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ENG.MC - Enagas SA Annual Shareholders Meeting

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PRESENTATION

Antonio Llarden Carratalá - *Enagás, S.A. - Executive Chairman*

Ladies and gentlemen, dear shareholders, on behalf of the Board of Directors that I have the honor of chairing and on my behalf, I dearly thank you for a presence today. I welcome you to the general shareholders' meeting of Enagás.

We have structured this general shareholders' meetings as follows: first, the Secretary General will inform us on the provisional quorum. Then the board member of Enagás, Marcelino Oreja Arburúa will inform on the results and main magnitudes of 2018. Then Secretary General will explain the agenda of today. And lastly, in my intervention, I will refer to our global and operational environment, to our challenges for the future. And I will comment on the main points of our strategic update for the period 2019-2023 with the current context of the energy transition.

So please let me give the floor to the Secretary General of the company, Secretary of the Board, Mr. Rafael Piqueras, who is going to give us the data of the call for this meeting and he will inform on the provisional quorum of attendees.

Rafael Piqueras Bautista - *Enagás, S.A. - General Secretary*

Thank you, Mr. President. Good morning. The general shareholders' meeting was called on the 27th of February 2019. I publicly announced in different journals of national publication in Spain in the website of the (inaudible) and in the website of the company. According to Article 11 of capital corporate law declares that the call of proposals for agreements and other documents are put at the disposal of the shareholders have been available permanently nonstop in the website of the company since that date. The agenda for the meeting is the one included in the call, and it's as so read. In this call it is said that the Board of Directors has requested the presence of notary public to follow Article 203 of the corporate law. According to Article 12 of the General Shareholders' Meeting Act, the President has appointed different tellers for the voting. The shareholders appointed were [Mrs. Martha Cortez (inaudible)] and [Mr. Sergio (inaudible) Lopez].

Right now we disclosed the registry of attendees, and we have got a total of shareholders that are coming to the meeting. We are counting the cards presented in last hour. The data of attendance at 11:50 a.m., 10 minutes before the starting, is the following. Present shareholders, 608, owning 12.948 million shares, representing 5.42% of share capital, represented at shareholders 5,167, 108.6 million shares. And at 1150 hours, we had presented represented 5,575 shareholders owning 121,444,972 shares, all with voting rights, representing 50.86% of the share capital.

We express that the company owns 307,343 shares, representing 0.13% of the share capital. According to Article 148 of the law and corporations, the right to vote to those shares owned will be suspended. But these shares will -- we use to calculate these shares, the percentages to adopt agreements.

Bear in mind that this quorum of attendance, as it's provisional, will be enough to create the shareholders' meeting. And as Article 13 of the Shareholders Act, meeting had, we will continue with the shareholders' meeting after the words of the President and after the voting of the agreement, we proceed -- we shall proceed to the public reading of the final quorum of attendance to the shareholders' meeting.



Thank you. I will now give the floor of the board member who -- the CEO will talk about the company's evolutions during 2019. Thank you.

Marcelino Oreja Arburúa - *Enagás, S.A. - CEO & Executive Director*

Mr. President. Good morning, ladies and gentlemen. I want to thank you for your participation once again to this general shareholders' meeting. I want -- also want to thank all the professionals of the company, the employees, for their work and commitment. Thanks to them we have once again met the objectives. It's the 12th year on row that we meet our objectives and we are into natural reference in the natural gas sector.

With the extra effort done in this year, I have to thank, also, the families of our workers, of our staff, that collaborate so much with their work into the success of this company.

I'll like to start by going through the results of the year 2018, and then I will talk about some of the change leverages that I consider important right now for the company such as the transformation that we're living to the digital and the major aspect of innovation and entrepreneurship. With regards to the results of 2018, the main figures, our net profit after tax has been for EUR 442.6 million. That is an increase of 1% compared to last year. This figure is in line with the budget and also in line with the triennial objective for the period 2016-2018 of a growth of -- 3% growth in our profit after tax. And here the participation of our investees has been key, because it's been 20% of our results after taxes.

This year, 2018, has been featured by a solid, solid cash generation. And that thanks to 4 main aspects. First, the good evolution of the regulated business in Spain to the adjustment that refinancing came from TAP, the Trans Adriatic Pipeline, I will expand afterward and the selling of our participation in the Swedish operator Swedegas that I will expand. And finally to the dividends of our international business. These 4 factors have also contributed greatly to reduce our debt. That has reduced -- has been reduced by EUR 734 million in 2018. I'd like to highlight that the cost -- average cost of our debt is 2.3%, one of the lowest costs in the Ibex companies. So we also have our debt at 80% fixed rate, and we have only maturities -- major maturities starting from 2022.

With regards to the role of our gas carrier in Spain, we continue advancing to guarantee the security of supply, maintaining the highest standards of excellence and operational availability of our facilities. We improve continuously the efficiency and the sustainability of our equipment. For example, we have auto generated 51% of the energy consumed by our assets by using the residual energies of some of our processes. These improvements have been possible thank also to the work done by the technical teams that have been able to evolve and introduce these management models aiming at continuing -- to continuously improve and give better service to client. We also want to be proactive in order to meet a much more demanding and complex demand. The management of our assets has allowed us to increase by 13% the average use of the LNG storage in our facilities. And we have reached maximum values, 98% in Barcelona and (inaudible) as for gas storage. As far as international the connections are concerned, I'd like to highlight the importance they have, mainly the ones referring to the connections with France and Portugal. In 2018, we have met a milestone. For the first time we have reverted the physical flow of gas going from France -- from Spain to France because of a cold wave they've had in Europe, and the Spanish gas system contributed to guarantee these security of supply in the center of Europe. Also, at a smaller scale markets, we have managed, as a country and as a company, to be key in this sector for the growth of these activity internationally.

And lastly, the new structure of tolls in the recharge -- LNG recharge operations that provides greater flexibility and competitiveness thanks to the inclusion of new products and services in this sector. As far as investments are concerned, during this year 2018, we invested EUR 60 million in Spain and EUR 200 million or slightly higher than EUR 200 million in international active markets.

I'd like to talk about the 2 most important activities of this year. First, we have acquired a participation at DESFA, the Greek operator of gas infrastructure, together with Fluxys, our European partners from Belgium and Snam from Italy. And we have positioned ourselves in the reason with a greater growth of demand in Europe. The second major operation has been the selling of all of our participation in the Swedish operator Swedegas. That has allowed us to recover EUR 100 million in cash and some EUR 24 million of surplus. This selling of the cash is a rotation of our assets and we have been looking markets that are growing in order to reinvest these benefits. We have also to continue to invest in the Trans Adriatic Pipeline, TAP, that is a key infrastructure for the energy in Europe, which is in advanced degree of development at 85% at the end of 2018. We have completed successfully the refinancing of this infrastructure that has represented the greatest financing of this -- of a project in Europe. And thanks for the risk financing, TAP has partially returned some contributions, and that has represented a cash entry of EUR 415.2 million.

We're going to continue investing in that infrastructure. We will invest slightly more than EUR 62 million and completing a total investment of EUR 232 million in that infrastructure. I'd like to highlight here that this year, 2018, this project was awarded -- the financing was awarded, the oil and gas European award. And I'd like to thank the organization that has allowed us to be awarded such an excellent price.

And finally, in our international activity, and as I explained last year, let me allow you to talk about the South Peru gasoduct. By the mid of year, we requested before the CIADA, the arbitration, against the state of Peru. Our legal advisers think that we will be able to recover our investment by 3 years, more or less. In parallel, as it can be otherwise, we're at the disposal of the Peruvian state to reach an agreement. I have to say, the Ministry of Mines in Peru has announced that a new gas transport system for the South of Peru will be in a tender next year 2020. And they've said that very foreseeable the track will be the same one and the layout will be the same, so that reinforce as a key project for the energy supply over the South of Peru.

And also, in order to finish in 2019, we have done a major operation in the United States that will explained by the President, and this has proved -- proven how we can collaborate and work in team with all our departments to -- in major terms. But after finishing the figures of 2018, I'd like to share with you two levers of change. The digital transformation that we're living will allow Enagás -- will make Enagás to be key in the energy context. We are doing our transformation process fully in the company. We're going to look for fostering our digital capacities. The digital capacities of our professionals that will allow to foster new ways of working, to work more creatively, more agile in a more autonomous way and a more coordinated way. We have to optimize our value chain. We have to increase efficiency of our processes. We have to improve the decision-taking processes, making Enagás a more agile company better adapting to the environment where it operates. And it's very important that we make sure that we grow in the mid-term to improve the approach to our customers and users and to generate opportunities that will bring new revenues. So today, we present a new app, Enagás energy data, an app that you can download in your cellphone that will allow you to consult directly information on the gas system, the entries, exits, and the volume of gas available in the grid.

So as a summary, the formation that we're living in the digital environment will allow us to have a clear positioning in the context of the energy transition.

Another major lever will be innovation and entrepreneurship. And it is already because innovation is cross-sectional and it is the basis of our DNA and our growth. Our projects for innovation are focus mainly -- will focus always energy efficiency and the reduction of emissions. Innovation has always been present in our company. It is part of us. We have got a technical center in Zaragoza with the R&D lab that develop major tests national and internationally. And on the other side, as you know, and I have already explained in some other occasions, a few years we created an entrepreneurship program for open innovation to give greater agility to this innovation. This program fosters entrepreneurial projects within and outside the company, looking for projects that will be in line with our business that will become feasible company.

Yesterday, we were awarded the first prize to support -- of support -- a startups awarded in Salamanca. Thanks to the support of Enagás Emprende, we have already invested in 7 entrepreneurial projects. I love them, promoted by our staff. These projects are added (inaudible), that once improve the gas infrastructure process using AI and big data. (inaudible) gas that will support the everyday operations of the traders and biogas that will build, operate and maintain biogas plants to transform organic waste into biogas and biomethane. But I cannot finish without insisting the importance that natural gas has got in our society. Natural gas is necessary in the decapitalization process. The generation of electricity will -- needed, but it is just not that. Our society needs gas as a backup. And with the current technology, we cannot have a total electrification of all the final users. Currently in Spain, 70% of natural gas is used by the industry, and because it's versatile and because of its calorific value. So there's no other alternative. It has no substitute. So in those processes, the industry gas is necessary. In fact, the natural gas demand of the industry group almost grew by 4% last year. We have to add that currently there is no seasonal storage system for energy allowing to cover the needs of a society such as ours. That's why, though, we do believe in natural gas, and it's true that our strategic update includes as an objective for the coming years to promote the decapitalization of the supply chain of gas. We will continue to invest in projects in the renewable gas, hydrogen and biomethane areas. And in these years we have signed 14 agreements with companies and public administrations with different public entities to develop natural gas projects. The last one this week with the (inaudible).

In order to give you two examples of renewable gas with hydrogen, we have been working for long with Repsol in a project to generate directly hydrogen from solar PHP plates. These project was awarded a major help by the (inaudible), and the product that we are really focusing on, which is the part to green hydrogen in Mallorca that wants to generate hydrogen from PHP energy.



In order for the decapitalization to be economically viable, it has to support -- be supported in natural gas. It's the source of energy that is cleaner and that can satisfy the thermal needs, guaranteeing the feasibility and the competitiveness of our industry. And that is why we do believe that natural gas will have a key role in the energy transition, a transition which is an unstoppable process. But as it is stated, it will require a transition and complex technical -- technological development. Our commitment with energy transition and a fight against climate change is firm and of utmost importance.

And thank you very much, I shall finish here. I want to thank the Board of Directors and President for their trust and support that they always provide to me and my team. Thank you for everyone for coming and to come to listen to us, and thank you for your support of the company. Thank you very much. Mr. President, you have the floor.

Antonio Lladen Carratalá - *Enagás, S.A. - Executive Chairman*

Thank you very much, Mr. CEO. I shall give the floor to the Secretary General.

Rafael Piqueras Bautista - *Enagás, S.A. - General Secretary*

Thank you, once again, Mr. President. In the first order -- point of the agenda, we ask for your approval to the accounts of the management report corresponding to year 2018 both our Enagás S.A. and the consolidated accounts. According to Article 49.6 of Trade Commerce, we ask for the approval as a separate point, the nonfinancial information state report. Point 3 includes the proposal to distribute the results of the exercise and the fourth relates to the management of the Board of Directors. Fifth point, we ask for your approval of the reelection for 3 years of the company Ernst & Young as our external auditor. Point 6 is on the composition of the Board of Directors. We propose to ratify to appoint Mr Santiago Ferrer as independent member and Mrs Patricia Urbez as an independent member to cover the seat that was covered by Mr Luis Javier Navarro. After these appointments, we increase the amount of independent board members, reaching -- meeting the objective of gender diversity. We also present the policy of payback to the board of -- to the directors of the board. Such a policy includes an incentive that will be paid on a long term. According to the recommendations of the code of good governance of the CNMV and to the expectations of a relevant part of the shareholders of the company and their vote advisers. The details of this incentive include to be approved the point 8 of the agenda. The aspects are completed with the presentation to be voted of the annual report on our remunerations of the Board members during 2018. And finally, tenth point, it includes the necessary agreements to execute and formalize all that is agreed by the Board -- by the shareholders meeting. As from -- and as from now on, after the words of the president, the president of the auditing and commitment -- auditing committee will give the position of the commission on the (inaudible) accounts. Then we will read the quorum of attendees and the notary public will explain the constitution of the meeting. Then we'll have a Q&A session. And the dear shareholders that will have asked for their turn, they will be able to take the floor, requesting the information necessary.

So we've got to stand for these shareholders willing to take the floor to be able to stand. So from now on you can address the auxiliary members of the desk showing their attendance card. After this Q&A session, we shall vote the proposals included in the agenda. And as we deem -- and read the recommendation that has been the disposal of the shareholders. Finally, I have been inform that Deloitte as an independent expert has done a review of the fulfillment of the call procedures for these meetings. And as we have to still do the final counting, but the means and procedures used by the company are in line with their systems of corporate governance.

So thank you, Mr. President. Thank you very much.

Antonio Lladen Carratalá - *Enagás, S.A. - Executive Chairman*

Once again, welcome. Thank you for attending this general shareholders' meeting of Enagás. It's a great satisfaction for me to talk to you once again a year more. And I'd like to start with something not very common, which is historical memory. 50 years ago, in February 1969, the first methane tanker arrived at Spain at the regas plant in Barcelona. That's how this history of gas in Spain started. And it was the origin of the story of Enagás. That natural gas that changed the industry that contributed to the economic development still has got a major role in the process of energy transition that we are living.



So in some way or another, we all at Enagás, we are celebrating our 50th anniversary. The last 12 years we have also been meeting all our commitments and objectives. There are 12 consecutive years that we meet our objectives. Last month of February, we presented our results that the CEO has just presented. On the 12th of March, we presented also our strategy update on till 2023 that I shall share with you today. Then we have also been able to talk about it with the analysts that follow us in London, Paris and Madrid. And in the coming weeks we will do -- our (inaudible) to explain these results. These results and the prospective of 2023 have been very well received by the stock exchange. Since represented our shares, the share is growing above the rate of Ibex 35. And that is positive. But at Enagás, our aim is a long term one, because creating a company goes beyond one of point and fashion. Our evolution in the stock exchange during time is a good reflection of that mindset that we have as you can see in the presentation. That's why in intervention I shall talk about the future of Enagás. I have structured my speech in 4 parts. First, a short reference to the economic context and the energy context that we are living in. The second, our update of our strategy for the period 2019-2023. And under this strategy I shall explain with greater detail our first operation in the United States of America. Thirdly, I will go over the main milestones of sustainability and corporate governance that guide us. And in order to finish, we'll give you some details that -- on the policy of dividends of the -- until 2023 that I guess is interesting for you.

Well, the economic context. Well, companies are not islands. We do operate in a political and economic global environment. And energy companies more so geopolitics is the determining factor. 2018 was a year of a strong global economic growth. The forecast for 2019 and 2020 tell us of our certain deceleration mainly due to geopolitical risks, I'm talking about geopolitical worldwide risk. But there is a general consensus that 2019 will be another year of world economic growth with rates at around 3.5% according to the IMF.

In Spain, in this context of a certain global deceleration, our growth has always lowered, but we still are one of the countries with the best prospective of the euro zone. In this political and economic context, the world faces a challenge that is double. First, we need to produce more energy in order to back the growth, the economic world growth, the progress and of course the welfare state. We know that there must be 3, 4 billion people in the company maybe I'm sure that do not have by far the rates of welfare state that we do have on energy, et cetera, that we have and that they need. So we need to make the energy demand grow -- sorry, the energy demand will be growing. And we must foster the transition to decapitalize future with a decapitalized economy. In the energy transition, it is a global phenomenon. It is not done country per country, unfortunately. It's fixed by all of us. It's fixed -- well -- or not fixed -- but well, we all have to work. Two examples, one in Spain and then other in Europe that prove the key roles that natural gas is having in this energy transition process. Of one of the bigger world emitter is the United States because it's a very big country with a lot of population and very rich. United States is a country that has reduced the most of its CO2 emissions in the last 2 years. More specifically, during -- between 2010 and 2018, they have reduced these emissions by 8.2%. And that has been done by the market, not with legal norms of the government. What has happened? One of the explanations, but not the only one, maybe the most important one is that they have increased by 26% the gas demand. And they have reduced quite a lot coal demand and coal consumption. Another example, China. China has certainly in the last 20 years extremely economic growth. We're all aware of it. And they have relatively contained their CO2 emissions thanks to their greater commitment for natural gas versus coal.

So we have got 2 examples that show us how we can move on and advance and give more energy to the population and to have a greater welfare state without literally having to go on higher CO2 emissions. The forecast coming from the world experts say that the natural gas demand in the world will continue to grow at an average rate of 2%. That is above the growth of the primary demand of -- the demand of primary energy which will grow at 1.4%. So natural gas demand will grow more than energy, gaining rate to coal and to oil. That increase is fully compatible and complementary to the blooming massification of renewable energies. Therefore, the energy transition is an unstoppable process and from Enagás, we are fully committed and we are robustly committed.

Second point, the strategic update for 2019-2023. If something defines us is that we try to be a solid company with clear priorities, focusing on the long term. You, our shareholders, can be at ease because we will continue to do that. We will continue to follow a road map that will be safe, reliable and that will remain in time. That's why our update up to 2023 is the continuing of the strategy that you are aware of, and it's consistent with what we have been doing since 2011 when we started our international expansion. Our strategy for the coming 5 years focuses into 4 main areas: first, to manage the infrastructure grid in Spain. It's a very complex network and a grid that has to be managed with flexibility and immediacy and efficacy. Secondly, our traditional activity, our core business in international markets. Thirdly, new businesses related to the energy transition to renewable gases. And the fourth, complementary activities of services that our company can develop.



Let me explain those briefly. Our main approach is to manage the infrastructure grid in Spain. This is a grid that is very complex, with more than 11,000 kilometers of gasoducts of high pressure, 7 regas plants, 3 underground storages, 19 compression stations and 6 international connections. Our mission, our main mission to which we devote the greatest effort and the highest amount of staff in the company is for that grid to always be available and to be operated with the greatest efficiency, facilitating the access to that grid to all the agents requesting it to foster competitiveness. These are some of the objectives that regulators in Spain but also in Europe require. The demand of natural gas in Spain has been growing at an annual average rate of 4% since 2014. And it is foreseen that, that will continue to grow at around 2% until 2023 as an average growth rate.

In this context and from the economic stance, the gas system in Spain since 2018 has got a net annual surplus. That means that more plainly, that really, revenues of the system -- the system, not Enagás, they are higher to the cost of the system, of the regulated system. And that by following a policy drafted by different regulators has not increased in tolls. Furthermore, this year 2019, the Spanish government has transferred a major part of the regulatory functions to the CNMC. This is something that since years, we have been talking. The different governments in Spain have talked with the European commission and they found this solution. And the CNMC has already explained publicly that they will develop the regulatory process with a calendar and a methodology that will be clear and transparent. In my personal opinion as the president of Enagás, this new system, I think that on the mid-run, will give us greater security and greater regulatory transparency because of the mere fact an independent entity such as the CNMC is not so into the everyday work of the political world. And governments have to respond every week to parliamentary questions, take the decisions, make statements. So we do think that having that independent body on the midterm will give us greater regulatory stabilities. But the Spanish grid is very complex, but it's also a mature grid. We do not foresee major investments in the coming years, not because we don't want to make them but because the regulator is telling us it is not necessary, and the system can continue to work correctly as it is. Therefore, and that's why we -- that's how we get to the second department. Our main way for growth in this short and midterm is to foster our core business in identified international markets that are priority in our strategic plan. Basically, Europe and in the Americas, the Pacific access. These investments have to fulfill the strict criteria that we already set in 2011.

At the end of 2019, at the end of this year, we will have invested outside spend abroad in brownfield around EUR 2.2 billion. So we've got a basis of external assets that 8 years ago, did not exist. In 2023, the contribution to the result of our participating companies in the profit after-tax will be around 40%. It was 0% in 2011, I have to recall.

Another area for growth is those businesses that Marcelino was talking about before that are directly related to the decarbonization and the energy transition process. These are the so-called renewable gases such as biomethane and hydrogen. Biomethane, which is based on a technology which is already available, renewable, stockable that cannot reduce the emissions and contribute to circular economy, what we call a circular economy. It also has a positive and interesting impact in employment and in the rural economy. That is related to the phenomenon that starts to concern many countries, which is the decentralization of parts of the country and the concentration of the population in urban areas.

And our country today only has got 1 station of -- 1 plant of biomethane connected to the grid which is the one in Valdein Gómez. If you've taken a look on the video we showed, you can see this fact contrasts with the more than 200 that exist in Germany or 30 that exist in France. So there's a path for growth there for us, but especially in the fight towards a more decarbonized economy. The second thing is hydrogen. Hydrogen is an energy vector on the longer term which can represent a great disruption in the world of energy storage of renewable origin. It's done with the water electrolysis, with electricity coming 100% from renewable sources. Otherwise, it's not green hydrogen. It will continue to be hydrogen but not green hydrogen, it is blue or gray hydrogen. This process done with renewable electricity does not emit CO₂ and it transforms water into hydrogen molecules and oxygen molecules.

Let me tell you an anecdote that we've been with investors that really are keen on listening to these stories when we were talking about these and where it came from. And I'll tell you, you've read 20,000 Leagues of -- with Captain Nemo and he asked to the professor, well this submarine, we're talking about half of the 19th century, how does it work? He said with water. I've got water, I do an equation and I produce oxygen and then hydrogen. Well, Jules Verne had anticipated this, and we're talking about that procedure, technical procedure. This green hydrogen is used as storage of the surplus of renewable energies and, of course, will be able -- will be used again to generate electricity, heat as fuel for moving, et cetera, et cetera.

And talking about this mobility, one of the main brands of cars already doing investments in order to develop hydrogen cars such as Hyundai or the Japanese from Toyota, that have named their model Mirai that we've analyzed, and we found out that Mirai means the future. So Japan is clearly



at the head of that right now, at the head of hydrogen for mobility. I don't say that all mobility will be using hydrogen but simply, these are lines that when explained 3, 4 years ago, they seemed to be science fiction. And in the case of Japan, for example, the country has got more than 100 stations to regas with hydrogen. So from Enagás, the CEO has explained it, we are fostering and working in specific projects for hydrogen because we do think that hydrogen will have a major role in the energy transition. And the third area for growth are the activities that are complementary such as, for example, all the new infrastructures related to the use of LNG in major ships and tankers and railways, also in the short that was a tanker of Paliaria that goes from Barcelona to Mallorca that is running full with LNG. And also, we have explained as Marcelino did, an activity of corporate entrepreneurship and innovation entrepreneurship that we have really committed in the last years. Having already talked about the strategic pillars, I am going to dwell a bit on the Tallgrass operation undertaken in the United States. This operation completely fits with our growth strategy, the strategy that we have just outlined for you. We have main agreements that we can take part in the holding with Blackstone Infrastructure Partners and the sovereign front of Singapore GIC. Through this holding, Enagás has acquired an indirect stake of 11% of the total American company Tallgrass Energy, amounting to \$590 million.

So all the figures that I will mention are in dollars. This agreement has a future perspective which is to increase our stake in the holding, adding 3.5% on top of what we already had, amounting to \$83 million, and also providing the possibility to invest up to \$300 million in future investments in Tallgrass. This is the most important operation that we've done at once, ever since we started our international expansion process. The way it fits into Enagás as a strategy is very clear. It is our core businesses operation in the United States, which is the market that offers the greatest growth opportunities in the world for midstream infrastructures in the energy field. Tallgrass is a company that is similar to Enagás because of its business and because of its size. It's also a midstream company. It's not looking for gas, it's not an owner, it doesn't have any end customers. It owns amongst other assets, 3 large interstate pipelines for transporting gas that are subject to the control and regulation of the Federal Energy Regulatory Commission of the United States. There is another point, the second important point which is that we are going to carry out this operation together with 2 very important partners, Blackstone and GIC, which range among the main infrastructure investors across the globe and they have a strong presence in the United States. Our partners have indeed recognized and adequately assessed the role of Enagás as an industrial partner. This, of course, has a positive impact on our business model. It improves our perspective how to obtain profits in Enagás and reinforces the sustainability of our long-term dividends.

This is nonetheless an operation that is necessary -- that was necessary for us to close the accounts this year or next year. We were doing quite well. Now we, of course, we could have slept on our laurels because we were like a winning team, like winning soccer team, and we could have rested on our laurels, but we are assuring that we are getting future growth. It corresponds to our need to assure our income for the short term. The third pillar was sustainability. Companies have a responsibility currently that goes beyond our P&L account. And a large company that wants to be a large company today and a big company today has a responsibility with and for society, and this is why most countries are legislated in this direction. This is why as Enagás, we have a key pillar which is sustainability for our company and for our strategy and for all the areas of the company. We have approved our sustainability strategy 2019 to 2021 for our strategic global plan which revolves around 3 building blocks, energy efficiency and reducing emissions, role of natural gas and renewable gases in the context of the energy transition. And a third building block, which is people and the corporate culture, trying to support quality employment, diversity and attracting and retaining talent.

Later on, I will talk a bit more about this. And also, this plan is completely aligned with the sustainable development goals of the United States -- of the United Nations, sorry, the SDGs, as they are commonly known. I would like to now talk about 3 milestones regarding corporate governance, the social scope and the environmental scope. After -- in terms of corporate governance, this -- after this GSM, our Board of Directors will exceed 60% of independent directors which is way above the average in the Ibex 35. In terms of diversity, the partaking of women in our Board of Directors will escalate to 30%, up from 23%. And of course, after it's approved by the GSM in a few minutes, we will include in our Board of Directors, an independent Board member who is Patricia Urbez. She is a telecoms engineer and she has an extensive experience in management positions in multinational companies at the highest levels. Her technological profile will be very useful for the company in the context of digital transformation. In addition, we will ratify the Proprietary Director, Santiago Ferrer Costa. He is an economist with an extensive experience and ever since he joined the Board, he has been making a very valuable contribution and constructive.

We don't often times have the chance to do this. I would like to now thank Luis Javier Navarro Vigil who is finishing his mandate as member of our Board. I would like to thank him for his many years of dedication and work as a Board member of Enagás. Thank you, Luis Javier, for your wonderful job. I'm turning my back on my Board members, so it's very difficult for me to look at him. So thank you, Luis Javier, for all the work that you've undertaken throughout this time, for everything that you've done for the company. You've set an example for everyone, always placing before the



company interest that he does and helping and being a great contribution always. Thank you on behalf of everyone. On behalf of everyone, thank you.

In corporate governance, transparency is a key tool and in the sense as the secretary has already explained, the relevant information for this GSM has been made available for our shareholders in English and Spanish and with enough anticipation. And it was published through the website of our company. Our annual report is also available on our website, and it integrates all the financial and nonfinancial information, thus meeting the new requirements on the nonfinancial information law and diversity. And once again, for the seventh year in a row, we have drafted this report following the standards of the global reporting initiative and the integrated reporting framework. Now talking about the social sphere. We have a stable commitment with job creation, with quality employment and with attracting and retaining talent, if we can hold to do so. And of course, this is being mirrored in the satisfaction index surveys regarding work climate and the lower attrition rates and the high commitment of people who work for Enagás. Thanks to that for 7 -- for 9 years rather, we have been enjoying the top employer of Spain recognition that recognizes us as one of the companies that has the best practices in people management and HR. So I salute the HR team because they are the ones that lead this policy. We are also committed with equal opportunity and diversity in the broader and most inclusive sense, and we can provide objective data in this sense. In 3 years, we have increased from 21% to 31%, the participation of women in premanagerial and the managerial positions, exceeding the initial commitment of 25% that we acquired through the argument that we signed on 2014 with the Ministry of Health, Social Services and Equality. And I would like to share an anecdote with the permission of the person that I'm going to allude to. The award was given by the current President of the Region of Andalucía. And when he was elected, no one really knew him. And we said, well, he give us an award. And this is true, the person that gave us the award in 2014 was the Secretary of State for Equality back then. This was just a story that I wanted to share with you. But still, we have a long road ahead of us, we are aware of that. We are doing internal work so that we can analyze, of course, wages and many other factors. But we think that the efforts that we are making is being recognized by the third parties and this is, for all of us, a very positive sign. In the equality rank in 2018, we've been the first Spanish company ranging among the 200 leading companies worldwide in gender equality. And among the same lines in early 2019, we have been included in Bloomberg's Gender Equality Index with a score above that of our sector and above the 30 -- the 230 international companies that compose it. And for more than 10 years, we have received certification as a family responsible company awarded by the Fundación MásFamilia. And this, of course, has to do with the fact that we have clear commitment to offer work life balance, and which is equal for equal opportunities.

And in terms of equality, we are mainly focusing on fighting climate change and improving area quality. We have some objective data in this sense and there are some facts that justify -- that show our actions. We have reduced our carbon footprint by 36% compared to the periods 2013, 2015, thus fulfilling our long-term goal.

We have become now carbon-neutral in our regas plants in the headquarters and the corporate fleet. And in line with our commitment with transparency, we have reported about our performance on climate change, following the recommendations of the task flows -- task force on climate-related financial disclosures. And this is very important because nowadays, we all say that we are concerned about the climate change and we provide data, but we see that there's an increasing demand for this data to be contrasted and so that they are not just playing marketing. And this is something that we do, following the criteria issued by this international task force. And they issued these criterias if they were auditors. So we think that we are on the right track.

Those initiatives are the ones that make it possible for Enagás to be well positioned and there remain sustainability and success. In 2018, we've been recognized as world leaders in our industry, in our subsector as one of the most important indexes, the Dow Jones Sustainability Index, and we have additionally obtained the Gold Class distinction. When I saw there was going to be gold, I thought, well, this is going to be remarkable.

Well, we've received the Gold Class distinction because of our performance and sustainability. And also, we have renewed our excellency -- European excellency, EFQM 500+ recognition, at the highest level -- showing the highest levels of excellence in the management.

And we need to be selfish also because a great share of our shareholder base is also becoming a kind of shareholder base that don't just focus on economic results, but also on environmental policies undertaken by this company. And this is a shift that is quite noticeable. This means that they are way more demanding, not just concerning financial results, but also on this type of subject matters, which perhaps 8 or 9 years ago barely anyone cared about.



Well, now there is a very important part of our shareholder base that ask us about these things. And they want to know explanations and when you explain these issues, you can see that there is interest on this.

And fourthly, dividend policy. Our commitment with society is also a commitment with our shareholders. This is why sustainability -- the sustainability of our dividend policy is for us a key element. And this is why it is considered one of the main pillars for our strategic update 2019-2023. Our dividend will grow, thus fulfilling our commitment at a 5% annual rate until 2020. After that date, our commitment is to continue to increase dividends by at least 1% every year until 2023.

We have the adequate foundations in order to fulfill this dividend commitment. This is not just a toast to the sun. And in addition to the growth levers that I have already explained, the financial discipline that we have in place in Enagás, has allowed us to notably reduce our indebtedness to -- currently, we have a debt structure with more than 80% fixed rate without any significant maturities until 2022 and limiting interest rate risk.

Rating agencies consider that Enagás' profile is quite solid. Fitch has ratified our A- rating and Standard & Poor's continues to give us a very solvent rating with BBB+, maintaining the best business risk profile possible as excellent.

And once again, our outlook is stable. The cash flows that we'll be generating in next 5 years have both coming from the regulated business as well from the international business side, present in a way in order to ensure the commitment of our dividend policy and to enable us to continue to grow sustainably in the future.

And in this GSM, we will put for your approval a total dividend per share of EUR 1.53 that will be applicable for the financial year 2018. In 2020, we consider we will close the year with dividend that we have reached an absolute value of EUR 1.68 per share. And by 2023, it'll be at least EUR 1.74 per share.

If we take into account the revaluation of shares plus the dividends that have been paid out in the last 10 years, that is to say between 2007 and 2018, the total profitability for our shareholders exceeds 100%. That is to say, a shareholder who may have invested EUR 1 million, now the shares would be invested EUR 1.5 million and they would have obtained EUR 0.5 million in dividend.

So we think this is also working for the long term, irrespective of the logical fluctuations at stock markets and the gold on the day-to-day.

Our commitment with the dividend policy is one of the reasons why we are still having a solid group of investors, which is stable and with a long-term profile here in Spain and internationally. I would thank all of our investors, our shareholders, those who are here and those who are represented, I would like to thank you all for your support and I thank you for your ongoing support.

I would like to finalize now by sharing 5 key conclusions. For 5 years in a row, we have been fulfilling of our commitments -- 12 consecutive years, sorry, we have been fulfilling our commitments and creating value for you.

Every year, this is a priority for me to continue to fulfill these commitments and exceed in our targets. We are a solid company and our priorities are clear and we have long-term focus. And our actions until 2023 are a continuation of this clear and prudent strategy that we started in 2011.

Thirdly, we are committed with energy transition, and we are working for natural gas, renewable gases and gas infrastructure so that these 3 key activities of ours can play a key role in the carbonization.

Fourth, we would like to offer our shareholders an attractive remuneration and this is a priority for us. We have financial strength. We have solid cash flow generations so that we can assure that we can offer a sustainable dividend in the next few years.

And fifthly, we are supporting sustainability and good governance as key pillars for our management.

And I would like to wrap up by saying that here in this company, as of today, we have 1,326 professionals who are really the key people in this 5 decades of experience and well doing of our company. So I would like to thank them for their effort, their involvement and their commitment. They are actually the guiding thread that make possible that our company persists in the long term.

I would like to say a couple of things that are not in writing in my speech. This is always dangerous but I hope I don't go viral on the video.

So first, in absolute figures, ever since we started our strategic plan in 2007, we went from 944 employees to 1,326 that is today. There are 832 more people in the company, taking into account that there has been changes and what not.

Well, we've been through a very tough economic crisis, and we continue to go through turbulent times across the globe and the company hasn't decreased its size. Rather the opposite, it's increased its size. And we've practically doubled the amount of women that work for this company. Currently, we have about 400 women working for the company and back then we had practically half that figure.

These are some figures -- some specific figures. But the second reflection I would like to share. I have water here, let me take a drink for a second.

When we started, there was a shareholder whom I know -- who came to me and we were talking for a while, and he asked me, well, I see that there's many companies outside of Spain that are making money, but they constantly talk about lever adjustment plans. Have you thought about that? Have you thought about talking about that?

Well, I actually hadn't thought about talking about this under my presentation. I gave him an explanation and we discussed it. And he said, why don't you explain it?

Well, I'm going to follow his advise. This is not in writing, and I see the management team are looking at me with a scared look thinking, what is he going to say?

Well, when we talk about the need to invest, I think it is clear and I think shareholders know this perfectly well. We have a very strong source of income in Spain, which sets our foundations because of objective reasons. It is not necessary to invest more in the short or medium term. In our business line, it has to do with the amount of investment and not to other subject matters.

So if we didn't do anything else, what would happen? Well, actually what would happen would be that the company would continue to have results, good results, but we wouldn't grow. We wouldn't grow because of the accounting reasons. The assets depreciative regulators are applying more pressure on us so that we can become more efficient. So we would be -- if you'd allow me the comparison, we would be like a restaurant that has a decreasing amount of customers coming for us -- coming to us.

So when I was very young, I had recently graduated as an engineer and one of my first bosses, especially Salvador Gabarró, may he rest in peace, he always said, if a company does not grow, it will fatally die, get that in your head.

To survive in the short term, we don't need to do many things because we have a solid company, we have serious income, we have good shareholders and we could all rest assured that we shouldn't be concerned. But where would that take me to? That's what I want to talk about.

We would get to a point, where we would have to have a lever adjustment plan because the regulators even would say, you're not too efficient, you have too many people for what you're doing.

So the concern that we have when we are trying to find new investments, and we try to do this following very serious criteria, our concern is not just for our shareholders to make more money. Some people think this is a terrible message. Our shareholders making money. Well, listen, shareholders are making money, and thanks to that, that the company can exist. We can pay our wages, we can repay the money that we have been lent and we can ensure that the company has a future. Why? Because a company in order to grow, it needs good workers. Otherwise, those who are elderly, we would remain because well, we are old. But brilliant people, the younger people, they would say, there is no future here, I cannot get promoted here. They would go somewhere else and we would lack strength.

So we think that the best guarantee for us to continue to grow is precisely to have a good human capital and also to have good incentives in place to offer them possibilities to be promoted, doing new things that are interesting, too. And so that those for us who are -- those of us who are more senior kind of rest assured that this is a well-driven shift that works.

So investors also want us to work because they will get more dividends of course and that is true. But it is perfectly compatible with doing that so that we don't precisely have to go in situations that other companies find themselves at and in Enagás, we have never done that. And as long as I'm the President, we will never do that. This is not our philosophy. Our philosophy is that we need good people. And this is key because if our people weren't good, we wouldn't be capable of doing what we're doing. So I'm going to wrap up.

Now I would like to thank the Board of Directors for their work and the Board members because they are part of several commissions. And I would like to thank the 2 Chairwomen of our Commission, Audit and Compliance and a Board member, Isabel Tocino; Appointments and Retributions and Corporate Responsibility, which is also chaired by a Board member, Ana Palacio, I would like to thank them. And also, all the rest of Directors for their work and their discussions and the debate that we have in our Board meetings that would allow the company to perform as you've seen.

And as could be otherwise, I would like to thank all of our shareholders on behalf of the Board of Directors and on my own behalf for your trust and your support.

In 2019, we will continue to work so that we can continue to serve you. Thank you very much.

The Secretary of the Board has already summarized the proposals that the Board of Directors is presenting through this ordinary General Shareholder Meeting. And most importantly, thus complying with the legal and by-law requirements, we will put to your examination our approval of the shareholders at the annual accounts of Enagás as well as the consolidated group. So at this point, I would like to give the floor to the Chairwoman of the Audit and Compliance Commission -- Committee, Ms. Isabel Tocino, who will explain the functioning of these proposals.

Isabel Tocino Biscarolasaga - Enagás, S.A. - Independent Director

Thank you, Mr. Chairman. Ladies and gentlemen, dear shareholders, it is a pleasure for me to now explain to you the position of the audit commission -- Audit and Compliance Committee regarding the proposal to approve the annual accounts and the Management Report of Enagás S.A. and its consolidated group.

The accounts put for your approval today and for the GSM were formulated by the Board in a meeting held on the 22nd of February, 2019, following the positive recommendation of the compliance -- Audit and Compliance Committee. Before which, they were presented -- duly certified by the Chairman and the Financial Director of Enagás. And the company has a control system -- internal control system on the financial information. And its effective functioning during the fiscal year 2018 has also been certified by the external auditor.

The administration bodies of the company consider that the formulated account truly reflect the equity of the company and the results obtained during the financial year.

Likewise, the administrators consider that the accounts containing necessary information for them to be adequately understood and a sufficiently descriptive description of the rest of the company. All of this based on the maximum respect for accounting standards and acceptance principles. The management -- Consolidated Management Report includes the state of nonfinancial information with the contents established by law as explained by the Chairman. And as you know, the formulation needs to be voted separately this year, as has been expressed by the secretary.

And in this manner, we are complying with the recent law 11/2018, dated 28th of December. The external auditor has issued a positive report without any caveats.

And finally, I would like to inform that the external auditor and the Audit Committee of the -- Audit and Compliance Committee have issued a positive report on independence of the external auditor. The Committee's report has been made available for the shareholders when the GSM was called.

Dear shareholders, thank you very much for your kind attention.

Antonio Llarden Carratalá - *Enagás, S.A. - Executive Chairman*

Thank you very much, Chairwomen of the Audit and Compliance Committee, once again, I would like to thank the Board of Directors and the shareholders for their support and their presence here today.

We are now going to start with a small Q&A that we have prepared. But before we give the floor to the shareholders who have requested to take the floor, the secretary of the Board will proceed to read the final figures regarding attendance.

Rafael Piqueras Bautista - *Enagás, S.A. - General Secretary*

The final quorum is present shareholders at 716, who own 13,109,034 shares amounting to 5% -- 4.49% (sic) [5.49%] of our corporate capital. Represented, we have 5,261 (sic) [5,221] shares (sic) [shareholders] who own 108,733 million -- 108 million shares amounting to 45%. We have a total of 5,937 shareholders owning 129 million (sic) [121 million] and all of them represent 51.03% of the share capital. As has been pointed out before, the shares owned by the company are subject to the Article 148 of corporate -- capital corporate law and in line with established in this law, an social -- corporate by-law, we have met the necessary requirements to declare the GSM valid and for the GSM to decide on the different points in the agenda. Thank you very much, Mr. President.

Antonio Llarden Carratalá - *Enagás, S.A. - Executive Chairman*

Having now stated the attendance figures, we consider that the GSM has been validly constituted in the second call so that we can tackle and agree that different points in the agenda. I will now give the floor to Mr. Notary Public, Francisco Calderón.

Francisco Calderón

Thank you, Mr. Chairman. Compliant with established by Article 101.3 of the Regulation of the Trade Registry, I would like to ask the shareholders present here or represented whether there are any reserves or concerns about the statements made by the Chairman regarding the amount of shareholders present and the capital. If there are no concerns, we can continue with our meeting. And we would like to let our shareholders know -- those who are going to take the floor that if they want their questions to be in the minutes, they need to let me know and they need to give me the text that they have used when they take the floor after they do so.

Antonio Llarden Carratalá - *Enagás, S.A. - Executive Chairman*

Thank you very much, Mr. Notary. Now we can start with the Q&A.

QUESTIONS AND ANSWERS

Francisco Calderón

Firstly, the Board member [Khoakin Thelma] would like to take the floor, please go to the (inaudible), we are ready to hear your presentation.

Unidentified Participant

Congratulations, Mr. Chairman, Board of Directors. I'm going to ask the question directly. A couple of years ago, I told Antonio that we had to be in his position for 2 more years. It was very important to renew his position. So my question is very straightforward. Do you want to retire? Do you want to renew for 4 more years? Or is it time for Marcelino to get a hold of the ship? And maybe we could have a future CEO?

And my second question is about Peru, how is that doing? Can we solve that in less than a year with a new investment? Can you tell us a bit about that? And for me, the U.S. agreement has been a giant leap as happened in the year 2011, 2012. Can you tell us some secrets about how the negotiations started? What were the first contacts like? Could you tell us a little bit about that? Because you've said many things to the press but you haven't told us anything about that?

Now again, Asia 2030, is that feasible? Morocco 2022, 2023? What could be the contribution of renewables gases to our activities by 2023?

I know that no one can hold more than 6% as the [SAPI] says even if we have a partner governance.

Well, in the takeover, we'd -- the price would be EUR 42 to EUR 45. If they want to purchase it, that would be the price, right? Have you undertaken any studies on that? Have you researched that?

Just the other day, I researched Enagás and actually I realize that an investor in 2006, the price was EUR 36 -- EUR 46. If they had purchased at EUR 50, that would be 8,353. If they were paid dividends, they would have been 833 because it was EUR 5.10. If they had reinvested all dividends, currently at the closing of the year 2018, they would have 13,327 shares starting from 8,333 they would have had in 2003. Dividends received that year were 833. Dividends reinvested would have been EUR 15,859 last year. Investment would have been EUR 50,000. And your ego is going to be boosted with this, Antonio.

The investment would have been EUR 306,421. So long live Enagás, that's what I need to say.

Antonio Lladen Carratalá - Enagás, S.A. - Executive Chairman

I would like to give the floor to the secretary.

Francisco Calderón

Mr. Khokin Gumatina Fernando Dilarios wants to take the floor, could you please come to the stand so that they can -- you can take part in the GSM.

Unidentified Participant

Good morning, I come here to represent the most senior shareholders like my mom, who is 92 years of age. I wanted to ask 3 simple questions. By the way, I purchased at EUR 13. Every year, I ask her with or without dividend? And she always says, well, at this age, I don't really care. But I know because it says on this piece of paper that it stays at EUR 26.90.

And I just wanted to ask 3 questions. First, I see that minority shareholders, who also are part of this company amount to 12%. I don't know whether the company would like to increase the amount of minority shareholders: younger; middle-aged; or more senior? Or half the company in the hands of investment funds are large multinational companies? The second point is, when the time for the GSM comes, I come every 3 years and I need to take the floor. It's mandatory for me because otherwise, they will ask me, have you taken the floor? And my mom always says, thank you. Say thank you to the Chairman, to the Board members, the managers, the workers, both men and women.

It's not necessary to say this because people will understand that it's men and women. But there is more than 1,000. Well, 1,326 workers. We'll need to thank them. But when the GSM comes around, normally some entities, prestigious entities release information, issuing the specific price of the share. And a very important entity, which is not Spanish, says that, it's EUR 19.80. Very close to EUR 20.

So my question is, what is it that we can do in order to provide more information or continue to do this as we've had? So that we can work on the snipers that 1 week before the GSM, try to lower the target price from EUR 27 because at those days before the GSM, we were at EUR 27.50. So that's my question. What is it that we can do so that we can approach this rating company? So I don't know whether to do this with honesty. But from the standpoint of public opinion, they are always detrimental. They always do some harm.

And finally, I wanted to ask you whether the dividend that the Chairman was talking about, we are now sixth in terms of dividends paid at the IBEX level. Do you think that in 1-year time, we could be third knowing that the fourth or the fifth do not pay these dividends in cash? They pay scrip dividends. That's what I wanted to say. Thank you very much, and I apologize for taking your time. Thank you very much.

Antonio Lladen Carratalá - *Enagás, S.A. - Executive Chairman*

Thank you. Let me provide an answer to these questions done by the 2 shareholders, [Mr. Joaquín Selma] and [Joaquín Molina Fernandez de los Ríos] that I kindly thank for -- them for asking questions. I know them. I know them. I know they are shareholders that -- since long. And therefore, it is for all of us a pleasure to provide them with a response. [Mr. Selma], he says 1 question, but then finally, I noted 7. But I'll try to cover everything.

Well, do I want to retire? Well, in order to be honest, no. But shareholders can tell me to leave whenever they want. But to be -- in order to be -- [besides], I feel strong enough to continue working. We're creating a strong, big team in the company. We do all believe in the mix-ity, not only gender-wise but also age-wise. And therefore, well, as long as I've got strength and the shareholders want me to, as [Selma] said, one match after the other. So let's continue working together with Marcelino who is -- got more and more work log every day so I have to assist him.

Well, Peru. Well, the -- you've really -- it's been really -- (inaudible) rotation open process that we are following some time lines set, but that gives us background security. And it's true that we're having contacts formally and correctly with the Peruvian administration. The CEO recently was in Peru doing some actions. And I had the chance a month ago when we had these state visits of his Excellency, the President of the Republic of Peru, to Spain, and thanks also to the King and the government where I was invited to the official meetings. That the King offered to the President, and the President [offered him]. I can tell you here that I had the chance to directly talk to the President of the Republic of Peru and explain our interest on Peru and explain our situation. And I can tell you here because it is exactly as it was that the President of the Republic was very really interested about what I was telling him. And he committed to try to solve the [bother]. So I consider myself modestly optimistic in this ground.

In the United States, we've explained what we've had. You, Mr. Selma, was asking me to explain something secret. Well, you know that Churchill was asked, I think he -- I have already said it. Churchill was asked -- he thought it was -- you know that Churchill is said to have said many, many interesting sentences, but I'd say it's a -- do you believe that it's possible to keep a secret between 3? Yes, if 2 of them are dead. So that secret amongst 3. Well, so let me tell you something. This is -- maybe it's not a secret, but it's true that we were already studying that company a certain time ago. And in a certain moment in time, we saw that a group of -- a very powerful investment group was going to buy all the shares with a vote, right? And we didn't want to have that capacity. So we would just -- went -- took a step-up.

But we were really positively surprised when this group -- when they closed that operation, and this is public. They called us, "I know that you were starting this company. Why don't you come and join us? Why don't you -- we talk." Kind of as a fruit of these conversations that took place between the end of January and the beginning of March, we finally were invited by that group to join the company that was created to invest in that U.S. company.

The Singapore sovereign fund was also joined this -- had to. This was dealt at with many meetings of our -- board meetings. We even had an extraordinary board meeting, of course, all of them confidential. We provided information to whoever needed it. It was approved. We presented this to the market. And as you have all seen, well, the -- it is something that's been very well welcomed, and the share has increased at the IBEX, even more than what we have expected without the operation. I don't know if there are more other [secrets]. But if we want more secrets for the next year, we will come with more secrets.

As far as changing countries, for the time being, we don't think so. In Asia, we have got a strategic plan for 2023, which is as it is. It is true that we study all those -- I won't say proposals but things that we detect worldwide that can be interesting for our investments in the midstream field. These are studied by the company. But as of today, we don't have Asia in our map, in our objective. I would say that in order -- talking about international investments, the first objective, finishing our greenfield, when you know that we've invested in assets that already are running. As the sector says, this is our brownfield. But also, we invest in greenfield assets to be developed. We've got a major greenfield, the Trans Adriatic Pipeline. That is working very well. It's running very well. Execution of almost 85% to 90% the next year will be finished. And we want to keep the idea of, if possible, not to go into one -- more than one greenfield at the same time. So we have to finish this one. We have to take all the synergies from this operation in the United States too, and we'll continue to think about other places to -- where to invest.

As far as Morocco is concerned, we are starting possibilities. I would say that when we talk about that we have got 2 awards, and one of them is Europe. And sometimes, I need to add -- and sometimes, I do it with the foreign invest -- analysts. And Europe, widely speaking, so the north of the Mediterranean -- sorry, the north of Africa, which is the south of the Mediterranean for us. It's not Europe, but it is part. It's not, politically speaking, Europe, but it's the markets -- part of our market. And I do think that in the video, you have been able to see, when we talk about the countries where we're present, there is a moment at which we talk about the international connections, and that proves, that shows that we have got a great business relationship with Portugal, Morocco, Algeria and France. Therefore, we continue studying projects in that country.

Renewables. Renewable gases. I cannot give you right now, honestly, an investment figure or a percentage. It's something that we are starting. We are convinced that we will follow that path. But just as when we started the investments, international investments, we explained what kind of investments we wanted to have and under which conditions, what limitations and how to do it. But we didn't dare to give a figure because that -- back then, it would have been just empty words. But today, we've got EUR 2.2 billion in assets working in brownfield abroad. So in this case, we're certain that we will do so. Probably, 2019, '20 through '23, these won't have a lot of weight. That's why we didn't provide any figure. But maybe I will be wrong and '20, '21, '22, '23, we will do investments. But right now, we didn't -- we couldn't just say EUR 100 million a year. No, we will see. We will see how things come.

You were talking about possible IPOs or other possible purchases. We've always been very happy to have a participation of the state of 5% that provides center -- certain stability, and in processes that we have done, such as the last one, this shareholder, the state, is fully informed and supports the operations.

It's not possible to have takeover bids on the company. It's impossible for someone to take a -- to launch a takeover bid. Even people from [Linsets] the cannot do it. Here, the Spanish legislation and the European legislation does not foresee a takeover bid because they continue to have the criteria that nobody can -- no shareholder can have more than 5% of shares. And in that case, even with limitations of rights to vote to 3%, and should anyone have more, in principle, their rights, voting rights, will be taken off. That's what the [lay] states. It's been backed by the EU, and therefore, well, no takeover bids.

And finally, I want to thank Mr. Selma. The calculations he's given on the profitability of shares, taking from [2003] because it's much higher. Figures are much higher than what would be -- my excellent team of relations with investors has given me a note to -- telling me that they use a system to calculate these, which is much more conservative than just take the dividends of every year and just add them to the initial estimate of this year. But when you have done is much more complicated and much more accurate because I understand is you are placing the dividends at the time they are paid, making them become as shares and those shares give you -- will give you a future dividend. So with those -- with that calculations, the profitability of the company is even higher than the fact that I gave.

And let me go to [Mr. Joaquín Molina Fernandez de los Ríos]. First of all, I know the shareholder is your mother. I do know it because if I ever meet [Joaquín] at some event, and we met on the street the other day, and very seriously, he told me, "My mother asked me today how the share is? It had decreased slightly. Well, Antonio, this must be just a one-off moment, right?" Yes. Yes. I do think so. But if see the longer term, we're working well.

The minority shareholders. Well, in principle, we don't have a specific policy to have more or less minority shareholders. But we do our -- creating a major effort of information transparency and devoting time to that. And this is just one example I shall give. In 2007, which is the reference year we use because that's when I was appointed President, we created the strategic plan. It's a milestone. Since that milestone, we've gone from 7%



of the capital to 14%. As of today, minority shareholders in Spain, mainly Spaniards, are 14%. So we are more than 65,000 individuals that have got shares of the company. So we're very happy about that figure.

And probably, the share increases because of these because it's not that we've had no institutional shareholders withdrawing. Well, some have come, others have gone, but the weight of share -- institutional shareholders is very important. But we also have got double the individual shareholders. So we're really happy of having them, and they're a great part of -- these consist of the communications policy, the tailor-made service that Mr. Selma knew -- know we provide through our department to the investors so we're really happy of having them.

Thank you, Mr. Joaquín, for that congratulations you've passed on to the workers of the company and to the team.

Sometimes, the changes in the stock exchange, the values calculated by experts can have an influence in the listings. There, you know that is a -- we are in a market, we are transparent with all the analysts with everyone asking for information. And if you will allow me to say, we do have got a Christian faith and patience. Though, we really -- they really are nice with us. But when the analyst says that, well, this has to reduce. Well, we always do something when they tell us this. We call them so that we make sure that the figures they have are the ones we are having. But we do present -- we do accept all the evaluations done. We try -- if we see that the market or the group of analysts think that things won't, well, won't work out well, we'll provide them information. Even personally, I'm open to meet with them. And we do respect, of course, the market, which is what finally does the evaluation, does provide information. And if we look at the long term, think that we are working well.

But I can make sure -- I can tell you for sure that never ever have I done this that is -- you can see the movies the president of the company calls the maximum head of the analyst of an investment to just groan, "It's intolerable. What are you saying?" So we do respect the ones that do the analysis. It's their job. When we think that, that information is missing facts, we try to provide them. And then they do their analysis, and that's what they get -- or what they provide.

And being the sixth in the IBEX. Well, I think it's okay in trying to -- I think it's also good to highlight that we do want to provide dividends in euros, not in other things. So that's crystal clear.

So let's do an effort to provide dividend. And this, of course, this is, and as you are aware of that, even better than me, is not just the dividend, it also depends on the evaluation basis -- the base evaluations sometimes fluctuate. Sometimes, against us, but sometimes, in favor of us. For example, it is clear that when we -- whenever we have announcements of possible increases in the rates, our share decreases. And it's the case of similar companies.

When it's a country. Well, no, it doesn't seem that rates will increase. And you have the Governor of the ECB, Mr. Draghi saying, "Well, we're going to maintain the programs we've got now because it seems this and that."

So there is a reverse moment. And sometimes we do our -- in the way of -- what did we do today? Nothing. It's simply the markets have read that there is going to be an increase or not, and depending on that, things change. And we try to be there. And that is why I don't dare to give you a ranking because I think it would be too daring.

I want to finish with it, but I don't have the mathematical basis. But when we've said that the dividend since 2021 will be sustainable and at minimum 1% more, is that where? Honestly, today, we do think that we can say it. I mean, the -- if events in the future that are unforeseeable happened, we will be able to meet this commitment. Especially because of the kind of investor we have you know and Mr. Selma knows, and I am an investor with my wife. We want to not look for if it's maximum or minimum, but we want to have -- know for certain continuity and not to have surprises.

And there, we're fully coordinated, all the management team. The Board of Directors is fully coordinated. And we will try to maintain a company that when says that they believe is that they can provide dividends within the general correct condition, it's because we do firmly believe we can do so. And we won't change in 1 year time, saying, "Well, this year, we will -- it will be doubled, but next year, that following year, we will divide it by 3. And the fourth year, will try and -- " I don't know. No, that's not what we want to do.

So I think we -- I've replied to all the questions asked by the shareholders. And as time goes by, we have to go to the major formal point of the shareholders' meeting, which is approval or non-approval of the points that the secretary presented. Well, let us move on and give the floor to the secretary of the board -- the Secretary-General of the company, so that he can read once again the proposals that will have to be voted. And in the order that he will read them, we will -- shall vote. Let me give the floor to Rafael Piqueras.

Rafael Piqueras Bautista - *Enagás, S.A. - General Secretary*

Thank you, Mr. President. Now we're going to start voting on the different proposals by the shareholders that are present or represented present here in the room. The votes issued by the GSM for the procedures set to this effect in the call have already been accounted for. And for the sake of Article 525 of Capital Corporation Law, the detailed results of the votes will be made available for review after they are concluded in the press release in the room.

First proposal, to approve the [annual] accounts and the report -- management report corresponding to the financial year between the 1st of January and the 31st of December 2018, of Enagás, S.A. and the consolidated group. Is it approved?

(Voting)

Rafael Piqueras Bautista - *Enagás, S.A. - General Secretary*

It is approved. It is, therefore, approved by the majority.

Second proposal, to approve the consolidated nonfinancial report included in the management report of Enagás Group corresponding to the financial year 2018. Is it approved?

(Voting)

Rafael Piqueras Bautista - *Enagás, S.A. - General Secretary*

It is approved. It is, therefore, approved. This proposal is approved by majority.

Third proposal, to approve the application of the results Enagás -- of Enagás, S.A. in the financial year 2018 in line with distribution proposal formulated to the Board of Directors following the terms of the agreement whose text -- literal text has been made available to the shareholders ever since the GSM was called. Is it approved?

(Voting)

Rafael Piqueras Bautista - *Enagás, S.A. - General Secretary*

Yes, it is approved. This proposal is approved by the majority.

Fourth proposal, to approve the management of the Board of Directors of Enagás, S.A. during the year 2018. Is it approved?

(Voting)

Rafael Piqueras Bautista - *Enagás, S.A. - General Secretary*

It is approved. Yes, this proposal is approved by majority.

Fifth proposal, to re-elect the firm Ernst & Young, S.L. as account auditor for Enagás, S.A. and its consolidated group for the financial years 2019, 2020, and 2021. Is it approved?

(Voting)

Rafael Piqueras Bautista - *Enagás, S.A. - General Secretary*

It is approved. Yes, this proposal is approved by majority.

Sixth proposal, ratify -- ratification and appointment of the members of the Board of Directors. The following proposals will be subject to a separate voting.

6.1, ratifying an appointment of a board member for the statutory period of 4 years, Santiago Ferrer Costa. Santiago Ferrer Costa is a Proprietary Director, and it is -- he has been proposed by the shareholder (inaudible). Is it approved?

(Voting)

Rafael Piqueras Bautista - *Enagás, S.A. - General Secretary*

Yes, it is approved by majority.

Mr. Santiago Ferrer Costa, present here, accepts such appointment and states that he is not banned or has any legal incompatibilities for undertaking his position.

6.2, appointing Patricia Urbez Sanz as a board member for a 4-year term, who will be an Independent Director. Is this approved?

(Voting)

Rafael Piqueras Bautista - *Enagás, S.A. - General Secretary*

Yes, it is approved by majority.

Ms. Eva Patricia Urbez Sanz, present here in the event, accepts such appointment and declares that she doesn't have any ban or legal incompatibility to undertake her position. After these appointments, the amount of board members it is still 13.

Seventh proposal to approve, in line with the Article 539 of the corporate -- Capital Corporate Law and Article 36 of the bylaws, the policy for the remunerations of board members for the financial years '21 -- 2019, 2020 and 2021 described in document that has been made available to shareholders for this purpose when that call was issued. Is it approved?

(Voting)

Rafael Piqueras Bautista - *Enagás, S.A. - General Secretary*

It is approved. This proposal is approved by majority.

Eighth, [approving in line with once it's] put forth in Article 219 in the Capital Corporate Law and in the Article 36 of the bylaws, having a long-term incentive plan for executive board members and members of the management team of Enagás, S.A. and its corporate growth. And the literal text has been made available to shareholders when the call was issued. Is it approved?

(Voting)

Rafael Piqueras Bautista - *Enagás, S.A. - General Secretary*

It is approved. This proposal is approved by majority.

Ninth proposal, the GSM will undertake a consultative voting process on the annual account on the remuneration of board members that has made available for the shareholders following Article 541 of the corporate -- Capital Corporate Law. Is it approved?

(Voting)

Rafael Piqueras Bautista - *Enagás, S.A. - General Secretary*

It is approved. This proposal is approved by majority.

And tenth and final proposal, designating on CEO, the President and the Secretary, the different powers necessary to execute and formalize different agreements adopted by the GSM. The full text has been made available for the shareholders. Is it approved?

(Voting)

Rafael Piqueras Bautista - *Enagás, S.A. - General Secretary*

It is approved. This proposal is approved by majority.

Once the voting has been concluded, I would like to end by sharing my great gratitude to the board of managers that I had -- the Board of Directors that I have the honor of presenting and all of you for being here in this GSM and for your trust on Enagás.

Thank you very much. And we consider the session closed. Thank you.

[Statements in English on this transcript were spoken by an interpreter present on the live call.]

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