

Enagás' General Shareholders' Meeting 2021, certified as a sustainable event by AENOR

Enagás reaffirms its commitment to ecological transition and employment to help “reinvent” the economy

- The General Shareholders' Meeting approved all resolutions on the Agenda.
- Enagás reaffirms its commitment to quality employment: “Maintaining and creating jobs is a fundamental pillar for sustainable growth,” stated Enagás Chairman Antonio Llardén.
- “The people who work at the company have ensured energy reached the areas where it has been most needed, twenty-four seven, 365 days a year,” said Llardén.
- Enagás has brought forward its commitment to carbon neutrality to 2040 with a plan of more than 50 energy efficiency projects.
- The company has already reduced its emissions by 63.2% since 2014.
- It has also submitted a total of 55 projects (34 green hydrogen and 21 biomethane) to the various expressions of interest for the European Union's Next Generation funds.
- Llardén stressed that Enagás has three major strategic areas that will guide the company's future in the medium-term: regulated assets in Spain, international assets and renewable gas activity.
- The CEO, Marcelino Oreja, reminded shareholders that the company has met objectives for the fourteenth consecutive year and highlighted digitalisation and innovation as “the main levers of change and growth”.
- “We have been able to meet all our objectives, and even exceed them,” said Oreja, who highlighted “the contribution of 174.8 million euros from our affiliates in 2020, almost 8% more than in 2019”.
- The General Shareholders' Meeting approved a total dividend of 1.68 euros per share for 2020, 5% higher than in 2019.
- The company maintains dividend growth of 1% per year for 2021, 2022 and 2023 and is committed to a sustainable dividend of 1.74 euros per share from 2024 to 2026.
- The total members on the Enagás Board of Directors has been reduced to 15, including two new female directors who have joined the board: Natalia Fabra and Maite Arcos.
- In line with its commitment to gender equality, 33% of the Board of Directors are women.
- The company has donated the amount allocated to the traditional gift to shareholders to the Cancer and Coronavirus Social Emergency Fund of the Spanish Association Against Cancer.

Madrid, 27 May 2021. The General Shareholders' Meeting of Enagás has approved the 2020 annual accounts, the management report and all other items included on the Agenda.

During his speech, the Chairman of Enagás, Antonio Llardén, pointed out that in the current context it is a priority “to work towards rebuilding and creating a future that leaves no one behind”, and stressed that “at Enagás we are doing just that”.

Llardén reminded shareholders of the “objective of contributing to a just transition as a basis for economic recovery, especially in the areas most affected by the energy transition, creating sustainable employment and making the Spanish industry more competitive”.

He also pointed out that “maintaining and creating jobs is a priority for Enagás” and added that in 2020, a year in which the pandemic caused huge job losses, the company’s workforce increased by 2%.

Along these lines, he spoke of “the reinvention” of the economy: “It is not just about reactivating, but also about creating new industries that are sustainable over time,” he stressed.

Llardén also expressed his recognition of and gratitude towards Enagás professionals, “who ensured energy reached the areas where it has been most needed, twenty-four seven, 365 days a year”, even during the pandemic.

Commitment to decarbonisation that cannot be postponed

From the perspective of the ecological transition as a lever for change, Llardén explained to the shareholders “the company’s total commitment to decarbonisation, a global challenge that is urgent and cannot be postponed”.

In February this year, Enagás brought forward its commitment to be carbon neutral by 2040, a milestone made possible thanks to a plan of more than 50 energy efficiency projects that has already enabled the company to reduce its emissions by 63.2% since 2014.

According to Llardén, Enagás’ infrastructures “play a key role” in actively contributing to the global reduction of emissions. He explained that taking advantage of existing infrastructures allows decarbonisation to be carried out in the most efficient way and can enable renewable gases to reach a competitive price in its large-scale development.

Extensive experience in renewable gases

The Enagás Chairman pointed out that the company “has spent years working on renewable gas projects, involving both green hydrogen and biogas”. With regard to green hydrogen, he highlighted “three levers” to make it competitive: innovation and development of new, more efficient technologies; using all resources that are already available for decarbonisation; and having a means of financing to make green hydrogen competitive in the first phase.

Thanks to the company’s track record in renewable gases, Enagás has submitted a total of 55 projects (34 green hydrogen and 21 biomethane) to the various expressions of interest for the European Union’s Next Generation funds. Some of them may also be proposed for EU projects of common interest (IPCEI).

With regard to biomethane, a lesser-known and underused energy resource in Spain, Llardén highlighted its “enormous potential for decarbonisation and for the development of the circular economy, especially in the most depopulated areas”.

Enagás has renewable gas projects underway in all the Autonomous Communities that could represent a total joint investment of around 6,000 million euros.

Three major strategic areas

From a strategic point of view, Llardén stressed the importance of Enagás’ three main business areas, which will guide the company’s future in the medium term: regulated assets in Spain, which have a stable regulatory framework until 2026 and a future clearly linked to their contribution to the decarbonisation process; international assets, which are already making a significant contribution to the company’s results; and renewable gas activity.

Objectives met

During his speech, the CEO of Enagás, Marcelino Oreja, reminded shareholders that Enagás “has met its objectives for the fourteenth consecutive year, in a year in which many companies failed to do so”.

Along these lines, he explained that Enagás has been able to meet all its objectives, “and even exceed them,” thanks to four main factors: the perfect operation of the company’s infrastructures; the control of operating and financial expenses; the contribution of 174.8 million euros from affiliates (almost 8% more than in 2019); and a non-recurring positive income of 18.4 million euros.

Among the main milestones for 2020, the Enagás CEO highlighted the start of commercial operation of the European Trans Adriatic Pipeline (TAP) in November, a key infrastructure for European energy diversity and security, after more than 4 years of construction.

He also explained the good performance of Tallgrass Energy, which led to a total dividend payout of 91 million dollars in 2021 against 2020, and pointed out that in March, Tallgrass reached a strategic alliance with Bridger Pipeline, a subsidiary of the True Companies group and the second largest pipeline operator in the Bakken Basin, to grow in the US market.

Innovation and digitalisation

In his speech, the Enagás CEO also highlighted the need to continue making progress in innovation and digitalisation as the main levers of change and growth for the company, which are “more imperative than ever in the current context”.

Along these lines, he explained that, to date, Enagás Emprende has invested around 40 million euros in 14 start-ups. Seven of them are ideas or projects conceived by Enagás professionals.

Among the main milestones of these Enagás affiliates, Scale Gas, together with other partners, started up Spain’s first hydrogen station for long-range electric fuel cell vehicles, and began construction of the first LNG supply vessel in a Spanish shipyard.

Marcelino Oreja mentioned the entry of the Ilunion Group, “the leading exponent in social inclusion” in the shareholding of Gas2Move to evolve the business as a sustainable last mile logistics operator to a new brand, Llewo, with a broader, green and social outlook.

From a social standpoint, the CEO also highlighted the success of the Positive Energy+ entrepreneurship initiative in which Enagás, together with Spain’s leading energy companies, has supported almost 15 projects to mitigate the economic and social impact of Covid-19, from among the almost 400 projects received.

Regarding the company’s digital transformation, Marcelino Oreja pointed out that “at Enagás we were already highly digital, and this allowed us to continue operating normally from the very beginning”. Moreover, he explained that the company has intensified and accelerated digitalisation through training in digital skills and promoting cultural transformation among its professionals.

He also highlighted the incorporation of advanced analytical tools and artificial intelligence “for a more predictive and prescriptive maintenance of our infrastructures,” and the “advances in the automation of processes,” especially of the Technical Manager of the System.

Shareholder remuneration

The General Shareholders’ Meeting approved a total dividend of 1.68 euros per share for 2020, 5% higher than in 2019.

In this regard, Llardén emphasised that one of the company’s priorities is to offer shareholders an attractive and sustainable remuneration and reiterated the commitment to continue increasing the dividend by at least 1% per year for 2021, 2022 and 2023. “From 2024 until 2026, with the data we have today, we are committed to maintaining a sustainable dividend of 1.74 euros per share,” he added.

Composition of the Board of Directors

The Enagás General Shareholders’ Meeting has approved the reduction of the total members on the Board of Directors to 15, with two new female directors joining the board: Natalia Fabra and Maite Arcos.

With the new composition, and in line with its commitment to gender equality, 33% of the Enagás’ Board of Directors are now women, edging the company closer to the 40% target set by the recent consolidation of the CNMV’s Good Governance Code for 2022.

The Chairman of Enagás thanked the three directors of the company’s Board of Directors who today complete their term of office, Rosa Rodríguez Díaz, Luis García del Río and Martí Parellada Sabata, for their dedication, effort and commitment to the company over the years.

A sustainable and telematic Shareholders' Meeting

The Enagás General Shareholders' Meeting, which has been certified as a sustainable event by AENOR, was held exclusively by online means, in a context in which health and safety is a priority.

As the meeting will be held remotely, the company will donate the amount allocated to the traditional gift to shareholders to the Cancer and Coronavirus Social Emergency Fund of the Spanish Association Against Cancer. This initiative was selected following an internal consultation with all Enagás professionals.

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