

Results for the third quarter of 2019

Enagás posts figures in line with the target and approves the creation of a renewable gas subsidiary

- Enagás made a net profit of 333.1 million euros in the first nine months of 2019.
- The contribution from affiliates accounts for around 30%, with significant input from international subsidiaries.
- During the first nine months of 2019, demand for natural gas in Spain reached the highest cumulative figure in the last decade.
- Regasification plants and underground storage facilities are at usage levels close to their technical threshold.
- The demand for gas for electricity generation has doubled, mainly due to the substitution of coal and low water availability.
- The replacement of coal by natural gas in the thermal gap for electricity generation has allowed CO₂ emissions to be reduced by 20%.
- The company has approved the creation of a new subsidiary, EnaGasRenovable, to promote the development of renewable gas projects, such as biomethane or green hydrogen.
- Enagás leads its sector in the *Dow Jones Sustainability Index (DJSI)* for the fourth consecutive year.

Madrid, 22 October 2019. In the first nine months of 2019, Enagás made a net profit of 333.1 million euros, 2.3% more than for the same period last year. This growth is slightly higher than expected, due mainly to the contributions from Tallgrass and Desfa since the start of this year. This result is in line with the targets set for the year.

The contribution by subsidiary companies was 30%, with significant input from international subsidiaries.

During this period, Enagás has invested 756.5 million euros, mainly in the acquisition of Tallgrass Energy. In addition, the company has continued to invest in the Trans Adriatic Pipeline (TAP) project, a key infrastructure for the security of energy supply in Europe and in which Enagás holds a 16% stake. This pipeline, which will connect Turkey with Italy via Greece and Albania, is 90% complete, in line with planning. TAP expects to begin gas testing of the infrastructure in Greece and Albania during the fourth quarter of 2019.

Regulatory process

Draft circulars of the CNMC on the gas sector are being processed. The company has made the relevant arguments, which include reasonable and constructive technical measures aligned with the role that the Integrated National Energy and Climate Plan (PNIEC) gives to natural gas and renewable gases in the energy transition process.

The company is confident that the regulation will be consistent and allow the energy sector to remain committed to energy transition and decarbonisation.

Record demand and emissions reduction

Total demand for natural gas in Spain increased by 16.9% in the first nine months of the year compared to the same period last year, reaching 294 TWh. This is the highest cumulative figure recorded since 2009 and it is estimated that this trend will continue until the end of the year, with a forecast increase in demand of around 14% at the end of 2019.

From January to September, the demand for natural gas for electricity generation reached 85 TWh, an increase of 99% compared to the same months in 2018. This extraordinary increase is due to the greater use of natural gas as opposed to coal in the thermal gap in a context with more competitive natural gas prices, in addition to low hydroelectricity generation. This situation has made it possible to reduce CO₂ emissions for electricity generation by 20% in this period, i.e. 7 million tonnes of CO₂. This has avoided CO₂ emissions into the atmosphere equivalent to those produced by 2.8 million cars per year.¹

Industrial demand reached 160 TWh in the first nine months of 2019, an increase of 3%. This is the highest figure at the end of September since disaggregated data for industrial consumption has been collected.

In this context of high demand, regasification plants and underground storage facilities are at usage levels close to their technical maximum. During the first nine months of the year, the level of regasification at the Spanish plants was 71% higher than the average for the last five years.

New subsidiary: EnaGasRenovable

Enagás has approved the creation of a new subsidiary, EnaGasRenovable, to promote renewable gas projects. The company is committed to non-electric renewable energies (biomethane and green hydrogen) as new energy solutions that enable progress towards a more sustainable energy model.

¹ This data has been obtained considering an average emission per car of 2.5 tonnes CO₂/year travelling an annual distance of 15,000 km, according to the standards of the report published by the Ministry for Ecological Transition in 2018, "Carbon Footprint 2016".

Press release



This subsidiary will also integrate renewable gas projects, currently under development, such as Power to Green Hydrogen Mallorca, Power-to-Gas and other agreements with major waste managers to promote biomethane and the circular economy.

Renewable gases will provide the future energy system with the necessary flexibility and will help guarantee security of supply and decarbonisation, in line with the fulfilment of the climate objectives announced by the Government and with the European strategy to lead the way towards climate neutrality by 2050.

Existing gas infrastructures are technically ready to transport and store renewable gases.

Leader in sustainability in its sector

For the fourth consecutive year, Enagás is the most sustainable company in its sector (Oil & Gas Storage & Transportation) in the *Dow Jones Sustainability Index (DJSI)*, in which it has been present for 12 years. These results represent recognition of the company's dedication to the fight against climate change and its firm commitment to sustainability, one of its strategic priorities.

In addition, Enagás has been included for the second consecutive year in the world ranking of the 100 leading companies in gender equality of Equileap.

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