

Results for the first half of 2021

Enagás made a net profit of 213.1 million euros as a result of a strong performance by its affiliates and the efficiency plan

- In the first half of the year, the higher contribution from affiliates and the improved efficiencies offset the effect of the entry into force of the 2021-2026 Regulatory Framework, which has been in place since January
- The contribution from affiliates, driven by Tallgrass Energy and Trans Adriatic Pipeline, increased by 48.1% and represents 40.4% of net profit
- The increased efficiency has pushed down operating expenses by -5.3%, while the company has maintained its firm commitment to employment
- The cash flows generated guarantee Enagás's shareholder remuneration for this year, which is 1% higher than in 2020, and also for the 2021-2026 period
- Together with 60 partners, Enagás is promoting 55 specific renewable gas projects that could mobilise a total joint investment of around 6.3 billion euros
- In the first half of the year, Enagás's gas infrastructures as a whole had an availability level of 100%
- Total demand for natural gas, which is an indicator of the level of use of gas infrastructures, increased by 6.3% in the first half of the year compared to the same period in 2020
- This increase was underpinned by 9.8% growth in conventional demand (domestic and industrial)
- Since 2014, Enagás has reduced its carbon footprint by 63%, as it moves towards its goal of becoming a carbon-neutral company by 2040, or even earlier.

Madrid, 27 July 2021. Enagás made a net profit of 213.1 million euros in the first six months of 2021.

This is on the back of the higher contribution from affiliates and the company's efficiency plan, which, in the first half of 2021, offset the effect of the 2021-2026 Regulatory Framework, which came into force in January this year.

Affiliates' contributions were 48.1% higher in the first six months of the year compared to the same period in 2020. The increased efficiency has also had a positive effect, pushing down operating expenses by -5.3%, while the company has maintained its firm commitment to employment.

Financial structure

The company has a solid financial structure, with more than 80% of its debt at a fixed rate.

Enagás has reduced the cost of borrowing to 1.8%. It also has an excellent liquidity position: 3,024 million euros at 30 June 2021.

The cash flows generated allow it to guarantee the Enagás shareholder remuneration policy for this year, which is up by 1% on 2020. The company is also committed to maintaining its dividend for the 2021-2026 period.

Gas infrastructure

During the first half of the year, Enagás' gas infrastructure as a whole had an availability level of 100%. Transmission assets also had a higher utilisation rate: 15% more than in the same period in 2020.

Total demand for natural gas in Spain in the first six months of the year was 6.3% higher compared to the same period in 2020.

This increase is due to the 9.8% rise in conventional demand (domestic and industrial), which accounts for some 83% of total demand for natural gas in Spain.

Residential demand increased by 11.8%, as a result of the increase in consumption during the Filomena cold snap in January, which upped consumption by 3.8TW. Industrial demand has increased by 9%, due to the gradual recovery in economic activity.

Affiliate contributions

During the first half of the year, affiliates accounted for 40.4% of the company's net profit, driven mainly by the US company Tallgrass Energy and Trans Adriatic Pipeline (TAP).

The Trans Adriatic Pipeline is a key infrastructure for guaranteeing the security of Europe's energy supply. It connects Turkey with Italy via Greece and Albania, and has made a significant contribution to Enagás' results after its commissioning in late 2020. TAP has operated with 100% operational availability, and in July its utilisation level exceeded 80% of capacity. As of 1 July, TAP has already transported 3 billion cubic metres (3bcm) of gas delivered to Europe.

Tallgrass Energy delivered a very strong performance in the first half of 2021, boosted by the recovery of the US energy market and its growth prospects.

Currently, Tallgrass is also moving forward with the development of decarbonisation projects in the North American market. Last week, it announced that the U.S. Department of Energy's National Energy Technology Laboratory has awarded federal funding to the company as part of a national effort to advance next-generation clean hydrogen technologies.

The rise in demand has led to positive results at Enagás's subsidiaries in Greece, Chile and Peru, while in Mexico significant progress has been made in the recontracting of capacity at the TLA Altamira terminal.

Specific projects for decarbonisation

Enagás is promoting 55 specific projects throughout Spain in the fields of renewable gases and decarbonisation (34 green hydrogen projects and 21 biomethane projects) alongside more than 60 partners. In total, these projects could mobilise a joint investment of 6.3 billion euros. Many of these projects have been submitted to the different expressions of interest announced by the Spanish Government.

In recent months, the company has supported major projects such as the Hydrogen Valley of Catalonia, a macro project with the Rovira i Virgili University and Repsol, in which more than 100 institutional and business agents are also participating.

Enagás is also promoting the Hydrogen Valley in the Community of Madrid (with EDF, Madrileña Red de Gas and Q-Energy), the creation of a green hydrogen hub in the Canary Islands (with DISA and other partners), and the largest green hydrogen project in the Community of Valencia (with Iberdrola and BP).

The company has also partnered with Navantia to advance three large projects aimed at deploying the potential of green hydrogen in different parts of Spain, and, with several other partners, has presented an energy transition project for Melilla and another to generate green hydrogen in the Bay of Algeciras.

Together with FACSA, Enagás has agreed to invest in the start-up Trovant Technology to develop a technology that will use biogas from waste water or organic waste to produce biomethane.

In the second half of the year, Enagás also completed, together with Alantra, a first closing of more than 80 million euros through the Klima energy transition fund.

In the field of academia and research, Enagás has become a patron of the new Chair of Hydrogen Studies at Comillas Pontifical University. It has also joined *Motor Verde*, the largest reforestation project in Spain, alongside the Regional Government of Extremadura and other large companies.

A carbon neutral company by 2040

Since 2014, Enagás has reduced its carbon footprint by 63%, as it moves towards its goal of becoming a carbon neutral company by 2040, or even earlier, as part of its steadfast commitment to the ecological transition.

Enagás is among the world's leading companies in climate action and year after year it sits atop sustainability indices and rankings. It is included in the CPD Climate Change "A List", it is one of the companies that has spelled out its climate commitments in the European Climate Pact initiative, which forms part of the European Green Deal, and the Financial Times has included it in its list of European Climate Leaders.

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