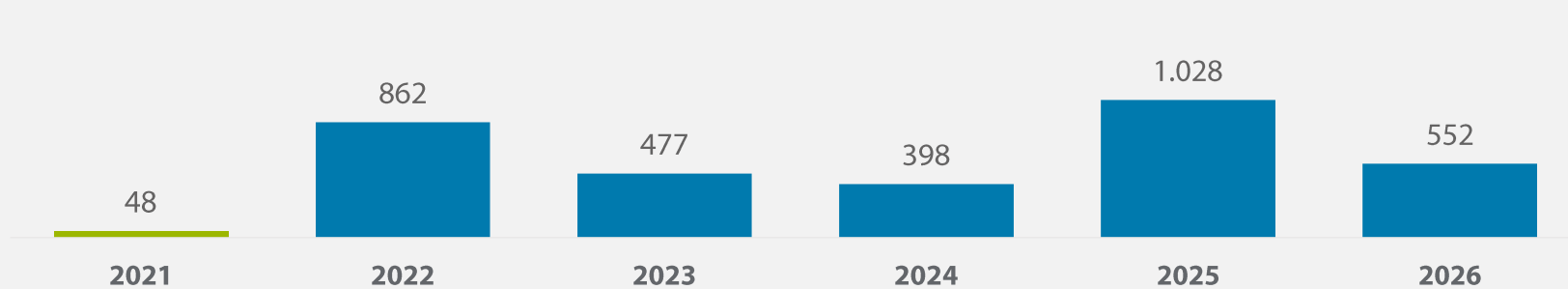
(*) EBITDA adjusted for dividends received from affiliates

Financial structure

Debt type



Debt maturities (€M)

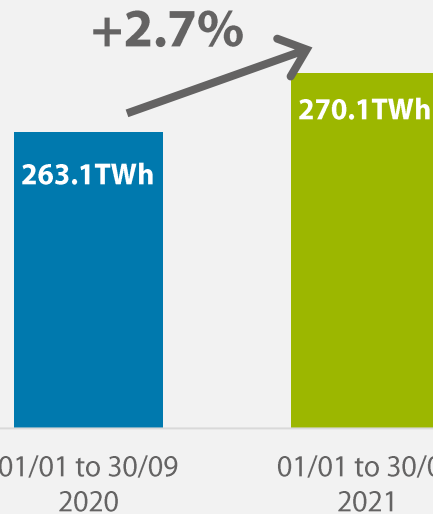


Average life of debt 4.9 years

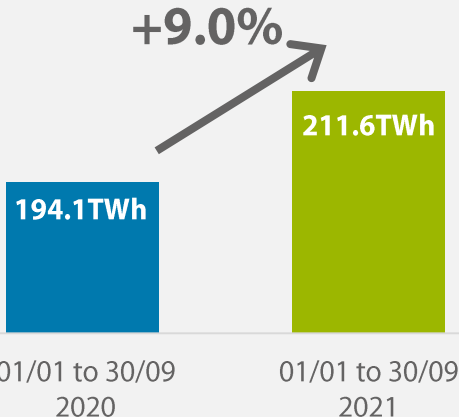
Gas infrastructures

VERY POSITIVE PERFORMANCE OF TOTAL NATURAL GAS DEMAND, SUPPORTED BY CONVENTIONAL DEMAND, WHICH REPRESENTS 78.3% OF TOTAL DEMAND IN THE COUNTRY.

**Growth in total demand
2021 (TWh)**



**Growth in conventional demand
2021 (TWh)**



- As at 30 September, the demand for natural gas reached a consumption of **270.1TWh**, 2.7% higher than the same date in 2020.
- Conventional demand, which represents ~78.3% of the demand for natural gas in Spain, has shown growth of **+9.0%** as at 30 September 2021.
 - Residential demand grew by **+11.2%** 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 +8.4% compared to 30 September 2020.
- The demand for electricity generation decreased by **15.3%** compared to 30 September 2020 due to higher generation with renewable energy (wind, solar and hydro).

Source: Enagás GTS



03

Our affiliates

Positive performance of international business

High utilisation of gas infrastructure highlights key role of natural gas in energy transition

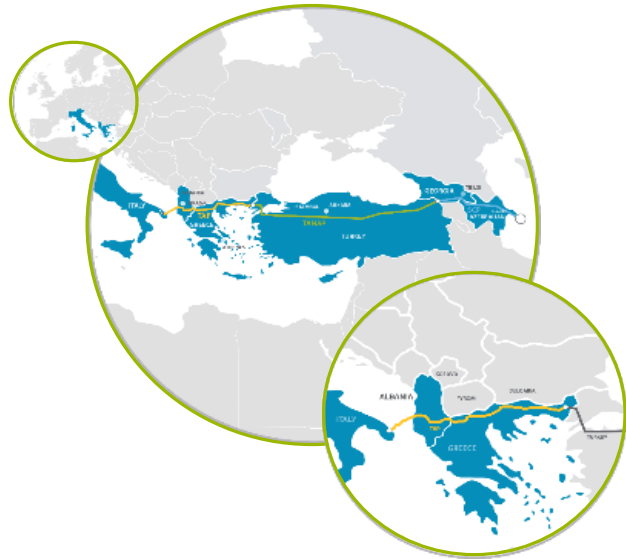
Very positive performance of affiliates (+38.8% vs 2020), which contribute to net profit by ~40%

Strong contribution to cash flow from affiliates (144 million euros)

Robust economic growth is expected in the coming years in the countries where Enagás is present. According to the IMF, in 2022 pre-pandemic levels will be exceeded

Trans Adriatic Pipeline (TAP)

GAS VOLUMES DELIVERED BY TAP IN ITALY AND GREECE ARE CONTRIBUTING TO SECURITY OF SUPPLY AND MITIGATING PRICE INCREASES IN BOTH COUNTRIES



TAP reached in September five billion m3 (5 bcm) of natural gas delivered to Europe.

- **Infrastructure utilisation remains on schedule, averaging 79% in September.** Operational availability so far this year has been 100%.
- **The volumes of natural gas delivered in Italy are covering approximately until 10% of demand in that country** and are making a significant contribution to closing the historical overpricing of the Italian market (PSV) compared to the European benchmark TTF.
- The contribution of **TAP on demand coverage in Greece amounts to ~ 17%** so far this year.
- TAP is currently working on the development of the 2021 market test, which binding phase is expected to be launched in 2022-2023 and whose outcome could lead to a future **increase in transport capacity from the current 10 bcm.**
- TAP received the "Gas, LNG, or Hydrogen Project of the Year" award from Gastech on 20 September in Dubai.

Tallgrass: main milestones in 3Q2021

**TALLGRASS BUSINESS CONTINUES TO DELIVER STRONG RESULTS IN 2021, HAVING SIGNED VERY SIGNIFICANT COMMERCIAL INITIATIVES
TALLGRASS EXPECTS TO REACH THE UPPER END OF THE TARGET RANGE BY 2021**

Market context

- **Commodity prices** continue their upward trend, reaching record levels for the last few years (**HH >\$5.75/MBtu - WTI >\$75/bl**). This has a **positive impact on market conditions for some of Tallgrass' main customers and creates new opportunities for growth in the medium to long term.**

Natural gas transmission

- **Rockies Express Pipeline (REX) and EQT have signed a 12.5-year (Sep-2021 to Mar-2034), 205Mdh/d East-West contract that will earn REX more than \$400M in revenues over the course of the contract.** The contract provides EQT with exposure to western markets (Zones 2 and 3) from the Appalachian production area.
 - This demonstrates the **market's appetite to access REX West** via full reverse flow (Zone 3 to Zone 1/Zone 2).
 - Tallgrass has continued to optimise **REX's flexibility**, executing short-term contracts along various transport routes including East-West, West-West, and West-East, as well as PAL services⁽¹⁾.

Transport of crude oil

- The **average transported by PXP to date remains high at ~390Mbpd.**
 - PXP has **~90% of its capacity under take or pay contracts** or controlled by the historic rights of its customers, and continues to pursue new opportunities with its partner True Companies in the Liberty Express Pipeline Joint Venture.

Financing

- Tallgrass has amended and extended its revolving credit facility (the maturity will be July 2025 - a four-year extension - and the amount is set at \$1.5 billion).
- Tallgrass has successfully issued \$500 million of senior bonds due 2031 and repurchased the bond due 2024.

(1) Services offered to store or lend the natural gas operating stock of its infrastructure.

Tallgrass: main milestones in 3Q2021

TALLGRASS IS DEVELOPING A VERY IMPORTANT LINE OF BUSINESS BY TAKING ADVANTAGE OF THE ONGOING DECARBONISATION PROCESS IN THE UNITED STATES.

REX has announced a partnership and certification process with Project Canary to implement **emissions detection, monitoring and certification** by Project Canary. This certification will allow REX to offer a differential carbon neutral service to its customers.

Tallgrass has closed the acquisition of a 75% stake in Escalante H2 Power, which is **developing a pioneering "Hydrogen to Power" project** aimed at converting a coal-fired thermal plant into a hydrogen plant for clean energy generation in New Mexico

Tallgrass has received funding from the US Department of Energy to reduce the cost and accelerate progress in the clean hydrogen sector. **These funds will finance Tallgrass' study on CO₂ capture associated with the production of hydrogen from natural gas**



Other international affiliates

- **STRONG GROWTH IN DEMAND FOR NATURAL GAS IN ALL COUNTRIES WHERE ENAGÁS OPERATES**
- **HIGH UTILISATION OF GAS INFRASTRUCTURE HIGHLIGHTS THE KEY ROLE OF NATURAL GAS IN THE ENERGY TRANSITION**
- **ACCUMULATED RESULTS OF AFFILIATES ABOVE EXPECTED**

GNL Quintero, Chile

- **The consortium formed by Enagás, GNLQ and Acciona has submitted the "Green Hydrogen Bahía Quintero" project (10MW)** to the CORFO (Corporación de Fomento de la Producción) tender for funding, the first large-scale project for the production of Green Hydrogen in central Chile.

TGP/COGA, Peru

- The **Multisectoral Commission has been created to evaluate the scope and actions to expand natural gas reserves, strengthen the hydrocarbon industry for its massification at the national level and make the development of natural gas activities and projects in the country viable**, which reinforces the relevance of natural gas in the country's energy mix in the long term.

Small Scale LNG Terminal Ravenna (Scale Gas, Enagás Emprende startup)

- Start-up (101 million euros).
- Supply of LNG for land and sea vehicles and tankers, with a storage capacity of 20,000 m3 LNG.
- Supply from the Barcelona plant.
- Partners: Edison SpA, Petrolifera Italo Rumenay, Scale Gas (19%).

Desfa, Greece

- Desfa continues to work towards 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.
- Closed financing agreement with four Greek systemic banks for a loan of up to 435 million euros, for the development of DESFA's Investment Plan over the next few years.

TLA/GDM/SLM, Mexico

- **TLA has signed a storage and regasification contract with CFE for 100% of the terminal's capacity for the next 10 years**, in line with the initial business plan established by the shareholders in the company.
- GdM and ECSLM continue to operate normally in the face of the high level of natural gas that Mexico imports from the United States.
- Mexican companies have adapted their corporate and organisational structures to comply with the new labour law (restricting subcontracting), without operational or economic impacts.

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.



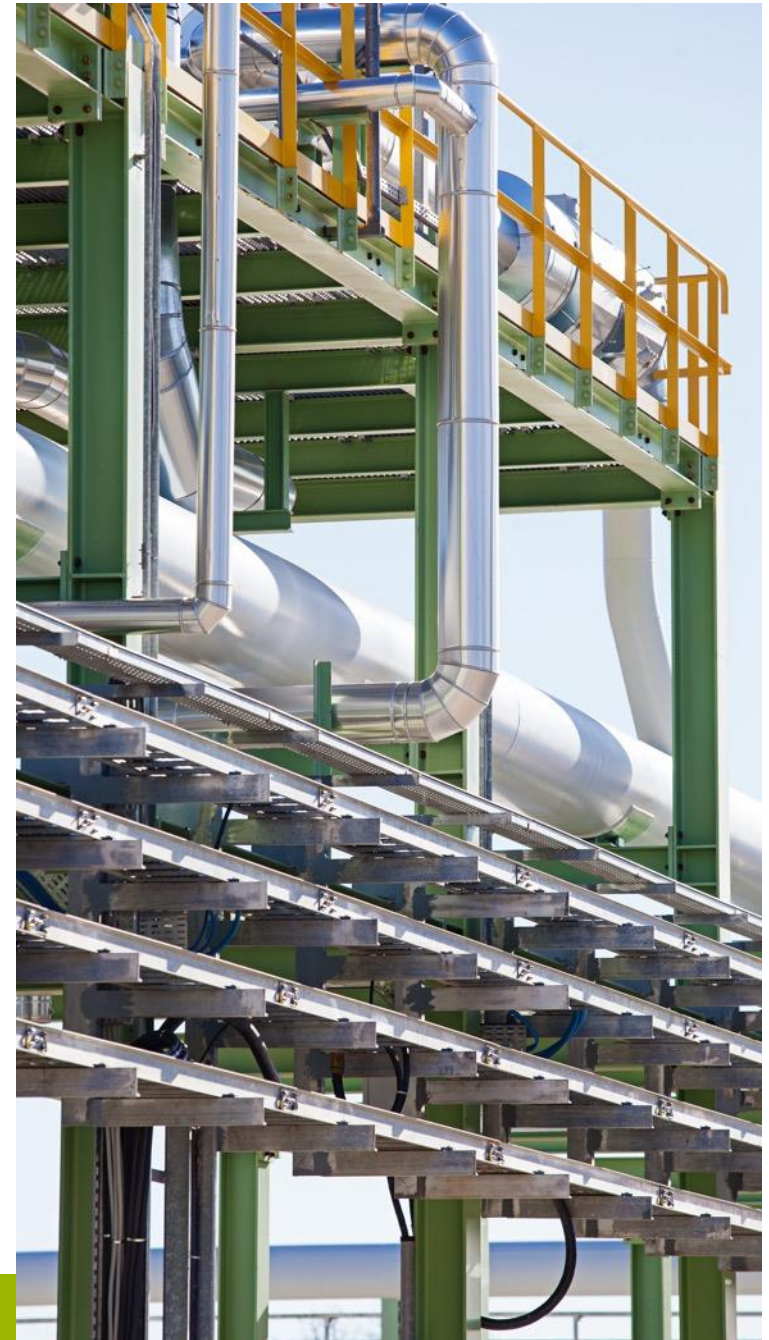
According to the procedural calendar approved by the Arbitral Tribunal, the legal advisors consider that the award that ends the arbitration procedure should be issued at the end of 2022.



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



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





04

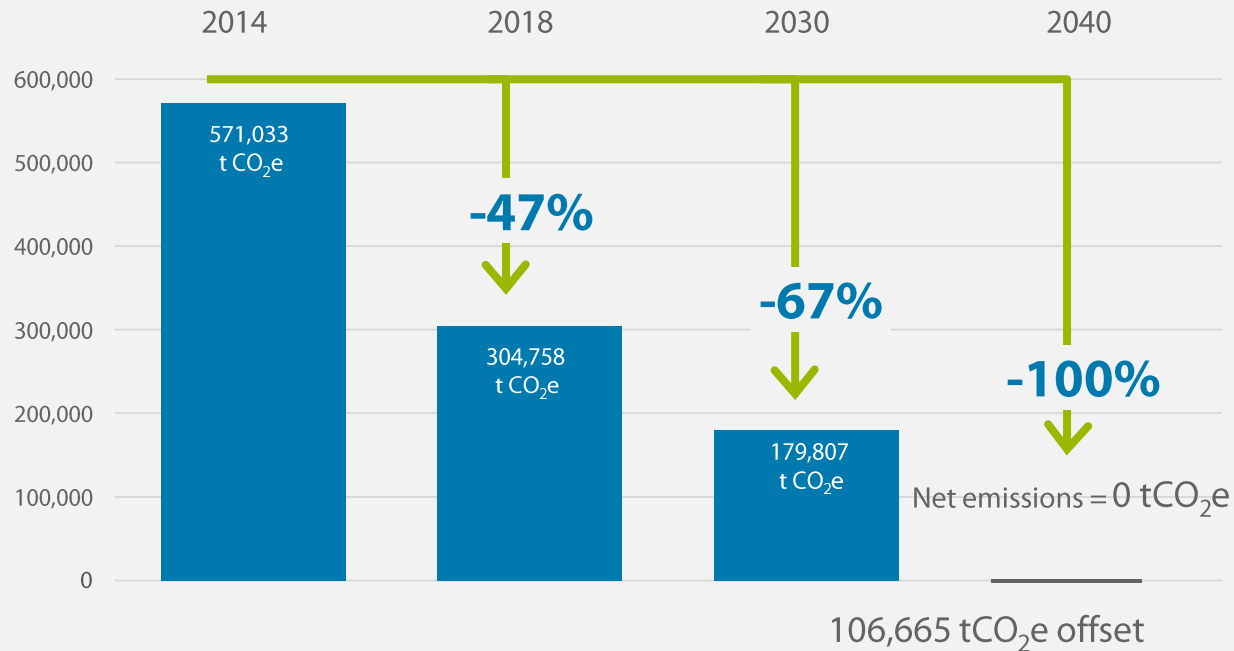
ESG commitment

Carbon neutrality by 2040

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

Carbon neutrality by 2040

Scope 1 and 2 emissions



Enagás carbon footprint:

- Certified according to **ISO14064**
- Registered with the **Ministry for Ecological Transition and the Demographic Challenge** (Calculo, Reduzco y Compenso seal).



Reduction of methane emissions

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

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

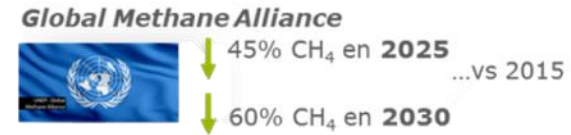
- Reporting of methane emissions based on measurements and engineering calculations
- Efforts with top-down technologies to validate data
- Ambitious emission reduction targets aligned with the UN
- Collaboration with affiliate companies

Continuous technological improvement and reduction of uncertainty in methane emissions data

European Innovation Project, led by GERG and Enagás, with the participation of 14 gas infrastructure operators and European associations in the sector, on Top Down technologies for quantifying methane emissions

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

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



Collaboration with and support to Regulators and supranational institutions



Sustainability indices and ratings

ENAGÁS MAINTAINS ITS LEADERSHIP IN SUSTAINABILITY INDEXES AND RANKINGS



Enagás obtains the **highest ESG rating in its sector** in the **FTSE4Good sustainability index**.



Enagás is positioned as the **fourth most outstanding stock on the Ibex** according to ESG criteria in the new **ESG ranking of El Economista**.

Enagás maintains its leadership in sustainability indices and rankings:



Enagás is a company that has been recognised for its people management and diversity and inclusion:



Enagás is ranked **20th** and in the **top 10** in the Corporate Social Responsibility category of Actualidad Económica's ranking of the **100 best companies to work for**.



Enagás renews its membership of the **Diversity Charter**, promoted by the **Diversity Foundation**.



Enagás has been included in the ranking of the **100 Companies with the most Talent**. The company remains in **5th place in its sector**.



Enagás participates in the United Nations Global Compact's **Target Gender Equality** accelerator programme



Enagás maintains its leadership position in climate action:



Enagás is included in the **CDP Climate Change 'A List'** and holds the leadership badge **for its climate commitment with suppliers**.



Enagás's climate action commitments are published on the **European Climate Pact platform**.



Enagás participates in the United Nations Global Compact's **Climate Ambition** accelerator programme



Enagás is a member of the **OGMP 2.0** initiative, led by UNEP, on methane emissions, in which it expects to officially obtain the **"Gold Standard"** in the coming months

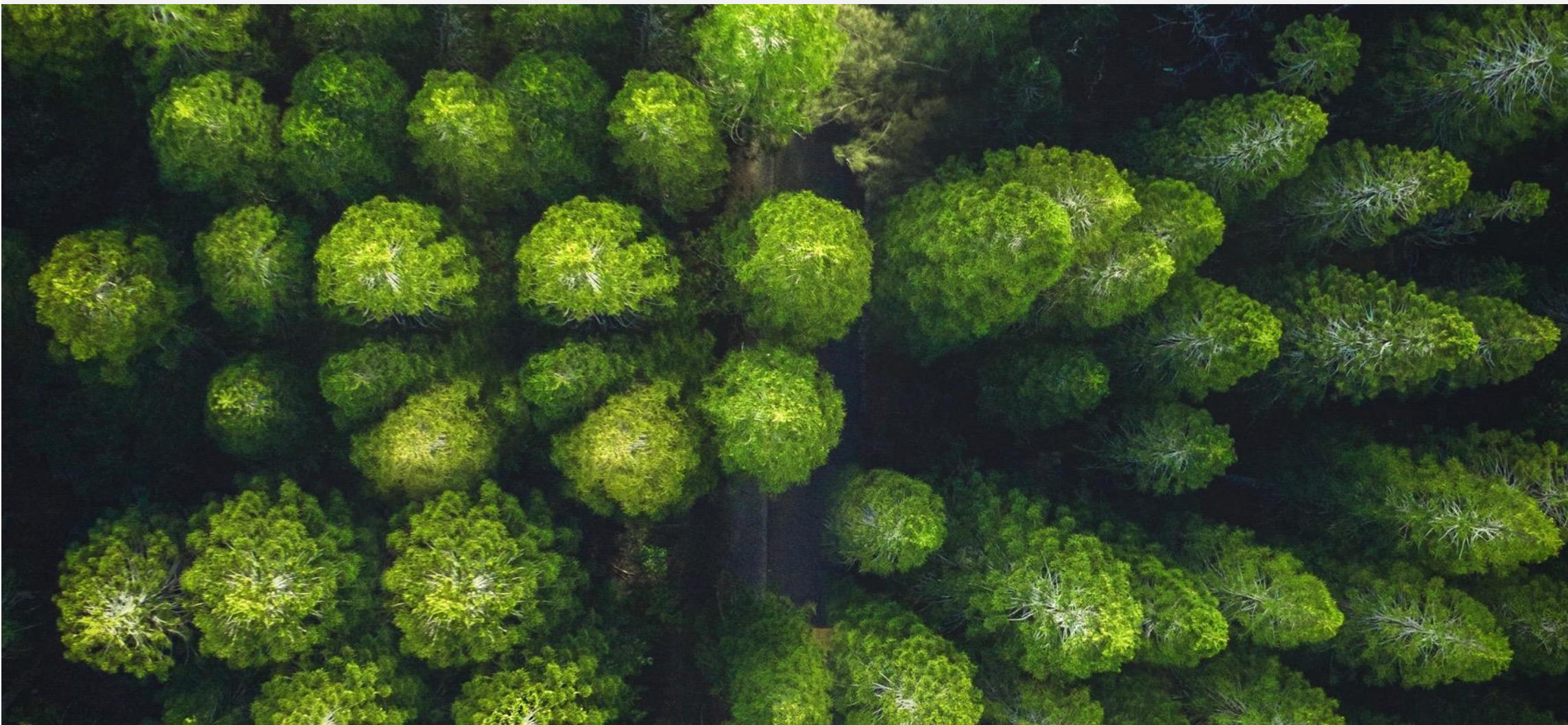
Innovation and digitalisation



In recognition of the **process of digitalisation of its infrastructures**, Enagás has received the **2021 Digital Excellence Award - in the category of Data Intelligence, Artificial Intelligence and Machine Learning - from the CIONET community of technology leaders for its PLATIOM Platform project**. This Enagás platform monitors the operation of our critical equipment, seeking, through artificial intelligence and advanced analytics, to predict its behaviour. Together with projects already undertaken in compressor stations, the aim is to optimise maintenance and reduce corrective maintenance, guaranteeing maximum availability and safety in our infrastructures, as has been the case up to now.

The **company's commitment to decarbonisation**, and specifically in the field of renewable gases, Enagás has received the **Cinco Días award for the green hydrogen project 'Power to Green Hydrogen Mallorca', led by Enagás and Acciona**. The award's judges highlighted "the great impact it represents for the Balearic Islands" as it represents "an integral transformation to decarbonise".





05

Outlook 2021 - Conclusions

Outlook for 2021 and annual targets

Results in line to achieve the Net Profit target of ~€380M

Strong cash generation to maintain a solid and optimal balance sheet structure and ensure **commitment to our dividend policy**





The **Spanish gas system** has sufficient capacity to cope with the most extreme demand scenarios, and the facilities **are 100% available for the coming winter**

No significant debt maturities in 2021 and excellent liquidity situation: €2,953M at 30 September 2021

Conclusions (1/2)

- ✔ **Enagás' main mission**, as operator of the Spanish gas system, **is to keep its gas infrastructures ready at all times with 100% availability.**
- ✔ Enagás, in its role as operator of the Spanish gas system, and in **permanent coordination with regulatory bodies**, is implementing preventive measures in its power to **contribute to the guarantee of energy supply during this winter.**
- ✔ The current global energy situation shows that natural gas is **essential for the ecological transition and the decarbonization process**
- ✔ **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 6,300 million euros.
- ✔ **ESG as a fundamental pillar of the Company's strategy**

Conclusions (2/2)

-  Based on the results achieved and with one quarter to go, Enagás is on **track to meet its commitments for 2021.**
-  **Excellent performance of international business, with positive evolution of all affiliates.**
-  **Regulatory framework defined for the period 2021-2026.**
-  **The strong cash flow generation** expected in the period 2021-2026 ensures the **commitment of our dividend policy.**

Disclaimer

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These assumptions, information and forward-looking statements are not guarantees of future profitability and entail risks and uncertainties, since the real outcomes could differ considerably from such assumptions and forward-looking statements resulting from many different factors.

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**Thank you
very much**

