

## First Quarter 2021 results

### Enagás achieves results in line with the targets set for the financial year

- The company achieves a net profit of 92.9 million euros, in line with its forecasts and targets for 2021
- The effect of the entry into force this year of the new Regulatory Framework for the 2021–2026 period has already been included in these results
- Enagás expects to obtain a net profit of approximately 380 million euros by the end of 2021, thanks to the intensification of the cost control and savings plan, and is upholding its commitment to employment
- The contribution by affiliates grew by 41.2% compared to the first quarter of last year, and now represents 38.1% of the company's net profit
- The *Trans Adriatic Pipeline (TAP)* has started to contribute significantly to the company's results, following its commissioning at the end of 2020
- The US affiliate Tallgrass Energy has entered into an alliance with Bridger Pipeline LLC, strengthening its ability to meet its overall targets for 2021–2026
- For the year to 18 April, conventional demand for natural gas stands at 100.5 TWh, 4.7% higher than in the same period of 2020
- Together with 50 partners, Enagás is promoting 55 renewable gases projects that could mobilise a total joint investment of about 6.3 billion euros
- In March, the company obtained the highest ESG assessment score (75/100) that S&P Global Ratings has posted so far in Spain in any sector
- The cash flows generated by Enagás guarantee shareholder remuneration for this year, which is up by 1% on 2020
- The company is also upholding its commitment to shareholder remuneration for the 2021–2026 period

**Madrid, 20 April 2021.** In the first three months of 2021, Enagás generated a net profit of 92.9 million euros, in line with the targets set for the year.

The effect of the entry into force this year of the new Regulatory Framework for the 2021–2026 period has already been included in these results. This regulation brings visibility to the company's regulated revenues for the next six years.

During the first quarter of 2020, the company also had a non-recurring positive result of 18.4 million euros owing to exchange rate differences, which has not been repeated in 2021 owing to its extraordinary nature.

By the end of 2021, Enagás forecasts a profit in the vicinity of 380 million euros, as a result of the intensification of the plan to control and save on operating costs. In the first quarter of this year, the company reduced its operating expenditure by 11% compared to the same period of 2020. The company remains firmly committed to employment.

The cash flows generated by the company allow to guarantee its shareholder remuneration policy for this year, which is up by 1% on 2020. The company is also upholding its commitment to shareholder remuneration for the 2021–2026 period.

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

## **Contribution by affiliates**

In the first quarter of the year, contribution by affiliates grew by 41.2% compared to the same period last year, and now represents 38.1% of the company's net profit.

The *Trans Adriatic Pipeline (TAP)*, a key infrastructure for the security of Europe's energy supply in which Enagás holds a 16% stake, has for the first time begun to make a significant contribution to the company's results following its commissioning at the end of 2020.

Additionally, on March 31, TAP reached its financial completion date, a milestone that allows the partners to discharge guarantees provided by shareholders during the construction stage of the project.

In the first quarter of the year, TAP delivered a total of 1.16 bcm (billion cubic metres) of natural gas to its target markets, in line with expectations. The operational availability of the infrastructure in the period was 100%.

In addition to the positive contribution of Enagás affiliates in Greece, Mexico, Chile and Peru, in line with the targets set, it is also worth highlighting the good performance of the US affiliate Tallgrass Energy, in which Enagás holds a 30.2% stake. In the first quarter of 2021, its assets were key to guaranteeing energy supply during the cold snap experienced by the United States.

The outlook for the US market is favourable: in its first-quarter review, the Energy Information Administration (EIA) raised its production forecasts for 2021 and 2022.

## **Tallgrass Operation in the United States**

Tallgrass Energy has entered into an alliance with Bridger Pipeline LLC (part of the True Companies group). This operation strengthens the ability of Tallgrass to meet its overall targets for the 2021–2026 period, with an increase in contracted capacity on the Pony Express Pipeline and further diversification of access to producing basins.

## **Natural gas demand\***

In the year to date, conventional demand (industries and households), which represents 86% of the demand for natural gas in Spain, has reached 100.5 TWh, an increase of 4.7% compared to the same period of 2020.

Total demand reached 117 TWh, 0.8% more than on the same date in 2020. The fact that gas demand was not affected by the extraordinary situation of COVID-19 until 13 March 2020 should be taken into consideration.

This information highlights the importance of gas infrastructure in guaranteeing Spain's energy supply.

## **Decarbonisation progress and projects**

Enagás has reduced its emissions by 63% since 2014, a figure that reinforces its firm commitment to the ecological transition and the goal of carbon neutrality by 2040.

This has been made possible by improving energy efficiency in the operation of the gas system. The company's decarbonisation plan includes specific actions such as the renewal of turbochargers, self-generation and the incorporation of guarantees of 100% renewable origin.

Enagás already has a portfolio of 55 renewable gases projects (34 for green hydrogen and 21 for biomethane) in which it participates with more than 50 partners, with the potential to mobilise a total joint investment of about 6.3 billion euros. Furthermore, the company continues to submit renewable gases projects to the different calls for proposals opened by the Spanish Government.

## **Commitment to ESG**

As a result of its commitment in the field of environmental, social and corporate governance (ESG) criteria, Enagás has maintained its leading position on the main sustainability indices and ratings.

In March, the company obtained the highest ESG assessment score (75/100) that S&P Global Ratings has posted so far in Spain in any sector. It was also given the highest rating in Europe for its sector (Utility Networks) posted by the ratings agency over the past year.

Enagás has kept up its presence in the Dow Jones Sustainability Index (DJSI) for the thirteenth consecutive year, and the company leads the world in the Gas Utilities sector, with Gold Class distinction, and has been acknowledged by CDP by its inclusion in the CDP Climate Change 'A List'.

Moreover, the company has been recognised for its people management model and gender equality by being ranked third in the world in the Bloomberg Gender-Equality Index (GEI).

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\* Demand data updated on 18 April 2021