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## INSIDE INFORMATION

### ENAGÁS, S.A.

Madrid, 18 December 2019

In accordance with Article 17 of Regulation (EU) 596/2014 on market abuse and Article 226 of the Consolidated Text of the Spanish Securities Markets Law approved by Royal Legislative Decree 4/2015 from 23 October, we inform about the following inside information referring to Enagás, S.A. ("**Enagás**" or the "**Company**").

The Board of Directors of the Company, in accordance with the authority delegated by the General Shareholder's Meeting held on 31 March 2017 under item fifth of its agenda, has agreed to execute a share capital increase for an effective amount (including nominal value and share issue premium) of, approximately, €500,000,000, with the exclusion of the shareholders' pre-emption rights (the "**Capital Increase**").

The Capital Increase will be carried out by issuing shares of the same class and series as those currently in circulation and represented by book entries (the "**New Shares**") at their nominal value of €1.50 per share plus a share premium that will be determined upon completion of the accelerated bookbuilding offering described below in section "Placement Procedure of the Capital Increase".

#### 1 PURPOSE OF THE CAPITAL INCREASE

The purpose of the Capital Increase is to finance part of the acquisition of an additional indirect stake in the share capital of Tallgrass Energy LP, which was published by the Company through a communication dated 17 December 2019 (registration number 284565).

#### 2 PLACEMENT PROCEDURE OF THE CAPITAL INCREASE

The Capital Increase will be conducted through an accelerated bookbuilding offering, referred to as "**Accelerated Bookbuilding Offering**" or "ABO", exclusively among qualified investors and professional clients. Consequently, the issuance of the New Shares will not constitute a public offer of securities.

The placement procedure will be conducted on the terms indicated below:

- (i) Once this communication has been published, Goldman Sachs International, acting as Sole Global Coordinator and Bookrunner (the "**Sole Global Coordinator and Bookrunner**"), will begin the bookbuilding period during which they will receive demand orders from the investors to whom the Capital Increase is targeted. It is expected that the termination of the bookbuilding period takes place before the next opening of the market, although it could be extended if the Sole Global Coordinator and Bookrunner deems it appropriate.
- (ii) Upon termination of the bookbuilding period, the price of the New Shares and the number of New Shares that will be issued will be determined, the subscription proposals will be selected, followed by the confirmation of the selected proposals and the final allocation of the New Shares to the corresponding investors.
- (iii) Once the New Shares are allocated, they will be subscribed and fully disbursed, initially and temporarily by the Sole Global Coordinator and Bookrunner, acting on

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behalf of the allocated investors. Afterwards the public deed of the Capital Increase will be granted and registered with the Mercantile Registry of Madrid, and the admission to trading of the New Shares will be verified by the Spanish Securities Market Commission (“**CNMV**”) and by the Spanish Stock Exchanges of Madrid, Barcelona, Bilbao and Valencia (the “**Spanish Stock Exchanges**”).

- (iv) Once the New Shares have been registered by Iberclear, the requirements for the admission to trading by the CNMV have been verified and admitted to trading by the Spanish Stock Exchanges, the New Shares disbursed by the Sole Global Coordinator and Bookrunner will be transferred to the relevant investors through the corresponding special stock exchange transaction, which will be settled in accordance with the procedures established by Iberclear for this type of transaction.
- (v) The New Shares are not entitled to receive the interim dividend corresponding to the year 2019 for a gross amount of €0.64 per share payable on 23 December 2019, which was approved by the Board of Directors of the Company on 16 December 2019.

### **3 CAPITAL INCREASE ADDRESSEES – EXCLUSION OF THE PRE-EMPTION RIGHT**

The New Shares will only be offered to qualified investors or professional clients, that is: (i) in any Member State of the European Economic Area, as provided for in article 2(e) of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 (the “**Prospectus Regulation**”); and (ii) in the other countries outside the European Union where the placement is carried out, to those who have the status of qualified investors or equivalent category in accordance with the applicable regulations in each jurisdiction and taking into account the remaining requirements for the Capital Increase not to require any registration or approval by the competent authorities, to speed up the transaction. In particular, the New Shares will be offered exclusively (i) in the United States to qualified investors (“*qualified institutional buyers*”) (within the meaning of and pursuant to Rule 144A under the U.S. Securities Act of 1933) or pursuant to another exemption from the registration requirements of, or in transactions not subject to, the U.S. Securities Act of 1933 and (ii) outside the United States, through “*offshore transactions*”, as defined in, and in reliance on, Regulation S of the U.S. Securities Act of 1933.

With the aim of allotting the New Shares to the final investors by means of the accelerated bookbuilding offering, the Board of Directors of Enagás has decided to exclude the shareholders' pre-emptive rights.

### **4 RESULT OF THE PLACEMENT**

Once the accelerated bookbuilding process is finalised and the conditions of the Capital Increase are fixed, the Company will inform the market by means of the publication of an inside information announcement.

### **5 LOCK-UP COMMITMENT**

Under the underwriting agreement entered into with the Sole Global Coordinator and Bookrunner, Enagás has agreed to a lock-up, for a period of 90 days from the date of

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admission to trading the New Shares in the Spanish Stock Exchanges pursuant to which they will undertake, inter alia, not to issue or transfer shares under the usual terms in this type of transactions.

## **6 ADMISSION TO OFFICIAL TRADING OF THE NEW SHARES**

Enagás will request the admission to trading of the New Shares on the Stock Exchanges of Madrid, Barcelona, Bilbao and Valencia, through the Automated Quotation System (*Sistema de Interconexión Bursátil*). The admission to trading will not require the registration and approval by the CNMV of a prospectus, in accordance with Article 1.5.a) of the Prospectus Regulation.

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### **Important notice**

This announcement contains inside information within the meaning given in EU Regulation N. 596/2014 on market abuse.

This announcement is for informational purposes only and does not intend to be complete, it is subject to changes and is not for release, publication or distribution, directly or indirectly, in or into the United States, Australia, Canada, Japan or in any other country or jurisdiction where the disclosure of this information may be restricted by law. This announcement does not constitute or contain an offer to sell nor an offer for the purchase of securities in the United States, Australia, Canada, Japan nor any other country or jurisdiction. This announcement does not constitute a request of funds, securities or any other sort of compensation, and no compensation will be accepted as a response to this announcement.

Any securities referred to herein referred to have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**") or under the applicable securities laws of any state or other jurisdiction of the United States. Accordingly, the securities may not be offered or sold in the United States absent registration under the Securities Act or pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. There will be no public offering of securities in the United States or in any other country or jurisdiction.

No prospectus or offering document has been or will be prepared by the Company in connection with the matters contained in this announcement, including in relation to the offering of the New Shares. Any investment decision in connection with the New Shares must be made on the basis of publicly available information. Such information has not been independently verified. The information contained in this announcement is for background purposes only and does not purport to be full or complete.

This announcement and any other documents or materials relating to the subject matter of this announcement are addressed to and directed only at: (a) persons in member states of the European Economic Area ("**EEA**") who are "qualified investors" within the meaning of section e) of Article 2 of the Prospectus Regulation ("**Qualified Investors**"); (b) persons in the United Kingdom who are qualified investors and who are (i) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 as amended (the "**Order**"), or (ii) persons falling within Article 49(2)(a) to (d) ("high net worth companies, unincorporated associations, etc") of the Order; or (c) persons to whom it may otherwise be lawfully communicated (all such persons in (a), (b) and (c) together being referred to as "Relevant Individuals"). This announcement and any other documents or materials relating to the subject matter of this announcement must not be acted on or relied on by persons who are not Relevant Individuals.

The Sole Global Coordinator and Bookrunner is acting exclusively for the Company and no-one else. It will not regard any other person as their respective clients and will not be responsible to anyone other than the Company for providing the protections afforded to its clients, nor for providing advice in relation to the contents of this announcement or any transaction, arrangement or other matter referred to herein.

Neither the Sole Global Coordinator and Bookrunner nor the Company nor any of their respective affiliates, directors, employees, advisers or agents accepts any responsibility or liability whatsoever for/or makes any representation or warranty, expressed or implied, as to the truth, accuracy or completeness of the information in this announcement (or whether any information has been omitted

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from the announcement) or any other information relating to the Company, its subsidiaries or associated companies, whether written, oral or in a visual or electronic form, and howsoever transmitted or made available for any loss howsoever arising from any use of the announcement or its contents or otherwise arising in connection therewith.

The Sole Global Coordinator and Bookrunner and any of its affiliates may take up a portion of the New Shares as a principal position and, in that capacity, may retain, purchase, sell, offer to sell, or otherwise deal for its or their own account(s) in such securities, any other securities of the Company or other related investments in connection with the shares of the Company or otherwise. In addition, the Sole Global Coordinator and Bookrunner or its affiliates may enter into financing agreements and swaps with investors in connection with which the Sole Global Coordinator and Bookrunner (or its affiliates) may, from time to time, acquire, hold or dispose of the shares of the Company. Accordingly, references in this announcement to the New Shares being offered or otherwise dealt with should be read as including any offer to, or dealing by, the Sole Global Coordinator and Bookrunner and any of its affiliates acting in such capacity. The Sole Global Coordinator and Bookrunner does not intend to disclose the extent of any such investment or transaction otherwise than in accordance with any legal or regulatory obligation to do so.

This announcement contains (or may contain) certain forward-looking statements with respect to certain of the Company's current expectations and projections about future performance, anticipated events or trends and other matters that are not historical facts. These forward-looking statements, which sometimes use words such as "aim", "anticipate", "believe", "intend", "plan" "estimate", "expect" and words of similar meaning, include all matters that are not historical facts and reflect the directors' beliefs and expectations and involve a number of risks, uncertainties and assumptions that could cause actual results and performance to differ materially from any expected future results or performance expressed or implied by the forward-looking statement. These statements are subject to unknown risks, uncertainties and other factors that could cause actual results to differ materially from those expressed or implied by such forward-looking statements. Statements contained in this announcement regarding past trends or activities should not be taken as a representation that such trends or activities will continue in the future. The information contained in this announcement is subject to change without notice and, except as required by applicable law, neither the Company nor the Sole Global Coordinator and Bookrunner, nor their respective affiliates, assume any responsibility or obligation to update publicly or review any of the forward-looking statements contained herein. You should not place undue reliance on forward-looking statements, which speak only as of the date of this announcement. Any indication in this announcement of the price at which shares of the Company have been bought or sold in the past cannot be relied upon as a guide to future performance. No statement in this announcement is or is intended to be a profit forecast or profit estimate or to imply that the earnings of the Company for the current or future financial years will necessarily match or exceed the historical or published earnings of the Company.

The price of the New Shares and the income from them may go down as well as up and investors may not get back the full amount invested on disposal of such shares. Past performance is no guide for future performance and persons reading this announcement should consult an independent financial adviser.

### **Information to distributors**

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on Markets in Financial Instruments, as amended ("**MiFID II**"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing

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measures (together, the "**MiFID II Product Governance Requirements**"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the New Shares have been subject to a product approval process, which has determined that such shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "**Target Market Assessment**").

Notwithstanding the Target Market Assessment, distributors should note that: the price of the New Shares may decline and investors could lose all or part of their investment; the New Shares offer no guaranteed income and no capital protection; and an investment in the New Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the offer. Furthermore, it is noted that, notwithstanding the Target Market Assessment, the Sole Global Coordinator and Bookrunner will only procure investors who meet the criteria of professional clients and eligible counterparties.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the New Shares.

Each distributor is responsible for undertaking its own target market assessment in respect of the New Shares and determining appropriate distribution channels.